

VILLAGE OF YORKVILLE, WISCONSIN

Annual Financial Report

December 31, 2022

VILLAGE OF YORKVILLE, WISCONSIN

Table of Contents

December 31, 2022

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT	1 – 3
BASIC FINANCIAL STATEMENTS	
Statement of Net Position	4
Statement of Activities	5 – 6
Balance Sheet – Governmental Funds	7
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position	8
Statement of Revenues, Expenditures and Changes in Fund Balance (Deficit) – Governmental Funds	9
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance (Deficit) of the Governmental Funds to the Statement of Activities	10
Statement of Net Position – Proprietary Funds	11
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds	12
Statement of Cash Flows – Proprietary Funds	13
Statement of Fiduciary Net Position – Fiduciary Fund	14
Statement of Change in Fiduciary Net Position – Fiduciary Fund	15
Notes to Financial Statements	16 – 37
REQUIRED SUPPLEMENTARY INFORMATION	
Schedules of Employer's Proportionate Share of the Net Pension Liability (Asset) and Employer Contributions – Wisconsin Retirement System	38
Schedule of Budgetary Comparison – General Fund	39
Notes to Required Supplementary Information	40
OTHER INFORMATION	
Schedule of Water, Wastewater, and Stormwater Utilities Operating Revenues and Expenses	41
Schedule of Detailed Budgetary Comparison – General Fund	42 – 44



Independent Auditors' Report

To the Village Board
Village of Yorkville
Union Grove, Wisconsin

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Yorkville, Wisconsin (Village), as of and for the year ended December 31, 2022, 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 of Yorkville, Wisconsin, as of December 31, 2022, 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the audit of the Financial Statements section of our report. We are required to be independent of the Village, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

To the Village Board
Village of Yorkville

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the schedules of employer's proportionate share of the net pension liability (asset) and employer contributions – Wisconsin Retirement System and the schedule of budgetary comparison – general fund information on pages 38 through 40 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.

To the Village Board
Village of Yorkville

Required Supplementary Information (Continued)

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

Other Information

Management is responsible for the other information included in this annual financial report. The other information comprises the schedule of water, wastewater and stormwater utilities operating revenues and expenses and schedule of detailed budgetary comparison – general fund but does not include the financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Prior Year Summarized Information

We previously audited the Village's 2021 financial statements and we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information in our report dated September 2, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material aspects, with the audited financial statements from which it has been derived.

KerberRose SC

KerberRose SC
Certified Public Accountants

Oshkosh, Wisconsin
August 16, 2023

BASIC FINANCIAL STATEMENTS

VILLAGE OF YORKVILLE, WISCONSIN

Statement of Net Position

As of December 31, 2022

With Summarized Information from December 31, 2021

	Governmental Activities	Business- Type Activities	Total	
			2022	2021
ASSETS				
Current Assets				
Cash and Investments	\$ 1,194,493	\$ 1,717,303	\$ 2,911,796	\$ 813,078
Receivables:				
Taxes	1,789,667	-	1,789,667	1,403,225
Accounts	11,079	127,699	138,778	143,260
Special Assessments	31,097	-	31,097	31,098
Other	-	-	-	1,259
Internal Balances	(770,215)	770,215	-	-
Inventories	-	4,986	4,986	4,986
Total Current Assets	<u>2,256,121</u>	<u>2,620,203</u>	<u>4,876,324</u>	<u>2,396,906</u>
Noncurrent Assets				
Restricted Cash	515,860	395,950	911,810	983,482
Leases Receivables	-	142,554	142,554	-
Net Pension Asset	59,004	-	59,004	43,961
Capital Assets:				
Capital Assets Not Being Depreciated	20,992	60,393	81,385	61,611
Capital Assets, Net of Depreciation	4,666,830	11,752,899	16,419,729	11,259,010
Total Noncurrent Assets	<u>5,262,686</u>	<u>12,351,796</u>	<u>17,614,482</u>	<u>12,348,064</u>
Total Assets	<u>7,518,807</u>	<u>14,971,999</u>	<u>22,490,806</u>	<u>14,744,970</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows of Resources Related to Pension	116,138	-	116,138	74,598
LIABILITIES				
Current Liabilities				
Accounts Payable	100,862	150,110	250,972	1,183,365
Accrued Liabilities	10,501	8,087	18,588	18,939
Accrued Interest	-	34,494	34,494	612
Deposits	74,524	-	74,524	86,000
Deferred Revenue	31,097	-	31,097	31,098
Due to Other Governments	200,000	-	200,000	250,000
Current Portion of Long-Term Debt	-	360,988	360,988	27,922
Total Current Liabilities	<u>416,984</u>	<u>553,679</u>	<u>970,663</u>	<u>1,597,936</u>
Long-Term Liabilities				
Noncurrent Portion of Long-Term Debt	-	7,551,450	7,551,450	760,000
Total Liabilities	<u>416,984</u>	<u>8,105,129</u>	<u>8,522,113</u>	<u>2,357,936</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows Related to Pension	138,871	-	138,871	96,259
Deferred Inflows Related to Leases	-	142,554	142,554	-
Taxes Levied for Subsequent Year	2,453,810	-	2,453,810	1,860,968
Total Deferred Inflows of Resources	<u>2,592,681</u>	<u>142,554</u>	<u>2,735,235</u>	<u>1,957,227</u>
NET POSITION				
Net Investment in Capital Assets	4,687,822	3,900,854	8,588,676	11,320,621
Restricted	36,271	395,950	432,221	306,458
Unrestricted (Deficit)	(98,813)	2,427,512	2,328,699	(1,122,674)
TOTAL NET POSITION	<u>\$ 4,625,280</u>	<u>\$ 6,724,316</u>	<u>\$ 11,349,596</u>	<u>\$ 10,504,405</u>

VILLAGE OF YORKVILLE, WISCONSIN

Statement of Activities

For the Year Ended December 31, 2022

With Summarized Information from December 31, 2021

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Contributions</u>
GOVERNMENTAL ACTIVITIES				
General Government	\$ 492,856	\$ 74,046	\$ 47,338	\$ -
Public Safety	437,320	514	29,516	-
Public Works	651,099	134,860	131,387	163,806
Culture and Recreation	20,700	30	-	-
Health and Human Services	3,740	-	-	-
Conservation and Development	1,987,565	-	-	-
Total Governmental Activities	<u>3,593,280</u>	<u>209,450</u>	<u>208,241</u>	<u>163,806</u>
BUSINESS-TYPE ACTIVITIES				
Water Utility	176,004	248,076	-	-
Wastewater Utility	656,060	386,118	-	1,930,015
Stormwater Utility	2,569	55,697	-	-
Total Business-Type Activities	<u>834,633</u>	<u>689,891</u>	<u>-</u>	<u>1,930,015</u>
TOTAL	<u>\$ 4,427,913</u>	<u>\$ 899,341</u>	<u>\$ 208,241</u>	<u>\$ 2,093,821</u>

GENERAL REVENUES

Taxes:

Property Taxes, Levied for General Purposes

Other Taxes

Room Tax

Intergovernmental Revenues not Restricted to Specific Programs

Special Assessments

Investment Income

Insurance Recoveries

Miscellaneous

Total General Revenues

TRANSFERS

CHANGE IN NET POSITION

NET POSITION - BEGINNING OF YEAR

NET POSITION - END OF YEAR

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

Governmental Activities	Business-Type Activities	Total	
		2022	2021
\$ (371,472)	\$ -	\$ (371,472)	\$ 77,341
(407,290)	-	(407,290)	(293,930)
(221,046)	-	(221,046)	(761,633)
(20,670)	-	(20,670)	(11,750)
(3,740)	-	(3,740)	(29,952)
(1,987,565)	-	(1,987,565)	(1,449,630)
<u>(3,011,783)</u>	<u>-</u>	<u>(3,011,783)</u>	<u>(2,469,554)</u>
-	72,072	72,072	75,892
-	1,660,073	1,660,073	1,440,858
-	53,128	53,128	32,696
<u>-</u>	<u>1,785,273</u>	<u>1,785,273</u>	<u>1,549,446</u>
<u>(3,011,783)</u>	<u>1,785,273</u>	<u>(1,226,510)</u>	<u>(920,108)</u>
1,858,287	-	1,858,287	1,427,598
26,274	-	26,274	56,409
6,496	-	6,496	3,805
84,324	-	84,324	84,371
-	-	-	5,118
27,119	26,356	53,475	3,244
-	19,774	19,774	8,582
23,071	-	23,071	34,446
<u>2,025,571</u>	<u>46,130</u>	<u>2,071,701</u>	<u>1,623,573</u>
<u>3,466,061</u>	<u>(3,466,061)</u>	<u>-</u>	<u>-</u>
2,479,849	(1,634,658)	845,191	703,465
<u>2,145,431</u>	<u>8,358,974</u>	<u>10,504,405</u>	<u>9,800,940</u>
<u>\$ 4,625,280</u>	<u>\$ 6,724,316</u>	<u>\$ 11,349,596</u>	<u>\$ 10,504,405</u>

See Accompanying Notes

VILLAGE OF YORKVILLE, WISCONSIN
 Balance Sheet
 Governmental Funds
 As of December 31, 2022
 With Summarized Information from December 31, 2021

