

# **Village of Sullivan**

Financial Statements and  
Supplementary Information

December 31, 2023

# Village of Sullivan

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## **Independent Auditors' Report**

To the Village Board of  
Village of Sullivan

### **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 Sullivan, 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 (GAS). 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 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 GAS 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 GAS, 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 18, 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 the Village's internal control over financial reporting and compliance.

*Baker Tilly US, LLP*

Madison, Wisconsin  
April 18, 2024

# Village of Sullivan

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## Management's Discussion and Analysis

December 31, 2023

(Unaudited)

The management of the Village of Sullivan, Wisconsin (Village) offers readers of the Village's financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ending December 31, 2023. We encourage readers to consider the information presented here in conjunction with the Village's financial statements.

### Financial Highlights

- The total assets and deferred outflows of resources of the Village, including the sewer utility, exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$7,152,191 (net position). Of this amount, \$947,519 (unrestricted net position) may be used to meet the government's obligations to citizens and creditors.
- The Village's total net position, including the sewer utility, increased by \$884,539.
- As of the close of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$796,806, an increase of \$36,243 in comparison with the prior year.
- At the end of the current fiscal year, the Village had an assigned fund balance of \$680,197 and \$89,390 in restricted fund balance. There was unassigned fund balance of \$27,219 as of December 31, 2023.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Village's basic financial statements. The Village's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

#### Government-Wide Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Village's finances, in a manner similar to a private sector business.

The *Statement of Net Position* presents information on all of the Village's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating. To assess the overall health of the Village you need to consider additional nonfinancial factors such as changes in the Village's property tax base and the condition of the Village's infrastructure.

The *Statement of Activities* presents information showing how the Village's net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

# Village of Sullivan

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Management's Discussion and Analysis

December 31, 2023

(Unaudited)

Both of the government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Village include general government; public safety; public works; culture, recreation and education activities and conservation and development. The business-type activities of the Village include the sewer utility.

The government-wide financial statements can be found on pages 1 to 2 of this report.

## Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

**Governmental Funds** - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Village maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, the fire department fund and debt service fund. The general fund and debt service fund are considered to be major funds. The fire department is a nonmajor fund.

The basic governmental fund financial statements can be found on pages 3 and 5 of this report.

**Proprietary Funds** - The Village maintains one (1) proprietary fund - the Sewer Utility. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements.

The basic proprietary fund financial statements can be found on pages 7 to 11 of this report.

**Fiduciary Funds** - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Village's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The Village reports one (1) fiduciary fund - a custodial Tax Collection Fund.

# Village of Sullivan

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Management's Discussion and Analysis  
December 31, 2023  
(Unaudited)

The basic fiduciary fund financial statements can be found on pages 12 and 13 of this report.

**Notes to the Financial Statements** - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 14 to 38 of this report.

**Other Information** - In addition to the basic financial statements and accompanying notes, *required supplementary information* presents the following: a detailed budgetary comparison schedule for the General Fund to demonstrate compliance with the budget, a schedule of the Village's proportionate share of the net pension liability/ (asset) in the Wisconsin Retirement System, and a schedule of the Village's contributions to the Wisconsin Retirement System. These schedules can be found on pages 39 to 43 of this report.

## Financial Analysis of the Village as a Whole

An analysis of the Village's financial position begins with a review of the Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position. These two statements report the Village's net position and changes therein. It should be noted that the financial position can also be affected by nonfinancial factors, including economic conditions, population growth and new regulations.

As noted earlier, net position may serve over time as a useful indicator of government's financial position. In the case of the Village, total assets exceeded liabilities by \$7,152,191 as of December 31, 2023.

The largest portion of the Village's net position (approximately 74%) reflects its investments in capital assets (e.g., land, building, equipment, improvements, construction in progress, and infrastructure), less any debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide service to citizens; consequently these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

## Village of Sullivan

Management's Discussion and Analysis  
December 31, 2023  
(Unaudited)

A summary of the Village's Statement of Net Position for 2023 and 2022 is presented in the table below.

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 2,344,316	\$ 2,343,538	\$ 1,152,767	\$ 994,903	\$ 3,496,083	\$ 3,338,441
Capital assets	2,288,972	2,381,759	7,173,736	6,560,000	9,462,708	8,941,759
Total assets	4,633,288	4,725,297	8,326,503	7,554,903	12,959,791	12,280,200
Deferred outflows of resources	110,076	54,473	7,931	51,348	118,007	105,821
Long-term liabilities	739,406	811,868	3,456,967	3,513,662	4,196,373	4,325,530
Other liabilities	128,017	133,086	102,208	84,793	230,225	217,879
Total liabilities	867,423	944,954	3,559,175	3,598,455	4,426,598	4,543,409
Deferred inflows of resources	1,486,675	1,502,432	12,334	72,528	1,499,009	1,574,960
Net position:						
Net investment in capital assets	1,573,730	1,569,891	3,723,736	3,046,600	5,297,466	4,616,491
Restricted	89,390	107,559	817,816	692,867	907,206	800,426
Unrestricted	726,146	654,934	221,373	195,801	947,519	850,735
Total net position	\$ 2,389,266	\$ 2,332,384	\$ 4,762,925	\$ 3,935,268	\$ 7,152,191	\$ 6,267,652

The majority of the Village's net position (approximately 74%) represents net investment in capital assets. An additional portion of the Village's net position (approximately 13%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the government's ongoing obligation to citizens and creditors.

## Village of Sullivan

Management's Discussion and Analysis  
December 31, 2023  
(Unaudited)

**Analysis of the Village's Operations** - The following table provides a summary of the Village's operations for the years ended December 31, 2023 and 2022. Governmental activities increased the Village's net position by 56,882. Business-type activities increased the Village's net position by \$827,657.

### Village of Sullivan Condensed Statement of Revenues, Expenses and Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 141,348	\$ 131,885	\$ 464,264	\$ 466,043	\$ 605,612	\$ 597,928
Operating grants and contributions	75,210	95,013	-	-	75,210	95,013
Capital grants and contributions	29,868	109,117	1,103,824	1,259,093	1,133,692	1,368,210
General revenues:						
Property taxes	262,890	245,299	-	-	262,890	245,299
Other taxes, debt service	121,002	120,577	-	-	121,002	120,577
Intergovernmental	62,668	57,537	-	-	62,668	57,537
Investment income	47,676	35,850	38,431	10,087	86,107	45,937
Miscellaneous	75,261	51,618	-	-	75,261	51,618
Total revenues	<u>815,923</u>	<u>846,896</u>	<u>1,606,519</u>	<u>1,735,223</u>	<u>2,422,442</u>	<u>2,582,119</u>
<b>Expenses</b>						
General government	252,007	179,710	-	-	252,007	179,710
Public safety	206,335	259,633	-	-	206,335	259,633
Public works	250,431	159,860	-	-	250,431	159,860
Culture, recreation and education	25,622	19,130	-	-	25,622	19,130
Conservation and development	6,253	6,073	-	-	6,253	6,073
Capital Outlay	650	-	-	-	650	-
Interest and fiscal charges	17,743	29,121	-	-	-	29,121
Sewer utility	-	-	778,862	338,018	778,862	338,018
Total expenses	<u>759,041</u>	<u>653,527</u>	<u>778,862</u>	<u>338,018</u>	<u>1,537,903</u>	<u>991,545</u>
Change in net position	56,882	193,369	827,657	1,397,205	884,539	1,590,574
<b>Net Position, January 1</b>	<u>2,332,384</u>	<u>2,139,015</u>	<u>3,935,268</u>	<u>2,538,063</u>	<u>6,267,652</u>	<u>4,677,078</u>
<b>Net Position, December 31</b>	<u>\$ 2,389,266</u>	<u>\$ 2,332,384</u>	<u>\$ 4,762,925</u>	<u>\$ 3,935,268</u>	<u>\$ 7,152,191</u>	<u>\$ 6,267,652</u>

# Village of Sullivan

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Management's Discussion and Analysis  
December 31, 2023  
(Unaudited)

## Financial Analysis of the Government's Funds

### Governmental Funds

The focus of the Village's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Village's financing requirements. In particular, assigned and unassigned fund balances may serve as useful measures of the government's net resources available for spending at the end of the fiscal year.

