VILLAGE OF LENA, WISCONSIN

Annual Financial Report

December 31, 2025

KerberRose

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VILLAGE OF LENA

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SUPPLEMENTARY INFORMATION

INDEPENDENT AUDITORS' REPORT

KerberRose

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, 2025, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

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, 2025, 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 System, 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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Lena, Wisconsin's basic financial statements. The combining balance sheet - nonmajor governmental funds and combining statement of revenues, expenditures and changes in fund balances (deficits) - nonmajor governmental funds, and the schedule of operating revenues and expenses - water and sewer utility are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining balance sheet - nonmajor governmental funds and combining statement of revenues, expenditures and changes in fund deficits - nonmajor governmental funds, and the schedule of operating revenues and expenses - water and sewer utility, are fairly stated in all material respects in relation to the financial statements as a whole.

KerberRose SC

KerberRose SC
Certified Public Accountants
Green Bay, Wisconsin
March 12, 2026

FINANCIAL STATEMENTS

VILLAGE OF LENA
Statement of Net Position
As of December 31, 2025

	Governmental Activities	Business - Type Activities	Total
ASSETS			
Current Assets			
Cash and Investments	$ 939,063	$ 826,058	$ 1,765,121
Receivables:			
Taxes	178,898	-	178,898
Customer Accounts Receivable	60,648	232,741	293,389
Current Portion of Long-Term Receivable	10,000	31,617	41,617
Current Portion of Lease Receivable	20,645	-	20,645
Special Assessments	3,719	5,486	9,205
Inventories	-	5,148	5,148
Total Current Assets	1,212,973	1,101,050	2,314,023
Noncurrent Assets			
Long-Term Receivable	-	1,533,409	1,533,409
Lease Receivable	591,060	-	591,060
Restricted Cash	-	366,469	366,469
Capital Assets:			
Capital Assets Not Being Depreciated	225,049	733,495	958,544
Other Capital Assets, Net of Depreciation	2,125,930	5,147,918	7,273,848
Total Noncurrent Assets	2,942,039	7,781,291	10,723,330
TOTAL ASSETS	4,155,012	8,882,341	13,037,353
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows of Resources Related to Pension	108,194	39,608	147,802
Deferred Outflows of Resources Related to Other Post-Employment Benefits	4,449	1,629	6,078
Total Deferred Outflows of Resources	112,643	41,237	153,880
LIABILITIES			
Current Liabilities			
Accounts Payable	22,122	181,317	203,439
Accrued Liabilities	19,544	6,158	25,702
Accrued Interest Payable	20,407	21,824	42,231
Current Portion of Compensated Absences	22,956	8,225	31,181
Current Portion of Lease Obligations	15,842	-	15,842
Current Portion of Long-Term Obligations	84,520	165,265	249,785
Total Current Liabilities	185,391	382,789	568,180
Noncurrent Liabilities			
Net WRS Liability	18,587	6,804	25,391
Net OPEB Liability	8,739	3,199	11,938
Noncurrent Portion of Compensated Absences	22,956	8,225	31,181
Noncurrent Portion of Lease Obligations	33,508	-	33,508
Noncurrent Portion of Long-Term Obligations	564,418	2,471,525	3,035,943
Total Noncurrent Liabilities	648,208	2,489,753	3,137,961
TOTAL LIABILITIES	833,599	2,872,542	3,706,141
DEFERRED INFLOWS OF RESOURCES			
Taxes Levied for Subsequent Year	294,675	-	294,675
Deferred Inflows Related to Leases	611,705	-	611,705
Deferred Inflows of Resources Related to Pension	55,549	20,336	75,885
Deferred Inflows of Resources Related to Other Post-Employment Benefits	29,855	10,929	40,784
Total Deferred Inflows of Resources	991,784	31,265	1,023,049
NET POSITION			
Net Investment in Capital Assets	1,652,691	3,244,623	4,897,314
Restricted	34,058	378,937	412,995
Unrestricted	755,523	2,396,211	3,151,734
TOTAL NET POSITION	$ 2,442,272	$ 6,019,771	$ 8,462,043

See Accompanying Notes

VILLAGE OF LENA
Statement of Activities
For the Year Ended December 31, 2025

		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
FUNCTIONS/PROGRAMS							
Governmental Activities:							
General Government	$ 175,324	$ 28,643	$ 3,000	$ -	$ (143,681)	$ -	$ (143,681)
Public Safety	387,669	97,404	72,725	-	(217,540)	-	(217,540)
Public Works	483,930	116,864	44,918	-	(322,148)	-	(322,148)
Culture and Recreation	52,358	510	73,959	-	22,111	-	22,111
Conservation and Development	12,617	-	-	-	(12,617)	-	(12,617)
Interest and Fiscal Charges	28,229	-	-	-	(28,229)	-	(28,229)
Total Governmental Activities	1,140,127	243,421	194,602	-	(702,104)	-	(702,104)
BUSINESS-TYPE ACTIVITIES							
Water	416,645	342,008	-	-	-	(74,637)	(74,637)
Sewer	322,930	284,447	-	291,704	-	253,221	253,221
Total Business-Type Activities	739,575	626,455	-	291,704	-	178,584	178,584
TOTAL	$ 1,879,702	$ 869,876	$ 194,602	$ 291,704	(702,104)	178,584	(523,520)

	Governmental Activities	Business-Type Activities	Total
GENERAL REVENUES			
Taxes:			
Property Taxes, Levied for General Purposes	279,547	-	279,547
Intergovernmental Revenues not Restricted to Specific Programs	233,164	-	233,164
Investment Income	37,193	45,637	82,830
Miscellaneous	69,112	-	69,112
Total General Revenues	619,016	45,637	664,653
TRANSFERS	28,767	(28,767)	-
CHANGE IN NET POSITION	(54,321)	195,454	141,133
NET POSITION - BEGINNING OF YEAR	2,496,593	5,824,317	8,320,910
NET POSITION - END OF YEAR	$ 2,442,272	$ 6,019,771	$ 8,462,043

