

Village of Kewaskum

Financial Statements and
Supplementary Information

December 31, 2023

Village of Kewaskum

Table of Contents
December 31, 2023

	<u>Page</u>
Independent Auditors' Report	1
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	4
Statement of Activities	5
Fund Financial Statements	
Balance Sheet - Governmental Funds	6
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	8
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	9
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	11
Statement of Net Position - Proprietary Funds	12
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	14
Statement of Cash Flows - Proprietary Funds	15
Statement of Fiduciary Net Position	17
Statement of Changes in Fiduciary Net Position	18
Index to Notes to Financial Statements	19
Notes to Financial Statements	20
Required Supplementary Information	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	48
Schedule of Proportionate Share of the Net Pension Liability (Asset) - Wisconsin Retirement System	49
Schedule of Employer Contributions - Wisconsin Retirement System	49
Notes to Required Supplementary Information	50
Supplementary Information	
Combining Balance Sheet - Nonmajor Governmental Funds	51
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	53

INDEPENDENT AUDITORS' REPORT

Independent Auditors' Report

To the Village Board of
Village of Kewaskum

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 Kewaskum (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 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). 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 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 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, 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 required supplementary information, 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The supplementary information as listed in the table of contents 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 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Baker Tilly US, LLP

Milwaukee, Wisconsin
May 29, 2024

BASIC FINANCIAL STATEMENTS

Village of Kewaskum

Statement of Net Position
December 31, 2023

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Assets and Deferred Outflows of Resources			
Assets			
Cash and investments	\$ 1,349,691	\$ 4,009,935	\$ 5,359,626
Receivables (net):			
Taxes	3,058,652	11,919	3,070,571
Accounts	133,775	448,905	582,680
Special assessments	10,547	22,113	32,660
Internal balances	2,892,190	(2,892,190)	-
Inventories and prepaid items	-	18,368	18,368
Restricted:			
Cash and investments	-	464,719	464,719
Capital assets:			
Land	1,236,599	42,299	1,278,898
Construction in progress	191,273	71,017	262,290
Other capital assets, net of depreciation	11,195,931	22,817,006	34,012,937
Total assets	<u>20,068,658</u>	<u>25,014,091</u>	<u>45,082,749</u>
Deferred Outflows of Resources			
Unamortized loss on refunding	257,008	53,448	310,456
Pension related amounts	1,482,520	584,863	2,067,383
Total deferred outflows of resources	<u>1,739,528</u>	<u>638,311</u>	<u>2,377,839</u>
Liabilities, Deferred Inflows of Resources and Net Position			
Liabilities			
Accounts payable	144,577	2,533	147,110
Accrued liabilities and deposits	76,901	45,970	122,871
Noncurrent liabilities:			
Due within one year	1,298,736	984,784	2,283,520
Due in more than one year	4,503,627	4,619,955	9,123,582
Premium	33,363	3,521	36,884
Net pension liability	466,041	88,886	554,927
Total liabilities	<u>6,523,245</u>	<u>5,745,649</u>	<u>12,268,894</u>
Deferred Inflows of Resources			
Property taxes receivable for subsequent year	3,060,293	-	3,060,293
Pension related amounts	731,507	432,909	1,164,416
Deferred inflows, lease	-	1,721,412	1,721,412
Total deferred inflows of resources	<u>3,791,800</u>	<u>2,154,321</u>	<u>5,946,121</u>
Net Position			
Net investment in capital assets	8,440,970	17,582,659	24,855,704
Restricted for:			
Equipment replacement	-	464,719	464,719
Debt service	2,986,408	-	2,986,408
Permanent fund	6,309	-	6,309
Library operations	864,572	-	864,572
Unrestricted (deficit)	(805,117)	(294,946)	67,862
Total net position	<u>\$ 11,493,142</u>	<u>\$ 17,752,432</u>	<u>\$ 29,245,574</u>

See notes to financial statements

Village of Kewaskum

Statement of Activities

Year Ended December 31, 2023

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 529,673	\$ 70,520	\$ 1,739	\$ -	\$ (457,414)	\$ -	\$ (457,414)
Public safety	1,969,794	557,416	426,793	-	(985,585)	-	(985,585)
Public works	1,157,371	39,946	215,875	37,426	(864,124)	-	(864,124)
Health and human services	2,107	-	-	-	(2,107)	-	(2,107)
Culture, education and recreation	411,123	23,270	95,466	-	(292,387)	-	(292,387)
Conservation and development	62,669	1,750	-	-	(60,919)	-	(60,919)
Interest and fiscal charges	298,937	-	-	-	(298,937)	-	(298,937)
Total governmental activities	4,431,674	692,902	739,873	37,426	(2,961,473)	-	(2,961,473)
Business-type activities:							
Water utility	717,018	894,145	-	-	-	177,127	177,127
Sewer utility	1,207,373	1,580,302	-	13,606	-	386,535	386,535
Total business-type activities	1,924,391	2,474,447	-	13,606	-	563,662	563,662
Total	\$ 6,356,065	\$ 3,167,349	\$ 739,873	\$ 51,032	(2,961,473)	563,662	(2,397,811)
General Revenues							
Taxes							
Property taxes, levied for general purposes					1,661,472	-	1,661,472
Property taxes, levied for debt service					638,780	-	638,780
Property taxes, levied for TIF District					447,510	-	447,510
Property taxes, levied for the library					105,948	-	105,948
Intergovernmental revenues not restricted to specific programs					319,432	-	319,432
Investment income					292,934	54,494	347,428
Gain on disposal of assets					13,004	-	13,004
Miscellaneous					144,177	379	144,556
Total general revenues					3,623,257	54,873	3,678,130
Transfers					(93,038)	93,038	-
Change in net position					568,746	711,573	1,280,319
Net Position, Beginning					10,924,396	17,040,859	27,965,255
Net Position, Ending					\$ 11,493,142	\$ 17,752,432	\$ 29,245,574

See notes to financial statements

Village of Kewaskum

Balance Sheet -
Governmental Funds
December 31, 2023

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>General Capital Projects Fund</u>	<u>TID #2 Capital Projects Fund</u>
Assets				
Cash and investments	\$ (1,360,850)	\$ 691,987	\$ 765,579	\$ -
Receivables:				
Taxes	1,647,884	796,500	-	508,320
Accounts	1,833	-	-	-
Special assessments	10,077	-	-	470
Due from other funds	103,245	-	-	-
Advances to other funds	4,012,110	2,325,986	-	-
	<u>\$ 4,414,299</u>	<u>\$ 3,814,473</u>	<u>\$ 765,579</u>	<u>\$ 508,790</u>
Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)				
Liabilities				
Accounts payable	\$ 88,494	\$ -	\$ 9,227	\$ 800
Accrued liabilities	38,400	-	-	-
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	3,445,907
	<u>126,894</u>	<u>-</u>	<u>9,227</u>	<u>3,446,707</u>
Deferred Inflows of Resources				
Property taxes receivable for subsequent year	1,649,926	796,500	-	507,918
Unavailable revenues	9,981	-	-	3,977
	<u>1,659,907</u>	<u>796,500</u>	<u>-</u>	<u>511,895</u>
Fund Balances (Deficit)				
Nonspendable	4,115,354	-	-	-
Restricted	-	3,017,973	-	-
Committed	-	-	756,352	-
Unassigned (deficit)	(1,487,856)	-	-	(3,449,812)
	<u>2,627,498</u>	<u>3,017,973</u>	<u>756,352</u>	<u>(3,449,812)</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 4,414,299</u>	<u>\$ 3,814,473</u>	<u>\$ 765,579</u>	<u>\$ 508,790</u>

See notes to financial statements

Nonmajor Governmental Funds	Total
\$ 1,252,975	\$ 1,349,691
105,947	3,058,651
131,942	133,775
-	10,547
-	103,245
-	6,338,096
<u>\$ 1,490,864</u>	<u>\$ 10,994,005</u>

\$ 46,054	\$ 144,575
6,937	45,337
103,245	103,245
-	3,445,907
<u>156,236</u>	<u>3,739,064</u>

105,948	3,060,292
80,873	94,831
<u>186,821</u>	<u>3,155,123</u>

-	4,115,354
870,881	3,888,854
412,167	1,168,519
<u>(135,241)</u>	<u>(5,072,909)</u>
<u>1,147,807</u>	<u>4,099,818</u>
<u>\$ 1,490,864</u>	<u>\$ 10,994,005</u>

See notes to financial statements

Village of Kewaskum

Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
December 31, 2023

Total Fund Balances, Governmental Funds	\$ 4,099,818
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds.	
Land	1,236,599
Construction in progress	191,273
Other capital assets	22,017,487
Less accumulated depreciation	(10,821,556)
Some receivables that are not currently available are reported as unavailable revenues in the fund financial statements but are recognized as revenue when earned in the government-wide statements.	
	94,831
The net pension liability does not relate to current financial resources and is not reported in the governmental funds.	
	(466,041)
Deferred outflows of resources related to pension do not relate to current financial resources and are not reported in the governmental funds.	
	1,482,520
Deferred inflows of resources related to pension do not relate to current financial resources and are not reported in the governmental funds.	
	(731,507)
A deferred charge on refunding represents a consumption of net position that applies to a future period and, therefore, is not reported in the funds.	
	257,008
Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds.	
Bonds and notes payable	(5,493,732)
Compensated absences	(227,960)
Accrued interest	(31,564)
Premium	(33,363)
Financed purchases	(80,671)
Net Position of Governmental Activities	<u><u>\$ 11,493,142</u></u>