At the end of current fiscal year, the Village's governmental funds reported combined ending fund balances of \$796,806. Approximately 85% of this total amount, \$ 680,197, constitutes assigned fund balance. \$89,390 is restricted for activities of the fire department. There is an unassigned fund balance of \$27,219.

**General Fund** - The general fund is the main operating fund of the Village. The general fund balance increased from \$688,995 to \$707,416, an increase of \$18,421 as a result of normal activities and operations.

**Debt Service Fund** - The debt service fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for the payment of general long-term debt principal, interest, and related costs, other than enterprise debt. The debt service fund balance at year-end is \$0, which is a \$8,744 increase from the previous year.

**Fire Department Fund** - The fire department fund is a nonmajor special revenue fund that reports the activities and operations of the fire department, which is a blended component unit of the Village. Fund balance at year-end is \$89,390, an increase of \$9,078 from 2022.

### Proprietary Fund

The Village's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

**Sewer Utility** - The Sullivan Sewer Utility is an enterprise fund of the Village. Current sewer rates were approved by the Village board on June 4, 2019. The sewer user fees were increased by \$50 per residential equivalency charge on October 1<sup>st</sup> for 2019, 2020 and 2021. The operating income (loss) for the year was (\$254,106). The total increase in net position was \$827,657.

## General Fund Budgetary Highlights

The Village's amended budget, budgeted for no change to fund balance and the actual result was a \$18,421 increase in fund balance. The most significant variances to budget include the following items:

- Intergovernmental- ARPA grants : \$29,868 over budget
- Interest on investments \$29,882 over budget
- Sale of fixed assets: \$49,425 over budget
- Public safety fire protection expenditures: \$41,292 under budget
- Capital outlay: \$97,402 over budget
- Transfers out: \$37,614 over budget

# Village of Sullivan

Management's Discussion and Analysis  
December 31, 2023  
(Unaudited)

## Capital Assets

At the end of 2023, the Village had invested a total of \$9,462,708 in capital assets (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings, machinery and equipment, infrastructure and construction work in progress.

### Capital Assets at Year-End Net of Accumulated Depreciation

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 4,201	\$ 4,201	\$ 818	\$ 818	\$ 5,019	\$ 5,019
Right-of-way	124,539	124,539	-	-	124,539	124,539
Improvements	8,100	9,112	-	-	8,100	9,112
Buildings	226,850	230,822	-	-	226,850	230,822
Machinery and equipment	942,909	1,005,214	-	-	942,909	1,005,214
Infrastructure	982,373	1,007,871	-	-	982,373	1,007,871
Construction in progress	-	-	-	-	-	-
Intangible asset	-	-	4,765,437	3,824,568	4,765,437	3,824,568
Sewer plant	-	-	2,407,481	2,734,614	2,407,481	2,734,614
Total	<u>\$ 2,288,972</u>	<u>\$ 2,381,759</u>	<u>\$ 7,173,736</u>	<u>\$ 6,560,000</u>	<u>\$ 9,462,708</u>	<u>\$ 8,941,759</u>

Additional information on the Village's capital assets can be found in Note 4. of this report.

## Long-Term Debt

During 2023, the Village retired debt of \$509,666 and issued \$413,040 of debt to refund \$473,492 of outstanding debt, resulting in \$715,242 in outstanding general obligation debt at the end of 2023. Under Wisconsin State Statutes, Chapter 67, the Village's aggregate general obligation indebtedness may not exceed 5% of the equalized value of taxable property located in the Village. The Village's applicable outstanding debt is 19% of the maximum amount allowable.

The business-type activities had debt outstanding of \$3,450,000 as of December 31, 2022, and issued no new debt in 2023.

### Village of Sullivan's Outstanding Long-Term Obligations

	Governmental Activities	
	2023	2022
Promissory notes	<u>\$ 715,242</u>	<u>\$ 473,492</u>
Total outstanding long-term obligations	<u>\$ 715,242</u>	<u>\$ 811,868</u>

## **Village of Sullivan**

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Management's Discussion and Analysis  
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(Unaudited)

Additional information on the Village's long-term debt, including information about direct placements or direct borrowings, can be found in Note 4. of this report.

### **Currently Known Facts/Economic Conditions**

All currently known facts or economic conditions were considered in preparing this report.

### **Requests for Information**

The financial report is designed to provide our citizens, customers, investors and creditors with general overview of the Village's finances. If you have questions about this report or need any additional information, contact the Village of Sullivan, 500 Madison Avenue (Hwy. 18), Sullivan, WI 53178, Attn: Heather Rupnow, call 262 593 2388, or e-mail [clerk@villageofsullivan.com](mailto:clerk@villageofsullivan.com).

# Village of Sullivan

Statement of Net Position  
December 31, 2023

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
<b>Assets and Deferred Outflows of Resources</b>			
<b>Assets</b>			
Cash and investments	\$ 908,265	\$ 175,121	\$ 1,083,386
Taxes receivable	473,281	-	473,281
Accounts receivable	1,000	108,655	109,655
Accrued interest	-	628	628
Internal balances	(50,547)	50,547	-
Lease receivable	1,012,317	-	1,012,317
Restricted assets:			
Cash and investments	-	817,816	817,816
Capital assets:			
Land	128,740	818	129,558
Other capital assets, net of depreciation	2,160,232	7,172,918	9,333,150
Total assets	<u>4,633,288</u>	<u>8,326,503</u>	<u>12,959,791</u>
<b>Deferred Outflows of Resources</b>			
Pension related amounts	<u>110,076</u>	<u>7,931</u>	<u>118,007</u>
Total deferred outflows of resources	<u>110,076</u>	<u>7,931</u>	<u>118,007</u>
<b>Liabilities, Deferred Inflows of Resources and Net Position</b>			
<b>Liabilities</b>			
Accounts payable and accrued expenses	67,154	102,208	169,362
Unearned revenues	60,863	-	60,863
Noncurrent liabilities:			
Due within one year	86,228	64,584	150,812
Due in more than one year	629,014	3,385,500	4,014,514
Net pension liability	24,164	6,883	31,047
Total liabilities	<u>867,423</u>	<u>3,559,175</u>	<u>4,426,598</u>
<b>Deferred Inflows of Resources</b>			
Unearned revenues	1,433,701	-	1,433,701
Pension related amounts	<u>52,974</u>	<u>12,334</u>	<u>65,308</u>
Total deferred inflows of resources	<u>1,486,675</u>	<u>12,334</u>	<u>1,499,009</u>
<b>Net Position</b>			
Net investment in capital assets	1,573,730	3,723,736	5,297,466
Restricted for:			
Equipment replacement	-	787,896	787,896
Fire department activities	89,390	-	89,390
Debt service	-	29,920	29,920
Unrestricted	<u>726,146</u>	<u>221,373</u>	<u>947,519</u>
Total net position	<u>\$ 2,389,266</u>	<u>\$ 4,762,925</u>	<u>\$ 7,152,191</u>