See Accompanying Notes

VILLAGE OF LENA
Balance Sheet
Governmental Funds
As of December 31, 2025

	General	Fire Department	Nonmajor Governmental Funds	Total
ASSETS				
Cash and Investments	$ 845,166	$ 81,596	$ 12,301	$ 939,063
Receivables:				
Taxes	154,254	-	24,644	178,898
Loans	10,000	-	-	10,000
Accounts	10,000	50,648	-	60,648
Special Assessments	3,719	-	-	3,719
Lease Receivable	611,705	-	-	611,705
Due from Other Fund	27,500	-	-	27,500
TOTAL ASSETS	$ 1,662,344	$ 132,244	$ 36,945	$ 1,831,533
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES (DEFICIT)				
Liabilities:				
Accounts Payable	$ 21,571	$ 551	$ -	$ 22,122
Due to Other Fund	-	-	27,500	27,500
Accrued Liabilities	19,544	-	-	19,544
Total Liabilities	41,115	551	27,500	69,166
Deferred Inflows of Resources:				
Taxes Levied for Subsequent Year	270,031	-	24,644	294,675
Deferred Lease Receivable	611,705	-	-	611,705
Deferred Special Assessment	2,694	-	-	2,694
Total Deferred Inflows of Resources	884,430	-	24,644	909,074
Fund Balances (Deficit):				
Committed:				
Fire Suppression	-	131,693	-	131,693
Assigned:				
Equipment Fund	111,741	-	-	111,741
Ditch Maintenance	23,802	-	-	23,802
Building Fund	32,381	-	-	32,381
Sidewalks/Curb & Gutter	25,780	-	-	25,780
Police Equipment Fund	26,507	-	-	26,507
Rosera Business	5,146	-	-	5,146
Street Maintenance	271,008	-	-	271,008
Parks & Rec	3,314	-	-	3,314
Promotions	9,178	-	-	9,178
National Night Out	4,443	-	-	4,443
Unassigned (Deficit)	223,499	-	(15,199)	208,300
Total Fund Balances (Deficit)	736,799	131,693	(15,199)	853,293
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICIT)	$ 1,662,344	$ 132,244	$ 36,945	$ 1,831,533

See Accompanying Notes

VILLAGE OF LENA

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
As of December 31, 2025

Total Fund Balances (Deficit) - Governmental Funds		$ 853,293
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 (deficit) because:		
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	$ 4,145,609	
Governmental Accumulated Depreciation	(1,794,630)	2,350,979
Other long-term assets are not available to pay current period expenditures and therefore are deferred in the fund statements.		
Special Assessments		2,694
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		(18,587)
Deferred Outflows of Resources Related to Pension		108,194
Deferred Inflows of Resources Related to Pension		(55,549)
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		(8,739)
Deferred Outflows of Resources Related to Other Post-Employment Benefits		4,449
Deferred Inflows of Resources Related to Other Post-Employment Benefits		(29,855)
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	(648,938)	
Lease Obligations	(49,350)	
Accrued Interest on General Obligation Debt	(20,407)	
Vested Employee Benefits	(45,912)	(764,607)
Total Net Position - Governmental Activities		$ 2,442,272

VILLAGE OF LENA
Statement of Revenues, Expenditures, and Change in Fund Balances (Deficit)
Governmental Funds
For the Year Ended December 31, 2025

	General	Fire Department	Nonmajor Governmental Funds	Total
REVENUES				
Taxes	$ 265,964	$ -	$ 13,583	$ 279,547
Special Assessments	91,224	-	-	91,224
Intergovernmental	279,362	63,387	-	342,749
Licenses and Permits	3,514	-	-	3,514
Fines and Forfeits	30,021	-	-	30,021
Public Charges for Services	24,085	9,516	-	33,601
Miscellaneous	120,437	131,613	380	252,430
Total Revenues	814,607	204,516	13,963	1,033,086
EXPENDITURES				
Current:				
General Government	207,361	-	10,300	217,661
Public Safety	156,917	156,762	-	313,679
Public Works	181,160	-	-	181,160
Culture and Recreation	90,760	-	-	90,760
Conservation and Development	11,597	-	-	11,597
Capital Outlay	130,314	15,246	-	145,560
Debt Service:				
Principal Retirement	49,633	46,134	-	95,767
Interest and Fiscal Charges	29,384	7,140	-	36,524
Total Expenditures	857,126	225,282	10,300	1,092,708
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(42,519)	(20,766)	3,663	(59,622)
OTHER FINANCING SOURCES				
Transfers In	28,767	-	-	28,767
NET CHANGE IN FUND BALANCES (DEFICIT)	(13,752)	(20,766)	3,663	(30,855)
FUND BALANCES (DEFICIT) - BEGINNING	750,551	152,459	(18,862)	884,148
FUND BALANCES (DEFICIT) - ENDING	$ 736,799	$ 131,693	$ (15,199)	$ 853,293

See Accompanying Notes

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, 2025

Net Change in Fund Balances (Deficit) - Total Governmental Funds		$ (30,855)
Amounts reported for governmental activities in the statement of activities are different because:		
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	$ 97,424	
Depreciation expense reported in the statement of activities	(135,614)	
Amount by which depreciation is more than capital outlay in the current period.		(38,190)
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	(158,198)	
The amount of depreciation recaptured for the year	85,957	
Amount by which capital asset cost exceeded accumulated depreciation		(72,241)
Amounts related to the pension plan that affect the statement of activities but do not affect the fund financial statements.		(7,670)
Amounts related to the other post-employment benefit plan that affect the statement of activities but do not affect the fund financial statements.		3,003
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.		
Amounts paid are less than amounts earned by		(7,984)
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		80,503
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:		15,264
Special assessment income recorded in the current year government-wide statements but recorded as deferred revenue in the fund statements		
Special Assessments		2,694
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	36,524	
The amount of interest accrued during the current period	(35,369)	
Interest paid is more than interest accrued by		1,155
Change in Net Position - Governmental Activities		$ (54,321)

See Accompanying Notes

VILLAGE OF LENA
Statement of Net Position
Proprietary Funds
As of December 31, 2025

