

# **VILLAGE OF LENA, WISCONSIN**

## **Annual Financial Report**

*December 31, 2023*

# VILLAGE OF LENA

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## **Independent Auditors' Report**

To the Village Board  
Village of Lena  
Lena, Wisconsin

### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Lena, Wisconsin (Village), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Lena, Wisconsin, as of December 31, 2023, and the respective 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.

### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 audit opinions.

### **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'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 generally accepted auditing standards will always detect a material misstatement when it exists.

To the Village Board  
Village of Lena

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 generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village'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'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 schedules of employer's proportionate share of the net pension liability (asset) and employer contributions – Wisconsin Retirement Plan, schedules of employer's proportionate share of the net OPEB liability and employer contributions – other post-employment benefits – cost-sharing plan, schedule of revenues, expenditures and changes in fund balance – budget and actual – general fund and schedule of revenues, expenditures and changes in fund balance – budget and actual – fire department fund 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 auditing standards generally accepted in the United States of America, 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 the 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.

To the Village Board  
Village of Lena

### **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the schedule of operating revenues and expenses - water and sewer utility, but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

*KerberRose SC*

**KerberRose S.C.**  
**Certified Public Accountants**  
Shawano, Wisconsin  
April 23, 2024

## **FINANCIAL STATEMENTS**

**VILLAGE OF LENA**  
Statement of Net Position  
As of December 31, 2023

	<b>Governmental Activities</b>	<b>Business - Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Investments	\$ 910,858	\$ 568,748	\$ 1,479,606
Receivables:			
Taxes	234,869	-	234,869
Customer Accounts Receivable	62,827	152,118	214,945
Current Portion of Long-Term Receivable	-	30,434	30,434
Current Portion of Lease Receivable	20,318	-	20,318
Special Assessments	1,809	12,827	14,636
Inventories	-	6,774	6,774
<b>Total Current Assets</b>	<u>1,230,681</u>	<u>770,901</u>	<u>2,001,582</u>
<b>Noncurrent Assets</b>			
Long-Term Receivable	-	1,835,561	1,835,561
Lease Receivable	16,194	-	16,194
Restricted Cash	-	253,517	253,517
Capital Assets:			
Capital Assets Not Being Depreciated	225,049	55,489	280,538
Other Capital Assets, Net of Depreciation	2,037,224	5,524,593	7,561,817
<b>Total Noncurrent Assets</b>	<u>2,278,467</u>	<u>7,669,160</u>	<u>9,947,627</u>
<b>TOTAL ASSETS</b>	<u>3,509,148</u>	<u>8,440,061</u>	<u>11,949,209</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflows of Resources Related to Pension	179,952	127,658	307,610
Deferred Outflows of Resources Related to Other			
Post-Employment Benefits	14,071	9,983	24,054
<b>Total Deferred Outflows of Resources</b>	<u>194,023</u>	<u>137,641</u>	<u>331,664</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts Payable	1,022	-	1,022
Accrued Liabilities	23,994	3,476	27,470
Accrued Interest Payable	22,553	22,676	45,229
Unearned Grant Revenues	16,573	-	16,573
Current Portion of Compensated Absences	21,257	5,524	26,781
Current Portion of Lease Obligations	14,706	-	14,706
Current Portion of Long-Term Obligations	76,581	190,648	267,229
<b>Total Current Liabilities</b>	<u>176,686</u>	<u>222,324</u>	<u>399,010</u>
<b>Noncurrent Liabilities</b>			
Net WRS Liability	48,164	34,168	82,332
Net OPEB Liability	25,432	18,042	43,474
Noncurrent Portion of Compensated Absences	21,257	5,524	26,781
Noncurrent Portion of Lease Obligations	64,614	-	64,614
Noncurrent Portion of Long-Term Obligations	729,441	2,430,069	3,159,510
<b>TOTAL LIABILITIES</b>	<u>1,065,594</u>	<u>2,710,127</u>	<u>3,775,721</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Taxes Levied for Subsequent Year	291,371	-	291,371
Deferred Inflows Related to Leases	36,512	-	36,512
Deferred Inflows of Resources Related to Pension	101,333	71,886	173,219
Deferred Inflows of Resources Related to Other			
Post-Employment Benefits	18,325	12,996	31,321
<b>Total Deferred Inflows of Resources</b>	<u>447,541</u>	<u>84,882</u>	<u>532,423</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	1,376,931	2,959,365	4,336,296
Restricted	30,455	275,121	305,576
Unrestricted	782,650	2,548,207	3,330,857
<b>TOTAL NET POSITION</b>	<u>\$ 2,190,036</u>	<u>\$ 5,782,693</u>	<u>\$ 7,972,729</u>

**VILLAGE OF LENA**  
Statement of Activities  
For the Year Ended December 31, 2023

	Program Revenues				Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants	Governmental Activities	Business-Type Activities	Total
<b>FUNCTIONS/PROGRAMS</b>							
Governmental Activities:							
General Government	\$ 95,728	\$ 4,059	\$ 26,909	\$ -	\$ (64,760)	\$ -	\$ (64,760)
Public Safety	334,019	93,807	55,954	-	(184,258)	-	(184,258)
Public Works	286,278	22,948	35,837	-	(227,493)	-	(227,493)
Culture and Recreation	31,864	378	-	-	(31,486)	-	(31,486)
Conservation and Development	14,110	-	-	-	(14,110)	-	(14,110)
Interest and Fiscal Charges	24,932	-	-	-	(24,932)	-	(24,932)
<b>Total Governmental Activities</b>	<u>786,931</u>	<u>121,192</u>	<u>118,700</u>	<u>-</u>	<u>(547,039)</u>	<u>-</u>	<u>(547,039)</u>
<b>BUSINESS-TYPE ACTIVITIES</b>							
Water	446,921	299,452	-	156,360	-	8,891	8,891
Sewer	357,015	391,767	-	-	-	34,752	34,752
<b>Total Business-Type Activities</b>	<u>803,936</u>	<u>691,219</u>	<u>-</u>	<u>156,360</u>	<u>-</u>	<u>43,643</u>	<u>43,643</u>
<b>TOTAL</b>	<u>\$ 1,590,867</u>	<u>\$ 812,411</u>	<u>\$ 118,700</u>	<u>\$ 156,360</u>	<u>(547,039)</u>	<u>43,643</u>	<u>(503,396)</u>
<b>GENERAL REVENUES</b>							
Taxes:							
Property Taxes, Levied for General Purposes					285,534	-	285,534
Other Taxes					128,741	-	128,741
Intergovernmental Revenues not Restricted to Specific Programs					207,908	-	207,908
Investment Income					35,829	36,148	71,977
Sale of Assets					1,050	-	1,050
Miscellaneous					38,790	-	38,790
<b>Total General Revenues</b>					<u>697,852</u>	<u>36,148</u>	<u>734,000</u>
<b>TRANSFERS</b>					<u>28,767</u>	<u>(28,767)</u>	<u>-</u>
<b>CHANGE IN NET POSITION</b>					179,580	51,024	230,604
<b>NET POSITION - BEGINNING OF YEAR, AS RESTATED</b>					<u>2,010,456</u>	<u>5,731,669</u>	<u>7,742,125</u>
<b>NET POSITION - END OF YEAR</b>					<u>\$ 2,190,036</u>	<u>\$ 5,782,693</u>	<u>\$ 7,972,729</u>



**VILLAGE OF LENA**  
Balance Sheet  
Governmental Funds  
As of December 31, 2023

	General	ARPA	Fire Department	TID #1	Total
<b>ASSETS</b>					
Cash and Investments	\$ 773,479	\$ 18,253	\$ 106,751	\$ 12,375	\$ 910,858
Receivables:					
Taxes	223,767	-	-	11,102	234,869
Accounts	-	-	62,827	-	62,827
Special Assessments	1,809	-	-	-	1,809
Lease Receivable	36,512	-	-	-	36,512
Advance to Other Fund	30,000	-	-	-	30,000
<b>TOTAL ASSETS</b>	<u>\$ 1,065,567</u>	<u>\$ 18,253</u>	<u>\$ 169,578</u>	<u>\$ 23,477</u>	<u>\$ 1,276,875</u>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES (DEFICIT)</b>					
Liabilities:					
Accounts Payable	\$ 1,022	\$ -	\$ -	\$ -	\$ 1,022
Advance From Other Fund	-	-	-	30,000	30,000
Accrued Liabilities	23,994	-	-	-	23,994
Unearned Grant Revenues	-	16,573	-	-	16,573
<b>Total Liabilities</b>	<u>25,016</u>	<u>16,573</u>	<u>-</u>	<u>30,000</u>	<u>71,589</u>
Deferred Inflows of Resources:					
Taxes Levied for Subsequent Year	277,288	-	-	14,083	291,371
Deferred Lease Receivable	36,512	-	-	-	36,512
Deferred Special Assessment	1,809	-	-	-	1,809
<b>Total Deferred Inflows of Resources</b>	<u>315,609</u>	<u>-</u>	<u>-</u>	<u>14,083</u>	<u>329,692</u>
Fund Balances (Deficit):					
Nonspendable:					
Advance Due from Other Fund	30,000	-	-	-	30,000
Restricted:					
ARPA	-	1,680	-	-	1,680
Committed:					
Fire Suppression	-	-	169,578	-	169,578
Assigned:					
Equipment Fund	60,876	-	-	-	60,876
Ditch Maintenance	17,103	-	-	-	17,103
Building Fund	31,190	-	-	-	31,190
Sidewalks/Curb & Gutter	29,274	-	-	-	29,274
Police Equipment Fund	14,900	-	-	-	14,900
Rosera Business	2,860	-	-	-	2,860
Street Maintenance	226,765	-	-	-	226,765
Promotions	12,766	-	-	-	12,766
National Night Out	5,359	-	-	-	5,359
Unassigned (Deficit)	293,849	-	-	(20,606)	273,243
<b>Total Fund Balances (Deficit)</b>	<u>724,942</u>	<u>1,680</u>	<u>169,578</u>	<u>(20,606)</u>	<u>875,594</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICIT)</b>	<u>\$ 1,065,567</u>	<u>\$ 18,253</u>	<u>\$ 169,578</u>	<u>\$ 23,477</u>	<u>\$ 1,276,875</u>

## VILLAGE OF LENA

### Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position As of December 31, 2023

<b>Total Fund Balances - Governmental Funds</b>		<b>\$ 875,594</b>
<b><i>Total net position reported for governmental activities in the statement of net position is different from the amount reported above as total governmental funds fund balance because:</i></b>		
Capital assets used in government activities are not financial resources and therefore are not reported in the fund statements. Amounts reported for governmental activities in the statement of net position:		
Governmental Capital Assets	\$ 3,921,214	
Governmental Accumulated Depreciation	<u>(1,658,941)</u>	2,262,273
Other long-term assets are not available to pay current period expenditures and therefore are deferred in the fund statements.		
Special Assessments		1,809
The Village's proportionate share of the Wisconsin Retirement System pension plan is not an available financial resource; therefore, it is not reported in the fund financial statements.		
Net Pension Liability		(48,164)
Deferred Outflows of Resources Related to Pension		179,952
Deferred Inflows of Resources Related to Pension		(101,333)
The Village's proportionate share of the Other Post Employment Benefits is not an available financial resource; therefore, it is not reported in the fund financial statements		
Post-Employment Benefits Liability		(25,432)
Deferred Outflows of Resources Related to Other Post-Employment Benefits		14,071
Deferred Inflows of Resources Related to Other Post-Employment Benefits		(18,325)
Noncurrent obligations, including bonds and notes payable, are not due in the current period and therefore not reported in the fund statements. Items reported in the statement of net position that are not reported in the funds balance sheet:		
General Debt	(806,022)	
Lease Obligations	(79,320)	
Accrued Interest on General Obligation Debt	(22,553)	
Vested Employee Benefits	<u>(42,514)</u>	<u>(950,409)</u>
<b>Total Net Position - Governmental Activities</b>		<b><u>\$ 2,190,036</u></b>

