REPORT TO APC & VILLAGE BOARD

ITEM NAME: <u>**Finance/Treasurer Office Update:**</u>
List of 2026 Activities Progress Status – Mid-May/Mid-July 2026

PREPARED BY: **John Jacobs, Finance Director/Treasurer**

DATE PREPARED: **07/15/2026**

Here is an update of the activities that the Finance Department has been working on during the past two months (mid-May to mid-July 2026).

<u>**Financial Audit Update:**</u>

<u>*2024 Financial Audit:*</u>

The Village Board received the 2024 financial audited statements for the 6/08/2026 Village Board meeting. The financial auditors from CLA (CliftonLarsonAllen) made the presentation to the Village Board in person at that time. Then, the 2024 financial statements were forward to Standard & Poor's (the Village's bond rating agency) on 6/09/2026. The books are closed on the 2024 financial year.

<u>*2025 Financial Audit:*</u>

The auditors are tentatively planning to return to the Village in September 2026 to conduct the audit fieldwork for the 2025 financial audit. Village Staff are working on closing the books on 2025 during June-August this summer. The Village will obtain access to the auditor's website portal in the coming weeks, so that the Finance Department can begin dropping completed documents into the audit folder, prior to CLA staff arriving in September for fieldwork.

After the 2025 audited financial statements are completed, I will go back and amend any 2025 reports for the Annual Water Utility Financial Report (to Wisconsin Public Service Commission), the Annual State Financial Report (to Wisconsin Department of Revenue), and the four TID reports (to Wisconsin Department of Revenue). I had submitted all of these reports "in-house" this year, based on preliminary 2025 numbers that I had at the time.

<u>**Bank Reconciliations Update:**</u>

Samantha and I are working on reconciling all of the Village's fringe benefit programs to our monthly bank statements. We found out recently that my previous predecessor had setup the Village's accounting software (Caselle) a few years ago on a "cash basis" for payroll and fringe benefit payments, which was incorrect. Kim, our Village Utility Clerk, had discovered this problem with our primary Caselle software support technician a few weeks ago. All of the payroll fringe benefits should have been setup on an "accrual basis", to be posted as "paid" on the ACTUAL DATE that they were paid. Previously, all fringe benefits were posted as "paid" on the payroll date, which was inaccurate, because some benefits are actually paid a few weeks later or into the next month.

My goal is to work with Samantha to correctly post all ACH fringe benefits to the actual date and month that they were paid, starting from June 2026 and working backward into 2025, as necessary.

We hope to have all of the fringe benefits correctly posted into our General Ledger by 8/15/2026, and then to have all of the bank reconciliations fully completed by 8/31/2026.

I believe that Village Staff can handle making the necessary corrections, without involving the Village's auditors to bill us for this accounting work which can be completed "in-house".

Beginning with July 2026, the Village's accounting software will now be posting ACH fringe benefits on the "accrual basis" on when the ACH payments are actually occurring. This will make the monthly bank reconciliation process more efficient and less time-consuming.

TID #3 Closure Financial Audit:

Our financial auditors (CLA) are also preparing to complete the 2026 TID #3 closure financial audit during September 2026, preferably by the **end of September 2026**, so that the final audited financial statements can be distributed to the Joint Review Board in October 2026.

RFP for Revaluation/Reassessment of Village Properties during 2026-2027:

The Village Board had approved the Revaluation/Reassessment and Assessment Services contract through 2031 with Associated Appraisal Consultants ("Associated") on 6/22/2026. The Village has signed the contract for their services, and we are awaiting a timeline from them on the 2026-2027 Revaluation/Reassessment Services contract this week. I will share that information with APC and the Village Board as soon as I receive it from them.

Associated will begin the revaluation work in July 2026 and complete the process by October 2027. They will bill the Village on a monthly basis for hours spent working on the revaluation process. But the total cost for these services for revaluation will not exceed $180,000 by 10/31/2027.

