VILLAGE OF LUCK, WISCONSIN

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2025

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INDEPENDENT AUDITORS' REPORT

Village Board
Village of Luck
Luck, Wisconsin

Report on the Audit of the Financial Statements

Qualified and Unmodified Opinions

We have audited the 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, 2025, 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 accompanying 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, 2025, 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, 2025, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village 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 will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village of Luck's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village of Luck's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted a management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the 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. Our opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit for the year ended December 31, 2025 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The individual and combining fund statements and schedules for the year ended December 31, 2025 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, 2025, 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 Matters Giving Rise to the Qualified Opinions on Governmental Activities, Business-Type Activities, and Proprietary Funds section of our report, the individual and combining 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, 2025.

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, 2024 (not presented herein), and have issued our report thereon dated August 1, 2025, 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, 2024 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 2024 financial statements. The information was subjected to the audit procedures applied in the audit of the 2024 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, 2024.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Hudson, Wisconsin
July 10, 2026

VILLAGE OF LUCK, WISCONSIN
STATEMENT OF NET POSITION
DECEMBER 31, 2025

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	$ 1,285,271	$ 790,653	$ 2,075,924
Taxes Receivable	809,702	17,163	826,865
Accounts Receivable	20,993	183,541	204,534
Internal Balances	538,742	(538,742)	-
Inventories	-	42,048	42,048
Due From Other Governments	-	33,457	33,457
Long-Term Receivables	297,727	-	297,727
Lease Receivable	75,067	-	75,067
Restricted Assets			
Cash and Investments	-	414,025	414,025
Capital Assets			
Capital Assets Not Being Depreciated	1,087,326	1,594,962	2,682,288
Capital Assets Being Depreciated	6,111,383	12,996,583	19,107,966
Accumulated Depreciation	(1,967,274)	(4,813,247)	(6,780,521)
Total Assets	8,258,937	10,720,443	18,979,380
LIABILITIES			
Vouchers and Accounts Payable	25,069	294,842	319,911
Accrued Interest Payable	5,383	15,093	20,476
Unearned Revenues	743	115,470	116,213
Noncurrent Liabilities			
Due Within One Year	223,880	159,826	383,706
Due in More than One Year	2,528,980	3,178,593	5,707,573
Total Liabilities	2,784,055	3,763,824	6,547,879
DEFERRED INFLOWS OF RESOURCES			
Succeeding Year's Property Taxes	913,376	-	913,376
Deferred Amount Related to Leases	68,588	-	68,588
Total Deferred Inflows of Resources	981,964	-	981,964
NET POSITION			
Net Investment in Capital Assets	2,658,797	6,221,898	8,880,695
Restricted for			
Plant Replacement	-	414,025	414,025
Housing Loan Program	356,024	-	356,024
Tax Incremental District Capital Projects	1,271,200	-	1,271,200
Debt Service	57,192	-	57,192
Unrestricted	149,705	320,696	470,401
Total Net Position	$ 4,492,918	$ 6,956,619	$ 11,449,537

See accompanying Notes to Basic Financial Statements.

VILLAGE OF LUCK, WISCONSIN
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

		Program Revenues			Net (Expense) Revenue and Change in Net Position		
Functions/Programs	Expenses	Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES							
General Government	$ 202,959	$ 10,522	$ -	$ -	$ (192,437)	$ -	$ (192,437)
Public Safety	499,486	31,416	6,990	-	(461,080)	-	(461,080)
Transportation	400,437	580	124,858	-	(274,999)	-	(274,999)
Sanitation	5,558	1,160	-	-	(4,398)	-	(4,398)
Culture, Recreation, and Education	204,543	-	76,146	-	(128,397)	-	(128,397)
Conservation and Development	21,694	-	-	21,492	(202)	-	(202)
Interest and Fiscal Charges	86,828	-	-	-	(86,828)	-	(86,828)
Total Governmental Activities	1,421,505	43,678	207,994	21,492	(1,148,341)	-	(1,148,341)
BUSINESS-TYPE ACTIVITIES							
Water	363,709	281,045	-	367,875	-	285,211	285,211
Sewer	512,184	309,034	-	-	-	(203,150)	(203,150)
Golf	973,370	969,972	-	48,047	-	44,649	44,649
Total Business-Type Activities	1,849,263	1,560,051	-	415,922	-	126,710	126,710
Total Primary Government	$ 3,270,768	$ 1,603,729	$ 207,994	$ 437,414	(1,148,341)	126,710	(1,021,631)
General Revenues:							
Taxes							
Property Taxes, Levied for General Purposes					792,130	-	792,130
Property Taxes, Levied for Debt Purposes					29,819	-	29,819
Property Taxes, Levied for TIF Districts					268,091	-	268,091
Other Taxes					33,909	-	33,909
State/Federal Aids not Restricted to Specific Functions					257,335	-	257,335
Interest and Investment Earnings					39,350	38,837	78,187
Gain on Sale of Equipment					-	1,086	1,086
PFAS Settlement					-	54,134	54,134
Miscellaneous					15,920	9,525	25,445
Transfers					1,963	(1,963)	-
Total General Revenues and Transfers					1,438,517	101,619	1,540,136
CHANGE IN NET POSITION					290,176	228,329	518,505
Net Position - Beginning of Year					4,202,742	6,728,290	10,931,032
NET POSITION - END OF YEAR					$ 4,492,918	$ 6,956,619	$ 11,449,537

See accompanying Notes to Basic Financial Statements.

VILLAGE OF LUCK, WISCONSIN
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	General Fund	Debt Service Fund	CDBG Revolving Loan Fund	Machinery Outlay Fund	Library Fund	Tax Incremental District #2	Other Governmental Funds	Totals
ASSETS								
Treasurer's Cash and Investments	$ 11,394	$ 62,575	$ 112,671	$ 138,978	$ 87,687	$ 477,074	$ 394,892	$ 1,285,271
Taxes Receivable	368,272	307,238	-	21,248	64,971	-	47,973	809,702
Accounts Receivable	20,591	-	-	-	402	-	-	20,993
Long-Term Receivable - Northland Ambulance	51,575	-	-	-	-	-	-	51,575
Lease Receivable	75,067	-	-	-	-	-	-	75,067
Due from Other Funds	-	-	-	-	-	463,742	-	463,742
Advances to Other Funds	77,799	-	-	-	-	-	-	77,799
Long-Term Loans Receivable	-	-	246,152	-	-	-	-	246,152
Total Assets	$ 604,698	$ 369,813	$ 358,823	$ 160,226	$ 153,060	$ 940,816	$ 442,865	$ 3,030,301
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
LIABILITIES								
Vouchers and Accounts Payable	$ 23,958	$ -	$ -	$ -	$ 1,111	$ -	$ -	$ 25,069
Unearned Revenues	743	-	-	-	-	-	-	743
Advances from Other Funds	-	-	2,799	-	-	-	-	2,799
Total Liabilities	24,701	-	2,799	-	1,111	-	-	28,611
DEFERRED INFLOWS OF RESOURCES								
Succeeding Year's Property Taxes	471,946	307,238	-	21,248	64,971	-	47,973	913,376
Deferred Amount Related to Leases	68,588	-	-	-	-	-	-	68,588
Unavailable Revenue - Other	-	-	246,152	-	-	-	-	246,152
Total Deferred Inflows of Resources	540,534	307,238	246,152	21,248	64,971	-	47,973	1,228,116
FUND BALANCES								
Nonspendable	129,374	-	-	-	-	-	-	129,374
Restricted	-	62,575	109,872	-	-	940,816	330,384	1,443,647
Committed	-	-	-	-	86,978	-	5,064	92,042
Assigned	-	-	-	138,978	-	-	59,444	198,422
Unassigned	(89,911)	-	-	-	-		-	(89,911)
Total Fund Balances	39,463	62,575	109,872	138,978	86,978	940,816	394,892	1,773,574
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 604,698	$ 369,813	$ 358,823	$ 160,226	$ 153,060	$ 940,816	$ 442,865	$ 3,030,301

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, 2025

TOTAL FUND BALANCES FOR GOVERNMENTAL FUNDS		$ 1,773,574
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	1,493,127	
Equipment and Vehicles	775,178	
Infrastructure	3,843,078	
Construction Work in Progress	528,219	
Accumulated Depreciation	(1,967,274)	5,231,435
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.		246,152
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	2,688,092	
Accrued Interest on Notes Payable	5,383	
Vacation and Sick Leave Liability	64,768	(2,758,243)
TOTAL NET POSITION OF GOVERNMENTAL ACTIVITIES		$ 4,492,918

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, 2025

	General Fund	Debt Service Fund	CDBG Revolving Loan Fund	Machinery Outlay Fund	Library Fund	Tax Incremental District #2	Other Governmental Funds	Totals
REVENUES								
Taxes	$ 501,830	$ 29,819	$ -	$ 25,000	$ 64,971	$ 224,238	$ 278,091	$ 1,123,949
Intergovernmental	389,183	-	-	-	76,146	306,220	-	771,549
Licenses and Permits	13,931	-	-	-	-	-	-	13,931
Fines and Forfeits	1,646	-	-	-	-	-	-	1,646
Public Charges for Services	4,386	-	-	-	-	-	-	4,386
Intergovernmental Charges for Services	23,715	-	-	-	-	-	-	23,715
Miscellaneous								
Interest	30,603	-	12	3,758	2,566	-	2,411	39,350
Rent	6,509	-	-	-	-	-	-	6,509
Donations	3,585	-	-	-	-	-	-	3,585
Other	5,526	-	-	-	-	-	300	5,826
Total Revenues	980,914	29,819	12	28,758	143,683	530,458	280,802	1,994,446
EXPENDITURES								
General Government	187,352	-	-	-	-	-	-	187,352
Public Safety	480,875	-	-	-	-	-	-	480,875
Transportation	299,415	-	-	-	-	-	-	299,415
Sanitation	5,558	-	-	-	-	-	-	5,558
Culture, Recreation, and Education	8,780	-	-	-	178,133	-	-	186,913
Conservation and Development	11,130	-	788	-	-	2,178	4,356	18,452
Debt Service								
Principal Retirement	-	464,495	-	-	-	-	-	464,495
Interest and Fiscal Charges	-	51,718	-	-	-	67,359	-	119,077
Capital Outlay:								
Transportation	19,119	-	-	-	-	-	-	19,119
Conservation and Development	-	-	-	-	-	430,407	-	430,407
Total Expenditures	1,012,229	516,213	788	-	178,133	499,944	4,356	2,211,663
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(31,315)	(486,394)	(776)	28,758	(34,450)	30,514	276,446	(217,217)
OTHER FINANCING SOURCES (USES)								
Issuance of Long-Term Debt	-	-	-	-	-	1,655,755	-	1,655,755
Transfers In	42,761	485,600	-	-	-	69,537	-	597,898
Transfers Out	(51,472)	-	-	-	-	(447,062)	(97,401)	(595,935)
Total Other Financing Sources (Uses)	(8,711)	485,600	-	-	-	1,278,230	(97,401)	1,657,718
NET CHANGE IN FUND BALANCES	(40,026)	(794)	(776)	28,758	(34,450)	1,308,744	179,045	1,440,501
Fund Balances - Beginning of Year	79,489	63,369	110,648	110,220	121,428	(367,928)	215,847	333,073
FUND BALANCES - END OF YEAR	$ 39,463	$ 62,575	$ 109,872	$ 138,978	$ 86,978	$ 940,816	$ 394,892	$ 1,773,574