	Water Utility	Sewer Utility	Total
CURRENT ASSETS			
Cash	$ 485,795	$ 340,263	$ 826,058
Receivables:			
Customer Accounts Receivable	94,867	137,874	232,741
Current Portion of Long-Term Receivable	31,617	-	31,617
Special Assessments	752	4,734	5,486
Inventories	4,518	630	5,148
Total Current Assets	617,549	483,501	1,101,050
NON-CURRENT ASSETS			
Restricted Cash	194,297	172,172	366,469
Long-Term Receivable	1,533,409	-	1,533,409
Advance from Other Fund	-	535,573	535,573
Capital Assets			
Land	464	299	763
Construction in Progress	-	732,732	732,732
Plant in Service	5,018,028	4,114,272	9,132,300
Accumulated Depreciation	(1,972,030)	(2,012,352)	(3,984,382)
Total Non-Current Assets	4,774,168	3,542,696	8,316,864
TOTAL ASSETS	5,391,717	4,026,197	9,417,914
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows of Resources Related to Pension	27,743	11,865	39,608
Deferred Outflows of Resources Related to Other Post-Employment Benefits	1,141	488	1,629
Total Deferred Outflows of Resources	28,884	12,353	41,237
CURRENT LIABILITIES			
Accounts Payable	20,591	160,726	181,317
Accrued Payroll Expense	3,079	3,079	6,158
Accrued Interest	18,361	3,463	21,824
Current Portion of Long-Term Obligations	155,126	10,139	165,265
Current Portion of Compensated Absences	6,034	2,191	8,225
Total Current Liabilities	203,191	179,598	382,789
NON-CURRENT LIABILITIES			
Pension Liability	4,766	2,038	6,804
Other Post-Employment Benefits	2,241	958	3,199
Advance to Other Fund	535,573	-	535,573
Noncurrent Portion of Long-Term Obligations	1,673,608	797,917	2,471,525
Noncurrent Portion of Compensated Absences	6,034	2,191	8,225
Total Non-Current Liabilities	2,222,222	803,104	3,025,326
TOTAL LIABILITIES	2,425,413	982,702	3,408,115
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows of Resources Related to Pension	14,244	6,092	20,336
Deferred Inflows of Resources Related to Other Post-Employment Benefits	7,655	3,274	10,929
Total Deferred Inflows of Resources	21,899	9,366	31,265
NET POSITION			
Net Investment in Capital Assets	1,217,728	2,026,895	3,244,623
Restricted for:			
Equipment Replacement	-	150,062	150,062
Debt Service	194,297	22,110	216,407
Pension Benefits	8,733	3,735	12,468
Unrestricted	1,552,531	843,680	2,396,211
TOTAL NET POSITION	$ 2,973,289	$ 3,046,482	$ 6,019,771

See Accompanying Notes

VILLAGE OF LENA
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2025

	Water Utility	Sewer Utility	Total
OPERATING REVENUES	$ 342,008	$ 284,447	$ 626,455
OPERATING EXPENSES			
Operation and Maintenance	167,115	115,005	282,120
Administration and General	55,360	92,720	148,080
Depreciation	157,908	97,602	255,510
Total Operating Expenses	380,383	305,327	685,710
OPERATING LOSS	(38,375)	(20,880)	(59,255)
NON-OPERATING REVENUES (EXPENSES)			
Investment Income	27,035	18,602	45,637
Interest Expense	(36,262)	(17,603)	(53,865)
Total Non-Operating Revenues (Expenses)	(9,227)	999	(8,228)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFER	(47,602)	(19,881)	(67,483)
CAPITAL CONTRIBUTIONS	-	291,704	291,704
TRANSFER OUT	(28,467)	(300)	(28,767)
CHANGE IN NET POSITION	(76,069)	271,523	195,454
NET POSITION - BEGINNING	3,049,358	2,774,959	5,824,317
NET POSITION - ENDING	$ 2,973,289	$ 3,046,482	$ 6,019,771

See Accompanying Notes

VILLAGE OF LENA
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2025

	Water Utility	Sewer Utility	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers	$ 350,240	$ 222,274	$ 572,514
Cash Paid to Suppliers for Goods and Services	(120,167)	(983)	(121,150)
Cash Paid to Employees for Services	(81,873)	(57,935)	(139,808)
Net Cash Flows From Operating Activities	148,200	163,356	311,556
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Tax Equivalent Paid to Municipality	(28,467)	(300)	(28,767)
Advance Received	-	18,501	18,501
Advance Repaid	(18,501)	-	(18,501)
Net Cash Flows From Noncapital Financing Activities	(46,968)	18,201	(28,767)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment Income Received	27,035	18,602	45,637
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of Capital Assets	(26,455)	(208,062)	(234,517)
Proceeds from Long-Term Debt	-	436,698	436,698
Principal Payments on Long-Term Debt	(152,158)	(77,819)	(229,977)
Interest Paid	(38,125)	(16,592)	(54,717)
Payments Received on Long-Term Receivable	151,219	-	151,219
Net Cash Flows From Capital and Related Financing Activities	(65,519)	134,225	68,706
NET CHANGE IN CASH	62,748	334,384	397,132
CASH - BEGINNING	617,344	178,051	795,395
CASH - ENDING	$ 680,092	$ 512,435	$ 1,192,527
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Income (Loss)	$ (38,375)	$ (20,880)	$ (59,255)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows from Operating Activities:			
Non-Cash Items:			
Depreciation	157,908	97,602	255,510
Depreciation Charged to Sewer	2,367	(2,367)	-
Changes in Operating Assets and Liabilities:			
Accounts Receivable	5,865	(62,173)	(56,308)
Inventories	1,061	-	1,061
Deferred Outflows Related to Pension	11,028	4,841	15,869
Deferred Outflows Related to OPEB	1,774	768	2,542
Net Other Post-Employment Benefits	(3,870)	(1,675)	(5,545)
Accounts Payable	15,302	149,045	164,347
Accrued Liabilities	2,858	1,605	4,463
Pension Liability	409	161	570
Deferred Inflows Related to Pension	(9,314)	(4,058)	(13,372)
Deferred Inflows Related to OPEB	1,187	487	1,674
NET CASH FLOWS FROM OPERATING ACTIVITIES	$ 148,200	$ 163,356	$ 311,556
RECONCILIATION OF CASH PER STATEMENT OF NET POSITION TO STATEMENT OF CASH FLOWS			
Statement of Net Position Proprietary Funds:			
Cash	$ 485,795	$ 340,263	$ 826,058
Restricted Cash	194,297	172,172	366,469
CASH PER STATEMENT OF CASH FLOWS	$ 680,092	$ 512,435	$ 1,192,527
SCHEDULE OF NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital Contributions for Water Utility	$ -	$ 291,704	$ 291,704

See Accompanying Notes

VILLAGE OF LENA
Statement of Fiduciary Net Position
Fiduciary Funds
As of December 31, 2025

	Custodial Funds		
	Tax Collection	Library	Total
ASSETS			
Cash	$ 218,231	$ 196,946	$ 415,177
Taxes Receivable	301,500	-	301,500
Restricted Cash	-	307,999	307,999
Capital Assets	-	239,254	239,254
Accumulated Depreciation	-	(128,173)	(128,173)
Total Assets	519,731	616,026	1,135,757
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows of Resources Related to Pension	-	30,247	30,247
Deferred Outflows of Resources Related to Other Post-Employment Benefits	-	1,245	1,245
Total Deferred Outflows of Resources	-	31,492	31,492
CURRENT LIABILITIES			
Accounts Payable	-	991	991
Due to Other Taxing Entities	519,731	-	519,731
Accrued Liabilities	-	4,234	4,234
Current Portion of Compensated Absences	-	3,070	3,070
Net Pension Liability - Wisconsin Retirement System	-	5,196	5,196
Other Post-Employment Benefits	-	2,443	2,443
Total Current Liabilities	519,731	15,934	535,665
NON-CURRENT LIABILITIES			
Non-Current Portion of Compensated Absences	-	3,070	3,070
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows of Resources Related to Pension	-	15,530	15,530
Deferred Inflows of Resources Related to Other Post-Employment Benefits	-	8,346	8,346
Total Deferred Inflows of Resources	-	23,876	23,876
NET POSITION			
Investment in Capital Assets	-	111,081	111,081
Restricted for Pension Benefits	-	9,521	9,521
Unrestricted	-	484,036	484,036
Total Net Position	$ -	$ 604,638	$ 604,638