Village of Kewaskum

Statement of Revenues, Expenditures and Changes in Fund Balances -
 Governmental Funds
 Year Ended December 31, 2023

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>General Capital Projects Fund</u>	<u>TID #2 Capital Projects Fund</u>
Revenues				
Taxes	\$ 1,660,451	\$ 638,780	\$ -	\$ 447,510
Special assessments	17,740	-	-	157
Intergovernmental	643,081	-	-	4,339
Licenses and permits	129,350	-	-	-
Fines, forfeitures and penalties	33,712	-	-	-
Public charges for services	178,916	-	-	-
Intergovernmental charges for services	12,803	-	-	-
Investment income	157,171	77,527	-	-
Miscellaneous revenues	16,137	-	129,274	-
Total revenues	<u>2,849,361</u>	<u>716,307</u>	<u>129,274</u>	<u>452,006</u>
Expenditures				
Current:				
General government	479,932	-	-	-
Public safety	1,425,263	-	-	-
Public works	746,146	-	-	-
Health and human services	2,107	-	-	-
Culture, recreation and education	130,702	-	-	-
Conservation and development	6,596	-	-	14,152
Capital outlay	155,034	-	55,323	17,743
Debt service:				
Principal	20,966	399,773	-	614,025
Interest and fiscal charges	2,237	42,493	-	195,076
Total expenditures	<u>2,968,983</u>	<u>442,266</u>	<u>55,323</u>	<u>840,996</u>
Excess (deficiency) of revenues over expenditures	<u>(119,622)</u>	<u>274,041</u>	<u>73,951</u>	<u>(388,990)</u>
Other Financing Sources				
Transfer out	-	-	-	-
Debt issued	60,114	-	250,000	-
Sale of capital assets	24,926	-	-	-
Transfers in	236,292	-	-	-
Total other financing sources	<u>321,332</u>	<u>-</u>	<u>250,000</u>	<u>-</u>
Net change in fund balances	201,710	274,041	323,951	(388,990)
Fund Balances (Deficit), Beginning	<u>2,425,788</u>	<u>2,743,932</u>	<u>432,401</u>	<u>(3,060,822)</u>
Fund Balances (Deficit), Ending	<u>\$ 2,627,498</u>	<u>\$ 3,017,973</u>	<u>\$ 756,352</u>	<u>\$ (3,449,812)</u>

See notes to financial statements

Nonmajor Governmental Funds	Total
\$ 105,948	\$ 2,852,689
-	17,897
453,286	1,100,706
-	129,350
-	33,712
292,979	471,895
-	12,803
58,238	292,936
<u>13,415</u>	<u>158,826</u>
<u>923,866</u>	<u>5,070,814</u>
-	479,932
213,364	1,638,627
-	746,146
-	2,107
229,247	359,949
7,991	28,739
177,649	405,749
-	1,034,764
-	<u>239,806</u>
<u>628,251</u>	<u>4,935,819</u>
<u>295,615</u>	<u>134,995</u>
(336,772)	(336,772)
-	310,114
-	24,926
<u>7,442</u>	<u>243,734</u>
<u>(329,330)</u>	<u>242,002</u>
(33,715)	376,997
<u>1,181,522</u>	<u>3,722,821</u>
<u>\$ 1,147,807</u>	<u>\$ 4,099,818</u>

See notes to financial statements

Village of Kewaskum

Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended December 31, 2023

Net Change in Fund Balances, Total Governmental Funds \$ 376,997

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 net position the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the Statement of Activities.

Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements	405,748
Some items reported as capital outlay were not capitalized	(59,315)
Depreciation is reported in the government-wide financial statements	(640,209)
Net book value of assets retired	(11,922)

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

Special assessments	9,642
---------------------	-------

Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Debt proceeds	(310,114)
Principal repaid	1,034,764

Governmental funds report debt premiums and discounts as other financing sources (uses) or financing sources or uses. However, in the statement of net position, these are reported as additions to or deductions from long-term debt. These are allocated over the period the debt is outstanding in the statement of activities and are reported as interest expense.

Amortization	4,085
--------------	-------

Some expenses 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.

Compensated absences	(86,697)
Accrued interest on debt	7,220
Amortization of deferred charge on refunding	(65,366)
Net pension liability	(1,156,817)
Deferred outflows of resources related to pension	180,556
Deferred inflows of resources related to pension	880,174

Change in Net Position of Governmental Activities \$ 568,746

Village of Kewaskum

Statement of Net Position -
Proprietary Funds
December 31, 2023

	Business-Type Activities - Enterprise Funds		
	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Total</u>
Assets			
Current assets:			
Cash and investments	\$ 3,851,779	\$ 158,156	\$ 4,009,935
Receivables:			
Taxes	532	11,387	11,919
Accounts	126,804	322,121	448,925
Inventories	14,440	3,928	18,368
	<u>3,993,555</u>	<u>495,592</u>	<u>4,489,147</u>
Total current assets			
Noncurrent assets:			
Restricted assets:			
Cash and investments	-	464,719	464,719
Capital assets:			
Land	38,294	4,004	42,298
Construction in progress	41,166	29,851	71,017
Other capital assets	10,884,959	23,045,151	33,930,110
Less accumulated depreciation	(4,322,930)	(6,790,174)	(11,113,104)
Other assets:			
Special assessments receivable	-	22,113	22,113
	<u>6,641,489</u>	<u>16,775,664</u>	<u>23,417,153</u>
Total noncurrent assets			
Total assets	<u>10,635,044</u>	<u>17,271,256</u>	<u>27,906,300</u>
Deferred Outflows of Resources			
Deferred charge on refunding	2	53,446	53,448
Pension related amounts	268,469	316,394	584,863
	<u>268,471</u>	<u>369,840</u>	<u>638,311</u>
Total deferred outflows of resources			

See notes to financial statements

Village of Kewaskum

Statement of Net Position -
Proprietary Funds
December 31, 2023

	Business-Type Activities - Enterprise Funds		
	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Total</u>
Liabilities			
Current liabilities:			
Current portion of long-term debt	\$ 171,023	\$ 275,056	\$ 446,079
Accounts payable	931	1,601	2,532
Accrued interest	7,911	20,346	28,257
Accrued wages	7,669	10,044	17,713
Liabilities payable from restricted assets			
Current portion of long-term debt	-	538,705	538,705
Total current liabilities	<u>187,534</u>	<u>845,752</u>	<u>1,033,286</u>
Noncurrent liabilities:			
Long-term debt:			
Bonds and notes payable	1,107,271	3,502,856	4,610,127
Advances from other funds	-	2,892,190	2,892,190
Net pension liability	43,707	45,179	88,886
Compensated absences	-	9,828	9,828
Premium	1,372	2,149	3,521
Total noncurrent liabilities	<u>1,152,350</u>	<u>6,452,202</u>	<u>7,604,552</u>
Total liabilities	<u>1,339,884</u>	<u>7,297,954</u>	<u>8,637,838</u>
Deferred Inflows of Resources			
Pension related amounts	184,785	248,124	432,909
Deferred inflows, lease	1,721,412	-	1,721,412
Total deferred inflows of resources	<u>1,906,197</u>	<u>248,124</u>	<u>2,154,321</u>
Net Position			
Net investment in capital assets	5,435,658	12,147,001	17,582,659
Restricted for:			
Equipment replacement	-	464,719	464,719
Unrestricted (deficit)	<u>2,221,776</u>	<u>(2,516,702)</u>	<u>(294,926)</u>
Total net position	<u>\$ 7,657,434</u>	<u>\$ 10,095,018</u>	<u>\$ 17,752,452</u>

See notes to financial statements

Village of Kewaskum

Statement of Revenues, Expenses and Changes in Net Position -
 Proprietary Funds
 Year Ended December 31, 2023

