

VILLAGE OF WINNECONNE, WISCONSIN

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2023



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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 accompanying 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, 2023, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village as of December 31, 2023, 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, 2023 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, 2023 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, 2023 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, 2023.

We also previously audited, in accordance with GAAS, the basic financial statements of the Village as of and for the year ended December 31, 2022, (not presented herein), and have issued our report thereon dated December 1, 2023 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, 2022 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 2022 basic financial statements. The information was subjected to the audit procedures applied in the audit of the 2022 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, 2022.

Report on Summarized Comparative Information

We have previously audited the Village's 2022 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 December 1, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, 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 June 19, 2024, 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.



CliftonLarsonAllen LLP

Green Bay, Wisconsin
June 19, 2024

BASIC FINANCIAL STATEMENTS

VILLAGE OF WINNECONNE, WISCONSIN
STATEMENT OF NET POSITION
DECEMBER 31, 2023
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2022)

	Governmental	Business-Type	Totals	
	Activities	Activities	2023	2022
ASSETS				
Cash and Investments	\$ 3,512,416	\$ 1,143,116	\$ 4,655,532	\$ 4,782,517
Receivables:				
Taxes and Special Charges	1,480,363	314,731	1,795,094	1,504,299
Delinquent Taxes	318	-	318	2,905
Accounts	-	500,333	500,333	452,577
Special Assessments	357,382	17,301	374,683	301,806
Loans	53,117	-	53,117	44,717
Leases	-	26,127	26,127	68,672
Due from Other Governments	-	-	-	149,273
Inventories and Prepaid Items	20,032	23,795	43,827	67,751
Restricted Assets:				
Cash and Investments	-	439,970	439,970	418,450
Net Pension Asset	-	-	-	522,877
Capital Assets, Nondepreciable	1,771,115	3,174,524	4,945,639	2,236,032
Capital Assets, Depreciable, Net	9,363,310	12,218,747	21,582,057	21,137,249
Total Assets	16,558,053	17,858,644	34,416,697	31,689,125
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Charges on Refunding	-	48,674	48,674	56,788
Pension Related Amounts	1,068,443	164,988	1,233,431	1,014,285
Other Postemployment Related Amounts	48,828	7,478	56,306	83,183
Total Deferred Outflows of Resources	1,117,271	221,140	1,338,411	1,154,256
LIABILITIES				
Accounts Payable	397,020	747,847	1,144,867	236,617
Accrued and Other Current Liabilities	26,707	3,233	29,940	57,648
Accrued Interest Payable	54,372	35,988	90,360	100,551
Special Deposits	-	5,164	5,164	5,164
Unearned Revenues	62,722	-	62,722	259,997
Long-Term Obligations:				
Due Within One Year	539,842	344,082	883,924	1,502,446
Due in More Than One Year	7,285,730	5,433,426	12,719,156	11,504,263
Net Pension Liability	287,861	44,099	331,960	-
Other Postemployment Benefits	38,411	5,882	44,293	106,777
Total Liabilities	8,692,665	6,619,721	15,312,386	13,773,463
DEFERRED INFLOWS OF RESOURCES				
Property Taxes Levied for Subsequent Year	2,590,209	314,731	2,904,940	2,909,875
Leases Related	-	26,127	26,127	68,672
Pension Related Amounts	602,973	92,373	695,346	1,231,649
Other Postemployment Related Amounts	84,117	12,881	96,998	59,989
Total Deferred Inflows Resources	3,277,299	446,112	3,723,411	4,270,185
NET POSITION				
Net Investment in Capital Assets	3,624,851	9,137,944	12,762,795	10,566,034
Restricted:				
Capital Projects and Development	169,737	-	169,737	1,392,681
Donations	5,090	-	5,090	2,653
Development Loans Receivable	53,117	-	53,117	44,717
Equipment Replacement	-	439,970	439,970	418,450
Debt Service	282,430	-	282,430	-
Pension Benefits	-	-	-	522,877
Unrestricted	1,570,135	1,436,037	3,006,172	1,852,321
Total Net Position	\$ 5,705,360	\$ 11,013,951	\$ 16,719,311	\$ 14,799,733

See accompanying Notes to Basic Financial Statements.

VILLAGE OF WINNECONNE, WISCONSIN
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2022)

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
General Government	\$ 725,160	\$ 100,172	\$ 4,100	\$ -
Public Safety	815,689	60,989	19,153	-
Public Works	1,214,543	232,313	212,559	138,385
Health and Human Services	37,317	24,705	-	-
Culture and Recreation	616,835	174,613	139,586	-
Conservation and Development	35,742	27,616	-	109,522
Interest and Fiscal Charges	167,776	-	-	-
Total Governmental Activities	<u>3,613,062</u>	<u>620,408</u>	<u>375,398</u>	<u>247,907</u>
BUSINESS-TYPE ACTIVITIES				
Water Utility	644,303	1,163,628	-	632,392
Sewer Utility	990,067	835,105	-	1,612
Stormwater Utility	45,661	313,988	-	-
Total Business-Type Activities	<u>1,680,031</u>	<u>2,312,721</u>	<u>-</u>	<u>634,004</u>
Total	<u>\$ 5,293,093</u>	<u>\$ 2,933,129</u>	<u>\$ 375,398</u>	<u>\$ 881,911</u>

See accompanying Notes to Basic Financial Statements.

VILLAGE OF WINNECONNE, WISCONSIN
STATEMENT OF ACTIVITIES (CONTINUED)
YEAR ENDED DECEMBER 31, 2023
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2022)

Functions/Programs	Net (Expense) Revenue and Changes in Net Position			
	Governmental	Business-Type	Totals	
	Activities	Activities	2023	2022
GOVERNMENTAL ACTIVITIES				
General Government	\$ (620,888)	\$ -	\$ (620,888)	\$ (542,946)
Public Safety	(735,547)	-	(735,547)	(787,560)
Public Works	(631,286)	-	(631,286)	(456,990)
Health and Human Services	(12,612)	-	(12,612)	(5,409)
Culture and Recreation	(302,636)	-	(302,636)	(201,521)
Conservation and Development	101,396	-	101,396	15,473
Interest and Fiscal Charges	(167,776)	-	(167,776)	(155,407)
Total Governmental Activities	(2,369,349)	-	(2,369,349)	(2,134,360)
BUSINESS-TYPE ACTIVITIES				
Water Utility	-	1,151,717	1,151,717	928,005
Sewer Utility	-	(153,350)	(153,350)	(156,106)
Stormwater Utility	-	268,327	268,327	(16,340)
Total Business-Type Activities	-	1,266,694	1,266,694	755,559
Total	(2,369,349)	1,266,694	(1,102,655)	(1,378,801)
GENERAL REVENUES				
Taxes:				
Property Taxes	1,731,993	166,835	1,898,828	1,813,783
Tax Increments	446,662	-	446,662	519,092
Other Taxes	-	-	-	12,944
Federal and State Grants and Other				
Contributions Not Restricted to				
Specific Functions	435,921	-	435,921	219,807
Interest and Investment Earnings	205,568	21,520	227,088	36,142
Miscellaneous	8,934	-	8,934	58,899
Gain on Sale of Asset	4,800	-	4,800	14,701
Transfers	250,137	(250,137)	-	-
Total General Revenues and Transfers	3,084,015	(61,782)	3,022,233	2,675,368
CHANGE IN NET POSITION	714,666	1,204,912	1,919,578	1,296,567
Net Position - Beginning of Year	4,990,694	9,809,039	14,799,733	13,503,166
NET POSITION - END OF YEAR	<u>\$ 5,705,360</u>	<u>\$ 11,013,951</u>	<u>\$ 16,719,311</u>	<u>\$ 14,799,733</u>

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF WINNECONNE, WISCONSIN
BALANCE SHEET —
GOVERNMENTAL FUNDS
DECEMBER 31, 2023
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2022)**

ASSETS	General	General Capital Projects	Debt Service
Cash and Investments	\$ 1,547,841	\$ 444,750	\$ 604,835
Receivables:			
Taxes and Special Charges	711,782	-	420,720
Delinquent Taxes	318	-	-
Accounts	-	-	-
Loans	-	-	-
Special Assessments	-	-	357,382
Due from Other Funds	20,835	-	-
Advance to Other Funds	-	-	-
Inventories and Prepaid Items	20,032	-	-
Total Assets	\$ 2,300,808	\$ 444,750	\$ 1,382,937
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 46,358	\$ 207,119	\$ -
Accrued and Other Current Liabilities	26,707	-	-
Due to Other Funds	-	-	-
Advance from Other Funds	-	-	-
Unearned Revenues	-	-	-
Total Liabilities	73,065	207,119	-
DEFERRED INFLOWS OF RESOURCES			
Property Taxes Levied for Subsequent Year	1,239,198	-	688,753
Loans Receivable	-	-	-
Special Assessments	-	-	357,382
Total Deferred Inflows of Resources	1,239,198	-	1,046,135
FUND BALANCES			
Nonspendable	20,032	-	-
Restricted	-	237,631	336,802
Committed	-	-	-
Unassigned	968,513	-	-
Total Fund Balances	988,545	237,631	336,802
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 2,300,808	\$ 444,750	\$ 1,382,937

