



JOHNSON BLOCK
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CITY OF DODGEVILLE, WISCONSIN

FINANCIAL STATEMENTS

Including Independent Auditor's Report

As of and for the year ended December 31, 2024

DRAFT

Johnson Block & Company, Inc.
Certified Public Accountants
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CITY OF DODGEVILLE, WISCONSIN
December 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Dodgeville
Dodgeville, Wisconsin

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Dodgeville, Wisconsin ("City"), as of and for the year ended December 31, 2024, 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 present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2024, 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). Our responsibilities under those standards are further described in the Auditor's 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's 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 auditor's 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 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 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 budgetary comparison information, the Wisconsin Retirement System schedules, the Local Retiree Life Insurance Fund schedules, and the schedule of changes in the City's total OPEB liability and related ratios 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.

Required Supplementary Information (Continued)

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 combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements presented are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Prior Year Summarized Comparative Information

The prior year summarized information has been derived from the City's 2023 financial statements, and, in our report dated July 29, 2024, we expressed unmodified opinions on the respective financial statements of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information.

Johnson Block & Company, Inc.

Johnson Block & Company, Inc.
July 23, 2025

BASIC FINANCIAL STATEMENTS

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Exhibit A-1
 City of Dodgeville, Wisconsin
 Statement of Net Position
 December 31, 2024
 (With Summarized Financial Information as of December 31, 2023)

	Primary Government				Component Unit	
	Governmental Activities	Business-type Activities	Totals	2024	2023	
	2024	2023	2024	2023		
ASSETS						
Current assets:						
Cash and investments	\$ 7,048,742	\$ 1,440,192	\$ 8,488,934	\$ 8,704,156	\$ 23,472	\$ 33,610
Cash and investments - restricted	391,943	1,417,136	1,809,079	1,629,714	46,784	56,915
Receivables:						
Taxes	2,333,028		2,333,028	2,145,760		
Customer	22,422	221,594	244,016	241,496		
Accounts receivable	89,697	2,992	92,689	87,186	3,018	
Ambulance receivable, less allowance for uncollectible accounts of \$59,742	61,858		61,858	279,078		
Leases	3,303		3,303	5,137		
Internal balances	170,459	(170,459)				
Prepaid items	62,800		62,800	48,386		
Unbilled revenue		104,009	104,009	109,856		
Materials and supplies		33,794	33,794	37,581		
Total current assets	10,184,252	3,049,258	13,233,510	13,288,350	73,274	90,525
Noncurrent assets:						
Other assets:						
Special assessments	21,566		21,566	21,566		
Lease receivable	53,299		53,299	56,602		
Total other assets	74,865		74,865	78,168		
Capital assets:						
Property, plant and equipment	38,369,524	36,126,132	74,495,656	71,387,296		
Less: accumulated depreciation	(18,545,337)	(9,100,818)	(27,646,155)	(26,243,511)		
Right to use leased assets						
Net of accumulated amortization	66,960		66,960	22,171		
Net book value of capital assets	19,891,147	27,025,314	46,916,461	45,165,956		
Total noncurrent assets	19,966,012	27,025,314	46,991,326	45,244,124		
Total assets	30,150,264	30,074,572	60,224,836	58,532,474	73,274	90,525
DEFERRED OUTFLOWS OF RESOURCES						
Pension outflows						
OPEB - group life insurance plan outflows	1,910,390	198,440	2,108,830	2,986,324		
OPEB - health insurance plan outflows	55,003		55,003	58,082		
Deferred amount on refunding		2,526		2,526		
Total deferred outflows of resources	1,967,919	198,440	2,166,359	3,047,894		
Total assets and deferred outflows of resources	\$ 32,118,183	\$ 30,273,012	\$ 62,391,195	\$ 61,580,368	\$ 73,274	\$ 90,525

Exhibit A-1 (Continued)
 City of Dodgeville, Wisconsin
 Statement of Net Position
 December 31, 2024
 (With Summarized Financial Information as of December 31, 2023)

	Primary Government						Component Unit			
	Governmental Activities		Business-type Activities		Totals					
			2024	2023	2024	2023				
LIABILITIES										
Current liabilities:										
Accounts payable	\$ 294,868	\$ 308,348	\$ 603,216	\$ 260,481	\$ 2,732	\$ 2,803				
Accrued payroll	52,316		52,316	89,590						
Accrued interest	65,806	31,127	96,933	88,755						
Deposits	2,850		2,850	2,600						
Unearned revenue	112,534		112,534	217,112						
Current portion of:										
General obligation bonds and notes	291,848	71,929	363,777	370,839						
Mortgage revenue bonds		226,706	226,706	159,015						
Lease liability	33,233		33,233	18,008						
Compensated absences	35,667	3,318	38,985							
Total current liabilities	889,122	641,428	1,530,550	1,206,400	2,732	2,803				
Noncurrent liabilities:										
General obligation bonds and notes	5,518,790	752,764	6,271,554	6,690,448						
Less: unamortized debt discount				(765)						
Unamortized debt premium	66,019		66,019	73,355						
Net pension liability	211,712	21,991	233,703	792,751						
Lease liability	67,131		67,131	23,900						
Mortgage revenue bonds		3,664,820	3,664,820	2,580,726						
Compensated absences	251,748	23,418	275,166	226,468						
OPEB - group life insurance plan	151,435		151,435	132,022						
OPEB - health insurance plan	145,136		145,136	179,493						
Less: current portion of long-term debt	(360,748)	(301,953)	(662,701)	(547,862)						
Total noncurrent liabilities	6,051,223	4,161,040	10,212,263	10,150,536						
Total liabilities	6,940,345	4,802,468	11,742,813	11,356,936	2,732	2,803				
DEFERRED INFLOWS OF RESOURCES										
Pension inflows	1,148,286	119,277	1,267,563	1,678,950						
OPEB - group life insurance plan inflows	83,628		83,628	95,081						
OPEB - health insurance plan inflows	85,796		85,796	30,222						
Lease inflows	55,954		55,954	61,859						
Deferred revenue	3,634,056		3,634,056	3,651,397						
Total deferred inflows of resources	5,007,720	119,277	5,126,997	5,517,509						
NET POSITION										
Net investment in capital assets	13,692,551	22,607,730	36,300,281	36,693,048						
Restricted for:										
Debt service	8,193		8,193	74,929						
Donor restricted	285,734		285,734	271,226						
Perpetual care endowment	3,209		3,209	3,209						
Leisure and culture endowment	103,000		103,000	103,000						
Library activities	121,817		121,817	61,949						
Affordable housing	175,866		175,866	300,866						
Environmental projects	39,249		39,249	39,249						
Mortgage revenue bonds		2,830	2,830	1,605						
DNR replacement		1,400,081	1,400,081	1,235,224						
Housing assistance payments - component unit					2,684	2,684				
WRRP - component unit					51,595	51,595				
Unrestricted	5,740,499	1,340,626	7,081,125	5,921,618	16,263	33,443				
Total net position	20,170,118	25,351,267	45,521,385	44,705,923	70,542	87,722				
Total liabilities, deferred inflows of resources, and net position	\$ 32,118,183	\$ 30,273,012	\$ 62,391,195	\$ 61,580,368	\$ 73,274	\$ 90,525				

Exhibit A-2
 City of Dodgeville, Wisconsin
 Statement of Activities
 For the Year Ended December 31, 2024
 (With Summarized Financial Information for the Year Ended December 31, 2023)

FUNCTIONS/PROGRAMS	Program Revenues				Net (Expenses) Revenues and Changes in Net Position					
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Tots		Component Unit	
					Governmental Activities	Business-type Activities	2024	2023	2024	2023
Primary government:										
Governmental activities:										
General government	\$ 854,335	\$ 121,549	\$ 97,761	\$ 750	\$ (732,036)	\$ (2,216,213)	\$ (732,036)	\$ 793,859	\$ (2,216,213)	\$ (1,897,865)
Public safety	2,935,316	621,342	410,606		(1,044,016)		(1,044,016)		(1,300,322)	
Public works	1,461,872	7,250				3,695	3,695	7,041		
Sanitation	273,146	261,676	15,165		(60,206)		(60,206)		(102,961)	
Health and social services	96,826	36,620			(723,498)		(723,498)		(730,062)	
Leisure activities	1,028,139	168,407	132,273	3,961	(187,946)		(187,946)		(125,040)	
Conservation & economic development	353,304	78,483	86,875		(183,636)		(183,636)		(217,316)	
Interest and fiscal charges	183,636									
Total governmental activities	<u>7,186,574</u>	<u>1,295,327</u>	<u>742,680</u>	<u>4,711</u>	<u>(5,143,856)</u>		<u>(5,143,856)</u>		<u>(3,572,666)</u>	
Business-type activities:										
Water	969,161	1,459,198	145,458			635,495	635,495	657,654		
Sewer	1,101,694	1,311,419	6,073			215,798	215,798	410,372		
Total business-type activities	<u>2,070,855</u>	<u>2,770,617</u>	<u>151,531</u>			<u>851,293</u>	<u>851,293</u>	<u>1,068,026</u>		
Total primary government	<u>\$ 9,257,429</u>	<u>\$ 4,065,944</u>	<u>\$ 742,680</u>	<u>\$ 156,242</u>	<u>(5,143,856)</u>		<u>(4,292,563)</u>		<u>(2,504,640)</u>	
Component unit:										
Housing Authority	<u>\$ 373,268</u>	<u>\$ 353,870</u>							<u>(19,398)</u>	<u>7,287</u>
General revenues:										
Property taxes										
General purposes					2,234,788		2,234,788		2,428,805	
Capital projects					591,972		591,972		415,411	
Tax increments					119,075		119,075		24,556	
Debt service					284,523		284,523		273,863	
Library					421,039		421,039		365,751	
Other taxes					9,193		9,193		14,139	
Federal and state aid not restricted for specific purposes					847,954		847,954		679,616	
Interest and investment earnings					291,212	133,705	424,917	339,514	2,218	1,263
Unrealized gain on investments					8,423	2,612	11,035	18,316		
Gain (loss) on sale of fixed assets					118,427		118,427		162,333	
Miscellaneous					45,102		45,102		14,067	
Transfers					170,459	(170,459)				
Uncollectible special assessments							(371,206)			
Total general revenues					<u>5,142,167</u>	<u>(34,142)</u>	<u>5,108,025</u>	<u>4,365,165</u>	<u>2,218</u>	<u>1,263</u>
Changes in net position					<u>(1,689)</u>	<u>817,151</u>	<u>815,462</u>	<u>1,860,525</u>	<u>(17,180)</u>	<u>8,550</u>
Net position - beginning of year					<u>20,171,807</u>	<u>24,534,116</u>	<u>44,705,923</u>	<u>42,845,398</u>	<u>87,722</u>	<u>79,172</u>
Net position - end of year					<u>\$ 20,170,118</u>	<u>\$ 25,351,267</u>	<u>\$ 45,521,385</u>	<u>\$ 44,705,923</u>	<u>\$ 70,542</u>	<u>\$ 87,722</u>

Exhibit A-3
 City of Dodgeville, Wisconsin
 Balance Sheet
 Governmental Funds
 December 31, 2024
 (With Summarized Financial Information as of December 31, 2023)

	General	Capital Projects	Special Purpose Library	TIF District #3	Other Governmental Funds	Totals	
						2024	2023
ASSETS							
Cash and investments	\$ 3,925,732	\$ 2,635,037	\$ 124,543	\$	\$ 363,430	\$ 7,048,742	\$ 7,591,522
Cash and investments - restricted	285,734				106,209	391,943	377,435
Receivables:							
Taxes	1,434,807	70,401	443,916	73,999	309,905	2,333,028	2,145,760
Customer	22,422					22,422	22,583
Accounts receivable	44,292			45,405		89,697	80,107
Leases	56,602					56,602	60,654
Special assessment receivable	21,566					21,566	21,566
Ambulance receivable, less allowance for uncollectible accounts of \$59,742	61,858					61,858	279,078
Due from other funds	170,459					170,459	201,612
Prepaid insurance	62,800					62,800	48,386
Advance to other funds	292,018					292,018	203,791
Total assets	\$ 6,378,290	\$ 2,705,438	\$ 568,459	\$ 119,404	\$ 779,544	\$ 10,551,135	\$ 11,032,494
LIABILITIES							
Accounts payable	\$ 77,190	\$ 210,682	\$ 2,726	\$ 3,239	\$ 1,031	\$ 294,868	\$ 183,841
Accrued payroll	52,316					52,316	89,590
Advance from other funds				292,018		292,018	203,791
Unearned revenue					112,534	112,534	217,112
Deposits	2,850					2,850	2,600
Total liabilities	132,356	210,682	2,726	295,257	113,565	754,586	696,934
DEFERRED INFLOWS OF RESOURCES							
Deferred property tax revenue	2,862,757	70,401	443,916	117,535	309,905	3,804,514	3,840,888
Deferred special assessment revenue	21,566					21,566	21,566
Deferred lease inflows	55,954					55,954	60,774
Total deferred inflows of resources	2,940,277	70,401	443,916	117,535	309,905	3,882,034	3,923,228
FUND BALANCES							
Nonspendable	355,466				103,000	458,466	355,177
Restricted	324,983		121,817		253,074	699,874	1,033,429
Assigned	381,357	2,424,355				2,805,712	2,893,543
Unassigned	2,243,851			(293,388)		1,950,463	2,130,183
Total fund balances	3,305,657	2,424,355	121,817	(293,388)	356,074	5,914,515	6,412,332
Total liabilities, deferred inflows of resources and fund balances	\$ 6,378,290	\$ 2,705,438	\$ 568,459	\$ 119,404	\$ 779,544	\$ 10,551,135	\$ 11,032,494

Exhibit A-4
 City of Dodgeville, Wisconsin
 Reconciliation of the Governmental Funds Balance Sheet
 with the Statement of Net Position
 December 31, 2024
 (With Summarized Financial Information as of December 31, 2023)