See notes to financial statements

# Village of Sullivan

## 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
Governmental activities:						
General government	\$ 252,007	\$ 6,956	\$ 6,645	\$ -	\$ (238,406)	\$ (238,406)
Public safety	206,335	88,660	40,585	29,868	(47,222)	(47,222)
Public works	250,431	44,292	27,980	-	(178,159)	(178,159)
Culture, recreation and education	25,622	-	-	-	(25,622)	(25,622)
Conservation and development	6,253	1,440	-	-	(4,813)	(4,813)
Capital outlay	650	-	-	-	(650)	(650)
Interest and fiscal charges	17,743	-	-	-	(17,743)	(17,743)
Total governmental activities	<u>759,041</u>	<u>141,348</u>	<u>75,210</u>	<u>29,868</u>	<u>(512,615)</u>	<u>(512,615)</u>
Business-type activities:						
Sewer utility	<u>778,862</u>	<u>464,264</u>	<u>-</u>	<u>1,103,824</u>	<u>-</u>	<u>789,226</u>
Total business-type activities	<u>778,862</u>	<u>464,264</u>	<u>-</u>	<u>1,103,824</u>	<u>-</u>	<u>789,226</u>
Total	<u>\$ 1,537,903</u>	<u>\$ 605,612</u>	<u>\$ 75,210</u>	<u>\$ 1,133,692</u>	<u>(512,615)</u>	<u>789,226</u>
<b>General Revenues</b>						
Taxes:						
Property taxes, levied for general purposes					262,890	-
Property taxes, levied for debt service					121,002	-
Intergovernmental revenues not restricted to specific programs					62,668	-
Investment income					47,676	38,431
Miscellaneous					75,261	-
Total general revenues					<u>569,497</u>	<u>38,431</u>
Change in net position					56,882	827,657
<b>Net Position, Beginning</b>					<u>2,332,384</u>	<u>3,935,268</u>
<b>Net Position, Ending</b>					<u>\$ 2,389,266</u>	<u>\$ 4,762,925</u>
						<u>\$ 7,152,191</u>

See notes to financial statements

# Village of Sullivan

Balance Sheet -  
Governmental Funds  
December 31, 2023

	<u>General</u>	<u>Debt Service</u>	<u>Nonmajor Governmental Fund - Fire Department</u>	<u>Total</u>
<b>Assets</b>				
Cash and investments	\$ 818,875	\$ -	\$ 89,390	\$ 908,265
Receivables:				
Taxes	356,784	116,497	-	473,281
Accounts	1,000	-	-	1,000
Lease	<u>1,012,317</u>	<u>-</u>	<u>-</u>	<u>1,012,317</u>
Total assets	<u>\$ 2,188,976</u>	<u>\$ 116,497</u>	<u>\$ 89,390</u>	<u>\$ 2,394,863</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 47,206	\$ -	\$ -	\$ 47,206
Accrued liabilities	5,740	-	-	5,740
Unearned revenues	60,863	-	-	60,863
Due to other funds	<u>50,547</u>	<u>-</u>	<u>-</u>	<u>50,547</u>
Total liabilities	<u>164,356</u>	<u>-</u>	<u>-</u>	<u>164,356</u>
<b>Deferred Inflows of Resources</b>				
Unearned revenues	<u>1,317,204</u>	<u>116,497</u>	<u>-</u>	<u>1,433,701</u>
Total deferred inflows of resources	<u>1,317,204</u>	<u>116,497</u>	<u>-</u>	<u>1,433,701</u>
<b>Fund Balances</b>				
Restricted	-	-	89,390	89,390
Assigned	680,197	-	-	680,197
Unassigned	<u>27,219</u>	<u>-</u>	<u>-</u>	<u>27,219</u>
Total fund balances	<u>707,416</u>	<u>-</u>	<u>89,390</u>	<u>796,806</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,188,976</u>	<u>\$ 116,497</u>	<u>\$ 89,390</u>	<u>\$ 2,394,863</u>

See notes to financial statements

## Village of Sullivan

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

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**Total Fund Balances, Governmental Funds** \$ 796,806

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds. See Note 4. 2,288,972

The net pension liability does not relate to current financial resources and is not reported in the governmental funds. (24,164)

Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds. 110,076

Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds. (52,974)

Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds. See Note 2. (729,450)

**Net Position of Governmental Activities** \$ 2,389,266

## Village of Sullivan

Statement of Revenues, Expenditures and Changes in Fund Balances -  
Governmental Funds  
Year Ended December 31, 2023

	<u>General</u>	<u>Debt Service</u>	<u>Nonmajor Governmental Fund - Fire Department</u>	<u>Total</u>
<b>Revenues</b>				
Taxes	\$ 262,890	\$ 121,002	\$ -	\$ 383,892
Intergovernmental	130,024	-	-	130,024
Licenses and permits	30,080	-	-	30,080
Public charges for services	44,024	-	-	44,024
Intergovernmental charges for services	74,496	-	-	74,496
Special assessments	390	-	-	390
Investment income	46,444	-	1,232	47,676
Miscellaneous	24,839	-	31,077	55,916
	<u>613,187</u>	<u>121,002</u>	<u>32,309</u>	<u>766,498</u>
Total revenues				
<b>Expenditures</b>				
Current:				
General government	198,000	-	-	198,000
Public safety	78,332	-	52,101	130,433
Public works	166,756	-	-	166,756
Culture, recreation and education	9,600	-	-	9,600
Conservation and development	6,253	-	-	6,253
Capital outlay	147,636	-	-	147,636
Debt service:				
Principal	-	509,666	-	509,666
Interest and fiscal charges	-	24,376	-	24,376
	<u>606,577</u>	<u>534,042</u>	<u>52,101</u>	<u>1,192,720</u>
Total expenditures				
Excess (deficiency) of revenues over expenditures	<u>6,610</u>	<u>(413,040)</u>	<u>(19,792)</u>	<u>(426,222)</u>
<b>Other Financing Sources (Uses)</b>				
Debt issued	-	413,040	-	413,040
Transfers in	-	8,744	28,870	37,614
Transfers out	(37,614)	-	-	(37,614)
Sale of fixed assets	49,425	-	-	49,425
	<u>11,811</u>	<u>421,784</u>	<u>28,870</u>	<u>462,465</u>
Total other financing sources (uses)				
Net change in fund balances	18,421	8,744	9,078	36,243
<b>Fund Balances (Deficit), Beginning</b>	<u>688,995</u>	<u>(8,744)</u>	<u>80,312</u>	<u>760,563</u>
<b>Fund Balances, Ending</b>	<u>\$ 707,416</u>	<u>\$ -</u>	<u>\$ 89,390</u>	<u>\$ 796,806</u>

See notes to financial statements

## Village of Sullivan

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

**Net Change in Fund Balances, Total Governmental Funds** \$ 36,243

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 net position the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities.

Some items reported as capital outlay in the fund financial statements but are capitalized in the government-wide statements.	147,636
Some items reported as capital outlay were not capitalized	(83,546)
Depreciation is reported in the government-wide financial statements	(87,833)
Net book value of assets retired	(69,044)

Debt issued provides 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.

Debt issued	(413,040)
Principal repaid	509,666

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

Net pension liability	(51,411)
Accrued interest and other debt expenses	6,633
Deferred outflows of resources related to pensions	55,603
Deferred inflows of resources related to pensions	5,975

**Change in Net Position of Governmental Activities** \$ 56,882

# Village of Sullivan

Statement of Net Position -  
Proprietary Fund  
December 31, 2023

## Sewer Utility

### Assets

#### Current assets:

Cash and investments	\$ 175,121
Interest receivable	628
Customer accounts receivable	108,655
Due from other funds	<u>50,547</u>

Total current assets 334,951

#### Noncurrent assets:

##### Restricted assets:

Debt service reserve	29,920
Replacement account	78,899
Depreciation account	708,997

##### Capital assets:

Land	818
Property and equipment	8,981,999
Less accumulated depreciation / amortization	<u>(1,809,081)</u>

Total noncurrent assets 7,991,552

Total assets 8,326,503

### Deferred Outflows of Resources

Pension related amounts 7,931

Total deferred outflows of resources 7,931

## Village of Sullivan

Statement of Net Position -  
Proprietary Fund  
December 31, 2023

### Sewer Utility

#### Liabilities

##### Current liabilities:

Accounts payable	\$ 85,882
Accrued wages	6,263
Compensated absences, current	84
Revenue bonds payable, current	64,500
Accrued interest	<u>10,063</u>

Total current liabilities 166,792

##### Noncurrent liabilities:

Revenue bonds payable, noncurrent	3,385,500
Net pension liability	<u>6,883</u>

#### Deferred Inflows of Resources

Pension related amounts	<u>12,334</u>
-------------------------	---------------

Total deferred inflows of resources 12,334

#### Net Position

Investment in capital assets	3,723,736
Restricted for:	
Debt service	29,920
Equipment replacement	787,896
Unrestricted	<u>221,373</u>