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF WINNECONNE, WISCONSIN
BALANCE SHEET —
GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2023
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2022)**

	Other Governmental Funds	Totals	
		2023	2022
ASSETS			
Cash and Investments	\$ 914,990	\$ 3,512,416	\$ 2,810,035
Receivables:			
Taxes and Special Charges	347,861	1,480,363	1,239,513
Delinquent Taxes	-	318	2,905
Accounts	-	-	166,052
Loans	53,117	53,117	44,717
Special Assessments	-	357,382	278,139
Due from Other Funds	-	20,835	372,131
Advance to Other Funds	-	-	799,000
Inventories and Prepaid Items	-	20,032	25,643
Total Assets	\$ 1,315,968	\$ 5,444,463	\$ 5,738,135
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 143,543	\$ 397,020	\$ 142,112
Accrued and Other Current Liabilities	-	26,707	54,931
Due to Other Funds	20,835	20,835	170,319
Advance from Other Funds	-	-	799,000
Unearned Revenues	62,722	62,722	259,997
Total Liabilities	227,100	507,284	1,426,359
DEFERRED INFLOWS OF RESOURCES			
Property Taxes Levied for Subsequent Year	662,258	2,590,209	2,428,181
Loans Receivable	53,117	53,117	44,717
Special Assessments	-	357,382	278,139
Total Deferred Inflows of Resources	715,375	3,000,708	2,751,037
FUND BALANCES			
Nonspendable	-	20,032	34,053
Restricted	180,323	754,756	1,516,077
Committed	239,783	239,783	218,302
Unassigned	(46,613)	921,900	(207,693)
Total Fund Balances	373,493	1,936,471	1,560,739
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,315,968	\$ 5,444,463	\$ 5,738,135

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, 2023
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2022)**

	2023	2022
Total fund balances as shown on previous page	\$ 1,936,471	\$ 1,560,739
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.	11,134,425	11,040,852
Other long-term assets are not available to pay current period expenditures and therefore are deferred in the funds.		
Loans Receivable	53,117	44,717
Special Assessments	357,382	278,139
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	1,068,443	881,758
Deferred Inflows Related to Pensions	(602,973)	(1,069,618)
Deferred Outflows Related to Other Postemployment Benefits	48,828	72,244
Deferred Inflows Related to Other Postemployment Benefits	(84,117)	(52,101)
Long-term assets are not current financial resource; therefore, are not reported in the funds:		
Net Pension Asset (Liability)	(287,861)	454,089
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds and Notes Payable	(7,665,698)	(7,919,493)
Premium on Debt	(87,003)	(96,285)
Compensated Absences	(72,871)	(48,980)
Other Postemployment Benefit	(38,411)	(92,736)
Accrued Interest on Long-Term Obligations	(54,372)	(62,631)
Net Position of Governmental Activities as Reported on the Statement of Net Position	\$ 5,705,360	\$ 4,990,694

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, 2023
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2022)

	General	General Capital Projects	Debt Service
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Taxes	\$ 1,218,154	\$ -	\$ 513,839
Special Assessments	-	-	75,888
Intergovernmental	542,821	5,357	-
Licenses and Permits	69,624	-	-
Fines and Forfeits	28,542	-	-
Public Charges for Services	193,874	-	109,522
Intergovernmental Charges for Services	81,350	-	-
Miscellaneous	205,544	-	13,229
Total Revenues	<u>2,339,909</u>	<u>5,357</u>	<u>712,478</u>
EXPENDITURES			
Current:			
General Government	599,111	-	-
Public Safety	688,239	8,055	-
Public Works	332,216	558	-
Health and Human Services	35,543	-	-
Culture and Recreation	476,971	-	-
Conservation and Development	21,320	-	-
Debt Service:			
Principal	-	-	424,028
Interest and Fiscal Charges	-	900	145,532
Capital Outlay	-	801,907	-
Total Expenditures	<u>2,153,400</u>	<u>811,420</u>	<u>569,560</u>
EXCESS OF REVENUES OVER (UNDER)			
EXPENDITURES	186,509	(806,063)	142,918
OTHER FINANCING SOURCES			
Long-Term Debt Issued	-	950,000	-
Proceeds from Sale of Capital Assets	4,300	-	-
Transfers In	83,302	-	166,835
Transfers Out	-	-	-
Total Other Financing Sources	<u>87,602</u>	<u>950,000</u>	<u>166,835</u>
NET CHANGE IN FUND BALANCES	274,111	143,937	309,753
Fund Balances - Beginning of Year	<u>714,434</u>	<u>93,694</u>	<u>27,049</u>
FUND BALANCES - END OF YEAR	<u>\$ 988,545</u>	<u>\$ 237,631</u>	<u>\$ 336,802</u>

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, 2023
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2022)

	Other Governmental Funds	Totals	
		2023	2022
REVENUES			
Taxes	\$ 446,662	\$ 2,178,655	\$ 2,326,574
Special Assessments	-	75,888	160,118
Intergovernmental	220,067	768,245	1,235,099
Licenses and Permits	-	69,624	43,988
Fines and Forfeits	-	28,542	19,111
Public Charges for Services	251,512	554,908	370,242
Intergovernmental Charges for Services	-	81,350	67,405
Miscellaneous	39,303	258,076	143,164
Total Revenues	<u>957,544</u>	<u>4,015,288</u>	<u>4,365,701</u>
EXPENDITURES			
Current:			
General Government	13,543	612,654	600,749
Public Safety	-	696,294	891,061
Public Works	247,801	580,575	533,383
Health and Human Services	-	35,543	29,729
Culture and Recreation	17,525	494,496	413,523
Conservation and Development	22,998	44,318	27,368
Debt Service:			
Principal	779,904	1,203,932	763,023
Interest and Fiscal Charges	38,749	185,181	215,927
Capital Outlay	189,093	991,000	1,805,226
Total Expenditures	<u>1,309,613</u>	<u>4,843,993</u>	<u>5,279,989</u>
EXCESS OF REVENUES OVER (UNDER)			
EXPENDITURES	(352,069)	(828,705)	(914,288)
OTHER FINANCING SOURCES			
Long-Term Debt Issued	-	950,000	121,000
Proceeds from Sale of Capital Assets	-	4,300	15,839
Transfers In	1,649,000	1,899,137	129,422
Transfers Out	(1,649,000)	(1,649,000)	(76,425)
Total Other Financing Sources	<u>-</u>	<u>1,204,437</u>	<u>189,836</u>
NET CHANGE IN FUND BALANCES			
	(352,069)	375,732	(724,452)
Fund Balances - Beginning of Year	<u>725,562</u>	<u>1,560,739</u>	<u>2,285,191</u>
FUND BALANCES - END OF YEAR	<u>\$ 373,493</u>	<u>\$ 1,936,471</u>	<u>\$ 1,560,739</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, 2023
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2022)**

	2023	2022
Net change in fund balances as shown on previous page	\$ 375,732	\$ (724,452)
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	605,389	1,149,264
Depreciation Expense Reported in the Statement of Activities	(511,478)	(447,707)
Net Book Value of Disposals	(338)	(5,213)
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.		
Loans Receivable	8,400	(27,586)
Special Assessments	79,243	(173,004)
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	(950,000)	(121,000)
Principal Repaid	1,203,795	763,024
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	8,259	51,019
Amortization of Premiums	9,282	9,501
Compensated Absences	(23,891)	2,591
Net Pension Asset	(741,950)	93,197
Deferred Outflows of Resources Related to Pensions	186,685	289,899
Deferred Inflows of Resources Related to Pensions	466,645	(279,565)
Other Postemployment Benefits	54,325	63,191
Deferred Outflows of Resources Related to Other Postemployment Benefits	(23,416)	(42,398)
Deferred Inflows of Resources Related to Other Postemployment Benefits	(32,016)	(33,321)
Change in Net Position of Governmental Activities as Reported in the Statement of Activities	\$ 714,666	\$ 567,440

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, 2023
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2022)

