VILLAGE OF LUCK, WISCONSIN

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2023

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SINGLE AUDIT SECTION

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, 2023, 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 financial position of the governmental activities, the business-type activities, and proprietary funds of the Village of Luck as of December 31, 2023, and the changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 financial position of each major governmental fund and the aggregate remaining fund information of the Village of Luck, as of December 31, 2023, 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) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified and unmodified audit opinions.

Matter Giving Rise to 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.

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village 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, 2023 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 and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements*, *Cost Principles*, *and Audit Requirements for Federal Awards* for the year ended December 31, 2023 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, 2023, 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 and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended December 31, 2023.

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, 2022 (not presented herein), and have issued our report thereon dated August 23, 2023, 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, 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 related directly to the underlying accounting and other records used to prepare the 2022 financial statements. The information was subjected to the audit procedures applied in the audit of the 2022 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, 2022.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 4, 2024, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Village's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Eau Claire, Wisconsin
September 4, 2024

VILLAGE OF LUCK, WISCONSIN
STATEMENT OF NET POSITION
DECEMBER 31, 2023

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	$ 906,294	$ 979,854	$ 1,886,148
Taxes Receivable	714,262	-	714,262
Accounts Receivable	6,370	141,060	147,430
Internal Balances	87,021	(87,021)	-
Inventories	-	17,481	17,481
Due From Other Governments	184,114	-	184,114
Long-Term Receivables	354,200	-	354,200
Lease Receivable	85,885	-	85,885
Restricted Assets			
Cash and Investments	-	314,092	314,092
Capital Assets			
Capital Assets Not Being Depreciated	791,897	496,911	1,288,808
Capital Assets Being Depreciated	4,893,706	10,902,189	15,795,895
Accumulated Depreciation	(1,602,091)	(4,175,995)	(5,778,086)
Total Assets	6,421,658	8,588,571	15,010,229
LIABILITIES			
Vouchers and Accounts Payable	83,481	22,955	106,436
Accrued Interest Payable	9,065	12,981	22,046
Due to Other Governments	187,259	-	187,259
Unearned Revenues	-	257,786	257,786
Noncurrent Liabilities			
Due Within One Year	377,375	90,521	467,896
Due in More than One Year	1,087,524	1,998,789	3,086,313
Total Liabilities	1,744,704	2,383,032	4,127,736
DEFERRED INFLOWS OF RESOURCES			
Succeeding Year's Property Taxes	837,716	-	837,716
Deferred Amount Related to Leases	82,192	-	82,192
Total Deferred Inflows of Resources	919,908	-	919,908
NET POSITION			
Net Investment in Capital Assets	2,962,459	5,165,677	8,128,136
Restricted for			
Plant Replacement	-	314,092	314,092
Housing Loan Program	357,539	-	357,539
Tax Incremental District	301,470	-	301,470
Debt Service	54,304	-	54,304
Unrestricted	81,274	725,770	807,044
Total Net Position	$ 3,757,046	$ 6,205,539	$ 9,962,585

See accompanying Notes to Basic Financial Statements.

VILLAGE OF LUCK, WISCONSIN
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023

Functions/Programs	Expenses	Program Revenues: Charges For Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Change in Net Position: Governmental Activities	Net (Expense) Revenue and Change in Net Position: Business-Type Activities	Net (Expense) Revenue and Change in Net Position: Total
GOVERNMENTAL ACTIVITIES							
General Government	$ 201,742	$ 7,682	$ -	$ -	$ (194,060)	$ -	$ (194,060)
Public Safety	2,043,985	28,782	1,635,332	6,054	(373,817)	-	(373,817)
Transportation	165,365	1,571	126,251	-	(37,543)	-	(37,543)
Sanitation	5,440	1,098	-	-	(4,342)	-	(4,342)
Health and Human Services	1,058	-	-	-	(1,058)	-	(1,058)
Culture, Recreation, and Education	114,999	-	79,034	-	(35,965)	-	(35,965)
Conservation and Development	329,055	-	-	-	(329,055)	-	(329,055)
Interest and Fiscal Charges	47,506	-	-	-	(47,506)	-	(47,506)
Total Governmental Activities	2,909,150	39,133	1,840,617	6,054	(1,023,346)	-	(1,023,346)
BUSINESS-TYPE ACTIVITIES							
Water	183,150	200,344	-	-	-	17,194	17,194
Sewer	453,560	330,501	-	-	-	(123,059)	(123,059)
Golf	933,406	943,228	-	55,305	-	65,127	65,127
Total Business-Type Activities	1,570,116	1,474,073	-	55,305	-	(40,738)	(40,738)
Total Primary Government	$ 4,479,266	$ 1,513,206	$ 1,840,617	$ 61,359	(1,023,346)	(40,738)	(1,064,084)
General Revenues:							
Taxes							
Property Taxes, Levied for General Purposes					566,159	-	566,159
Property Taxes, Levied for Debt Purposes					29,819	-	29,819
Property Taxes, Levied for TIF Districts					165,050	-	165,050
Other Taxes					19,652	-	19,652
State/Federal Aids not Restricted to Specific Functions					193,127	-	193,127
Interest and Investment Earnings					23,973	26,028	50,001
Gain on Sale of Equipment					-	310	310
Miscellaneous					16,241	3,309	19,550
Transfers					23,518	(23,518)	-
Total General Revenues and Transfers					1,037,539	6,129	1,043,668
CHANGE IN NET POSITION					14,193	(34,609)	(20,416)
Net Position - Beginning of Year					3,742,853	6,240,148	9,983,001
NET POSITION - END OF YEAR					$ 3,757,046	$ 6,205,539	$ 9,962,585

See accompanying Notes to Basic Financial Statements.

VILLAGE OF LUCK, WISCONSIN
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2023

	General Fund	Debt Service Fund	CDBG Revolving Loan Fund	Machinery Outlay Fund	Library Fund	Other Governmental Funds	Totals
ASSETS							
Treasurer's Cash and Investments	$ 159,439	$ 63,369	$ 113,663	$ 82,148	$ 116,544	$ 371,131	$ 906,294
Taxes Receivable	308,459	107,707	-	25,000	52,853	220,243	714,262
Accounts Receivable	6,091	-	-	-	279	-	6,370
Long-Term Receivable - Northland Ambulance	107,525	-	-	-	-	-	107,525
Lease Receivable	85,885	-	-	-	-	-	85,885
Due from Other Governments	184,114	-	-	-	-	-	184,114
Due from Other Funds	2,820	-	-	-	-	-	2,820
Advances to Other Funds	87,000	-	-	-	-	-	87,000
Long-Term Loans Receivable	-	-	246,675	-	-	-	246,675
Total Assets	$ 941,333	$ 171,076	$ 360,338	$ 107,148	$ 169,676	$ 591,374	$ 2,340,945
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Vouchers and Accounts Payable	$ 50,261	$ -	$ -	$ -	$ 853	$ 32,367	$ 83,481
Due to Other Governmental Units	187,259	-	-	-	-	-	187,259
Due to Other Funds	-	-	2,799	-	-	-	2,799
Total Liabilities	237,520	-	2,799	-	853	32,367	273,539
DEFERRED INFLOWS OF RESOURCES							
Succeeding Year's Property Taxes	431,913	107,707	-	25,000	52,853	220,243	837,716
Deferred Amount Related to Leases	82,192	-	-	-	-	-	82,192
Unavailable Revenue - Other	-	-	246,675	-	-	-	246,675
Total Deferred Inflows of Resources	514,105	107,707	246,675	25,000	52,853	220,243	1,166,583
FUND BALANCES							
Nonspendable	194,525	-	-	-	-	-	194,525
Restricted	-	63,369	110,864	-	-	301,470	475,703
Committed	-	-	-	-	115,970	4,270	120,240
Assigned	-	-	-	82,148	-	33,024	115,172
Unassigned	(4,817)	-	-	-	-	-	(4,817)
Total Fund Balances	189,708	63,369	110,864	82,148	115,970	338,764	900,823
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 941,333	$ 171,076	$ 360,338	$ 107,148	$ 169,676	$ 591,374	$ 2,340,945

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, 2023

TOTAL FUND BALANCES FOR GOVERNMENTAL FUNDS		$ 900,823
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	$ 559,107	
Buildings	1,490,001	
Equipment and Vehicles	685,214	
Infrastructure	2,718,491	
Construction Work in Progress	232,790	
Accumulated Depreciation	(1,602,091)	4,083,512
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.		246,675
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	1,392,719	
Accrued Interest on Notes Payable	9,065	
Vacation and Sick Leave Liability	65,291	
Unfunded WRS Liability	6,889	(1,473,964)
TOTAL NET POSITION OF GOVERNMENTAL ACTIVITIES		$ 3,757,046

See accompanying Notes to Basic Financial Statements.

VILLAGE OF LUCK, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2023

	General Fund	Debt Service Fund	CDBG Revolving Loan Fund	Machinery Outlay Fund	Library Fund	Other Governmental Funds	Totals
REVENUES							
Taxes	$ 496,238	$ 29,819	$ -	$ 25,000	$ 52,573	$ 177,050	$ 780,680
Intergovernmental	1,960,416	-	-	-	79,034	348	2,039,798
Licenses and Permits	12,172	-	-	-	-	-	12,172
Fines and Forfeits	1,369	-	-	-	-	-	1,369
Public Charges for Services	3,942	-	-	-	-	-	3,942
Intergovernmental Charges for Services	21,650	-	-	-	-	-	21,650
Miscellaneous							
Interest	17,886	-	11	1,650	2,967	1,459	23,973
Rent	6,802	-	-	-	-	-	6,802
Donations	500	-	-	-	800	-	1,300
Loan Repayments	-	-	6,905	-	-	-	6,905
Other	7,639	-	-	-	-	500	8,139
Total Revenues	2,528,614	29,819	6,916	26,650	135,374	179,357	2,906,730
EXPENDITURES							
General Government	189,095	-	-	-	-	-	189,095
Public Safety	2,047,188	-	-	-	-	-	2,047,188
Transportation	277,381	-	-	-	-	-	277,381
Sanitation	5,440	-	-	-	-	-	5,440
Health and Human Services	-	-	-	-	-	1,058	1,058
Culture, Recreation, and Education	40,382	-	-	-	133,532	-	173,914
Conservation and Development	93,844	-	2,967	-	-	232,924	329,735
Debt Service							
Principal Retirement	-	184,593	-	-	-	-	184,593
Interest and Fiscal Charges	-	43,250	-	-	-	-	43,250
Total Expenditures	2,653,330	227,843	2,967	-	133,532	233,982	3,251,654
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(124,716)	(198,024)	3,949	26,650	1,842	(54,625)	(344,924)
OTHER FINANCING SOURCES (USES)							
Issuance of Long-Term Debt	190,325	-	-	-	-	155,193	345,518
Transfers In	23,518	198,024	-	-	-	119,593	341,135
Transfers Out	(126,119)	-	-	-	-	(191,498)	(317,617)
Total Other Financing Sources (Uses)	87,724	198,024	-	-	-	83,288	369,036
NET CHANGE IN FUND BALANCES	(36,992)	-	3,949	26,650	1,842	28,663	24,112
Fund Balances - Beginning of Year	226,700	63,369	106,915	55,498	114,128	310,101	876,711
FUND BALANCES - END OF YEAR	$ 189,708	$ 63,369	$ 110,864	$ 82,148	$ 115,970	$ 338,764	$ 900,823

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, 2023

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS		$ 24,112
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	$ 327,954	
Depreciation Expense Reported in the Statement of Activities	(174,425)	153,529
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.		(6,225)
Long-term debt incurred in governmental funds is reported as an other financing source, but is reported as an increase in outstanding long-term debt in the statement of net assets and does not affect the statement of activities. Long-term debt incurred in the current year is:		
General Obligation Notes		(345,518)
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		184,593
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	(4,256)	
Net Change in Vacation and Sick Leave Liability	3,652	
Net Change in Pension Related Debt	4,306	3,702
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		$ 14,193

See accompanying Notes to Basic Financial Statements.