	2024	2023
Total fund balances-governmental funds:	\$ 5,914,515	\$ 6,412,332
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets and right-to-use leased assets used in governmental funds are not financial resources and therefore are not reported in the fund statements.		
Amounts reported for governmental activities in the statement of net position:		
Governmental capital asset	38,369,524	37,124,009
Governmental accumulated depreciation	(18,545,337)	(17,473,072)
Right-to-use leased assets, net of accumulated amortization	<u>66,960</u>	<u>22,171</u>
	19,891,147	19,673,108
Pension and OPEB deferred outflows of resources and deferred inflows of resources are actuarially determined by the defined benefit pension plan.		
These items are reflected in the statement of net position and are being amortized with pension expense in the statement of activities.		
The deferred outflows of resources and deferred inflows of resources are not financial resources or uses and therefore are not reported in the fund statements.		
Deferred outflows of resources	1,967,919	2,689,631
Deferred inflows of resources	(1,317,710)	(1,604,794)
Other long-term assets that are not available to pay for current-period expenditures and therefore are deferred inflows on the fund statements.		
Special assessments	21,566	21,566
Subsequent year tax equivalent from utility	170,459	189,491
Payments for bond discounts are reported in the funds statements when expended, but are amortized over the life of the bond in the statement of net position.		550
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds statements. Long-term liabilities reported in the statement of net position that are not reported in the funds balance sheet are:		
Bonds payable	(5,518,790)	(5,846,381)
Bond premium	(66,019)	(73,355)
Deferred amount on refunding		2,997
Net pension liability	(211,712)	(698,572)
Accrued interest on general obligation debt	(65,806)	(59,504)
Lease liability	(67,131)	(23,900)
Net OPEB liability	(151,435)	(132,022)
Total OPEB liability	(145,136)	(179,493)
Compensated absences	<u>(251,749)</u>	<u>(199,847)</u>
Total net position of governmental activities	<u>\$ 20,170,118</u>	<u>\$ 20,171,807</u>

Exhibit A-5
City of Dodgeville, Wisconsin
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2024
(With Summarized Financial Information for the Year Ended December 31, 2023)

	General	Capital Projects	Special Purpose Library	TIF District #3	Other Governmental Funds	Totals	
						2024	2023
REVENUES							
Taxes	\$ 2,319,971	\$ 591,972	\$ 421,039	\$ 119,075	\$ 284,523	\$ 3,736,580	\$ 3,612,782
Special assessments	188					188	114
Intergovernmental	1,333,315		116,816		115,106	1,565,237	1,206,318
Licenses and permits	141,896					141,896	118,757
Fines and forfeits	18,941		197			19,138	20,113
Public charges for services	514,589		2,375			516,964	460,104
Intergovernmental charges for services	522,433					522,433	777,534
Interest	151,310	107,858	3,701	17,745	9,829	290,443	257,984
Miscellaneous	49,924	40,815	3,961			94,700	64,533
Total revenues	5,052,567	740,645	548,089	136,820	409,458	6,887,579	6,518,239
EXPENDITURES							
Current:							
General government	674,235				13,084	115,106	802,425
Public safety	2,550,784						2,550,784
Public works	701,634						701,634
Sanitation	273,272						273,272
Leisure activities	420,214		488,221				908,435
Conservation & economic development	161,792				59,161	125,000	345,953
Health & social services	77,791					1,997	79,788
Capital outlay:							
General government		47,673					47,673
Public safety	3,225	454,815					458,040
Public works	25,089	570,204		234,252			829,545
Leisure activities	8,385	260,558					268,943
Debt service:							
Principal retirement		30,081		50,000	277,204	357,285	308,513
Interest and fiscal charges		1,908		105,880	75,571	183,359	194,682
Total expenditures	4,896,421	1,365,239	488,221	462,377	594,878	7,807,136	8,711,902
Excess (deficiency) of revenues over expenditures	156,146	(624,594)	59,868	(325,557)	(185,420)	(919,557)	(2,193,663)
OTHER FINANCING SOURCES (USES)							
Long-term debt proceeds		75,160				75,160	2,204,544
Debt premium							73,355
Lease proceeds							9,536
Transfers in	379,833	421,603				801,436	686,880
Transfers out	(421,603)			(190,328)	(14)	(611,945)	(497,254)
Unrealized gain (loss) on investments	8,423					8,423	14,550
Sale of capital assets	148,666					148,666	193,773
Total other financing sources (uses)	115,319	496,763		(190,328)	(14)	421,740	2,685,384
Net change in fund balances	271,465	(127,831)	59,868	(515,885)	(185,434)	(497,817)	491,721
Fund balances - beginning of year	3,034,192	2,552,186	61,949	222,497	541,508	6,412,332	5,920,611
Fund balances - end of year	\$ 3,305,657	\$ 2,424,355	\$ 121,817	\$ (293,388)	\$ 356,074	\$ 5,914,515	\$ 6,412,332

Exhibit A-6
 City of Dodgeville, Wisconsin
 Reconciliation of Statement of Revenues, Expenditures and Changes
 in Fund Balance of Governmental Funds to the Statement of Activities
 For the Year Ended December 31, 2024
 (With Summarized Financial Information for the Year Ended December 31, 2023)

	2024	2023
Net change in fund balances-total governmental funds	\$ (497,817)	\$ 491,721
Amounts reported for governmental activities in the statement of activities are different because:		
The acquisition of capital assets and right-to-use leased assets are reported in the governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives or the applicable lease term as annual depreciation or amortization expenses in the statement of activities.		
Capital/lease outlay reported in governmental fund statements	1,280,771	2,524,957
Donated capital assets		1,500,000
Depreciation expenses reported in the statement of activities	(1,077,282)	(1,005,569)
Amortization expense reported in the statement of activities	<u>(30,371)</u>	<u>(30,992)</u>
Amount by which capital outlays are greater (less) than depreciation in the current period.	173,118	2,988,396
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, donations and disposals) is to decrease net position:	(30,240)	(63,275)
Vested employee benefits and OPEB are reported in the governmental funds when amounts are paid. The statement of activities reports values of benefits earned during the year.		
Change in compensated absences	(51,901)	43,494
Change in OPEB - group life insurance plan liability and related deferred outflows and inflows	(11,039)	(13,942)
Change in OPEB - City health insurance plan liability and related deferred outflows and inflows	(18,691)	(20,128)
Long-term proceeds provide current financial resources to governmental funds, but issuing long-term debt increases long-term liabilities in the statement of net position. Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the statement of net position and does not affect the statement of activities.		
Principal payments on lease liabilities	31,929	32,901
Principal payments on long-term debt	327,591	275,881
Proceeds from lease liabilities	75,160	(9,536)
Proceeds from long-term debt	(75,160)	(2,204,544)
Debt premiums are reported in the governmental funds as revenues when those amounts are received. However, the premium is shown in the statement of net position and allocated over the life of the debt issue as amortization expense in the statement of activities.		
Amount of debt premium paid in the current year	7,336	
Amount of debt premium received in the current year		(73,355)
Governmental funds report the effect of debt discounts when the debt is issued. In the statement of activities, these amounts are deferred and amortized.		
The amount of debt discounts amortized in the current year	(3,547)	(7,096)

Exhibit A-6 (Continued)
 City of Dodgeville, Wisconsin
 Reconciliation of Statement of Revenues, Expenditures and Changes
 in Fund Balance of Governmental Funds to the Statement of Activities
 For the Year Ended December 31, 2024
 (With Summarized Financial Information for the Year Ended December 31, 2023)

	2024	2023
In governmental funds, the current year utility tax equivalent is deferred and and recognized as revenue in the subsequent year. In the statement of activities, this amount is recognized as a transfer in the year accrued.		
Prior year utility tax equivalent recognized as revenue in the governmental funds	\$ (189,491)	\$ (189,626)
Subsequent year utility tax equivalent recognized as a transfer for the statement of activities	<u>170,459</u>	<u>(19,032)</u> <u>189,491</u> <u>(135)</u>
In governmental funds, interest payments on outstanding debt are reported as an expenditure when paid. In the statement of activities, interest is reported as incurred.		
The amount of interest paid during the current period	147,024	79,136
The amount of interest accrued during the current period	<u>(153,326)</u>	<u>(104,480)</u>
Interest paid is greater than interest expensed by	(6,302)	(25,344)
Pension expense reported in the governmental funds represents current year required contributions into the defined benefit pension plan.		
Pension expense in the statement of activities is actuarially determined by the defined benefit pension plan as the difference between the net pension asset/liability from the prior year to the current year, with some adjustments.		
Difference between the required contributions into the defined benefit plan and the actuarially determined change in net pension asset/liability between years, with adjustments.	<u>96,906</u>	<u>(146,840)</u>
Change in net position-governmental activities	<u><u>\$ (1,689)</u></u>	<u><u>\$ 1,268,198</u></u>

Exhibit A-7
 City of Dodgeville, Wisconsin
 Statement of Net Position
 Proprietary Funds
 December 31, 2024
 (With Summarized Financial Information as of December 31, 2023)

	Enterprise Funds		Totals	
	Water Utility	Sewer Utility	2024	2023
ASSETS				
Current assets:				
Cash and investments	\$ 206,142	\$ 1,234,050	\$ 1,440,192	\$ 1,112,634
Cash and investments - restricted		1,417,136	1,417,136	1,252,279
Receivables:				
Customers	110,983	110,611	221,594	218,913
Leases				1,085
Other	206	2,786	2,992	7,079
Inventories	32,296	1,498	33,794	37,581
Unbilled revenue	54,566	49,443	104,009	109,856
Total current assets	404,193	2,815,524	3,219,717	2,739,427
Noncurrent assets:				
Capital assets:				
Property and plant	16,326,665	19,799,467	36,126,132	34,263,287
Less: accumulated provision for depreciation	(4,430,778)	(4,670,040)	(9,100,818)	(8,770,439)
Net book value of capital assets	11,895,887	15,129,427	27,025,314	25,492,848
Total noncurrent assets	11,895,887	15,129,427	27,025,314	25,492,848
Total assets	12,300,080	17,944,951	30,245,031	28,232,275
DEFERRED OUTFLOWS OF RESOURCES				
Pension outflows	136,863	61,577	198,440	354,775
Deferred amount on refunding				491
Total deferred outflows of resources	136,863	61,577	198,440	355,266
Total assets and deferred outflows of resources	\$ 12,436,943	\$ 18,006,528	\$ 30,443,471	\$ 28,587,541

Exhibit A-7 (Continued)
 City of Dodgeville, Wisconsin
 Statement of Net Position
 Proprietary Funds
 December 31, 2024
 (With Summarized Financial Information as of December 31, 2023)

	Enterprise Funds		Totals					
	Water Utility	Sewer Utility	2024	2023				
LIABILITIES								
Current liabilities:								
Accounts payable	\$ 306,363	\$ 1,985	\$ 308,348	\$ 76,640				
Due to other funds	170,459		170,459	201,612				
Accrued interest	16,902	14,225	31,127	29,251				
Current portion of:								
General obligation bonds and notes	44,596	27,333	71,929	43,426				
Mortgage revenue bonds	64,574	162,132	226,706	159,015				
Compensated absences	1,659	1,659	3,318					
Total current liabilities	604,553	207,334	811,887	509,944				
Long-term liabilities:								
General obligation bonds and notes	465,957	286,807	752,764	844,067				
Less: unamortized debt discount				(215)				
Mortgage revenue bonds	1,495,179	2,169,641	3,664,820	2,580,726				
Net pension liability	15,168	6,823	21,991	94,179				
Compensated absences	11,709	11,709	23,418	26,621				
Less: current portion	(110,829)	(191,124)	(301,953)	(202,441)				
Total long-term liabilities	1,877,184	2,283,856	4,161,040	3,342,937				
Total liabilities	2,481,737	2,491,190	4,972,927	3,852,881				
DEFERRED INFLOWS OF RESOURCES								
Pension inflows	82,265	37,012	119,277	199,459				
Lease inflows				1,085				
Total deferred inflows of resources	82,265	37,012	119,277	200,544				
NET POSITION								
Net investment in capital assets	9,934,751	12,672,979	22,607,730	22,068,761				
Restricted for:								
Mortgage revenue bonds		2,830	2,830	1,605				
DNR replacement		1,400,081	1,400,081	1,235,224				
Unrestricted	(61,810)	1,402,436	1,340,626	1,228,526				
Total net position	9,872,941	15,478,326	25,351,267	24,534,116				
Total liabilities, deferred inflows of resources, and net position	\$ 12,436,943	\$ 18,006,528	\$ 30,443,471	\$ 28,587,541				

Exhibit A-8
 City of Dodgeville, Wisconsin
 Statement of Revenues, Expenses and Changes in Net Position
 Proprietary Funds
 For the Year Ended December 31, 2024
 (With Summarized Financial Information for the Year Ended December 31, 2023)

	Enterprise Funds		Totals	
	Water Utility	Sewer Utility	2024	2023
OPERATING REVENUES				
Sales of water	\$ 1,424,867	\$ 1,424,867	\$ 1,217,496	
Measured sewer service	1,289,449	1,289,449	1,278,077	
Penalties	4,444	4,244	8,688	8,369
Other	29,887	17,726	47,613	43,463
 Total operating revenues	 1,459,198	 1,311,419	 2,770,617	 2,547,405
OPERATING EXPENSES				
Operation & maintenance	608,742	697,786	1,306,528	1,098,966
Depreciation	311,307	333,802	645,109	604,638
Taxes	16,020	15,458	31,478	24,563
 Total operating expenses	 936,069	 1,047,046	 1,983,115	 1,728,167
 Operating income	 523,129	 264,373	 787,502	 819,238
NONOPERATING REVENUES (EXPENSES)				
Interest on investments	1,891	131,814	133,705	81,232
Amortization of debt expense	(552)	(154)	(706)	(1,411)
Interest expense	(32,540)	(54,494)	(87,034)	(69,048)
Unrealized gain (loss) on investments	2,612	2,612	3,766	
Uncollectible special assessments				(371,206)
 Total nonoperating revenues (expenses)	 (31,201)	 79,778	 48,577	 (356,667)
 Income before contributions and transfers	 491,928	 344,151	 836,079	 462,571
 Capital grants and contributions	 145,458	 6,073	 151,531	 319,247
Transfer of tax equivalent	(170,459)		(170,459)	(189,491)
 Change in net position	 466,927	 350,224	 817,151	 592,327
 Net position - beginning of year	 9,406,014	 15,128,102	 24,534,116	 23,941,789
 Net position - end of year	 \$ 9,872,941	 \$ 15,478,326	 \$ 25,351,267	 \$ 24,534,116

Exhibit A-9
 City of Dodgeville, Wisconsin
 Statement of Cash Flows
 Proprietary Funds
 For the Year Ended December 31, 2024
 (With Summarized Financial Information for the Year Ended December 31, 2023)

