

VILLAGE OF JACKSON

**INDEPENDENT AUDITOR'S REPORT
AND
FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2021

VILLAGE OF JACKSON

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INDEPENDENT AUDITORS' REPORT

To the Village Board
Village of Jackson, Wisconsin

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Jackson, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Village of Jackson's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Village of Jackson, as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of a Matter

As described in Note N to the financial statements, the December 31, 2021 financial statement have been restated to correct the following misstatements: (1) A prior period adjustment was made to correct the liability for compensated absences within the government-wide statements. (2) A prior period adjustment was made to correct an error in expenses reported in the prior year. (3) A prior period adjustment was made to correct the liability for unamortized premium on debt within the government-wide statements.

Our opinion is not modified with respect to these matters.

Responsibilities of Management for the Financial Statements

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

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

To the Village Board
Village of Jackson, Wisconsin

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

Required Supplementary Information

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

Management has omitted 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.

To the Village Board
Village of Jackson, Wisconsin

Supplementary Information

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

Sitzberger & Company LLC

Sitzberger & Company LLC
Lake Geneva, Wisconsin
July 12, 2022

VILLAGE OF JACKSON
STATEMENT OF NET POSITION
DECEMBER 31, 2021

	<u>Primary Government</u>		<u>Totals</u>
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	
<u>ASSETS</u>			
Current assets:			
Cash and investments	\$ 7,075,716	\$ 1,707,698	\$ 8,783,414
Taxes receivable	4,248,230	-	4,248,230
Accounts receivable (net of allowance of \$81,224)	118,330	763,928	882,258
Inventory	-	28,751	28,751
Prepaid expenses	54,022	13,266	67,288
Non-current assets:			
Restricted - cash and investments	2,762,560	3,313,912	6,076,472
Special assessments receivable	248,252	-	248,252
Net pension asset	1,014,361	286,102	1,300,463
Capital assets:			
Land	2,102,671	384,719	2,487,390
Construction in progress	14,745,665	-	14,745,665
Capital assets, net of accumulated depreciation	18,915,348	29,411,400	48,326,748
TOTAL ASSETS	51,285,155	35,909,776	87,194,931
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred outflows related to pension	1,709,547	482,180	2,191,727
Deferred outflows related to OPEB	109,418	30,862	140,280
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,818,965	513,042	2,332,007
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable, tax equivalent, and other accrued expenses	750,664	384,501	1,135,165
Accrued salaries and benefits	176,126	24,175	200,301
Accrued interest	87,215	-	87,215
Deposits held	142,426	39,669	182,095
Developer agreement payments	118,952	-	118,952
Long-term debt, due within one year	2,221,211	-	2,221,211
Non-current liabilities:			
Developer agreement payments	1,695,370	-	1,695,370
Long-term debt, due in more than one year	19,832,115	-	19,832,115
Unamortized premium on debt	787,928	-	787,928
Net OPEB liability	237,771	67,063	304,834
Accrued compensated absences	334,752	98,165	432,917
TOTAL LIABILITIES	26,384,530	613,573	26,998,103
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Property taxes	6,884,700	-	6,884,700
Deferred inflows related to pension	2,222,243	626,786	2,849,029
Deferred inflows related to OPEB	27,890	7,867	35,757
TOTAL DEFERRED INFLOWS OF RESOURCES	9,134,833	634,653	9,769,486
<u>NET POSITION</u>			
Net investment in capital assets	16,460,643	29,796,119	46,256,762
Restricted	970,482	3,313,912	4,284,394
Unrestricted	153,632	2,064,561	2,218,193
TOTAL NET POSITION	\$ 17,584,757	\$ 35,174,592	\$ 52,759,349

See accompanying notes.

VILLAGE OF JACKSON
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Totals
					Governmental Activities	Business-type Activities	
<u>PRIMARY GOVERNMENT</u>							
<u>GOVERNMENTAL ACTIVITIES</u>							
General government	\$ 641,571	\$ 125,933	\$ 376,807	\$ 58,607	\$ (80,224)	\$ -	\$ (80,224)
Public safety	2,870,769	696,717	435,948	111,424	(1,626,680)	-	(1,626,680)
Public works	1,437,005	98,140	325,196	-	(1,013,669)	-	(1,013,669)
Culture and recreation	831,182	324,065	42,959	60,100	(404,058)	-	(404,058)
Conservation and development	274,688	2,500	-	-	(272,188)	-	(272,188)
Interest on long-term debt	581,102	-	-	-	(581,102)	-	(581,102)
TOTAL GOVERNMENTAL	6,636,317	1,247,355	1,180,910	230,131	(3,977,921)	-	(3,977,921)
<u>BUSINESS-TYPE ACTIVITIES</u>							
Water	1,532,997	1,351,629	-	275,594	-	94,226	94,226
Sewer	1,930,292	1,870,078	-	470,342	-	410,128	410,128
TOTAL BUSINESS-TYPE	3,463,289	3,221,707	-	745,936	-	504,354	504,354
TOTAL PRIMARY GOVERNMENT	\$ 10,099,606	\$ 4,469,062	\$ 1,180,910	\$ 976,067	(3,977,921)	504,354	(3,473,567)
<u>GENERAL REVENUES</u>							
Property taxes					6,099,014	-	6,099,014
Mobile home fees					89,425	-	89,425
Motel/Hotel room tax					45,948	-	45,948
Payments in lieu of taxes					260,758	-	260,758
State aids - Unrestricted					398,523	-	398,523
Interest on investments					15,086	2,055	17,141
Miscellaneous					74,762	-	74,762
Rent					57,367	-	57,367
Gain on sale of Village property					6,804	-	6,804
TOTAL GENERAL REVENUES					7,047,687	2,055	7,049,742
CHANGE IN NET POSITION					3,069,766	506,409	3,576,175
NET POSITION - BEGINNING OF YEAR					14,592,544	34,585,749	49,178,293
Prior Period Adjustment					(77,553)	82,434	4,881
NET POSITION - BEGINNING OF YEAR, AS RESTATED					14,514,991	34,668,183	49,183,174
NET POSITION - END OF YEAR					\$ 17,584,757	\$ 35,174,592	\$ 52,759,349

See accompanying notes.

**VILLAGE OF JACKSON
BALANCE SHEETS
GOVERNMENTAL FUNDS
DECEMBER 31, 2021**

	General Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
<u>ASSETS</u>					
Cash and investments	\$ 3,858,424	\$ 1,759,170	\$ 525,341	\$ 932,781	\$ 7,075,716
Receivables:					
Taxes	1,881,157	1,421,159	655,104	290,810	4,248,230
Accounts (net of allowance for doubtful accounts of \$81,224)	38,833	-	-	77,335	116,168
Special assessments	-	-	238,212	10,040	248,252
Delinquent special charges	146	-	-	-	146
Delinquent personal property tax	2,016	-	-	-	2,016
Prepaid expenses	42,829	-	-	11,193	54,022
Restricted Assets:					
Cash and investments	88,866	4,918	2,645,373	23,403	2,762,560
TOTAL ASSETS	5,912,271	3,185,247	4,064,030	1,345,562	14,507,110
<u>LIABILITIES</u>					
Accounts payable and accrued expenses	117,966	-	581,094	51,604	750,664
Accrued salaries and fringes	128,176	-	-	47,950	176,126
Deposits held	2,368	-	140,058	-	142,426
TOTAL LIABILITIES	248,510	-	721,152	99,554	1,069,216
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Property taxes	3,062,728	2,320,042	1,030,460	471,470	6,884,700
Special assessments	-	-	271,304	11,474	282,778
TOTAL DEFERRED INFLOWS OF RESOURCES	3,062,728	2,320,042	1,301,764	482,944	7,167,478
<u>FUND BALANCES</u>					
Nonspendable	42,829	-	-	11,193	54,022
Restricted	88,866	865,205	-	16,411	970,482
Assigned	-	-	2,041,114	805,926	2,847,040
Unassigned	2,469,338	-	-	(70,466)	2,398,872
TOTAL FUND BALANCES	\$ 2,601,033	\$ 865,205	\$ 2,041,114	\$ 763,064	\$ 6,270,416

See accompanying notes.

VILLAGE OF JACKSON
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2021

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS		\$	6,270,416
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds as assets.			
Capital assets			46,749,084
Accumulated depreciation			<u>(10,985,400)</u>
			35,763,684
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as deferred inflows of resources in the funds.			
Special assessments to be collected			282,778
The Village's proportionate share of the Wisconsin Retirement System net pension asset is reported on the statement of net position, but is not reported in the governmental funds.			
			1,014,361
The Village's proportionate share of the net OPEB liability for the Local Retiree Life Insurance Fund ("LRLIF") administered by the Wisconsin Department of Employee Trust Funds ("ETF") is reported on the statement of net position, but is not reported in the governmental funds.			
			(237,771)
Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods, and therefore, are not reported in the governmental funds.			
Deferred outflows related to pensions			1,709,547
Deferred inflows related to pensions			(2,222,243)
Deferred outflows related to OPEB			109,418
Deferred inflows related to OPEB			<u>(27,890)</u>
			(431,168)
Long-term debt and related items are not due and payable in the current period and, therefore, are not reported in the governmental funds.			
Long-term debt and related items at year end consist of:			
Long-term debt			(22,053,326)
Unamortized premium on debt issuance			(787,928)
Developer agreements			(1,814,322)
Compensated absences			<u>(334,752)</u>
			(24,990,328)
Accrued interest payable on debt is not due and payable in the current period and, therefore, is not reported as a liability in the governmental funds.			
			<u>(87,215)</u>
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES		\$	<u>17,584,757</u>

See accompanying notes.