**VILLAGE OF LENA**  
Statement of Revenues, Expenditures, and Change in Fund Balances (Deficit)  
Governmental Funds  
For the Year Ended December 31, 2023

	General	ARPA	Fire Department	TID #1	Total
<b>REVENUES</b>					
Taxes	\$ 272,206	\$ -	\$ -	\$ 13,328	\$ 285,534
Special Assessments	10,634	-	-	-	10,634
Intergovernmental	252,235	26,909	55,248	-	334,392
Licenses and Permits	4,195	-	-	-	4,195
Fines and Forfeits	35,454	-	-	-	35,454
Public Charges for Services	23,588	-	4,494	-	28,082
Miscellaneous	60,399	1,173	174,754	268	236,594
<b>Total Revenues</b>	<u>658,711</u>	<u>28,082</u>	<u>234,496</u>	<u>13,596</u>	<u>934,885</u>
<b>EXPENDITURES</b>					
Current:					
General Government	161,113	-	-	10,150	171,263
Public Safety	143,787	-	102,390	-	246,177
Public Works	176,950	-	-	-	176,950
Culture and Recreation	34,787	-	-	-	34,787
Conservation and Development	8,903	-	-	-	8,903
Capital Outlay	64,621	26,908	361,527	-	453,056
Debt Service:					
Principal Retirement	52,785	-	-	-	52,785
Interest and Fiscal Charges	26,231	-	-	-	26,231
<b>Total Expenditures</b>	<u>669,177</u>	<u>26,908</u>	<u>463,917</u>	<u>10,150</u>	<u>1,170,152</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(10,466)</u>	<u>1,174</u>	<u>(229,421)</u>	<u>3,446</u>	<u>(235,267)</u>
<b>OTHER FINANCING SOURCES</b>					
Proceeds from Long-Term Debt	-	-	190,000	-	190,000
Proceeds from Sale of Assets	1,050	-	-	-	1,050
Transfers In	28,767	-	-	-	28,767
<b>Total Other Financing Sources</b>	<u>29,817</u>	<u>-</u>	<u>190,000</u>	<u>-</u>	<u>219,817</u>
<b>NET CHANGE IN FUND BALANCES (DEFICIT)</b>	19,351	1,174	(39,421)	3,446	(15,450)
<b>FUND BALANCES (DEFICIT) - BEGINNING</b>	<u>705,591</u>	<u>506</u>	<u>208,999</u>	<u>(24,052)</u>	<u>891,044</u>
<b>FUND BALANCES (DEFICIT) - ENDING</b>	<u>\$ 724,942</u>	<u>\$ 1,680</u>	<u>\$ 169,578</u>	<u>\$ (20,606)</u>	<u>\$ 875,594</u>

# VILLAGE OF LENA

## Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit) of Governmental Funds to the Statement of Activities For the Year Ended December 31, 2023

<b>Net Change in Fund Balances (Deficit) - Total Governmental Funds</b>	<b>\$ (15,450)</b>
<b><i>Amounts reported for governmental activities in the statement of activities are different because:</i></b>	
The acquisition of capital assets are reported in the governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense.	
Capital outlay reported in governmental fund statements	\$ 481,095
Depreciation expense reported in the statement of activities	<u>(125,384)</u>
Amount by which depreciation is less than capital outlay in the current period.	355,711
The Village disposed of outdated equipment resulting in a reduction of capital assets and recapture of prior year depreciation expenses reported on the statement of activities as a net loss and has no effect on the governmental funds changes in fund balances.	
The value of capital assets disposed of during the year	(80,431)
The amount of depreciation recaptured for the year	<u>66,094</u>
Amount by which capital asset cost exceeded accumulated depreciation	(14,337)
Amounts related to the pension plan that affect the statement of activities but do not affect the fund financial statements.	(14,702)
Amounts related to the other post-employment benefit plan that affect the statement of activities but do not affect the fund financial statements.	(2,233)
Vested employee benefits are reported in the government funds when amounts are paid. The statement of activities reports the value of benefits earned during the year.	
Compensated absences paid in current year	47,212
Compensated absences benefits earned in current year	<u>(42,514)</u>
Amounts paid are more than amounts earned by	4,698
Debt incurred in the governmental funds is reported as an other financing source in the fund financial statements, but is reported as an increase in outstanding long-term debt in the statement of net position, and does not affect the statement of activities.	(190,000)
Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the statement of net position and does not affect the statement of activities. The amount of long-term debt principal payments in the current year is:	
Bonds and notes payable	38,616
Repayment of principal on lease obligations is reported in the governmental funds as an expenditure, but is reported as a reduction in lease liability in the statement of net position and does not affect the statement of activities. The amount of lease liability payments in the current year is:	14,169
Special assessment income recorded in the current year government-wide statements but recorded as deferred revenue in the fund statements	1,809
In governmental funds interest payments on outstanding debt are reported as an expenditure when paid. In the statement of activities interest is reported as incurred.	
The amount of interest paid during the current period	26,231
The amount of interest accrued during the current period	<u>(24,932)</u>
Interest paid is more than interest accrued by	1,299
<b>Change in Net Position - Governmental Activities</b>	<b><u>\$ 179,580</u></b>

See Accompanying Notes

**VILLAGE OF LENA**  
Statement of Net Position  
Proprietary Funds  
As of December 31, 2023

	<b>Water Utility</b>	<b>Sewer Utility</b>	<b>Total</b>
<b>CURRENT ASSETS</b>			
Cash	\$ 435,478	\$ 133,270	\$ 568,748
Receivables:			
Customer Accounts Receivable	80,888	71,230	152,118
Current Portion of Long-Term Receivable	30,434	-	30,434
Special Assessments	752	12,075	12,827
Inventories	6,153	621	6,774
<b>Total Current Assets</b>	<u>553,705</u>	<u>217,196</u>	<u>770,901</u>
<b>NON-CURRENT ASSETS</b>			
Restricted Cash	97,453	156,064	253,517
Capital Assets			
Land	464	299	763
Construction in Progress	-	54,726	54,726
Plant in Service	4,945,861	4,076,553	9,022,414
Accumulated Depreciation	(1,663,056)	(1,834,765)	(3,497,821)
Total Capital Assets, Net of Accumulated Depreciation	<u>3,283,269</u>	<u>2,296,813</u>	<u>5,580,082</u>
Long-Term Receivable	1,835,561	-	1,835,561
Advance to Other Fund	-	554,074	554,074
<b>Total Non-Current Assets</b>	<u>5,216,283</u>	<u>3,006,951</u>	<u>8,223,234</u>
<b>TOTAL ASSETS</b>	<u>5,769,988</u>	<u>3,224,147</u>	<u>8,994,135</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflows of Resources Related to Pension	61,394	66,264	127,658
Deferred Outflows of Resources Related to Other			
Post-Employment Benefits	4,801	5,182	9,983
<b>Total Deferred Outflows of Resources</b>	<u>66,195</u>	<u>71,446</u>	<u>137,641</u>
<b>CURRENT LIABILITIES</b>			
Accrued Payroll Expense	2,477	999	3,476
Accrued Interest	20,224	2,452	22,676
Current Portion of Long-Term Obligations	149,248	41,400	190,648
Current Portion of Compensated Absences	4,147	1,377	5,524
<b>Total Current Liabilities</b>	<u>176,096</u>	<u>46,228</u>	<u>222,324</u>
<b>NON-CURRENT LIABILITIES</b>			
Pension Liability	16,432	17,736	34,168
Other Post-Employment Benefits	8,677	9,365	18,042
Advance from Other Fund	554,074	-	554,074
Noncurrent Portion of Long-Term Obligations	1,980,892	449,177	2,430,069
Noncurrent Portion of Compensated Absences	4,147	1,377	5,524
<b>Total Non-Current Liabilities</b>	<u>2,564,222</u>	<u>477,655</u>	<u>3,041,877</u>
<b>TOTAL LIABILITIES</b>	<u>2,740,318</u>	<u>523,883</u>	<u>3,264,201</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows of Resources Related to Pension	34,572	37,314	71,886
Deferred Inflows of Resources Related to Other			
Post-Employment Benefits	6,251	6,745	12,996
<b>Total Deferred Inflows of Resources</b>	<u>40,823</u>	<u>44,059</u>	<u>84,882</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	1,153,129	1,806,236	2,959,365
Restricted for:			
Equipment Replacement	-	135,951	135,951
Debt Service	97,453	20,113	117,566
Pension Benefits	10,390	11,214	21,604
Unrestricted	1,794,070	754,137	2,548,207
<b>TOTAL NET POSITION</b>	<u>\$ 3,055,042</u>	<u>\$ 2,727,651</u>	<u>\$ 5,782,693</u>

**VILLAGE OF LENA**  
Statement of Revenues, Expenses and Changes in Net Position  
Proprietary Funds  
For the Year Ended December 31, 2023

	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Total</u>
<b>OPERATING REVENUES</b>	\$ 299,452	\$ 391,767	\$ 691,219
<b>OPERATING EXPENSES</b>			
Operation and Maintenance	156,841	108,475	265,316
Administration and General	63,523	135,420	198,943
Depreciation	155,905	96,343	252,248
<b>Total Operating Expenses</b>	<u>376,269</u>	<u>340,238</u>	<u>716,507</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(76,817)</u>	<u>51,529</u>	<u>(25,288)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Investment Income	19,539	16,609	36,148
Interest Expense	(70,652)	(16,777)	(87,429)
<b>Total Non-Operating Revenues (Expenses)</b>	<u>(51,113)</u>	<u>(168)</u>	<u>(51,281)</u>
<b>INCOME (LOSS) BEFORE TRANSFER</b>	(127,930)	51,361	(76,569)
<b>CAPITAL CONTRIBUTIONS</b>	156,360	-	156,360
<b>TRANSFER OUT</b>	<u>(28,467)</u>	<u>(300)</u>	<u>(28,767)</u>
<b>CHANGE IN NET POSITION</b>	(37)	51,061	51,024
<b>NET POSITION - BEGINNING, AS RESTATED</b>	<u>3,055,079</u>	<u>2,676,590</u>	<u>5,731,669</u>
<b>NET POSITION - ENDING</b>	<u><u>\$ 3,055,042</u></u>	<u><u>\$ 2,727,651</u></u>	<u><u>\$ 5,782,693</u></u>

