ROBERT E. WESNER
CERTIFIED PUBLIC ACCOUNTANT
1547 W. 5TH AVENUE
OSHKOSH, WI 54902

INDEPENDENT AUDITOR REPORT

Board of Directors
Town of Poygan Poy Sippi Sanitary District #1

I have audited the accompanying Statement of Net Assets of Poygan Poy Sippi Sanitary District #1. as of December 31, 2025 and the related Statement of Activities and Statement of Cash Flows for the year then ended. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

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

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Poygan Poy Sippi Sanitary District #1 as of December 31, 2025 and the results of its operations and cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

Robert Wesner

Certified Public Accountant
June 26, 2026

JOINT TOWN OF POYGAN AND TOWN OF POY SIPPI
SANITARY DISTRICT #1, WISCONSIN
Statement of Net Assets
December 31, 2025

ASSETS		
Cash and investments		$ 511,855
Accounts receivable		22,757
Prepaid insurance		4,291
Nicolet Bank CD		195,576
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	257,936	
	4,360,781	
Less accumulated depreciation	(3,203,337)	1,248,728
TOTAL ASSETS		1,983,207
LIABILITIES		
Withheld payroll taxes		1,813
NET ASSETS		
Invested in capital assets	1,248,728	
Unrestricted	732,666	1,981,394
TOTAL NET ASSETS		1,983,207

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, 2025

Operating Revenues		
Charges for services	$ 168,760	
Tax settlement income	51,157	
Land/User assessments	5,000	
Late payment charges	1,286	
Lateral permits	5,150	
Tax lottery income	1,915	
Miscellaneous income	1,025	234,293
Operating Expenses		
Certification/licenses	939	
Lab fees	7,038	
Operating supplies	4,695	
Office expense	2,697	
Outside services	6,924	
Maintenance -plant equipment	1,293	
Maintenance-buildings & grounds	1,426	
Pest control	925	
Phosphorous testing	14,603	
Power for pumping	24,815	
Wages	59,576	
Payroll expense	4,558	
Insurance	10,879	
Professional fees	7,265	
Snow removal	884	
Telephone/internet	7,530	
Vehicle expense	10,749	
Miscellaneous	1,816	
Depreciation	67,804	236,416
Operating income(loss)		(2,123)
Non-operating Revenues		
Interest income	9,178	
Tax levy	27,240	36,418
Change in Net Assets		34,295
Net Assets – January 1, 2025		2,350,724
Net Assets – December 31, 2025		2,385,019

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, 2025

Cash Flows from Operating Activities		
Cash received from user charges	$ 234,293	
Tax levy	27,240	
Cash payments to suppliers	(134,281)	
Cash payments to employees	(59,576)	
Net Cash provided by Operating Activities		67,676
Cash Flows from Capital and Related Financing Activities		-
Fixed asset acquisitions		(81,089}
Cash Flows from Investing Activities		
Interest received on investments		9,178
Decrease in Cash and Cash Equivalents		(4,235)
Cash and Cash Equivalents – January 1, 2025,		711,666
Cash and Cash Equivalents – December 31, 2025		707,431

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, 2025

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".