	Budget		Actual	Variance	2022 Actual
	Original	Final		Final Budget - Positive (Negative)	
REVENUES					
Taxes	\$ 1,218,154	\$ 1,218,154	\$ 1,218,154	\$ -	\$ 1,216,748
Intergovernmental	613,331	613,331	542,821	(70,510)	499,168
Licenses and Permits	19,460	19,460	69,624	50,164	43,988
Fines and Forfeits	20,500	20,500	28,542	8,042	19,111
Public Charges for Services	153,560	153,560	193,874	40,314	168,679
Interdepartmental Charges for Services	-	-	81,350	81,350	-
Miscellaneous	500	500	205,544	205,044	82,197
Total Revenues	<u>2,025,505</u>	<u>2,025,505</u>	<u>2,339,909</u>	<u>314,404</u>	<u>2,097,296</u>
EXPENDITURES					
Current:					
General Government	470,912	470,912	599,111	(128,199)	600,749
Public Safety	731,645	731,645	688,239	43,406	829,279
Public Works	399,767	399,767	332,216	67,551	317,721
Health and Human Services	45,000	45,000	35,543	9,457	29,729
Culture and Recreation	416,617	416,617	476,971	(60,354)	413,523
Conservation and Development	57,028	57,028	21,320	35,708	20,601
Total Expenditures	<u>2,120,969</u>	<u>2,120,969</u>	<u>2,153,400</u>	<u>(32,431)</u>	<u>2,211,602</u>
EXCESS OF REVENUES OVER EXPENDITURES	(95,464)	(95,464)	186,509	281,973	(114,306)
OTHER FINANCING SOURCES					
Long-Term Debt Issued	-	-	-	-	121,000
Proceeds from Sale of Capital Assets	-	-	4,300	4,300	15,839
Transfers In	101,000	101,000	83,302	(17,698)	101,288
Transfers Out	-	-	-	-	(63,620)
Total Other Financing Sources	<u>101,000</u>	<u>101,000</u>	<u>87,602</u>	<u>(13,398)</u>	<u>174,507</u>
NET CHANGE IN FUND BALANCE	5,536	5,536	274,111	268,575	60,201
Fund Balance - Beginning of Year	<u>714,434</u>	<u>714,434</u>	<u>714,434</u>	<u>-</u>	<u>654,233</u>
FUND BALANCE - END OF YEAR	<u>\$ 719,970</u>	<u>\$ 719,970</u>	<u>\$ 988,545</u>	<u>\$ 268,575</u>	<u>\$ 714,434</u>

See accompanying Notes to Basic Financial Statements.

VILLAGE OF WINNECONNE, WISCONSIN
STATEMENT OF NET POSITION —
PROPRIETARY FUNDS
DECEMBER 31, 2023
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2022)

	Water Utility	Sewer Utility	Non-Major Storm Water Utility	Totals	
				2023	2022
ASSETS					
Current Assets:					
Cash and Investments	\$ -	\$ 1,142,942	\$ 174	\$ 1,143,116	\$ 1,972,482
Receivables:					
Taxes and Special Charges	-	-	314,731	314,731	264,786
Customer Accounts	295,306	205,027	-	500,333	435,797
Special Assessments	-	17,301	-	17,301	23,667
Due from Other Funds	-	263,237	-	263,237	-
Leases	26,127	-	-	26,127	68,672
Inventories and Prepaid Items	18,281	5,514	-	23,795	42,108
Total Current Assets	339,714	1,634,021	314,905	2,288,640	2,807,512
Noncurrent Assets:					
Restricted Assets					
Cash and Investments	-	439,970	-	439,970	418,450
Other Assets:					
Net Pension Asset	-	-	-	-	68,788
Capital Assets:					
Nondepreciable	3,162,877	11,647	-	3,174,524	463,682
Depreciable, Net	5,379,598	6,590,971	248,178	12,218,747	11,868,747
Total Capital Assets	8,542,475	6,602,618	248,178	15,393,271	12,332,429
Total Assets	8,882,189	8,676,609	563,083	18,121,881	15,627,179
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Charges on Refunding	38,550	10,124	-	48,674	56,788
Pension Related Amounts	83,647	81,341	-	164,988	132,527
Other Postemployment Related Amounts	3,767	3,711	-	7,478	10,939
Total Deferred Outflows of Resources	125,964	95,176	-	221,140	200,254
LIABILITIES					
Current Liabilities:					
Accounts Payable	722,184	25,663	-	747,847	94,505
Accrued and Other Current Liabilities	1,299	1,182	752	3,233	2,717
Due to Other Funds	263,237	-	-	263,237	201,812
Accrued Interest Payable	15,637	20,351	-	35,988	37,920
Special Deposits	5,164	-	-	5,164	5,164
Current Portion of General Obligation Debt	105,700	53,800	-	159,500	656,750
Current Portion of Revenue Bonds	-	184,582	-	184,582	111,900
Total Current Liabilities	1,113,221	285,578	752	1,399,551	1,110,768
Long-Term Obligations, Less Current Portion:					
General Obligation Debt	1,212,300	288,200	-	1,500,500	1,660,000
Revenue Bonds	1,604,208	2,328,718	-	3,932,926	2,513,300
Net Pension Liability	22,213	21,886	-	44,099	-
Other Postemployment Benefits	2,963	2,919	-	5,882	14,041
Total Long-Term Liabilities	2,841,684	2,641,723	-	5,483,407	4,187,341
Total Liabilities	3,954,905	2,927,301	752	6,882,958	5,298,109
DEFERRED INFLOWS OF RESOURCES					
Leases Related	26,127	-	-	26,127	68,672
Special Charges on Subsequent Year Tax Roll	-	-	314,731	314,731	481,694
Pension Related Amounts	46,529	45,844	-	92,373	162,031
Other Postemployment Related Amounts	6,489	6,392	-	12,881	7,888
Total Deferred Inflows of Resources	79,145	52,236	314,731	446,112	720,285
NET POSITION					
Net Investment in Capital Assets	5,132,324	3,757,442	248,178	9,137,944	7,447,267
Restricted:					
Equipment Replacement	-	439,970	-	439,970	418,450
Unrestricted	(158,221)	1,594,836	(578)	1,436,037	1,874,534
Total Net Position	\$ 4,974,103	\$ 5,792,248	\$ 247,600	\$ 11,013,951	\$ 9,809,039

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, 2023
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2022)

	Water Utility	Sewer Utility	Non-Major Stormwater Utility	Totals	
				2023	2022
OPERATING REVENUES					
Charges for Services	\$ 1,098,442	\$ 749,454	\$ 313,988	\$ 2,161,884	\$ 1,523,006
Other	65,186	85,651	-	150,837	103,192
Taxes					
Total Operating Revenues	1,163,628	835,105	313,988	2,312,721	1,626,198
OPERATING EXPENSES					
Operation and Maintenance	271,233	309,002	39,965	620,200	709,273
Administrative and General	141,087	136,215	-	277,302	211,392
Depreciation	164,520	461,842	5,696	632,058	598,559
Total Operating Expenses	576,840	907,059	45,661	1,529,560	1,519,224
OPERATING INCOME (LOSS)	586,788	(71,954)	268,327	783,161	106,974
NONOPERATING REVENUES (EXPENSES)					
General Property Taxes	107,835	59,000	-	166,835	19,245
Interest Income	-	23,132	-	23,132	61,127
Interest and Fiscal Charges	(64,691)	(85,780)	-	(150,471)	(151,105)
Total Nonoperating Revenues (Expenses)	43,144	(3,648)	-	39,496	(70,733)
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	629,932	(75,602)	268,327	822,657	36,241
Capital Contributions	632,392	-	-	632,392	745,883
Transfers Out	(191,137)	(59,000)	-	(250,137)	(107,728)
CHANGE IN NET POSITION	1,071,187	(134,602)	268,327	1,204,912	729,127
Net Position - Beginning of Year	3,902,916	5,926,850	(20,727)	9,809,039	9,079,912
NET POSITION - END OF YEAR	<u>\$ 4,974,103</u>	<u>\$ 5,792,248</u>	<u>\$ 247,600</u>	<u>\$ 11,013,951</u>	<u>\$ 9,809,039</u>

See accompanying Notes to Basic Financial Statements.

VILLAGE OF WINNECONNE, WISCONSIN
STATEMENT OF CASH FLOWS —
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2023
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2022)