Total net position \$ 4,762,925

## Village of Sullivan

Statement of Revenues, Expenses and Changes in Net Position -  
Proprietary Fund  
Year Ended December 31, 2023

	<u>Sewer Utility</u>
<b>Operating Revenues</b>	
Treatment charges	\$ 455,845
Other	<u>8,419</u>
Total operating revenues	<u>464,264</u>
<b>Operating Expenses</b>	
Operation and maintenance	391,237
Depreciation / amortization	<u>327,133</u>
Total operating expenses	<u>718,370</u>
Operating income (loss)	<u>(254,106)</u>
<b>Nonoperating Revenues (Expenses)</b>	
Investment income	38,431
Interest expense	<u>(60,492)</u>
Total nonoperating revenues (expenses)	<u>(22,061)</u>
<b>Contributions</b>	
Capital contributions	<u>1,103,824</u>
Total contributions	<u>1,103,824</u>
Change in net position	827,657
<b>Net Position, Beginning</b>	<u>3,935,268</u>
<b>Net Position, Ending</b>	<u>\$ 4,762,925</u>

See notes to financial statements

## Village of Sullivan

Statement of Cash Flows -  
Proprietary Fund  
Year Ended December 31, 2023

	<u>Sewer Utility</u>
<b>Cash Flows From Operating Activities</b>	
Received from customers	\$ 417,842
Paid to suppliers for goods and services	(345,115)
Paid to employees for services	<u>(27,606)</u>
Net cash flows from operating activities	<u>45,121</u>
<b>Cash Flows From Investing Activities</b>	
Investment income	<u>38,431</u>
Net cash flows from investing activities	<u>38,431</u>
<b>Cash Flows From Capital and Related Financing Activities</b>	
Debt retired	(63,400)
Interest paid	(60,677)
Acquisition and construction of capital assets	(923,496)
Capital contributions	<u>1,103,824</u>
Net cash flows from capital and related financing activities	<u>56,251</u>
Net change in cash and cash equivalents	139,803
<b>Cash and Cash Equivalents, Beginning</b>	<u>853,134</u>
<b>Cash and Cash Equivalents, Ending</b>	<u><u>\$ 992,937</u></u>

See notes to financial statements

## Village of Sullivan

Statement of Cash Flows -  
Proprietary Fund  
Year Ended December 31, 2023

	<u>Sewer Utility</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Flows From Operating Activities</b>	
Operating income (loss)	\$ (254,106)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:	
Depreciation / amortization	327,133
Accounts receivable	4,125
Other accounts receivable	(50,547)
Accounts payable	227
Accrued liabilities	(178)
Pension related deferrals and assets/liabilities	18,467
	<u>                    </u>
Net cash flows from operating activities	<u>\$ 45,121</u>
<b>Reconciliation of Cash and Cash Equivalents to the Statement of Net Position, Proprietary Funds</b>	
Cash and investments	\$ 175,121
Restricted cash and investments:	
Debt service reserve	29,920
Replacement account	78,899
Depreciation account	708,997
	<u>                    </u>
Cash and cash equivalents	<u>\$ 992,937</u>
<b>Noncash Capital and Related Financing Activities</b>	
None	

See notes to financial statements

# Village of Sullivan

Statement of Fiduciary Net Position -  
Fiduciary Fund  
December 31, 2023

	<b>Custodial Fund</b>
<b>Assets</b>	
Cash and investments	\$ 488,334
Taxes receivable	<u>483,484</u>
Total assets	<u>971,818</u>
<b>Liabilities</b>	
Due to other governments	<u>971,818</u>
Total liabilities	<u>971,818</u>
<b>Net Position</b>	
Total net position	<u><u>\$ -</u></u>

See notes to financial statements

## Village of Sullivan

Statement of Changes in Fiduciary Net Position -  
Fiduciary Fund  
Year Ended December 31, 2023

	<u>Custodial Fund</u>
<b>Additions</b>	
Property taxes collected for overlying districts	\$ 705,923
Total additions	<u>705,923</u>
<b>Deductions</b>	
Distributions to overlying districts	<u>705,923</u>
Total deductions	<u>705,923</u>
Change in fiduciary net position	-
<b>Net Position, Beginning</b>	<u>-</u>
<b>Net Position, Ending</b>	<u><u>\$ -</u></u>

See notes to financial statements

# Village of Sullivan

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# Village of Sullivan

Notes to Financial Statements  
December 31, 2023

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## 1. Summary of Significant Accounting Policies

The accounting policies of the Village of Sullivan, Wisconsin (the 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).

### Reporting Entity

This report includes all of the funds of the Village. The reporting entity for the Village consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or 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. The primary government is financially accountable if (1) it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization, (2) it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government, (3) the organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. Certain legally separate, tax exempt organizations should also be reported as a component unit 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 or its component units, is entitled to, or has the ability to access, a majority of the economic resources received or held by the separate organization; and (3) the economic resources received or held by an individual organization that the primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to the primary government.

Component units are reported using one of three methods, discrete presentation, blended or fiduciary. Generally, component units should be discretely presented in a separate column in the financial statements. A component unit should be reported as part of the primary government using the blending method if it meets any one of the following criteria: (1) the primary government and the component unit have substantively the same governing body and a financial benefit or burden relationship exists, (2) the primary government and the component unit have substantively the same governing body and management of the primary government has operational responsibility for the component unit, (3) the component unit serves or benefits, exclusively or almost exclusively, the primary government rather than its citizens or (4) the total debt of the component unit will be paid entirely or almost entirely from resources of the primary government.

### Blended Component Unit

The Sullivan Volunteer Fire Department Inc. (Fire Department) serves all the citizens of the government and is governed by a separate board. The rates for user charges and bond issuance authorizations are approved by the government's council and the government is legally obligated to provide resources in case there are deficiencies in debt service payments and resources are not available from other remedies. The Fire Department is reported as a special revenue fund. The Fire Department does not issue separate financial statements.

# Village of Sullivan

Notes to Financial Statements  
December 31, 2023

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## 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. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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 Village 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/expenses.

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

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

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The Village reports the following major governmental funds:

#### General Fund

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

# Village of Sullivan

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Notes to Financial Statements  
December 31, 2023

## Debt Service Funds

Debt Service Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for the payment of general long-term debt principal, interest and related costs, other than enterprise debt.

## Enterprise Funds

The Village reports the following major enterprise fund:

Sewer Utility accounts for operations of the sewer system

The Village reports the following nonmajor governmental fund:

## Special Revenue Funds

Special Revenue Fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes (other than debt service or capital projects).

Fire Department

In addition, the Village reports the following fund type:

## Custodial Funds

Custodial Funds are used to account for and report assets controlled by the Village and the assets are for the benefit of individuals, private organizations and/or other governmental units.

Tax Collection Fund

## 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 economic asset 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. 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.

### 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 revenues to be available if they are collected within 60 days of the end 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 and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

# Village of Sullivan

Notes to Financial Statements  
December 31, 2023

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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 to the resources and the amounts are available. Amounts owed to the Village which are not available are recorded as receivables and unavailable revenues. Amounts received before eligibility requirements (excluding time requirements) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

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

## Proprietary and Fiduciary Funds

Proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note.

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 sewer utility are charges to customers for sales and services. Special assessments are recorded as receivables and contribution revenue when levied. 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 generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources 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.

## Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity

### Deposits and Investments

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

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

- a. Time deposits in any credit union, bank, savings bank or trust company.
- b. 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, the University of Wisconsin Hospitals and Clinics Authority or the Wisconsin Aerospace Authority.

# Village of Sullivan

Notes to Financial Statements  
December 31, 2023

- c. Bonds or securities issued or guaranteed by the federal government.
- d. The local government investment pool.
- e. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- f. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- g. Repurchase agreements with public depositories, with certain conditions.