VILLAGE OF JACKSON
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2021

	General Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
<u>REVENUES</u>					
Taxes	\$ 3,127,704	\$ 1,875,577	\$ 1,070,185	\$ 422,590	6,496,056
Special assessments	-	-	44,064	27,036	71,100
Intergovernmental revenue	1,081,241	-	31,913	73,659	1,186,813
Licenses and permits	399,797	-	-	-	399,797
Fines and forfeitures	35,875	-	-	-	35,875
Charges for services	190,407	-	-	743,829	934,236
Intergovernmental charges for services	-	-	-	377,187	377,187
Interest income	7,164	11	7,847	2,661	17,683
Other	108,219	-	58,608	19,083	185,910
TOTAL REVENUES	4,950,407	1,875,588	1,212,617	1,666,045	9,704,657
<u>EXPENDITURES</u>					
Current:					
General government	711,692	-	9,625	114,747	836,064
Public safety	1,807,152	-	-	929,084	2,736,236
Public works	990,784	-	156,083	-	1,146,867
Culture and recreation	215,446	-	-	542,112	757,558
Capital outlay	59,928	-	8,889,537	543,111	9,492,576
Debt Service:					
Principal	-	1,987,357	60,302	104,255	2,151,914
Interest and fiscal charges	-	404,006	-	-	404,006
Debt issuance costs	-	115,674	72,605	-	188,279
TOTAL EXPENDITURES	3,785,002	2,507,037	9,188,152	2,233,309	17,713,500
EXCESS (DEFICIENCY) OF REVENUES					
OVER (UNDER) EXPENDITURES	1,165,405	(631,449)	(7,975,535)	(567,264)	(8,008,843)
<u>OTHER FINANCING SOURCES (USES)</u>					
Proceeds from sale of capital assets	6,804	-	-	-	6,804
Proceeds on debt	-	-	8,030,000	-	8,030,000
Premium on debt issuance	-	445,417	-	-	445,417
Transfers in (out)	(379,083)	435,198	(166,600)	110,485	-
TOTAL OTHER FINANCING SOURCES (USES)	(372,279)	880,615	7,863,400	110,485	8,482,221
NET CHANGE IN FUND BALANCES	793,126	249,166	(112,135)	(456,779)	473,378
FUND BALANCES - BEGINNING	1,807,907	616,039	2,153,249	1,219,843	5,797,038
FUND BALANCES - ENDING	\$ 2,601,033	\$ 865,205	\$ 2,041,114	\$ 763,064	\$ 6,270,416

See accompanying notes.

VILLAGE OF JACKSON
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS **\$ 473,378**

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	9,492,576	
Depreciation expense	<u>(856,773)</u>	
		8,635,803

Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements. (11,902)

In the statement of activities, the cost of pension and OPEB benefits earned net of employee contributions is reported as an expense. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used.

Pension (expense) revenue	115,863	
Village pension contributions	195,796	
OPEB expense	(31,732)	
Village OPEB contributions	<u>860</u>	
		280,787

Governmental funds report proceeds from the issuance of long-term debt as other financing sources, but issuing debt increases long-term liabilities in the statement of net position. Repayments of long-term debt principal are expenditures in the governmental funds but the repayments reduce long-term liabilities in the statement of net position.

Proceeds on issuance of debt	(8,030,000)	
Premium on issuance of debt	(445,417)	
Amortization of premium on debt	44,411	
Principal payments on developer agreement	164,557	
Principal payments on bonds, notes, and capital leases	<u>1,987,357</u>	
		(6,279,092)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Changes in interest accrued on long-term debt	(26,705)	
Changes in compensated absences	<u>(2,503)</u>	
		<u>(29,208)</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES **\$ 3,069,766**

See accompanying notes.

VILLAGE OF JACKSON
STATEMENTS OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2021

	Business-type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Totals
<u>ASSETS</u>			
Current Assets:			
Cash and investments	\$ 388,804	\$ 1,318,894	\$ 1,707,698
Customer and other accounts receivable	339,372	424,556	763,928
Inventories	28,751	-	28,751
Prepaid expenses	6,633	6,633	13,266
Total Current Assets	763,560	1,750,083	2,513,643
Non-current Assets:			
Cash and investments - restricted	37,732	3,276,180	3,313,912
Net pension asset	130,046	156,056	286,102
Capital Assets:			
Land	352,219	32,500	384,719
Capital assets, net of accumulated depreciation	16,921,298	12,490,102	29,411,400
Total Non-current Assets	17,441,295	15,954,838	33,396,133
TOTAL ASSETS	18,204,855	17,704,921	35,909,776
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred outflows related to pension	219,173	263,007	482,180
Deferred outflows related to OPEB	14,028	16,834	30,862
TOTAL DEFERRED OUTFLOWS OF RESOURCES	233,201	279,841	513,042
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 18,438,056	\$ 17,984,762	\$ 36,422,818

See accompanying notes.

VILLAGE OF JACKSON
STATEMENTS OF NET POSITION - CONTINUED
PROPRIETARY FUNDS
DECEMBER 31, 2021

	Business-type Activities - Enterprise Funds		
	Water	Sewer	Totals
	Utility	Utility	
<u>LIABILITIES</u>			
Current Liabilities:			
Accounts payable	\$ 33,080	\$ 36,788	\$ 69,868
Accrued salaries and benefits	11,098	13,077	24,175
Accrued property tax equivalent	314,633	-	314,633
Deposits held	20,712	18,957	39,669
Total Current Liabilities	379,523	68,822	448,345
Non-current liabilities:			
Net OPEB liability	30,483	36,580	67,063
Accrued compensated absences	45,240	52,925	98,165
Total Non-current Liabilities	75,723	89,505	165,228
TOTAL LIABILITIES	455,246	158,327	613,573
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred inflows related to pension	284,903	341,883	626,786
Deferred inflows related to OPEB	3,576	4,291	7,867
TOTAL DEFERRED INFLOWS	288,479	346,174	634,653
<u>NET POSITION</u>			
Net investment in capital assets	17,273,517	12,522,602	29,796,119
Restricted for:			
Capital Projects	37,732	2,021,949	2,059,681
Equipment Replacement	-	1,254,231	1,254,231
Unrestricted	383,082	1,681,479	2,064,561
TOTAL NET POSITION	\$ 17,694,331	\$ 17,480,261	\$ 35,174,592

See accompanying notes.

VILLAGE OF JACKSON
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2021

	Business-type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Totals
<u>OPERATING REVENUES</u>			
Charges for service	\$ 1,351,629	\$ 1,866,881	\$ 3,218,510
Other operating revenues	44,760	3,197	47,957
TOTAL OPERATING REVENUES	1,396,389	1,870,078	3,266,467
<u>OPERATING EXPENSES</u>			
Operation and maintenance	719,986	1,103,644	1,823,630
Taxes	328,634	-	328,634
Depreciation	484,377	826,648	1,311,025
TOTAL OPERATING EXPENSES	1,532,997	1,930,292	3,463,289
OPERATING INCOME (LOSS)	(136,608)	(60,214)	(196,822)
<u>NONOPERATING REVENUES (EXPENSES)</u>			
Interest income	104	1,951	2,055
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	(136,504)	(58,263)	(194,767)
Capital contributions/Impact fees	230,834	470,342	701,176
CHANGE IN NET POSITION	94,330	412,079	506,409
NET POSITION - BEGINNING OF YEAR	17,583,937	17,001,812	34,585,749
Prior Period Adjustment	16,064	66,370	82,434
NET POSITION - BEGINNING OF YEAR, AS RESTATED	17,600,001	17,068,182	34,668,183
NET POSITION - END OF YEAR	\$ 17,694,331	\$ 17,480,261	\$ 35,174,592

See accompanying notes.

VILLAGE OF JACKSON
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2021

	Business-type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Totals
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Receipts from customers and users	\$ 1,399,468	\$ 1,899,977	\$ 3,299,445
Payments to suppliers	(773,086)	(758,121)	(1,531,207)
Payments to employees	(302,448)	(432,766)	(735,214)
NET CASH PROVIDED BY OPERATING ACTIVITIES	323,934	709,090	1,033,024
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>			
Capital contributions/impact fees	230,834	470,342	701,176
Acquisition and construction of capital assets	(449,956)	(206,041)	(655,997)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(219,122)	264,301	45,179
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Interest income	104	1,951	2,055
NET CHANGE IN CASH AND INVESTMENTS	104,916	975,342	1,080,258
CASH AND INVESTMENTS - BEGINNING OF YEAR	321,620	3,619,732	3,941,352
CASH AND INVESTMENTS - END OF YEAR	\$ 426,536	\$ 4,595,074	\$ 5,021,610

See accompanying notes.

VILLAGE OF JACKSON
STATEMENT OF CASH FLOWS - CONTINUED
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2021

	Business-type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Totals
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET</u>			
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Operating income (loss)	\$ (136,608)	\$ (60,214)	\$ (196,822)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	512,458	826,648	1,339,106
Changes in assets and liabilities:			
(Increase) decrease in customer and other receivables	3,079	29,899	32,978
(Increase) decrease in inventories	13,814	-	13,814
(Increase) decrease in prepaid expenses	(6,633)	(6,633)	(13,266)
(Increase) decrease related to pensions and OPEB	(36,000)	(43,201)	(79,201)
Increase (decrease) in accounts payable	(68,167)	(118,169)	(186,336)
Increase (decrease) in accrued liabilities	55,093	2,180	57,273
Increase (decrease) in compensated absences payable	(13,102)	78,580	65,478
NET CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 323,934</u>	<u>\$ 709,090</u>	<u>\$ 1,033,024</u>
<u>RECONCILIATION OF CASH AND INVESTMENTS TO STATEMENT OF NET POSITION - PROPRIETARY FUNDS</u>			
Cash and investments reported as current assets	\$ 388,804	\$ 1,318,894	\$ 1,707,698
Cash and investments reported as restricted assets	37,732	3,276,180	3,313,912
TOTAL CASH AND INVESTMENTS	<u>\$ 426,536</u>	<u>\$ 4,595,074</u>	<u>\$ 5,021,610</u>
<u>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</u>			
Capital outlay paid by developers	\$ 174,254	\$ 193,440	\$ 367,694

See accompanying notes.

VILLAGE OF JACKSON
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
DECEMBER 31, 2021

	Custodial Funds
	Tax Collection Fund
<u>ASSETS</u>	
Cash and investments	\$ 3,576,023
Taxes receivable	5,653,795
TOTAL ASSETS	9,229,818
<u>LIABILITIES</u>	
Due to other taxing units	9,229,818
TOTAL LIABILITIES	9,229,818
NET POSITION	\$ -

VILLAGE OF JACKSON
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
YEAR ENDED DECEMBER 31, 2021

	Custodial Funds
	Tax Collection Fund
<u>ADDITIONS</u>	
Collection of property tax	\$ 7,960,706
TOTAL ADDITIONS	7,960,706
<u>DEDUCTIONS</u>	
Distributions to other governmental units	7,960,706
TOTAL DEDUCTIONS	7,960,706
NET POSITION, January 1	-
NET POSITION, December 31	\$ -

See accompanying notes.

VILLAGE OF JACKSON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

Note A - Summary of Significant Accounting Policies

The financial statements of the Village of Jackson (the “Village”) have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) as applied to governmental units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the Village are described below.

Financial Reporting Entity

This report includes all of the funds of the Village of Jackson (“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. A legally separate organization should be reported as a component unit if the elected officials of the primary government are financially accountable to the organization. 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.

