

VILLAGE OF WINNECONNE, WISCONSIN

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2025



CPAs | CONSULTANTS | WEALTH ADVISORS

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YEAR ENDED DECEMBER 31, 2025**

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INDEPENDENT AUDITORS' REPORT

Village Board
Village of Winneconne, Wisconsin

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Winneconne, Wisconsin (the Village), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village as of December 31, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof, and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government 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 GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

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

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

Supplementary Information

Our audit for the year ended December 31, 2025 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The financial information listed in the table of contents as supplementary information for the year ended December 31, 2025 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended December 31, 2025 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended December 31, 2025.

We also previously audited, in accordance with GAAS, the basic financial statements of the Village as of and for the year ended December 31, 2024, (not presented herein), and have issued our report thereon dated April 24, 2025 which contained unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information. The financial information listed in the table of contents as supplementary information for the year ended December 31, 2024 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2024 basic financial statements. The information was subjected to the audit procedures applied in the audit of the 2024 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the financial information listed in the table of contents as supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended December 31, 2024.

Report on Summarized Comparative Information

We have previously audited the Village's 2024 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information in our report dated April 24, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Village Board
Village of Winneconne, Wisconsin

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 23, 2026, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Green Bay, Wisconsin
April 23, 2026

BASIC FINANCIAL STATEMENTS

VILLAGE OF WINNECONNE, WISCONSIN
STATEMENT OF NET POSITION
DECEMBER 31, 2025
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2024)

| | Governmental | Business-Type | Totals | |
|---|---------------------|----------------------|----------------------|----------------------|
| | Activities | Activities | 2025 | 2024 |
| ASSETS | | | | |
| Cash and Investments | \$ 4,950,773 | \$ 2,931,911 | \$ 7,882,684 | \$ 5,491,007 |
| Receivables: | | | | |
| Taxes and Special Charges | 1,607,087 | 211,841 | 1,818,928 | 1,736,479 |
| Delinquent Taxes | 2,348 | - | 2,348 | 2,348 |
| Accounts | 19,315 | 562,870 | 582,185 | 564,067 |
| Special Assessments | 293,687 | 63,741 | 357,428 | 402,543 |
| Loans | 53,117 | - | 53,117 | 53,117 |
| Leases | - | 281,575 | 281,575 | 244,222 |
| Due from Other Governments | - | - | - | 250,000 |
| Inventories and Prepaid Items | 14,443 | 23,795 | 38,238 | 37,966 |
| Restricted Assets: | | | | |
| Cash and Investments | - | 483,759 | 483,759 | 463,504 |
| Capital Assets, Nondepreciable | 2,004,426 | 15,562 | 2,019,988 | 2,505,972 |
| Capital Assets, Depreciable, Net | 9,727,137 | 17,874,468 | 27,601,605 | 26,996,517 |
| Total Assets | 18,672,333 | 22,449,522 | 41,121,855 | 38,747,742 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Deferred Charges on Refunding | - | 32,450 | 32,450 | 40,562 |
| Pension Related Amounts | 468,387 | 85,178 | 553,565 | 768,129 |
| Other Postemployment Related Amounts | 49,247 | 8,902 | 58,149 | 83,055 |
| Total Deferred Outflows of Resources | 517,634 | 126,530 | 644,164 | 891,746 |
| LIABILITIES | | | | |
| Accounts Payable | 639,125 | 132,824 | 771,949 | 494,270 |
| Accrued and Other Current Liabilities | 32,768 | 5,608 | 38,376 | 31,218 |
| Accrued Interest Payable | 281,542 | 56,511 | 338,053 | 183,998 |
| Special Deposits | - | 5,164 | 5,164 | 5,164 |
| Unearned Revenues | 97,366 | - | 97,366 | 150,000 |
| Long-Term Obligations: | | | | |
| Due Within One Year | 609,009 | 502,625 | 1,111,634 | 1,993,125 |
| Due in More Than One Year | 8,101,132 | 7,537,025 | 15,638,157 | 13,455,112 |
| Net Pension Liability | 78,198 | 14,136 | 92,334 | 85,753 |
| Other Postemployment Benefits | 53,749 | 9,716 | 63,465 | 82,223 |
| Total Liabilities | 9,892,889 | 8,263,609 | 18,156,498 | 16,480,863 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Property Taxes Levied for Subsequent Year | 2,388,945 | 319,800 | 2,708,745 | 2,879,764 |
| Leases Related | - | 281,575 | 281,575 | 244,222 |
| Pension Related Amounts | 228,352 | 41,281 | 269,633 | 458,423 |
| Other Postemployment Related Amounts | 76,966 | 13,914 | 90,880 | 93,461 |
| Total Deferred Inflows Resources | 2,694,263 | 656,570 | 3,350,833 | 3,675,870 |
| NET POSITION | | | | |
| Net Investment in Capital Assets | 3,242,415 | 9,788,704 | 13,031,119 | 13,777,015 |
| Restricted: | | | | |
| Capital Projects and Development | 313,731 | - | 313,731 | 452,622 |
| Donations | 9,926 | - | 9,926 | 13,361 |
| Development Loans Receivable | 53,117 | - | 53,117 | 53,117 |
| Equipment Replacement | - | 483,759 | 483,759 | 463,504 |
| Debt Service | 827,140 | - | 827,140 | 479,502 |
| Unrestricted | 2,156,486 | 3,383,410 | 5,539,896 | 4,243,634 |
| Total Net Position | \$ 6,602,815 | \$ 13,655,873 | \$ 20,258,688 | \$ 19,482,755 |

See accompanying Notes to Basic Financial Statements.

VILLAGE OF WINNECONNE, WISCONSIN
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2024)

| Functions/Programs | Expenses | Program Revenues | | |
|---------------------------------|---------------------|-------------------------|--|--|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| GOVERNMENTAL ACTIVITIES | | | | |
| General Government | \$ 640,225 | \$ 104,335 | \$ 7,871 | \$ - |
| Public Safety | 872,295 | 87,067 | 8,161 | - |
| Public Works | 955,817 | 230,052 | 267,809 | 42,143 |
| Health and Human Services | 40,452 | 22,020 | 13,425 | - |
| Culture and Recreation | 723,209 | 124,293 | 227,840 | 134,943 |
| Conservation and Development | 503,566 | 29,298 | - | 36,121 |
| Interest and Fiscal Charges | 478,239 | - | - | - |
| Total Governmental Activities | <u>4,213,803</u> | <u>597,065</u> | <u>525,106</u> | <u>213,207</u> |
| BUSINESS-TYPE ACTIVITIES | | | | |
| Water Utility | 1,142,061 | 1,327,533 | - | 62,436 |
| Sewer Utility | 1,093,365 | 972,534 | - | 24,398 |
| Stormwater Utility | 95,978 | 314,603 | - | 25,714 |
| Total Business-Type Activities | <u>2,331,404</u> | <u>2,614,670</u> | <u>-</u> | <u>112,548</u> |
| Total | <u>\$ 6,545,207</u> | <u>\$ 3,211,735</u> | <u>\$ 525,106</u> | <u>\$ 325,755</u> |

See accompanying Notes to Basic Financial Statements.

VILLAGE OF WINNECONNE, WISCONSIN
STATEMENT OF ACTIVITIES (CONTINUED)
YEAR ENDED DECEMBER 31, 2025
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2024)

| Functions/Programs | Net (Expense) Revenue and Changes in Net Position | | | |
|--------------------------------------|--|----------------------|----------------------|----------------------|
| | Governmental | Business-Type | Totals | |
| | Activities | Activities | 2025 | 2024 |
| GOVERNMENTAL ACTIVITIES | | | | |
| General Government | \$ (528,019) | \$ - | \$ (528,019) | \$ (524,963) |
| Public Safety | (777,067) | - | (777,067) | (751,689) |
| Public Works | (415,813) | - | (415,813) | (329,829) |
| Health and Human Services | (5,007) | - | (5,007) | (19,988) |
| Culture and Recreation | (236,133) | - | (236,133) | (60,997) |
| Conservation and Development | (438,147) | - | (438,147) | (18,924) |
| Interest and Fiscal Charges | (478,239) | - | (478,239) | (222,483) |
| Total Governmental Activities | (2,878,425) | - | (2,878,425) | (1,928,873) |
| BUSINESS-TYPE ACTIVITIES | | | | |
| Water Utility | - | 247,908 | 247,908 | 1,248,345 |
| Sewer Utility | - | (96,433) | (96,433) | (121,119) |
| Stormwater Utility | - | 244,339 | 244,339 | 237,621 |
| Total Business-Type Activities | - | 395,814 | 395,814 | 1,364,847 |
| Total | (2,878,425) | 395,814 | (2,482,611) | (564,026) |
| GENERAL REVENUES | | | | |
| Taxes: | | | | |
| Property Taxes | 1,940,016 | - | 1,940,016 | 1,927,951 |
| Tax Increments | 376,520 | - | 376,520 | 413,378 |
| Other Taxes | 13,289 | - | 13,289 | 26,241 |
| Federal and State Grants and Other | | | | |
| Contributions Not Restricted to | | | | |
| Specific Functions | 362,388 | - | 362,388 | 326,517 |
| Interest and Investment Earnings | 327,514 | 20,255 | 347,769 | 600,196 |
| Miscellaneous | 20,373 | - | 20,373 | 19,498 |
| Gain on Sale of Asset | 198,189 | - | 198,189 | 13,689 |
| Transfers | (635,732) | 635,732 | - | - |
| Total General Revenues and Transfers | 2,602,557 | 655,987 | 3,258,544 | 3,327,470 |
| CHANGE IN NET POSITION | (275,868) | 1,051,801 | 775,933 | 2,763,444 |
| Net Position - Beginning of Year | 6,878,683 | 12,604,072 | 19,482,755 | 16,719,311 |
| NET POSITION - END OF YEAR | <u>\$ 6,602,815</u> | <u>\$ 13,655,873</u> | <u>\$ 20,258,688</u> | <u>\$ 19,482,755</u> |

See accompanying Notes to Basic Financial Statements.

VILLAGE OF WINNECONNE, WISCONSIN
BALANCE SHEET —
GOVERNMENTAL FUNDS
DECEMBER 31, 2025
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2024)

| ASSETS | General | General Capital Projects | Debt Service |
|--|--------------|--------------------------------|--------------|
| Cash and Investments | \$ 2,082,160 | \$ 562,105 | \$ 1,390,590 |
| Receivables: | | | |
| Taxes and Special Charges | 913,062 | - | 519,564 |
| Delinquent Taxes | 2,348 | - | - |
| Accounts | 19,315 | - | - |
| Loans | - | - | - |
| Special Assessments | - | - | 293,687 |
| Due from Other Funds | 17,061 | - | - |
| Due from Other Governments | - | - | - |
| Inventories and Prepaid Items | 14,443 | - | - |
| Total Assets | \$ 3,048,389 | \$ 562,105 | \$ 2,203,841 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | |
| LIABILITIES | | | |
| Accounts Payable | \$ 163,825 | \$ - | \$ - |
| Accrued and Other Current Liabilities | 32,768 | - | - |
| Due to Other Funds | - | - | - |
| Unearned Revenues | - | 97,366 | - |
| Total Liabilities | 196,593 | 97,366 | - |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Property Taxes Levied for Subsequent Year | 1,304,950 | - | 801,472 |
| Grant Receivable | - | - | - |
| Loans Receivable | - | - | - |
| Special Assessments | - | - | 293,687 |
| Total Deferred Inflows of Resources | 1,304,950 | - | 1,095,159 |
| FUND BALANCES | | | |
| Nonspendable | 14,443 | - | - |
| Restricted | - | 464,739 | 1,108,682 |
| Committed | - | - | - |
| Unassigned | 1,532,403 | - | - |
| Total Fund Balances | 1,546,846 | 464,739 | 1,108,682 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | \$ 3,048,389 | \$ 562,105 | \$ 2,203,841 |

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF WINNECONNE, WISCONSIN
BALANCE SHEET —
GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2025
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2024)**

| | Other Governmental Funds | Totals | |
|--|--------------------------------|--------------|--------------|
| ASSETS | | 2025 | 2024 |
| Cash and Investments | \$ 915,918 | \$ 4,950,773 | \$ 3,217,101 |
| Receivables: | | | |
| Taxes and Special Charges | 174,461 | 1,607,087 | 1,529,821 |
| Delinquent Taxes | - | 2,348 | 2,348 |
| Accounts | - | 19,315 | - |
| Loans | 53,117 | 53,117 | 53,117 |
| Special Assessments | - | 293,687 | 352,064 |
| Due from Other Funds | - | 17,061 | 251,946 |
| Due from Other Governments | - | - | 250,000 |
| Inventories and Prepaid Items | - | 14,443 | 14,171 |
| Total Assets | \$ 1,143,496 | \$ 6,957,831 | \$ 5,670,568 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | |
| LIABILITIES | | | |
| Accounts Payable | \$ 475,300 | \$ 639,125 | \$ 215,365 |
| Accrued and Other Current Liabilities | - | 32,768 | 26,085 |
| Due to Other Funds | 17,061 | 17,061 | 251,946 |
| Unearned Revenues | - | 97,366 | 150,000 |
| Total Liabilities | 492,361 | 786,320 | 643,396 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Property Taxes Levied for Subsequent Year | 282,523 | 2,388,945 | 2,465,717 |
| Grant Receivable | - | - | 250,000 |
| Loans Receivable | 53,117 | 53,117 | 53,117 |
| Special Assessments | - | 293,687 | 352,064 |
| Total Deferred Inflows of Resources | 335,640 | 2,735,749 | 3,120,898 |
| FUND BALANCES | | | |
| Nonspendable | - | 14,443 | 14,171 |
| Restricted | 9,926 | 1,583,347 | 1,072,297 |
| Committed | 339,567 | 339,567 | 277,956 |
| Unassigned | (33,998) | 1,498,405 | 541,850 |
| Total Fund Balances | 315,495 | 3,435,762 | 1,906,274 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | \$ 1,143,496 | \$ 6,957,831 | \$ 5,670,568 |

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF WINNECONNE, WISCONSIN
RECONCILIATION OF THE BALANCE SHEET — GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2025
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2024)**

| | 2025 | 2024 |
|---|--------------|--------------|
| Total fund balances as shown on previous page | \$ 3,435,762 | \$ 1,906,274 |
| Amounts reported for governmental activities in the statement of net position are different because: | | |
| Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds. | 11,731,563 | 11,615,786 |
| Other long-term assets are not available to pay current period expenditures and therefore are deferred in the funds. | | |
| Loans Receivable | 53,117 | 53,117 |
| Special Assessments | 293,687 | 352,064 |
| Grant Receivable | - | 250,000 |
| Some deferred outflows and inflows of resources reflect changes in long-term liabilities and are not reported in the funds. | | |
| Deferred Outflows Related to Pensions | 468,387 | 659,588 |
| Deferred Inflows Related to Pensions | (228,352) | (394,185) |
| Deferred Outflows Related to Other Postemployment Benefits | 49,247 | 71,945 |
| Deferred Inflows Related to Other Postemployment Benefits | (76,966) | (80,959) |
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. | | |
| Bonds and Notes Payable | (8,435,336) | (7,125,856) |
| Premium on Debt | (204,820) | (78,104) |
| Compensated Absences | (69,985) | (80,447) |
| Net Pension Liability | (78,198) | (73,737) |
| Other Postemployment Benefit | (53,749) | (71,224) |
| Accrued Interest on Long-Term Obligations | (281,542) | (125,579) |
| Net Position of Governmental Activities as Reported on the Statement of Net Position | \$ 6,602,815 | \$ 6,878,683 |

See accompanying Notes to Basic Financial Statements.

