

City of Reedsburg

Financial Statements and
Supplementary Information

December 31, 2023

City of Reedsburg

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Independent Auditors' Report

To the City Council of
City of Reedsburg

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City 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 (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City 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 City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City'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 City'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.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 18, 2024 on our consideration of the City'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 City'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 City's internal control over financial reporting and compliance.

Baker Tilly US, LLP

Madison, Wisconsin
July 18, 2024

City of Reedsburg

Statement of Net Position
December 31, 2023

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>	<u>Component Units</u>
Assets and Deferred Outflows of Resources				
Assets				
Cash and investments	\$ 12,487,903	\$ 18,866,621	\$ 31,354,524	\$ 3,690,349
Receivables (net):				
Taxes receivable	8,142,216	-	8,142,216	-
Accounts	181,686	5,082,810	5,264,496	774
Accrued interest	-	55,060	55,060	-
Special assessments	4,000	4,000	8,000	-
Loans	753,713	-	753,713	70,000
Due from other governments	380,934	-	380,934	-
Internal balances	658,270	(658,270)	-	-
Lease receivable	-	465,214	465,214	-
Due from component unit	50,172	-	50,172	-
Inventories and prepaid items	1,549,632	5,779,075	7,328,707	-
Other assets	-	3,674,406	3,674,406	40,793
Restricted assets:				
Cash and investments	-	5,263,065	5,263,065	-
Investment in mutual insurance company	200,515	-	200,515	-
Capital assets:				
Land and other nondepreciable assets	16,804,247	383,905	17,188,152	-
Construction in progress	7,574,065	10,457,475	18,031,540	-
Other capital assets, net of depreciation	<u>24,685,408</u>	<u>69,407,097</u>	<u>94,092,505</u>	<u>-</u>
Total assets	<u>73,472,761</u>	<u>118,780,458</u>	<u>192,253,219</u>	<u>3,801,916</u>
Deferred Outflows of Resources				
Pension related amounts	<u>5,390,575</u>	<u>4,297,472</u>	<u>9,688,047</u>	<u>-</u>
Total deferred outflows of resources	<u>5,390,575</u>	<u>4,297,472</u>	<u>9,688,047</u>	<u>-</u>

See notes to financial statements

City of Reedsburg

Statement of Net Position
December 31, 2023

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>	<u>Component Units</u>
Liabilities, Deferred Inflows of Resources and Net Position				
Liabilities				
Accounts payable	\$ 2,024,695	\$ 2,049,137	\$ 4,073,832	\$ 1,299
Accrued liabilities	331,590	793,811	1,125,401	-
Due to primary government	-	-	-	50,172
Unearned revenue	-	150,310	150,310	-
Noncurrent liabilities:				
Due within one year	1,294,405	2,393,459	3,687,864	-
Due in more than one year	21,556,319	16,111,181	37,667,500	-
Net pension obligation	<u>1,422,288</u>	<u>1,158,308</u>	<u>2,580,596</u>	<u>-</u>
Total liabilities	<u>26,629,297</u>	<u>22,656,206</u>	<u>49,285,503</u>	<u>51,471</u>
Deferred Inflows of Resources				
Unearned revenues	8,122,473	-	8,122,473	-
Pension related amounts	3,046,513	2,412,797	5,459,310	-
Lease related amounts	<u>-</u>	<u>465,214</u>	<u>465,214</u>	<u>-</u>
Total deferred inflows of resources	<u>11,168,986</u>	<u>2,878,011</u>	<u>14,046,997</u>	<u>-</u>
Net Position				
Net investment in capital assets	34,969,772	62,407,476	97,377,248	-
Restricted	7,041,145	5,130,072	12,171,217	3,572,382
Unrestricted	<u>(945,864)</u>	<u>30,006,165</u>	<u>29,060,301</u>	<u>178,063</u>
Total net position	<u>\$ 41,065,053</u>	<u>\$ 97,543,713</u>	<u>\$ 138,608,766</u>	<u>\$ 3,750,445</u>

See notes to financial statements

City of Reedsburg

Statement of Activities

Year Ended December 31, 2023

<u>Functions/Programs</u>	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary Government				
Governmental activities:				
General government	\$ 1,864,777	\$ 222,361	\$ -	\$ -
Public safety	6,580,913	513,475	48,067	-
Public works	3,668,479	582,431	1,176,834	-
Health and human services	112,231	-	-	-
Culture, recreation and education	1,650,003	161,029	290,787	-
Conservation and development	843,611	2,665	425,133	-
Interest and fiscal charges	498,972	-	-	-
Total governmental activities	<u>15,218,986</u>	<u>1,481,961</u>	<u>1,940,821</u>	<u>-</u>
Business-type activities:				
Water	1,480,427	1,724,411	-	553,236
Electric	21,422,743	22,976,188	-	171,246
Communications	7,624,213	8,572,127	-	3,400,123
Sewer	2,909,016	4,505,888	-	-
Stormwater	964,342	551,375	-	-
Total business-type activities	<u>34,400,741</u>	<u>38,329,989</u>	<u>-</u>	<u>4,124,605</u>
Total primary government	<u>\$ 49,619,727</u>	<u>\$ 39,811,950</u>	<u>\$ 1,940,821</u>	<u>\$ 4,124,605</u>
Component Units				
Community Development Authority	\$ 141,829	\$ -	\$ -	\$ -
Herbert H. Webb Trust	116,899	-	-	-
Total component units	<u>\$ 258,728</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

General Revenues

Taxes:

Property taxes, levied for general purposes

Property taxes, levied for debt service

Property taxes, levied for TIF districts

Other taxes

Intergovernmental revenues not restricted to specific programs

Investment income (loss)

Public gifts and grants

Miscellaneous

Total general revenues

Transfers

Total general revenues and transfers

Change in net position

Net Position, Beginning

Net Position, Ending

See notes to financial statements

Net (Expenses) Revenues and Changes in Net Position

Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Total	Component Units
\$ (1,642,416)	\$ -	\$ (1,642,416)	\$ -
(6,019,371)	-	(6,019,371)	-
(1,909,214)	-	(1,909,214)	-
(112,231)	-	(112,231)	-
(1,198,187)	-	(1,198,187)	-
(415,813)	-	(415,813)	-
<u>(498,972)</u>	<u>-</u>	<u>(498,972)</u>	<u>-</u>
(11,796,204)	-	(11,796,204)	-
-	797,220	797,220	-
-	1,724,691	1,724,691	-
-	4,348,037	4,348,037	-
-	1,596,872	1,596,872	-
-	<u>(412,967)</u>	<u>(412,967)</u>	<u>-</u>
-	8,053,853	8,053,853	-
<u>(11,796,204)</u>	<u>8,053,853</u>	<u>(3,742,351)</u>	<u>-</u>
-	-	-	(141,829)
-	-	-	<u>(116,899)</u>
-	-	-	<u>(258,728)</u>
5,473,500	-	5,473,500	-
762,785	-	762,785	-
1,218,105	-	1,218,105	-
339,857	-	339,857	-
813,229	-	813,229	-
525,607	1,255,619	1,781,226	461,765
749,210	-	749,210	-
<u>244,959</u>	<u>352,677</u>	<u>597,636</u>	<u>172,663</u>
<u>10,127,252</u>	<u>1,608,296</u>	<u>11,735,548</u>	<u>634,428</u>
<u>829,350</u>	<u>(829,350)</u>	<u>-</u>	<u>-</u>
<u>10,956,602</u>	<u>778,946</u>	<u>11,735,548</u>	<u>634,428</u>
(839,602)	8,832,799	7,993,197	375,700
<u>41,904,655</u>	<u>88,710,914</u>	<u>130,615,569</u>	<u>3,374,745</u>
<u>\$ 41,065,053</u>	<u>\$ 97,543,713</u>	<u>\$ 138,608,766</u>	<u>\$ 3,750,445</u>

See notes to financial statements

City of Reedsburg

Balance Sheet -
Governmental Funds
December 31, 2023

	<u>General</u>	<u>General Debt Service</u>	<u>General Capital Projects Fund</u>
Assets			
Cash and investments	\$ 2,511,228	\$ -	\$ 2,279,003
Receivables:			
Taxes receivable	3,775,962	996,937	496,500
Accounts receivable	180,578	-	-
Special assessments	4,000	-	-
Loans	-	-	-
Due from other governments	14,976	-	-
Due from other funds	1,841,289	-	-
Prepaid items	126,851	-	-
Advances to other funds	303,221	-	-
Due from component unit	-	-	-
Land held for resale	497,976	-	-
Investment in mutual insurance company	200,515	-	-
	<u>\$ 9,456,596</u>	<u>\$ 996,937</u>	<u>\$ 2,775,503</u>
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities			
Accounts payable	\$ 74,459	\$ -	\$ 944,677
Accrued liabilities	245,416	-	-
Due to other funds	-	297,965	-
Advances from other funds	-	-	-
	<u>319,875</u>	<u>297,965</u>	<u>944,677</u>
Total liabilities			
	<u>319,875</u>	<u>297,965</u>	<u>944,677</u>
Deferred Inflows of Resources			
Unearned revenue	3,756,219	996,937	496,500
Unavailable revenues	-	-	-
	<u>3,756,219</u>	<u>996,937</u>	<u>496,500</u>
Total deferred inflows of resources			
	<u>3,756,219</u>	<u>996,937</u>	<u>496,500</u>
Fund Balances (Deficit)			
Nonspendable	1,128,618	-	-
Restricted	-	-	1,334,326
Committed	-	-	-
Assigned	763,849	-	-
Unassigned (deficit)	3,488,035	(297,965)	-
	<u>5,380,502</u>	<u>(297,965)</u>	<u>1,334,326</u>
Total fund balances (deficit)			
	<u>5,380,502</u>	<u>(297,965)</u>	<u>1,334,326</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 9,456,596</u>	<u>\$ 996,937</u>	<u>\$ 2,775,503</u>

See notes to financial statements

Nonmajor Governmental Funds	Total
\$ 7,697,672	\$ 12,487,903
2,872,817	8,142,216
1,108	181,686
-	4,000
753,713	753,713
365,958	380,934
-	1,841,289
-	126,851
-	303,221
50,172	50,172
924,805	1,422,781
-	200,515
<u>\$ 12,666,245</u>	<u>\$ 25,895,281</u>

\$ 1,005,559	\$ 2,024,695
28,390	273,806
885,054	1,183,019
<u>303,221</u>	<u>303,221</u>
<u>2,222,224</u>	<u>3,784,741</u>

2,872,817	8,122,473
<u>302,589</u>	<u>302,589</u>
<u>3,175,406</u>	<u>8,425,062</u>

-	1,128,618
7,513,489	8,847,815
515,303	515,303
380,184	1,144,033
<u>(1,140,361)</u>	<u>2,049,709</u>
<u>7,268,615</u>	<u>13,685,478</u>
<u>\$ 12,666,245</u>	<u>\$ 25,895,281</u>

See notes to financial statements

City of Reedsburg

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

Total Fund Balances, Governmental Funds	\$ 13,685,478
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.	
Land and other nondepreciable items	16,804,247
Construction in progress	7,574,065
Other capital assets, net of depreciation	24,685,408
Some receivables that are not currently available are reported as unavailable revenues in the fund financial statements but are recognized as revenue when earned in the government-wide statements.	302,589
The net pension liability does not relate to current financial resources and is not reported in the governmental funds.	(1,422,288)
Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	5,390,575
Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	(3,046,513)
Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds.	
Bonds and notes payable	(21,390,000)
Compensated absences	(893,820)
Accrued interest	(57,784)
Unamortized debt premium	(566,904)
Net Position of Governmental Activities	<u>\$ 41,065,053</u>

City of Reedsburg

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

	<u>General</u>	<u>General Debt Service</u>	<u>General Capital Projects Fund</u>
Revenues			
Taxes	\$ 4,137,748	\$ 762,785	\$ 726,200
Intergovernmental	1,883,824	-	-
Licenses and permits	261,560	-	-
Fines and forfeitures	6,065	-	-
Public charges for services	155,146	-	-
Intergovernmental charges for services	183,334	-	-
Special assessments	-	-	-
Investment income	433,868	-	4,129
Miscellaneous revenues	173,749	-	697,680
	<u>7,235,294</u>	<u>762,785</u>	<u>1,428,009</u>
Expenditures			
Current:			
General government	1,372,009	-	-
Public safety	5,023,683	-	-
Health and human services	4,420	-	-
Public works	1,280,315	-	-
Culture, recreation and education	707,526	-	9,701
Conservation and development	245,122	-	-
Capital outlay	-	-	5,215,435
Debt service:			
Principal	-	990,000	-
Interest and fiscal charges	-	328,877	65,982
	<u>8,633,075</u>	<u>1,318,877</u>	<u>5,291,118</u>
Total expenditures	<u>8,633,075</u>	<u>1,318,877</u>	<u>5,291,118</u>
Excess (deficiency) of revenues over expenditures	<u>(1,397,781)</u>	<u>(556,092)</u>	<u>(3,863,109)</u>
Other Financing Sources (Uses)			
Property sales	1,380	-	-
Transfers in	724,849	258,450	50,000
Transfers out	-	-	(460,343)
General obligation debt issued	-	-	1,865,000
Premium on debt issued	-	38,511	58,621
	<u>726,229</u>	<u>296,961</u>	<u>1,513,278</u>
Total other financing sources (uses)	<u>726,229</u>	<u>296,961</u>	<u>1,513,278</u>
Net change in fund balances	(671,552)	(259,131)	(2,349,831)
Fund Balances (Deficit), Beginning	<u>6,052,054</u>	<u>(38,834)</u>	<u>3,684,157</u>
Fund Balances (Deficit), Ending	<u>\$ 5,380,502</u>	<u>\$ (297,965)</u>	<u>\$ 1,334,326</u>

See notes to financial statements

Nonmajor Governmental Funds	Total
\$ 2,167,514	\$ 7,794,247
852,795	2,736,619
-	261,560
242,654	248,719
703,549	858,695
-	183,334
670	670
87,610	525,607
42,470	913,899
<u>4,097,262</u>	<u>13,523,350</u>
296,857	1,668,866
865,884	5,889,567
107,811	112,231
1,058,829	2,339,144
840,211	1,557,438
639,550	884,672
3,470,197	8,685,632
-	990,000
132,200	527,059
<u>7,411,539</u>	<u>22,654,609</u>
<u>(3,314,277)</u>	<u>(9,131,259)</u>
18,315	19,695
947,287	1,980,586
(690,894)	(1,151,237)
5,030,000	6,895,000
65,132	162,264
<u>5,369,840</u>	<u>7,906,308</u>
2,055,563	(1,224,951)
<u>5,213,052</u>	<u>14,910,429</u>
<u>\$ 7,268,615</u>	<u>\$ 13,685,478</u>

See notes to financial statements

City of Reedsburg

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 \$ (1,224,951)

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.

Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements	8,685,632
Some items are reported as operating expenditures in the fund financial statements but are capitalized in the government-wide statements	235,792
Depreciation is reported in the government-wide financial statements	(1,791,747)
Net book value of assets retired	(285,008)

Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.

Deferred grant revenue	7,290
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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	(6,895,000)
Principal repaid	990,000

Governmental funds report debt premiums as other financing sources (uses) or financing sources or uses. However, in the Statement of Net Position, these are reported as additions to or deductions from long-term debt. These are allocated over the period the debt is outstanding in the Statement of Activities and are reported as interest expense.

Premium on debt issued	(162,264)
Amortization of premium on debt	22,831

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.

Compensated absences	(118,349)
Accrued interest	5,257
Net pension asset/liability	(3,444,587)
Deferred outflows of resources related to pensions	1,310,201
Deferred inflows of resources related to pensions	1,825,301

Change in Net Position of Governmental Activities \$ (839,602)

City of Reedsburg

Statement of Net Position -
Proprietary Funds
December 31, 2023

	Business-Type Activities - Enterprise Funds			Total
	Utility Commission	Sewer	Nonmajor Enterprise Fund - Stormwater Fund	
Assets				
Current assets:				
Cash and investments	\$ 14,357,060	\$ 4,499,032	\$ 10,529	\$ 18,866,621
Accounts receivable (net)	2,819,133	270,902	-	3,090,035
Other accounts receivable	1,992,775	-	-	1,992,775
Accrued interest	55,060	-	-	55,060
Due from other funds	-	281,572	65,967	347,539
Prepaid items	193,168	-	-	193,168
Inventories	5,585,907	-	-	5,585,907
Current portion of lease receivable	13,055	-	-	13,055
Restricted assets:				
Cash and investments	194,812	857,181	-	1,051,993
Total current assets	25,210,970	5,908,687	76,496	31,196,153
Noncurrent assets:				
Restricted assets:				
Cash and investments	1,570,921	2,640,151	-	4,211,072
Capital assets:				
Property and equipment	91,233,225	34,440,995	7,816,773	133,490,993
Construction work in progress	7,519,265	2,938,210	-	10,457,475
Less accumulated depreciation	(42,968,852)	(17,196,990)	(3,534,149)	(63,699,991)
Other assets:				
Organization costs, net of amortization	68,003	-	-	68,003
Investment in ATC	3,606,403	-	-	3,606,403
Lease receivable	452,159	-	-	452,159
Special assessments receivable	-	4,000	-	4,000
Total noncurrent assets	61,481,124	22,826,366	4,282,624	88,590,114
Total assets	86,692,094	28,735,053	4,359,120	119,786,267
Deferred Outflows of Resources				
Pension related amounts	3,756,277	364,579	176,616	4,297,472
Total deferred outflows of resources	3,756,277	364,579	176,616	4,297,472

See notes to financial statements

City of Reedsburg

Statement of Net Position -
Proprietary Funds
December 31, 2023

	Business-Type Activities - Enterprise Funds			Total
	Utility Commission	Sewer	Nonmajor Enterprise Fund - Stormwater Fund	
Liabilities				
Current liabilities:				
Accounts payable	\$ 1,999,561	\$ 48,916	\$ 660	\$ 2,049,137
Accrued liabilities	741,928	23,040	5,521	770,489
Due to other funds	1,005,809	-	-	1,005,809
Current portion of general obligation debt	805,000	-	-	805,000
Compensated absences	199,339	14,304	-	213,643
Lease payable	-	-	32,780	32,780
Liabilities payable from restricted assets:				
Revenue bonds payable	87,580	1,254,456	-	1,342,036
Accrued interest payable	2,445	20,877	-	23,322
Total current liabilities	<u>4,841,662</u>	<u>1,361,593</u>	<u>38,961</u>	<u>6,242,216</u>
Noncurrent liabilities:				
Long-term debt:				
General obligation debt	10,640,000	-	-	10,640,000
Unamortized debt premium	154,047	-	-	154,047
Lease payable	-	-	153,301	153,301
Revenue bonds payable	492,263	4,331,245	-	4,823,508
Net pension liability	996,485	114,631	47,192	1,158,308
Compensated absences	325,635	14,690	-	340,325
Unearned revenues	150,310	-	-	150,310
Total noncurrent liabilities	<u>12,758,740</u>	<u>4,460,566</u>	<u>200,493</u>	<u>17,419,799</u>
Total liabilities	<u>17,600,402</u>	<u>5,822,159</u>	<u>239,454</u>	<u>23,662,015</u>
Deferred Inflows of Resources				
Pension related amounts	2,071,389	232,789	108,619	2,412,797
Lease related amounts	465,214	-	-	465,214
Total deferred inflows of resources	<u>2,536,603</u>	<u>232,789</u>	<u>108,619</u>	<u>2,878,011</u>
Net Position				
Net investment in capital assets	43,714,419	14,596,514	4,096,543	62,407,476
Restricted for:				
Depreciation	1,274,572	-	-	1,274,572
Debt service	192,367	836,304	-	1,028,671
Equipment replacement	-	2,640,151	-	2,640,151
Impact fees	186,678	-	-	186,678
Unrestricted	24,943,330	4,971,715	91,120	30,006,165
Total net position	<u>\$ 70,311,366</u>	<u>\$ 23,044,684</u>	<u>\$ 4,187,663</u>	<u>\$ 97,543,713</u>

See notes to financial statements

City of Reedsburg

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

	Business-Type Activities - Enterprise Funds			Total
	Utility Commission	Sewer	Nonmajor Enterprise Fund - Stormwater Fund	
Operating Revenues				
Public charges for services	\$ 33,272,726	\$ 4,505,888	\$ 551,375	\$ 38,329,989
Total operating revenues	<u>33,272,726</u>	<u>4,505,888</u>	<u>551,375</u>	<u>38,329,989</u>
Operating Expenses				
Operation and maintenance	26,138,062	1,775,701	796,742	28,710,505
Depreciation	3,078,214	1,000,021	167,600	4,245,835
Total operating expenses	<u>29,216,276</u>	<u>2,775,722</u>	<u>964,342</u>	<u>32,956,340</u>
Operating income (loss)	<u>4,056,450</u>	<u>1,730,166</u>	<u>(412,967)</u>	<u>5,373,649</u>
Nonoperating Revenues (Expenses)				
Investment income	1,139,348	116,271	-	1,255,619
Interest and amortization expense	(534,279)	(133,294)	-	(667,573)
Loss on early retirement	(776,828)	-	-	(776,828)
Amortization of debt premium	25,056	-	-	25,056
Miscellaneous	327,621	-	-	327,621
Total nonoperating revenues (expenses)	<u>180,918</u>	<u>(17,023)</u>	<u>-</u>	<u>163,895</u>
Income before contributions and transfers	<u>4,237,368</u>	<u>1,713,143</u>	<u>(412,967)</u>	<u>5,537,544</u>
Contributions and Transfers				
Capital contributions	3,481,804	-	-	3,481,804
Capital contributions, muni	642,801	-	-	642,801
Transfers out	(663,850)	(165,500)	-	(829,350)
Total contributions and transfers	<u>3,460,755</u>	<u>(165,500)</u>	<u>-</u>	<u>3,295,255</u>
Change in net position	7,698,123	1,547,643	(412,967)	8,832,799
Net Position, Beginning	<u>62,613,243</u>	<u>21,497,041</u>	<u>4,600,630</u>	<u>88,710,914</u>
Net Position, Ending	<u>\$ 70,311,366</u>	<u>\$ 23,044,684</u>	<u>\$ 4,187,663</u>	<u>\$ 97,543,713</u>

See notes to financial statements

City of Reedsburg

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

	Business-Type Activities - Enterprise Funds			
	Utility Commission	Sewer	Nonmajor Enterprise Fund - Stormwater Fund	Total
Cash Flows From Operating Activities				
Received from customers	\$ 33,227,805	\$ 4,301,240	\$ 555,232	\$ 38,084,277
Received from other funds for services	494,133	-	-	494,133
Paid to suppliers for goods and services	(24,569,205)	(1,263,905)	(634,427)	(26,467,537)
Paid to employees for services	(3,085,480)	(460,177)	(149,755)	(3,695,412)
Net cash flows from operating activities	<u>6,067,253</u>	<u>2,577,158</u>	<u>(228,950)</u>	<u>8,415,461</u>
Cash Flows From Investing Activities				
Investment income	1,057,850	116,271	-	1,174,121
Investment in ATC	(152,475)	-	-	(152,475)
Net cash flows from investing activities	<u>905,375</u>	<u>116,271</u>	<u>-</u>	<u>1,021,646</u>
Cash Flows From Noncapital Financing Activities				
Paid to municipality for tax equivalent	(663,850)	-	-	(663,850)
Transfers for services and capital projects	-	(165,500)	-	(165,500)
Net cash flows from noncapital financing activities	<u>(663,850)</u>	<u>(165,500)</u>	<u>-</u>	<u>(829,350)</u>
Cash Flows From Capital and Related Financing Activities				
Debt retired	(886,398)	(1,224,566)	(44,597)	(2,155,561)
Interest paid	(539,199)	(138,276)	-	(677,475)
Acquisition and construction of capital assets	(7,347,051)	(2,784,992)	(22,990)	(10,155,033)
Capital contributions received	4,124,605	-	-	4,124,605
Net cash flows from capital and related financing activities	<u>(4,648,043)</u>	<u>(4,147,834)</u>	<u>(67,587)</u>	<u>(8,863,464)</u>
Net change in cash and cash equivalents	1,660,735	(1,619,905)	(296,537)	(255,707)
Cash and Cash Equivalents, Beginning	<u>14,462,058</u>	<u>9,616,269</u>	<u>307,066</u>	<u>24,385,393</u>
Cash and Cash Equivalents, Ending	<u>\$ 16,122,793</u>	<u>\$ 7,996,364</u>	<u>\$ 10,529</u>	<u>\$ 24,129,686</u>

See notes to financial statements

City of Reedsburg

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

	Business-Type Activities - Enterprise Funds			
	Utility Commission	Sewer	Nonmajor Enterprise Fund - Stormwater Fund	Total
Reconciliation of Operating Income (Loss) to Net Cash Flows From Operating Activities				
Operating income (loss)	\$ 4,056,450	\$ 1,730,166	\$ (412,967)	\$ 5,373,649
Nonoperating revenue (expense)	327,621	-	-	327,621
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:				
Depreciation	3,078,214	1,000,021	167,600	4,245,835
Depreciation charged to other funds	93,328	-	-	93,328
Depreciation on nonutility plant	7,921	-	-	7,921
Changes in assets and liabilities:				
Accounts receivable	194,239	(107,734)	-	86,505
Due from other funds	-	(96,914)	3,857	(93,057)
Prepaid items	(47,391)	-	-	(47,391)
Inventories	(1,824,429)	-	-	(1,824,429)
Accounts payable	(70,240)	(19,312)	(2,404)	(91,956)
Other accounts receivable	(114,504)	-	-	(114,504)
Due to other funds	83,811	-	-	83,811
Compensated absences	47,469	6,457	-	53,926
Other current liabilities	(10,928)	2,242	(2,616)	(11,302)
Unearned revenues	7,904	-	-	7,904
Pension related deferrals and liabilities	237,788	62,232	17,580	317,600
Net cash flows from operating activities	<u>\$ 6,067,253</u>	<u>\$ 2,577,158</u>	<u>\$ (228,950)</u>	<u>\$ 8,415,461</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position, Proprietary Funds				
Cash and investments	\$ 14,357,060	\$ 4,499,032	\$ 10,529	\$ 18,866,621
Redemption account	194,812	857,181	-	1,051,993
Depreciation account	1,274,572	-	-	1,274,572
Reserve account	109,671	-	-	109,671
Equipment replacement account	-	2,640,151	-	2,640,151
Impact fee account	186,678	-	-	186,678
Cash and cash equivalents	<u>\$ 16,122,793</u>	<u>\$ 7,996,364</u>	<u>\$ 10,529</u>	<u>\$ 24,129,686</u>
Noncash Capital and Related Financing Activities				
ATC dividends reinvested	<u>\$ (80,772)</u>	<u>\$ -</u>	<u>\$ -</u>	
Amortization of debt premium	<u>\$ 25,056</u>	<u>\$ -</u>	<u>\$ -</u>	
Asset acquired through capital lease	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 230,678</u>	