A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) The primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; (3) The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. Blended component units, although legally separate entities are, in substance, part of the government’s operations and are reported with similar funds of the primary government.

This report does not contain any component units or blended component units.

Basis of Presentation

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenue, and other non-exchange revenues. Business-type activities are financed, in whole or in part, by fees charged to external parties for goods and services. Eliminations have been made to avoid double counting of internal activities of the Village.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The Village does not allocate indirect expenses to functions in the statement of activities. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

VILLAGE OF JACKSON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021
(CONTINUED)

Note A - Summary of Significant Accounting Policies (continued)

Basis of Presentation (continued)

Fund Financial Statements

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

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, deferred outflows of resources, liabilities, 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
- b. The same element of the individual governmental fund or enterprise fund that met the 10 percent test is at least 5 percent of the corresponding total for all governmental and enterprise funds combined.
- c. 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.

Separate financial statements are provided for governmental funds and proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Major 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 transactions except those legally and/or administratively required to be accounted for in another fund.

Debt Service Fund – This fund accounts for the accumulation of resources for, and the payment of, general long-term obligations principal, interest and related costs (other than debt accounted for in the Proprietary Funds).

Capital Projects Fund – This fund accounts for the activities involving borrowing for construction or purchase of capital assets. Transactions of Tax Incremental District No. 4 may also be included in this fund.

Major Proprietary Funds

The Village reports the following major proprietary funds:

Water Utility Enterprise Fund – This fund accounts for the activities of operating the water distribution system.

Sewer Utility Enterprise Fund – This fund accounts for the activities of operating the sewage treatment plant, sewage pumping stations, and collections systems.

VILLAGE OF JACKSON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021
(CONTINUED)

Note A - Summary of Significant Accounting Policies (continued)

Non-Major Funds

The Village reports the following non-major governmental funds:

Special Revenue Funds – Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted or assigned to expenditures for specific purposes. The Village reports the following non-major special revenue funds:

Fire/EMS Fund
Recreation Fund
Hotel/Motel Tax Fund
Park Fund

Capital Projects Funds – Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures of funds for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Village reports the following non-major capital projects funds:

Tax Incremental District No. 5
Tax Incremental District No. 6
Tax Incremental District No. 7

Additionally, the Village reports the following fund type:

Fiduciary Funds – Custodial funds are used to account for assets held by the Village in a purely custodial capacity. The Village's custodial fund is used for recording assets collected for other taxing jurisdictions. Since by definition these assets are held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not included in the preparation of the government-wide financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows of resources. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

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

VILLAGE OF JACKSON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021
(CONTINUED)

Note A - Summary of Significant Accounting Policies (continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, pension and OPEB expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

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

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

Special assessments are recorded as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and deferred inflows of resources. Delinquent special assessments being held by the county are reported as receivable and deferred inflows of resources.

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

The Village reports deferred inflows of resources on its governmental funds balance sheet. Deferred inflows arise from taxes levied in the current year which are for subsequent years' operations. For governmental fund financial statements, deferred inflows of resources arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, the liability for deferred inflows of resources is removed from the balance sheet and revenue is recognized.

Proprietary and fiduciary fund financial statements (other than agency funds) are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note. Agency funds allow the accrual basis of accounting, and do not have a measurement focus.

The 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 proprietary 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.

VILLAGE OF JACKSON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021
(CONTINUED)

Note A - Summary of Significant Accounting Policies (continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

All Financial Statements

The preparation of the Village's financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

Cash and Investments

The Village's cash and investments are considered to be cash on hand, demand deposits, savings deposits, certificates of deposit, the Wisconsin Local Government Investment Pool and government agency securities.

For purposes of the statement of cash flows for the enterprise funds, cash equivalents are temporary cash investments with a maturity of three months or less at the date of purchase. Pooled bank accounts that are shared between its various accounting funds are maintained.

Investments are measured at fair value on a recurring basis. *Recurring* fair value measurements are those that GASB Statements require or permit in the statement of net position at the end of each reporting period.

As discussed in Footnote C, the Village categorizes fair value measurements of its investments based on the hierarchy established by GAAP. The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of 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.

Exchange Traded Funds: Valued at the closing price reported on the active market on which the individual securities are traded.

The local government investment pool ("LGIP") is valued at amortized cost, and the certificates of deposit ("CD's") are valued at cost plus accrued interest.

Receivables

In the government-wide statements, receivables consist of all revenues earned or to which the Village is otherwise entitled and has not yet received.

In the fund financial statements, material include revenue accruals such as intergovernmental grants and aids and other similar revenues since they are usually both measurable and available. Receivables collectible, but not available, are deferred in the fund financial statements in accordance with the modified accrual basis of accounting but not deferred in the government-wide financial statements in accordance with the accrual basis of accounting. Interest earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available.

Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. No provision for uncollectible accounts receivable has been made for the proprietary funds because they have the right by law to place substantially all delinquent bills on the tax roll, and other delinquent bills are generally not significant.

VILLAGE OF JACKSON
NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2021
 (CONTINUED)

Note A - Summary of Significant Accounting Policies (continued)

Receivables (continued)

Property taxes are recorded in the year levied as receivables and deferred inflows of resources. They are recognized as revenues in the succeeding year when services financed by the levy are provided. In addition to property taxes for the municipality, taxes are collected for and remitted to the state and county governments as well as the local and vocational school districts. Taxes for all state and other local governmental units billed in the current year for the succeeding year are reflected as receivables and as due to other governmental units on the statement of net position – fiduciary (agency) fund. Taxes are levied in December on the assessed value as of the prior January 1.

Details of the Village’s property tax calendar for the 2021 tax levy follows:

Lien and levy dates	December 2021
Real estate collection due dates:	
First installment due	January 31, 2022
Second installment due	July 31, 2022
Personal property tax due in full	January 31, 2022
Final settlement with county	August 2022
Tax sale of 2021 delinquent real estate taxes	October 2024

Delinquent real estate taxes as of July 31 are paid in full by the County, which assumes the collection. Therefore, management has determined that no allowance accounts are considered necessary.

Inventories

Inventories of the utility enterprise fund are generally used in the operation and maintenance of the Water Utility. The inventories are valued at cost using the first-in/first-out method (“FIFO”), which approximates market value. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements or other external parties. Current liabilities payable from these restricted assets are so classified. The excess of restricted assets over current liabilities payable from restricted assets will be used first for retirement of related long-term debt. The remainder, if generated from earnings, is shown as restricted net position.

Cash and equivalents of the Village’s governmental and proprietary funds have been restricted for the following purposes:

	Governmental	Proprietary	
	Funds	Funds	Total
Impact fees	\$ 88,866	\$ 37,732	\$ 126,598
Capitalized interest	4,918		4,918
Unspent debt proceeds	2,668,776	-	2,668,776
Equipment replacement fund	-	1,254,231	1,254,231
Connection fees	-	2,021,949	2,021,949
Total Restricted Assets	\$ 2,762,560	\$ 3,313,912	\$ 6,076,472

VILLAGE OF JACKSON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021
(CONTINUED)

Note A - Summary of Significant Accounting Policies (continued)

Capital Assets

Government Wide Statements

Capital assets, which include property, plant and equipment and intangible assets, are reported in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial cost of more than \$5,000 for general capital assets and infrastructure assets, with an estimated useful life in excess of two years. All capital assets are valued at historical cost or estimated historical costs if actual amounts are unavailable. Donated capital assets are recorded at their estimated fair value at the date of donation.

Prior to January 2004, infrastructure assets of governmental funds were not capitalized. Upon implementing GASB Statement No. 34, governmental units are required to account for all capital assets, including infrastructure, in the government-wide statements prospectively from the date of implementation. Retroactive reporting of all major general infrastructure assets is encouraged but not required. The Village has not retroactively reported infrastructure acquired by its governmental fund types prior to implementation of GASB Statement No. 34.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed funds proceeds. No interest was capitalized during the current year. 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.

Depreciation of all exhaustible capital assets is recorded as an allocated expense 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:

Buildings	20 – 50 Years
Land improvements	20 – 50 Years
Equipment	5 – 25 Years
Infrastructure	40 Years

Fund Financial Statements

In the fund financial statements, capital assets acquired 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 way as in the government-wide statements.

Compensated Absences

Employees earn vacation time and compensatory time off in varying amounts in accordance with Village policy. All full-time employees are eligible for paid vacation annually on the anniversary of their date of hire. Payments for vacation will be made at rates in effect when the benefits are used. At December 31, 2021, the total vacation and compensatory benefits accrued were \$334,752 for the governmental activities and \$98,165 for the business-type activities.

VILLAGE OF JACKSON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021
(CONTINUED)

Note A - Summary of Significant Accounting Policies (continued)

Compensated Absences (continued)

Full-time employees may accumulate unused sick leave up to a maximum of 960 hours. Upon retirement from Village employment, in accordance with any provisions of the Wisconsin State Retirement Fund, fifty (50) percent of the value of the accrued sick leave hours, to a maximum of 480 hours based on the last hourly base rate, shall be placed into an account to be used by the retiree or his spouse for medical insurance premiums.

Nonexempt employees shall be allowed to utilize accrued compensatory time off, subject to approval of the Department Head, provided the employee gives advance notice of two (2) working days. The choice of compensatory time credit or pay must be made by the employee when the overtime is worked. Compensatory time off will be allowed to accumulate until the employee has accrued a total of forty (40) hours in a regenerated account. Accumulated compensatory time off must be used in the calendar year in which it is earned, except that compensatory time off earned in November and December in a given year may be used on or before March 1st of the following year. In the event that accumulated compensatory time off is not used by the dates set forth above, employees will be paid on the first pay period in January of the next year for the unused time unless extenuating medical or operational reasons exist. Exempt employees are not eligible for compensatory time off.

All vested vacation and sick leave is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Deferred Outflows / Inflows of Resources

In accordance with GASB, the statement of financial position will sometimes report separate sections for deferred outflows and inflows of resources.

The separate financial statement element, deferred outflows of resources, represents an increase in net position or fund balance that applies to future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. The Village reports deferred outflows of resources related to pensions and OPEB.

The separate financial statement element, deferred inflows of resources, represents an increase in net position or fund balance that applies to a future period(s) and thus, will not be recognized as an inflow of resources (revenue) until then. The Village reports deferred inflows of resources related to property taxes, pensions, and OPEB.

Long-term Obligations

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes and bonds payable, developer agreements, and accrued compensated absences.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debt and premiums on issuance are reported as other financing sources. Payments of principle and interest, losses on debt refunding, as well as costs of issuance are reported as expenditures.

