

VILLAGE OF CALEDONIA, WISCONSIN

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2023



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INDEPENDENT AUDITORS' REPORT

Village Board
Village of Caledonia, Wisconsin
Caledonia, Wisconsin

Report on the Audit of the Financial Statements

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 Caledonia, Wisconsin (the Village), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village, as of December 31, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

Management has omitted 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 opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The combining nonmajor fund financial statements 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 GAAS. In our opinion, the combining nonmajor financial statements, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the tax increment summaries, as listed in the table of contents, but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Village Board
Village of Caledonia, Wisconsin

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 12, 2024, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Village's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Milwaukee, Wisconsin
July 12, 2024

BASIC FINANCIAL STATEMENTS

VILLAGE OF CALEDONIA, WISCONSIN
STATEMENT OF NET POSITION
DECEMBER 31, 2023

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	\$ 29,215,854	\$ 3,840,152	\$ 33,056,006
Receivables, Net	26,227,429	6,411,773	32,639,202
Internal Balances	(1,312,112)	1,312,112	-
Prepaid Expenses	355,999	8,938	364,937
Unamortized Sewer Capacity	-	25,301,080	25,301,080
Restricted Assets:			
Cash and Cash Equivalents	-	4,922,755	4,922,755
Capital Assets:			
Land and Land Improvements	1,066,376	57,223	1,123,599
Intangible Assets - Land Easements	73,000	-	73,000
Construction in Process	14,881,595	2,038,552	16,920,147
Other Capital Assets	131,770,270	193,129,977	324,900,247
Intangible Assets - Infrastructure	8,827,186	-	8,827,186
Less: Accumulated Depreciation\Amortization	(71,453,052)	(51,861,099)	(123,314,151)
Total Assets	<u>139,652,545</u>	<u>185,161,463</u>	<u>324,814,008</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts Related to Pension	16,889,880	1,437,552	18,327,432
Deferred Amounts Related to OPEB Retiree Medical Insurance	2,192,928	186,809	2,379,737
Deferred Amounts Related to OPEB Retiree Life Insurance	265,034	22,564	287,598
Loss on Refunding	-	94,058	94,058
Total Deferred Outflows of Resources	<u>19,347,842</u>	<u>1,740,983</u>	<u>21,088,825</u>
LIABILITIES			
Accounts Payable and Accrued Expenses	4,417,538	1,666,877	6,084,415
Accrued Interest Payable	847,954	154,160	1,002,114
Deposits	420,198	-	420,198
Unearned Grant Revenues	2,645,708	-	2,645,708
Liabilities Payable from Restricted Assets:			
Current Portion of Revenue Bonds	-	2,045,954	2,045,954
Accrued Interest	-	174,129	174,129
Noncurrent Liabilities:			
Pension Liability	4,542,701	386,746	4,929,447
Net OPEB - Retiree Medical Insurance	6,806,214	579,802	7,386,016
OPEB - Retiree Life Insurance	596,997	50,825	647,822
Due Within One Year	7,834,842	875,884	8,710,726
Due in More Than One Year	79,216,655	63,163,823	142,380,478
Total Liabilities	<u>107,328,807</u>	<u>69,098,200</u>	<u>176,427,007</u>

See accompanying Notes to Basic Financial Statements.

VILLAGE OF CALEDONIA, WISCONSIN
STATEMENT OF NET POSITION (CONTINUED)
DECEMBER 31, 2023

	Governmental Activities	Business-Type Activities	Total
DEFERRED INFLOWS OF RESOURCES			
Subsequent Year Tax Levy	\$ 21,172,498	\$ 359,478	\$ 21,531,976
Deferred Amounts Related to Special Assessments	-	-	-
Deferred Amounts Related to Leases	-	319,289	319,289
Deferred Amounts Related to Pension	9,570,941	814,829	10,385,770
Deferred Amounts Related to OPEB Retiree Medical Insurance	983,707	83,801	1,067,508
Deferred Amounts Related to OPEB Retiree Life Insurance	483,048	41,125	524,173
Total Deferred Inflows of Resources	<u>32,210,194</u>	<u>1,618,522</u>	<u>33,828,716</u>
NET POSITION			
Net Investment in Capital Assets	5,123,053	101,947,816	107,070,869
Restricted:			
Economic Development	1,235,434	-	1,235,434
Debt Service	2,709,386	4,088,442	6,797,828
Impact Fees	492,286	-	492,286
Donations and Grants	257,707	-	257,707
Equipment Replacement	-	660,184	660,184
Unrestricted	<u>9,643,520</u>	<u>9,489,282</u>	<u>19,132,802</u>
Total Net Position	<u><u>\$ 19,461,386</u></u>	<u><u>\$ 116,185,724</u></u>	<u><u>\$ 135,647,110</u></u>

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF CALEDONIA
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General Government	\$ 3,169,433	\$ 1,536,574	\$ -	\$ -	\$ (1,632,859)	\$ -	\$ (1,632,859)
Public Safety	13,753,910	2,114,458	98,403	-	(11,541,049)	-	(11,541,049)
Public Works	8,763,248	1,371,010	1,443,565	-	(5,948,673)	-	(5,948,673)
Health and Human Services	192,464	117,112	-	-	(75,352)	-	(75,352)
Culture, Education, and Recreation	37,014	60,450	-	-	23,436	-	23,436
Economic Development and Assistance	4,817,266	270,170	43,126	-	(4,503,970)	-	(4,503,970)
Interest and Fiscal Charges	2,773,181	-	-	-	(2,773,181)	-	(2,773,181)
Total Governmental Activities	33,506,516	5,469,774	1,585,094	-	(26,451,648)	-	(26,451,648)
Business-Type Activities:							
Sewer Utility	7,351,763	8,175,177	-	6,550	-	829,964	829,964
Water Utility	4,901,913	4,279,429	-	179,887	-	(442,597)	(442,597)
Stormwater Utility	1,319,393	1,073,835	-	-	-	(245,558)	(245,558)
Total business-type activities	13,573,069	13,528,441	-	186,437	-	141,809	141,809
Total	<u>\$ 47,079,585</u>	<u>\$ 18,998,215</u>	<u>\$ 1,585,094</u>	<u>\$ 186,437</u>	<u>(26,451,648)</u>	<u>141,809</u>	<u>(26,309,839)</u>
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes					12,850,765	552,808	13,403,573
Property Taxes, Levied for Debt Services					3,102,616	-	3,102,616
Property Taxes, Levied for Tax Increment Districts					1,324,488	-	1,324,488
Intergovernmental Revenues not Restricted to Specific Programs					1,084,563	-	1,084,563
Investment Income					1,997,204	311,177	2,308,381
Gain on the Sale of Capital Assets					852,892	-	852,892
Miscellaneous					1,475,296	206,310	1,681,606
Total General Revenues					<u>22,687,824</u>	<u>1,070,295</u>	<u>23,758,119</u>
Transfers					<u>(7,707,953)</u>	<u>7,707,953</u>	<u>-</u>
CHANGE IN NET POSITION					<u>(11,471,777)</u>	<u>8,920,057</u>	<u>(2,551,720)</u>
Net Position - Beginning of Year					<u>30,933,163</u>	<u>107,265,667</u>	<u>138,198,830</u>
NET POSITION - END OF YEAR					<u>\$ 19,461,386</u>	<u>\$ 116,185,724</u>	<u>\$ 135,647,110</u>

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF CALEDONIA, WISCONSIN
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2023**

	General Fund	Debt Service Fund	Capital Projects Fund	Tax Increment District No. 4	Tax Increment District No. 5	Nonmajor Governmental Funds	Total
ASSETS							
Cash and Investments	\$ 11,148,255	\$ 1,499,456	\$ 7,327,059	\$ 4,780,853	\$ 30,005	\$ 4,430,226	\$ 29,215,854
Receivables:							
Property Taxes	9,143,883	2,579,016	721,230	990,750	57,746	330,718	13,823,343
Special Assessments	-	30,996	-	1,110,296	-	-	1,141,292
Special Charges	69,406	-	-	-	-	1,785,098	1,854,504
Accounts Receivable	1,986,151	-	-	-	-	-	1,986,151
Notes Receivable	-	3,422,139	-	-	4,000,000	-	7,422,139
Due From Other Funds	1,839,487	-	-	-	-	-	1,839,487
Advance to Other Funds	-	3,500,000	-	534,591	-	-	4,034,591
Prepaid Expenses	355,999	-	-	-	-	-	355,999
Total Assets	<u>\$ 24,543,181</u>	<u>\$ 11,031,607</u>	<u>\$ 8,048,289</u>	<u>\$ 7,416,490</u>	<u>\$ 4,087,751</u>	<u>\$ 6,546,042</u>	<u>\$ 61,673,360</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES							
LIABILITIES							
Accounts Payable	\$ 640,583	\$ -	\$ 1,930,582	\$ 44,199	\$ 741,219	\$ 177,404	\$ 3,533,987
Accrued Payroll	842,852	-	-	-	-	-	842,852
Accrued Liabilities	4,200	-	-	-	-	36,499	40,699
Due to Other Funds	-	-	-	-	388,175	1,451,312	1,839,487
Advance From Other Funds	-	-	-	3,500,000	1,105,000	741,703	5,346,703
Unearned Grant Revenues	-	-	-	-	-	2,645,708	2,645,708
Deposits	420,198	-	-	-	-	-	420,198
Total Liabilities	<u>1,907,833</u>	<u>-</u>	<u>1,930,582</u>	<u>3,544,199</u>	<u>2,234,394</u>	<u>5,052,626</u>	<u>14,669,634</u>
DEFERRED INFLOWS OF RESOURCES							
Subsequent Year Tax Levy	13,964,012	3,974,267	1,111,300	1,526,561	87,751	508,607	21,172,498
Unavailable Revenue - Special Assessments	-	30,996	-	1,110,296	-	-	1,141,292
Unavailable Revenue - Notes Receivable	-	3,422,139	-	-	4,000,000	-	7,422,139
Total Deferred Inflows of Resources	<u>13,964,012</u>	<u>7,427,402</u>	<u>1,111,300</u>	<u>2,636,857</u>	<u>4,087,751</u>	<u>508,607</u>	<u>29,735,929</u>
FUND BALANCES (DEFICIT)							
Nonspendable	355,999	-	-	-	-	-	355,999
Restricted	-	3,604,205	5,006,407	1,235,434	-	749,993	10,596,039
Committed	11,265	-	-	-	-	480,979	492,244
Assigned	-	-	-	-	-	634,634	634,634
Unassigned	8,304,072	-	-	-	(2,234,394)	(880,797)	5,188,881
Total Fund Balances (Deficit)	<u>8,671,336</u>	<u>3,604,205</u>	<u>5,006,407</u>	<u>1,235,434</u>	<u>(2,234,394)</u>	<u>984,809</u>	<u>17,267,797</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 24,543,181</u>	<u>\$ 11,031,607</u>	<u>\$ 8,048,289</u>	<u>\$ 7,416,490</u>	<u>\$ 4,087,751</u>	<u>\$ 6,546,042</u>	<u>\$ 61,673,360</u>

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF CALEDONIA, WISCONSIN
RECONCILIATION OF THE BALANCE SHEET OF THE GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2023**

Total fund balances - governmental funds	\$ 17,267,797
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Land	1,066,376
Intangible assets - land easements	73,000
Construction in progress	14,881,595
Other capital assets	131,770,270
Intangible assets - infrastructure	8,827,186
Less: accumulated depreciation	(71,453,052)
Some receivables that are not currently available are reported as deferred inflows of resources in the fund financial statements but are recognized as revenue when earned in the government-wide statements.	
Special assessments receivable	1,141,292
Long-term receivables	7,422,139
Long-term assets and deferred outflows of resources are not related to the current period and, therefore, are not reported in the funds.	
Deferred outflows related to pension	16,889,880
Deferred outflows related to OPEB retiree medical insurance	2,192,928
Deferred outflows related to OPEB retiree life insurance	265,034
Some liabilities and deferred inflows of resources , including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds.	
Bonds and notes payable	(84,163,874)
Premium on long-term debt	(2,661,655)
Compensated absences	(225,968)
Accrued interest	(847,954)
Net pension liability	(4,542,701)
OPEB liability - retiree medical insurance	(6,806,214)
Net OPEB liability - retiree life insurance	(596,997)
Deferred inflows related to pension	(9,570,941)
Deferred inflows related to OPEB - retiree medical insurance	(983,707)
Deferred inflows related to OPEB - retiree life insurance	(483,048)
NET POSITION OF GOVERNMENT ACTIVITIES	\$ 19,461,386

See accompanying Notes to Basic Financial Statements.

VILLAGE OF CALEDONIA, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2023

	General Fund	Debt Service Fund	Capital Projects Fund	Tax Increment District No. 4	Tax Increment District No. 5	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES							
Taxes	\$ 11,960,415	\$ 3,102,616	\$ 890,350	\$ 858,219	\$ 71,142	\$ 395,127	\$ 17,277,869
Intergovernmental	2,559,190	-	-	12,589	-	97,878	2,669,657
Licenses and Permits	1,346,720	-	-	-	-	-	1,346,720
Fines, Forfeitures and Penalties	384,528	-	-	-	-	1,138	385,666
Public Charges for Services	1,604,692	393,958	-	270,170	-	1,855,346	4,124,166
Intergovernmental Charges for Services	494,022	-	-	-	-	-	494,022
Investment and Interest Income	1,147,477	259,057	463,836	53,647	599	72,588	1,997,204
Miscellaneous	154,366	-	68,310	-	-	858,662	1,081,338
Total Revenues	19,651,410	3,755,631	1,422,496	1,194,625	71,741	3,280,739	29,376,642
EXPENDITURES							
Current:							
General Government	2,933,495	-	-	-	-	-	2,933,495
Public Safety	11,847,518	-	-	-	-	233,120	12,080,638
Public Works	2,590,399	-	-	-	-	1,922,067	4,512,466
Health and Human Services	15,600	-	-	-	-	7,356	22,956
Economic Development and Assistance	374,072	-	-	59,880	2,844,363	17,911	3,296,226
Capital Outlay	-	-	21,165,392	1,496,728	21,858	5,885	22,689,863
Debt Service:							
Principal	-	2,367,720	-	371,442	302,280	191,840	3,233,282
Interest and Fiscal Charges	-	1,347,168	23,423	1,221,610	75,263	114,428	2,781,892
Total Expenditures	17,761,084	3,714,888	21,188,815	3,149,660	3,243,764	2,492,607	51,550,818
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,890,326	40,743	(19,766,319)	(1,955,035)	(3,172,023)	788,132	(22,174,176)
OTHER FINANCING SOURCES (USES)							
Proceeds From the Issuance of Long-Term Debt	-	-	920,000	3,510,000	1,705,000	-	6,135,000
Premium on Long-Term Debt Issued	-	-	47,351	181,342	87,975	-	316,668
Proceeds From the Sale of Capital Assets	-	-	27,900	-	996,892	-	1,024,792
Transfer In	185,320	-	-	1,000,000	-	-	1,185,320
Transfer Out	-	(1,000,000)	-	-	-	(185,320)	(1,185,320)
Total Other Financing Sources (Uses)	185,320	(1,000,000)	995,251	4,691,342	2,789,867	(185,320)	7,476,460
NET CHANGE IN FUND BALANCES	2,075,646	(959,257)	(18,771,068)	2,736,307	(382,156)	602,812	(14,697,716)
Fund Balances - Beginning of Year	6,595,690	4,563,462	23,777,475	(1,500,873)	(1,852,238)	381,997	31,965,513
FUND BALANCES - END OF YEAR	<u>\$ 8,671,336</u>	<u>\$ 3,604,205</u>	<u>\$ 5,006,407</u>	<u>\$ 1,235,434</u>	<u>\$ (2,234,394)</u>	<u>\$ 984,809</u>	<u>\$ 17,267,797</u>

See accompanying Notes to Basic Financial Statements.