	Water Utility	Sewer Utility	Non-Major Storm Water Utility	Totals	
				2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Received from Customers	\$ 1,081,884	\$ 852,313	\$ 178,025	\$ 2,112,222	\$ 1,686,826
Cash Paid for Employee Wages and Benefits	(194,869)	(87,597)	(23,299)	(305,765)	(218,479)
Cash Paid to Suppliers	(41,556)	(377,363)	(16,077)	(434,996)	(704,552)
Net Cash Provided by Operating Activities	845,459	387,353	138,649	1,371,461	763,795
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Paid to Municipality for Tax Equivalent	(83,302)	-	-	(83,302)	(84,096)
Property Tax Appropriation Received	55,516	30,374	-	85,890	236,153
Due to/from Other Funds	155,402	(322,237)	(201,812)	(368,647)	184,261
Transfer In (Out)	-	-	-	-	48,650
Net Cash Provided (Used) by Noncapital Financing Activities	127,616	(291,863)	(201,812)	(366,059)	384,968
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of Capital Assets	(1,971,796)	(510,158)	(52,062)	(2,534,016)	(922,887)
Capital Contributions	-	6,366	-	6,366	11,486
Proceeds of Long-Term Debt	1,604,208	-	-	1,604,208	500,000
Principal Paid on Long-Term Debt	(604,550)	(164,100)	-	(768,650)	(262,600)
Interest Paid on Long-Term Debt	(59,188)	(85,100)	-	(144,288)	(130,303)
Net Cash Used by Capital and Related Financing Activities	(1,031,326)	(752,992)	(52,062)	(1,836,380)	(750,680)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest Received	-	23,132	-	23,132	7,503
CHANGE IN CASH AND CASH EQUIVALENTS					
Cash and Cash Equivalents - Beginning of Year	58,251	2,217,282	115,399	2,390,932	1,985,346
CASH AND CASH EQUIVALENTS - END OF YEAR					
	\$ -	\$ 1,582,912	\$ 174	\$ 1,583,086	\$ 2,390,932
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES					
Operating Income (Loss)	\$ 586,788	\$ (71,954)	\$ 268,327	\$ 783,161	\$ 106,974
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:					
Depreciation	156,131	470,231	5,696	632,058	598,559
Depreciation Charged to Sewer Utility	8,389	(8,389)	-	-	-
Change in Liability (Asset) and Deferred Outflows and Inflows of Resources:					
Change in Net Pension Asset	53,386	59,501	-	112,887	(7,847)
Change in Pension Related Deferred Outflow	(22,998)	(9,463)	-	(32,461)	(33,677)
Change in Pension Related Deferred Inflow	(26,899)	(42,759)	-	(69,658)	28,622
Change in OPEB Liability	(3,401)	(4,758)	-	(8,159)	(9,444)
Change in OPEB Deferred Outflow	1,191	2,270	-	3,461	6,328
Change in OPEB Deferred Inflow	2,914	2,079	-	4,993	5,059
Change in Operating Assets and Liabilities:					
Accounts Receivable	(81,744)	17,208	-	(64,536)	60,628
Inventories and Prepaid Items	10,530	7,783	-	18,313	-
Accounts Payable	161,235	(34,386)	-	126,849	24,189
Accrued Liabilities	(63)	(10)	589	516	2,717
Net Cash Provided by Operating Activities	\$ 845,459	\$ 387,353	\$ 138,649	\$ 1,371,461	\$ 763,795
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION					
Cash and Cash Equivalents in Current Assets	\$ -	\$ 1,142,942	\$ 174	\$ 1,143,116	\$ 1,972,482
Cash and Cash Equivalents in Restricted Assets	-	439,970	-	439,970	418,450
Total Cash and Cash Equivalents	\$ -	\$ 1,582,912	\$ 174	\$ 1,583,086	\$ 2,390,932
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital Assets Contributed	\$ 632,392	\$ -	\$ -	\$ 632,392	\$ 745,883
Capital Related Accounts Payable	\$ 526,493	\$ -	\$ -	\$ -	\$ -

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF WINNECONNE, WISCONSIN
STATEMENT OF FIDUCIARY NET POSITION —
FIDUCIARY FUND
DECEMBER 31, 2023
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2022)**

	Tax Collection Custodial Fund	
	2023	2022
ASSETS		
Cash and Investments	\$ 1,320,813	\$ 1,406,982
Taxes Receivable	2,073,226	1,492,939
Total Assets	3,394,039	2,899,921
DEFERRED INFLOWS OF RESOURCES		
Property Taxes Levied for Subsequent Year	3,394,039	2,899,921
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, 2023
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2022)

	Tax Collection Custodial Fund	
	2023	2022
ADDITIONS		
Property Tax Collections	\$ 2,899,921	\$ 2,897,602
DEDUCTIONS		
Payments to Taxing Jurisdictions	2,899,921	2,897,602
CHANGE IN NET POSITION	-	-
Net Position - Beginning of Year	-	-
NET POSITION - END OF YEAR	\$ -	\$ -

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF WINNECONNE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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. 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 for services.

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 funds and proprietary 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, 2023**

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, 2023

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.

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

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, 2023**

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 and are carried at cost. 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 2022 tax roll are recognized as revenue in 2023.) Special assessments are subject to collection procedures.

**VILLAGE OF WINNECONNE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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 from other funds" and "due to 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

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.

8. Prepaid Items

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, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

9. 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 \$2,000 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

10. Leases Receivable

The Village is a lessor for noncancellable leases for cellular tower locations. The Village recognizes a lease receivable and a deferred inflow of resources in the business-type activities in the government-wide and in the proprietary fund financial statements.

At the commencement of a lease, the Village initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the Village determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

**VILLAGE OF WINNECONNE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

10. Leases Receivable (Continued)

- The Village uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The Village monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

11. Compensated Absences

It is the Village's policy to permit employees to accumulate earned but unused vacation and sick leave benefits in accordance with employee handbook policies. All vacation and sick leave is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds in the fund financial statements only if they have matured, for example, as a result of employee resignations and retirements.

12. 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.

**VILLAGE OF WINNECONNE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

12. Deferred Outflows/Inflows of Resources (Continued)

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.

13. 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.

**VILLAGE OF WINNECONNE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

14. Pensions

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.

15. Other Postemployment Benefits Other Than Pensions (OPEB)

Local Retiree Life Insurance Fund

The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other postemployment benefits, 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 of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

16. Fund Equity

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.

**VILLAGE OF WINNECONNE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

16. Fund Equity (Continued)

Governmental Fund Financial Statements (Continued)

- **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.

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 and Proprietary 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.

**VILLAGE OF WINNECONNE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2022, from which the summarized information was derived.

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.

**VILLAGE OF WINNECONNE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 STEWARDSHIP AND COMPLIANCE (CONTINUED)

A. Budgets and Budgetary Accounting (Continued)

5. Encumbrance accounting is not used by the Village to record commitments related to unperformed contracts for goods or services.

For the fiscal year ending December 31, 2023, actual expenditures of the general fund amounted to \$2,153,400 and exceeded the final budget amounts by \$32,431.

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, 2023 as follows:

Funds	Excess Expenditures
General Fund	
General Government	\$ 128,199
Culture and Recreation:	60,354

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, 2023:

Funds	Deficit Fund Balance
Park Donations	\$ 2,638
TID No. 3	9,593
TID No. 8	34,382

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 2023 and 2024 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 2023 budget was 1.448%. The actual limit for the Village for the 2024 budget was 0.314%. 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, 2023**

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 \$6,418,953 on December 31, 2023 as summarized below:

Petty Cash and Cash on Hand	\$	400
Deposits with Financial Institutions		3,149,169
Investments:		
Wisconsin Local Government Investment Pool		3,269,384
Total		<u><u>\$ 6,418,953</u></u>

Reconciliation to the basic financial statements:

Government-Wide Statement of Net Position:		
Cash and Investments	\$	4,655,532
Restricted Cash and Investments		439,970
Fiduciary Fund Statement of Net Position:		
Custodial Fund		1,320,813
Total		<u><u>\$ 6,416,315</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, 2023**

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 \$400,000 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, 2023, the Village had no deposits with financial institutions that were in excess of federal and state depository insurance limits.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Wisconsin Statutes limit investment in securities to the top two ratings assigned by nationally recognized statistical rating organizations. Presented below is the actual rating as of the year-end for each investment type.

<u>Investment Type</u>	<u>Amount</u>	<u>AAA</u>	<u>Not Rated</u>
Wisconsin Local Government Investment Pool	\$ 3,269,384	\$ -	\$ 3,269,384
Total	<u>\$ 3,269,384</u>	<u>\$ -</u>	<u>\$ 3,269,384</u>

**VILLAGE OF WINNECONNE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

Concentration of Credit Risk

The investment policy of the Village contains no limitations on the amount that can be invested in any one issuer. At December 31, 2023, the Village had no investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total Village investments.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the Village manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

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

Investment Type	Amount	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
Wisconsin Local Government Investment Pool	\$ 3,269,384	\$ 3,269,384	\$ -	\$ -	\$ -
Total	<u>\$ 3,269,384</u>	<u>\$ 3,269,384</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Wisconsin Local Government Investment Pool

The Village has investments in the Wisconsin Local Government Investment Pool of \$3,269,384 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, 2023, the fair value of the Village's share of the LGIP's assets was substantially equal to the carrying value. As of June 30, 2023 the LGIP had a weighted average maturity of 23 days.