The Village has adopted an investment policy. That policy follows the state statute for allowable investments.

No policy exists for the following risks:

Credit risk

Custodial credit risk

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. The Village does not have any investments subject to fair value. No investments are 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. Investment income on commingled investments of municipal accounting funds is allocated based on average balances. The difference between the bank statement balance and carrying value is due to outstanding checks and/or deposits in transit.

The Wisconsin Local Government Investment Pool (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 fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2023, the fair value of the Village's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

See Note 4 for further information.

## 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 on the accompanying statement of fiduciary net position.

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 sale - 2023 delinquent real estate taxes	January 2025

# Village of Sullivan

Notes to Financial Statements  
December 31, 2023

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 sewer utility because they have the right by law to place substantially all delinquent bills on the tax roll and other delinquent bills are generally not significant.

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 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.

## Restricted 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 will be used first for retirement of related long-term debt. The remainder, if generated from earnings, is shown as restricted net position.

## Capital Assets

### Government-Wide Financial 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 general capital assets and \$25,000 for infrastructure assets 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 estimated 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 and overhead. 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. An intangible asset exists related to a joint wastewater plant operating agreement with the Sullivan Joint Wastewater Commission.

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

Buildings	85 Years
Land Improvements	25-50 Years
Machinery and Equipment	10-20 Years
Intangible	20 Years
Infrastructure	25-100 Years

# Village of Sullivan

Notes to Financial Statements  
December 31, 2023

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## **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 of Resources**

A deferred outflow of resources represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

## **Compensated Absences**

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

All vested vacation and sick leave pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, and are payable with expendable resources.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2023, are determined on the basis of current salary rates and include salary related payments.

## **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 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 (plus any premiums) 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.

## **Leases**

The Village is a lessor because it leases capital assets to other entities. As a lessor, the Village reports a lease receivable and corresponding deferred inflow of resources in both the fund financial statements and government-wide financial statements. The Village continues to report and depreciate the capital assets being leased as capital assets of the primary government.

## **Deferred Inflows of Resources**

A deferred inflow of resources represents an acquisition of net assets that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

## Equity Classifications

### Government-Wide Statements

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

- a. **Net Investment in Capital Assets** - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. **Restricted Net Position** - Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. **Unrestricted Net Position** - All other net positions that do not meet the definitions of "restricted" or "net investment in capital assets."

When both restricted and unrestricted resources are available for use, it is the Village's policy to use restricted resources first, then unrestricted resources as they are needed.

### Fund Statements

Governmental fund balances are displayed as follows:

- a. **Nonspendable** - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. **Restricted** - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. **Committed** - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the Village Board. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the Village Board that originally created the commitment.
- d. **Assigned** - Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. The Board may take official action to assign amounts. Assignments may take place after the end of the reporting period.
- e. **Unassigned** - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those purposes.

Proprietary fund equity is classified the same as in the government-wide statements.

# Village of Sullivan

Notes to Financial Statements  
December 31, 2023

The Village considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents / contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the Village would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

See Note 4 for further information.

## Pension

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; and
- 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.

## Basis for Existing Rates

### Sewer Utility

Current sewer rates were approved by the Village board on June 4, 2019. The sewer user fees were increased by \$50 per residential equivalency charge on October 1, 2019, 2020 and 2021.

## 2. Reconciliation of Government-Wide and Fund Financial Statements

### Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Statement of Net Position

Long-term liabilities applicable to the Village's governmental activities are not due and payable in the current period, and accordingly, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities—both current and long-term—are reported in the statement of net position.

Bonds and notes payable	\$ 715,242
Accrued interest	<u>14,208</u>
Combined adjustment for long-term liabilities	<u>\$ 729,450</u>

## 3. Stewardship, Compliance and Accountability

### Budgetary Information

A budget has been adopted for the the general fund and debt service fund. A budget has not been formally adopted for the fire department fund. Wisconsin Statute 65.90 requires that an annual budget be adopted for all funds.

# Village of Sullivan

Notes to Financial Statements  
December 31, 2023

## Limitations on the Village's Tax Levy

Wisconsin law limits the Village's future tax levies. Generally the Village is limited to its prior tax levy dollar amount (excluding TIF Districts), increased by the greater of the percentage change in the Village's equalized value due to net new construction or zero percent. Changes in debt service from one year to the next are generally exempt from this limit with certain exceptions. The Village is required to reduce its allowable levy by the estimated amount of fee revenue it collects for certain services, if those services were funded in 2013 by the property tax levy. Levies can be increased above the allowable limits if the amount is approved by referendum.

## 4. Detailed Notes on All Funds

### Deposits and Investments

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

	<u>Carrying Value</u>	<u>Statement Balances</u>	<u>Associated Risks</u>
Deposits	\$ 976,479	\$ 976,035	Custodial credit
LGIP	<u>1,413,057</u>	<u>1,413,055</u>	Credit
Total deposits and investments	<u>\$ 2,389,536</u>	<u>\$ 2,389,090</u>	
Reconciliation to financial statements			
Per statement of net position:			
Unrestricted cash and investments	\$ 1,083,386		
Restricted cash and investments	817,816		
Per statement of net position, fiduciary fund:			
Custodial fund	<u>488,334</u>		
Total deposits and investments	<u>\$ 2,389,536</u>		

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit accounts (interest-bearing and noninterest-bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts.

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the nature of this fund, recovery of material principal losses may not be significant to individual municipalities. This coverage has been considered in computing custodial credit risk.

### 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, \$132,182 of the Village's total bank balance was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 132,182
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# Village of Sullivan

Notes to Financial Statements  
December 31, 2023

## Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

The Village had investments in the external Wisconsin Local Government Investment Pool which is not rated.

See Note 1 for further information on deposit and investment policies.

## Receivables

All of the receivables on the balance sheet are expected to be collected within one year.

Governmental funds report *unavailable* or *unearned revenue* 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 also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *unavailable revenue* and *unearned revenue* reported in the governmental funds were as follows:

	<u>Unearned</u>
Property taxes receivable for subsequent year	\$ 421,384
Lease payments not yet due	1,012,317
Unspent ARPA grant funds	<u>60,863</u>
Total unearned/unavailable revenue for governmental funds	<u>\$ 1,494,564</u>
Unearned revenue included in liabilities	\$ 60,863
Unearned revenue included in deferred inflows	<u>1,433,701</u>
Total unearned revenue for governmental funds	<u>\$ 1,494,564</u>

## Restricted Assets

The following represent the balances of the restricted assets:

### Long-Term Debt Accounts

**Reserve** - Used to report resources set aside to make up potential future deficiencies in the redemption account.

**Depreciation** - Used to report resources set aside to fund plant renewals and replacement or make up potential future deficiencies in the redemption account.

### Equipment Replacement Account

The sewer utility established an equipment replacement account to be used for significant mechanical equipment replacement as required by the Wisconsin Department of Natural Resources.