	Business-Type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Total
Operating Revenues			
Charges for services	\$ 894,145	\$ 1,580,302	\$ 2,474,447
Total operating revenues	<u>894,145</u>	<u>1,580,302</u>	<u>2,474,447</u>
Operating Expenses			
Operation and maintenance	416,801	698,640	1,115,441
Depreciation	260,506	371,181	631,687
Taxes	11,878	16,986	28,864
Total operating expenses	<u>689,185</u>	<u>1,086,807</u>	<u>1,775,992</u>
Operating income	<u>204,960</u>	<u>493,495</u>	<u>698,455</u>
Nonoperating Revenues (Expenses)			
Investment income	22,425	32,089	54,514
Debt issuance costs	(52)	(71)	(123)
Miscellaneous revenues	-	379	379
Interest expense	(26,869)	(106,193)	(133,062)
Amortization	(911)	(14,303)	(15,214)
Total nonoperating revenues (expenses)	<u>(5,407)</u>	<u>(88,099)</u>	<u>(93,506)</u>
Income before contributions and transfers	<u>199,553</u>	<u>405,396</u>	<u>604,949</u>
Contributions and Transfers			
Capital contributions	-	13,606	13,606
Transfers in	118,341	101,092	219,433
Transfers out, tax equivalent	(124,922)	(1,473)	(126,395)
Total contributions and transfers	<u>(6,581)</u>	<u>113,225</u>	<u>106,644</u>
Change in net position	192,972	518,621	711,593
Net Position, Beginning	<u>7,464,462</u>	<u>9,576,397</u>	<u>17,040,859</u>
Net Position, Ending	<u>\$ 7,657,434</u>	<u>\$ 10,095,018</u>	<u>\$ 17,752,452</u>

See notes to financial statements

Village of Kewaskum

Statement of Cash Flows -
Proprietary Funds
Year Ended December 31, 2023

	Business-Type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Total
Cash Flows From Operating Activities			
Received from customers	\$ 2,643,494	\$ 1,631,153	\$ 4,274,647
Paid to suppliers for goods and services	(264,340)	(431,817)	(696,157)
Paid to employees for services	(149,929)	(228,905)	(378,834)
Net cash flows from operating activities	<u>2,229,225</u>	<u>970,431</u>	<u>3,199,656</u>
Cash Flows From Investing Activities			
Investment income	<u>22,425</u>	<u>32,089</u>	<u>54,514</u>
Net cash flows from investing activities	<u>22,425</u>	<u>32,089</u>	<u>54,514</u>
Cash Flows From Noncapital Financing Activities			
Paid to municipality for tax equivalent	(124,922)	(1,473)	(126,395)
Transfers from other funds	<u>118,341</u>	<u>101,092</u>	<u>219,433</u>
Net cash flows from noncapital financing activities	<u>(6,581)</u>	<u>99,619</u>	<u>93,038</u>
Cash Flows From Capital and Related Financing Activities			
Debt retired	(136,029)	(876,451)	(1,012,480)
Interest paid	(31,772)	(112,785)	(144,557)
Special assessments received	-	41,188	41,188
Acquisition and construction of capital assets	(486,590)	(161,533)	(648,123)
Contribution received for construction	-	13,606	13,606
Advances from other funds	-	24,321	24,321
Net cash flows from capital and related financing activities	<u>(654,391)</u>	<u>(1,071,654)</u>	<u>(1,726,045)</u>
Net change in cash and cash equivalents	1,590,678	30,485	1,621,163
Cash and Cash Equivalents, Beginning	<u>2,261,101</u>	<u>592,390</u>	<u>2,853,491</u>
Cash and Cash Equivalents, Ending	<u>\$ 3,851,779</u>	<u>\$ 622,875</u>	<u>\$ 4,474,654</u>

See notes to financial statements

Village of Kewaskum

Statement of Cash Flows -
Proprietary Funds
Year Ended December 31, 2023

	Business-Type Activities - Enterprise Funds		
	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Total</u>
Reconciliation of Operating Income to Net Cash Flows From Operating Activities			
Operating income	\$ 204,960	\$ 493,495	\$ 698,455
Nonoperating revenue	-	379	379
Adjustments to reconcile operating income to net cash flows from operating activities:			
Depreciation	260,506	371,181	631,687
Depreciation charged to other funds	6,592	(6,592)	-
Changes in assets and liabilities:			
Accounts and taxes receivable	21,511	57,334	78,845
Lease receivable	218,862	-	218,862
Accrued wages	2,935	-	2,935
Pension related deferrals and liability	11,309	40,681	51,990
Other current liabilities	-	13,953	13,953
Deferred inflow related to leases	<u>1,502,550</u>	<u>-</u>	<u>1,502,550</u>
Net cash flows from operating activities	<u>\$ 2,229,225</u>	<u>\$ 970,431</u>	<u>\$ 3,199,656</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position, Proprietary Funds			
Cash and investments, unrestricted	\$ 3,851,779	\$ 158,156	\$ 4,009,935
Equipment replacement, restricted	<u>-</u>	<u>464,719</u>	<u>464,719</u>
Cash and cash equivalents	<u>\$ 3,851,779</u>	<u>\$ 622,875</u>	<u>\$ 4,474,654</u>
Noncash Capital and Related Financing Activities			
Amortization of loss on refunding	<u>\$ 912</u>	<u>\$ 14,303</u>	

See notes to financial statements

Village of Kewaskum

Statement of Fiduciary Net Position -
Fiduciary Fund
December 31, 2023

	Custodial Fund <u>Tax Roll Fund</u>
Assets	
Cash and investments	\$ 2,215,747
Taxes receivable	<u>1,520,051</u>
Total assets	<u>3,735,798</u>
Liabilities	
Due to other governments	<u>3,735,798</u>
Total liabilities	<u>3,735,798</u>
Net Position	
Total net position	<u><u>\$ -</u></u>

See notes to financial statements

Village of Kewaskum

Statement of Changes in Fiduciary Net Position -
Fiduciary Fund
Year Ended December 31, 2023

	Custodial Fund <u>Tax Roll Fund</u>
Additions	
Tax collections	\$ <u>2,749,300</u>
Deductions	
Payments to overlying districts	<u>2,749,300</u>
Change in net position	-
Net Position, Beginning	<u>-</u>
Net Position, Ending	<u><u>\$ -</u></u>

See notes to financial statements

Village of Kewaskum

Index to Notes to Financial Statements

December 31, 2023

	<u>Page</u>
1. Summary of Significant Accounting Policies	20
Reporting Entity	20
Government-Wide and Fund Financial Statements	20
Measurement Focus, Basis of Accounting and Financial Statement Presentation	22
Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity	23
Deposits and Investments	23
Receivables	24
Inventories and Prepaid Items	25
Restricted Assets	25
Capital Assets	25
Deferred Outflows of Resources	26
Compensated Absences	26
Long-Term Obligations/Conduit Debt	26
Leases	27
Deferred Inflows of Resources	27
Equity Classifications	27
Pension	28
Basis for Existing Rates	29
2. Stewardship, Compliance and Accountability	29
Excess Expenditures Over Budget	29
Deficit Balances	29
Limitations on the Village's Tax Levy	30
3. Detailed Notes on All Funds	30
Deposits and Investments	30
Receivables	31
Restricted Assets	31
Capital Assets	32
Interfund Receivables/Payables, Advances and Transfers	34
Long-Term Obligations	36
Lease Disclosures	39
Net Position/Fund Balances	39
4. Other Information	41
Employees' Retirement System	41
Risk Management	46
Commitments and Contingencies	47
Joint Ventures	47
Subsequent Events	47
Effect of New Accounting Standards on Current-Period Financial Statements	47

Village of Kewaskum

Notes to Financial Statements
December 31, 2023

1. Summary of Significant Accounting Policies

The accounting policies of the Village of Kewaskum, Wisconsin (the Village) conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

Reporting Entity

This report includes all of the funds of the Village. The reporting entity for the Village consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The Village has not identified any organizations that meet this criteria.

Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

Funds are organized as major funds or nonmajor funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the Village or meets the following criteria:

- a. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental or enterprise fund that met the 10% test is at least 5% of the corresponding total for all governmental and enterprise funds combined.

Village of Kewaskum

Notes to Financial Statements
December 31, 2023

- c. In addition, any other governmental or enterprise fund that the Village believes is particularly important to financial statement users may be reported as a major fund.

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

The Village reports the following major governmental funds:

General Fund

General Fund accounts for the Village's primary operating activities. It is used to account for and report all financial resources except those accounted for and reported in another fund.

Debt Service Fund

Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for the payment of general long-term debt principal, interest, and related costs.

Capital Projects Funds

General Capital projects fund is accounts for resources legally restricted to supporting expenditures for the Village's capital project programs.

TID #2 Capital Projects Fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditures outlined in the TID project plan.

Enterprise Funds

The Village reports the following major enterprise funds:

Water Utility accounts for operations of the water system

Sewer Utility accounts for operations of the sewer system

The Village reports the following nonmajor governmental funds:

Special Revenue Funds

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes (other than debt service or capital projects).

Library Fund

Rescue Squad Fund

ARPA Fund

Stormwater Utility, District 1 Fund

Stormwater Utility, District 2 Fund

Capital Projects Funds

Capital Projects Funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

TID #3

TID #4

Village of Kewaskum

Notes to Financial Statements
December 31, 2023

Permanent Funds

Permanent Funds are used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs, that is, for the benefit of the government or its citizenry.

KKCP Nature Trail Fund
Fickler Memorial Fund

In addition, the Village reports the following fund type:

Custodial Funds

Custodial Fund is used to account for and report assets controlled by the Village and the assets are for the benefit of individuals, private organizations and/or other governmental units.