See notes to financial statements

City of Reedsburg

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

	<u>Custodial Fund</u>	<u>Private- Purpose Trust Fund</u>
	<u>Tax Collection Fund</u>	<u>Nishan Community Aid for the Poor</u>
Assets		
Cash and investments	\$ 6,411,155	\$ 90
Property taxes receivable	<u>3,115,298</u>	<u>-</u>
Total assets	<u>9,526,453</u>	<u>90</u>
Liabilities		
Due to other taxing units	<u>9,526,453</u>	<u>-</u>
Total liabilities	<u>9,526,453</u>	<u>-</u>
Net Position		
Held in trust for private trust activities	<u>-</u>	<u>90</u>
Total net position	<u>\$ -</u>	<u>\$ 90</u>

City of Reedsburg

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

	<u>Custodial Fund</u>	<u>Private- Purpose Trust Fund</u>
	<u>Tax Collection Fund</u>	<u>Nishan Community Aid for the Poor</u>
Additions		
Property taxes collected for other governments	\$ 6,585,116	\$ -
Total additions	<u>6,585,116</u>	<u>-</u>
Deductions		
Property taxes distributed to other governments	<u>6,585,116</u>	<u>-</u>
Total deductions	<u>6,585,116</u>	<u>-</u>
Change in fiduciary net position	-	-
Net Position, Beginning	<u>-</u>	<u>90</u>
Net Position, Ending	<u><u>\$ -</u></u>	<u><u>\$ 90</u></u>

City of Reedsburg

Statement of Net Position -
Component Units
December 31, 2023

	Community Development Authority	Herbert H Webb Trust	Total
Assets			
Cash and investments	\$ 67,795	\$ 3,622,554	\$ 3,690,349
Accounts receivable	774	-	774
Loans receivable	70,000	-	70,000
Property held for resale	40,793	-	40,793
	<u>179,362</u>	<u>3,622,554</u>	<u>3,801,916</u>
Total assets			
Liabilities			
Accounts payable	1,299	-	1,299
Due to primary government	-	50,172	50,172
	<u>1,299</u>	<u>50,172</u>	<u>51,471</u>
Total liabilities			
Net Position			
Restricted for:			
Trust purposes	-	3,572,382	3,572,382
Unrestricted net position	178,063	-	178,063
	<u>178,063</u>	<u>-</u>	<u>178,063</u>
Total net position	<u>\$ 178,063</u>	<u>\$ 3,572,382</u>	<u>\$ 3,750,445</u>

See notes to financial statements

City of Reedsburg

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

	Community Development Authority	Herbert H. Webb Trust	Total
Operating Expenses			
Operation and maintenance	\$ 141,829	\$ 116,899	\$ 258,728
Total operating expenses	<u>141,829</u>	<u>116,899</u>	<u>258,728</u>
Operating loss	<u>(141,829)</u>	<u>(116,899)</u>	<u>(258,728)</u>
Nonoperating Revenues			
Investment income (loss)	10,789	450,976	461,765
Property sales	<u>172,663</u>	<u>-</u>	<u>172,663</u>
Total nonoperating revenues	<u>183,452</u>	<u>450,976</u>	<u>634,428</u>
Change in net position	41,623	334,077	375,700
Net Position, Beginning	<u>136,440</u>	<u>3,238,305</u>	<u>3,374,745</u>
Net Position, Ending	<u>\$ 178,063</u>	<u>\$ 3,572,382</u>	<u>\$ 3,750,445</u>

See notes to financial statements

City of Reedsburg

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December 31, 2023

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City of Reedsburg

Notes to Financial Statements
December 31, 2023

1. Summary of Significant Accounting Policies

The accounting policies of the City of Reedsburg, Wisconsin (the City) 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 City. The reporting entity for the City 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.

Discretely Presented Component Units

Community Development Authority of the City of Reedsburg

The government-wide financial statements include the Community Development Authority of the City of Reedsburg (CDA) as a component unit. The CDA is a legally separate organization. The board of the CDA is appointed by the mayor. Wisconsin Statutes provide for circumstances whereby the City can impose its will on the CDA, and also create a potential financial benefit to or burden on the City. See Note 3. As a component unit, the CDA's financial statements have been presented as a discrete column in the financial statements. The information presented is for the fiscal year ended December 31, 2023. The CDA does not issue separate financial statements.

Herbert H. Webb Trust

The government-wide financial statements include the Herbert H. Webb Trust (trust) as a component unit. The trust is a legally separate organization. The board of the trust is appointed by the . Wisconsin Statutes provide for circumstances whereby the City can impose its will on the trust, and also create a potential financial benefit to or burden on the City. See Note 3. As a component unit, the trust's financial statements have been presented as a discrete column in the financial statements. The information presented is for the fiscal year ended December 31, 2023. The trust does not issue separate financial statements.

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 City 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 City 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 City 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 City believes is particularly important to financial statement users may be reported as a major fund.

City of Reedsburg

Notes to Financial Statements
December 31, 2023

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 City reports the following major governmental funds:

General Fund

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

Debt Service Fund

General Debt Service 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 TID or enterprise debt.

Capital Projects Funds

General Capital Projects Fund - used to account for and report financial resources that are restricted, committed or assigned for capital outlay and capital equipment acquisitions.

Enterprise Funds

The City reports the following major enterprise funds:

Sewer Utility accounts for operations of the sewer system

Utility Commission Fund accounts for operations of the water, electric and communications systems

The City reports the following nonmajor governmental and enterprise funds:

Special Revenue Funds

Special Revenue Funds are 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).

Taxi Grant Fund	Park Fund
Triathlon Fund	DARE Fund
Webb Endowment Fund	Nishan Park Concession Stand Fund
Room Tax Fund	CDBG Fund
HCRI Fund	Home Loan Fund
CLOSE	Sidewalk Repair Fund
Solid Waste Fund	Mannigal Endowment Fund
Library-County Funding	Library-Investments
Popple Trail Donations	Fireworks Fund
Airport	Municipal Courts
Affordable Housing Fund	Ambulance
Cemetery	

Capital Projects Funds

Capital Projects Funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

TIF District No. 4	TIF District No. 6
TIF District No. 8	TIF District No. 9
TIF District No. 10	TIF District No. 11
Capital Equipment Fund	

Enterprise Fund

Enterprise Funds are used to account for and report any activity for which a fee is charged to external users for goods or services, and must be used for activities which meet certain debt or cost recovery criteria.

Stormwater Fund

In addition, the City reports the following fund types:

Private-Purpose Trust Fund

Private-Purpose Trust Funds are used to account for and report any trust arrangement not properly reported in a pension trust fund or investment trust fund under which principal and income benefit individuals, private organizations or other governments.

Nishan Community Aid for the Poor

Custodial Fund

Custodial Funds are used to account for and report assets controlled by the City 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.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's utility commission, sewer utility and stormwater utility and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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 City 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.

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 City is entitled to the resources and the amounts are available. Amounts owed to the City 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.

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

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 utility commission, sewer and stormwater utilities 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.

City of Reedsburg

Notes to Financial Statements
December 31, 2023

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 City considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

Investment of City 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.
- 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.

Investment of most trust funds including cemetery perpetual care funds, is regulated by Chapter 881 of the Wisconsin Statutes. Investment of library trust funds is regulated by Chapter 112. Those sections give broad authority to use such funds to acquire various kinds of investments including stocks, bonds and debentures.

The City has not adopted an investment policy.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on methods and inputs as outlined in Note 3. 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 City's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

See Note 3 for further information.

City of Reedsburg

Notes to Financial Statements
December 31, 2023

Receivables

Property taxes are levied in December on the assessed value as of the prior January 1. In addition to property taxes for the City, taxes are collected for and remitted to the county government 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	January 31, 2024
Personal property taxes in full	January 31, 2024
Tax sale - 2023 delinquent real estate taxes	October 2026

Accounts receivable have been shown net of an allowance for uncollectible accounts. Delinquent real estate taxes as of July 31 are paid in full by the County, which assumes the collection thereof. No provision for uncollectible accounts receivable has been made for the electric, water, sewer and stormwater utilities 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. Delinquent communications bills are not placed on the tax roll. An allowance for uncollectible accounts has been established to account for all delinquent communications billings over 120 days past due. The allowance is adjusted on an annual basis.

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.

In the governmental fund financial statements, advances to other funds are offset equally by a nonspendable fund balance account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation or by a restricted fund balance account, if the funds will ultimately be restricted when the advance is repaid.

The City has received federal and state grant funds for economic development and housing rehabilitation loan programs to various businesses and individuals. The City records a loan receivable when the loan has been made and funds have been disbursed. The amount recorded as economic development and housing rehabilitation loans receivable has been reduced by an allowance for uncollectible accounts of \$411,428.

It is the City's policy to record revenue when the initial loan is made from the federal and state grant funds. The net amount of the loan receivable balance is included in restricted fund balance. Interest received from loan repayments is recognized as revenue when received in cash. Any unspent loan repayments at year end are presented as restricted fund balance in the fund financial statements.

City of Reedsburg

Notes to Financial Statements
December 31, 2023

Inventories and Prepaid Items

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

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

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 (including right-to-use lease assets), 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.

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	30 Years
Land improvements	30 Years
Machinery and equipment	3-15 Years
Intangibles	5-50 Years
Infrastructure	18-77 Years
Intangibles	20-50 Years

Lease assets are typically amortized over the lease term.

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.

Other Assets

The electric utility is a member of American Transmission Company (ATC). ATC was formed by approximately 25 utilities to plan, construct, maintain, monitor and own electric transmission facilities in Wisconsin. The utility owns less than 1/2 of 1% of ATC.

As part of a settlement agreement with a vendor, the electric utility obtained customer rights from the prior service provider to serve additional customers. These costs are reported as organization costs and are being amortized over 33 years.

The electric utility has nonutility property consisting of private parking lighting which is depreciated over 20 years.

Land held for resale is reported as an asset with increases and decreases for purchases and sales. It is recorded at historical cost or market value.

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/Conduit Debt

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.

City of Reedsburg

Notes to Financial Statements
December 31, 2023

For the government-wide statements and proprietary fund statements, bond premiums and discounts are amortized over the life of the issue using the effective interest method. The balance at year end is shown as an increase or decrease in the liability section of the statement of net position.

Leases

The City is a lessor because it leases capital assets to other entities. As a lessor, the City reports a lease receivable and corresponding deferred inflow of resources in both the fund financial statements and government-wide financial statements. The City 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 City'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.

City of Reedsburg

Notes to Financial Statements
December 31, 2023

- 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 City Council. 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 City Council 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 Council, Finance Committee or management 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.

The City 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 City would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The City has a formal minimum fund balance policy. That policy is to maintain the general fund unrestricted fund balance at 25% to 30% of the subsequent year's operating expenditure budget. The balance of unrestricted fund balance at year-end was \$4,251,884 or 55%.

See Note 3 for further information.

Fiduciary fund net position is classified as restricted for community aid on the statement of fiduciary net position. Various donor restrictions apply, including authorizing and spending trust income and the City believes it is in compliance with all significant restrictions.

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 - Proprietary Fund

Electric

Current electric rates were approved by the Public Service Commission of Wisconsin on April 27, 2015.

Water

Current water rates were approved by the Public Service Commission of Wisconsin on June 25, 2021. New rates were approved with an effective date of July 24, 2024.

Sewer

Current rates were approved and made effective by the city council on January 1, 2023. New rates were subsequently approved with an effective date of March 1, 2024.

Communications

Current communications were approved by the utility commission and may change periodically. The utility commission approved current residential and business internet rates March 12, 2021 which were effective as of March 20, 2021. Current video rates were approved by the utility commission on November 15, 2021, which were effective as of January 20, 2022. Current telephone rates were approved by the utility commission as of February 18, 2019 which were effective as of March 20, 2019.

Stormwater

Current rates were approved by the city council and made effective as of January 1, 2016.

Capital Contributions - Enterprise Funds

Capital contributions represent the amount received from customers, the city or external parties for construction and the value of property (plant) contributed to the utilities. These amounts are not subject to repayment.

2. Stewardship, Compliance and Accountability

Budgetary Information

A budget has been adopted for the general fund, certain special revenue funds, the general debt service fund and capital projects funds. A budget has not been formally adopted for other special revenue funds. Wisconsin Statute 65.90 requires that an annual budget be adopted for all funds.