See Accompanying Notes

**VILLAGE OF LENA**  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2023

	Water Utility	Sewer Utility	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash Received from Customers	\$ 305,631	\$ 401,521	\$ 707,152
Cash Paid to Suppliers for Goods and Services	(130,448)	(180,073)	(310,521)
Cash Paid to Employees for Services	(87,414)	(74,291)	(161,705)
<b>Net Cash Flows From Operating Activities</b>	<u>87,769</u>	<u>147,157</u>	<u>234,926</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Tax Equivalent Paid to Municipality	(28,467)	(300)	(28,767)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment Income Received	19,539	16,609	36,148
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition of Capital Assets	-	(59,639)	(59,639)
Principal Payments on Short-Term Borrowing	(569,441)	(496,845)	(1,066,286)
Proceeds from Long-Term Debt	458,876	390,971	849,847
Principal Payments on Long-Term Debt	(135,262)	(30,585)	(165,847)
Interest Paid	(63,577)	(23,054)	(86,631)
Payments Received on Long-Term Receivable	149,699	-	149,699
<b>Net Cash Flows From Capital and Related Financing Activities</b>	<u>(3,345)</u>	<u>(219,152)</u>	<u>(222,497)</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	75,496	(55,686)	19,810
<b>CASH - BEGINNING</b>	457,435	345,020	802,455
<b>CASH - ENDING</b>	<u>\$ 532,931</u>	<u>\$ 289,334</u>	<u>\$ 822,265</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating Income (Loss)	\$ (76,817)	\$ 51,529	\$ (25,288)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows from Operating Activities:			
Non-Cash Items:			
Depreciation	155,905	96,343	252,248
Depreciation Charged to Sewer	1,813	(1,813)	-
Changes in Operating Assets and Liabilities:			
Accounts Receivable	4,366	9,754	14,120
Inventories	294	(446)	(152)
Net Pension Asset	25,410	24,274	49,684
Deferred Outflows Related to Pension	(11,218)	(18,331)	(29,549)
Deferred Outflows Related to OPEB	1,986	1,302	3,288
Net Other Post-Employment Benefits	(5,847)	(4,510)	(10,357)
Accounts Payable	(1,786)	(1,354)	(3,140)
Accrued Liabilities	(1,925)	(12,478)	(14,403)
Pension Liability	16,432	17,736	34,168
Deferred Inflows Related to Pension	(25,249)	(19,833)	(45,082)
Deferred Inflows Related to OPEB	4,405	4,984	9,389
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<u>\$ 87,769</u>	<u>\$ 147,157</u>	<u>\$ 234,926</u>
<b>RECONCILIATION OF CASH PER STATEMENT OF NET POSITION TO STATEMENT OF CASH FLOWS</b>			
Statement of Net Position Proprietary Funds:			
Cash	\$ 435,478	\$ 133,270	\$ 568,748
Restricted Cash	97,453	156,064	253,517
<b>CASH PER STATEMENT OF CASH FLOWS</b>	<u>\$ 532,931</u>	<u>\$ 289,334</u>	<u>\$ 822,265</u>

**VILLAGE OF LENA**  
Statement of Fiduciary Net Position  
Fiduciary Funds  
As of December 31, 2023

	<b>Custodial Funds</b>		
	<b>Tax Collection</b>	<b>Library</b>	<b>Total</b>
<b>ASSETS</b>			
Cash	\$ 88,376	\$ 487,708	\$ 576,084
Taxes Receivable	329,085	-	329,085
Capital Assets	-	238,075	238,075
Accumulated Depreciation	-	(115,208)	(115,208)
<b>Total Assets</b>	<b>417,461</b>	<b>610,575</b>	<b>1,028,036</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflows of Resources Related to Pension	-	54,052	54,052
Deferred Outflows of Resources Related to Other			
Post-Employment Benefits	-	4,225	4,225
<b>Total Deferred Outflows of Resources</b>	<b>-</b>	<b>58,277</b>	<b>58,277</b>
<b>LIABILITIES</b>			
Due to Other Taxing Entities	417,461	-	417,461
Accrued Liabilities	-	2,566	2,566
Net Pension Liability - Wisconsin Retirement System	-	14,467	14,467
Other Post-Employment Benefits	-	7,639	7,639
<b>Total Liabilities</b>	<b>417,461</b>	<b>24,672</b>	<b>442,133</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows of Resources Related to Pension	-	30,437	30,437
Deferred Inflows of Resources Related to Other			
Post-Employment Benefits	-	5,504	5,504
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>35,941</b>	<b>35,941</b>
<b>NET POSITION</b>			
Investment in Capital Assets	-	122,867	122,867
Restricted for Pension Benefits	-	9,148	9,148
Unrestricted	-	476,224	476,224
<b>Total Net Position</b>	<b>\$ -</b>	<b>\$ 608,239</b>	<b>\$ 608,239</b>

See Accompanying Notes



**VILLAGE OF LENA**  
Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
For the Year Ended December 31, 2023

	<b>Custodial Funds</b>		
	<b>Tax Collection Fund</b>	<b>Library</b>	<b>Total</b>
<b>REVENUES</b>			
Taxes Collected on Behalf of Other Taxing Entities	\$ 566,323	\$ -	\$ 566,323
Intergovernmental	-	128,209	128,209
Public Charges for Services	-	455	455
Miscellaneous	-	301,886	301,886
<b>Total Revenues</b>	<u>566,323</u>	<u>430,550</u>	<u>996,873</u>
<b>EXPENDITURES</b>			
Taxes Remitted to Other Taxing Entities	566,323	-	566,323
Culture and Recreation	-	112,368	112,368
<b>Total Expenditures</b>	<u>566,323</u>	<u>112,368</u>	<u>678,691</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	-	318,182	318,182
<b>NONOPERATING REVENUE</b>			
Interest Income	-	8,977	8,977
<b>NET CHANGE IN NET POSITION</b>	-	327,159	327,159
<b>NET POSITION - BEGINNING</b>	-	281,080	281,080
<b>NET POSITION - ENDING</b>	<u>\$ -</u>	<u>\$ 608,239</u>	<u>\$ 608,239</u>

**VILLAGE OF LENA**  
Notes to Financial Statements  
December 31, 2023

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**Note 1 – Summary of Significant Accounting Policies**

This summary of significant accounting policies of the Village of Lena, Wisconsin (Village) is presented to assist in understanding the Village's financial statements. The financial statements and notes are representations of Village's management who is responsible for the integrity and objectivity of the financial statements. These accounting policies conform with accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements. The Governmental Accounting Standards Board (GASB) is the accepted standards setting body for establishing governmental accounting and financial reporting principles.

**Reporting Entity**

This report includes all of the funds of the Village. The reporting entity for the Village consists of the primary government. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable or other organizations whose nature and significant relationship with the Village are such that exclusion would cause the Village's financial statements to be misleading. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and (i) either the Village's ability to impose its will on the organization or (ii) there is potential for the organization to provide a financial benefit to or impose a financial burden on the Village. The Village has not identified any component units that are required to be included in the financial statements.

The Village is the fiscal agent for the Lena Public Library. The library is jointly owned by the Town of Lena, the Town of Spruce and the Village of Lena. The Village reports the activity of the Lena Public Library as a fiduciary fund in the basic financial statements.

**Government-Wide Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Village. 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 with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) operating and capital grants and contributions. Taxes and other items not properly included as program revenues are reported instead as general revenues.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

**Fund Financial Statements**

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 proprietary funds are reported as separate columns in the fund financial statements.

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 and sewer utility enterprise funds are charges to customers for sales and services. Operating expenses for enterprise 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.

**Note 1 – Summary of Significant Accounting Policies (Continued)**

**Fund Financial Statements - Continued**

Fund financial statements of the reporting entity are organized into individual funds each of which are considered to be separate accounting entities. 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, fund equity, revenues, and expenditures/expenses.

Funds are organized as major funds or non-major funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the Village or meets the following criteria:

- a. Total assets plus deferred outflows of resources, liabilities plus deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or proprietary fund are at least 10 percent of the corresponding total for all funds of that category or type and
- b. The same element that met the 10 percent criterion in (a) is at least 5 percent of the corresponding element total for all governmental and proprietary funds combined.
- c. In addition, any other governmental fund that the Village believes is particularly important to financial statement users may be reported as a major fund.

**Governmental Funds**

Governmental funds are identified as either general, capital projects, or special revenue based upon the following guidelines.

General Fund

The general fund is the primary operating fund of the Village and is always classified as a major fund. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

Tax Incremental District Fund

This is a capital projects fund, used to account for receipts of district “incremental” property taxes and other revenues and the corresponding program expenditures.

**Proprietary Funds**

Enterprise Funds

Enterprise funds may be used to account for activities where a fee is charged to external users for goods and services. Enterprise activities must include operations (a) that are financed with debt that is secured solely by the pledge of the net revenues of the fund, (b) where laws or regulations require that the costs of the activity be recovered with fees and charges, or (c) where the fees and charges are priced in a way designed to recover the costs of the activity.

**Note 1 – Summary of Significant Accounting Policies (Continued)**

**Fund Financial Statements (Continued)**

**Fiduciary Funds**

The Village follows the presentation requirements of accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*. This statement revised the criteria on whether the government is controlling the assets of the fiduciary activity and the beneficiaries with whom a fiduciary relationship exists. An activity meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. Four types of fiduciary funds that should be reported, if applicable, include pension (and other employee benefits) trust funds, investment trust funds, private-purpose trust funds, and custodial funds. The Village reports the Tax Collection Fund and the Library Fund as custodial funds.

**Custodial Funds**

Custodial funds are used to account for assets held by the Village as an agent for individuals, private organizations, and/or other governmental units.

**Major Funds**

The Village reports the following major governmental funds:

The *general fund*, which accounts for the Village's primary operating activities.

The *fire department fund*, which accounts for the resources accumulated and payments made for the operation of the fire department.

The *Tax Incremental District*, which accounts for receipts of district "incremental" property taxes and other revenues and the corresponding program expenditures.

The *American Rescue Plan Act (ARPA) special revenue fund*, which accounts for the Village's activities related to the American Rescue Plan Act.

The Village reports the following major proprietary funds:

The *water utility*, which operates the water distribution system.

The *sewer utility*, which operates the sewage treatment plant, sewage pumping stations and collection systems.

**Fiduciary Funds**

The Village reports the following fiduciary funds:

The *tax collection fund*, which accounts for taxes and deposits collected by the Village, acting in the capacity of a custodian, for distribution to other governmental units or designated beneficiaries.

The *library fund*, which accounts for the resources accumulated and payments made for the operation of the library.

## **Note 1 – Summary of Significant Accounting Policies (Continued)**

### **Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources (current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources) or economic resources (all assets, deferred outflows of resources, liabilities, and deferred inflows of resources). The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial 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 considered 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 to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

### **Cash and Investments**

Cash deposits consist of demand and time deposits with financial institutions and are carried at cost. For purposes of the statement of cash flows, all cash deposits and highly liquid investments (including restricted assets) with a maturity of three months or less from the date of acquisition are considered to be cash equivalents.

### **Accounts Receivable**

Accounts receivable are recorded at gross amounts with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that the amount of such allowance would not be material to the financial statements.