VILLAGE OF LUCK, WISCONSIN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2023

	Business-Type Activities - Enterprise Funds			
	Water Utility	Sewer Utility	Golf Course	Totals
ASSETS				
CURRENT ASSETS				
Cash and Investments	$ 143,507	$ 351,733	$ 484,614	$ 979,854
Customer Accounts Receivable	49,816	88,153	-	137,969
Other Accounts Receivable	-	-	3,091	3,091
Inventories	8,502	3,488	5,491	17,481
Total Current Assets	201,825	443,374	493,196	1,138,395
RESTRICTED ASSETS				
Cash and Investments				
Replacement Fund Cash and Investments	-	314,092	-	314,092
CAPITAL ASSETS				
Capital Assets Being Depreciated	1,924,689	6,828,036	2,646,375	11,399,100
Less Accumulated Depreciation	794,524	2,199,633	1,181,838	4,175,995
Total Capital Assets	1,130,165	4,628,403	1,464,537	7,223,105
Total Assets	$ 1,331,990	$ 5,385,869	$ 1,957,733	$ 8,675,592
LIABILITIES				
CURRENT LIABILITIES				
Accounts Payable	$ 1,628	$ 6,138	$ 15,189	$ 22,955
Accrued Interest Payable	1,699	10,306	976	12,981
Unearned Revenues	-	-	257,786	257,786
Due to Other Funds	-	-	21	21
Accrued Employee Benefits	618	618	1,306	2,542
Current Portion of Long-Term Debt:				
Right-To-Use Lease Equipment	-	-	34,989	34,989
General Obligation Notes Payable	8,268			8,268
Mortgage Revenue Bonds	11,022	33,700	-	44,722
Total Current Liabilities	23,235	50,762	310,267	384,264
LONG-TERM LIABIILITIES (NET OF CURRENT PORTION)				
Advance from General Fund	-	-	87,000	87,000
Right-To-Use Lease Equipment	-	-	39,524	39,524
General Obligation Notes Payable	66,021	-	-	66,021
Mortgage Revenue Note	105,104	1,758,800	-	1,863,904
Accrued Employee Benefits	7,130	7,130	15,080	29,340
Total Long-Term Liabilities	178,255	1,765,930	141,604	2,085,789
Total Liabilities	201,490	1,816,692	451,871	2,470,053
NET POSITION				
Net Investment in Capital Assets	939,750	2,835,903	1,390,024	5,165,677
Restricted for Asset Replacement	-	314,092	-	314,092
Unrestricted	190,750	419,182	115,838	725,770
Total Net Position	1,130,500	3,569,177	1,505,862	6,205,539
Total Liabilities and Net Position	$ 1,331,990	$ 5,385,869	$ 1,957,733	$ 8,675,592

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, 2023

	Business-Type Activities - Enterprise Funds			
	Water Utility	Sewer Utility	Golf Course	Totals
OPERATING REVENUES				
Charges for Services	$ 181,795	$ 326,185	$ 943,228	$ 1,451,208
Other Operating Revenues	18,549	4,316	-	22,865
Total Operating Revenues	200,344	330,501	943,228	1,474,073
OPERATING EXPENSES				
Cost of Goods Sold	-	-	189,112	189,112
Operation and Maintenance	131,909	207,253	639,829	978,991
Depreciation	47,263	196,862	101,244	345,369
Total Operating Expenses	179,172	404,115	930,185	1,513,472
OPERATING INCOME (LOSS)	21,172	(73,614)	13,043	(39,399)
NONOPERATING REVENUES (EXPENSES)				
Interest Income	5,266	18,894	1,868	26,028
Gain from Sale of Equipment	-	-	310	310
Miscellaneous Nonoperating Revenue	-	-	3,309	3,309
Interest Expense	(3,978)	(49,445)	(3,221)	(56,644)
Total Nonoperating Revenues (Expenses)	1,288	(30,551)	2,266	(26,997)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	22,460	(104,165)	15,309	(66,396)
CAPITAL CONTRIBUTIONS AND TRANSFERS				
Contributions from Individuals	-	-	55,305	55,305
Transfers - Utility Tax Equivalents	(23,518)	-	-	(23,518)
Total Capital Contributions and Transfers	(23,518)	-	55,305	31,787
CHANGE IN NET POSITION	(1,058)	(104,165)	70,614	(34,609)
Net Position - Beginning of Year	1,131,558	3,673,342	1,435,248	6,240,148
NET POSITION - END OF YEAR	$ 1,130,500	$ 3,569,177	$ 1,505,862	$ 6,205,539

See accompanying Notes to Basic Financial Statements.

VILLAGE OF LUCK, WISCONSIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2023

	Business-Type Activities - Enterprise Funds			
	Water Utility	Sewer Utility	Golf Course	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers	$ 117,761	$ 322,364	$ 943,228	$ 1,383,353
Cash Received from Public Fire Protection	66,528	-	-	66,528
Cash Received (Paid) for Meter Related Charges	11,777	(11,777)	-	-
Cash Paid to Suppliers for Goods and Services	(43,962)	(103,444)	(284,500)	(431,906)
Cash Paid for Employee Services	(86,961)	(87,389)	(344,035)	(518,385)
Net Cash Provided by Operating Activities	65,143	119,754	314,693	499,590
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Cash Paid to General Fund to Reduce Advance from General Fund	-	-	(4,000)	(4,000)
Cash Received from Refunds of Prior Year Expenses	-	-	3,309	3,309
Payments of Tax Equivalents	(23,518)	-	-	(23,518)
Net Cash Provided (Used) by Noncapital Financing Activities	(23,518)	-	(691)	(24,209)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Cash Paid for Acquisition of Capital Assets	-	(2,000)	(63,557)	(65,557)
Cash Received from Sale of Equipment/Property	-	-	310	310
Cash Received as Capital Contributions	-	-	55,305	55,305
Principal Paid on Long-Term Debt	(18,828)	(32,900)	-	(51,728)
Principal Paid on Leases	-	-	(30,495)	(30,495)
Interest and Fiscal Agent Fees Paid	(4,157)	(47,745)	(3,221)	(55,123)
Net Cash Used by Capital and Relates Financing Activities	(22,985)	(82,645)	(41,658)	(147,288)

See accompanying Notes to Basic Financial Statements.

VILLAGE OF LUCK, WISCONSIN
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2023

	Business-Type Activities - Enterprise Funds			
	Water Utility	Sewer Utility	Golf Course	Totals
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on Investments	$ 5,266	$ 18,894	$ 1,868	$ 26,028
NET CHANGE IN CASH AND CASH EQUIVALENTS	23,906	56,003	274,212	354,121
Cash and Cash Equivalents - Beginning of Year	119,601	609,822	210,402	939,825
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 143,507	$ 665,825	$ 484,614	$ 1,293,946
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating Income (Loss)	$ 21,172	$ (73,614)	$ 13,043	$ (39,399)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Depreciation	47,263	196,862	101,244	345,369
(Increase) Decrease in Assets:				
Customer Accounts Receivable	(5,738)	(8,737)	-	(14,475)
Other Accounts Receivable	-	600	-	600
Accounts Receivable on Tax Roll	1,460	-	-	1,460
Inventory	(380)	-	(2,984)	(3,364)
Increase (Decrease) in Liabilities:				
Accounts Payable	136	3,413	3,512	7,061
Unearned Revenues	-	-	195,305	195,305
Accrued Benefits Payable	1,230	1,230	4,573	7,033
Net Cash Provided by Operating Activities	$ 65,143	$ 119,754	$ 314,693	$ 499,590
RECONCILIATION OF CASH AND INVESTMENTS TO CASH AND CASH EQUIVALENTS				
Cash and Investments per Statement of Net Position				
Cash and Investments	$ 143,507	$ 351,733	$ 484,614	$ 979,854
Cash and Investments - Restricted	-	314,092	-	314,092
Total Cash and Cash Equivalents	$ 143,507	$ 665,825	$ 484,614	$ 1,293,946

See accompanying Notes to Basic Financial Statements.

VILLAGE OF LUCK, WISCONSIN
STATEMENT OF NET POSITION
FIDUCIARY FUND
DECEMBER 31, 2023

	Custodial Fund
ASSETS	
Cash and Investments	$ 246,765
Taxes Receivable	813,942
Total Assets	1,060,707
DEFERRED INFLOWS OF RESOURCES	
Succeeding Year's Property Taxes	1,060,707
NET POSITION	$ -

See accompanying Notes to Basic Financial Statements.

VILLAGE OF LUCK, WISCONSIN
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUND
YEAR ENDED DECEMBER 31, 2023

	Custodial Fund
ADDITIONS	
Property Tax Collections	$ 1,001,439
DEDUCTIONS	
Payments to Taxing Jurisdictions	1,001,439
CHANGE IN NET POSITION	-
Net Position - Beginning of Year	-
NET POSITION - END OF YEAR	$ -

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, 2023.

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.

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.

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.

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.

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.

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)

<u>Loans Receivable</u>

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.

<u>Interfund Balances</u>

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.

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

<u>Government-Wide Statements</u>

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:

Assets	Threshold	Depreciation/ Amortization Method	Useful Life
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

<u>Fund Financial Statements</u>

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.

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.

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.

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.

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:

<u>Government-Wide, Proprietary Fund, and Fiduciary Fund Statements</u>

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.

