ROBERT E. WESNER
CERTIFIED PUBLIC ACCOUNTANT
1547 W. 5TH AVENUE
OSHKOSH, WI 54902

INDEPENDENT AUDITOR REPORT

Board of Commissioners
Joint Town of Poygan and Town of Poy Sippi Sanitary District #1

I have audited the accompanying Statement of Net Assets of Joint Town of Poygan and Town of Poy Sippi Sanitary District #1 as of December 31, 2023 and the related statements of Revenues, Expenses and Changes in Net Assets and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted the audit in accordance with U. S. generally accepted auditing standards and the standards applicable to financial audits contained in Governmental Auditing Standards, issued by the Comptroller General of the United States. These standards require planning and performing the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. My audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Joint Town of Poygan and Town of Poy Sippi Sanitary District #1. as of December 31, 2023 and the results of its operations and cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

Robert Wesner

Certified Public Accountant
June 7, 2024

JOINT TOWN OF POYGAN AND TOWN OF POY SIPPI
SANITARY DISTRICT #1, WISCONSIN
Statement of Net Assets
December 31, 2023

ASSETS		
Cash and investments		$ 655,693
Accounts receivable		22,555
Prepaid insurance		4,291
Capital assets		
Land	56,417	
Structures and equipment	1,236,385	
Mains, wells, lifts	2,627,418	
Furniture and equipment	146,585	
SCADA project	257,936	
	4,324,741	
Less accumulated depreciation	(2,685,344)	1,639,397
TOTAL ASSETS		2,321,936
LIABILITIES		
Withheld payroll taxes		902
NET ASSETS		
Invested in capital assets	1,639,397	
Unrestricted	681,637	2,321,034
TOTAL NET ASSETS		2,321,936

The notes to the financial statements are an integral part of this statement.

JOINT TOWN OF POYGAN AND TOWN OF POY SIPPI
SANITARY DISTRICT #1, WISCONSIN
Statement of Revenues, Expenses and Changes in Net Assets
Year Ended December 31, 2023

Operating Revenues		
Charges for services	$ 168,360	
Tax settlement income	54,670	
Land/User assessments	25,000	
Tax levy	16,434	
Late payment charges	1,540	
Miscellaneous income	935	
Total Operating Revenues		266,939
Operating Expenses		
Administration and general	7,282	
Lab fees	4,560	
Operating supplies	7,433	
Office expense	3,103	
Outside services	5,177	
Maintenance expense	76,717	
Mileage	8,500	
Phosphorous testing	15,031	
Power for pumping	23,004	
Wages	49,309	
Payroll expense	3,772	
Insurance	9,815	
Professional fees	17,275	
Telephone	4,722	
Depreciation	63,040	
Total Operating Expenses		298,740
Operating loss		(31,801)
Non -operating Revenues		
Interest income		7,037
Change in Net Assets		(24,764)
Net Assets – January 1, 2023		2,363,400
Net Assets – December 31, 2023		2,338,636

The notes to the financial statements are an integral part of this statement.

JOINT TOWN OF POYGAN AND TOWN OF POY SIPPI
SANITARY DISTRICT #1, WISCONSIN
Statement of Cash Flows
Year Ended December 31, 2023

Cash Flows from Operating Activities		
Cash received from user charges	$ 266,004	
Cash from miscellaneous sources	935	
Cash payments to suppliers	(186,391)	
Cash payments to employees	(49,309)	
Net Cash provided by Operating Activities		31,239
Cash Flows from Capital and Related Financing Activities		-
Fixed asset acquisitions		(52,926)
Cash Flows from Investing Activities		
Interest received on investments		7,037
Decrease in Cash and Cash Equivalents		(14,650)
Cash and Cash Equivalents – January 1, 2023		670,343
Cash and Cash Equivalents – December 31, 2023		655,693

Reconciliation of Operating income to Net Cash Used by Operating Activities:

Operating loss	(31,801)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	63,040
Net Cash Provided by Operating Activities	31,239

The notes to the financial statements are an integral part of this statement.

JOINT TOWN OF POYGAN AND TOWN OF POY SIPPI
SANITARY DISTRICT #1, WISCONSIN
Notes to Financial Statements
December 31, 2023

NOTE A – SUMMARY OF ACCOUNTING POLICIES

The accounting policies of the Joint Town of Poygan and Town of Poy Sippi Sanitary District #1, Wisconsin conform to accounting principles generally accepted in the United States of America for enterprise funds, as defined by the Governmental Accounting Standards Board. A summary of the District's accounting policies consistently applied in the preparation of the accompanying financial statements follows:

1. Reporting Entity

The Joint Town of Poygan and Town of Poy Sippi Sanitary District #1 is located within the Town of Poygan in Winnebago County and the Town of Poy Sippi in Waushara County, Wisconsin. The District operates a sanitary sewer collection and treatment system and became operational October 1, 1990.

2. Enterprise Funds

The District accounts for its operations as an enterprise fund. Enterprise funds are used to account for operations financed and operated in a manner similar to private business with the intent that the costs of providing services to the general public be financed primarily through user charges.

3. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Enterprise funds are accounted for on a low of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation are included in the financial statements. Enterprise fund operating statements present increases and decreases in net total assets.

The accrual basis of accounting is utilized by enterprise funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Unpaid enterprise fund service receivables are recorded at year-end. Capital assets are capitalized at historical cost and depreciated over their useful lives.

4. Assets, Liabilities and Net Assets

a. Accounts Receivable

Accounts receivable are recorded at gross amount with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is deemed immaterial to the financial statements.

b. Capital Assets

Capital assets are defined as property, plant and equipment with a cost of $1,000 or higher and an estimated useful life in excess of 5 years. Capital assets are being depreciated using the straight-line method over the following estimated useful lives:

Buildings	25 years
Improvements other than buildings	75 years
SCADA project	25 years
Machinery and equipment	10 years
Office equipment	7 years

c. Net Assets

Net assets are classified into the following three components:

Invested in capital assets, net of related debt – This component of net assets consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of borrowings that are attributable to those assets.

Restricted – This component consists of external constraints placed on net asset use by creditors, grantors, contributors, or laws or regulations imposed by law.

Unrestricted – This component consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".