# Village of Sullivan

Notes to Financial Statements  
December 31, 2023

Following is a list of restricted assets at December 31, 2023:

Restricted assets:	
Debt service reserve	\$ 29,920
Depreciation account	708,997
Replacement account	<u>78,899</u>
Total restricted assets	<u>\$ 817,816</u>

## Capital Assets

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>				
Capital assets not being depreciated:				
Land	\$ 4,201	\$ -	\$ -	\$ 4,201
Right of way	<u>124,539</u>	<u>-</u>	<u>-</u>	<u>124,539</u>
Total capital assets not being depreciated	<u>128,740</u>	<u>-</u>	<u>-</u>	<u>128,740</u>
Capital assets being depreciated:				
Land improvements	25,305	-	-	25,305
Buildings	357,620	-	-	357,620
Machinery and equipment	1,728,297	64,090	201,343	1,591,044
Streets	1,085,646	-	-	1,085,646
Sidewalks	56,395	-	-	56,395
Storm sewer	<u>233,616</u>	<u>-</u>	<u>-</u>	<u>233,616</u>
Total capital assets being depreciated	<u>3,486,879</u>	<u>64,090</u>	<u>201,343</u>	<u>3,349,626</u>
Total capital assets	<u>3,615,619</u>	<u>64,090</u>	<u>201,343</u>	<u>3,478,366</u>
Less accumulated depreciation for:				
Land improvements	(16,193)	(1,012)	-	(17,205)
Buildings	(126,798)	(3,972)	-	(130,770)
Machinery and equipment	(723,083)	(57,351)	132,299	(648,135)
Streets	(281,580)	(19,698)	-	(301,278)
Sidewalks	(18,048)	(1,128)	-	(19,176)
Storm sewer	<u>(68,158)</u>	<u>(4,672)</u>	<u>-</u>	<u>(72,830)</u>
Total accumulated depreciation	<u>(1,233,860)</u>	<u>(87,833)</u>	<u>132,299</u>	<u>(1,189,394)</u>
Net capital assets being depreciated	<u>2,253,019</u>	<u>(23,743)</u>	<u>69,044</u>	<u>2,160,232</u>
Total governmental activities capital assets, net as reported in the statement of net position	<u>\$ 2,381,759</u>	<u>\$ (23,743)</u>	<u>\$ 69,044</u>	<u>\$ 2,288,972</u>

Depreciation expense was charged to functions as follows:

<b>Governmental Activities</b>	
General government	\$ 1,272
Public safety	52,786
Public works	30,132
Culture, recreation and education	<u>3,643</u>
Total governmental activities depreciation expense	<u>\$ 87,833</u>

# Village of Sullivan

Notes to Financial Statements  
December 31, 2023

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Business-Type Activities</b>				
Capital assets not being depreciated / amortized:				
Land	\$ 818	\$ -	\$ -	\$ 818
Total capital assets not being depreciated / amortized	<u>818</u>	<u>-</u>	<u>-</u>	<u>818</u>
Capital assets being depreciated / amortized:				
Collecting system	2,500,215	-	-	2,500,215
Collecting system pumping	398,795	-	-	398,795
Treatment and disposal	1,215,361	-	-	1,215,361
General	102,191	-	-	102,191
Wastewater treatment plant	<u>3,824,568</u>	<u>940,869</u>	<u>-</u>	<u>4,765,437</u>
Total capital assets being depreciated / amortized	<u>8,041,130</u>	<u>940,869</u>	<u>-</u>	<u>8,981,999</u>
Total capital assets	<u>8,041,948</u>	<u>940,869</u>	<u>-</u>	<u>8,982,817</u>
Less accumulated depreciation / amortization for:				
Sewer	<u>(1,481,948)</u>	<u>(327,133)</u>	<u>-</u>	<u>(1,809,081)</u>
Total accumulated depreciation / amortization	<u>(1,481,948)</u>	<u>(327,133)</u>	<u>-</u>	<u>(1,809,081)</u>
Net capital assets being depreciated / amortized	<u>6,559,182</u>	<u>613,736</u>	<u>-</u>	<u>7,172,918</u>
Business-type activities capital assets, net as reported in the statement of net position	<u>\$ 6,560,000</u>	<u>\$ 613,736</u>	<u>\$ -</u>	<u>\$ 7,173,736</u>

## Interfund Receivables/Payables and Transfers

### Interfund Receivables/Payables

The following is a schedule of interfund receivables and payables including any overdrafts on pooled cash and investment accounts:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Sewer Utility	General Fund	\$ 50,547

All amounts are due within one year.

The principal purpose of these interfunds is for delinquent utility taxes.

# Village of Sullivan

Notes to Financial Statements  
December 31, 2023

## Transfers

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
Fire	General	\$ 28,870	Payment for runs, training and officer wages for Fire Department
Debt Service	General	<u>8,744</u>	Contributions to fund cash deficit
Total, fund financial statements		37,614	
Less fund eliminations		<u>(37,614)</u>	
Total transfers, government-wide statement of activities		<u>\$ -</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.

## Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2023, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<b>Governmental Activities</b>					
Bonds and notes payable:					
General obligation notes from direct borrowings and direct placements	\$ 811,868	\$ 413,040	\$ 509,666	\$ 715,242	\$ 86,228
Total bonds and notes payable	<u>811,868</u>	<u>413,040</u>	<u>509,666</u>	<u>715,242</u>	<u>86,228</u>
Total governmental activities long-term liabilities	<u>\$ 811,868</u>	<u>\$ 413,040</u>	<u>\$ 509,666</u>	<u>\$ 715,242</u>	<u>\$ 86,228</u>
<b>Business-Type Activities</b>					
Bonds and notes payable:					
Alternative revenue bonds	\$ 3,513,400	\$ -	\$ 63,400	\$ 3,450,000	\$ 64,500
Total bonds and notes payable	<u>3,513,400</u>	<u>-</u>	<u>63,400</u>	<u>3,450,000</u>	<u>64,500</u>
Other liabilities:					
Vested compensated absences	<u>262</u>	<u>-</u>	<u>178</u>	<u>84</u>	<u>84</u>
Total other liabilities	<u>262</u>	<u>-</u>	<u>178</u>	<u>84</u>	<u>84</u>
Total business-type activities long-term liabilities	<u>\$ 3,513,662</u>	<u>\$ -</u>	<u>\$ 63,578</u>	<u>\$ 3,450,084</u>	<u>\$ 64,584</u>

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 \$3,714,840. Total general obligation debt outstanding at year end was \$715,242.

# Village of Sullivan

Notes to Financial Statements  
December 31, 2023

## General Obligation Debt

All general obligation debt payable is backed by the full faith and credit of the Village. Debt in the governmental funds will be retired by future property tax levies or tax increments accumulated by the debt service fund.

<u>Governmental Activities</u>					<u>Balance</u>
<u>General Obligation Debt</u>	<u>Date of</u>	<u>Final</u>	<u>Interest</u>	<u>Original</u>	<u>December</u>
	<u>Issue</u>	<u>Maturity</u>	<u>Rates</u>	<u>Indebtedness</u>	<u>31, 2023</u>
2022 Promissory Note *	06/07/22	03/01/30	3.60%	\$ 342,757	\$ 302,202
2023 Promissory Note *	12/08/23	05/17/31	2.90	413,040	<u>413,040</u>
Total governmental activities, general obligation debt					<u>\$ 715,242</u>

\* Direct borrowing or direct placement

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 86,228	\$ 20,651
2025	88,772	18,105
2026	91,367	15,512
2027	94,040	12,838
2028	96,767	10,110
2029-2031	<u>258,068</u>	<u>12,855</u>
Total	<u>\$ 715,242</u>	<u>\$ 90,071</u>

## Revenue Debt

Business-type activities revenue bonds are payable only from revenues derived from the operation of the sewer utilities.

The sewer utility has pledged future sales revenues, net of specified operating expenses, to repay revenue bonds issued in 2022. Proceeds from the bonds provided financing for the sewer utility. The bonds are payable solely from sales revenues and are payable through 2061. Annual principal and interest payments on the bonds are expected to require 10% of net revenues. The total principal and interest remaining to be paid on the bonds is \$4,753,388. Principal and interest paid for the current year and total customer net revenues were \$124,077 and \$1,215,282, respectively.

# Village of Sullivan

Notes to Financial Statements  
December 31, 2023

Revenue debt payable at December 31, 2023, consists of the following:

## Business-Type Activities Revenue Debt

<u>Sewer Utility</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2023</u>
Revenue Bonds	03/21/22	05/01/61	1.75%	\$ 3,600,000	\$ 3,450,000
Total business-type activities, revenue debt					\$ 3,450,000
Debt service requirements to maturity are as follows:					

<u>Years</u>	<u>Business-Type Activities Revenue Debt from Direct Borrowings and Direct Placements</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 64,500	\$ 60,375
2025	65,600	59,246
2026	66,800	58,098
2027	68,000	56,929
2028	69,200	55,739
2029-2033	364,600	260,104
2034-2038	398,000	227,054
2039-2043	434,200	190,986
2044-2048	473,900	151,624
2049-2053	517,300	108,667
2054-2058	564,600	61,777
2059-2061	363,300	12,789
Total	\$ 3,450,000	\$ 1,303,388

## Other Debt Information

The Village's outstanding debt from direct borrowings or direct placements related to governmental activities contains provisions that in an event of default, a delinquency charge of 5% of the unpaid amount may be charged and interest rates on the unpaid amounts increase to 5%.