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

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*

In May 2020, the GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements.* This standard defines a subscription-based information technology arrangement (SBITA); establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability; provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires note disclosures regarding a SBITA.

The Village adopted the requirements of the guidance effective January 1, 2023 and has applied the provisions of this standard to the beginning of the period of adoption. The adoption of this standard had no impact on the Village's financial statements.

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

In the general fund, at December 31, 2023, actual expenditures exceeded the budgeted amount as determined necessary and authorized by the Village Board, as shown below:

Expenditures	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
General Government	$ 168,991	$ 168,991	$ 189,095	$ (20,104)
Public Safety	399,528	399,528	2,047,188	(1,647,660)
Culture, Recreation and Education	16,240	16,240	40,382	(24,142)
Conservation and Development	4,619	4,619	93,844	(89,225)

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

The Village's cash and investments balance at December 31, 2023 as shown in the financial statements are as follows:

Governmental Funds	$ 906,294
Proprietary Funds	1,293,946
Fiduciary Funds	246,765
Total	$ 2,447,005

The above cash and investments balances consisted of the following:

Deposits in Financial Institutions	$ 1,544,343
Deposits in Local Government Investment Pool	902,662
Total	$ 2,447,005

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, 2023, the Village's deposits were not exposed to custodial credit risk.

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

Investments

The Village's investments at December 31, 2023 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 2023 was 18 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.

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, 2023 the Village had outstanding 23 deferred mortgage loans totaling $246,675, 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.

Northwestern Municipal EMS, Inc.

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. This note was refinanced during 2023. 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 ($107,525) at December 31, 2023.

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets

Capital assets activity for the year ended December 31, 2023 is as follows:

Governmental Activities

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Not Being Depreciated				
Land	$ 478,122	$ 80,985	$ -	$ 559,107
Construction Work In Progress	-	232,790	-	232,790
Total Capital Assets Not Being Depreciated	478,122	313,775	-	791,897
Capital Assets Being Depreciated				
Buildings and Improvements	1,490,001	-	-	1,490,001
Equipment and Vehicles	671,035	14,179	-	685,214
Infrastructure	2,718,491	-	-	2,718,491
Total Capital Assets Being Depreciated	4,879,527	14,179	-	4,893,706
Total Capital Assets	5,357,649	327,954	-	5,685,603
Accumulated Depreciation				
Buildings and Improvements	601,612	40,968	-	642,580
Equipment and Vehicles	286,646	47,919	-	334,565
Infrastructure	539,408	85,538	-	624,946
Total Accumulated Depreciation	1,427,666	174,425	-	1,602,091
Net Capital Assets - Governmental Activities	$ 3,929,983	$ 153,529	$ -	$ 4,083,512

Depreciation was charges to governmental functions as follows:

General Government	$ 13,955
Public Safety	19,729
Transportation	117,529
Culture, Recreation, and Education	23,212
Total	$ 174,425

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	1,741,451	-	-	1,741,451
Administration and General Assets	56,323	-	-	56,323
Total Capital Assets Being Depreciated	1,922,851	-	-	1,922,851
Total Capital Assets	1,924,689	-	-	1,924,689
Less: Accumulated Depreciation	747,261	47,263	-	794,524
Net Capital Assets - Water Utility	1,177,428	(47,263)	-	1,130,165
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	2,000	-	149,380
Total Capital Assets Being Depreciated	6,792,153	2,000	-	6,794,153
Total Capital Assets	6,826,036	2,000	-	6,828,036
Less: Accumulated Depreciation	2,002,771	196,862	-	2,199,633
Net Capital Assets - Sewer Utility	4,823,265	(194,862)	-	4,628,403

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
Capital Assets Being Depreciated/Amortized				
Land Improvements	369,149	32,649	-	401,798
Buildings	693,234	9,890	-	703,124
Equipment and Vehicles	594,864	21,018	25,103	590,779
Right-To-Use Lease Equipment	169,501	-		169,501
Infrastructure	319,983	-	-	319,983
Total Capital Assets Being Depreciated/Amortized	2,146,731	63,557	25,103	2,185,185
Total Capital Assets	2,607,921	63,557	25,103	2,646,375
Less: Accumulated Depreciation/Amortization	1,105,697	101,244	25,103	1,181,838
Net Capital Assets - Golf Course	1,502,224	(37,687)	-	1,464,537
Net Capital Assets - Business-Type Activities	$ 7,502,917	$ (279,812)	$ -	$ 7,223,105

Depreciation was charges to business-type activities as follows:

Water	$ 47,263
Sewer	196,862
Golf	101,244
Total	$ 345,369

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		$ 2,820	

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	$ 87,000	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	$ 23,518	Property Tax Equivalent
Debt Service Fund	General Fund	126,119	Finance Current Year Debt Maturities
Tax Incremental #2 Fund	Tax Incremental #3 Fund	119,593	Donor District Payment
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		$ 341,135	

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, 2023 were as follows:

	Balance Janaury 1, 2023	Issued	Retired	Balance December 31, 2023	Amounts Due Within One Year
Long-Term Debt					
Governmental Activities					
Notes from Direct Borrowings	$ 1,231,794	$ 345,518	$ 184,593	$ 1,392,719	$ 372,169
Business-Type Activities					
Notes from Direct Borrowings	82,222	-	7,933	74,289	8,268
Mortgage Revenue Bonds	1,952,421	-	43,795	1,908,626	44,722
Total Business-Type Activities Long-Term Debt	2,034,643	-	51,728	1,982,915	52,990
Total Long-Term Debt	$ 3,266,437	$ 345,518	$ 236,321	$ 3,375,634	$ 425,159
Other Long-Term Obligations					
Governmental Activities					
Personal Time Off Leave	$ 68,943	$ 5,381	$ 9,033	$ 65,291	$ 5,206
Unfunded WRS Liability	11,195	-	4,306	6,889	-
Total Other Long-Term Obligations	$ 80,138	$ 5,381	$ 13,339	$ 72,180	$ 5,206
Business-Type Activities					
Right-To-Use Lease Liability	$ 105,008	$ -	$ 30,495	$ 74,513	$ 34,989
Personal Time Off Leave	24,849	8,760	1,727	31,882	2,542
Total Business-Type Activities	$ 129,857	$ 8,760	$ 32,222	$ 106,395	$ 37,531

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

On July 21, 2023 the Village issued $80,000 of general obligation promissory note for the reimbursement of land purchased during the year. This note bears an interest rate of 5.75 percent and matures on July 21, 2033.

On August 15, 2023 the Village issued $110,326 of general obligation note to provide refinancing of the ambulance building loan dated August 16, 2013. This loan is to be repaid to the Village from the Northwestern Municipal EMS, Inc. as payments become due on the loan. This note bears and interest rate of 5.37 percent and matures on August 15, 2028.

On September 28, 2023 the Village issued $986,000 of general obligation promissory note to provide interim financing for the Park Avenue Road Reconstruction project. As of December 31, 2023, the Village has drawn $155,192 on this loan. This note bears and interest rate of 5.00 percent and matures on September 28, 2024.

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

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.

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.

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, 2023 and annual requirements for their retirement were as follows:

	Year	Principal	Interest	Total
General Obligation Notes				
Governmental Activities				
Promissory note dated August 15, 2023, issued	2024	$ 8,709	$ 5,577	$ 14,286
$110,326, final installment August 15, 2028,	2025	9,204	5,082	14,286
interest at 5.37% (Northwestern EMS)	2026	9,711	4,575	14,286
	2027	10,246	4,040	14,286
	2028	69,655	2,389	72,044
		107,525	21,663	129,188
Promissory note dated December 10, 2014, issued				
$340,000, final installment November 30, 2024				
interest at 3.70% (paid off golf course debt)	2024	158,769	5,810	164,579
Promissory note dated November 27, 2019, issued	2024	43,367	28,538	71,905
$1,050,000, final installment November 27, 2029	2025	44,833	27,072	71,905
interest at 3.20% (Main Street and Culvert project)	2026	46,267	25,637	71,904
	2027	47,748	24,157	71,905
	2028	47,748	24,157	71,905
	2029	661,269	17,826	679,095
		891,232	147,387	1,038,619
Promissory note dated July 21, 2023, issued	2024	6,131	4,613	10,744
$80,000, final installment July 21, 2033	2025	6,496	4,248	10,744
interest at 5.75% (land purchase)	2026	6,870	3,874	10,744
	2027	7,265	3,479	10,744
	2028	7,674	3,070	10,744
	2029-2033	45,564	8,154	53,718
		80,000	27,438	107,438
Promissory note dated September 28, 2023, issued				
$986,000, final installment September 28, 2024				
interest at 5.00% (Park Avenue project)	2024	155,193	1,935	157,128
Total Governmental Activities		1,392,719	204,233	1,596,952
Business-Type Activities				
Promissory note dated August 11, 2021, issued	2024	8,268	2,419	10,687
$90,000, final installment August 11, 2031	2025	8,543	2,144	10,687
interest at 3.25% (Meter Replacement Project)	2026	8,821	1,866	10,687
	2027	9,108	1,579	10,687
	2028	9,400	1,287	10,687
	2029-2031	30,149	1,910	32,059
Total Business-Type Activities		74,289	11,205	85,494
Total General Obligation Notes		$ 1,467,008	$ 215,438	$ 1,682,446

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:

	Governmental Activities			Funding Sources			
	Notes from Direct Borrowings			General	TID #2	TID #4	
Year	Principal	Interest	Total	Fund	Fund	Fund	Total
2024	$ 372,169	$ 46,473	$ 418,642	$ 189,609	$ 211,776	$ 17,257	$ 418,642
2025	60,533	36,402	96,935	25,030	54,648	17,257	96,935
2026	62,848	34,086	96,934	25,030	54,647	17,257	96,934
2027	65,259	31,676	96,935	25,030	54,648	17,257	96,935
2028	125,077	29,616	154,693	82,788	54,648	17,257	154,693
2029-2033	706,833	25,980	732,813	53,718	516,112	162,983	732,813
Total	$ 1,392,719	$ 204,233	$ 1,596,952	$ 401,205	$ 946,479	$ 249,268	$ 1,596,952

	Business-Type Activities			Funding Source
	Notes from Direct Borrowings			Water
Year	Principal	Interest	Total	Utility
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	9,400	1,287	10,687	10,687
2029-2031	30,149	1,910	32,059	32,059
Total	$ 74,289	$ 11,205	$ 85,494	$ 85,494

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, 2023 the Village's debt limitation amounted to $5,795,075 and indebtedness subject to the limitation totaled $1,467,008.

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, 2023 totaled $30,495 and $3,221, respectively.