### **Inventories**

Proprietary fund inventories are generally used for construction and for operation and maintenance work and are not for resale. They are valued at cost based on weighted average, and charged to construction or operations and maintenance expense when used. Governmental fund inventory items are charged to expenditure accounts when purchased.

### **Capital Assets**

Capital assets, which include property, plant and equipment, and infrastructure, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the library column of the fiduciary fund financial statements. Capital assets are defined by the Village as assets with an initial, individual cost of \$1,000 or higher 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. General infrastructure assets acquired or constructed prior to January 1, 2004 are not reported in the financial statements. 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 asset lives are not capitalized.

**VILLAGE OF LENA**  
Notes to Financial Statements  
December 31, 2023

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

Property, plant and equipment of the Village and Library are depreciated using the straight-line method over the following estimated useful lives:

<b>Assets</b>	<b>Years</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Fiduciary Activities</b>
Right-to-Use Assets	10	-	-
Buildings, Improvements, and Utility			
Plant	20 - 50	25 - 100	50
Machinery and Equipment	3 - 10	3 - 10	5 - 20
Infrastructure	30 - 50	-	-

**Leases**

The Village follows GASB Statement No. 87 which requires recognition of certain lease assets and liabilities for leases that previously were classified as operating lease and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. This statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. See Note 9 for additional information.

**Subscription-Based Information Technology Agreements**

The Village adopted GASB Statement No. 96 for the year ended December 31, 2023, which requires recognition in the financial statements of certain subscription-based information technology agreements (SBITAs). A SBITA is any contract conveying control of the right to use another party's information technology software. This statement requires the Village to report a right-to-use subscription asset and corresponding subscription liability for any SBITAs. There were no material SBITAs that were recorded for the year December 31, 2023.

**Compensated Absences**

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements.

Vacation leave is required to be used in the year earned, unless approved to be carried over. Carryovers of unused vacation leave are limited to a maximum of one week.

**Long-Term Obligations**

The accounting treatment of long-term debt depends on whether it is reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term debt consists of state trust fund loans, clean water loans, and a safe drinking water loan.

Long-term debt for governmental funds is not reported as a liability in the governmental fund financial statements. The debt proceeds are reported as an other financing source and payment of principal and interest reported as expenditures. The accounting in proprietary funds is the same in the fund statements as it is in the government-wide statements.

## **Note 1 – Summary of Significant Accounting Policies (Continued)**

### **Interfund Transactions**

Interfund transactions are reflected as either loans, services provided, reimbursements or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation and 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). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as “internal balances.” Advances between funds, as reported in the fund financial statements, are reported as nonspendable in applicable governmental funds to indicate that they are not available for appropriation and are not available financial resources.

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

### **Deferred Outflows/Inflows of Resources**

In addition to assets, the statements of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense) until then. The Village reports two categories of deferred outflows of resources related to the pension plan and cost-sharing OPEB plan on the statements of net position for the government-wide, proprietary, and fiduciary funds.

In addition to liabilities, the statements of net position and balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position or fund balance that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until then. The Village reports four categories of deferred inflows of resources related to taxes levied for subsequent year, the pension plan, cost-sharing OPEB plan and leases receivable on the government-wide statement of net position.

### **Pension and Other Post-Employment Benefits**

**Pensions.** The fiduciary net position of the Wisconsin Retirement System (WRS) has been determined using the flow of economic resources measurement focus and accrual basis of accounting. This includes for purposes of measuring the following:

- Net Pension Liability (Asset)
- Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions
- Pension Expense

Information about the fiduciary net position of the WRS and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by the WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Note 1 – Summary of Significant Accounting Policies (Continued)**

**Other Post-Employment Benefits (OPEB).** The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring following:

- Net OPEB Liability
- Deferred Outflows of Resources and Deferred Inflows of Resources Related to Other Post-Employment Benefits
- OPEB Expense (Revenue)

Information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIF's fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments (including refunds of member contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Claims and Judgments**

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental fund types. If they are not to be liquidated with expendable available financial resources, no liability is recognized in the governmental fund statements. The related expenditure is recognized when the liability is liquidated. Claims and judgments are recorded in the government-wide and proprietary funds statements as expenses when the related liabilities are incurred. There were no significant claims or judgments at year end.

**Equity Classifications**

Government-Wide Statements

Equity is classified as net position and displayed in three components.

- Net investment in capital assets – Amount of capital assets, net of accumulated depreciation, and capital related deferred outflows of resources less outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets and any capital related deferred inflows of resources.
- Restricted component of net position – Consists of resources with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) by law through constitutional provisions or enabling legislation reduced by liabilities related to those assets.
- Unrestricted component of net position – Is the net amount that does not meet the definition of “restricted” or “net investment in capital assets.”

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.



**VILLAGE OF LENA**  
Notes to Financial Statements  
December 31, 2023

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

Fund Financial Statements

Fund balance is classified as either 1) nonspendable, 2) restricted, 3) committed, 4) assigned, or 5) unassigned.

Nonspendable fund balance represents amounts that cannot be spent due to form (such as inventories and prepaid amounts), or amounts that must be maintained intact legally or contractually (such as the principal of a permanent fund).

Restricted fund balance represents amounts constrained for a specific purpose by external parties, constitutional provision or enabling legislation.

Committed fund balance represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority. It would require action by the same group to remove or change the constraints placed on the resources. The action to constrain resources must occur prior to year-end; however, the amount can be determined in the subsequent period. The Village Board is the decision-making authority that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance.

Assigned fund balance in the general fund represents amounts constrained by the Village Board for a specific intended purpose. Intent can be expressed by the Village Board or by its designee. The Board designates the Finance Committee as authorized to assign fund balance to a specific purpose. Assigned fund balance in all other governmental funds represents any positive remaining amount after classifying nonspendable, restricted or committed fund balance.

Unassigned fund balance represents amounts not classified as nonspendable, restricted, committed or assigned. The general fund is the only fund that would report a positive amount in the unassigned fund balance.

The Village, unless otherwise required by law or agreements, spends funds in the following order: restricted first, then committed, then assigned, and lastly unassigned.

The Village has adopted a minimum fund balance policy. The policy establishes a minimum unassigned fund balance of not less than 30% (including 17% for cash flow purposes) of prior year's audited general fund expenditures (less capital and debt service costs) for cash flow purposes, for unanticipated non-reoccurring expenditures or to meet unanticipated revenue decreases or unexpected increases in service delivery costs. In the event the balance drops below the established minimum level, the Village will replenish the deficiency by reducing recurring expenditures to eliminate the deficiency, increase revenues or funding sources, or a combination of those options within the next fiscal year if possible. As it relates to the fiscal year ended December 31, 2023, 30% of the prior year annual expenditures of \$496,111 equals \$148,833, with unassigned fund balance exceeding that amount by \$145,016. This remaining amount can be used to balance the subsequent year's budget or plan for additional improvements and services that can be provided by the Village.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results may differ from these estimates, and such differences may be material.

**VILLAGE OF LENA**  
Notes to Financial Statements  
December 31, 2023

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**Note 2 – Cash and Investments**

The Village is authorized to invest its funds in accordance with Wisconsin Statutes. Allowable investments are as follows:

- Time deposits in any credit union, bank, savings bank or trust company maturity in three years or less.
- 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, local professional baseball park district, local professional football stadium district, local cultural arts district or by the University of Wisconsin Hospitals and Clinics Authority.
- Bonds or securities guaranteed by the federal government.
- The Local Government Pooled Investment Fund and the Wisconsin Investment Trust.
- Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- Securities of an open end management investment company or investment trust, subject to various conditions and investment options.
- Repurchase agreements with public depositories, with certain conditions.

Additional restrictions could arise from local charters, ordinances, resolutions and grant regulations of the Village.

At December 31, 2023, the Village's bank balance of cash was \$2,295,398. The Village maintains its cash accounts at various financial institutions. One of the Village's institutions offers a program whereby it places deposits in other institutions to obtain full FDIC coverage. Custodial credit risk for deposits is the risk that in the event of a bank failure, the Village's deposits may not be returned. The Village has a deposit policy for custodial credit risk, which states that amounts exceeding the limitations guaranteed by the FDIC and the State Deposit Guarantee Fund shall be collateralized with securities held by the pledging of financial institution in the Village's name.

Deposits in each bank are insured by the FDIC up to \$250,000 for the combined amounts of all time and savings accounts (including NOW accounts) and up to \$250,000 for the combined amount of all interest and non-interest-bearing demand deposit accounts.

Any losses caused by failure of public depositories are also covered by the State Deposit Guarantee Fund. The fund provides coverage of \$400,000 in each financial institution above the applicable insurance coverage provided by the FDIC. However, although the fund had reserves available at December 31, 2023, the future availability of resources to cover the losses cannot be projected because provisions of the 1985 Wisconsin Act 25 provided that the amount in the fund will be used to repay public depositors for losses until the appropriation is exhausted, at which time the fund will be abolished; therefore, the State Deposit Guarantee Fund is not considered in covered amounts noted below.

The following represents a summary of deposits as of December 31, 2023:

Fully Insured Deposits	\$ 2,245,303
Uninsured	<u>50,095</u>
Total	<u>\$ 2,295,398</u>

The difference between the bank balance and carrying value is due to outstanding checks and/or deposits in transit at December 31, 2023.

**VILLAGE OF LENA**  
Notes to Financial Statements  
December 31, 2023

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**Note 3 – Restricted Assets**

Restricted assets on December 31, 2023 consisted of cash totaling \$253,517 held for the following:

Sewer Utility Fund	
Equipment Replacement	\$ 135,951
Debt Service	20,113
Water Utility Fund	
Debt Service	97,453
Total Restricted Assets	<u>\$ 253,517</u>

**Note 4 – Property Taxes**

The Village bills and collects its own property taxes and also levies for the Lena School District, Oconto County, and Northeast Wisconsin Technical College.

Property taxes consist of taxes on real estate and personal property. They are levied during December and become an enforceable lien on property the following January 1. Property taxes are payable in various options depending on the type and amount. Personal property taxes are payable on or before January 31 in full. Real estate taxes are payable in full by January 31, or in two equal installments on or before January 31, and July 31. Real estate taxes not paid by July 31 are assumed by the County as part of the August tax settlement. Delinquent personal property taxes remain the collection responsibility of the Village.

As part of Wisconsin Act 32, in 2011 and all future years, a municipality is allowed to increase its levy over the amount it levied in the prior year by the percentage increase in equalized value from net new construction or zero percent. Changes in debt service from one year to the next are generally exempt from this limit.

**Note 5 – Advances and Transfers**

Advances between individual funds of the Village as of December 31, 2023 are detailed below:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	TID #1	\$ 30,000	Working Capital
Sewer Utility	Water Utility	554,074	Working Capital
		<u>\$ 584,074</u>	

Advances to TID #1 will be repaid from future tax increments. There is not currently a repayment schedule for the advance from sewer utility to water utility.