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, 2025

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS		$ 1,440,501
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	$ 490,899	
Depreciation Expense Reported in the Statement of Activities	(194,262)	296,637
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.		(284,728)
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		(1,655,755)
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		464,495
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	32,249	
Net Change in Vacation and Sick Leave Liability	(4,646)	
Net Change in Pension Related Debt	1,423	29,026
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		$ 290,176

See accompanying Notes to Basic Financial Statements.

VILLAGE OF LUCK, WISCONSIN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2025

	Business-Type Activities - Enterprise Funds			
	Water Utility	Sewer Utility	Golf Course	Totals
ASSETS				
CURRENT ASSETS				
Cash and Investments	$ 141,288	$ 284,602	$ 364,763	$ 790,653
Customer Accounts Receivable	94,595	83,004	-	177,599
Accounts Receivable on Tax Roll	17,163	-	-	17,163
Other Accounts Receivable	-	900	5,042	5,942
Due From Other Governments	33,457	-	-	33,457
Inventories	16,133	3,558	22,357	42,048
Total Current Assets	302,636	372,064	392,162	1,066,862
RESTRICTED ASSETS				
Cash and Investments				
Replacement Fund Cash and Investments	-	414,025	-	414,025
CAPITAL ASSETS				
Utility Plant in Service	3,143,774	7,455,885	2,893,835	13,493,494
Less Accumulated Depreciation	908,808	2,578,533	1,325,906	4,813,247
Net Capital Assets	2,234,966	4,877,352	1,567,929	8,680,247
Construction Work in Progress	1,098,051	-	-	1,098,051
Total Capital Assets	3,333,017	4,877,352	1,567,929	9,778,298
Total Assets	3,635,653	5,663,441	1,960,091	11,259,185
LIABILITIES AND NET POSITION				
CURRENT LIABILITIES				
Accounts Payable	270,823	3,288	20,731	294,842
Accrued Interest Payable	4,744	9,373	976	15,093
Unearned Revenues	-	-	115,470	115,470
Due to Other Funds	463,742	-	-	463,742
Accrued Employee Benefits	2,920	2,920	2,309	8,149
Current Portion of Long-Term Debt:				
Right-To-Use Lease Equipment	-	-	49,983	49,983
General Obligation Notes Payable	8,821	-		8,821
Mortgage Revenue Bonds	43,050	49,823	-	92,873
Total Current Liabilities	794,100	65,404	189,469	1,048,973
LONG-TERM LIABIILITIES (NET OF CURRENT PORTION)				
Advance from General Fund	-	-	75,000	75,000
Right-To-Use Lease Equipment	-	-	192,083	192,083
General Obligation Notes Payable	48,731	-	-	48,731
Mortgage Revenue Note	860,489	2,034,039	-	2,894,528
Accrued Employee Benefits	15,497	15,497	12,257	43,251
Total Long-Term Liabilities	924,717	2,049,536	279,340	3,253,593
Total Liabilities	1,718,817	2,114,940	468,809	4,302,566
NET POSITION				
Net Investment in Capital Assets	2,102,545	2,793,490	1,325,863	6,221,898
Restricted for Asset Replacement	-	414,025	-	414,025
Unrestricted	(185,709)	340,986	165,419	320,696
Total Net Position	$ 1,916,836	$ 3,548,501	$ 1,491,282	$ 6,956,619

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, 2025

	Business-Type Activities - Enterprise Funds			
	Water Utility	Sewer Utility	Golf Course	Totals
OPERATING REVENUES				
Charges for Services	$ 263,923	$ 303,630	$ 969,972	$ 1,537,525
Other Operating Revenues	17,122	5,404	-	22,526
Total Operating Revenues	281,045	309,034	969,972	1,560,051
OPERATING EXPENSES				
Cost of Goods Sold	-	-	171,400	171,400
Operation and Maintenance	181,339	239,681	686,835	1,107,855
Depreciation	71,473	209,863	113,967	395,303
Total Operating Expenses	252,812	449,544	972,202	1,674,558
OPERATING INCOME (LOSS)	28,233	(140,510)	(2,230)	(114,507)
NONOPERATING REVENUES (EXPENSES)				
Interest Income	7,053	20,961	10,823	38,837
Sale of Property and Equipment	-	-	1,086	1,086
Miscellaneous Nonoperating Revenue	-	-	4,638	4,638
Insurance Compensation for Property Damages	-	-	4,887	4,887
Loss on Removal of Equipment	-	-	(70,469)	(70,469)
Interest Expense	(40,428)	(62,640)	(1,168)	(104,236)
PFAS Settlement	54,134	-	-	54,134
Total Nonoperating Revenues (Expenses)	20,759	(41,679)	(50,203)	(71,123)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	48,992	(182,189)	(52,433)	(185,630)
CAPITAL CONTRIBUTIONS AND TRANSFERS				
Intergovernmental Grants	367,875	-	-	367,875
Contributions from Individuals	-	-	48,047	48,047
Transfers In	27,989	12,809	-	40,798
Transfers - Utility Tax Equivalents	(42,761)	-	-	(42,761)
Total Capital Contributions and Transfers	353,103	12,809	48,047	413,959
CHANGE IN NET POSITION	402,095	(169,380)	(4,386)	228,329
Net Position - Beginning of Year	1,514,741	3,717,881	1,495,668	6,728,290
NET POSITION - END OF YEAR	$ 1,916,836	$ 3,548,501	$ 1,491,282	$ 6,956,619

See accompanying Notes to Basic Financial Statements.

VILLAGE OF LUCK, WISCONSIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2025

	Business-Type Activities - Enterprise Funds			
	Water Utility	Sewer Utility	Golf Course	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers	$ 129,302	$ 303,000	$ 968,021	$ 1,400,323
Cash Received from Public Fire Protection	94,080	-	-	94,080
Cash Received (Paid) for Meter Related Charges	13,435	(13,435)	-	-
Cash Paid to Suppliers for Goods and Services	(84,338)	(132,835)	(502,504)	(719,677)
Cash Paid for Employee Services	(101,146)	(91,340)	(398,889)	(591,375)
Net Cash Provided by Operating Activities	51,333	65,390	66,628	183,351
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Cash Received from PFAS Settlement	54,134	-	-	54,134
Cash Paid to General Fund	(3,918)	(125,597)	-	(129,515)
Cash Received from Donations	-	-	48,047	48,047
Cash Paid to General Fund to Reduce Advance from General Fund	-	-	(8,000)	(8,000)
Cash Received from Insurance Reimbursements	-	12,809	4,887	17,696
Refunds of Prior Year Expenses	-	-	4,638	4,638
Transfers to Other Funds	(503,891)	-	-	(503,891)
Transfers to General Fund - Payments of Tax Equivalents	461,130	-	-	461,130
Net Cash Provided (Used) by Noncapital Financing Activities	7,455	(112,788)	49,572	(55,761)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Cash Paid for Acquisition of Capital Assets	(796,814)	-	(147,386)	(944,200)
Cash Received from Sale of Equipment/Property	-	-	1,086	1,086
Cash Received from Capital Related Donations	753,906	-	-	753,906
Cash Received from Capital Grants	-	284,728	-	284,728
Cash Received from General Fund	27,989	-	-	27,989
Cash Received from Proceeds of Long-Term Debt	809,583	359,862	-	1,169,445
Principal Paid on Long-Term Debt	(798,002)	(387,639)	-	(1,185,641)
Principal Paid on Leases	-	-	(46,809)	(46,809)
Interest and Fiscal Agent Fees Paid	(48,841)	(68,695)	(1,168)	(118,704)
Net Cash Provided (Used) by Capital and Relates Financing Activities	(52,179)	188,256	(194,277)	(58,200)

See accompanying Notes to Basic Financial Statements.

VILLAGE OF LUCK, WISCONSIN
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2025

	Business-Type Activities - Enterprise Funds			
	Water Utility	Sewer Utility	Golf Course	Totals
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on Investments	$ 7,053	$ 20,961	$ 10,823	$ 38,837
NET CHANGE IN CASH AND CASH EQUIVALENTS	13,662	161,819	(67,254)	108,227
Cash and Cash Equivalents - Beginning of Year	127,626	536,808	432,017	1,096,451
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 141,288	$ 698,627	$ 364,763	$ 1,204,678
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating Income (Loss)	$ 28,233	$ (140,510)	$ (2,230)	$ (114,507)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Depreciation	71,473	209,863	113,967	395,303
Loss on Plant Removals	-	-	70,469	70,469
(Increase) Decrease in Assets:				
Customer Accounts Receivable	(52,993)	(8,381)	-	(61,374)
Other Accounts Receivable	-	2,100	(1,951)	149
Accounts Receivable on Tax Roll	8,765	247	-	9,012
Inventory	(6,166)	(70)	(6,879)	(13,115)
Increase (Decrease) in Liabilities:				
Accounts Payable	755	875	3,276	4,906
Unearned Revenues	-	-	(115,469)	(115,469)
Accrued Benefits Payable	1,266	1,266	5,445	7,977
Net Cash Provided by Operating Activities	$ 51,333	$ 65,390	$ 66,628	$ 183,351
RECONCILIATION OF CASH AND INVESTMENTS TO CASH AND CASH EQUIVALENTS				
Cash and Investments per Statement of Net Position				
Cash and Investments	$ 141,288	$ 284,602	$ 364,763	$ 790,653
Cash and Investments - Restricted	-	414,025	-	414,025
Total Cash and Cash Equivalents	$ 141,288	$ 698,627	$ 364,763	$ 1,204,678
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES				
Lease Assets	$ -	$ -	$ 238,753	$ 238,753
Contributed Capital Assets	$ 367,875	$ -	$ -	$ 367,875

See accompanying Notes to Basic Financial Statements.