Tax Roll Fund

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

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

Village of Kewaskum

Notes to Financial Statements
December 31, 2023

Intergovernmental aids and grants are recognized as revenues in the period the Village is entitled to the resources and the amounts are available. Amounts owed to the Village which are not available are recorded as receivables and unavailable revenues. Amounts received before eligibility requirements (excluding time requirements) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

Special assessments are recorded as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and unavailable revenues.

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

Proprietary and Fiduciary Funds

Proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note.

The 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 water and sewer utilities are charges to customers for sales and services. Special assessments are recorded as receivables and contribution revenue when levied. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

All Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity

Deposits and Investments

For purposes of the statement of cash flows, the Village considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

Investment of Village funds is restricted by Wisconsin state statutes. Available investments are limited to:

- a. Time deposits in any credit union, bank, savings bank or trust company.
- b. Bonds or securities of any county, city, drainage district, technical college district, village, town or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, the University of Wisconsin Hospitals and Clinics Authority or the Wisconsin Aerospace Authority.

Village of Kewaskum

Notes to Financial Statements
December 31, 2023

- c. Bonds or securities issued or guaranteed by the federal government.
- d. The local government investment pool.
- e. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- f. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- g. Repurchase agreements with public depositories, with certain conditions.

The Village has not adopted an investment policy.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances. The difference between the bank statement balance and carrying value is due to outstanding checks and/or deposits in transit.

The Wisconsin Local Government Investment Pool (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 amount as reported in these statements.

See Note 3 for further information.

Receivables

Property taxes are levied in December on the assessed value as of the prior January 1. In addition to property taxes for the Village, taxes are collected for and remitted to the county governments as well as the local school district and technical college district. Taxes for all state and local governmental units billed in the current year for the succeeding year are reflected as receivables and due to other taxing units on the accompanying statement of fiduciary net position.

Property tax calendar - 2023 tax roll:

Lien date and levy date	December 2023
Tax bills mailed	December 2023
Payment in full, or	January 31, 2024
First installment due	January 31, 2024
Second installment due	July 31, 2024
Personal property taxes in full	January 31, 2024
Tax sale - 2023 delinquent real estate taxes	October 2026

Accounts receivable have been shown net of an allowance for uncollectible accounts. Delinquent real estate taxes as of July 31 are paid in full by the County, which assumes the collection thereof. No provision for uncollectible accounts receivable has been made for the water and sewer utilities because they have the right by law to place substantially all delinquent bills on the tax roll and other delinquent bills are generally not significant.

Village of Kewaskum

Notes to Financial Statements
December 31, 2023

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the governmental-wide financial statements as internal balances.

In the governmental fund financial statements, advances to other funds are offset equally by a nonspendable fund balance account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation or by a restricted fund balance account, if the funds will ultimately be restricted when the advance is repaid.

Inventories and Prepaid Items

Governmental fund inventory items are charged to expenditure accounts when purchased. Year-end inventory was not significant. Proprietary fund inventories are generally used for construction and/or for operation and maintenance work. They are not for resale. They are valued at cost based on average cost and charged to construction and/or operation and maintenance expense when used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties.

Capital Assets

Government-Wide Financial Statements

Capital assets, which include property, plant and equipment (including right-to-use lease assets), are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$500 general capital assets and \$5,000 for infrastructure assets and an estimated useful life in excess of 1 year. All capital assets are valued at historical cost or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor and overhead. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

Village of Kewaskum

Notes to Financial Statements
December 31, 2023

Depreciation and amortization of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation and amortization reflected in the statement of net position. Depreciation and amortization is provided over the assets' estimated useful lives using the straight-line method. The range of estimated useful lives by type of asset is as follows:

Buildings	40-60 Years
Machinery and equipment	5-20 Years
Utility system	7-77 Years
Infrastructure	40-60 Years

Fund Financial Statements

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

Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

A deferred charge on refunding arises from the advance refunding of debt. The difference between the cost of the securities placed in trust for future payments of the refunded debt and the net carrying value of that debt is deferred and amortized as a component of interest expense over the shorter of the term of the refunding issue or the original term of the refunded debt. The unamortized amount is reported as a deferred outflow of resources in the government-wide and proprietary fund financial statements.

Compensated Absences

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements.

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

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2023, are determined on the basis of current salary rates and include salary related payments.

Long-Term Obligations/Conduit Debt

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

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) are reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

Village of Kewaskum

Notes to Financial Statements
December 31, 2023

Leases

The Village is a lessor because it leases capital assets to other entities. As a lessor, the Village reports a lease receivable and corresponding deferred inflow of resources in both the fund financial statements and government-wide financial statements. The Village continues to report and depreciate the capital assets being leased as capital assets of the primary government.

Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net assets that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

Equity Classifications

Government-Wide Statements

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

- a. **Net Investment in Capital Assets** - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. **Restricted Net Position** - Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. **Unrestricted Net Position** - All other net positions that do not meet the definitions of "restricted" or "net investment in capital assets."

The net position section includes an adjustment for capital assets owned by the business-type activities column, but financed by the debt of the governmental activities column. The amount is a reduction of "net investment in capital assets" and an increase in "unrestricted" net position, shown only in the total column. A reconciliation of this adjustment is as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Adjustment</u>	<u>Total</u>
Net investment in capital assets	\$ 8,440,970	\$ 17,582,659	\$ (1,167,925)	\$ 24,855,704
Unrestricted	(805,117)	(294,946)	1,167,925	67,862

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 Kewaskum

Notes to Financial Statements
December 31, 2023

Fund Statements

Governmental fund balances are displayed as follows:

- a. **Nonspendable** - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. **Restricted** - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. **Committed** - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the Village Board. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the Village Board that originally created the commitment.
- d. **Assigned** - Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. The Board may take official action to assign amounts. Assignments may take place after the end of the reporting period.
- e. **Unassigned** - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those purposes.

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

The Village considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents / contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the Village would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

See Note 3 for further information.

Pension

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

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

Information about the fiduciary net position of the WRS and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by the WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Village of Kewaskum

Notes to Financial Statements
December 31, 2023

Basis for Existing Rates

Water Utility

Rates for the water utility were approved by the Public Service Commission of Wisconsin on September 19, 2022.

Sewer Utility

Rates for the sewer utility were approved by the Village board by Resolution No. 2023-07 on June 19, 2023.

2. Stewardship, Compliance and Accountability

Excess Expenditures Over Budget

<u>Funds</u>	<u>Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Excess Expenditures Over Budget</u>
Special revenue, rescue squad fund	\$ 234,449	\$ 255,320	\$ 20,871
Debt service fund	-	442,266	442,266
Capital Projects Fund, TID #2	776,676	840,996	64,320

The Village controls expenditures at the function level. Some individual functions experienced expenditures which exceeded appropriations. The detail of those items can be found in the Village's year-end budget to actual report.

Deficit Balances

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year end.

As of December 31, 2023, the following individual funds held a deficit balance:

<u>Fund</u>	<u>Amount</u>	<u>Reason</u>
Capital Projects Fund, TID #2	\$ 3,449,812	Expenditures related to infrastructure capital outlay and debt service.
Capital Projects Fund, TID #3	24,843	Expenditures related to infrastructure capital outlay and debt service.
Capital Projects Fund, TID #4	122,734	Expenditures related to infrastructure capital outlay and debt service.

TIF district deficits are anticipated to be funded with future incremental taxes levied over the life of the districts, which is 27 years for the districts created before October 1, 1995, and 23 years for districts created thereafter through September 30, 2004. Beginning October 1, 2004, the life of new districts varies by type of district (20-27 years) and may be extended in some cases. On September 10, 2012, the TID #2 District was approved as being distressed by the state, so they now have until 2035 to collect tax increments.

Village of Kewaskum

Notes to Financial Statements
December 31, 2023

Limitations on the Village's Tax Levy

Wisconsin law limits the Village's future tax levies. Generally the Village is limited to its prior tax levy dollar amount (excluding TIF Districts), increased by the greater of the percentage change in the Village's equalized value due to net new construction or zero percent. Changes in debt service from one year to the next are generally exempt from this limit with certain exceptions. The Village is required to reduce its allowable levy by the estimated amount of fee revenue it collects for certain services, if those services were funded in 2013 by the property tax levy. Levies can be increased above the allowable limits if the amount is approved by referendum.

3. Detailed Notes on All Funds

Deposits and Investments

The Village's deposits and investments at year end were comprised of the following:

	<u>Carrying Value</u>	<u>Statement Balances</u>	<u>Associated Risks</u>
Demand deposits	\$ 3,843,317	\$ 3,344,786	Custodial credit risk
LGIP	4,196,625	4,196,625	Credit risk
Petty cash	150	-	N/A
Total deposits and investments	<u>\$ 8,040,092</u>	<u>\$ 7,541,411</u>	
Reconciliation to financial statements			
Per statement of net position:			
Unrestricted cash and investments	\$ 5,359,626		
Restricted cash and investments	464,719		
Per statement of assets and liabilities, agency fund:			
Custodial fund	<u>2,215,747</u>		
Total deposits and investments	<u>\$ 8,040,092</u>		

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit accounts (interest-bearing and noninterest-bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts.