VILLAGE OF CALEDONIA, WISCONSIN
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023

Net change in fund balances-total governmental funds \$ (14,697,716)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlays	22,689,863
Capital outlay expenditures not capitalized in the statement of net position	(2,384,380)
Construction in process transferred to the Village's Utilities	(7,707,953)
Difference between proceeds from the sale of capital assets and gain (loss) on the sale of capital assets	(255,674)
Depreciation and amortization	(3,839,867)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Special assessments	26,065
Long-term receivable	(441,571)
Other receivables	(71,336)

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Repayment of debt principal	3,233,282
Long-term debt issued	(6,135,000)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These activities consist of:

Compensated absences	(28,053)
Accrued interest on debt	(160,408)
OPEB activity - retiree medical insurance	(204,210)
OPEB activity - retiree life insurance	(52,130)
Pension activity	(1,295,140)

Governmental funds report debt premiums, discounts, and refunding losses as other financing sources or uses. However in the statement of net position these are reported as adjustments to long-term debt. They are amortized over the period the debt is outstanding and the amortization is reported as interest expense.

Premium received from debt issuance	(316,668)
Amortization of debt premium and discount	169,119

Change in net position of governmental activities	\$ (11,471,777)
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VILLAGE OF CALEDONIA, WISCONSIN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2023

	Business-type Activities - Enterprise			
	Sewer Utility	Water Utility	Nonmajor Stormwater Utility	Totals
ASSETS				
Current:				
Cash and Investments	\$ 3,559,366	\$ -	\$ 280,786	\$ 3,840,152
Accounts Receivable	2,261,873	1,089,376	-	3,351,249
Leases Receivable	-	8,097	-	8,097
Tax Roll Receivable:				
Tax Levy	233,027	-	-	233,027
Special Charges on the Tax Roll	-	-	1,058,883	1,058,883
Special Assessments on Tax Roll	-	20,159	177,358	197,517
Delinquent Receivables on Tax Roll	733,148	375,390	-	1,108,538
Due From Other Funds	976,600	-	-	976,600
Prepaid Expenses	2,077	2,618	4,243	8,938
Total Current Assets	7,766,091	1,495,640	1,521,270	10,783,001
Noncurrent Assets:				
Restricted Assets				
Cash and Investments	3,878,650	1,044,105	-	4,922,755
Capital Assets:				
Land and Land Improvements	34,764	22,459	-	57,223
Construction in Progress	1,681,839	322,374	34,339	2,038,552
Other Capital Assets	112,411,337	58,023,038	22,695,602	193,129,977
Less: Accumulated Depreciation	(28,247,128)	(13,872,754)	(9,741,217)	(51,861,099)
Other Assets:				
Advance From Other Funds	1,105,000	207,112	-	1,312,112
Unamortized Sewer Capacity	25,301,080	-	-	25,301,080
Leases Receivable	-	324,412	-	324,412
Special Assessments	4,688	125,362	-	130,050
Total Noncurrent Assets	116,170,230	46,196,108	12,988,724	175,355,062
Total Assets	123,936,321	47,691,748	14,509,994	186,138,063
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Amounts Related to Pension	493,459	480,675	463,418	1,437,552
Deferred Amounts Related to OPEB - Retiree Life Insurance	7,800	7,550	7,214	22,564
Deferred Amounts Related to OPEB - Retiree Health Insurance	64,491	62,587	59,731	186,809
Loss on Refunding	39,229	54,829	-	94,058
Total Deferred Outflows of Resources	604,979	605,641	530,363	1,740,983

See accompanying Notes to Basic Financial Statements.

VILLAGE OF CALEDONIA, WISCONSIN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS (CONTINUED)
DECEMBER 31, 2023

	Business-type Activities - Enterprise			
	Sewer Utility	Water Utility	Nonmajor Stormwater Utility	Totals
LIABILITIES				
Current Liabilities:				
Accounts Payable	\$ 715,835	\$ 892,655	\$ 58,387	\$ 1,666,877
Accrued Interest	154,160	-	-	154,160
Due to Other Funds	-	976,600	-	976,600
Current Portion of Compensated Absences	5,004	5,004	-	10,008
Current Portion of General Obligation Debt	285,000	-	-	285,000
Current Portion of Clean Water Fund Loans	580,876	-	-	580,876
Liabilities Payable From Restricted Assets				
Current Portion of Revenue Bonds	1,355,954	690,000	-	2,045,954
Accrued Interest	121,670	52,459	-	174,129
Total Current Liabilities	3,218,499	2,616,718	58,387	5,893,604
Noncurrent Liabilities:				
Long-Term Debt:				
General Obligation	2,560,000	-	-	2,560,000
Revenue Bonds	25,179,459	11,433,618	-	36,613,077
Clean Water Fund Loans	23,986,964	-	-	23,986,964
Unamortized Premium	-	-	-	-
Long-Term Portion of Compensated Absences	1,891	1,891	-	3,782
Net Pension Liability	133,696	129,399	123,651	386,746
Total OPEB Liability - Retiree Medical Insurance	200,161	194,252	185,389	579,802
Net OPEB Liability - Retiree Life Insurance	17,570	17,005	16,250	50,825
Total Noncurrent Liabilities	52,079,741	11,776,165	325,290	64,181,196
Total Liabilities	55,298,240	14,392,883	383,677	70,074,800
DEFERRED INFLOWS OF RESOURCES				
Subsequent Years Tax Levy	359,478	-	-	359,478
Deferred Amounts Related to Leases	-	319,289	-	319,289
Deferred Amounts Related to Pension	281,682	272,629	260,518	814,829
Deferred Amounts Related to OPEB - Retiree Life Insurance	28,931	28,076	26,794	83,801
Deferred Amounts Related to OPEB Retiree Life Insurance	14,217	13,760	13,148	41,125
Total Deferred Inflows of Resources	684,308	633,754	300,460	1,618,522
NET POSITION				
Net Investment in Capital Assets	56,520,271	32,422,444	12,987,141	101,929,856
Restricted:				
Debt Service	3,096,796	991,646	-	4,088,442
Equipment Replacement	660,184	-	-	660,184
Unrestricted	8,281,501	(143,338)	1,369,079	9,507,242
TOTAL NET POSITION	<u>\$ 68,558,752</u>	<u>\$ 33,270,752</u>	<u>\$ 14,356,220</u>	<u>\$ 116,185,724</u>

See accompanying Notes to Basic Financial Statements.

VILLAGE OF CALEDONIA, WISCONSIN
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2023

	Business-type Activities - Enterprise			
	Sewer Utility	Water Utility	Nonmajor Stormwater Utility	Totals
OPERATING REVENUES				
Public Charges for Services	\$ 8,175,177	\$ 4,279,429	\$ 1,073,835	\$ 13,528,441
OPERATING EXPENSES				
Operation and Maintenance	3,536,061	3,509,589	809,178	7,854,828
Depreciation	1,967,886	1,029,102	489,210	3,486,198
Amortization Expense	341,906	-	-	341,906
Taxes	16,610	19,051	21,005	56,666
Total Operating Expenses	<u>5,862,463</u>	<u>4,557,742</u>	<u>1,319,393</u>	<u>11,739,598</u>
OPERATING INCOME (LOSS)	2,312,714	(278,313)	(245,558)	1,788,843
NONOPERATING REVENUES (EXPENSES)				
Property Taxes Levied	552,808	-	-	552,808
Interest Income	239,029	51,338	20,810	311,177
Interest Expense	(1,489,300)	(344,171)	-	(1,833,471)
Miscellaneous	110,958	92,514	2,838	206,310
Total Nonoperating Revenues (Expenses)	<u>(586,505)</u>	<u>(200,319)</u>	<u>23,648</u>	<u>(763,176)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	1,726,209	(478,632)	(221,910)	1,025,667
CAPITAL CONTRIBUTIONS				
Impact Fees	-	75,950	-	75,950
Special Assessments	6,550	103,937	-	110,487
Contributed Capital	<u>2,344,697</u>	<u>1,581,190</u>	<u>3,782,066</u>	<u>7,707,953</u>
Total Capital Contributions	<u>2,351,247</u>	<u>1,761,077</u>	<u>3,782,066</u>	<u>7,894,390</u>
CHANGE IN NET POSITION	4,077,456	1,282,445	3,560,156	8,920,057
Net Position - Beginning of Year	<u>64,481,296</u>	<u>31,988,307</u>	<u>10,796,064</u>	<u>107,265,667</u>
NET POSITION - END OF YEAR	<u>\$ 68,558,752</u>	<u>\$ 33,270,752</u>	<u>\$ 14,356,220</u>	<u>\$ 116,185,724</u>

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF CALEDONIAS, WISCONSIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2023**

	Business-type Activities - Enterprise			
	Sewer Utility	Water Utility	Nonmajor Stormwater Utility	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Received from Customers	\$ 8,045,034	\$ 4,250,108	\$ 1,056,494	\$ 13,351,636
Paid to Suppliers for Goods and Services	(3,440,888)	(3,547,614)	(385,225)	(7,373,727)
Paid to Employees for Services	(385,661)	(416,260)	(429,182)	(1,231,103)
Net Cash Provided (Used) by Operating Activities	4,218,485	286,234	242,087	4,746,806
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Taxes	465,291	-	-	465,291
Payments From (to) Other Funds	(976,600)	1,011,600	-	35,000
Miscellaneous	110,958	78,107	2,838	191,903
Net Cash Provided (Used) by Noncapital Financing Activities	(400,351)	1,089,707	2,838	692,194
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and Construction of Capital Assets	(2,859,983)	(1,539,491)	(385,517)	(4,784,991)
Debt Retired	(1,929,598)	(559,200)	-	(2,488,798)
Interest and Other Fiscal Charges Paid	(1,539,668)	(371,615)	-	(1,911,283)
Special Assessments Received	9,211	105,650	41,212	156,073
Net Cash Used by Capital and Related Financing Activities	(6,320,038)	(2,288,706)	(344,305)	(8,953,049)
CASH FLOWS FROM INVESTING ACTIVITIES				
Lease Receipts	-	7,854	-	7,854
Investment Income	239,029	51,338	20,810	311,177
Net Cash Provided (Used) by Investing Activities	239,029	59,192	20,810	319,031
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,262,875)	(853,573)	(78,570)	(3,195,018)
Cash and Cash Equivalents - Beginning of Year	9,700,891	1,897,678	359,356	11,957,925
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 7,438,016</u>	<u>\$ 1,044,105</u>	<u>\$ 280,786</u>	<u>\$ 8,762,907</u>

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF CALEDONIA, WISCONSIN
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2023**

	Business-type Activities - Enterprise			
	Sewer Utility	Water Utility	Nonmajor Stormwater Utility	Totals
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ 2,312,714	\$ (278,313)	\$ (245,558)	\$ 1,788,843
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities				
Depreciation	1,967,886	1,029,102	489,210	3,486,198
Amortization	341,906	-	-	341,906
Increase (Decrease) in Assets:				
Accounts Receivable	(130,143)	(29,321)	-	(159,464)
Special Charges Receivable	-	-	(17,341)	(17,341)
Prepaid Expenses	-	(275)	-	(275)
(Increase) Decrease in Liabilities				
Accounts Payable	(329,466)	(482,773)	(48,761)	(861,000)
OPEB Activity	151,066	155,059	182,577	488,702
Pension Activity	(95,496)	(107,263)	(118,040)	(320,799)
Accrued Expenses	18	18	-	36
Net Cash Provided (Used) by Operating Activities	<u>\$ 4,218,485</u>	<u>\$ 286,234</u>	<u>\$ 242,087</u>	<u>\$ 4,746,806</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS				
Cash and Investments	\$ 3,559,366	\$ -	\$ 280,786	\$ 3,840,152
Restricted Cash and Cash Equivalents	<u>3,878,650</u>	<u>1,044,105</u>	<u>-</u>	<u>4,922,755</u>
CASH AND CASH EQUIVALENTS	<u>\$ 7,438,016</u>	<u>\$ 1,044,105</u>	<u>\$ 280,786</u>	<u>\$ 8,762,907</u>
NONCASH ACTIVITY				
Capital assets contributed from the Tax Increment Districts	<u>\$ 2,344,697</u>	<u>\$ 1,581,190</u>	<u>\$ 3,782,066</u>	<u>\$ 7,707,953</u>

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF CALEDONIA, WISCONSIN
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2023**

	<u>Tax Collection Custodial Fund</u>
ASSETS	
Cash and Investments	\$ 13,871,068
Taxes Receivable	<u>25,603,336</u>
Total Assets	39,474,404
LIABILITIES	
Due to Other Governments	<u>13,871,068</u>
DEFERRED INFLOWS OF RESOURCES	
Property Taxes Levied for Subsequent Year	<u>25,603,336</u>
NET POSITION	
Restricted for Tax Collections	<u><u>\$ -</u></u>

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF CALEDONIA, WISCONSIN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED DECEMBER 31, 2023**

	<u>Tax Collection Custodial Fund</u>
ADDITIONS	
Taxes and Special Charges Collected	\$ 26,737,935
DEDUCTIONS	
Payments to Other Taxing Jurisdictions	<u>26,737,935</u>
CHANGE IN NET POSITION	-
Net Position - Beginning of Year	<u>-</u>
NET POSITION - END OF YEAR	<u><u>\$ -</u></u>

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF CALEDONIA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The accounting policies of the Village of Caledonia, Wisconsin (Village) conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

A. Reporting Entity

This report includes all of the funds of the Village. The reporting entity for the Village consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. A legally separate organization should be reported as a component unit if the elected officials of the primary government are financially accountable for the organization. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government.

A legally separate, tax exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) The primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; (3) The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. Blended component units, although legally separate entities, are, in substance, part of the government's operations and are reported with similar funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the primary government. This report does not contain any component units.

**VILLAGE OF CALEDONIA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

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. The Village does not allocate indirect expenses to functions in the statement of activities. 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) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

Fund Financial Statements

Financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund balance, revenues, and expenditures or expenses.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Funds are organized as major funds or nonmajor funds within the governmental and proprietary statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. An emphasis is placed on major funds within the governmental and proprietary categories.

**VILLAGE OF CALEDONIA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements (Continued)

Fund Financial Statements (Continued)

The Village reports the following major governmental funds:

General Fund - accounts for the Village's primary operating activities. It is used to account for all financial resources except those accounted for in another fund.

Debt Service Fund - accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Capital Projects Fund – accounts for the capital outlay activities associated with the construction and acquisition of capital assets of the Village.

Tax Increment District No. 4 – special revenue fund that accounts for the economic development activities (i.e. tax increment revenue, project costs and associated financing activities) associated with the active tax increment districts of the Village.

Tax Increment District No. 5 – special revenue fund that accounts for the economic development activities (i.e. tax increment revenue, project costs and associated financing activities) associated with the active tax increment districts of the Village.

The Village reports the following major enterprise funds:

Sewer Utility - accounts for operations of the sewer system.

Water Utility - accounts for operations of the water system.

The Village reports the following nonmajor governmental funds:

Special Revenue Funds - used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted or committed by the Village Board to expenditures for specified purposes.

Refuse
Recycling
Memorial Park Cemetery
Parks and Recreation
Donations

Fire Safer Grant
CARES Act
ARPA
Equipment Replacement Fund
Impact Fees

Capital Projects Funds - used to account for financial resources to be used for the acquisition or construction of equipment and/or major capital facilities.

Tax Increment District No. 1

Tax Increment District No. 3

**VILLAGE OF CALEDONIA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements (Continued)

Fund Financial Statements (Continued)

The Village reports the following nonmajor enterprise funds:

Stormwater Utility - accounts for operations of the stormwater system.

Custodial funds are used to account for assets held by the Village in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units. The Village reports a Tax Collection Custodial Fund.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred, or the economic asset is used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows of resources. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the Village's Water Utility, Sewer Utility, Stormwater Utility, and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for

**VILLAGE OF CALEDONIA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)**

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Village considers taxes, special assessments, licenses and permits, and public charges for services revenues to be available if they are collected within 60 days of the end of the current fiscal period. The Village considers intergovernmental revenues to be available if they are collected within 90 days of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, pension expenditures, and other postemployment benefits, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Property taxes are recorded in the year levied as receivables and deferred inflows. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

Intergovernmental aids and grants are recognized as revenues in the period the Village is entitled the resources, and the amounts are available. Amounts owed to the Village which are not available are recorded as receivables and deferred inflows. Amounts received prior to the entitlement period are recorded as unearned revenues.

