CITY OF MAUSTON

Audit Presentation
to the
City Council

For the Year Ended
December 31, 2025

June 23, 2026

Prepared by:
Johnson Block & Company, Inc.
Certified Public Accountants

AUDIT OVERVIEW

- We have completed our audit of the City of Mauston for the year ended December 31, 2025, and have issued an unmodified opinion on the financial statements of the City. Our report and the audited financial statements are presented in a separate bound document.
- The scope of our audit included all funds and activities of the City.
- We have compiled and filed the regulatory reports for 2025 with the Wisconsin Public Service Commission and the MFR Form C that was filed with the Wisconsin Department of Revenue.
- A separate audit communications document designed for the City Council was also submitted and should be read in conjunction with the audited financial statements.
- We have commented on the following matters:
  - Segregation of Duties – Significant Deficiency
  - Material Adjustments – Material Weakness

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS

	Major Funds								
	General Fund	Formerly Major Library Fund	Affordable Housing Fund	Capital Projects Fund	TIF District No. 5	Formerly Major Equipment Replacement Fund	Nonmajor Governmental Funds	Total Governmental Funds	2024 Totals (Memorandum Only)
REVENUES									
Property Taxes	$ 2,571,788		$ -	$ -	$ 143,092		$ 155,479	$ 2,870,359	$ 2,715,072
Other Taxes	433,931		-	-	-		-	433,931	535,577
Intergovernmental	2,426,380		-	1,388,181	16,862		435,162	4,266,585	2,488,312
License and Permits	131,056		-	-	-		-	131,056	149,273
Fines, Forfeits and Penalties	92,415		-	-	-		-	92,415	117,780
Public Charges for Services	843,031		-	-	-		124,067	967,098	811,728
Interest Income	110,052		19,019	12,090	-		118,100	259,261	265,747
Donations	111,852		-	-	-		28,208	140,060	43,957
Miscellaneous Income	95,621		-	9,928	19,722		199,430	324,701	292,265
Total Revenues	6,816,126		19,019	1,410,199	179,676		1,060,446	9,485,466.00	7,419,711
EXPENDITURES									
Current:									
General Government	532,189		-	-	-		-	532,189	481,725
Public Safety	2,335,239		-	-	-		-	2,335,239	2,041,823
Public Works	1,222,056		-	-	-		-	1,222,056	1,148,198
Health, Welfare and Sanitation	-		-	-	-		63,601	63,601	54,659
Culture, Recreation and Education	462,468		-	-	-		640,309	1,102,777	938,718
Conservation and Development	551,825		500,365	-	41,713		451,320	1,545,223	1,482,898
Capital Outlay	33,114		-	1,638,508	578,570		627,982	2,878,174	1,408,670
Debt Service:									
Principal Repayment	386,013		-	-	-		-	386,013	320,000
Interest and Fiscal Charges	241,722		-	-	-		-	241,722	169,633
Total Expenditures	5,764,626		500,365	1,638,508	620,283		1,783,212	10,306,994	8,046,324
Excess (Deficiency) of Revenues Over Expenditures	1,051,500		(481,346)	(228,309)	(440,607)		(722,766)	(821,528)	(626,613)
OTHER FINANCING SOURCES (USES)									
Proceeds from Long-Term Debt	-		-	-	-		-	-	240,000
Transfers In	55,562		-	150,000	-		1,039,193	1,244,755	1,142,689
Transfers Out	(1,189,193)		-	(55,562)	-		-	(1,244,755)	(1,142,689)
Total Other Financing Sources (Uses)	(1,133,631)		-	94,438	-		1,039,193	-	240,000
Net Change in Fund Balances	(82,131)		(481,346)	(133,871)	(440,607)		316,427	(821,528)	(386,613)
Fund Balances, Beginning of Year, as Previously Presented	2,823,045	1,026,446	655,770	-	-	956,071	834,527	6,295,859	6,682,472
Change within financial reporting entity (major to nonmajor)	-	(1,026,446)	-	-	-	(956,071)	1,982,517	-	-
Change within financial reporting entity (nonmajor to major)	-		-	286,390	(90,836)		(195,554)	-	-
Fund Balances, Beginning of Year, Restated	2,823,045	-	655,770	286,390	(90,836)	-	2,621,490	6,295,859	6,682,472
Fund Balances (Deficit), End of Year	$ 2,740,914	$ -	$ 174,424	$ 152,519	$ (531,443)	$ -	$ 2,937,917	$ 5,474,331	$ 6,295,859