**VILLAGE OF WINNECONNE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Restricted Assets

Restricted assets on December 31, 2023 totaled \$439,970 and consisted of cash and investments held for the following purposes:

Funds	Amount	Purpose
Enterprise Fund:		
Sewer Utility:		
Equipment Replacement Account	<u>\$ 439,970</u>	Funds held for sewer equipment replacement

C. Capital Assets

Capital asset activity for the year ended December 31, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Nondepreciable:				
Land	\$ 1,702,856	\$ -	\$ -	\$ 1,702,856
Construction in Progress	69,494	4,261	5,496	68,259
Total Capital Assets, Nondepreciable	<u>1,772,350</u>	<u>4,261</u>	<u>5,496</u>	<u>1,771,115</u>
Capital Assets, Depreciable:				
Buildings and Improvements	4,506,237	-	-	4,506,237
Improvements Other Than Buildings	1,531,995	141,175	-	1,673,170
Machinery and Equipment	1,775,707	53,928	37,554	1,792,081
Infrastructure	6,892,995	411,521	-	7,304,516
Subtotal	<u>14,706,934</u>	<u>606,624</u>	<u>37,554</u>	<u>15,276,004</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	1,906,234	115,116	-	2,021,350
Improvements Other Than Buildings	745,849	74,339	-	820,188
Machinery and Equipment	1,286,254	91,105	37,216	1,340,143
Infrastructure	1,500,095	230,918	-	1,731,013
Subtotal	<u>5,438,432</u>	<u>511,478</u>	<u>37,216</u>	<u>5,912,694</u>
Total Capital Assets, Depreciable, Net	<u>9,268,502</u>	<u>95,146</u>	<u>338</u>	<u>9,363,310</u>
Governmental Activities Capital Assets, Net	<u>\$ 11,040,852</u>	<u>\$ 99,407</u>	<u>\$ 5,834</u>	11,134,425
Less: Capital Related Debt, less unspent bond proceeds				7,422,571
Less: Capital Related Premium				<u>87,003</u>
Net Investment in Capital Assets				<u>\$ 3,624,851</u>

**VILLAGE OF WINNECONNE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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
Construction in Progress	448,120	2,710,842		3,158,962
Total Capital Assets, Nondepreciable	463,682	2,710,842	-	3,174,524
Capital Assets, Depreciable:				
Buildings and Improvements	6,302,655	14,043	-	6,316,698
Improvements Other Than Buildings	11,906,915	805,974	163,972	12,548,917
Machinery and Equipment	4,149,443	109,980	8,803	4,250,620
Infrastructure	201,812	52,062	-	253,874
Subtotal	22,560,825	982,059	172,775	23,370,109
Less Accumulated Depreciation:	10,692,079	632,058	172,775	11,151,362
Total Capital Assets, Depreciable, Net	11,868,746	350,001	-	12,218,747
Business-Type Activities Capital Assets, Net	\$ 12,332,428	\$ 3,060,843	\$ -	15,393,271
Less: Capital Related Debt, net of deferred charges				5,728,834
Less: Capital Related Accounts Payable				526,493
Net Investment in Capital Assets				\$ 9,137,944

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

Governmental Activities:	
General Government	\$ 98,598
Public Safety	34,251
Public Works	291,047
Health and Human Services	1,400
Culture and Recreation	86,182
Subtotal	511,478
Business-Type Activities:	
Water Utility	164,520
Sewer Utility	461,842
Total Depreciation Expense - Business-Type Activities	\$ 632,058

**VILLAGE OF WINNECONNE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Interfund Receivable, Payables, and Transfers

The composition of interfund balances as of December 31, 2023 is as follows:

<u>Due To/From Other Funds</u>		
<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Water Utility Fund	Sewer Utility Fund	\$ 263,237
General Fund	Nonmajor Special Revenue Funds	20,835
Total		<u>\$ 284,072</u>

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, 2023 were as follows:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General	\$ 83,302	\$ -
Debt Service	166,835	-
TID District No. 3	889,000	-
TID District No. 5	-	885,000
TID District No. 6	760,000	-
TID District No. 7	-	764,000
Water Utility	-	191,137
Wastewater Utility	-	59,000
Total	<u>\$ 1,899,137</u>	<u>\$ 1,899,137</u>

Interfund transfers were made for the following purposes:

Annual Tax Equivalent Payment	\$ 83,302
Financing of Debt Service	166,835
TID Approved Cost Sharing	1,649,000
	<u>\$ 1,899,137</u>

**VILLAGE OF WINNECONNE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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, 2023:

	Beginning Balance	Issued	Retired	Reclassified	Ending Balance	Due Within One Year
Governmental Activities:						
General Obligation Debt:						
Bonds	\$ 7,168,250	\$ -	\$ 1,103,250	\$ -	\$ 6,065,000	\$ 435,500
Notes from Direct Borrowings:						
Note	121,000	950,000	22,889	-	1,048,111	23,893
State Trust Fund Loans	630,244	-	77,657	-	552,587	80,449
Total General Obligation Debt	7,919,494	950,000	1,203,796	-	7,665,698	539,842
Debt Premium	96,285	-	9,282	-	87,003	-
Compensated Absences	48,980	85,050	61,159	-	72,871	-
Governmental Activities Long-Term Obligations	<u>\$ 8,064,759</u>	<u>\$ 1,035,050</u>	<u>\$ 1,274,237</u>	<u>\$ -</u>	<u>\$ 7,825,572</u>	<u>\$ 539,842</u>
Business-Type Activities:						
General Obligation Debt:						
Bonds	\$ 2,316,750	\$ -	\$ 656,750	\$ -	\$ 1,660,000	\$ 159,500
Revenue Bonds	2,625,200	1,604,208	111,900	-	4,117,508	184,582
Business-Type Activities Long-Term Obligations	<u>\$ 4,941,950</u>	<u>\$ 1,604,208</u>	<u>\$ 768,650</u>	<u>\$ -</u>	<u>\$ 5,777,508</u>	<u>\$ 344,082</u>

The Village's outstanding state trust fund loans of \$552,587 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 \$1,048,111 contain a provision that in an event of default, outstanding amounts become immediately due if the Village is unable to make payment.

Total interest paid during the year on long-term debt totaled \$328,221.

General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/2023
General Obligation Bonds	10/19/16	2/1/29	.90 - 2.15%	2,070,000	\$ 1,025,000
State Trust Fund Loan	3/27/17	3/15/33	4.00%	472,834	328,715
State Trust Fund Loan	3/28/17	3/15/27	3.50%	507,500	223,873
General Obligation Bonds	4/10/18	4/1/37	1.90 - 3.80%	3,265,000	2,675,000
General Obligation Bonds	11/17/19	11/1/32	1.60 - 2.30%	920,000	600,000
General Obligation Bonds	7/8/21	4/1/41	2.00 - 2.125%	3,720,000	3,425,000
General Obligation Bonds	1/3/22	3/31/27	1.75%	121,000	98,110
General Obligation Note	12/27/2023	6/27/25	5.25%	950,000	950,000
Total Bonds					<u>\$ 9,325,698</u>

**VILLAGE OF WINNECONNE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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 governmental general obligation debt of \$7,665,698 on December 31, 2023 are detailed below:

Year Ending December 31,	Governmental Activities				Totals	
	G.O. Bonds		Direct Borrowings			
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 435,500	\$ 139,830	\$ 104,342	\$ 21,042	\$ 539,842	\$ 160,872
2025	462,750	130,478	1,057,770	93,953	1,520,520	224,431
2026	417,750	120,820	111,259	14,968	529,009	135,788
2027	446,500	110,827	114,868	11,792	561,368	122,619
2028	432,500	100,184	32,012	8,522	464,512	108,706
2029-2033	1,685,000	369,587	180,447	22,228	1,865,447	391,815
2034-2038	1,545,000	159,746	-	-	1,545,000	159,746
2039-2041	640,000	19,306	-	-	640,000	19,306
Total	<u>\$ 6,065,000</u>	<u>\$ 1,150,778</u>	<u>\$ 1,600,698</u>	<u>\$ 172,505</u>	<u>\$ 7,665,698</u>	<u>\$ 1,323,283</u>

Annual principal and interest maturities of the outstanding general obligation debt related to business-type activities of \$1,660,000 on December 31, 2023 are detailed below:

Year Ending December 31,	Business-Type Activities	
	G.O. Bonds	
	Principal	Interest
2024	\$ 159,500	\$ 43,935
2025	157,250	41,060
2026	162,250	37,909
2027	148,500	34,531
2028	142,500	31,064
2029-2033	515,000	107,316
2034-2038	375,000	29,200
Total	<u>\$ 1,660,000</u>	<u>\$ 325,014</u>

Annual principal and interest maturities of the outstanding general obligation debt related to governmental and business-type activities of \$9,325,698 on December 31, 2023 are summarized below:

Year Ending December 31,	Governmental and Business-Type Activities	
	Totals	
	Principal	Interest
2023	\$ 699,342	\$ 204,807
2024	1,677,770	265,491
2025	691,259	173,697
2026	709,868	157,150
2027	607,012	139,770
2028-2032	2,380,447	499,131
2033-2037	1,920,000	188,946
2038-2041	640,000	19,306
Total	<u>\$ 9,325,698</u>	<u>\$ 1,648,297</u>

**VILLAGE OF WINNECONNE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

Legal Margin for New Debt

The Village's legal margin for creation of additional general obligation debt on December 31, 2023, was \$7,227,532 as follows:

Equalized Valuation of the Village	\$ 331,064,600
Statutory Limitation Percentage	(x) 5%
General Obligation Debt Limitation, per Section 67.03 of the Wisconsin Statutes	16,553,230
Net Outstanding General Obligation Debt Applicable to Debt Limitation	9,325,698
Legal Margin for New Debt	\$ 7,227,532

Revenue Bonds

Revenue bonds outstanding on December 31, 2023, totaled \$4,117,508 and were comprised of the following issues:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/2022
Revenue Bonds	10/5/10	10/1/40	3.00 %	\$ 3,659,000	\$ 2,513,300
Revenue Bonds	12/27/23	5/1/42	2.15 %	1,604,208	1,604,208
Total Outstanding Revenue Bonds					\$ 4,117,508

Annual principal and interest maturities of the outstanding revenue bonds of \$4,117,508 on December 31, 2023 are detailed below:

Year Ending December 31,	Business-Type Activities		
	Principal	Interest	Total
2024	\$ 184,582	\$ 108,366	\$ 292,948
2025	189,468	103,222	292,690
2026	194,586	98,099	292,685
2027	199,937	92,835	292,772
2028	205,220	87,424	292,644
2029-2033	1,112,676	350,582	1,463,258
2034-2038	1,271,789	191,000	1,462,789
2039-2043	759,250	30,922	790,172
Total	\$ 4,117,508	\$ 1,062,450	\$ 5,179,958

Utility Revenues Pledged

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 with the systems. The bonds are payable solely from sewer customer net revenues and are payable through 2043. The total principal and interest remaining to be paid on the bonds is \$5,179,958. Principal and interest paid for the current year and total customer net revenues were \$195,968 and \$389,888, respectively.