City of Reedsburg

Notes to Financial Statements
December 31, 2023

Excess Expenditures and Other Financing Uses Over Budget

Funds	Budgeted Expenditures	Actual Expenditures	Excess Expenditures Over Budget
General fund	\$ 7,350,908	\$ 8,633,075	\$ 1,282,167
General capital projects	5,274,300	5,751,461	477,161
Affordable housing fund	40,800	103,300	62,500
Triathlon fund	7,000	65,884	58,884
DARE fund	3,500	12,688	9,188
Room tax fund	75,000	108,195	33,195
CLOSE fund	10,450	77,109	66,659
Solid waste fund	470,500	511,977	41,477
Firework fund	14,500	22,668	8,168
Airport	163,144	244,688	81,544
Municipal court	246,621	289,255	42,634
Tax Incremental District No. 6	44,385	58,784	14,399
Tax Incremental District No. 8	8,300	29,797	21,497
Tax Incremental District No. 9	475,511	2,595,856	2,120,345

The City controls expenditures at the department level. Some individual departments experienced expenditures which exceeded appropriations. The detail of those items can be found in the City's year-end budget to actual report.

Deficit Balances

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year end.

As of December 31, 2023, the following individual funds held a deficit balance:

Fund	Amount	Reason
General debt service	\$ 297,965	Unfunded debt payments
Municipal court	212,993	Unfunded capital outlay
Taxi grant fund	37,588	Expenditures exceeding grant revenue
Tax Incremental District No. 10	6,293	Costs exceeding increment
Airport	30,291	Costs exceeding revenue sources
Ambulance	853,196	Unfunded capital outlay

TIF district deficits are anticipated to be funded with future incremental taxes levied over the life of the districts, which is 27 years for the districts created before October 1, 1995, and 23 years for districts created thereafter through September 30, 2004. Beginning October 1, 2004, the life of new districts varies by type of district (20-27 years) and may be extended in some cases. Other fund deficits are anticipated to be funded with future contributions, general tax revenues, long-term borrowing or transfers from the general fund.

Limitations on the City's Tax Levy

Wisconsin law limits the City's future tax levies. Generally the City is limited to its prior tax levy dollar amount (excluding TIF Districts), increased by the greater of the percentage change in the City'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 City 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.

City of Reedsburg

Notes to Financial Statements
December 31, 2023

3. Detailed Notes on All Funds

Deposits and Investments

The City'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	\$ 26,578,412	\$ 25,546,982	Custodial credit
U.S. agencies, implicitly guaranteed	1,500,376	1,500,376	Credit, custodial credit, concentration of credit, interest rate
Certificates of deposit (negotiable)	1,798,000	1,798,000	Credit, custodial credit, concentration of credit, interest rate
LGIP	13,151,546	13,151,546	Credit
Petty cash	500	-	N/A
Total deposits and investments	<u>\$ 43,028,834</u>	<u>\$ 41,996,904</u>	

Reconciliation to financial statements

Per statement of net position:

Unrestricted cash and investments \$ 31,354,524

Restricted cash and investments 5,263,065

Per statement of net position, fiduciary funds:

Custodial fund 6,411,155

Private-purpose trust fund 90

Total deposits and investments \$ 43,028,834

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.

The City maintains collateral agreements with its banks. At December 31, 2023, the banks had pledged various government securities in the amount of \$35,313,744 to secure the City's deposits.

The utility commission's investment in American Transmission Corporation (ATC) is measured at the net asset value (NAV) per share of ownership. As of December 31, 2023, the fair value of the investment was \$3,606,403. ATC was formed by approximately 25 utilities to plan, construct, maintain, monitor and own electric transmission facilities in Wisconsin. The utility elected to receive an investment in ATC at its inception rather than directly sell its transmission facilities. The utility owns less than 1/2 of 1% of ATC. The utility has no unfunded commitments at year-end. The investment in ATC can only be redeemed by ATC or another existing member.

City of Reedsburg

Notes to Financial Statements
December 31, 2023

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The valuation methods for recurring fair value measurements are as follows:

- Certificates of deposit (negotiable) - uses a market based approach
- U.S. agency securities - uses a market based approach which considers yield, price of comparable securities, coupon rate, maturity, credit quality and dealer-provided prices

Investment Type	December 31, 2023			Total
	Level 1	Level 2	Level 3	
Certificates of deposit (negotiable)	\$ 1,798,000	\$ -	\$ -	\$ 1,798,000
U.S. agencies, implicitly guaranteed	-	1,500,376	-	1,500,376
Total	<u>\$ 1,798,000</u>	<u>\$ 1,500,376</u>	<u>\$ -</u>	<u>\$ 3,298,376</u>

Custodial Credit Risk

Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the City's deposits may not be returned to the City.

As of December 31, 2023, \$0 of the City's total bank balances were exposed to custodial credit risk as follows:

Uninsured and uncollateralized \$ 1,408,986

Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

As of December 31, 2023, the City's investments were exposed to custodial credit risk as follows:

Neither Insured nor Registered and Held by Counterparty's Trust Department or Agent not in the City's Name

U.S. agencies, implicitly guaranteed \$ 1,500,376

Credit Risk

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

City of Reedsburg

Notes to Financial Statements
December 31, 2023

As of December 31, 2023, the City's investments were rated as follows:

<u>Investment Type</u>	<u>Standard & Poors</u>
U.S. agencies, implicitly guaranteed	AA+

The City also held investments in the following investments which are not rated:

- Local Government Investment Pool
- Certificates of deposit (negotiable)

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment.

As of December 31, 2023, the City's investments were as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity (in Years)</u>		
		<u>Less Than 1</u>	<u>1-5</u>	<u>6+</u>
U.S. agencies, implicitly guaranteed	\$ 1,500,376	\$ -	\$ 338,591	\$ 1,161,785
Certificates of deposit (negotiable)	<u>1,798,000</u>	<u>1,553,000</u>	<u>245,000</u>	<u>-</u>
Total	<u>\$ 3,298,376</u>	<u>\$ 1,553,000</u>	<u>\$ 583,591</u>	<u>\$ 1,161,785</u>

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 except for special assessments and loans receivable.

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>	<u>Unavailable</u>
Property taxes receivable for subsequent year	\$ 8,122,473	\$ -
CDBG grants	<u>-</u>	<u>302,589</u>
Total unearned/unavailable revenue for governmental funds	<u>\$ 8,122,473</u>	<u>\$ 302,589</u>

For economic development loans, the City is limited by the Wisconsin Department of Administration to the amount of program income from economic development loans that it may retain to be loaned to other businesses and/or the amount of time for which funds may be held without use. Program income includes the principal and interest received from economic development loans repayments.

City of Reedsburg

Notes to Financial Statements
December 31, 2023

At December 31, 2023, the City has not exceeded the maximum amount of program income that it may retain or the amount of time for which funds may be held without use. When it does, a liability to the state will be recorded.

Restricted Assets

The following represent the balances of the restricted assets:

Long-Term Debt Accounts

Redemption - Used to segregate resources accumulated for debt service payments over the next twelve months.

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.

Impact Fee Account

The utility commission has received impact fees which must be spent in accordance with the local ordinance and state statutes. Any unspent funds must be refunded to the current property owner.

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

Restricted assets:	
Redemption account	\$ 1,051,993
Reserve account	109,671
Depreciation account	1,274,572
Replacement account	2,640,151
Impact fee account	<u>186,678</u>
Total restricted assets	<u>5,263,065</u>
Less restricted assets not funded by revenues	
Reserve from borrowing	<u>(109,671)</u>
Total restricted assets not funded by revenues	<u>(109,671)</u>
Current liabilities payable from restricted assets	<u>(23,322)</u>
Total restricted net position	<u><u>\$ 5,130,072</u></u>

City of Reedsburg

Notes to Financial Statements
December 31, 2023

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>
Governmental Activities				
Capital assets not being depreciated / amortized:				
Land	\$ 9,163,984	\$ 72,845	\$ -	\$ 9,236,829
Land for right of way	1,058,217	-	-	1,058,217
Road infrastructure not being depreciated	6,504,292	144,409	139,500	6,509,201
Construction work in progress	423,400	7,150,665	-	7,574,065
	<u>17,149,893</u>	<u>7,367,919</u>	<u>139,500</u>	<u>24,378,312</u>
Total capital assets not being depreciated / amortized				
Capital assets being depreciated / amortized:				
Buildings	21,351,991	159,736	491,576	21,020,151
Intangibles	129,121	-	-	129,121
Equipment and furniture	11,367,684	907,079	235,117	12,039,646
Infrastructure	22,307,195	486,690	418,400	22,375,485
	<u>55,155,991</u>	<u>1,553,505</u>	<u>1,145,093</u>	<u>55,564,403</u>
Total capital assets being depreciated / amortized				
Total capital assets	<u>72,305,884</u>	<u>8,921,424</u>	<u>1,284,593</u>	<u>79,942,715</u>
Less accumulated depreciation / amortization for:				
Buildings	(8,701,381)	(420,981)	422,761	(8,699,601)
Intangibles	(92,098)	(13,789)	-	(105,887)
Equipment and furniture	(7,237,078)	(639,330)	157,634	(7,718,774)
Infrastructure	(14,056,277)	(717,646)	419,190	(14,354,733)
	<u>(30,086,834)</u>	<u>(1,791,746)</u>	<u>999,585</u>	<u>(30,878,995)</u>
Total accumulated depreciation / amortization				
Net capital assets being depreciated / amortized	<u>25,069,157</u>	<u>(238,241)</u>	<u>145,508</u>	<u>24,685,408</u>
Total governmental activities capital assets, net as reported in the statement of net position	<u>\$ 42,219,050</u>	<u>\$ 7,129,678</u>	<u>\$ 285,008</u>	<u>\$ 49,063,720</u>

Depreciation / amortization expense was charged to functions as follows:

Governmental Activities

General government	\$ 73,271
Public safety	417,585
Public works	991,665
Culture, recreation and education	<u>309,225</u>
Total governmental activities depreciation / amortization expense	<u>\$ 1,791,746</u>

City of Reedsburg

Notes to Financial Statements
December 31, 2023

	Beginning Balance	Additions	Deletions	Ending Balance
Business-Type Activities				
Capital assets not being depreciated:				
Land	\$ 383,905	\$ -	\$ -	\$ 383,905
Construction in progress	8,165,577	6,918,137	4,626,239	10,457,475
Total capital assets not being depreciated	8,549,482	6,918,137	4,626,239	10,841,380
Capital assets being depreciated:				
Electric system	31,861,473	742,734	571,628	32,032,579
Water system	17,678,891	1,242,563	15,853	18,905,601
Communications system	38,564,261	4,462,084	2,983,444	40,042,901
Sewer system	34,102,380	320,141	54,213	34,368,308
Stormwater system	7,504,030	253,669	-	7,757,699
Total capital assets being depreciated	129,711,035	7,021,191	3,625,138	133,107,088
Total capital assets	138,260,517	13,939,328	8,251,377	143,948,468
Less accumulated for:				
Electric system	(19,070,528)	(1,173,813)	571,628	(19,672,713)
Water system	(6,259,796)	(451,429)	15,853	(6,695,372)
Communications system	(17,213,203)	(1,794,249)	2,406,685	(16,600,767)
Sewer system	(16,251,182)	(1,000,021)	54,213	(17,196,990)
Stormwater system	(3,366,549)	(167,600)	-	(3,534,149)
Total accumulated	(62,161,258)	(4,587,112)	3,048,379	(63,699,991)
Net capital assets being depreciated	67,549,777	2,434,079	576,759	69,407,097
Business-type activities capital assets, net as reported in the statement of net position	<u>\$ 76,099,259</u>	<u>\$ 9,352,216</u>	<u>\$ 5,202,998</u>	<u>\$ 80,248,477</u>

Depreciation / amortization expense was charged to functions as follows:

Business-Type Activities

Electric	\$ 975,562
Water	375,361
Communications	1,727,291
Sewer	1,000,021
Storm	167,600

Total business-type activities, net as reported in the statement
of net position expense \$ 4,245,835

Depreciation expense does not agree to the increases in accumulated depreciation due to joint metering, salvage and cost of removal.

City of Reedsburg

Notes to Financial Statements
December 31, 2023

Interfund Receivables/Payables, Advances 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>
General fund	Utility commission	\$ 658,270
General fund	Airport	29,495
General fund	CDBG	2,363
Stormwater fund	Utility commission	65,967
Sewer	Utility commission	281,572
General fund	Debt service	297,965
General fund	Ambulance	<u>853,196</u>
Total, fund financial statements		2,188,828
Less fund eliminations		<u>(1,530,558)</u>
Total internal balances, government-wide statement of net position		<u>\$ 658,270</u>

All amounts are due within one year.

The principal purpose of these interfunds resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made.

Advances

The general fund is advancing funds to TIF District No.10. The amount advanced is determined by the deficiency of revenues over expenditures and other financing sources since the district's inception. No repayment schedules have been established.

The general fund is also advancing funds to the taxi and municipal court funds to cover operating deficits. No interest is being charged on these advances and no repayment schedules have been established.