VILLAGE OF JACKSON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021
(CONTINUED)

Note A - Summary of Significant Accounting Policies (continued)

Long-term Obligations (continued)

For the government-wide statements, bond premiums are deferred and amortized over the life of the issue using the straight-line method. Gains or losses on refunding are amortized over the remaining life of the old debt, or the life of then new debt, whichever is shorter. Unamortized premiums are shown as a liability on the statement of net position. The balance at year-end for gains/losses, is shown as a deferred outflows or resources or deferred inflow of resources on the statement of net position. The accounting for proprietary fund obligations is the same in the fund financial statements as it is in the government-wide financial statements.

Pensions

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense (revenue), 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.

Other Post-Employment Benefits (OPEB)

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

Net Position and Fund Balances

Government-wide Financial Statements

Equity is classified as Net Position and displayed in three components:

Net Investment in Capital Assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances or any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Position - Consists of Net Position 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) law through constitutional provisions or enabling legislation.

Unrestricted Net Position – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

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.

VILLAGE OF JACKSON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021
(CONTINUED)

Note A - Summary of Significant Accounting Policies (continued)

Net Position and Fund Balances (continued)

Governmental Fund Financial Statements

Governmental fund equity is classified as fund balance. GASB established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is found to observe constraints imposed upon the use of the resources reported in governmental funds. The initial distinction that is made is identifying amounts that are considered nonspendable. Fund balance is further classified as restricted, committed, assigned and unassigned. The Village's fund balance classification policies and procedures are as follows:

Non-spendable Fund Balance - includes amounts that cannot be spent because they are not in a spendable form and cannot be converted to cash or because they are legally or contractually required to remain intact.

Restricted Fund Balance - includes amounts that have constraints placed upon the use of the resources either by an external party or imposed by law through a constitutional provision or enabling legislation.

Committed Fund Balance - includes amounts that can be used only for the specific purposes pursuant to constraints imposed by a formal action of the Village Board, the Village's highest level of decision-making authority. This formal action is a Village Board resolution.

Assigned Fund Balance - includes amounts that are constrained by the Village's intent to be used for a specific purpose, but are neither restricted nor committed. For governmental funds, other than the general fund, this is the residual amount within the fund that is not restricted or committed. Assignments of fund balance are created by the Village Board.

Unassigned Fund Balance - is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund should be the only fund that reports an unassigned fund balance amount.

When an expenditure/expense is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) resources are available, it is the Village's general policy to use restricted resources first.

When expenditures/expenses are incurred for purposes for which unrestricted (committed, assigned, and unassigned) resources are available, and amounts in any of these unrestricted classifications could be used, it is the Village's general policy to spend committed resources first, followed by assigned amounts, and then unassigned amounts.

Proprietary fund equity is classified in the same manner as the Government-wide statements.

Claims and Judgements

Claims and judgments are recorded as liabilities if all of the conditions of GASB pronouncements are met. Claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental funds. If they are not to be liquidated with expendable available financial resources, 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 and proprietary funds as expenses when the related liabilities are incurred. There were no significant claims or judgments at year end.

VILLAGE OF JACKSON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021
(CONTINUED)

Note A - Summary of Significant Accounting Policies (continued)

Utility User Rates

Water Utility user rates currently in place were approved by the Village Board effective February 11, 2020. Sewer Utility rates currently in place were approved by the Village Board effective April 15, 2017.

Note B - Stewardship, Compliance, and Accountability

DNR Replacement Fund

The Wisconsin Department of Natural Resources required the creation of an equipment replacement fund as a condition of receiving a grant for the sewer utility. The equipment replacement fund has been established and the balance at December 31, 2021 was \$1,254,231.

Permitted Investments

Wisconsin Statute 66.0603 authorizes the Village to invest in the following types of investments:

- Time deposits in any credit union, bank, savings bank, trust company, or savings and loan association which is authorized to transact business in Wisconsin.
- Bonds or securities of any county, drainage district, technical college district, Village, City, Town, or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, the University of Wisconsin Hospitals and Clinics Authority, or by the Wisconsin Aerospace Authority.
- Bonds or securities issued or guaranteed by the federal government and its agencies.
- The local government investment pool.
- 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.

VILLAGE OF JACKSON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021
(CONTINUED)

Note C - Cash and Investments

The Village's cash and investments at December 31, 2021 consisted of the following:

	<u>Cash</u>	<u>Investments</u>	<u>Total</u>
Custodial Risk:			
Petty Cash:	\$ 150	\$ -	\$ 150
Demand deposits	5,707,704	-	5,707,704
Money market	6,459,717	-	6,459,717
Local government investment pool	-	3,873,312	3,873,312
Custodial and Interest Rate Risk:			
Certificates of deposit	-	808,026	808,026
Custodial, Interest Rate and Credit Risk:			
Mutual Funds - Gov. Obligations	-	1,587,000	1,587,000
Total cash and investments	<u>\$ 12,167,571</u>	<u>\$ 6,268,338</u>	<u>\$ 18,435,909</u>

The Village's cash and investments are reported in the financial statements as follows:

Per Statement of Net Position

Cash and investments	\$ 8,783,414
Restricted cash and investments	6,076,472

Per Statement of Fiduciary Net Position

Cash and investments	<u>3,576,023</u>
Total cash and investments	<u>\$ 18,435,909</u>

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000. Deposits in local banks and the Wisconsin Government Investment Pool ("LGIP") are also insured by the State Deposit Guarantee Fund ("SDGF") in the amount of \$400,000 per financial institution. However, due to the relatively small size of the Guarantee Fund in relationship to the total deposits covered and other legal implications, recovery of material principal losses may not be significant to individual participants. Investments in the local government investment pool are covered under a surety bond issued by Financial Security Assurance, Inc. The bond insures against losses arising from principal defaults on substantially all types of securities acquired by the pool. The bond provides unlimited coverage on principal losses, reduced by any FDIC, SDGF insurance, and income on the investment during the calendar quarter a loss occurs.

The LGIP does not have a credit quality rating and is also not subject to credit risk disclosures because investments are not issued in securities form. It is part of the State Investment Fund ("SIF") and is managed by the State of Wisconsin Investment Board. The LGIP is not registered with the Securities and Exchange Commission but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually and carries investments at amortized cost for purposes of calculating income to participants. At December 31, 2021 the fair value of the Village's share of the LGIP's assets was substantially equal to the amount reported in these statements.

In accordance with certain contractual provisions, investment income associated with LGIP is assigned to the corresponding fund in which the assets are held. Participants in LGIP have the right to withdraw their funds in total on one day's notice. The LGIP does not include any involuntary participants.

VILLAGE OF JACKSON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021
(CONTINUED)

Note C - Cash and Investments (continued)

A separate financial report for SIF is prepared in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Copies of the report can be obtained from [HTTP://www.doa.state.wi.us/Division/Budget-and-Financial/LGIP](http://www.doa.state.wi.us/Division/Budget-and-Financial/LGIP).

The Village has investments through Ehlers Investment Partners, LLC and TD Ameritrade consisting of cash, certificates of deposit, and mutual funds. Ehlers Investment Partners is registered with the Securities and Exchange Commission. Investments are valued at amortized cost, which approximates market value. Funds may be withdrawn from bank deposit accounts and money market accounts upon order.

TD Ameritrade provides each client with \$149.5 million worth of protection for securities and \$2 million of protection for cash through supplemental coverage provided by London insurers. A separate financial report for TD Ameritrade may be obtained from <http://www.tdameritrade.com/financialstatement.html>.

The Village has adopted an investment policy which permits all investments allowed under the state statutes.

Custodial Risk

Custodial risk is the risk that, in the event of a financial institution failure, the Village's deposits may not be returned to the Village. The Village's carrying value for cash and investments was \$18,435,909 at December 31, 2021, of which \$3,695,373 was fully insured, \$12,456,714 was collateralized by pledges, and \$2,283,822 was uninsured and uncollateralized.

The Village has policies to minimize custodial risk, which is the risk that in the event of a financial institution failure, the Village's deposits may not be returned to it, by:

- Maintaining a list of financial institutions, public depositories and broker/dealers authorized by resolution to provide deposit and investment services.
- All financial institutions, public depositories and broker/dealers authorized by resolution to provide deposit and investment services must supply as appropriate audited financial statements demonstrating compliance with state and federal capital adequacy guidelines.

Interest Rate Risk

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. As a means of limiting its exposure to fair value losses arising from rising interest rates, the Village's investment policy limits the maturity of any security in accordance with state statutes and structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity. Information regarding the exposure of the Village's investments to this risk using the segmented time distribution model is as follows:

Type of Investment	Fair Value	Investment Maturities in Years	
		Less than 1 Year	1-5 Years
Ehlers Investments			
Mutual Funds	\$ 1,587,000	\$ 1,587,000	\$ -
Certificates of deposit	808,026	768,929	39,097
	<u>\$ 2,395,026</u>	<u>\$ 2,355,929</u>	<u>\$ 39,097</u>

VILLAGE OF JACKSON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021
(CONTINUED)

Note C - Cash and Investments (continued)

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. Government Securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure.

The Village has policies to minimize credit risk, which is the risk of loss due to the failure of the security issuer or backer, by:

- Limiting investments to the types of securities listed in the policy resolution.
- The Village Board shall by resolution each year approve the public depositories within the Village that are deemed appropriate for use under the state and federal law.
- Diversifying the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized.
- Maintain balances with its banking financial institutions that do not exceed the combined amount FDIC insurance and State Deposit Guarantee Fund insurance, along with the amount of collateralized deposits per an agreement with its primary banking institution. However, deposits may temporarily exceed the insured and collateralized amounts during periods when property taxes are collected.

The Village's deposits were exposed to custodial credit risk as follows:

Type of Investment	Amount	Rating as of 12/31/2021
Ehlers Investments		
Mutual Funds - Government Agency Securities	<u>\$ 1,587,000</u>	AAAm

Fair Value Measurements of Investments

The Village categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the assets and is described as follows:

- Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities that a government can access at the measurement date.
- Level 2 Significant inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.
- Level 3 Significant unobservable inputs for an asset or liability.

	Level 1	Level 2	Level 3	Exempt from Disclosure	Total
Certificates of deposit	\$ -	\$ -	\$ -	\$ 808,026	\$ 808,026
LGIP	-	-	-	3,873,312	3,873,312
Mutual funds	1,587,000	-	-	-	1,587,000
	<u>\$ 1,587,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,681,338</u>	<u>\$ 6,268,338</u>

VILLAGE OF JACKSON
NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2021
 (CONTINUED)

Note D - Receivables

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not available and cannot be used to liquidate liabilities of the current period. Special assessments are not available and cannot be used to liquidate liabilities in the current period. Governmental funds also report deferred inflows of resources in connection with resources that have been received, but not yet earned.