Interfund transfers for the year ended December 31, 2023 as shown in the governmental activities and proprietary funds statements were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Purpose</u>
Sewer Utility	General Fund	\$ 300	Tax Equivalent
Water Utility	General Fund	28,467	Tax Equivalent
		<u>\$ 28,767</u>	

**VILLAGE OF LENA**  
Notes to Financial Statements  
December 31, 2023

**Note 6 – Long-Term Receivable**

The Village has a long-term receivable in relation to the water treatment plant due from Saputo Cheese USA Inc. The total receivable is 70% of the full disbursement amount of the Safe Drinking Water Loan. The balance of the long-term receivable as of December 31, 2023 is \$1,865,995.

**Note 7 – Capital Assets**

Capital asset activity for the year ended December 31, 2023 was as follows:

	<b>Balances 1/1/2023</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balances 12/31/2023</b>
<b>Governmental Activities</b>				
Capital Assets not being Depreciated:				
Land	\$ 225,049	\$ -	\$ -	\$ 225,049
Construction in Progress	121,500	-	121,500	-
Total Capital Assets not being Depreciated	346,549	-	121,500	225,049
Other Capital Assets				
Right-to-Use Asset	150,680	-	-	150,680
Buildings and Improvements	612,370	100,740	-	713,110
Machinery and Equipment	1,625,289	496,355	80,431	2,041,213
Infrastructure	785,662	5,500	-	791,162
Total Capital Assets being Depreciated	3,174,001	602,595	80,431	3,696,165
Less Accumulated Depreciation for:				
Right-to-Use Asset	(60,272)	(15,068)	-	(75,340)
Buildings and Improvements	(419,262)	(14,199)	-	(433,461)
Machinery and Equipment	(1,012,595)	(82,850)	(66,094)	(1,029,351)
Infrastructure	(107,522)	(13,267)	-	(120,789)
Total Accumulated Depreciation	(1,599,651)	(125,384)	(66,094)	(1,658,941)
Total Capital Assets Being Depreciated, Net of Depreciation	1,574,350	477,211	14,337	2,037,224
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 1,920,899</u>	<u>\$ 477,211</u>	<u>\$ 135,837</u>	<u>\$ 2,262,273</u>

**VILLAGE OF LENA**  
Notes to Financial Statements  
December 31, 2023

**Note 7 – Capital Assets (Continued)**

	<b>Balances 1/1/2023</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balances 12/31/2023</b>
<b>Business-Type Activities</b>				
Capital Assets not Being Depreciated:				
Land	\$ 763	\$ -	\$ -	\$ 763
Construction in Progress	61,225	54,726	(61,225)	54,726
Total Capital Assets not being Depreciated	61,988	54,726	(61,225)	55,489
Capital Assets being Depreciated				
Utility Plant	8,960,300	66,138	4,024	9,022,414
Less: Accumulated Depreciation	(3,249,597)	(252,248)	(4,024)	(3,497,821)
Total Capital Assets being Depreciated, Net of Depreciation	5,710,703	(186,110)	-	5,524,593
Business-Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 5,772,691</u>	<u>\$ (131,384)</u>	<u>\$ (61,225)</u>	<u>\$ 5,580,082</u>
	<b>Balances 1/1/2023</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balances 12/31/2023</b>
<b>Custodial Activities</b>				
Capital Assets being Depreciated				
Buildings and Improvements	\$ 173,607	\$ -	\$ -	\$ 173,607
Equipment	64,468	-	-	64,468
Total Capital Assets being Depreciated	238,075	-	-	238,075
Less: Accumulated Depreciation	(108,171)	(7,037)	-	(115,208)
Total Capital Assets being Depreciated, Net of Depreciation	<u>\$ 129,904</u>	<u>\$ (7,037)</u>	<u>\$ -</u>	<u>\$ 122,867</u>

**VILLAGE OF LENA**  
Notes to Financial Statements  
December 31, 2023

**Note 7 – Capital Assets (Continued)**

Depreciation expense was charged to functions of the Village as follows:

Governmental Activities:	
General Government	\$ 4,989
Public Safety	47,614
Public Works	72,660
Culture and Recreation	121
Total Depreciation Expense - Governmental Activities	<u>\$ 125,384</u>
Business-Type Activities:	
Sewer Depreciation Charged to Accumulated Depreciation	\$ 94,530
Plus: Share of Meter Depreciation	<u>1,813</u>
Sewer Depreciation Expense	<u>96,343</u>
Water Depreciation Charged to Accumulated Depreciation	157,718
Less: Share of Meter Depreciation	<u>(1,813)</u>
Water Depreciation Expense	<u>155,905</u>
Total Business-Type Activities Depreciation Expense	<u>\$ 252,248</u>
Custodial Activities:	
Culture and Recreation	<u>\$ 7,037</u>

**Note 8 – Long-Term Debt Obligations**

The following is a summary of changes in long-term obligations of the Village for the year ended December 31, 2023:

	<u>Balances</u> <u>1/1/23</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balances</u> <u>12/31/23</u>	<u>Due Within</u> <u>One Year</u>
<b>Governmental Activities:</b>					
General Obligation Debt					
State Trust Fund Loans	\$ 654,638	\$ 190,000	\$ 38,616	\$ 806,022	\$ 76,581
Vested Compensated Absences	<u>47,212</u>	<u>42,514</u>	<u>47,212</u>	<u>42,514</u>	<u>21,257</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 701,850</u>	<u>\$ 232,514</u>	<u>\$ 85,828</u>	<u>\$ 848,536</u>	<u>\$ 97,838</u>

Total interest paid during the year on long-term debt totaled \$71,998.

**VILLAGE OF LENA**  
Notes to Financial Statements  
December 31, 2023

**Note 8 – Long-Term Debt Obligations (Continued)**

	<b>Balances 1/1/23</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balances 12/31/23</b>	<b>Due Within One Year</b>
<b>Business-Type Activities:</b>					
General Obligation Debt					
State Trust Fund Loans	\$ 45,735	\$ -	\$ 14,509	\$ 31,226	\$ 15,230
Clean Water Loans	84,454	390,971	16,075	459,350	26,170
Safe Drinking Water Loan	1,806,528	458,876	135,263	2,130,141	149,248
Total Business-Type Activities Debt	1,936,717	849,847	165,847	2,620,717	190,648
Vested Compensated Absences	23,322	11,047	23,321	11,048	5,524
Total Business-Type Activities Long-Term Liabilities	<u>\$ 1,960,039</u>	<u>\$ 860,894</u>	<u>\$ 189,168</u>	<u>\$ 2,631,765</u>	<u>\$ 196,172</u>

Total interest paid during the year on long-term debt totaled \$86,631.

	<b>Date of Issuance</b>	<b>Final Maturity</b>	<b>Interest Rates</b>	<b>Original Indebtedness</b>	<b>Balances 12/31/2023</b>
<b>Governmental Activities</b>					
<b>Long-Term Obligations</b>					
2012 State Trust Fund Loan	05/01/12	03/15/32	4.00%	\$ 110,000	\$ 59,886
2016 State Trust Fund Loan	12/28/16	03/15/26	3.00%	81,836	29,913
2020 State Trust Fund Loan	06/15/22	12/15/42	4.75%	550,000	526,223
2023 Fire Truck Loan	12/27/23	12/27/27	5.45%	190,000	190,000
Total Governmental Activities Long-Term Obligations					<u>\$ 806,022</u>
<b>Business-Type Activities</b>					
<b>Long-Term Obligations</b>					
2005 State Trust Fund Loan	10/24/05	03/15/25	5.00%	\$ 79,878	\$ 12,520
2005 State Trust Fund Loan	12/13/05	03/15/25	5.00%	120,122	18,706
2007 Clean Water Fund Loan	05/09/07	05/01/27	2.475%	283,857	68,380
2014 Safe Drinking Water Loan	10/22/14	05/01/34	1.925%	2,678,650	1,671,264
2023 Safe Drinking Water Loan	03/01/23	03/01/52	2.255%	458,876	458,876
2023 Clean Water Fund Loan	03/01/23	03/01/52	2.255%	390,971	390,971
Total Business-Type Activities Long-Term Obligations					<u>\$ 2,620,717</u>

**VILLAGE OF LENA**  
Notes to Financial Statements  
December 31, 2023

**Note 8 – Long-Term Debt Obligations (Continued)**

Debt service requirements to maturity are as follows:

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2024	\$ 76,581	\$ 37,997	\$ 190,648	\$ 52,825	\$ 267,229	\$ 90,822
2025	80,504	34,075	194,950	48,487	275,454	82,562
2026	84,520	30,058	182,564	44,041	267,084	74,099
2027	78,168	25,835	186,246	40,322	264,414	66,157
2028	27,838	22,890	171,837	36,751	199,675	59,641
2029-2033	151,731	93,857	911,303	131,125	1,063,034	224,982
2034-2038	154,494	58,872	304,620	63,469	459,114	122,341
2039-2043	152,186	18,507	154,046	45,427	306,232	63,934
2044-2048	-	-	172,216	27,052	172,216	27,052
2049-2052	-	-	152,287	6,964	152,287	6,964
	<u>\$ 806,022</u>	<u>\$ 322,091</u>	<u>\$ 2,620,717</u>	<u>\$ 496,463</u>	<u>\$ 3,426,739</u>	<u>\$ 818,554</u>

Estimated payments of accumulated employee benefits and other commitments are not included in the above schedule.

The 2023 equalized valuation of the Village as certified by the Wisconsin Department of Revenue is \$45,666,800. The legal debt limit and margin of indebtedness as of December 31, 2023, in accordance with Wisconsin Statutes follows:

Debt Limit (5% of \$45,666,800)	\$ 2,283,340
Deduct Long-Term Debt Applicable to Debt Margin	<u>837,248</u>
Remaining Margin of Indebtedness Available	<u>\$ 1,446,092</u>

**Utility Revenues Pledged**

The Village has pledged future revenue derived from the sewerage system, net of specified operating expenses, to repay the Clean Water Fund Loans. Proceeds from the bonds provided financing for the construction or acquisition of capital assets used within the Utility. The loan is payable from sewerage system net revenues and are payable through 2052. The total principal and interest remaining to be paid on the bonds is \$604,291. Principal and interest paid for the current year and total sewerage system net revenues were \$17,967 and \$147,591, respectively.

The Village has pledged future revenue derived from the water system, net of specified operating expenses, to repay the Safe Drinking Water Loan. Proceeds from the bond provided financing for the construction or acquisition of capital assets used within the Utility. The loan is payable from water system net revenues and are payable through 2052. The total principal and interest remaining to be paid on the bonds is \$2,479,296. Principal and interest paid for the current year and total water system net revenues were \$175,032 and \$185,455, respectively.

The balance of the long-term receivable as of December 31, 2023 was \$1,865,995, which will be used for repayment of the loan.

The Village is in compliance with the Safe Drinking Water Loan debt coverage ratio for December 31, 2023.