City of Reedsburg

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>
General fund	Utility commission	\$ 663,850	Tax equivalent
General fund	Sewer utility	50,000	Administrative services
General debt service	TIF District No. 6	31,430	Debt service payments
TIF District No. 9	General fund	455,343	Transfer land held for resale
General debt service	TIF District No. 9	227,020	Debt service payments
General capital projects	Nonmajor governmental funds	50,000	Project contributions
Capital equipment fund	Stormwater fund	73,000	Project contributions
Capital equipment fund	Sewer utility	42,500	Project contributions
TIF District No. 6	TIF District No. 4	311,683	Share tax increment
General fund	Nonmajor governmental funds	6,000	Administrative services
Nonmajor governmental funds	Nonmajor governmental funds	<u>69,761</u>	Miscellaneous services
Total, fund financial statements		1,980,587	
Less fund eliminations		<u>(1,151,237)</u>	
Total transfers, government-wide statement of activities		<u>\$ 829,350</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>
Governmental Activities					
Bonds and notes payable:					
General obligation debt (Discounts)/Premiums	\$ 15,485,000	\$ 6,895,000	\$ 990,000	\$ 21,390,000	\$ 1,085,000
	<u>427,471</u>	<u>162,264</u>	<u>22,831</u>	<u>566,904</u>	<u>-</u>
Total bonds and notes payable	<u>15,912,471</u>	<u>7,057,264</u>	<u>1,012,831</u>	<u>21,956,904</u>	<u>1,085,000</u>
Other liabilities:					
Vested compensated absences	<u>775,471</u>	<u>291,998</u>	<u>173,649</u>	<u>893,820</u>	<u>209,405</u>
Total other liabilities	<u>775,471</u>	<u>291,998</u>	<u>173,649</u>	<u>893,820</u>	<u>209,405</u>
Total governmental activities long-term liabilities	<u>\$ 16,687,942</u>	<u>\$ 7,349,262</u>	<u>\$ 1,186,480</u>	<u>\$ 22,850,724</u>	<u>\$ 1,294,405</u>

City of Reedsburg

Notes to Financial Statements
December 31, 2023

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Business-Type Activities					
Bonds and notes payable:					
General obligation debt	\$ 12,235,000	\$ -	\$ 790,000	\$ 11,445,000	\$ 805,000
Revenue bonds	5,394,381	-	1,137,071	4,257,310	1,162,958
Revenue bonds from direct borrowings and direct placements	2,082,722	-	174,488	1,908,234	179,078
Notes payable	9,405	-	9,405	-	-
Premiums	179,103	-	25,056	154,047	-
Total bonds and notes payable	<u>19,900,611</u>	<u>-</u>	<u>2,136,020</u>	<u>17,764,591</u>	<u>2,147,036</u>
Other liabilities:					
Capital lease	-	230,678	44,597	186,081	32,780
Vested compensated absences	500,042	53,926	-	553,968	213,643
Total other liabilities	<u>500,042</u>	<u>284,604</u>	<u>44,597</u>	<u>740,049</u>	<u>246,423</u>
Total business-type activities long-term liabilities	<u>\$ 20,400,653</u>	<u>\$ 284,604</u>	<u>\$ 2,180,617</u>	<u>\$ 18,504,640</u>	<u>\$ 2,393,459</u>

In accordance with Wisconsin Statutes, total general obligation indebtedness of the City may not exceed 5% of the equalized value of taxable property within the City's jurisdiction. The debt limit as of December 31, 2023, was \$47,240,125. Total general obligation debt outstanding at year end was \$32,835,000.

General Obligation Debt

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

<u>Governmental Activities</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2023</u>
General obligation Corporate Purpose	07/02/2020	03/01/2033	1.5-2.0%	\$ 7,425,000	\$ 6,935,000
General obligation Corporate Purpose, TIF 6	02/17/2021	03/01/2036	1.00-2.00	455,000	405,000
General obligation Corporate Purpose, TIF 9	02/17/2021	03/01/2036	1.00-2.00	2,625,000	2,325,000
General obligation, Comm Dev bonds	12/28/2022	03/01/2036	4.00	1,575,000	1,575,000
Taxable GO promise notes	12/28/2022	03/01/2032	4.25-5.00	3,405,000	3,255,000
GO Corporate Purpose Bonds	12/01/2023	03/01/2043	5.00-6.00	4,585,000	4,585,000
Taxable GO promise notes	12/01/2023	03/01/2033	4.90-5.35	2,310,000	<u>2,310,000</u>
Total governmental activities, general obligation debt					<u>\$ 21,390,000</u>

City of Reedsburg

Notes to Financial Statements
December 31, 2023

<u>Business-Type Activities</u>					Balance
<u>General Obligation Debt</u>	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	December 31, 2023
General obligation refunding bonds	08/22/2016	03/01/2035	2.00-3.00%	\$ 7,480,000	\$ 6,365,000
General obligation refunding bonds	06/29/2017	03/01/2035	2.00-3.50	2,610,000	1,895,000
General obligation refunding bonds	09/18/2017	03/01/2029	1.55-3.00	6,000,000	<u>3,185,000</u>
Total business-type activities, general obligation debt					<u>\$ 11,445,000</u>

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Governmental Activities</u> <u>General Obligation Debt</u>		<u>Business-Type Activities</u> <u>General Obligation Debt</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 1,085,000	\$ 623,236	\$ 805,000	\$ 283,670
2025	1,420,000	668,676	820,000	267,214
2026	1,625,000	620,624	835,000	249,675
2027	1,685,000	568,335	855,000	231,083
2028	1,740,000	513,478	870,000	211,409
2029-2033	9,335,000	1,643,828	5,020,000	698,464
2034-2038	3,170,000	564,763	2,240,000	69,488
2039-2043	<u>1,330,000</u>	<u>148,319</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 21,390,000</u>	<u>\$ 5,351,259</u>	<u>\$ 11,445,000</u>	<u>\$ 2,011,003</u>

Revenue Debt

Business-type activities revenue bonds are payable only from revenues derived from the operation of the water, electric, communication and sewer utilities.

City of Reedsburg

Notes to Financial Statements
December 31, 2023

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

Business-Type Activities Revenue Debt

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2023</u>
Sewer Utility					
Revenue bonds	05/01/2005	05/01/2025	2.565%	\$ 11,292,318	\$ 1,466,739
Revenue bonds	05/01/2006	05/01/2025	2.365	2,981,335	385,216
Revenue bonds	03/23/2011	05/01/2030	2.499	1,860,236	792,536
Revenue bonds*	05/01/2013	05/01/2033	2.625	3,096,378	1,763,391 (1)
Revenue bonds	04/11/2018	05/01/2037	1.060	1,500,470	<u>1,177,819</u>
				Total Sewer Utility	<u>5,585,701</u>

The sewer utility has pledged future revenues, net of specified operating expenses, to repay revenue bonds issued in 2005, 2006, 2011, 2013 and 2018. Proceeds from the bonds provided financing for the sewer systems. The bonds are solely from sewer revenues and are payable through 2037. Annual principal and interest payments on the bonds are expected to require 10% of sewer revenues. The total principal and interest remaining to be paid on the bonds is \$6,174,728. Principal and interest paid in the current year and total customer gross revenues were \$1,364,776 and \$4,622,159, respectively.

(1) - During 2013 the utility was authorized to issue \$3,310,182 of sewer system Clean Water Fund revenue bonds. The original amount reported above has been issued as of December 31, 2023. The repayment schedule is for the amount issued.

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2023</u>
Water Utility					
Safe Drinking Water Loan*	01/27/2010	05/01/2029	2.67%	\$ 385,163	\$ 144,843
Main Replacements and SCADA Improvements	07/07/2014	05/01/2029	1.70-3.75	895,000	<u>435,000</u>
				Total Water Utility	<u>579,843</u>

The water utility has pledged future revenues, net of specified operating expenses, to repay revenue bonds issued in 2010 and 2014. Proceeds from the bonds provided financing for the water systems. The bonds are solely from water revenues and are payable through 2029. Annual principal and interest payments on the bonds are expected to require 6% of water revenues. The total principal and interest remaining to be paid on the bonds is \$642,145. Principal and interest paid in the current year and total customer gross revenues were \$107,756 and \$1,848,109, respectively.

Total business-type activities, revenue debt \$ 6,165,544

City of Reedsburg

Notes to Financial Statements
December 31, 2023

Debt service requirements to maturity are as follows:

<u>Years</u>	Business-Type Activities Revenue Debt	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 1,162,958	\$ 80,497
2025	1,194,486	51,418
2026	260,499	33,397
2027	269,102	27,035
2028	272,784	20,502
2029-2033	743,108	37,512
2034-2037	<u>354,373</u>	<u>7,533</u>
Total	<u>\$ 4,257,310</u>	<u>\$ 257,894</u>

<u>Years</u>	Business-Type Activities Revenue Debt from Direct Borrowings and Direct Placements	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 179,078	\$ 47,798
2025	183,788	43,026
2026	188,622	38,128
2027	193,584	33,101
2028	198,676	27,942
2029-2033	<u>964,486</u>	<u>63,226</u>
Total	<u>\$ 1,908,234</u>	<u>\$ 253,221</u>

Lease Liabilities

Refer to Note 3, Lease Disclosures.

Other Debt Information

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

Bond Covenant Disclosures

Insurance

The utilities are 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. These risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded coverage in any of the last three years. There were no significant reductions in coverage compared to the prior year.

City of Reedsburg

Notes to Financial Statements
December 31, 2023

Debt Coverage - Sewer Utility

Under terms of the resolutions providing for the issue of revenue bonds, revenues less operating expenses excluding depreciation (defined net earnings) must exceed 1.1 times the highest annual debt service of the bonds. The coverage only includes revenue debt and does not include general obligation or other debt. The coverage requirement was met in 2023 as follows:

Operating revenues	\$ 4,505,888
Investment income	116,271
Less operation and maintenance expenses	<u>(1,825,701)</u>
Net defined earnings	<u>\$ 2,796,458</u>
Minimum required earnings per resolution:	
Highest annual debt service 2005 CWF bonds	\$ -
Highest annual debt service 2006 CWF bonds	-
Highest annual debt service 2011 CWF bonds	-
Highest annual debt service 2013 CWF bonds	-
Highest annual debt service 2018 CWF bonds	-
Highest annual debt service - all bonds	<u>1,364,775</u>
Subtotal	1,364,775
Coverage factor	<u>1.10</u>
Minimum required earnings	<u>\$ 1,501,253</u>
Actual debt coverage	<u>2.05 %</u>

Lease Disclosures

Lessee - Lease Liabilities

Business-Type Activities

<u>Lease Liabilities</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Street sweeper, stormwater utility	\$ -	\$ 230,678	\$ 44,597	\$ 186,081	\$ 32,780

Future minimum lease payments are as follows:

<u>Years</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 32,780	\$ 11,816
2025	34,862	9,735
2026	37,076	7,521
2027	39,430	5,167
2028	<u>41,933</u>	<u>2,663</u>
Total	<u>\$ 186,081</u>	<u>\$ 36,902</u>

City of Reedsburg

Notes to Financial Statements
December 31, 2023

Lessor - Lease Receivables

<u>Business-Type Activities</u>				Receivable Balance December 31, 2023
<u>Lease Receivables Description</u>	<u>Date of Inception</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	
Cellular antenna lease	7/13/2016	6/30/2041	3.0%	\$ 457,100
FM transmitter lease	11/1/2021	10/31/2024	3.0	<u>8,114</u>
Total business-type activities				<u>\$ 465,214</u>

The City recognized \$12,153 of lease revenue during the fiscal year.

The City recognized \$17,901 of interest revenue during the fiscal year.

Regulated Leases

The City maintains certain regulated leases that, in accordance with GASB No. 87, do not recognize a lease receivable or a deferred inflow of resources. Regulated leases are subject to external laws, regulations, or legal rulings. Regulated leases are not material to the City.

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	\$ 16,804,247
Construction in progress	7,574,065
Other capital assets, net of accumulated depreciation	24,685,408
Less long-term debt outstanding	(21,390,000)
Plus unspent capital related debt proceeds	1,878,527
Plus noncapital debt proceeds	5,984,429
Less unamortized debt premium	<u>(566,904)</u>
Total net investment in capital assets	<u>\$ 34,969,772</u>

City of Reedsburg

Notes to Financial Statements
December 31, 2023

Governmental Funds

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

	<u>General Fund</u>	<u>General Debt Service</u>	<u>General Capital Projects</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Fund Balances					
Nonspendable:					
Prepaid items	\$ 624,827	\$ -	\$ -	\$ -	\$ 624,827
Investment in mutual insurance company	200,515	-	-	-	200,515
Advances	303,221	-	-	-	303,221
Delinquent receivables	55	-	-	-	55
Subtotal	<u>1,128,618</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,128,618</u>
Restricted for:					
Capital projects	-	-	1,334,326	-	1,334,326
Public purpose	-	-	-	343,893	343,893
General City expenditures	-	-	-	55,485	55,485
Loans	-	-	-	1,242,870	1,242,870
Library	-	-	-	668,870	668,870
Capital projects, TIF	-	-	-	4,855,839	4,855,839
Park improvements	-	-	-	271,258	271,258
Affordable housing	-	-	-	75,274	75,274
Subtotal	<u>-</u>	<u>-</u>	<u>1,334,326</u>	<u>7,513,489</u>	<u>8,847,815</u>
Committed to:					
Sidewalk repairs	-	-	-	32,101	32,101
Solid waste and recycling activities	-	-	-	119,814	119,814
Drug education	-	-	-	17,629	17,629
Recreation	-	-	-	99,367	99,367
Cemetery	-	-	-	101,036	101,036
Economic development	-	-	-	145,356	145,356
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>515,303</u>	<u>515,303</u>
Assigned to:					
Capital projects	-	-	-	380,184	380,184
CIVMIC self-insurance retention	100,000	-	-	-	100,000
PILOT	663,849	-	-	-	663,849
Subtotal	<u>763,849</u>	<u>-</u>	<u>-</u>	<u>380,184</u>	<u>1,144,033</u>
Unassigned (Deficit)	<u>3,488,035</u>	<u>(297,965)</u>	<u>-</u>	<u>(1,140,361)</u>	<u>2,049,709</u>
Total fund balances (deficit)	<u>\$ 5,380,502</u>	<u>\$ (297,965)</u>	<u>\$ 1,334,326</u>	<u>\$ 7,268,615</u>	<u>\$ 13,685,478</u>

City of Reedsburg

Notes to Financial Statements
December 31, 2023

Business-Type Activities

Net investment in capital assets:	
Land	\$ 383,905
Construction in progress	10,457,475
Other capital assets, net of accumulated depreciation	69,407,097
Less long-term debt outstanding	(17,796,625)
Plus unspent capital related debt proceeds	109,671
Plus unamortized debt premium	<u>(154,047)</u>
Total net investment in capital assets	<u>62,407,476</u>
Restricted:	
Impact fees	186,678
Debt service	1,028,671
Equipment replacement	2,640,151
Depreciation	<u>1,274,572</u>
Total restricted	<u>5,130,072</u>
Unrestricted	<u>30,006,165</u>
Total business-type activities net position	<u>\$ 97,543,713</u>

Component Units

Community Development Authority of the City of Reedsburg

This report contains the Community Development Authority of the City of Reedsburg (CDA), which is included as a component unit.

