

VILLAGE OF LUCK, WISCONSIN
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2022



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INDEPENDENT AUDITORS' REPORT

Village Board
Village of Luck
Luck, Wisconsin

Report on the Audit of the Financial Statements

Qualified and Unmodified 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 Luck, 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.

Qualified Opinions on Governmental Activities, Business-Type Activities and Proprietary Funds

In our opinion, except for the effects of the matter described in the Basis for Qualified and Unmodified Opinions section of our report, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and proprietary funds of the Village of Luck as of December 31, 2022, and the respective changes in financial position and, where applicable, the cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions on Each Major Governmental Fund and Aggregate Remaining Fund Information

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major governmental fund and the aggregate remaining fund information of the Village of Luck, as of December 31, 2022, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village of Luck 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 qualified and unmodified audit opinions.

Matter Giving Rise to the Qualified Opinions on Governmental Activities, Business-Type Activities, and Proprietary Funds

The Village has not adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*. Accounting principles generally accepted in the United States of America require that the Village's financial statements include amounts and disclosures related to participation in the Wisconsin Retirement System cost-sharing, multiple-employer defined benefit pension plan. The amount by which the departure would affect the assets, liabilities, deferred outflows of resources, deferred inflows of resources, net position, and expenses has not been determined.

Emphasis of Matter – Change in Accounting Principle

As discussed in Note 1.D.16 to the financial statements, effective January 1, 2022, the Village adopted new accounting guidance for leases. The guidance requires lessees to recognize a right-to-use lease asset and corresponding lease liability and lessors to recognize a lease receivable and corresponding deferred inflow of resources for all leases with lease terms greater than twelve months. Our opinions are not modified with respect to this matter.

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 of Luck's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village of Luck'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 of Luck'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 budgetary comparison information 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

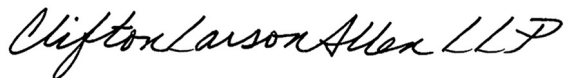
Management has omitted a management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required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

Supplementary Information

Our audit for the year ended December 31, 2022 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The combining and individual fund statements and schedules for the year ended December 31, 2022 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended December 31, 2022, and certain additional procedures, including

comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, except for the effects on the individual fund financial statements and schedules presented for the Water Utility Enterprise Fund and the Sewer Utility Enterprise Fund of the qualified opinion on the Proprietary Funds as explained in the Matter Giving Rise to the Qualified Opinions on Governmental Activities, Business-Type Activities, and Proprietary Funds section of our report, the combining and individual fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended December 31, 2022.

We have also previously audited, in accordance with GAAS, the basic financial statements of the Village as of and for the year ended December 31, 2021 (not presented herein), and have issued our report thereon dated August 30, 2022, which contained unmodified opinions on the respective financial statements of each major governmental fund and the aggregate remaining fund information and qualified opinions on the Governmental Activities, Business-Type Activities, and Proprietary Funds. The individual fund statements and schedules for the year ended December 31, 2021 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2021 financial statements. The individual fund statements and schedules have been subjected to the auditing procedures applied in the audit of the 2021 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, except for the effects on the individual fund financial statements and schedules presented for the Water Utility Enterprise Fund and the Sewer Utility Enterprise Fund of the qualified opinions described above, the individual fund statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended December 31, 2021.



CliftonLarsonAllen LLP

Eau Claire, Wisconsin
August 23, 2023

**VILLAGE OF LUCK, WISCONSIN
STATEMENT OF NET POSITION
DECEMBER 31, 2022**

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	\$ 767,058	\$ 673,553	\$ 1,440,611
Taxes Receivable	662,614	1,460	664,074
Accounts Receivable	6,611	127,185	133,796
Internal Balances	91,021	(91,021)	-
Prepayments	17,791	-	17,791
Inventories	-	14,117	14,117
Long-Term Receivables	370,159	-	370,159
Lease Receivable	90,949	-	90,949
Restricted Assets			
Cash and Investments	-	266,272	266,272
Capital Assets			
Capital Assets Not Being Depreciated	478,122	496,911	975,033
Capital Assets Being Depreciated	4,879,527	10,861,735	15,741,262
Accumulated Depreciation	(1,427,666)	(3,855,729)	(5,283,395)
Total Assets	5,936,186	8,494,483	14,430,669
LIABILITIES			
Vouchers and Accounts Payable	18,001	15,894	33,895
Accrued Interest Payable	4,809	11,460	16,269
Due to Other Governments	2,769	-	2,769
Unearned Revenues	5,800	62,481	68,281
Noncurrent Liabilities			
Due Within One Year	187,361	84,032	271,393
Due in More than One Year	1,124,571	2,080,468	3,205,039
Total Liabilities	1,343,311	2,254,335	3,597,646
DEFERRED INFLOWS OF RESOURCES			
Succeeding Year's Property Taxes	761,028	-	761,028
Deferred Amount Related to Leases	88,994	-	88,994
Total Deferred Inflows of Resources	850,022	-	850,022
NET POSITION			
Net Investment in Capital Assets	2,997,434	5,363,266	8,360,700
Restricted for			
Plant Replacement	-	266,272	266,272
Housing Loan Program	359,815	-	359,815
Tax Incremental District	285,708	-	285,708
Debt Service	58,559	-	58,559
Unrestricted	41,337	610,610	651,947
Total Net Position	\$ 3,742,853	\$ 6,240,148	\$ 9,983,001

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF LUCK, WISCONSIN
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position		
		Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES							
General Government	\$ 164,853	\$ 7,772	\$ -	\$ -	\$ (157,081)	\$ -	\$ (157,081)
Public Safety	399,879	33,351	4,482	-	(362,046)	-	(362,046)
Transportation	376,360	-	164,867	-	(211,493)	-	(211,493)
Sanitation	5,870	1,314	-	-	(4,556)	-	(4,556)
Health and Human Services	1,088	-	-	-	(1,088)	-	(1,088)
Culture, Recreation, and Education	162,231	10,308	72,611	-	(79,312)	-	(79,312)
Conservation and Development	29,017	-	-	-	(29,017)	-	(29,017)
Interest and Fiscal Charges	43,335	-	-	-	(43,335)	-	(43,335)
Total Governmental Activities	1,182,633	52,745	241,960	-	(887,928)	-	(887,928)
BUSINESS-TYPE ACTIVITIES							
Water	224,499	199,250	-	5,000	-	(20,249)	(20,249)
Sewer	453,394	345,074	-	-	-	(108,320)	(108,320)
Golf	859,336	849,858	-	35,423	-	25,945	25,945
Total Business-Type Activities	1,537,229	1,394,182	-	40,423	-	(102,624)	(102,624)
Total Primary Government	<u>\$ 2,719,862</u>	<u>\$ 1,446,927</u>	<u>\$ 241,960</u>	<u>\$ 40,423</u>	(887,928)	(102,624)	(990,552)
General Revenues:							
Taxes							
Property Taxes, Levied for General Purposes					564,272	-	564,272
Property Taxes, Levied for Debt Purposes					29,819	-	29,819
Property Taxes, Levied for TIF Districts					134,554	-	134,554
Other Taxes					35,408	-	35,408
State/Federal Aids not Restricted to Specific Functions					175,300	-	175,300
Interest and Investment Earnings					10,409	6,705	17,114
Gain on Sale of Equipment					-	7,073	7,073
Miscellaneous					52,018	3,895	55,913
Transfers					(33,655)	33,655	-
Total General Revenues and Transfers					<u>968,125</u>	<u>51,328</u>	<u>1,019,453</u>
CHANGE IN NET POSITION							
					80,197	(51,296)	28,901
Net Position - Beginning of Year					<u>3,662,656</u>	<u>6,291,444</u>	<u>9,954,100</u>
NET POSITION - END OF YEAR					<u>\$ 3,742,853</u>	<u>\$ 6,240,148</u>	<u>\$ 9,983,001</u>

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF LUCK, WISCONSIN
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2022**

	General Fund	Debt Service Fund	CDBG Revolving Loan Fund	Machinery Outlay Fund	Library Fund	Other Governmental Funds	Totals
ASSETS							
Treasurer's Cash and Investments	\$ 114,355	\$ 63,369	\$ 109,714	\$ 55,498	\$ 114,021	\$ 310,101	\$ 767,058
Taxes Receivable	378,172	29,819	-	25,000	52,573	177,050	662,614
Accounts Receivable	5,853	-	-	-	758	-	6,611
Prepayments	17,791	-	-	-	-	-	17,791
Long-Term Receivable - Northland Ambulance	117,259	-	-	-	-	-	117,259
Lease Receivable	90,949	-	-	-	-	-	90,949
Due from Other Funds	2,820	-	-	-	-	-	2,820
Advances to Other Funds	91,000	-	-	-	-	-	91,000
Long-Term Loans Receivable	-	-	252,900	-	-	-	252,900
Total Assets	\$ 818,199	\$ 93,188	\$ 362,614	\$ 80,498	\$ 167,352	\$ 487,151	\$ 2,009,002
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Vouchers and Accounts Payable	\$ 17,350	\$ -	\$ -	\$ -	\$ 651	\$ -	\$ 18,001
Due to Other Governmental Units	2,769	-	-	-	-	-	2,769
Unearned Revenues	5,800	-	-	-	-	-	5,800
Due to Other Funds	-	-	2,799	-	-	-	2,799
Total Liabilities	25,919	-	2,799	-	651	-	29,369
DEFERRED INFLOWS OF RESOURCES							
Succeeding Year's Property Taxes	476,586	29,819	-	25,000	52,573	177,050	761,028
Deferred Amount Related to Leases	88,994	-	-	-	-	-	88,994
Unavailable Revenue - Other	-	-	252,900	-	-	-	252,900
Total Deferred Inflows of Resources	565,580	29,819	252,900	25,000	52,573	177,050	1,102,922
FUND BALANCES							
Nonspendable	226,050	-	-	-	-	-	226,050
Restricted	-	63,369	106,915	-	-	285,708	455,992
Committed	-	-	-	-	114,128	4,733	118,861
Assigned	650	-	-	55,498	-	19,660	75,808
Total Fund Balances	226,700	63,369	106,915	55,498	114,128	310,101	876,711
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 818,199	\$ 93,188	\$ 362,614	\$ 80,498	\$ 167,352	\$ 487,151	\$ 2,009,002

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF LUCK, WISCONSIN
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2022**

TOTAL FUND BALANCES FOR GOVERNMENTAL FUNDS \$ 876,711

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:

Land	\$ 478,122	
Buildings	1,490,001	
Equipment and Vehicles	671,035	
Infrastructure	2,718,491	
Accumulated Depreciation	<u>(1,427,666)</u>	3,929,983

Some receivables, including special assessments, are reported as deferred inflows of resources in the fund financial statements but are recognized as revenue when earned in the government-wide statements.

252,900

Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These liabilities consist of:

Notes Payable	1,231,794	
Accrued Interest on Notes Payable	4,809	
Vacation and Sick Leave Liability	68,943	
Unfunded WRS Liability	<u>11,195</u>	<u>(1,316,741)</u>

TOTAL NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 3,742,853

**VILLAGE OF LUCK, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGE IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2022**

	General Fund	Debt Service Fund	CDBG Revolving Loan Fund	Machinery Outlay Fund	Library Fund	Other Governmental Funds	Totals
REVENUES							
Taxes	\$ 496,160	\$ 29,819	\$ -	\$ 25,000	\$ 66,520	\$ 146,554	\$ 764,053
Intergovernmental	344,301	-	-	-	72,611	348	417,260
Licenses and Permits	26,979	-	-	-	-	-	26,979
Fines and Forfeits	1,966	-	-	-	-	-	1,966
Public Charges for Services	2,150	-	-	-	-	-	2,150
Intergovernmental Charges for Services	21,650	-	-	-	-	-	21,650
Miscellaneous							
Interest	8,264	-	12	165	1,596	372	10,409
Rent	6,802	-	-	-	-	-	6,802
Donations	500	-	-	-	600	-	1,100
Loan Repayments	-	-	981	-	-	-	981
Sale of Village Property	-	-	-	-	-	5,710	5,710
Other	37,308	-	-	-	-	1,098	38,406
Total Revenues	946,080	29,819	993	25,165	141,327	154,082	1,297,466
EXPENDITURES							
General Government	151,362	-	-	-	-	-	151,362
Public Safety	387,849	-	-	-	-	40,392	428,241
Transportation	457,827	-	-	45,000	-	-	502,827
Sanitation	5,870	-	-	-	-	-	5,870
Health and Human Services	-	-	-	-	-	1,088	1,088
Culture, Recreation, and Education	8,108	-	-	-	129,495	-	137,603
Conservation and Development	15,085	-	12,983	-	-	13,932	42,000
Debt Service							
Principal Retirement	-	80,047	-	-	-	-	80,047
Interest and Fiscal Charges	-	43,740	-	-	-	-	43,740
Total Expenditures	1,026,101	123,787	12,983	45,000	129,495	55,412	1,392,778
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(80,021)	(93,968)	(11,990)	(19,835)	11,832	98,670	(95,312)
OTHER FINANCING SOURCES (USES)							
Transfers In	25,508	93,968	-	-	-	-	119,476
Transfers Out	(81,226)	-	-	-	-	(71,905)	(153,131)
Total Other Financing Sources (Uses)	(55,718)	93,968	-	-	-	(71,905)	(33,655)
NET CHANGE IN FUND BALANCES	(135,739)	-	(11,990)	(19,835)	11,832	26,765	(128,967)
Fund Balances - Beginning of Year	362,439	63,369	118,905	75,333	102,296	283,336	1,005,678
FUND BALANCES - END OF YEAR	\$ 226,700	\$ 63,369	\$ 106,915	\$ 55,498	\$ 114,128	\$ 310,101	\$ 876,711

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF LUCK, WISCONSIN
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022**

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ (128,967)

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital Outlays Reported in Governmental Fund Statements	\$ 279,955	
Depreciation Expense Reported in the Statement of Activities	<u>(164,218)</u>	115,737

Receivables not currently available are reported as deferred inflows of resources in the fund financial statements but are recognized as revenue when earned in the government-wide statements.		12,002
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Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position. In the current year, these amounts consist of:

Note Principal Retirement		80,047
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Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:

Net Change in Accrued Interest Payable	405	
Net Change in Vacation and Sick Leave Liability	(3,333)	
Net Change in Pension Related Debt	<u>4,306</u>	<u>1,378</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 80,197

**VILLAGE OF LUCK, WISCONSIN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2022**

	Business-Type Activities - Enterprise Funds			
	Water Utility	Sewer Utility	Golf Course	Totals
ASSETS				
CURRENT ASSETS				
Cash and Investments	\$ 119,601	\$ 343,550	\$ 210,402	\$ 673,553
Customer Accounts Receivable	44,078	79,416	-	123,494
Accounts Receivable on Tax Roll	1,460	-	-	1,460
Other Accounts Receivable	-	600	3,091	3,691
Inventories	8,122	3,488	2,507	14,117
Total Current Assets	<u>173,261</u>	<u>427,054</u>	<u>216,000</u>	<u>816,315</u>
RESTRICTED ASSETS				
Cash and Investments				
Replacement Fund Cash and Investments	-	266,272	-	266,272
CAPITAL ASSETS				
Utility Plant in Service	1,924,689	6,826,036	2,607,921	11,358,646
Less Accumulated Depreciation	747,261	2,002,771	1,105,697	3,855,729
Total Capital Assets	<u>1,177,428</u>	<u>4,823,265</u>	<u>1,502,224</u>	<u>7,502,917</u>
Total Assets	<u>\$ 1,350,689</u>	<u>\$ 5,516,591</u>	<u>\$ 1,718,224</u>	<u>\$ 8,585,504</u>
LIABILITIES				
CURRENT LIABILITIES				
Accounts Payable	\$ 1,492	\$ 2,725	\$ 11,677	\$ 15,894
Accrued Interest Payable	1,878	8,606	976	11,460
Unearned Revenues	-	-	62,481	62,481
Due to Other Funds	-	-	21	21
Accrued Employee Benefits	453	453	821	1,727
Current Portion of Long-Term Debt:				
Right-To-Use Lease Equipment	-	-	30,495	30,495
General Obligation Notes Payable	8,014	-	-	8,014
Mortgage Revenue Bonds	10,896	32,900	-	43,796
Total Current Liabilities	<u>22,733</u>	<u>44,684</u>	<u>106,471</u>	<u>173,888</u>
LONG-TERM LIABILITIES (NET OF CURRENT PORTION)				
Advance from General Fund	-	-	91,000	91,000
Right-To-Use Lease Equipment	-	-	74,513	74,513
General Obligation Notes Payable	74,208	-	-	74,208
Mortgage Revenue Note	116,125	1,792,500	-	1,908,625
Accrued Employee Benefits	6,065	6,065	10,992	23,122
Total Long-Term Liabilities	<u>196,398</u>	<u>1,798,565</u>	<u>176,505</u>	<u>2,171,468</u>
Total Liabilities	219,131	1,843,249	282,976	2,345,356
NET POSITION				
Net Investment in Capital Assets	968,185	2,997,865	1,397,216	5,363,266
Restricted for Asset Replacement	-	266,272	-	266,272
Unrestricted	163,373	409,205	38,032	610,610
Total Net Position	<u>1,131,558</u>	<u>3,673,342</u>	<u>1,435,248</u>	<u>6,240,148</u>
Total Liabilities and Net Position	<u>\$ 1,350,689</u>	<u>\$ 5,516,591</u>	<u>\$ 1,718,224</u>	<u>\$ 8,585,504</u>

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF LUCK, WISCONSIN
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2022**

	Business-Type Activities - Enterprise Funds			
	Water Utility	Sewer Utility	Golf Course	Totals
OPERATING REVENUES				
Charges for Services	\$ 184,160	\$ 340,535	\$ 849,858	\$ 1,374,553
Other Operating Revenues	15,090	4,539	-	19,629
Total Operating Revenues	<u>199,250</u>	<u>345,074</u>	<u>849,858</u>	<u>1,394,182</u>
OPERATING EXPENSES				
Cost of Goods Sold	-	-	145,431	145,431
Operation and Maintenance	174,045	205,943	606,160	986,148
Depreciation	46,190	196,812	103,298	346,300
Total Operating Expenses	<u>220,235</u>	<u>402,755</u>	<u>854,889</u>	<u>1,477,879</u>
OPERATING LOSS	(20,985)	(57,681)	(5,031)	(83,697)
NONOPERATING REVENUES (EXPENSES)				
Interest Income	1,481	5,194	30	6,705
Gain from Sale of Equipment	-	-	7,073	7,073
Refund of Prior Years Expenses	-	-	317	317
Insurance Compensation for Property Damages	-	3,895	-	3,895
Interest Expense	(4,264)	(50,639)	(4,764)	(59,667)
Total Nonoperating Revenues (Expenses)	<u>(2,783)</u>	<u>(41,550)</u>	<u>2,656</u>	<u>(41,677)</u>
LOSS BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(23,768)	(99,231)	(2,375)	(125,374)
CAPITAL CONTRIBUTIONS AND TRANSFERS				
Intergovernmental Grants	5,000	-	-	5,000
Contributions from Individuals	-	-	35,423	35,423
Transfers In	59,163	-	-	59,163
Transfers - Utility Tax Equivalents	(25,508)	-	-	(25,508)
Total Capital Contributions and Transfers	<u>38,655</u>	<u>-</u>	<u>35,423</u>	<u>74,078</u>
CHANGE IN NET POSITION	14,887	(99,231)	33,048	(51,296)
Net Position - Beginning of Year	<u>1,116,671</u>	<u>3,772,573</u>	<u>1,402,200</u>	<u>6,291,444</u>
NET POSITION - END OF YEAR	<u>\$ 1,131,558</u>	<u>\$ 3,673,342</u>	<u>\$ 1,435,248</u>	<u>\$ 6,240,148</u>

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF LUCK, WISCONSIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2022**

	Business-Type Activities - Enterprise Funds			
	Water Utility	Sewer Utility	Golf Course	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers	\$ 119,152	\$ 347,295	\$ 849,858	\$ 1,316,305
Cash Received from Public Fire Protection	67,558	-	-	67,558
Cash Received (Paid) for Meter Related Charges	11,986	(11,986)	-	-
Cash Paid to Suppliers for Goods and Services	(89,630)	(111,560)	(560,761)	(761,951)
Cash Paid for Employee Services	(87,544)	(83,685)	(321,548)	(492,777)
Net Cash Provided (Used) by Operating Activities	21,522	140,064	(32,451)	129,135
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Cash Paid to General Fund to Reduce Advance from General Fund	-	-	(4,000)	(4,000)
Cash Received from Insurance Reimbursements	-	3,895	-	3,895
Refunds of Prior Year Expenses	-	-	317	317
Payments of Tax Equivalents	(25,508)	-	-	(25,508)
Net Cash Provided (Used) by Noncapital Financing Activities	(25,508)	3,895	(3,683)	(25,296)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Cash Paid for Acquisition of Capital Assets	(47,834)	-	(198,329)	(246,163)
Cash Received from Sale of Equipment/Property	-	-	7,273	7,273
Cash Received as Capital Contributions	-	-	35,423	35,423
Cash Received from General Fund	59,163	-	-	59,163
Principal Paid on Long-Term Debt	(18,549)	(32,000)	-	(50,549)
Principal Paid on Leases	-	-	(36,258)	(36,258)
Interest and Fiscal Agent Fees Paid	(4,438)	(50,639)	(4,764)	(59,841)
Net Cash Used by Capital and Related Financing Activities	(11,658)	(82,639)	(196,655)	(290,952)

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF LUCK, WISCONSIN
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2022**

	Business-Type Activities - Enterprise Funds			
	Water Utility	Sewer Utility	Golf Course	Totals
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on Investments	\$ 1,481	\$ 5,194	\$ 30	\$ 6,705
NET CHANGE IN CASH AND CASH EQUIVALENTS	(14,163)	66,514	(232,759)	(180,408)
Cash and Cash Equivalents - Beginning of Year	133,764	543,308	443,161	1,120,233
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 119,601</u>	<u>\$ 609,822</u>	<u>\$ 210,402</u>	<u>\$ 939,825</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Loss	\$ (20,985)	\$ (57,681)	\$ (5,031)	\$ (83,697)
Adjustments to Reconcile Operating Loss to Net Cash				
Provided (Used) by Operating Activities:				
Depreciation	46,190	196,812	103,298	346,300
(Increase) Decrease in Assets:				
Customer Accounts Receivable	(779)	2,221	-	1,442
Accounts Receivable on Tax Roll	225	-	-	225
Inventory	733	25	(1,099)	(341)
Increase (Decrease) in Liabilities:				
Accounts Payable	(2,837)	(289)	(29,858)	(32,984)
Unearned Revenues	-	-	(102,159)	(102,159)
Accrued Benefits Payable	(1,025)	(1,024)	2,398	349
Net Cash Provided (Used) by Operating Activities	<u>\$ 21,522</u>	<u>\$ 140,064</u>	<u>\$ (32,451)</u>	<u>\$ 129,135</u>
RECONCILIATION OF CASH AND INVESTMENTS TO CASH AND CASH EQUIVALENTS				
Cash and Investments per Statement of Net Position				
Cash and Investments	\$ 119,601	\$ 343,550	\$ 210,402	\$ 673,553
Cash and Investments - Restricted	-	266,272	-	266,272
Total Cash and Cash Equivalents	<u>\$ 119,601</u>	<u>\$ 609,822</u>	<u>\$ 210,402</u>	<u>\$ 939,825</u>

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF LUCK, WISCONSIN
STATEMENT OF NET POSITION
FIDUCIARY FUND
DECEMBER 31, 2022**

	<u>Custodial Fund</u>
ASSETS	
Cash and Investments	\$ 198,358
Taxes Receivable	<u>803,081</u>
Total Assets	<u>1,001,439</u>
 DEFERRED INFLOWS OF RESOURCES	
Succeeding Year's Property Taxes	<u>1,001,439</u>
 NET POSITION	 <u><u>\$ -</u></u>

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF LUCK, WISCONSIN
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUND
YEAR ENDED DECEMBER 31, 2022**

	Custodial Fund
ADDITIONS	
Property Tax Collections	\$ 1,029,133
DEDUCTIONS	
Payments to Taxing Jurisdictions	1,029,133
CHANGE IN NET POSITION	-
Net Position - Beginning of Year	-
NET POSITION - END OF YEAR	\$ -

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF LUCK, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Village of Luck (the Village) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units, except for not adopting Governmental Accounting Standards Board (GASB) 68, *Accounting and Financial Reporting for Pensions*. Accounting principles generally accepted in the United States of America require that the Village's financial statements include amounts and disclosures related to participation in the Wisconsin Retirement System cost-sharing, multiple-employer defined benefit pension plan. The amount by which the departure would affect the assets, liabilities, deferred inflows of resources, deferred outflows of resources, net position, and expenses has not been determined. The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the Village are described below:

A. Report Entity

The Village of Luck is governed by a seven-member elected board consisting of the Village President and six trustees elected at large.

The financial reporting entity of the Village is defined by the GASB to consist of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that the exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The basic financial statements of the Village consist of the primary government. No other organizations were identified for inclusion in the financial reporting entity of the Village.

Discretely Presented Component Unit

The Village established a redevelopment authority during 2010. The redevelopment authority is a legally separate organization. The board of the redevelopment authority is appointed by the Village president. Wisconsin Statutes provide for circumstances whereby the Village can impose its will on the redevelopment authority and also create a potential financial benefit to or burden on the Village. As a component unit, the redevelopment authority's financial statements will be presented as a discrete column to emphasize that it is legally separate from the Village. The redevelopment authority is a separate legal entity established to assist in planning and funding future economic development projects. No financial activity has been incurred by the redevelopment authority through December 31, 2022.

**VILLAGE OF LUCK, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements

The Village's basic financial statements include both government-wide (reporting the Village as a whole) and fund financial statements (reporting the Village's major funds) as described below:

Government-Wide Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report financial information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. 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 to a specific function or segment. Program revenues include: (a) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment; and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

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

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

**VILLAGE OF LUCK, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements (Continued)

Fund Financial Statements (Continued)

The Village reports the following major governmental funds:

General Fund – The General Fund is the operating fund of the Village. It is used to account for all financial resources of the Village, except those required to be accounted for in another fund.

Debt Service Fund – Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs of governmental funds.

Community Development Block Grant Revolving Loan Fund – The CDBG Revolving Loan Fund is used to account for the transactions of the housing rehabilitation program. The major revenue sources for this fund are restricted grants and loan repayments.

Machinery Outlay Fund – The Machinery Outlay Fund, a capital projects fund, is used to account for equipment replacement. The major revenue sources for this fund are assigned local appropriations and interest earnings.

Library Fund – The Library Fund is used to account for operations of the Village's library. The major revenue sources for this fund are local appropriations, restricted grants and restricted donations.

All remaining governmental funds are aggregated and reported as nonmajor funds.

The Village reports the following major enterprise funds:

Water Utility – This fund accounts for the operations of the water system. Utility operations are subject to regulation by the Wisconsin Public Service Commission.

Sewer Utility – This fund accounts for the operations of the sewer collection system and treatment facilities.

Golf Course – This fund accounts for the operations of the municipally owned golf course.

The Village had no other enterprise funds to report as nonmajor funds.

Additionally, the Village reports the following fiduciary fund:

Custodial Fund – The custodial fund is used to account for the collection of property taxes for other governmental units.

VILLAGE OF LUCK, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting

The government-wide, proprietary funds and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows or resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Nonexchange transactions, in which the Village gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements and donations. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows of resources. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables, if any, are recorded as revenues when services are provided.

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

Governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized as soon as they are both measurable and available. Revenues are deemed 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 reported in the governmental funds to be available if they are collected within 60 days after the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, including lease liabilities, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and financing under leases are reported as other financing sources.

Property taxes, miscellaneous taxes, public charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in financial statements and accompanying notes. Actual results could differ from those estimates.