SOURCE: 12/31/25
AUDITED FINANCIAL STATEMENTS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – 2025 BUDGET AND ACTUAL – GENERAL FUND

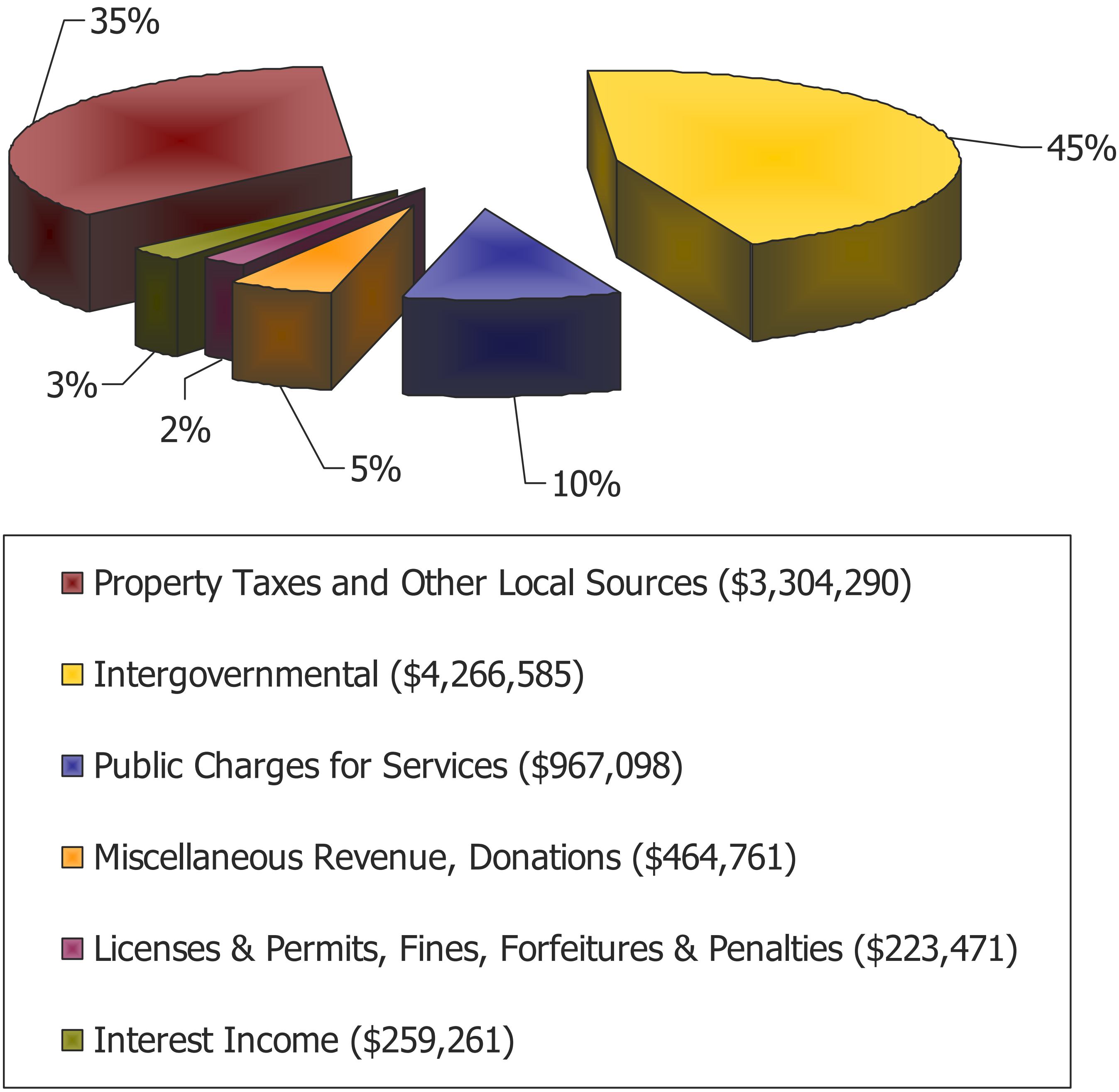
	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	$ 2,571,788	$ 2,571,788	$ 2,571,788	$ -
Other Taxes	419,700	419,700	433,931	14,231
Intergovernmental	2,049,606	2,049,606	2,426,380	376,774
License and Permits	85,913	85,913	131,056	45,143
Fines, Forfeits and Penalties	113,500	113,500	92,415	(21,085)
Public Charges for Services	841,184	841,184	843,031	1,847
Interest Income	20,000	20,000	110,052	90,052
Donations	16,500	16,500	111,852	95,352
Miscellaneous Income	19,500	19,500	95,621	76,121
Total Revenues	6,137,691	6,137,691	6,816,126	678,435
EXPENDITURES				
Current:				
General Government	513,196	513,196	532,189	(18,993)
Public Safety	2,299,841	2,299,841	2,335,239	(35,398)
Public Works	1,224,220	1,224,220	1,222,056	2,164
Culture, Recreation and Education	328,883	328,883	462,468	(133,585)
Conservation and Development	254,661	254,661	551,825	(297,164)
Capital Outlay	35,000	35,000	33,114	1,886
Debt Service:				
Principal Repayment	330,000	330,000	386,013	(56,013)
Interest Expense	147,291	147,291	241,722	(94,431)
Total Expenditures	5,133,092	5,133,092	5,764,626	(631,534)
Excess (Deficiency) of Revenues Over Expenditures	1,004,599	1,004,599	1,051,500	46,901
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	55,562	55,562
Transfers Out	(1,003,118)	(1,003,118)	(1,189,193)	(186,075)
Total Other Financing Sources (Uses)	(1,003,118)	(1,003,118)	(1,133,631)	(130,513)
Net Change in Fund Balance	1,481	1,481	(82,131)	(83,612)
Fund Balance - Beginning of Year	2,823,045	2,823,045	2,823,045	-
Fund Balance - End of Year	$ 2,824,526	$ 2,824,526	$ 2,740,914	$ (83,612)