In addition to the basic financial statements and the preceding notes to financial statements which apply, the following additional disclosures are considered necessary for a fair presentation.

a. Basis of Accounting/Measurement Focus

The CDA follows the full accrual basis of accounting and the flow of economic resources measurement focus.

b. Deposits and Investments

	<u>Carrying Value</u>	<u>Statement Balances</u>	<u>Associated Risks</u>
Deposits	\$ 67,795	\$ 67,795	Custodial credit

Custodial Credit Risk

Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the CDA's deposits may not be returned to the CDA.

The CDA does not have any deposits exposed to custodial credit risk.

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

City of Reedsburg

Notes to Financial Statements
December 31, 2023

c. Cash and Cash Equivalents

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

d. Property Held for Resale

Property held for resale represents properties purchased by the CDA with the intention to rehabilitate the property and resell it. Amounts are recorded at historical cost to the City or fair market value if donated.

Herbert H. Webb Trust

This report contains the Herbert H. Webb Trust (trust), which is included as a component unit.

In addition to the basic financial statements and the preceding notes to financial statements which apply, the following additional disclosures are considered necessary for a fair presentation.

a. Basis of Accounting/Measurement Focus

The trust follows the full accrual basis of accounting and the flow of economic resources measurement focus.

b. Deposits and Investments

	<u>Carrying Value</u>	<u>Statement Balances</u>	<u>Associated Risks</u>
Mutual funds, other than bonds	\$ 3,622,554	\$ 3,622,554	Custodial credit
Total deposits and investments	<u>\$ 3,622,554</u>	<u>\$ 3,622,554</u>	

The trust categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The valuation methods for recurring fair value measurements are as follows:

- Documented trade history in exact security

<u>Investment Type</u>	<u>December 31, 2023</u>			<u>Total</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
Mutual funds, other than bonds	\$ 3,622,554	\$ -	\$ -	\$ 3,622,554

Custodial Credit Risk

Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the trust's deposits may not be returned to the trust.

The trust does not have any deposits exposed to custodial credit risk.

Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the trust will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The trust does not have any investments exposed to custodial credit risk.

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

c. Cash and Cash Equivalents

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

4. 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.

City of Reedsburg

Notes to Financial Statements
December 31, 2023

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.

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.

Postretirement Adjustments

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

<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

City of Reedsburg

Notes to Financial Statements
December 31, 2023

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 \$594,875 in contributions from the City.

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

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

At December 31, 2023, the City reported an liability of \$2,580,596 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 City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2021, the City's proportion was 0.04871160%, which was an increase of 0.00250454% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the City recognized pension expense (revenue) of \$1,216,818.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between projected and actual experience	\$ 4,110,090	\$ 5,399,735
Changes in assumptions	507,452	-
Net differences between projected and actual earnings on pension plan investments	4,383,837	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	13,495	59,575
Employer contributions subsequent to the measurement date	<u>673,173</u>	<u>-</u>
Total	<u>\$ 9,688,047</u>	<u>\$ 5,459,310</u>

City of Reedsburg

Notes to Financial Statements
December 31, 2023

\$673,173 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:

<u>Years Ending December 31:</u>	<u>Deferred Outflows of Resources and Deferred Inflows of Resources (Net)</u>
2024	\$ 140,660
2025	732,510
2026	748,162
2027	1,934,232

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
Postretirement Adjustments*:	1.7%

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

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.

City of Reedsburg

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:

Asset Allocation Targets and Expected Returns* as of December 31, 2022			
Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %**
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
Variable Fund Asset			
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%.*

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 City's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.80%, as well as what the City'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>
City's proportionate share of the net pension liability (asset)	\$ 8,564,914	\$ 2,580,596	\$ (1,536,101)

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 City reported a payable to the pension plan which represents contractually required contributions outstanding as of the end of the year.

Risk Management

The City 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.

Public Entity Risk Pool

**Wisconsin Municipal Insurance Commission (WMIC)
Cities and Villages Mutual Insurance Company (CVMIC)**

The WMIC is an intergovernmental cooperation commission created by contract under Section 66.30 of the Wisconsin Statutes. It was created in August, 1987 for the purpose of facilitating the organization, establishment and capitalization of the CVMIC, and has numerous cities and villages as members.

The CVMIC is a municipal mutual insurance company established on September 14, 1987 under Section 611.23 of the Wisconsin Statutes. The CVMIC provides liability insurance coverage to the cities and villages which make up the membership of the WMIC.

The CVMIC is self-insured up to a maximum of \$2,000,000 of each insurance risk. Losses paid by CVMIC plus administrative expenses will be recovered through premiums to the participating pool of municipalities. The City's share of such losses is approximately 0%.

Management of each organization consists of a board of directors or officers comprised of representatives elected by each of three classes of participants based on population. The City does not exercise any control over the activities of the agencies beyond the election of the officers and board.

Financial statements of WMIC and CVMIC can be obtained directly from CVMIC's offices.

The initial investment in WMIC is refundable upon withdrawal from the commission and has been reported at the original amount of \$200,515 in the general fund.

The City pays an annual premium to CVMIC for its general liability insurance, which provides coverage up to \$5,000,000 per occurrence, less the City's retained liability. The City's retained liability is limited to \$37,500 per occurrence and an annual aggregate limit of \$150,000. An actuarially determined estimate has been recorded for this liability, as well as for claims incurred but not reported at December 31, 2023. A total liability of approximately \$0 at December 31, 2023, was recorded as claims payable in the insurance internal service fund. Changes in the fund's claims loss liability follow:

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.

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

The City 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.

City of Reedsburg

Notes to Financial Statements
December 31, 2023

Long-Term Contracts, WPPI Energy

The electric utility is one of 51 WPPI Energy member municipalities located throughout the States of Wisconsin, Michigan and Iowa. On December 1, 1989, each initial WPPI Energy member commenced purchasing electric service from WPPI Energy under a long-term Power Supply Contract for Participating Members (long-term contract). Under the long-term contract, WPPI Energy is obligated to provide and sell, and each member is obligated to take and pay for, the electric power and energy required for the operation of each member's electric utility.

The long-term contract requires all WPPI Energy members to pay for power and energy requirements supplied or made available by WPPI Energy at rates sufficient to cover WPPI Energy's revenue requirement including power supply costs, administrative expenses and debt service. WPPI Energy's subsequent year's operating budget and rates are approved annually by its Board of Directors, consisting of representatives from each member. The members have agreed to charge rates to retail customers sufficient to meet their WPPI Energy obligations. The long-term contract provides that all payments to WPPI Energy constitute operating expenses of the utility payable from any operating and maintenance fund established for that system.

Fifty members, representing approximately 99.8% of WPPI Energy's existing load, have long-term contracts through December 31, 2055. The remaining member has a long-term contract through December 31, 2037.

WPPI Energy's outstanding debt service obligation to be paid by its members through their wholesale power charges through the remainder of the long-term contract was \$253 million as of December 31, 2023.

Joint Ventures

The City of Reedsburg and the Town of Winfield, Town of Washington, Town of Reedsburg, Town of Westfield, Town of Seven Mile Creek, Town of Dellona, Town of LaValle, Town of North Freedom, Town of Excelsior, Village of Lime Ridge, Village of LaValle and the Village of Loganville jointly operate the local ambulance service, which is called the Reedsburg Area Ambulance Service, Inc. The communities share in the annual operation of the district based on the ratio of populations.

The governing body is made up of citizens from each community. Local representatives are appointed by the mayor. The governing body has authority to adopt its own budget and control the financial affairs of the district. The City made a payment totaling \$1,131,656 to the district for 2023. The City does not have an equity interest in the joint venture, however, as of January 1, 2024, the City agreed to take over the operations and assets of the ambulance service. Cash and assets held by the joint ambulance service were transferred to the City as of January 1, 2024.

Financial information of the district is available directly from the district's office. The 2023 transactions of the district are not reflected in these financial statements.

Subsequent Event

On June 10, 2024 the City issued general obligation promissory notes in the amount of \$4,500,000 with an interest rate of 4-5%. This amount will be used for street improvements in and around TID No. 9.

Economic Dependency

Utility Commission

The electric utility has one significant customer who was responsible for 37% of operating revenues in 2023.

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

City of Reedsburg

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

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues			
Taxes			
General property taxes	\$ 3,915,102	\$ 3,915,102	\$ -
Mobile home taxes	110,000	107,511	(2,489)
Room taxes	2,000	2,930	930
Payments in lieu of taxes	130,000	111,854	(18,146)
Interest on delinquent taxes	100	351	251
	<u>4,157,202</u>	<u>4,137,748</u>	<u>(19,454)</u>
Intergovernmental Revenues			
State shared revenues	761,445	700,634	(60,811)
State aid - conservation and development	-	215,276	215,276
Fire insurance tax from state	30,000	35,948	5,948
State aid, exempt computers	14,733	18,162	3,429
State aid, law enforcement training	15,000	3,500	(11,500)
State aid, road allotment	688,039	688,039	-
State aid, connecting streets	49,999	49,999	-
Other state payments	-	550	550
State aid, aid to state facilities	4,500	-	(4,500)
State aid, personal property aid	64,444	64,444	-
Federal aid, flooding	-	94,833	94,833
Federal aid, COVID-19	-	12,439	12,439
	<u>1,628,160</u>	<u>1,883,824</u>	<u>255,664</u>
Licenses and Permits			
Liquor and malt beverage	17,000	15,705	(1,295)
Operators' license	9,000	7,880	(1,120)
Cigarette licenses	1,200	1,700	500
Amusement device licenses	-	100	100
Mobile home park licenses	700	706	6
Cable television franchise fees	130,000	137,896	7,896
Bicycle licenses	60	-	(60)
Dog and cat licenses	6,500	7,166	666
Transient licenses	100	-	(100)
Building permits	50,000	53,545	3,545
Electrical permits	10,000	17,708	7,708
Plumbing permits	8,000	11,664	3,664
Other permits	500	1,015	515
Zoning permits and fees	3,000	5,875	2,875
State permit seals	1,000	600	(400)
	<u>237,060</u>	<u>261,560</u>	<u>24,500</u>
Fines and Forfeitures			
Parking violations	13,000	5,790	(7,210)
Other law and ordinance violations	-	275	275
	<u>13,000</u>	<u>6,065</u>	<u>(6,935)</u>

See notes to required supplementary information

City of Reedsburg

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

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Public Charges for Services			
Special assessment search	\$ 9,000	\$ 11,200	\$ 2,200
Clerk and treasurer fees	1,300	945	(355)
License publication fees	1,000	925	(75)
Land use inquiries	5,500	6,660	1,160
Photocopies	250	302	52
Police fees	41,000	22,191	(18,809)
Adult volleyball fees	900	425	(475)
Weed and nuisance control	5,500	20,617	15,117
Swimming pools	55,000	42,492	(12,508)
Parks	17,500	12,461	(5,039)
Other recreation programs	35,700	30,128	(5,572)
Youth soccer program	1,500	1,240	(260)
Registration fees	3,500	565	(2,935)
Bid security deposits	-	25	25
Trees	1,000	2,640	1,640
Weed and nuisance control	2,500	2,330	(170)
	<u>181,150</u>	<u>155,146</u>	<u>(26,004)</u>
Total public charges for services			
Intergovernmental Charges for Services			
Local government services	<u>187,286</u>	<u>183,334</u>	<u>(3,952)</u>
	<u>187,286</u>	<u>183,334</u>	<u>(3,952)</u>
Total intergovernmental charges for services			
Investment Income			
Investment income	85,000	433,573	348,573
Interest on City billings	350	295	(55)
	<u>85,350</u>	<u>433,868</u>	<u>348,518</u>
Total investment income			
Miscellaneous			
Donations	12,000	15,030	3,030
Insurance recoveries	-	3,685	3,685
Workers compensation dividends	35,000	47,808	12,808
Rent	15,000	29,028	14,028
Other miscellaneous	4,000	78,198	74,198
	<u>66,000</u>	<u>173,749</u>	<u>107,749</u>
Total miscellaneous			
Other Financing Sources			
Property sales	19,000	1,380	(17,620)
Transfers in	776,000	724,849	(51,151)
	<u>795,000</u>	<u>726,229</u>	<u>(68,771)</u>
Total other financing sources			
Total revenues	<u>7,350,208</u>	<u>7,961,523</u>	<u>611,315</u>