VILLAGE OF WINNECONNE, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES —
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2025
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2024)

| | General | General Capital Projects | Debt Service |
|---|--------------|--------------------------------|--------------|
| REVENUES | | | |
| Taxes | \$ 1,265,305 | \$ - | \$ 688,000 |
| Special Assessments | - | - | 153,883 |
| Intergovernmental | 732,995 | 302,634 | - |
| Licenses and Permits | 76,571 | - | - |
| Fines and Forfeits | 39,142 | - | - |
| Public Charges for Services | 154,452 | - | - |
| Intergovernmental Charges for Services | 77,258 | - | - |
| Miscellaneous | 388,378 | 17,828 | 21,688 |
| Total Revenues | 2,734,101 | 320,462 | 863,571 |
| EXPENDITURES | | | |
| Current: | | | |
| General Government | 534,973 | - | - |
| Public Safety | 846,571 | 97,370 | - |
| Public Works | 392,871 | - | - |
| Health and Human Services | 38,990 | - | - |
| Culture and Recreation | 594,927 | - | - |
| Conservation and Development | 46,735 | - | - |
| Debt Service: | | | |
| Principal | - | - | 451,189 |
| Interest and Fiscal Charges | - | 90,186 | 220,896 |
| Capital Outlay | - | 1,271,872 | - |
| Total Expenditures | 2,455,067 | 1,459,428 | 672,085 |
| EXCESS OF REVENUES OVER (UNDER) | | | |
| EXPENDITURES | 279,034 | (1,138,966) | 191,486 |
| OTHER FINANCING SOURCES | | | |
| Long-Term Debt Issued | - | 1,870,000 | - |
| Refunding Bonds Issued | - | - | 960,000 |
| Principal Paid from Refunding Bond | - | - | (960,000) |
| Capital Contributions | - | - | - |
| Premium on Debt Issued | - | 48,557 | 86,623 |
| Final Distribution of Increment for TID Closure | - | - | - |
| Proceeds from Sale of Capital Assets | - | 220,874 | - |
| Transfers In | 348,246 | 200,659 | 225,492 |
| Transfers Out | (200,659) | (207,000) | - |
| Total Other Financing Sources | 147,587 | 2,133,090 | 312,115 |
| NET CHANGE IN FUND BALANCES | | | |
| | 426,621 | 994,124 | 503,601 |
| Fund Balances - Beginning of Year | 1,120,225 | (529,385) | 605,081 |
| FUND BALANCES - END OF YEAR | \$ 1,546,846 | \$ 464,739 | \$ 1,108,682 |

See accompanying Notes to Basic Financial Statements.

VILLAGE OF WINNECONNE, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES —
GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2025
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2024)

| | Other Governmental Funds | Totals | |
|---|--------------------------------|---------------------|---------------------|
| | | 2025 | 2024 |
| REVENUES | | | |
| Taxes | \$ 376,520 | \$ 2,329,825 | \$ 2,252,788 |
| Special Assessments | - | 153,883 | 138,518 |
| Intergovernmental | 25,256 | 1,060,885 | 1,059,684 |
| Licenses and Permits | - | 76,571 | 86,770 |
| Fines and Forfeits | - | 39,142 | 33,528 |
| Public Charges for Services | 266,525 | 420,977 | 415,271 |
| Intergovernmental Charges for Services | - | 77,258 | 71,556 |
| Miscellaneous | 118,120 | 546,014 | 444,489 |
| Total Revenues | <u>786,421</u> | <u>4,704,555</u> | <u>4,502,604</u> |
| EXPENDITURES | | | |
| Current: | | | |
| General Government | - | 534,973 | 546,809 |
| Public Safety | - | 943,941 | 820,934 |
| Public Works | 227,879 | 620,750 | 522,907 |
| Health and Human Services | - | 38,990 | 42,672 |
| Culture and Recreation | 108,133 | 703,060 | 523,136 |
| Conservation and Development | 4,506 | 51,241 | 32,146 |
| Debt Service: | | | |
| Principal | 109,331 | 560,520 | 539,842 |
| Interest and Fiscal Charges | 19,658 | 330,740 | 160,175 |
| Capital Outlay | 270 | 1,272,142 | 1,596,809 |
| Total Expenditures | <u>469,777</u> | <u>5,056,357</u> | <u>4,785,430</u> |
| EXCESS OF REVENUES OVER (UNDER) | | | |
| EXPENDITURES | 316,644 | (351,802) | (282,826) |
| OTHER FINANCING SOURCES | | | |
| Long-Term Debt Issued | - | 1,870,000 | - |
| Refunding Bonds Issued | - | 960,000 | - |
| Principal Paid from Refunding Bond | - | (960,000) | - |
| Capital Contributions | - | - | 34,264 |
| Premium on Debt Issued | - | 135,180 | - |
| Final Distribution of Increment for TID Closure | (454,292) | (454,292) | - |
| Proceeds from Sale of Capital Assets | - | 220,874 | 13,689 |
| Transfers In | 207,000 | 981,397 | 669,047 |
| Transfers Out | (464,210) | (871,869) | (464,371) |
| Total Other Financing Sources | <u>(711,502)</u> | <u>1,881,290</u> | <u>252,629</u> |
| NET CHANGE IN FUND BALANCES | | | |
| | (394,858) | 1,529,488 | (30,197) |
| Fund Balances - Beginning of Year | <u>710,353</u> | <u>1,906,274</u> | <u>1,936,471</u> |
| FUND BALANCES - END OF YEAR | <u>\$ 315,495</u> | <u>\$ 3,435,762</u> | <u>\$ 1,906,274</u> |

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF WINNECONNE, WISCONSIN
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES —
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2024)**

| | 2025 | 2024 |
|--|--------------|--------------|
| Net change in fund balances as shown on previous page | \$ 1,529,488 | \$ (30,197) |
| 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 Assets Reported as Expenditures in Governmental Fund Statements | 649,344 | 1,013,508 |
| Depreciation Expense Reported in the Statement of Activities | (533,567) | (532,147) |
| Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the statement of activities when earned. | | |
| Special Assessments | (58,377) | (5,318) |
| Grant Receivable | (250,000) | 250,000 |
| Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal and capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. | | |
| Long-Term Debt Issued | (1,870,000) | - |
| Refunding Bond Issued | (960,000) | - |
| Principal Repaid | 1,520,520 | 539,842 |
| 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 the governmental funds: | | |
| Accrued Interest on Long-Term Debt | (155,963) | (71,207) |
| Amortization of Premiums | (126,716) | 8,899 |
| Compensated Absences | 10,462 | (7,576) |
| Net Pension Liability | (4,461) | 214,124 |
| Deferred Outflows of Resources Related to Pensions | (191,201) | (408,855) |
| Deferred Inflows of Resources Related to Pensions | 165,833 | 208,788 |
| Other Postemployment Benefits | 17,475 | (32,813) |
| Deferred Outflows of Resources Related to Other Postemployment Benefits | (22,698) | 23,117 |
| Deferred Inflows of Resources Related to Other Postemployment Benefits | 3,993 | 3,158 |
| Change in Net Position of Governmental Activities as Reported in the Statement of Activities | \$ (275,868) | \$ 1,173,323 |

See accompanying Notes to Basic Financial Statements.

VILLAGE OF WINNECONNE, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES —
BUDGET AND ACTUAL — GENERAL FUND
YEAR ENDED DECEMBER 31, 2025
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2024)

| | Budget | | Actual | Variance | 2024 Actual |
|---|-------------------------|-------------------------|----------------------------|--|----------------------------|
| | Original | Final | | Final Budget - Positive (Negative) | |
| REVENUES | | | | | |
| Taxes | 1,265,154 | 1,265,154 | \$ 1,265,305 | \$ 151 | \$ 1,265,439 |
| Intergovernmental | 701,227 | 701,227 | 732,995 | 31,768 | 661,708 |
| Licenses and Permits | 47,810 | 47,810 | 76,571 | 28,761 | 86,770 |
| Fines and Forfeits | 22,500 | 22,500 | 39,142 | 16,642 | 33,528 |
| Public Charges for Services | 150,710 | 150,710 | 154,452 | 3,742 | 161,826 |
| Interdepartmental Charges for Services | 81,191 | 81,191 | 77,258 | (3,933) | - |
| Miscellaneous | 258,592 | 258,592 | 388,378 | 129,786 | 359,603 |
| Total Revenues | <u>2,527,184</u> | <u>2,527,184</u> | <u>2,734,101</u> | <u>206,917</u> | <u>2,640,430</u> |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| General Government | 544,355 | 544,355 | 534,973 | 9,382 | 493,566 |
| Public Safety | 856,206 | 856,206 | 846,571 | 9,635 | 804,966 |
| Public Works | 398,752 | 398,752 | 392,871 | 5,881 | 352,504 |
| Health and Human Services | 44,645 | 44,645 | 38,990 | 5,655 | 42,672 |
| Culture and Recreation | 530,478 | 630,478 | 594,927 | 35,551 | 495,720 |
| Conservation and Development | 42,089 | 42,089 | 46,735 | (4,646) | 22,905 |
| Total Expenditures | <u>2,416,525</u> | <u>2,516,525</u> | <u>2,455,067</u> | <u>61,458</u> | <u>2,212,333</u> |
| EXCESS OF REVENUES OVER EXPENDITURES | 110,659 | 10,659 | 279,034 | 268,375 | 428,097 |
| OTHER FINANCING SOURCES | | | | | |
| Proceeds from Sale of Capital Assets | - | - | - | - | 13,689 |
| Transfers In | 90,000 | 90,000 | 348,246 | 258,246 | 89,894 |
| Transfers Out | (200,659) | (200,659) | (200,659) | - | (400,000) |
| Total Other Financing Sources | <u>(110,659)</u> | <u>(110,659)</u> | <u>147,587</u> | <u>258,246</u> | <u>(296,417)</u> |
| NET CHANGE IN FUND BALANCE | - | (100,000) | 426,621 | 526,621 | 131,680 |
| Fund Balance - Beginning of Year | <u>1,120,225</u> | <u>1,120,225</u> | <u>1,120,225</u> | <u>-</u> | <u>988,545</u> |
| FUND BALANCE - END OF YEAR | <u><u>1,120,225</u></u> | <u><u>1,020,225</u></u> | <u><u>\$ 1,546,846</u></u> | <u><u>\$ 526,621</u></u> | <u><u>\$ 1,120,225</u></u> |

See accompanying Notes to Basic Financial Statements.