VILLAGE OF LENA
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2025

	Custodial Funds		
	Tax Collection Fund	Library	Total
REVENUES			
Taxes Collected on Behalf of Other Taxing Entities	$ 318,806	$ -	$ 318,806
Intergovernmental	-	129,064	129,064
Public Charges for Services	-	247	247
Miscellaneous	-	4,928	4,928
Total Revenues	318,806	134,239	453,045
EXPENDITURES			
Taxes Remitted to Other Taxing Entities	318,806	-	318,806
Culture and Recreation	-	159,205	159,205
Debt Service:			
Principal Retirement	-	1,544	1,544
Total Expenditures	318,806	160,749	479,555
DEFICIENCY OF REVENUES UNDER EXPENDITURES	-	(26,510)	(26,510)
NONOPERATING REVENUE			
Interest Income	-	18,797	18,797
NET CHANGE IN NET POSITION	-	(7,713)	(7,713)
NET POSITION - BEGINNING	-	612,351	612,351
NET POSITION - ENDING	$ -	$ 604,638	$ 604,638

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.

Capital Projects Funds

Capital projects funds are used to account for financial resources to be used for acquisition or construction of major capital facilities.

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 a custodian 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 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.

Non-Major Funds

The Village reports to following non-major governmental funds:

The *Tax Incremental District #1*, which accounts for receipts of district "incremental" property taxes and other revenues and the corresponding program expenditures.

The *Tax Incremental District #2*, which accounts for receipts of district "incremental" property taxes and other revenues and the corresponding program expenditures.

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.

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:

	Years		
Assets	**Governmental Activities**	**Business-Type Activities**	**Fiduciary Activities**
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	-	-

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

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.

Subscription-Based Information Technology Agreements

The Village follows GASB Statement No. 96, 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 required to be recorded for the year ended December 31, 2025.

Compensated Absences

The Village follows GASB Statement No. 101, which requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

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.

Note 1 – Summary of Significant Accounting Policies (Continued)

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 another 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.

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 benefitting 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. One additional category arises on the balance sheet, deferred special assessments as they are unavailable.

Note 1 – Summary of Significant Accounting Policies (Continued)

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.

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

<u>Government-Wide Statements</u>

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.

Note 1 – Summary of Significant Accounting Policies (Continued)

Government-Wide Statements (Continued)

- 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.

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, 2025, 30% of the prior year annual expenditures of $857,126 equals $257,138, with unassigned fund balance under that amount by $33,639. 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.

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, 2025, the Village's bank balance of cash was $3,007,836. 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 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.

The following represents a summary of deposits as of December 31, 2025:

Fully Insured Deposits	$ 3,007,836

The difference between the bank balance and carrying value is due to outstanding checks and/or deposits in transit at December 31, 2025.

Note 3 – Restricted Assets

Restricted assets on December 31, 2025 consisted of cash totaling $366,469 held for the following:

Sewer Utility Fund		
Equipment Replacement	$	150,062
Debt Service		22,110
Water Utility Fund		
Debt Service		194,297
Total Restricted Assets	$	366,469

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 – Interfund Receivables/Payables, Advances and Transfers

Interfund receivables, payables and advances between individual funds of the Village as of December 31, 2025 are detailed below:

Receivable Fund	Payable Fund		Amount	Purpose
General Fund	TID #2	$	7,500	Working Capital
General Fund	TID #1		20,000	Working Capital
		$	27,500	

Advances to TID #1 and TID #2 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, 2025 as shown in the governmental activities are as follows:

Transfer From	Transfer To		Amount	Purpose
Sewer Utility	General Fund	$	300	Tax Equivalent
Water Utility	General Fund		28,467	Tax Equivalent
		$	28,767	

Interfund advances for the year ended December 31, 2025 as shown in the proprietary funds statements are as follows:

Advance From	Advance To		Amount	Purpose
Sewer Utility	Water Utility	$	535,573	Working Capital

The water fund is to pay the sewer fund $18,500 annually, through the year ended December 31, 2054 to repay this advance, with no interest incurred.

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 58% of the full disbursement amount of the Safe Drinking Water Loan. The balance of the long-term receivable as of December 31, 2025 is $1,565,026.

Note 7 – Capital Assets

Capital asset activity for the year ended December 31, 2025 was as follows:

	Balances 1/1/2025	Increases	Decreases	Balances 12/31/2025
Governmental Activities				
Capital Assets not being Depreciated:				
Land	$ 225,049	$ -	$ -	$ 225,049
Other Capital Assets				
Right-to-Use Asset - Equipment	150,680	-	-	150,680
Buildings and Improvements	855,250	48,698	-	903,948
Machinery and Equipment	2,021,774	48,726	158,198	1,912,302
Infrastructure	953,630	-	-	953,630
Total Capital Assets being Depreciated	3,981,334	97,424	158,198	3,920,560
Less Accumulated Depreciation for:				
Right-to-Use Asset - Equipment	(90,408)	(15,068)	-	(105,476)
Buildings and Improvements	(455,453)	(22,884)	-	(478,337)
Machinery and Equipment	(1,059,703)	(79,041)	(85,957)	(1,052,787)
Infrastructure	(139,409)	(18,621)	-	(158,030)
Total Accumulated Depreciation	(1,744,973)	(135,614)	(85,957)	(1,794,630)
Total Capital Assets Being Depreciated, Net of Depreciation	2,236,361	(38,190)	72,241	2,125,930
Governmental Activities Capital Assets, Net of Accumulated Depreciation	$ 2,461,410	$ (38,190)	$ 72,241	$ 2,350,979

Note 7 – Capital Assets (Continued)

	Balances 1/1/2025	Increases	Decreases	Balances 12/31/2025
Business-Type Activities				
Capital Assets not Being Depreciated:				
Land	$ 763	$ -	$ -	$ 763
Construction in Progress	237,813	494,919	-	732,732
Total Capital Assets not being Depreciated	238,576	494,919	-	733,495
Capital Assets being Depreciated				
Utility Plant	9,107,882	31,302	6,884	9,132,300
Less: Accumulated Depreciation	(3,735,756)	(255,510)	(6,884)	(3,984,382)
Total Capital Assets being Depreciated, Net of Depreciation	5,372,126	(224,208)	-	5,147,918
Business-Type Activities Capital Assets, Net of Accumulated Depreciation	$ 5,610,702	$ 270,711	$ -	$ 5,881,413