VILLAGE OF LUCK, WISCONSIN
STATEMENT OF NET POSITION
FIDUCIARY FUND
DECEMBER 31, 2025

	Custodial Fund
ASSETS	
Cash and Investments	$ 185,579
Taxes Receivable	1,163,613
Total Assets	1,349,192
DEFERRED INFLOWS OF RESOURCES	
Succeeding Year's Property Taxes	1,349,192
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, 2025

	Custodial Fund
ADDITIONS	
Property Tax Collections	$ 1,018,233
DEDUCTIONS	
Payments to Taxing Jurisdictions	1,018,233
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, 2025.

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.

Tax Incremental District #2 Fund – The Tax Incremental District #2 Fund, a capital projects fund, is used to account for the accumulation and expenditure of resources, including long-term borrowing, for financing capital projects within the scope of the project plan of the tax incremental district.

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)

Loans Receivable

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

Interfund Balances

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

3. Inventories

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.

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 government-wide and in the governmental 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

The liability for compensated absences reported in the government-wide and proprietary fund statements consists of leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability also includes amounts for leave that has been used for time off but has not yet been paid in cash or settled through noncash means and certain other types of leave.

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 balance or net position, 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.

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

In the general fund, at December 31, 2025, 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	$ 162,158	$ 162,158	$ 187,352	$ (25,194)
Public Safety	454,596	454,596	480,875	(26,279)
Sanitation	5,500	5,500	5,558	(58)
Conservation and Development	4,593	4,593	11,130	(6,537)

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

The Village’s cash and investments balance at December 31, 2025 as shown in the financial statements are as follows:

Governmental Funds	$ 1,285,271
Proprietary Funds	1,204,678
Fiduciary Funds	185,579
Total	$ 2,675,528

The above cash and investments balances consisted of the following:

Deposits in Financial Institutions	$ 1,522,484
Deposits in Local Government Investment Pool	1,153,044
Total	$ 2,675,528

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 $1,000,000 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, 2025, 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, 2025 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 2025 was 9 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, 2025 the Village had outstanding 22 deferred mortgage loans totaling $246,152, 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 ($51,575) at December 31, 2025.

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets

Capital assets activity for the year ended December 31, 2025 is as follows:

Governmental Activities

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Not Being Depreciated				
Land	$ 559,107	$ -	$ -	$ 559,107
Construction Work In Progress	97,662	430,557	-	528,219
Total Capital Assets Not Being Depreciated	656,769	430,557	-	1,087,326
Capital Assets Being Depreciated				
Buildings and Improvements	1,490,001	8,900	5,774	1,493,127
Equipment and Vehicles	736,409	64,452	25,683	775,178
Infrastructure	3,843,078	-	-	3,843,078
Total Capital Assets Being Depreciated	6,069,488	73,352	31,457	6,111,383
Total Capital Assets	6,726,257	503,909	31,457	7,198,709
Accumulated Depreciation				
Buildings and Improvements	683,548	18,121	2,382	699,287
Equipment and Vehicles	378,684	56,685	16,065	419,304
Infrastructure	729,227	119,456	-	848,683
Total Accumulated Depreciation	1,791,459	194,262	18,447	1,967,274
Net Capital Assets - Governmental Activities	$ 4,934,798	$ 309,647	$ 13,010	$ 5,231,435

Depreciation was charges to governmental functions as follows:

General Government	$ 13,954
Public Safety	29,794
Transportation	127,268
Culture, Recreation, and Education	23,246
Total	$ 194,262

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets (Continued)

Business-Type Activities

	Beginning Balance	Increases	Decreases	Ending Balance
WATER UTILITY				
Capital Assets Not Being Depreciated				
Land and Land Rights	$ 1,838	$ -	$ -	$ 1,838
Construction Work in Progress	-	1,098,051	-	1,098,051
Total Capital Assets Not Being Depreciated	1,838	1,098,051	-	1,099,889
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	2,960,419	1,601	1,484	2,960,536
Administration and General Assets	56,323	-	-	56,323
Total Capital Assets Being Depreciated	3,141,819	1,601	1,484	3,141,936
Total Capital Assets	3,143,657	1,099,652	1,484	4,241,825
Less: Accumulated Depreciation	838,819	71,473	1,484	908,808
Net Capital Assets - Water Utility	2,304,838	1,028,179	-	3,333,017
SEWER UTILITY				
Capital Assets Not Being Depreciated				
Land and Land Rights	33,883	-	-	33,883
Construction Work in Progress	-	-	-	-
Total Capital Assets Not Being Depreciated	33,883	-	-	33,883
Capital Assets Being Depreciated				
Collection System	3,533,041	-	-	3,533,041
Treatment and Disposal Plant	3,739,581	-	-	3,739,581
Administration and General Assets	149,380	-	-	149,380
Total Capital Assets Being Depreciated	7,422,002	-	-	7,422,002
Total Capital Assets	7,455,885	-	-	7,455,885
Less: Accumulated Depreciation	2,368,670	209,863	-	2,578,533
Net Capital Assets - Sewer Utility	5,087,215	(209,863)	-	4,877,352

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets (Continued)

Business-Type 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	401,798	-	-	401,798
Buildings	703,124	-	-	703,124
Equipment and Vehicles	590,779	76,917	-	667,696
Right-To-Use Lease Equpment	190,576	238,753	153,545	275,784
Infrastructure	384,243	-	-	384,243
Total Capital Assets Being Depreciated/Amortized	2,270,520	315,670	153,545	2,432,645
Total Capital Assets	2,731,710	315,670	153,545	2,893,835
Less: Accumulated Depreciation/Amortization	1,295,015	113,967	83,076	1,325,906
Net Capital Assets - Golf Course	1,436,695	201,703	70,469	1,567,929
Net Capital Assets - Business-Type Activities	$ 8,828,748	$ 1,020,019	$ 70,469	$ 9,778,298

Depreciation was charges to business-type activities as follows:

Water	$ 71,473
Sewer	209,863
Golf	113,967
Total	$ 395,303

D. Interfund Receivables, Payables, and Transfers

Due to/from Other Funds

Receivable Fund	Payable Fund	Amount	Purpose
Tax Incremental #2 Fund	Water Utility	$ 463,742	Finance Operating Expenses

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	$ 75,000	Finance Operating Expenses
General Fund	CDBG Revolving Loan Fund	2,799	Finance Operating Expenses
Total		$ 77,799	

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	$ 42,761	Property Tax Equivalent
Debt Service Fund	General Fund	51,472	Finance Current Year Debt Maturities
Water Utility	Tax Incremental #2 Fund	27,989	Reimburse for PY Expenses
Sewer Utility	Tax Incremental #2 Fund	12,809	Reimburse for PY Expenses
Tax Incremental #2 Fund	Tax Incremental #3 Fund	69,537	Donor District Payment
Debt Service Fund	Tax Incremental #2 Fund	406,264	Finance Current Year Debt Maturities
Debt Service Fund	Tax Incremental #3 Fund	10,744	Finance Current Year Debt Maturities
Debt Service Fund	Tax Incremental #4 Fund	17,120	Finance Current Year Debt Maturities
Total		$ 638,696	

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, 2025 were as follows:

	Balance January 1, 2025	Issued	Retired	Balance December 31, 2025	Amounts Due Within One Year
Long-Term Debt					
Governmental Activities					
Notes from Direct Borrowings	$ 1,496,832	$ 1,655,755	$ 464,495	$ 2,688,092	$ 213,612
Business-Type Activities					
Notes from Direct Borrowings	1,197,245	-	1,139,693	57,552	8,821
Mortgage Revenue Bonds	1,863,904	1,169,446	45,949	2,987,401	92,873
Total Business-Type Activities	3,061,149	1,169,446	1,185,642	3,044,953	101,694
Total Long-Term Debt	$ 4,557,981	$ 2,825,201	$ 1,650,137	$ 5,733,045	$ 315,306
Other Long-Term Obligations					
Governmental Activities					
Compensated Absences **	$ 60,122	$ 4,646	$ -	$ 64,768	$ 10,268
Unfunded WRS Liability	1,423	-	1,423	-	-
Total Other Long-Term Obligations	$ 61,545	$ 4,646	$ 1,423	$ 64,768	$ 10,268
Business-Type Activities					
Right-To-Use Lease Liability	$ 50,122	$ 238,753	$ 46,809	$ 242,066	$ 49,983
Compensated Absences **	43,423	7,977	-	51,400	8,149
Total Business-Type Activities	$ 93,545	$ 246,730	$ 46,809	$ 293,466	$ 58,132

** The change is presented as a net change

On July 29, 2025, the Village approved the issuance of general obligation promissory note in the amount of $1,700,000 for purpose of refinancing the interim financing general obligation note for the Park Avenue project dated September 28, 2023 and to provide financing for the HWY 48 infrastructure improvements. This note bears an interest rate of 5.25 percent and matures on September 5, 2035. As of December 31, 2025 the Village had drawn $1,655,755 on this note.