A provision for uncollectable accounts has been provided for rescue squad receivables as the Village has determined that some accounts will not be collected. The receivable and allowance at year end for these rescue squad services were \$147,019 and (\$81,224), respectively.

A provision for uncollectable accounts has not been provided in the customer accounts receivable of the Water and Sewer utilities as the Village has the statutory authority to collect all delinquent utility bills from the property tax roll.

At the end of the current fiscal year, the various components of deferred revenue and deferred inflows of resources reported in the governmental funds were as follows:

Description	Unearned
Property taxes	\$ 6,884,700
Special assessments	<u>282,778</u>
Total Deferred / Unearned Revenue for Governmental Funds	<u><u>\$ 7,167,478</u></u>

VILLAGE OF JACKSON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021
(CONTINUED)

Note E - Capital Assets

Governmental Activities

Governmental capital asset activity for the year ended December 31, 2021 was as follows:

	Balance Beginning	Additions	Disposals	Balance Ending
Governmental Activities:				
Capital assets not being depreciated				
Land	\$ 2,007,922	\$ 94,749	\$ -	\$ 2,102,671
Construction in progress	7,476,626	8,608,763	1,339,724	14,745,665
Total capital assets not being depreciated	<u>9,484,548</u>	<u>8,703,512</u>	<u>1,339,724</u>	<u>16,848,336</u>
Capital assets being depreciated:				
Buildings and improvements	6,407,964	-	-	6,407,964
Equipment	4,438,476	341,723	-	4,780,199
Infrastructure	16,925,520	1,787,065	-	18,712,585
Total capital assets being depreciated	<u>27,771,960</u>	<u>2,128,788</u>	<u>-</u>	<u>29,900,748</u>
Less: accumulated depreciation	<u>(10,128,627)</u>	<u>(856,773)</u>	<u>-</u>	<u>(10,985,400)</u>
Net capital assets being depreciated	<u>17,643,333</u>	<u>\$ 1,272,015</u>	<u>\$ -</u>	<u>18,915,348</u>
Net governmental activities capital assets	<u>\$ 27,127,881</u>			<u>\$ 35,763,684</u>

Depreciation expense was charged to governmental activities of the Village as follows:

General government	\$ 23,065
Public safety	189,328
Public works (includes depreciation of infrastructure)	530,862
Culture and recreation	113,518
Total governmental activities depreciation expense	<u>\$ 856,773</u>

VILLAGE OF JACKSON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021
(CONTINUED)

Note E - Capital Assets (continued)

Business-type Activities

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

	Balance Beginning	Additions	Disposals	Transfers	Balance Ending
Water Utility:					
Capital assets not being depreciated					
Land	\$ 352,219	\$ -	\$ -	\$ -	\$ 352,219
Construction in progress	262,135	-	-	(262,135)	-
Total capital assets not being depreciated	614,354	-	-	(262,135)	352,219
Capital assets being depreciated					
Infrastructure	23,398,673	449,955	97,685	262,135	24,013,078
Less: accumulated depreciation	(6,677,007)	(512,458)	(97,685)	-	(7,091,780)
Net capital assets being depreciated	16,721,666	(62,503)	-	262,135	16,921,298
Net water utility capital assets	\$ 17,336,020				\$ 17,273,517
Sewer Utility:					
Capital assets not being depreciated					
Land	\$ 32,500	\$ -	\$ -	\$ -	\$ 32,500
Construction in progress	18,333	-	-	(18,333)	-
Total capital assets not being depreciated	50,833	-	-	(18,333)	32,500
Capital assets being depreciated					
Infrastructure	31,922,351	206,040	-	18,333	32,146,724
Less: accumulated depreciation	(18,829,974)	(826,648)	-	-	(19,656,622)
Net capital assets being depreciated	13,092,377	(620,608)	-	18,333	12,490,102
Net sewer utility capital assets	\$ 13,143,210				\$ 12,522,602

VILLAGE OF JACKSON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021
(CONTINUED)

Note E - Capital Assets (continued)

Business-type Activities (continued)

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

Water Utility	\$	512,458
Sewer Utility		826,648
Total business-type activities depreciation expense		<u><u>\$ 1,339,106</u></u>

Note F - Inter-fund Receivables, Payables and Transfers

The Village maintains one checking account for all disbursements. The cash is reflected in the general fund and all other funds. Funds with a negative cash balance are reflected as an offset to the positive balances of cash in other funds of the financial statements. No funds had negative cash balances as of December 31, 2021. Inter-fund transfers consist of the following:

<u>Fund Transferred From</u>	<u>Fund Transferred To</u>	<u>Amount</u>
Fire/EMS	Debt Service	\$ 71,454
TID #6	Debt Service	115,635
TID #7	Debt Service	81,509
Capital Projects	Debt Service	166,600
General Fund	Fire/EMS	379,083
		<u><u>\$ 814,281</u></u>

VILLAGE OF JACKSON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021
(CONTINUED)

Note G - Long-Term Obligations

Outstanding debt and other long-term obligations were comprised of the following at December 31, 2021:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<u>Governmental Activities</u>					
General obligation debt:					
General obligation notes	\$ 3,820,372	\$ -	\$ 420,132	\$ 3,400,240	\$ 631,948
General obligation bonds	11,473,000	8,030,000	1,466,000	18,037,000	1,485,000
Direct borrowings					
State trust fund loans	717,312	-	101,226	616,086	104,263
Total general obligation debt	<u>16,010,684</u>	<u>8,030,000</u>	<u>1,987,358</u>	<u>22,053,326</u>	<u>2,221,211</u>
Other liabilities:					
Developer agreements	\$ 1,978,879	\$ -	\$ 164,557	\$ 1,814,322	\$ 118,952
Premium on debt issuance	386,922	445,417	44,411	787,928	-
Compensated absences	332,249	2,503	-	334,752	-
Total other liabilities	<u>2,698,050</u>	<u>447,920</u>	<u>208,968</u>	<u>2,937,002</u>	<u>118,952</u>
Total governmental activities long-term obligations	<u>\$ 18,708,734</u>	<u>\$ 8,477,920</u>	<u>\$ 2,196,326</u>	<u>\$ 24,990,328</u>	<u>\$ 2,340,163</u>
<u>Business-Type Activities</u>					
Other liabilities:					
Compensated absences	\$ 92,793	\$ 5,372	\$ -	\$ 98,165	\$ -
Total Long-Term Obligations	<u>\$ 18,801,527</u>	<u>\$ 8,483,292</u>	<u>\$ 2,196,326</u>	<u>\$ 25,088,493</u>	<u>\$ 2,340,163</u>

General Obligation Debt

General obligation notes and bonds payable are backed by the full faith and credit of the Village. Governmental funds general obligation debt will be retired by future property tax levies and tax increments accumulated in the Debt Service Fund. Business-type activities general obligation debt will be retired by revenues from user fees or, if the revenues are not sufficient to cover debt, by future tax levies.

VILLAGE OF JACKSON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021
(CONTINUED)

Note G - Long-Term Obligations (continued)

General Obligation Debt (continued)

General obligation debt of the Village currently outstanding is as follows:

Governmental Activities	Date of Issue	Final Maturity	Interest Rates	Original Principal	Balance 12/31/2021
G.O. Promissory Note	8/16/2012	4/1/2022	0.45% - 2.45%	\$ 2,380,000	\$ 205,000
G.O. Promissory Note	4/10/2018	5/1/2028	3.25%	600,000	440,240
G.O. Taxable Promissory Note	6/27/2019	6/1/2028	2.65% - 3.00%	1,020,000	970,000
G.O. Promissory Note	12/30/2019	6/1/2029	1.35% - 2.00%	2,005,000	1,785,000
G.O. Refunding Bond	12/9/2014	6/1/2028	0.40% - 3.55%	3,025,000	1,422,000
G.O. Community Dev Bond	6/27/2019	6/1/2039	3.00%	1,235,000	1,235,000
G.O. Refunding Bond	1/25/2017	12/1/2022	2.00% - 3.00%	4,865,000	1,200,000
G.O. Bond	12/30/2019	6/1/2039	2.00% - 3.00%	6,350,000	6,150,000
State Trust Fund Loan	3/21/2017	3/15/2027	3.00%	550,000	349,130
State Trust Fund Loan	11/28/2016	3/15/2026	3.00%	450,000	266,956
G.O. Bond	2/25/2021	6/1/2030	1.00% - 3.00%	8,030,000	8,030,000
Total general obligation debt - governmental activities					\$ 22,053,326

The annual debt service requirements to maturity for general obligation long term debt as of December 31, 2021, are as follows:

Year Ending December 31,	Governmental Activities							
	General Obligation Notes	General Obligation Bonds		State Trust Fund Loans		Totals		
Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
2022	\$ 451,948	\$ 73,760	\$ 1,665,000	\$ 538,960	\$ 104,263	\$ 18,483	\$ 2,221,211	\$ 631,203
2023	368,824	64,533	960,000	369,796	107,391	15,355	1,436,215	449,684
2024	395,733	56,082	896,000	342,195	110,579	12,166	1,402,312	410,443
2025	427,764	46,623	892,000	315,273	113,930	8,816	1,433,694	370,712
2026	454,832	36,205	914,000	287,718	117,348	5,398	1,486,180	329,321
2027 - 2031	1,301,139	40,709	4,540,000	1,028,883	62,575	1,877	5,903,714	1,071,469
2032 - 2036	-	-	4,765,000	551,554	-	-	4,765,000	551,554
2037 - 2041	-	-	3,405,000	113,518	-	-	3,405,000	113,518
	<u>\$ 3,400,240</u>	<u>\$ 317,912</u>	<u>\$ 18,037,000</u>	<u>\$ 3,547,897</u>	<u>\$ 616,086</u>	<u>\$ 62,095</u>	<u>\$ 22,053,326</u>	<u>\$ 3,927,904</u>

Debt premiums are deferred and amortized using the straight-line method over the life of the debt issuance in the government-wide statements. The unamortized debt premiums are reported in the liability section.