	Balances 1/1/2025	Increases	Decreases	Balances 12/31/2025
Custodial Activities				
Capital Assets being Depreciated				
Buildings and Improvements	$ 173,607	$ -	$ -	$ 173,607
Equipment	65,647	-	-	65,647
Total Capital Assets being Depreciated	239,254	-	-	239,254
Less: Accumulated Depreciation	(122,196)	(5,977)	-	(128,173)
Total Capital Assets being Depreciated, Net of Depreciation	$ 117,058	$ (5,977)	$ -	$ 111,081

Note 7 – Capital Assets (Continued)

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

Governmental Activities:		
General Government	$	13,903
Public Safety		51,775
Public Works		63,702
Culture and Recreation		6,234
Total Depreciation Expense - Governmental Activities	$	135,614
Business-Type Activities:		
Sewer Depreciation Charged to Accumulated Depreciation	$	95,235
Plus: Share of Meter Depreciation		2,367
Sewer Depreciation Expense		97,602
Water Depreciation Charged to Accumulated Depreciation		160,275
Less: Share of Meter Depreciation		(2,367)
Water Depreciation Expense		157,908
Total Business-Type Activities Depreciation Expense	$	255,510
Custodial Activities:		
Culture and Recreation	$	5,977

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, 2025:

	Balances 1/1/25	Increases	Decreases	Balances 12/31/25	Due Within One Year
Governmental Activites:					
General Obligation Debt					
State Trust Fund Loans	$ 583,083	$ -	$ 34,369	$ 548,714	$ 35,783
Notes	146,358	-	46,134	100,224	48,737
Total General Obligation Debt	729,441	-	80,503	648,938	84,520
Vested Compensated Absences*	37,928	7,984	-	45,912	22,956
Total Governmental Activities Long-Term Liabilities	$ 767,369	$ 7,984	$ 80,503	$ 694,850	$ 107,476

Total interest paid during the year on long-term debt totaled $36,524. The compensated absences are denoted by a net change in the liability.

Note 8 – Long-Term Debt Obligations (Continued)

	Balances 1/1/25	Increases	Decreases	Balances 12/31/25	Due Within One Year
Business-Type Activities:					
General Obligation Debt					
State Trust Fund Loans	$ 15,996	$ -	$ 15,996	$ -	$ -
Clean Water Loans	433,180	436,698	61,823	808,055	10,139
Safe Drinking Water Loan	1,980,893	-	152,158	1,828,735	155,126
Total Business-Type Activities Debt	2,430,069	436,698	229,977	2,636,790	165,265
Vested Compensated Absences*	13,160	3,290	-	16,450	8,225
Total Business-Type Activities Long-Term Liabilities	$ 2,443,229	$ 439,988	$ 229,977	$ 2,653,240	$ 173,490

Total interest paid during the year on long-term debt totaled $53,865. The compensated absences are denoted by a net change in the liability.

	Balance 1/1/25	Increase	Decrease	Balance 12/31/25	Due Within One Year
Custodial Activities:					
Vested Compensated Absences*	4,585	1,555	-	6,140	3,070

*The compensated absences are denoted by a net change in the liability.

	Date of Issuance	Final Maturity	Interest Rates	Original Indebtedness	Balances 12/31/2025
Governmental Activities Long-Term Obligations					
2012 State Trust Fund Loan	05/01/12	03/15/32	4.000%	$ 110,000	$ 48,346
2016 State Trust Fund Loan	12/28/16	03/15/26	3.000%	81,836	10,268
2020 State Trust Fund Loan	06/15/22	12/15/42	4.750%	550,000	490,100
2023 Fire Truck Loan	12/27/23	12/27/27	5.450%	190,000	100,224
Total Governmental Activities Long-Term Obligations					$ 648,938
Business-Type Activities Long-Term Obligations					
2014 Safe Drinking Water Loan	10/22/14	05/01/34	1.925%	$ 2,678,650	$ 1,392,877
2023 Safe Drinking Water Loan	03/01/23	03/01/52	2.255%	458,876	435,857
2023 Clean Water Fund Loan	03/01/23	03/01/52	2.255%	390,971	371,358
2025 Clean Water Fund Loan	09/24/25	05/01/45	2.475%	436,698	436,698
Total Business-Type Activities Long-Term Obligations					$ 2,636,790

Note 8 – Long-Term Debt Obligations (Continued)

Debt service requirements to maturity are as follows:

	Governmental Activities		Business-Type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	$ 84,520	$ 30,058	$ 165,265	$ 54,757	$ 249,785	$ 84,815
2027	78,168	25,835	186,799	50,684	264,967	76,519
2028	27,838	22,890	190,570	46,875	218,408	69,765
2029	29,174	21,555	194,417	42,988	223,591	64,543
2030	30,508	20,221	198,343	39,023	228,851	59,244
2031-2035	149,596	79,881	883,422	134,377	1,033,018	214,258
2036-2040	169,504	43,862	263,753	79,793	433,257	123,655
2041-2045	79,630	5,718	296,309	46,853	375,939	52,571
2046-2050	-	-	180,070	19,109	180,070	19,109
2051-2052	-	-	77,842	1,765	77,842	1,765
	$ 648,938	$ 250,020	$ 2,636,790	$ 516,224	$ 3,285,728	$ 766,244

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

The 2025 equalized valuation of the Village as certified by the Wisconsin Department of Revenue is $56,967,000. The legal debt limit and margin of indebtedness as of December 31, 2025, in accordance with Wisconsin Statutes follows:

Debt Limit (5% of $56,967,000)	$ 2,848,350
Deduct Long-Term Debt Applicable to Debt Margin	648,938
Remaining Margin of Indebtedness Available	$ 2,199,412

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 is payable through 2052. The total principal and interest remaining to be paid on the bonds is $1,054,313. Principal and interest paid for the current year and total sewerage system net revenues were $94,411 and $95,324, 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 is payable through 2052. The total principal and interest remaining to be paid on the bonds is $2,098,701. Principal and interest paid for the current year and total water system net revenues were $190,283 and $146,568, respectively.

The balance of the long-term receivable as of December 31, 2025 was $1,565,026, which will be used for repayment of the loan.

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 $45,205 at December 31, 2025. The following is a summary of change in lessee obligations of the Village for the year ended December 31, 2025:

Leases Payable	Beginning Balances	Additions	Reductions	Ending Balance
Plow Truck Lease	$ 64,614	$ -	$ 15,264	$ 49,350

Remaining amounts to be paid associated with this lease at December 31, 2025 are as follows:

Year Ending December 31,	Principal	Interest	Total
2026	$ 15,842	$ 1,870	$ 17,712
2027	16,442	1,270	17,712
2028	17,066	647	17,713
	$ 49,350	$ 3,787	$ 53,137

Leases Receivable

The Village 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 20 years. The Village additionally leases ground space to a company for installation and operation of fiber telecommunications equipment, with a term of 30 years. The following is a summary of changes in lessor receivables of the Village for the year ended December 31, 2025.