**VILLAGE OF LUCK, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance

1. Deposits and Investments

The Village's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from date of acquisition. Cash and investment balances for individual funds are pooled unless maintained in segregated accounts.

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

1. Time deposits in any credit union, bank, savings bank or trust company maturing in three years or less.
2. Bonds or securities issued or guaranteed by the federal government.
3. Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, or by the University of Wisconsin Hospitals and Clinics Authority.
4. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
5. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
6. Bonds or securities issued under the authority of the municipality.
7. The local government investment pool.
8. Repurchase agreements with public depositories, with certain conditions.

Additional restrictions may arise from local charters, ordinances, resolutions and grant resolutions.

Investment of most trust funds is regulated by Chapter 881 of the Wisconsin Statutes. Investment of library trust funds is regulated by Chapter 112. Those sections give broad authority to use such funds to acquire various kinds of investments including stocks, bonds and debentures.

Investments of the Village are stated at fair value.

**VILLAGE OF LUCK, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance (Continued)

2. Receivables

Property Taxes

Property taxes are levied prior to the end of the calendar year and are due and collectible in the following year. Property taxes attach an enforceable lien as of January 1. The resulting tax roll for which amounts have been collected for other taxing jurisdictions by December 31 is recorded in the Village's custodial fund as deferred inflows of resources for succeeding year's property taxes. Since Village property taxes are not considered available until January 1 of the year following the levy, the Village portion of the tax roll is recorded as deferred inflow of resources in the funds budgeted. Real property taxes are payable in full on or before January 31 or, alternatively, if over \$100, can be paid in two equal installments with the first installment payable on or before January 31 and the second installment payable on or before July 31. Personal property taxes and special assessments, special charges (including delinquent utility billings) and special taxes placed on the tax roll are payable in full on or before January 31. All uncollected items on the current tax roll, except delinquent personal property taxes, are turned over to the Polk County Treasurer for collection in February. Polk County subsequently settles in full with the Village in August of the same year, including settlement for uncollected delinquent special assessments and special charges. (The County has the option to settle in full for delinquent special assessments and special charges or to remit them to the Village as collections are received.) Delinquent personal property taxes are retained by the Village for collection. A portion of the general fund balance is classified as nonspendable for the Village's investment in delinquent taxes.

Accounts Receivable

All accounts receivable are shown at gross amounts. No allowance for uncollectible accounts has been provided since such allowance would not be material.

Lease Receivable

The Village is a lessor under noncancellable lease agreements. The Village recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

VILLAGE OF LUCK, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance (Continued)

2. Receivables (Continued)

Loans Receivable

The Village has received federal and state grant funds for housing rehabilitation loan programs to various businesses and individuals. The Village records a loan receivable when the loan has been made and funds have been disbursed. The amounts recorded as housing rehabilitation loans receivable have not been reduced by an allowance for uncollectible accounts since the Village does not expect such amounts to be material to the financial statements. It is the Village's policy to record deferred inflows of resources for the net amount of the receivable balance. As loans are repaid, revenue is recognized. When new loans are made from the repayments, expenditures are recorded. Interest received from loan repayments is recognized as revenue when received in cash. Any unspent loan repayments at year-end are presented as restricted fund balance in the fund financial statements.

Interfund Balances

Activity between funds are representative of lending/borrowing arrangements outstanding at the end of the fiscal year 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). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statement as "internal balances". Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

3. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds, if material, are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4. Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified.

**VILLAGE OF LUCK, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance (Continued)

5. Capital Assets

Government-Wide Statements

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the proprietary funds financial statements. Capital assets are defined by the Village as assets with initial, individual costs as shown below and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Right-to-use lease assets are initially measured at the present value of payments expected to be made during the lease term, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset. Donated capital assets are recorded at estimated acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The Village's policy is to prospectively report infrastructure acquired after adoption of GASB Statement No. 34. Capitalization thresholds (the dollar valued above which asset acquisitions are added to the capital asset accounts), depreciation/amortization methods, and estimated useful lives of capital assets reported in the government-wide statements are as follows:

<u>Assets</u>	<u>Threshold</u>	<u>Depreciation/ Amortization Method</u>	<u>Useful Life</u>
Land	\$ 5,000	N/A	N/A
Buildings	5,000	Straight-line	40-50 Years
Machinery and Equipment	5,000	Straight-line	4-30 Years
Right-To-Use Lease Equipment	Various	Straight-line	8 Years
Utility Systems	5,000	Straight-line	30-50 Years
Infrastructure	5,000	Straight-line	30-50 Years

Fund Financial Statements

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

VILLAGE OF LUCK, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance (Continued)

6. Lease Liability

The Village is a lessee for noncancellable leases of equipment. The Village recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the applicable governmental activities or business-type activities in the government-wide and in the proprietary fund financial statements.

At the commencement of a lease, the Village initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Key estimates and judgments related to leases include how the Village determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The Village uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Village generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease payments included in the measurement of the lease liability are composed of fixed payments and the purchase option price that the Village is reasonably certain to exercise.

The Village monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long- term debt on the statement of net position.

**VILLAGE OF LUCK, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance (Continued)

7. Lessor

The Village is a lessor for a noncancellable lease of a water tower rental for a cell phone antenna. The Village recognizes a lease receivable and a deferred inflow of resources in the applicable business-type activities in the government-wide and in the governmental and proprietary fund financial statements.

At the commencement of a lease, the Village initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the Village determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The Village uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The Village monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

8. Deferred Outflows of Resources

The Village would report decreases in net position or fund equity that relate to future periods as deferred outflows of resources in a separate section of its government-wide and proprietary funds statements of net position or governmental fund balance sheets. No deferred outflows of resources are reported in these financial statements in the current year.

**VILLAGE OF LUCK, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance (Continued)

9. Deferred Inflows of Resources

The Village's financial statements report a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net position or fund equity that applies to a future period. The Village will not recognize the related revenue until a future event occurs.

The Village has three types of items which are reported as deferred inflows in its governmental funds. The first occurs because property tax receivables are recorded in the current year, but the revenue will be recorded in the subsequent year. The second type of deferred inflow of resources relates to the lease receivable and represents the present value of future revenues to be recognized on lessor contracts. The final deferred inflow of resources, which are only reported in the governmental fund financial statements, occurs because certain governmental fund revenues are not recognized until available (collected later than 60 days after the end of the Village's year) under the modified accrual basis of accounting. The Village's government-wide financial statements also report a deferred inflows of resources for subsequent years taxes and leases as described above. The Village does not have deferred inflows of resources to report in its proprietary fund financial statements in the current year.

10. Unearned Revenue

Unearned revenues are reported in connection with resources that have been received but not yet earned.

11. Compensated Absences

It is the Village's policy to permit employees to accumulate vacation and sick leave benefits. Liabilities for accumulated vacation and sick leave are not accrued in the Village's governmental fund financial statements but are recorded as expenditures when paid. Such liabilities are accrued in the government-wide and proprietary fund financial statements when earned.

**VILLAGE OF LUCK, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance (Continued)

12. Long-Term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

13. Defining Operating Revenues and Expenses

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 utility and sewer utility are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

14. Use of Restricted Resources

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.

15. Equity Classifications

Fund equity, representing assets and deferred outflows of resources less liabilities and deferred inflows of resources, is classified as follows in the Village's financial statements:

Government-Wide, Proprietary Fund, and Fiduciary Fund Statements

Fund equity is classified as net position in the government-wide, proprietary fund and fiduciary fund financial statements and is displayed in three components. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement for those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is displayed as unrestricted.

VILLAGE OF LUCK, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance (Continued)

15. Equity Classifications (Continued)

Fund Financial Statements

In the fund financial statements, governmental funds report components of fund balance to provide information about fund balance availability for appropriation. Nonspendable fund balance represents amounts that are inherently nonspendable or assets that are legally or contractually required to be maintained intact. Restricted fund balance represents amounts available for appropriation but intended for a specific use and is legally restricted by outside parties. Committed fund balance represents constraints on spending that the government imposes upon itself by high-level formal action prior to the close of the fiscal period. Assigned fund balance represents resources intended for spending for a purpose set by the government body itself or by some person or body delegated to exercise such authority in accordance with policy established by the board.

Unassigned fund balance is the residual classification for the Village's general fund and includes all spendable amounts not contained in the other classifications. It is the Village's policy that at the end of each fiscal year, the Village will maintain unassigned portion of fund balance of at least 25% of annual general fund expenditures.

Committed fund balance is required to be established, modified, or rescinded by resolution of the Village Board prior to each year end. Based on resolution of the Village Board, the Village Administrator will have the authority to establish or modify assigned fund balance. When restricted and unrestricted fund balance is available for expenditure, it is the Village's policy to first use restricted fund balance. When committed, assigned, and unassigned fund balance is available for expenditure, it is the Village's policy to use committed, assigned and finally unassigned fund balance.

16. Adoption of New Accounting Standards

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, 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 a deferred inflow of resources.

**VILLAGE OF LUCK, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

In the general fund, at December 31, 2022, actual expenditures exceeded the budgeted amount as determined necessary and authorized by the Village Board, as shown below:

Expenditures	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Public Safety	\$ 357,798	\$ 357,798	\$ 387,849	\$ (30,051)
Transportation	302,054	302,054	457,827	(155,773)
Sanitation	5,000	5,000	5,870	(870)
Conservation and Development	4,619	4,619	15,085	(10,466)

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

The Village's cash and investments balance at December 31, 2022 as shown in the financial statements are as follows:

Governmental Funds	\$ 767,058
Proprietary Funds	939,825
Fiduciary Funds	198,358
Total	<u>\$ 1,905,241</u>

The above cash and investments balances consisted of the following:

Deposits in Financial Institutions	\$ 1,129,739
Deposits in Local Government Investment Pool	775,502
Total	<u>\$ 1,905,241</u>

Deposits at Financial Institutions

The Village's balances at individual financial institutions were subject to coverage under federal depository insurance and amounts appropriated by Sections 20.144(1)(a) and 34.08 of the Wisconsin Statutes (State Guarantee Fund). Federal depository insurance provides for coverage of up to \$250,000 for time and savings deposits and coverage of up to an additional \$250,000 for demand deposit accounts. In addition, funds held for others (such as trust funds) are subject to coverage under the name of the party for whom the funds are held. Coverage under the State Guarantee Fund may not exceed \$400,000 above the amount of coverage under federal depository insurance at any institution and is limited by the availability of the appropriations authorized therein. (Due to the relatively small size of the State Guarantee Fund in relation to the total coverage, total recovery of losses may not be available.) Also, Section 34.07 of the Wisconsin Statutes authorizes the Village to collateralize its deposits that exceed the amount of coverage provided by federal depository insurance and the State Guarantee Fund.

Custodial credit risk for deposits is the risk that in the event of bank failure, the Village's deposits may not be returned. At December 31, 2022, the Village's deposits were not exposed to custodial credit risk.

**VILLAGE OF LUCK, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

Investments

The Village's investments at December 31, 2022 consisted of deposits in the following external investment pool:

Deposits in State Local Government Pooled-Investment Fund

The State of Wisconsin offers a Local Government Investment Pool (LGIP) to local government units to enable them to voluntarily invest idle funds in State Investment Fund. Local funds are pooled with state funds and invested by the State Investment Board. There is no minimum or maximum amount that can be invested by a local governmental unit. Interest is earned on a daily basis and withdrawals are generally available on the day of request. Deposits in the LGIP are not covered by federal depository insurance but are subject to coverage under the State Guarantee Fund. Also, the State of Wisconsin Investment Board has obtained a surety bond to protect deposits in the LGIP against defaults in principal payments on the LGIP's investments (subject to certain limitations). The average monthly weighted average maturity of the State Investment Fund's investments for 2022 was 26 days.

Credit risk for investments is the risk that an issuer or other counterparty to an investment will not fulfill its obligation to the holder of the investment. The Village's policy is to invest its funds in accordance with provisions of the Wisconsin Statutes previously discussed in Note 1.D.1.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the fair values of investments with maturity dates farther into the future are more sensitive to changes in market interest rates. The short weighted average maturities of the investments in the above external investment pool mitigates this risk to the Village.

The Village's investments in the Local Government Investment Pool are measured at amortized cost.

**VILLAGE OF LUCK, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Long-Term Receivables/Deferred Inflows

Housing Rehabilitation Loans Receivable

The Village has participated in the Small Cities Community Development Block Grant (CDBG) program which was used to finance housing rehabilitation as specified within the contracts signed with the State of Wisconsin.

At December 31, 2022 the Village had outstanding 23 deferred mortgage loans totaling \$252,900, these notes become due and payable in the event that the maker:

- a. no longer continues to occupy the premises securing this note as a full-time residence, or
- b. transfers any legal or equitable interest in the mortgaged premises to anyone for any reason.

These loans are recorded as long-term receivables and deferred inflows of resources in the special revenue fund. Collections on these loans are recognized as revenue in the special revenue fund at the time of their receipt. Proceeds from the collection of the above loans are restricted for financing similar rehabilitation projects.

Northland Ambulance Service Receivable

The Village borrowed \$250,000 in 2013 to provide financing to the local ambulance district for the purchase of a building that will house the ambulance district. The amount is to be repaid to the Village as payments become due on the loan (see Note 3.E). The Village has recorded a receivable equal to the outstanding balance of the loan (\$117,259) at December 31, 2022.