	Enterprise Funds		Totals	
	Water Utility	Sewer Utility	2024	2023
CASH FLOWS FROM (USED BY) OPERATING ACTIVITIES				
Receipts from customers	\$ 1,461,789	\$ 1,311,994	\$ 2,773,783	\$ 2,508,990
Payments to employees	(222,025)	(104,194)	(326,219)	(381,075)
Payments for employee benefits	(67,517)	(61,393)	(128,910)	(121,356)
Payments to other funds	(31,153)		(31,153)	(495,486)
Payments to suppliers	(41,643)	(581,543)	(623,186)	(539,725)
Net cash provided by operating activities	1,099,451	564,864	1,664,315	971,348
CASH FLOWS FROM (USED BY) NONCAPITAL FINANCING ACTIVITIES				
Paid to municipality for tax equivalent	(170,459)		(170,459)	(189,491)
CASH FLOWS FROM (USED BY) CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(2,021,034)	(175,888)	(2,196,922)	(1,160,396)
Capital contributions received	145,458	6,073	151,531	
Debt proceeds	1,243,109		1,243,109	1,074,424
Debt retired	(62,835)	(187,483)	(250,318)	(180,567)
Interest paid	(29,439)	(55,719)	(85,158)	(48,531)
Net cash (used by) capital and related financing activities	(724,741)	(413,017)	(1,137,758)	(315,070)
CASH FLOWS FROM INVESTING ACTIVITIES				
Unrealized gain (loss) on investments		2,612	2,612	3,766
Marketable securities sold		77,663	77,663	74,166
Marketable securities purchased		(80,543)	(80,543)	(77,663)
Investment income	1,891	131,814	133,705	81,232
Net cash from investing activities	1,891	131,546	133,437	81,501
Net change in cash and cash equivalents	206,142	283,393	489,535	548,288
Cash and cash equivalents - beginning of the year		2,287,250	2,287,250	1,738,962
Cash and cash equivalents - end of the year	\$ 206,142	\$ 2,570,643	\$ 2,776,785	\$ 2,287,250
Reconciliation of cash and cash equivalents to statement of net position accounts				
Cash and investments	\$ 206,142	\$ 1,234,050	\$ 1,440,192	\$ 1,112,634
Restricted cash and investments		1,417,136	1,417,136	1,252,279
Subtotal	206,142	2,651,186	2,857,328	2,364,913
Less: long-term investments		(80,543)	(80,543)	(77,663)
Cash and cash equivalents	\$ 206,142	\$ 2,570,643	\$ 2,776,785	\$ 2,287,250

Exhibit A-9 (Continued)
 City of Dodgeville, Wisconsin
 Statement of Cash Flows
 Proprietary Funds
 For the Year Ended December 31, 2024
 (With Summarized Financial Information for the Year Ended December 31, 2023)

	Enterprise Funds		Totals	
	Water Utility	Sewer Utility	2024	2023
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ 523,129	\$ 264,373	\$ 787,502	\$ 819,238
Noncash items in operating income:				
Depreciation expense	330,653	333,803	664,456	623,733
Pension expense	(5,363)	9,328	3,965	35,133
Changes in assets and liabilities:				
Customer accounts receivable	(871)	(1,810)	(2,681)	(27,757)
Other accounts receivable	957	3,130	4,087	(3,281)
Leases				(32)
Unbilled revenue receivable	3,462	2,385	5,847	(10,658)
Material and supplies	3,787		3,787	(12,901)
Accounts payable	279,952	(48,244)	231,708	48,393
Due to other funds	(31,153)		(31,153)	(495,486)
Compensated absences	(5,102)	1,899	(3,203)	(5,034)
Net cash provided by operating activities	<hr/> \$ 1,099,451	<hr/> \$ 564,864	<hr/> \$ 1,664,315	<hr/> \$ 971,348
Noncash capital financing activities:				
Capital additions financed by TID 3	<hr/> \$	<hr/> \$	<hr/> \$	<hr/> \$ 319,247

Exhibit A-10
 City of Dodgeville, Wisconsin
 Statement of Fiduciary Net Position
 Fiduciary Funds
 December 31, 2024
 (With Summarized Financial Information as of December 31, 2023)

	Custodial Fund	
	Tax Collection Fund	
	2024	2023
ASSETS		
Cash and investments	\$ 2,431,943	\$ 2,991,717
Taxes receivable	4,134,034	4,082,926
 Total assets	 \$ 6,565,977	 \$ 7,074,643
LIABILITIES		
Due to other taxing units	\$ 6,565,977	\$ 7,074,643
NET POSITION		
Restricted	 \$ 6,565,977	 \$ 7,074,643
Total liabilities and net position	\$ 6,565,977	\$ 7,074,643

Exhibit A-11
City of Dodgeville, Wisconsin
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
December 31, 2024
(With Summarized Financial Information as of December 31, 2023)

	Custodial Fund	
	Tax Collection Fund	
	2024	2023
ADDITIONS		
Property tax collections for other governments	\$ 4,418,316	\$ 5,183,424
DEDUCTIONS		
Property tax collections paid or owed to other governments	4,418,316	5,183,424
Net increase (decrease) in fiduciary net position		
Net position - beginning of year		
Net position - end of year	\$	\$

NOTES TO BASIC FINANCIAL STATEMENTS

City of Dodgeville, Wisconsin
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December 31, 2024

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City of Dodgeville, Wisconsin
Notes to Basic Financial Statements
December 31, 2024

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Dodgeville, Wisconsin ("City") conform to U.S. generally accepted accounting principles (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Significant accounting policies of the City of Dodgeville are summarized below:

A. Reporting Entity

The report includes all funds and account groups of the City of Dodgeville, Wisconsin. The reporting entity for the City consists of the (a) primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. Financially accountable is defined to include the following considerations: financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, accountability for fiscal matters, the scope of an organization's public service, and/or special financing relationships.

Included in the Reporting Entity

The City has determined that the Dodgeville Housing Authority is a component unit of the City. The Dodgeville Housing Authority was created by the City of Dodgeville under the provisions of Section 66.40 to 66.404 of the Wisconsin Statutes. The central purpose of the Dodgeville Housing Authority is to provide the opportunity for the City of Dodgeville residents to live in decent, affordable and standard housing. The programs at the Dodgeville Housing Authority are created to enable Dodgeville families to improve their housing conditions. Its governing board is appointed by the City Council. The information presented is for the year ended December 31, 2024.

Financial statements of the Housing Authority can be obtained from its office in Dodgeville, Wisconsin.

Excluded From the Reporting Entity

There were no organizations that have been determined not to be part of the reporting entity based on the above criteria.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

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

City of Dodgeville, Wisconsin
Notes to Basic Financial Statements
December 31, 2024

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Government-Wide Financial Statements (Continued)

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

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

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

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

City of Dodgeville, Wisconsin
Notes to Basic Financial Statements
December 31, 2024

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Governmental Funds:

The City reports the following major governmental funds:

General Fund – The general fund is used to account for all financial resources not accounted for and reported for in another fund.

Capital Projects Fund – Accounts for all financial resources restricted, committed or assigned to expenditure for capital outlays.

Special Purpose Library – Special Revenue Fund – Accounts for the proceeds that are restricted or committed to expenditure for the City's library program. This fund is designated as major by management.

TIF No. 3 – Accounts for the proceeds of tax incremental district No. 3, that are restricted or committed to expenditure for tax incremental district No. 3, including the payment of general long-term debt principal, interest and related costs. This fund is designated as major by management.

The City reports the following nonmajor governmental funds:

Debt Service Fund – Accounts for all financial resources restricted, committed or assigned to expenditure for principal and interest.

Permanent Funds – Are used to account for resources restricted to the extent that only earnings, and not principal, may be used for purposes that support the City's programs – that is, for the benefit of the City or citizens.

- Smith Trust
- Campbell Trust

Special Revenue Funds – Accounts for proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

- Affordable Housing
- Local Fiscal Recovery Fund

Enterprise Funds:

The City reports the following major enterprise funds:

Water Utility – Accounts for operations of the water system.

Sewer Utility – Accounts for operations of the sewer system.

City of Dodgeville, Wisconsin
Notes to Basic Financial Statements
December 31, 2024

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fiduciary Funds (Not included in Government-Wide Statements)

Fiduciary funds consists of pension (and other employee benefit) trust funds, private-purpose trust funds, investment trust funds, and custodial funds. Fiduciary funds should be used only to report resources held for individuals, private organizations, or other governments. A fund is presented as a fiduciary fund when all of the following criteria are met: a) The government controls the assets that finance the activity, b) assets are not generated from the government's own-source revenues or from government-mandated or voluntary nonexchange transactions, c) assets are administered through a qualifying trust or the government does not have administrative involvement and the assets are not generated from the government's delivery of goods or services to the beneficiaries, or the assets are for the benefit of entities that are not part of the government's reporting entity.

The City reports the following fiduciary fund:

Custodial Funds - used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units. The City accounts for tax collections payable to overlying taxing jurisdictions in a custodial fund.

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

Government-Wide Financial Statements

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred, or 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 of resources. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water and sewer 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.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

City of Dodgeville, Wisconsin
Notes to Basic Financial Statements
December 31, 2024

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the 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 of resources. 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 the resources and the amounts are available. Amounts owed to the City which are not available are recorded as receivables and deferred inflows of resources. Resources (typically cash) received before all eligibility requirements have been met are reported as assets and offset by unearned revenue (a liability) unless only a time requirement has not been met. In that case, deferred inflows of resources are reported rather than a liability.

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

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.

The City reports deferred inflows of resources on its governmental funds balance sheet. Deferred inflows of resources arise from taxes levied in the current year, which are for subsequent year's operations. For governmental fund financial statements, deferred inflows of resources arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, the deferred inflows of resources is removed from the balance sheet and revenue is recognized.

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 water and sewer utility are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administration expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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.

City of Dodgeville, Wisconsin
Notes to Basic Financial Statements
December 31, 2024

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Revenues and expenditures arising from non-exchange transactions, such as property and sales taxes, fines, and grants are recorded according to Governmental Accounting Standards.

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

D. Cash and Investments

For purposes of the statement of cash flows, all cash deposits and highly liquid investments with an original maturity of three months or less (including restricted assets) are considered to be cash equivalents.

All deposits of the City are made in board designated official depositories and are secured as required by State Statute. The City may designate, as an official depository, any bank or savings association. Also, the City may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

Investments with remaining maturities at the time of purchase of one year or less are stated at amortized cost, which approximates fair value. Investments with a maturity of more than one year at acquisition and nonmoney market investments are carried at fair value as determined by quoted market prices.

E. Receivables and Allowance for Uncollectible Accounts

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 state and county governments as well as the local school district and technical college district. Taxes for all state and local governmental units billed in the current year for the succeeding year are reflected as receivables and due to other taxing units in the accompanying agency fund balance sheet.

Property tax calendar - 2024 tax roll:

Lien date and levy date	December 2024
Tax bills mailed	December 2024
Payment in full, or	January 31, 2025
First installment due	January 31, 2025
Second installment due	July 31, 2025
Tax sale- 2024 delinquent real estate taxes	October 2028

An allowance of \$59,742 for uncollectible ambulance receivable has been reflected in the government financial statements. Delinquent user charges are placed on the tax roll if not collected. Delinquent special assessments and charges are not paid in full by Iowa County.

City of Dodgeville, Wisconsin
Notes to Basic Financial Statements
December 31, 2024

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Receivables and Allowance for Uncollectible Accounts (Continued)

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 government-wide financial statements as "internal balances."

In the governmental fund financial statements, advances to other funds are offset equally by a fund balance reserve account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation.

Lease Receivable

The City's lease receivables are measured at the present value of lease payments expected to be received during the lease term.

A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

Leases – in the governmental funds, when the year-end receivable balance exceeds the deferred inflow of resources, the difference is presented as nonspendable fund balance.

F. Inventories and Prepaid Items

Inventories of governmental fund types consist of expendable supplies held for consumption. Such amounts, which are not of a material amount, are considered expenditures when purchased and, accordingly, are not reflected on the Balance Sheet – Governmental Funds.

Inventories of proprietary fund types are valued at cost using the first-in, first-out method and are charged as expenses or are capitalized when used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

G. 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.

City of Dodgeville, Wisconsin
Notes to Basic Financial Statements
December 31, 2024

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Capital Assets

Government-Wide Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets are defined by the government as assets with an initial cost of more than \$5,000 and an estimated useful life in excess of one year. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated fixed assets are recorded at acquisition value.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. The cost of 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 of all exhaustible fixed assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

	Years
Buildings	20-40
Machinery and Equipment	5-20
Vehicles	5
Furniture and Fixtures	5-20
Infrastructure	20-50

Fund Financial Statements

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

Right to Use Leased Assets

The City has recorded a right to use leased asset as a result of implementing GASB 87. The right to use leased assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary changes necessary to place the lease into service. The right to use leased assets are amortized on a straight-line basis over the life of the related lease.

I. Unearned Revenue

The City reports unearned revenue on its governmental funds balance sheet. Unearned revenue arises when resources are received before the City has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when the City has a legal claim to the resources, the unearned revenue is removed from the balance sheet and revenue is recognized.

City of Dodgeville, Wisconsin
Notes to Basic Financial Statements
December 31, 2024

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Compensated Absences/Postemployment Benefits

Under terms of employment, employees are granted sick leave and vacation in varying amounts. Benefits considered more likely than not to be used or settled at termination are recognized in the financial statements.

Amounts of accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported as liabilities in the Statement of Net Position. A liability is also recorded for accumulating rights to receive sick pay benefits for the portion more likely than not to be used by employees. Additionally, a liability is recognized for that portion of accumulating sick leave benefit that it is estimated will more likely than not to be paid upon termination. 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, 2024 are determined on a basis of current salary rates and include salary related payments.

All full-time non-union management employees and full-time employees shall earn one-day sick leave with pay for each calendar month. Unused sick leave may accumulate without limit for the employee's personal use in the event of illness or injury only. For any other purpose unused sick leave may accumulate to a maximum of one hundred fifty (150) working days.

Upon the retirement or death of an eligible employee, the value of up to seventy-five days (600 hours) of accumulated sick leave at \$15.00/hour shall be deposited in the City's retirement HRA plan. The remaining current value, if any, of the employee's accumulated sick days/hours will be deposited in the City's 457 deferred compensation plan as a nonelective employer contribution up to the annual contribution limit or catch-up contribution limit, if applicable. In the event the contribution limit has been reached for an employee in the year of retirement, the remaining value will be paid to the employee in cash. An "eligible employee" under this section means an employee who meets the "rule of 72," i.e., an employee whose age and years of service with the City total at least 72 and who regularly works at least 20 hours per week. Expenditures for these benefits are recognized in the fund statements on a pay-as-you-go-basis.