VILLAGE OF WINNECONNE, WISCONSIN
STATEMENT OF NET POSITION —
PROPRIETARY FUNDS
DECEMBER 31, 2025
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2024)

| | Water Utility | Sewer Utility | Non-Major Storm Water Utility | Totals | |
|--|------------------|------------------|-------------------------------------|---------------|---------------|
| | | | | 2025 | 2024 |
| ASSETS | | | | | |
| Current Assets: | | | | | |
| Cash and Investments | \$ 585,798 | \$ 1,769,943 | \$ 576,170 | \$ 2,931,911 | \$ 2,273,906 |
| Receivables: | | | | | |
| Taxes and Special Charges | - | - | 211,841 | 211,841 | 206,658 |
| Customer Accounts | 345,372 | 217,498 | - | 562,870 | 564,067 |
| Special Assessments | - | 63,741 | - | 63,741 | 50,479 |
| Leases | 281,575 | - | - | 281,575 | 244,222 |
| Inventories and Prepaid Items | 18,281 | 5,514 | - | 23,795 | 23,795 |
| Total Current Assets | 1,231,026 | 2,056,696 | 788,011 | 4,075,733 | 3,363,127 |
| Noncurrent Assets: | | | | | |
| Restricted Assets | | | | | |
| Cash and Investments | - | 483,759 | - | 483,759 | 463,504 |
| Capital Assets: | | | | | |
| Nondepreciable | 3,915 | 11,647 | - | 15,562 | 15,562 |
| Depreciable, Net | 11,336,814 | 6,274,584 | 263,070 | 17,874,468 | 17,871,141 |
| Total Capital Assets | 11,340,729 | 6,286,231 | 263,070 | 17,890,030 | 17,886,703 |
| Total Assets | 12,571,755 | 8,826,686 | 1,051,081 | 22,449,522 | 21,713,334 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | |
| Deferred Charges on Refunding | 25,700 | 6,750 | - | 32,450 | 40,562 |
| Pension Related Amounts | 50,045 | 35,133 | - | 85,178 | 108,541 |
| Other Postemployment Related Amounts | 5,194 | 3,708 | - | 8,902 | 11,110 |
| Total Deferred Outflows of Resources | 80,939 | 45,591 | - | 126,530 | 160,213 |
| LIABILITIES | | | | | |
| Current Liabilities: | | | | | |
| Accounts Payable | 118,467 | 14,235 | 122 | 132,824 | 278,905 |
| Accrued and Other Current Liabilities | 1,953 | 2,056 | 1,599 | 5,608 | 5,133 |
| Accrued Interest Payable | 38,339 | 18,172 | - | 56,511 | 58,419 |
| Special Deposits | 5,164 | - | - | 5,164 | 5,164 |
| Current Portion of General Obligation Debt | 106,850 | 55,400 | - | 162,250 | 157,250 |
| Current Portion of Revenue Bonds | 218,075 | 122,300 | - | 340,375 | 315,355 |
| Total Current Liabilities | 488,848 | 212,163 | 1,721 | 702,732 | 820,226 |
| Long-Term Obligations, Less Current Portion: | | | | | |
| General Obligation Debt | 1,003,600 | 177,400 | - | 1,181,000 | 1,343,250 |
| Revenue Bonds | 4,199,025 | 2,157,000 | - | 6,356,025 | 6,347,975 |
| Net Pension Liability | 8,248 | 5,888 | - | 14,136 | 12,016 |
| Other Postemployment Benefits | 5,669 | 4,047 | - | 9,716 | 10,999 |
| Total Long-Term Liabilities | 5,216,542 | 2,344,335 | - | 7,560,877 | 7,714,240 |
| Total Liabilities | 5,705,390 | 2,556,498 | 1,721 | 8,263,609 | 8,534,466 |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Leases Related | 281,575 | - | - | 281,575 | 244,222 |
| Special Charges on Subsequent Year Tax Roll | - | - | 319,800 | 319,800 | 414,047 |
| Pension Related Amounts | 24,085 | 17,196 | - | 41,281 | 64,238 |
| Other Postemployment Related Amounts | 8,118 | 5,796 | - | 13,914 | 12,502 |
| Total Deferred Inflows of Resources | 313,778 | 22,992 | 319,800 | 656,570 | 735,009 |
| NET POSITION | | | | | |
| Net Investment in Capital Assets | 5,744,753 | 3,780,881 | 263,070 | 9,788,704 | 9,510,666 |
| Restricted: | | | | | |
| Equipment Replacement | - | 483,759 | - | 483,759 | 463,504 |
| Unrestricted | 888,773 | 2,028,147 | 466,490 | 3,383,410 | 2,629,902 |
| Total Net Position | \$ 6,633,526 | \$ 6,292,787 | \$ 729,560 | \$ 13,655,873 | \$ 12,604,072 |

See accompanying Notes to Basic Financial Statements.

VILLAGE OF WINNECONNE, WISCONSIN
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION —
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2025
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2024)

| | Water Utility | Sewer Utility | Non-Major Stormwater Utility | Totals | |
|---|---------------------|---------------------|------------------------------------|----------------------|----------------------|
| | | | | 2025 | 2024 |
| OPERATING REVENUES | | | | | |
| Charges for Services | \$ 1,237,024 | \$ 892,626 | \$ 314,603 | \$ 2,444,253 | \$ 2,330,765 |
| Other | 90,509 | 102,198 | - | 192,707 | 155,388 |
| Total Operating Revenues | <u>1,327,533</u> | <u>994,824</u> | <u>314,603</u> | <u>2,636,960</u> | <u>2,486,153</u> |
| OPERATING EXPENSES | | | | | |
| Operation and Maintenance | 465,280 | 426,287 | 89,253 | 980,820 | 739,013 |
| Administrative and General | 155,086 | 149,003 | - | 304,089 | 269,524 |
| Depreciation | 342,753 | 485,709 | 6,725 | 835,187 | 743,631 |
| Total Operating Expenses | <u>963,119</u> | <u>1,060,999</u> | <u>95,978</u> | <u>2,120,096</u> | <u>1,752,168</u> |
| OPERATING INCOME (LOSS) | 364,414 | (66,175) | 218,625 | 516,864 | 733,985 |
| NONOPERATING REVENUES (EXPENSES) | | | | | |
| General Property Taxes | - | - | - | - | 114,782 |
| Interest Income | - | 22,363 | - | 22,363 | 24,787 |
| Interest and Fiscal Charges | (134,099) | (77,209) | - | (211,308) | (221,296) |
| Total Nonoperating Revenues (Expenses) | <u>(134,099)</u> | <u>(54,846)</u> | <u>-</u> | <u>(188,945)</u> | <u>(81,727)</u> |
| INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS | 230,315 | (121,021) | 218,625 | 327,919 | 652,258 |
| Capital Contributions | 363,825 | 443,871 | 25,714 | 833,410 | 1,142,539 |
| Transfers Out | (109,528) | - | - | (109,528) | (204,676) |
| CHANGE IN NET POSITION | 484,612 | 322,850 | 244,339 | 1,051,801 | 1,590,121 |
| Net Position - Beginning of Year | <u>6,148,914</u> | <u>5,969,937</u> | <u>485,221</u> | <u>12,604,072</u> | <u>11,013,951</u> |
| NET POSITION - END OF YEAR | <u>\$ 6,633,526</u> | <u>\$ 6,292,787</u> | <u>\$ 729,560</u> | <u>\$ 13,655,873</u> | <u>\$ 12,604,072</u> |

See accompanying Notes to Basic Financial Statements.

VILLAGE OF WINNECONNE, WISCONSIN
STATEMENT OF CASH FLOWS —
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2025
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2024)

| | Water Utility | Sewer Utility | Non-Major Storm Water Utility | Totals | |
|--|-------------------|---------------------|-------------------------------------|---------------------|---------------------|
| | | | | 2025 | 2024 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | |
| Cash Received from Customers | \$ 1,323,322 | \$ 1,000,232 | \$ 254,270 | \$ 2,577,824 | \$ 2,590,711 |
| Cash Paid for Employee Wages and Benefits | (254,078) | (95,855) | (69,103) | (419,036) | (357,704) |
| Cash Paid to Suppliers | (604,379) | (476,863) | (19,500) | (1,100,742) | (1,256,182) |
| Net Cash Provided by Operating Activities | 464,865 | 427,514 | 165,667 | 1,058,046 | 976,825 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | | |
| Paid to Municipality for Tax Equivalent | 5,254 | - | - | 5,254 | (89,894) |
| Property Tax Appropriation Received | (39,097) | - | - | (39,097) | 153,879 |
| Due to/from Other Funds | (114,782) | - | - | (114,782) | (114,782) |
| Net Cash Provided (Used) by Noncapital Financing Activities | (148,625) | - | - | (148,625) | (50,797) |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | | |
| Acquisition of Capital Assets | 89,812 | - | - | 89,812 | (2,079,690) |
| Special Assessment Receivables Collected or Proceeds | - | (14,052) | - | (14,052) | 87,629 |
| Proceeds of Long-Term Debt | 353,809 | - | - | 353,809 | 2,805,585 |
| Principal Paid on Long-Term Debt | (303,889) | (174,100) | - | (477,989) | (419,263) |
| Interest Paid on Long-Term Debt | (128,470) | (76,634) | - | (205,104) | (190,752) |
| Net Cash Provided (Used) by Capital and Related Financing Activities | 11,262 | (264,786) | - | (253,524) | 203,509 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| Interest Received | - | 22,363 | - | 22,363 | 24,787 |
| CHANGE IN CASH AND CASH EQUIVALENTS | | | | | |
| | 327,502 | 185,091 | 165,667 | 678,260 | 1,154,324 |
| Cash and Cash Equivalents - Beginning of Year | 258,296 | 2,068,611 | 410,503 | 2,737,410 | 1,583,086 |
| CASH AND CASH EQUIVALENTS - END OF YEAR | \$ 585,798 | \$ 2,253,702 | \$ 576,170 | \$ 3,415,670 | \$ 2,737,410 |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES | | | | | |
| Operating Income (Loss) | \$ 364,414 | \$ (66,175) | \$ 218,625 | \$ 516,864 | \$ 733,985 |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities: | | | | | |
| Depreciation | 332,396 | 496,066 | 6,725 | 835,187 | 743,631 |
| Depreciation Charged to Sewer Utility | 10,357 | (10,357) | - | - | - |
| Change in Liability (Asset) and Deferred Outflows and Inflows of Resources: | | | | | |
| Change in Net Pension Asset | 1,570 | 550 | - | 2,120 | (32,083) |
| Change in Pension Related Deferred Outflow | 10,562 | 12,801 | - | 23,363 | 56,447 |
| Change in Pension Related Deferred Inflow | (11,616) | (11,341) | - | (22,957) | (28,135) |
| Change in OPEB Liability | (280) | (1,003) | - | (1,283) | 5,117 |
| Change in OPEB Deferred Outflow | 815 | 1,393 | - | 2,208 | (3,632) |
| Change in OPEB Deferred Inflow | 1,356 | 56 | - | 1,412 | (379) |
| Change in Other Deferred Inflows | - | - | 5,197 | 5,197 | (128) |
| Change in Operating Assets and Liabilities: | | | | | |
| Accounts Receivable | (4,211) | 5,408 | - | 1,197 | (63,734) |
| Taxes and special charges receivable | - | - | (65,530) | (65,530) | 168,420 |
| Accounts Payable | (240,362) | 33 | 122 | (240,207) | (604,584) |
| Accrued Liabilities | (136) | 83 | 528 | 475 | 1,900 |
| Net Cash Provided by Operating Activities | \$ 464,865 | \$ 427,514 | \$ 165,667 | \$ 1,058,046 | \$ 976,825 |
| RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION | | | | | |
| Cash and Cash Equivalents in Current Assets | \$ 585,798 | \$ 1,769,943 | \$ 576,170 | \$ 2,931,911 | \$ 2,273,906 |
| Cash and Cash Equivalents in Restricted Assets | - | 483,759 | - | 483,759 | 463,504 |
| Total Cash and Cash Equivalents | \$ 585,798 | \$ 2,253,702 | \$ 576,170 | \$ 3,415,670 | \$ 2,737,410 |
| NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES | | | | | |
| Capital Assets Contributed | \$ 363,825 | \$ 443,871 | \$ 25,714 | \$ 833,410 | \$ 1,142,539 |
| Capital Related Accounts Payable | \$ 94,126 | \$ - | \$ - | \$ - | \$ - |

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF WINNECONNE, WISCONSIN
STATEMENT OF FIDUCIARY NET POSITION —
FIDUCIARY FUND
DECEMBER 31, 2025
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2024)**

| | Tax Collection Custodial Fund | |
|---|-------------------------------|--------------|
| | 2025 | 2024 |
| ASSETS | | |
| Cash and Investments | \$ 1,410,026 | \$ 1,408,328 |
| Taxes Receivable | 2,598,717 | 2,173,787 |
| Total Assets | 4,008,743 | 3,582,115 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Property Taxes Levied for Subsequent Year | 4,008,743 | 3,582,115 |
| NET POSITION | | |
| Fiduciary Net Position - Held for Others | \$ - | \$ - |

See accompanying Notes to Basic Financial Statements.

VILLAGE OF WINNECONNE, WISCONSIN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION —
FIDUCIARY FUND
YEAR ENDED DECEMBER 31, 2025
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2024)

| | Tax Collection Custodial Fund | |
|-----------------------------------|-------------------------------|--------------------|
| | 2025 | 2024 |
| ADDITIONS | | |
| Property Tax Collections | \$ 3,582,115 | \$ 3,394,039 |
| DEDUCTIONS | | |
| Payments to Taxing Jurisdictions | <u>3,582,115</u> | <u>3,394,039</u> |
| CHANGE IN NET POSITION | - | - |
| Net Position - Beginning of Year | <u>-</u> | <u>-</u> |
| NET POSITION - END OF YEAR | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> |

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF WINNECONNE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Village of Winneconne, Wisconsin (the Village), have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government 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:

A. Reporting Entity

The Village is a municipal corporation governed by an elected seven member board. In accordance with GAAP, the basic financial statements are required to include the Village and any separate component units that have a significant operational or financial relationship with the Village. The Village has not identified any component units that are required to be included in the basic financial statements in accordance with standards.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Village. All fiduciary activities are reported only in the fund financial statements. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which are primarily supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *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. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental, proprietary and fiduciary funds. Governmental funds include general, special revenue, debt service and capital projects funds. Proprietary funds include enterprise funds. The Village has no internal service funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The Village reports the following major governmental funds:

General Fund

This is the Village's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

**VILLAGE OF WINNECONNE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements (Continued)

General Capital Projects Fund

This fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Debt Service Fund

This fund is used to account for, and the payment of, general long-term debt principal, interest, and related costs.

The Village reports the following major enterprise funds:

Water Utility Fund

This fund accounts for the operations of the Village's water utility.