Leases Receivable	Beginning Balances	Additions	Reductions	Ending Balances
Cell Tower Lease	$ 15,447	$ 478,864	$ 16,967	$ 477,344
Ground Lease	-	137,500	3,139	134,361
Total Leases Receivable	$ 15,447	$ 616,364	$ 20,106	$ 611,705

Note 9 – Leases (Continued)

Remaining amounts to be received associated with these leases at December 31, 2025 are as follows:

Year Ending December 31,	Principal	Interest	Total
2026	$ 20,645	$ 1,008	$ 21,653
2027	21,289	977	22,266
2028	21,952	944	22,896
2029	22,634	911	23,545
2030	23,336	877	24,213
2031-2035	127,934	3,832	131,766
2036-2040	148,780	2,809	151,589
2041-2045	172,820	1,628	174,448
2046-2050	27,674	721	28,395
2051-2054	24,641	189	24,830
	$ 611,705	$ 13,896	$ 625,601

Note 10 – Fund Equity

Government-Wide Statements

Net position reported on the government-wide statement of net position at December 31, 2025 includes the following:

	Governmental Activities	Business-Type Activities	Total
Net Investment in Capital Assets			
Net Capital Assets	$ 2,350,979	$ 5,881,413	$ 8,232,392
Less: Related Long-Term Obligations Outstanding	648,938	2,636,790	3,285,728
Less: Related Long-Term Lease Obligations Outstanding	49,350	-	49,350
Net Investment in Capital Assets	1,652,691	3,244,623	4,897,314
Restricted for:			
Equipment Replacement	-	150,062	150,062
Debt Service	-	216,407	216,407
Pension Benefits	34,058	12,468	46,526
Total Restricted	34,058	378,937	412,995
Unrestricted	755,523	2,396,211	3,151,734
Total Government-Wide Net Position	$ 2,442,272	$ 6,019,771	$ 8,462,043

Note 11 – 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.

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.

Note 11 – Defined Benefit Pension Plan (Continued)

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:

Year	Core Fund Adjustment	Variable Fund Adjustment
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
2023	1.6	(21.0)
2024	3.6	15.0

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 $22,817 in contributions from the Village and $4,669 in contributions from the fiduciary fund.

Contribution rates as of December 31, 2025 are:

Employee Category	Employee	Employer
General (including teachers, executives, and elected officials)	6.95%	6.95%
Protective with Social Security	6.95%	14.95%
Protective without Social Security	6.95%	18.95%

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

At December 31, 2025, the Village reported a liability of $25,391 and the fiduciary fund reported a liability of $5,196 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023, rolled forward to December 31, 2024. 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, 2024, the Village's proportion was 0.00154528%, which was a decrease of 0.00000044% from its proportion measured as of December 31, 2023. At December 31, 2024, the fiduciary fund's proportion was 0.00031623%, which was an increase of 0.00000461% from its proportion measured December 31, 2023.

Note 11 – Defined Benefit Pension Plan (Continued)

For the year ended December 31, 2025, the Village recognized pension expense of $33,428 and the fiduciary fund recognized pension expense of $6,841.

At December 31, 2025, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Government-Wide		Fiduciary Fund	
	Deferred Outflows of Resources	Deferred inflows of Resources	Deferred Outflows of Resources	Deferred inflows of Resources
Differences between expected and actual experiences	$ 78,854	$ 74,098	$ 16,137	$ 15,164
Changes in assumptions	7,533	-	1,542	-
Net differences between projected and actual earnings on pension plan investments	38,584	-	7,896	-
Changes in proportion and differences between employer contributions and proportionate share	14	1,787	3	366
Employer contributions subsequent to the measurement date	22,817	-	4,669	-
Total	$ 147,802	$ 75,885	$ 30,247	$ 15,530

The $22,817 and the $4,669 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 year ending December 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	Government-Wide	Fiduciary Fund
Year Ending December 31,	Deferred Outflows (Inflows) of Resources	Deferred Outflows (Inflows) of Resources
2026	$ 14,588	$ 2,985
2027	52,039	10,649
2028	(13,368)	(2,736)
2029	(4,159)	(850)
	$ 49,100	$ 10,048

Note 11 – Defined Benefit Pension Plan (Continued)

Actuarial Assumptions. The total pension liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2023
Measurement Date of Net Pension Liability (Asset):	December 31, 2024
Experience Study:	January 1, 2021 – December 31, 2023 Published November 19, 2024
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% - 5.7%
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. Includes the impact of known Market Recognition Account deferred gains/losses on the liability for dividend payments.*

Actuarial assumptions are based upon an experience study conducted in 2024 that covered a three-year period from January 1, 2021 to December 31, 2023. Based on this experience study, actuarial assumptions used to measure the total pension liability changed from prior year, including seniority (merit) and separation rates. The total pension liability for December 31, 2024 is based upon a roll-forward of the liability calculated from the December 31, 2023 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[1]
As of December 31, 2024

Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %[2]
Public Equity	38%	7.0%	4.3%
Public Fixed Income	27	6.1	3.4
Private Equity/Debt	20	9.5	6.7
Inflation Sensitive	19	4.8	2.1
Real Estate	8	6.5	3.8
Leverage[3]	(12)	3.7	1.1
Total Core Fund	100% *	7.5%	4.8%
Variable Fund Asset Class			
U.S. Equities	70%	6.5%	3.8%
International Equities	30	7.4	4.7
Total Variable Fund	100%	6.9%	4.2%

[1]Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations
[2]New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.6%.
[3]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 12% policy leverage is used, subject to an allowable range of up to 20%.

Note 11 – 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 4.08% (Source: "20-Bond GO Index" is the Bond Buyer Index, general obligation, 20 years to maturity, mixed quality as of December 31, 2024. In describing this index, the Bond Buyer notes that the bonds' average quality is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard and Poor's Corp.'s AA.). 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 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:

	1% Decrease to Discount Rate (5.80%)	Current Discount Rate (6.80%)	1% Increase to Discount Rate (7.80%)
Village's proportionate share of the net pension liability (asset)	$ 238,205	25,391	$ (125,806)
Fiduciary Fund's proportionate share of the net pension liability (asset)	48,747	5,196	(25,746)

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, 2025 is $4,959 for December payroll.