K. Advances to Other Funds

Long-term interfund advances made by governmental funds are recorded as a receivable as reserved fund balance by the advancing fund. Repayments are credited to fund balance, and corresponding reductions are made in the receivable and the reserve.

L. Long-Term Obligations

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

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

M. Claims and Judgments

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental funds. If they are not to be liquidated with expendable available financial resources, no liability is recognized in the governmental fund statements. The related expenditure is recognized when the liability is liquidated. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred. There were no significant claims or judgments at year-end.

City of Dodgeville, Wisconsin
Notes to Basic Financial Statements
December 31, 2024

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. 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 of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital 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 position that do not meet the definition of "restricted" or "net investment in capital assets."

Fund Statements

The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used.

- Nonspendable fund balance – amounts that are not in a spendable form (such as inventory) or are required to be maintained intact.
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government) through constitutional provisions, or by enabling legislation.
- Committed fund balance – amounts constrained to specific purposes by the Council, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the Council takes the same highest level action to remove or change the constraint.
- Assigned fund balance – includes spendable fund balance amounts that are intended to be used for specific purposes that are not considered restricted or committed. Fund balance may be assigned through the following; 1) Common Council identification 2) All remaining positive spendable amounts in governmental funds, other than the general fund, that are neither restricted nor committed. Assignments may take place after the end of the reporting period.
- Unassigned fund balance – 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.

The City Common Council, as the City's highest level of decision-making authority, may commit fund balance for specific purposes pursuant to constraints imposed by formal actions taken, such a majority vote or resolution. These committed amounts cannot be used for any other purpose unless the Common Council removes or changes the specific use through the same type of formal action taken to establish the commitment. Common Council action to commit fund balance needs to occur within the fiscal reporting period, no later than December 31st; however, the amount can be determined subsequent to the release of the financial statements. At the time of adoption of this policy, the City does not have any reserves that meet this component of fund balance.

City of Dodgeville, Wisconsin
Notes to Basic Financial Statements
December 31, 2024

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Equity Classifications (Continued)

The City's policy hereby delegates the authority to assign amounts to be used for specific purposes to the City Clerk/Treasurer for the purpose of reporting these amounts in the annual financial statements.

The City will maintain an economic uncertainty reserve of at least 15% of total General Fund operating expenditures (including other financing). The primary purpose of this reserve is to avoid the need for service level reductions in the event of an economic downturn causes revenues to come in lower than budget. This reserve may be increased from time to time in order to address specific anticipated revenue shortfalls (state actions, etc.).

The City considers restricted fund balances to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Similarly, when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, the City considers committed amount to be reduced first, followed by assigned amounts and then unassigned amounts.

O. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omission; injuries to employees; and natural disasters. The City maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the City. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

P. Transfers

Transfers include the payment in lieu of taxes from the water utility to the general fund. See Audit Note 10 for other transfers.

Q. Summarized Comparative Information

The basic financial statements include certain prior year summarized comparative information in total, but not at the level of detail for a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended December 31, 2023, from which the summarized information was derived.

R. Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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 these estimates.

City of Dodgeville, Wisconsin
Notes to Basic Financial Statements
December 31, 2024

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

S. Pensions

The fiduciary net position of the Wisconsin Retirement System (WRS) has been determined using the flow of economic resources measurement focus and accrual basis of accounting. This includes for purposes of measuring the following:

- Net Pension Liability (Asset),
- Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, and
- Pension Expense (Revenues)

Information about the fiduciary net position of the WRS and additions to/deductions from the 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.

T. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expenditure) until then. The City has four items that qualify for reporting in this category. The deferred outflows of resources are for the WRS pension system, the Local Retiree Life Insurance Fund, deferred amount on refunding, and unamortized major repairs.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position which applies to future periods and so will not be recognized as an inflow of resource (revenue) until then. The deferred inflows of resources are related to the WRS pension system, the Local Retiree Life Insurance Fund, and deferred property tax revenue.

The net position of the City is significantly impacted by the combined effect of deferred outflows and inflows of resources from the pension and OPEB plans.

U. Other Postemployment Benefits

OPEB Group life insurance plan

The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the following:

- Net OPEB Liability (Asset),
- Deferred Outflows of Resources and Deferred Inflows of Resources Relating to OPEBs, and
- OPEB Expense (Revenue).

Information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIF's fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments (including refunds of member contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

City of Dodgeville, Wisconsin
Notes to Basic Financial Statements
December 31, 2024

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

U. Other Postemployment Benefits (Continued)

City Health Insurance Plan

For purposes of measuring the OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information of the City's Other Postemployment Benefit Plan (the Plan) has been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognized benefit payments when due and payable in accordance with the benefit terms.

V. Change in Accounting Principles

Effective January 1, 2024, the City adopted GASB Statement No. 100, Accounting Changes and Error Corrections. GASB 100 was issued to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The City did not have any accounting changes or error corrections requiring disclosure in the financial statements.

Effective January 1, 2024, the City adopted GASB Statement No. 101, Compensated Absences. GASB 101 was issued to provide guidance on the accounting and financial reporting for compensated absences. The City's calculation of the compensated absences liability did not change as a result of implementing this standard.

NOTE 2 EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS
AND GOVERNMENT-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used on the government fund statements and government-wide statements certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items.

Explanation of Differences between Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances and the Statement of Activities

Differences between the governmental funds statement of revenues, expenditures and changes in fund balance and the statement of activities fall into one of three broad categories.

- a. Long-term revenue differences arise because governmental funds report revenues only when they are considered "available," whereas the statement of activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis whereas the accrual basis of accounting is used on the statement of activities.
- b. Capital related differences include (1) the difference between proceeds for the sale of capital assets reported on governmental fund statements and the gain or loss on the sale of assets as reported on the statement of activities, and (2) the difference between recording an expenditure for the purchase of capital items in the governmental fund statements, and capitalization and recording depreciation expense on those items as recorded in the statement of activities.
- c. Long-term debt transaction differences occur because long-term debt proceeds are recorded as revenue and both interest and principal payments are recorded as expenditures in the governmental fund statements. In the statement of activities, long-term debt proceeds are recorded as a liability, interest expense is recorded as incurred, and principal payments are recorded as a reduction of liabilities.

City of Dodgeville, Wisconsin
Notes to Basic Financial Statements
December 31, 2024

NOTE 3

CASH AND INVESTMENTS

At December 31, 2024, cash and investments included the following:

Deposits with financial institutions	\$ 10,238,826
Wisconsin Local Government Investment Pool	1,969,853
Municipal bonds	520,577
Petty cash	700
Total cash and investments	<u>\$ 12,729,956</u>

Cash and investments as of December 31, 2024, are classified in the accompanying financial statements as follows:

Exhibit A-1:

Cash and investments	\$ 8,488,934
Cash and investments-restricted	1,809,079

Exhibit A-10:

Cash and investments	2,431,943
Total cash and investments	<u>\$ 12,729,956</u>

Investments Authorized by Wisconsin State Statutes

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

- Time deposits in any credit union, bank, savings bank, trust company or savings and loan association.
- Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state.
- Bonds or securities issued or guaranteed by the federal government.
- The local government investment pool.
- Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- Repurchase agreements with public depositories, with certain conditions.
- Bonds issued by a local exposition district.
- Bonds issued by a local professional baseball park district.
- Bonds issued by the University of Wisconsin Hospital and Clinics Authority.
- Bonds issued by a local football stadium district.
- Bonds issued by a local arts district.
- Bonds issued by the Wisconsin Aerospace Authority.

City of Dodgeville, Wisconsin
 Notes to Basic Financial Statements
 December 31, 2024

NOTE 3

CASH AND INVESTMENTS (CONTINUED)

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

The City has chosen to limit its investments to 1 to 3 years in bank Certificates of Deposit or U.S. Treasury obligations of core city funds.

Information about the sensitivity of the fair values of the City's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

Investment Type	Remaining Maturity	
	Amount	12 Months or Less
Certificates of deposit	\$ 1,191,620	\$ 1,191,620
Local Government Investment Pool	1,969,853	1,969,853
Municipal bonds	520,577	520,577
Totals	\$ 3,682,050	\$ 3,682,050

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments in commercial paper, corporate bonds and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The City is empowered by statute to invest in the following types of investments:

1. Time deposits in an authorized bank, savings bank, trust company, credit union or savings and loan association which is authorized to transact business in this State if the time deposits mature in not more than 3 years.
2. Bonds or securities issued or guaranteed as to principal and interest by the federal government, or by a commission, board or other instrumentality of the federal government.
3. The State of Wisconsin Local Government Investment Pool.
4. The Wisconsin Investment Trust.
5. Mortgage backed securities, derivatives, and mutual funds are not permitted.

As of December 31, 2024, the City's investments were rated as follows:

Investment Type	Value	Standard & Poor's Credit Ratings	
		AAA	Not Rated
Certificates of deposit	\$ 1,191,620		\$ 1,191,620
Local Government Investment Pool	1,969,853		1,969,853
Municipal bonds	520,577	520,577	
Total	\$ 3,682,050	\$ 520,577	\$ 3,161,473

City of Dodgeville, Wisconsin
Notes to Basic Financial Statements
December 31, 2024

NOTE 3

CASH AND INVESTMENTS (CONTINUED)

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City would not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial risk for investments is the risk that, in the event of failure of the counterparty (e.g. broker-dealer) to a transaction, the City would not be able to recover the value of its investment of collateral securities that are in possession of another party.

The City's investment policy states that the City shall maintain all cash and investments, which includes authorized investment vehicles that are insured or registered or which are collateralized by or evidenced by securities held by the City, in the City's name. Collateralization in some form shall cover those deposits in excess of \$500,000.

The policy also states that because of the State of Wisconsin and FDIC insurance limits on public deposits, the City of Dodgeville will require financial institutions to secure deposits and investments by pledging as collateral, U.S. Treasury bills, notes, bonds, U. S. Government Agencies or State of Wisconsin general obligation bonds or a bank deposit guaranty bond.

Federal Deposit Insurance Corporation (FDIC) Insurance

The insurance coverage of public unit accounts depends upon the type of deposit and the location of the insured depository institution. All time and savings deposits owned by a public unit and held by the public unit's official custodian in an insured depository institution within the State in which the public unit is located are added together and insured up to \$250,000. Separately, all demand deposits owned by a public unit and held by the public unit's official custodian in an insured depository institution within the State in which the public unit is located are added together and insured up to \$250,000. For the purpose of these rules, the term 'time and savings deposits' includes NOW accounts and money market deposit accounts but does not include interest bearing demand deposit accounts. The term 'demand deposits' means both interest-bearing and noninterest-bearing deposits that are payable on demand and for which the depository institution does not reserve the right to require advance notice of an intended withdrawal.

Collateralization of Public Unit Deposits

Depending on applicable state or federal law, public unit deposits may be secured by collateral or assets of the bank. In the event of the failure of the bank, the FDIC will honor the collateralization agreement if the agreement is valid and enforceable under applicable law. The FDIC does not guarantee, however, that the collateral will be sufficient to cover the amount of the uninsured funds. As such, although it does not increase the insurance coverage of the public unit deposits, collateralization provides an avenue of recovery in the unlikely event of the failure of an insured bank.

Bank accounts and the local government investment pool are also insured by the State Deposit Guarantee Fund in the amount of \$1,000,000. However, due to the relatively small size of the Guarantee Fund in relationship to the total deposits covered and other legal implications, recovery of material principal losses may be significant to individual organizations.

City of Dodgeville, Wisconsin
Notes to Basic Financial Statements
December 31, 2024

NOTE 3

CASH AND INVESTMENTS (CONTINUED)

As of December 31, 2024, \$243,832 of the City's deposits with financial institutions were in excess of federal depository insurance limits. \$7,551,181 of deposits were collateralized by securities pledged by financial institutions.

Fluctuating cash flows during the year due to tax collections, receipt of state aids and proceeds from borrowing may have resulted in temporary balances during the year being exposed to custodial credit risk.

Wisconsin Local Government Investment Pool

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 (SWIB). 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. All investments are valued at amortized cost by the SIF for purposes of calculating earnings to each participant. Specifically, the SIF distributes income to pool participants monthly, based on their average daily share balance. Distributions include interest income based on stated rates (both paid and accrued), amortization of discounts and premiums on a straight-line basis, realized investment gains and losses calculated on an amortized cost basis, and investment expenses. This method does not distribute to participants any unrealized gains or losses generated by the pool's investments. Detailed information about the SIF is available in separately issued financial statements available at <https://doa.wi.gov/Pages/StateFinances/LGIP.aspx>. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2024, the fair value of the City's share of the LGIP's assets was substantially equal to the amount reported above. Information on derivatives was not available to the City.

SWIB may invest in obligations of the U.S. Treasury and its agencies, Commercial Paper, Bank Time Deposits/Certificates of Deposit, Bankers' Acceptances, Asset Backed Securities and Repurchase Agreements secured by the U.S. Government or its agencies and other instruments authorized under State Investment Fund Investment guidelines.

Investment allocation in the LGIP as of December 31, 2024 was: 97.0% in U.S. Government Securities and 3.0% in Commercial Paper, CDs, and Time Deposits. The Wisconsin State Treasurer updates the investment allocations on a monthly basis.

The Securities Investor Protection Corporation (SIPC), created by the Securities Investor Protection Act of 1970, is an independent government-sponsored corporation (not an agency of the U.S. government). TD Ameritrade's SIPC membership provides account protection up to a maximum of \$500,000 per customer.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer. The City places no limit on the amount the City may invest in any one issuer. As of December 31, 2024, the investment portfolio had no concentrations of investments greater than 5% of the total portfolio.

City of Dodgeville, Wisconsin
Notes to Basic Financial Statements
December 31, 2024

NOTE 3

CASH AND INVESTMENTS (CONTINUED)

Fair Value Measurement

Financial assets required to be measured on a recurring basis are classified under a three-tier hierarchy for fair value investments. Fair value is the amount that would be received to sell an asset, or paid to settle a liability, in an orderly transaction between market participants at the measurements date.

The City uses the following hierarchical disclosure framework:

Level 1 – Measurement based upon quoted prices for identical assets in an active market as of the reporting date.

Level 2 – Measurement based upon marketplace inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Measurement based on the City's assumptions about a hypothetical marketplace because observable market inputs are not available as of the reporting date.

The City uses appropriate valuation techniques based on the available inputs to measure the fair values of its assets and liabilities. When available, the City measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs have the lowest priority.