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, 2025 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	2026	$ 9,711	$ 4,575	$ 14,286
$110,326, final installment August 15, 2028,	2027	10,246	4,040	14,286
interest at 5.37% (Northwestern EMS)	2028	31,618	2,374	33,992
		51,575	10,989	62,564
Promissory note dated November 27, 2019, issued	2026	46,267	25,637	71,904
$1,050,000, final installment November 27, 2029	2027	47,748	24,157	71,905
interest at 3.20% (Main Street and Culvert project)	2028	47,748	24,157	71,905
	2029	662,026	17,069	679,095
		803,789	91,020	894,809
Promissory note dated July 21, 2023, issued	2026	6,870	3,874	10,744
$80,000, final installment July 21, 2033	2027	7,265	3,479	10,744
interest at 5.75% (land purchase)	2028	7,674	3,070	10,744
	2029	8,124	2,620	10,744
	2030	8,591	2,153	10,744
	2031-2033	28,810	3,422	32,232
		67,334	18,618	85,952
Promissory note dated November 27, 2024, issued	2026	25,917	3,816	29,733
$134,640, final installment, November 30, 2029	2027	26,885	2,848	29,733
interest at 3.70% (Paid of golf course debt)	2028	27,883	1,850	29,733
	2029	28,954	779	29,733
		109,639	9,293	118,932
Promissory note dated July 29, 2025, issued	2026	124,847	97,023	221,870
$1,700,000, final installment September 5, 2035	2027	141,025	80,845	221,870
interest at 5.25% (Street Projects)	2028	148,314	73,556	221,870
	2029	156,415	65,455	221,870
	2030	164,734	57,136	221,870
	2031-2035	920,420	144,684	1,065,104
		1,655,755	518,699	2,174,454
Total Governmental Activities		2,688,092	648,619	3,336,711

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

General Obligation Long-Term Debt (Continued)

Annual Requirements for Retirement (Continued)

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

	Year	Principal	Interest	Total
Business-Type Activities				
Promissory note dated August 11, 2021, issued	2026	$ 8,821	$ 1,866	$ 10,687
$90,000, final installment August 11, 2031	2027	9,108	1,579	10,687
interest at 3.25% (Meter Replacement Project)	2028	9,400	1,287	10,687
	2029	9,709	978	10,687
	2030	10,025	662	10,687
	2031	10,489	241	10,730
Total Business-Type Activities		57,552	6,613	64,165
Total General Obligation Notes		$ 2,745,644	$ 655,232	$ 3,400,876

	Governmental Activities			Funding Sources			
	Notes from Direct Borrowings			General	TID #2	TID #4	
Year	Principal	Interest	Total	Fund	Fund	Fund	Total
2026	$ 213,612	$ 134,925	$ 348,537	$ 54,763	$ 276,517	$ 17,257	$ 348,537
2027	233,169	115,369	348,538	54,763	276,518	17,257	348,538
2028	263,237	105,007	368,244	74,469	276,518	17,257	368,244
2029	855,519	85,923	941,442	40,477	737,982	162,983	941,442
2030	173,325	59,289	232,614	10,744	221,870	-	232,614
2031-2033	949,230	148,106	1,097,336	32,232	1,065,104	-	1,097,336
Total	$ 2,688,092	$ 648,619	$ 3,336,711	$ 267,448	$ 2,854,509	$ 214,754	$ 3,336,711

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

General Obligation Long-Term Debt (Continued)

Annual Requirements for Retirement (Continued)

	Business-Type Activities			Funding Sources
	Notes from Direct Borrowings			Water
Year	Principal	Interest	Total	Utility
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	9,709	978	10,687	10,687
2030	10,025	662	10,687	10,687
2031-2031	10,489	241	10,730	10,730
Total	$ 57,552	$ 6,613	$ 64,165	$ 64,165

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, 2025 the Village's debt limitation amounted to $6,539,740 and indebtedness subject to the limitation totaled $2,745,644.

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 expired 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.

On December 13, 2023 the Village entered into a right-to-use asset lease agreement with Yamaha Golf and Utility for the use of 12 gas golf cars. Monthly payments of $1,800 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 expired in November 2025.

On November 25, 2025 the Village entered into a right-to-use asset lease agreement with Club Car LLC for the use of 68 gas golf cars. Monthly payments of $1,800 are 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 30, 2030.

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

Lease Liability: Right-To-Use Asset Agreements (Continued)

Total principal and interest costs for the lease agreements for the year ended December 31, 2025 totaled $46,808 and $1,068, respectively.

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

Year	Principal	Interest	Total
2026	$ 49,983	$ 5,274	$ 55,257
2027	45,393	6,504	51,897
2028	47,102	4,796	51,898
2029	48,874	3,023	51,897
2030	50,714	1,184	51,898
Total	$ 242,066	$ 20,781	$ 262,847

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.

On August 27, 2025, the Village issued $1,368,791 of Water System Revenue Bonds from the State of Wisconsin Department of Administration Safe Drinking Water Loan Program for the purpose of financing several improvements to its streets and infrastructure along multiple streets within the Village. This revenue bond bears and interest rate of 2.475 percent and matures on May 1, 2045. As of the date of this report, the Village has drawn $1,169,446 on the financing.

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, 2025 are shown below:

	Year	Principal	Interest	Total
Water system revenue bonds dated June 26, 2013,	2026	$ 11,278	$ 1,020	$ 12,298
issued $217,955, final installment May 1, 2033,	2027	11,408	889	12,297
interest at 1.16% (water looping and streets project)	2028	11,540	757	12,297
	2029	11,673	623	12,296
	2030	11,808	487	12,295
	2031-2033	36,248	631	36,879
		93,955	4,407	98,362
Water system revenue bonds dated May 1, 2025,	2026	45,896	28,774	74,670
issued $1,368,791, final installment May 1, 2045,	2027	47,032	27,226	74,258
interest at 2.475% (water and sewer system improvements)	2028	48,196	26,047	74,243
	2029	49,389	24,839	74,228
	2030	50,611	23,602	74,213
	2031-2035	272,476	98,349	370,825
	2036-2040	307,905	62,484	370,389
	2041-2045	347,941	21,950	369,891
		1,169,446	313,271	1,482,717
Sewerage system mortgage revenue bonds,	2026	35,700	46,915	82,615
Series 2017, dated March 1, 2017, $2,023,000,	2027	36,700	45,919	82,619
final installment May 1, 2056, interest at 2.75%	2028	37,600	45,022	82,622
(sewer utility upgrades)	2029	38,800	43,847	82,647
	2030	39,900	42,765	82,665
	2031-2035	216,600	196,635	413,235
	2036-2040	248,600	164,756	413,356
	2041-2045	285,400	127,984	413,384
	2046-2050	327,500	75,873	403,373
	2051-2055	375,700	37,590	413,290
	2056	81,500	1,118	82,618
		1,724,000	828,424	2,552,424
Total Mortgage Revenue Notes		$ 2,987,401	$ 1,146,102	$ 4,133,503

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 $14,465 and $99,706 for the water utility enterprise fund. Principal and interest paid for the current year and total customer net revenues were $83,662 and $69,353 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, 2025, the Village recognized $5,527 and $3,387 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
2026	$ 5,941	$ 3,137	$ 9,078
2027	6,222	2,871	9,093
2028	6,500	2,593	9,093
2029	6,790	2,302	9,092
2030	7,264	1,995	9,259
2031-2035	41,577	4,794	46,371
2036	773	-	773
Total	$ 75,067	$ 17,692	$ 92,759

F. Short-Term Debt

On July 18, 2024 the Village issued $400,000 and $1,023,024 in short-term debt to provide interim financing for the Park Avenue Reconstruction Project related expenses in the Tax Incremental District #2 fund.

Short-term activity for the year ended December 31, 2025 was as follows:

	Balance 1/1/25	Additions	Payments	Balance 12/31/25	Interest Rate
Short-Term Debt:					
Note dated 7/18/24, due 7/18/25	$ 400,000	$ -	$ 400,000	$ -	6.00%
Note dated 7/18/24, due 7/18/25	918,876	104,148	1,023,024	-	6.00%
Total Short-Term Debt	$ 1,318,876	$ 104,148	$ 1,423,024	$ -	

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Governmental Fund Balances

The governmental fund balances reported on the fund financial statements at December 31, 2025 consisted of the following:

	Total	Nonspendable	Restricted	Committed	Assigned	Unassigned
Major Funds						
General Fund						
Nonspendable Advances to Other Funds	$ 77,799	$ 77,799	$ -	$ -	$ -	$ -
Nonspendable - Long-Term Receivable	51,575	51,575	-	-	-	-
Unassigned	(89,911)	-	-	-	-	(89,911)
Total General Fund	39,463	129,374	-	-	-	(89,911)
CDBG Revolving Loan Fund	109,872	-	109,872	-	-	-
Machinery Outlay Fund	138,978	-	-	-	138,978	-
Library Fund	86,978	-	-	86,978	-	-
Debt Services Fund						
Village General Obligation Long-Term Debt	62,575	-	62,575	-	-	-
Tax Incremental District #2	940,816	-	940,816	-	-	
Nonmajor Funds						
Special Revenue Funds						
Cemetery Fund	5,064	-	-	5,064	-	-
Capital Projects Funds						
Tax Incremental District #3	80,117	-	80,117	-	-	-
Tax Incremental District #4	250,267	-	250,267	-	-	-
Police Squad Fund	59,444	-	-	-	59,444	-
Total Governmental Fund Balances at December 31, 2025	$ 1,773,574	$ 129,374	$ 1,443,647	$ 92,042	$ 198,422	$ (89,911)

H. 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)

H. 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, 2025 are summarized below:

	TID #2	TID #3	TID #4
Accumulated Project Costs			
Capital Expenditures	$ 1,523,060	$ -	$ -
Administration	43,247	34,935	17,304
Developers Agreements	25,000	-	-
Interest Charges	225,015	8,822	35,534
Transfers Out	542,274	236,295	50,068
Total Project Costs	2,358,596	280,052	102,906
Accumulated Project Revenues			
Tax Increments	653,393	360,169	353,173
Minimum Tax Agreements	28,921	-	-
Intergovernmental	316,456	-	-
Transfers In	223,629	-	-
Total Project Revenues	1,222,399	360,169	353,173
Future Project Revenues Necessary to Recover Net Costs to Date	$ 1,136,197	$ (80,117)	$ (250,267)
Outstanding Long-Term Debt Payable from TID Funds at December 31, 2025	$ 2,077,013	$ -	$ -
Less: Unrecovered Costs Above	(1,136,197)	80,117	250,267
Fund Balances at December 31, 2025	$ 940,816	$ 80,117	$ 250,267

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, 2025 the WRS recognized $70,442 in contributions from the employer.

Contribution rates as of December 31, 2025 are:

	Employee	Employer
General (Including Teachers)	6.95%	7.75%
Executives and Elected Officials	6.95%	7.85%
Protective With Social Security	6.95%	15.71%
Protective Without Social Security	6.95%	19.01%

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 %
2015	2.9	2.0
2016	0.1	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0
2021	5.1	13.0
2022	7.4	15.0
2023	1.6	(21.0)
2024	3.6	15.0

B. Joint Ventures

Ambulance Service

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, 2025 is as follows:

Total Assets	$ 1,753,650
Total Liabilities	409,296
Totel Equity	1,344,354
Net Loss	(42,972)
Outstanding Debt	309,327

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.