**VILLAGE OF LENA**  
Notes to Financial Statements  
December 31, 2023

**Note 9 - Leases**

**Lease Obligations**

GASB Statement No. 87 requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. This statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right-to-use asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The right to use asset was depreciated on a straight-line basis over the expected life of ten years and has a book value of \$75,340 at December 31, 2023. The following is a summary of change in lessee agreements of the Village for the year ended December 31, 2023:

<u>Leases Payable</u>	<u>Beginning Balances</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Plow Truck Lease	<u>\$ 93,489</u>	<u>\$ -</u>	<u>\$ 14,169</u>	<u>\$ 79,320</u>

Remaining amounts to be paid associated with this lease at December 31, 2023 are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 14,706	\$ 3,006	\$ 17,712
2025	15,264	2,449	17,713
2026	15,842	1,870	\$ 17,712
2026	16,442	1,270	\$ 17,712
2027	17,066	647	\$ 17,713
	<u>\$ 79,320</u>	<u>\$ 9,242</u>	<u>\$ 88,562</u>

The Village leases land to various tenants to be utilized as farmland, with a term of 3 years. The Village additionally leases land to a company who put up a cellular tower for the purpose of transmission and reception of communication signals. The cellular tower lease has a term of 5 years. The following is a summary of changes in lessor agreements of the Village for the year ended December 31, 2023.

<u>Leases Receivable</u>	<u>Beginning Balances</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balances</u>
Farmland Lease	\$ 12,437	\$ -	\$ 6,163	\$ 6,274
Cell Tower Lease	44,393	-	14,155	30,238
Total Leases Receivable	<u>\$ 56,830</u>	<u>\$ -</u>	<u>\$ 20,318</u>	<u>\$ 36,512</u>

Remaining amounts to be received associated with these leases at December 31, 2023 are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 21,037	\$ 496	\$ 21,533
2025	15,475	210	15,685
	<u>\$ 36,512</u>	<u>\$ 706</u>	<u>\$ 37,218</u>

**VILLAGE OF LENA**  
Notes to Financial Statements  
December 31, 2023

**Note 10 – Short-Term Obligations**

The Village took out interim financing in order to fund capital projects occurring throughout the year-ended December 31, 2023. Short-term debt activity for the year ended December 31, 2023 was as follows:

	<b>Balances 1/1/23</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balances 12/31/23</b>
Peshtigo National Bank - Interim Financing	\$ 1,066,286	\$ -	\$ 1,066,286	\$ -

The interim financing allowed the Village to borrow a maximum of \$1,300,000 with an effective interest rate of 2.45%.

**Note 11 – Fund Equity**

**Government-Wide Statements**

Net position reported on the government-wide statement of net position at December 31, 2023 includes the following:

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
Net Investment in Capital Assets			
Net Capital Assets	\$ 2,262,273	\$ 5,580,082	\$ 7,842,355
Less: Related Long-Term Obligations Outstanding	885,342	2,620,717	3,506,059
Net Investment in Capital Assets	1,376,931	2,959,365	4,336,296
Restricted for:			
Equipment Replacement	-	135,951	135,951
Sewer Utility Debt Service	-	20,113	20,113
Water Utility Debt Service	-	97,453	97,453
Pension Benefits	30,455	21,604	52,059
Total Restricted	30,455	275,121	305,576
Unrestricted	822,650	2,548,207	3,370,857
Total Government-Wide Net Position	\$ 2,230,036	\$ 5,782,693	\$ 8,012,729

**Note 12 – Defined Benefit Pension Plan**

**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.

**VILLAGE OF LENA**  
Notes to Financial Statements  
December 31, 2023

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**Note 12 – Defined Benefit Pension Plan (Continued)**

ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <https://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 December 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.

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.

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

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2013	(9.6)%	9.0%
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(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

**VILLAGE OF LENA**  
Notes to Financial Statements  
December 31, 2023

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**Note 12 – Defined Benefit Pension Plan (Continued)**

**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, 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.

During the reporting period, the WRS recognized \$20,342 in contributions from the Village and \$3,574 in contributions from the fiduciary fund.

Contribution rates as of December 31, 2023 are:

<b>Employee Category</b>	<b>Employee</b>	<b>Employer</b>
General (including executives and elected officials)	6.80%	6.80%
Protective with Social Security	6.80%	13.20%
Protective without Social Security	6.80%	18.10%

***Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

At December 31, 2023, the Village reported a liability of \$82,332 and the fiduciary fund reported a liability of \$14,467 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021, rolled forward to December 31, 2022. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village's proportion of the net pension liability was based on the Village's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2022, the Village's proportion was 0.00155412%, which was an increase of 0.00003476% from its proportion measured as of December 31, 2021. At December 31, 2022, the fiduciary fund's proportion was 0.00027308%, which was an increase of 0.00006883% from its proportion measured December 31, 2021.

For the year ended December 31, 2023, the Village recognized pension expense of \$41,650 and the fiduciary fund recognized pension expense of \$7,319.

**VILLAGE OF LENA**  
Notes to Financial Statements  
December 31, 2023

**Note 12 – Defined Benefit Pension Plan (Continued)**

At December 31, 2023, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Government-Wide</u>		<u>Fiduciary Fund</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred inflows of Resources</u>
Differences between expected and actual experiences	\$ 131,130	\$ 172,276	\$ 23,041	\$ 30,271
Changes in assumptions	16,189	-	2,845	-
Net differences between projected and actual earnings on pension plan investments	139,864	-	24,576	-
Changes in proportion and differences between employer contributions and proportionate share	86	943	15	166
Employer contributions subsequent to the measurement date	20,341	-	3,575	-
<b>Total</b>	<u>\$ 307,610</u>	<u>\$ 173,219</u>	<u>\$ 54,052</u>	<u>\$ 30,437</u>

The \$20,341 and the \$3,575 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as an adjustment of the net pension liability (asset) in the government-wide financial statements and fiduciary fund, respectively, in the year ending December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>Government-Wide</u>	<u>Fiduciary Fund</u>
Year Ending December 31,	<u>Deferred Outflows (Inflows) of Resources</u>	<u>Deferred Outflows (Inflows) of Resources</u>
2024	\$ 4,523	\$ 795
2025	23,536	4,136
2026	24,162	4,246
2027	61,829	10,863
	<u>\$ 114,050</u>	<u>\$ 20,040</u>

**VILLAGE OF LENA**  
Notes to Financial Statements  
December 31, 2023

**Note 12 – Defined Benefit Pension Plan (Continued)**

**Actuarial Assumptions.** The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2021
Measurement Date of Net Pension Liability (Asset):	December 31, 2022
Experience Study:	January 1, 2018 – December 31, 2020 Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.8%
Discount Rate:	6.8%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table
Post-retirement Adjustments*	1.7%

\*No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience, and other factors. 1.7% is the assumed annual adjustment based on the investment return assumption and the postretirement discount rate.

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The total pension liability for December 31, 2022 is based upon a roll-forward of the liability calculated from the December 31, 2021 actuarial valuation.

**Long-term Expected Return on Plan Assets.** The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

**Asset Allocation Targets and Expected Returns<sup>1</sup>**  
**As of December 31, 2022**

Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return % <sup>2</sup>
Global Equities	48%	7.6%	5.0%
Fixed Income	25	5.3	2.7
Inflation Sensitive Assets	19	3.6	1.1
Real Estate	8	5.2	2.6
Private Equity/Debt	15	9.6	6.9
Total Core Fund <sup>3</sup>	115% *	7.4%	4.8%
<b>Variable Fund Asset Class</b>			
U.S. Equities	70%	7.2%	4.6%
International Equities	30	8.1	5.5
Total Variable Fund	100%	7.7%	5.1%

<sup>1</sup>Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations

<sup>2</sup>New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.5%.

<sup>3</sup>The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. This results in an asset allocation beyond 100%. Currently, an asset allocation target of 15% policy leverage is used, subject to an allowable range of up to 20%.

**VILLAGE OF LENA**  
Notes to Financial Statements  
December 31, 2023

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**Note 12 – Defined Benefit Pension Plan (Continued)**

**Single Discount Rate.** A single discount rate of 6.8% was used to measure the total pension liability for the current and prior year. The discount rate is based on the expected rate of return on pension plan investments of 6.8% and a municipal bond rate of 4.05% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2022. In describing this index, Fidelity notes that the municipal curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the Village's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate.** The following presents the Village's and fiduciary fund's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.80 percent, as well as what the Village's and fiduciary fund's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.80 percent) or 1-percentage-point higher (7.80 percent) than the current rate:

	<b>1% Decrease to Discount Rate (5.80%)</b>	<b>Current Discount Rate (6.80%)</b>	<b>1% Increase to Discount Rate (7.80%)</b>
Village's proportionate share of the net pension liability (asset)	\$ 273,259	\$ 82,332	\$ (49,009)
Fiduciary Fund's proportionate share of the net pension liability (asset)	48,015	14,467	(8,611)

**Pension Plan Fiduciary Net Position.** Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

**Payables to the Pension Plan.** The Village is required to remit the monthly required contribution for both the employee and Village portions by the last day of the following month. The amount due to WRS as of December 31, 2023 is \$4,273 for December payroll.

**VILLAGE OF LENA**  
Notes to Financial Statements  
December 31, 2023

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**Note 13 – Post-Employment Benefits Other Than Pension Benefits – Cost-Sharing Plan**

**General Information About the Other Post-Employment Benefits Plan**

**Plan Description.** The LRLIF is a multiple-employer, defined-benefit OPEB plan. LRLIF benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. The Wisconsin Department of Employee Trust Funds (ETF) and the Group Insurance Board have statutory authority for program administration and oversight. The plan provides post-employment life insurance benefits for all eligible members.

**OPEB Plan Fiduciary Net Position.** ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

Additionally, ETF issued a standalone Retiree Life Insurance Financial Report, which can also be found using the link above.

**Benefits Provided.** The LRLIF plan provides fully paid up life insurance benefits for post-age 64 retired members and pre-65 retirees who pay for their coverage.

**Contributions.** The Group Insurance Board approves contribution rates annually, based on recommendations from the insurance carrier. Recommended rates are based on an annual valuation, taking into consideration an estimate of the present value of future benefits and the present value of future contributions. A portion of employer contributions made during a member's working lifetime funds a post-retirement benefit.

Employers are required to pay the following contributions based on member contributions for active members to provide them with Basic Coverage after age 65. There are no employer contributions required for pre-age 65 annuitant coverage. If a member retires prior to age 65, they must continue paying the member premiums until age 65 in order to be eligible for the benefit after age 65.

Contribution rates as of December 31, 2023 are:

<b>Coverage Type</b>	<b>Employee</b>
50% Post Retirement Coverage	40% of Member Contribution
25% Post Retirement Coverage	20% of Member Contribution

Member contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating members must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The member contribution rates in effect for the year ended December 31, 2022 are as listed below:

**Life Insurance  
Member Contribution Rates \*  
For the Year Ended December 31, 2022**

<b>Attained Age</b>	<b>Basic/Supplemental</b>
Under 30	\$ 0.05
30-34	0.06
35-39	0.07
40-44	0.08
45-49	0.12
50-54	0.22
55-59	0.39
60-64	0.49
65-69	0.57

\* Disabled members under age 70 receive a waiver-of-premium benefit.



**VILLAGE OF LENA**  
Notes to Financial Statements  
December 31, 2023

**Note 13 – Post-Employment Benefits Other Than Pension Benefits – Cost-Sharing Plan (Continued)**

During the reporting period, the LRLIF recognized \$152 in contributions from the Village, and \$27 in contributions from the fiduciary fund.