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the nature of this fund, recovery of material principal losses may not be significant to individual municipalities. This coverage has not been considered in computing custodial credit risk.

Custodial Credit Risk

Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the Village's deposits may not be returned to the Village.

Village of Kewaskum

Notes to Financial Statements
December 31, 2023

As of December 31, 2023, \$276,602 of the Village's total bank balances were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$	276,602
--------------------------------	----	---------

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

The Village had investments in the external Wisconsin Local Government Investment Pool which is not rated.

See Note 1 for further information on deposit and investment policies.

Receivables

All of the receivables on the balance sheet are expected to be collected within one year except for \$3,104 of delinquent personal property taxes, and \$10,077 of special assessments.

Governmental funds report *unavailable* or *unearned revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *unavailable revenue* and *unearned revenue* reported in the governmental funds were as follows:

	<u>Unearned</u>	<u>Unavailable</u>
Property taxes receivable for subsequent year	\$ 3,060,293	\$ -
Special assessments not yet due	-	13,958
Ambulance receivables	-	80,873
	<u> </u>	<u> </u>
Total unearned/unavailable revenue for governmental funds	<u>\$ 3,060,293</u>	<u>\$ 94,831</u>

Restricted Assets

The following represent the balances of the restricted assets:

Equipment Replacement Account

The sewer utility established an equipment replacement account to be used for significant mechanical equipment replacement as required by the Wisconsin Department of Natural Resources.

Following is a list of restricted assets at December 31, 2023:

	<u>Restricted Assets</u>
Equipment replacement account	\$ 464,719

Village of Kewaskum

Notes to Financial Statements
December 31, 2023

Capital Assets

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 1,236,599	\$ -	\$ -	\$ 1,236,599
Construction in progress	143,697	177,265	129,689	191,273
	<u>1,380,296</u>	<u>177,265</u>	<u>129,689</u>	<u>1,427,872</u>
Total capital assets not being depreciated				
Capital assets being depreciated:				
Building	2,943,541	20,295	-	2,963,836
Machinery and equipment	6,004,635	256,262	67,772	6,193,125
Roads	8,036,861	1,357	-	8,038,218
Storm sewer	3,703,710	20,943	-	3,724,653
Sidewalks	477,040	-	-	477,040
Curb and gutter	620,615	-	-	620,615
	<u>21,786,402</u>	<u>298,857</u>	<u>67,772</u>	<u>22,017,487</u>
Total capital assets being depreciated				
Total capital assets				
	<u>23,166,698</u>	<u>476,122</u>	<u>197,461</u>	<u>23,445,359</u>
Less accumulated depreciation for:				
Building	(1,755,048)	(65,198)	-	(1,820,246)
Machinery and equipment	(4,225,760)	(257,420)	55,850	(4,427,330)
Roads	(2,558,715)	(185,337)	-	(2,744,052)
Storm sewer	(1,283,186)	(104,754)	-	(1,387,940)
Sidewalks	(187,164)	(11,926)	-	(199,090)
Curb and gutter	(227,324)	(15,574)	-	(242,898)
	<u>(10,237,197)</u>	<u>(640,209)</u>	<u>55,850</u>	<u>(10,821,556)</u>
Total accumulated depreciation				
Net capital assets being depreciated				
	<u>11,549,205</u>	<u>(341,352)</u>	<u>11,922</u>	<u>11,195,931</u>
Total governmental activities capital assets, net as reported in the statement of net position				
	<u>\$ 12,929,501</u>	<u>\$ (164,087)</u>	<u>\$ 141,611</u>	<u>\$ 12,623,803</u>

Depreciation expense was charged to functions as follows:

Governmental Activities

General government	\$ 24,688
Public safety	225,296
Public works, which includes the depreciation of infrastructure	348,127
Culture, recreation and education	42,038
Conservation and development	60
	<u>640,209</u>

Total governmental activities depreciation expense \$ 640,209

Village of Kewaskum

Notes to Financial Statements
December 31, 2023

Business-Type Activities

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Sewer				
Capital assets not being depreciated:				
Land and land rights	\$ 4,004	\$ -	\$ -	\$ 4,004
Construction in progress	-	29,851	-	29,851
Total capital assets not being depreciated	<u>4,004</u>	<u>29,851</u>	<u>-</u>	<u>33,855</u>
Capital assets being depreciated:				
Building and structures	6,561,450	-	-	6,561,450
Collection system	9,560,748	-	-	9,560,748
Equipment	6,808,524	114,429	-	6,922,953
Total capital assets being depreciated	<u>22,930,722</u>	<u>114,429</u>	<u>-</u>	<u>23,045,151</u>
Total capital assets	<u>22,934,726</u>	<u>144,280</u>	<u>-</u>	<u>23,079,006</u>
Less accumulated depreciation for:				
Building and structures	(1,558,530)	(104,065)	-	(1,662,595)
Collection system	(2,820,720)	(151,633)	-	(2,972,353)
Equipment	(2,046,335)	(108,891)	-	(2,155,226)
Total accumulated depreciation	<u>(6,425,585)</u>	<u>(364,589)</u>	<u>-</u>	<u>(6,790,174)</u>
Net capital assets being depreciated	<u>16,505,137</u>	<u>(250,160)</u>	<u>-</u>	<u>16,254,977</u>
Net sewer capital assets	<u>\$ 16,509,141</u>	<u>\$ (220,309)</u>	<u>\$ -</u>	<u>\$ 16,288,832</u>
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Water				
Capital assets not being depreciated:				
Land and land rights	\$ 38,294	\$ -	\$ -	\$ 38,294
Construction in progress	-	41,166	-	41,166
Total capital assets not being depreciated	<u>38,294</u>	<u>41,166</u>	<u>-</u>	<u>79,460</u>
Capital assets being depreciated:				
Source of supply	356,721	43,954	29,965	370,710
Pumping	1,262,467	-	-	1,262,467
Treatment	39,084	-	-	39,084
Transmission and distribution	8,790,389	27,525	7,000	8,810,914
Administrative and general assets	234,866	166,918	-	401,784
Total capital assets being depreciated	<u>10,683,527</u>	<u>238,397</u>	<u>36,965</u>	<u>10,884,959</u>
Total capital assets	<u>10,721,821</u>	<u>279,563</u>	<u>36,965</u>	<u>10,964,419</u>
Less accumulated depreciation for:				
Source of supply	(205,352)	(10,548)	29,965	(185,935)
Pumping	(1,040,551)	(44,544)	-	(1,085,095)
Treatment	(29,509)	(1,290)	-	(30,799)
Transmission and distribution	(2,582,518)	(152,099)	7,000	(2,727,617)
Administrative and general assets	(234,867)	(58,617)	-	(293,484)
Total accumulated depreciation	<u>(4,092,797)</u>	<u>(267,098)</u>	<u>36,965</u>	<u>(4,322,930)</u>
Net capital assets being depreciated	<u>6,590,730</u>	<u>(28,701)</u>	<u>-</u>	<u>6,562,029</u>
Net water capital assets	<u>\$ 6,629,024</u>	<u>\$ 12,465</u>	<u>\$ -</u>	<u>\$ 6,641,489</u>
Business-type activities capital assets, net as reported in the statement of net position	<u>\$ 23,138,165</u>	<u>\$ (207,844)</u>	<u>\$ -</u>	<u>\$ 22,930,321</u>

Village of Kewaskum

Notes to Financial Statements
December 31, 2023

Depreciation expense was charged to functions as follows:

Business-Type Activities

Sewer	\$ 371,181
Water	<u>260,506</u>
Total business-type activities, net as reported in the statement of net position expense	<u>\$ 631,687</u>

Depreciation expense is different from additions because of joint metering, salvage, cost of removal, internal allocations, and cost associated with the disposal of assets.

Interfund Receivables/Payables, Advances and Transfers

Interfund Receivables/Payables

The following is a schedule of interfund receivables and payables including any overdrafts on pooled cash and investment accounts:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Amount Not Due Within One Year</u>
General Fund	Capital Projects Fund, TID 3	\$ 24,843	\$ -
General Fund	Capital Projects Fund, TID 4	<u>78,402</u>	-
Total, fund financial statements		103,245	
Less fund eliminations		<u>(103,245)</u>	
Total internal balances, government-wide statement of net position		<u>\$ -</u>	

The principal purpose of these interfunds is the reporting of the transfer of funds related to the payment in lieu of taxes. All remaining balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Advances

The general fund is advancing funds to the TID #2 capital projects fund. The amount advanced is amount of cash the district needs for the current year. No repayment schedule has been established.

The general fund is advancing funds to the Sewer Utility. The amount advanced is determined by the amount of cash the utility needs for the current year. No repayment schedule has been established.