Sewer Utility Fund

This fund accounts for the operations of the Village's sewer utility.

The Village also reports the following fiduciary fund:

Custodial Fund

The custodial fund accounts for property taxes and special charges collected on behalf of other governments.

C. Measurement Focus and Basis of Accounting

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

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

**VILLAGE OF WINNECONNE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

Revenues susceptible to accrual include intergovernmental grants, intergovernmental charges for services, public charges for services and interest. Other revenues such as licenses and permits, fines and forfeits and miscellaneous revenues are recognized when received in cash or when measurable and available.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the Village's water and sewer functions and various other functions of the Village. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from nonoperating 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 proprietary funds are charges to customers for services. Operating expenses for proprietary funds include the costs of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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 WINNECONNE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance

1. Cash and Investments

Cash and investments are combined in the financial statements. Cash deposits consist of demand and time deposits with financial institutions. Investments are stated at fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. For purposes of the statement of cash flows, all cash deposits and highly liquid investments (including restricted assets) with a maturity of three months or less from date of acquisition are considered to be cash equivalents.

2. Property Taxes and Special Charges/Receivable

Property taxes and special charges consist of taxes on real estate and personal property and user charges assessed against Village properties. They are levied during December of the prior year and become an enforceable lien on property the following January 1. Property taxes are payable in various options depending on the type and amount. Personal property taxes and special charges are payable on or before January 31 in full. Real estate taxes are payable in full by January 31 or in two equal installments on or before January 31 and July 31. Real estate taxes not paid by January 31 are purchased by the County as part of the February tax settlement. Delinquent personal property taxes remain the collection responsibility of the Village. Special charges not paid by January 31 are held in trust by the County and remitted to the Village, including interest, when collected by the County.

The Village bills and collects its own property taxes and also levies and collects taxes for the Winneconne Community School District, Winnebago County and Fox Valley Technical College.

3. Accounts Receivable

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

4. Special Assessments

Assessments against property owners for public improvements are generally not subject to full settlement in the year levied. Special assessments are placed on tax rolls on an installment basis. Revenue from special assessments recorded in governmental funds is recognized as collections are made or as current installments are placed on tax rolls. (Installments placed on the 2024 tax roll are recognized as revenue in 2025.) Special assessments are subject to collection procedures.

VILLAGE OF WINNECONNE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

5. Loans Receivable

The Village has received federal and state grant funds for economic development and housing rehabilitation loan programs and has passed the funds to various businesses and individuals in the form of loans. The Village records a loan receivable and expenditure when the loan has been made and the funds disbursed. No allowance for uncollectible accounts has been provided since it is believed that the amount of such allowance would not be material to the basic financial statements. In the governmental funds, the Village records a deferred inflow of resources for the amount of the receivable. As the loans are repaid, revenue is recognized.

6. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due to/from other funds" in the fund financial statements.

The amount reported on the statement of net position for internal balances represents the residual balance outstanding between the governmental and business-type activities.

7. Inventories and Prepaid Items

Inventories are recorded at cost, which approximates market, using the first-in, first-out method. Inventories consist of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are consumed rather than when purchased. Inventories of governmental funds in the fund financial statements are classified as nonspendable fund balance to indicate that they do not represent spendable available financial resources.

Payments made to vendors that will benefit periods beyond the end of the current fiscal year are recorded as prepaid items and are expensed in the periods benefitted. Prepaid items of governmental funds in the fund financial statements are classified as nonspendable fund balance to indicate that they do not represent spendable available financial resources.

**VILLAGE OF WINNECONNE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

8. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost of \$10,000 or higher and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. The Village has not reported general infrastructure assets acquired prior to January 1, 2004.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the Village are depreciated using the straight-line method over the following estimated useful lives:

| <u>Assets</u> | <u>Governmental Activities</u> | <u>Business-Type Activities</u> |
|-----------------------------------|------------------------------------|-------------------------------------|
| | <u>Years</u> | |
| Buildings and Improvements | 15 to 40 | 25 to 50 |
| Improvements Other Than Buildings | 15 | 3 to 100 |
| Machinery and Equipment | 3 to 25 | 3 to 10 |
| Infrastructure | 25 to 100 | 40 |

9. Compensated Absences

The liability for compensated absences reported in the government-wide statements consists of leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability also includes amounts for leave that has been used for time off but has not yet been paid in cash or settled through noncash means and certain other types of leave.

**VILLAGE OF WINNECONNE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

10. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The category of deferred outflow of resources reported in the statement of net position is related to debt refunding, pensions, and other postemployment benefits. The deferred charge on refunding resulted from the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Deferred outflows on pension and other postemployment benefits are more fully discussed in Note 3.F. and Note 3.G.

In addition to liabilities, the statement of net position and the governmental funds balance sheet includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. In the government-wide financial statements. The Village's deferred inflows of resources reported on the statement of net position relate to pension and other postemployment benefits, which are more fully discussed in Note 3.F. and Note 3.G. The statement of net position and the governmental funds balance sheet also report a deferred inflow of resources related to leases. The lease related deferred inflow of resources is recorded in an amount equal to the corresponding lease receivable plus any payments received at or before the start of the lease term that relates to future periods, less any lease incentives paid to, or on behalf of the lessee at or before the commencement of the lease term. The inflow of resources is recognized in a systematic and rational manner over the term of the lease.

Under the modified accrual basis of accounting, deferred inflows of resources also include revenues not collected within the availability period after the fiscal year-end. The Village has reported deferred inflows of resources related to unavailable revenues for property taxes. These amounts are deferred and will be recognized as an inflow of resources in the period that amounts become available.

**VILLAGE OF WINNECONNE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

11. Unearned Revenues

Unearned revenues are reported in connection with resources that have been received but not yet earned.

12. Long-term Obligations

In the government-wide financial statements, and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

13. Pension

The fiduciary net position of the Wisconsin Retirement System (WRS) has been determined using the flow of economic resources measurement focus and accrual basis of accounting. This includes for purposes of measuring the following:

- Net Pension Liability (Asset),
- Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions,
- Pension Expense (Revenue).

Information about the fiduciary net position of the WRS and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by the 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.

**VILLAGE OF WINNECONNE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

14. Other Postemployment Benefits Other Than Pensions (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 following:

- Net OPEB Liability (Asset),
- Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs, and
- OPEB Expense (Revenue).

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 for member contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

15. Fund Balance and Net Position

Governmental Fund Financial Statements

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- **Nonspendable Fund Balance.** Amounts that are not in spendable form (such as inventory, prepaid items, or long-term receivables) or are legally or contractually required to remain intact.
- **Restricted Fund Balance.** Amounts that are constrained for specific purposes by external parties (such as grantor or bondholders), through constitutional provisions, or by enabling legislation.
- **Committed Fund Balance.** Amounts that are constrained for specific purposes by action of the Village Board. These constraints can only be removed or changed by the Village Board using the same action that was used to create them.
- **Assigned Fund Balance.** Amounts that are constrained for specific purposes by action of Village management. The Village Board has authorized the Village Administrator to assign fund balance. Residual amounts in any governmental fund, other than the General Fund, are also reported as assigned.
- **Unassigned Fund Balance.** Amounts that are available for any purpose. Positive unassigned amounts are only reported in the General Fund.

**VILLAGE OF WINNECONNE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

15. Fund Balance and Net Position (Continued)

Governmental Fund Financial Statements (Continued)

The Village has not adopted a fund balance spend-down policy regarding the order in which fund balance will be utilized. When a policy does not specify the spend-down policy, GASB Statement No. 54 indicates that restricted funds would be spent first, followed by committed funds, and then assigned funds. Unassigned funds would be spent last.

Government-Wide, Proprietary and Fiduciary Fund Statements

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

- **Net Investment in Capital Assets.** Amount of capital assets, net of accumulated depreciation, and capital related deferred outflows of resources less outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets and any capital related deferred inflows of resources.
- **Restricted Net Position.** Amount of net position that is subject to restrictions that are imposed 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.** Net position that is neither classified as restricted nor as net investment in capital assets.

E. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

F. Prior Year Information

Comparative amounts for the prior year have been presented in the basic financial statements to provide an understanding of changes in the Village's financial position and operations. The comparative amounts may be summarized in total and not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended December 31, 2024, from which the summarized information was derived.

**VILLAGE OF WINNECONNE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 2 STEWARDSHIP AND COMPLIANCE

A. Budgets and Budgetary Accounting

The Village follows these procedures in establishing the budgetary data reflected in the basic financial statements:

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

The Village did not have any material violation of legal or contractual provisions for the fiscal year ended December 31, 2025.

**VILLAGE OF WINNECONNE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 2 STEWARDSHIP AND COMPLIANCE (CONTINUED)

B. Excess of Expenditures Over Budget Appropriations

The following expenditure accounts of the governmental funds had actual expenditures in excess of budget appropriations for the year ended December 31, 2025 as follows:

| Funds | Excess Expenditures |
|-------------------------------|------------------------|
| General Fund | |
| Conservation and Development: | \$ 4,646 |

The above excess expenditures were funded by positive revenue variances of the general fund or by available fund balance.

C. Deficit Fund Equity

The following funds had deficit fund balance as of December 31, 2025:

| Funds | Deficit Fund Balance |
|-----------|-------------------------|
| TID No. 8 | \$ 33,998 |

The Village anticipates funding the above deficits from future revenues of the funds.

D. Property Tax Levy Limit

Wisconsin state statutes provide for a limit on the property tax levies for all Wisconsin cities, villages, towns, and counties. For the 2025 and 2026 budget years, Wisconsin Statutes limit the increase in the maximum allowable tax levy to the change in the Village's January 1 equalized value as a result of net new construction. The actual limit for the Village for the 2025 budget was 1.028%. The actual limit for the Village for the 2026 budget was 1.183%. Debt service for debt authorized after July 1, 2005 is exempt from the levy limit. In addition, Wisconsin Statutes allow the limit to be adjusted for the increase in debt service authorized prior to July 1, 2005 and in certain other situations.

**VILLAGE OF WINNECONNE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

The Village maintains various cash and investment accounts, including pooled funds that are available for use by all funds. Each fund’s portion of these accounts is displayed on the financial statements as “Cash and Investments”.

Invested cash consists of deposits and investments that are restricted by Wisconsin Statutes to the following:

Time deposits; repurchase agreements; securities issued by federal, state, and local governmental entities; statutorily authorized commercial paper and corporate securities; and the Wisconsin local government investment pool.

The carrying amount of the Village’s cash and investments totaled \$9,776,469 on December 31, 2025 as summarized below:

| | | |
|--|----|----------------------------|
| Petty Cash and Cash on Hand | \$ | 850 |
| Deposits with Financial Institutions | | 2,621,511 |
| Investments: | | |
| Wisconsin Local Government Investment Pool | | 7,154,108 |
| Total | | <u><u>\$ 9,776,469</u></u> |

Reconciliation to the basic financial statements:

| | | |
|--|----|----------------------------|
| Government-Wide Statement of Net Position: | | |
| Cash and Investments | \$ | 7,882,684 |
| Restricted Cash and Investments | | 483,759 |
| Fiduciary Fund Statement of Net Position: | | |
| Custodial Fund | | 1,410,026 |
| Total | | <u><u>\$ 9,776,469</u></u> |

Fair Value Measurements

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 asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant observable inputs; Level 3 inputs are significant unobservable inputs. The Village currently has no investments that are subject to fair value measurement.

Deposits and investments of the Village are subject to various risks. Presented below is a discussion of the Village’s deposits and investments and the related risks.

**VILLAGE OF WINNECONNE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Wisconsin Statutes require repurchase agreements to be fully collateralized by bonds or securities issued or guaranteed by the federal government or its instrumentalities. The Village maintains an additional custodial credit policy requiring the financial institution to demonstrate compliance with capital adequacy guidelines.

Deposits with financial institutions within the State of Wisconsin are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 for the combined amount of all time and savings deposits and \$250,000 for interest-bearing and noninterest-bearing demand deposits per official custodian per insured depository institution. Deposits with financial institutions located outside the State of Wisconsin are insured by the FDIC in the amount of \$250,000 for the combined amount of all deposit accounts per official custodian per depository institution. Also, the State of Wisconsin has a State Guarantee Fund which provides a maximum of \$1,000,000 per public depository above the amount provided by an agency of the U.S. government. However, due to the relatively small size of the State Guarantee Fund in relation to the Fund's total coverage, total recovery of insured losses may not be available. This coverage has been considered in determining custodial credit risk.

As of December 31, 2025, none of the Village's deposits with financial institutions were in excess of federal and state depository insurance limits.

Wisconsin Local Government Investment Pool

The Village has investments in the Wisconsin Local Government Investment Pool of \$7,154,108 at year-end. The LGIP is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF 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. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2025, the fair value of the Village's share of the LGIP's assets was substantially equal to the carrying value. As of December 31, 2025 the LGIP had a weighted average maturity of 13 days.