Note 12 – 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, 2025 are:

Coverage Type	Employee
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, 2024 are as listed below:

Life Insurance
Member Contribution Rates *
For the Year Ended December 31, 2024

Attained Age	Basic/Supplemental
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.*

During the reporting period, the LRLIF recognized $73 in contributions from the Village, and $15 from the fiduciary fund.

Note 12 – Post-Employment Benefits Other Than Pension Benefits – Cost-Sharing Plan (Continued)

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

At December 31, 2025, the Village reported a liability of $11,938 and the fiduciary fund reported a liability of $2,443 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2024 rolled forward to December 31, 2024. 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, 2024, the Village's proportion was 0.00305152%, which was a decrease of 0.00395497% from its proportion measured as of December 31, 2023. At December 31, 2024, the fiduciary fund's proportion was 0.00062448%, which was a decrease of 0.00078803% from its proportion measured as of December 31, 2023

For the year ended December 31, 2025, the Village recognized a reduction of OPEB expense of $4,065 and the fiduciary fund recognized a reduction of OPEB expense of $832.

At December 31, 2025, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Government-Wide		Fiduciary Fund	
	Deferred Outflows of Resources	Deferred inflows of Resources	Deferred Outflows of Resources	Deferred inflows of Resources
Differences between expected and actual experiences	$ -	$ 1,242	$ -	$ 254
Changes in assumptions	2,929	6,696	600	1,370
Net differences between projected and actual earnings on plan investments	164	-	34	-
Changes in proportion and differences between employer contributions and proportionate share	2,912	32,846	596	6,722
Employer contributions subsequent to the measurement date	73	-	15	-
Total	$ 6,078	$ 40,784	$ 1,245	$ 8,346

Note 12 – Post-Employment Benefits Other Than Pension Benefits – Cost-Sharing Plan (Continued)

The $73 and $15 reported as deferred outflows related to OPEB resulting from the Village's and fiduciary fund's contributions subsequent to the measurement date will be recognized as an adjustment of the net OPEB liability in the year ending December 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense (revenue) as follows:

	Government-Wide		Fiduciary Fund	
Year Ending December 31,	Deferred Outflows (Inflows) of Resources		Deferred Outflows (Inflows) of Resources	
2026	$	(5,553)	$	(1,136)
2027		(5,896)		(1,207)
2028		(6,941)		(1,421)
2029		(7,425)		(1,519)
2030		(5,983)		(1,224)
2031		(2,981)		(609)
	$	(34,779)	$	(7,116)

Actuarial Assumptions. The total OPEB liability in the January 1, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2024
Measurement Date of Net OPEB Liability:	December 31, 2024
Experience Study:	January 1, 2021 - December 31, 2023, Published November 19, 2024
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield*:	4.08%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	4.09%
Salary Increases:	
Wage Inflation	3.00%
Seniority/Merit	0.1% - 5.7%
Mortality:	2020 WRS Experience Mortality Table

*Based on the Bond Buyers GO index.

Actuarial assumptions are based upon an experience study conducted in 2024 that covered a three-year period from January 1, 2021 to December 31, 2023. The total OPEB liability for December 31, 2024 is based upon a roll-forward of the liability calculated from the January 1, 2024 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.

Note 12 – 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, 2024

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return %
U.S. Intermediate Credit Bonds	Bloomberg U.S. Interm Credit	40%	2.41%
U.S. Mortgages	Bloomberg U.S. MBS	60%	2.71
Inflation			2.30
Long-Term Expected Rate of Return			4.25

Single Discount Rate. A single discount rate of 4.09% was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 3.32% for the prior year. The change in the discount rate was primarily caused by the increase in the municipal bond rate from 3.26% as of December 31, 2023 to 4.09% as of December 31, 2024. 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, 2037.

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 4.09 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 (3.09 percent) or 1-percentage-point higher (5.09 percent) than the current rate:

	1% Decrease (3.09%)	Discount Rate (4.09%)	1% Increase (5.09%)
Village's proportionate share of the net OPEB liability	$ 15,957	$ 11,938	$ 8,842
Fiduciary Funds' proportionate share of the net OPEB liability	3,266	2,443	1,809

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, 2025.

Note 13 – 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 14 – 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, 2025, 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 $139,000.

The Village has an agreement with a contractor for the wastewater treatment plant upgrades of $2,800,000. The remaining commitment at December 31, 2025 is $2,490,975.

Note 15 – Major Customer

Saputo Cheese USA accounted for approximately $142,013 of the water and sewer utility revenues during 2025.

Note 16 – Deficit Fund Balances

TID No. 1 and TID No. 2 had deficit funds balances of $12,489 and $2,710, respectively. They will be funded with future years' tax increments.

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, 2025
Last 10 Fiscal Years

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
Village Proportion					
12/31/2024	0.00154528%	$ 25,391	$ 253,633	10.01%	98.79%
12/31/2023	0.00154572%	22,982	247,637	9.28%	98.85%
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%
Fiduciary Fund Proportion					
12/31/2024	0.00031623%	$ 5,196	$ 51,132	10.16%	98.79%
12/31/2023	0.00031162%	4,633	43,520	10.65%	98.85%
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%

Schedule of Employer Contributions
Wisconsin Retirement System
For the Year Ended December 31, 2025
Last 10 Fiscal Years

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
Village Proportion					
12/31/2025	$ 22,817	$ 22,817	$ -	$ 262,074	8.71%
12/31/2024	21,696	21,696	-	253,633	8.55%
12/31/2023	20,342	20,342	-	247,637	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%
Fiduciary Fund Proportion					
12/31/2025	$ 4,669	$ 4,669	$ -	$ 53,632	8.71%
12/31/2024	4,374	4,374	-	51,132	8.55%
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%

VILLAGE OF LENA

Schedule of Employer's Proportionate Share of the Net OPEB Liability
Other Post-Employment Benefits - Cost-Sharing Plan
*Last 10 Fiscal Years

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
Village Proportion					
12/31/2024	0.00305152%	$ 11,938	$ 142,310	8.39%	37.20%
12/31/2023	0.00700649%	32,235	140,646	22.92%	33.90%
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%
Fiduciary Fund Proportion					
12/31/2024	0.00062448%	$ 2,443	$ 28,690	8.52%	37.20%
12/31/2023	0.00141251%	6,498	28,354	22.92%	33.90%
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
*Last 10 Fiscal Years

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
Village Proportion					
12/31/2025	$ 73	$ 73	$ -	$ 148,591	0.05%
12/31/2024	62	62	-	142,310	0.04%
12/31/2023	149	149	-	140,646	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%
Fiduciary Fund Proportion					
12/31/2025	$ 15	$ 15	$ -	$ 30,409	0.05%
12/31/2024	8	8	-	28,690	0.03%
12/31/2023	30	30	-	28,354	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, 2025