**VILLAGE OF WINNECONNE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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.

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.

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, 2023**

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>
2013	(9.60)	9.00
2014	4.70	25.00
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

**VILLAGE OF WINNECONNE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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, 2023, the WRS recognized \$70,850 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)	6.80%	6.80%
Protective with Social Security	6.80%	13.20%
Protective without Social Security	6.80%	18.10%

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

At December 31, 2023, the Village reported a liability of \$331,960 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021 rolled forward to December 31, 2022. 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, 2022, the Village's proportion was 0.00626612%, which was a decrease of 0.00022104% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the Village recognized pension expense of \$170,321.

**VILLAGE OF WINNECONNE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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, 2023, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 528,709	\$ 694,606
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	563,926	-
Changes in Assumptions	65,277	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	4,669	740
Employer Contributions Subsequent to the Measurement Date	70,850	-
Total	\$ 1,233,431	\$ 695,346

\$70,850 reported as deferred outflows related to pension resulting from the Village's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31,	Expense
2024	\$ 20,405
2025	96,924
2026	99,433
2027	250,473
Total	\$ 467,235

5. Actuarial Assumptions

The total pension liability in the December 31, 2022 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, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Pension Plan (Continued)

5. Actuarial Assumptions (Continued)

Actuarial Valuation Date:	December 31, 2021
Measurement Date of Net Pension Liability:	December 31, 2022
Experience Study:	January 1, 2018 - December 31, 2020 Published November 19, 2021
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% - 5.6%
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.*

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The total pension liability for December 31, 2022 is based upon a roll-forward of the liability calculated from the December 31, 2021 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, 2023**

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	48.0 %	7.6 %	5.0 %
Public Fixed Income	25.0	5.3	2.7
Inflation Sensitive Assets	19.0	3.6	1.1
Real Estate	8.0	5.2	2.6
Private Equity/Debt	15.0	9.6	6.9
Cash	(15.0)	N/A	N/A
Total Core Fund	<u>100.0 %</u>	7.4 %	4.8 %
<u>Variable Fund Asset Class</u>			
U.S. Equities	70.0 %	7.2 %	4.6 %
International Equities	30.0	8.1	5.5
Total Variable Fund	<u>100.0 %</u>	7.7 %	5.1 %

New England Pension Consultants Long-Term U.S. CPI (Inflation) Forecast: 2.5%

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. This results in an asset allocation beyond 100%. 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 6.8% was used to measure the total pension liability for the current and prior year. This single discount rate is based on the expected rate of return on pension plan investments of 6.8% and a municipal bond rate of 4.05% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2022. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% 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 members contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**VILLAGE OF WINNECONNE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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	\$ 1,101,765	\$ 331,960	\$ (197,559)

6. Payables to the Pension Plan

At December 31, 2023, the Village reported a payable of \$21,312 for the outstanding amount of contributions to the pension plan for the year ended December 31, 2023.

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, 2023**

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, 2023 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, 2022 are listed below:

Life Insurance Member Contribution Rates For the Year Ended December 31, 2022	
Attained Age	Basic
Under 30	\$0.05
30 - 34	0.06
35 - 39	0.07
40 - 44	0.08
45 - 49	0.12
50 - 54	0.22
55 - 59	0.39
60 - 64	0.49
65 - 69	0.57

During the reporting period, the LRLIF recognized \$148 in contributions from the employer.

**VILLAGE OF WINNECONNE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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, 2023, the Village reported a liability of \$44,293 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2023, 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, 2023. 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, 2022, the Village's proportion was 0.011626%, which was a decrease of 0.00644000% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the Village recognized OPEB expense of \$1,635.

At December 31, 2023, 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	\$ -	\$ 4,334
Net Differences Between Projected and Actual Earnings on OPEB Plan Investments	830	-
Changes in Assumptions	15,914	26,145
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	39,562	66,519
Total	\$ 56,306	\$ 96,998

**VILLAGE OF WINNECONNE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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:

Year Ending December 31,	Expense
2024	\$ (3,701)
2025	(3,918)
2026	(3,234)
2027	(5,820)
2028	(16,016)
Thereafter	(8,003)
Total	\$ (40,692)

5. Actuarial Assumptions

The total OPEB liability in the January 1, 2022 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, 2022
Measurement Date of Net OPEB Liability (Asset):	December 31, 2022
Experience Study:	January 1, 2018 - December 31, 2020 Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
20-Year Tax-Exempt Municipal Bond Yield:	3.72%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	3.76%
Salary Increases:	
Wage Inflation	3.00%
Seniority/Merit	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table

*Based on the Bond Buyers GO Index

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The total OPEB liability for December 31, 2022 is based upon a roll-forward of the liability calculated from the January 1, 2022 actuarial valuation.

**VILLAGE OF WINNECONNE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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	50.0	2.45
U.S. Mortgages	Bloomberg US	50.0	2.83
Inflation			2.30
Long-Term Expected Rate of Return			4.25

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

**VILLAGE OF WINNECONNE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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 3.76% was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 2.17% for the prior year. The significant change in the discount rate was primarily caused by the increase in the municipal bond rate from 2.06% as of December 31, 2021 to 3.72% as of December 31, 2022. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive members. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

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

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 3.76%, 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 (2.76%) or 1-percentage-point higher (4.76%) than the current rate:

	1% Decrease to Discount Rate (2.76%)	Current Discount Rate (3.76%)	1% Increase to Discount Rate (4.76%)
Village's Proportionate Share of the Net OPEB Liability (Asset)	\$ 60,389	\$ 44,293	\$ 31,957

6. Payable to the OPEB Plan

At December 31, 2023, the Village had no outstanding contribution to the Plan required for the year ended December 31, 2023.

**VILLAGE OF WINNECONNE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Fund Equity

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, 2023, nonspendable fund balance was as follows:

General Fund	
Nonspendable	
Prepays	<u>\$ 20,032</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, 2023, restricted fund balance was as follows:

Debt Service Fund	
Restricted for	
Debt Service Obligations	\$ 336,802
Library Donations Fund:	
Restricted for:	
Library Donations	5,090
Capital Projects Funds:	
General Capital Projects	237,631
TID No. 5	139
TID No. 6	164,564
TID No. 7	10,530
Total Restricted Fund Balance	<u>\$ 754,756</u>

Committed Fund Balance

In the fund financial statements, portions of government fund balances are committed by Village Board action. At December 31, 2023, governmental fund balance was committed as follows:

Special Revenue Funds:	
Committed for:	
Community Development	\$ 25,216
Cemetery Care	78,730
Cemetery Expansion	82,267
Solid Waste/Recycling	36,006
Beautification	5,630
Special Projects	11,934
Total Special Revenue Funds Committed Fund Balance	<u>\$ 239,783</u>

**VILLAGE OF WINNECONNE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 4 OTHER INFORMATION

A. Tax Incremental Financing Districts

The Village has established separate capital projects funds for Tax Incremental District (TID) No. 3, No. 5, No. 6, No. 7, and No. 8, which were created by the Village in accordance with Section 66.1105 of the Wisconsin Statutes. 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, 2023, the Village may be able to recover costs from future excess tax increment revenues of the following:

	<u>Recoverable Costs (Excess Increment)</u>
TID No. 3	\$ 9,593
TID No. 5	169,935
TID No. 6	205,934
TID No. 7	(232,022)
TID No. 8	363,099

TID No. 3, 5, 6, and 7 are eligible to share increment as per an agreement adoption in 2005. The intent of the Village is to recover the above amounts from future TID surplus funds, if any, prior to termination of the respective Districts. Unless terminated by the Village prior thereto, each TID has a statutory termination year as follows:

	<u>Termination Year</u>
TID No. 3	2023
TID No. 5	2027
TID No. 6	2027
TID No. 7	2025
TID No. 8	2038

On April 6, 2023, the Village Board approved a resolution to terminate TID No. 7. As a result, TID No. 7 will terminate in the year 2023 with its last tax increment revenue collected in 2023.