**VILLAGE OF WINNECONNE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Restricted Assets

Restricted assets on December 31, 2025 totaled \$483,759 and consisted of cash and investments held for the following purposes:

| Funds | Amount | Purpose |
|-------------------------------|-------------------|--|
| Enterprise Fund: | | |
| Sewer Utility: | | |
| Equipment Replacement Account | <u>\$ 483,759</u> | Funds held for sewer equipment replacement |

C. Capital Assets

Capital asset activity for the year ended December 31, 2025 was as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|---|----------------------|-------------------|-------------------|---------------------|
| Governmental Activities: | | | | |
| Capital Assets, Nondepreciable: | | | | |
| Land | \$ 1,702,856 | \$ - | \$ 22,685 | \$ 1,680,171 |
| Construction in Progress | 787,554 | 207,770 | 671,069 | 324,255 |
| Total Capital Assets, Nondepreciable | <u>2,490,410</u> | <u>207,770</u> | <u>693,754</u> | <u>2,004,426</u> |
| Capital Assets, Depreciable: | | | | |
| Buildings and Improvements | 4,506,237 | - | - | 4,506,237 |
| Improvements Other Than Buildings | 1,673,170 | 780,754 | - | 2,453,924 |
| Machinery and Equipment | 1,916,486 | 96,060 | 28,945 | 1,983,601 |
| Infrastructure | 7,453,122 | 258,514 | - | 7,711,636 |
| Subtotal | <u>15,549,015</u> | <u>1,135,328</u> | <u>28,945</u> | <u>16,655,398</u> |
| Less Accumulated Depreciation for: | | | | |
| Buildings and Improvements | 2,136,216 | 114,866 | - | 2,251,082 |
| Improvements Other Than Buildings | 899,447 | 87,388 | - | 986,835 |
| Machinery and Equipment | 1,420,003 | 87,547 | 28,945 | 1,478,605 |
| Infrastructure | 1,967,973 | 243,766 | - | 2,211,739 |
| Subtotal | <u>6,423,639</u> | <u>533,567</u> | <u>28,945</u> | <u>6,928,261</u> |
| Total Capital Assets, Depreciable, Net | <u>9,125,376</u> | <u>601,761</u> | <u>-</u> | <u>9,727,137</u> |
| Governmental Activities Capital Assets, Net | <u>\$ 11,615,786</u> | <u>\$ 809,531</u> | <u>\$ 693,754</u> | 11,731,563 |
| Less: Capital Related Debt | | | | 8,435,336 |
| Less: Capital Related Premium | | | | 204,820 |
| Add: Unspent Debt Proceeds | | | | <u>151,008</u> |
| Net Investment in Capital Assets | | | | <u>\$ 3,242,415</u> |

**VILLAGE OF WINNECONNE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets (Continued)

| | Beginning Balance | Increases | Decreases | Ending Balance |
|--|----------------------|-----------------|----------------|---------------------|
| Business-Type Activities: | | | | |
| Capital Assets, Nondepreciable: | | | | |
| Land | \$ 15,562 | \$ - | \$ - | \$ 15,562 |
| Capital Assets, Depreciable: | | | | |
| Buildings and Improvements | 6,316,699 | - | - | 6,316,699 |
| Improvements Other Than Buildings | 12,981,578 | 812,800 | 197,885 | 13,596,493 |
| Machinery and Equipment | 10,044,444 | - | - | 10,044,444 |
| Infrastructure | 256,152 | 25,714 | - | 281,866 |
| Subtotal | <u>29,598,873</u> | <u>838,514</u> | <u>197,885</u> | <u>30,239,502</u> |
| Less Accumulated Depreciation: | <u>11,727,732</u> | <u>835,187</u> | <u>197,885</u> | <u>12,365,034</u> |
| Total Capital Assets, Depreciable, Net | <u>17,871,141</u> | <u>3,327</u> | <u>-</u> | <u>17,874,468</u> |
| Business-Type Activities Capital Assets, Net | <u>\$ 17,886,703</u> | <u>\$ 3,327</u> | <u>\$ -</u> | 17,890,030 |
| Less: Capital Related Debt | | | | 8,039,650 |
| Less: Capital Related Accounts Payable | | | | 94,126 |
| Add: Deferred Charge on Refunding | | | | <u>32,450</u> |
| Net Investment in Capital Assets | | | | <u>\$ 9,788,704</u> |

Depreciation expense was charged to functions of the Village as follows:

| | |
|--|-------------------|
| Governmental Activities: | |
| General Government | \$ 101,210 |
| Public Safety | 11,436 |
| Public Works | 325,792 |
| Health and Human Services | 1,400 |
| Culture and Recreation | 93,729 |
| Total Depreciation Expense - Governmental Activities | <u>\$ 533,567</u> |
| Business-Type Activities: | |
| Water Utility | \$ 353,110 |
| Sewer Utility | 475,352 |
| Stormwater Management | 6,725 |
| Total Depreciation Expense - Business-Type Activities | <u>\$ 835,187</u> |

**VILLAGE OF WINNECONNE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Interfund Receivable, Payables, and Transfers

The composition of interfund balances as of December 31, 2025 is as follows:

| <u>Due To/From Other Funds</u> | | |
|--------------------------------|--------------------------------|-----------|
| Receivable Fund | Payable Fund | Amount |
| General Fund | Nonmajor Special Revenue Funds | \$ 17,061 |

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund good and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund transfers for the year ended December 31, 2025 were as follows:

| Fund | Transfer In | Transfer Out |
|--------------------------|----------------|-----------------|
| General | \$ 348,246 | \$ 200,659 |
| General Capital Projects | 200,659 | 207,000 |
| Debt Service | 225,492 | - |
| TID District No. 5 | - | 160,331 |
| TID District No. 6 | 207,000 | 303,879 |
| Water Utility | - | 109,528 |
| Total | \$ 981,397 | \$ 981,397 |

Interfund transfers were made for the following purposes:

| | |
|--|------------|
| Water Fund's Annual Tax Equivalent Payment to General Fund | \$ 109,528 |
| General Fund Financing Capital Projects as per Budget Appropriation | 200,659 |
| General Capital Projects Prior Year Debt Proceeds TID District No. 6 for Closure | 207,000 |
| TID District No. 5 Final Distribution to General Fund | 160,330 |
| TID District No. 6 Final Distribution to General Fund | 78,388 |
| Remaining Debt in TID District No. 5 to Debt Service for Repayment When Due | 225,492 |
| | \$ 981,397 |

**VILLAGE OF WINNECONNE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations

The following is a summary of changes in long-term obligations of the Village for the year ended December 31, 2025:

| | Beginning Balance | Issued | Retired | Ending Balance | Due Within One Year |
|---|----------------------|---------------------|---------------------|---------------------|------------------------|
| Governmental Activities: | | | | | |
| General Obligation Debt: | | | | | |
| Bonds | \$ 5,629,500 | \$ - | \$ 462,750 | \$ 5,166,750 | \$ 417,750 |
| Bonds | - | 2,830,000 | - | 2,830,000 | 80,000 |
| Notes from Direct Borrowings: | | | | | |
| Note | 1,024,218 | - | 974,311 | 49,907 | 24,737 |
| State Trust Fund Loans | 472,138 | - | 83,459 | 388,679 | 86,522 |
| Total General Obligation Debt | 7,125,856 | 2,830,000 | 1,520,520 | 8,435,336 | 609,009 |
| Debt Premium | 78,104 | 135,180 | 8,464 | 204,820 | - |
| Compensated Absences | 80,447 | - | 10,462 | 69,985 | - |
| Governmental Activities Long-Term Obligations | <u>\$ 7,284,407</u> | <u>\$ 2,965,180</u> | <u>\$ 1,539,446</u> | <u>\$ 8,710,141</u> | <u>\$ 609,009</u> |
| Business-Type Activities: | | | | | |
| General Obligation Debt: | | | | | |
| Bonds | \$ 1,500,500 | \$ - | \$ 157,250 | \$ 1,343,250 | \$ 162,250 |
| Revenue Bonds | 6,663,330 | 353,809 | 320,739 | 6,696,400 | 340,375 |
| Business-Type Activities Long-Term Obligations | <u>\$ 8,163,830</u> | <u>\$ 353,809</u> | <u>\$ 477,989</u> | <u>\$ 8,039,650</u> | <u>\$ 502,625</u> |

The Village's outstanding state trust fund loans of \$388,679 are subject to a statutory provision that in an event of late or nonpayment, a 1% per month penalty will be charged and the payment will be collected through a reduction in payments from the state of Wisconsin.

The Village's outstanding notes from direct borrowings related to governmental activities of \$49,907 contain a provision that in an event of default, outstanding amounts become immediately due if the Village is unable to make payment.

The change in the compensated absence liability is presented as a net change.

Total interest paid during the year on long-term debt totaled \$425,998.

Current Refunding

In the current fiscal year, the Village issued \$960,000 in general obligation bonds with interest rates ranging from 4% to 5%. The proceeds were used to current refund a \$960,000 outstanding direct borrowing note. The proceeds of \$1,006,386 (including a \$86,623 premium and after payment of \$40,237 in underwriting fees and other issuance costs) paid off the direct borrowed note.

**VILLAGE OF WINNECONNE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

General Obligation Debt (Continued)

General obligation debt currently outstanding is detailed as follows:

| | Date of Issue | Final Maturity | Interest Rates | Original Indebtedness | Balance 12/31/2025 |
|--------------------------|------------------|-------------------|-------------------|--------------------------|-----------------------|
| General Obligation Bonds | 10/19/16 | 2/1/29 | .90 - 2.15% | 2,070,000 | \$ 640,000 |
| State Trust Fund Loan | 3/27/17 | 3/15/33 | 4.00% | 472,834 | 272,884 |
| State Trust Fund Loan | 3/28/17 | 3/15/27 | 3.50% | 507,500 | 115,795 |
| General Obligation Bonds | 4/10/18 | 4/1/37 | 1.90 - 3.80% | 3,265,000 | 2,360,000 |
| General Obligation Bonds | 11/17/19 | 11/1/32 | 1.60 - 2.30% | 920,000 | 415,000 |
| General Obligation Bonds | 7/8/21 | 4/1/41 | 2.00 - 2.125% | 3,720,000 | 3,095,000 |
| General Obligation Note | 1/3/22 | 3/31/27 | 1.75% | 121,000 | 49,907 |
| General Obligation Note | 2/3/2025 | 8/1/45 | 4.0 - 5.0% | 2,830,000 | 2,830,000 |
| Total Bonds | | | | | <u>\$ 9,778,586</u> |

Annual principal and interest maturities of the outstanding governmental general obligation debt of \$8,435,336 on December 31, 2025 are detailed below:

| Year Ending December 31. | Governmental Activities | | | | Totals | |
|-----------------------------|-------------------------|---------------------|-------------------|------------------|---------------------|---------------------|
| | G.O. Bonds | | Direct Borrowings | | | |
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2026 | \$ 497,750 | \$ 311,724 | \$ 111,259 | \$ 14,968 | \$ 609,009 | \$ 326,692 |
| 2027 | 506,500 | 234,889 | 114,868 | 11,792 | 621,368 | 246,681 |
| 2028 | 537,500 | 220,122 | 32,013 | 8,522 | 569,513 | 228,644 |
| 2029 | 522,500 | 204,602 | 33,317 | 7,218 | 555,817 | 211,820 |
| 2030 | 472,500 | 189,068 | 34,650 | 5,885 | 507,150 | 194,953 |
| 2031-2035 | 2,600,000 | 686,765 | 112,479 | 9,124 | 2,712,479 | 695,889 |
| 2036-2040 | 1,950,000 | 297,485 | - | - | 1,950,000 | 297,485 |
| 2041-2045 | 910,000 | 79,775 | - | - | 910,000 | 79,775 |
| Total | <u>\$ 7,996,750</u> | <u>\$ 2,224,430</u> | <u>\$ 438,586</u> | <u>\$ 57,509</u> | <u>\$ 8,435,336</u> | <u>\$ 2,281,939</u> |

Annual principal and interest maturities of the outstanding general obligation debt related to business-type activities of \$1,343,250 on December 31, 2025 are detailed below:

| Year Ending December 31. | Business-Type Activities | |
|--------------------------|--------------------------|-------------------|
| | G.O. Bonds | |
| | Principal | Interest |
| 2026 | \$ 162,250 | \$ 37,909 |
| 2027 | 148,500 | 34,531 |
| 2028 | 142,500 | 31,064 |
| 2029 | 142,500 | 27,614 |
| 2030 | 97,500 | 24,443 |
| 2031-2035 | 450,000 | 76,885 |
| 2036-2037 | 200,000 | 7,575 |
| | <u>\$ 1,343,250</u> | <u>\$ 240,020</u> |

**VILLAGE OF WINNECONNE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

General Obligation Debt (Continued)

Annual principal and interest maturities of the outstanding general obligation debt related to governmental and business-type activities of \$9,778,586 on December 31, 2025 are summarized below:

| <u>Year Ending December 31.</u> | Governmental and Business-Type Activities | |
|---------------------------------|--|--------------|
| | Totals | |
| | Principal | Interest |
| 2026 | \$ 771,259 | \$ 364,601 |
| 2027 | 769,868 | 281,212 |
| 2028 | 712,013 | 259,708 |
| 2029 | 698,317 | 239,434 |
| 2030 | 604,650 | 219,396 |
| 2031-2035 | 3,162,479 | 772,774 |
| 2036-2040 | 2,150,000 | 305,060 |
| 2041-2045 | 910,000 | 79,775 |
| Total | \$ 9,778,586 | \$ 2,521,959 |

Legal Margin for New Debt

The Village's legal margin for creation of additional general obligation debt on December 31, 2025, was \$10,470,659 as follows:

| | |
|--|----------------|
| Equalized Valuation of the Village | \$ 404,984,900 |
| Statutory Limitation Percentage | (x) 5% |
| General Obligation Debt Limitation, per Section 67.03 of the Wisconsin Statutes | 20,249,245 |
| Net Outstanding General Obligation Debt Applicable to Debt Limitation | 9,778,586 |
| Legal Margin for New Debt | \$ 10,470,659 |

**VILLAGE OF WINNECONNE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

Revenue Bonds

Revenue bonds outstanding on December 31, 2025, totaled \$6,696,400 and were comprised of the following issues:

| | <u>Date of Issue</u> | <u>Final Maturity</u> | <u>Interest Rates</u> | <u>Original Indebtedness</u> | <u>Balance 12/31/2025</u> |
|---|--------------------------|---------------------------|---------------------------|----------------------------------|-------------------------------|
| Rural Development Authority Revenue Bonds | 10/5/10 | 10/1/40 | 3.00 % | \$ 3,659,000 | \$ 2,279,300 |
| Safe Drinking Water Fund Bond | 12/27/23 | 5/1/42 | 2.145 % | 4,409,793 | 4,417,100 |
| Total Outstanding Revenue Bonds | | | | | <u>\$ 6,696,400</u> |

Annual principal and interest maturities of the outstanding revenue bonds of \$6,696,400 on December 31, 2025 are detailed below:

| <u>Year Ending December 31,</u> | <u>Business-Type Activities</u> | | |
|---------------------------------|---------------------------------|---------------------|---------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
| 2026 | \$ 340,375 | \$ 159,165 | \$ 499,540 |
| 2027 | 348,853 | 151,451 | 500,304 |
| 2028 | 357,331 | 142,812 | 500,143 |
| 2029 | 366,212 | 133,955 | 500,167 |
| 2030 | 375,197 | 124,872 | 500,069 |
| 2031-2035 | 2,019,887 | 479,851 | 2,499,738 |
| 2036-2040 | 2,282,470 | 215,564 | 2,498,034 |
| 2041-2042 | 606,075 | 13,069 | 619,144 |
| Total | <u>\$ 6,696,400</u> | <u>\$ 1,420,739</u> | <u>\$ 8,117,139</u> |

Utility Revenues Pledged - Sewer

The Village has pledged future sewer customer revenues, net of specified operating expenses, to repay the sewer system revenue bonds. Proceeds from the bonds provided financing for the construction or acquisition of capital assets used within the systems. The bonds are payable solely from sewer customer net revenues and are payable through 2040. The total principal and interest remaining to be paid on the bonds is \$2,847,247. Principal and interest paid for the current year and total customer net revenues were \$189,757 and \$410,710, respectively.