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Taxes	$ 265,964	$ 265,964	$ -
Special Assessments	-	91,224	91,224
Intergovernmental	294,194	279,362	(14,832)
Licenses and Permits	3,755	3,514	(241)
Fines and Forfeits	32,150	30,021	(2,129)
Public Charges for Services	24,020	24,085	65
Miscellaneous	64,470	120,437	55,967
Total Revenues	684,553	814,607	130,054
EXPENDITURES			
General Government	183,305	207,361	(24,056)
Public Safety	154,498	156,917	(2,419)
Public Works	185,650	181,160	4,490
Culture and Recreation	55,190	90,760	(35,570)
Conservation and Development	7,410	11,597	(4,187)
Capital Outlay	48,249	130,314	(82,065)
Debt Service	79,018	79,017	1
Total Expenditures	713,320	857,126	(143,806)
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(28,767)	(42,519)	(13,752)
OTHER FINANCING SOURCES			
Transfers In	28,767	28,767	-
NET CHANGE IN FUND BALANCE	-	(13,752)	(13,752)
FUND BALANCE - BEGINNING	750,551	750,551	-
FUND BALANCE - ENDING	$ 750,551	$ 736,799	$ (13,752)

VILLAGE OF LENA
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Fire Department Fund
For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Intergovernmental Revenues	$ 65,325	$ 63,387	$ (1,938)
Charges for Service	8,000	9,516	1,516
Investment Income	4,750	3,404	(1,346)
Miscellaneous	59,710	128,209	68,499
Total Revenues	137,785	204,516	66,731
EXPENDITURES			
Public Safety:			
Employee Benefits	4,450	4,765	(315)
Man Hours Expense	12,000	8,568	3,432
Clothing Allowance	-	214	(214)
Training Expense	8,000	7,741	259
Utilities	9,350	8,015	1,335
Insurance	9,200	8,548	652
Vehicle and Equipment Repairs	27,575	22,916	4,659
Fuel Expense	2,500	2,067	433
Miscellaneous	250	93,928	(93,678)
Capital Outlay	64,460	15,246	49,214
Debt Services			
Principal	-	46,134	(46,134)
Interest	-	7,140	(7,140)
Total Expenditures	137,785	225,282	(87,497)
NET CHANGE IN FUND BALANCE	-	(20,766)	(20,766)
FUND BALANCE - BEGINNING	152,459	152,459	-
FUND BALANCE - ENDING	$ 152,459	$ 131,693	$ (20,766)

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 function of the Village. Amendments to the budget during the year require initial approval by management and are subsequently authorized by the Village Board.

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, 2025:

General Fund	
General Government	$ 24,056
Public Safety	2,419
Culture and Recreation	35,570
Conservation and Development	4,187
Capital Outlay	82,065
Fire Department Fund	
Public Safety:	
Employee Benefits	$ 315
Clothing Allowance	214
Miscellaneous	93,678
Principal	46,134
Interest	7,140

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.

SUPPLEMENTARY INFORMATION

VILLAGE OF LENA

Combining Balance Sheet
Nonmajor Governmental Funds
As of December 31, 2025

	TID #1	TID #2	Total Nonmajor Governmental Funds
ASSETS			
Cash and Investments	$ 7,511	$ 4,790	$ 12,301
Receivables:			
Taxes	15,473	9,171	24,644
TOTAL ASSETS	$ 22,984	$ 13,961	$ 36,945
LIABILITIES, DEFERRED INFLOWS, AND FUND DEFICIT			
Liabilities:			
Advance From Other Fund	$ 20,000	$ 7,500	$ 27,500
Deferred Inflows of Resources:			
Taxes Levied for Subsequent Year	15,473	9,171	24,644
Fund Deficits:			
Unassigned	(12,489)	(2,710)	(15,199)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND DEFICITS	$ 22,984	$ 13,961	$ 36,945

VILLAGE OF LENA

Combining Statement of Revenues, Expenditures, and Change in Fund Balance (Deficits)

Nonmajor Governmental Funds

For the Year Ended December 31, 2025

	TID #1	TID #2	Total Nonmajor Governmental Funds
REVENUES			
Taxes	$ 13,583	$ -	$ 13,583
Miscellaneous	279	101	380
Total Revenues	13,862	101	13,963
EXPENDITURES			
General Government	10,150	150	10,300
NET CHANGE IN FUND DEFICITS	3,712	(49)	3,663
FUND DEFICITS - BEGINNING	(16,201)	(2,661)	(18,862)
FUND DEFICITS - ENDING	$ (12,489)	$ (2,710)	$ (15,199)

VILLAGE OF LENA
Schedule of Operating Revenues and Expenses
Water and Sewer Utility
For the Year Ended December 31, 2025

	Water	Sewer	Total
OPERATING REVENUES			
Metered Sales:			
Residential	$ 77,423	$ 189,605	$ 267,028
Commercial	12,827	38,053	50,880
Industrial	155,822	27,966	183,788
Public Authorities	11,763	27,596	39,359
Total Metered Sales	257,835	283,220	541,055
Public Fire Protection	82,249	-	82,249
Other Operating Revenues:			
Customer Forfeited Discounts	56	85	141
Miscellaneous Operating Revenue	1,868	1,142	3,010
Total Operating Revenue	342,008	284,447	626,455
OPERATING EXPENSES			
Operation and Maintenance:			
Operation Labor	71,452	45,468	116,920
Power Purchased for Pumping	55,293	27,906	83,199
Chemicals	17,726	-	17,726
Maintenance and Repairs	13,669	14,121	27,790
Operating Supplies	7,765	4,612	12,377
Operating Transportation Expenses	1,210	22,898	24,108
Total Operation and Maintenance	167,115	115,005	282,120
Administrative and General:			
Salaries	14,493	14,596	29,089
Office Supplies	5,649	4,105	9,754
Outside Services Employed	11,549	36,679	48,228
Utilities	12,398	4,692	17,090
Property Insurance	8,730	4,627	13,357
Miscellaneous	2,541	28,021	30,562
Total Administrative and General Expenses	55,360	92,720	148,080
Other Operating Expenses:			
Depreciation	157,908	97,602	255,510
Total Operating Expenses	380,383	305,327	685,710
OPERATING INCOME (LOSS)	(38,375)	(20,880)	(59,255)
NON-OPERATING REVENUES (EXPENSES)			
Interest Income	27,035	18,602	45,637
Interest Expense	(36,262)	(17,603)	(53,865)
Total Non-Operating Revenues (Expenses)	(9,227)	999	(8,228)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(47,602)	(19,881)	(67,483)
CAPITAL CONTRIBUTIONS	-	291,704	291,704
TRANSFERS OUT	(28,467)	(300)	(28,767)
CHANGE IN NET POSITION	$ (76,069)	$ 271,523	$ 195,454

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