NOTE 4 OTHER INFORMATION (CONTINUED)

B. Joint Ventures (Continued)

Fire Association

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

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

Summary financial information of the association as of December 31, 2025 is as follows:

Total Assets	$ 1,316,051
Total Liabilities	1,000
Total Equity	1,315,051
Net Income	109,521

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.

C. 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.

D. 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.

E. Commitments

The Village was also under contract for the State Highway 48 project totaling $1,630,164. As of December 31, 2025 $1,627,515 had been paid and $2,649 is remaining.

NOTE 4 OTHER INFORMATION (CONTINUED)

F. PFAS Settlement Proceeds

During fiscal year 2025, the Village received settlement proceeds of $18,071 million from a class-action lawsuit concerning per-and polyfluoroalkyl substances (PFAS) contamination. The settlement resolved claims related to alleged PFAS releases into local water systems, property, or other public resources, and the Village did not admit liability in connection with this agreement.

These proceeds are not subject to any external restriction or legal requirements for specified use. As a result, they have been recorded as nonoperating revenue in the water utility in accordance with GASB guidance. The Village does not currently expect any limitations on use by third parties, and no earmarking or future allocation commitments have been made by the Village as of the report date.

Because the settlement proceeds are unrestricted, they have been recognized as revenue in the period received and are available for any legal permissible expenditure, including general operations, capital improvements, or other needs determined by the Village.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF LUCK, WISCONSIN
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Taxes	$ 494,084	$ 494,084	$ 501,830	$ 7,746
Intergovernmental	387,824	387,824	389,183	1,359
Licenses and Permits	14,300	14,300	13,931	(369)
Fines and Forfeits	2,500	2,500	1,646	(854)
Public Charges for Services	1,400	1,400	4,386	2,986
Intergovernmental Charges for Services	23,715	23,715	23,715	-
Miscellaneous:				
Interest	13,387	13,387	30,603	17,216
Rent	5,552	5,552	6,509	957
Donations	-	-	3,585	3,585
Other	-	-	5,526	5,526
Total Revenues	942,762	942,762	980,914	38,152
EXPENDITURES				
General Government	162,158	162,158	187,352	(25,194)
Public Safety	454,596	454,596	480,875	(26,279)
Transportation	331,425	331,425	318,534	12,891
Sanitation	5,500	5,500	5,558	(58)
Health and Human Services	250	250	-	250
Culture, Recreation and Education	13,240	13,240	8,780	4,460
Conservation and Development	4,593	4,593	11,130	(6,537)
Total Expenditures	971,762	971,762	1,012,229	(40,467)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(29,000)	(29,000)	(31,315)	(2,315)
OTHER FINANCING SOURCES (USES)				
Transfers In	29,000	29,000	42,761	13,761
Transfers Out	-	-	(51,472)	(51,472)
Total Other Financing Sources (Uses)	29,000	29,000	(8,711)	(37,711)
NET CHANGE IN FUND BALANCE	-	-	(40,026)	(40,026)
Fund Balance - Beginning of Year	79,489	79,489	79,489	-
FUND BALANCE - END OF YEAR	$ 79,489	$ 79,489	$ 39,463	$ (40,026)

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, 2025

	Special Revenue Fund - Cemetery Fund	Capital Projects Funds: Tax Incremental District #3	Capital Projects Funds: Tax Incremental District #4	Capital Projects Funds: Police Squad Fund	Capital Projects Funds: Total Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS						
Cash and Investments	$ 5,064	$ 80,117	$ 250,267	$ 59,444	$ 389,828	$ 394,892
Taxes Receivable	-	-	37,973	10,000	47,973	47,973
Total Assets	$ 5,064	$ 80,117	$ 288,240	$ 69,444	$ 437,801	$ 442,865
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES	$ -	$ -	$ -	$ -	$ -	$ -
DEFERRED INFLOWS OF RESOURCES						
Succeeding Year's Property Taxes	-	-	37,973	10,000	47,973	47,973
FUND BALANCES						
Restricted	-	80,117	250,267	-	330,384	330,384
Committed	5,064	-	-	-	-	5,064
Assigned	-	-	-	59,444	59,444	59,444
Total Fund Balances	5,064	80,117	250,267	59,444	389,828	394,892
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 5,064	$ 80,117	$ 288,240	$ 69,444	$ 437,801	$ 442,865

SCHEDULE A-2

VILLAGE OF LUCK, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2025

	Special Revenue Fund - Cemetery Fund	Capital Projects Funds: Tax Incremental District #3	Capital Projects Funds: Tax Incremental District #4	Capital Projects Funds: Police Squad Fund	Capital Projects Funds: Total Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES						
Taxes	$ -	$ 162,576	$ 105,515	$ 10,000	$ 278,091	$ 278,091
Miscellaneous:						
Interest on Investments	90	-	-	2,321	2,321	2,411
Other	300	-	-	-	-	300
Total Revenues	390	162,576	105,515	12,321	280,412	280,802
EXPENDITURES						
Conservation and Development	-	2,178	2,178	-	4,356	4,356
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	390	160,398	103,337	12,321	276,056	276,446
OTHER FINANCING SOURCES (USES)						
Transfers to Other Funds	-	(80,281)	(17,120)	-	(97,401)	(97,401)
NET CHANGE IN FUND BALANCES	390	80,117	86,217	12,321	178,655	179,045
Fund Balances - Beginning of Year,	4,674	-	164,050	47,123	211,173	215,847
FUND BALANCES- END OF YEAR	$ 5,064	$ 80,117	$ 250,267	$ 59,444	$ 389,828	$ 394,892

VILLAGE OF LUCK, WISCONSIN
GENERAL FUND
DETAILED BALANCE SHEET
DECEMBER 31, 2025
(WITH COMPARITIVE AMOUNTS AS OF DECEMBER 31, 2024)

	2025	2024
ASSETS		
Treasurer's Cash and Investments	$ 11,394	$ 16,537
Taxes Receivable		
Current Tax Roll	368,118	358,079
Delinquent Personal Property Taxes	154	451
Other Accounts Receivable	20,591	18,723
Long-Term Receivable from Northland Ambulance	51,575	98,831
Lease Receivable	75,067	80,594
Due from Other Governments	-	184,114
Advance to Golf Course Fund	77,799	85,799
Total Assets	$ 604,698	$ 843,128
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
LIABILITIES		
Vouchers Payable	$ 14,806	$ 19,650
Payroll Liabilities	9,152	12,000
Due to Other Governments	-	184,114
Special Deposits	743	1,350
Mobile Home Fees Due School	-	3,214
Total Liabilities	24,701	220,328
DEFERRED INFLOWS OF RESOURCES		
Tax Roll Items		
Succeeding Year's Property Taxes	471,946	467,921
Deferred Amount Related to Leases	68,588	75,390
Total Deferred Inflows of Resources	540,534	543,311
FUND BALANCE		
Nonspendable		
For Long-Term Receivable - Northland Ambulance	51,575	98,831
Committed		
For Advance to Golf Course	75,000	83,000
Advance to CDBG Revolving Loan Fund	2,799	2,799
Unassigned	(89,911)	(105,141)
Total Fund Balance	39,463	79,489
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	$ 604,698	$ 843,128

VILLAGE OF LUCK, WISCONSIN
GENERAL FUND
STATEMENT OF CHANGES IN FUND BALANCE
YEAR ENDED DECEMBER 31, 2025

	Balance (Overdraft) 01/01/25	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) 12/31/25
NONSPENDABLE										
For Advance to Other Funds	$ 85,799	$ -	$ -	$ -	$ 8,000	$ -	$ -	$ 77,799	$ -	$ 77,799
For Long-Term Receivable - Northland Ambulance	98,831	-	-	-	47,256	-	-	51,575	-	51,575
Total Nonspendable	184,630	-	-	-	55,256	-	-	129,374	-	129,374
ASSIGNED										
Carryover Funds:										
For Ordinances	-	2,200	-	3,744	3,535	-	-	2,409	2,409	-
For Computer	-	-	66	1,440	1,506	-	-	-	-	-
For Retirement Severance	-	-	952	22,629	23,581	-	-	-	-	-
For Office Outlay	-	-	-	29,609	29,609	-	-	-	-	-
For Street Outlay	-	62,190	-	-	43,071	-	-	19,119	19,119	-
For Room Tax - Tourism	-	-	10,860	44,881	54,596	-	-	1,145	1,145	-
For Room Tax - Village	-	-	4,617	15,535	20,152	-	-	-	-	-
For Playground Equipment	-	-	951	23,844	24,795	-	-	-	-	-
For ATV Park	-	-	122	2,650	2,772	-	-	-	-	-
For Skating Rink	-	-		4,629	4,629	-	-	-	-	-
For Cemetery Outlay	-	-	90	3,066	3,156	-	-	-	-	-
Total Assigned	-	64,390	17,658	152,027	211,402	-	-	22,673	22,673	-
UNASSIGNED										
General Village	(105,141)	403,531	495,335	266,658	152,027	42,761	51,472	899,645	989,556	(89,911)
Total Unassigned	(105,141)	403,531	495,335	266,658	152,027	42,761	51,472	899,645	989,556	(89,911)
Total General Fund	$ 79,489	$ 467,921	$ 512,993	$ 418,685	$ 418,685	$ 42,761	$ 51,472	$ 1,051,692	$ 1,012,229	$ 39,463

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, 2025
(WITH COMPARITIVE ACTUAL AMOUNTS AS OF DECEMBER 31, 2024)