Utility Revenues Pledged - Water

The Village has pledged future water customer revenues, net of specified operating expenses, to repay the water system revenue bonds. Proceeds from the bonds provided financing for the construction or acquisition of capital assets used within the systems. The bonds are payable solely from water customer net revenues and are payable through 2042. The total principal and interest remaining to be paid on the bonds is \$5,269,892. Principal and interest paid for the current year and total customer net revenues were \$293,342 and \$693,701, respectively.

**VILLAGE OF WINNECONNE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Pension Plan

1. Plan Description

The Wisconsin Retirement System (WRS) is a cost-sharing, multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, expected to work at least 1200 hours a year and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issues a standalone Annual Comprehensive Financial Report, which can be found at <https://etf.wi.gov/reports-and-studies/financial-reports-and-statements>.

Additionally, ETF issued a standalone Wisconsin Retirement System Financial Report, which can also be found using the link above.

Vesting

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

Benefits Provided

Employees who retire at or after age 65 (54 for protective occupations and 62 for elected officials and executive service retirement plan participants, if hired on or before December 31, 2021) are entitled to a retirement benefit, based on a formula factor, their final average earnings and creditable service.

**VILLAGE OF WINNECONNE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Pension Plan (Continued)

1. Plan Description (Continued)

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.

2. Postretirement Adjustments

The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the floor) set at retirement. The Core and Variable annuity adjustments granted during recent years are as follows:

| <u>Year Ending December 31,</u> | <u>Core Fund Adjustment (%)</u> | <u>Variable Fund Adjustment (%)</u> |
|---------------------------------|-------------------------------------|---|
| 2015 | 2.90 | 2.00 |
| 2016 | 0.50 | (5.00) |
| 2017 | 2.00 | 4.00 |
| 2018 | 2.40 | 17.00 |
| 2019 | - | (10.00) |
| 2020 | 1.70 | 21.00 |
| 2021 | 5.10 | 13.00 |
| 2022 | 7.40 | 15.00 |
| 2023 | 1.60 | (21.00) |
| 2024 | 3.60 | 15.00 |

**VILLAGE OF WINNECONNE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Pension Plan (Continued)

3. 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 year ending December 31, 2025, the WRS recognized \$92,759 in contributions from the Village.

Contribution rates for the reporting period are:

| <u>Employee Category</u> | <u>Employee</u> | <u>Employer</u> |
|--|-----------------|-----------------|
| General (Including Executives and Elected Officials) | 6.95% | 6.95% |
| Protective with Social Security | 6.95% | 14.95% |
| Protective without Social Security | 6.95% | 18.95% |

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

At December 31, 2025, the Village reported a liability of \$92,334 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023 rolled forward to December 31, 2024. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village's proportion of the net pension liability was based on the Village's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2024, the Village's proportion was 0.00561926%, which was a decrease of 0.00014844% from its proportion measured as of December 31, 2023.

For the year ended December 31, 2025, the Village recognized pension expense of \$126,799.

**VILLAGE OF WINNECONNE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Pension Plan (Continued)

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

At December 31, 2025, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---|--|
| Differences Between Expected and Actual Experience | \$ 286,747 | \$ 269,452 |
| Net Differences Between Projected and Actual Earnings on Pension Plan Investments | 140,306 | - |
| Changes in Assumptions | 27,397 | - |
| Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions | 6,357 | 181 |
| Employer Contributions Subsequent to the Measurement Date | <u>92,758</u> | <u>-</u> |
| Total | <u><u>\$ 553,565</u></u> | <u><u>\$ 269,633</u></u> |

\$92,759 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 in the year ended December 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

| <u>Year Ending December 31,</u> | <u>Expense</u> |
|---------------------------------|--------------------------|
| 2026 | \$ 58,278 |
| 2027 | 193,684 |
| 2028 | (46,313) |
| 2029 | (14,475) |
| Total | <u><u>\$ 191,174</u></u> |

5. Actuarial Assumptions

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

**VILLAGE OF WINNECONNE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Pension Plan (Continued)

5. Actuarial Assumptions (Continued)

| | |
|--|--|
| Actuarial Valuation Date: | December 31, 2023 |
| Measurement Date of Net Pension Liability: | December 31, 2024 |
| Experience Study: | January 1, 2021 - December 31, 2023 Published November 19, 2024 |
| Actuarial Cost Method: | Entry Age |
| Asset Valuation Method: | Fair Value |
| Long-Term Expected Rate of Return: | 6.8% |
| Discount Rate: | 6.8% |
| Salary Increases: | |
| Wage Inflation | 3.0% |
| Seniority/Merit | 0.1% - 5.7% |
| Mortality | 2020 WRS Experience Mortality Table |
| Postretirement Adjustments* | 1.7% |

* *No postretirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.7% is the assumed annual adjustment based on the investment return assumption and the postretirement discount rate. Includes the impact of known Market Recognition Account deferred gains/losses on the liability for dividend payments.*

Actuarial assumptions are based upon an experience study conducted in 2024 that covered a three-year period from January 1, 2021 to December 31, 2023. Based on this experience study, actuarial assumptions used to measure the total pension liability changed from the prior year, including seniority (merit) and separation rates. The total pension liability for December 31, 2024 is based upon a roll-forward of the liability calculated from the December 31, 2023 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 geometric real rates of return for each major asset class are summarized in the following table:

**VILLAGE OF WINNECONNE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Pension Plan (Continued)

5. Actuarial Assumptions (Continued)

| <u>Core Fund Asset Class</u> | <u>Current Asset Allocation %</u> | <u>Long-Term Expected Nominal Rate of Return %</u> | <u>Long-Term Expected Real Rate of Return %</u> |
|----------------------------------|---------------------------------------|--|---|
| Public Equity | 38.0 % | 7.0 % | 4.3 % |
| Public Fixed Income | 27.0 | 6.1 | 3.4 |
| Private Equity/Debt | 20.0 | 9.5 | 6.7 |
| Inflation Sensitive | 19.0 | 4.8 | 2.1 |
| Real Estate | 8.0 | 6.5 | 3.8 |
| Leverage | (12.0) | 3.7 | 1.1 |
| Total Core Fund | <u>100.0 %</u> | 7.5 | 4.8 |
| <u>Variable Fund Asset Class</u> | | | |
| U.S. Equities | 70.0 % | 6.5 % | 3.8 % |
| International Equities | 30.0 | 7.4 | 4.7 |
| Total Variable Fund | <u>100.0 %</u> | 6.9 | 4.2 |

New England Pension Consultants Long-Term U.S. CPI (Inflation) Forecast: 2.6%

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

The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities.

Currently, an asset allocation target of 15% policy leverage is used, subject to an allowable range of up to 20%.

Single Discount Rate. A single discount rate of 6.80% was used to measure the total pension liability for the current and prior year. The discount rate is based on the expected rate of return on pension plan investments of 6.80% and a municipal bond rate of 4.08% (Source: "20-Bond GO Index" is the Bond Buyer Index, general obligation, 20 years to maturity, mixed quality as of December 31, 2024. In describing this index, the Bond Buyer notes that the bonds' average quality is roughly equivalent to Moody's investors Service's Aa2 rating and Standard and Poor's Corp.'s AA.). Because of the unique structure of WRS, the 6.80% expected rate of return implies that a dividend of approximately 1.70% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the expected long-term rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**VILLAGE OF WINNECONNE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Pension Plan (Continued)

5. Actuarial Assumptions (Continued)

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 calculated using the discount rate of 6.80%, 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 (5.80%) or 1-percentage-point higher (7.80%) than the current rate:

| | 1% Decrease to Discount Rate (5.80%) | Current Discount Rate (6.80%) | 1% Increase to Discount Rate (7.80%) |
|---|--|-------------------------------------|--|
| Village's Proportionate Share of the Net Pension (Asset) Liability | \$ 866,211 | \$ 92,334 | \$ (457,484) |

6. Payables to the Pension Plan

At December 31, 2025, the Village reported a payable of \$13,385 for the outstanding amount of contributions to the pension plan for the year ended December 31, 2025.

G. Other Postemployment Benefits

Local Retiree Life Insurance Fund

1. Plan Description

The Local Retiree Life Insurance Fund (LRLIF) is a multiple-employer, defined benefit OPEB plan. LRLIF benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. The Wisconsin Department of Employee Trust Funds (ETF) and the Group Insurance Board have statutory authority for program administration and oversight. The plan provides postemployment life insurance benefits for all eligible members.

2. OPEB Plan Fiduciary Net Position

ETF issues a standalone Annual Comprehensive Financial Report, which can be found at <http://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

Additionally, EFT issued a standalone Retiree Life Insurance Financial Report, which can also be found using the link above.

**VILLAGE OF WINNECONNE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Other Postemployment Benefits (Continued)

3. Benefits Provided

The LRLIF plan provides fully paid up life insurance benefits for post-age 64 retired members 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 postretirement benefit.

Employers are required to pay the following contributions based on member 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 member premiums until age 65 in order to be eligible for the benefit after age 65.

Contribution rates as of December 31, 2025 are:

| Coverage Type | Employer Contribution |
|-----------------------------|----------------------------|
| 50% Postretirement Coverage | 40% of Member Contribution |
| 25% Postretirement Coverage | 20% of Member Contribution |

Member contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating members must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The member contribution rates in effect for the year ended December 31, 2024 are listed below:

| Life Insurance Member Contribution Rates For the Year Ended December 31, 2024 | | |
|---|--------|--------------|
| 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 |

During the reporting period, the LRLIF recognized \$188 in contributions from the employer.

**VILLAGE OF WINNECONNE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Other Postemployment Benefits (Continued)

4. OPEB Liabilities, OPEB Expense (Revenue) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At December 31, 2025, the Village reported a liability of \$63,465 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2025, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, rolled forward to December 31, 2025. No material changes in assumptions or benefits 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, 2024, the Village's proportion was 0.01622200%, which was a decrease of 0.00165000% from its proportion measured as of December 31, 2023.

For the year ended December 31, 2025, the Village recognized OPEB expense of \$3,906.

At December 31, 2025, the Village 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 | \$ - | \$ 6,604 |
| Net Differences Between Projected and Actual Earnings on OPEB Plan Investments | 872 | - |
| Changes in Assumptions | 15,572 | 35,596 |
| Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions | 41,705 | 48,680 |
| Total | \$ 58,149 | \$ 90,880 |

**VILLAGE OF WINNECONNE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Other Postemployment Benefits (Continued)

4. OPEB Liabilities, OPEB Expense (Revenue) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

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

| <u>Year Ending December 31,</u> | <u>Expense</u> |
|---------------------------------|--------------------|
| 2026 | \$ (1,613) |
| 2027 | (5,044) |
| 2028 | (15,884) |
| 2029 | (7,836) |
| 2030 | 899 |
| Thereafter | (3,253) |
| Total | <u>\$ (32,731)</u> |

5. Actuarial Assumptions

The total OPEB liability in the January 1, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

| | |
|---|--|
| Actuarial Valuation Date: | January 1, 2024 |
| Measurement Date of Net OPEB Liability (Asset): | December 31, 2024 |
| Experience Study: | January 1, 2021 - December 31, 2023 Published November 19, 2024 |
| Actuarial Cost Method: | Entry Age Normal |
| 20-Year Tax-Exempt Municipal Bond Yield: | 4.08% |
| Long-Term Expected Rate of Return: | 4.25% |
| Discount Rate: | 4.09% |
| Salary Increases: | |
| Wage Inflation | 3.00% |
| Seniority/Merit | 0.1% - 5.7% |
| Mortality: | 2020 WRS Experience Mortality Table |

*Based on the Bond Buyers GO 20-Bond Municipal index

Actuarial assumptions are based upon an experience study conducted in 2024 that covered a three-year period from January 1, 2021 to December 31, 2023. The total OPEB liability for December 31, 2024 is based upon a roll-forward of the liability calculated from the January 1, 2024 actuarial valuation.