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

Year	Principal	Interest	Total
2024	$ 34,989	$ 2,087	$ 37,076
2025	36,211	866	37,077
2026	3,313	46	3,359
Total	$ 74,513	$ 2,999	$ 77,512

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.

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, 2023 are shown below:

	Year	Principal	Interest	Total
Water system revenue bonds dated June 26, 2013,	2024	$ 11,022	$ 1,404	$ 12,426
issued $217,955, final installment May 1, 2033,	2025	11,149	1,150	12,299
interest at 1.16% (water looping and streets project)	2026	11,278	1,020	12,298
	2027	11,408	889	12,297
	2028	11,540	757	12,297
	2029-2033	59,729	1,118	60,847
		116,126	6,338	122,464
Sewerage system mortgage revenue bonds,	2024	33,700	48,961	82,661
Series 2017, dated March 1, 2017, $2,023,000,	2025	34,800	47,885	82,685
final installment May 1, 2056, interest at 2.75%	2026	35,700	46,915	82,615
(sewer utility upgrades)	2027	36,700	45,919	82,619
	2028	37,600	45,022	82,622
	2029-2033	205,000	164,379	369,379
	2034-2038	235,400	177,985	413,385
	2039-2043	270,000	141,725	411,725
	2044-2048	309,900	103,488	413,388
	2049-2053	355,700	56,702	412,402
	2054-2056	238,000	9,916	247,916
		1,792,500	888,897	2,681,397
Total Mortgage Revenue Notes		$ 1,908,626	$ 895,235	$ 2,803,861

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 $12,300 and $68,435 for the water utility enterprise fund. Principal and interest paid for the current year and total customer net revenues were $80,646 and $123,248 for the sewer utility enterprise fund.

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, 2023, the Village recognized $5,064 and $3,850 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:

Year	Principal	Interest	Total
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	6,500	2,593	9,093
2029-2033	37,903	8,271	46,174
2034-2036	18,502	820	19,322
Total	$ 85,885	$ 24,703	$ 110,588

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, 2023 consisted of the following:

	Total	Nonspendable	Restricted	Committed	Assigned	Unassigned
Major Funds						
General Fund						
Nonspendable Advances to Other Funds	$ 87,000	$ 87,000	$ -	$ -	$ -	$ -
Nonspendable - Long-Term Receivable	107,525	107,525	-	-	-	-
Unassigned	(4,817)	-	-	-	-	(4,817)
Total General Fund	189,708	194,525	-	-	-	(4,817)
CDBG Revolving Loan Fund	110,864	-	110,864	-	-	-
Machinery Outlay Fund	82,148	-	-	-	82,148	-
Library Fund	115,970	-	-	115,970	-	-
Debt Services Fund						
Village General Obligation Long-Term Debt	63,369	-	63,369	-	-	-
Nonmajor Funds						
Special Revenue Funds						
Cemetery Fund	4,270	-	-	4,270	-	-
Capital Projects Funds						
Tax Incremental District #2	194,749	-	194,749	-	-	-
Tax Incremental District #3	-	-	-	-	-	-
Tax Incremental District #4	106,721	-	106,721	-	-	-
Police Squad Fund	33,024	-	-	-	33,024	-
Total Governmental Fund Balances at December 31, 2023	$ 900,823	$ 194,525	$ 475,703	$ 120,240	$ 115,172	$ (4,817)

G. Tax Incremental Financing Districts

The Village has created three 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.

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Tax Incremental Financing Districts (Continued)

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, 2023 are summarized below:

	TID #2	TID #3	TID #4
Accumulated Project Costs			
Capital Expenditures	$ 235,204	$ -	$ -
Administration	39,011	30,697	13,068
Developers Agreements	25,000	-	-
Interest Charges	71,337	-	22,292
Transfers Out	93,017	119,593	29,068
Total Project Costs	463,569	150,290	64,428
Accumulated Project Revenues			
Tax Increments	344,723	150,290	171,149
Minimum Tax Agreements	28,921	-	-
Intergovernmental	9,888	-	-
Transfers In	119,593	-	-
Total Project Revenues	503,125	150,290	171,149
Future Project Revenues Necessary to Recover Net Costs to Date	$ (39,556)	$ -	$ (106,721)
Outstanding Long-Term Debt Payable from TID Funds at December 31, 2023	$ 155,193	$ -	$ -
Less: Unrecovered Costs Above	39,556	-	106,721
Fund Balances at December 31, 2023	$ 194,749	$ -	$ 106,721

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.

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, 2023 the WRS recognized $62,677 in contributions from the employer.

Contribution rates as of December 31, 2023 are:

	Employee	Employer
General (Including Teachers)	6.80%	7.60%
Executives and Elected Officials	6.80%	7.70%
Protective With Social Security	6.80%	13.92%
Protective Without Social Security	6.80%	18.12%

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.

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:

Year	Core Fund Adjustment %	Variable Fund Adjustment %
2013	(1.2)	11.0
2014	(7.0)	(7.0)
2015	(9.6)	9.0
2016	4.7	25.0
2017	2.9	2.0
2018	0.5	(5.0)
2019	2.0	4.0
2020	2.4	17.0
2021	0.0	(10.0)
2022	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, 2023 was $65,291. The estimated liabilities in the proprietary funds at that date was $31,882.

NOTE 4 OTHER INFORMATION (CONTINUED)

C. Joint Ventures

<u>Ambulance Service</u>

The Villages of Luck, Frederic and Clayton, City of Amery and the Townships of Alden, Apple River, Black Brook, Bone Lake, Clam Falls, Garfield, Georgetown, Laketown, Lincoln, Lorain, Luck, McKinley, and West Sweden jointly operate the local ambulance called the Northwestern Municipal EMS, 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, 2023 is as follows:

Total Assets	$ 1,558,660
Total Liabilities	352,559
Totel Equity	1,206,101
Net Income	26,631
Outstanding Debt	271,930

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.

<u>Fire Association</u>

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, 2023 is as follows:

Total Assets	$ 1,260,159
Total Liabilities	57,990
Totel Equity	1,202,169
Net Income	67,396

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.

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. Commitments

During 2023 the Village was under contract for the Park Avenue Reconstruction project totaling $265,140. As of December 31, 2023 $195,178 had been spent and $78,764 is remaining.

The Village was also under contract for the State Highway 48 project totaling $106,175. As of December 31, 2023 $10,618 had been paid and $95,558 is remaining.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE 1

VILLAGE OF LUCK, WISCONSIN
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Taxes	$ 502,140	$ 502,140	$ 496,238	$ (5,902)
Intergovernmental	323,593	323,593	1,960,416	1,636,823
Licenses and Permits	7,200	7,200	12,172	4,972
Fines and Forfeits	2,500	2,500	1,369	(1,131)
Public Charges for Services	1,400	1,400	3,942	2,542
Intergovernmental Charges for Services	21,650	21,650	21,650	-
Miscellaneous:				
Interest	300	300	17,886	17,586
Rent	8,765	8,765	6,802	(1,963)
Donations	-	-	500	500
Other	-	-	7,639	7,639
Total Revenues	867,548	867,548	2,528,614	1,661,066
EXPENDITURES				
General Government	168,991	168,991	189,095	(20,104)
Public Safety	399,528	399,528	2,047,188	(1,647,660)
Transportation	301,420	301,420	277,381	24,039
Sanitation	5,500	5,500	5,440	60
Health and Human Services	250	250	-	250
Culture, Recreation and Education	16,240	16,240	40,382	(24,142)
Conservation and Development	4,619	4,619	93,844	(89,225)
Total Expenditures	896,548	896,548	2,653,330	(1,756,782)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(29,000)	(29,000)	(124,716)	(95,716)
OTHER FINANCING SOURCES (USES)				
Long-Term Debt Issued	-	-	190,325	190,325
Transfers In	29,000	29,000	23,518	(5,482)
Transfers Out	-	-	(126,119)	(126,119)
Total Other Financing Sources (Uses)	29,000	29,000	87,724	58,724
NET CHANGE IN FUND BALANCE	-	-	(36,992)	(36,992)
Fund Balance - Beginning of Year	226,700	226,700	226,700	-
FUND BALANCE - END OF YEAR	$ 226,700	$ 226,700	$ 189,708	$ (36,992)

See accompanying Notes to Required Supplementary Information

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

SCHEDULE A-1

VILLAGE OF LUCK, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2023

	Special Revenue Fund - Cemetery Fund	Capital Projects Funds: Tax Incremental District #2	Tax Incremental District #3	Tax Incremental District #4	Police Squad Fund	Total Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS							
Cash and Investments	$ 4,270	$ 227,116	$ -	$ 106,721	$ 33,024	$ 366,861	$ 371,131
Taxes Receivable	-	84,431	47,303	76,509	12,000	220,243	220,243
Total Assets	$ 4,270	$ 311,547	$ 47,303	$ 183,230	$ 45,024	$ 587,104	$ 591,374
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES	$ -	$ 32,367	$ -	$ -	$ -	$ 32,367	$ 32,367
DEFERRED INFLOWS OF RESOURCES							
Succeeding Year's Property Taxes	-	84,431	47,303	76,509	12,000	220,243	220,243
FUND BALANCES							
Restricted	-	194,749	-	106,721	-	301,470	301,470
Committed	4,270	-	-	-	-	-	4,270
Assigned	-	-	-	-	33,024	33,024	33,024
Total Fund Balances	4,270	194,749	-	106,721	33,024	334,494	338,764
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 4,270	$ 311,547	$ 47,303	$ 183,230	$ 45,024	$ 587,104	$ 591,374

SCHEDULE A-2

VILLAGE OF LUCK, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2023

		Capital Projects Funds					
	Special Revenue Fund - Cemetery Fund	Tax Incremental District #2	Tax Incremental District #3	Tax Incremental District #4	Police Squad Fund	Total Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES							
Taxes	$ -	$ 69,679	$ 34,861	$ 60,510	$ 12,000	$ 177,050	$ 177,050
Intergovernmental	-	348	-	-	-	348	348
Miscellaneous:							
Interest on Investments	95	-	-	-	1,364	1,364	1,459
Other	500	-	-	-	-	-	500
Total Revenues	595	70,027	34,861	60,510	13,364	178,762	179,357
EXPENDITURES							
Health and Human Services	1,058	-	-	-	-	-	1,058
Conservation and Development	-	229,338	1,793	1,793	-	232,924	232,924
Total Expenditures	1,058	229,338	1,793	1,793	-	232,924	233,982
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(463)	(159,311)	33,068	58,717	13,364	(54,162)	(54,625)
OTHER FINANCING SOURCES (USES)							
Issuance of Long-Term Debt	-	155,193	-	-	-	155,193	155,193
Transfers in	-	119,593	-	-	-	119,593	119,593
Transfers to Other Funds	-	(54,785)	(119,593)	(17,120)	-	(191,498)	(191,498)
Total Other Financing Sources (Uses)	-	220,001	(119,593)	(17,120)	-	83,288	83,288
NET CHANGE IN FUND BALANCES	(463)	60,690	(86,525)	41,597	13,364	29,126	28,663
Fund Balances - Beginning of Year	4,733	134,059	86,525	65,124	19,660	305,368	310,101
FUND BALANCES- END OF YEAR	$ 4,270	$ 194,749	$ -	$ 106,721	$ 33,024	$ 334,494	$ 338,764