The debt service fund is advancing funds to the TID #2 capital projects fund. The amount advanced is determined by the amount of cash the district needs for the current year to meet their debt service payments. No repayment schedule has been established.

Village of Kewaskum

Notes to Financial Statements
December 31, 2023

The following is a schedule of interfund advances:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Amount Not Due Within One Year</u>
General Fund	Capital Projects Fund, TID #2	\$ 1,119,920	\$ 1,119,920
General Fund	Sewer Utility	2,892,190	2,892,190
Debt Service Fund	Capital Projects Fund, TID #2	<u>2,325,986</u>	2,325,986
Total, fund financial statements		6,338,096	
Less fund eliminations		<u>(3,445,906)</u>	
Total, interfund advances, government-wide statement of net position		<u><u>\$ 2,892,190</u></u>	

The principal purpose of this advance is to finance some costs the district had in the current and prior year.

Transfers

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
General Fund	Sewer Utility	\$ 1,473	Payment in lieu of taxes
General Fund	Water Utility	124,922	Payment in lieu of taxes
Water Utility	Special Revenue Fund, ARPA	101,092	Cover costs
Sewer Utility	Special Revenue Fund, ARPA	118,341	Cover costs
Special Revenue Fund, Library	Special Revenue Fund, ARPA	2,741	Cover costs
General Fund	Special Revenue Fund, ARPA	109,897	Cover costs
Rescue Squad Fund	Special Revenue Fund, ARPA	<u>4,701</u>	Cover costs
Total, fund financial statements		463,167	
Less government-wide eliminations		<u>(370,129)</u>	
Total transfers, government-wide statement of activities		<u><u>\$ 93,038</u></u>	

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Village of Kewaskum

Notes to Financial Statements
December 31, 2023

Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2023, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities					
Bonds and notes payable:					
General obligation debt	\$ 6,257,530	\$ 250,000	\$ 1,013,798	\$ 5,493,732	\$ 1,202,256
Financed purchases	41,523	60,114	20,966	80,671	18,678
(Discounts)/Premiums:					
Bond premium	37,448	-	4,085	33,363	-
Total bonds and notes payable	<u>6,336,501</u>	<u>310,114</u>	<u>1,038,849</u>	<u>5,607,766</u>	<u>1,220,934</u>
Other liabilities:					
Vested compensated absences	141,263	136,978	50,281	227,960	77,802
Total governmental activities long-term liabilities, excluding lease liabilities	<u>\$ 6,477,764</u>	<u>\$ 447,092</u>	<u>\$ 1,089,130</u>	<u>\$ 5,835,726</u>	<u>\$ 1,298,736</u>
Business-Type Activities					
Bonds and notes payable:					
General obligation debt	\$ 3,231,220	\$ -	\$ 338,542	\$ 2,892,678	\$ 435,687
Revenue bonds	3,373,150	-	716,097	2,657,053	538,705
Financed purchases	-	51,873	9,735	42,138	7,372
(Discounts)/Premiums:					
Bond premium	3,952	-	431	3,521	-
Total bonds and notes payable	<u>6,608,322</u>	<u>51,873</u>	<u>1,064,805</u>	<u>5,595,390</u>	<u>981,764</u>
Other liabilities:					
Vested compensated absences	-	15,890	3,020	12,870	3,020
Total business-type activities long-term liabilities, excluding lease liabilities	<u>\$ 6,608,322</u>	<u>\$ 67,763</u>	<u>\$ 1,067,825</u>	<u>\$ 5,608,260</u>	<u>\$ 984,784</u>

In accordance with Wisconsin Statutes, total general obligation indebtedness of the Village may not exceed 5% of the equalized value of taxable property within the Village's jurisdiction. The debt limit as of December 31, 2023, was \$25,470,480. Total general obligation debt outstanding at year end was \$8,386,410.

General Obligation Debt

All general obligation debt payable is backed by the full faith and credit of the Village. Debt in the governmental funds will be retired by future property tax levies or tax increments accumulated by the debt service fund. Business-type activities debt is payable by revenues from user fees of those funds or, if the revenues are not sufficient, by future tax levies.

<u>Governmental Activities</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2023</u>
General Obligation Debt					
Refunding Bonds (TID)	05/14/15	04/01/28	0.60-3.00%	\$ 5,752,300	\$ 3,041,472
State Trust Fund Loan	04/07/15	03/15/25	3.50	160,000	36,472
Westbury Bank Loan	11/06/23	11/07/24	5.25	250,000	250,000
GO Refunding Bonds	08/27/20	03/01/40	1.40	2,227,951	1,523,200
GO Notes	02/09/22	03/01/31	1.00-2.00	677,843	642,588
Total governmental activities, general obligation debt					<u>\$ 5,493,732</u>

Village of Kewaskum

Notes to Financial Statements
December 31, 2023

<u>Business-Type Activities</u>					Balance
<u>General Obligation Debt</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>December 31, 2023</u>
Refunding Bonds	05/14/15	04/01/28	0.60-3.00%	\$ 1,262,700	\$ 673,528
GO Refunding Bonds	08/27/20	03/01/40	1.40	1,207,049	856,738
GO Notes	02/09/22	03/01/31	1.00-2.00	1,437,157	<u>1,362,412</u>
Total business-type activities, general obligation debt					<u>\$ 2,892,678</u>

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>General Obligation Debt</u>		<u>General Obligation Debt</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 1,202,256	\$ 101,886	\$ 435,687	\$ 50,190
2025	918,166	83,818	380,408	43,778
2026	923,827	64,228	416,196	36,464
2027	902,643	44,070	402,377	28,666
2028	1,258,840	55,154	432,796	20,252
2029-2033	176,000	19,469	682,994	32,264
2034-2038	112,000	3,595	99,015	9,232
2039-2040	-	-	43,205	907
Total	<u>\$ 5,493,732</u>	<u>\$ 372,220</u>	<u>\$ 2,892,678</u>	<u>\$ 221,753</u>

Revenue Debt

Business-type activities revenue bonds are payable only from revenues derived from the operation of the sewer and water utilities.

The Village has pledged future water and sewer utility revenues, net of specified operating expenses, to repay revenue bonds issued in 2007 and 2008. Proceeds from the bonds provided financing for the Village's new water and sewerage system projects. The bonds are payable solely from water and sewer utility revenues and are payable through 2028. Annual principal and interest payments on the bonds are expected to require 47.00% of net revenues. The total principal and interest remaining to be paid on the bonds is \$2,810,754. Principal and interest paid for the current year and total customer net revenues were \$789,929 and \$1,384,656, respectively.

Revenue debt payable at December 31, 2023, consists of the following:

Business-Type Activities Revenue Debt

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	Balance
<u>Sewer Utility</u>					<u>December 31, 2023</u>
Revenue Bonds (CWFL)	05/23/07	05/01/27	2.475%	\$ 2,630,599	\$ 634,993
Revenue Bonds (CWFL)	10/08/08	05/01/28	2.365	6,792,545	<u>2,022,060</u>
Total business-type activities, revenue debt					<u>\$ 2,657,053</u>

Village of Kewaskum

Notes to Financial Statements
December 31, 2023

Debt service requirements to maturity are as follows:

<u>Years</u>	Business-Type Activities	
	Revenue	Debt
	<u>Principal</u>	<u>Interest</u>
2024	\$ 538,705	\$ 57,083
2025	551,613	44,020
2026	564,832	30,644
2027	578,367	16,946
2028	423,536	5,008
Total	<u>\$ 2,657,053</u>	<u>\$ 153,701</u>

Other Bonds or Notes or Loans Payable

The Village purchased a mower and a GMC 1 ton truck under financed purchase arrangements.

Financed purchases at December 31, 2023 consist of the following:

Governmental Activities

<u>Other Bonds or Notes or Loans Payable</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2023</u>
Mower	03/30/22	03/30/26	4.55%	\$ 53,137	\$ 31,839
GMC 1 Ton Truck	03/24/23	03/24/28	6.22	60,114	48,832
Total governmental activities other bonds or notes or loans payable					<u>\$ 80,671</u>

Business-Type Activities

<u>Other Bonds or Notes or Loans Payable</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2023</u>
GMC 1 Ton Truck	03/24/23	03/24/28	6.22%	\$ 51,873	\$ 42,138
Total business-type activities other bonds or notes or loans payable					<u>\$ 42,138</u>

Debt service requirements to maturity are as follows:

<u>Years</u>	Governmental Activities		Business-Type Activities	
	Other Bonds or Notes or Loans Payable		Other Bonds or Notes or Loans Payable	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 18,678	\$ 4,525	\$ 7,372	\$ 2,628
2025	19,688	3,514	7,838	2,162
2026	20,746	2,457	8,325	1,675
2027	10,248	1,341	8,843	1,157
2028	11,311	277	9,760	239
Total	<u>\$ 80,671</u>	<u>\$ 12,114</u>	<u>\$ 42,138</u>	<u>\$ 7,861</u>

Village of Kewaskum

Notes to Financial Statements
December 31, 2023

Other Debt Information

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

Lease Disclosures

Lessor - Lease Deferred Inflow

<u>Business-Type Activities</u>	<u>Date of Inception</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Deferred Inflow Balance December 31, 2023</u>
Water Tower Easement	09/21/2023	01/01/2123	.736%	\$ 1,721,412
Total business-type activities				<u>\$ 1,721,412</u>

During 2023 the Village received full payment for the easement lease noted above. The Village will recognize lease revenue and lease interest revenue annually over the life of lease in the amount of \$17,388.