Special assessments are recorded as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and deferred inflows.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, certain public charges for services, and interest. Other general revenues such as fines and forfeitures, special assessments, inspection fees, recreation fees, and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

The Village reports deferred inflows on its governmental funds balance sheet. Deferred inflows arise from taxes levied in the current year which are for subsequent year's operations. For governmental fund financial statements, deferred inflows arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues arise when resources are received before the Village has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Village has a legal claim to the resources, the unearned revenue or deferred inflow is removed from the balance sheet and revenue is recognized.

**VILLAGE OF CALEDONIA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)**

Fund Financial Statements (Continued)

Proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note. Fiduciary funds follow the accrual basis of accounting, and do not have a measurement focus.

The 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 Utilities are charges to customers for sales and services and taxes levied specifically for public fire protection. Special assessments are recorded as receivables when levied and as contribution revenue when property owner connects to the system. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

All Financial Statements

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 could differ from those estimates.

**D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of
Resources, and Net Position or Fund Balances**

Deposits and Investments

For purposes of the statements of net position and cash flows, the Village considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

**VILLAGE OF CALEDONIA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balances (Continued)

Deposits and Investments (Continued)

Investment of Village funds is restricted by Wisconsin state statutes. Available investments are limited to:

- Time deposits in any credit union, bank, savings bank, or trust company authorized to transact business in the state, maturing 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, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, or by the University of Wisconsin Hospitals and Clinics Authority, and the Wisconsin Aerospace Authority.
- Bonds or securities issued or guaranteed by the federal government.
- The local government investment pool.
- 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.

The Village has adopted an investment policy. That policy which identifies restrictions on allowable investments as noted below.

- Certificates of deposit must be collateralized by either U.S. government or agency securities with a maturity of under seven years or limited to \$500,000 per financial institution.

**VILLAGE OF CALEDONIA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balances (Continued)

Deposits and Investments (Continued)

- U.S. Treasury bonds or notes.
- The State of Wisconsin Local Government Investment Pool or the Wisconsin Investment Trust.
- Any investment pools, savings or similar accounts offered by banks located within the State of Wisconsin and such deposit must be collateralized by U.S. government backed securities or agency securities or limited to \$500,000 per financial institution.
- Direct investment in mortgage backed securities, commercial paper, commercial paper derivatives, bankers' acceptance and mutual funds are not permitted.
- No more than 50% of the Village's total investment portfolio will be invested in a single security type or with a single financial institution, unless fully collateralized.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. The Local Government Investment Pool (LGIP) is reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. The difference between the bank statement balance and carrying value is due to outstanding checks and/or deposits in transit.

The Wisconsin LGIP is part of the State Investment Fund (SIF) and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice.

Receivables

Property taxes are levied in December on the assessed value as of the prior January 1. In addition to property taxes for the Village, taxes are collected for and remitted to the state and county governments as well as the local school district and technical college district. Taxes for all state and local governmental units billed in the current year for the succeeding year are reflected as receivables and due to other taxing units or deferred inflows of resources on the accompanying custodial fund statement of fiduciary net position.

**VILLAGE OF CALEDONIA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balances (Continued)

Receivables (Continued)

Property tax calendar - 2023 tax roll:

Lien date and levy date	December 2023
Tax bills mailed	December 2023
Payment in full, or	January 31, 2024
First installment due	January 31, 2024
Second installment due	July 31, 2024
Personal property taxes in full	January 31, 2024
Tax deed - 2023 delinquent real estate taxes	October 2026

Accounts receivable have been shown net of an allowance for uncollectible accounts. Delinquent real estate taxes as of July 31 are paid in full by the county, which assumes the collection thereof. No provision for uncollectible accounts receivable has been made for the Water, Sewer, and Stormwater Utilities because they have the right by law to place delinquent bills on the tax roll.

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental or business type activities are eliminated in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the governmental-wide financial statements as internal balances.

Lease Receivable

The Village is a lessor to an outside party for the right to use the water tower for the placement of telecommunications equipment. Under the lease agreement, the Village recognizes a lease receivable and deferred inflow of resources based on the criteria dictated by GASB Statement No. 87, *Leases*. The Village measures the lease receivable at the present value of payments expected to be received during the lease term. During the lease term, the lease receivable is reduced by the principal portion of the lease payments received.

Deferred inflows of resources related to leases are initially measured as the amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Lease revenue is recognized on a straight-line basis over the term of the lease.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

**VILLAGE OF CALEDONIA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balances (Continued)

Sewer Capacity

The asset relating to the sewer capacity include project costs incurred in connection with the Village's cost sharing arrangement with the Village's cost sharing arrangement with the Village of Mt. Pleasant, Wisconsin for additional sewer capacity. These costs have been recorded as an asset due to the benefit which will result from the inclusion of these costs in future rate structures. These costs are deferred and amortized over the term of the related debt issues.

Restrict Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified. The excess of restricted assets over current liabilities payable from restricted assets, if generated from earnings, is shown as restricted net position.

Capital Assets

Government-Wide Statements

Capital assets, which include property, plant, and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$5,000 and an estimated useful life in excess of one year. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their acquisition value at the date of donation.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation/amortization.

Depreciation/amortization of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation/amortization reflected in the statement of net position. Depreciation/amortization is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	15 to 75 Years
Machinery and Equipment	4 to 20 Years
Utility System	7 to 100 Years
Infrastructure	40 to 70 Years

**VILLAGE OF CALEDONIA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balances (Continued)

Capital Assets (Continued)

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 way as in the government-wide statements.

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditures) until then. The Village has three items qualify for reporting in this category. It is the deferred outflows related to loss of refunding, pension and OPEB. The deferred amounts related to pension and OPEB related to pension and OPEB relate to differences between estimated and actual investment earnings, changes in actuarial assumptions, and other pension and OPEB related changes.

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The Village has four items that qualify for reporting in this category. Unavailable revenues are reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from three sources: property taxes, special assessments, and long-term receivables. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In government-wide financial statements, the Village report deferred amounts related to leases, pension, OPEB, and subsequent year tax levy.

Compensated Absences

Under terms of employment, employees are granted sick leave and vacation pay. Vacation earned is based on longevity of employment. Only benefits considered to be vested are disclosed in these statements.

All vested sick time and vacation pay is accrued by full and part time employees based upon where the employee falls under the guidance of the Village personnel policy or their designated union contract. All accrued time is reported in the government-wide and proprietary fund financial statements.

A liability will be reported in the governmental funds only if they have matured. Funds come to maturity in the event of resignation or retirement. These funds are payable with expendable resources and the benefit is then considered terminated.

**VILLAGE OF CALEDONIA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balances (Continued)

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 (Revenue)

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 Postemployment Benefits

Other Postemployment Benefits (OPEB) Local Retiree Life Insurance – 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, and
- 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.

Other Postemployment Benefits (OPEB) Retiree Medical Insurance – The Village allows eligible retirees to retain access to medical insurance. Eligibility and benefit provisions are based on the Village's employee benefit policies. Under the provisions of the plan a retiree may choose to self-pay the full amount of premiums to remain on the Village's group medical plan indefinitely, provided they continue to pay all required premiums.

**VILLAGE OF CALEDONIA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balances (Continued)

Subscription-Based Information Technology (SBITA)

SBITA assets are initially measured as the sum of the present value of payments expected to be made during the subscription term, payments associated with the SBITA contract made to the SBITA vendor at the commencement of the subscription term, when applicable, and capitalizable implementation costs, less any SBITA vendor incentives received from the SBITA vendor at the commencement of the SBITA term. SBITA assets are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT assets.

Long-Term Obligations

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes and bonds payable, other postemployment benefits and accrued compensated absences.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (adjusted for any premiums or discounts) are reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

For the government-wide statements and proprietary fund statements, bond premiums and discounts are amortized over the life of the issue using the straight-line method which approximates the interest method. Gains or losses on prior refunding's are amortized over the remaining life of the old debt, or the life of the new debt, whichever is shorter. The balance at year-end for both premiums and discounts are shown as an increase or decrease in the liability section of the statement of net position.

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 funds. The liability for claims and judgments is only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred. There were no significant claims or judgments at year-end.

**VILLAGE OF CALEDONIA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balances (Continued)

Net Position and Fund Balance Classifications

Government-Wide Statements

Net Position is classified in three components:

- a. The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation/amortization, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability or deferred inflow relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or deferred inflows or if the liability will be liquidated with the restricted assets reported.
- c. The unrestricted component of net position is the amount of the assets and deferred outflows, net of the liabilities and deferred inflows that are not included in the determination of net investment in capital assets or the restricted components of net position.

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 Statements

In the governmental fund financial statements, governmental funds report nonspendable fund balance for amounts that cannot be spent because they are either:

- a. Not in spendable form; or
- b. Legally or contractually required to be maintained intact.

Restricted fund balance is reported when constraints placed on the use of resources are either:

- a. Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or
- b. Imposed by law through constitutional provisions or enabling legislation.

**VILLAGE OF CALEDONIA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balances (Continued)

Net Position and Fund Balance Classifications (Continued)

Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Village Board.

Assigned fund balance is reported for amounts that are constrained by the Village management's intent to be used for specific purposes but is neither restricted nor committed.

Unassigned fund balance is the residual classification for the General Fund and deficits in other funds.

When restricted, committed, assigned, and unassigned amounts are available for use, it is the government's policy to use restricted resources first, then committed, then assigned resources, then unassigned resources as they are needed.

E. Adoption of New Accounting Standards

In May 2020, the GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This standard defines a subscription-based information technology arrangement (SBITA); establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability; provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires not disclosures regarding a SBITA.

The Village adopted the requirements of the guidance effective January 1, 2023 and has applied the provisions of this standard to the beginning of the period of adoption.

**VILLAGE OF CALEDONIA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note 1. C.

A budget has been adopted for the General, Special Revenue (except those noted in the following sentence), Debt Service and Capital Projects Fund (except those noted in the following sentence). Budgets have not been formally adopted for the CARES Act Fund, ARPA Fund, Impact Fee Fund, and Donations Fund. Wisconsin Statute 65.90 requires that an annual budget be adopted for all funds.

The budgeted amounts presented include any amendments made. The Village may authorize transfers of budgeted amounts within departments. Transfers between departments and changes to the overall budget must be approved by a two-thirds Board action. Appropriations lapse at year-end unless specifically carried over. There were no carryovers to the following year. Budgets are adopted at the fund level of expenditure for all funds other than the General Fund, which is adopted at the function level of expenditure.

The Village exceeded budget in the following functional expenditure categories during the year ended December 31, 2023:

General Fund:	
Public Safety	\$28,652

B. Deficit Balances

Accounting principles generally accepted in the United States of America require disclosure of individual funds that have deficit balances at year-end. As of December 31, 2023, the following individual funds held a deficit balance:

Fund	Amount	Reason
Capital Projects Funds		
Tax Increment District No. 1	\$ (531,502)	Long-Term Deficit Due to Expenditures Exceeding Revenues
Tax Increment District No. 3	(349,295)	Long-Term Deficit Due to Expenditures Exceeding Revenues
Tax Increment District No. 5	(2,234,394)	Long-Term Deficit Due to Expenditures Exceeding Revenues
Total Deficit Fund Balance	<u>\$ (3,115,191)</u>	

**VILLAGE OF CALEDONIA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DEPOSITS AND INVESTMENTS

The Village's deposits and investments at year-end were comprised of the following:

	Carrying Value	Financial Institution Balances	Risks
Governmental and Fiduciary Activities			
Petty Cash	\$ 800	\$ -	N/A
Deposits:			
Demand Deposits	22,821,436	22,769,421	Custodial Credit Risk
Time and Savings	4,277,413	4,277,413	Custodial Credit Risk
Certificates of Deposits	1,239,713	1,239,713	Custodial Credit Risk
Total Deposits	<u>\$ 28,338,562</u>	<u>\$ 28,286,547</u>	
Investments:			
Local Government Investment			
Pool (LGIP)	\$ 14,282,285	\$ 14,282,285	Interest Rate Risk and Credit Risk
U.S. Agencies	673,462	673,462	Interest Rate Risk and Credit Risk
U.S. Treasuries	8,206,247	8,206,247	Interest Rate Risk and Credit Risk
Cash Management Series	179	179	Custodial Credit Risk
Investment Class	348,294	348,294	Custodial Credit Risk
Total Investments	<u>23,510,467</u>	<u>23,510,467</u>	
Total Deposits and Investments	<u>\$ 51,849,829</u>	<u>\$ 51,797,014</u>	
Reconciliation to Financial Statements			
Per Statement of Net Position:			
Unrestricted Cash and Investments	\$ 33,056,006		
Restricted Cash and Investments	4,922,755		
Per Statement of Fiduciary Net Position -			
Custodial Fund	<u>13,871,068</u>		
Total Deposits and Investments	<u>\$ 51,849,829</u>		

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for demand deposits and \$250,000 for time and savings deposits. Certificates of deposit held in the LGIP are covered by FDIC insurance, which applies to the proportionate public unit share of accounts.

Any losses caused by failure of public depositories are also covered by the State Deposit Guarantee Fund. The fund provides coverage of \$400,000 in each financial institution and the LGIP above the applicable insurance coverage provided by the FDIC. Although the fund had reserves available at December 31, 2023, the future availability of resources to cover the losses cannot be projected because provisions of the 1985 Wisconsin Act 25 provided that the amount in the fund will be used to repay public depositors for losses until the appropriation is exhausted, at which time the fund is abolished. This coverage has been considered in computing custodial credit risk.

**VILLAGE OF CALEDONIA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial Credit Risk

Deposits - Custodial credit risk is the risk that in the event of a financial institution failure, the Village's deposits may not be returned to the Village. As of December 31, 2023, \$1,054,676 of the Village's total bank balances of \$28,286,547 was uninsured and uncollateralized.

Investments - For an investment, custodial credit risk is the risk that, in the event of the failure of the counter party, the Village will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. As of December 31, 2023, none of the Village's investment balance of \$348,473 was exposed to custodial credit risk as uninsured and uncollateralized.

Interest Rate Risk and Credit Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. As of December 31, 2023, the Village's investments were as follows:

Investment Type	Carrying Value	Average Maturity (Years)	S&P Rating
Local Government Investment Pool (NAV)	\$ 14,282,285	< 1 Year	Unrated
U.S. Agencies	673,462	< 1 Year	AA+
U.S. Treasuries	6,701,625	< 1 Year	AA+
U.S. Treasuries	1,504,622	< 1 Year	A-1+
Cash Management Series	179	Not applicable	Not applicable
Investment Class	348,294	Not applicable	Not applicable
Total investments	<u>\$ 23,510,467</u>		

Fair Value Measurements

The Village uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures.

The Village follows an accounting standard that defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and requires expanded disclosures about fair value measurements. In accordance with this standard, the Village has categorized its investments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

**VILLAGE OF CALEDONIA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

Fair Value Measurements (Continued)

Financial assets and liabilities recorded on the combined statements of financial position are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Financial assets and liabilities are valued using inputs that are unadjusted quoted prices in active markets accessible at the measurement date of identical financial assets and liabilities.

Level 2 – Financial assets and liabilities are valued based on quoted prices for similar assets, or inputs that are observable, either directly or indirectly for substantially the full term through corroboration with observable market data.

Level 3 – Financial assets and liabilities are valued using pricing inputs which are unobservable for the asset, inputs that reflect the reporting entity's own assumptions about the assumptions market participants and would use in pricing the asset.