Activity for the year ended December 31, 2021 is summarized as follows:

	Balance			Balance
	Beginning	Additions	Amortization	Ending
Governmental activities	<u>\$ 386,922</u>	<u>\$ 445,417</u>	<u>\$ (44,411)</u>	<u>\$ 787,928</u>

VILLAGE OF JACKSON
NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2021
 (CONTINUED)

Note G - Long-Term Obligations (continued)

Developer Agreement Obligations

The Village has entered into various agreements with developers. The Village is obligated to pay various amounts to developers if certain conditions of the developer agreements are fulfilled that contribute to economic development or otherwise benefit the Village or the citizens of the Village. As of December 31, 2021, the Village was obligated under nine agreements for a total of \$1,814,322. These amounts will be paid out over various time periods. A portion of the annual tax increments levied for TID #4 and TID #5 are being used to fund these payments.

Compensated Absences

Estimated payments of compensated absences are not included in the debt service requirement schedules. The compensated absences liability attributable to governmental activities will be liquidated primarily by the general fund.

Margin of Indebtedness

The Wisconsin Statutes restrict the Village’s general obligation debt to 5% of the equalized value of all property in the Village. This amount is compared below with the outstanding debt on December 31, 2021:

Equalized Value - 2021	\$ 916,555,900
Debt limit (5% of \$916,555,900)	45,827,795
Deduct general obligation debt	22,053,326
Margin of indebtedness	\$ 23,774,469

Note H - Lease Income

The Village has entered into various lease agreements with telecommunications companies, wherein the Village has agreed to allow the use of Village property for the purpose of telecommunications relays. The leases expire in 2023 and automatically renew each year unless a six-month notice of cancellation is given by the lessee. Payments received on these leases totaled \$57,368 for the year ended December 31, 2021. Future minimum lease payments receivable in conjunction with these leases are as follows:

Year	Amount
2022	\$ 37,400
2023	30,745
Total lease income	\$ 68,145

Note I - WRS Pension Plan

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

VILLAGE OF JACKSON
NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2021
 (CONTINUED)

Note I - WRS Pension Plan (continued)

ETF issues a standalone WRS Financial Report, 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 12/31/2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

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

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

The WRS also provides death and disability benefits for employees.

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:

Year	Core Fund Adjustment	Variable Fund Adjustment
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	0.5	(5)
2017	2.0	4
2018	2.4	17
2019	0.0	(10)
2020	1.7	21

VILLAGE OF JACKSON
NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2021
 (CONTINUED)

Note I - WRS Pension Plan (continued)

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

During the reporting period, the WRS recognized \$251,023 in contributions from the employer.

Contribution rates as of December 31, 2021 are:

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

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

At December 31, 2021, the Village reported an asset of \$1,300,463 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2020, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019 rolled forward to December 31, 2020. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village's proportion of the net pension asset was based on the Village's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2020, the Village's proportion was 0.02083029%, which was an increase of 0.01107500% from its proportion measured as of December 31, 2019.

For the year ended December 31, 2021, the Village recognized pension expense (revenue) of (\$136,491).

VILLAGE OF JACKSON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021
(CONTINUED)

Note I - WRS Pension Plan (continued)

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,882,169	\$ 405,416
Net differences between projected and actual earnings on pension plan investments	-	2,441,515
Changes in assumptions	29,497	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	16,211	2,098
Employer contributions subsequent to the measurement date	263,850	-
	<u>\$ 2,191,727</u>	<u>\$ 2,849,029</u>

The amount of \$263,850 reported as deferred outflows related to pension resulting from the Village's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2021.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31,	Deferred Outflow of Resources	Deferred Inflow of Resources
2022	\$ 1,211,728	\$ 1,448,881
2023	1,026,313	1,087,393
2024	453,320	891,251
2025	189,373	374,359

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

Actuarial Valuation Date:	December 31, 2019
Measurement Date of Net Pension Liability	December 31, 2020
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.00%
Discount Rate:	7.00%
Salary Increases:	
Inflation	3.00%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table
Post-retirement Adjustments*	1.9%

VILLAGE OF JACKSON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021
(CONTINUED)

Note I - WRS Pension Plan (continued)

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

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The total pension liability for December 31, 2020 is based upon a roll-forward of the liability calculated from the December 31, 2019 actuarial valuation.

Long-term Expected Return on Plan Assets. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Allocation Targets and Expected Returns			
As of December 31, 2020			
Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Global Equities	51	7.2	4.7
Fixed Income	25	3.2	0.8
Inflation Sensitive Assets	16	2.0	(0.4)
Real Estate	8	5.6	3.1
Private Equity/Debt	11	10.2	7.6
Multi-Asset	4	5.8	3.3
Total Core Fund	115	6.6	4.1
Variable Fund Asset Class			
U.S. Equities	70	6.6	4.1
International Equities	30	7.4	4.9
Total Variable Fund	100	7.1	4.6
New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.4%			
Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations			

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, 2020. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% will always be paid.

VILLAGE OF JACKSON
NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2021
 (CONTINUED)

Note I - WRS Pension Plan (continued)

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 would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease to Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase to Discount Rate (8.00%)
Village's proportionate share of the net pension liability (asset)	\$ 1,237,861	\$ (1,300,463)	\$ (3,164,844)

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>

Note J - Other Post-Employment Benefits – Local Retiree Life Insurance Fund (“LRLIF”)

General Information about the Other Post-Employment Benefits

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

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

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

Contributions. The Group Insurance Board approves contribution rates annually, based on recommendations from the insurance carrier. Recommended rates are based on an annual valuation, taking into consideration an estimate of the present value of future benefits and the present value of future contributions. A portion of employer contributions made during a member's working lifetime funds a post-retirement benefit.

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

VILLAGE OF JACKSON
NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2021
 (CONTINUED)

Note J - Other Post-Employment Benefits – Local Retiree Life Insurance Fund (“LRLIF”) - (continued)

Contribution rates as of December 31, 2021 are:

Coverage Type	Employer Contribution
50% Post Retirement Coverage	40% of employee contribution
25% Post Retirement Coverage	20% of employee contribution

Member contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating employees must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The employee contribution rates in effect for the year ended December 31, 2020 are as listed below:

Life Insurance Employee Contribution Rates* For the year ended December 31, 2019		
Attained Age	Basic	Supplemental
Under 30	\$0.05	\$0.05
30-34	0.06	0.06
35-39	0.07	0.07
40-44	0.08	0.08
45-49	0.12	0.12
50-54	0.22	0.22
55-59	0.39	0.39
60-64	0.49	0.49
65-69	0.57	0.57
*Disabled members under age 70 receive a waiver-of-premium benefit.		

During the reporting period, the LRLIF recognized \$1,105 in contributions from the employer.

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

At December 31, 2021, the Village reported a liability of \$304,834 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2020 rolled forward to December 31, 2020. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village’s proportion of the net OPEB liability was based on the Village’s share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31 2020, the Village’s proportion was 0.05541700%, which was an increase of 0.00310700% from its proportion measured as of December 31, 2019.

For the year ended December 31, 2021, the Village recognized OPEB expense of \$40,466.

VILLAGE OF JACKSON
NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2021
 (CONTINUED)

Note J - Other Post-Employment Benefits – Local Retiree Life Insurance Fund (“LRLIF”) - (continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 14,546
Net differences between projected and actual earnings on OPEB plan investments	4,438	-
Changes in assumptions	118,584	20,916
Changes in proportion and differences between employer contributions and proportionate share of contributions	16,375	295
Employer contributions subsequent to measurement date	883	-
	\$ 140,280	\$ 35,757

The amount of \$883 reported as deferred outflows related to OPEB resulting from the Village’s contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2021.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31,	Deferred Outflow of Resources	Deferred Inflow of Resources
2021	\$ 27,620	\$ 8,065
2022	27,140	8,065
2023	26,645	8,065
2024	24,984	7,855
2025	22,270	2,610
2026	10,286	1,048
2027	452	49

VILLAGE OF JACKSON
NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2021
 (CONTINUED)

Note J - Other Post-Employment Benefits – Local Retiree Life Insurance Fund (“LRLIF”) - (continued)

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

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

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

Long-term expected Return on Plan Assets. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Investments for the LRLIF are held with Securian, the insurance carrier. Interest is calculated and credited to the LRLIF based on the rate of return for a segment of the insurance carriers’ general fund, specifically 10-year A- Bonds (as a proxy, and not tied to any specific investments). The overall aggregate interest rate is calculated using a tiered approach based on the year the funds were originally invested and the rate of return for that year. Investment interest is credited based on the aggregate rate of return and assets are not adjusted to fair market value. Furthermore, the insurance carrier guarantees the principal amounts of the reserves, including all interest previously credited thereto.

Local OPEB Life Insurance
Asset Allocation Targets and Expected Returns
As of December 31, 2020

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

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

VILLAGE OF JACKSON
NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2021
 (CONTINUED)

Note J - Other Post-Employment Benefits – Local Retiree Life Insurance Fund (“LRLIF”) - (continued)

Single Discount rate. A single discount rate of 2.25% was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 2.87% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 2.74% as of December 31, 2019 to 2.12% as of December 31, 2020. The Plan’s fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total OPEB liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan’s fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan’s fiduciary net position is projected to be insufficient. The plan’s fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

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

Sensitivity of the Village’s proportionate share of the net OPEB liability to changes in the discount rate. The following presents the Village’s proportionate share of the net OPEB liability calculated using the discount rate of 2.25 percent, as well as what the Village’s proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.25 percent) or 1-percentage-point higher (3.25 percent) than the current rate:

	1% Decrease to Discount Rate (1.25%)	Current Discount Rate (2.25%)	1% Increase to Discount Rate (3.25%)
Village's proportionate share of the OPEB liability	\$ 414,661	\$ 304,834	\$ 221,774

Note K - Litigation and Contingencies

Village management is unaware of any pending or threatened litigation against the Village that would have a material effect on the financial statements.

Note L - Subsequent Events

Management has evaluated the need for disclosure or recording of transactions resulting from subsequent events through July 12, 2022 the date the financial statements were available to be issued; and concluded the following matters required disclosure:

On May 13, 2022, the Village sold its previous Village Hall for \$499,000. Revenues will be recognized and capital assets relieved during the 2022 fiscal year.