Net Position/Fund Balances

Net position reported on the government-wide statement of net position at December 31, 2023, includes the following:

Governmental Activities

Net investment in capital assets:

Land	\$ 1,236,599
Construction in progress	191,273
Other capital assets, net of accumulated depreciation	11,195,931
Less long-term debt outstanding	(5,574,403)
Plus noncapital debt proceeds	1,167,925
Less unamortized debt premium	(33,363)
Plus unamortized loss on refunding	257,008
Total net investment in capital assets	<u>\$ 8,440,970</u>

Village of Kewaskum

Notes to Financial Statements
December 31, 2023

Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2023, include the following:

	General Fund	Debt Service Fund	General Capital Projects Fund	TID #2 Capital Projects Fund	Total Nonmajor Governmental Funds	Total
Fund Balances						
Nonspendable:						
Noncurrent amounts due from other funds	\$ 4,115,354	\$ -	\$ -	\$ -	\$ -	\$ 4,115,354
Restricted for:						
Library	-	-	-	-	864,572	864,572
Memorials	-	-	-	-	5,809	5,809
KKCP Nature Trail	-	-	-	-	500	500
Debt service	-	3,017,973	-	-	-	3,017,973
Subtotal	-	3,017,973	-	-	870,881	3,888,854
Committed to:						
Capital Projects	-	-	756,352	-	-	756,352
Rescue squad	-	-	-	-	247,154	247,154
Stormwater utility, District 1 fund	-	-	-	-	70,796	70,796
Stormwater utility, District 2 fund	-	-	-	-	94,217	94,217
Subtotal	-	-	756,352	-	412,167	1,168,519
Unassigned (Deficit)	(1,487,856)	-	-	(3,449,812)	(135,241)	(5,072,909)
Total fund balances (deficit)	<u>\$ 2,627,498</u>	<u>\$ 3,017,973</u>	<u>\$ 756,352</u>	<u>\$ (3,449,812)</u>	<u>\$ 1,147,807</u>	<u>\$ 4,099,818</u>

Business-Type Activities

Net investment in capital assets:

Land	\$ 42,299
Construction in progress	71,017
Other capital assets, net of accumulated depreciation	22,817,006
Less long-term debt outstanding	(5,591,869)
Plus noncapital debt proceeds	194,279
Plus unamortized loss on refunding	53,448
Less unamortized debt premium	<u>(3,521)</u>

Total net investment in capital assets

\$ 17,582,659

4. Other Information

Employees' Retirement System

Plan Description

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

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

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

Vesting

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

Benefits Provided

Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and executive service retirement participants, if hired on or before 12/31/2016) are entitled to retirement benefit based on a formula factor, their average earnings and creditable service.

Final average earnings is the average of the participant's three highest annual earnings period. 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 age 55 (50 for protective occupations) and receive an actuarially reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

The WRS also provides death and disability benefits for employees.

Village of Kewaskum

Notes to Financial Statements
December 31, 2023

Post-Retirement Adjustments

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

<u>Year</u>	<u>Core Fund Adjustment %</u>	<u>Variable Fund Adjustment %</u>
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0
2021	5.1	13.0
2022	7.4	15.0

Contributions

Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for General category employees, including Teachers, Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category was merged into the General Employee category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$121,398 in contributions from the Village.

Contribution rates for the plan year reported as of December 31, 2023 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (Executives & Elected Officials)	6.50 %	6.50 %
Protective with Social Security	6.50	12.00
Protective without Social Security	6.50	16.40

Village of Kewaskum

Notes to Financial Statements
December 31, 2023

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

At December 31, 2023, the Village reported a liability of \$554,927 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 0.01047486%, which was an increase of 0.00001201% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the Village recognized pension expense (revenue) of \$265,626.

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 projected and actual experience	\$ 883,826	\$ 1,161,150
Changes in assumptions	109,121	-
Net differences between projected and actual earnings on pension plan investments	942,693	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,637	3,266
Employer contributions subsequent to the measurement date	<u>130,106</u>	<u>-</u>
Total	<u>\$ 2,067,383</u>	<u>\$ 1,164,416</u>

\$130,106 reported as deferred outflows of resources related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 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:

Years Ending December 31:	Deferred Outflows of Resources and Deferred Inflows of Resources (Net)
2024	\$ 32,149
2025	159,730
2026	163,599
2027	417,383

Village of Kewaskum

Notes to Financial Statements
December 31, 2023

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:

Actuarial Valuation Date:	December 31, 2021
Measurement Date of Net Pension Liability (Asset):	December 31, 2022
Experience Study:	January 1, 2018 - December 31, 2020 Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
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
Post-Retirement Adjustments*:	1.7%

** No post-retirement 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 post-retirement 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.

Village of Kewaskum

Notes to Financial Statements
December 31, 2023

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:

Asset Allocation Targets and Expected Returns* as of December 31, 2022			
Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %**
Public Equity	48	7.6	5
Public Fixed Income	25	5.3	2.7
Inflation Sensitive	19	3.6	1.1
Real Estate	8	5.2	2.6
Private Equity/Debt	15	9.6	6.9
Total Core Fund***	115	7.4	4.8
Variable Fund Asset			
U.S. Equities	70	7.2	4.6
International Equities	30	8.1	5.5
Total Variable Fund	100	7.7	5.1

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

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

*** *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%.*

Village of Kewaskum

Notes to Financial Statements
December 31, 2023

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 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 member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the investment rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Village's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the Village's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.80%, as well as what the Village's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.80%) or 1-percentage-point higher (7.80%) than the current rate:

	<u>1% Decrease to Discount Rate (5.8%)</u>	<u>Current Discount Rate (6.8%)</u>	<u>1% Increase to Discount Rate (7.8%)</u>
Village's proportionate share of the net pension liability (asset)	\$ 1,841,784	\$ 554,927	\$ (330,320)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

At December 31, 2023, the Village reported a payable to the pension plan which represents contractually required contributions outstanding as of the end of the year.

Risk Management

The Village is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; workers compensation; and health care of its employees. All of these risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

Village of Kewaskum

Notes to Financial Statements
December 31, 2023

Commitments and Contingencies

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred.

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

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

Joint Ventures

Mid-Moraine Municipal Court

The fifteen municipalities from Washington and Ozaukee Counties jointly operate the local municipal court, which is called the Mid-Moraine Municipal Court and provides non-criminal citation processing.

The governing committee is made up of citizens from each community. Local representatives are appointed by the chief executive officer of each community. The committee recommends its own budget which is ratified by each community member. The committee also controls the financial affairs of the courts.

Financial information of the court as of December 31, 2023 is available directly from the municipal court in West Bend, Wisconsin.

The Village of Kewaskum does not have an equity interest in the Mid-Moraine Municipal Court.

Subsequent Events

On May 29, 2024 the Village will close on \$9,450,000 of general obligation promissory notes. The notes bear interest at rates of 4.0-4.8%. The notes will mature on April 1, 2044. The notes are being used to finance the cost of the construction of a new village hall and police department.

Effect of New Accounting Standards on Current-Period Financial Statements

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

- Statement No. 100, *Accounting Changes and Error Corrections—an Amendment of GASB Statement No. 62*
- Statement No. 101, *Compensated Absences*

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

REQUIRED SUPPLEMENTARY INFORMATION

Village of Kewaskum

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -
 General Fund
 Year Ended December 31, 2023

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Taxes	\$ 1,598,039	\$ 1,660,451	\$ 62,412
Special assessments	19,235	17,740	(1,495)
Intergovernmental	651,120	643,081	(8,039)
Licenses and permits	68,180	129,350	61,170
Fines, forfeitures and penalties	35,000	33,712	(1,288)
Public charges for services	188,428	178,916	(9,512)
Intergovernmental charges for services	15,000	12,803	(2,197)
Investment income	44,330	157,171	112,841
Miscellaneous revenues	5,700	16,137	10,437
	<u>2,625,032</u>	<u>2,849,361</u>	<u>224,329</u>
Total revenues			
Expenditures			
Current:			
General government	508,968	479,932	29,036
Public safety	1,320,770	1,425,263	(104,493)
Public works	729,232	746,146	(16,914)
Health and human services	2,130	2,107	23
Culture, recreation and education	120,594	130,702	(10,108)
Conservation and development	50,000	6,596	43,404
Capital outlay	80,004	155,034	(75,030)
Debt service	-	23,203	(23,203)
	<u>2,811,698</u>	<u>2,968,983</u>	<u>(157,285)</u>
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures	<u>(186,666)</u>	<u>(119,622)</u>	<u>67,044</u>
Other Financing Sources			
Sale of capital assets	5,000	24,926	19,926
Transfers in	143,000	236,292	93,292
Debt issued	-	60,114	60,114
	<u>148,000</u>	<u>321,332</u>	<u>173,332</u>
Total other financing sources			
Net change in fund balance	<u>\$ (38,666)</u>	201,710	<u>\$ 240,376</u>
Fund Balance, Beginning		<u>2,425,788</u>	
Fund Balance, Ending		<u>\$ 2,627,498</u>	