	General	TID No. 1	Total	
			2022	2021
ASSETS				
Cash and Investments	\$ 1,194,493	\$ -	\$ 1,194,493	\$ 440,954
Restricted Cash	234,157	281,703	515,860	699,324
Receivables				
Taxes	1,170,645	619,022	1,789,667	1,403,225
Accounts	11,079	-	11,079	17,888
Special Assessments	31,097	-	31,097	31,098
Due from Other Fund	2,471,920	-	2,471,920	23,017
Advances from Other Funds	819,438	-	819,438	819,438
TOTAL ASSETS	<u>\$ 5,932,829</u>	<u>\$ 900,725</u>	<u>\$ 6,833,554</u>	<u>\$ 3,434,944</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)				
Liabilities				
Accounts Payable	\$ 100,862	\$ -	\$ 100,862	\$ 123,467
Accrued Liabilities	10,501	-	10,501	9,601
Short Term Notes Payable	-	-	-	760,000
Deposits	74,524	-	74,524	86,000
Due to Other Funds	150,567	2,917,538	3,068,105	1,610,964
Advances to Other Funds	-	993,468	993,468	843,483
Due to Other Governments	-	200,000	200,000	250,000
Total Liabilities	<u>336,454</u>	<u>4,111,006</u>	<u>4,447,460</u>	<u>3,683,515</u>
Deferred Inflows of Resources				
Special Assessments	31,097	-	31,097	-
Taxes Levied for Subsequent Year	1,553,085	900,725	2,453,810	1,860,969
Total Deferred Inflows of Resources	<u>1,584,182</u>	<u>900,725</u>	<u>2,484,907</u>	<u>1,860,969</u>
Fund Balance (Deficit)				
Nonspendable	819,438	-	819,438	819,438
Unassigned (Deficit)	3,192,755	(4,111,006)	(918,251)	(2,928,978)
Total Fund Balance (Deficit)	<u>4,012,193</u>	<u>(4,111,006)</u>	<u>(98,813)</u>	<u>(2,109,540)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)	<u>\$ 5,932,829</u>	<u>\$ 900,725</u>	<u>\$ 6,833,554</u>	<u>\$ 3,434,944</u>

VILLAGE OF YORKVILLE, WISCONSIN
 Reconciliation of the Balance Sheet
 Governmental Funds to the Statement of Net Position
 As of December 31, 2022
 With Summarized Information from December 31, 2021

	2022	2021
Total Fund Balance (Deficit)- Governmental Fund	\$ (98,813)	\$ (2,109,540)
Total net position reported for governmental activities in the statement of net position is different from the amount reported above as total governmental fund balance (deficit) because:		
Capital assets used in government activities are not financial resources and therefore are not reported in the fund statements. Amounts reported for governmental activities in the statement of net position:		
Governmental Capital Assets	\$ 6,433,038	
Governmental Accumulated Depreciation	(1,745,216)	4,687,822
		4,263,768
The Village's proportionate share of the Wisconsin Retirement System pension plan is not an available financial resource; therefore, it is not reported in the fund financial statements.		
Net Pension Asset	59,004	
Deferred Outflows of Resources Related to Pension	116,138	
Deferred Inflows of Resources Related to Pension	(138,871)	36,271
		22,300
Total Net Position - Governmental Activities	\$ 4,625,280	\$ 2,176,528

VILLAGE OF YORKVILLE, WISCONSIN

Statement of Revenues, Expenditures, and Changes in Fund Balance (Deficit)

Governmental Funds

For the Year Ended December 31, 2022

With Summarized Information from December 31, 2021

	General	TID No. 1	Total	
			2022	2021
REVENUES				
Taxes	\$ 1,332,354	\$ 558,703	\$ 1,891,057	\$ 1,487,812
Special Assessments	-	-	-	5,118
Intergovernmental	456,371	-	456,371	436,258
Licenses and Permits	159,525	-	159,525	171,499
Fines, Forfeitures and Penalties	514	-	514	183
Public Charges for Services	49,411	-	49,411	49,296
Miscellaneous	50,190	-	50,190	35,746
Total Revenues	<u>2,048,365</u>	<u>558,703</u>	<u>2,607,068</u>	<u>2,185,912</u>
EXPENDITURES				
Current:				
General Government	461,337	25,233	486,570	497,616
Public Safety	437,320	-	437,320	320,519
Public Works	1,076,887	1,776	1,078,663	1,012,787
Culture and Recreation	20,700	-	20,700	12,000
Health and Human Services	3,740	-	3,740	29,952
Conservation and Development	31,466	103,528	134,994	118,890
Capital Outlay	16,747	1,852,571	1,869,318	1,342,673
Total Expenditures	<u>2,048,197</u>	<u>1,983,108</u>	<u>4,031,305</u>	<u>3,334,437</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>168</u>	<u>(1,424,405)</u>	<u>(1,424,237)</u>	<u>(1,148,525)</u>
OTHER FINANCING SOURCE (USE)				
Transfer In	3,602,671	-	3,602,671	17,714
Transfer Out	-	(136,610)	(136,610)	(1,176,906)
Total Other Financing Source (Use)	<u>3,602,671</u>	<u>(136,610)</u>	<u>3,466,061</u>	<u>(1,159,192)</u>
NET CHANGE IN FUND BALANCE (DEFICIT)	<u>3,602,839</u>	<u>(1,561,015)</u>	<u>2,041,824</u>	<u>(2,307,717)</u>
FUND BALANCE (DEFICIT) - BEGINNING - AS RESTATED	<u>409,354</u>	<u>(2,549,991)</u>	<u>(2,140,637)</u>	<u>198,177</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ 4,012,193</u>	<u>\$ (4,111,006)</u>	<u>\$ (98,813)</u>	<u>\$ (2,109,540)</u>

VILLAGE OF YORKVILLE, WISCONSIN

Reconciliation of the Statement of Revenues, Expenditures and Change in Fund Balance (Deficit) -
Governmental Funds to the Statement of Activities

For the Year Ended December 31, 2022

With Summarized Information from December 31, 2021

	<u>2022</u>	<u>2021</u>
Net Change in Fund Balance (Deficit) - Total Governmental Fund	\$ 2,041,824	\$ (2,307,717)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay reported in governmental fund statements	\$ 631,046	
Depreciation expense reported in the statement of activities	<u>(206,992)</u>	
Amount by which capital outlays are more than depreciation in the current period.	424,054	278,501
Amounts related to the pension that do not use current financial resources and therefore, are not reported in the fund financial statements.	<u>13,971</u>	<u>13,516</u>
Change in Net Position - Governmental Activities	<u>\$ 2,479,849</u>	<u>(2,015,700)</u>

VILLAGE OF YORKVILLE, WISCONSIN

Statement of Net Position

Proprietary Funds

As of December 31, 2022

With Summarized Information from December 31, 2021

	<u>Water</u>	<u>Wastewater</u>	<u>Stormwater</u>	<u>Totals</u>	
	<u>Utility</u>	<u>Utility</u>	<u>Utility</u>	<u>2022</u>	<u>2021</u>
CURRENT ASSETS					
Cash and Investments	\$ 1,105,325	\$ 540,151	\$ 71,827	\$ 1,717,303	\$ 372,124
Customer Accounts Receivable	27,824	99,875	-	127,699	125,372
Other Accounts Receivable	-	-	-	-	1,259
Due From Other Funds	121,580	2,917,538	55,725	3,094,843	1,587,947
Inventories	4,986	-	-	4,986	4,986
Total Current Assets	<u>1,259,715</u>	<u>3,557,564</u>	<u>127,552</u>	<u>4,944,831</u>	<u>2,091,688</u>
NON-CURRENT ASSETS					
Restricted Cash	266,658	129,292	-	395,950	284,158
Leases Receivables	142,554	-	-	142,554	-
Advances from Other Funds	174,030	-	-	174,030	794,440
Capital Assets:					
Land	10,000	30,619	-	40,619	40,619
Construction in Progress	19,774	-	-	19,774	-
Plant in Service	3,050,245	10,714,823	-	13,765,068	8,838,150
Accumulated Depreciation	(1,031,084)	(981,085)	-	(2,012,169)	(1,821,916)
Total Non-Current Assets	<u>2,632,177</u>	<u>9,893,649</u>	<u>-</u>	<u>12,525,826</u>	<u>8,135,451</u>
Total Assets	<u>3,891,892</u>	<u>13,451,213</u>	<u>127,552</u>	<u>17,470,657</u>	<u>10,227,139</u>
CURRENT LIABILITIES					
Current Portion of Long-Term Debt	-	360,988	-	360,988	27,922
Accounts Payable	17,806	132,304	-	150,110	1,059,898
Due to Other Funds	-	2,498,658	-	2,498,658	770,395
Accrued Liabilities	2,581	5,506	-	8,087	9,338
Accrued Interest	-	34,494	-	34,494	612
Total Current Liabilities	<u>20,387</u>	<u>3,031,950</u>	<u>-</u>	<u>3,052,337</u>	<u>1,868,165</u>
NON-CURRENT LIABILITIES					
Noncurrent Portion of Long-Term Obligations	-	7,551,450	-	7,551,450	-
Deferred Inflows Related to Leases	142,554	-	-	142,554	-
Total Non-Current Liabilities	<u>142,554</u>	<u>7,551,450</u>	<u>-</u>	<u>7,694,004</u>	<u>-</u>
Total Liabilities	<u>162,941</u>	<u>10,583,400</u>	<u>-</u>	<u>10,746,341</u>	<u>1,868,165</u>
NET POSITION					
Net Investment in Capital Assets	2,048,935	1,851,919	-	3,900,854	7,056,853
Restricted	266,658	129,292	-	395,950	284,158
Unrestricted	1,413,358	886,602	127,552	2,427,512	1,017,963
TOTAL NET POSITION	<u>\$ 3,728,951</u>	<u>\$ 2,867,813</u>	<u>\$ 127,552</u>	<u>\$ 6,724,316</u>	<u>\$ 8,358,974</u>