SCHEDULE B-1

VILLAGE OF LUCK, WISCONSIN
GENERAL FUND
DETAILED BALANCE SHEET
DECEMBER 31, 2023
(WITH COMPARITIVE AMOUNTS AS OF DECEMBER 31, 2022)

	2023	2022
ASSETS		
Treasurer's Cash and Investments	$ 159,439	$ 114,355
Taxes Receivable		
Current Tax Roll	306,363	376,281
Delinquent Personal Property Taxes	2,096	1,891
Other Accounts Receivable	6,091	5,853
Prepayments	-	17,791
Long-Term Receivable from Northland Ambulance	107,525	117,259
Lease Receivable	85,885	90,949
Due from Other Governments	184,114	-
Advance to Golf Course Fund	87,000	91,000
Due from Other Funds	2,820	2,820
Total Assets	$ 941,333	$ 818,199
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
LIABILITIES		
Vouchers Payable	$ 27,460	$ 10,820
Payroll Liabilities	22,801	6,530
Due to Other Governments	184,114	-
Special Deposits	-	5,800
Mobile Home Fees Due School	3,145	2,769
Total Liabilities	237,520	25,919
DEFERRED INFLOWS OF RESOURCES		
Tax Roll Items		
Succeeding Year's Property Taxes	431,913	476,586
Deferred Amount Related to Leases	82,192	88,994
Total Deferred Inflows of Resources	514,105	565,580
FUND BALANCE		
Nonspendable		
For Prepaids	-	17,791
For Long-Term Receivable - Northland Ambulance	107,525	117,259
Committed		
For Advance to Golf Course	87,000	91,000
Assigned		
For Cemetery Outlay	-	650
Unassigned	(4,817)	-
Total Fund Balance	189,708	226,700
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	$ 941,333	$ 818,199

SCHEDULE B-2

VILLAGE OF LUCK, WISCONSIN
GENERAL FUND
STATEMENT OF CHANGES IN FUND BALANCE
YEAR ENDED DECEMBER 31, 2023

	Balance (Overdraft) 44927	Village Property Taxes	Other Revenues/ Sources	Transfers General Fund In	Transfers General Fund Out	Transfers Other Funds In	Transfers Other Funds Out	Total Available	Expenditures/ Other Uses	Balance (Overdraft) 45291
NONSPENDABLE										
Prepaid Items	$ 17,791	$ -	$ -	$ -	$ 17,791	$ -	$ -	$ -	$ -	$ -
For Advance to Other Funds	91,000	-	-	-	-	-	-	91,000	4,000	87,000
For Long-Term Receivable - Northland Ambulance	117,259	-	-	-	9,734	-	-	107,525	-	107,525
Total Nonspendable	226,050	-	-	-	27,525	-	-	198,525	4,000	194,525
ASSIGNED										
Carryover Funds:										
For Ordinances	-	2,200	-	2,539	2,869	-	-	1,870	1,870	-
For Computer	-	-	70	1,363	1,433	-	-	-	-	-
For Retirement Severance	-	-	548	31,715	32,263	-	-	-	-	-
For Office Outlay	-	-	-	29,609	29,609	-	-	-	-	-
For Street Outlay	-	27,133	-	-	27,133	-	-	-	-	-
For Room Tax - Tourism	-	-	7,843	32,428	38,668	-	-	1,603	1,603	-
For Room Tax - Village	-	-	3,361	9,707	12,381	-	-	687	687	-
For Playground Equipment	-	3,000	905	22,739	26,644	-	-	-	-	-
For ATV Park	-	-	130	2,509	2,639	-	-	-	-	-
For Skating Rink	-	-	1	4,629	4,630	-	-	-	-	-
For Campground Upgrade	-	-	-	35,000	35,000	-	-	-	-	-
For Cemetery Outlay	650	-	35	2,962	2,448	-	-	1,199	1,199	-
Total Assigned	650	32,333	12,893	175,200	215,717	-	-	5,359	5,359	-
UNASSIGNED										
General Village	-	444,253	2,229,460	243,242	175,200	23,518	126,119	2,639,154	2,643,971	(4,817)
Total Unassigned	-	444,253	2,229,460	243,242	175,200	23,518	126,119	2,639,154	2,643,971	(4,817)
Total General Fund	$ 226,700	$ 476,586	$ 2,242,353	$ 418,442	$ 418,442	$ 23,518	$ 126,119	$ 2,843,038	$ 2,653,330	$ 189,708

SCHEDULE B-3

VILLAGE OF LUCK, WISCONSIN
GENERAL FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023
(WITH COMPARITIVE ACTUAL AMOUNTS AS OF DECEMBER 31, 2022)

	2023				
	Adopted Budget	Final Budget	Actual	Variance - Positive (Negative)	2022 Actual
REVENUES					
Taxes					
General Property Taxes	$ 476,586	$ 476,586	$ 476,586	$ -	$ 460,752
Mobile Home Parking Permit Fees	8,500	8,500	3,906	(4,594)	4,237
Room Tax	-	-	11,205	11,205	13,809
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	12,554	12,554	-	(12,554)	12,858
Interest on Delinquent Taxes	-	-	41	41	4
Total Taxes	502,140	502,140	496,238	(5,902)	496,160
Intergovernmental					
Federal Aid - Safe Room Project	-	-	1,630,186	1,630,186	-
Federal Aid - American Rescue Plan Act	-	-	-	-	55,003
Federal Aid - Police	-	-	6,054	6,054	-
State Shared Taxes	186,355	186,355	190,012	3,657	172,185
State Shared Taxes - Expenditure Restraint	14,431	14,431	-	(14,431)	-
Personal Property Aid	2,239	2,239	2,239	-	2,239
State Transportation Aids	115,573	115,573	115,588	15	109,864
State LRIP Aids	-	-	10,663	10,663	-
Fire Insurance Taxes	3,682	3,682	4,186	504	3,682
Exempt Computer Aid	505	505	505	-	505
Law Enforcement Aids	800	800	960	160	800
In Lieu of Taxes on State Conservation Land	8	8	23	15	23
Total Intergovernmental	323,593	323,593	1,960,416	1,636,823	344,301

SCHEDULE B-3

VILLAGE OF LUCK, WISCONSIN
GENERAL FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2023
(WITH COMPARITIVE ACTUAL AMOUNTS AS OF DECEMBER 31, 2022)

	2023				
	Adopted Budget	Final Budget	Actual	Variance - Positive (Negative)	2022 Actual
REVENUES (CONTINUED)					
Licenses and Permits					
Licenses					
Liquor and Malt Beverage	$ 2,975	$ 2,975	$ 2,655	$ (320)	$ 2,735
Operators	1,700	1,700	1,360	(340)	1,060
Cigarette	300	300	250	(50)	250
Dog	300	300	389	89	385
Cable TV Franchise	-	-	-	-	10,308
Mobile Home Park	100	100	300	200	150
Sundry	500	500	495	(5)	775
Permits					
Construction	1,325	1,325	6,323	4,998	11,316
Variance	-	-	400	400	-
Total Licenses and Permits	7,200	7,200	12,172	4,972	26,979
Fines and Forfeits					
Court Penalties	2,500	2,500	1,369	(1,131)	1,966
Public Charges for Services					
License Publication Fees	-	-	63	63	66
Street Department	100	100	1,571	1,471	-
Animal Control	100	100	20	(80)	-
Spring Cleanup Fees	500	500	1,098	598	1,314
Search Fees	700	700	1,190	490	770
Total Public Charges for Services	1,400	1,400	3,942	2,542	2,150
Intergovernmental Charges for Services					
School Liaison Program	21,650	21,650	21,650	-	21,650

SCHEDULE B-3

VILLAGE OF LUCK, WISCONSIN
GENERAL FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2023
(WITH COMPARITIVE ACTUAL AMOUNTS AS OF DECEMBER 31, 2022)

	2023				
	Adopted Budget	Final Budget	Actual	Variance - Positive (Negative)	2022 Actual
REVENUES (CONTINUED)					
Miscellaneous					
Interest on Investments	$ 300	$ 300	$ 14,036	$ 13,736	$ 4,197
Interest on Leases	-	-	3,850	3,850	4,067
Rent of Village Property					
Land	25	25	-	(25)	-
Tower Space	8,740	8,740	6,802	(1,938)	6,802
Other					
Donations	-	-	500	500	500
Insurance Recoveries	-	-	-	-	29,000
Insurance Dividends	-	-	1,443	1,443	2,710
Miscellaneous	-	-	6,196	6,196	5,598
Total Miscellaneous	9,065	9,065	32,827	23,762	52,874
Total Revenues	867,548	867,548	2,528,614	1,661,066	946,080
EXPENDITURES					
General Government					
Village Board Per Diems/ Fringe Benefits	9,689	9,689	9,212	477	9,285
Village Board - Other	150	150	721	(571)	531
Legislative Support	660	660	660	-	636
Village Attorney	1,500	1,500	2,510	(1,010)	300
Codification of Ordinances	2,200	2,200	1,870	330	1,837
Village President Office	3,730	3,730	3,230	500	3,230
Village Administration Wages/ Fringe Benefits	87,037	87,037	90,759	(3,722)	78,519
Village Administration - Other	2,700	2,700	1,201	1,499	639
Village Hall/Shop Technology Support	2,000	2,000	1,855	145	1,655
Office Supplies	3,700	3,700	5,291	(1,591)	4,056
Elections	4,000	4,000	3,507	493	4,068
Special Accounting and Auditing	8,250	8,250	9,565	(1,315)	9,076
Assessment of Property	4,375	4,375	6,127	(1,752)	6,067
Municipal Building	12,000	12,000	19,396	(7,396)	11,295
Property, Liability, and Workers Compensation Insurance	27,000	27,000	33,187	(6,187)	19,962
Miscellaneous	-	-	4	(4)	206
Total General Government	168,991	168,991	189,095	(20,104)	151,362

SCHEDULE B-3

VILLAGE OF LUCK, WISCONSIN
GENERAL FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2023
(WITH COMPARITIVE ACTUAL AMOUNTS AS OF DECEMBER 31, 2022)