***OPEB Liabilities, OPEB Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs***

At December 31, 2023, the Village reported a liability of \$43,474 and the fiduciary fund reported a liability of \$7,639 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2022 rolled forward to December 31, 2022. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village's proportion of the net OPEB liability was based on the Village's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2022, the Village's proportion was 0.01141094%, which was a decrease of 0.00043290% from its proportion measured as of December 31, 2021. At December 31, 2022, the fiduciary fund's proportion was 0.00200506%, which was an increase of 0.00041290% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the Village recognized OPEB expense of \$6,403 and the fiduciary fund recognized OPEB expense of \$1,125.

At December 31, 2023, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Government-Wide</b>		<b>Fiduciary Fund</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred inflows of Resources</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred inflows of Resources</b>
Differences between expected and actual experiences	\$ -	\$ 4,255	\$ -	\$ 748
Changes in assumptions	15,620	25,661	2,743	4,509
Net differences between projected and actual earnings on plan investments	816	-	143	-
Changes in proportion and differences between employer contributions and proportionate share	7,618	1,405	1,339	247
<b>Total</b>	<b>\$ 24,054</b>	<b>\$ 31,321</b>	<b>\$ 4,225</b>	<b>\$ 5,504</b>

**VILLAGE OF LENA**  
Notes to Financial Statements  
December 31, 2023

**Note 13 – Post-Employment Benefits Other Than Pension Benefits – Cost-Sharing Plan (Continued)**

The amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense (revenue) as follows:

	<u><b>Government-Wide</b></u>	<u><b>Fiduciary Fund</b></u>
Year Ending December 31,	Deferred Outflows (Inflows) of Resources	Deferred Outflows (Inflows) of Resources
2024	\$ 1,166	\$ 205
2025	181	32
2026	435	77
2027	(1,440)	(253)
2028	(3,674)	(645)
2029	(3,935)	(693)
2030	-	(2)
	<u>\$ (7,267)</u>	<u>\$ (1,279)</u>

**Actuarial Assumptions.** The total OPEB liability in the January 1, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2022
Measurement Date of Net OPEB Liability:	December 31, 2022
Experience Study:	January 1, 2018 - December 31, 2020, Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield*:	3.72%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	3.76%
Salary Increases:	
Wage Inflation	3.00%
Seniority/Merit	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table

\*Based on the Bond Buyers GO index.

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The total OPEB liability for December 31, 2022 is based upon a roll-forward of the liability calculated from the January 1, 2022 actuarial valuation.

**Long-term Expected Return on Plan Assets.** The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Investments for the LRLIF are held with Securian, the insurance carrier. Interest is calculated and credited to the LRLIF based on the rate of return for a segment of the insurance carriers' general fund, specifically 10-year A- Bonds (as a proxy, and not tied to any specific investments). The overall aggregate interest rate is calculated using a tiered approach based on the year the funds were originally invested and the rate of return for that year. Investment interest is credited based on the aggregate rate of return and assets are not adjusted to fair market value. Furthermore, the insurance carrier guarantees the principal amounts of the reserves, including all interest previously credited thereto.

**VILLAGE OF LENA**  
Notes to Financial Statements  
December 31, 2023

**Note 13 – Post-Employment Benefits Other Than Pension Benefits – Cost-Sharing Plan (Continued)**

**Local OPEB Life Insurance  
Asset Allocation Targets and Expected Returns  
As of December 31, 2022**

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return %
U.S. Intermediate Credit Bonds	Bloomberg U.S. Interm Credit	50%	2.45%
U.S. Mortgages	Bloomberg U.S. MBS	50	2.83
Inflation			2.30
Long-Term Expected Rate of Return			4.25

The long-term expected rate of return remained unchanged from the prior year at 4.25%. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The expected inflation rate remained unchanged from the prior year at 2.30%.

**Single Discount Rate.** A single discount rate of 3.76% was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 2.17% for the prior year. The significant change in the discount rate was primarily caused by the increase in the municipal bond rate from 2.06% as of December 31, 2021 to 3.72% as of December 31, 2022. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive members. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

The projection of cash flows used to determine the single discount rate assumed that employer contributions will be made according to the current employer contribution schedule and that contributions are made by plan members retiring prior to age 65.

**Sensitivity of the Village's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate.** The following presents the Village's proportionate share of the net OPEB liability calculated using the discount rate of 3.76 percent, as well as what the Village's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.76 percent) or 1-percentage-point higher (4.76 percent) than the current rate:

	1% Decrease (2.76%)	Discount Rate (3.76%)	1% Increase (4.76%)
Village's proportionate share of the net OPEB liability	\$ 59,272	\$ 43,474	\$ 31,366
Fiduciary Funds' proportionate share of the net OPEB liability	10,415	7,639	5,512

**Payables to the OPEB Plan.** The Village is required to remit the monthly required contribution for both the employee and Village portions by the last day of the following month. There was no amount due to WRS for Life Insurance Benefits as of December 31, 2023.

**VILLAGE OF LENA**  
Notes to Financial Statements  
December 31, 2023

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**Note 14 – Risk Management**

The Village is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employee health claims; unemployment compensation claims; and environmental damage for which the Village purchases commercial insurance. There has been no reduction in insurance coverage from the prior year. Insurance settlements for claims resulting from the risks covered by commercial insurance have not exceeded the insurance coverage in the past three years.

**Note 15 – Commitments and Contingencies**

From time to time the Village is involved in legal actions and claims, most of which normally occur in governmental operations. In the opinion of Village management, these issues, and any other proceedings known to exist at December 31, 2023, are not likely to have a material adverse impact on the Village's financial position.

Funding for the operating budget of the Village comes from many sources, including property taxes, grants and aids from other units of government, user fees, fines and permits, and other miscellaneous revenues. The State of Wisconsin provides a variety of aid and grant programs which benefit the Village. Those aid and grant programs are dependent on continued approval and funding by the Wisconsin governor and legislature through their budget processes. Any changes made by the State to funding or eligibility of local aid programs could have a significant impact on the future operating results of the Village.

The Village has a water tower maintenance agreement for January 1, 2015 through January 1, 2028. The balance of the agreement is approximately \$189,000.

The Village's sewer utility committed to a 2024 project of \$2,447,516.

**Note 16 – Major Customer**

Saputo Cheese USA accounted for approximately \$206,000 of the water and sewer utility revenues during 2023.

**Note 17 – Restatement of Fund Balance**

As of December 31, 2022, water fund accounts receivable for fire protection and a receivable for unbilled revenue were not recorded, but should have been. As a result, the accounts receivable account was restated for the fiscal year ended December 31, 2022. A summary of the details of the restatement is below.

	<u>Water Fund</u>
Fund Balance - As of December 31, 2022	\$ 3,027,427
Restatement of Accounts Receivable	<u>27,652</u>
Fund Balance - As Restated December 31, 2022	<u>\$ 3,055,079</u>
	<u>Sewer Fund</u>
Fund Balance - As of December 31, 2022	\$ 2,665,329
Restatement of Accounts Receivable	<u>11,261</u>
Fund Balance - As Restated December 31, 2022	<u>\$ 2,676,590</u>
	<u>Business-Type Activities</u>
Net Position - As of December 31, 2022	\$ 5,692,756
Restatement of Accounts Receivable	<u>38,913</u>
Net Position - As Restated December 31, 2022	<u>\$ 5,731,669</u>

## **REQUIRED SUPPLEMENTARY INFORMATION**

**VILLAGE OF LENA**  
Schedule of Employer's Proportionate Share of the Net Pension Liability (Asset)  
Wisconsin Retirement System  
For the Year Ended December 31, 2023

WRS Fiscal Year End Date (Measurement Date)	Village's Proportion of the Net Pension Asset/Liability	Village's Proportionate Share of the Net Pension (Asset)/Liability	Village's Covered Payroll	Village's Proportionate Share of the Net Pension (Asset)/Liability as a percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
<b><u>Village Proportion</u></b>					
12/31/2022	0.00155412%	\$ 82,332	\$ 280,347	29.37%	95.72%
12/31/2021	0.00151936%	(122,469)	221,270	55.35%	106.02%
12/31/2020	0.00146378%	(91,385)	207,190	44.11%	105.26%
12/31/2019	0.00143311%	(44,429)	205,958	21.57%	102.96%
12/31/2018	0.00141601%	50,642	197,980	25.58%	96.45%
12/31/2017	0.00139357%	(41,376)	186,300	22.21%	102.93%
12/31/2016	0.00135777%	11,191	185,487	6.03%	99.12%
12/31/2015	0.00131267%	21,331	181,801	11.73%	98.20%
12/31/2014	0.00128485%	(31,559)	167,098	18.89%	102.74%
<b><u>Fiduciary Fund Proportion</u></b>					
12/31/2022	0.00027308%	\$ 14,467	\$ 37,687	38.39%	95.72%
12/31/2021	0.00020425%	(16,458)	38,071	43.23%	106.02%
12/31/2020	0.00025185%	(15,724)	39,178	40.13%	105.26%
12/31/2019	0.00027095%	(10,517)	38,938	27.01%	102.96%
12/31/2018	0.00026771%	9,259	37,430	24.74%	96.45%
12/31/2017	0.00026347%	(7,823)	35,222	22.21%	102.93%
12/31/2016	0.00025670%	2,116	35,068	6.03%	99.12%
12/31/2015	0.00024818%	4,033	34,372	11.73%	98.20%
12/31/2014	0.00024291%	(5,967)	31,592	18.89%	102.74%

Schedule of Employer Contributions  
Wisconsin Retirement System  
For the Year Ended December 31, 2023

Village Year End Date	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
<b><u>Village Proportion</u></b>					
12/31/2023	\$ 20,342	\$ 20,342	\$ -	\$ 247,673	8.21%
12/31/2022	20,992	20,992	-	280,347	7.49%
12/31/2021	17,303	17,303	-	221,270	7.82%
12/31/2020	15,573	15,573	-	207,190	7.52%
12/31/2019	15,167	15,167	-	205,958	7.36%
12/31/2018	14,912	14,912	-	197,980	7.53%
12/31/2017	14,183	14,183	-	186,300	7.61%
12/31/2016	13,300	13,300	-	185,487	7.17%
12/31/2015	13,348	13,348	-	181,801	7.34%
<b><u>Fiduciary Fund Proportion</u></b>					
12/31/2023	\$ 3,574	\$ 3,574	\$ -	\$ 43,520	8.21%
12/31/2022	2,822	2,822	-	37,687	7.49%
12/31/2021	2,977	2,977	-	38,071	7.82%
12/31/2020	3,686	3,686	-	39,178	9.41%
12/31/2019	2,868	2,868	-	38,938	7.36%
12/31/2018	2,819	2,819	-	37,430	7.53%
12/31/2017	2,682	2,682	-	35,222	7.61%
12/31/2016	2,514	2,514	-	35,068	7.17%
12/31/2015	2,524	2,524	-	34,372	7.34%

# VILLAGE OF LENA

## Schedule of Employer's Proportionate Share of the Net OPEB Liability Other Post-Employment Benefits - Cost-Sharing Plan