The Village has the following recurring fair value measurements as of December 31, 2023:

- U.S. Agencies of \$673,462 are valued using a matrix pricing model (Level 2 inputs).
- U.S. Treasuries of \$8,206,247 are valued using a matrix pricing model (Level 2 inputs).
- WISC Cash Management Series of \$179 are valued using a matrix pricing model (Level 2 inputs).
- WISC Investment Class of \$348,294 are valued using a matrix pricing model (Level 2 inputs).

Restricted Cash

The Village has established the following restricted cash and investments based upon third-party agreements, which restrict the use of these funds to certain allowable activities and costs:

	<u>Sewer Utility</u>	<u>Water Utility</u>	<u>Totals</u>
Equipment Replacement Fund	\$ 660,184	\$ -	\$ 660,184
Revenue Bond Debt Service Fund	<u>3,218,466</u>	<u>1,044,105</u>	<u>4,262,571</u>
 Total Restricted Assets - Cash and Investments	 <u>\$ 3,878,650</u>	 <u>\$ 1,044,105</u>	 <u>\$ 4,922,755</u>

VILLAGE OF CALEDONIA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 4 RECEIVABLES

As of December 31, 2023, the Village has the following governmental activities/fund receivables outstanding:

	General Fund	Debt Service Fund	Capital Projects Fund	Tax Increment District No. 4	Tax Increment District No. 5	Nonmajor Governmental Funds	Total Governmental Activities
Taxes Receivable:							
Property Tax Levy	\$ 9,058,129	\$ 2,579,016	\$ 721,230	\$ 990,750	\$ 57,746	\$ 330,718	\$ 13,737,589
Delinquent Personal Property Taxes	85,754	-	-	-	-	-	85,754
Other Charges	69,406	-	-	-	-	1,785,098	1,854,504
Accounts Receivable	1,986,151	-	-	-	-	-	1,986,151
Special Assessments	-	30,996	-	1,110,296	-	-	1,141,292
Notes Receivable	-	3,422,139	-	-	4,000,000	-	7,422,139
Receivables, Gross	11,199,440	6,032,151	721,230	2,101,046	4,057,746	2,115,816	26,227,429
Allowance for Doubtful Accounts	-	-	-	-	-	-	-
Receivables, Net	<u>\$ 11,199,440</u>	<u>\$ 6,032,151</u>	<u>\$ 721,230</u>	<u>\$ 2,101,046</u>	<u>\$ 4,057,746</u>	<u>\$ 2,115,816</u>	<u>\$ 26,227,429</u>

As of December 31, 2023, the Village has not recorded any allowance related to receivables outstanding for the Sewer, Water, and Stormwater Utility. All receivables are expected to be collected within one year.

During 2021, the Village has issued a note receivable to a developer to support economic development within the Village's Tax Increment District No. 5. The developer has the ability to draw a maximum of \$4,000,000 in principal. The note bears interest at the Village's cost to borrow under the terms of the note payable with Johnson Bank. Principal and interest will be due in a balloon payment on July 8, 2022. On July 29, 2022, the Village and the developer amended the initial loan agreement to extend the due date to July 14, 2023. On July 11, 2023, the Village and the developer amended the second amendment loan agreement to extend the due date to January 15, 2024. On April 9, 2024, the Village and the developer amended the third amendment loan agreement to extend the due date to January 15, 2028. The principal balance as of December 31, 2023 is \$4,000,000.

NOTE 5 DEFERRED INFLOWS OF RESOURCES

Governmental funds report *deferred inflows* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *deferred inflows* reported in the governmental funds were as follows:

	Unavailable	Tax Levy	Totals
Property Taxes Receivable for Subsequent Year	\$ -	\$ 21,172,498	\$ 21,172,498
Special Assessments	1,141,292	-	1,141,292
Notes Receivable	7,422,139	-	7,422,139
Total Deferred Inflows of Resources	<u>\$ 8,563,431</u>	<u>\$ 21,172,498</u>	<u>\$ 29,735,929</u>

**VILLAGE OF CALEDONIA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 6 LEASES

The Village, acting as lessor, leases access to the its water tower to a lessee under a long-term, noncancellable lease agreement. The lease expires on March 1, 2046. In calculating the lease receivable and deferred inflows of resources, the Village utilized an estimated incremental borrowing rate of 2.5% as a stated interest rate is not included in the lease agreement.

The Village recognized \$7,549 in interest revenue and \$14,407 in lease revenue totaling \$21,956 of rental income for the year ended December 31, 2023. Total future lease payments to be received under the lease agreement are as follows:

<u>Year Ending December 31,</u>	<u>Lease Receivable</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 8,097	\$ 7,369	\$ 15,466
2025	8,281	7,185	15,466
2026	9,640	6,986	16,626
2027	10,254	6,759	17,013
2028	10,487	6,526	17,013
2029-2033	60,950	28,790	89,740
2034-2038	77,694	21,020	98,714
2039-2043	97,380	11,206	108,586
2044-2046	49,726	1,220	50,946
Total	<u>\$ 332,509</u>	<u>\$ 97,061</u>	<u>\$ 429,570</u>

VILLAGE OF CALEDONIA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 7 CAPITAL ASSETS

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

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital Assets not Being Depreciated:				
Land	\$ 1,210,376	\$ -	\$ 144,000	\$ 1,066,376
Intangible Assets - Land Easements	73,000	-	-	73,000
Construction in Progress	4,922,907	18,950,661	8,991,973	14,881,595
Total Capital Assets, not Being Depreciated	6,206,283	18,950,661	9,135,973	16,020,971
Capital Assets Being Depreciated:				
Buildings	11,877,767	74,866	-	11,952,633
Land Improvements	-	30,690	-	30,690
Machinery and Equipment	11,832,490	1,620,034	204,494	13,248,030
Roads	103,815,583	913,252	-	104,728,835
Bridges	1,810,082	-	-	1,810,082
Intangible Assets	8,827,186	-	-	8,827,186
Total Capital Assets Being Depreciated	138,163,108	2,638,842	204,494	140,597,456
Accumulated Depreciation:				
Buildings	4,104,420	319,561	-	4,423,981
Land Improvements	-	767	-	767
Machinery and Equipment	8,200,629	735,579	92,820	8,843,388
Roads	53,406,669	2,448,368	-	55,855,037
Bridges	674,067	114,912	-	788,979
Intangible Assets	1,320,220	220,680	-	1,540,900
Total Accumulated Depreciation	67,706,005	3,839,867	92,820	71,453,052
Net Capital Assets Being Depreciated	70,457,103	(1,201,025)	111,674	69,144,404
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 76,663,386</u>	<u>\$ 17,749,636</u>	<u>\$ 9,247,647</u>	<u>\$ 85,165,375</u>

Depreciation expense was charged to functions as follows:

Governmental Activities	
General Government	\$ 122,525
Public Safety	503,286
Public Works, Which Includes Depreciation of Infrastructure	3,175,851
Culture, Education, and Recreation	38,205
Total Governmental Activities	<u>\$ 3,839,867</u>

VILLAGE OF CALEDONIA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 7 CAPITAL ASSETS (CONTINUED)

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

	Beginning Balance	Additions	Deductions	Ending Balance
Business-Type Activities				
Capital Assets not Being Depreciated:				
Land	\$ 57,223	\$ -	\$ -	\$ 57,223
Construction in Progress	13,493,339	4,281,924	15,736,711	2,038,552
Total Capital Assets not Being Depreciated	13,550,562	4,281,924	15,736,711	2,095,775
Capital Assets Being Depreciated:				
Water Treatment Plant	789,800	26,089	-	815,889
Transmission and Distribution Plant	54,316,662	3,372,866	1,275,863	56,413,665
Water General Plant	793,484	-	-	793,484
Storm Sewers	17,787,838	4,733,543	-	22,521,381
Storm Sewer Equipment	81,247	92,974	-	174,221
Collection System Plant	93,870,638	-	-	93,870,638
Collection System Pumping Plant	1,336,367	15,674,871	-	17,011,238
Sewer General Plant	1,529,461	-	-	1,529,461
Total Capital Assets Being Depreciated	170,505,497	23,900,343	1,275,863	193,129,977
Accumulated Depreciation:				
Water Treatment Plant	567,008	20,941	-	587,949
Transmission and Distribution Plant	12,943,160	990,586	1,275,863	12,657,883
Water General Plant	609,347	17,575	-	626,922
Storm Sewers	9,246,591	484,952	-	9,731,543
Storm Sewer Equipment	5,416	4,258	-	9,674
Collection System Plant	24,315,890	1,941,053	-	26,256,943
Collection System Pumping Plant	1,114,904	26,833	-	1,141,737
Sewer General Plant	848,448	-	-	848,448
Total Accumulated Depreciation	49,650,764	3,486,198	1,275,863	51,861,099
Net Capital Assets Being Depreciated	120,854,733	20,414,145	-	141,268,878
Total Business-type Activities capital assets, net of accumulated depreciation	<u>\$ 134,405,295</u>	<u>\$ 24,696,069</u>	<u>\$ 15,736,711</u>	<u>\$ 143,364,653</u>

Depreciation expenses was charged to functions as follows:

Business-Type Activities	
Sewer	\$ 1,967,886
Water	1,029,102
Storm Water	489,210
Total Business-Type Activities	<u>\$ 3,486,198</u>

**VILLAGE OF CALEDONIA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 8 INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS

Due To/From

The following summarizes interfund receivables and payables including any overdrafts on pooled cash and investment accounts.

Receivable Fund	Payable Fund	Amount
Major Governmental Funds - General Fund	Major Governmental Funds - Tax Increment District No. 5	\$ 388,175
Major Proprietary Funds - Sewer Utility	Major Proprietary Funds - Water Utility	976,600
Major Governmental Funds - General Fund	Nonmajor Governmental Funds - Refuse	916,616
	Recycling	392,513
	Tax Increment District No. 3	142,183
		<u>\$ 2,816,087</u>

All amounts are due within one year.

The principal purpose of these balances is the collection of amounts on the tax roll and the allocation of commingled cash and investment balances. In addition, certain balances resulted from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, and payments between funds are made.

For the statement of net position, interfund balances which are owed within the governmental activities or business-type activities are netted and eliminated.

Advance To/From

Receivable Fund	Payable Fund	Amount
Major Governmental Funds - Debt Service Fund	Major Governmental Funds - Tax Increment District No. 4	\$ 3,500,000
Major Governmental Funds - Tax Increment District No. 4	Nonmajor Governmental Funds - Tax Increment District No. 1	534,591
Proprietary Funds - Sewer Utility	Major Governmental Funds - Tax Increment District No. 5	1,105,000
Proprietary Funds - Water Utility	Nonmajor Governmental Funds - Tax Increment District No. 3	207,112
		<u>\$ 5,346,703</u>

**VILLAGE OF CALEDONIA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 8 INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS (CONTINUED)

Advance To/From (Continued)

The Village's Tax Increment District No. 4 has advanced \$534,591 to Tax Incremental District No. 1 to assist in funding expenditures of the District. Principal repayments of \$75,000 plus accrued interest on the outstanding balance incurred at a rate of 2.9%, will be transacted in 2023 – 2031 until the balance is paid in full.

The Village's Water Utility has advanced \$207,112 to Tax Incremental District No. 3 to assist in funding expenditures of the District. Principal repayments of \$35,000 plus accrued interest on the outstanding balance incurred at a rate of 2.5%, will be transacted in 2023 – 2029 until the balance is paid in full.

The Village's Sewer Utility has advanced \$1,105,000 to Tax Incremental District No. 5 to assist in funding expenditures of the District. Repayment of principal will be based on the availability of future property tax increments. No interest will be accrued on the outstanding advance.

The Village's Debt Service Fund advanced \$3,500,000 to Tax Incremental District No. 4 to assist in funding expenditures of the District. Repayment of principal will be based on the availability of future property tax increments. No interest will be accrued on the outstanding advance.

For the statement of net position, interfund balances which are owed within the governmental activities or business-type activities are netted and eliminated.

Transfer In/Out

Fund Transferred From	Fund Transferred To	Amount
Major Governmental Funds - Debt Service Fund	Major Governmental Funds - Tax Incremental District No. 4	\$ 1,000,000
Nonmajor Governmental Funds - Parks and Recreation	Major Governmental Funds - General Fund	60,658
Major Governmental Funds - Fire Safer	Major Governmental Funds - General Fund	124,662
	Total Transfers	<u>\$ 1,185,320</u>

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the Debt Service Fund, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

The Village closed the parks and recreation special revenue fund and the fire safer special revenue funds during 2023 and the remaining fund balance of \$60,658 and \$124,662, respectively, were transferred to the Village's general fund

**VILLAGE OF CALEDONIA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 8 INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS (CONTINUED)

Transfer In/Out (Continued)

During the year, the Village transferred capital assets constructed by funding from the governmental activities Tax Increment District No. 5 to the business-type activities Sewer Utility, Water Utility and Stormwater Utility in the amounts of \$2,344,697, \$1,581,190, and \$3,782,066, respectively. This transfer is reflected in the statement of activities.

For the statement of activities, interfund transfers within the governmental activities or business-type activities are netted and eliminated.

NOTE 9 LONG-TERM OBLIGATIONS

As of December 31, 2023, the Village has noncurrent liabilities outstanding for governmental activities purposes of:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
General Obligation Debt:					
Bonds and Notes Payable - Bonded	\$ 77,225,000	\$ 6,135,000	\$ 3,215,000	\$ 80,145,000	\$ 3,590,000
Note Payable - Direct Borrowings	4,037,156	-	18,282	4,018,874	4,018,874
Debt Premium (Discount)	2,514,106	316,668	169,119	2,661,655	-
Total General Obligation Debt	83,776,262	6,451,668	3,402,401	86,825,529	7,608,874
Other Liabilities:					
Accumulated Sick Leave	135,546	293,274	315,739	113,081	113,081
Accumulated Vacation	12,813	773,521	701,851	84,483	84,483
Accumulated Compensatory Time	49,556	94,278	115,430	28,404	28,404
Total Other Liabilities	197,915	1,161,073	1,133,020	225,968	225,968
Total Governmental Activities Long-Term Liabilities	<u>\$ 83,974,177</u>	<u>\$ 7,612,741</u>	<u>\$ 4,535,421</u>	<u>\$ 87,051,497</u>	<u>\$ 7,834,842</u>

**VILLAGE OF CALEDONIA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 9 LONG-TERM OBLIGATIONS (CONTINUED)

As of December 31, 2023, the Village has noncurrent liabilities outstanding for business-type activities purposes of:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Business-Type Activities					
Long-Term Debt:					
General Obligation Debt - Bonded	\$ 3,315,000	\$ -	\$ 470,000	\$ 2,845,000	\$ 285,000
Revenue Debt - Bonded	33,340,000	-	965,000	32,375,000	1,540,000
Revenue Debt - Direct Borrowings	5,555,196	-	493,013	5,062,183	505,954
Subtotal	42,210,196	-	1,928,013	40,282,183	2,330,954
Bond Premium (Discount)	1,295,580	-	73,732	1,221,848	-
Total Long-Term Debt	43,505,776	-	2,001,745	41,504,031	2,330,954
Other liabilities:					
Clean Water Fund Loans - Direct Borrowings	24,821,826	306,799	560,785	24,567,840	580,876
Compensated Absence	13,754	36	-	13,790	10,008
Total Other Liabilities	24,835,580	306,835	560,785	24,581,630	590,884
Total Business-Type Activities					
Long-Term Liabilities	<u>\$ 68,341,356</u>	<u>\$ 306,835</u>	<u>\$ 2,562,530</u>	<u>\$ 66,085,661</u>	<u>\$ 2,921,838</u>

General Obligation Direct Borrowings – New Issue

During 2023, the Village issued general obligation corporate purpose bonds, series 2023A in the amount of \$6,135,00 with interest rates ranging from 4.0% to 5.0%. The Village is required to make principal payments annually on April 1 and interest payments semiannually on April 1 and October 1. The bonds mature serially through April 1, 2043. The proceeds of the bonds will be used to finance the cost of street improvement projects and providing financial assistance to community development projects under section 66.1105, Wisconsin Statutes, by paying project costs included in the project plans for the Village's Tax Incremental Districts No. 4 and No. 5.