VILLAGE OF JACKSON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021
(CONTINUED)

Note M - Net Position and Fund Balances

Government-wide Financial Statement of Net Position

Governmental Activities

Governmental net position at December 31, 2021 consists of the following:

Net investment in capital assets:

Land	\$ 2,102,671	
Construction in process	14,745,665	
Other capital assets, net of accumulated depreciation	18,915,348	
Less: Related long-term debt	(22,053,326)	
Plus: Unspent proceeds on long-term debt	<u>2,750,285</u>	
		\$ 16,460,643

Restricted for:

Debt service	865,205	
General Fund: Impact fees	88,866	
TID 5	4,280	
TID 7	<u>12,131</u>	
		970,482

Unrestricted

153,632

Total Governmental Activities Net Position

\$ 17,584,757

Business-type Activities:

Net investment in capital assets

Land	\$ 384,719	
Capital assets, net of accumulated depreciation	<u>29,411,400</u>	
		\$ 29,796,119

Restricted for:

Capital projects	2,059,681	
Equipment replacement	<u>1,254,231</u>	
		3,313,912

Unrestricted

2,064,561

Total Business-type Activities Net Position

\$ 35,174,592

Deficit Fund Balance

At December 31, 2021 the following fund had a deficit fund balance:

TID #6	\$70,466
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VILLAGE OF JACKSON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021
(CONTINUED)

Note M - Net Position and Fund Balances (continued)

Governmental Fund Financial Statements

Nonspendable:

Prepaid expenditures	\$	54,022
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Restricted:

Debt service fund	\$	865,205
General fund: Impact fees		88,866
TID 5		4,280
TID 7		12,131
		970,482

Assigned:

Fire/EMS fund		638,201
Capital projects fund		2,041,114
Recreation fund		47,995
Hotel/Motel tax fund		109,338
Park fund		10,392
		2,847,040

Unassigned:

2,398,872

Total governmental funds - Fund balance

\$ 6,270,416

Note N - Restatement of Net Position

A prior period adjustment was made to increase the net position of the governmental and business-type activities due to a misstatement in the liability related to accrued compensated absences.

A prior period adjustment was made to increase the net position of the sewer utility due to a misstatement in the reporting of a prior period liability.

A prior period adjustment was made to decrease the net position of the governmental activities due to a misstatement in the liability related to unamortized premium on debt.

The net effect of these changes in net position are as follows:

	Governmental Activities	Business-type Activities
Net position as of December 31, 2020	\$ 14,592,544	\$ 34,585,749
Adjustment due to correction of an error - compensated absences	76,937	22,328
Adjustment due to correction of an error - prior period liability	-	60,106
Adjustment due to correction of an error - premium on debt	(154,490)	-
Net position as of December 31, 2020, as restated	\$ 14,514,991	\$ 34,668,183

VILLAGE OF JACKSON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021
(CONTINUED)

Note O - Effect of New Accounting Standards on Financial Statements

The Government Accounting Standards Board (GASB) has approved the following:

- Statement No. 87, *Leases*
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*
- Statements No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*
- Statements No. 96, *Subscription-Based Information Technology Arrangements*
- Statements No. 97, *Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Section 457, Deferred Compensation Plans – an Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*
- Statement No. 99, *Omnibus 2022*
- Statement No. 100, *Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62*

When they become effective, application of these standards may restate portions of these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF JACKSON
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND REVENUES
YEAR ENDED DECEMBER 31, 2021

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<u>TAXES</u>				
General property taxes	\$ 2,768,570	\$ 2,768,570	\$ 2,768,569	\$ (1)
Ag use-value penalties	-	-	8,040	8,040
Mobile home parking fees	100,000	100,000	89,425	(10,575)
Taxes from Utilities	260,000	260,000	259,713	(287)
Interest on personal property taxes	200	200	1,957	1,757
TOTAL TAXES	3,128,770	3,128,770	3,127,704	(1,066)
<u>INTERGOVERNMENTAL</u>				
Shared taxes from state	319,717	319,717	309,746	(9,971)
State personal property aid	8,900	8,900	16,743	7,843
State video service aid	19,431	19,431	19,431	-
Exempt computer aid	20,689	20,689	20,689	-
Recycling grants	10,550	10,550	10,590	40
Police - State/Federal aids	1,900	1,900	11,584	9,684
State Aid - in lieu of taxes	500	500	1,045	545
State transportation aid	315,019	315,019	314,606	(413)
COVID-19 grant program	-	-	376,807	376,807
TOTAL INTERGOVERNMENTAL	696,706	696,706	1,081,241	384,535
<u>LICENSES AND PERMITS</u>				
Liquor license	3,740	3,740	3,750	10
Hotel/Motel license	300	300	300	-
Operators license	5,000	5,000	4,511	(489)
Cigarette license	250	250	300	50
Video franchise fees	100,000	100,000	93,239	(6,761)
Dog license	6,000	6,000	7,733	1,733
Cat license	500	500	621	121
Other licenses	1,000	1,000	1,770	770
Building permits	190,000	190,000	264,118	74,118
Planning/Zoning application fees	3,500	3,500	5,330	1,830
WI permit seals	1,500	1,500	2,610	1,110
Address/Fire #	1,500	1,500	3,317	1,817
Erosion control permits	3,500	3,500	12,020	8,520
Publication fees	250	250	178	(72)
TOTAL LICENSES AND PERMITS	317,040	317,040	399,797	88,214
<u>FINES AND FORFEITURES</u>				
Police - Court penalties	58,000	58,000	34,972	(23,028)
Police - Parking fines	4,500	4,500	903	(3,597)
TOTAL FINES AND FORFEITURES	\$ 62,500	\$ 62,500	\$ 35,875	\$ (26,625)

See accompanying notes to required supplementary information.

VILLAGE OF JACKSON
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND REVENUES
YEAR ENDED DECEMBER 31, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>CHARGES FOR SERVICES</u>				
Police - Accident reports	\$ 400	\$ 400	\$ 375	\$ (25)
Police - OWI test/fingerprinting	1,600	1,600	2,022	422
Police and Fire impact fees	50,000	50,000	111,424	61,424
Police - Warrant fees	1,000	1,000	132	(868)
Police - False alarm revenue	100	100	-	(100)
Clerks fees	10,200	10,200	13,531	3,331
Public works revenue	100	100	9,770	9,670
Recycling revenue	100	100	1,654	1,554
Street opening permits	100	100	11,110	11,010
NSF charges	80	80	-	(80)
Aurora Healthcare payment	39,000	39,000	40,389	1,389
TOTAL CHARGES FOR SERVICES	<u>102,680</u>	<u>102,680</u>	<u>190,407</u>	<u>87,727</u>
<u>MISCELLANEOUS AND INTEREST</u>				
Interest on temporary investments	20,000	20,000	7,164	(12,836)
Insurance dividends	25,000	25,000	32,835	7,835
Verizon lease	26,623	26,623	26,623	-
US Cellular lease	30,745	30,745	30,745	-
Police - Donations	-	-	5,090	5,090
Police - Fundraiser	-	-	11,388	11,388
Miscellaneous general revenue	2,000	2,000	1,538	(462)
TOTAL MISCELLANEOUS AND INTEREST	<u>104,368</u>	<u>104,368</u>	<u>115,383</u>	<u>11,015</u>
TOTAL REVENUES	<u>\$ 4,412,064</u>	<u>\$ 4,412,064</u>	<u>\$ 4,950,407</u>	<u>\$ 543,800</u>

See accompanying notes to required supplementary information.

VILLAGE OF JACKSON
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND EXPENDITURES
YEAR ENDED DECEMBER 31, 2021

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<u>GENERAL GOVERNMENT</u>				
Village board	\$ 28,800	\$ 28,800	\$ 28,224	\$ 576
Appointed committee wages	1,750	1,750	501	1,249
Village attorney	45,000	45,000	48,540	(3,540)
Administrative wages	431,581	431,581	411,310	20,271
Administration	23,900	23,900	32,560	(8,660)
Elections	10,000	10,000	8,786	1,214
Admin - audit and accounting	28,000	28,000	12,570	15,430
Assessments	39,000	39,000	42,614	(3,614)
Insurance	58,000	58,000	48,512	9,488
Utilities	20,450	20,450	17,535	2,915
Supplies	3,200	3,200	6,544	(3,344)
Computer and internet	15,850	15,850	17,927	(2,077)
Repairs and maintenance	7,500	7,500	9,701	(2,201)
Signs	1,500	1,500	1,467	33
Licenses and fees	1,975	1,975	2,323	(348)
Property tax chargebacks	755	755	22,578	21,823
TOTAL GENERAL GOVERNMENT	717,261	717,261	711,692	49,215
<u>PUBLIC SAFETY</u>				
Police department	1,776,946	1,776,946	1,677,778	99,168
Emergency government	2,500	2,500	2,000	500
Building inspector	170,033	170,033	127,374	42,659
TOTAL PUBLIC SAFETY	1,949,479	1,949,479	1,807,152	142,327
<u>PUBLIC WORKS</u>				
Engineering	32,145	32,145	25,808	6,337
Streets	614,421	614,421	546,156	68,265
Storm sewers	3,000	3,000	1,670	1,330
Trash	332,971	332,971	235,937	97,034
Recycling	182,310	182,310	181,213	1,097
TOTAL PUBLIC WORKS	\$ 1,164,847	\$ 1,164,847	\$ 990,784	\$ 174,063

See accompanying notes to required supplementary information.

VILLAGE OF JACKSON
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND EXPENDITURES
YEAR ENDED DECEMBER 31, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>CULTURE AND RECREATION</u>				
Parks	\$ 190,394	\$ 190,394	\$ 215,446	\$ (25,052)
<u>CAPITAL OUTLAY</u>				
General government	-	-	19,928	(19,928)
Parks	17,000	17,000	-	17,000
Police	-	-	40,000	(40,000)
TOTAL CAPITAL OUTLAY	<u>17,000</u>	<u>17,000</u>	<u>59,928</u>	<u>(42,928)</u>
TOTAL EXPENDITURES	<u>4,038,981</u>	<u>4,038,981</u>	<u>3,785,002</u>	<u>297,625</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	(379,083)	(379,083)	(379,083)	-
Police - Sale of vehicles	6,000	6,000	6,335	335
Police - Sale of property	-	-	469	469
TOTAL OTHER FINANCING SOURCES (USES)	<u>(373,083)</u>	<u>(373,083)</u>	<u>(372,279)</u>	<u>804</u>
NET CHANGE IN FUND BALANCE	-	-	793,126	<u>\$ 246,979</u>
FUND BALANCES - BEGINNING OF YEAR	<u>1,969,744</u>	<u>1,969,744</u>	<u>1,807,907</u>	
FUND BALANCES - END OF YEAR	<u>\$ 1,969,744</u>	<u>\$ 1,969,744</u>	<u>\$ 2,601,033</u>	

See accompanying notes to required supplementary information.