VILLAGE OF YORKVILLE, WISCONSIN
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2022
With Summarized Information from December 31, 2021

	Water Utility	Wastewater Utility	Stormwater Utility	Totals	
				2022	2021
OPERATING REVENUES	\$ 213,461	\$ 386,118	\$ 55,697	\$ 655,276	\$ 693,765
OPERATING EXPENSES					
Operation and Maintenance	110,721	412,498	2,413	525,632	486,986
Depreciation	62,922	127,456	-	190,378	122,553
Taxes	2,361	358	-	2,719	2,807
Total Operating Expenses	<u>176,004</u>	<u>540,312</u>	<u>2,413</u>	<u>718,729</u>	<u>612,346</u>
OPERATING INCOME (LOSS)	<u>37,457</u>	<u>(154,194)</u>	<u>53,284</u>	<u>(63,453)</u>	<u>81,419</u>
NON-OPERATING REVENUES (EXPENSE)					
Rental Income	34,615	-	-	34,615	35,551
Federal Grants	-	-	-	-	5,622
Investment Income	18,246	8,049	61	26,356	1,944
Interest Expense	-	(115,748)	(156)	(115,904)	(919)
Miscellaneous	19,774	-	-	19,774	8,582
Total Non-Operating Revenues (Expense)	<u>72,635</u>	<u>(107,699)</u>	<u>(95)</u>	<u>(35,159)</u>	<u>50,780</u>
INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	<u>110,092</u>	<u>(261,893)</u>	<u>53,189</u>	<u>(98,612)</u>	<u>132,199</u>
TRANSFERS IN	118,896	-	-	118,896	1,176,907
TRANSFERS OUT	-	(3,584,957)	-	(3,584,957)	(17,714)
CAPITAL CONTRIBUTIONS	<u>-</u>	<u>1,930,015</u>	<u>-</u>	<u>1,930,015</u>	<u>1,427,773</u>
CHANGE IN NET POSITION	228,988	(1,916,835)	53,189	(1,634,658)	2,719,165
NET POSITION - BEGINNING	<u>3,499,963</u>	<u>4,784,648</u>	<u>74,363</u>	<u>8,358,974</u>	<u>5,639,809</u>
NET POSITION - ENDING	<u>\$ 3,728,951</u>	<u>\$ 2,867,813</u>	<u>\$ 127,552</u>	<u>\$ 6,724,316</u>	<u>\$ 8,358,974</u>

VILLAGE OF YORKVILLE, WISCONSIN
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2022
With Summarized Information from December 31, 2021

	Water Utility	Wastewater Utility	Stormwater Utility	Totals	
				2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Received from Customers	\$ 213,184	\$ 385,327	\$ 55,697	\$ 654,208	\$ 696,047
Cash Paid to Suppliers for Goods and Services	(63,929)	(1,252,613)	(2,413)	(1,318,955)	(420,883)
Cash Paid to Employees for Services	(35,550)	(84,885)	-	(120,435)	(99,887)
Net Cash Flows From Operating Activities	<u>113,705</u>	<u>(952,171)</u>	<u>53,284</u>	<u>(785,182)</u>	<u>175,277</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers from Other Funds	118,896	-	182	119,078	1,176,907
Transfers to Other Funds	(21,481)	(3,584,957)	-	(3,606,438)	(17,714)
Cash Paid to Municipality	640,184	(1,485,597)	-	(845,413)	(1,625,409)
Cash Received from Other Entities	-	1,728,263	-	1,728,263	776,377
Capital Contributions	-	1,930,015	-	1,930,015	1,433,395
Net Cash Flows From Noncapital Financing Activities	<u>737,599</u>	<u>(1,412,276)</u>	<u>182</u>	<u>(674,495)</u>	<u>1,743,556</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Rental Income Received	34,615	-	-	34,615	35,551
Investment Income Received	18,246	8,049	61	26,356	1,944
Net Cash Flows From Investing Activities	<u>52,861</u>	<u>8,049</u>	<u>61</u>	<u>60,971</u>	<u>37,495</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of Capital Assets	(39,775)	(4,907,042)	-	(4,946,817)	(2,559,127)
Principal Paid	-	-	(27,922)	(27,922)	(27,174)
Debt Proceeds	-	7,912,438	-	7,912,438	-
Interest Paid	-	(81,254)	(768)	(82,022)	(1,515)
Net Cash Flows From Capital and Related Financing Activities	<u>(39,775)</u>	<u>2,924,142</u>	<u>(28,690)</u>	<u>2,855,677</u>	<u>(2,587,816)</u>
NET CHANGE IN CASH AND INVESTMENTS	<u>864,390</u>	<u>567,744</u>	<u>24,837</u>	<u>1,456,971</u>	<u>(631,488)</u>
CASH AND INVESTMENTS - BEGINNING	<u>507,593</u>	<u>101,699</u>	<u>46,990</u>	<u>656,282</u>	<u>1,287,770</u>
CASH AND INVESTMENTS - ENDING	<u>\$ 1,371,983</u>	<u>\$ 669,443</u>	<u>\$ 71,827</u>	<u>\$ 2,113,253</u>	<u>\$ 656,282</u>
RECONCILIATION OF CASH AND INVESTMENTS PER STATEMENT OF NET POSITION TO STATEMENT OF CASH FLOWS					
Unrestricted Cash and Investments	\$ 1,105,325	\$ 540,151	\$ 71,827	\$ 1,717,303	\$ 372,124
Restricted Cash and Investments	266,658	129,292	-	395,950	284,158
CASH AND INVESTMENTS PER STATEMENT OF CASH FLOWS	<u>\$ 1,371,983</u>	<u>\$ 669,443</u>	<u>\$ 71,827</u>	<u>\$ 2,113,253</u>	<u>\$ 656,282</u>
CASH FLOWS FROM OPERATING ACTIVITIES					
Operating Income (Loss)	\$ 37,457	\$ (154,194)	\$ 53,284	\$ (63,453)	\$ 81,419
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows from Operating Activities:					
Non-Cash Items Included in Income:					
Depreciation	62,922	127,456	-	190,378	122,553
Meter Expense	1,255	(1,255)	-	-	-
Changes in Operating Assets and Liabilities:					
Accounts Receivable	(277)	(2,050)	-	(2,327)	2,282
Other Accounts Receivable	-	1,259	-	1,259	-
Accounts Payable	12,766	(922,554)	-	(909,788)	(31,977)
Accrued Liabilities	(418)	(833)	-	(1,251)	1,000
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 113,705</u>	<u>\$ (952,171)</u>	<u>\$ 53,284</u>	<u>\$ (785,182)</u>	<u>\$ 175,277</u>

VILLAGE OF YORKVILLE, WISCONSIN
Statement of Fiduciary Net Position
Fiduciary Fund
As of December 31, 2022
With Summarized Information from December 31, 2021

	Custodial	
	Tax Collection	
	Fund	
	2022	2021
ASSETS		
Restricted Cash and Investments	\$ 3,185,514	\$ 3,055,311
Taxes Receivable	6,999,946	6,987,292
Total Assets	10,185,460	10,042,603
LIABILITIES		
Due to Other Taxing Units	10,185,460	10,042,604
NET POSITION		
Restricted	\$ -	\$ -

See Accompanying Notes

VILLAGE OF YORKVILLE, WISCONSIN
Statement of Change in Fiduciary Net Position
Fiduciary Fund
For the Year Ended December 31, 2022
With Summarized Information from December 31, 2021

	Custodial Tax Collection Fund	
	2022	2021
ADDITIONS		
Taxes Collected on Behalf of Other Taxing Entities	\$ 6,581,538	\$ 6,402,801
DEDUCTIONS		
Taxes Remitted to Other Taxing Entities	6,581,538	6,402,801
CHANGE IN NET POSITION	-	-
NET POSITION - BEGINNING	-	-
NET POSITION - ENDING	\$ -	\$ -

VILLAGE OF YORKVILLE, WISCONSIN

Notes to Financial Statements

December 31, 2022

Note 1 - Summary of Significant Accounting Policies

This summary of significant accounting policies of the Village of Yorkville (Village) is presented to assist in understanding the Village's financial statements. The financial statements and notes are representations of the Village's management who is responsible for the integrity and objectivity of the financial statements. These accounting policies conform to generally accepted accounting principles (GAAP) and have been consistently applied in the preparation of the financial statements. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the Village are discussed below.