Legal Debt Margin

In accordance with Wisconsin Statutes, total general obligation indebtedness of the Village may not exceed 5% of the equalized value of taxable property within the Village's jurisdiction. The debt limit as of December 31, 2023, was \$173,806,350. Total general obligation debt outstanding at year-end was \$87,008,874.

VILLAGE OF CALEDONIA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 9 LONG-TERM OBLIGATIONS (CONTINUED)

General Obligation Debt

All general obligation notes and bonds payable are backed by the full faith and credit of the Village. Notes and bonds in the governmental funds will be retired by future property tax levies or tax increments. Business-type activities debt is payable by revenues from user fees of those funds or, if the revenues are not sufficient, by future tax levies.

As of December 31, 2023, the Village has general obligation debt outstanding for governmental activities purposes of:

Governmental Activities General Obligation Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/2023
General Debt Service:					
General Obligation Water Bonds	10/2/2013	4/1/2033	2.90-4.00%	\$ 1,180,000	\$ 1,180,000
General Obligation Water Bonds	4/3/2014	4/1/2030	0.75-3.30%	1,735,000	700,000
General Obligation Bonds	12/4/2014	4/1/2034	2.00-3.25%	8,250,000	7,445,000
State Trust Fund Loan - Direct Borrowing	3/17/2015	3/15/2024	3.25%	150,000	18,874
General Obligation Bonds	12/3/2015	4/1/2035	3.00-4.00%	9,375,000	9,375,000
General Obligation Bonds	7/14/2016	4/1/2036	2.00-3.00%	3,820,000	3,820,000
Promissory Notes	7/14/2016	4/1/2026	1.80-2.25%	4,490,000	1,670,000
Taxable General Obligation Bonds	10/18/2017	4/1/2037	2.80-3.50%	3,400,000	3,400,000
General Obligation Bonds	10/18/2017	4/1/2037	3.00-3.10%	2,165,000	2,165,000
General Obligation Bonds	11/15/2018	4/1/2038	3.00-4.00%	11,990,000	10,910,000
Promissory Notes	11/26/2019	4/1/2029	2.00%	1,635,000	1,170,000
General Obligation Bonds	9/15/2020	4/1/2040	2.00%	2,000,000	2,000,000
General Obligation Promissory Notes	4/1/2021	4/1/2030	1.00-2.00%	4,630,000	4,225,000
General Obligation Promissory Notes	4/1/2021	4/1/2030	1.00-2.00%	2,880,000	2,000,000
General Obligation Promissory Notes - Direct Borrowing	7/29/2021	7/31/2024	7.13%	4,000,000	4,000,000
General Obligation Promissory Notes	9/20/2022	4/1/2042	4.00-5.00%	24,745,000	23,950,000
General Obligation Corporate Purpose Bonds	5/25/2023	10/1/2043	4.00-5.00%	6,135,000	6,135,000

Total Governmental Activities - General Obligation Debt \$ 84,163,874

The governmental activities general obligation outstanding as of December 31, 2023 matures as follows:

Year Ending December 31,	Governmental Activities General Obligation Debt - Bonded			Year Ending December 31,	Governmental Activities General Obligation Debt - Direct Borrowing		
	Principal	Interest	Total		Principal	Interest	Total
2024	\$ 3,590,000	\$ 2,940,731	\$ 6,530,731	2024	\$ 4,018,874	\$ 615	\$ 4,019,489
2025	4,490,000	2,719,168	7,209,168	2025	-	-	-
2026	4,795,000	2,560,863	7,355,863	2026	-	-	-
2027	5,115,000	2,391,332	7,506,332	2027	-	-	-
2028	5,380,000	2,211,210	7,591,210	2028	-	-	-
2029-2033	25,690,000	8,256,643	33,946,643	2029-2033	-	-	-
2034-2038	20,735,000	3,858,061	24,593,061	2034-2038	-	-	-
2039-2043	10,350,000	902,843	11,252,843	2039-2043	-	-	-
Total	<u>\$ 80,145,000</u>	<u>\$ 25,840,851</u>	<u>\$ 105,985,851</u>	Total	<u>\$ 4,018,874</u>	<u>\$ 615</u>	<u>\$ 4,019,489</u>

**VILLAGE OF CALEDONIA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 9 LONG-TERM OBLIGATIONS (CONTINUED)

General Obligation Debt (Continued)

The business-type activities general obligation outstanding as of December 31, 2023 matures as follows:

Business-Type Activities General Obligation Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/2023
Sewer Utility:					
General Obligation Bonds	7/12/2012	5/1/2032	2.00-3.00%	\$ 4,230,000	\$ 2,845,000
Business-Type Activities Subtotal					\$ 2,845,000

The business-type activities general obligation debt outstanding as of December 31, 2023 matures as follows:

Year Ending December 31,	Business-Type Activities General Obligation Debt - Bonded		
	Principal	Interest	Total
2024	\$ 285,000	\$ 74,478	\$ 359,478
2025	290,000	67,648	357,648
2026	295,000	60,334	355,334
2027	305,000	52,531	357,531
2028	315,000	44,159	359,159
2029-2033	1,355,000	81,829	1,436,829
2034-2038	-	-	-
2039-2043	-	-	-
Total	\$ 2,845,000	\$ 380,979	\$ 3,225,979

Revenue Debt

As of December 31, 2023, the Village has revenue debt outstanding for business-type activities purposes of:

Business-Type Activities Revenue Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/2023
Water Utility:					
Water and Sewer System Revenue Bonds	10/2/2013	5/1/2030	3.00-4.38%	\$ 5,515,000	\$ 3,550,000
Water and Sewer System Revenue Bonds	7/21/2016	5/1/2036	2.00-3.00%	450,000	310,000
Water and Sewer System Revenue Bonds	10/18/2017	5/1/2037	3.00-3.25%	2,445,000	1,840,000
Water and Sewer System Revenue Bonds	11/26/2019	5/1/2039	2.00-4.00%	1,145,000	975,000
Water and Sewer System Revenue Bonds	9/15/2020	5/1/2040	2.00-3.00%	2,195,000	1,995,000
Water and Sewer System Revenue Bonds	11/8/2021	5/1/2042	2.00-4.00%	3,075,000	3,075,000
Water Subtotal					11,745,000
Sewer Utility:					
Clean Water Fund Loan - Direct Borrowing	11/14/2012	5/1/2032	2.63%	9,683,189	5,062,183
Water and Sewer System Revenue Bonds	7/21/2016	5/1/2036	2.00-3.00%	1,910,000	1,340,000
Water and Sewer System Revenue Bonds	10/18/2017	5/1/2037	3.00-3.25%	4,555,000	3,440,000
Water and Sewer System Revenue Bonds	11/26/2019	5/1/2039	2.00-4.00%	3,185,000	2,705,000
Water and Sewer System Revenue Bonds	11/8/2021	5/1/2042	2.00-4.00%	13,145,000	13,145,000
Sewer Subtotal					25,692,183
Business-Type Activities Subtotal					\$ 37,437,183

**VILLAGE OF CALEDONIA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 9 LONG-TERM OBLIGATIONS (CONTINUED)

Revenue Debt (Continued)

The business-type activities revenue debt outstanding as of December 31, 2023 matures as follows:

Year Ending December 31,	Business-Type Activities Revenue Debt - Bonded			Year Ending December 31,	Business-Type Activities Revenue - Direct Borrowing		
	Principal	Interest	Total		Principal	Interest	Total
2024	\$ 1,540,000	\$ 563,957	\$ 2,103,957	2024	\$ 505,954	\$ 126,242	\$ 632,196
2025	1,580,000	527,169	2,107,169	2025	519,235	112,786	632,021
2026	1,640,000	488,742	2,128,742	2026	532,865	98,977	631,842
2027	1,700,000	448,895	2,148,895	2027	546,853	84,806	631,659
2028	1,775,000	407,188	2,182,188	2028	561,208	70,263	631,471
2029-2033	9,800,000	1,375,609	11,175,609	2029-2033	2,396,068	127,831	2,523,899
2034-2038	9,260,000	430,192	9,690,192	2034-2038	-	-	-
2039-2043	5,080,000	9,225	5,089,225	2039-2043	-	-	-
Total	<u>\$ 32,375,000</u>	<u>\$ 4,250,977</u>	<u>\$ 36,625,977</u>	Total	<u>\$ 5,062,183</u>	<u>\$ 620,905</u>	<u>\$ 5,683,088</u>

Clean Water Fund Loans

The Village, in conjunction with the Village of Mt. Pleasant, Wisconsin entered into an agreement for a sewer expansion project. The Village of Mt. Pleasant, Wisconsin issued Clean Water Fund Loans for which the Village is responsible for repayment of 32.39% of the principal and interest to be repaid. Clean Water Fund Loans at December 31, 2023 consist of the following:

Business-type Activities Racine Clean Water Fund Loans	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/2023
Clean Water Fund Loans - Direct Borrowing	5/1/2022	5/1/2051	2.90%	\$ 25,912,000	\$ 24,567,840
Total Business-type Activities Racine Clean Water Fund Loans					<u>\$ 24,567,840</u>

Debt service requirements to maturity are as follows:

Year Ending December 31,	Business-type Activities Racine Clean Water Fund Loans		
	Principal	Interest	Total
2024	\$ 580,876	\$ 704,045	\$ 1,284,921
2025	597,721	686,955	1,284,676
2026	615,055	669,370	1,284,425
2027	632,892	651,274	1,284,166
2028	651,246	632,654	1,283,900
2029-2033	3,550,714	2,864,516	6,415,230
2034-2038	4,096,308	2,311,011	6,407,319
2039-2043	4,725,736	1,672,456	6,398,192
2044-2048	5,451,881	935,799	6,387,680
2049-2053	3,665,411	161,471	3,826,882
Total	<u>\$ 24,567,840</u>	<u>\$ 11,289,551</u>	<u>\$ 35,857,391</u>

**VILLAGE OF CALEDONIA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 9 LONG-TERM OBLIGATIONS (CONTINUED)

Other Debt Information

Estimated payments of compensated absences are not included in the debt service requirement schedules. The compensated absences liability attributable to governmental activities will be liquidated primarily by the General Fund.

Acceleration Clause and Security

The Village's general obligation outstanding notes from direct placements related to governmental activities of \$4,018,874 contain a subjective acceleration clause that allows the lender to accelerate payment of the entire principal amount to become immediately due if the lender determines that a material adverse change occurs. The State Trust Fund Loan and Johnson Bank note is secured by the Village's taxing authority.

The Village's revenue bonds from direct placements related to business-type activities of \$5,062,183 contain a subjective acceleration clause that allows the lender to accelerate payment of the entire principal amount to become immediately due if the lender determines that a material adverse change occurs. The security for the Village's obligation shall be a pledge of revenues to be derived from the Village's Sewerage System.

The Village's clean water fund loans from direct placements related to business-type activities of \$29,630,023 contain a subjective acceleration clause that allows the lender to accelerate payment of the entire principal amount to become immediately due if the lender determines that a material adverse change occurs. The security for the Village's obligation shall be a pledge of revenues to be derived from the Village's Water and Sewerage System.

The Village believes it is in compliance with the covenants of the outstanding debt obligations.

**VILLAGE OF CALEDONIA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 10 WISCONSIN RETIREMENT SYSTEM

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 employer on or after July 1, 2011, expected to work at least 1,200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <http://etf.wi.gov/publications/cafr.htm>.

Additionally, ETF issued a standalone Wisconsin Retirement System Financial Report, which can 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.

**VILLAGE OF CALEDONIA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 10 WISCONSIN RETIREMENT SYSTEM (CONTINUED)

General Information about the Pension Plan (Continued)

Postretirement 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 Ended December 31,	Core Fund Adjustment	Variable Fund Adjustment
2013	(9.6) %	9.0 %
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	-	(10.0)
2020	1.7	21.0
2021	5.1	13.0
2022	7.4	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.

**VILLAGE OF CALEDONIA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 10 WISCONSIN RETIREMENT SYSTEM (CONTINUED)

General Information about the Pension Plan (Continued)

During the reporting period, the WRS recognized \$1,103,343 in contributions from the employer.

Contribution rates as of December 31, 2023 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (including Executives and Elected Officials)	6.50%	6.50%
Protective with Social Security	6.50%	12.00%
Protective without Social Security	6.50%	16.40%

Pension Liability, Pension Expenses (Benefit), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2023, the Village reported a liability of \$4,929,447 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of December 31, 2022, and the Total Pension Liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of December 31, 2021 rolled forward to December 31, 2022. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village's proportion of the Net Pension Liability was based on the Village's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2022, the Village's proportion was 0.09304875%, which was an increase of 0.00001030% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the Village recognized pension expense of \$2,498,794.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 7,851,081	\$ 10,314,558
Changes in Assumptions	969,333	-
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	8,373,994	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	29,681	71,212
Employer Contributions Subsequent to the Measurement Date	1,103,343	-
Total	<u>\$ 18,327,432</u>	<u>\$ 10,385,770</u>

**VILLAGE OF CALEDONIA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 10 WISCONSIN RETIREMENT SYSTEM (CONTINUED)

Pension Liability, Pension Expenses (Benefit), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

The \$1,103,343 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	Net Amortization of Deferred Outflows and Deferred Inflows of Resources
2024	\$ 281,335
2025	1,414,561
2026	1,441,276
2027	3,701,147
2028	-

Actuarial assumptions. The total pension liability in the December 31, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

*No postretirement 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.

**VILLAGE OF CALEDONIA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 10 WISCONSIN RETIREMENT SYSTEM (CONTINUED)

Pension Liability, Pension Expenses (Benefit), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

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

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

<u>Core Fund Asset Class</u>	Current Asset Allocation Percent	Long-Term Expected Nominal Rate of Return Percent	Long-Term Expected Real Rate of Return Percent
Global Equities	48.00%	7.60%	5.00%
Public Fixed Income	25.00%	5.30%	2.70%
Inflation Sensitive Assets	19.00%	3.60%	1.10%
Real Estate	8.00%	5.20%	2.60%
Private Equity/Debt	15.00%	9.60%	6.90%
Total Core Fund	115.00%	7.40%	4.80%
<u>Variable Fund Asset Class</u>			
U.S. Equities	70.00%	7.20%	4.60%
International Equities	30.00%	8.10%	5.50%
Total Variable Fund	100.00%	7.70%	5.10%

- (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: 2.50%.
- (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 15% policy leverage is used, subject to an allowable range up to 20%.

**VILLAGE OF CALEDONIA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 10 WISCONSIN RETIREMENT SYSTEM (CONTINUED)

Pension Liability, Pension Expenses (Benefit), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (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. This single discount rate is based on the expected rate of return on pension plan investments of 6.80% and a municipal bond rate of 4.05% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2022. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities). Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the expected long-term 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 proportionate share of the net pension liability (asset) calculated using the discount rate of 6.80%, 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%) or 1-percentage-point higher (7.80%) 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)	\$ 16,360,674	\$ 4,929,447	\$ (2,934,256)

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 Plan

Payables to the WRS as of December 31, 2023 are \$148,026 for the employer and employee portion of the December 2023 required contributions.

**VILLAGE OF CALEDONIA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (OPEB) – RETIREE MEDICAL INSURANCE

General Information about the OPEB Plan

Plan description. The Village's defined OPEB plan, Retiree Medical Insurance Benefits, provides OPEB for all permanent full-time general and public safety employees of the Village. The Retiree Medical Insurance Benefits is a single-employer defined benefit OPEB plan administered by the Village. The State of Wisconsin Administrative Code grants the authority to establish and amend the benefit terms and financing requirements to the Village Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits provided. The Village has adopted a plan that provides postemployment benefit for retirees and their dependents. Retirees are eligible to continue to receive coverage under the employer-provided group medical plan. Eligible retirees may remain in the Village health insurance plan by paying 50% to 100% of the premium. Retirees may also use a portion of the value of unused sick leave to pay the retiree's share of health insurance costs after retirement.