	Assets at Fair Value as of December 31, 2024	
	Fair Value	Level 2
	\$	\$
Municipal bonds	520,577	520,577

City of Dodgeville, Wisconsin
Notes to Basic Financial Statements
December 31, 2024

NOTE 4

CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2024 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities				
Capital assets not being depreciated:				
Construction work in progress	\$ 885,258	\$ 153,156	\$ (859,581)	\$ 178,833
Land	2,223,391		(30,240)	2,193,151
Total capital assets not being depreciated	<u>3,108,649</u>	<u>153,156</u>	<u>(889,821)</u>	<u>2,371,984</u>
Capital assets being depreciated:				
Land improvements	365,978	22,962		388,940
Buildings and improvements	5,178,443	395,497		5,573,940
Equipment	3,612,791	169,527	(5,016)	3,777,302
Vehicles	3,745,607	362,193		4,107,800
Furniture and fixtures	98,539			98,539
Infrastructure	21,014,002	1,037,017		22,051,019
Total capital assets being depreciated	<u>34,015,360</u>	<u>1,987,196</u>	<u>(5,016)</u>	<u>35,997,540</u>
Less accumulated depreciation for:				
Land improvements	(95,202)	(20,680)		(115,882)
Buildings and improvements	(2,183,718)	(125,566)		(2,309,284)
Equipment	(2,546,294)	(215,150)	5,016	(2,756,428)
Vehicles	(2,872,511)	(130,880)		(3,003,391)
Furniture and fixtures	(98,539)			(98,539)
Infrastructure	(9,676,808)	(585,005)		(10,261,813)
Total accumulated depreciation	<u>(17,473,072)</u>	<u>(1,077,281)</u>	<u>5,016</u>	<u>(18,545,337)</u>
Net capital assets being depreciated	<u>16,542,288</u>	<u>909,915</u>		<u>17,452,203</u>
Right-to-use leased assets being amortized				
Equipment	154,957	75,160		230,117
Less accumulated amortization:				
Equipment	(132,786)	(30,371)		(163,157)
Net right-to-use leased assets being amortized	<u>22,171</u>	<u>44,789</u>		<u>66,960</u>
Total net capital assets	<u><u>\$ 19,673,108</u></u>	<u><u>\$ 1,107,860</u></u>	<u><u>\$ (889,821)</u></u>	<u><u>\$ 19,891,147</u></u>

Depreciation expense was charged to functions as follows:

Governmental activities

General government	\$ 60,154
Public safety	256,356
Public works, which includes the depreciation of infrastructure	634,129
Leisure activities	109,790
Health and human services	16,852
Total governmental activities depreciation expense	<u><u>\$ 1,077,281</u></u>

City of Dodgeville, Wisconsin
Notes to Basic Financial Statements
December 31, 2024

NOTE 4

CAPITAL ASSETS (CONTINUED)

Amortization expense was charged to functions as follows:

Public works	\$ 28,464
Leisure activities	1,907
Total	<u><u>\$ 30,371</u></u>

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type activities:				
Capital assets not being depreciated:				
Land and land rights:				
Sewer	\$ 35,255	\$	\$	35,255
Water	17,799			17,799
Construction work in progress	<u>590,061</u>	<u>1,681,999</u>	<u>(1,939,573)</u>	<u>332,487</u>
Total capital assets not being depreciated	<u>643,114</u>	<u>1,681,999</u>	<u>(1,939,573)</u>	<u>385,540</u>
Capital assets being depreciated:				
Water:				
Source of supply	419,275			419,275
Pumping	1,244,954	1,617,890	(248,465)	2,614,379
Water treatment	27,104	45,613		72,717
Transmission and distribution	12,261,665	471,946	(34,675)	12,698,936
General	160,515	51,194	(42,897)	168,812
Sewer:				
Collecting system	9,047,462	217,765	(8,040)	9,257,187
Collecting system pumping plant	563,298	41,000		604,298
Treatment and disposal plant	8,823,798			8,823,798
General plant	<u>1,072,102</u>	<u>6,072</u>		<u>1,078,174</u>
Total capital assets being depreciated	<u>33,620,173</u>	<u>2,451,480</u>	<u>(334,077)</u>	<u>35,737,576</u>
Total accumulated depreciation	<u>(8,770,439)</u>	<u>(664,456)</u>	<u>334,077</u>	<u>(9,100,818)</u>
Net capital assets being depreciated	<u>24,849,734</u>	<u>1,787,024</u>		<u>26,636,758</u>
Total net capital assets	<u>\$25,492,848</u>	<u>\$3,469,023</u>	<u>\$ (1,939,573)</u>	<u>\$ 27,022,298</u>

City of Dodgeville, Wisconsin
 Notes to Basic Financial Statements
 December 31, 2024

NOTE 4

CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions as follows:

Business-type activities:

Sewer utility	\$ 333,796
Water utility	<u>330,660</u>
Total depreciation expense	664,456
Less: water depreciation expense allocated to sewer	<u>(19,347)</u>
Total depreciation expense per exhibit A-8	<u><u>\$ 645,109</u></u>

NOTE 5

LEASES

Lease Receivable

The City has entered into lease agreements where the City leases land for commercial and agricultural use and water tower space for wireless broadband communication services operations. In the statement of activities, lease revenue for the year ended December 31, 2024 was as follow:

	Year Ending	
	<u>December 31, 2024</u>	
Lease revenue:		
Land	\$ 3,998	
Water tower space	<u>1,085</u>	
Total lease revenue	5,083	
Interest revenue	<u>1,819</u>	
Total	<u><u>\$ 6,902</u></u>	

Aggregate cash flows for the revenue generated by the lease receivable and interest at December 31, 2024 are as follows:

Years Ended	<u>Governmental Activities</u>			
	December 31,	Principal	Interest	Total
2025	\$ 3,303	\$ 1,621	\$ 4,924	
2026	3,404	1,518	4,922	
2027	3,507	1,411	4,918	
2028	3,614	1,301	4,915	
2029	3,724	1,188	4,912	
2030 - 2034	20,390	4,115	24,505	
2035 - 2038	18,660	873	19,533	
Totals	<u>\$ 56,602</u>	<u>\$ 12,027</u>	<u>\$ 68,629</u>	

City of Dodgeville, Wisconsin
Notes to Basic Financial Statements
December 31, 2024

NOTE 6

LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2024 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due within One Year
<u>Governmental activities</u>					
Bonds and notes payable:					
Notes from direct borrowings and direct placements	\$ 843,549	\$	\$ (128,837)	\$ 714,712	\$ 133,010
General obligation bonds	5,002,832		(198,754)	4,804,078	158,838
Less: deferred amount on refunding	(2,997)		2,997		
Less: unamortized debt discount	(550)		550		
Unamortized debt premium	73,355		(7,336)	66,019	
Total bonds and notes payable	<u>5,916,189</u>		<u>(331,380)</u>	<u>5,584,809</u>	<u>291,848</u>
Other liabilities:					
Lease liability	23,900	75,160	(31,929)	67,131	33,233
Compensated absences	199,847	51,902		251,749	35,667
Total other liabilities	<u>223,747</u>	<u>127,062</u>	<u>(31,929)</u>	<u>318,880</u>	<u>68,900</u>
Total governmental activities long-term liabilities	<u><u>\$ 6,139,936</u></u>	<u><u>\$ 127,062</u></u>	<u><u>\$ (363,309)</u></u>	<u><u>\$ 5,903,689</u></u>	<u><u>\$ 360,748</u></u>
<u>Business-type activities</u>					
Bonds and notes payable:					
General obligation bonds	\$ 844,067	\$	\$ (91,303)	\$ 752,764	\$ 71,929
Less: deferred amount on refunding	(491)		491		
Less: unamortized debt discount	(215)		215		
Mortgage revenue bonds-direct	2,580,726	1,243,109	(159,015)	3,664,820	226,706
Total bonds and notes payable	<u>3,424,087</u>	<u>1,243,109</u>	<u>(249,612)</u>	<u>4,417,584</u>	<u>298,635</u>
Other liabilities:					
Compensated absences	26,621		(3,203)	23,418	3,318
Total business-type activities long-term liabilities	<u><u>\$ 3,450,708</u></u>	<u><u>\$ 1,243,109</u></u>	<u><u>\$ (252,815)</u></u>	<u><u>\$ 4,441,002</u></u>	<u><u>\$ 301,953</u></u>

The change in compensated absences liability is presented as a net change.

In addition to the City's governmental debt service fund, debt service payments are being made by the City's capital projects fund and TIF District #3.

The lease liability attributed to governmental activities is typically being liquidated by the capital projects fund.

City of Dodgeville, Wisconsin
 Notes to Basic Financial Statements
 December 31, 2024

NOTE 6

LONG-TERM OBLIGATIONS (CONTINUED)

General Obligation Debt

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

In accordance with Wisconsin Statutes, total general obligation indebtedness of the City may not exceed five percent of the equalized value of taxable property within the City's jurisdiction. The debt limit as of December 31, 2024 was \$29,039,420. Total general obligation debt outstanding at year-end was \$6,271,554.

	Date of Issue	Final Maturity	Interest Rates	Original Amount	Balance 12/31/24
<u>Governmental activities</u>					
General obligation debt:					
General obligation notes	9/30/16	9/29/26	1.79%	\$ 250,000	\$ 53,671
General obligation notes	6/30/17	6/29/27	2.20%	500,000	161,721
General obligation notes	11/16/21	1/4/23	1.50%	700,000	499,321
General obligation bonds	12/16/21	3/1/41	0.8-2.0%	1,880,000	1,855,000
General obligation refunding bond	3/17/22	3/1/41	2.75%	770,000	745,000
General obligation notes	4/18/23	4/19/33	3.69%	1,139,544	1,139,077
General obligation bonds	12/13/23	3/1/37	4.00-5.00%	1,065,000	1,065,000
Total governmental activities - general obligation debt				\$ 5,518,790	

	Date of Issue	Final Maturity	Interest Rates	Original Amount	Balance 12/31/24
<u>Business-type activities</u>					
General obligation debt:					
General obligation notes	4/18/23	4/19/33	3.69%	\$ 822,354	\$ 752,764

City of Dodgeville, Wisconsin
 Notes to Basic Financial Statements
 December 31, 2024

NOTE 6

LONG-TERM OBLIGATIONS (CONTINUED)

General Obligation Debt (Continued)

Debt service requirements to maturity are as follows for governmental activities:

Years	Governmental Activities					
	Notes from Direct Borrowings and Direct Placements			General Obligation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 133,010	\$ 26,024	\$ 159,034	\$ 158,838	\$ 147,827	\$ 306,665
2026	136,898	22,071	158,969	212,911	142,668	355,579
2027	112,984	19,022	132,006	307,134	134,831	441,965
2028	60,804	14,325	75,129	346,434	123,718	470,152
2029	63,463	11,666	75,129	351,060	111,405	462,465
2030-2034	207,553	18,113	225,666	1,797,701	362,965	2,160,666
2035-2039				1,215,000	119,219	1,334,219
2040-2041				415,000	9,506	424,506
Totals	\$ 714,712	\$ 111,221	\$ 825,933	\$ 4,804,078	\$ 1,152,139	\$ 5,956,217

Debt service requirements to maturity are as follows for business-type activities:

Years	Business-Type Activities		
	General Obligation Bonds		
Principal	Interest	Total	
2025	\$ 71,929	\$ 38,319	\$ 110,248
2026	74,620	34,659	109,279
2027	77,412	30,862	108,274
2028	80,253	26,997	107,250
2029	83,310	22,840	106,150
2030-2033	365,240	47,382	412,622
Totals	\$ 752,764	\$ 201,059	\$ 953,823

City of Dodgeville, Wisconsin
 Notes to Basic Financial Statements
 December 31, 2024

NOTE 6

LONG-TERM OBLIGATIONS (CONTINUED)

Revenue Debt

Revenue bonds are payable only from revenues derived from the operation of the utility.

Revenue debt payable at December 31, 2024 consists of the following:

	Date of Issue	Final Maturity	Interest Rate	Original Amount	Balance 12/31/24
<u>Business-type activities</u>					
Revenue debt					
Clean water revenue bonds	12/28/16	5/1/36	1.96%	\$3,221,580	\$ 2,169,641
Safe drinking water revenue bonds	9/27/23	5/1/43	2.15%	252,070	1,495,179
Total business activities - revenue debt					<u><u>\$ 3,664,820</u></u>

Safe drinking water revenue bonds have a maximum loan amount of \$2,208,649. As of December 31, 2024, the utility has up to \$713,470 of loan disbursements available.

Debt service requirements to maturity are as follows:

Years	Business-type Activities			Total
	Principal	Interest	Revenue Debt	
2025	\$ 226,706	\$ 72,049	\$ 298,755	
2026	231,268	67,706	298,974	
2027	235,923	63,004	298,927	
2028	240,672	58,208	298,880	
2029	245,516	53,314	298,830	
2030-2034	1,303,738	189,649	1,493,387	
2035-2039	814,289	70,885	885,174	
2039-2043	366,708	15,940	382,648	
Totals	\$ 3,664,820	\$ 574,815	\$ 3,872,927	

City of Dodgeville, Wisconsin
Notes to Basic Financial Statements
December 31, 2024

NOTE 6

LONG-TERM OBLIGATIONS (CONTINUED)

Lease Liability

The City has entered into lease agreements that allow the right-to-use equipment over the terms of the leases.

Aggregate cash flow requirements for the retirement of the lease liability and interest at December 31, 2024 were as follows:

Years	Lease Liability		
	Principal	Interest	Total
2025	\$ 33,233	\$ 2,973	\$ 36,206
2026	22,551	1,168	23,719
2027	11,347	267	11,614
Totals	\$ 67,131	\$ 4,408	\$ 71,539

Other Liabilities Information

Estimated payments of compensated absences are not included in the debt service requirement schedules.

NOTE 7

DEFINED BENEFIT PENSION PLAN

Plan description. The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

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

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

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

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

City of Dodgeville, Wisconsin
Notes to Basic Financial Statements
December 31, 2024

NOTE 7

DEFINED BENEFIT PENSION PLAN (CONTINUED)

Final average earnings is the average of the participant's three highest annual earnings periods. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

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

The WRS also provides death and disability benefits for employees.

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

Year	Core Fund Adjustment (%)	Variable Fund Adjustment (%)
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
2023	1.6	(21.0)

Contributions. Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and 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.