Reporting Entity

This report includes all of the funds of the Village. The reporting entity for the Village consists of the primary government. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government. The Village has no component units.

Government-Wide Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Village. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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. 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, 2) operating grants and contributions, and 3) capital grants and contributions. Taxes and other items not properly included as program revenues are reported instead as general revenues.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments for charges which would distort the direct costs and program revenues reported for the various functions concerned.

Fund Financial Statements

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

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 utility enterprise funds are charges to customers for sales and services. The general fund collects the stormwater charges through the tax roll and then it gets transferred to the stormwater utility. Operating expenses for enterprise 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.

VILLAGE OF YORKVILLE, WISCONSIN

Notes to Financial Statements

December 31, 2022

Note 1 - Summary of Significant Accounting Policies (Continued)

Fund Financial Statements (Continued)

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

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 plus deferred outflows of resources, liabilities plus deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or proprietary fund are at least 10 percent of the corresponding total for all funds of that category or type and
- b. The same element that met the 10 percent criterion in (a) is at least 5 percent of the corresponding element total for all governmental and proprietary funds combined.
- c. In addition, any other governmental fund that the Village believes is particularly important to financial statement users may be reported as a major fund.

Governmental Funds

General Fund

The general fund is the primary operating fund of the Village and is always classified as a major fund. It is used to account for all financial resources except those required to be accounted for in another fund.

Capital Projects Fund

The capital projects fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

Proprietary Funds

Enterprise Funds

Enterprise funds may be used to account for activities where a fee is charged to external users for goods and services. Enterprise activities must include operations (a) that are financed with debt that is secured solely by the pledge of the net revenues of the fund, or (b) where laws or regulations require that the costs of the activity be recovered with fees and charges or (c) where the fees and charges are priced in a way designed to recover the costs of the activity.

Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or custodial capacity for others and therefore are not available to support Village programs. The reporting focus is on net position and changes in net position and are reported using accounting principles similar to proprietary funds. Because by definition these assets are being held for the benefit of a third party (such as other local governments) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

VILLAGE OF YORKVILLE, WISCONSIN

Notes to Financial Statements

December 31, 2022

Note 1 - Summary of Significant Accounting Policies (Continued)

Fund Financial Statements (Continued)

Fiduciary Funds (Continued)

Custodial Funds

Custodial funds are used to account for assets held by the Village as a custodian for individuals, private organizations, and/or other governmental units.

Major Funds

The Village reports the following major governmental funds:

General Fund - which accounts for the Village's primary operating activities.

Tax Incremental District #1 – which accounts for the Village's capital projects fund.

The Village reports the following major proprietary funds:

Water Utility - which operates the water distribution system.

Wastewater Utility - which operates the sewage treatment plant, sewage pumping stations and collection systems.

Stormwater Utility - which operates the stormwater system.

Fiduciary Fund

The Village reports the following custodial fund:

Tax Collection Fund - which accounts for taxes and deposits collected by the Village, acting in the capacity of a custodian, for distribution to other governmental units or designated beneficiaries.

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources (current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources) or economic resources (all assets, deferred outflows of resources, liabilities, and deferred inflows of resources). The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

VILLAGE OF YORKVILLE, WISCONSIN

Notes to Financial Statements

December 31, 2022

Note 1 - Summary of Significant Accounting Policies (Continued)

Measurement Focus and Basis of Accounting (Continued)

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

Cash and Investments

Cash deposits consist of demand and time deposits with financial institutions and are carried at cost. For purposes of the statement of cash flows, all cash deposits and highly liquid investments (including restricted assets) with a maturity of three months or less from the date of acquisition are considered to be cash equivalents.

Restricted Cash

Governmental Funds - Certain assets of the governmental funds are classified as restricted assets because their use is restricted for tax collections for the subsequent year budget as well as cash that has been collected for building deposits.

Enterprise Funds - Cash has been set aside to provide for replacement of certain water and sewer utility plant equipment.

Fiduciary Funds - Cash has been set aside to provide for advance tax collections of other taxing units.

Accounts Receivable

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

Inventories

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

Lease Receivable

The government as a lessor recognizes lease receivables and deferred inflow of resources at the commencement of the lease term, with certain exceptions for leases of assets held as investments, certain regulated leases; unless the lease is short-term, or ownership is transferred of the underlying asset. As the lessor the government continues to recognize assets underlying leases to others. The lease receivables are measured at the present value of lease payments expected to be received during the lease term. The deferred inflow of resources should be measured at the value of the lease receivable plus any payments received at or on before the commencement of the lease term that relate to future periods.

VILLAGE OF YORKVILLE, WISCONSIN

Notes to Financial Statements

December 31, 2022

Note 1 - Summary of Significant Accounting Policies (Continued)

Special Assessments

Deferred special assessments consist of capital projects constructed through Village capital. In governmental fund financial statements, special assessments are recorded as receivables and deferred inflows of resources when the related capital outlays are made and are recorded as revenues when due and payable. In the government-wide financial statements, special assessments are recorded as receivables and deferred revenue when the capital outlays are made. All special assessments will become due if the parcels of land are used for purposes other than residential housing or farming. Special assessment receivables that become delinquent are added to the general tax roll. The method of enforcing collections is the same as for general Village taxes.

Capital Assets

Government-Wide Statements

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost of \$2,500 or higher for governmental activities. Infrastructure improvements with a cost of \$20,000 or more are capitalized. For business-type activities, the threshold for capitalization is based on the Wisconsin Public Service Commission. Both also have an estimated useful life in excess of one year.

Capital assets are reported at actual or estimated historical cost. Donated assets are reported at estimated acquisition value at the time received.

General infrastructure assets acquired or constructed prior to January 1, 2004 are not reported in the financial statements as allowed by accounting principles generally accepted in the United States of America.

Depreciation is used to allocate the actual or estimated historical cost of all capital assets over their estimated useful lives.

Fund Financial Statements

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

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

Property, plant and equipment of the Village are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years	
	Governmental Activities	Business-Type Activities
Buildings	20 - 40	20 - 50
Improvements	10 - 20	20 - 100
Plant, Machinery and Equipment	2 - 15	4 - 10
Infrastructure	20 - 50	-

VILLAGE OF YORKVILLE, WISCONSIN

Notes to Financial Statements

December 31, 2022

Note 1 - Summary of Significant Accounting Policies (Continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense) until then. The Village has one item that qualifies for reporting in this category. Accordingly, deferred outflows related to the pension plan are reported in the statement of net position. See Note 10 for details on the pension plan.

In addition to liabilities, the statement of net position and balance sheet report a separate section for deferred inflows of resources. The separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position or fund balance that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time.

The government-wide financial statement has three items that qualify for reporting in this category. Accordingly, taxes levied for subsequent year, deferred inflows related to leases and deferred inflows related to the pension plan are reported in the statement of net position. The governmental fund reports taxes levied for subsequent year and special assessments as deferred inflows of resources on the balance sheet. See Note 10 for details on the pension plan.

Pension

For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by 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.

Long-Term Obligations

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Long-term debt for the governmental funds is not reported as a liability in the governmental fund financial statements.

Regulated Municipal Utility

Yorkville Water Utility operates under service rules which are established by the Public Service Commission of Wisconsin. Rates charged are regulated by the Commission. The accounting records of the utility are maintained in accordance with the Uniform System of Accounts prescribed by the Public Service Commission.

The Yorkville Wastewater and Stormwater Utilities are not regulated.

Water, wastewater, and stormwater revenues are recorded based on actual service rendered; billings are made to customers through quarterly billings.

VILLAGE OF YORKVILLE, WISCONSIN

Notes to Financial Statements

December 31, 2022

Note 1 - Summary of Significant Accounting Policies (Continued)

Basis for Existing Rates

Water Utility - The Public Service Commission of Wisconsin approved a water rate increase in February 1998.

Wastewater Utility - The utility board approved the current rates during March 2019.

Stormwater Utility - The utility board approved the current rates during July 2011.

Interfund Transactions

Interfund transactions are reflected as either loans, services provided, reimbursements or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation and are referred to as either "due to/from other funds" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e. the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances." Advances between funds, as reported in the fund financial statements, are reported as nonspendable fund balance in applicable governmental funds to indicate that they are not available for appropriation and are not available financial resources.

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefitting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

Claims and Judgments

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental fund types. If they are not to be liquidated with expendable available financial resources, no liability is recognized in the governmental fund statements. The related expenditure is recognized when the liability is liquidated. Claims and judgments are recorded in the government-wide and proprietary funds statements as expenses when the related liabilities are incurred. There were no significant claims or judgments at year end.

Equity Classifications

Government-Wide Statements

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

- Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- Restricted component of net position - Consists of resources with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- Unrestricted component of net position - Net amount that does not meet the definition of "restricted" or "net investment in capital assets."

When both restricted and unrestricted resources are available for use, it is the Village's policy to use restricted resources first, then unrestricted resources as they are needed.

VILLAGE OF YORKVILLE, WISCONSIN

Notes to Financial Statements

December 31, 2022

Note 1 - Summary of Significant Accounting Policies (Continued)

Fund Financial Statements

Fund balance is classified as either 1) nonspendable, 2) restricted, 3) committed, 4) assigned, or 5) unassigned.