**VILLAGE OF LUCK, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets

Capital assets activity for the year ended December 31, 2022 is as follows:

Governmental Activities

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Not Being Depreciated				
Land	\$ 478,122	\$ -	\$ -	\$ 478,122
Capital Assets Being Depreciated				
Buildings and Improvements	1,490,001	-	-	1,490,001
Equipment and Vehicles	656,310	89,701	74,976	671,035
Infrastructure	2,528,237	190,254	-	2,718,491
Total Capital Assets Being Depreciated	4,674,548	279,955	74,976	4,879,527
 Total Capital Assets	 5,152,670	 279,955	 74,976	 5,357,649
 Accumulated Depreciation				
Buildings and Improvements	560,644	40,968	-	601,612
Equipment and Vehicles	320,739	40,883	74,976	286,646
Infrastructure	457,041	82,367	-	539,408
Total Accumulated Depreciation	1,338,424	164,218	74,976	1,427,666
 Net Capital Assets - Governmental Activities	 \$ 3,814,246	 \$ 115,737	 \$ -	 \$ 3,929,983

Depreciation was charges to governmental functions as follows:

General Government	\$ 13,955
Public Safety	13,262
Transportation	113,789
Culture, Recreation, and Education	23,212
Total	<u>\$ 164,218</u>

**VILLAGE OF LUCK, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets (Continued)

Business Activities

	Beginning Balance	Increases	Decreases	Ending Balance
WATER UTILITY				
Capital Assets Not Being Depreciated				
Land and Land Rights	\$ 1,838	\$ -	\$ -	\$ 1,838
Capital Assets Being Depreciated				
Source of Supply	23,845	-	-	23,845
Pumping Plant	99,651	-	-	99,651
Water Treatment	1,581	-	-	1,581
Transmission and Distribution	1,696,467	52,834	7,850	1,741,451
Administration and General Assets	56,323	-	-	56,323
Total Capital Assets Being Depreciated	<u>1,877,867</u>	<u>52,834</u>	<u>7,850</u>	<u>1,922,851</u>
Total Capital Assets	1,879,705	52,834	7,850	1,924,689
Less: Accumulated Depreciation	708,921	46,190	7,850	747,261
Net Capital Assets - Water Utility	<u>1,170,784</u>	<u>6,644</u>	<u>-</u>	<u>1,177,428</u>
SEWER UTILITY				
Capital Assets Not Being Depreciated				
Land and Land Rights	33,883	-	-	33,883
Capital Assets Being Depreciated				
Collection System	2,905,192	-	-	2,905,192
Treatment and Disposal Plant	3,739,581	-	-	3,739,581
Administration and General Assets	147,380	-	-	147,380
Total Capital Assets Being Depreciated	<u>6,792,153</u>	<u>-</u>	<u>-</u>	<u>6,792,153</u>
Total Capital Assets	6,826,036	-	-	6,826,036
Less: Accumulated Depreciation	1,805,959	196,812	-	2,002,771
Net Capital Assets - Sewer Utility	<u>5,020,077</u>	<u>(196,812)</u>	<u>-</u>	<u>4,823,265</u>

**VILLAGE OF LUCK, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets (Continued)

Business Activities (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
GOLF COURSE				
Capital Assets Not Being Depreciated/Amortized				
Land and Land Rights	\$ 461,190	\$ -	\$ -	\$ 461,190
Construction Work in Progress	9,743	3,740	13,483	-
Total Capital Assets Not Being Depreciated/Amortized	470,933	3,740	13,483	461,190
Capital Assets Being Depreciated/Amortized				
Land Improvements	229,577	139,572	-	369,149
Buildings	693,234	-	-	693,234
Equipment and Vehicles **	543,842	55,017	3,995	594,864
Right-To-Use Lease Equipment **	153,544	15,957	-	169,501
Infrastructure	306,500	13,483	-	319,983
Total Capital Assets Being Depreciated/Amortized	1,926,697	224,029	3,995	2,146,731
Total Capital Assets	2,397,630	227,769	17,478	2,607,921
Less: Accumulated Depreciation/Amortization	1,006,194	103,298	3,795	1,105,697
Net Capital Assets - Golf Course	1,391,436	124,471	13,683	1,502,224
Net Capital Assets - Business-Type Activities	\$ 7,582,297	\$ (65,697)	\$ 13,683	\$ 7,502,917

** This includes restated amounts due to the implementation of GASB Statement No. 87.

Depreciation was charges to business-type activities as follows:

Water	\$ 46,190
Sewer	196,812
Golf	103,298
Total	<u>\$ 346,300</u>

D. Interfund Receivables, Payables, and Transfers

Due to/from Other Funds

Receivable Fund	Payable Fund	Amount	Purpose
General Fund	Golf Course Proprietary Fund	\$ 21	Finance Operating Expenses
General Fund	CDBG Revolving Loan Fund	2,799	Finance Operating Expenses
Total		<u>\$ 2,820</u>	

**VILLAGE OF LUCK, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Interfund Receivables, Payables, and Transfers (Continued)

Advances from/to Other Funds

Receivable Fund	Payable Fund	Amount	Purpose
General Fund	Golf Course Proprietary Fund	\$ 91,000	Finance Operating Expenses

Interfund balances that are owed within the governmental activities and business-type activities are eliminated in the statement of net position.

Interfund Transfers

The following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount	Purpose
General Fund	Water Utility	\$ 25,508	Property Tax Equivalent
Debt Service Fund	General Fund	22,063	Finance Current Year Debt Maturities
Water Utility	General Fund	59,163	Finance Current Year Expenses
Debt Service Fund	Tax Incremental #2 Fund	54,785	Finance Current Year Debt Maturities
Debt Service Fund	Tax Incremental #4 Fund	17,120	Finance Current Year Debt Maturities
Total		<u>\$ 178,639</u>	

**VILLAGE OF LUCK, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations

Changes in Long-Term Obligations

Changes in long-term obligations of the Village for the year ended December 31, 2022 were as follows:

	Balance			Amounts	
	January 1,			December 31,	Due Within
	2022	Issued	Retired	2022	One Year
Long-Term Debt					
Governmental Activities					
Notes from Direct Borrowings	\$ 1,311,841	\$ -	\$ 80,047	\$ 1,231,794	\$ 182,570
Business-Type Activities					
Notes from Direct Borrowings	90,000	-	7,778	82,222	8,014
Mortgage Revenue Bonds	1,995,192	-	42,771	1,952,421	43,796
Total Business-Type Activities					
Long-Term Debt	2,085,192	-	50,549	2,034,643	51,810
Total Long-Term Debt	<u>\$ 3,397,033</u>	<u>\$ -</u>	<u>\$ 130,596</u>	<u>\$ 3,266,437</u>	<u>\$ 234,380</u>
Other Long-Term Obligations					
Governmental Activities					
Personal Time Off Leave	\$ 65,610	\$ 3,703	\$ 370	\$ 68,943	\$ 4,791
Unfunded WRS Liability	15,501	-	4,306	11,195	-
Total Other Long-Term Obligations	<u>\$ 81,111</u>	<u>\$ 3,703</u>	<u>\$ 4,676</u>	<u>\$ 80,138</u>	<u>\$ 4,791</u>
Business-Type Activities					
Right-To-Use Lease Liability **	\$ 125,309	\$ 15,957	\$ 36,258	\$ 105,008	\$ 30,495
Personal Time Off Leave	24,500	2,399	2,050	24,849	1,727
Total Business-Type Activities	<u>\$ 149,809</u>	<u>\$ 18,356</u>	<u>\$ 38,308</u>	<u>\$ 129,857</u>	<u>\$ 32,222</u>

** This includes restated amounts due to the implementation of GASB Statement No. 87.

The Village's estimated liabilities for employee vacation and sick leave are discussed in Note 4.B.

General Obligation Long-Term Debt

All general obligation bonds, notes and other long-term obligations are backed by the full faith and credit of the Village. General obligation long-term debt will be retired by future tax levies accumulated by the debt service fund. The Village's outstanding notes from direct borrowings related to governmental activities contain provisions that in the event of default, outstanding amounts become immediately due if the Village is unable to make payment.

**VILLAGE OF LUCK, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

General Obligation Long-Term Debt (Continued)

The Village's outstanding notes from direct borrowings related to governmental activities contain provisions that in the event of default, (a) Village fails to pay any amount when due under this note or under any other instrument evidencing any indebtedness of Village to lender (b) any representation or warranty made under this note or information provided by Village to lender in connection with this note is or was false or fraudulent in any material respect (c) a material adverse change occurs in the Village's financial condition (d) Village fails to timely observe or perform any of the covenants or duties in this note (e) an event of default occurs under the note, then, at Lender's option, and upon written or verbal notice to Village, Lender's obligation to make the loan under this shall terminate and the total unpaid balance shall become immediately due and payable without presentment, demand, protest, or further notice of any kind, all of which are hereby expressly waived by the Village. Lender's obligation to make loans under this agreement shall automatically terminate the total unpaid balance shall automatically become due and payable in the event Village becomes the subject of bankruptcy or other insolvency proceedings. Lender may waive any default without waiving any other subsequent or prior default. Village agrees to pay Lender's costs of administration of this agreement. Village also agrees to pay all costs of collection before and after judgement, including reasonable attorneys' fees (including those incurred in successful defense or settlement of any counterclaim brought by Village or incident to any action or proceedings involving Village brought pursuant to the United States Bankruptcy Code).

The Village's outstanding notes from direct borrowings related to business-type activities contain provisions that in the event of default, (a) Village fails to pay any amount when due under this note or under any other instrument evidencing any indebtedness Village to Lender (b) any representation or warranty made under this note or information provided by Village to Lender in connection with this note is or was false or fraudulent in any material respect (c) a material adverse change occurs in the Village's financial condition (d) Village fails to timely observe or perform any of the covenants or duties in this note (e) an event of default occurs under any agreement securing this note, or (f) Lender deems itself insecure, then the unpaid balance shall, at the option of lender, without notice, mature and become immediately payable. The unpaid balance shall automatically mature and become immediately payable in the event the Village becomes the subject to bankruptcy or other insolvency proceedings. Village's receipt of any payment on the note after the occurrence of an event of default shall not constitute a waiver of the default of the lender's rights and remedies upon such default.

**VILLAGE OF LUCK, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

General Obligation Long-Term Debt (Continued)

Annual Requirements for Retirement

Individual general obligation long-term debt issues outstanding at December 31, 2022 and annual requirements for their retirement were as follows:

	Year	Principal	Interest	Total
General Obligation Notes				
Governmental Activities				
Promissory note dated August 15, 2013, issued				
\$250,000, final installment August 15, 2023,				
interest at 3.75% (Northland Ambulance)	2023	\$ 117,259	\$ 4,072	\$ 121,331
Promissory note dated December 10, 2014, issued	2023	23,213	6,606	29,819
\$340,000, final installment November 30, 2024	2024	158,773	5,810	164,583
interest at 3.70% (paid off golf course debt)		181,986	12,416	194,402
Promissory note dated November 27, 2019, issued	2023	42,098	29,807	71,905
\$1,050,000, final installment November 27, 2029	2024	43,367	28,538	71,905
interest at 3.20% (Main Street and Culvert project)	2025	44,833	27,072	71,905
	2026	46,267	25,637	71,904
	2027	47,748	24,157	71,905
	2028-2029	708,236	43,411	751,647
		932,549	178,622	1,111,171
Total Governmental Activities		1,231,794	195,110	1,426,904
Business-Type Activities				
Promissory note dated August 11, 2021, issued	2023	8,014	2,673	10,687
\$90,000, final installment August 11, 2031	2024	8,268	2,419	10,687
interest at 3.25% (Meter Replacement Project)	2025	8,543	2,144	10,687
	2026	8,821	1,866	10,687
	2027	9,108	1,579	10,687
	2028-2031	39,468	3,278	42,746
Total Business-Type Activities		82,222	13,959	96,181
Total General Obligation Notes		\$ 1,314,016	\$ 209,069	\$ 1,523,085

**VILLAGE OF LUCK, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

General Obligation Long-Term Debt (Continued)

Annual Requirements for Retirement (Continued)

Minimum and annual principal and interest payments are required to retire long-term debt as follows:

Year	Governmental Activities			Funding Sources			
	Notes from Direct Borrowings			General	TID #2	TID #4	Total
	Principal	Interest	Total	Fund	Fund	Fund	
2023	\$ 182,570	\$ 40,485	\$ 223,055	\$ 151,150	\$ 54,648	\$ 17,257	\$ 223,055
2024	202,140	34,348	236,488	164,583	54,648	17,257	236,488
2025	44,833	27,072	71,905	-	54,648	17,257	71,905
2026	46,267	25,637	71,904	-	54,647	17,257	71,904
2027	47,748	24,157	71,905	-	54,648	17,257	71,905
2028-2029	708,236	43,411	751,647	-	571,252	180,395	751,647
Total	\$ 1,231,794	\$ 195,110	\$ 1,426,904	\$ 315,733	\$ 844,491	\$ 266,680	\$ 1,426,904

Year	Business-Type Activities			Funding Source
	Notes from Direct Borrowings			Water
	Principal	Interest	Total	Utility
2023	\$ 8,014	\$ 2,673	\$ 10,687	\$ 10,687
2024	8,268	2,419	10,687	10,687
2025	8,543	2,144	10,687	10,687
2026	8,821	1,866	10,687	10,687
2027	9,108	1,579	10,687	10,687
2028-2031	39,468	3,278	42,746	42,746
Total	\$ 82,222	\$ 13,959	\$ 96,181	\$ 96,181

Debt Limitation

Section 67.03 of the Wisconsin Statutes restricts Village general obligation debt to 5% of the equalized value of all property in the Village. At December 31, 2022 the Village's debt limitation amounted to \$4,984,870 and indebtedness subject to the limitation totaled \$1,314,016.

**VILLAGE OF LUCK, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

General Obligation Long-Term Debt (Continued)

Lease Liability: Right-To-Use Asset Agreements

On November 4, 2020 the Village entered into a right-to-use asset lease agreement with Wells Fargo Financial Leasing, Inc. for the use of 56 gas golf cars. Monthly payments of \$5,619 is due each May, June, July, August, September, and October. No payments are due for November, December, January, February, March, and April. This lease agreement expires in October 2025.

On April 26, 2022 the Village entered into a right-to-use asset lease agreement with Wells Fargo Financial Leasing, Inc. for the use of a Bistro golf cart. Yearly payments of \$3,360 are due in July of each year and expires in June 2026.

Total principal and interest costs for the lease agreements for the year ended December 31, 2022 totaled \$36,259 and \$4,179, respectively.