City of Dodgeville, Wisconsin
 Notes to Basic Financial Statements
 December 31, 2024

NOTE 7

DEFINED BENEFIT PENSION PLAN (CONTINUED)

During the reporting period, the WRS recognized \$217,485 in contributions from the employer. Contribution rates as of December 31, 2024 are:

Employee Category	Employee	Employer
General (including teachers, executives and elected officials)	6.90%	6.90%
Protective with Social Security	6.90%	14.30%
Protective without Social Security	6.90%	19.10%

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

At December 31, 2024, the City reported a liability (asset) of \$233,704 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2022 rolled forward to December 31, 2023. 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 (asset) was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2023, the City's proportion was 0.01571855%, which was an increase of 0.0007545% from its proportion measured as of December 31, 2022.

For the year ended December 31, 2024, the City recognized pension expense (revenue) of \$155,910.

Pension amounts have been allocated to the proprietary funds and business-type activities. Allocations were based on the proportionate share of current year contributions to the pension plan made by the proprietary funds and business-type activities relative to the total contributions made by the City.

At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 942,293	\$ (1,248,073)
Net differences between projected and actual earnings on pension plan investments	814,420	
Changes in assumptions	101,865	
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,425	(19,490)
Employer contributions subsequent to the measurement date	<u>248,827</u>	
Total	<u>\$ 2,108,830</u>	<u>\$ (1,267,563)</u>

City of Dodgeville, Wisconsin
 Notes to Basic Financial Statements
 December 31, 2024

NOTE 7

DEFINED BENEFIT PENSION PLAN (CONTINUED)

\$248,827 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31:	Net Deferred Outflows (Inflows) of Resources	
2025	\$	119,225
2026		124,140
2027		506,650
2028		(157,575)
Total	\$	592,440

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

Actuarial Valuation Date:	December 31, 2022
Measurement Date of Net Pension Liability (Asset):	December 31, 2023
Experience Study:	January 1, 2018 - December 31, 2020 Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.8%
Discount Rate:	6.8%
Salary Increases:	
Wage Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table
Post-Retirement Adjustments	1.7%*

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

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The total pension liability for December 31, 2023 is based upon a roll-forward of the liability calculated from the December 31, 2022 actuarial valuation.

City of Dodgeville, Wisconsin
 Notes to Basic Financial Statements
 December 31, 2024

NOTE 7

DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

Asset Allocation Targets and Expected Returns ¹			
As of December 31, 2023			
Core Fund Asset Class	Asset Allocation %	Long-Term	Long-Term Expected
		Expected Nominal	Real Rate of Return
Public Equity	40	7.6	5.0
Public Fixed Income	27	5.3	2.7
Inflation Sensitive	19	3.6	1.1
Real Estate	8	5.2	2.6
Private Equity/Debt	18	9.6	6.9
Leverage ³	(12)	3.7	1.0
Total Core Fund	<u>115</u>	7.4	4.6
Variable Fund Asset Class			
U.S. Equities	70	6.8	4.0
International Equities	30	7.6	4.8
Total Variable Fund	<u>100</u>	7.3	4.5

¹ Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations.

² New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.7%

³ The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. Currently, as asset allocation target of 12% policy leverage is used, subject to an allowable range of up to 20%.

City of Dodgeville, Wisconsin
Notes to Basic Financial Statements
December 31, 2024

NOTE 7

DEFINED BENEFIT PENSION PLAN (CONTINUED)

Single Discount rate. A single discount rate of 6.8% was used to measure the Total Pension Liability for the current and prior year. The discount rate is based on the expected rate of return on pension plan investments of 6.80% and a municipal bond rate of 3.77% (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, 2023. 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 municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City of Dodgeville'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 percent, 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 percent) or 1-percentage-point higher (7.80 percent) than the current rate:

	1% Decrease to Discount Rate (5.80%)	Current Discount Rate (6.80%)	1% Increase to Discount Rate (7.80%)
City's proportionate share of the net pension liability (asset)	\$ 2,258,865	\$ 233,703	\$ (1,183,386)

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>.

NOTE 8 OTHER POSTEMPLOYMENT BENEFITS – MULTIPLE-EMPLOYER LIFE INSURANCE PLAN

Plan description. The Local Retiree Life Insurance Fund (LRLIF) is a multiple-employer defined benefit OPEB plan. LRLIF benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. The Wisconsin Department of Employee Trust Funds (ETF) and the Group Insurance Board have statutory authority for program administration and oversight. The plan provides post-employment life insurance benefits for all eligible members.

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

Additionally, ETF issued a standalone Retiree Life Insurance Financial Report, which can also be found using the link above.

Benefits provided. The LRLIF plan provides fully paid up life insurance benefits for post-age 64 retired employees and pre-65 retirees who pay for their coverage.

City of Dodgeville, Wisconsin
Notes to Basic Financial Statements
December 31, 2024

**NOTE 8 OTHER POSTEMPLOYMENT BENEFITS – MULTIPLE-EMPLOYER LIFE INSURANCE PLAN
(CONTINUED)**

Contributions. The Group Insurance Board approves contribution rates annually, based on recommendations from the insurance carrier. Recommended rates are based on an annual valuation, taking into consideration an estimate of the present value of future benefits and the present value of future contributions. A portion of employer contributions made during a member's working lifetime funds a post-retirement benefit.

Employers are required to pay the following contributions based on employee contributions for active members to provide them with Basic Coverage after age 65. There are no employer contributions required for pre-age 65 annuitant coverage. If a member retires prior to age 65, they must continue paying the employee premiums until age 65 in order to be eligible for the benefit after age 65.

Contribution rates as of December 31, 2023 are:

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

Member contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating employees must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The member contribution rates in effect for the year ended December 31, 2023 are as listed below:

Life Insurance Member Contribution Rates* For the year ended December 31, 2023		
Attained Age	Basic	Supplemental
Under 30	\$0.05	\$0.05
30-34	0.06	0.06
35-39	0.07	0.07
40-44	0.08	0.08
45-49	0.12	0.12
50-54	0.22	0.22
55-59	0.39	0.39
60-64	0.49	0.49
65-69	0.57	0.57

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

During the reporting period, the LRLIF recognized \$670 in contributions from the employer.

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

At December 31, 2024, the LRLIF Employer reported a liability (asset) of \$151,435 for its proportionate share of the net OPEB liability (asset). The net OPEB liability (asset) was measured as of December 31, 2023, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of January 1, 2023 rolled forward to December 31, 2023. 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 OPEB liability (asset) was based on the City's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2023, the City's proportion was 0.03291600%, which was a decrease of 0.001737% from its proportion measured as of December 31, 2022.

City of Dodgeville, Wisconsin
 Notes to Basic Financial Statements
 December 31, 2024

**NOTE 8 OTHER POSTEMPLOYMENT BENEFITS – MULTIPLE-EMPLOYER LIFE INSURANCE PLAN
 (CONTINUED)**

For the year ended December 31, 2024, the City recognized OPEB expense of \$11,711.

At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	\$ (13,403)
Net differences between projected and actual earnings on plan investments	2,046	
Changes in actuarial assumptions	47,370	(59,632)
Changes in proportion and differences between employer contributions and proportionate share of contributions	4,931	(10,593)
Employer contributions subsequent to the measurement date	656	
Totals	\$ 55,003	\$ (83,628)

\$656 reported as deferred outflows related to OPEB resulting from the City employer's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the year ended December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31:	Net Deferred Outflows (Inflows) of Resources
2025	\$ (1,306)
2026	(796)
2027	(6,816)
2028	(10,998)
2029	(10,023)
Thereafter	658
Total	<u>\$ (29,281)</u>

City of Dodgeville, Wisconsin
 Notes to Basic Financial Statements
 December 31, 2024

NOTE 8 OTHER POSTEMPLOYMENT BENEFITS – MULTIPLE-EMPLOYER LIFE INSURANCE PLAN (CONTINUED)

Actuarial assumptions. The total OPEB liability in the January 1, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2023
Measurement Date of Net OPEB Liability (Asset)	December 31, 2023
Experience Study:	January 1, 2018 - December 31, 2020, Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield*:	3.26%
Long-Term Expected Rated of Return:	4.25%
Discount Rate:	3.32%
Salary Increases	
Wage Inflation:	3.00%
Seniority/Merit:	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table

*Based on the Bond Buyer GO 20-Bond Municipal index

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The Total OPEB Liability for December 31, 2023 is based upon a roll-forward of the liability calculated from the January 1, 2023 actuarial valuation.

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

Local OPEB Life Insurance Asset Allocation Targets and Expected Returns As of December 31, 2023			
Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
US Intermediate Credit Bonds	Bloomberg US Inter Credit	40%	2.32%
US Mortgages	Bloomberg US MBS	60%	2.52%
Inflation			2.30%
Long-Term Expected Rate of Return			4.25%

City of Dodgeville, Wisconsin
 Notes to Basic Financial Statements
 December 31, 2024

NOTE 8 OTHER POSTEMPLOYMENT BENEFITS – MULTIPLE-EMPLOYER LIFE INSURANCE PLAN (CONTINUED)

Single Discount rate. A single discount rate of 3.32% was used to measure the Total OPEB Liability for the current year, as opposed to a discount rate of 3.76% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 3.72% as of December 31, 2022 to 3.26% as of December 31, 2023. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive members. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

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

Sensitivity of the City's proportionate share of the net OPEB liability (asset) to changes in the discount rate. The following presents the City's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 3.32 percent, as well as what the City's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (2.32 percent) or 1-percentage-point higher (4.32 percent) than the current rate:

	1% Decrease to Discount Rate (2.32%)	Current Discount Rate (3.32%)	1% Increase to Discount Rate (4.32%)
City's proportionate share of the net OPEB liability (asset)	\$ 203,474	\$ 151,435	\$ 111,712

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS – SINGLE EMPLOYER HEALTH INSURANCE PLAN

Plan Description – The City operates a single employer retiree benefit plan that provides postemployment health insurance benefits to eligible employees. Benefits and eligibility are established and amended by the City Council. The plan does not issue stand-alone financial statements. Current approved benefits are as follows:

Employees Retiring from the City that are also eligible for the Wisconsin Retirement System: Retirees may choose to remain on the City's group medical plan indefinitely provided they self-pay the full (100%) amount of all required premiums.

Funding Policy – The City will fund the OPEB with a pay-as-you go basis. There are no assets accumulated in a trust that meet the criteria in Governmental Accounting Standards to pay related benefits.

Employees Covered by Benefit Terms – At December 31, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	1
Active employees	37
	<u>38</u>

City of Dodgeville, Wisconsin
Notes to Basic Financial Statements
December 31, 2024

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS – SINGLE EMPLOYER HEALTH INSURANCE PLAN (CONTINUED)

Total OPEB Liability – The City's total OPEB liability of \$145,136 was measured at December 31, 2023, and was determined by an actuarial valuation as of December 31, 2023.

Actuarial Assumptions and Other Inputs – The total OPEB liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless other specified:

Valuation date	December 31, 2023
Measurement date	December 31, 2023
Inflation	2.5 percent
Salary increases	3.0 percent, average, including inflation
Discount rate	4.0 percent
Healthcare cost trend rates	6.50% decreasing by 0.10% per year down to 4.50%, and level thereafter
Retirees' share of benefit-related costs	Retirees are responsible for the full (100%) amount of premiums.

The Plan's benefit terms have changed since the prior valuation. The City slightly increased the sick leave payout conversion for employees (except Police and Teamsters Union Local No. 695) from \$15/hour to \$15.25/hour.

Changes of assumptions or other inputs included updated WRS decrement assumptions, assumed discount rate, assumed health care trend, and updated retiree participation assumptions.

The discount rate is based on the S&P Municipal Bond 20 Year High Grade Index as of the week of the measurement date. Implicit in this rate is a 2.50% assumed rate of inflation.

Mortality rates were based on the 2020 WRS Experience Tables for Active Employees and Healthy Retirees projected with mortality improvements using the fully generational MP-2021 projection scale from a base year of 2010.

The actuarial assumptions used in the December 31, 2023 valuation were based on a study conducted in 2021 using the Wisconsin Retirement System (WRS) experience from 2018-2020.

Changes in the Total OPEB Liability:

	<u>Total OPEB Liability</u>
Balances at 12/31/2022	\$ 179,493
Changes for the year:	
Service cost	19,739
Interest	8,162
Changes of benefit terms	161
Differences between expected and actual experience	(66,027)
Changes in assumptions or other inputs	3,608
Benefit payments	
Net Changes	(34,357)
Balances at 12/31/2023	\$ 145,136

City of Dodgeville, Wisconsin
 Notes to Basic Financial Statements
 December 31, 2024

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS – SINGLE EMPLOYER HEALTH INSURANCE PLAN (CONTINUED)

Sensitivity of the total OPEB liability to changes in the discount rate

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.00 percent) or 1-percentage-point higher (5.00 percent) than the current discount rate:

	12/31/2023	Current		
		1% Decrease	Discount Rate	1% Increase
		3.00%	4.00%	5.00%
Total OPEB Liability		<u>\$ 160,466</u>	<u>\$ 145,136</u>	<u>\$ 131,418</u>

Sensitivity of the total OPEB liability to changes in healthcare cost trend rates

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5.5 percent decreasing to 3.5 percent) or 1-percentage-point higher (7.5 percent decreasing to 5.5 percent) than the current healthcare cost trend rates:

	12/31/2023	Healthcare Cost Trend Rates		
		1% Decrease (5.5% decreasing to 3.5%)	(6.5% decreasing to 4.5%)	1% Increase (7.5% decreasing to 5.5%)
		\$ 127,688	<u>\$ 145,136</u>	<u>\$ 166,549</u>
Total OPEB Liability				

OPEB Expense

For the year ended December 31, 2024, the City recognized OPEB expense of \$18,610.

NOTE 10

INTERFUND ACCOUNTS

Interfund receivables and payables as of December 31, 2024 were as follows:

Receivable Fund	Payable Fund	Amount
Governmental Funds:		
General	Water utility	<u>\$ 170,459</u>

The general fund advance to TIF District #3 to pay project costs. TIF District #3 will repay the general fund with future debt borrowing and future tax increments. No interest is charged on the advance and no repayment terms have been established. The following is a schedule of interfund advances at December 31, 2024:

Receivable Fund	Payable Fund	Amount
Governmental Funds:		
General	TIF District #3	<u>\$ 292,018</u>

City of Dodgeville, Wisconsin
 Notes to Basic Financial Statements
 December 31, 2024

NOTE 10

INTERFUND ACCOUNTS (CONTINUED)

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

The following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount
Governmental Funds:		
General	Water utility-tax equivalent	\$ 189,491
General	Smith trust	14
General	TIF district #2	190,328
Capital projects	General	421,603
	Total	<u><u>\$ 801,436</u></u>
Proprietary Funds:		
General	Water utility-tax equivalent	<u><u>\$ 170,459</u></u>

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorization and (3) move fund balances whose designated purpose has been removed.