	2023				
	Adopted Budget	Final Budget	Actual	Variance - Positive (Negative)	2022 Actual
EXPENDITURES (CONTINUED)					
Public Safety					
Police Department Wages/ Fringe Benefits	$ 307,776	$ 307,776	$ 303,095	$ 4,681	$ 298,852
Police Department - Other	29,000	29,000	46,020	(17,020)	28,011
Police Legal Counsel	1,000	1,000	285	715	413
Fire Department Administration	41,824	41,824	47,855	(6,031)	41,824
State 2% Fire Aid to Fire Department	3,682	3,682	4,186	(504)	3,682
Ambulance Assessment	15,246	15,246	15,246	-	14,235
Civil Defense Siren	1,000	1,000	315	685	832
Safe Room Project - School District of Luck	-	-	1,630,186	(1,630,186)	-
Total Public Safety	399,528	399,528	2,047,188	(1,647,660)	387,849
Transportation					
Garages and Sheds	12,100	12,100	9,959	2,141	10,847
Machinery and Equipment	4,000	4,000	6,917	(2,917)	2,288
Street Repair and Maintenance - Other	23,500	23,500	13,822	9,678	21,384
Public Works Wages/ Fringe Benefits	193,637	193,637	198,504	(4,867)	189,899
Street Outlay (Carryover)	27,133	27,133	-	27,133	192,422
Uniforms	750	750	1,085	(335)	1,397
Street Cleaning - Other	1,500	1,500	1,607	(107)	790
Snow and Ice Control - Other	15,500	15,500	18,531	(3,031)	14,635
Street Signage	800	800	-	800	1,250
Street Lighting	22,500	22,500	26,956	(4,456)	22,915
Total Transportation	301,420	301,420	277,381	24,039	457,827
Sanitation					
Refuse Collection	5,500	5,500	5,440	60	5,870
Health and Human Services					
Women's Shelter	200	200	-	200	-
Dog Pound	50	50	-	50	-
Total Health and Human Services	250	250	-	250	-

SCHEDULE B-3

VILLAGE OF LUCK, WISCONSIN
GENERAL FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2023
(WITH COMPARITIVE ACTUAL AMOUNTS AS OF DECEMBER 31, 2022)

	2023				
	Adopted Budget	Final Budget	Actual	Variance - Positive (Negative)	2022 Actual
EXPENDITURES (CONTINUED)					
Culture, Recreation and Education					
Celebrations and Entertainment	$ 1,500	$ 1,500	$ 2,810	$ (1,310)	$ 529
Parks - Other	13,740	13,740	36,373	(22,633)	7,579
Cemetery Outlay (Carryover)	1,000	1,000	1,199	(199)	-
Total Culture, Recreation and Education	16,240	16,240	40,382	(24,142)	8,108
Conservation and Development					
Advertising and Promotion	1,100	1,100	3,860	(2,760)	1,672
Economic Development	1,119	1,119	82,074	(80,955)	1,119
CDBG Housing Study	-	-	549	(549)	1,481
Zoning Expenditures	2,400	2,400	7,361	(4,961)	10,813
Total Conservation and Development	4,619	4,619	93,844	(89,225)	15,085
Total Expenditures	896,548	896,548	2,653,330	(1,756,782)	1,026,101
DEFICIENCY OF REVENUES OVER EXPENDITURES	(29,000)	(29,000)	(124,716)	(95,716)	(80,021)
OTHER FINANCING SOURCES					
Issuance of Long-Term Debt	-	-	190,325	190,325	-
Transfers In-Water Utility Tax Equivalents	29,000	29,000	23,518	(5,482)	25,508
Transfers Out - Debt Service Fund	-	-	(126,119)	(126,119)	(22,063)
Transfers Out - Water Utility	-	-	-	-	(59,163)
Total Other Financing Sources	29,000	29,000	87,724	58,724	(55,718)
NET CHANGE IN FUND BALANCE	-	-	(36,992)	(36,992)	(135,739)
Fund Balance - Beginning of Year	226,700	226,700	226,700	-	362,439
FUND BALANCE - END OF YEAR	$ 226,700	$ 226,700	$ 189,708	$ (36,992)	$ 226,700

SCHEDULE C-1

VILLAGE OF LUCK, WISCONSIN
WATER UTILITY ENTERPRISE FUND
STATEMENT OF NET POSITION
DECEMBER 31, 2023
(WITH COMPARITIVE AMOUNTS AS OF DECEMBER 31, 2022)

	2023	2022
ASSETS		
CURRENT ASSETS		
Cash and Investments:		
General Accounts	$ 30,034	$ 19,394
Segregated Account:		
Water Plant Replacement	113,423	100,157
Petty Cash	50	50
Customer Accounts Receivable	49,816	44,078
Accounts Receivable on Tax Roll	-	1,460
Materials and Supplies	8,502	8,122
Total Current Assets	201,825	173,261
CAPITAL ASSETS		
Utility Plant in Service	1,924,689	1,924,689
Less: Accumulated Depreciation	794,524	747,261
Total Capital Assets	1,130,165	1,177,428
Total Assets	$ 1,331,990	$ 1,350,689
LIABILITIES AND NET POSITION		
CURRENT LIABILTIIES		
Accounts Payable	$ 1,628	$ 1,492
Accrued Interest	1,699	1,878
Accrued Employee Benefits - Current Portion	618	453
Current Portion of General Obligation Notes Payable	8,268	8,014
Current Portion of Water System Revenue Bonds	11,022	10,896
Total Current Liabilities	23,235	22,733
LONG-TERM LIABITLITIES		
Accrued Employee Benefits	7,130	6,065
General Obligation Notes Payable	66,021	74,208
Water System Revenue Bonds	105,104	116,125
Total Long-Term Liabilities	178,255	196,398
Total Liabilities	201,490	219,131
NET POSITION		
Net Investment in Capital Assets	939,750	968,185
Unrestricted	190,750	163,373
Total Net Position	1,130,500	1,131,558
Total Liabilities and Net Position	$ 1,331,990	$ 1,350,689

VILLAGE OF LUCK, WISCONSIN
WATER UTILITY ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2023
(WITH COMPARITIVE AMOUNTS AS OF DECEMBER 31, 2022)

	2023	2022
OPERATING REVENUES		
Sales of Water:		
Residential	$ 74,327	$ 74,865
Commercial	17,607	17,952
Industrial	4,790	4,684
Public Authorities	5,975	5,779
Public Fire Protection	66,528	67,558
Private Fire Protection	2,952	2,954
Multi-Family Residential	9,616	10,368
Total Sales of Water	181,795	184,160
Other Operating Revenues:		
Forfeited Discounts	725	663
Meter Use Charge to Sewer Utility	11,777	11,986
Miscellaneous Operating Revenues	6,047	2,441
Total Other Operating Revenues	18,549	15,090
Total Operating Revenues	200,344	199,250
OPERATING EXPENSES		
Operation and Maintenance	131,909	174,045
Depreciation	47,263	46,190
Total Operating Expenses	179,172	220,235
OPERATING INCOME (LOSS)	21,172	(20,985)
NONOPERATING REVENUES (EXPENSES)		
Interest Revenue	5,266	1,481
Interest Expense on Long-Term Debt	(3,978)	(4,264)
Total Nonoperating Revenues (Expenses)	1,288	(2,783)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	22,460	(23,768)
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	(23,518)	(25,508)
Total Capital Contributions and Transfers	(23,518)	38,655
CHANGE IN NET POSITION	(1,058)	14,887
Net Position - Beginning of Year	1,131,558	1,116,671
NET POSITION - END OF YEAR	$ 1,130,500	$ 1,131,558

SCHEDULE C-3

VILLAGE OF LUCK, WISCONSIN
WATER UTILITY ENTERPRISE FUND
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2023
(WITH COMPARITIVE AMOUNTS AS OF DECEMBER 31, 2022)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Utility Customers	$ 117,761	$ 119,152
Cash Received from Public Fire Protection	66,528	67,558
Cash Received from Sewer Share of Meter Related Expenses	11,777	11,986
Cash Payments to Suppliers for Goods and Services	(43,962)	(89,630)
Cash Payments for Employee Services	(86,961)	(87,544)
Net Cash Provided by Operating Activities	65,143	21,522
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers to General Fund - Payments of Tax Equivalents	(23,518)	(25,508)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Cash Payments for Capital Assets	-	(47,834)
Cash Received from General Fund	-	59,163
Cash Paid for Principal on Long-Term Debt	(18,828)	(18,549)
Interest and Fiscal Agent Fees Paid	(4,157)	(4,438)
Net Cash Used by Capital and Related Financing Activities	(22,985)	(11,658)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on Investments	5,266	1,481
NET CHANGE IN CASH AND CASH EQUIVALENTS	23,906	(14,163)
Cash and Cash Equivalents - Beginning of Year	119,601	133,764
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 143,507	$ 119,601
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income (Loss)	$ 21,172	$ (20,985)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Depreciation	47,263	46,190
(Increase) Decrease in Assets:		
Customer Accounts Receivable	(5,738)	(779)
Inventories	(380)	733
Accounts Receivable on Tax Roll	1,460	225
Increase (Decrease) in Liabilities:		
Accounts Payable	136	(2,837)
Accrued Employee Benefits	1,230	$ (1,025)
Net Cash Provided by Operating Activities	$ 65,143	$ 21,522

SCHEDULE C-4

VILLAGE OF LUCK, WISCONSIN
WATER UTILITY ENTERPRISE FUND
SCHEDULE OF OPERATION AND MAINTENANCE EXPENSES
YEAR ENDED DECEMBER 31, 2023
(WITH COMPARITIVE AMOUNTS AS OF DECEMBER 31, 2022)

	2023	2022
OPERATION		
Salaries and Wages	$ 14,118	$ 14,863
Fuel or Power Purchased for Pumping	8,733	7,938
Chemicals	2,937	2,152
Operating Supplies and Expenses	8,077	4,564
Transportation Expense	1,225	864
Total Operation	35,090	30,381
MAINTENANCE		
Repairs to Plant	5,219	54,058
ADMINISTRATIVE AND GENERAL		
Administrative and General Salaries	42,819	42,917
Office Supplies and Expenses	3,218	3,925
Outside Services Employed	5,792	7,810
Insurance Expense	3,866	2,973
Employees Pensions and Benefits	26,937	24,303
FICA Taxes	4,317	4,436
PSC Remainder Assessment	-	194
Miscellaneous General	4,651	3,048
Total Administrative and General	91,600	89,606
Total Operation and Maintenance Expenses	$ 131,909	$ 174,045

SCHEDULE C-5

VILLAGE OF LUCK, WISCONSIN
SEWER UTILITY ENTERPRISE FUND
STATEMENT OF NET POSITION
DECEMBER 31, 2023
(WITH COMPARITIVE AMOUNTS AS OF DECEMBER 31, 2022)