Nonspendable fund balance represents amounts that cannot be spent due to form (such as inventories and prepaid amounts) or amounts that must be maintained intact legally or contractually (such as the principal of a permanent fund).

Restricted fund balance represents amounts constrained for a specific purpose by external parties, constitutional provision or enabling legislation.

Committed fund balance represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority. It would require action by the same group to remove or change the constraints placed on the resources. The action to constrain resources must occur prior to year-end; however, the amount can be determined in the subsequent period. The Village Board is the decision-making authority that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance.

Assigned fund balance, in the general fund, represents amounts constrained by the Village Board for a specific intended purpose. The Village has not delegated that authority to others. Assigned fund balance in all other governmental funds represents any positive remaining amount after classifying nonspendable, restricted or committed fund balance.

Unassigned fund balance, in the general fund, represents amounts not classified as nonspendable, restricted, committed or assigned. The general fund is the only fund that would report a positive amount in the unassigned fund balance.

The Village, unless otherwise required by law or agreements, spends funds in the following order: restricted first, then committed, then assigned, and lastly unassigned.

The Village has not adopted a formal minimum fund balance policy.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results may differ from those estimates, and such differences may be material.

Leases

The Village adopted GASB Statement No. 87 for the year ended December 31, 2022 which requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. This statement established a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and deferred inflow of resources.

VILLAGE OF YORKVILLE, WISCONSIN

Notes to Financial Statements

December 31, 2022

Note 2 - Cash and Investments

The Village is authorized to invest its funds in accordance with Wisconsin Statutes. Allowable investments are as follows:

- Time deposits in any credit union, bank, savings bank or trust company maturing in three years or less.
- Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state. Also, bonds issued by a local exposition district, local professional baseball park district, or the University of Wisconsin Hospitals and Clinics Authority.
- Bonds or securities issued or guaranteed by the federal government.
- The Local Government Investment Fund and the Wisconsin Investment Trust.
- Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- Securities of an open-end management investment company or investment trust subject to various conditions and investment options.
- Repurchase agreements with public depositories, with certain conditions.

Additional restrictions could arise from local charters, ordinances, resolutions and grant regulations of the Village.

At December 31, 2022, the Village's bank balance of cash was \$779,796. The Village maintains its cash accounts at one financial institution. Custodial credit risk for deposits is the risk that in the event of a bank failure, the Village's deposits may not be returned. The Village does not have a deposit policy for custodial credit risk.

Deposits in each bank are insured by the FDIC up to \$250,000 for the combined amounts of all time and savings accounts (including NOW accounts) and up to \$250,000 for the combined amount of all interest and noninterest bearing demand deposit accounts.

Any losses caused by failure of public depositories are also covered by the State Deposit Guarantee Fund. The fund provides coverage of \$400,000 in each financial institution above the applicable insurance coverage provided by the FDIC. However, although the fund had reserves available at December 31, 2022, the future availability of resources to cover the losses cannot be projected because provisions of the 1985 Wisconsin Act 25 provided that the amount in the fund will be used to repay public depositors for losses until the appropriation is exhausted, at which time the fund will be abolished; therefore, the State Deposit Guarantee Fund is not considered in covered amounts noted below.

The following represents a summary of deposits as of December 31, 2022:

Fully insured deposits	\$	315,246
Uninsured		464,550
Total	\$	<u>779,796</u>

The difference between the bank balance and carrying value is due to outstanding checks and/or deposits in transit at December 31, 2022.

The Local Government Investment Pool (LGIP) is not registered with the U.S. Securities and Exchange Commission and does not publish credit quality ratings. An investment in the Fund is not a deposit with any bank and is neither insured nor guaranteed by the Federal Deposit Insurance Corporation, the United States Government or any state governmental agency of the Fund. Upon demand, cash can be withdrawn with interest from the Local Government Investment Pool. Investments in the Local Government Investment Pool are valued at amortized cost. The balance in the local government investment pool at December 31, 2022 was \$6,264,075.

Investments in the local government investment pool are not insured against losses arising from principal defaults on securities acquired by the pool.

VILLAGE OF YORKVILLE, WISCONSIN

Notes to Financial Statements

December 31, 2022

Note 3 - Property Taxes

The Village bills and collects its own property taxes and also levies for the Yorkville School District, Union Grove School District, Gateway Technical College, and Racine County.

Property taxes consist of taxes on real estate and personal property. They are levied during December and become an enforceable lien on property the following January 1. Property taxes are payable in various options depending on the type and amount. Personal property taxes are payable on or before January 31 in full. Real estate taxes are payable in full by January 31, or in two equal installments on or before January 31 and July 31. Real estate taxes not paid by July 31 are assumed by the County as part of the August tax settlement. Delinquent personal property taxes remain the collection responsibility of the Village.

Under 2011 Wisconsin Act 32, in 2011 and all future years, a municipality is allowed to increase its levy over the amount it levied in the prior year by the percentage increase in equalized value from net new construction or zero percent. Changes in debt service from one year to the next are generally exempt from this limit.

Note 4 - Interfund Receivables, Payables, Advances, and Transfers

Interfund receivables and payables between individual funds of the Village as of December 31, 2022, are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
Water Utility	General Fund	94,842	Public Fire Protection and Delinquent Utilities on Tax Roll
Wastewater Utility	TID #1	2,917,538	TID Administration
Stormwater Utility	General Fund	55,725	Special Charges on Tax Roll
Water Utility	Wastewater Utility	26,738	Cashflow for capital project
General Fund	Wastewater Utility	2,471,920	Cashflow for capital project
		<u>\$ 5,566,763</u>	

The following is a schedule of interfund advances which are not expected to be repaid in 2023:

<u>Advance From</u>	<u>Advance To</u>	<u>Balance</u>	<u>Purpose</u>
General Fund	TID #1	\$ 819,438	Capital Projects and TID Administration
Water Utility	TID #1	174,030	Capital Projects and TID Administration
		<u>\$ 993,468</u>	

Interfund transfers for the year ended December 31, 2022, are as follows:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	TID #1	\$ 17,714	Property Tax Equivalent
Water Utility	TID #1	118,896	Capital Projects and TID Administration
General Fund	Wastewater Utility	3,584,957	Capital Projects and TID Administration
		<u>\$ 3,721,567</u>	

VILLAGE OF YORKVILLE, WISCONSIN

Notes to Financial Statements

December 31, 2022

Note 5 - Restricted Assets

Restricted assets on December 31, 2022 totaled \$4,097,324 and consisted of cash and investments held for the following purposes:

Fund	Amount	Purpose
Governmental Funds:		
General Fund	\$ 234,157	Advance tax collections to finance 2023 operations and building bond deposits
TID #1	281,703	Advance tax collections to finance 2023 operations
Total Governmental Funds	<u>515,860</u>	
Fiduciary Fund:		
Tax Collection	<u>3,185,514</u>	Advance tax collections for other taxing jurisdictions
Enterprise Funds:		
Water Utility	266,658	To provide funds for equipment to maintain plant capacity
Wastewater Utility	129,292	To provide funds for equipment to maintain plant capacity
Total Enterprise Funds	<u>395,950</u>	
Total Restricted Assets	<u><u>\$ 4,097,324</u></u>	

Note 6 - Capital Assets

Capital asset balances and activity for the year ended December 31, 2022 were as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental Activities				
Capital Assets not Being Depreciated:				
Land and Improvements	\$ 20,992	\$ -	\$ -	\$ 20,992
Other Capital Assets:				
Buildings and Improvements	9,516	-	-	9,516
Machinery and Equipment	39,572	-	-	39,572
Infrastructure	5,731,912	631,046	-	6,362,958
Total Capital Assets Being Depreciated	<u>5,781,000</u>	<u>631,046</u>	<u>-</u>	<u>6,412,046</u>
Total Capital Assets	<u>5,801,992</u>	<u>631,046</u>	<u>-</u>	<u>6,433,038</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	(9,516)	-	-	(9,516)
Machinery and Equipment	(30,855)	(2,467)	-	(33,322)
Infrastructure	(1,497,853)	(204,525)	-	(1,702,378)
Total Accumulated Depreciation	<u>(1,538,224)</u>	<u>(206,992)</u>	<u>-</u>	<u>(1,745,216)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u><u>\$ 4,263,768</u></u>	<u><u>\$ 424,054</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 4,687,822</u></u>

VILLAGE OF YORKVILLE, WISCONSIN

Notes to Financial Statements

December 31, 2022

Note 6 - Capital Assets (Continued):