Minimum lease payments over the term of the lease are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 30,495	\$ 3,221	\$ 33,716
2024	34,989	2,087	37,076
2025	36,211	866	37,077
2026	3,313	46	3,359
Total	<u>\$ 105,008</u>	<u>\$ 6,220</u>	<u>\$ 111,228</u>

Mortgage Revenue Bonds

On June 26, 2013, the Village authorized the issuance of \$217,955 of municipal water system mortgage revenue bonds to the State of Wisconsin under the Safe Drinking Loan Program Financial Assistance Agreement with Principal Forgiveness for the water looping and street project. The bonds bear an interest rate of 1.1550% and have a final maturity date of May 1, 2033. The Village's outstanding bonds from direct borrowings related to business-type activities contain the following provisions in the event of default: 1) Wisconsin Department of Administration can deduct amounts due from any state payments due to the Village or add the amounts as a special charge to the property taxes apportioned; 2) may appoint a receiver for the Program's benefit; 3) may declare the principal amount immediately due and payable; 4) may enforce any right or obligation under the financing agreement including the right to seek specific performance or mandamus; and 5) may increase the interest rate set forth in the financing agreement to the market interest rate.

On March 1, 2017, the Village issued sewerage system mortgage revenue bonds, Series 2017, in the amount of \$2,023,000 to replace temporary borrowing which financed costs of rehabilitation of the Village's sewer system. The bonds bear an interest rate of 2.75% and have a final maturity date of May 1, 2056. The owners of the revenue bonds hold a mortgage lien on the Village's sewer utility system for the life of the bonds.

**VILLAGE OF LUCK, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

Mortgage Revenue Bonds (Continued)

Annual requirements for repayment of the revenue bonds at December 31, 2022 are shown below:

	Year	Principal	Interest	Total
Water system revenue bonds dated June 26, 2013, issued \$217,955, final installment May 1, 2033, interest at 1.16% (water looping and streets project)	2023	\$ 10,896	\$ 1,404	\$ 12,300
	2024	11,022	1,404	12,426
	2025	11,149	1,150	12,299
	2026	11,278	1,020	12,298
	2027	11,408	889	12,297
	2028-2032	59,047	1,804	60,851
	2033	12,221	71	12,292
			127,021	7,742
Sewerage system mortgage revenue bonds, Series 2017, dated March 1, 2017, \$2,023,000, final installment May 1, 2056, interest at 2.75% (sewer utility upgrades)	2023	32,900	49,742	82,642
	2024	33,700	48,961	82,661
	2025	34,800	47,885	82,685
	2026	35,700	46,915	82,615
	2027	36,700	45,919	82,619
	2028-2032	199,300	213,910	413,210
	2033-2037	229,000	184,371	413,371
	2038-2042	262,700	149,050	411,750
	2043-2047	301,500	111,846	413,346
	2048-2052	346,000	66,401	412,401
	2053-2056	313,100	17,485	330,585
		1,825,400	982,485	2,807,885
Total Mortgage Revenue Notes		\$ 1,952,421	\$ 990,227	\$ 2,942,648

The Village's full faith and credit do not back these bonds which are backed only by the assets and revenues of the water and sewer utility enterprise funds. The bonds are payable from a pledge of revenues of the water and sewer utility system. Principal and interest paid for the current year and total customer net revenues were \$12,301 and \$17,710 for the water utility enterprise fund. Principal and interest paid for the current year and total customer net revenues were \$82,639 and \$125,385 for the sewer utility enterprise fund.

**VILLAGE OF LUCK, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Lease Receivables

The Village, acting as lessor, leases space on the water tower for a cell phone antenna under long-term, noncancelable lease agreements. The initial term of the lease was for five years with the option to extend the lease for five additional and successive five-year terms expiring at various dates through 2036. During the year ended December 31, 2022, the Village recognized \$6,802 and \$4,067 in lease revenue and interest revenue, respectively, pursuant to these contracts.

Total future minimum lease payments to be received under lease agreements are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 5,064	\$ 3,850	\$ 8,914
2024	5,290	3,624	8,914
2025	5,527	3,387	8,914
2026	5,941	3,137	9,078
2027	6,222	2,871	9,093
2028-2032	36,104	9,889	45,993
2033-2036	26,801	1,795	28,596
Total	<u>\$ 90,949</u>	<u>\$ 28,553</u>	<u>\$ 119,502</u>

**VILLAGE OF LUCK, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Governmental Fund Balances

The governmental fund balances reported on the fund financial statements at December 31, 2022 consisted of the following:

	Total	Nonspendable	Restricted	Committed	Assigned	Unassigned
Major Funds						
General Fund						
Nonspendable Advances to						
Other Funds	\$ 91,000	\$ 91,000	\$ -	\$ -	\$ -	\$ -
Prepays	17,791	17,791				
Nonspendable - Long-Term						
Receivable	117,259	117,259	-	-	-	-
Assigned (Supplementary						
Schedule B-2)	650	-	-	-	650	-
Total General Fund	226,700	226,050	-	-	650	-
CDBG Revolving Loan Fund	106,915	-	106,915	-	-	-
Machinery Outlay Fund	55,498	-	-	-	55,498	-
Library Fund	114,128	-	-	114,128	-	-
Debt Services Fund						
Village General Obligation						
Long-Term Debt	63,369	-	63,369	-	-	-
Nonmajor Funds						
Special Revenue Funds						
Cemetery Fund	4,733	-	-	4,733	-	-
Capital Projects Funds						
Tax Incremental District #2	134,059	-	134,059	-	-	-
Tax Incremental District #3	86,525	-	86,525	-	-	-
Tax Incremental District #4	65,124	-	65,124	-	-	-
Police Squad Fund	19,660	-	-	-	19,660	-
Total Governmental						
Fund Balances at						
December 31, 2022	\$ 876,711	\$ 226,050	\$ 455,992	\$ 118,861	\$ 75,808	\$ -

G. Tax Incremental Financing Districts

The Village has created four tax incremental financing districts (TIF districts or TIDs) in accordance with Section 66.1105 of the Wisconsin Statutes. The purpose of that section is to allow a municipality to recover development and improvement costs in a designated area from the property taxes generated on the increased value of the property after creation of the district. The tax on the increased value is called a tax increment.

**VILLAGE OF LUCK, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Tax Incremental Financing Districts (Continued)

TID #1 was closed out in prior years. The resolution creating TID #2 was dated September 4, 2002, the resolution creating TID #3 was dated October 6, 2004 and the resolution creating TID #4 was dated September 10, 2018. At the creation of TID #2, the statutes provided that no project costs could be expended later than seven years after the creation date of the district. The statutes further allowed the municipality to collect tax increments for 16 years after the last project expenditure is made or until the net project cost of the district had been recovered, whichever occurred first. The State enacted several changes relating to tax incremental districts in 2004 (with amending legislation in 2005). One of these changes extends the expenditure period for all current and future districts, effective October 1, 2004, to five years prior to the termination of the district's unextended maximum life. For those districts that have reached the end of its expenditure period prior to October 1, 2004, it allows a municipality to expend additional project costs included in the project plan (subject to certain conditions). The unextended maximum life of TID #3 and TID #4 is 20 years.

The project plans for the districts, on file in the office of the Village Clerk, detail the proposed projects, the estimated years of construction or site acquisition and the estimated costs of the individual project components of the districts. Project costs uncollected at the dissolution date are absorbed by the municipality.

Accumulated project costs and revenues of TID #2, TID #3, and TID #4 through December 31, 2022 are summarized below:

	<u>TID #2</u>	<u>TID #3</u>	<u>TID #4</u>
Accumulated Project Costs			
Capital Expenditures	\$ 7,660	\$ -	\$ -
Administration	37,217	28,905	11,275
Developers Agreements	25,000	-	-
Interest Charges	48,627	-	15,196
Transfers Out	60,942	-	19,044
Total Project Costs	<u>179,446</u>	<u>28,905</u>	<u>45,515</u>
Accumulated Project Revenues			
Tax Increments	275,044	115,430	110,639
Minimum Tax Agreements	28,921	-	-
Intergovernmental	9,540	-	-
Total Project Revenues	<u>313,505</u>	<u>115,430</u>	<u>110,639</u>
Future Project Revenues Necessary to Recover Net Costs to Date	<u>\$ (134,059)</u>	<u>\$ (86,525)</u>	<u>\$ (65,124)</u>

**VILLAGE OF LUCK, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 OTHER INFORMATION

A. Wisconsin Retirement System Pension Plan Benefits

General Information About the Pension Plan

Plan Description

General Information about the Pension Plan

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

ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <http://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 12/31/2016) 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.

**VILLAGE OF LUCK, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Wisconsin Retirement System Pension Plan Benefits (Continued)

General Information About the Pension Plan (Continued)

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.

General Information About the Pension Plan

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, and 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.

For the year ended December 31, 2022 the WRS recognized \$57,298 in contributions from the employer.

Contribution rates as of December 31, 2022 are:

	<u>Employee</u>	<u>Employer</u>
General (Including Teachers)	6.50%	7.30%
Executives and Elected Officials	6.50%	7.40%
Protective With Social Security	6.50%	12.74%
Protective Without Social Security	6.50%	16.44%

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.

**VILLAGE OF LUCK, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Wisconsin Retirement System Pension Plan Benefits (Continued)

General Information About the Pension Plan (Continued)

Post-Retirement Adjustments (Continued)

The Core and Variable annuity adjustments granted during recent years are as follows:

<u>Year</u>	<u>Core Fund Adjustment %</u>	<u>Variable Fund Adjustment %</u>
2012	(1.2)	11.0
2013	(7.0)	(7.0)
2014	(9.6)	9.0
2015	4.7	25.0
2016	2.9	2.0
2017	0.5	(5.0)
2018	2.0	4.0
2019	2.4	17.0
2020	0.0	(10.0)
2021	1.7	21.0

B. Vacation and Sick Leave Liabilities

During 2012, the Village eliminated vacation and sick leave accruals and now allows employees to accrue an all-inclusive paid time off (PTO) leave program. PTO leave is granted to employees in varying amounts based on length of service and terms of employment. Employees may carry over a maximum of five PTO leave days at the end of the year. Upon retirement, employees shall be paid for all accrued but unused PTO leave. To be eligible for the maximum benefit, an employee must be a full-time employee and have 15 years of service to the Village.

Liabilities for accumulated PTO leave are not accrued in the Village's governmental fund financial statements but are recorded as expenditures when paid. Such liabilities are accrued in the government-wide and proprietary fund financial statements when earned. The estimated liabilities for unused vacation and sick leave payable from governmental funds at December 31, 2022 was \$68,943. The estimated liabilities in the proprietary funds at that date was \$24,849.

VILLAGE OF LUCK, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 4 OTHER INFORMATION (CONTINUED)

C. Joint Ventures

Ambulance Service

The Villages of Luck and Frederic and the Townships of Bone Lake, Laketown, Georgetown, Luck, Clam Falls, Lorain, McKinley, Trade Lake, and West Sweden jointly operate the local ambulance called the Northland Municipal Ambulance, Inc., which provides ambulance service. The communities share in the operation of the ambulance service through per capita levies.

The governing body is made up of citizens from each community. Local representatives are appointed by the president of the community. The governing body has authority to adopt its own budget and control the financial affairs of the ambulance service.

Summary financial information of the ambulance service as of December 31, 2022 is as follows:

Total Assets	\$ 1,163,904
Total Liabilities	335,317
Total Equity	828,588
Net Income	51,531
Outstanding Debt	252,529

Debt is being repaid with resources of the ambulance service and is secured by the taxing power of the participants. Separately issued audited financial statements are not prepared for the ambulance association. The transactions of the ambulance service are not reflected in the Village's financial statements.

Fire Association

The Village of Luck and Townships of Luck, Bone Lake, and McKinley jointly operate the local fire department called the Luck Rural Fire Association Inc., which provides fire service. The communities share in the operation of the association through annual tax levies.

The governing body is made up of citizens from each community. Local representatives are appointed by the president of the community. The governing body has authority to adopt its own budget and control the financial affairs of the association.

Summary financial information of the association as of December 31, 2022 is as follows:

Total Assets	\$ 1,211,763
Total Liabilities	77,000
Total Equity	1,134,773
Net Income	46,264

Separately issued audited financial statements are not prepared for the fire association. The transactions of the association are not reflected in the Village's financial statements.

**VILLAGE OF LUCK, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 OTHER INFORMATION (CONTINUED)

D. Risk Management

The Village is exposed to various risks of loss related to torts; theft of, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Village maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Village. Settled claims have not exceeded this commercial coverage in any of the last three years.

E. Contingencies

State and Federal Grant Programs

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

F. Subsequent Events

On July 31, 2023 the Village authorized the issuance of a general obligation promissory note in the amount of \$80,000 for the purpose of financing the purchase of land. This note bears an interest rate of 5.75 percent and matures on July 21, 2033.

On August 15, 2023 the Village authorized the issuance of a general obligation promissory note in the amount of \$110,326 for the purpose of refinancing the August 15, 2013 Northland Ambulance building promissory note. The Village records a long-term receivable for the loan amount which is decreased with the Northland Ambulance principal payments on the loan. The loan bears an interest rate of 5.37 percent and matures on August 15, 2028.