**VILLAGE OF WINNECONNE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Other Postemployment Benefits (Continued)

5. Actuarial Assumptions (Continued)

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. The target allocation and expected returns are summarized in the following table:

| Asset Class | Index | Target Allocation % | Long-Term Expected Geometric Real Rate of Return % |
|-----------------------------------|-----------------------------|------------------------|--|
| U.S. Intermediate Credit Bonds | Bloomberg US Interim Credit | 40.0 | 2.41 |
| U.S. Mortgages | Bloomberg US | 60.0 | 2.71 |
| Inflation | | | 2.30 |
| Long-Term Expected Rate of Return | | | 4.25 |

**VILLAGE OF WINNECONNE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Other Postemployment Benefits (Continued)

5. Actuarial Assumptions (Continued)

Single Discount Rate. A single discount rate of 4.09% was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 3.32% for the prior year. The change in the discount rate was primarily caused by the increase in the municipal bond rate from 3.26% as of December 31, 2023 to 4.08% as of December 31, 2024. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive members. Therefore, the discount rate for calculating the total OPEB liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2037.

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 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 4.09%, 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 (3.09%) or 1-percentage-point higher (5.09%) than the current rate:

| | 1% Decrease to Discount Rate (3.09%) | Current Discount Rate (4.09%) | 1% Increase to Discount Rate (5.09%) |
|--|--|-------------------------------------|--|
| Village's Proportionate Share of the Net OPEB Liability (Asset) | \$ 84,829 | \$ 63,465 | \$ 47,001 |

6. Payable to the OPEB Plan

The Village had no outstanding contribution to the Plan required for the year ended December 31, 2025.

**VILLAGE OF WINNECONNE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Fund Balance

Nonspendable Fund Balance

In the fund financial statements, portions of the governmental fund balances are amounts that cannot be spent because they are either 1) not in spendable form or 2) legally or contractually required to be maintained intact. At December 31, 2025, nonspendable fund balance was as follows:

| | |
|--------------|------------------|
| General Fund | |
| Nonspendable | |
| Prepays | <u>\$ 14,443</u> |

Restricted Fund Balance

In the fund financial statements, portions of governmental fund balances are not available for appropriation or are legally restricted for use for a specific purpose. At December 31, 2025, restricted fund balance was as follows:

| | |
|-------------------------------|---------------------|
| Debt Service Fund | |
| Restricted for | |
| Debt Service Obligations | \$ 1,108,682 |
| Library Donations Fund: | |
| Restricted for: | |
| Library Equipment | 8,911 |
| Park Donations Fund: | |
| Restricted for: | |
| Park Improvements | 1,015 |
| Capital Projects Funds: | |
| General Capital Projects | 464,739 |
| Total Restricted Fund Balance | <u>\$ 1,583,347</u> |

Committed Fund Balance

In the fund financial statements, portions of government fund balances are committed by Village Board action. At December 31, 2025, governmental fund balance was committed as follows:

| | |
|--|-------------------|
| Special Revenue Funds: | |
| Committed for: | |
| Community Development | \$ 28,071 |
| Cemetery Care | 103,277 |
| Cemetery Expansion | 96,578 |
| Solid Waste/Recycling | 104,274 |
| Beautification | 7,367 |
| Total Special Revenue Funds Committed Fund Balance | <u>\$ 339,567</u> |

**VILLAGE OF WINNECONNE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 4 OTHER INFORMATION

A. Tax Incremental Financing Districts

The Village has established separate capital projects funds for Tax Incremental District (TID) No. 5, No. 6, and No. 8, which were created by the Village in accordance with Section 66.1105 of the Wisconsin Statutes. TID No. 5 and No. 6 were terminated by the Village Board in 2025. At the time the Districts were created, the property tax base within the Districts were “frozen” and increment taxes resulting from increases to the property tax base are used to finance District improvements, including principal and interest on long-term debt issued by the Village to finance such improvements. The Statutes allow eligible project costs to be incurred up to five years prior to the maximum termination date.

Since creation of the above Districts, the Village has provided various financing sources to the TID. The foregoing amounts are not recorded as liabilities in the TID capital project fund but can be recovered by the Village from any future excess tax increment revenues. As of December 31, 2025, the Village may be able to recover costs from future excess tax increment revenues of the following:

| | Recoverable Costs <u>(Excess Increment)</u> |
|-----------|--|
| TID No. 8 | \$ 306,886 |

The intent of the Village is to recover the above amounts from future TID surplus funds, if any, prior to termination of the District. Unless terminated by the Village prior thereto, TID No. 8 has a statutory termination year of 2038.

B. Risk Management

The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. The Village completes an annual review of its insurance coverage to ensure adequate coverage. Settled claims have not exceeded coverage amounts in any of the last three fiscal years.

C. Contingencies

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

REQUIRED SUPPLEMENTARY INFORMATION

**VILLAGE OF WINNECONNE, WISCONSIN
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET) —
WISCONSIN RETIREMENT SYSTEM
LAST TEN FISCAL YEARS**

| Measurement Period Ending | Proportion of the Net Pension Liability (Asset) | Proportionate Share of the Net Pension Liability (Asset) | Covered Payroll | Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll | Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset) |
|------------------------------|---|---|--------------------|--|--|
| 12/31/15 | 0.00675003% | \$ 109,687 | \$ 828,052 | 13.25 % | 98.20 % |
| 12/31/16 | 0.00666118% | 54,904 | 840,105 | 6.54 | 99.12 |
| 12/31/17 | 0.00655489% | (194,622) | 812,321 | 23.96 | 102.93 |
| 12/31/18 | 0.00658899% | 234,414 | 866,332 | 27.06 | 96.45 |
| 12/31/19 | 0.00662881% | (213,743) | 895,200 | 23.88 | 102.96 |
| 12/31/20 | 0.00675675% | (421,833) | 916,552 | 46.02 | 105.26 |
| 12/31/21 | 0.00648716% | (522,877) | 795,770 | 65.71 | 106.02 |
| 12/31/22 | 0.00626612% | 331,960 | 821,926 | 40.39 | 95.72 |
| 12/31/23 | 0.00576770% | 85,753 | 789,557 | 10.86 | 98.85 |
| 12/31/24 | 0.00561926% | 92,334 | 833,985 | 11.07 | 98.79 |

**SCHEDULE OF CONTRIBUTIONS —
WISCONSIN RETIREMENT SYSTEM
LAST TEN FISCAL YEARS**

| Fiscal Year Ending | Contractually Required Contributions | Contributions in Relation to the Contractually Required Contributions | Contribution Deficiency (Excess) | Covered Payroll (Fiscal Year) | Contributions as a Percentage of Covered Payroll |
|-----------------------|--|---|--|-------------------------------------|---|
| 12/31/16 | \$ 62,994 | \$ 62,994 | \$ - | \$ 840,105 | 7.50 % |
| 12/31/17 | 55,789 | 55,789 | - | 812,321 | 6.87 |
| 12/31/18 | 58,657 | 58,657 | - | 866,332 | 6.77 |
| 12/31/19 | 75,473 | 75,473 | - | 895,200 | 4.37 |
| 12/31/20 | 76,834 | 76,834 | - | 916,552 | 8.38 |
| 12/31/21 | 69,094 | 69,094 | - | 795,770 | 8.68 |
| 12/31/22 | 71,188 | 71,188 | - | 821,926 | 8.66 |
| 12/31/23 | 70,850 | 70,850 | - | 789,558 | 8.97 |
| 12/31/24 | 79,280 | 79,280 | - | 833,985 | 9.51 |
| 12/31/25 | 92,759 | 92,759 | - | 973,812 | 9.53 |

See Notes to Required Supplementary Information.

**VILLAGE OF WINNECONNE, WISCONSIN
SCHEDULE OF PROPORTIONATE SHARE OF NET OPEB LIABILITY (ASSET) —
LOCAL RETIREE LIFE INSURANCE FUND
LAST TEN FISCAL YEARS**

| Plan Fiscal Year Ending | Proportion of the Net OPEB Liability (Asset) | Proportionate Share of the Net OPEB Liability (Asset) | Covered- Employee Payroll | Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Covered-Employee Payroll | Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset) |
|----------------------------|--|--|---------------------------------|---|---|
| 12/31/17 | 0.01089400% | \$ 32,776 | \$ 458,124 | 7.15 % | 44.81 % |
| 12/31/18 | 0.01141900% | 29,465 | 255,000 | 11.55 | 48.69 |
| 12/31/19 | 0.01251000% | 53,270 | 554,000 | 9.62 | 37.58 |
| 12/31/20 | 0.03261600% | 179,412 | 629,000 | 28.52 | 31.36 |
| 12/31/21 | 0.01806600% | 106,777 | 527,000 | 20.26 | 29.57 |
| 12/31/22 | 0.01162600% | 44,293 | 447,000 | 9.91 | 38.81 |
| 12/31/23 | 0.01787200% | 82,223 | 474,000 | 17.35 | 33.90 |
| 12/31/24 | 0.01622200% | 63,465 | 511,000 | 12.42 | 37.20 |

**SCHEDULE OF CONTRIBUTIONS —
LOCAL RETIREE LIFE INSURANCE FUND
LAST TEN FISCAL YEARS**

| Fiscal Year Ending | 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 |
|-----------------------|--|---|--|---------------------------------|--|
| 12/31/18 | \$ 168 | \$ 168 | \$ - | \$ 458,124 | 0.04% |
| 12/31/19 | 220 | 220 | - | 255,000 | 0.09% |
| 12/31/20 | 306 | 306 | - | 554,000 | 0.06% |
| 12/31/21 | 360 | 360 | - | 629,000 | 0.06% |
| 12/31/22 | 369 | 369 | - | 527,000 | 0.07% |
| 12/31/23 | 148 | 148 | - | 474,000 | 0.03% |
| 12/31/24 | 258 | 258 | - | 511,000 | 0.05% |
| 12/31/25 | 188 | 188 | - | 973,812 | 0.02% |

See Notes to Required Supplementary Information.

**VILLAGE OF WINNECONNE, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2025**

NOTE 1 PENSION

Wisconsin Retirement System

Changes in benefit terms:

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

Changes in assumptions:

Based on a three-year experience study conducted in 2021 covering January 1, 2018 through December 31, 2020, the EFT Board adopted assumption changes that were used to measure the total pension liability beginning with the year-end December 31, 2021, including the following:

- Lowering the long-term expected rate of return from 7.0% to 6.8%
- Lowering the discount rate from 7.0% to 6.8%
- Lowering the price inflation rate from 2.5% to 2.4%
- Lowering the post-retirement adjustments from 1.9% to 1.7%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table.

Based on a three-year experience study conducted in 2018 covering January 1, 2015 through December 31, 2017, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-ended December 31, 2018, including the following:

- Lowering the long-term expected rate of return from 7.2% to 7.0%
- Lowering the discount rate from 7.2% to 7.0%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Lowering the post-retirement adjustments from 2.1% to 1.9%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table.

The Village is required to present the last 10 fiscal years of data; however, accounting standards allow the presentation of as many years as are available until 10 fiscal years are presented.

**VILLAGE OF WINNECONNE, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2025**

NOTE 2 OTHER POSTEMPLOYMENT BENEFIT PLAN

Local Retiree Life Insurance Fund

Changes in Benefit Terms:

There were no recent changes in benefit terms.

Changes in Assumptions:

The State of Wisconsin Employee Trust Fund Board adopted economic and demographic assumption changes based on a three year experience study performed for the Wisconsin Retirement System. These assumptions are used in the actuarial valuations of OPEB liabilities (assets) for the retiree life insurance programs and are summarized below.

The assumption changes that were used to measure the December 31, 2021 total OPEB liabilities, including the following:

- Lowering the price inflation rate from 2.5% to 2.4%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table.

The assumption changes that were used to measure the December 31, 2018 total OPEB liabilities, including the following:

- Lowering the long-term expected rate of return from 5.00% to 4.25%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table

The Village is required to present the last 10 fiscal years of data; however, accounting standards allow the presentation of as many years as are available until 10 fiscal years are presented.