A statutory mortgage lien upon the Sewer utility's system and any additions, improvements and extensions thereto is created by Section 66.0621 of the Wisconsin Statutes as provided for in the ordinances creating the revenue bond issue. The Sewer utility's system and the earnings of the system remain subject to the lien until payment in full of the principal and interest on the bonds.

## Current Refunding

On December 8, 2023, the Village issued \$413,040 in promissory notes with an average coupon rate of 2.90% to refund \$473,492 of outstanding notes with an average coupon rate of 2.29%. The net proceeds along with existing funds of the Village were used to prepay the outstanding debt.

The gain/loss associated with this refunding was determined not to be material to these financial statements.

# Village of Sullivan

Notes to Financial Statements  
December 31, 2023

## Lease Disclosures

### Lessor - Lease Receivables

<u>Governmental Activities</u>				<b>Receivable Balance December 31, 2023</b>
<u>Lease Receivables Description</u>	<u>Date of Inception</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	
Land lease	01/01/22	12/31/54	1.00%	\$ 1,012,317
Total governmental activities				<u>\$ 1,012,317</u>

The Village recognized \$20,736 of lease revenue during the fiscal year.

The Village recognized \$12,562 of interest revenue during the fiscal year.

## Net Position/Fund Balances

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

### Governmental Activities

Net investment in capital assets:

Land	\$ 4,201
Right of way	124,539
Other capital assets, net of accumulated depreciation	2,160,232
Plus unspent capital related debt proceeds	<u>(715,242)</u>
Total net investment in capital assets	<u>\$ 1,573,730</u>

### Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2023, include the following:

	<u>General Fund</u>	<u>Nonmajor Governmental Fund - Fire Department</u>	<u>Total</u>
<b>Fund Balances</b>			
<b>Nonspendable:</b>			
<b>Restricted for:</b>			
Fire department activities	\$ -	\$ 89,390	\$ 89,390
Subtotal	<u>-</u>	<u>89,390</u>	<u>89,390</u>
<b>Assigned to:</b>			
Future capital projects	<u>680,197</u>	<u>-</u>	<u>680,197</u>
Subtotal	<u>680,197</u>	<u>-</u>	<u>680,197</u>
<b>Unassigned:</b>	<u>27,219</u>	<u>-</u>	<u>27,219</u>
Total fund balances	<u>\$ 707,416</u>	<u>\$ 89,390</u>	<u>\$ 796,806</u>

# Village of Sullivan

Notes to Financial Statements  
December 31, 2023

## Business-Type Activities

Net investment in capital assets:	
Land	\$ 818
Intangible plant	4,765,437
Other capital assets, net of accumulated depreciation	2,407,481
Less Long-term debt outstanding	<u>(3,450,000)</u>
Total net investment in capital assets	<u>\$ 3,723,736</u>

## 5. Other Information

### Employees' Retirement System

#### Plan Description

The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, expected to work at least 1,200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

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

Additionally, ETF issued a standalone Wisconsin Retirement System Financial Report, which can also be found using the link above.

#### Vesting

For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

#### Benefits Provided

Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and executive service retirement participants, if hired on or before 12/31/2016) are entitled to retirement benefit based on a formula factor, their average earnings and creditable service.

Final average earnings is the average of the participant's three highest annual earnings period. 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.

## Village of Sullivan

Notes to Financial Statements  
December 31, 2023

Vested participants may retire at age 55 (50 for protective occupations) and receive an actuarially reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

The WRS also provides death and disability benefits for employees.

### Post-Retirement Adjustments

The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the floor) set at retirement. The Core and Variable annuity adjustments granted during recent years are as follows:

<u>Year</u>	<u>Core Fund Adjustment %</u>	<u>Variable Fund Adjustment %</u>
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0
2021	5.1	13.0
2022	7.4	15.0

### Contributions

Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for General category employees, including Teachers, Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category was merged into the General Employee category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$4,699 in contributions from the Village.

Contribution rates for the plan year reported as of December 31, 2023 are:

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

## Village of Sullivan

Notes to Financial Statements  
December 31, 2023

### Pension Liability, Pension Expense (Revenue), Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2023, the Village reported a liability of \$31,047 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 0.00058606%, which was a decrease of 0.00010385% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the Village recognized pension expense (revenue) of \$13,000.

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

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between projected and actual experience	\$ 49,449	\$ 64,965
Changes in assumptions	6,105	-
Net differences between projected and actual earnings on pension plan investments	52,743	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,832	343
Employer contributions subsequent to the measurement date	<u>7,878</u>	<u>-</u>
Total	<u>\$ 118,007</u>	<u>\$ 65,308</u>

\$7,878 reported as deferred outflows of resources 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 (asset) 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:

<b>Years Ending December 31:</b>	<b>Deferred Outflows of Resources and Deferred Inflows of Resources (Net)</b>
2024	\$ 2,142
2025	9,433
2026	9,697
2027	23,549

## Village of Sullivan

Notes to Financial Statements  
December 31, 2023

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### 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 post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.7% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.*

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

## Village of Sullivan

Notes to Financial Statements  
December 31, 2023

### Long-Term Expected Return on Plan Assets

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

<b>Asset Allocation Targets and Expected Returns* As of December 31, 2022</b>			
<b>Core Fund Asset Class</b>	<b>Asset Allocation %</b>	<b>Long-Term Expected Nominal Rate of Return %</b>	<b>Long-Term Expected Real Rate of Return %**</b>
Public Equity	48	7.6	5
Public Fixed Income	25	5.3	2.7
Inflation Sensitive	19	3.6	1.1
Real Estate	8	5.2	2.6
Private Equity/Debt	15	9.6	6.9
Total Core Fund***	115	7.4	4.8
<b>Variable Fund Asset</b>			
U.S Equities	70	7.2	4.6
International Equities	30	8.1	5.5
Total Variable Fund	100	7.7	5.1

\* *Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations*

\*\* *New England Pension Consultants' Long-Term U.S. CPI (Inflation) Forecast: 2.5%*

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

## Village of Sullivan

Notes to Financial Statements  
December 31, 2023

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

	<u>1% Decrease to Discount Rate (5.8%)</u>	<u>Current Discount Rate (6.8%)</u>	<u>1% Increase to Discount Rate (7.8%)</u>
Village's proportionate share of the net pension liability (asset)	\$ 103,046	\$ 31,047	\$ (18,481)

### 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>.

At December 31, 2023, the Village reported a payable to the pension plan which represents contractually required contributions outstanding as of the end of the year.

### 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.

# Village of Sullivan

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Notes to Financial Statements  
December 31, 2023

## Commitments and Contingencies

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are 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.

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.

The Village has active construction projects as of December 31, 2023. Work that has been completed on these projects but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures.