Business-Type Activities

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Water Utility				
Capital Assets not Being Depreciated:				
Land and Land Rights	\$ 10,000	\$ -	\$ -	\$ 10,000
Construction in Progress	-	19,774	-	19,774
Total Capital Assets not Being Depreciated	<u>10,000</u>	<u>19,774</u>	<u>-</u>	<u>29,774</u>
Capital Assets Being Depreciated:				
Source of Supply	45,749	-	-	45,749
Pumping Plant	379,676	-	-	379,676
Water Treatment Plant	3,060	-	-	3,060
Transmission and Distribution Plant	2,491,327	914	125	2,492,116
General Plant	110,557	19,087	-	129,644
Total Capital Assets Being Depreciated	<u>3,030,369</u>	<u>20,001</u>	<u>125</u>	<u>3,050,245</u>
Total Capital Assets	3,040,369	39,775	125	3,080,019
Less: Accumulated Depreciation	<u>(967,032)</u>	<u>(64,177)</u>	<u>(125)</u>	<u>(1,031,084)</u>
Net Utility Plant	<u>\$ 2,073,337</u>	<u>\$ (24,402)</u>	<u>\$ -</u>	<u>\$ 2,048,935</u>
	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Wastewater Utility				
Capital Assets, not Being Depreciated:				
Land	\$ 30,619	\$ -	\$ -	\$ 30,619
Capital Assets Being Depreciated:				
Plant and Lift Station	4,137,003	2,362,453	-	6,499,456
Treatment Equipment	1,665,616	2,497,162	-	4,162,778
Other Equipment	5,162	47,427	-	52,589
Total Capital Assets Being Depreciated	<u>5,807,781</u>	<u>4,907,042</u>	<u>-</u>	<u>10,714,823</u>
Total Capital Assets	5,838,400	4,907,042	-	10,745,442
Less: Accumulated Depreciation	<u>(854,884)</u>	<u>(126,201)</u>	<u>-</u>	<u>(981,085)</u>
Net Utility Plant	<u>\$ 4,983,516</u>	<u>\$ 4,780,841</u>	<u>\$ -</u>	<u>\$ 9,764,357</u>

VILLAGE OF YORKVILLE, WISCONSIN

Notes to Financial Statements

December 31, 2022

Note 6 - Capital Assets (Continued)

Governmental Activities	
General Government	\$ 2,467
Public Works	204,525
Total Governmental Activities Depreciation Expense	<u>\$ 206,992</u>
Business-Type Activities	
Water Depreciation Charged to Accumulated Depreciation	\$ (64,177)
Less: Share of Meter Depreciation	1,255
Water Depreciation Expense	<u>(62,922)</u>
Wastewater Depreciation Charged to Accumulated Depreciation	(126,201)
Plus: Share of Meter Depreciation	(1,255)
Wastewater Depreciation Expense	<u>(127,456)</u>
Total Business-Type Activities Depreciation Expense	<u>\$ (190,378)</u>

Note 7 - Short-Term Obligations

In 2021, the Village issued a short term promissory note to secure funding for needed capital. Short-term debt activity for the year ended December 31, 2022 was as follows:

	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Promissory Note Payable	<u>\$ 760,000</u>	<u>\$ 2,280,000</u>	<u>\$ 3,040,000</u>	<u>\$ -</u>	<u>\$ -</u>

Total interest paid for the year on short-term debt totaled \$15,008.

Note 8 - Long-Term Obligations

The following is a summary of changes in long-term obligations of the Village for the year ended December 31, 2022:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>	<u>Due Within One Year</u>
Business-Type Activities					
Bond and Notes Payable					
Board of Commissioners	<u>\$ 27,922</u>	<u>\$ -</u>	<u>\$ 27,922</u>	<u>\$ -</u>	<u>\$ -</u>
General Obligation Debt:					
Bonds Payable	<u>-</u>	<u>7,912,438</u>	<u>-</u>	<u>7,912,438</u>	<u>360,988</u>
Total Business-Type Activities	<u>\$ 27,922</u>	<u>\$ 7,912,438</u>	<u>\$ 27,922</u>	<u>\$ 7,912,438</u>	<u>\$ 360,988</u>

Interest paid during the year on long-term debt totaled \$67,013 for the business-type activities.

VILLAGE OF YORKVILLE, WISCONSIN

Notes to Financial Statements

December 31, 2022

Note 8 - Long-Term Obligations (Continued):

All general obligation debt is secured by the full faith and credit and unlimited taxing powers of the Village. General obligation debt at December 31, 2022 is comprised of the following:

	<u>Date of Issuance</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/22</u>
Business-Type Activities					
General Obligation Sewerage System	02/23/23	05/01/41	1.56%	\$ 7,912,438	<u>\$ 7,912,438</u>

Debt service requirements to maturity are as follows:

	Business-Type Long-Term Debt	
	<u>Principal</u>	<u>Interest</u>
2023	\$ 360,988	\$ 120,517
2024	366,619	114,943
2025	372,339	109,179
2026	378,147	103,325
2027	384,046	97,380
2028-2032	2,011,989	394,427
2033-2037	2,173,897	231,256
2038-2041	1,864,413	58,732
	<u>\$ 7,912,438</u>	<u>\$ 1,229,760</u>

The 2022 equalized valuation of the Village as certified by the Wisconsin Department of Revenue is \$829,135,100. The legal debt limit and margin of indebtedness as of December 31, 2022, in accordance with Section 67.03 of the Wisconsin Statutes follows:

Debt Limit (5% of \$829,135,100)	\$ 41,456,755
Deduct long-term debt applicable to debt margin	<u>7,912,438</u>
Remaining Margin of Indebtedness Available	<u>\$ 33,544,317</u>

VILLAGE OF YORKVILLE, WISCONSIN

Notes to Financial Statements

December 31, 2022

Note 9 - Net Position and Fund Balance (Deficit)

Net position reported on the government-wide statement of net position at December 31, 2022 includes the following:

	Governmental	Business-Type	Total
Net Investment in Capital Assets:			
Net Capital Assets	\$ 4,687,822	\$ 11,813,292	\$ 16,501,114
Less: Related Long-Term Debt Outstanding	-	(7,912,438)	(7,912,438)
Net Investment in Capital Assets	4,687,822	3,900,854	8,588,676
Net Position Restricted For:			
Equipment Replacement Fund	-	395,950	395,950
Pension Benefits	36,271	-	36,271
Total Restricted	36,271	395,950	432,221
Unrestricted (Deficit)	(98,813)	2,427,512	2,328,699
Total Net Position - Government-Wide Statements	\$ 4,625,280	\$ 6,724,316	\$ 11,349,596

The Village does not own or maintain any of the stormwater capital assets, and therefore, the loan associated with this activity is not considered to be capital-related debt.

Fund balances (deficit) reported on the governmental fund balance sheet at December 31, 2022 are classified as follows:

Nonspendable	
General Fund	
Advances from Other Funds	\$ 819,438
Unassigned (Deficit)	
General Fund	3,192,755
Tax Incremental District No. 1	(4,111,006)
Total Unassigned Fund (Deficit)	(918,251)
Total Governmental Fund Fund (Deficit)	\$ (98,813)

The deficit fund balance in Tax Incremental District No. 1 will be corrected with subsequent years' revenues.

VILLAGE OF YORKVILLE, WISCONSIN

Notes to Financial Statements

December 31, 2022

Note 10 - Defined Benefit Pension Plan

General Information about the Pension Plan

Plan Description. The Wisconsin Retirement System (WRS) is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, expected to work at least 1,200 hours a year (880 hours for teachers and school 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 occupations and 62 for elected officials and executive service retirement plan participants, if hired on or before December 31, 2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

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

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

The WRS also provides death and disability benefits for employees.

VILLAGE OF YORKVILLE, WISCONSIN

Notes to Financial Statements

December 31, 2022

Note 10 - Defined Benefit Pension Plan (Continued)

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

Year	Core Fund Adjustment	Variable Fund Adjustment
2012	(7.0)%	(7)%
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	0.5	(5)
2017	2.0	4
2018	2.4	17
2019	0.0	(10)
2020	1.7	21
2021	5.1	13

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 \$9,686 in contributions from the Village.

Contribution rates as of December 31, 2022 were:

Employee Category	Employee	Employer
General (including teachers, executives, and elected officials)	6.50%	6.50%

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

At December 31, 2022 the Village reported an asset of \$59,004 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2021, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2020 rolled forward to December 31, 2021. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village's proportion of the net pension asset was based on the Village's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2021 the Village's proportion was 0.00073205%, which was an increase of 0.00000279% from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022, the Village recognized a reduction in pension expense of \$4,273.

VILLAGE OF YORKVILLE, WISCONSIN

Notes to Financial Statements

December 31, 2022

Note 10 - Defined Benefit Pension Plan (Continued)

At December 31, 2022, 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
	<u> </u>	<u> </u>
Differences between projected and actual experiences	\$ 95,318	\$ 6,873
Changes in assumptions	11,008	-
Net differences between projected and actual earnings on pension plan investments	-	131,998
Changes in proportion and differences between employer contributions and proportionate share of contributions	126	-
Employer contributions subsequent to the measurement date	9,686	-
	<u>\$ 116,138</u>	<u>\$ 138,871</u>

The \$9,686 reported as deferred outflows related to pension resulting from the Village's contributions subsequent to the measurement date will be recognized as an adjustment of the net pension liability (asset) in the year ending December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31,	Net Deferred Inflows of Resources
<u> </u>	<u> </u>
2023	\$ (2,701)
2024	(15,960)
2025	(7,012)
2026	(6,746)
	<u>\$ (32,419)</u>

VILLAGE OF YORKVILLE, WISCONSIN

Notes to Financial Statements

December 31, 2022

Note 10 - Defined Benefit Pension Plan (Continued)

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

Actuarial Valuation Date:	December 31, 2020
Measurement Date of Net Pension Liability (Asset):	December 31, 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:	
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. Based on this experience study, actuarial assumptions used to measure the total pension liability changed from prior year, including the discount rate, long-term expected rate of return, post-retirement adjustment, price inflation, mortality and separation rates. The total pension liability for December 31, 2021 is based upon a roll-forward of the liability calculated from the December 31, 2020 actuarial valuation.