SUPPLEMENTARY INFORMATION

**VILLAGE OF WINNECONNE, WISCONSIN
 COMBINING BALANCE SHEET —
 NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2025
 (WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2024)**

| | Special Revenue | | | | | |
|--|--------------------------|-------------------|-----------------------|----------------------|---------------------------|-----------------|
| | Community Development | Cemetery Care | Cemetery Expansion | Library Donations | Solid Waste/ Recycling | Beautification |
| ASSETS | | | | | | |
| Cash and Investments | \$ 28,071 | \$ 103,277 | \$ 96,578 | \$ 9,668 | \$ 215,650 | \$ 7,367 |
| Receivables: | | | | | | |
| Taxes and Special Charges | - | - | - | - | 146,009 | - |
| Loans | 53,117 | - | - | - | - | - |
| Total Assets | \$ 81,188 | \$ 103,277 | \$ 96,578 | \$ 9,668 | \$ 361,659 | \$ 7,367 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | | | |
| LIABILITIES | | | | | | |
| Accounts Payable | \$ - | \$ - | \$ - | \$ 757 | \$ 18,751 | \$ - |
| Due to Other Funds | - | - | - | - | - | - |
| Total Liabilities | - | - | - | 757 | 18,751 | - |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Property Taxes Levied for: | | | | | | |
| Subsequent Year | - | - | - | - | 238,634 | - |
| Loans Receivable | 53,117 | - | - | - | - | - |
| Total Deferred Inflows of Resources | 53,117 | - | - | - | 238,634 | - |
| FUND BALANCES | | | | | | |
| Restricted | - | - | - | 8,911 | - | - |
| Committed | 28,071 | 103,277 | 96,578 | - | 104,274 | 7,367 |
| Unassigned | - | - | - | - | - | - |
| Total Fund Balances | 28,071 | 103,277 | 96,578 | 8,911 | 104,274 | 7,367 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | \$ 81,188 | \$ 103,277 | \$ 96,578 | \$ 9,668 | \$ 361,659 | \$ 7,367 |

**VILLAGE OF WINNECONNE, WISCONSIN
 COMBINING BALANCE SHEET —
 NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
 DECEMBER 31, 2025
 (WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2024)**

| | Special Revenue | | Capital Projects | | | Totals | |
|--|-----------------|-------------------|-------------------|------------------|---------------------|---------------------|------|
| | Park | | TID No. 5 | TID No. 6 | TID No. 8 | 2025 | 2024 |
| | Donations | | | | | | |
| ASSETS | | | | | | | |
| Cash and Investments | \$ 1,015 | \$ 305,119 | \$ 149,173 | \$ - | \$ 915,918 | \$ 1,007,869 | |
| Receivables: | | | | | | | |
| Taxes and Special Charges | - | - | - | 28,452 | 174,461 | 363,818 | |
| Loans | - | - | - | - | 53,117 | 53,117 | |
| Total Assets | <u>\$ 1,015</u> | <u>\$ 305,119</u> | <u>\$ 149,173</u> | <u>\$ 28,452</u> | <u>\$ 1,143,496</u> | <u>\$ 1,424,804</u> | |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | | | | |
| LIABILITIES | | | | | | | |
| Accounts Payable | \$ - | \$ 305,119 | \$ 149,173 | \$ 1,500 | \$ 475,300 | \$ 18,151 | |
| Due to Other Funds | - | - | - | 17,061 | 17,061 | 18,038 | |
| Total Liabilities | - | 305,119 | 149,173 | 18,561 | 492,361 | 36,189 | |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | |
| Property Taxes Levied for: | | | | | | | |
| Subsequent Year | - | - | - | 43,889 | 282,523 | 625,145 | |
| Loans Receivable | - | - | - | - | 53,117 | 53,117 | |
| Total Deferred Inflows of Resources | - | - | - | 43,889 | 335,640 | 678,262 | |
| FUND BALANCES | | | | | | | |
| Restricted | 1,015 | - | - | - | 9,926 | 467,216 | |
| Committed | - | - | - | - | 339,567 | 277,956 | |
| Unassigned | - | - | - | (33,998) | (33,998) | (34,819) | |
| Total Fund Balances | <u>1,015</u> | <u>-</u> | <u>-</u> | <u>(33,998)</u> | <u>315,495</u> | <u>710,353</u> | |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 1,015</u> | <u>\$ 305,119</u> | <u>\$ 149,173</u> | <u>\$ 28,452</u> | <u>\$ 1,143,496</u> | <u>\$ 1,424,804</u> | |

**VILLAGE OF WINNECONNE, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES —
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2025
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2024)**

| | Special Revenue | | | | | |
|---|--------------------------|-------------------|-----------------------|----------------------|---------------------------|-----------------|
| | Community Development | Cemetery Care | Cemetery Expansion | Library Donations | Solid Waste/ Recycling | Beautification |
| REVENUES | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental | - | - | - | - | 8,580 | - |
| Public Charges for Services | - | 4,475 | 13,425 | - | 248,625 | - |
| Miscellaneous | 1,176 | 9,036 | (999) | 15,013 | 3,371 | 90,471 |
| Total Revenues | <u>1,176</u> | <u>13,511</u> | <u>12,426</u> | <u>15,013</u> | <u>260,576</u> | <u>90,471</u> |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| Public Works | - | - | - | - | 227,879 | - |
| Culture and Recreation | - | - | - | 19,463 | - | 88,670 |
| Conservation and Development | - | - | - | - | - | - |
| Debt Service: | | | | | | |
| Principal | - | - | - | - | - | - |
| Interest and Fiscal Charges | - | - | - | - | - | - |
| Capital Outlay | - | - | - | - | - | - |
| Total Expenditures | <u>-</u> | <u>-</u> | <u>-</u> | <u>19,463</u> | <u>227,879</u> | <u>88,670</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | <u>1,176</u> | <u>13,511</u> | <u>12,426</u> | <u>(4,450)</u> | <u>32,697</u> | <u>1,801</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Final Distribution of Increment for TID Closure | - | - | - | - | - | - |
| Transfers In | - | - | - | - | - | - |
| Transfers Out | - | - | - | - | - | - |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCES | 1,176 | 13,511 | 12,426 | (4,450) | 32,697 | 1,801 |
| Fund Balances - Beginning of Year | <u>26,895</u> | <u>89,766</u> | <u>84,152</u> | <u>13,361</u> | <u>71,577</u> | <u>5,566</u> |
| FUND BALANCES - END OF YEAR | <u>\$ 28,071</u> | <u>\$ 103,277</u> | <u>\$ 96,578</u> | <u>\$ 8,911</u> | <u>\$ 104,274</u> | <u>\$ 7,367</u> |

**VILLAGE OF WINNECONNE, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES —
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2025
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2024)**

| | Special Revenue | | Capital Projects | | | Totals | |
|---|-----------------|------------|------------------|-------------|------------|------------|--|
| | Park | | | | | | |
| | Donations | TID No. 5 | TID No. 6 | TID No. 8 | 2025 | 2024 | |
| REVENUES | | | | | | | |
| Taxes | \$ - | \$ 203,360 | \$ 130,476 | \$ 42,684 | \$ 376,520 | \$ 413,378 | |
| Intergovernmental | - | 14,922 | 1,431 | 323 | 25,256 | 78,476 | |
| Public Charges for Services | - | - | - | - | 266,525 | 253,445 | |
| Miscellaneous | 52 | - | - | - | 118,120 | 51,274 | |
| Total Revenues | 52 | 218,282 | 131,907 | 43,007 | 786,421 | 796,573 | |
| EXPENDITURES | | | | | | | |
| Current: | | | | | | | |
| Public Works | - | - | - | - | 227,879 | 223,646 | |
| Culture and Recreation | - | - | - | - | 108,133 | 27,416 | |
| Conservation and Development | - | 1,427 | 1,428 | 1,651 | 4,506 | 9,241 | |
| Debt Service: | | | | | | | |
| Principal | - | - | 80,852 | 28,479 | 109,331 | 102,009 | |
| Interest and Fiscal Charges | - | - | 7,602 | 12,056 | 19,658 | 22,745 | |
| Capital Outlay | 270 | - | - | - | 270 | 62,722 | |
| Total Expenditures | 270 | 1,427 | 89,882 | 42,186 | 469,777 | 447,779 | |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | (218) | 216,855 | 42,025 | 821 | 316,644 | 348,794 | |
| OTHER FINANCING SOURCES (USES) | | | | | | | |
| Final Distribution of Increment for TID Closure | - | (305,119) | (149,173) | - | (454,292) | - | |
| Transfers In | - | - | 207,000 | - | 207,000 | 52,437 | |
| Transfers Out | - | (160,331) | (303,879) | - | (464,210) | (64,371) | |
| Total Other Financing Sources (Uses) | - | (465,450) | (246,052) | - | (711,502) | (11,934) | |
| NET CHANGE IN FUND BALANCES | (218) | (248,595) | (204,027) | 821 | (394,858) | 336,860 | |
| Fund Balances - Beginning of Year | 1,233 | 248,595 | 204,027 | (34,819) | 710,353 | 373,493 | |
| FUND BALANCES - END OF YEAR | \$ 1,015 | \$ - | \$ - | \$ (33,998) | \$ 315,495 | \$ 710,353 | |

VILLAGE OF WINNECONNE, WISCONSIN
STATEMENT OF WATER UTILITY REVENUES, EXPENSES, AND CHANGES
IN OPERATING INCOME —
ENTERPRISE FUND
YEAR ENDED DECEMBER 31, 2025
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2024)

| | Water | |
|---------------------------------------|-----------------------|-----------------------|
| | 2025 | 2024 |
| OPERATING REVENUES | | |
| Charges for Services: | | |
| Residential | \$ 551,190 | \$ 538,469 |
| Multi-Family | 29,969 | 28,349 |
| Commercial | 89,596 | 90,772 |
| Industrial | 13,427 | 10,769 |
| Public Authority | 42,722 | 44,488 |
| Private Fire Protection | 6,876 | 7,287 |
| Public Fire Protection | 503,244 | 488,286 |
| Total Charges for Services | 1,237,024 | 1,208,420 |
| Other Revenues: | | |
| Forfeited Discounts | 18,212 | 11,747 |
| Other Water Revenues | 72,297 | 64,368 |
| Total Other Revenues | 90,509 | 76,115 |
| Total Operating Revenues | 1,327,533 | 1,284,535 |
| OPERATING EXPENSES | | |
| Plant Operation and Maintenance: | | |
| Plant Operation and Maintenance | 465,280 | 346,040 |
| Administrative and General | 155,086 | 122,895 |
| Total Plant Operation and Maintenance | 620,366 | 468,935 |
| Depreciation | 342,753 | 259,860 |
| Total Operating Expenses | 963,119 | 728,795 |
| OPERATING INCOME | \$ 364,414 | \$ 555,740 |

VILLAGE OF WINNECONNE, WISCONSIN
STATEMENT OF SEWER UTILITY REVENUES, EXPENSES, AND CHANGES
IN OPERATING INCOME —
ENTERPRISE FUND
YEAR ENDED DECEMBER 31, 2025
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2024)

| | Sewer | |
|---------------------------------------|--------------------|--------------------|
| | 2025 | 2024 |
| OPERATING REVENUES | | |
| Charges for Services: | | |
| Residential | \$ 506,922 | \$ 501,596 |
| Multi-Family | 36,920 | 38,266 |
| Commercial | 92,738 | 104,004 |
| Industrial | 17,870 | 14,720 |
| Public Authority | 238,176 | 149,771 |
| Total Charges for Services | 892,626 | 808,357 |
| Other Revenues: | | |
| Forfeited Discounts | 10,447 | 7,629 |
| Miscellaneous | 91,751 | 71,644 |
| Total Other Revenues | 102,198 | 79,273 |
| Total Operating Revenues | 994,824 | 887,630 |
| OPERATING EXPENSES | | |
| Plant Operation and Maintenance: | | |
| Operation | 369,609 | 272,758 |
| Maintenance | 56,678 | 59,009 |
| Customer Accounting and Collection | 11,380 | 10,732 |
| Administrative and General | 137,623 | 124,833 |
| Total Plant Operation and Maintenance | 575,290 | 467,332 |
| Depreciation | 485,709 | 477,396 |
| Total Operating Expenses | 1,060,999 | 944,728 |
| OPERATING INCOME (LOSS) | \$ (66,175) | \$ (57,098) |

VILLAGE OF WINNECONNE, WISCONSIN
STATEMENT OF STORM SEWER UTILITY REVENUES, EXPENSES, AND CHANGES
IN OPERATING INCOME —
ENTERPRISE FUND
YEAR ENDED DECEMBER 31, 2025
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2024)

| | Storm Sewer | |
|----------------------------------|-------------|------------|
| | 2025 | 2024 |
| OPERATING REVENUES | | |
| Charges for Services: | | |
| Residential | \$ 314,603 | \$ 313,988 |
| OPERATING EXPENSES | | |
| Plant Operation and Maintenance: | | |
| Operation | 89,253 | 72,270 |
| Depreciation | 6,375 | 6,375 |
| Total Operating Expenses | 95,628 | 78,645 |
| OPERATING INCOME | \$ 218,975 | \$ 235,343 |

**ADDITIONAL INDEPENDENT AUDITORS' REPORT
FOR BASIC FINANCIAL STATEMENTS**



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Village Board
Village of Winneconne, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Winneconne, Wisconsin (the Village), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated April 23, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

We identified a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2025-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Village of Winneconne’s Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Village’s response to the finding identified in our audit and described in the accompanying schedule of findings and responses. The Village’s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Green Bay, Wisconsin
April 23, 2026

**VILLAGE OF WINNECONNE, WISCONSIN
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
YEAR ENDED DECEMBER 31, 2025**

Internal Control Over Financial Reporting

| FINDING NO. | CONTROL DEFICIENCIES |
|---|--|
| 2025-001 | Preparation of Annual Financial Report Repeat of Finding 2024-001 |
| Type of Finding: | Significant Deficiency in Internal Control Over Financial Reporting |
| Condition: | Current Village staff maintains accounting records which reflect the Village's financial transactions; however, preparing the Village's annual financial report, including note disclosures, involves the selection and application of specific accounting principles which would require additional experience and knowledge. The Village contracts with us and our knowledge of applicable accounting principles, financial statement format, and note disclosures to assist in the preparation of the annual financial report in an efficient manner. |
| Criteria and Specific Requirement: | The preparation and review of the annual financial by staff with expertise in financial reporting is an internal control intended to prevent, detect and correct a potential omission or misstatement in the financial statements or notes. |
| Cause: | Village management has determined that the additional costs associated with training staff to become experienced in applicable accounting principles and note disclosures outweigh the derived benefits. |
| Effect: | Without our involvement, the Village may not be able to completely prepare an annual financial report in accordance with accounting principles generally accepted in the United States of America. |
| Recommendation: | We recommend continued analysis of the cost/benefit of outsourcing the preparation of the Village's annual financial report, and the related internal controls. |
| Views of Responsible Officials: | Management agrees with this finding and continuing to use the services of its auditor to prepare its annual financial report. |



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