OPEB Fiscal Year End Date (Measurement Date)	Village's Proportion of the Net OPEB Liability	Village's Proportionate Share of the Net OPEB Liability	Village's Covered Payroll	Village's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
<b><u>Village Proportion</u></b>					
12/31/2022	0.01141094%	\$ 43,474	\$ 142,803	30.44%	38.81%
12/31/2021	0.01184383%	70,003	221,270	31.64%	29.57%
12/31/2020	0.01048412%	57,670	199,213	28.95%	31.36%
12/31/2019	0.00881442%	36,522	149,591	24.41%	37.58%
12/31/2018	0.00925651%	24,299	147,087	16.52%	48.69%
12/31/2017	0.01015067%	30,539	117,579	25.97%	44.81%
<b><u>Fiduciary Fund Proportion</u></b>					
12/31/2022	0.00200506%	\$ 7,639	\$ 19,197	39.79%	38.81%
12/31/2021	0.00159217%	9,408	38,071	24.71%	29.57%
12/31/2020	0.00180388%	9,923	47,155	21.04%	31.36%
12/31/2019	0.00179258%	8,645	35,409	24.41%	37.58%
12/31/2018	0.00188249%	4,443	29,913	14.85%	48.69%
12/31/2017	0.00206434%	6,211	23,912	25.97%	44.81%

## Schedule of Employer Contributions Other Post-Employment Benefits - Cost-Sharing Plan

Village Year End Date	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
<b><u>Village Proportion</u></b>					
12/31/2023	\$ 152	\$ 152	\$ -	\$ 143,742	0.11%
12/31/2022	229	229	-	142,803	0.16%
12/31/2021	232	232	-	221,270	0.10%
12/31/2020	201	201	-	199,213	0.10%
12/31/2019	911	911	-	149,591	0.61%
12/31/2018	897	897	-	147,087	0.61%
<b><u>Fiduciary Fund Proportion</u></b>					
12/31/2023	\$ 27	\$ 27	\$ -	\$ 25,258	0.11%
12/31/2022	31	31	-	19,197	0.16%
12/31/2020	40	40	-	38,071	0.10%
12/31/2020	47	47	-	47,155	0.10%
12/31/2019	183	183	-	35,409	0.52%
12/31/2018	183	183	-	29,913	0.61%

\*Ten years of data will be accumulated beginning with 2018.

**VILLAGE OF LENA**  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
General Fund  
For the Year Ended December 31, 2023

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Taxes	\$ 300,973	\$ 272,206	\$ (28,767)
Intergovernmental	213,069	252,235	39,166
Licenses and Permits	4,200	4,195	(5)
Fines and Forfeits	28,100	35,454	7,354
Public Charges for Services	24,743	23,588	(1,155)
Miscellaneous	21,130	60,399	39,269
<b>Total Revenues</b>	<u>592,215</u>	<u>658,711</u>	<u>66,496</u>
<b>EXPENDITURES</b>			
General Government	146,530	161,113	(14,583)
Public Safety	144,330	143,787	543
Public Works	163,245	176,950	(13,705)
Culture and Recreation	27,000	34,787	(7,787)
Conservation and Development	9,500	8,903	597
Capital Outlay	38,250	64,621	(26,371)
Debt Service	79,019	79,016	3
<b>Total Expenditures</b>	<u>607,874</u>	<u>669,177</u>	<u>(61,303)</u>
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	(15,659)	(10,466)	5,193
<b>OTHER FINANCING SOURCES</b>			
Proceeds from Sale of Assets	-	1,050	1,050
Transfers In	-	28,767	28,767
<b>Total Other Financing Sources</b>	<u>-</u>	<u>29,817</u>	<u>29,817</u>
<b>NET CHANGE IN FUND BALANCE</b>	(15,659)	19,351	35,010
<b>FUND BALANCE - BEGINNING</b>	<u>705,591</u>	<u>705,591</u>	<u>-</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 689,932</u>	<u>\$ 724,942</u>	<u>\$ 35,010</u>



**VILLAGE OF LENA**  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
Fire Department Fund  
For the Year Ended December 31, 2023

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>REVENUES</b>			
Intergovernmental Revenues	\$ 62,025	\$ 55,248	\$ (6,777)
Charges for Service	18,000	4,494	(13,506)
Investment Income	400	5,221	4,821
Miscellaneous	73,800	169,533	95,733
<b>Total Revenues</b>	<u>154,225</u>	<u>234,496</u>	<u>80,271</u>
<b>EXPENDITURES</b>			
Public Safety:			
Employee Benefits	4,850	4,353	497
Man Hours Expense	15,000	4,837	10,163
Training Expense	9,500	6,099	3,401
Utilities	6,075	13,783	(7,708)
Insurance	6,500	8,243	(1,743)
Vehicle and Equipment Repairs	10,000	19,049	(9,049)
Fuel Expense	2,000	1,897	103
Miscellaneous	25,000	44,129	(19,129)
Capital Outlay	75,300	361,527	(286,227)
<b>Total Expenditures</b>	<u>154,225</u>	<u>463,917</u>	<u>(309,692)</u>
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	-	(229,421)	(229,421)
<b>OTHER FINANCING SOURCES</b>			
Proceeds from Long-Term Debt	-	190,000	190,000
<b>NET CHANGE IN FUND BALANCE</b>	-	(39,421)	(39,421)
<b>FUND BALANCE - BEGINNING</b>	<u>208,999</u>	<u>208,999</u>	<u>-</u>
<b>FUND BALANCE - ENDING</b>	<u><u>\$ 208,999</u></u>	<u><u>\$ 169,578</u></u>	<u><u>\$ (39,421)</u></u>

**VILLAGE OF LENA**  
Notes to Required Supplementary Information  
December 31, 2023

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**Budgetary Process**

The Village follows these procedures in establishing the budgetary data:

- During October, Village management submits to the Village Board a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. After submission to the governing body, public hearings are held to obtain taxpayer comments. Following the public hearings, the proposed budget, including authorized additions and deletions, is legally enacted by Village Board action.
- Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the general and the fire department special revenue fund. Budget is defined as the originally approved budget plus or minus approved amendments. There were no amendments during the year. Budget appropriations not expended during the year are closed to fund balance unless authorized by the governing body to be forwarded into the succeeding year's budget.
- During the year, formal budgetary integration is employed as a management control device for the general fund and special revenue funds.
- Expenditures may not exceed appropriations provided in detailed budget accounts maintained for each activity or department of the Village. Amendments to the budget during the year require initial approval by management and are subsequently authorized by the Village Board.

The Village created a special revenue fund in 2023 for state grants that must be used for specific expenditures. The Village did not include the special revenue fund in the budgetary process and therefore no budget was prepared or will be presented for the major special revenue fund in the December 31, 2023 financial statements.

**Excess of Actual Expenditures Over Budget in Individual Funds**

The following functions had an excess of actual expenditures over budget for the year ended December 31, 2023:

General Fund	
General Government	\$ 14,583
Public Works	13,705
Culture and Recreation	7,787
Capital Outlay	26,371
Fire Department Fund	
Public Safety:	
Utilities	\$ 7,708
Insurance	1,743
Vehicle and Equipment Repairs	9,049
Miscellaneous	19,129
Capital Outlay	286,227

### **Defined Benefit Pension Plan**

*Changes of benefit terms.* There were no changes of benefit terms for any participating employer in WRS.

*Changes of assumptions.*

Based on a three-year experience study conducted in 2021 covering January 1, 2018 through December 31, 2020, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-end December 31, 2021, including the following:

- Lowering the long-term expected rate of return from 7.0% to 6.8%
- Lowering the discount rate from 7.0% to 6.8%
- Lowering the price inflation rate from 2.5% to 2.4%
- Lowering the post-retirement adjustments from 1.9% to 1.7%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table.

### **Post-Employment Benefits Other Than Pension Benefits - Cost-Sharing Plan**

*Changes of benefit terms.* There were no recent changes in benefit terms.

*Changes of assumptions.* In addition to the rate changes detailed in the tables above, the State of Wisconsin Employee Trust Fund Board adopted economic and demographic assumption changes based on a three year experience study performed for the Wisconsin Retirement System. These assumptions are used in the actuarial valuations of OPEB liabilities (assets) for the retiree life insurance programs and are summarized below.

The assumption changes that were used to measure the December 31, 2021 total OPEB liabilities, including the following:

- Lowering the price inflation rate from 2.5% to 2.4%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table.

## OTHER INFORMATION

**VILLAGE OF LENA**  
Schedule of Operating Revenues and Expenses  
Water and Sewer Utility  
For the Year Ended December 31, 2023

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
<b>OPERATING REVENUES</b>			
Metered Sales:			
Residential	\$ 47,302	\$ 169,220	\$ 216,522
Commercial	8,071	32,846	40,917
Industrial	165,248	27,314	192,562
Public Authorities	7,182	22,779	29,961
<b>Total Metered Sales</b>	<u>227,803</u>	<u>252,159</u>	<u>479,962</u>
Public Fire Protection	69,565	-	69,565
<b>Total Sales of Water</b>	<u>297,368</u>	<u>252,159</u>	<u>549,527</u>
Other Operating Revenues:			
Customer Forfeited Discounts	376	188	564
Miscellaneous Operating Revenue	1,708	139,420	141,128
<b>Total Operating Revenue</b>	<u>299,452</u>	<u>391,767</u>	<u>691,219</u>
<b>OPERATING EXPENSES</b>			
Operation and Maintenance:			
Operation Labor	77,934	54,125	132,059
Power Purchased for Pumping	33,793	27,438	61,231
Chemicals	25,915	-	25,915
Maintenance and Repairs	11,515	11,309	22,824
Operating Supplies	6,568	9,180	15,748
Operating Transportation Expenses	1,116	6,423	7,539
<b>Total Operation and Maintenance</b>	<u>156,841</u>	<u>108,475</u>	<u>265,316</u>
Administrative and General:			
Salaries	13,474	13,310	26,784
Office Supplies	4,439	2,194	6,633
Outside Services Employed	25,063	91,591	116,654
Utilities	13,090	4,687	10,606
Property Insurance	5,919	3,245	4,783
Miscellaneous	1,538	20,393	83,916
<b>Total Administrative and General Expenses</b>	<u>63,523</u>	<u>135,420</u>	<u>249,376</u>
Other Operating Expenses:			
Depreciation	155,905	96,343	252,248
<b>Total Other Operating Expenses</b>	<u>155,905</u>	<u>96,343</u>	<u>252,248</u>
<b>Total Operating Expenses</b>	<u>376,269</u>	<u>340,238</u>	<u>716,507</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(76,817)</u>	<u>51,529</u>	<u>(25,288)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Interest Income	19,539	16,609	36,148
Interest Expense	(70,652)	(16,777)	(87,429)
<b>Total Non-Operating Revenues (Expenses)</b>	<u>(51,113)</u>	<u>(168)</u>	<u>(51,281)</u>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	(127,930)	51,361	(76,569)
<b>CAPITAL CONTRIBUTIONS</b>	156,360	-	156,360
<b>TRANSFERS OUT</b>	(28,467)	(300)	(28,767)
<b>CHANGE IN NET POSITION</b>	<u>\$ (37)</u>	<u>\$ 51,061</u>	<u>\$ 51,024</u>

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