The contract period will begin on 7/01/2026, and provide the assessment company amble time to coordinate a schedule to complete a full revaluation of all Village properties, in time for submission to the Wisconsin Department of Revenue by 10/15/2027 the following year (in 2027). The Board of Review for 2027 would be scheduled sometime after Labor Day 2027, but before the 10/15/2027 deadline with the State. The new valuations would be in effect as of 1/01/2027, and would then impact the Dec 2027 tax bills for the first time.

There would be **no impact** from any preliminary revaluation numbers to the 1/01/2026 assessed valuation, nor any impact to the Dec 2026 tax bills. All numbers would be updated for the property assessed valuation and tax bills in Calendar Year 2027.

RFP for 2026-2030 Financial Auditing Services for Village:

After the 2025 financial audit has been almost completely finalized during Sept-Nov 2026, the Village can then send out a proposed (5) year RFP for financial auditing services for the Village for 2026-2030, which would be conducted in the years of 2027-2031. I would send out the RFP to various qualified CPA firms sometime during Oct/Nov 2026, so that APC and the Village Board could review them likely during **November/December 2026** meeting schedules.

Property Tax Collection Update for the Dec 2025 Tax Roll:

The final settlement with the County Treasurer will occur in **mid-August 2026**, when the County Treasurer will pay the Village the balance of the tax levy, special charges, and special assessments owed to us.

Proposed Capital Borrowing during 2026:
The tentative timeline to borrow funds for the Sewer Utility projects, and also perhaps some of the Street projects for 2026, would be in the **fourth quarter of 2026**. In order to borrow any debt in 2026, both the 2024 and 2025 audited financial statements would need to be available. Both sets of audited financial statements would be forwarded to our bond rating agency (presently Standard & Poor's) for a rating revaluation for the Village. Also, if we borrow after 7/1/2026, then no debt service payment would need to be made until calendar year 2027.

CLIPP Committee Update and 10-Year CIP Budget Plan:
At the Feb 2026 CLIPP committee meeting, Public Works Director Ulman and myself presented the proposed future infrastructure projects, possible priority order of the projects, and one scenario if the Village were to execute these street projects beginning in 2028, without a major impact to the Village's debt service tax levy and tax rate (starting in 2029 budget year). However, the committee asked questions about what if the streets projects timetable was accelerated to begin in 2026, and how much would that impact the debt service tax levy & tax rate beginning with the 2027 budget (2 years earlier).

Village Staff will prepare and present additional information at the upcoming **August 2026 meetings** of CLIPP, APC, and Village Board upon the direction from Administrator Davel on how he would like us to proceed with this ongoing discussion over the next several months. The Village has purchased a software program license for Village Staff to streamline the CIP Budget process for the 2027-2036 (10-year) CIP Budget document. It will be very easy to add/subtract/move projects between the 10-year period.

2027 Operating Budget and 2027-2036 CIP (Capital Improvements Plan) Budget:
The 2027 operating budget timetable is included in this meeting packet for your reference. All dates highlighted in **RED** are the important dates for the Village Board, Committee Members, and Taxpayer/Residents to keep aware of during July-December 2026.

The month of August 2026 will focus on the CIP (Capital Improvements Program) Budget for 2027-2036 (next 10 years). The Village has never had a long-term capital plan for infrastructure, facilities, and equipment purchases or replacements. Funding options will be discussed for all projects during this 10-year period. This is the first-time that a comprehensive budgeting plan will be discussed by various committees and Village Board members. Any revisions to the first draft of the CIP Budget can take place after these August meeting dates.

All changes to the 2027 CIP Budget (just the 1st year of the 10-year plan) will be included in the total 2027 operating budget, which is scheduled for the Public Hearing and Budget Adoption on 11/09/2026.

2025 Preliminary/Pre-Audited Internal Financial Statements:
I will complete the 2025 preliminary/pre-audited internal financial statements by early September 2026, and will distribute them to APC and Village Board at the **September 2026** meetings.

2026 Internal Financial Statements:
I will also begin distributing 2026 internal financial statements to the APC and Village Board beginning with the **July 2026 meetings**. I am presently working on 6-month financial statements for 2026, to present at the APC and Village Board meetings.

Then, I will revert back to monthly financial statements beginning with the **August 2026** meetings.