Employees covered by benefit terms. At December 31, 2023, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently	
Receiving Benefit Payments	18
Inactive Employees Entitled to but not yet	
Receiving Benefit Payments	-
Active Employees	70
	<hr/>
	88
	<hr/>

**VILLAGE OF CALEDONIA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

**NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (OPEB) – RETIREE MEDICAL INSURANCE
(CONTINUED)**

General Information about the OPEB Plan (Continued)

Total OPEB Liability

The Village's total OPEB liability of \$7,386,016 was measured as of December 31, 2023, and was determined by an actuarial valuation as January 1, 2024.

Actuarial assumptions and other inputs. The total OPEB liability in the January 1, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	January 1, 2024
Measurement Date	December 31, 2023
Inflation	2.25%
Discount Rate	3.26
Healthcare Cost Trend	5.00-9.50%
Salary Increases Including Inflation	3.00%
Retirement Rates	WRS; See Actuarial Assumptions for Details
Termination Rates	WRS; See Actuarial Assumptions for Details
Disability Rates	WRS; See Actuarial Assumptions for Details
Mortality Rates	WRS; See Actuarial Assumptions for Details
Actuarial Cost Method	Entry Age Normal - Level % of Pay

The discount assumption is based on the current yield for a 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

The actuarial assumptions used in the January 1, 2024 valuation were based on the results of an actuarial experience study for the period 2015 – 2017 for the Wisconsin Retirement System (WRS).

**VILLAGE OF CALEDONIA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

**NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (OPEB) – RETIREE MEDICAL INSURANCE
(CONTINUED)**

Total OPEB Liability (Continued)

Retirement Rates

Retirement rates for police and fire are based on rates from the Wisconsin Retirement System Experience Study Report for Protective with Social Security Non-State Employees dated November 19, 2021

Retirement rates for all others are based on rates from the Wisconsin Retirement System Experience Study Report for General Non-State Employees dated November 19, 2021.

Termination Rates

Retirement rates for police and fire are based on rates from the Wisconsin Retirement System Experience Study Report for Protective with Social Security Non-State Employees dated November 19, 2021

Retirement rates for all others are based on rates from the Wisconsin Retirement System Experience Study Report for General Non-State Employees dated November 19, 2021.

Disability Rates

Retirement rates for police and fire are based on rates from the Wisconsin Retirement System Experience Study Report for Protective with Social Security Non-State Employees dated November 19, 2021

Retirement rates for all others are based on rates from the Wisconsin Retirement System Experience Study Report for General Non-State Employees dated November 19, 2021.

Mortality Rates

Mortality rates are based on rates from the Wisconsin Retirement System (WRS) Experience Study Report dated November 19, 2021.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at January 1, 2023	\$ 5,911,833
Changes for the Year:	
Service Cost	184,471
Interest on Total OPEB Liability	216,426
Differences Between Expected and Actual Experience	733,504
Effect of Assumption Changes or Inputs	691,928
Benefit Payments	(349,146)
Net Change in Total OPEB Liability	1,477,183
Balance at December 31, 2023	\$ 7,389,016

**VILLAGE OF CALEDONIA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

**NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (OPEB) – RETIREE MEDICAL INSURANCE
(CONTINUED)**

Changes of Assumptions

The discount rate was updated from 3.72% in 2022 to 3.26% in 2023.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the Village, as well as what the Village's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.26%) or 1-percentage-point higher (4.26%) than the current discount rate:

	1% Decrease (2.26%)	Discount Rate (3.26%)	1% Increase (4.26%)
Total OPEB Liability	\$ 8,089,065	\$ 7,386,016	\$ 6,756,169

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the Village, as well as what the Village's total OPEB liability would be if it were calculated using a healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB Liability	\$ 6,617,209	\$ 7,386,016	\$ 8,283,995

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2023, the Village recognized OPEB expense of \$591,634. At December 31, 2023, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Projected and Actual Experiences	\$ 661,487	\$ 389,729
Changes of Actuarial Assumptions	1,718,250	677,779
Total	<u>\$ 2,379,737</u>	<u>\$ 1,067,508</u>

**VILLAGE OF CALEDONIA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

**NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (OPEB) – RETIREE MEDICAL INSURANCE
(CONTINUED)**

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

At December 31, 2023, the Village reported deferred outflows and inflows of resources that will be realized as follows:

<u>Year Ending December 31,</u>	<u>Deferred Outflows and Inflows of Resources</u>
2024	\$ 193,738
2025	193,738
2026	193,738
2027	193,738
2028	193,738
Thereafter	343,539

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (OPEB) – RETIREE LIFE INSURANCE

General Information about the Other Postemployment Benefits

Plan description – The LRLIF is a multiemployer 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 postretirement 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 employee premiums until age 65 in order to be eligible for the benefit after age 65.

**VILLAGE OF CALEDONIA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

**NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (OPEB) – RETIREE LIFE INSURANCE
(CONTINUED)**

General Information about the Other Postemployment Benefits (Continued)

Contribution rates as of December 31, 2023 are:

Coverage Type	Employer Contribution
50% Post Retirement Coverage	40% of Member Contribution
25% Post Retirement Coverage	20% of Member Contribution

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

Life Insurance Member Contribution Rates* For the year ended December 31, 2022			
Attained Age	Basic		Supplemental
Under 30	\$ 0.05	\$	0.05
30-34	0.06		0.06
35-39	0.07		0.07
40-44	0.08		0.08
45-49	0.12		0.12
50-54	0.22		0.22
55-59	0.39		0.39
60-64	0.49		0.49
65-69	0.57		0.57

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

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

At December 31, 2023, the Village reported a liability of \$647,822 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2022 rolled forward to December 31, 2022. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village's proportion of the net OPEB liability was based on the Village's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2022, the Village's proportion was 0.17004000%, which was a decrease of 0.01918300% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the Village recognized OPEB expense of \$62,896.

**VILLAGE OF CALEDONIA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

**NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (OPEB) – RETIREE LIFE INSURANCE
(CONTINUED)**

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Projected and Actual Experiences	\$ -	\$ 63,400
Changes of Actuarial Assumptions	232,749	382,393
Net Differences Between Projected and Actual Investment Earnings on OPEB Plan Investment	12,157	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	42,692	78,380
Total	<u>\$ 287,598</u>	<u>\$ 524,173</u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending December 31,</u>	Deferred Outflows and Inflows of Resources
2024	\$ (15,142)
2025	(21,023)
2026	(12,667)
2027	(43,439)
2028	(73,871)
Thereafter	(70,433)
Total	<u>\$ (236,575)</u>

Actuarial Assumptions

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

Actuarial Valuation Date:	January 1, 2022
Measurement Date of Net Pension Liability:	December 31, 2022
Experience Study:	January 1, 2018 - December 31, 2020, Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield*:	3.72%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	3.76%
Salary Increases:	
Inflation:	3.0%
Seniority/Merit:	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table

*Based on the Bond Buyers GO Index

**VILLAGE OF CALEDONIA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

**NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (OPEB) – RETIREE LIFE INSURANCE
(CONTINUED)**

Actuarial Assumptions (Continued)

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

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

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

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

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

**VILLAGE OF CALEDONIA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

**NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (OPEB) – RETIREE LIFE INSURANCE
(CONTINUED)**

Sensitivity of the Village’s Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

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

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

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

	1% Decrease to Discount Rate (2.76%)	Current Discount Rate (3.76%)	1% Increase to Discount Rate (4.76%)
Village's Proportionate Share of the Net OPEB Liability (Asset)	\$ 883,238	\$ 647,822	\$ 467,405

VILLAGE OF CALEDONIA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 13 NET POSITION

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

	Governmental Activities	Business-type Activities	Total
Net Investment in Capital Assets:			
Land	\$ 1,066,376	\$ 57,223	\$ 1,123,599
Intangible Assets - Land Easements	73,000	-	73,000
Construction in Progress	14,881,595	2,038,552	16,920,147
Other Capital Assets, Net of Accumulated Depreciation	69,144,404	141,268,878	210,413,282
	<u>85,165,375</u>	<u>143,364,653</u>	<u>228,530,028</u>
Less: Related Long-Term Debt outstanding	(82,825,529)	(41,504,036)	(124,329,565)
Less: Related Accounts Payable	(2,049,000)	(6,859)	(2,055,859)
Add: Loss on Refunding	-	94,058	94,058
Add: Unspent Bond Proceeds	4,832,207	-	4,832,207
Total Net Investment in Capital Assets	<u>5,123,053</u>	<u>101,947,816</u>	<u>107,070,869</u>
Restricted:			
Development	1,235,434	-	1,235,434
Debt Service	2,709,386	4,088,442	6,797,828
Donations	170,594	-	170,594
Grants	87,113	-	87,113
Impact Fees	492,286	-	492,286
Equipment Replacement	-	660,184	660,184
Total Restricted	<u>4,694,813</u>	<u>4,748,626</u>	<u>9,443,439</u>
Unrestricted	<u>9,643,520</u>	<u>9,489,282</u>	<u>19,132,802</u>
Total Governmental Activities Net Position	<u>\$ 19,461,386</u>	<u>\$ 116,185,724</u>	<u>\$ 135,647,110</u>

**VILLAGE OF CALEDONIA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 14 FUND BALANCE

Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31 include the following:

	General Fund	Debt Service Fund	Capital Projects	Tax Increment District No. 4	Tax Increment District No. 5	Nonmajor Governmental Funds	Total
Nonspendable:							
Prepaid Items	\$ 355,999	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 355,999
Restricted:							
Tax Increment Districts	-	-	-	1,235,434	-	-	1,235,434
Fire Safer Grant	-	-	-	-	-	-	-
Capital Projects	-	-	5,006,407	-	-	-	5,006,407
Donations	-	-	-	-	-	170,594	170,594
Grants	-	-	-	-	-	87,113	87,113
Impact Fees	-	-	-	-	-	492,286	492,286
Debt Service	-	3,604,205	-	-	-	-	3,604,205
Total Restricted	-	3,604,205	5,006,407	1,235,434	-	749,993	10,596,039
Committed:							
Refuse	-	-	-	-	-	110,538	110,538
Recycling	-	-	-	-	-	205,992	205,992
Cemetery	-	-	-	-	-	164,449	164,449
Parks and Recreation	-	-	-	-	-	-	-
HRA/IFSA	11,265	-	-	-	-	-	11,265
Total Committed	11,265	-	-	-	-	480,979	492,244
Assigned:							
Settlement Proceeds	-	-	-	-	-	634,634	634,634
Unassigned	8,304,072	-	-	-	(2,234,394)	(880,797)	5,188,881
Total Fund Balance	\$ 8,671,336	\$ 3,604,205	\$ 5,006,407	\$ 1,235,434	\$ (2,234,394)	\$ 984,809	\$ 17,267,797

NOTE 15 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; workers compensation; and health care of its employees. All of these risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

The Village has purchased commercial insurance for health insurance claims. The deductibles for a single plan, limited family plan, and family plan are \$3,000, \$6,000, and \$6,000, respectively, for a policy year. The Village contributes \$1,500 for a single plan employee, and \$3,000 for a limited family plan and a family plan employee to a Health Reimbursement Account for out-of-pocket medical expenses. Employees also have the option to contribute to a Flexible Spending Account.

**VILLAGE OF CALEDONIA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 16 COMMITMENTS AND CONTINGENCIES

From time-to-time, the Village becomes party to claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the Village attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the Village's financial position.

The Village has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

In addition, the Village has entered into an agreement with a developer that may result in future abatement of taxes. The agreement calls for tax rebates if certain future conditions are met, including (a) the level of the developer's investment in improving the subject property and (b) generating increment over and above that needed to cover the Village's debt service for the project. The rebate provisions are subject to a future amendment of the agreement to finalize the amount potentially payable.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF CALEDONIA, WISCONSIN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – GENERAL FUND – BUDGETARY BASIS
YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES - BUDGETARY BASIS				
Taxes	\$ 12,017,497	\$ 12,017,497	\$ 11,960,415	\$ (57,082)
Intergovernmental	2,565,026	2,567,665	2,559,190	(8,475)
Licenses and Permits	1,022,945	1,022,946	1,346,720	323,774
Fines, Forfeitures, and Penalties	390,000	390,000	384,528	(5,472)
Public Charges for Services	1,024,150	1,438,827	1,505,830	67,003
Intergovernmental Charges for Services	532,550	532,550	494,022	(38,528)
Investment and Interest Income	14,550	1,084,103	1,147,477	63,374
Miscellaneous	31,470	31,470	84,300	52,830
Total Revenues - Budgetary Basis	17,598,188	19,085,058	19,482,482	397,424
EXPENDITURES - BUDGETARY BASIS				
General Government	2,855,531	2,988,511	2,825,708	162,803
Public Safety	11,515,330	11,799,667	11,828,319	(28,652)
Public Works	2,733,077	2,716,322	2,590,399	125,923
Health and Human Services	15,600	15,600	15,600	-
Economic Development	478,650	478,650	374,072	104,578
Total Expenditures - Budgetary Basis	17,598,188	17,998,750	17,634,098	364,652
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES - BUDGETARY BASIS	-	1,086,308	1,848,384	762,076
OTHER FINANCING SOURCES (USES) - BUDGETARY BASIS				
Transfer In	-	-	185,320	185,320
Total Other Financing Sources (Uses) - Budgetary Basis	-	-	185,320	185,320
NET CHANGE IN FUND BALANCE - BUDGETARY BASIS	<u>\$ -</u>	<u>\$ 1,086,308</u>	2,033,704	<u>\$ 947,396</u>
Fund Balance - Beginning of Year - Budgetary Basis			6,584,424	
FUND BALANCE - END OF YEAR - BUDGETARY BASIS			8,618,128	
Reconciliation of Budgetary Bases to GAAP:				
Health Reimbursement Account Fund - Beginning Fund Balance			(14,656)	
Health Reimbursement Account Fund - Revenues			70,066	
Health Reimbursement Account Fund - Expenditures			(19,199)	
Flexible Spending Account Fund - Beginning Fund Balance			25,922	
Flexible Spending Account Fund - Revenues			98,862	
Flexible Spending Account Fund - Expenditures			(107,787)	
FUND BALANCE - END OF YEAR - GAAP			<u>\$ 8,671,336</u>	

See accompanying Notes to the Required Supplementary Information.

VILLAGE OF CALEDONIA, WISCONSIN
SCHEDULE OF THE VILLAGE'S PROPORTIONATE SHRE OF THE NET PENSION LIABILITY (ASSET)
SCHEDULE OF THE VILLAGE'S CONTRIBUTIONS
WISCONSIN RETIREMENT SYSTEM
DECEMBER 31, 2023

VILLAGE OF CALEDONIA, WISCONSIN
Schedule of the Village's Proportionate Share of the Net Pension Liability (Asset)
Wisconsin Retirement System
Last Ten Measurement Periods

	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015	12/31/2014
Village's Proportion of the Net Pension Liability (Asset)	0.09304875%	0.09303845%	0.09025777%	0.08571743%	0.08252873%	0.07791811%	0.07371348%	0.07284176%	0.07383797%
Village's Proportionate Share of the Net Pension Liability (Asset)	\$ 4,929,447	\$ (7,499,069)	\$ (5,634,917)	\$ (2,763,921)	\$ 2,936,113	\$ (2,313,481)	\$ 607,575	\$ 1,183,664	\$ (1,813,663)
Village's Covered Payroll	\$ 9,941,078	\$ 11,625,918	\$ 11,328,364	\$ 10,302,301	\$ 10,049,826	\$ 9,547,134	\$ 8,768,144	\$ 8,412,395	\$ 8,007,763
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	95.72%	106.02%	105.26%	102.96%	96.45%	102.93%	99.12%	98.20%	102.74%

VILLAGE OF CALEDONIA, WISCONSIN
Schedule of the Village's Contributions
Wisconsin Retirement System
Last Ten Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contributions	\$ 1,103,343	\$ 1,018,821	\$ 1,163,739	\$ 1,072,216	\$ 897,919	\$ 893,468	\$ 856,044	\$ 721,363	\$ 705,586	\$ 710,670
Contributions in Relation to the Contractually Required Contributions	\$ 1,103,343	\$ 1,018,821	\$ 1,163,739	\$ 1,072,216	\$ 897,919	\$ 893,468	\$ 856,044	\$ 721,363	\$ 705,586	\$ 710,670
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Village's Covered Payroll	\$ 9,781,506	\$ 9,941,078	\$ 11,625,918	\$ 11,328,364	\$ 10,302,301	\$ 10,049,826	\$ 9,547,134	\$ 8,768,144	\$ 8,412,395	\$ 8,007,763
Contributions as a Percentage of Covered Payroll	11.28%	10.25%	10.01%	9.46%	8.72%	8.89%	8.97%	8.23%	8.39%	8.87%

See accompanying Notes to the Required Supplementary Information.