## Effect of New Accounting Standards on Current-Period Financial Statements

The Governmental Accounting Standards Board (GASB) has approved the following:

- Statement No. 100, *Accounting Changes and Error Corrections - an Amendment of GASB Statement No. 62*
- Statement No. 101, *Compensated Absences*
- Statement No. 102, *Certain Risk Disclosures*

When they become effective, application of these standards may restate portions of these financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**

## Village of Sullivan

Detailed Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -  
 General Fund  
 Year Ended December 31, 2023

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance With Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
<b>Taxes</b>				
General property taxes	\$ 383,892	\$ 383,892	\$ 262,890	\$ (121,002)
<b>Intergovernmental</b>				
State shared revenues	48,085	48,085	48,085	-
Fire insurance tax (2% fire dues)	7,800	7,800	9,508	1,708
Exempt computer aid	1,773	1,773	1,773	-
State aid, road allotment	20,801	20,801	25,804	5,003
DNR, in lieu of taxes	800	800	80	(720)
County aid, highway	2,000	2,000	-	(2,000)
State aid, recycling	2,180	2,180	2,176	(4)
State grants	-	-	8,762	8,762
ARPA grants	-	-	29,868	29,868
State aid, video service	3,968	3,968	3,968	-
Total intergovernmental	87,407	87,407	130,024	42,617
<b>Licenses and Permits</b>				
Liquor and malt beverage licenses	2,050	2,050	1,700	(350)
Business and occupational licenses	2,000	2,000	1,440	(560)
Dog and cat licenses	750	750	849	99
Building permits	4,000	4,000	14,164	10,164
Other permits	150	150	2,185	2,035
Cable television franchise fees	9,500	9,500	7,642	(1,858)
Zoning permits and fees	2,000	2,000	2,100	100
Total licenses and permits	20,450	20,450	30,080	9,630
<b>Special Assessments</b>				
Special assessments	600	600	390	(210)
<b>Public Charges for Services</b>				
Recycling	41,200	41,200	44,024	2,824
<b>Intergovernmental Charges for Services</b>				
Local, fire services	74,496	74,496	74,496	-
<b>Investment Income</b>				
Interest on investments	4,000	4,000	33,882	29,882
Interest on leases	-	-	12,562	12,562
Total investment income	4,000	4,000	46,444	42,444
<b>Miscellaneous</b>				
Rent	5,000	5,000	6,645	1,645
Sprint lease agreement	20,736	20,736	8,174	(12,562)
Other miscellaneous	60	60	10,020	9,960
Total miscellaneous	25,796	25,796	24,839	(957)
Total revenues	637,841	637,841	613,187	(24,654)

See notes to required supplementary information

# Village of Sullivan

Detailed Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -  
 General Fund  
 Year Ended December 31, 2023

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance With Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Expenditures</b>				
<b>General Government</b>				
Board	\$ 9,989	\$ 9,989	\$ 9,875	\$ 114
Village president	3,768	3,768	3,640	128
Clerk, treasurer	43,400	43,400	42,392	1,008
Clerk, treasurer assistant	19,057	19,057	20,807	(1,750)
Assessment of property	6,813	6,813	6,763	50
Zoning and appeals board	1,026	1,879	1,901	(22)
Special accounting and auditing	20,609	20,609	20,609	-
Legal	1,000	7,600	14,535	(6,935)
Municipal building	18,795	18,795	28,408	(9,613)
Printing and postage	1,850	1,850	1,972	(122)
Classifications	750	750	543	207
Elections	3,200	2,100	1,964	136
Treasury	3,418	2,418	2,250	168
Property and liability insurance	9,324	9,324	10,063	(739)
Other insurance	32,641	32,641	32,278	363
<b>Total general government</b>	<b>175,640</b>	<b>180,993</b>	<b>198,000</b>	<b>(17,007)</b>
<b>Public Safety</b>				
Fire protection	83,436	83,436	42,144	41,292
Ambulance	26,249	26,249	26,249	-
Building inspection	3,000	3,000	9,939	(6,939)
<b>Total public safety</b>	<b>112,685</b>	<b>112,685</b>	<b>78,332</b>	<b>34,353</b>
<b>Public Works</b>				
Machinery and equipment	5,871	5,871	2,505	3,366
Garages and sheds	849	849	492	357
Street maintenance	4,000	2,000	18,178	(16,178)
Street replacement	74,500	74,500	71,320	3,180
Snow and ice control	24,500	24,500	24,939	(439)
Street lighting	16,000	16,000	16,253	(253)
Refuse and garbage collection	23,000	20,747	20,747	-
Recycling	14,000	12,255	12,322	(67)
<b>Total public works</b>	<b>162,720</b>	<b>156,722</b>	<b>166,756</b>	<b>(10,034)</b>
<b>Culture, Recreation and Education</b>				
Parks	6,300	7,420	7,697	(277)
Recreation administration	1,500	2,277	1,903	374
<b>Total culture, recreation and education</b>	<b>7,800</b>	<b>9,697</b>	<b>9,600</b>	<b>97</b>
<b>Conservation and Development</b>				
Conservation and development	2,200	2,200	1,946	254
Weed control	4,200	4,307	4,307	-
<b>Total conservation and development</b>	<b>6,400</b>	<b>6,507</b>	<b>6,253</b>	<b>254</b>

See notes to required supplementary information

## Village of Sullivan

Detailed Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -  
 General Fund  
 Year Ended December 31, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Capital Outlay</b>				
Capital outlay	\$ 50,128	\$ 50,234	\$ 147,636	\$ (97,402)
<b>Debt Service</b>				
Principal	97,820	97,820	-	97,820
Interest expense	23,183	23,183	-	23,183
Total debt service	121,003	121,003	-	121,003
Total expenditures	636,376	637,841	606,577	31,264
Excess (deficiency) of revenues over (under) expenditures	1,465	-	6,610	6,610
<b>Other Financing Sources (Uses)</b>				
Transfers out	-	-	(37,614)	(37,614)
Sales of fixed assets	-	-	49,425	49,425
Total other financing sources (uses)	-	-	11,811	11,811
Net change in fund balance	1,465	-	18,421	18,421
<b>Fund Balance, Beginning</b>	688,995	688,995	688,995	-
<b>Fund Balance, Ending</b>	<u>\$ 690,460</u>	<u>\$ 688,995</u>	<u>\$ 707,416</u>	<u>\$ 18,421</u>

See notes to required supplementary information

## Village of Sullivan

Schedule of Proportionate Share of the Net Pension (Asset) Liability - Wisconsin Retirement System  
Year Ended December 31, 2023

<u>Fiscal Year Ending</u>	<u>Proportion of the Net Pension (Asset) Liability</u>	<u>Proportionate Share of the Net Pension (Asset) Liability</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net Pension (Asset) Liability as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
12/31/23	0.00058606 %	\$ 31,047	\$ 72,307	42.94 %	95.72 %
12/31/22	0.00068991 %	(55,608)	115,843	48.00 %	106.02 %
12/31/21	0.00076126 %	(47,526)	115,114	41.29 %	105.26 %
12/31/20	0.00074421 %	(23,996)	113,124	21.21 %	102.96 %
12/31/19	0.00072742 %	25,879	137,335	18.84 %	96.45 %
12/31/18	0.00063730 %	(18,921)	93,738	20.18 %	102.93 %
12/31/17	0.00075353 %	6,211	93,995	6.61 %	99.12 %
12/31/16	0.00083578 %	13,581	89,631	15.15 %	98.20 %
12/31/15	0.00093010 %	(22,841)	136,473	16.74 %	102.74 %

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

<u>Fiscal Year Ending</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/23	\$ 7,878	\$ 7,878	\$ -	\$ 115,850	6.80 %
12/31/22	4,700	4,700	-	72,307	6.50 %
12/31/21	7,831	7,831	-	115,844	6.76 %
12/31/20	7,782	7,782	-	115,114	6.76 %
12/31/19	7,410	7,410	-	113,124	6.55 %
12/31/18	9,153	9,153	-	137,090	6.68 %
12/31/17	6,374	6,374	-	93,738	6.80 %
12/31/16	6,203	6,203	-	93,995	6.60 %
12/31/15	6,095	6,095	-	89,631	6.80 %

See notes to required supplementary information

## Village of Sullivan

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Notes to Required Supplementary Information  
Year Ended December 31, 2023

### 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.

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 action.

Appropriations lapse at year end unless specifically carried over. There were no carryovers to the following year. Budgets are adopted at the department level of expenditure.

### Wisconsin Retirement System

The amounts determined for each fiscal year were determined as of the calendar year-end and occurred within the fiscal year.

The Village is required to present the last ten years of data; however, accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

*Changes in benefit terms.* There were no changes of benefit terms for any participating employer in the Wisconsin Retirement System.

*Changes in 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

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