See notes to required supplementary information

City of Reedsburg

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

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Expenditures			
General Government			
Council	\$ 30,570	\$ 29,101	\$ 1,469
Municipal court	-	3,184	(3,184)
Legal	32,500	47,911	(15,411)
Mayor	9,074	8,074	1,000
Administrator	170,917	171,430	(513)
Legislative support	100,354	119,250	(18,896)
Financial management	224,471	250,283	(25,812)
Assessment of property	40,000	45,800	(5,800)
GIS/mapping	23,738	23,538	200
Buildings and plant	145,000	161,350	(16,350)
Other general government	447,249	512,088	(64,839)
	<u>1,223,873</u>	<u>1,372,009</u>	<u>(148,136)</u>
Public Safety			
Police	2,650,551	2,602,491	48,060
Fire protection	255,832	255,168	664
Hydrant rental	325,430	325,430	-
Ambulance	160,000	1,131,656	(971,656)
Building inspection	62,558	62,962	(404)
Emergency government	7,500	9,713	(2,213)
Emergency communication (911)	570,774	636,263	(65,489)
	<u>4,032,645</u>	<u>5,023,683</u>	<u>(991,038)</u>
Health and Human Services			
Regulation and inspection	3,900	3,900	-
Cemetery	-	520	(520)
	<u>3,900</u>	<u>4,420</u>	<u>(520)</u>
Public Works			
General public works	4,000	52,432	(48,432)
Engineering	128,225	109,792	18,433
Machinery	246,021	274,894	(28,873)
Garages and sheds	46,781	35,780	11,001
Street maintenance	383,069	360,517	22,552
Sidewalks	11,695	10,204	1,491
Parking lot	1,500	1,837	(337)
Tree and brush removal	23,390	28,490	(5,100)
Traffic control	38,490	39,742	(1,252)
Snow and ice control	196,021	197,923	(1,902)
Street lighting	173,616	168,704	4,912
	<u>1,252,808</u>	<u>1,280,315</u>	<u>(27,507)</u>

See notes to required supplementary information

City of Reedsburg

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

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Culture, Recreation and Education			
Parks	\$ 423,957	\$ 379,404	\$ 44,553
Recreation	44,105	37,461	6,644
Recreation administration	75,095	72,859	2,236
Celebration and entertainment	5,500	4,127	1,373
Recreation facilities	42,000	59,016	(17,016)
Swimming areas	71,683	154,659	(82,976)
Art	5,000	-	5,000
	<u>667,340</u>	<u>707,526</u>	<u>(40,186)</u>
Total culture, recreation and education			
	<u>667,340</u>	<u>707,526</u>	<u>(40,186)</u>
Conservation and Development			
Tree planting	35,000	34,721	279
Nuisance control	2,000	364	1,636
Planning	56,842	55,951	891
Historic preservation	3,000	16,964	(13,964)
Economic development	45,000	59,612	(14,612)
Industrial development	25,000	77,510	(52,510)
Other development and flood expenditures	3,500	-	3,500
	<u>170,342</u>	<u>245,122</u>	<u>(74,780)</u>
Total conservation and development			
	<u>170,342</u>	<u>245,122</u>	<u>(74,780)</u>
Total expenditures	<u>7,350,908</u>	<u>8,633,075</u>	<u>(1,282,167)</u>
Net change in fund balance	(700)	(671,552)	(670,852)
Fund Balance, Beginning	<u>6,052,054</u>	<u>6,052,054</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 6,051,354</u>	<u>\$ 5,380,502</u>	<u>\$ (670,852)</u>

See notes to required supplementary information

City of Reedsburg

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

Fiscal Year Ending	Proportion of the Net Pension Liability/(Asset)	Proportionate Share of the Net Pension Liability/(Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/23	0.04871160%	\$ 2,580,596	\$ 7,630,239	33.82%	95.72%
12/31/22	0.04620706%	(3,724,374)	7,213,387	51.63%	106.02%
12/31/21	0.04353782%	(2,718,126)	6,560,274	41.43%	105.26%
12/31/20	0.04125717%	(1,330,319)	5,953,510	22.35%	102.96%
12/31/19	0.03962762%	1,409,826	5,538,283	25.46%	96.45%
12/31/18	0.03855570%	(1,144,764)	5,211,314	21.97%	102.93%
12/31/17	0.03831581%	315,814	4,959,220	6.37%	99.12%
12/31/16	0.03880459%	630,567	4,957,808	12.72%	98.20%
12/31/15	0.03905310%	(958,988)	4,956,357	19.35%	102.74%

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

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/23	\$ 673,173	\$ 673,173	\$ -	\$ 8,069,502	8.34%
12/31/22	590,133	590,133	-	7,630,239	7.73%
12/31/21	572,465	572,465	-	7,214,901	7.93%
12/31/20	523,103	523,103	-	6,560,275	7.97%
12/31/19	448,100	448,100	-	5,953,511	7.53%
12/31/18	424,504	424,504	-	5,538,283	7.66%
12/31/17	401,641	401,641	-	5,456,920	7.36%
12/31/16	361,343	361,343	-	4,952,868	7.30%
12/31/15	367,750	367,750	-	4,957,808	7.42%

See notes to the required supplementary information

City of Reedsburg

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 are as presented in the original budget and no amendments were adopted during the year. The City may authorize transfers of budgeted amounts within departments. Transfers between departments and changes to the overall budget must be approved by a two-thirds council 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 City 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 postretirement 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 postretirement 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

SUPPLEMENTARY INFORMATION

City of Reedsburg

Combining Balance Sheet -
Nonmajor Governmental Funds
December 31, 2023

	Special Revenue Funds				
	Taxi Grant Fund	Park Fund	Triathlon Fund	DARE Fund	Webb Endowment Fund
Assets					
Cash and investments	\$ -	\$ 271,258	\$ 43,560	\$ 17,629	\$ 293,721
Receivables:					
Taxes receivable	-	-	-	-	-
Customer accounts receivable	-	-	-	-	-
Loans	-	-	-	-	-
Due from other governments	63,369	-	-	-	-
Due from component units	-	-	-	-	50,172
Land held for resale	-	-	-	-	-
Total assets	<u>\$ 63,369</u>	<u>\$ 271,258</u>	<u>\$ 43,560</u>	<u>\$ 17,629</u>	<u>\$ 343,893</u>
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable	\$ 19,836	\$ -	\$ 185	\$ -	\$ -
Accrued liabilities	-	-	-	-	-
Due to other funds	-	-	-	-	-
Advances from other funds	81,121	-	-	-	-
Total liabilities	<u>100,957</u>	<u>-</u>	<u>185</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources					
Unearned revenue	-	-	-	-	-
Unavailable revenues	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit)					
Restricted	-	271,258	-	-	343,893
Committed	-	-	43,375	17,629	-
Assigned	-	-	-	-	-
Unassigned (deficit)	(37,588)	-	-	-	-
Total fund balances (deficit)	<u>(37,588)</u>	<u>271,258</u>	<u>43,375</u>	<u>17,629</u>	<u>343,893</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 63,369</u>	<u>\$ 271,258</u>	<u>\$ 43,560</u>	<u>\$ 17,629</u>	<u>\$ 343,893</u>

Special Revenue Funds

<u>Nishan Park Concession Stand Fund</u>	<u>Room Tax Fund</u>	<u>CDBG Fund</u>	<u>HCRI Fund</u>	<u>Home Loan Fund</u>	<u>CLOSE</u>	<u>Sidewalk Repair Fund</u>
\$ 16,998	\$ 55,485	\$ 483,326	\$ 35,147	\$ 47,406	\$ 71,385	\$ 31,857
-	-	-	-	-	-	1,193
-	-	-	-	-	-	244
-	-	632,612	5,000	41,742	74,359	-
-	-	-	-	-	87,823	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 16,998</u>	<u>\$ 55,485</u>	<u>\$ 1,115,938</u>	<u>\$ 40,147</u>	<u>\$ 89,148</u>	<u>\$ 233,567</u>	<u>\$ 33,294</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	388	-
-	-	2,363	-	-	-	-
-	-	-	-	-	-	-
-	-	2,363	-	-	388	-
-	-	-	-	-	-	1,193
-	-	-	-	-	87,823	-
-	-	-	-	-	87,823	1,193
-	55,485	1,113,575	40,147	89,148	-	-
16,998	-	-	-	-	145,356	32,101
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>16,998</u>	<u>55,485</u>	<u>1,113,575</u>	<u>40,147</u>	<u>89,148</u>	<u>145,356</u>	<u>32,101</u>
<u>\$ 16,998</u>	<u>\$ 55,485</u>	<u>\$ 1,115,938</u>	<u>\$ 40,147</u>	<u>\$ 89,148</u>	<u>\$ 233,567</u>	<u>\$ 33,294</u>

City of Reedsburg

Combining Balance Sheet -
Nonmajor Governmental Funds
December 31, 2023

	Special Revenue Funds				
	Solid Waste Fund	Mannigal Endowment Fund	Library - County Funding	Library - Investment	Popple Trail Donations
Assets					
Cash and investments	\$ 159,803	\$ -	\$ 311,848	\$ 389,477	\$ 6,000
Receivables:					
Taxes receivable	459,702	-	490,000	-	-
Customer accounts receivable	-	-	-	-	-
Loans	-	-	-	-	-
Due from other governments	-	-	-	-	-
Due from component units	-	-	-	-	-
Land held for resale	-	-	-	-	-
Total assets	<u>\$ 619,505</u>	<u>\$ -</u>	<u>\$ 801,848</u>	<u>\$ 389,477</u>	<u>\$ 6,000</u>
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable	\$ 39,989	\$ -	\$ 12,608	\$ -	\$ -
Accrued liabilities	-	-	19,847	-	-
Due to other funds	-	-	-	-	-
Advances from other funds	-	-	-	-	-
Total liabilities	<u>39,989</u>	<u>-</u>	<u>32,455</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources					
Unearned revenue	459,702	-	490,000	-	-
Unavailable revenues	-	-	-	-	-
Total deferred inflows of resources	<u>459,702</u>	<u>-</u>	<u>490,000</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit)					
Restricted	-	-	279,393	389,477	-
Committed	119,814	-	-	-	6,000
Assigned	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-
Total fund balances (deficit)	<u>119,814</u>	<u>-</u>	<u>279,393</u>	<u>389,477</u>	<u>6,000</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 619,505</u>	<u>\$ -</u>	<u>\$ 801,848</u>	<u>\$ 389,477</u>	<u>\$ 6,000</u>

Special Revenue Funds						Capital Projects Funds
Fireworks Fund	Airport	Municipal Courts	Ambulance	Affordable Housing Fund	Cemetery	Capital Equipment Fund
\$ 32,994	\$ -	\$ -	\$ -	\$ 75,274	\$ 104,646	\$ 419,702
94,500	71,598	-	-	-	-	413,600
-	864	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 127,494</u>	<u>\$ 72,462</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 75,274</u>	<u>\$ 104,646</u>	<u>\$ 833,302</u>
\$ -	\$ 1,259	\$ 9,533	\$ -	\$ -	\$ 1,256	\$ 39,518
-	401	5,400	-	-	2,354	-
-	29,495	-	853,196	-	-	-
-	-	198,060	-	-	-	-
-	31,155	212,993	853,196	-	3,610	39,518
94,500	71,598	-	-	-	-	413,600
-	-	-	-	-	-	-
<u>94,500</u>	<u>71,598</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>413,600</u>
-	-	-	-	75,274	-	-
32,994	-	-	-	-	101,036	-
-	-	-	-	-	-	380,184
-	(30,291)	(212,993)	(853,196)	-	-	-
<u>32,994</u>	<u>(30,291)</u>	<u>(212,993)</u>	<u>(853,196)</u>	<u>75,274</u>	<u>101,036</u>	<u>380,184</u>
<u>\$ 127,494</u>	<u>\$ 72,462</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 75,274</u>	<u>\$ 104,646</u>	<u>\$ 833,302</u>

City of Reedsburg

Combining Balance Sheet -
Nonmajor Governmental Funds
December 31, 2023

Capital Projects Funds

	TIF District No. 4	TIF District No. 6	TIF District No. 8	TIF District No. 9	TIF District No. 10
Assets					
Cash and investments	\$ 10,828	\$ 533,553	\$ 764,565	\$ 558,463	\$ 17,747
Receivables:					
Taxes receivable	291,604	106,846	86,535	827,373	29,866
Customer accounts receivable	-	-	-	-	-
Loans	-	-	-	-	-
Due from other governments	-	-	-	214,766	-
Due from component units	-	-	-	-	-
Land held for resale	-	-	-	699,928	-
Total assets	<u>\$ 302,432</u>	<u>\$ 640,399</u>	<u>\$ 851,100</u>	<u>\$ 2,300,530</u>	<u>\$ 47,613</u>
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ 873,875	\$ -
Accrued liabilities	-	-	-	-	-
Due to other funds	-	-	-	-	-
Advances from other funds	-	-	-	-	24,040
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>873,875</u>	<u>24,040</u>
Deferred Inflows of Resources					
Unearned revenue	291,604	106,846	86,535	827,373	29,866
Unavailable revenues	-	-	-	214,766	-
Total deferred inflows of resources	<u>291,604</u>	<u>106,846</u>	<u>86,535</u>	<u>1,042,139</u>	<u>29,866</u>
Fund Balances (Deficit)					
Restricted	10,828	533,553	764,565	384,516	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	(6,293)
Total fund balances (deficit)	<u>10,828</u>	<u>533,553</u>	<u>764,565</u>	<u>384,516</u>	<u>(6,293)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 302,432</u>	<u>\$ 640,399</u>	<u>\$ 851,100</u>	<u>\$ 2,300,530</u>	<u>\$ 47,613</u>