**VILLAGE OF CALEDONIA, WISCONSIN
SCHEDULE OF CHANGES IN THE VILLAGE'S
TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS*
DECEMBER 31, 2023**

	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability							
Service Cost	\$ 184,471	\$ 252,830	\$ 211,185	\$ 208,810	\$ 212,649	\$ 200,873	\$ 203,523
Interest on Total OPEB Liability	213,426	135,124	149,338	155,794	152,248	182,029	173,406
Changes in Benefit Terms	-	-	-	-	-	-	-
Effect of Economic/Demographic Gains (Losses)	-	-	-	-	-	-	-
Effect of Assumption Changes or Inputs	691,928	-	1,641,807	-	43,341	-	-
Differences Between Expected and Actual	733,504	(876,836)	(590,966)	-	24,999	-	-
Benefit Payments	(349,146)	(317,439)	(247,376)	(266,873)	(232,122)	(127,548)	(127,891)
Net Change in Total OPEB Liability	1,474,183	(806,321)	1,163,988	97,731	201,115	255,354	249,038
Total OPEB Liability - Beginning	5,911,833	6,718,154	5,554,166	5,456,435	5,255,320	4,999,966	4,750,928
Total OPEB Liability - Ending	<u>\$ 7,386,016</u>	<u>\$ 5,911,833</u>	<u>\$ 6,718,154</u>	<u>\$ 5,554,166</u>	<u>\$ 5,456,435</u>	<u>\$ 5,255,320</u>	<u>\$ 4,999,966</u>
Covered Payroll	<u>\$ 10,185,462</u>	<u>\$ 10,052,662</u>	<u>\$ 11,759,310</u>	<u>\$ 11,897,162</u>	<u>\$ 10,743,844</u>	<u>\$ 9,551,630</u>	<u>\$ 9,364,343</u>
Total OPEB as a Percent of Covered Payroll	<u>73%</u>	<u>59%</u>	<u>57%</u>	<u>47%</u>	<u>51%</u>	<u>55%</u>	<u>53%</u>

See accompanying Notes to the Required Supplementary Information.

VILLAGE OF CALEDONIA, WISCONSIN
SCHEDULE OF THE VILLAGE'S SHARE OF THE NET OPEB LIABILITY (ASSET)
SCHEDULE OF THE VILLAGE'S CONTRIBUTIONS
LOCAL RETIREE LIFE INSURANCE FUND
DECEMBER 31, 2023

VILLAGE OF CALEDONIA, WISCONSIN
Schedule of the Village's Proportionate Share of the Net OPEB Liability (Asset)
Local Retiree Life Insurance Fund
Last Ten Measurement Periods

	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017
Village's Proportion of the Net OPEB Liability (Asset)	0.17004000%	0.18922300%	0.18640800%	0.17146000%	0.17324200%	0.17012800%
Village's Proportionate Share of the Net OPEB Liability (Asset)	\$ 647,822	\$ 1,118,378	\$ 1,025,379	\$ 730,111	\$ 447,025	\$ 511,845
Village's Covered Employee Payroll	\$ 9,542,000	\$ 11,270,000	\$ 10,750,000	\$ 9,924,000	\$ 9,900,000	\$ 7,154,369
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	38.81%	29.57%	31.36%	37.58%	48.69%	44.81%

VILLAGE OF CALEDONIA, WISCONSIN
Schedule of the Village's Contributions
Local Retiree Life Insurance Fund
Last Ten Fiscal Years

	2022	2021	2020	2019	2018	2017
Contractually Required Contributions	\$ 3,411	\$ 3,872	\$ 3,717	\$ 3,403	\$ 3,337	\$ 3,230
Contributions in Relation to the Contractually Required Contributions	\$ 3,411	\$ 3,872	\$ 3,717	\$ 3,403	\$ 3,337	\$ 3,230
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Village's Covered Employee Payroll	\$ 9,542,000	\$ 11,270,000	\$ 10,750,000	\$ 9,924,000	\$ 9,900,000	\$ 7,154,369
Contributions as a Percentage of Covered Employee Payroll	0.04%	0.03%	0.03%	0.03%	0.03%	0.05%

See accompanying Notes to the Required Supplementary Information.

**VILLAGE OF CALEDONIA, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023**

NOTE 1 BUDGETARY INFORMATION

Budgetary information is derived from the annual operating budget and is presented using accounting principles generally accepted in the United States of America and the modified accrual basis of accounting.

A budget has been adopted for the General, Special Revenue (except those noted in the following sentence), Debt Service and Capital Projects Fund (except those noted in the following sentence). Budgets have not been formally adopted for the CARES Act Fund, ARPA Fund, Impact Fee Fund, and Donations Fund. Wisconsin Statute 65.90 requires that an annual budget be adopted for all funds.

The budgeted amounts presented include any amendments made. The Village may authorize transfers of budgeted amounts within departments. Transfers between departments and changes to the overall budget must be approved by a two-thirds board action. Appropriations lapse at year-end unless specifically carried over. There were no carryovers to the following year. Budgets are adopted at the fund level of expenditure.

The Village exceeded budget in the following functional expenditure categories during the year ended December 31, 2023:

General Fund	
Public Safety	\$ 28,652

NOTE 2 WISCONSIN RETIREMENT SYSTEM - PENSION

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.

**VILLAGE OF CALEDONIA, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023**

NOTE 2 WISCONSIN RETIREMENT SYSTEM – PENSION (CONTINUED)

Based on a three-year experience study conducted in 2018 covering January 1, 2015 through December 31, 2017, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-ended December 31, 2018, including the following:

- Lowering the long-term expected rate of return from 7.2% to 7.0%
- Lowering the discount rate from 7.2% to 7.0%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Lowering the post-retirement adjustments from 2.1% to 1.9%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table.

**VILLAGE OF CALEDONIA, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023**

NOTE 2 WISCONSIN RETIREMENT SYSTEM – PENSION (CONTINUED)

Significant methods and assumptions used in calculating Wisconsin Retirement System Actuarially Determined Contributions:

	2022	2021	2020	2019	2018
Valuation Date:	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method:	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period
Amortization Period:	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS
Asset Valuation Method:	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)
Actuarial Assumptions					
Net Investment Rate of Return:	5.4%	5.4%	5.4%	5.5%	5.5%
Weighted based on assumed rate for:					
Pre-retirement:	7.0%	7.0%	7.0%	7.2%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increases					
Wage Inflation:	3.0%	3.0%	3.0%	3.2%	3.2%
Seniority/Merit:	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%
Post-retirement Benefit Adjustments*:	1.9%	1.9%	1.9%	2.1%	2.1%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015 - 2017.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.
	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).
Mortality:					

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

**VILLAGE OF CALEDONIA, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023**

NOTE 2 WISCONSIN RETIREMENT SYSTEM – PENSION (CONTINUED)

Significant methods and assumptions used in calculating Wisconsin Retirement System Actuarially Determined Contributions:

	2017	2016	2015	2014	2013
Valuation Date:	December 31, 2015	December 31, 2014	December 31, 2013	December 31, 2012	December 31, 2011
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method:	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period
Amortization Period:	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS
Asset Valuation Method:	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)
Actuarial Assumptions					
Net Investment Rate of Return:	5.5%	5.5%	5.5%	5.5%	5.5%
Weighted based on assumed rate for:					
Pre-retirement:	7.2%	7.2%	7.2%	7.2%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increases					
Wage Inflation:	3.2%	3.2%	3.2%	3.2%	3.2%
Seniority/Merit:	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%
Post-retirement Benefit Adjustments*:	2.1%	2.1%	2.1%	2.1%	2.1%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2009 valuation pursuant to an experience study of the period 2006 - 2008.
Mortality:	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.	Wisconsin Projected Experience Table - 2005 for women and 90% of the Wisconsin Projected Experience Table - 2005 for men.

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

**VILLAGE OF CALEDONIA, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023**

NOTE 3 RETIREE MEDICAL INSURANCE – OPEB

Changes of Benefit Terms - There were no changes of benefit terms.

Changes of Assumptions – The assumed rate on High Quality 20-year Tax-Exempt G.O. Bonds was changed from 3.72% to 3.26% for the current year. The underlying index used is the Bond Buyer 20-Bond GO Index as discussed in more detail later in this section. The choice of index is unchanged from the prior year. The rate has been updated to the current Fiscal Year end based on changes in market conditions as reflected in the Index. The change was made to reflect our understanding of the requirements of GASB under Statement 74 and Statement 75.

Since the Employer does not have a trust dedicated exclusively to the payment of OPEB benefits, the discount rate used in the determination of the Total OPEB Liability was also changed from 3.72% to 3.26%.

NOTE 4 LOCAL RETIREE INSURANCE FUND – OPEB

Benefit Terms: There were no recent changes in benefit terms.

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.

The assumption changes that were used to measure the December 31, 2018 total OPEB liabilities, including the following:

- Lowering the long-term expected rate of return from 5.00% to 4.25%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table

SUPPLEMENTARY INFORMATION

**VILLAGE OF CALEDONIA, WISCONSIN
COMBINING BALANCE SHEET –
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2023**

	Special Revenue Funds					
	Refuse	Recycling	Memorial Park Cemetery	Parks and Recreation	Equipment Replacement	Fire Safer Grant
ASSETS						
Cash and Investments	\$ -	\$ -	\$ 164,466	\$ -	\$ 37,054	\$ -
Tax Roll Receivable:						
Tax Levy	-	-	-	-	-	-
Other Charges on Tax Roll	1,123,598	661,500	-	-	-	-
Total Assets	<u>\$ 1,123,598</u>	<u>\$ 661,500</u>	<u>\$ 164,466</u>	<u>\$ -</u>	<u>\$ 37,054</u>	<u>\$ -</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES						
LIABILITIES						
Accounts Payable	\$ 96,444	\$ 62,995	\$ 17	\$ -	\$ 555	\$ -
Accrued Liabilities	-	-	-	-	36,499	-
Due to Other Funds	916,616	392,513	-	-	-	-
Advance From Other Funds	-	-	-	-	-	-
Unearned Grant Revenues	-	-	-	-	-	-
Total Liabilities	<u>1,013,060</u>	<u>455,508</u>	<u>17</u>	<u>-</u>	<u>37,054</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES						
Subsequent Year Tax Levy	-	-	-	-	-	-
Total Deferred Inflows	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICIT)						
Restricted	-	-	-	-	-	-
Committed	110,538	205,992	164,449	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total Fund Balances (Deficit)	<u>110,538</u>	<u>205,992</u>	<u>164,449</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 1,123,598</u>	<u>\$ 661,500</u>	<u>\$ 164,466</u>	<u>\$ -</u>	<u>\$ 37,054</u>	<u>\$ -</u>

**VILLAGE OF CALEDONIA, WISCONSIN
COMBINING BALANCE SHEET –
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2023**

	Special Revenue Funds				Capital Projects Fund		Total Nonmajor Governmental Funds
	CARES Act	ARPA	Donations	Impact Fees	Tax Increment District No. 1	Tax Increment District No. 3	
ASSETS							
Cash and Investments	\$ 254	\$ 2,732,567	\$ 822,621	\$ 492,286	\$ 39,524	\$ 141,454	\$ 4,430,226
Tax Roll Receivable:							
Tax Levy	-	-	-	-	68,488	262,230	330,718
Other Charges on Tax Roll	-	-	-	-	-	-	1,785,098
Total Assets	<u>\$ 254</u>	<u>\$ 2,732,567</u>	<u>\$ 822,621</u>	<u>\$ 492,286</u>	<u>\$ 108,012</u>	<u>\$ 403,684</u>	<u>\$ 6,546,042</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES							
LIABILITIES							
Accounts Payable	\$ -	\$ -	\$ 17,393	\$ -	\$ -	\$ -	\$ 177,404
Accrued Liabilities	-	-	-	-	-	-	36,499
Due to Other Funds	-	-	-	-	-	142,183	1,451,312
Advance From Other Funds	-	-	-	-	534,591	207,112	741,703
Unearned Grant Revenues	-	2,645,708	-	-	-	-	2,645,708
Total Liabilities	-	2,645,708	17,393	-	534,591	349,295	5,052,626
DEFERRED INFLOWS OF RESOURCES							
Subsequent Year Tax Levy	-	-	-	-	104,923	403,684	508,607
Total Deferred Inflows	-	-	-	-	104,923	403,684	508,607
FUND BALANCES (DEFICIT)							
Restricted	254	86,859	170,594	492,286	-	-	749,993
Committed	-	-	-	-	-	-	480,979
Assigned	-	-	634,634	-	-	-	634,634
Unassigned	-	-	-	-	(531,502)	(349,295)	(880,797)
Total Fund Balances (Deficit)	254	86,859	805,228	492,286	(531,502)	(349,295)	984,809
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 254</u>	<u>\$ 2,732,567</u>	<u>\$ 822,621</u>	<u>\$ 492,286</u>	<u>\$ 108,012</u>	<u>\$ 403,684</u>	<u>\$ 6,546,042</u>

VILLAGE OF CALEDONIA, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2023

	Special Revenue Funds					
	Refuse	Recycling	Memorial Park Cemetery	Parks and Recreation	Equipment Replacement	Fire Safer Grant
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	67,341	-	-	-	-
Fines, Forfeitures, and Penalties	-	-	1,138	-	-	-
Public Charges for Services	1,123,597	661,500	18,250	-	-	-
Investment and Interest Income	-	-	3,324	-	-	-
Miscellaneous	-	-	-	-	-	-
Total Revenues	1,123,597	728,841	22,712	-	-	-
EXPENDITURES						
Current:						
Public Safety	-	-	-	-	-	-
Public Works	1,163,515	758,552	-	-	-	-
Health and Human Services	-	-	7,356	-	-	-
Economic Development and Assistance	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Debt Service:						
Principal	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Total Expenditures	1,163,515	758,552	7,356	-	-	-
EXCESS (DEFICIENCY) OF REVENUES AND EXPENDITURES	(39,918)	(29,711)	15,356	-	-	-
OTHER FINANCING SOURCES						
Transfers Out	-	-	-	(124,662)	-	(60,658)
Total Other Financing Sources	-	-	-	(124,662)	-	(60,658)
NET CHANGE IN FUND BALANCES	(39,918)	(29,711)	15,356	(124,662)	-	(60,658)
Fund Balances (Deficit) - Beginning of Year	150,456	235,703	149,093	124,662	-	60,658
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 110,538</u>	<u>\$ 205,992</u>	<u>\$ 164,449</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