On July 18, 2023, the Village Board approved a resolution to terminate TID No. 3. As a result, TID No. 3 will termination in the year 2024 with its last tax increment revenue collected in 2024.

**VILLAGE OF WINNECONNE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 4 OTHER INFORMATION (CONTINUED)

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)
12/31/14	0.00687951%	\$ (168,980)	\$ 820,805	20.59 %	102.74 %
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

**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
12/31/15	\$ 64,130	\$ 64,130	\$ -	\$ 828,052	7.74 %
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

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

**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	-	447,000	0.03%

See Notes to Required Supplementary Information.

**VILLAGE OF WINNECONNE, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023**

NOTE 1 PENSION

Wisconsin Retirement System

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.

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.

**VILLAGE OF WINNECONNE, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023**

NOTE 2 OTHER POSTEMPLOYMENT BENEFIT PLAN

Local Retiree Life Insurance Fund

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

Changes in Benefit Terms: There were no recent changes in benefit terms.

Changes in Assumptions: In addition to the rate changes detailed in the tables above, 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

SUPPLEMENTARY INFORMATION

**VILLAGE OF WINNECONNE, WISCONSIN
 COMBINING BALANCE SHEET —
 NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2023
 (WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2022)**

	Special Revenue				
	Community Development	Cemetery Care	Cemetery Expansion	Revolving Loan	Library Donations
ASSETS					
Cash and Investments	\$ 25,216	\$ 78,730	\$ 82,267	\$ -	\$ 5,497
Receivables:					
Taxes and Special Charges	-	-	-	-	-
Loans	53,117	-	-	-	-
Advance to Other Funds	-	-	-	-	-
Total Assets	\$ 78,333	\$ 78,730	\$ 82,267	\$ -	\$ 5,497
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ 407
Due to Other Funds	-	-	-	-	-
Advance from Other Funds	-	-	-	-	-
Unearned Revenues	-	-	-	-	-
Total Liabilities	-	-	-	-	407
DEFERRED INFLOWS OF RESOURCES					
Property Taxes Levied for:					
Subsequent Year	-	-	-	-	-
Loans Receivable	53,117	-	-	-	-
Total Deferred Inflows of Resources	53,117	-	-	-	-
FUND BALANCES					
Restricted	-	-	-	-	5,090
Committed	25,216	78,730	82,267	-	-
Unassigned	-	-	-	-	-
Total Fund Balances	25,216	78,730	82,267	-	5,090
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 78,333	\$ 78,730	\$ 82,267	\$ -	\$ 5,497

**VILLAGE OF WINNECONNE, WISCONSIN
 COMBINING BALANCE SHEET —
 NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
 DECEMBER 31, 2023
 (WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2022)**

	Special Revenue				Capital Projects
	ARPA Funds	Solid Waste/ Recycling	Beautification	Park Donations	TID No. 3
ASSETS					
Cash and Investments	\$ 192,784	\$ 214,544	\$ 5,630	\$ -	\$ 11,295
Receivables:					
Taxes and Special Charges	-	95,350	-	-	32,790
Loans	-	-	-	-	-
Advance to Other Funds	-	-	-	-	-
Total Assets	\$ 192,784	\$ 309,894	\$ 5,630	\$ -	\$ 44,085
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 118,128	\$ 25,008	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	2,638	-
Advance from Other Funds	-	-	-	-	-
Unearned Revenues	62,722	-	-	-	-
Total Liabilities	180,850	25,008	-	2,638	-
DEFERRED INFLOWS OF RESOURCES					
Property Taxes Levied for:					
Subsequent Year	-	248,880	-	-	53,678
Loans Receivable	-	-	-	-	-
Total Deferred Inflows of Resources	-	248,880	-	-	53,678
FUND BALANCES					
Restricted	-	-	-	-	-
Committed	11,934	36,006	5,630	-	-
Unassigned	-	-	-	(2,638)	(9,593)
Total Fund Balances	11,934	36,006	5,630	(2,638)	(9,593)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 192,784	\$ 309,894	\$ 5,630	\$ -	\$ 44,085

**VILLAGE OF WINNECONNE, WISCONSIN
 COMBINING BALANCE SHEET —
 NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
 DECEMBER 31, 2023
 (WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2022)**

	Capital Projects				Totals	
	TID No. 5	TID No. 6	TID No. 7	TID No. 8	2023	2022
ASSETS						
Cash and Investments	\$ 75,151	\$ 213,346	\$ 10,530	\$ -	\$ 914,990	\$ 1,354,748
Receivables:						
Taxes and Special Charges	117,745	76,571	-	25,405	347,861	336,282
Loans	-	-	-	-	53,117	44,717
Advance to Other Funds	-	-	-	-	-	790,590
Total Assets	\$ 192,896	\$ 289,917	\$ 10,530	\$ 25,405	\$ 1,315,968	\$ 2,526,337
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ 143,543	\$ 873
Due to Other Funds	-	-	-	18,197	20,835	-
Advance from Other Funds	-	-	-	-	-	799,000
Unearned Revenues	-	-	-	-	62,722	259,997
Total Liabilities	-	-	-	18,197	227,100	1,059,870
DEFERRED INFLOWS OF RESOURCES						
Property Taxes Levied for:						
Subsequent Year	192,757	125,353	-	41,590	662,258	696,188
Loans Receivable	-	-	-	-	53,117	44,717
Total Deferred Inflows of Resources	192,757	125,353	-	41,590	715,375	740,905
FUND BALANCES						
Restricted	139	164,564	10,530	-	180,323	1,395,334
Committed	-	-	-	-	239,783	218,302
Unassigned	-	-	-	(34,382)	(46,613)	(888,074)
Total Fund Balances	139	164,564	10,530	(34,382)	373,493	725,562
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 192,896	\$ 289,917	\$ 10,530	\$ 25,405	\$ 1,315,968	\$ 2,526,337

**VILLAGE OF WINNECONNE, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES —
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2023
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2022)**

	Special Revenue				
	Community Development	Cemetery Care	Cemetery Expansion	Revolving Loan	Library Donations
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Public Charges for Services	-	1,850	-	-	-
Miscellaneous	1,536	6,511	1,107	-	9,374
Total Revenues	<u>1,536</u>	<u>8,361</u>	<u>1,107</u>	<u>-</u>	<u>9,374</u>
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Works	-	-	-	-	-
Culture and Recreation	-	-	-	-	6,937
Conservation and Development	8,400	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Total Expenditures	<u>8,400</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,937</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(6,864)</u>	<u>8,361</u>	<u>1,107</u>	<u>-</u>	<u>2,437</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>(6,864)</u>	<u>8,361</u>	<u>1,107</u>	<u>-</u>	<u>2,437</u>
Fund Balances - Beginning of Year	<u>32,080</u>	<u>70,369</u>	<u>81,160</u>	<u>-</u>	<u>2,653</u>
FUND BALANCES - END OF YEAR	<u>\$ 25,216</u>	<u>\$ 78,730</u>	<u>\$ 82,267</u>	<u>\$ -</u>	<u>\$ 5,090</u>

**VILLAGE OF WINNECONNE, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES —
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2023
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2022)**

	Special Revenue				Capital Projects
	ARPA Funds	Solid Waste/ Recycling	Beautification	Park Donations	TID No. 3
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 24,051
Intergovernmental	197,275	9,552	-	-	2,921
Public Charges for Services	-	249,662	-	-	-
Miscellaneous	11,934	780	4,421	3,640	-
Total Revenues	<u>209,209</u>	<u>259,994</u>	<u>4,421</u>	<u>3,640</u>	<u>26,972</u>
EXPENDITURES					
Current:					
General Government	13,543	-	-	-	-
Public Works	16,700	231,101	-	-	-
Culture and Recreation	5,093	-	5,495	-	-
Conservation and Development	-	-	-	-	2,950
Debt Service:					
Principal	-	-	-	-	405,000
Interest and Fiscal Charges	-	-	-	-	7,780
Capital Outlay	161,939	-	-	27,154	-
Total Expenditures	<u>197,275</u>	<u>231,101</u>	<u>5,495</u>	<u>27,154</u>	<u>415,730</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>11,934</u>	<u>28,893</u>	<u>(1,074)</u>	<u>(23,514)</u>	<u>(388,758)</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	889,000
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>889,000</u>
NET CHANGE IN FUND BALANCES	11,934	28,893	(1,074)	(23,514)	500,242
Fund Balances - Beginning of Year	-	7,113	6,704	20,876	(509,835)
FUND BALANCES - END OF YEAR	<u>\$ 11,934</u>	<u>\$ 36,006</u>	<u>\$ 5,630</u>	<u>\$ (2,638)</u>	<u>\$ (9,593)</u>

**VILLAGE OF WINNECONNE, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES —
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2023
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2022)**