See notes to required supplementary information

Village of Kewaskum

Schedule of Proportionate Share of the Net Pension Liability (Asset) -

Wisconsin Retirement System

Year Ended December 31, 2023

WRS Fiscal Year End	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
12/31/14	0.01002089 %	\$ (246,073)	\$ 1,085,110	22.68 %	102.74 %
12/31/15	0.00955955 %	155,341	1,107,932	14.02 %	98.20 %
12/31/16	0.00930187 %	76,670	1,121,473	6.84 %	99.12 %
12/31/17	0.00952640 %	(282,850)	1,143,758	24.73 %	102.93 %
12/31/18	0.00971428 %	345,603	1,159,227	29.81 %	96.45 %
12/31/19	0.00998064 %	(321,821)	1,277,297	25.37 %	102.96 %
12/31/20	0.01020706 %	(637,240)	1,309,360	48.67 %	105.26 %
12/31/21	0.01046285 %	(843,324)	1,356,635	62.16 %	106.02 %
12/31/22	0.01047486 %	554,927	1,355,951	40.93 %	95.72 %

Schedule of Employer Contributions - Wisconsin Retirement System

Year Ended December 31, 2023

Village Fiscal Year End	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/15	\$ 87,028	\$ 87,028	\$ -	\$ 1,107,932	7.85 %
12/31/16	90,523	90,523	-	1,121,473	8.07 %
12/31/17	101,023	101,023	-	1,143,758	8.83 %
12/31/18	102,554	102,554	-	1,159,227	8.85 %
12/31/19	108,458	108,458	-	1,277,297	8.49 %
12/31/20	107,425	107,425	-	1,309,360	8.20 %
12/31/21	123,827	123,827	-	1,356,635	9.13 %
12/31/22	117,546	117,546	-	1,355,951	8.67 %
12/31/23	130,106	130,106	-	1,482,593	8.78 %

See notes to required supplementary information

Village of Kewaskum

Notes to Required Supplementary Information
Year Ended December 31, 2023

Budgetary Information

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note 1.

The budgeted amounts presented include any amendments made. The Village may authorize transfers of budgeted amounts within departments. Transfers between departments and changes to the overall budget must be approved by a two-thirds action.

Appropriations lapse at year-end unless specifically carried over. There were no carryovers to the following year. Budgets are adopted at the function level of expenditure.

Wisconsin Retirement System

The amounts determined for each fiscal year were determined as of the calendar year-end and occurred within the fiscal year.

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

Changes in benefit terms. There were no changes of benefit terms for any participating employer in the Wisconsin Retirement System.

Changes in assumptions. Based on a three-year experience study conducted in 2021 covering January 1, 2018 through December 31, 2020, the ETF 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

SUPPLEMENTARY INFORMATION

Village of Kewaskum

Combining Balance Sheet -
Nonmajor Governmental Funds
December 31, 2023

	Special Revenue Funds			
	Library Fund	Rescue Squad Fund	Stormwater Utility - District 1 Fund	Stormwater Utility - District 2 Fund
Assets				
Cash and investments	\$ 869,879	\$ 201,845	\$ 68,680	\$ 93,926
Receivables (net):				
Taxes	105,947	-	-	-
Accounts	-	129,535	2,116	291
Total assets	<u>\$ 975,826</u>	<u>\$ 331,380</u>	<u>\$ 70,796</u>	<u>\$ 94,217</u>
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	\$ 672	\$ 1,050	\$ -	\$ -
Accrued liabilities	4,634	2,303	-	-
Due to other funds	-	-	-	-
Total liabilities	<u>5,306</u>	<u>3,353</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources				
Unearned revenues	105,948	-	-	-
Unavailable revenues	-	80,873	-	-
Total deferred inflows of resources	<u>105,948</u>	<u>80,873</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit)				
Restricted	864,572	-	-	-
Committed	-	247,154	70,796	94,217
Unassigned (deficit)	-	-	-	-
Total fund balances (deficit)	<u>864,572</u>	<u>247,154</u>	<u>70,796</u>	<u>94,217</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 975,826</u>	<u>\$ 331,380</u>	<u>\$ 70,796</u>	<u>\$ 94,217</u>

Special Revenue Funds	Permanent Funds		Capital Projects Fund	Capital Projects Fund	Total Nonmajor Governmental Funds
ARPA	KKCP Nature Trail Fund	Fickler Memorial Fund	TID 3	TID 4	
\$ 12,336	\$ 500	\$ 5,809	\$ -	\$ -	\$ 1,252,975
-	-	-	-	-	105,947
-	-	-	-	-	131,942
<u>\$ 12,336</u>	<u>\$ 500</u>	<u>\$ 5,809</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,490,864</u>
\$ -	\$ -	\$ -	\$ -	\$ 44,332	\$ 46,054
-	-	-	-	-	6,937
-	-	-	24,843	78,402	103,245
-	-	-	24,843	122,734	156,236
-	-	-	-	-	105,948
-	-	-	-	-	80,873
-	-	-	-	-	186,821
-	500	5,809	-	-	870,881
-	-	-	-	-	412,167
12,336	-	-	(24,843)	(122,734)	(135,241)
<u>12,336</u>	<u>500</u>	<u>5,809</u>	<u>(24,843)</u>	<u>(122,734)</u>	<u>1,147,807</u>
<u>\$ 12,336</u>	<u>\$ 500</u>	<u>\$ 5,809</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,490,864</u>

Village of Kewaskum

Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
 Nonmajor Governmental Funds
 Year Ended December 31, 2023

	Special Revenue Funds			
	Library Fund	Rescue Squad Fund	Stormwater Utility - District 1 Fund	Stormwater Utility - District 2 Fund
Revenues				
Taxes	\$ 105,948	\$ -	\$ -	\$ -
Intergovernmental	108,860	14,353	-	-
Public charges for services	-	277,772	5,659	9,548
Investment income	44,660	-	-	-
Miscellaneous revenues	6,851	6,564	-	-
Total revenues	<u>266,319</u>	<u>298,689</u>	<u>5,659</u>	<u>9,548</u>
Expenditures				
Current:				
Public safety	-	213,364	-	-
Culture, recreation and education	229,247	-	-	-
Conservation and development	-	-	-	-
Capital outlay	2,201	41,956	-	-
Total expenditures	<u>231,448</u>	<u>255,320</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>34,871</u>	<u>43,369</u>	<u>5,659</u>	<u>9,548</u>
Other Financing Sources				
Transfers out	-	-	-	-
Transfer in	2,741	4,701	-	-
Total other financing sources	<u>2,741</u>	<u>4,701</u>	<u>-</u>	<u>-</u>
Net change in fund balances	37,612	48,070	5,659	9,548
Fund Balances, Beginning	<u>826,960</u>	<u>199,084</u>	<u>65,137</u>	<u>84,669</u>
Fund Balances (Deficit), Ending	<u>\$ 864,572</u>	<u>\$ 247,154</u>	<u>\$ 70,796</u>	<u>\$ 94,217</u>

Special Revenue Funds	Permanent Funds		Capital Projects Fund	Capital Projects Fund	Total Nonmajor Governmental Funds
ARPA	KKCP Nature Trail Fund	Fickler Memorial Fund	TID 3	TID 4	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 105,948
330,073	-	-	-	-	453,286
-	-	-	-	-	292,979
13,578	-	-	-	-	58,238
-	-	-	-	-	13,415
<u>343,651</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>923,866</u>
-	-	-	-	-	213,364
-	-	-	-	-	229,247
-	-	-	5,099	2,892	7,991
<u>-</u>	<u>-</u>	<u>-</u>	<u>13,650</u>	<u>119,842</u>	<u>177,649</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>18,749</u>	<u>122,734</u>	<u>628,251</u>
<u>343,651</u>	<u>-</u>	<u>-</u>	<u>(18,749)</u>	<u>(122,734)</u>	<u>295,615</u>
(336,772)	-	-	-	-	(336,772)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,442</u>
<u>(336,772)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(329,330)</u>
6,879	-	-	(18,749)	(122,734)	(33,715)
<u>5,457</u>	<u>500</u>	<u>5,809</u>	<u>(6,094)</u>	<u>-</u>	<u>1,181,522</u>
<u>\$ 12,336</u>	<u>\$ 500</u>	<u>\$ 5,809</u>	<u>\$ (24,843)</u>	<u>\$ (122,734)</u>	<u>\$ 1,147,807</u>