	2025				
	Adopted Budget	Final Budget	Actual	Variance - Positive (Negative)	2024 Actual
REVENUES					
Taxes					
General Property Taxes	$ 467,921	$ 467,921	$ 467,921	$ -	$ 460,683
Mobile Home Parking Permit Fees	8,500	8,500	3,937	(4,563)	3,096
Room Tax	-	-	15,477	15,477	10,514
Payments in Lieu of Taxes:					
Housing Authority	2,500	2,500	2,500	-	4,500
United Pioneer Apartments	2,000	2,000	1,000	(1,000)	11,652
United Pioneer Nursing Home	13,163	13,163	10,995	(2,168)	13,163
Interest on Delinquent Taxes	-	-	-	-	12
Total Taxes	494,084	494,084	501,830	7,746	503,620
Intergovernmental					
State Shared Taxes	240,271	240,271	240,463	192	234,937
State Shared Taxes - Expenditure Restraint	11,589	11,589	11,589	-	11,589
Personal Property Aid	4,755	4,755	4,755	-	2,239
State Transportation Aids	124,967	124,967	124,858	(109)	124,661
State LRIP Aids	-	-	-	-	11,454
Department of Military Affairs					
Fire Insurance Taxes	4,929	4,929	5,710	781	4,929
Exempt Computer Aid	505	505	505	-	505
Law Enforcement Aids	800	800	1,280	480	960
In Lieu of Taxes on State Conservation Land	8	8	23	15	23
Total Intergovernmental	387,824	387,824	389,183	1,359	391,297

VILLAGE OF LUCK, WISCONSIN
GENERAL FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2025
(WITH COMPARITIVE ACTUAL AMOUNTS AS OF DECEMBER 31, 2024)

	2025				
	Adopted Budget	Final Budget	Actual	Variance - Positive (Negative)	2024 Actual
REVENUES (CONTINUED)					
Licenses and Permits					
Licenses					
Liquor and Malt Beverage	$ 2,975	$ 2,975	$ 2,350	$ (625)	$ 2,350
Operators	2,500	2,500	1,675	(825)	1,430
Cigarette	300	300	150	(150)	200
Dog	300	300	293	(7)	227
Mobile Home Park	100	100	300	200	300
Sundry	2,125	2,125	1,755	(370)	535
Permits					
Construction	6,000	6,000	6,608	608	6,258
Variance	-	-	800	800	200
Total Licenses and Permits	14,300	14,300	13,931	(369)	11,500
Fines and Forfeits					
Court Penalties	2,500	2,500	1,646	(854)	1,627
Public Charges for Services					
License Publication Fees	-	-	61	61	61
Street Department	100	100	580	480	3,845
Animal Control	100	100	-	(100)	-
Spring Cleanup Fees	500	500	1,160	660	900
Search Fees	700	700	2,585	1,885	1,120
Total Public Charges for Services	1,400	1,400	4,386	2,986	5,926
Intergovernmental Charges for Services					
School Liaison Program	23,715	23,715	23,715	-	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, 2025
(WITH COMPARITIVE ACTUAL AMOUNTS AS OF DECEMBER 31, 2024)

	2025				
	Adopted Budget	Final Budget	Actual	Variance - Positive (Negative)	2024 Actual
REVENUES (CONTINUED)					
Miscellaneous					
Interest on Investments	$ 10,000	$ 10,000	$ 26,922	$ 16,922	$ 16,694
Interest on Leases	3,387	3,387	3,681	294	3,624
Rent of Village Property					
Land	25	25	-	(25)	-
Tower Space	5,527	5,527	6,509	982	6,802
Other					
Donations	-	-	3,585	3,585	-
Insurance Recoveries	-	-	-	-	4,325
Insurance Dividends	-	-	403	403	1,103
Miscellaneous	-	-	5,123	5,123	7,305
Total Miscellaneous	18,939	18,939	46,223	27,284	39,853
Total Revenues	942,762	942,762	980,914	38,152	975,473
EXPENDITURES					
General Government					
Village Board Per Diems/ Fringe Benefits	9,689	9,689	9,689	-	8,881
Village Board - Other	150	150	433	(283)	493
Legislative Support	740	740	794	(54)	740
Village Attorney	1,500	1,500	3,225	(1,725)	2,130
Codification of Ordinances	2,200	2,200	2,409	(209)	995
Village President Office	3,730	3,730	3,230	500	2,422
Village Administration Wages/ Fringe Benefits	72,404	72,404	80,118	(7,714)	69,971
Village Administration - Other	2,700	2,700	4,284	(1,584)	464
Village Hall/Shop Technology Support	2,000	2,000	6,530	(4,530)	3,702
Administration Wages/ Office Supplies	3,700	3,700	5,105	(1,405)	4,323
Elections	5,000	5,000	3,470	1,530	5,431
Special Accounting and Auditing	9,345	9,345	9,179	166	9,698
Retirement Severance	-	-	-	-	10,622
Assessment of Property	10,000	10,000	11,992	(1,992)	12,484
Municipal Building	12,000	12,000	12,936	(936)	9,594
Property, Liability, and Workers Compensation Insurance	27,000	27,000	33,485	(6,485)	29,841
Unemployment Compensation	-	-	75	(75)	-
Miscellaneous	-	-	101	(101)	139
Illegal Taxes and Tax Refunds	-	-	297	(297)	341
Total General Government	162,158	162,158	187,352	(25,194)	172,271

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, 2025
(WITH COMPARITIVE ACTUAL AMOUNTS AS OF DECEMBER 31, 2024)

	2025				
	Adopted Budget	Final Budget	Actual	Variance - Positive (Negative)	2024 Actual
EXPENDITURES (CONTINUED)					
Public Safety					
Police Department Wages/					
Fringe Benefits	$ 349,576	$ 349,576	$ 363,531	$ (13,955)	$ 250,278
Police Department - Other	35,644	35,644	40,257	(4,613)	39,508
Police Legal Counsel	1,000	1,000	-	1,000	480
Police Outlay	-	-	-	-	52,158
Fire Department Administration	47,855	47,855	58,198	(10,343)	54,474
State 2% Fire Aid to Fire					
Department	4,929	4,929	5,710	(781)	4,929
Water Utility Public Fire					
Ambulance Assessment	15,092	15,092	12,892	2,200	23,760
Civil Defense Siren	500	500	287	213	264
Total Public Safety	454,596	454,596	480,875	(26,279)	425,851
Transportation					
Garages and Sheds	12,100	12,100	8,595	3,505	7,378
Machinery and Equipment	4,000	4,000	30,025	(26,025)	6,046
Street Repair and Maintenance -					
Other	23,500	23,500	10,672	12,828	16,162
Public Works Wages/					
Fringe Benefits	188,335	188,335	210,340	(22,005)	179,240
Street Outlay (Carryover)	62,190	62,190	19,119	43,071	217,936
Uniforms	1,000	1,000	1,098	(98)	1,186
Street Cleaning - Other	1,500	1,500	1,053	447	1,242
Snow and Ice Control Wages/					
Snow and Ice Control - Other	15,500	15,500	12,643	2,857	8,847
Street Signage	800	800	548	252	5,854
Street Lighting	22,500	22,500	24,441	(1,941)	22,563
Total Transportation	331,425	331,425	318,534	12,891	466,454
Sanitation					
Refuse Collection	5,500	5,500	5,558	(58)	5,804
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, 2025
(WITH COMPARITIVE ACTUAL AMOUNTS AS OF DECEMBER 31, 2024)

	2025				
	Adopted Budget	Final Budget	Actual	Variance - Positive (Negative)	2024 Actual
EXPENDITURES (CONTINUED)					
Culture, Recreation and Education					
Celebrations and Entertainment	$ 1,500	$ 1,500	$ 1,106	$ 394	$ 2,649
Parks - Other	10,740	10,740	7,452	3,288	7,754
Cemetery Outlay (Carryover)	1,000	1,000	222	778	-
Total Culture, Recreation and Education	13,240	13,240	8,780	4,460	10,403
Conservation and Development					
Advertising and Promotion	1,100	1,100	1,940	(840)	2,012
Economic Development	1,093	1,093	1,093	-	1,361
CDBG Housing Study	-	-	549	(549)	1,098
Zoning Expenditures	2,400	2,400	7,548	(5,148)	10,247
Total Conservation and Development	4,593	4,593	11,130	(6,537)	14,718
Total Expenditures	971,762	971,762	1,012,229	(40,467)	1,095,501
DEFICIENCY OF REVENUES OVER EXPENDITURES	(29,000)	(29,000)	(31,315)	(2,315)	(120,028)
OTHER FINANCING SOURCES					
Transfers In-Water Utility Tax Equivalents	29,000	29,000	42,761	13,761	24,095
Transfers Out - Debt Service Fund	-	-	(51,472)	(51,472)	(14,286)
Total Other Financing Sources	29,000	29,000	(8,711)	(37,711)	9,809
NET CHANGE IN FUND BALANCE	-	-	(40,026)	(40,026)	(110,219)
Fund Balance - Beginning of Year	79,489	79,489	79,489	-	189,708
FUND BALANCE - END OF YEAR	$ 79,489	$ 79,489	$ 39,463	$ (40,026)	$ 79,489

VILLAGE OF LUCK, WISCONSIN
WATER UTILITY ENTERPRISE FUND
STATEMENT OF NET POSITION
DECEMBER 31, 2025
(WITH COMPARITIVE AMOUNTS AS OF DECEMBER 31, 2024)

	2025	2024
ASSETS		
CURRENT ASSETS		
Cash and Investments:		
General Accounts	$ -	$ -
Segregated Account:		
Water Plant Replacement	141,238	127,576
Petty Cash	50	50
Customer Accounts Receivable	94,595	41,602
Accounts Receivable on Tax Roll	17,163	25,928
Due From Other Governments	33,457	452,945
Materials and Supplies	16,133	9,967
Total Current Assets	302,636	658,068
CAPITAL ASSETS		
Utility Plant in Service	3,143,774	3,143,657
Less: Accumulated Depreciation	908,808	838,819
Net Capital Assets	2,234,966	2,304,838
Construction Work in Progress	1,098,051	-
Total Capital Assets	3,333,017	2,304,838
Total Assets	$ 3,635,653	$ 2,962,906
LIABILITIES AND NET POSITION		
CURRENT LIABILTIIES		
Accounts Payable	$ 270,823	$ 687
Due to Other Funds	463,742	467,660
Accrued Interest	4,744	13,157
Accrued Employee Benefits - Current Portion	2,920	2,841
Current Portion of General Obligation Notes Payable	8,821	786,862
Current Portion of Water System Revenue Bonds	43,050	11,149
Total Current Liabilities	794,100	1,282,356
LONG-TERM LIABITLITIES		
Accrued Employee Benefits	15,497	14,310
General Obligation Notes Payable	48,731	57,544
Water System Revenue Bonds	860,489	93,955
Total Long-Term Liabilities	924,717	165,809
Total Liabilities	1,718,817	1,448,165
NET POSITION		
Net Investment in Capital Assets	2,102,545	1,355,328
Unrestricted	(185,709)	159,413
Total Net Position	1,916,836	1,514,741
Total Liabilities and Net Position	$ 3,635,653	$ 2,962,906

