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, 2022 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, 2022 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, CPA

Certified Public Accountant
June 30, 2023

JOINT TOWN OF POYGAN AND TOWN OF POY SIPPI SANITARY DISTRICT #1, WISCONSIN

Statement of Net Assets

December 31, 2022

ASSETS		
Cash and investments		$ 670,343
Accounts receivable		39,185
Prepaid insurance		4,482
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	(2,622,904)	1,650,632
TOTAL ASSETS		2,364,642
LIABILITIES		
Withheld payroll taxes		1,242
NET ASSETS		
Invested in capital assets	1,650,632	
Unrestricted	712,768	2,363,400
TOTAL NET ASSETS		2,364,642

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, 2022

Operating Revenues		
Charges for services	$ 186,085	
Tax settlement income	70,762	
Tax levy	2,205	
Late payment charges	1,140	
Lateral permits	10,150	
Miscellaneous income	1,959	
Total Operating Revenues		272,301
Operating Expenses		
Administration and general	3,874	
Lab and wastewater fees	4,276	
Operating supplies	8,601	
Maintenance expense	71,328	
Mileage	7,923	
Phosphorous testing	15,053	
Power for pumping	24,291	
Wages	47,903	
Payroll expense	3,665	
Insurance	17,202	
Professional fees	6,180	
Telephone	4,564	
Depreciation	59,740	
Total Operating Expenses		274,628
Operating loss		(2,328)
Non -operating Revenues		
Interest income		1,287
Change in Net Assets		(1,012)
Net Assets – January 1, 2022		2,365,008
Net Assets – December 31, 2022		2,363,996

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, 2022

Cash Flows from Operating Activities		
Cash received from user charges	$ 270,342	
Cash from miscellaneous sources	1,959	
Cash payments to suppliers	(167,608)	
Cash payments to employees	(47,903)	
Net Cash provided by Operating Activities		56,790
Cash Flows from Capital and Related Financing Activities		-
Cash Flows from Investing Activities		
Interest received on investments		1,287
Increase in Cash and Cash Equivalents		58,077
Cash and Cash Equivalents – January 1, 2022		612,266
Cash and Cash Equivalents – December 31, 2022		670,343

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

Operating loss	(2,328)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	59,740
Changes in assets and liabilities-	
Accounts receivable	(763)
Withheld payroll taxes	141
Net Cash Provided by Operating Activities	56,790

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, 2022

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".