	Capital Projects				Totals	
	TID No. 5	TID No. 6	TID No. 7	TID No. 8	2023	2022
REVENUES						
Taxes	\$ 127,440	\$ 126,188	\$ 135,632	\$ 33,351	\$ 446,662	\$ 519,092
Intergovernmental	3,587	311	6,078	343	220,067	27,969
Public Charges for Services	-	-	-	-	251,512	201,563
Miscellaneous	-	-	-	-	39,303	57,245
Total Revenues	<u>131,027</u>	<u>126,499</u>	<u>141,710</u>	<u>33,694</u>	<u>957,544</u>	<u>805,869</u>
EXPENDITURES						
Current:						
General Government	-	-	-	-	13,543	-
Public Works	-	-	-	-	247,801	202,054
Culture and Recreation	-	-	-	-	17,525	-
Conservation and Development	2,949	2,949	2,800	2,950	22,998	6,767
Debt Service:						
Principal	-	348,572	-	26,332	779,904	307,845
Interest and Fiscal Charges	-	16,766	-	14,203	38,749	48,173
Capital Outlay	-	-	-	-	189,093	14,546
Total Expenditures	<u>2,949</u>	<u>368,287</u>	<u>2,800</u>	<u>43,485</u>	<u>1,309,613</u>	<u>579,385</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>128,078</u>	<u>(241,788)</u>	<u>138,910</u>	<u>(9,791)</u>	<u>(352,069)</u>	<u>226,484</u>
OTHER FINANCING SOURCES (USES)						
Transfers In	-	760,000	-	-	1,649,000	8,889
Transfers Out	(885,000)	-	(764,000)	-	(1,649,000)	(12,805)
Total Other Financing Sources (Uses)	<u>(885,000)</u>	<u>760,000</u>	<u>(764,000)</u>	<u>-</u>	<u>-</u>	<u>(3,916)</u>
NET CHANGE IN FUND BALANCES	<u>(756,922)</u>	<u>518,212</u>	<u>(625,090)</u>	<u>(9,791)</u>	<u>(352,069)</u>	<u>222,568</u>
Fund Balances - Beginning of Year	<u>757,061</u>	<u>(353,648)</u>	<u>635,620</u>	<u>(24,591)</u>	<u>725,562</u>	<u>502,994</u>
FUND BALANCES - END OF YEAR	<u>\$ 139</u>	<u>\$ 164,564</u>	<u>\$ 10,530</u>	<u>\$ (34,382)</u>	<u>\$ 373,493</u>	<u>\$ 725,562</u>

VILLAGE OF WINNECONNE, WISCONSIN
STATEMENT OF WATER UTILITY REVENUES, EXPENSES, AND CHANGES
IN OPERATING INCOME —
ENTERPRISE FUND
YEAR ENDED DECEMBER 31, 2023
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2022)

	Water	
	2023	2022
OPERATING REVENUES		
Charges for Services:		
Residential	\$ 500,735	\$ 327,939
Multi-Family	27,114	19,470
Commercial	78,070	52,001
Industrial	9,377	5,416
Public Authority	36,108	23,760
Private Fire Protection	5,916	4,332
Public Fire Protection	441,122	321,342
Total Charges for Services	1,098,442	754,260
Other Revenues:		
Forfeited Discounts	8,250	6,452
Other Water Revenues	56,936	11,933
Total Other Revenues	65,186	18,385
 Total Operating Revenues	 1,163,628	 772,645
OPERATING EXPENSES		
Plant Operation and Maintenance:		
Plant Operation and Maintenance	281,186	328,956
Administrative and General	131,134	120,330
Total Plant Operation and Maintenance	412,320	449,286
Depreciation	164,520	153,792
Total Operating Expenses	576,840	603,078
 OPERATING INCOME	 \$ 586,788	 \$ 169,567

VILLAGE OF WINNECONNE, WISCONSIN
STATEMENT OF SEWER UTILITY REVENUES, EXPENSES, AND CHANGES
IN OPERATING INCOME —
ENTERPRISE FUND
YEAR ENDED DECEMBER 31, 2023
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2022)

	Sewer	
	2023	2022
OPERATING REVENUES		
Charges for Services:		
Residential	\$ 516,281	\$ 506,496
Multi-Family	39,364	37,379
Commercial	92,685	100,986
Industrial	12,014	13,184
Public Authority	89,110	110,521
Total Charges for Services	749,454	768,566
Other Revenues:		
Forfeited Discounts	6,685	5,185
Miscellaneous	78,966	79,622
Total Other Revenues	85,651	84,807
 Total Operating Revenues	 835,105	 853,373
OPERATING EXPENSES		
Plant Operation and Maintenance:		
Operation	265,520	215,677
Maintenance	43,482	137,034
Customer Accounting and Collection	8,755	7,670
Administrative and General	127,460	94,478
Total Plant Operation and Maintenance	445,217	454,859
Depreciation	461,842	444,767
Total Operating Expenses	907,059	899,626
 OPERATING INCOME (LOSS)	 \$ (71,954)	 \$ (46,253)

VILLAGE OF WINNECONNE, WISCONSIN
STATEMENT OF STORM SEWER UTILITY REVENUES, EXPENSES, AND CHANGES
IN OPERATING INCOME —
ENTERPRISE FUND
YEAR ENDED DECEMBER 31, 2023
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2022)

	Storm Sewer	
	2023	2022
OPERATING REVENUES		
Charges for Services:		
Residential	\$ 313,988	\$ 180
OPERATING EXPENSES		
Plant Operation and Maintenance:		
Operation	39,965	16,520
Depreciation	5,696	-
Total Operating Expenses	45,661	16,520
OPERATING INCOME	\$ 268,327	\$ (16,340)

**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
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, 2023, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated 2023.

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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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.

We consider the deficiency described in the accompanying schedule of findings and responses as item 2023-003 to be a material weakness.

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. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2023-001 and 2023-002 to be significant deficiencies.

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 Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Village’s response to the findings 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
June 19, 2024

**VILLAGE OF WINNECONNE, WISCONSIN
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2023**

Internal Control Over Financial Reporting

FINDING NO.	CONTROL DEFICIENCIES
2023-001	Preparation of Annual Financial Report Repeat of Finding 2022-002
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:	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.
Management Response:	Management agrees with this finding and continuing to use the services of its auditor to prepare its annual financial report.

**VILLAGE OF WINNECONNE, WISCONSIN
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
YEAR ENDED DECEMBER 31, 2023**

Internal Control Over Financial Reporting (Continued)

FINDING NO.	CONTROL DEFICIENCIES
2023-002	Segregation of Duties Repeat finding of 2022-002
Type of Finding:	Significant Deficiency in Internal Control Over Financial Reporting
Condition:	During 2021 and 2022, the Village experienced turnover in both the clerk and treasurer positions causing an interruption in the control structure the Village had maintained in previous years which specifically included a lack of timely reconciliation of the bank statements and a lack of review of journal entries. During 2023, the same individuals were in their positions; however there continued to be a lack of segregation of duties in many financial areas due to roles and responsibilities not established within the new operating structure.
Criteria:	Segregation of duties is an internal control intended to prevent or decrease the occurrence of errors or intentional fraud. Segregation of duties ensures that no single employee has control over all phases of a transaction. Timely bank reconciliations and review of journal entries further ensure the prevention and reduction of errors or intentional fraud.
Cause:	The lack of segregation of duties, timely bank reconciliations, and review of journal entries occurred as a result of turnover in the clerk and treasurer positions due to the limited number of employees and the size of the Village's operations.
Effect:	Errors or intentional fraud could occur and not be detected timely by other employees in the normal course of their responsibilities.
Recommendation:	We recommend the Village Board continue to monitor transactions and the financial records of the Village. We further recommend the Village complete a risk assessment and analysis of its internal controls to identify opportunities to strengthen and enhance controls over financial reporting, including reimplementing timely bank reconciliations.
Management Response:	Management will continue to review and approve financial reports prior to issuance. Management is actively in 2024 redefining roles and responsibilities and establishing controls to better segregate duties in the future.

**VILLAGE OF WINNECONNE, WISCONSIN
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
YEAR ENDED DECEMBER 31, 2023**

Internal Control Over Financial Reporting (Continued)

FINDING NO.	CONTROL DEFICIENCIES
2023-003	Adjustments to the Village's Financial Records
Type of Finding:	Material Weakness in Internal Control Over Financial Reporting
Condition:	As part of our audit, we proposed adjusting journal entries that were material to the Village's financial statements.
Criteria:	Material adjusting journal entries proposed by the auditors are considered to be an internal control deficiency.
Cause:	While Village staff maintains financial records which accurately report revenues and expenditures throughout the year, preparing year-end adjusting and closing entries requires additional expertise that would entail additional training and staff time to develop.
Effect:	Year-end financial records prepared by the Village may contain material misstatements.
Recommendation:	We recommend the Village designate an individual to obtain additional training in order to prepare the adjusting and closing entries. We are available to assist the individual in obtaining the understanding to prepare these entries.
Management Response:	Management is obtaining additional training and will continue to review previous year's journal entries made during the audit with the goal of reducing adjustments in the future.



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