REQUIRED SUPPLEMENTARY INFORMATION

**VILLAGE OF LUCK, WISCONSIN
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED DECEMBER 31, 2022**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 485,645	\$ 485,645	\$ 496,160	\$ 10,515
Intergovernmental	303,750	303,750	344,301	40,551
Licenses and Permits	7,200	7,200	26,979	19,779
Fines and Forfeits	2,500	2,500	1,966	(534)
Public Charges for Services	1,400	1,400	2,150	750
Intergovernmental Charges for Services	24,197	24,197	21,650	(2,547)
Miscellaneous:				
Interest	300	300	8,264	7,964
Rent	8,765	8,765	6,802	(1,963)
Donations	-	-	500	500
Other	-	-	37,308	37,308
Total Revenues	<u>833,757</u>	<u>833,757</u>	<u>946,080</u>	<u>112,323</u>
EXPENDITURES				
General Government	176,996	176,996	151,362	25,634
Public Safety	357,798	357,798	387,849	(30,051)
Transportation	302,054	302,054	457,827	(155,773)
Sanitation	5,000	5,000	5,870	(870)
Health and Human Services	250	250	-	250
Culture, Recreation, and Education	16,040	16,040	8,108	7,932
Conservation and Development	4,619	4,619	15,085	(10,466)
Total Expenditures	<u>862,757</u>	<u>862,757</u>	<u>1,026,101</u>	<u>(163,344)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(29,000)	(29,000)	(80,021)	(51,021)
OTHER FINANCING SOURCES (USES)				
Transfers In	29,000	29,000	25,508	(3,492)
Transfers Out	-	-	(81,226)	(81,226)
Total Other Financing Sources (Uses)	<u>29,000</u>	<u>29,000</u>	<u>(55,718)</u>	<u>(84,718)</u>
NET CHANGE IN FUND BALANCE	-	-	(135,739)	(135,739)
Fund Balance - Beginning of Year	<u>362,439</u>	<u>362,439</u>	<u>362,439</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 362,439</u>	<u>\$ 362,439</u>	<u>\$ 226,700</u>	<u>\$ (135,739)</u>

See accompanying Notes to Required Supplementary Information

VILLAGE OF LUCK, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2022

NOTE 1 BUDGETARY INFORMATION

GASB Statement No. 34 requires the presentation of budgetary comparison schedules for the general fund and for each major special revenue fund. Budgetary information is derived from the Village's annual operating budget. The Village did not formally adopt a budget for its CDBG revolving loan fund, machinery outlay fund or the Library fund.

The Village's budget is adopted in accordance with Chapter 65 of the Wisconsin Statutes and on a basis consistent with generally accepted accounting principles. Changes to appropriations authorized in the adopted budget generally require a vote of two-thirds of the entire membership of the governing body. The Village's legal budget is adopted at the major function level in the general fund (i.e., general government) and at the fund level in all other funds. The Village exercises budgetary expenditure control at the department level.

Budget amounts in the financial statements include both original adopted budget and the final budget. Changes to the budget during the year, if any, generally include amendments authorized by the governing body, additions of approved carryover amounts and appropriations of revenues and other sources for specified expenditures/uses. Appropriated budget amounts in the general fund lapse at the end of the year unless specifically carried over for financing subsequent year expenditures.

NOTE 2 EXCESS OF EXPENDITURES OVER BUDGET

Comparisons of actual revenues and expenditures to budgeted amounts for the Village's general fund are presented as required supplementary information following the notes to the basic financial statements. Expenditures in excess of budgeted amounts at the legally adopted levels for each of these funds are shown in those schedules.

SUPPLEMENTARY INFORMATION

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

VILLAGE OF LUCK, WISCONSIN
 NONMAJOR GOVERNMENTAL FUNDS
 COMBINING BALANCE SHEET
 DECEMBER 31, 2022

	Special Revenue Fund - Cemetery Fund	Capital Projects Funds				Total Capital Projects Funds	Total Nonmajor Governmental Funds
		Tax Incremental District #2	Tax Incremental District #3	Tax Incremental District #4	Police Squad Fund		
ASSETS							
Cash and Investments	\$ 4,733	\$ 134,059	\$ 86,525	\$ 65,124	\$ 19,660	\$ 305,368	\$ 310,101
Taxes Receivable	-	69,679	34,861	60,510	12,000	177,050	177,050
Total Assets	<u>\$ 4,733</u>	<u>\$ 203,738</u>	<u>\$ 121,386</u>	<u>\$ 125,634</u>	<u>\$ 31,660</u>	<u>\$ 482,418</u>	<u>\$ 487,151</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
DEFERRED INFLOWS OF RESOURCES							
Succeeding Year's Property Taxes	-	69,679	34,861	60,510	12,000	177,050	177,050
FUND BALANCES							
Restricted	-	134,059	86,525	65,124	-	285,708	285,708
Committed	4,733	-	-	-	-	-	4,733
Assigned	-	-	-	-	19,660	19,660	19,660
Total Fund Balances	<u>4,733</u>	<u>134,059</u>	<u>86,525</u>	<u>65,124</u>	<u>19,660</u>	<u>305,368</u>	<u>310,101</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 4,733</u>	<u>\$ 203,738</u>	<u>\$ 121,386</u>	<u>\$ 125,634</u>	<u>\$ 31,660</u>	<u>\$ 482,418</u>	<u>\$ 487,151</u>

**VILLAGE OF LUCK, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2022**

	Special Revenue Fund - Cemetery Fund	Capital Projects Funds				Police Squad Fund	Total Capital Projects Funds	Total Nonmajor Governmental Funds
		Tax Incremental District #2	Tax Incremental District #3	Tax Incremental District #4				
REVENUES								
Taxes	\$ -	\$ 65,194	\$ 25,392	\$ 43,968	\$ 12,000	\$ 146,554	\$ 146,554	
Intergovernmental	-	348	-	-	-	348	348	
Miscellaneous:								
Interest on Investments	29	-	-	-	343	343	372	
Sale of Property	-	-	-	-	5,710	5,710	5,710	
Other	1,098	-	-	-	-	-	1,098	
Total Revenues	1,127	65,542	25,392	43,968	18,053	152,955	154,082	
EXPENDITURES								
Public Safety	-	-	-	-	40,392	40,392	40,392	
Health and Human Services	1,088	-	-	-	-	-	1,088	
Conservation and Development	-	6,143	6,144	1,645	-	13,932	13,932	
Total Expenditures	1,088	6,143	6,144	1,645	40,392	54,324	55,412	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	39	59,399	19,248	42,323	(22,339)	98,631	98,670	
OTHER FINANCING SOURCES (USES)								
Transfers to Other Funds	-	(54,785)	-	(17,120)	-	(71,905)	(71,905)	
NET CHANGE IN FUND BALANCES	39	4,614	19,248	25,203	(22,339)	26,726	26,765	
Fund Balances - Beginning of Year	4,694	129,445	67,277	39,921	41,999	278,642	283,336	
FUND BALANCES- END OF YEAR	\$ 4,733	\$ 134,059	\$ 86,525	\$ 65,124	\$ 19,660	\$ 305,368	\$ 310,101	

**VILLAGE OF LUCK, WISCONSIN
GENERAL FUND
DETAILED BALANCE SHEET
DECEMBER 31, 2022
(WITH COMPARITIVE AMOUNTS AS OF DECEMBER 31, 2021)**

	<u>2022</u>	<u>2021</u>
ASSETS		
Treasurer's Cash and Investments	\$ 114,355	\$ 231,176
Taxes Receivable		
Current Tax Roll	376,281	364,342
Delinquent Personal Property Taxes	1,891	2,222
Other Accounts Receivable	5,853	9,079
Prepayments	17,791	1,500
Long-Term Receivable from Northland Ambulance	117,259	134,369
Lease Receivable	90,949	-
Advance to Golf Course Fund	91,000	95,000
Due from Other Funds	2,820	2,820
	<u> </u>	<u> </u>
Total Assets	<u>\$ 818,199</u>	<u>\$ 840,508</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
LIABILITIES		
Vouchers Payable	\$ 10,820	\$ 11,376
Payroll Liabilities	6,530	3,661
Special Deposits	5,800	-
Mobile Home Fees Due School	2,769	2,280
Total Liabilities	<u>25,919</u>	<u>17,317</u>
DEFERRED INFLOWS OF RESOURCES		
Tax Roll Items		
Succeeding Year's Property Taxes	476,586	460,752
Deferred Amount Related to Leases	88,994	-
Total Deferred Inflows of Resources	<u>565,580</u>	<u>460,752</u>
FUND BALANCE		
Nonspendable		
For Prepays	17,791	-
For Long-Term Receivable - Northland Ambulance	117,259	134,369
Committed		
For Advance to Golf Course	91,000	95,000
Assigned		
For Ordinances	-	4,376
For Computers	-	1,341
For Retirement Severance	-	38,893
For Office Outlay	-	7,109
For Room Tax - Tourism	-	22,810
For Room Tax - Village	-	5,584
For Playground Equipment	-	19,512
For ATV Park	-	2,469
For Skating Rink	-	4,628
For Cemetery Outlay	650	3,583
Unassigned	-	22,765
Total Fund Balance	<u>226,700</u>	<u>362,439</u>
	<u> </u>	<u> </u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 818,199</u>	<u>\$ 840,508</u>

**VILLAGE OF LUCK, WISCONSIN
GENERAL FUND
STATEMENT OF CHANGES IN FUND BALANCE
YEAR ENDED DECEMBER 31, 2022**

	Balance (Overdraft) 44562	Village Property Taxes	Other Revenues/ Sources	Transfers				Total Available	Expenditures/ Other Uses	Balance (Overdraft) 44926
				General Fund		Other Funds				
				In	Out	In	Out			
NONSPENDABLE										
Prepaid Items	\$ -	\$ -	\$ -	\$ 17,791	\$ -	\$ -	\$ -	\$ 17,791	\$ -	\$ 17,791
For Advance to Other Funds	95,000	-	-	-	-	-	-	95,000	4,000	91,000
For Long-Term Receivable - Northland Ambulance	134,369	-	-	-	17,110	-	-	117,259	-	117,259
Total Nonspendable	229,369	-	-	17,791	17,110	-	-	230,050	4,000	226,050
ASSIGNED										
Carryover Funds:										
For Ordinances	4,376	-	-	-	2,539	-	-	1,837	1,837	-
For Computer	1,341	-	22	-	1,363	-	-	-	-	-
For Retirement Severance	38,893	-	464	-	31,715	-	-	7,642	7,642	-
For Office Outlay	7,109	22,500	-	-	29,609	-	-	-	-	-
For Street Outlay	-	95,000	1	97,421	-	-	-	192,422	192,422	-
For Room Tax - Tourism	22,810	-	9,666	-	32,428	-	-	48	48	-
For Room Tax - Village	5,584	-	4,143	-	9,707	-	-	20	20	-
For Playground Equipment	19,512	3,000	227	-	22,739	-	-	-	-	-
For ATV Park	2,469	-	40	-	2,509	-	-	-	-	-
For Skating Rink	4,628	-	1	-	4,629	-	-	-	-	-
For Campground Upgrade	-	35,000	-	-	35,000	-	-	-	-	-
For Cemetery Outlay	3,583	-	29	-	2,962	-	-	650	-	650
Total Assigned	110,305	155,500	14,593	97,421	175,200	-	-	202,619	201,969	650
UNASSIGNED										
General Village	22,765	305,252	470,735	192,310	115,212	25,508	81,226	820,132	820,132	-
Total Unassigned	22,765	305,252	470,735	192,310	115,212	25,508	81,226	820,132	820,132	-
Total General Fund	\$ 362,439	\$ 460,752	\$ 485,328	\$ 307,522	\$ 307,522	\$ 25,508	\$ 81,226	\$ 1,252,801	\$ 1,026,101	\$ 226,700

**VILLAGE OF LUCK, WISCONSIN
GENERAL FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2022
(WITH COMPARITIVE ACTUAL AMOUNTS AS OF DECEMBER 31, 2021)**

	2022				2021 Actual
	Adopted Budget	Final Budget	Actual	Variance - Positive (Negative)	
REVENUES					
Taxes					
General Property Taxes	\$ 460,752	\$ 460,752	\$ 460,752	\$ -	\$ 435,350
Mobile Home Parking					
Permit Fees	8,500	8,500	4,237	(4,263)	4,754
Room Tax	-	-	13,809	13,809	13,859
Payments in Lieu of Taxes:					
Housing Authority	2,500	2,500	2,500	-	2,500
United Pioneer Apartments	2,000	2,000	2,000	-	2,000
United Pioneer Nursing Home	11,893	11,893	12,858	965	24,447
Interest on Delinquent Taxes	-	-	4	4	12
Total Taxes	<u>485,645</u>	<u>485,645</u>	<u>496,160</u>	<u>10,515</u>	<u>482,922</u>
Intergovernmental					
Federal Aid - American Rescue Plan Act					
	-	-	55,003	55,003	56,975
State Shared Taxes	186,395	186,395	172,185	(14,210)	169,970
State Shared Taxes - Expenditure Restraint					
	-	-	-	-	16,238
Personal Property Aid	2,239	2,239	2,239	-	2,243
State Transportation Aids	110,170	110,170	109,864	(306)	101,048
State LRIP Aids	-	-	-	-	8,747
Fire Insurance Taxes	3,633	3,633	3,682	49	3,633
Exempt Computer Aid	505	505	505	-	505
Law Enforcement Aids	800	800	800	-	800
Comprehensive Planning Grant	-	-	-	-	266
In Lieu of Taxes on State Conservation Land					
	8	8	23	15	8
Total Intergovernmental	<u>303,750</u>	<u>303,750</u>	<u>344,301</u>	<u>40,551</u>	<u>360,433</u>

**VILLAGE OF LUCK, WISCONSIN
GENERAL FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2022
(WITH COMPARITIVE ACTUAL AMOUNTS AS OF DECEMBER 31, 2021)**

	2022				2021 Actual
	Adopted Budget	Final Budget	Actual	Variance - Positive (Negative)	
REVENUES (CONTINUED)					
Licenses and Permits					
Licenses					
Liquor and Malt Beverage	\$ 2,975	\$ 2,975	\$ 2,735	\$ (240)	\$ 2,970
Operators	1,700	1,700	1,060	(640)	1,420
Cigarette	300	300	250	(50)	250
Dog	300	300	385	85	339
Cable TV Franchise	-	-	10,308	10,308	5,911
Mobile Home Park	100	100	150	50	50
Sundry	500	500	775	275	450
Permits					
Construction	1,325	1,325	11,316	9,991	5,713
Total Licenses and Permits	7,200	7,200	26,979	19,779	17,103
Fines and Forfeits					
Court Penalties	2,500	2,500	1,966	(534)	1,020
Public Charges for Services					
License Publication Fees	-	-	66	66	57
Street Department	100	100	-	(100)	158
Animal Control	100	100	-	(100)	-
Spring Cleanup Fees	500	500	1,314	814	1,534
Search Fees	700	700	770	70	2,055
Total Public Charges for Services	1,400	1,400	2,150	750	3,804
Intergovernmental Charges for Services					
School Liaison Program	24,197	24,197	21,650	(2,547)	21,650