VILLAGE OF JACKSON

DECEMBER 31, 2021

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)

Wisconsin Retirement System

Last 10 Fiscal Years*

WRS Year End	Proportion of the net pension (asset) liability	Proportionate share of the net pension (asset) liability	Covered-employee payroll	Net pension (asset) liability as a percentage of employee payroll	Plan fiduciary net position as a percentage of total pension (asset) liability
2020	0.02083029%	\$ (1,300,463)	\$ 2,784,138	-46.71%	105.26%
2019	0.01972279%	\$ (635,952)	\$ 2,541,523	-25.02%	102.96%
2018	0.01903829%	\$ 677,322	\$ 2,388,882	28.36%	96.45%
2017	0.01831388%	\$ (543,760)	\$ 2,278,882	-23.86%	102.93%
2016	0.01780272%	\$ 145,947	\$ 2,221,840	6.57%	99.12%
2015	0.01782027%	\$ 289,291	\$ 2,128,161	13.59%	98.20%
2014	0.00178682%	\$ (438,892)	\$ 2,005,966	-21.88%	102.74%

SCHEDULE OF CONTRIBUTIONS

Wisconsin Retirement System

Last 10 Fiscal Years*

WRS Year End	Contractually required contributions	Contributions in relation to the contractually required contributions	Contribution deficiency (excess)	Covered employee payroll	Contributions as a percentage of covered-employee payroll
2020	\$ 251,023	\$ 251,023	\$ -	\$ 2,784,138	9.02%
2019	\$ 213,126	\$ 213,126	\$ -	\$ 2,541,523	8.39%
2018	\$ 203,618	\$ 203,618	\$ -	\$ 2,388,882	8.52%
2017	\$ 192,405	\$ 192,405	\$ -	\$ 2,278,882	8.44%
2016	\$ 173,975	\$ 173,975	\$ -	\$ 2,221,840	7.83%
2015	\$ 170,215	\$ 170,215	\$ -	\$ 2,128,161	8.00%
2014	\$ 169,291	\$ 169,291	\$ -	\$ 2,005,966	8.44%

*The amounts presented for each fiscal year were determined as of the prior calendar year-end.

*GASB Pronouncements 67 and 68 require the presentation of the last 10 prior fiscal years completed under these pronouncements. The fiscal years completed prior to the enactment of these pronouncements are not required to be presented for this schedule.

See accompanying notes to required supplementary information.

VILLAGE OF JACKSON

DECEMBER 31, 2021

SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)

Local Retiree Life Insurance

Last 10 Fiscal Years*

LRLIF Year End	Proportion of the net OPEB (asset) liability	Proportionate share of the net OPEB (asset) liability	Covered-employee payroll	Net OPEB (asset) liability as a percentage of employee payroll	Plan fiduciary net position as a percentage of total OPEB (asset) liability
2020	0.05541700%	\$ 304,834	\$ 2,728,000	11.17%	31.36%
2019	0.05223100%	\$ 222,746	\$ 2,379,000	9.36%	37.58%
2018	0.51101000%	\$ 131,858	\$ 2,305,000	5.72%	48.69%
2017	0.04788100%	\$ 144,054	\$ 2,013,533	7.15%	44.81%

SCHEDULE OF CONTRIBUTIONS - OPEB

Local Retiree Life Insurance

Last 10 Fiscal Years*

LRLIF Year End	Contractually required contributions	Contributions in relation to the contractually required contributions	Contribution deficiency (excess)	Covered-employee payroll	Contributions as a percentage of covered-employee payroll
2020	\$ 1,105	\$ 1,105	\$ -	\$ 2,728,000	0.04%
2019	\$ 945	\$ 945	\$ -	\$ 2,379,000	0.04%
2018	\$ 1,673	\$ 1,673	\$ -	\$ 4,126,000	0.04%
2017	\$ 1,802	\$ 1,802	\$ -	\$ 3,991,195	0.05%

*The amounts presented for each fiscal year were determined as of the prior calendar year-end.

*GASB Pronouncement 75 require the presentation of the last 10 prior fiscal years completed under these pronouncements. The fiscal years completed prior to the enactment of these pronouncements are not required to be presented for this schedule.

See accompanying notes to required supplementary information.

VILLAGE OF JACKSON
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2021

Note 1. Budgetary Information

The Village creates a budget for the General Fund. The Village reviews and adopts its annual budget by December or earlier of the preceding year. The budgetary information included in the accompanying financial statements is comprised of the originally approved budget plus or minus approved revisions of budgeted revenues and expenditures. These budgets are adopted on a basis consistent with GAAP. Management control of the budgetary process has been established at the departmental level of expenditure. A department can be a fund, cost center, program or other activity for which control of expenditures is considered desirable. Budget appropriations for certain capital projects funds are project oriented, often possessing multi-year lives; consequently, budgeted capital projects expenditures are controlled through fund balances. The budget may be amended for supplemental appropriations periodically during the year. Budget changes require a two-thirds approval by the Village Board. The 2021 general fund budget was not amended.

Note 2. Excess Expenditures over Appropriations

The Village had the following expenditures in excess of appropriations as presented in the “Budgetary Comparison Schedule – General Fund Expenditures”.

	<u>Amount</u>
Culture and recreation	\$ 25,052
Capital outlay	42,928

The excess expenditures were absorbed by revenues in excess of budget and available fund balances.

Note 3. WRS Information

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

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

Note 4. OPEB Information

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

Changes of assumptions: Several actuarial assumptions changed from the prior year, including the single discount rate, long-term expected rate of return and expected inflation. Please refer to the Actuarial Assumptions section in footnote J in the Notes to Financial Statements, above.

SUPPLEMENTARY INFORMATION

VILLAGE OF JACKSON
COMBINING BALANCE SHEETS
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE
DECEMBER 31, 2021

	<u>Special Revenue Funds</u>				Total Nonmajor Funds Special Revenue Funds
	Fire/EMS Fund	Recreation Fund	Hotel/ Motel Tax Fund	Park Fund	
<u>ASSETS</u>					
Cash and investments	\$ 621,219	\$ 149,691	\$ 116,618	\$ 10,392	\$ 897,920
Receivables:					
Taxes	-	128,138	-	-	128,138
Accounts (net of allowance for doubtful accounts)	65,795	-	11,540	-	77,335
Prepaid expenses	6,966	4,227	-	-	11,193
TOTAL ASSETS	693,980	282,056	128,158	10,392	1,114,586
<u>LIABILITIES</u>					
Accounts payable and accrued expenses	12,174	9,338	18,820	-	40,332
Accrued salaries and fringes	36,639	11,311	-	-	47,950
TOTAL LIABILITIES	48,813	20,649	18,820	-	88,282
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Property taxes	-	209,185	-	-	209,185
<u>FUND BALANCES</u>					
Nonspendable	6,966	4,227	-	-	11,193
Assigned	638,201	47,995	109,338	10,392	805,926
TOTAL FUND BALANCES	\$ 645,167	\$ 52,222	\$ 109,338	\$ 10,392	\$ 817,119

VILLAGE OF JACKSON
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE
YEAR ENDED DECEMBER 31, 2021

	<u>Special Revenue Funds</u>				Total Nonmajor Funds Special Revenue Funds
	Fire/EMS Fund	Recreation Fund	Hotel/ Motel Tax Fund	Park Fund	
<u>REVENUES</u>					
Taxes	\$ -	\$ 194,015	\$ 45,948	\$ -	\$ 239,963
Intergovernmental	73,659	-	-	-	73,659
Charges for services	359,664	324,065	-	60,100	743,829
Intergovernmental charges for services	334,228	42,959	-	-	377,187
Interest income	9	-	-	153	162
Other	16,583	-	-	-	16,583
TOTAL REVENUES	784,143	561,039	45,948	60,253	1,451,383
<u>EXPENDITURES</u>					
Current:					
General government	-	-	70,615	-	70,615
Public safety	929,084	-	-	-	929,084
Culture and recreation	-	542,112	-	-	542,112
Capital outlay	63,384	-	50,509	94,749	208,642
TOTAL EXPENDITURES	992,468	542,112	121,124	94,749	1,750,453
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(208,325)	18,927	(75,176)	(34,496)	(299,070)
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers in (out)	307,629	-	-	-	307,629
NET CHANGE IN FUND BALANCES	99,304	18,927	(75,176)	(34,496)	8,559
FUND BALANCES - BEGINNING	545,863	33,295	184,514	44,888	808,560
FUND BALANCES - ENDING	\$ 645,167	\$ 52,222	\$ 109,338	\$ 10,392	\$ 817,119

VILLAGE OF JACKSON
COMBINING BALANCE SHEETS
NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS
DECEMBER 31, 2021

	Capital Projects Funds			Total Nonmajor Capital Projects Funds
	TID 5	TID 6	TID 7	
<u>ASSETS</u>				
Cash and investments	\$ 47,386	\$ (12,525)	\$ -	\$ 34,861
Receivables:				
Taxes	68,151	94,521	-	162,672
Special assessments	-	10,040	-	10,040
Restricted Assets:				
Cash and investments	-	-	23,403	23,403
TOTAL ASSETS	115,537	92,036	23,403	230,976
<u>LIABILITIES</u>				
Accounts payable	-	-	11,272	11,272
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Property taxes	111,257	151,028	-	262,285
Special assessments	-	11,474	-	11,474
TOTAL DEFERRED INFLOWS OF RESOURCES	111,257	162,502	-	273,759
<u>FUND BALANCES</u>				
Restricted	4,280	-	12,131	16,411
Unassigned	-	(70,466)	-	(70,466)
TOTAL FUND BALANCES	\$ 4,280	\$ (70,466)	\$ 12,131	\$ (54,055)

VILLAGE OF JACKSON
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS
YEAR ENDED DECEMBER 31, 2021

	Capital Projects Funds			Total Nonmajor Capital Projects Funds
	TID 5	TID 6	TID 7	
<u>REVENUES</u>				
Taxes	\$ 110,909	\$ 54,613	\$ 17,105	\$ 182,627
Special assessments	-	27,036	-	27,036
Interest income	-	2,499	-	2,499
Other	-	-	2,500	2,500
TOTAL REVENUES	110,909	84,148	19,605	214,662
<u>EXPENDITURES</u>				
Current:				
General government	625	6,127	37,380	44,132
Capital outlay	-	98,807	235,662	334,469
Debt Service:				
Principal	104,255	-	-	104,255
TOTAL EXPENDITURES	104,880	104,934	273,042	482,856
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	6,029	(20,786)	(253,437)	(268,194)
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in (out)	-	(115,635)	(81,509)	(197,144)
NET CHANGE IN FUND BALANCES	6,029	(136,421)	(334,946)	(268,194)
FUND BALANCES - BEGINNING	(1,749)	65,955	347,077	411,283
FUND BALANCES - ENDING	\$ 4,280	\$ (70,466)	\$ 12,131	\$ 143,089