VILLAGE OF LUCK, WISCONSIN
WATER UTILITY ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2025
(WITH COMPARITIVE AMOUNTS AS OF DECEMBER 31, 2024)

	2025	2024
OPERATING REVENUES		
Sales of Water:		
Residential	$ 112,419	$ 72,176
Commercial	26,107	16,693
Industrial	10,466	6,173
Public Authorities	4,399	4,740
Public Fire Protection	94,080	66,127
Private Fire Protection	2,951	2,952
Multi-Family Residential	13,501	9,105
Total Sales of Water	263,923	177,966
Other Operating Revenues:		
Forfeited Discounts	938	738
Meter Use Charge to Sewer Utility	13,435	13,190
Miscellaneous Operating Revenues	2,749	9,746
Total Other Operating Revenues	17,122	23,674
Total Operating Revenues	281,045	201,640
OPERATING EXPENSES		
Operation and Maintenance	181,339	177,852
Depreciation	71,473	59,366
Total Operating Expenses	252,812	237,218
OPERATING INCOME (LOSS)	28,233	(35,578)
NONOPERATING REVENUES (EXPENSES)		
Interest Revenue	7,053	6,153
Interest Expense on Long-Term Debt	(40,428)	(15,184)
PFAS Settlement	54,134	-
Total Nonoperating Revenues (Expenses)	20,759	(9,031)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	48,992	(44,609)
CAPITAL CONTRIBUTIONS AND TRANSFERS		
Capital Assets Financed by Customers and Grants	367,875	452,945
Transfer from General Fund	27,989	-
Transfer to General Fund - Property Tax Equivalent	(42,761)	(24,095)
Total Capital Contributions and Transfers	353,103	428,850
CHANGE IN NET POSITION	402,095	384,241
Net Position - Beginning of Year	1,514,741	1,130,500
NET POSITION - END OF YEAR	$ 1,916,836	$ 1,514,741

VILLAGE OF LUCK, WISCONSIN
WATER UTILITY ENTERPRISE FUND
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2025
(WITH COMPARITIVE AMOUNTS AS OF DECEMBER 31, 2024)

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Utility Customers	$ 129,302	$ 104,609
Cash Received from Public Fire Protection	94,080	66,127
Cash Received from Sewer Share of Meter Related Expenses	13,435	13,190
Cash Payments to Suppliers for Goods and Services	(84,338)	(79,916)
Cash Payments for Employee Services	(101,146)	(90,939)
Net Cash Provided by Operating Activities	51,333	13,071
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Cash Received from PFAS Settlement	54,134	
Transfers to General Fund - Payments of Tax Equivalents	461,130	(24,095)
Transfer to Other Funds	(503,891)	-
Operating Cash Received from General Fund	(3,918)	14,715
Net Cash Provided (Used) by Noncapital Financing Activities	7,455	(9,380)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Cash Payments for Capital Assets	(796,814)	(1,234,039)
Capital Contributed by Utility Customers and Grants	753,906	-
Cash Received from TID for Project Financing	-	452,945
Cash Received from General Fund	27,989	-
Cash Received from Issuance of Long-Term Debt	809,583	778,356
Cash Paid for Principal on Long-Term Debt	(798,002)	(19,261)
Interest and Fiscal Agent Fees Paid	(48,841)	(3,726)
Net Cash Used by Capital and Related Financing Activities	(52,179)	(25,725)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on Investments	7,053	6,153
NET CHANGE IN CASH AND CASH EQUIVALENTS	13,662	(15,881)
Cash and Cash Equivalents - Beginning of Year	127,626	143,507
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 141,288	$ 127,626
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income (Loss)	$ 28,233	$ (35,578)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Depreciation	71,473	59,366
(Increase) Decrease in Assets:		
Customer Accounts Receivable	(52,993)	8,214
Inventories	(6,166)	(1,465)
Accounts Receivable on Tax Roll	8,765	(25,928)
Increase (Decrease) in Liabilities:		
Accounts Payable	755	(941)
Accrued Employee Benefits	1,266	9,403
Net Cash Provided by Operating Activities	$ 51,333	$ 13,071
NONCASH INVESTING, CAPITAL, AND FINANCING TRANSACTIONS		
Contributed Capital Assets	$ 367,875	$ 452,945

VILLAGE OF LUCK, WISCONSIN
WATER UTILITY ENTERPRISE FUND
SCHEDULE OF OPERATION AND MAINTENANCE EXPENSES
YEAR ENDED DECEMBER 31, 2025
(WITH COMPARITIVE AMOUNTS AS OF DECEMBER 31, 2024)

	2025	2024
OPERATION		
Salaries and Wages	$ 16,042	$ 12,936
Fuel or Power Purchased for Pumping	7,415	7,155
Chemicals	6,138	4,948
Operating Supplies and Expenses	2,768	8,179
Transportation Expense	1,169	1,188
Total Operation	33,532	34,406
MAINTENANCE		
Repairs to Plant	29,336	35,558
ADMINISTRATIVE AND GENERAL		
Administrative and General Salaries	51,161	46,130
Office Supplies and Expenses	4,786	5,852
Outside Services Employed	17,571	6,300
Insurance Expense	4,339	4,624
Employees Pensions and Benefits	30,070	36,728
FICA Taxes	5,139	4,548
Miscellaneous General	5,405	3,706
Total Administrative and General	118,471	107,888
Total Operation and Maintenance Expenses	$ 181,339	$ 177,852

SCHEDULE C-5

VILLAGE OF LUCK, WISCONSIN
SEWER UTILITY ENTERPRISE FUND
STATEMENT OF NET POSITION
DECEMBER 31, 2025
(WITH COMPARITIVE AMOUNTS AS OF DECEMBER 31, 2024)

	2025	2024
ASSETS		
CURRENT ASSETS		
Cash and Investments		
General Accounts	$ 96,585	$ -
Segregated Accounts		
Sewer Main Replacement and Repair	92,498	80,877
Sludge Removal Account	95,519	91,519
Customer Accounts Receivable	83,004	74,623
Accounts Receivable on Tax Roll	-	247
Other Accounts Receivable	900	3,000
Due from Other Governments	-	284,728
Materials and Supply Inventories	3,558	3,488
Total Current Assets	372,064	538,482
RESTRICTED ASSETS		
Equipment Replacement Fund	414,025	364,412
CAPITAL ASSETS		
Utility Plant in Service	7,455,885	7,455,885
Less: Accumulated Depreciation	2,578,533	2,368,670
Net Capital Assets	4,877,352	5,087,215
Construction Work in Progress	-	-
Total Capital Assets	4,877,352	5,087,215
Total Assets	$ 5,663,441	$ 5,990,109
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Accounts Payable	$ 3,288	$ 2,413
Due to Othe Funds	-	125,597
Accrued Employee Benefits - Current Portion	2,920	2,841
Accrued Interest Payable	9,373	15,428
Sewerage System Mortgage Revenue Bonds	49,823	387,639
Total Current Liabilities	65,404	533,918
LONG-TERM LIABILITIES		
Accrued Employee Benefits	15,497	14,310
Sewerage System Mortgage Revenue Bonds	2,034,039	1,724,000
Total Long-Term Liabilities	2,049,536	1,738,310
Total Liabilities	2,114,940	2,272,228
NET POSITION		
Net Investment in Capital Assets	2,793,490	2,975,576
Restricted for Equipment Replacement	414,025	364,412
Unrestricted	340,986	377,893
Total Net Position	3,548,501	3,717,881
Total Liabilities and Net Position	$ 5,663,441	$ 5,990,109

VILLAGE OF LUCK, WISCONSIN
SEWER UTILITY ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2025
(WITH COMPARITIVE AMOUNTS AS OF DECEMBER 31, 2024)

	2025	2024
OPERATING REVENUES		
Sewerage Revenues		
Residential	$ 200,152	$ 203,306
Commercial	51,704	52,005
Industrial	9,147	9,257
Public Authorities	11,940	17,963
Multi-Family Residential	30,687	32,564
Total Sewerage Revenues	303,630	315,095
Other Operating Revenues		
Forfeited Discounts	1,224	1,193
Miscellaneous	4,180	6,230
Total Other Operating Revenues	5,404	7,423
Total Operating Revenues	309,034	322,518
OPERATING EXPENSES		
Operation and Maintenance	239,681	226,698
Depreciation	209,863	203,388
Total Operating Expenses	449,544	430,086
OPERATING LOSS	(140,510)	(107,568)
NONOPERATING REVENUES (EXPENSES)		
Interest Revenue	20,961	22,496
Interest Expense	(62,640)	(53,952)
Total Nonoperating Revenues (Expenses)	(41,679)	(31,456)
LOSS BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(182,189)	(139,024)
CAPITAL CONTRIBUTIONS AND TRANSFERS		
Intergovernmental Grants	-	284,728
Transfer In	12,809	-
Customer Contributions - Hook-up Fees	-	3,000
Total Capital Contributions and Transfers	12,809	287,728
CHANGE IN NET POSITION	(169,380)	148,704
Net Position - Beginning of Year	3,717,881	3,569,177
NET POSITION - END OF YEAR	$ 3,548,501	$ 3,717,881

VILLAGE OF LUCK, WISCONSIN
SEWER UTILITY ENTERPRISE FUND
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2025
(WITH COMPARITIVE AMOUNTS AS OF DECEMBER 31, 2024)