	2023	2022
ASSETS		
CURRENT ASSETS		
Cash and Investments		
General Accounts	$ 195,787	$ 202,949
Segregated Accounts		
Sewer Main Replacement and Repair	69,074	57,978
Sludge Removal Account	86,872	82,623
Customer Accounts Receivable	88,153	79,416
Other Accounts Receivable	-	600
Materials and Supply Inventories	3,488	3,488
Total Current Assets	443,374	427,054
RESTRICTED ASSETS		
Equipment Replacement Fund	314,092	266,272
CAPITAL ASSETS		
Utility Plant in Service	6,828,036	6,826,036
Less: Accumulated Depreciation	2,199,633	2,002,771
Total Capital Assets	4,628,403	4,823,265
Total Assets	$ 5,385,869	$ 5,516,591
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Accounts Payable	$ 6,138	$ 2,725
Accrued Employee Benefits - Current Portion	618	453
Accrued Interest Payable	10,306	8,606
Current Portion of Sewerage System Mortgage Revenue Bonds	33,700	32,900
Total Current Liabilities	50,762	44,684
LONG-TERM LIABILITIES		
Accrued Employee Benefits	7,130	6,065
Sewerage System Mortgage Revenue Bonds	1,758,800	1,792,500
Total Long-Term Liabilities	1,765,930	1,798,565
Total Liabilities	1,816,692	1,843,249
NET POSITION		
Net Investment in Capital Assets	2,835,903	2,997,865
Restricted for Equipment Replacement	314,092	266,272
Unrestricted	419,182	409,205
Total Net Position	3,569,177	3,673,342
Total Liabilities and Net Position	$ 5,385,869	$ 5,516,591

VILLAGE OF LUCK, WISCONSIN
SEWER UTILITY ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2023
(WITH COMPARITIVE AMOUNTS AS OF DECEMBER 31, 2022)

	2023	2022
OPERATING REVENUES		
Sewerage Revenues		
Residential	$ 203,371	$ 210,927
Commercial	55,590	57,967
Industrial	11,615	13,208
Public Authorities	22,625	22,058
Multi-Family Residential	32,984	36,375
Total Sewerage Revenues	326,185	340,535
Other Operating Revenues		
Forfeited Discounts	1,173	1,164
Miscellaneous	3,143	3,375
Total Other Operating Revenues	4,316	4,539
Total Operating Revenues	330,501	345,074
OPERATING EXPENSES		
Operation and Maintenance	207,253	205,943
Depreciation	196,862	196,812
Total Operating Expenses	404,115	402,755
OPERATING LOSS	(73,614)	(57,681)
NONOPERATING REVENUES (EXPENSES)		
Interest Revenue	18,894	5,194
Insurance Recovery for Property Damages	-	3,895
Interest Expense	(49,445)	(50,639)
Total Nonoperating Revenues (Expenses)	(30,551)	(41,550)
CHANGE IN NET POSITION	(104,165)	(99,231)
Net Position - Beginning of Year	3,673,342	3,772,573
NET POSITION - END OF YEAR	$ 3,569,177	$ 3,673,342

SCHEDULE C-7

VILLAGE OF LUCK, WISCONSIN
SEWER UTILITY ENTERPRISE FUND
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2023
(WITH COMPARITIVE AMOUNTS AS OF DECEMBER 31, 2022)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Utility Customers	$ 322,364	$ 347,295
Cash Paid for Sewer Share of Meter Related Expense	(11,777)	(11,986)
Cash Payments to Suppliers for Goods and Services	(103,444)	(111,560)
Cash Payments for Employee Services	(87,389)	(83,685)
Net Cash Provided by Operating Activities	119,754	140,064
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	(2,000)	-
Cash Paid for Retirement of Long-Term Debt	(32,900)	(32,000)
Interest and Fiscal Agent Fees Paid	(47,745)	(50,639)
Net Cash Used by Capital and Related Financing Activities	(82,645)	(82,639)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on Investments	18,894	5,194
NET CHANGE IN CASH AND CASH EQUIVALENTS	56,003	66,514
Cash and Cash Equivalents - Beginning of Year	609,822	543,308
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 665,825	$ 609,822
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Loss	$ (73,614)	$ (57,681)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:		
Depreciation	196,862	196,812
(Increase) Decrease in Assets:		
Customer Accounts Receivable	(8,737)	2,221
Other Accounts Receivable	600	-
Inventories	-	25
Increase (Decrease) in Liabilities:		
Accounts Payable	3,413	(289)
Accrued Employee Benefits	1,230	(1,024)
Net Cash Provided by Operating Activities	$ 119,754	$ 140,064
RECONCILIATION OF CASH AND INVESTMENTS TO CASH AND CASH EQUIVALENTS		
Cash and Investments per Statement of Net Position		
Cash and Investments	$ 351,733	$ 343,550
Cash and Investments - Restricted	314,092	266,272
Cash and Cash Equivalents	$ 665,825	$ 609,822

SCHEDULE C-8

VILLAGE OF LUCK, WISCONSIN
SEWER UTILITY ENTERPRISE FUND
SCHEDULE OF OPERATION AND MAINTENANCE EXPENSES
YEAR ENDED DECEMBER 31, 2023
(WITH COMPARITIVE AMOUNTS AS OF DECEMBER 31, 2022)

	2023	2022
OPERATION		
Supervision and Labor	$ 14,500	$ 12,451
Power and Fuel for Pumping	32,410	25,749
Outside Testing Service	24,182	21,961
Operating Supplies and Expenses	3,899	2,280
Transportation Expenses	2,081	1,776
Total Operation of Plant	77,072	64,217
MAINTENANCE		
Sewage Collection System	11,919	28,912
General Plant	5,547	6,741
Total Maintenance of Plant	17,466	35,653
ADMINISTRATIVE AND GENERAL		
Administrative and General Salaries	42,811	42,892
Meter Use Charge	11,777	11,986
Office Supplies and Expenses	5,820	6,421
Outside Services Employed	11,313	9,530
Insurance Expenses	7,229	5,211
Employees Pensions and Benefits	27,127	23,241
FICA Taxes	4,181	4,077
Miscellaneous General Expenses	2,457	2,715
Total Administrative and General	112,715	106,073
Total Operation and Maintenance Expenses	$ 207,253	$ 205,943

VILLAGE OF LUCK, WISCONSIN
GOLF COURSE ENTERPRISE FUND
STATEMENT OF NET POSITION
DECEMBER 31, 2023
(WITH COMPARITIVE AMOUNTS AS OF DECEMBER 31, 2022)

	2023	2022
ASSETS		
CURRENT ASSETS		
Cash and Investments:		
General Accounts	$ 469,396	$ 210,343
Segregated Investments:		
Donations Account	15,218	59
Accounts Receivable	3,091	3,091
Inventories	5,491	2,507
Total Current Assets	493,196	216,000
CAPITAL ASSETS		
Capital Assets Being Depreciated	2,646,375	2,607,921
Less: Accumulated Depreciation	1,181,838	1,105,697
Total Capital Assets	1,464,537	1,502,224
Total Assets	$ 1,957,733	$ 1,718,224
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Accounts Payable	$ 15,189	$ 11,677
Accrued Interest Payable	976	976
Due to General Fund	21	21
Accrued Employee Benefits	1,306	821
Advance Memberships and Fees	257,786	62,481
Right-To-Use Lease Equipment	34,989	30,495
Total Current Liabilities	310,267	106,471
LONG-TERM LIABILITIES (NET OF CURRENT PORTION)		
Advance from General Fund	87,000	91,000
Right-To-Use Lease Equipment	39,524	74,513
Accrued Employee Benefits	15,080	10,992
Total Long-Term Liabilities	141,604	176,505
Total Liabilities	451,871	282,976
NET POSITION		
Net Investment in Capital Assets	1,390,024	1,229,797
Unrestricted	115,838	205,451
Total Net Position	1,505,862	1,435,248
Total Liabilities and Net Position	$ 1,957,733	$ 1,718,224

SCHEDULE C-10

VILLAGE OF LUCK, WISCONSIN
GOLF COURSE ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2023
(WITH COMPARITIVE AMOUNTS AS OF DECEMBER 31, 2022)

	2023	2022
OPERATING REVENUES		
Season Tickets	$ 148,043	$ 139,861
Green Fees	162,939	167,145
Trail Fees	3,869	2,565
Power Cart Rentals	316,057	270,124
Gift Certificates	(1,553)	706
Miscellaneous Rentals	1,200	800
Driving Range	11,446	11,457
Camping Fees	7,254	5,578
Golf Shop Sale of Golf Supplies	125,133	83,407
Cost of Golf Supplies Sold	(101,806)	(63,693)
Clubhouse Food and Beverage Sales	200,840	188,547
Cost of Food/Beverage Supplies Sold	(87,306)	(81,738)
W.S.G.A. Handicapped Fees	897	1,422
Cash Over (Short) in Till	432	785
Credit Card Fees	(33,329)	(22,539)
Total Operating Revenues	754,116	704,427
OPERATING EXPENSES		
Club House/Golf Course Wages	112,506	106,183
Grounds/Equipment Wages	150,443	136,893
FICA Expense Paid	19,760	18,293
Employee Fringe Benefits	56,410	53,567
Operation and Maintenance of Equipment	77,667	69,311
Golf Cart Rental	2,200	1,300
Course Grounds Maintenance	29,733	23,423
Seed	5,588	3,013
Fertilizer	10,454	4,090
Chemicals	19,980	16,267
Building Maintenance and Repairs	8,637	37,110
Other Operating Supplies and Expenses	68,564	64,478
Utilities	37,875	36,360
Uniforms	960	1,293
Signs and Fixtures	1,554	2,061
Minor Equipment and Small Tools	4,303	3,519
Driving Range Supplies	1,292	872
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, 2023
(WITH COMPARITIVE AMOUNTS AS OF DECEMBER 31, 2022)

	2023	2022
OPERATING EXPENSES (CONTINUED)		
Property and Liability Insurance	$ 6,936	$ 5,551
Membership Dues and Subscriptions	2,825	2,981
Professional Fees-Attorney and Accounting	2,339	2,126
Operating Licenses	996	706
Advertising and Promotions	1,193	1,570
Wages Clerk's Office	6,082	5,702
FICA Expense Paid	441	415
Employee Fringe Benefits	2,966	2,893
Office Supplies	4,908	2,869
Unemployment Claims	1,682	-
Training, Education, and Travel Costs	1,535	2,495
Depreciation/Amortization Expense	101,244	103,298
Net Operating Expenses	741,073	709,458
OPERATING INCOME (LOSS)	13,043	(5,031)
NONOPERATING REVENUES (EXPENSES)		
Interest on Investments	1,868	30
Gain from Sale of Golf Carts	310	7,073
Miscellaneous Nonoperating Revenue	3,309	317
Interest Expense on Long-Term Debt	(3,221)	(4,764)
Total Nonoperating Revenues (Expenses)	2,266	2,656
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	15,309	(2,375)
CONTRIBUTIONS AND TRANSFERS		
Contributions from Private Parties	55,305	35,423
CHANGE IN NET POSITION	70,614	33,048
Net Position - Beginning of Year	1,435,248	1,402,200
NET POSITION - END OF YEAR	$ 1,505,862	$ 1,435,248