<u>Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
<u>TIF District No. 11</u>	
\$ 2,945,000	\$ 7,697,672
-	2,872,817
-	1,108
-	753,713
-	365,958
-	50,172
<u>224,877</u>	<u>924,805</u>
<u>\$ 3,169,877</u>	<u>\$ 12,666,245</u>

\$ 7,500	\$ 1,005,559
-	28,390
-	885,054
-	<u>303,221</u>
<u>7,500</u>	<u>2,222,224</u>

-	2,872,817
-	<u>302,589</u>
-	<u>3,175,406</u>

3,162,377	7,513,489
-	515,303
-	380,184
-	<u>(1,140,361)</u>
<u>3,162,377</u>	<u>7,268,615</u>

<u>\$ 3,169,877</u>	<u>\$ 12,666,245</u>
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City of Reedsburg

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

	Special Revenue Funds				
	Taxi Grant Fund	Park Fund	Triathlon Fund	DARE Fund	Webb Endowment Fund
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	392,177	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Public charges for services	14,517	28,800	67,833	-	-
Special assessments	-	-	-	-	-
Investment income	-	-	-	-	82,698
Miscellaneous revenues	-	-	-	8,619	-
Total revenues	<u>406,694</u>	<u>28,800</u>	<u>67,833</u>	<u>8,619</u>	<u>82,698</u>
Expenditures					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	12,688	-
Public works	240,664	-	-	-	-
Culture, recreation and education	-	-	15,884	-	-
Conservation and development	-	-	-	-	-
Health and human services	-	-	-	-	-
Capital outlay	203,865	-	-	-	-
Debt service:					
Interest	-	-	-	-	-
Total expenditures	<u>444,529</u>	<u>-</u>	<u>15,884</u>	<u>12,688</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(37,835)</u>	<u>28,800</u>	<u>51,949</u>	<u>(4,069)</u>	<u>82,698</u>
Other Financing Sources (Uses)					
Debt issued	-	-	-	-	-
Property sales	18,315	-	-	-	-
Transfers in	-	40,800	-	-	-
Transfers out	-	-	(50,000)	-	-
Premium on debt issued	-	-	-	-	-
Total other financing sources (uses)	<u>18,315</u>	<u>40,800</u>	<u>(50,000)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(19,520)	69,600	1,949	(4,069)	82,698
Fund Balances (Deficit), Beginning	<u>(18,068)</u>	<u>201,658</u>	<u>41,426</u>	<u>21,698</u>	<u>261,195</u>
Fund Balances (Deficit), Ending	<u><u>\$ (37,588)</u></u>	<u><u>\$ 271,258</u></u>	<u><u>\$ 43,375</u></u>	<u><u>\$ 17,629</u></u>	<u><u>\$ 343,893</u></u>

Special Revenue Funds

Nishan Park Concession Stand Fund	Room Tax Fund	CDBG Fund	HCRI Fund	Home Loan Fund	CLOSE	Sidewalk Repair Fund
\$ -	\$ 117,211	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	670
-	-	-	-	-	-	-
-	117,211	-	-	-	-	670
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	14,425	-	-	-	-	-
-	93,770	27,682	-	-	77,109	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	108,195	27,682	-	-	77,109	-
-	9,016	(27,682)	-	-	(77,109)	670
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	9,016	(27,682)	-	-	(77,109)	670
16,998	46,469	1,141,257	40,147	89,148	222,465	31,431
<u>\$ 16,998</u>	<u>\$ 55,485</u>	<u>\$ 1,113,575</u>	<u>\$ 40,147</u>	<u>\$ 89,148</u>	<u>\$ 145,356</u>	<u>\$ 32,101</u>

City of Reedsburg

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

	Special Revenue Funds				
	Solid Waste Fund	Mannigal Endowment Fund	Library - County Funding	Library - Investment	Popple Trail Donations
Revenues					
Taxes	\$ -	\$ -	\$ 485,000	\$ -	\$ -
Intergovernmental	10,519	-	289,265	-	-
Fines and forfeitures	-	-	-	-	-
Public charges for services	462,560	-	9,935	-	-
Special assessments	-	-	-	-	-
Investment income	-	18	-	4,894	-
Miscellaneous revenues	-	-	16,535	1,522	-
Total revenues	<u>473,079</u>	<u>18</u>	<u>800,735</u>	<u>6,416</u>	<u>-</u>
Expenditures					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	511,977	-	-	-	-
Culture, recreation and education	-	-	776,291	10,943	-
Conservation and development	-	-	-	-	-
Health and human services	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Interest	-	-	-	-	-
Total expenditures	<u>511,977</u>	<u>-</u>	<u>776,291</u>	<u>10,943</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(38,898)</u>	<u>18</u>	<u>24,444</u>	<u>(4,527)</u>	<u>-</u>
Other Financing Sources (Uses)					
Debt issued	-	-	-	-	-
Property sales	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	(23,961)	(5,000)	-	-
Premium on debt issued	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(23,961)</u>	<u>(5,000)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(38,898)	(23,943)	19,444	(4,527)	-
Fund Balances (Deficit), Beginning	<u>158,712</u>	<u>23,943</u>	<u>259,949</u>	<u>394,004</u>	<u>6,000</u>
Fund Balances (Deficit), Ending	<u>\$ 119,814</u>	<u>\$ -</u>	<u>\$ 279,393</u>	<u>\$ 389,477</u>	<u>\$ 6,000</u>

Special Revenue Funds						Capital Projects Funds
Fireworks Fund	Airport	Municipal Courts	Ambulance	Affordable Housing Fund	Cemetery Fund	Capital Equipment Fund
\$ 14,500	\$ 71,598	\$ -	\$ -	\$ -	\$ -	\$ 261,100
-	36,100	-	-	-	-	-
-	-	242,654	-	-	-	-
7,175	96,254	-	-	-	16,475	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	15,396	-	-	-	-	-
<u>21,675</u>	<u>219,348</u>	<u>242,654</u>	<u>-</u>	<u>-</u>	<u>16,475</u>	<u>261,100</u>
-	-	289,255	-	-	-	-
-	-	-	853,196	-	-	-
-	243,688	-	-	62,500	-	-
22,668	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	107,811	-
-	-	-	-	-	-	221,932
-	-	-	-	-	-	-
<u>22,668</u>	<u>243,688</u>	<u>289,255</u>	<u>853,196</u>	<u>62,500</u>	<u>107,811</u>	<u>221,932</u>
<u>(993)</u>	<u>(24,340)</u>	<u>(46,601)</u>	<u>(853,196)</u>	<u>(62,500)</u>	<u>(91,336)</u>	<u>39,168</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	139,461
-	(1,000)	-	-	(40,800)	-	-
-	-	-	-	-	-	-
-	<u>(1,000)</u>	<u>-</u>	<u>-</u>	<u>(40,800)</u>	<u>-</u>	<u>139,461</u>
(993)	(25,340)	(46,601)	(853,196)	(103,300)	(91,336)	178,629
<u>33,987</u>	<u>(4,951)</u>	<u>(166,392)</u>	<u>-</u>	<u>178,574</u>	<u>192,372</u>	<u>201,555</u>
<u>\$ 32,994</u>	<u>\$ (30,291)</u>	<u>\$ (212,993)</u>	<u>\$ (853,196)</u>	<u>\$ 75,274</u>	<u>\$ 101,036</u>	<u>\$ 380,184</u>

City of Reedsburg

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

	Capital Projects Funds				
	TIF District No. 4	TIF District No. 6	TIF District No. 8	TIF District No. 9	TIF District No. 10
Revenues					
Taxes	\$ 312,196	\$ 92,731	\$ 81,607	\$ 713,508	\$ 18,063
Intergovernmental	11,182	5,053	765	107,734	-
Fines and forfeitures	-	-	-	-	-
Public charges for services	-	-	-	-	-
Special assessments	-	-	-	-	-
Investment income	-	-	-	-	-
Miscellaneous revenues	-	-	398	-	-
Total revenues	<u>323,378</u>	<u>97,784</u>	<u>82,770</u>	<u>821,242</u>	<u>18,063</u>
Expenditures					
Current:					
General government	983	983	983	4,487	166
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Culture, recreation and education	-	-	-	-	-
Conservation and development	150	26,371	1,817	170,474	150
Health and human services	-	-	-	-	-
Capital outlay	-	-	9,052	2,193,875	-
Debt service:					
Interest	-	-	17,945	-	-
Total expenditures	<u>1,133</u>	<u>27,354</u>	<u>29,797</u>	<u>2,368,836</u>	<u>316</u>
Excess (deficiency) of revenues over expenditures	<u>322,245</u>	<u>70,430</u>	<u>52,973</u>	<u>(1,547,594)</u>	<u>17,747</u>
Other Financing Sources (Uses)					
Debt issued	-	-	735,000	-	-
Property sales	-	-	-	-	-
Transfers in	-	311,683	-	455,343	-
Transfers out	(311,683)	(31,430)	-	(227,020)	-
Premium on debt issued	-	-	-	-	-
Total other financing sources (uses)	<u>(311,683)</u>	<u>280,253</u>	<u>735,000</u>	<u>228,323</u>	<u>-</u>
Net change in fund balances	10,562	350,683	787,973	(1,319,271)	17,747
Fund Balances (Deficit), Beginning	<u>266</u>	<u>182,870</u>	<u>(23,408)</u>	<u>1,703,787</u>	<u>(24,040)</u>
Fund Balances (Deficit), Ending	<u>\$ 10,828</u>	<u>\$ 533,553</u>	<u>\$ 764,565</u>	<u>\$ 384,516</u>	<u>\$ (6,293)</u>

Capital Projects Funds	Total Nonmajor Governmental Funds
TIF District No. 11	
\$ -	\$ 2,167,514
-	852,795
-	242,654
-	703,549
-	670
-	87,610
-	42,470
<u>-</u>	<u>4,097,262</u>
-	296,857
-	865,884
-	1,058,829
-	840,211
242,027	639,550
-	107,811
841,473	3,470,197
<u>114,255</u>	<u>132,200</u>
<u>1,197,755</u>	<u>7,411,539</u>
<u>(1,197,755)</u>	<u>(3,314,277)</u>
4,295,000	5,030,000
-	18,315
-	947,287
-	(690,894)
<u>65,132</u>	<u>65,132</u>
<u>4,360,132</u>	<u>5,369,840</u>
3,162,377	2,055,563
<u>-</u>	<u>5,213,052</u>
<u>\$ 3,162,377</u>	<u>\$ 7,268,615</u>

City of Reedsburg

Statement of Cash Flows -
Component Units
Year Ended December 31, 2023

	Community Development Authority	Herbert H Webb Trust	Total
Cash Flows From Operating Activities			
Paid to primary government	\$ -	\$ (70,210)	\$ (70,210)
Paid to suppliers for goods and services	(140,400)	(34,201)	(174,601)
Net cash flows from operating activities	<u>(140,400)</u>	<u>(104,411)</u>	<u>(244,811)</u>
Cash Flows From Investing Activities			
Investments sold and matured	-	938,266	938,266
Investment income	10,789	98,680	109,469
Investments purchased	-	(966,570)	(966,570)
Net cash flows from investing activities	<u>10,789</u>	<u>70,376</u>	<u>81,165</u>
Cash Flows From Noncapital Financing Activities			
Proceeds from sales of property held for resale	172,663	-	172,663
Property purchased for resale	(23,472)	-	(23,472)
Net cash flows from noncapital financing activities	<u>149,191</u>	<u>-</u>	<u>149,191</u>
Net change in cash and cash equivalents	19,580	(34,035)	(14,455)
Cash and Cash Equivalents, Beginning	<u>48,215</u>	<u>117,489</u>	<u>165,704</u>
Cash and Cash Equivalents, Ending	<u>\$ 67,795</u>	<u>\$ 83,454</u>	<u>\$ 151,249</u>
Reconciliation of Operating Loss to Net Cash Flows From Operating Activities			
Operating loss	\$ (141,829)	\$ (116,899)	\$ (258,728)
Changes in assets and liabilities:			
Accounts receivable	130	-	130
Accounts payable	1,299	-	1,299
Due to primary government	-	12,488	12,488
Net cash flows from operating activities	<u>\$ (140,400)</u>	<u>\$ (104,411)</u>	<u>\$ (244,811)</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position			
Cash and investments, statement of net position	\$ 67,795	\$ 3,622,554	\$ 3,690,349
Less noncash equivalents	-	(3,539,100)	(3,539,100)
Cash and cash equivalents	<u>\$ 67,795</u>	<u>\$ 83,454</u>	<u>\$ 151,249</u>
Noncash Investing Activities			
Unrealized gain on investments	<u>\$ -</u>	<u>\$ 352,296</u>	