VILLAGE OF YORKVILLE, WISCONSIN

Notes to Financial Statements

December 31, 2022

Note 10 - Defined Benefit Pension Plan (Continued)

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 Returns¹ As of December 31, 2021

Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return % ²
Global Equities	52%	6.8%	4.2%
Fixed Income	25	4.3	1.8
Inflation Sensitive Assets	19	2.7	0.2
Real Estate	7	5.6	3.0
Private Equity/Debt	12	9.7	7.0
Total Core Fund ³	115% *	6.6%	4.0%
Variable Fund Asset			
Class			
U.S. Equities	70%	6.3%	4.1%
International Equities	30	7.2	4.9
Total Variable Fund	100%	6.8%	4.6%

¹Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations.

²New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.5%.

³The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. This results in an asset allocation beyond 100%. Currently, an asset allocation target of 15% policy leverage is used, subject to an allowable range of up to 20%.

Single Discount Rate. A single discount rate of 6.8% was used to measure the total pension liability, as opposed to a discount rate of 7.0% for the prior year. This single discount rate is based on the expected rate of return on pension plan investments of 6.80% and a municipal bond rate of 1.84% (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, 2021. 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 municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

VILLAGE OF YORKVILLE, WISCONSIN

Notes to Financial Statements

December 31, 2022

Note 10 - Defined Benefit Pension Plan (Continued)

Sensitivity of the District's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the District's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.80 percent, as well as what the District'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 percent) or 1-percentage-point higher (7.80 percent) 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)	\$ 41,867	\$ (59,004)	\$ (131,614)

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

Payables to the Pension Plan. The Village is required to remit the monthly required contribution for both the employee and Village's portions by the last day of the following month. The amount due to WRS as of December 31, 2022 is \$2,732.

Note 11 - Risk Management

The Village is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employee health claims; unemployment compensation claims; and environmental damage for which the Village purchases commercial insurance. There has been no reduction in insurance coverage from the prior year. Insurance settlements for claims resulting from the risks covered by commercial insurance have not exceeded the insurance coverage in the past year.

Note 12 - Contingencies

From time to time the Village is involved in legal actions and claims, most of which normally occur in governmental operations. In the opinion of Village management, these issues, and any other proceedings known to exist at December 31, 2022, are not likely to have a material adverse impact on the Village's financial position.

Funds for the operating budget of the Village comes from many sources, including property taxes, grants and aids from other units of government, user fees, fines and permits, and other miscellaneous revenues. The State of Wisconsin provides a variety of aid and grant programs which benefit the Village. Those aid and grant programs are dependent on continued approval and funding by the Wisconsin governor and legislature, through their budget processes. Any changes made by the State to funding or eligibility of local aid programs could have a significant impact on the future operating results of the Village.

VILLAGE OF YORKVILLE, WISCONSIN

Notes to Financial Statements

December 31, 2022

Note 13 - Leases

The Village leases land to United States Cellular Operating Company for the wireless communications facility consisting of an unmanned equipment shelter, cellular antennas and all necessary connecting appurtenances. This lease has a term of 30 years. The monthly payments are \$1,793. At December 31, 2022, the Village recognized \$21,515 in lease revenue related to this agreement. At December 31, 2022, the Village recorded \$142,554 in lease receivables and deferred inflows of resources for these agreements.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Water Tower 1998	\$ 164,069	\$ -	\$ 21,515	\$ 142,554

Remaining amounts to be received associated with this lease at December 31, 2022 are as follows:

<u>Year Ending December 31,</u>	
2023	\$ 22,118
2024	22,775
2025	23,413
2026	24,069
2027	24,743
2028	25,436
	<u>\$ 142,554</u>

Note 14 - Restatement of Beginning Net Position and Fund Balance

The Village's beginning general fund balance was restated for the fiscal year ended December 31, 2021 for a short-term debt liability improperly being recorded as long-term. A summary of the details of the restatement is below:

	General Fund
Fund Balance - Decemeber 31, 2021	\$ 1,169,354
Long Term Liability Reclassification	(760,000)
Fund Balance - As Restated Decemeber 31, 2021	<u>\$ 409,354</u>

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF YORKVILLE, WISCONSIN
Schedule of Employer's Proportionate Share of the Net Pension Liability (Asset)
Wisconsin Retirement System
Last 10 Fiscal Years*

WRS Fiscal Year End Date (Measurement Date)	Village's Proportion of the Net Pension(Asset)/ Liability	Village's Proportionate Share of the Net Pension (Asset)/Liability	Village's Covered Payroll	Village's Proportionate Share of the Net Pension (Asset)/Liability as a percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/30/2021	0.00073205%	\$ (59,004)	\$ 133,884	44.07%	106.02%
12/30/2020	0.00070415%	(43,961)	119,959	36.65%	105.26%
12/31/2019	0.00069650%	(22,458)	111,736	20.10%	102.96%
12/31/2018	0.00069422%	24,698	106,822	23.12%	96.45%
12/31/2017	0.00069344%	(20,589)	103,469	19.90%	102.93%
12/31/2016	0.00090950%	7,496	99,872	7.51%	99.12%

Schedule of Employer Contributions
Wisconsin Retirement System
Last 10 Fiscal Years*

Village Year End Date	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/2022	\$ 9,686	\$ 9,686	-	\$ 149,016	6.50%
12/31/2021	9,037	9,037	-	133,884	6.75%
12/31/2020	8,097	8,097	-	119,959	6.75%
12/31/2019	7,318	7,318	-	111,736	6.55%
12/31/2018	7,157	7,157	-	106,822	6.70%
12/31/2017	7,035	7,035	-	103,469	6.80%
12/31/2016	6,591	6,591	-	99,872	6.60%

*The amounts presented for each year were determined as of the calendar year-end from the prior calendar year. Ten years of data will be accumulated beginning with 2016.

VILLAGE OF YORKVILLE, WISCONSIN

Schedule of Budgetary Comparison

General Fund

For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual Amounts	Variance Positive (Negative)
REVENUES				
Taxes	\$ 1,423,442	\$ 1,423,442	\$ 1,332,354	\$ (91,088)
Intergovernmental	405,969	405,969	456,371	50,402
Licenses and Permits	192,550	192,550	159,525	(33,025)
Fines, Forfeitures and Penalties	500	500	514	14
Public Charges for Services	49,446	49,446	49,411	(35)
Miscellaneous	109,039	109,039	50,190	(58,849)
Total Revenues	<u>2,180,946</u>	<u>2,180,946</u>	<u>2,048,365</u>	<u>(132,581)</u>
EXPENDITURES				
General Government	395,982	451,268	461,337	(10,069)
Public Safety	470,265	445,706	437,320	8,386
Public Works	1,191,705	1,178,978	1,076,887	102,091
Culture and Recreation	20,700	20,700	20,700	-
Health and Human Services	5,500	4,195	3,740	455
Conservation and Development	32,500	33,805	31,466	2,339
Capital Outlay	23,500	23,500	16,747	6,753
Debt Service:				
Principal Payment	106,417	93,417	-	93,417
Interest and Fiscal Charges	10,200	5,200	-	5,200
Total Expenditures	<u>2,256,769</u>	<u>2,256,769</u>	<u>2,048,197</u>	<u>208,572</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(75,823)</u>	<u>(75,823)</u>	<u>168</u>	<u>75,991</u>
OTHER FINANCING SOURCES (USE)				
Debt Issuance	163,806	163,806	-	-
Transfer In	75,823	75,823	3,625,688	3,549,865
Transfers Out	(163,806)	(163,806)	(23,017)	140,789
Total Other Financing Sources (Use)	<u>75,823</u>	<u>75,823</u>	<u>3,602,671</u>	<u>3,690,654</u>
NET CHANGE IN FUND BALANCE	-	-	3,602,839	3,602,839
FUND BALANCE - BEGINNING - AS RESTATED	<u>409,354</u>	<u>409,354</u>	<u>409,354</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 409,354</u>	<u>\$ 409,354</u>	<u>\$ 4,012,193</u>	<u>\$ 3,602,839</u>

VILLAGE OF YORKVILLE, WISCONSIN
Notes to Required Supplementary Information
December 31, 2022

Defined Benefit Pension Plan

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

Changes of 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.