**VILLAGE OF LUCK, WISCONSIN
GENERAL FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2022
(WITH COMPARITIVE ACTUAL AMOUNTS AS OF DECEMBER 31, 2021)**

	2022				2021 Actual
	Adopted Budget	Final Budget	Actual	Variance - Positive (Negative)	
REVENUES (CONTINUED)					
Miscellaneous					
Interest on Investments	\$ 300	\$ 300	\$ 4,197	\$ 3,897	\$ 211
Interest on Leases	-	-	4,067	4,067	-
Sale of Property	-	-	-	-	1,694
Rent of Village Property					
Land	25	25	-	(25)	-
Tower Space	8,740	8,740	6,802	(1,938)	8,900
Other					
Donations	-	-	500	500	-
Insurance Recoveries	-	-	29,000	29,000	-
Insurance Dividends	-	-	2,710	2,710	4,583
Miscellaneous	-	-	5,598	5,598	8,956
Total Miscellaneous	<u>9,065</u>	<u>9,065</u>	<u>52,874</u>	<u>43,809</u>	<u>24,344</u>
 Total Revenues	 833,757	 833,757	 946,080	 112,323	 911,276
EXPENDITURES					
General Government					
Village Board Per Diems/ Fringe Benefits	9,689	9,689	9,285	404	8,881
Village Board - Other	150	150	531	(381)	455
Legislative Support	636	636	636	-	581
Village Attorney	1,500	1,500	300	1,200	800
Codification of Ordinances	-	-	1,837	(1,837)	1,358
Village President Office	3,730	3,730	3,230	500	4,104
Village Administration Wages/ Fringe Benefits	79,250	79,250	78,519	731	73,103
Village Administration - Other	2,700	2,700	639	2,061	1,051
Village Hall/Shop Technology Support	2,000	2,000	1,655	345	1,550
Office Supplies	3,700	3,700	4,056	(356)	4,636
Elections	7,000	7,000	4,068	2,932	3,203
Election Outlay (Carryover)	-	-	-	-	2,200
Special Accounting and Auditing	7,875	7,875	9,076	(1,201)	7,533
Assessment of Property	4,375	4,375	6,067	(1,692)	5,272
Municipal Building	12,000	12,000	11,295	705	12,273
Municipal Building Outlay (Carryover)	15,391	15,391	-	15,391	4,699
Property, Liability, and Workers Compensation Insurance	27,000	27,000	19,962	7,038	22,505
Miscellaneous	-	-	206	(206)	423
Total General Government	<u>176,996</u>	<u>176,996</u>	<u>151,362</u>	<u>25,634</u>	<u>154,627</u>

**VILLAGE OF LUCK, WISCONSIN
GENERAL FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2022
(WITH COMPARITIVE ACTUAL AMOUNTS AS OF DECEMBER 31, 2021)**

	2022				2021 Actual
	Adopted Budget	Final Budget	Actual	Variance - Positive (Negative)	
EXPENDITURES (CONTINUED)					
Public Safety					
Police Department Wages/ Fringe Benefits	\$ 270,406	\$ 270,406	\$ 298,852	\$ (28,446)	\$ 265,452
Police Department - Other	26,000	26,000	28,011	(2,011)	27,423
Police Legal Counsel	1,200	1,200	413	787	1,455
Fire Department Administration	41,824	41,824	41,824	-	38,578
State 2% Fire Aid to Fire Department	3,633	3,633	3,682	(49)	3,633
Ambulance Assessment	14,235	14,235	14,235	-	14,131
Civil Defense Siren	500	500	832	(332)	286
Total Public Safety	357,798	357,798	387,849	(30,051)	350,958
Transportation					
Garages and Sheds	11,200	11,200	10,847	353	10,627
Machinery and Equipment	4,000	4,000	2,288	1,712	1,520
Street Repair and Maintenance - Other	21,650	21,650	21,384	266	17,563
Public Works Wages/ Fringe Benefits	169,296	169,296	189,899	(20,603)	173,674
Street Outlay (Carryover)	55,508	55,508	192,422	(136,914)	93,648
Uniforms	1,000	1,000	1,397	(397)	1,307
Street Cleaning - Other	1,400	1,400	790	610	1,786
Snow and Ice Control - Other	14,700	14,700	14,635	65	7,967
Street Signage	800	800	1,250	(450)	3,504
Street Lighting	22,500	22,500	22,915	(415)	21,261
Total Transportation	302,054	302,054	457,827	(155,773)	332,857
Sanitation					
Refuse Collection	5,000	5,000	5,870	(870)	3,796
Health and Human Services					
Women's Shelter	200	200	-	200	-
Dog Pound	50	50	-	50	-
Total Health and Human Services	250	250	-	250	-

**VILLAGE OF LUCK, WISCONSIN
GENERAL FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2022
(WITH COMPARITIVE ACTUAL AMOUNTS AS OF DECEMBER 31, 2021)**

	2022				2021 Actual
	Adopted Budget	Final Budget	Actual	Variance - Positive (Negative)	
EXPENDITURES (CONTINUED)					
Culture, Recreation and Education					
Celebrations and Entertainment	\$ 1,500	\$ 1,500	\$ 529	\$ 971	\$ 475
Parks - Other	13,540	13,540	7,579	5,961	9,893
Cable TV	-	-	-	-	956
Cemetery Outlay (Carryover)	1,000	1,000	-	1,000	202
Total Culture, Recreation and Education	<u>16,040</u>	<u>16,040</u>	<u>8,108</u>	<u>7,932</u>	<u>11,526</u>
Conservation and Development					
Advertising and Promotion	1,100	1,100	1,672	(572)	25,209
Economic Development	1,119	1,119	1,119	-	1,119
Mapping (Carryover)	-	-	-	-	26
CDBG Housing Study	-	-	1,481	(1,481)	7,862
Zoning Expenditures	2,400	2,400	10,813	(8,413)	7,313
Total Conservation and Development	<u>4,619</u>	<u>4,619</u>	<u>15,085</u>	<u>(10,466)</u>	<u>41,529</u>
Total Expenditures	<u>862,757</u>	<u>862,757</u>	<u>1,026,101</u>	<u>(163,344)</u>	<u>895,293</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(29,000)	(29,000)	(80,021)	(51,021)	15,983
OTHER FINANCING SOURCES					
Transfers In-Water Utility Tax					
Equivalents	29,000	29,000	25,508	(3,492)	27,771
Transfers Out - Debt Service Fund	-	-	(22,063)	(22,063)	(22,063)
Transfers Out - Water Utility	-	-	(59,163)	(59,163)	-
Sale of Capital Assets	-	-	-	-	14,504
Total Other Financing Sources	<u>29,000</u>	<u>29,000</u>	<u>(55,718)</u>	<u>(84,718)</u>	<u>20,212</u>
NET CHANGE IN FUND BALANCE	-	-	(135,739)	(135,739)	36,195
Fund Balance - Beginning of Year	<u>362,439</u>	<u>362,439</u>	<u>362,439</u>	<u>-</u>	<u>326,244</u>
FUND BALANCE - END OF YEAR	<u>\$ 362,439</u>	<u>\$ 362,439</u>	<u>\$ 226,700</u>	<u>\$ (135,739)</u>	<u>\$ 362,439</u>

**VILLAGE OF LUCK, WISCONSIN
WATER UTILITY ENTERPRISE FUND
STATEMENT OF NET POSITION
DECEMBER 31, 2022
(WITH COMPARITIVE AMOUNTS AS OF DECEMBER 31, 2021)**

ASSETS	<u>2022</u>	<u>2021</u>
CURRENT ASSETS		
Cash and Investments:		
General Accounts	\$ 19,394	\$ 43,038
Segregated Account:		
Water Plant Replacement	100,157	90,676
Petty Cash	50	50
Customer Accounts Receivable	44,078	43,299
Accounts Receivable on Tax Roll	1,460	1,685
Materials and Supplies	8,122	8,855
Total Current Assets	<u>173,261</u>	<u>187,603</u>
CAPITAL ASSETS		
Utility Plant in Service	1,924,689	1,879,705
Less: Accumulated Depreciation	747,261	708,921
Total Capital Assets	<u>1,177,428</u>	<u>1,170,784</u>
 Total Assets	 <u>\$ 1,350,689</u>	 <u>\$ 1,358,387</u>
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Accounts Payable	\$ 1,492	\$ 4,329
Accrued Interest	1,878	2,052
Accrued Employee Benefits - Current Portion	453	631
Current Portion of General Obligation Notes Payable	8,014	7,762
Current Portion of Water System Revenue Bonds	10,896	10,771
Total Current Liabilities	<u>22,733</u>	<u>25,545</u>
LONG-TERM LIABILITIES		
Accrued Employee Benefits	6,065	6,912
General Obligation Notes Payable	74,208	82,238
Water System Revenue Bonds	116,125	127,021
Total Long-Term Liabilities	<u>196,398</u>	<u>216,171</u>
 Total Liabilities	 219,131	 241,716
NET POSITION		
Net Investment in Capital Assets	968,185	940,574
Unrestricted	163,373	176,097
Total Net Position	<u>1,131,558</u>	<u>1,116,671</u>
 Total Liabilities and Net Position	 <u>\$ 1,350,689</u>	 <u>\$ 1,358,387</u>

**VILLAGE OF LUCK, WISCONSIN
WATER UTILITY ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2022
(WITH COMPARATIVE AMOUNTS AS OF DECEMBER 31, 2021)**

	<u>2022</u>	<u>2021</u>
OPERATING REVENUES		
Sales of Water:		
Residential	\$ 74,865	\$ 72,729
Commercial	17,952	19,051
Industrial	4,684	5,973
Public Authorities	5,779	4,099
Public Fire Protection	67,558	63,076
Private Fire Protection	2,954	2,952
Multi-Family Residential	10,368	9,870
Total Sales of Water	<u>184,160</u>	<u>177,750</u>
Other Operating Revenues:		
Forfeited Discounts	663	461
Meter Use Charge to Sewer Utility	11,986	8,889
Miscellaneous Operating Revenues	2,441	5,721
Total Other Operating Revenues	<u>15,090</u>	<u>15,071</u>
 Total Operating Revenues	 199,250	 192,821
OPERATING EXPENSES		
Operation and Maintenance	174,045	146,187
Depreciation	46,190	43,070
Total Operating Expenses	<u>220,235</u>	<u>189,257</u>
OPERATING INCOME (LOSS)	(20,985)	3,564
NONOPERATING REVENUES (EXPENSES)		
Interest Revenue	1,481	69
Interest Expense on Long-Term Debt	(4,264)	(3,420)
Total Nonoperating Revenues (Expenses)	<u>(2,783)</u>	<u>(3,351)</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(23,768)	213
CAPITAL CONTRIBUTIONS AND TRANSFERS		
Capital Assets Financed by Customers and Grants	5,000	-
Transfer from General Fund	59,163	-
Transfer to General Fund - Property Tax Equivalent	(25,508)	(27,771)
Total Capital Contributions and Transfers	<u>38,655</u>	<u>(27,771)</u>
CHANGE IN NET POSITION	14,887	(27,558)
Net Position - Beginning of Year	<u>1,116,671</u>	<u>1,144,229</u>
NET POSITION - END OF YEAR	<u>\$ 1,131,558</u>	<u>\$ 1,116,671</u>

VILLAGE OF LUCK, WISCONSIN
WATER UTILITY ENTERPRISE FUND
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2022
(WITH COMPARITIVE AMOUNTS AS OF DECEMBER 31, 2021)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Utility Customers	\$ 119,152	\$ 122,725
Cash Received from Public Fire Protection	67,558	63,076
Cash Received from Sewer Share of Meter Related Expenses	11,986	8,889
Cash Payments to Suppliers for Goods and Services	(89,630)	(59,287)
Cash Payments for Employee Services	(87,544)	(83,998)
Net Cash Provided by Operating Activities	21,522	51,405
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers to General Fund - Payments of Tax Equivalents	(25,508)	(27,771)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Cash Payments for Capital Assets	(47,834)	(167,780)
Cash Received from General Fund	59,163	-
Cash Received from Issuance of Long-Term Debt	-	90,000
Cash Paid for Principal on Long-Term Debt	(18,549)	(10,649)
Interest and Fiscal Agent Fees Paid	(4,438)	(1,654)
Net Cash Used by Capital and Related Financing Activities	(11,658)	(90,083)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on Investments	1,481	69
NET CHANGE IN CASH AND CASH EQUIVALENTS	(14,163)	(66,380)
Cash and Cash Equivalents - Beginning of Year	133,764	200,144
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 119,601	\$ 133,764
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income (Loss)	\$ (20,985)	\$ 3,564
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Depreciation	46,190	43,070
(Increase) Decrease in Assets:		
Customer Accounts Receivable	(779)	2,319
Inventories	733	(348)
Accounts Receivable on Tax Roll	225	(450)
Increase (Decrease) in Liabilities:		
Accounts Payable	(2,837)	2,501
Accrued Employee Benefits	(1,025)	\$ 749
Net Cash Provided by Operating Activities	\$ 21,522	\$ 51,405

**VILLAGE OF LUCK, WISCONSIN
 WATER UTILITY ENTERPRISE FUND
 SCHEDULE OF OPERATION AND MAINTENANCE EXPENSES
 YEAR ENDED DECEMBER 31, 2022
 (WITH COMPARITIVE AMOUNTS AS OF DECEMBER 31, 2021)**

	2022	2021
OPERATION		
Salaries and Wages	\$ 14,863	\$ 13,912
Fuel or Power Purchased for Pumping	7,938	7,039
Chemicals	2,152	2,469
Operating Supplies and Expenses	4,564	4,920
Transportation Expense	864	411
Total Operation	30,381	28,751
 MAINTENANCE		
Repairs to Plant	54,058	31,470
 ADMINISTRATIVE AND GENERAL		
Administrative and General Salaries	42,917	41,432
Office Supplies and Expenses	3,925	3,275
Outside Services Employed	7,810	4,700
Insurance Expense	2,973	2,932
Employees Pensions and Benefits	24,303	25,122
FICA Taxes	4,436	4,281
PSC Remainder Assessment	194	1,151
Miscellaneous General	3,048	3,073
Total Administrative and General	89,606	85,966
Total Operation and Maintenance Expenses	\$ 174,045	\$ 146,187

