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 PoySippi Sanitary District #1

I have audited the accompanying Statement of Net Assets of Joint Town of Poygan and Town of PoySippi Sanitary District #1 as of December 31, 2021 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 PoySippi Sanitary District #1 as of December 31, 2021 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
July 13, 2022

JOINT TOWN OF POYGAN AND TOWN OF POY SIPPI
SANITARY DISTRICT #1, WISCONSIN
Statement of Net Assets
December 31, 2021

ASSETS		
Cash and investments		$ 612,266
Accounts receivable		39,180
Prepaid insurance		4,291
Capital assets:		
Land	56,417	
Structures and equipment	1,223,431	
Mains, wells, lifts	2,627,418	
Furniture and equipment	146,585	
SCADA project	219,685	
	4,273,536	
Less accumulated depreciation	(2,563,164)	1,710,372
TOTAL ASSETS		2,366,109
LIABILITIES		
Withheld payroll taxes		1.101
NET ASSETS		
Invested in capital assets	1,710.372	
Unrestricted	654,636	2,365,008
TOTAL NET ASSETS		2,366,109

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, 2021

Operating Revenues		
Charges for services	$ 165,220	
Tax settlement income	73.090	
Late payment charges	1,270	
Lateral permits	5,075	
Miscellaneous income	1,480	
Total Operating Revenues		246,135
Operating Expenses		
Administration and general	3,570	
Lab and wastewater fees	3,890	
Operating supplies and expenses	13,658	
Maintenance expense	26,297	
Mileage	7,573	
Phosphorous testing	13,840	
Power for pumping	20,053	
Wages	49,463	
Payroll expense	4,420	
Insurance	9,070	
Office supplies	1,632	
Professional fees	13,990	
Telephone	4,249	
Depreciation	59,740	
Total Operating Expenses		231,445
Operating income		14,690
Non-operating Revenues		
Interest income		1,758
Change in Net Assets		16,448
Net Assets – January 1, 2020		2,348,560
Net Assets – December 31, 2020		2,365,008

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, 2021

Cash Flows from Operating Activities		
Cash received from user charges	$ 244,655	
Cash from miscellaneous sources	1,480	
Cash payments to suppliers	(137,994)	
Cash payments to employees	(49,463)	
Net Cash provided by Operating Activities		58,678
Cash Flows from Capital and Related Financing Activities		-
Cash Flows from Investing Activities		
Interest received on investments		1,758
Increase in Cash and Cash Equivalents		60,436
Cash and Cash Equivalents – January 1, 2020		551,830
Cash and Cash Equivalents – December 31, 2020		612,266

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

Operating income	14,690
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	59,740
Changes in assets and liabilities-	
Accounts receivable	(15,895)
Withheld payroll taxes	143
Net Cash Provided by Operating Activities	58,678

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, 2021

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".