VILLAGE OF CALEDONIA, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2023

	Special Revenue Funds				Capital Projects Fund		Total Nonmajor Governmental Funds
	CARES Act	ARPA	Donations	Impact Fees	Tax Increment District No. 1	Tax Increment District No. 3	
REVENUES							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 98,012	\$ 297,115	\$ 395,127
Intergovernmental	-	-	-	-	381	30,156	97,878
Fines, Forfeitures, and Penalties	-	-	-	-	-	-	1,138
Public Charges for Services	-	-	-	51,999	-	-	1,855,346
Investment and Interest Income	-	56,945	9,258	-	3,061	-	72,588
Miscellaneous	-	-	858,662	-	-	-	858,662
Total Revenues	-	56,945	867,920	51,999	101,454	327,271	3,280,739
EXPENDITURES							
Current:							
Public Safety	-	-	233,120	-	-	-	233,120
Public Works	-	-	-	-	-	-	1,922,067
Health and Human Services	-	-	-	-	-	-	7,356
Economic Development and Assistance	-	-	-	-	150	17,761	17,911
Capital Outlay	-	-	-	-	1,750	4,135	5,885
Debt Service:							
Principal	-	-	-	-	-	191,840	191,840
Interest and Fiscal Charges	-	-	-	-	25,116	89,312	114,428
Total Expenditures	-	-	233,120	-	27,016	303,048	2,492,607
EXCESS (DEFICIENCY) OF REVENUES AND EXPENDITURES	-	56,945	634,800	51,999	74,438	24,223	788,132
OTHER FINANCING SOURCES							
Transfers Out	-	-	-	-	-	-	(185,320)
Total Other Financing Sources	-	-	-	-	-	-	(185,320)
NET CHANGE IN FUND BALANCES	-	56,945	634,800	51,999	74,438	24,223	602,812
Fund Balances (Deficit) - Beginning of Year	254	29,914	170,428	440,287	(605,940)	(373,518)	381,997
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 254</u>	<u>\$ 86,859</u>	<u>\$ 805,228</u>	<u>\$ 492,286</u>	<u>\$ (531,502)</u>	<u>\$ (349,295)</u>	<u>\$ 984,809</u>

OTHER INFORMATION

**VILLAGE OF CALEDONIA, WISCONSIN
TAX INCREMENTAL DISTRICT NO. 1
HISTORICAL SUMMARY OF PROJECT COSTS, PROJECT REVENUES, AND
NET COST TO BE RECOVERD THROUGH TAX INCREMENTS
FROM DATE OF CREATION THROUGH DECEMBER 31, 2023**

	Year Ended	From Date of Creation
PROJECT COSTS		
Capital Expenditures	\$ 150	\$ 1,394,244
Administration	1,750	12,298
Interest and Fiscal Charges	25,116	177,922
Total Project Costs	<u>27,016</u>	<u>1,584,464</u>
PROJECT REVENUES		
Tax Increments	98,012	830,619
Intergovernmental	381	10,759
Investment and Interest Income	3,061	3,945
Premium From Issuance of Long-Term Debt	-	7,639
Total Revenues	<u>101,454</u>	<u>852,962</u>
Net Cost Recoverable Through TIF Increments - December 31, 2023	<u><u>\$ (74,438)</u></u>	<u><u>\$ 731,502</u></u>

**VILLAGE OF CALEDONIA, WISCONSIN
TAX INCREMENTAL DISTRICT NO. 1
HISTORICAL SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS
FROM DATE OF CREATION THROUGH DECEMBER 31, 2023**

	Year Ended	From Date of Creation
SOURCES OF FUNDS		
Tax Increments	\$ 98,012	\$ 830,619
Intergovernmental	381	10,759
Investment and Interest Income	3,061	3,945
Premium From the Issuance of Long-Term Debt	-	7,639
Proceeds From Long-Term Debt	-	200,000
Total Sources	<u>101,454</u>	<u>1,052,962</u>
USE OF FUNDS		
Capital Expenditures	150	1,394,244
Administration	1,750	12,298
Interest and Fiscal Charges	25,116	177,922
Principal on Long-Term Debt	-	-
Total Uses	<u>27,016</u>	<u>1,584,464</u>
CHANGE IN FUND BALANCE	74,438	(531,502)
Beginning Fund Balance (Deficit)	<u>(605,940)</u>	<u>-</u>
ENDING FUND BALANCE (DEFICIT)	<u><u>\$ (531,502)</u></u>	<u><u>\$ (531,502)</u></u>
RECONCILIATION OF RECOVERABLE COSTS		
G.O. Debt		\$ 200,000
Less: Fund Balance		<u>531,502</u>
Net Costs Recoverable (Recovered) Through Tax Increments - December 31, 2023		<u><u>\$ 731,502</u></u>

**VILLAGE OF CALEDONIA, WISCONSIN
TAX INCREMENTAL DISTRICT NO. 3
HISTORICAL SUMMARY OF PROJECT COSTS, PROJECT REVENUES, AND NET COST TO BE
RECOVERED THROUGH TAX INCREMENTS
FROM DATE OF CREATION THROUGH DECEMBER 31, 2023**

	Year Ended	From Date of Creation
PROJECT COSTS		
Capital Expenditures	\$ 135	\$ 3,865,922
Developer Grants/Incentives	17,611	212,119
Administration	4,150	60,069
Interest and Fiscal Charges	89,312	802,052
Total Project Costs	<u>111,208</u>	<u>4,940,162</u>
PROJECT REVENUES		
Tax Increments	297,115	1,630,835
Intergovernmental	30,156	285,265
Investment Income	-	4,231
Premium From Issuance of Long-Term Debt	-	37,376
Total Revenues	<u>327,271</u>	<u>1,957,707</u>
Net Cost Recoverable Through TIF Increments - December 31, 2023	<u><u>\$ (216,063)</u></u>	<u><u>\$ 2,982,455</u></u>

**VILLAGE OF CALEDONIA, WISCONSIN
TAX INCREMENTAL DISTRICT NO. 3
HISTORICAL SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS
FROM DATE OF CREATION THROUGH DECEMBER 31, 2023**

	Year Ended	From Date of Creation
SOURCES OF FUNDS		
Tax Increments	\$ 297,115	\$ 1,630,835
Intergovernmental	30,156	285,265
Investment Income	-	4,231
Premium From the Issuance of Long-Term Debt	-	37,376
Proceeds From Long-Term Debt	-	3,085,000
Total Sources	<u>327,271</u>	<u>5,042,707</u>
USE OF FUNDS		
Capital Expenditures	135	3,865,922
Developers Grants/Incentives	17,611	212,119
Administration	4,150	60,069
Interest and Fiscal Charges	89,312	802,052
Principal	191,840	451,840
Total Uses	<u>303,048</u>	<u>5,392,002</u>
CHANGE IN FUND BALANCE	24,223	(349,295)
Beginning Fund Balance (Deficit)	<u>(373,518)</u>	<u>-</u>
ENDING FUND BALANCE (DEFICIT)	<u><u>\$ (349,295)</u></u>	<u><u>\$ (349,295)</u></u>
Reconciliation of Recoverable Costs		
G.O. Debt		\$ 2,633,160
Less: Fund Balance		<u>349,295</u>
Net Costs Recoverable (Recovered) Through Tax Increments - December 31, 2023		<u><u>\$ 2,982,455</u></u>

**VILLAGE OF CALEDONIA, WISCONSIN
TAX INCREMENTAL DISTRICT NO. 4
HISTORICAL PROJECT COSTS, PROJECT REVENUES AND
NET COST TO BE RECOVERED THROUGH TAX INCREMENTS
FROM DATE OF CREATION THROUGH DECEMBER 31, 2023**

	Year Ended	From Date of Creation
PROJECT COSTS		
Capital Expenditures	\$ 1,492,578	\$ 32,076,153
Developer Grants/Incentives	38,597	6,006,646
Administration	25,433	280,139
Transfer Out	-	3,525,000
Interest and Fiscal Charges	1,221,610	8,476,514
Total Project Costs	<u>2,778,218</u>	<u>50,364,452</u>
PROJECT REVENUES		
Tax Increments	858,219	2,950,653
Special Assessments	-	1,403,329
Intergovernmental	12,589	1,374,820
Public Charges for Services	270,170	668,290
Investment Income	53,647	394,688
Miscellaneous	-	2,334
Transfer In	1,000,000	5,500,000
Premium From Issuance of Long-Term Debt	181,342	1,394,711
Total Revenues	<u>2,375,967</u>	<u>13,688,825</u>
Net Cost Recoverable Through TIF Increments - December 31, 2023	<u><u>\$ 402,251</u></u>	<u><u>\$ 36,675,627</u></u>

**VILLAGE OF CALEDONIA, WISCONSIN
TAX INCREMENTAL DISTRICT NO. 4
HISTORICAL SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS
FROM DATE OF CREATION THROUGH DECEMBER 31, 2023**

	Year Ended	From Date of Creation
SOURCES OF FUNDS		
Tax Increments	\$ 858,219	\$ 2,950,653
Special Assessments	-	1,403,329
Intergovernmental	12,589	1,374,820
Public Charges for Services	270,170	668,290
Investment Income	53,647	394,688
Miscellaneous	-	2,334
Transfer In	1,000,000	5,500,000
Premium From the Issuance of Long-Term Debt	181,342	1,394,711
Proceeds From Long-Term Debt	3,510,000	49,120,347
Total Sources	<u>5,885,967</u>	<u>62,809,172</u>
USE OF FUNDS		
Capital Expenditures	1,492,578	32,076,153
Administration	25,433	280,139
Interest and Fiscal Charges	1,221,610	8,476,514
Transfer Out	-	3,525,000
Principal on Long-Term Debt	371,442	11,209,286
Total Uses	<u>3,149,660</u>	<u>61,573,738</u>
CHANGE IN FUND BALANCE	2,736,307	1,235,434
Beginning Fund Balance (Deficit)	<u>(1,500,873)</u>	<u>-</u>
ENDING FUND BALANCE (DEFICIT)	<u>\$ 1,235,434</u>	<u>\$ 1,235,434</u>
Reconciliation of Recoverable Costs		
G.O. Debt		\$ 37,911,061
Less: Fund Balance		<u>(1,235,434)</u>
Net Costs Recoverable (Recovered) Through Tax Increments - December 31, 2023		<u>\$ 36,675,627</u>

**VILLAGE OF CALEDONIA, WISCONSIN
TAX INCREMENTAL DISTRICT NO. 5
HISTORICAL PROJECT COSTS, PROJECT REVENUES AND
NET COST TO BE RECOVERED THROUGH TAX INCREMENTS
FROM DATE OF CREATION THROUGH DECEMBER 31, 2023**

	Year Ended	From Date of Creation
PROJECT COSTS		
Capital Expenditures	\$ 21,858	\$ 8,151,440
Administration	-	111,780
Economic Development	2,844,363	2,844,363
Transfer Out	-	20,504
Interest and Fiscal Charges	75,263	150,499
Total Project Costs	<u>2,941,484</u>	<u>11,278,586</u>
PROJECT REVENUES		
Tax Increments	71,142	102,120
Intergovernmental Charges for Services	-	10,000
Investment Income	599	1,514
Miscellaneous	-	96,872
Transfer In	-	144,000
Proceeds from the Sale of Capital Assets	996,892	996,892
Premium From Issuance of Long-Term Debt	87,975	92,966
Total Revenues	<u>1,156,608</u>	<u>1,444,364</u>
Net Cost Recoverable Through TIF Increments - December 31, 2023	<u><u>\$ 1,784,876</u></u>	<u><u>\$ 9,834,222</u></u>

**VILLAGE OF CALEDONIA, WISCONSIN
TAX INCREMENTAL DISTRICT NO. 5
HISTORICAL SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS
FROM DATE OF CREATION THROUGH DECEMBER 31, 2023**

	Year Ended	From Date of Creation
SOURCES OF FUNDS		
Tax Increments	\$ 71,142	\$ 102,120
Intergovernmental	-	10,000
Investment Income	599	1,514
Miscellaneous	-	96,872
Transfer In	-	144,000
Proceeds from the Sale of Capital Assets	996,892	996,892
Premium From the Issuance of Long-Term Debt	87,975	92,966
Proceeds From Long-Term Debt	1,705,000	9,675,000
Total Sources	<u>2,861,608</u>	<u>11,119,364</u>
USE OF FUNDS		
Capital Expenditures	21,858	8,151,440
Administration	-	111,780
Economic Development	2,844,363	2,844,363
Transfer Out	-	20,504
Interest and Fiscal Charges	75,263	150,499
Principal on Long-Term Debt	302,280	2,075,172
Total Uses	<u>3,243,764</u>	<u>13,353,758</u>
CHANGE IN FUND BALANCE	(382,156)	(2,234,394)
Beginning Fund Balance (Deficit)	<u>(1,852,238)</u>	<u>-</u>
ENDING FUND BALANCE (DEFICIT)	<u>\$ (2,234,394)</u>	<u>\$ (2,234,394)</u>
Reconciliation of Recoverable Costs		
G.O. Debt		\$ 7,599,828
Less: Fund Balance		<u>2,234,394</u>
Net Costs Recoverable (Recovered) Through Tax Increments - December 31, 2023		<u>\$ 9,834,222</u>

OTHER INDEPENDENT AUDITORS' REPORT



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Village Board
Village of Caledonia, Wisconsin
Caledonia, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Village of Caledonia, Wisconsin (the Village), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated July 12, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2023-001 and 2023-002 that we consider to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Village of Caledonia, Wisconsin's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Village's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The Village's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Milwaukee, Wisconsin
July 12, 2024

**VILLAGE OF CALEDONIA, WISCONSIN
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2023**

Section II – Financial Statement Findings

2023 – 001: Preparation of the Financial Statements

Type of Finding:

- Significant Deficiency in Internal Control over Financial Reporting

Criteria: Village management is responsible for establishing and maintaining internal controls over the fair presentation of the financial statements including disclosures in accordance with accounting principles generally accepted in the United States of America (GAAP) as set by the Government Accounting Standards Board (GASB).

Condition: The Village does not have an internal control policy in place over annual financial reporting that would enable management to prepare its annual financial statements and related footnote disclosures, which are complete, and presented in accordance with GAAP.

Context: Management has informed us that they do not have an internal control policy in place over annual financial reporting and that they do not have the necessary staff capacity to prepare the annual financial statements including footnote disclosures.

Cause: The Village relies on the audit firm to prepare the annual financial statements and related footnote disclosures. However, they have reviewed and approved the annual financial statements and the related footnote disclosures.

Effect: The potential exists that a material misstatement of the annual financial statements could occur and not be prevented or detected by the Village's internal controls in the normal course of business.

Without the assistance of the audit firm in preparing the financial statements, the misstatements would have not been detected by management.

Repeat Finding: 2022-001

Recommendation: We recommend that sufficient financial statement and disclosure review procedures be performed by an individual possessing a thorough understanding of applicable accounting principles generally accepted in the United States of America and knowledge of the Village's activities and operations.

Views of responsible officials: There is no disagreement with the audit finding.

**VILLAGE OF CALEDONIA, WISCONSIN
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2023**

Section II – Financial Statement Findings (Continued)

2023 – 002: Segregation of Duties

Type of Finding:

- Significant Deficiency in Internal Control over Financial Reporting

Criteria: Generally, a system of internal control contemplates separation of duties such that no individual has responsibility to execute a transaction, have physical access to the related assets, and have responsibility or authority to record the transaction.

Condition: During our evaluation of internal controls, it is noted that certain accounting functions of the within the Village were not appropriately segregated. Certain accounting functions have been designed in a manner that allows one individual to execute a transaction, have physical access to the related assets, and have responsibility or authority to record the transaction.

Context: While performing our audit procedures, it was noted that management does not have internal controls in place to provide reasonable assurance that the duties are properly segregated. Individual users have the ability to prepare, review, and approve transactions within the general ledger without intervention from another individual to determine the appropriateness of the transaction.

Cause: The Village has worked to implement members of the Finance team into roles and responsibilities that align with activities of the Village's various functions but has not yet designed a system of controls that integrate these individuals into roles that will appropriately segregate the duties of these individuals.

Effect: Lack of segregation of duties creates an inherent risk that may allow for errors or irregularities to go undetected and uncorrected.

Repeat Finding: 2022-002

Recommendation: We recommend that the Village implement detective controls that will provide reasonable assurance that the activity that is occurring within the general ledger and related sub-ledgers are subject to routine review by an individual with the skills, knowledge, and expertise to determine the appropriateness of the information. This should include a report of the activity with the appropriate documentation of who performed the review and when it occurred. This should be performed on a routine basis as determined by a documented control process.

Views of responsible officials: There is no disagreement with the audit finding.