SCHEDULE C-11

VILLAGE OF LUCK, WISCONSIN
GOLF COURSE ENTERPRISE FUND
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2023
(WITH COMPARITIVE AMOUNTS AS OF DECEMBER 31, 2022)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Customers	$ 943,228	$ 849,858
Cash Payments to Suppliers for Goods and Services	(284,500)	(560,761)
Cash Payments for Employee Services	(344,035)	(321,548)
Net Cash Provided (Used) by Operating Activities	314,693	(32,451)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Cash Paid to General Fund to Reduce Advance from General Fund	(4,000)	(4,000)
Cash Payments for Prior Year Expenses	3,309	317
Net Cash Used by Noncapital Financing Activities	(691)	(3,683)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Cash Payments for Capital Assets	(63,557)	(198,329)
Cash Received from Sale of Equipment/Property	310	7,273
Capital Contributions by Private Parties	55,305	35,423
Principal Paid on Leases	(30,495)	(36,258)
Interest and Fiscal Agent Fees Paid	(3,221)	(4,764)
Net Cash Used by Capital and Related Financing Activities	(41,658)	(196,655)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on Investments	1,868	30
NET CHANGE IN CASH AND CASH EQUIVALENTS	274,212	(232,759)
Cash and Cash Equivalents - Beginning of Year	210,402	443,161
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 484,614	$ 210,402
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income (Loss)	$ 13,043	$ (5,031)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Depreciation/Amortization Expense	101,244	103,298
(Increase) Decrease in Assets:		
Inventories	(2,984)	(1,099)
Increase (Decrease) in Liabilities:		
Accounts Payable	3,512	(29,858)
Accrued Employee Benefits	4,573	2,398
Unearned Revenues	195,305	(102,159)
Net Cash Provided (Used) by Operating Activities	$ 314,693	$ (32,451)

SINGLE AUDIT SECTION

VILLAGE OF LUCK, WISCONSIN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2023

Federal Grantor/ Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity	Pass-Through Entity Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Homeland Security					
Pre-Disaster Mitigation PDM Program	94.047	WI of Military Affairs	PDMC-PJ-WI-2019-011	$ 1,630,186	$ 1,630,186
U.S. Department of the Treasury					
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	WI DOR	N/A	-	6,054
Total Expenditures of Federal Awards				$ 1,630,186	$ 1,636,240

See accompanying Notes to Schedule of Expenditures of Federal Awards.

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Village of Luck (the Village) under programs of the federal government for the year ended December 31, 2023. The information in this Schedule is presented in accordance with the requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).* Because the Schedule presents only a selected portion of the operations of the Village, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Village.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 INDIRECT COST RATE

The Village has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Village Board
Village of Luck
Luck, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Village of Luck,(Village) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements and have issued our report thereon dated September 4, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Village's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as items 2023-001 through 2023-003 that we consider to be a material weaknesses.

Village Board
Village of Luck

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Village's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Village's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Eau Claire, Wisconsin
September 4, 2024

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Village Board
Village of Luck
Luck, Wisconsin

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Village of Luck's (the Village) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the Village's major federal program for the year ended December 31, 2023. The Village's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Village complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2023.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative* Requirements*, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Village and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Village's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Village's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Village's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Village's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material noncompliance, 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 Village's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- obtain an understanding of the Village's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2023-004 and 2023-005. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the Village's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Village's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2023-004 and 2023-005 to be material weaknesses.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on Village's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Village's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Eau Claire, Wisconsin
September 4, 2024

VILLAGE OF LUCK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2023

Section I – Summary of Auditors' Results

Financial Statements

1. Type of auditors' report issued: Unmodified
2. Internal control over financial reporting:
   - Material weakness(es) identified? __X__ Yes ____ No
   - Significant deficiency(ies) identified? ____ Yes __X__ None reported
3. Noncompliance material to basic financial statements noted? ____ Yes __X__ No

Federal Awards

1. Internal control over major federal programs:
   - Material weakness(es) identified? __X__ Yes ____ No
   - Significant deficiency(ies) identified? ____ Yes __X__ None reported
2. Type of auditors' report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ____ Yes __X__ No

Identification of Major Federal Programs:

Assistance Listing Number	Name of Federal Program or Cluster
97.047	Department of Homeland Security – Pre-Disaster Mitigation PDM Program

Dollar threshold used to distinguish between type A and type B programs: $ 750,000

Auditee qualified as low-risk auditee? ____ Yes __X__ No

Section II – Financial Statement Findings

Finding: 2023-001 **Annual Financial Reporting Under Generally Accepted Accounting Principles (GAAP)**

Type of Finding: Material Weakness in Internal Control Over Financial Reporting

Condition: The Village does not have an internal control policy in place over annual financial reporting that would enable management to conclude its annual financial statements and related footnote disclosures are complete and presented in accordance with GAAP.

Criteria: The Village is responsible for establishing and maintaining internal controls and for the fair presentation of the financial statements including related disclosures, in conformity with U.S. Generally Accepted Accounting Principles (GAAP).

Cause: The Village relies on the audit firm to prepare the annual financial statements and related footnote disclosures. However, they have designated an individual with suitable skill, knowledge, or experience to oversee their preparation and have reviewed, approved and accepted responsibility for the annual financial statements and the related footnote disclosures.

Effect: The potential exists that a material misstatement of the annual financial statements could occur and not be prevented or detected by the Village's internal controls.

Repeat Finding: No.

Recommendation: The Village should continue to evaluate their internal staff capacity to determine if an internal control policy over the annual financial reporting is beneficial.

Views of Responsible Officials: The Village will continue to rely upon the audit firm to prepare the annual financial statements in accordance with GAAP. Management will review and approve these financial statements prior to issuance. The Treasurer is the official responsible for ensuring corrective action of the deficiency.

Section II – Financial Statement Findings (Continued)

Finding: 2023-002 Material Audit Adjustments

Type of Finding: Material Weakness in Internal Control Over Financial Reporting

Condition: The audit firm proposed, and the Village posted to its general ledger accounts, journal entries for correcting certain misstatements.

Criteria: The Village should have controls in place to prevent or detect a material misstatement in the financial statements in a timely manner.

Cause: The Village has not established controls to ensure that all accounts are adjusted to their appropriate year end balances in accordance with GAAP.

Effect: The financial statements of the Village may include inaccurate information not detected or prevented by Village staff.

Repeat Finding: No.

Recommendation: The Village should continue to evaluate its internal control processes to determine if additional internal control procedures should be implemented to ensure that accounts are adjusted to their appropriate year end balances in accordance with GAAP.

Views of Responsible Officials: The Village will continue to rely upon the audit firm to propose audit adjustments necessary to adjust accounts in accordance with GAAP. Management will review and approve these entries prior to recording them. The Treasurer is the official responsible for ensuring corrective action of the deficiency.

Section II – Financial Statement Findings (Continued)

Finding: 2023-003 **Limited Segregation of Duties**

Type of Finding: Material Weakness in Internal Control Over Financial Reporting

Condition: The auditors noted during the audit that the available staff precludes a proper separation of duties to assure adequate internal control.

Criteria: Generally, a system of internal control contemplates separation of duties such that no individual has responsibility to execute a transaction, have physical access to the related assets, and have responsibility or authority to record the transaction.

Cause: The condition is due to limited staff available.

Effect: Lack of segregation of duties could result in a financial statement misstatement, caused by error or fraud that would not be detected or prevented by Village staff.

Recommendation: The Village should continue to evaluate its staffing in order to segregate incompatible duties whenever possible.

Repeat Finding: No.

Views of Responsible Officials: The Village will continue to work to achieve segregation of duties whenever cost effective. The Village President is the official responsible for ensuring corrective action of the deficiency.

Section III – Findings and Questioned Costs – Major Federal Program

Finding: 2023-004 Quarterly Status Reports

Federal Agency: U.S. Department of Homeland Security
Federal Program Name: Pre-Disaster Mitigation PDM Program
Assistance Listing Number: 94.07
Federal Award Year: 2019
Type of Finding: Material Weakness in Internal Control Over Compliance, Other Matters

Criteria: The Village should have controls in place to ensure that quarterly status reports are filed within 15 days of the end of each quarter.

Condition: The program has a grant administrator that assists in the preparation of quarterly status reports; however, it is the responsibility of the Village of submit the quarterly status reports within 15 days of the end of each quarter.

Questioned Costs: None

Context: The grant agreement defines the reporting requirements associated with the pre-disaster mitigation PDM program.

Cause: The Village did not file the 1st quarter quarterly status report withing 15 days of the end of the quarter.

Effect: The Village did not comply with the quarterly status report compliance requirement.

Repeat Finding: No.

Recommendation: The Village should submit the quarterly status reports within 15 days of the end of the quarter.

Views of Responsible Officials: There is no disagreement with the finding.

Section III – Findings and Questioned Costs – Major Federal Program (Continued)

Finding: 2023-005 Subrecipient Monitoring

Federal Agency: U.S. Department of Homeland Security
Federal Program Name: Pre-Disaster Mitigation PDM Program
Assistance Listing Number: 94.07
Federal Award Year: 2019
Type of Finding: Material Weakness in Internal Control Over Compliance, Other Matters

Criteria: The Village should have controls in place to monitor the various reporting requirements of a subrecipient.

Condition: The Village was not performing subrecipient oversight monitoring of the pre-disaster mitigation PDM grant program.

Questioned Costs: None

Context: The Uniform Guidance requires grant recipients, who pass grant funds on to subrecipients, to monitor the grant related activities performed by the subrecipient to ensure compliance with the grant agreement. During our testing, it was noted that the Village had not properly monitored the School District of Luck (subrecipient) throughout the grant expenditure period.

Cause: The Village was unaware of the monitoring requirement and therefore, did not have the grant related requests for reimbursements and supporting documentation on file.

Effect: The Village did not comply with the subrecipient monitoring requirements.

Repeat Finding: No.

Recommendation: The Village should implement subrecipient monitoring policies and procedures.

Views of Responsible Officials: There is no disagreement with the finding.