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Utility Customers	$ 303,000	$ 332,801
Cash Paid for Sewer Share of Meter Related Expense	(13,435)	(13,190)
Cash Payments to Suppliers for Goods and Services	(132,835)	(123,222)
Cash Payments for Employee Services	(91,340)	(84,608)
Net Cash Provided by Operating Activities	65,390	111,781
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Cash Received from Other Funds	12,809	-
Cash Received from Governmental Funds for Working Capital	(125,597)	125,597
Net Cash Provided (Used) by NonCapital Financing Activities	(112,788)	125,597
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Cash Payments for Capital Assets	-	(659,200)
Cash Received from Grants	284,728	-
Cash Received from Long-Term Debt	359,862	352,839
Cash Paid for Retirement of Long-Term Debt	(387,639)	(33,700)
Interest and Fiscal Agent Fees Paid	(68,695)	(48,830)
Net Cash Provided (Used) by Capital and Related Financing Acti	188,256	(388,891)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on Investments	20,961	22,496
NET CHANGE IN CASH AND CASH EQUIVALENTS	161,819	(129,017)
Cash and Cash Equivalents - Beginning of Year	536,808	665,825
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 698,627	$ 536,808
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Loss	$ (140,510)	$ (107,568)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:		
Depreciation	209,863	203,388
(Increase) Decrease in Assets:		
Customer Accounts Receivable	(8,381)	13,530
Accounts Receivable on Tax Roll	247	(247)
Other Accounts Receivable	2,100	(3,000)
Inventories	(70)	-
Increase (Decrease) in Liabilities:		
Accounts Payable	875	(3,725)
Accrued Employee Benefits	1,266	9,403
Net Cash Provided by Operating Activities	$ 65,390	$ 111,781
RECONCILIATION OF CASH AND INVESTMENTS TO CASH AND CASH EQUIVALENTS		
Cash and Investments per Statement of Net Position		
Cash and Investments	$ 284,602	$ 172,396
Cash and Investments - Restricted	414,025	364,412
Cash and Cash Equivalents	$ 698,627	$ 536,808

SCHEDULE C-8

VILLAGE OF LUCK, WISCONSIN
SEWER UTILITY ENTERPRISE FUND
SCHEDULE OF OPERATION AND MAINTENANCE EXPENSES
YEAR ENDED DECEMBER 31, 2025
(WITH COMPARITIVE AMOUNTS AS OF DECEMBER 31, 2024)

	2025	2024
OPERATION		
Supervision and Labor	$ 9,690	$ 9,043
Power and Fuel for Pumping	30,080	29,393
Outside Testing Service	27,801	27,239
Operating Supplies and Expenses	4,425	3,598
Transportation Expenses	1,226	1,773
Total Operation of Plant	73,222	71,046
MAINTENANCE		
Sewage Collection System	33,955	25,901
General Plant	8,684	4,780
Total Maintenance of Plant	42,639	30,681
ADMINISTRATIVE AND GENERAL		
Administrative and General Salaries	51,152	46,116
Meter Use Charge	13,435	13,190
Office Supplies and Expenses	7,769	8,647
Outside Services Employed	1,439	7,275
Insurance Expenses	6,908	7,678
Employees Pensions and Benefits	27,296	34,830
FICA Taxes	4,468	4,022
Miscellaneous General Expenses	11,353	3,213
Total Administrative and General	123,820	124,971
Total Operation and Maintenance Expenses	$ 239,681	$ 226,698

VILLAGE OF LUCK, WISCONSIN
GOLF COURSE ENTERPRISE FUND
STATEMENT OF NET POSITION
DECEMBER 31, 2025
(WITH COMPARITIVE AMOUNTS AS OF DECEMBER 31, 2024)

	2025	2024
ASSETS		
CURRENT ASSETS		
Cash and Investments:		
General Accounts	$ 317,185	$ 431,593
Segregated Investments:		
Donations Account	47,578	424
Accounts Receivable	5,042	3,091
Inventories	22,357	15,478
Total Current Assets	392,162	450,586
CAPITAL ASSETS		
Property and Plant in Service	2,893,835	2,731,710
Less: Accumulated Depreciation	1,325,906	1,295,015
Total Capital Assets	1,567,929	1,436,695
Total Assets	$ 1,960,091	$ 1,887,281
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Accounts Payable	$ 20,731	$ 17,455
Accrued Interest Payable	976	976
Accrued Employee Benefits	2,309	1,511
Advance Memberships and Fees	115,470	230,939
Right-To-Use Lease Equipment	49,983	46,808
Total Current Liabilities	189,469	297,689
LONG-TERM LIABILITIES (NET OF CURRENT PORTION)		
Advance from General Fund	75,000	83,000
Right-To-Use Lease Equipment	192,083	3,314
Accrued Employee Benefits	12,257	7,610
Total Long-Term Liabilities	279,340	93,924
Total Liabilities	468,809	391,613
NET POSITION		
Net Investment in Capital Assets	1,325,863	1,386,573
Unrestricted	165,419	109,095
Total Net Position	1,491,282	1,495,668
Total Liabilities and Net Position	$ 1,960,091	$ 1,887,281

VILLAGE OF LUCK, WISCONSIN
GOLF COURSE ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2025
(WITH COMPARITIVE AMOUNTS AS OF DECEMBER 31, 2024)

	2025	2024
OPERATING REVENUES		
Season Tickets	$ 126,357	$ 133,973
Green Fees	186,753	183,401
Trail Fees	3,882	2,300
Power Cart Rentals	329,681	332,782
Gift Certificates	(311)	(408)
Miscellaneous Rentals	15,500	1,800
Driving Range	11,998	11,061
Camping Fees	6,842	5,174
Golf Shop Sale of Golf Supplies	88,249	129,358
Cost of Golf Supplies Sold	(70,285)	(133,164)
Clubhouse Food and Beverage Sales	221,065	227,278
Cost of Food/Beverage Supplies Sold	(101,115)	(91,670)
W.S.G.A. Handicapped Fees	628	682
Cash Over (Short) in Till	411	1,294
Credit Card Fees	(21,083)	(25,368)
Total Operating Revenues	798,572	778,493
OPERATING EXPENSES		
Club House/Golf Course Wages	140,839	131,140
Grounds/Equipment Wages	159,926	166,418
FICA Expense Paid	22,733	22,383
Employee Fringe Benefits	62,810	52,106
Operation and Maintenance of Equipment	60,617	69,115
Cart Path Paving	650	-
Course Grounds Maintenance	24,183	35,459
Seed	12,043	9,918
Fertilizer	6,760	10,978
Chemicals	22,285	18,251
Building Maintenance and Repairs	10,015	55,104
Other Operating Supplies and Expenses	81,086	77,116
Utilities	36,536	33,437
Uniforms	-	218
Signs and Fixtures	242	378
Minor Equipment and Small Tools	9,524	37,949
Driving Range Supplies	1,265	323

SCHEDULE C-10

VILLAGE OF LUCK, WISCONSIN
GOLF COURSE ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION (CONTINUED)
YEAR ENDED DECEMBER 31, 2025
(WITH COMPARITIVE AMOUNTS AS OF DECEMBER 31, 2024)

	2025	2024
OPERATING EXPENSES (CONTINUED)		
Trophies and Tournaments	$ 780	$ -
Property and Liability Insurance	6,842	7,289
Membership Dues and Subscriptions	966	2,070
Professional Fees-Attorney and Accounting	2,573	2,449
Operating Licenses	1,160	976
Advertising and Promotions	300	1,655
Wages Clerk's Office	11,749	10,371
FICA Expense Paid	840	753
Employee Fringe Benefits	5,437	5,295
Office Supplies	4,165	6,518
Unemployment Claims	-	3,126
Training, Education, and Travel Costs	509	1,299
Depreciation/Amortization Expense	113,967	113,177
Net Operating Expenses	800,802	875,271
OPERATING LOSS	(2,230)	(96,778)
NONOPERATING REVENUES (EXPENSES)		
Interest on Investments	10,823	3,556
Sale of Property	1,086	14,670
Insurance Compensation for Property Damages	4,887	-
Miscellaneous Nonoperating Revenue	4,638	2,527
Loss on Disposal of Equipment	(70,469)	-
Interest Expense on Long-Term Debt	(1,168)	(2,025)
Total Nonoperating Revenues (Expenses)	(50,203)	18,728
LOSS BEFORE CONTRIBUTIONS AND TRANSFERS	(52,433)	(78,050)
CONTRIBUTIONS AND TRANSFERS		
Contributions from Private Parties	48,047	67,856
CHANGE IN NET POSITION	(4,386)	(10,194)
Net Position - Beginning of Year	1,495,668	1,505,862
NET POSITION - END OF YEAR	$ 1,491,282	$ 1,495,668

VILLAGE OF LUCK, WISCONSIN
GOLF COURSE ENTERPRISE FUND
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2025
(WITH COMPARITIVE AMOUNTS AS OF DECEMBER 31, 2024)

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Customers	$ 968,021	$ 1,003,327
Cash Payments to Suppliers for Goods and Services	(502,504)	(633,030)
Cash Payments for Employee Services	(398,889)	(395,731)
Net Cash Provided (Used) by Operating Activities	66,628	(25,434)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Cash Received from Donations	48,047	9,729
Cash Paid to General Fund to Reduce Advance from General Fund	(8,000)	(4,021)
Cash Received from Insurance Reimbursements	4,887	-
Cash Payments for Prior Year Expenses	4,638	2,527
Net Cash Provided by Noncapital Financing Activities	49,572	8,235
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Cash Payments for Capital Assets	(147,386)	(64,260)
Cash Received from Sale of Equipment/Property	1,086	14,670
Cash Received from Capital Related Donations	-	58,127
Principal Paid on Leases	(46,809)	(45,466)
Interest and Fiscal Agent Fees Paid	(1,168)	(2,025)
Net Cash Used by Capital and Related Financing Activities	(194,277)	(38,954)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on Investments	10,823	3,556
NET CHANGE IN CASH AND CASH EQUIVALENTS	(67,254)	(52,597)
Cash and Cash Equivalents - Beginning of Year	432,017	484,614
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 364,763	$ 432,017
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Loss	$ (2,230)	$ (96,778)
Adjustments to Reconcile Operating Loss to Net Cash Provided (Used) by Operating Activities:		
Depreciation/Amortization Expense	113,967	113,177
Loss on Plant Removals	70,469	-
(Increase) Decrease in Assets:		
Accounts Receivable	(1,951)	-
Inventories	(6,879)	(9,987)
Increase (Decrease) in Liabilities:		
Accounts Payable	3,276	2,266
Accrued Employee Benefits	5,445	(7,265)
Unearned Revenues	(115,469)	(26,847)
Net Cash Provided (Used) by Operating Activities	$ 66,628	$ (25,434)
NONCASH INVESTING, CAPITAL AND FINANCING TRANSACTIONS		
Leased Assets	$ 238,753	$ 21,075