NOTE 11

RESTRICTED CASH

General, Smith Trust, and Campbell Trust funds report \$285,734, \$3,209, and \$103,000, respectively, of restricted cash which will be used for Harris Park, perpetual care, and permanent fund.

Mortgage Revenue Bond Funds: Certain proceeds of the sewer utility and water utility revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. The following mortgage revenue bond funds are required:

- Operation and Maintenance Fund - Used for the payment of current expenses.
- Debt Service Fund - Used to segregate resources accumulated for debt service payments as they become due.
- Surplus Fund - Any amount remaining after the requirements above have been completed.

Sewer Replacement Fund: The Wisconsin Department of Natural Resources required as a condition of the sewer grant that a replacement fund be established and funded on an annual basis. The sewer utility maintains its fund to replace equipment for the utility as needs arise.

At December 31, 2024, proprietary fund restricted cash was as follows:

	<u>Restricted Cash</u>
Mortgage revenue bond funds	\$ 17,055
DNR replacement fund	1,400,081
Total	<u><u>\$ 1,417,136</u></u>

City of Dodgeville, Wisconsin
 Notes to Basic Financial Statements
 December 31, 2024

NOTE 12

DEFERRED INFLOWS OF RESOURCES

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes receivable for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer inflow recognition in connection with resources that have been received, but not yet earned. At December 31, 2024 the various components of deferred inflows of resources were as follows:

Property tax receivable	\$ 3,516,520
Tax increment receivable	117,535
Special assessments not yet due	21,566
2024 tax equivalent from water utility	170,459
Leases	55,954
Total	<u>\$ 3,882,034</u>

Postponed special assessments are generally collectible in annual installments over five years while others have been deferred until the property is sold or placed in service.

NOTE 13

GOVERNMENTAL FUND BALANCES

Governmental fund balances reported on the fund financial statements at December 31, 2024 includes the following:

Major Funds:

General Fund:

Nonspendable:

Prepaid expenditures	\$ 62,800
Advances to other funds	292,018
Leases	648
Total nonspendable	<u>\$ 355,466</u>

Restricted for:

Harris Park donation	\$ 285,734
Environmental projects	39,249
Total restricted	<u>\$ 324,983</u>

Assigned for:

Police donations	\$ 35,094
Criminal justice scholarship	1,435
Snow and ice	65,304
Historic preservation walking tour	2,785
Love Dodgeville	1,320
Police outlay - contingency	48,847
Sick leave - general fund	226,572
Total assigned	<u>\$ 381,357</u>

City of Dodgeville, Wisconsin
 Notes to Basic Financial Statements
 December 31, 2024

NOTE 13

GOVERNMENTAL FUND BALANCES (CONTINUED)

Capital Improvements Fund:

Assigned for:

Building fund outlay	\$ 350,102
Police outlay	194,133
Fire outlay - vehicle	202,892
Fire outlay - building	303,092
Emergency warning system	10,000
Ambulance outlay - vehicle	424,095
Street machinery outlay	222,039
Street construction outlay	69,720
Street lighting outlay	27,601
Cemetery outlay	204,141
Recreation outlay	5,000
Library building project outlay *	(145,630)
Pool outlay	175,685
Parks outlay	381,485
Total assigned	<u><u>\$ 2,424,355</u></u>

Special Purpose Library:

Restricted for:

Library - building project	\$ 4,480
Library - other	117,337
Total restricted	<u><u>\$ 121,817</u></u>

Nonmajor Funds:

Campbell Trust:

Nonspendable:

Permanent	<u><u>\$ 103,000</u></u>
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Smith Trust:

Restricted for:

Perpetual care	<u><u>\$ 3,209</u></u>
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Debt Service:

Restricted for:

Debt service	<u><u>\$ 73,999</u></u>
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Affordable Housing:

Restricted for:

Affordable housing expenditures	<u><u>\$ 175,866</u></u>
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* The library building project outlay will be funded by grant and loan proceeds in a subsequent year.

The following fund had a fund balance deficit at December 31, 2024:

TID #3	<u><u>\$ (293,388)</u></u>
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City of Dodgeville, Wisconsin
Notes to Basic Financial Statements
December 31, 2024

NOTE 14

TAX LEVY LIMIT

Wisconsin Act 32 imposes a limit on the property tax levies for all Wisconsin cities, villages, towns and counties. Under 2011 Wisconsin Act 32, in 2011 and all future years, a municipality is allowed to increase its levy over the amount it levied in the prior year by the percentage increase in equalized value from net new construction or zero percent. All exceptions and modifications to levy limits that existed under previous law continue to apply.

In addition, as part of Wisconsin's Act 20 (2013), legislation was passed that further limits future tax levies. If the City adopts a new fee or a fee increase for covered services such as garbage collection, fire protection, snow plowing, and street sweeping (which were partly or wholly funded by property tax levy), the City must reduce its levy limit in the current year by the amount of the new fee or fee increase, less any previous reductions.

NOTE 15

TAX ABATEMENTS

Tax abatements are a reduction in tax revenues that result from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

The City, through its TID #3, has entered into tax abatement agreements in the form of developer incentives to stimulate economic development. The abatements are authorized through the TID #3 project plan. For the year ended December 31, 2024, the City abated property taxes totaling \$34,743 related to TID #3 developer agreements.

NOTE 16

TAX INCREMENTAL FINANCING DISTRICT

The City of Dodgeville, Wisconsin Tax Incremental Financing Districts (TID) were created under the provisions of Wisconsin Statute Section 66.46. The purpose of that section is to allow a municipality to recover development and improvements costs in a designated area from the property taxes generated on the increased value of the property after the creation date of the District. The tax on the increased value is called a tax increment.

Project costs may not be incurred up to five years before the District's mandatory termination date. Statutes allow the municipality to collect tax increments until the net project cost has been fully recovered, or for a maximum number of years. An industrial and mixed-use TID has the option to extend the maximum life by 5 years. Project costs uncollected at the dissolution date are absorbed by the municipality.

	<u>Creation Date</u>	<u>Last Date to Incur Project Costs</u>	<u>Final Dissolution Date</u>
District #3	7/21/2020	7/21/2035	7/21/2040

City of Dodgeville, Wisconsin
 Notes to Basic Financial Statements
 December 31, 2024

NOTE 16

TAX INCREMENTAL FINANCING DISTRICT (CONTINUED)

Following is the cumulative status of the City's active TID as of December 31, 2024:

	TID #3
Revenues	
Taxes	\$ 145,032
Interest	18,864
Proceeds from sale of capital assets	190,328
Debt premium	<u>123,213</u>
 Total revenues	 <u>477,437</u>
Expenditures	
Construction	2,872,764
Administrative	7,433
Professional services	85,243
Developer incentives	923,142
DOR fees	1,600
Interest and fiscal charges	400,720
Transfers to other funds	<u>190,328</u>
 Total expenditures	 <u>4,481,230</u>
Amount to be recovered through future increments	 <u>\$ 4,003,793</u>
 Cash	 <u>\$ 335,554</u>
Accounts payable	3,239
Long-term debt outstanding	<u>3,665,000</u>
Amount to be recovered through future increments	 <u>\$ 4,003,793</u>

The amount to be recovered shown above will be increased by interest payments made in the future.

NOTE 17

EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT FINANCIAL STATEMENTS

The Governmental Accounting Standards Board (GASB) has adopted GASB Statement No. 102, *Certain Risk Disclosures*, effective for periods beginning June 15, 2024, and GASB Statement No. 103, *Financial Reporting Model Improvements*, effective for periods beginning June 15, 2025, and GASB Statement No. 104, *Disclosure of Certain Capital Assets*, effective for periods beginning after June 15, 2025. When these become effective, application of these standards may restate portions of these financial statements.

NOTE 18

PURCHASE COMMITMENTS/SUBSEQUENT EVENTS

Prior to December 31, 2024, the City Council approved the purchase of a new plow truck for \$111,193. This was not purchased in 2024.

Subsequent to December 31, 2024, the City Council approved phase 1 and phase 2 on the City administrative building project for \$1,616,085 and \$1,678,080 respectively, Washington Street Reconstruction project for \$2,496,088, and Library renovation and expansion project for \$6,799,760.

City of Dodgeville, Wisconsin
Notes to Basic Financial Statements
December 31, 2024

NOTE 19

COMPONENT UNIT

A. Cash and Investments

At December 31, 2024, the cash and investments included the following:

Deposits with financial institutions	<u>\$ 70,256</u>
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Cash and investments as of December 31, 2024 are classified in the accompanying financial statements as follows:

Exhibit A-1:

Cash and investments	\$ 23,472
Cash and investments - restricted	46,784
Total	<u>\$ 70,256</u>

Investments Authorized by Wisconsin State Statutes

See Note 3 for list of authorized investments.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

The Housing Authority does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Information about the sensitivity of the fair values of the City's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

Investment Type	Amount	<u>Remaining Maturity</u>	
		12 Months or Less	\$ 35,996
Certificate of deposit	\$ 35,996	\$ 35,996	

City of Dodgeville, Wisconsin
Notes to Basic Financial Statements
December 31, 2024

NOTE 19

COMPONENT UNIT (CONTINUED)

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments in commercial paper, corporate bonds and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The Housing Authority has no investment policy that would further limit its investment choices.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Housing Authority would not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial risk for investments is the risk that, in the event of failure of the counterparty (e.g. broker-dealer) to a transaction, the Housing Authority would not be able to recover the value of its investment of collateral securities that are in possession of another party. The Housing Authority does not have an investment policy for custodial credit risk.

Federal Deposit Insurance Corporation (FDIC) Insurance

The insurance coverage of public unit accounts depends upon the type of deposit and the location of the insured depository institution. All time and savings deposits owned by a public unit and held by the public unit's official custodian in an insured depository institution within the State in which the public unit is located are added together and insured up to \$250,000. Separately, all demand deposits owned by a public unit and held by the public unit's official custodian in an insured depository institution within the State in which the public unit is located are added together and insured up to \$250,000. For the purpose of these rules, the term 'time and savings deposits' includes NOW accounts and money market deposit accounts but does not include interest bearing demand deposit accounts. The term 'demand deposits' means both interest-bearing and noninterest-bearing deposits that are payable on demand and for which the depository institution does not reserve the right to require advance notice of an intended withdrawal.

Collateralization of Public Unit Deposits

Depending on applicable state or federal law, public unit deposits may be secured by collateral or assets of the bank. In the event of the failure of the bank, the FDIC will honor the collateralization agreement if the agreement is valid and enforceable under applicable law. The FDIC does not guarantee, however, that the collateral will be sufficient to cover the amount of the uninsured funds. As such, although it does not increase the insurance coverage of the public unit deposits, collateralization provides an avenue of recovery in the unlikely event of the failure of an insured bank.

Bank accounts and the local government investment pool are also insured by the State Deposit Guarantee Fund in the amount of \$1,000,000. However, due to the relatively small size of the Guarantee Fund in relationship to the total deposits covered and other legal implications, recovery of material principal losses may be significant to individual organizations.

At December 31, 2024, all deposits were covered by FDIC insurance.

Concentration of Credit Risk

The Housing Authority places no limit on the amount the Housing Authority may invest in any one issuer.

Required Supplementary Information

Exhibit B-1
 Required Supplementary Information
 City of Dodgeville, Wisconsin
 Budgetary Comparison Schedule for the General Fund
 For the Year Ended December 31, 2024

	Budgeted Amounts			Variances- Positive (Negative)		
	Original	Final	Actual	Original to Actual	Final to Actual	
						Final to Actual
REVENUES						
Taxes	\$ 2,333,288	\$ 2,333,288	\$ 2,319,971	\$ (13,317)	\$ (13,317)	
Special assessments			188	188	188	
Intergovernmental	1,236,192	1,236,192	1,333,315	97,123	97,123	
Licenses and permits	131,396	131,396	141,896	10,500	10,500	
Fines and forfeitures	20,500	20,500	18,941	(1,559)	(1,559)	
Public charges for services	497,939	497,939	514,589	16,650	16,650	
Intergovernmental charges for services	555,440	555,440	522,433	(33,007)	(33,007)	
Interest income	170,000	170,000	151,310	(18,690)	(18,690)	
Miscellaneous	161,500	161,500	49,924	(111,576)	(111,576)	
Total revenues	<u>5,106,255</u>	<u>5,106,255</u>	<u>5,052,567</u>	<u>(53,688)</u>	<u>(53,688)</u>	
EXPENDITURES						
Current:						
General government	753,453	753,453	674,235	79,218	79,218	
Public safety	2,857,393	2,857,393	2,550,784	306,609	306,609	
Public works	786,150	786,150	701,634	84,516	84,516	
Sanitation	274,750	274,750	273,272	1,478	1,478	
Leisure activities	432,994	432,994	420,214	12,780	12,780	
Conservation & economic development	126,388	126,388	161,792	(35,404)	(35,404)	
Health & social services	110,250	110,250	77,791	32,459	32,459	
Capital outlay	121,072	121,072	36,699	84,373	84,373	
Total expenditures	<u>5,462,450</u>	<u>5,462,450</u>	<u>4,896,421</u>	<u>566,029</u>	<u>566,029</u>	
Excess (deficiency) of revenues over over expenditures	<u>(356,195)</u>	<u>(356,195)</u>	<u>156,146</u>	<u>512,341</u>	<u>512,341</u>	
OTHER FINANCING SOURCES (USES)						
Transfers in	203,000	203,000	379,833	176,833	176,833	
Transfers out	(269,344)	(269,344)	(421,603)	(152,259)	(152,259)	
Unrealized gain (loss) on investments	10,000	10,000	8,423	(1,577)	(1,577)	
Sale of capital assets			148,666	148,666	148,666	
Total other financing sources (uses)	<u>(56,344)</u>	<u>(56,344)</u>	<u>115,319</u>	<u>171,663</u>	<u>171,663</u>	
Net change in fund balance	<u>(412,539)</u>	<u>(412,539)</u>	<u>271,465</u>	<u>684,004</u>	<u>684,004</u>	
Fund balances - beginning of year	<u>3,034,192</u>	<u>3,034,192</u>	<u>3,034,192</u>			
Fund balances - end of year	<u>\$ 2,621,653</u>	<u>\$ 2,621,653</u>	<u>\$ 3,305,657</u>	<u>\$ 684,004</u>	<u>\$ 684,004</u>	

Exhibit B-2
 Required Supplementary Information
 City of Dodgeville, Wisconsin
 Budgetary Comparison Schedule for the Special Purpose Library Fund
 For the Year Ended December 31, 2024