**VILLAGE OF LUCK, WISCONSIN
SEWER UTILITY ENTERPRISE FUND
STATEMENT OF NET POSITION
DECEMBER 31, 2022
(WITH COMPARATIVE AMOUNTS AS OF DECEMBER 31, 2021)**

	2022	2021
ASSETS		
CURRENT ASSETS		
Cash and Investments		
General Accounts	\$ 202,949	\$ 190,037
Segregated Accounts		
Sewer Main Replacement and Repair	57,978	49,162
Sludge Removal Account	82,623	81,319
Customer Accounts Receivable	79,416	81,637
Other Accounts Receivable	600	600
Materials and Supply Inventories	3,488	3,513
Total Current Assets	427,054	406,268
RESTRICTED ASSETS		
Equipment Replacement Fund	266,272	222,790
CAPITAL ASSETS		
Utility Plant in Service	6,826,036	6,826,036
Less: Accumulated Depreciation	2,002,771	1,805,959
Total Capital Assets	4,823,265	5,020,077
 Total Assets	 \$ 5,516,591	 \$ 5,649,135
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Accounts Payable	\$ 2,725	\$ 3,014
Accrued Employee Benefits - Current Portion	453	631
Accrued Interest Payable	8,606	8,606
Current Portion of Sewerage System Mortgage Revenue Bonds	32,900	32,000
Total Current Liabilities	44,684	44,251
LONG-TERM LIABILITIES		
Accrued Employee Benefits	6,065	6,911
Sewerage System Mortgage Revenue Bonds	1,792,500	1,825,400
Total Long-Term Liabilities	1,798,565	1,832,311
 Total Liabilities	 1,843,249	 1,876,562
NET POSITION		
Net Investment in Capital Assets	2,997,865	3,162,677
Restricted for Equipment Replacement	266,272	222,790
Unrestricted	409,205	387,106
Total Net Position	3,673,342	3,772,573
 Total Liabilities and Net Position	 \$ 5,516,591	 \$ 5,649,135

**VILLAGE OF LUCK, WISCONSIN
SEWER UTILITY ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2022
(WITH COMPARATIVE AMOUNTS AS OF DECEMBER 31, 2021)**

	<u>2022</u>	<u>2021</u>
OPERATING REVENUES		
Sewerage Revenues		
Residential	\$ 210,927	\$ 209,609
Commercial	57,967	63,948
Industrial	13,208	11,931
Public Authorities	22,058	15,588
Multi-Family Residential	36,375	34,797
Total Sewerage Revenues	<u>340,535</u>	<u>335,873</u>
Other Operating Revenues		
Forfeited Discounts	1,164	884
Miscellaneous	3,375	6,627
Total Other Operating Revenues	<u>4,539</u>	<u>7,511</u>
 Total Operating Revenues	 345,074	 343,384
OPERATING EXPENSES		
Operation and Maintenance	205,943	192,803
Depreciation	196,812	196,830
Total Operating Expenses	<u>402,755</u>	<u>389,633</u>
OPERATING LOSS	(57,681)	(46,249)
NONOPERATING REVENUES (EXPENSES)		
Interest Revenue	5,194	169
Insurance Recovery for Property Damages	3,895	-
Interest Expense	(50,639)	(51,363)
Total Nonoperating Revenues (Expenses)	<u>(41,550)</u>	<u>(51,194)</u>
CHANGE IN NET POSITION	(99,231)	(97,443)
Net Position - Beginning of Year	<u>3,772,573</u>	<u>3,870,016</u>
NET POSITION - END OF YEAR	<u>\$ 3,673,342</u>	<u>\$ 3,772,573</u>

VILLAGE OF LUCK, WISCONSIN
SEWER UTILITY ENTERPRISE FUND
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2022
(WITH COMPARATIVE AMOUNTS AS OF DECEMBER 31, 2021)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Utility Customers	\$ 347,295	\$ 347,402
Cash Paid for Sewer Share of Meter Related Expense	(11,986)	(8,889)
Cash Payments to Suppliers for Goods and Services	(111,560)	(117,156)
Cash Payments for Employee Services	(83,685)	(78,298)
Net Cash Provided by Operating Activities	140,064	143,059
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Cash Received from Insurance Recoveries	3,895	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Cash Payments for Capital Assets	-	(1,825)
Cash Paid for Retirement of Long-Term Debt	(32,000)	(31,200)
Interest and Fiscal Agent Fees Paid	(50,639)	(51,508)
Net Cash Used by Capital and Related Financing Activities	(82,639)	(84,533)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on Investments	5,194	169
NET CHANGE IN CASH AND CASH EQUIVALENTS	66,514	58,695
Cash and Cash Equivalents - Beginning of Year	543,308	484,613
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 609,822	\$ 543,308
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Loss	\$ (57,681)	\$ (46,249)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:		
Depreciation	196,812	196,830
(Increase) Decrease in Assets:		
Customer Accounts Receivable	2,221	4,618
Other Accounts Receivable	-	(600)
Inventories	25	(114)
Increase (Decrease) in Liabilities:		
Accounts Payable	(289)	(12,175)
Accrued Employee Benefits	(1,024)	749
Net Cash Provided by Operating Activities	\$ 140,064	\$ 143,059
RECONCILIATION OF CASH AND INVESTMENTS TO CASH AND CASH EQUIVALENTS		
Cash and Investments per Statement of Net Position		
Cash and Investments	\$ 343,550	\$ 320,518
Cash and Investments - Restricted	266,272	222,790
Cash and Cash Equivalents	\$ 609,822	\$ 543,308

**VILLAGE OF LUCK, WISCONSIN
SEWER UTILITY ENTERPRISE FUND
SCHEDULE OF OPERATION AND MAINTENANCE EXPENSES
YEAR ENDED DECEMBER 31, 2022
(WITH COMPARITIVE AMOUNTS AS OF DECEMBER 31, 2021)**

	<u>2022</u>	<u>2021</u>
OPERATION		
Supervision and Labor	\$ 12,451	\$ 10,310
Power and Fuel for Pumping	25,749	23,999
Outside Testing Service	21,961	13,289
Operating Supplies and Expenses	2,280	1,663
Transportation Expenses	1,776	772
Total Operation of Plant	<u>64,217</u>	<u>50,033</u>
 MAINTENANCE		
Sewage Collection System	28,912	42,052
General Plant	6,741	5,502
Total Maintenance of Plant	<u>35,653</u>	<u>47,554</u>
 ADMINISTRATIVE AND GENERAL		
Administrative and General Salaries	42,892	41,424
Meter Use Charge	11,986	8,889
Office Supplies and Expenses	6,421	4,652
Outside Services Employed	9,530	4,300
Insurance Expenses	5,211	5,564
Employees Pensions and Benefits	23,241	23,503
FICA Taxes	4,077	3,810
Miscellaneous General Expenses	2,715	3,074
Total Administrative and General	<u>106,073</u>	<u>95,216</u>
 Total Operation and Maintenance Expenses	<u><u>\$ 205,943</u></u>	<u><u>\$ 192,803</u></u>

**VILLAGE OF LUCK, WISCONSIN
GOLF COURSE ENTERPRISE FUND
STATEMENT OF NET POSITION
DECEMBER 31, 2022
(WITH COMPARATIVE AMOUNTS AS OF DECEMBER 31, 2021)**

	2022	2021
ASSETS		
CURRENT ASSETS		
Cash and Investments:		
General Accounts	\$ 210,343	\$ 411,780
Segregated Investments:		
Donations Account	59	31,381
Accounts Receivable	3,091	3,091
Inventories	2,507	1,408
Total Current Assets	216,000	447,660
CAPITAL ASSETS		
Plant in Service		
Property and Plant in Service	2,607,921	2,387,887
Less: Accumulated Depreciation	1,105,697	1,006,194
Net Capital Assets	1,502,224	1,381,693
Construction Work in Progress	-	9,743
Total Capital Assets	1,502,224	1,391,436
 Total Assets	 \$ 1,718,224	 \$ 1,839,096
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Accounts Payable	\$ 11,677	\$ 41,535
Accrued Interest Payable	976	976
Due to General Fund	21	21
Accrued Employee Benefits	821	788
Advance Memberships and Fees	62,481	164,640
Right-To-Use Lease Equipment	30,495	29,705
Total Current Liabilities	106,471	237,665
LONG-TERM LIABILITIES (NET OF CURRENT PORTION)		
Advance from General Fund	91,000	95,000
Right-To-Use Lease Equipment	74,513	95,604
Accrued Employee Benefits	10,992	8,627
Total Long-Term Liabilities	176,505	199,231
 Total Liabilities	 282,976	 436,896
NET POSITION		
Net Investment in Capital Assets	1,397,216	1,229,797
Unrestricted	38,032	172,403
 Total Net Position	 1,435,248	 1,402,200
 Total Liabilities and Net Position	 \$ 1,718,224	 \$ 1,839,096

**VILLAGE OF LUCK, WISCONSIN
GOLF COURSE ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2022
(WITH COMPARITIVE AMOUNTS AS OF DECEMBER 31, 2021)**

	2022	2021
OPERATING REVENUES		
Season Tickets	\$ 139,861	\$ 126,225
Green Fees	167,145	174,949
Trail Fees	2,565	2,225
Power Cart Rentals	270,124	262,111
Gift Certificates	706	654
Miscellaneous Rentals	800	1,082
Driving Range	11,457	11,414
Camping Fees	5,578	7,744
Golf Shop Sale of Golf Supplies	83,407	42,634
Cost of Golf Supplies Sold	(63,693)	(31,175)
Clubhouse Food and Beverage Sales	188,547	168,941
Cost of Food/Beverage Supplies Sold	(81,738)	(70,210)
W.S.G.A. Handicapped Fees	1,422	600
Cash Over (Short) in Till	785	1,888
Credit Card Fees	(22,539)	(19,344)
Total Operating Revenues	704,427	679,738
OPERATING EXPENSES		
Club House/Golf Course Wages	106,183	93,602
Grounds/Equipment Wages	136,893	111,601
FICA Expense Paid	18,293	15,430
Employee Fringe Benefits	53,567	46,208
Operation and Maintenance of Equipment	69,311	69,658
Golf Cart Rental	1,300	1,970
Course Grounds Maintenance	23,423	30,194
Seed	3,013	-
Fertilizer	4,090	5,582
Chemicals	16,267	26,760
Building Maintenance and Repairs	37,110	38,384
Other Operating Supplies and Expenses	64,478	48,334
Utilities	36,360	29,228
Uniforms	1,293	2,238
Signs and Fixtures	2,061	2,030
Minor Equipment and Small Tools	3,519	7,224
Driving Range Supplies	872	1,662
W.S.G.A. Handicapped Fees	819	-

**VILLAGE OF LUCK, WISCONSIN
GOLF COURSE ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION (CONTINUED)
YEAR ENDED DECEMBER 31, 2022
(WITH COMPARITIVE AMOUNTS AS OF DECEMBER 31, 2021)**

	2022	2021
OPERATING EXPENSES (CONTINUED)		
Property and Liability Insurance	\$ 5,551	\$ 4,914
Membership Dues and Subscriptions	2,981	2,609
Professional Fees-Attorney and Accounting	2,126	1,901
Operating Licenses	706	856
Advertising and Promotions	1,570	2,776
Wages Clerk's Office	5,702	5,482
FICA Expense Paid	415	399
Employee Fringe Benefits	2,893	2,758
Office Supplies	2,869	4,785
Training, Education, and Travel Costs	2,495	795
Depreciation/Amortization Expense	103,298	94,317
Net Operating Expenses	709,458	651,697
OPERATING INCOME (LOSS)	(5,031)	28,041
NONOPERATING REVENUES (EXPENSES)		
Interest on Investments	30	45
Gain from Sale of Golf Carts	7,073	7,028
Adjustments to Prior Years Expenses	317	438
Interest Expense on Long-Term Debt	(4,764)	(5,460)
Total Nonoperating Revenues (Expenses)	2,656	2,051
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(2,375)	30,092
CONTRIBUTIONS AND TRANSFERS		
Contributions from Private Parties	35,423	49,129
CHANGE IN NET POSITION	33,048	79,221
Net Position - Beginning of Year	1,402,200	1,322,979
NET POSITION - END OF YEAR	\$ 1,435,248	\$ 1,402,200

**VILLAGE OF LUCK, WISCONSIN
GOLF COURSE ENTERPRISE FUND
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2022
(WITH COMPARITIVE AMOUNTS AS OF DECEMBER 31, 2021)**

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Customers	\$ 849,858	\$ 781,123
Cash Payments to Suppliers for Goods and Services	(560,761)	(341,561)
Cash Payments for Employee Services	(321,548)	(271,714)
Net Cash Provided (Used) by Operating Activities	(32,451)	167,848
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Cash Paid to General Fund to Reduce Advance from General Fund	(4,000)	(8,979)
Cash Payments for Prior Year Expenses	317	438
Net Cash Used by Noncapital Financing Activities	(3,683)	(8,541)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Cash Payments for Capital Assets	(198,329)	(112,346)
Cash Received from Sale of Equipment/Property	7,273	7,028
Capital Contributions by Private Parties	35,423	49,129
Principal Paid on Leases	(36,258)	(28,236)
Interest and Fiscal Agent Fees Paid	(4,764)	(5,680)
Net Cash Used by Capital and Related Financing Activities	(196,655)	(90,105)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on Investments	30	45
NET CHANGE IN CASH AND CASH EQUIVALENTS	(232,759)	69,247
Cash and Cash Equivalents - Beginning of Year	443,161	373,914
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 210,402	\$ 443,161
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income (Loss)	\$ (5,031)	\$ 28,041
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Depreciation/Amortization Expense	103,298	94,317
(Increase) Decrease in Assets:		
Inventories	(1,099)	215
Increase (Decrease) in Liabilities:		
Accounts Payable	(29,858)	38,498
Accrued Employee Benefits	2,398	3,766
Unearned Revenues	(102,159)	3,011
Net Cash Provided (Used) by Operating Activities	\$ (32,451)	\$ 167,848



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