Budgetary Process

The Village follows these procedures in establishing the budgetary data:

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

Excess of Actual Expenditures Over Budget in Individual Funds

The Village had the following functions with an excess of actual expenditures over budget for the year ended December 31, 2022:

General Government	\$ 10,069
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OTHER INFORMATION

VILLAGE OF YORKVILLE, WISCONSIN

Schedule of Water, Wastewater, and Stormwater Utilities Operating Revenues and Expenses

For the Year Ended December 31, 2022

With Summarized Information from December 31, 2021

	Water	Wastewater	Stormwater	Totals	
				2022	2021
OPERATING REVENUES					
Sales:					
Metered Sales:					
Residential	\$ -	\$ 49,460	\$ -	\$ 49,460	\$ 51,713
Commercial	96,199	336,414	-	432,613	455,399
Irrigation	21,553	-	-	21,553	29,899
Total Metered Sales	117,752	385,874	-	503,626	537,011
Unmetered Sales	200	-	-	200	1,016
Public Fire Protection	93,200	-	-	93,200	91,950
Total Sales	211,152	385,874	-	597,026	629,977
Other Operating Revenues					
Customer Forfeited Discounts	212	-	-	212	38
Miscellaneous	2,097	244	-	2,341	7,843
Special Charges	-	-	55,697	55,697	55,907
Total Operating Revenues	213,461	386,118	55,697	655,276	693,765
OPERATING EXPENSES					
Operation, Maintenance and General Expenses					
Operation and Maintenance Expenses:					
Supervision and Labor	34,632	83,512	-	118,144	99,695
Maintenance and Repairs	9,555	65,987	-	75,542	106,821
Power Purchased for Pumping	18,288	-	-	18,288	17,790
Chemicals	8,597	7,141	-	15,738	4,900
Operating Supplies and Expenses	8,512	4,223	-	12,735	7,888
Sludge Hauling	-	48,903	-	48,903	54,015
Lab Testing	-	57,208	-	57,208	43,418
Utilities	-	52,201	-	52,201	21,549
Total Operating and Maintenance Expenses	79,584	319,175	-	398,759	356,076
Administrative and General Expenses					
Administrative Salaries and Wages	500	540	-	1,040	1,192
Office Supplies and Expenses	4,739	38,925	719	44,383	37,455
Professional Services	21,422	29,190	1,512	52,124	74,869
Property Insurance	4,228	4,731	-	8,959	8,959
Miscellaneous	248	19,937	182	20,367	8,435
Total Administrative and General Expenses	31,137	93,323	2,413	126,873	130,910
Total Operation, Maintenance and General Expenses	110,721	412,498	2,413	525,632	486,986
Other Operating Expenses					
Depreciation	62,922	127,456	-	190,378	122,553
Taxes	2,361	358	-	2,719	2,807
Total Other Operating Expenses	65,283	127,814	-	193,097	125,360
Total Operating Expenses	176,004	540,312	2,413	718,729	612,346
OPERATING INCOME (LOSS)	\$ 37,457	\$ (154,194)	\$ 53,284	\$ (63,453)	\$ 81,419

VILLAGE OF YORKVILLE, WISCONSIN

Schedule of Detailed Budgetary Comparison

General Fund

For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual Amounts	Variance Positive (Negative)
REVENUE AND OTHER FINANCING SOURCES				
TAXES				
General Property Taxes	\$ 1,299,584	\$ 1,299,584	\$ 1,299,584	\$ -
Other Taxes	115,858	115,858	26,274	(89,584)
Room Tax	8,000	8,000	6,496	(1,504)
Total Taxes	1,423,442	1,423,442	1,332,354	(91,088)
INTERGOVERNMENTAL				
Federal Aids				
ARPA	163,806	163,806	163,806	-
State Aids				
Shared Revenues	40,728	40,728	40,760	32
Fire Insurance Dues	26,500	26,500	29,516	3,016
General Highway Aids	123,621	123,621	123,621	-
Video Service Provider	3,257	3,257	3,257	-
Computer Aid	6,597	6,597	6,597	-
Recycling Grant	7,750	7,750	7,766	16
Personal Property Aid	33,710	33,710	33,710	-
Other State Aids	-	-	47,338	47,338
Total Intergovernmental	405,969	405,969	456,371	50,402
LICENSES AND PERMITS				
Business Licenses	17,225	17,225	19,709	2,484
Nonbusiness Licenses	5,325	5,325	4,956	(369)
Building Permits	166,000	166,000	133,370	(32,630)
Other Permits	4,000	4,000	1,490	(2,510)
Total Licenses and Permits	192,550	192,550	159,525	(33,025)
FINES AND FORFEITS				
Fines, Forfeitures, and Penalties	500	500	514	14
PUBLIC CHARGES FOR SERVICES				
General Government Fees	1,760	1,760	1,725	(35)
Wastewater Utility Fees	36,000	36,000	36,000	-
Water Utility Fees	11,086	11,086	11,086	-
Stormwater Utility Fees	600	600	600	-
Total Public Charges for Services	49,446	49,446	49,411	(35)
MISCELLANEOUS REVENUES				
Interest	2,000	2,000	27,119	25,119
Insurance Recoveries	1,000	1,000	2,494	1,494
Other Miscellaneous Revenues	106,039	106,039	20,577	(85,462)
Total Miscellaneous Revenues	109,039	109,039	50,190	(58,849)
OTHER FINANCING SOURCES				
Debt Issuance	163,806	163,806	-	-
Transfer In	75,823	75,823	3,625,688	3,549,865
Total Other Financing Sources	239,629	239,629	3,625,688	3,549,865
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ 2,420,575	\$ 2,420,575	\$ 5,674,053	\$ 3,253,478

VILLAGE OF YORKVILLE, WISCONSIN
Schedule of Detailed Budgetary Comparison - Continued
General Fund
For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual Amounts	Variance Positive (Negative)
EXPENDITURES AND OTHER FINANCING USE				
GENERAL GOVERNMENT				
Legislative				
Village Board	\$ 49,056	\$ 49,056	\$ 49,056	\$ -
Planning Commission	2,422	2,422	1,719	703
Printing and Publications	4,500	4,500	7,002	(2,502)
Ordinance Codification	1,500	1,500	674	826
Dues, Conventions, and Education	4,500	4,500	2,825	1,675
Municipal Court	3,000	3,000	264	2,736
Legal	50,000	68,545	68,545	-
Administrator-Clerk	94,412	94,412	94,302	110
Treasurer	65,068	65,068	65,840	(772)
Deputy Clerk-Treasurer	23,640	29,199	29,376	(177)
Elections	15,000	15,000	12,070	2,930
Office Supplies and Postage	3,650	3,650	4,560	(910)
Equipment Repairs	250	250	-	250
Audit	5,325	5,325	6,142	(817)
Assessor	26,038	26,038	26,886	(848)
Board of Review	1,000	1,000	2,984	(1,984)
Village Hall Expenses	27,039	27,039	26,961	78
Property and Liability Insurance	19,332	26,514	26,218	296
Tax Refund	100	100	12	88
Miscellaneous	150	24,150	35,900	(11,750)
Total General Government	395,982	451,268	461,337	(10,068)
PUBLIC SAFETY				
Constable	16,721	16,721	17,331	(610)
Fire Protection and Rescue Squad	328,894	328,894	328,894	-
Address Signs	800	800	-	800
Building Inspections	123,850	99,291	91,095	8,196
Total Public Safety	470,265	445,706	437,320	8,386
PUBLIC WORKS				
Highway Construction	545,641	545,641	571,356	(25,715)
Highway Maintenance	176,000	176,000	86,290	89,710
Snow Removal	120,000	120,000	82,539	37,461
Highway Mowing	41,800	41,800	49,500	(7,700)
Bridges and Culverts	100,438	100,438	59,690	40,748
Stormwater Drainage	178	178	178	-
Street Lighting	14,500	14,500	14,265	235
Engineering	35,000	35,000	70,644	(35,644)
Sanitation	101,662	101,662	88,816	12,846
Recycling	56,163	43,436	53,285	(9,849)
Weed and Nuisance Control	323	323	323	-
Total Public Works	1,191,705	1,178,978	1,076,887	102,092
CULTURE AND RECREATION				
Recreation Programs	20,700	20,700	20,700	-
HEALTH AND HUMAN SERVICES				
Animal Control	5,500	4,195	3,740	455

VILLAGE OF YORKVILLE, WISCONSIN
Schedule of Detailed Budgetary Comparison - Continued
General Fund
For the Year Ended December 31, 2022

CONSERVATION AND DEVELOPMENT				
Planning	25,000	26,305	23,966	2,339
Bus Service	7,500	7,500	7,500	-
Total Conservation and Development	<u>32,500</u>	<u>33,805</u>	<u>31,466</u>	<u>2,339</u>
CAPITAL OUTLAY				
General Government	15,000	15,000	16,747	(1,747)
Public Works	8,500	8,500	-	8,500
Total Capital Outlay	<u>23,500</u>	<u>23,500</u>	<u>16,747</u>	<u>6,753</u>
DEBT SERVICE				
Principal Payment	106,417	93,417	-	93,417
Interest and Fiscal Charges	10,200	5,200	-	5,200
Total Debt Service	<u>116,617</u>	<u>98,617</u>	<u>-</u>	<u>98,617</u>
Total Expenditures	<u>2,256,769</u>	<u>2,256,769</u>	<u>2,048,197</u>	<u>208,574</u>
OTHER FINANCING USE				
Transfers Out	163,806	163,806	23,017	140,789
NET CHANGE IN FUND BALANCE	-	-	3,602,839	3,602,839
FUND BALANCE - BEGINNING - AS RESTATED	<u>409,354</u>	<u>409,354</u>	<u>409,354</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 409,354</u>	<u>\$ 409,354</u>	<u>\$ 4,012,193</u>	<u>\$ 3,602,839</u>

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