	Budgeted Amounts			Variances- Positive (Negative)	
	Original	Final	Actual	Original	Final
				to Actual	to Actual
REVENUES					
Taxes	\$ 421,039	\$ 421,039	\$ 421,039	\$	\$
Intergovernmental	111,551	111,551	116,816	5,265	5,265
Fines and forfeits			197	197	197
Public charges for services	2,000	2,000	2,375	375	375
Miscellaneous			3,961	3,961	3,961
Total revenues	534,590	534,590	548,089	13,499	13,499
EXPENDITURES					
Current:					
Leisure activities	544,475	544,475	488,221	56,254	56,254
Total expenditures	544,475	544,475	488,221	56,254	56,254
Excess (deficiency) of revenues over expenditures	(9,885)	(9,885)	59,868	69,753	69,753
Net change in fund balance	(9,885)	(9,885)	59,868	(69,753)	(69,753)
Fund balances - beginning of year	61,949	61,949	61,949		
Fund balances - end of year	\$ 52,064	\$ 52,064	\$ 121,817	\$ (69,753)	\$ (69,753)

Exhibit B-3
 City of Dodgeville, Wisconsin
 Wisconsin Retirement System Schedules
 December 31, 2024

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
Last 10 Calendar Years*

Year ended December 31,	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered- employee payroll	Collective net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability (asset)
2023	0.01571855%	\$ 233,703	\$ 2,243,058	10.42%	98.85%
2022	0.01496405%	792,751	2,094,565	37.85%	95.72%
2021	0.01396271%	(1,125,420)	1,969,807	(57.13%)	106.02%
2020	0.01298842%	(838,563)	1,866,323	(44.93%)	105.26%
2019	0.01295890%	(418,805)	1,670,185	(25.08%)	102.96%
2018	0.01288908%	461,037	1,666,681	27.66%	96.45%
2017	0.01267260%	(382,692)	1,618,689	(23.64%)	102.93%
2016	0.01259840%	104,452	1,597,156	6.54%	99.12%
2015	0.01259840%	204,722	1,638,089	12.50%	98.20%
2014	0.01223579%	(300,462)	1,515,979	(19.82%)	102.74%

*The proportionate share of the net pension liability (asset) and other amounts presented above for each year were determined as of the calendar year-end that occurred 12 months prior to the financial reporting period.

SCHEDULE OF CONTRIBUTIONS
Last 10 Calendar Years**

Year ended December 31,	Contractually required contributions	Contributions in relation to the contractually required contributions	Contribution deficiency (excess)	Covered- employee payroll	Contributions as a percentage of covered- employee payroll
2024	\$ 248,827	\$ (248,827)	\$	\$ 2,406,703	10.34%
2023	217,688	(217,688)		2,243,058	9.70%
2022	186,835	(186,835)		2,094,565	8.92%
2021	173,435	(173,435)		1,969,807	8.80%
2020	159,774	(159,774)		1,866,323	8.56%
2019	138,952	(138,952)		1,670,185	8.32%
2018	136,821	(136,821)		1,666,681	8.21%
2017	132,303	(132,303)		1,618,689	8.17%
2016	120,945	(120,945)		1,597,156	7.57%
2015	126,698	(126,698)		1,638,089	7.73%

**The contribution and other amounts presented above for each calendar year are based on information that occurred during that calendar year.

Exhibit B-4
 City of Dodgeville, Wisconsin
 Local Retiree Life Insurance Fund Schedules
 December 31, 2024

SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)
Last 10 Calendar Years*

Year ended December 31,	Proportion of the net OPEB liability (asset)	Proportionate share of the net OPEB liability (asset)	Covered- employee payroll	Collective net OPEB liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total OPEB liability (asset)
2023	0.03291600%	\$ 151,435	\$ 1,771,000	8.55%	33.90%
2022	0.034465300%	132,022	1,675,000	7.88%	38.81%
2021	0.03378700%	199,694	1,566,000	12.75%	29.57%
2020	0.03436700%	189,043	1,289,000	14.67%	31.36%
2019	0.03526200%	150,152	1,370,000	10.96%	37.58%
2018	0.03598600%	92,856	1,341,000	6.92%	48.69%

*The proportionate share of the net pension liability (asset) and other amounts presented above for each year were determined as of the calendar year-end that occurred 12 months prior to the financial reporting period.

SCHEDULE OF CONTRIBUTIONS
Last 10 Calendar Years**

Year ended December 31,	Contractually required contributions	Contributions in relation to the contractually required contributions	Contribution deficiency (excess)	Covered- employee payroll	Contributions as a percentage of covered- employee payroll
2024	\$ 656	\$ (656)	\$	1,913,833	0.03%
2023	654	(654)		1,771,000	0.04%
2022	703	(703)		1,675,000	0.04%
2021	694	(694)		1,566,000	0.04%
2020	668	(668)		1,289,000	0.05%
2019	698	(698)		1,370,000	0.05%
2018	637	(637)		1,341,000	0.05%

**The contribution and other amounts presented above for each calendar year are based on information that occurred during that calendar year.

Exhibit B-5
 City of Dodgeville, Wisconsin
 Schedule of Changes in the City's Total OPEB Liability and Related Ratios
 December 31, 2024

	Fiscal Year Ending		
	2023	2022	2021
Total OPEB Liability			
Service cost	\$ 19,739	\$ 25,282	\$ 25,282
Interest	8,162	4,484	3,935
Changes in benefit terms	161		
Differences between expected and actual experience	(66,027)		
Changes of assumptions or other inputs	3,608	(34,000)	
Benefit payments		(5,860)	(3,761)
Net change in total OPEB	(34,357)	(10,094)	25,456
Total OPEB Liability- Beginning of year	179,493	189,587	164,131
Total OPEB Liability- End of year	<u>\$ 145,136</u>	<u>\$ 179,493</u>	<u>\$ 189,587</u>
Covered Employee Payroll	\$ 2,139,054	\$ 2,324,352	\$ 2,324,352
Total OPEB liability as a percentage of of covered-employee payroll	6.79%	7.72%	8.16%

This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is only presented for the years for which the required supplementary information is available.

City of Dodgeville, Wisconsin
Notes to the Required Supplementary Information
December 31, 2024

NOTE 1

BUDGET SCHEDULE

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

The City budget is adopted in accordance with state law. Budget amounts in the financial statements include appropriations authorized in the original budget resolution and designated carryovers from the prior year. Revisions to the original budget are required by a statutory provision which states that no expenditure can be made from an expired appropriation. The statutes also require publication of these budget revisions. Revisions require a majority vote of the Common Council. Appropriations for the general fund lapse at year end unless specifically carried forward by council action. A formal budget is not required for TIF district No. 3. Control for the TIF district fund is maintained by comparison to the project plan.

The City does not utilize encumbrances in its budget process but does take into consideration certain appropriations, which do not lapse on an annual basis.

NOTE 2

EXCESS EXPENDITURES OVER APPROPRIATIONS

The following expenditures exceeded budget appropriations in the general fund for the year ended December 31, 2024:

Expenditures	Excess
General fund:	
Conservation & economic development	\$ 35,404

City of Dodgeville, Wisconsin
Notes to the Required Supplementary Information
December 31, 2024

NOTE 3

WISCONSIN RETIREMENT SYSTEM SCHEDULES

Changes in Benefit Terms and Assumptions related to Pension Liabilities (Assets)

Changes of benefit terms: There were no changes of benefit terms for any participating employer in WRS.

Changes of assumptions:

Based on a three-year experience study conducted in 2021 covering January 1, 2018 through December 31, 2020, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-end December 31, 2021, including the following:

- Lowering the long-term expected rate of return from 7.0% to 6.8%
- Lowering the discount rate from 7.0% to 6.8%
- Lowering the price inflation rate from 2.5% to 2.4%
- Lowering the post-retirement adjustments from 1.9% to 1.7%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table.

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

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

City of Dodgeville, Wisconsin
Notes to the Required Supplementary Information
December 31, 2024

NOTE 3

WISCONSIN RETIREMENT SYSTEM SCHEDULES (CONTINUED)

Significant methods and assumptions used in calculating Wisconsin Retirement System Actuarially Determined Contributions:					
	2023	2022	2021	2020	2019
Valuation Date:	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method:	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period
Amortization Period:	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS
Asset Valuation Method:	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)
Actuarial Assumptions					
Net Investment Rate of Return:	5.40%	5.40%	5.40%	5.40%	5.50%
Weighted based on assumed rate for:					
Pre-retirement:	6.80%	7.00%	7.00%	7.00%	7.20%
Post-retirement:	5.00%	5.00%	5.00%	5.00%	5.00%
Salary Increases					
Wage Inflation:	3.00%	3.00%	3.00%	3.00%	3.20%
Seniority/Merit:	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%
Post-retirement Benefit Adjustments*:	1.70%	1.90%	1.90%	1.90%	2.10%
Retirement Age:	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2021 valuation pursuant to an experience study of the period 2018-2020.	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017.	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017.	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015 - 2017.	Experience -based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.
Mortality:	2020 WRS Experience Tables. The rates are based on actual WRS experience adjusted for future mortality improvements using the MP-2021 fully generational improvement scale from a base year of 2010.	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).

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

City of Dodgeville, Wisconsin
Notes to the Required Supplementary Information
December 31, 2024

NOTE 3

WISCONSIN RETIREMENT SYSTEM SCHEDULES (CONTINUED)

Significant methods and assumptions used in calculating Wisconsin Retirement System Actuarially Determined Contributions:					
	2018	2017	2016	2015	2014
Valuation Date:	December 31, 2016	December 31, 2015	December 31, 2014	December 31, 2013	December 31, 2012
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method:	Level Percent of Payroll-Closed Amortization	Level Percent of Payroll-Closed	Level Percent of Payroll-Closed	Level Percent of Payroll-Closed	Level Percent of Payroll-Closed
Amortization Period:	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS
Asset Valuation Method:	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)
Actuarial Assumptions					
Return:	5.50%	5.50%	5.50%	5.50%	5.50%
Weighted based on assumed rate for:					
Pre-retirement:	7.20%	7.20%	7.20%	7.20%	7.20%
Post-retirement:	5.00%	5.00%	5.00%	5.00%	5.00%
Salary Increases					
Wage Inflation:	3.20%	3.20%	3.20%	3.20%	3.20%
Seniority/Merit:	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%
Post-retirement Benefit Adjustments*:	2.10%	2.10%	2.10%	2.10%	2.10%
Retirement Age:	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.
Mortality:	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.

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

City of Dodgeville, Wisconsin
Notes to the Required Supplementary Information
December 31, 2024

NOTE 4

LOCAL RETIREE LIFE INSURANCE SCHEDULES

Changes in Benefit Terms and Assumptions related to LRLIF OPEB Liabilities (Assets)

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

Assumptions: In addition to the rate changes detailed in the tables above, the State of Wisconsin Employee Trust Fund Board adopted economic and demographic assumption changes based on a three year experience study performed for the Wisconsin Retirement System. These assumptions are used in the actuarial valuations of OPEB liabilities (assets) for the retiree life insurance programs and are summarized below.

The assumption changes that were used to measure the December 31, 2021 total OPEB liabilities, including the following:

- Lowering the price inflation rate from 2.5% to 2.4%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table.

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

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

NOTE 5 OTHER POSTEMPLOYMENT BENEFITS PLAN – SINGLE EMPLOYER HEALTH INSURANCE PLAN

Governmental Accounting Standards Board Statement No. 75 requirements have been implemented prospectively; therefore, the illustrations do not present similar information for the 7 preceding years.

Changes of benefit terms. The Plan's benefit terms have changed since the prior valuation. The City increased the sick leave payout conversion for employees (except Police and Teamsters Union Local No. 695) from \$15/hour to \$15.25/hour.

Assumptions. Changes of assumptions or other inputs included updated WRS decrement assumptions, assumed discount rate, assumed health care trend, and updated retiree participation assumptions.

Assets. There are no assets accumulated in a trust that meet the criteria in governmental accounting standards to pay related benefits.

Supplementary Information

DRAFT

Exhibit C-1
 City of Dodgeville, Wisconsin
 Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2024

	Permanent Funds		Debt Service	Special Revenue			Total
	Smith Trust	Campbell Trust		Affordable Housing	Local Fiscal Recovery Fund		
ASSETS							
Cash and investments			\$ 73,999	\$ 175,866	\$ 113,565	\$ 363,430	
Cash and investments - restricted	\$ 3,209	103,000					106,209
Taxes receivable			309,905				309,905
Total assets	\$ 3,209	\$ 103,000	\$ 383,904	\$ 175,866	\$ 113,565	\$ 779,544	
LIABILITIES							
Accounts payable					\$ 1,031	\$ 1,031	
Unearned revenue					112,534	112,534	
Total liabilities					113,565	113,565	
DEFERRED INFLOWS OF RESOURCES							
Deferred property tax revenue			309,905				309,905
FUND BALANCES							
Nonspendable		103,000					103,000
Restricted	3,209		73,999	175,866			253,074
Total fund balances	3,209	103,000	73,999	175,866			356,074
Total liabilities, deferred inflows of resources and fund balances	\$ 3,209	\$ 103,000	\$ 383,904	\$ 175,866	\$ 113,565	\$ 779,544	

Exhibit C-2
 City of Dodgeville, Wisconsin
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended December 31, 2024

	Permanent Funds		Debt Service	Special Revenue		Total
	Smith Trust	Campbell Trust		Affordable Housing	Local Fiscal Recovery Fund	
REVENUES						
Taxes	\$	\$	\$ 284,523	\$	\$	\$ 284,523
Intergovernmental					115,106	115,106
Interest income	14	1,997	7,818			9,829
Total revenues	14	1,997	292,341		115,106	409,458
EXPENDITURES						
Current:						
General government					115,106	115,106
Cemetery expenditures		1,997				1,997
Conservation & economic development				125,000		125,000
Debt service:						
Principal retirement			277,204			277,204
Interest and fiscal charges			75,571			75,571
Total expenditures	1,997		352,775	125,000	115,106	594,878
Excess (deficiency) of revenues over expenditures	14		(60,434)	(125,000)		(185,420)
OTHER FINANCING SOURCES (USES)						
Transfers out	(14)					(14)
Total other financing sources (uses)	(14)					(14)
Net change in fund balances			(60,434)	(125,000)		(185,434)
Fund balances - beginning of year	3,209	103,000	134,433	300,866		541,508
Fund balances - end of year	\$ 3,209	\$ 103,000	\$ 73,999	\$ 175,866	\$	\$ 356,074