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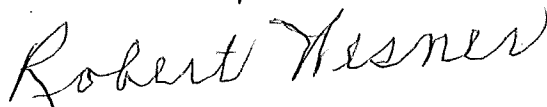
INDEPENDENT AUDITOR REPORT

Board of Commissioners.
Joint Town of Poygan and Town of Poy Sippi Sanitary District #1

I have audited the accompanying Financial Statements of the Joint Town of Poygan and Town of Poy Sippi Sanitary District #1 as of December 31, 2024. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with accounting audit standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that I plan and perform the review to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Joint Town of Poygan and Town of Poy Sippi Sanitary District #1, as of December 31, 2024 and the results of its operations and cash flows for the year then ended in conformity with generally accepted accounting principles of the United States of America.



Certified Public Accountant
July 25, 2025

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

Statement of Net Assets
December 31, 2024

ASSETS

Cash and investments	\$ 523,373
Accounts receivable	39,389
Prepaid insurance	4,291

Capital assets

Land	56,417
Structures and equipment	1,253,610
Mains, wells, lifts	2,627,418
Furniture and equipment	146,585
Truck	18,815
SCADA project	<u>257,936</u>

4,360,781

Less accumulated depreciation	<u>(2,764,708)</u>	1,596,073
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TOTAL ASSETS	<u>2,163,126</u>
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LIABILITIES

Withheld payroll taxes	<u>1,930</u>
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NET ASSETS

Invested in capital assets	1,596,073	
Unrestricted	<u>565,123</u>	<u>2,161,196</u>

TOTAL NET ASSETS	<u>2,163,126</u>
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The notes to the financial statements are an integral part of this statement.

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

Statement of Revenues, Expenses and Changes in Net Assets
Year Ended December 31, 2024

Operating Revenues		
Charges for services	\$ 161,176	
Tax settlement income	83,547	
Land/User assessments	10,000	
Late payment charges	1,330	
Lateral permits	5,150	
Tax lottery income	2,509	
Miscellaneous income	<u>1,445</u>	
Total Operating Revenues		265,157
Operating Expenses		
Administration and general	3,257	
Lab fees	3,960	
Operating supplies	10,208	
Office expense	3,224	
Outside services	1,049	
Maintenance -plant equipment	10,329	
Maintenance-buildings & grounds	4,882	
Mileage	9,144	
Phosphorous testing	14,420	
Power for pumping	23,023	
Wages	* 59,576	
Payroll expense	4,558	
Insurance	10,653	
Professional fees	16,215	
Snow removal	1,159	
Telephone/internet	6,407	
Depreciation	<u>78,764</u>	
Total Operating Expenses		<u>260,828</u>
Operating income		4,329
Non-operating Revenues/Expenses		
Interest income	9,052	
Tax levy	<u>(1,295)</u>	<u>7,757</u>
Change in Net Assets		12,088
Net Assets – January 1, 2024		<u>2,338,636</u>
Net Assets – December 31, 2024		<u>2,350,724</u>

The notes to the financial statements are an integral part of this statement.

JOINT TOWN OF POYGAN AND TOWN OF POY SIPPI
SANITARY DISTRICT #1, WISCONSIN
Statement of Cash Flows
Year Ended December 31, 2024

Cash Flows from Operating Activities		
Cash received from user charges	\$ 265,158	
Tax levy	(1,295)	
Cash payments to suppliers	(134,281)	
Cash payments to employees	<u>(59,576)</u>	
Net Cash provided by Operating Activities		70,006
Cash Flows from Capital and Related Financing Activities		
Fixed asset acquisitions		(23,085)
Cash Flows from Investing Activities		
Interest received on investments		<u>9,052</u>
<u>Increase in Cash and Cash Equivalents</u>		55,973
Cash and Cash Equivalents – January 1, 2024		<u>655,693</u>
Cash and Cash Equivalents – December 31, 2024		<u>711,666</u>

The notes to the financial statements are an integral part of this statement.

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

Notes to Financial Statements

December 31, 2024

NOTE A – SUMMARY OF ACCOUNTING POLICIES

The accounting policies of the Joint Town of Poygan and Town of Poy Sippi Sanitary District #1, Wisconsin conform to accounting principles generally accepted in the United States of America for enterprise funds, as defined by the Governmental Accounting Standards Board. A summary of the District's accounting policies consistently applied in the preparation of the accompanying financial statements follows:

1. Reporting Entity

The Joint Town of Poygan and Town of Poy Sippi Sanitary District #1 is located within the Town of Poygan in Winnebago County and the Town of Poy Sippi in Waushara County, Wisconsin. The District operates a sanitary sewer collection and treatment system and became operational October 1, 1990.

2. Enterprise Funds

The District accounts for its operations as an enterprise fund. Enterprise funds are used to account for operations financed and operated in a manner similar to private business with the intent that the costs of providing services to the general public be financed primarily through user charges.

3. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Enterprise funds are accounted for on a low of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation are included in the financial statements. Enterprise fund operating statements present increases and decreases in net total assets.

The accrual basis of accounting is utilized by enterprise funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Unpaid enterprise fund service receivables are recorded at year-end. Capital assets are capitalized at historical cost and depreciated over their useful lives.

4. Assets, Liabilities and Net Assets

a. Accounts Receivable

Accounts receivable are recorded at gross amount with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is deemed immaterial to the financial statements.

b. Capital Assets

Capital assets are defined as property, plant and equipment with a cost of \$1,000 or higher and an estimated useful life in excess of 5 years. Capital assets are being depreciated using the straight-line method over the following estimated useful lives:

Buildings	25 years
Improvements other than buildings	75 years
SCADA project	25 years
Machinery and equipment	10 years
Office equipment	7 years

c. Net Assets

Net assets are classified into the following three components:

Invested in capital assets, net of related debt – This component of net assets consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of borrowings that are attributable to those assets.

Restricted – This component consists of external constraints placed on net asset use by creditors, grantors, contributors, or laws or regulations imposed by law.

Unrestricted – This component consists of net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.