SOURCE: 12/31/25
AUDITED FINANCIAL STATEMENTS

GOVERNMENTAL FUND BALANCES

	2025	2024
Nonspendable		
General Fund:		
Delinquent Personal Property Taxes	$ 5,857	$ 5,902
Total nonspendable	5,857	5,902
Restricted		
General Fund:		
Parkland Dedication and Park	15,552	42,719
Boat Launch	12,361	9,565
Jaws of Life	13,986	13,986
Undercover Fund and Fed Equity Police	8,212	2,970
County and Local Streets	20,000	18,000
Tourism	327,193	335,198
Fire Department Fundraising	49,418	52,162
Fire Department Retirement	25,421	16,001
Library Fund	-	1,026,446
Affordable Housing Fund	174,424	655,770
Nonmajor Funds:		
Community Development Block Grant	385,100	446,693
Library Fund	1,085,372	-
Shared Ride Taxi Fund	2,206	13,864
TIF District No. 4	216,543	54,723
Total restricted	2,335,788	2,688,097
Assigned		
General Fund:		
K-9	467,338	452,351
Tourism	838,474	765,337
Property Maintenance	17,962	17,528
Fire Department Donation	199,411	190,668
Capital Projects Fund	152,519	-
Equipment Replacement Fund	-	956,071
Nonmajor Fund - Capital Projects Fund	-	286,390
Nonmajor Fund - Equipment Replacement	1,133,816	
Nonmajor Fund - Cemetery Fund	130,683	123,693
Total assigned	2,940,203	2,792,038
Unassigned (deficit)		
General Fund	739,729	900,658
TIF District No. 5 (Deficit)	(531,443)	-
Nonmajor Fund - TIF District No. 6 (deficit)	(15,803)	(90,836)
Total unassigned (deficit)	192,483	809,822
Total governmental fund balances	$ 5,474,331	$ 6,295,859

GOVERNMENTAL FUNDS
2025 REVENUES



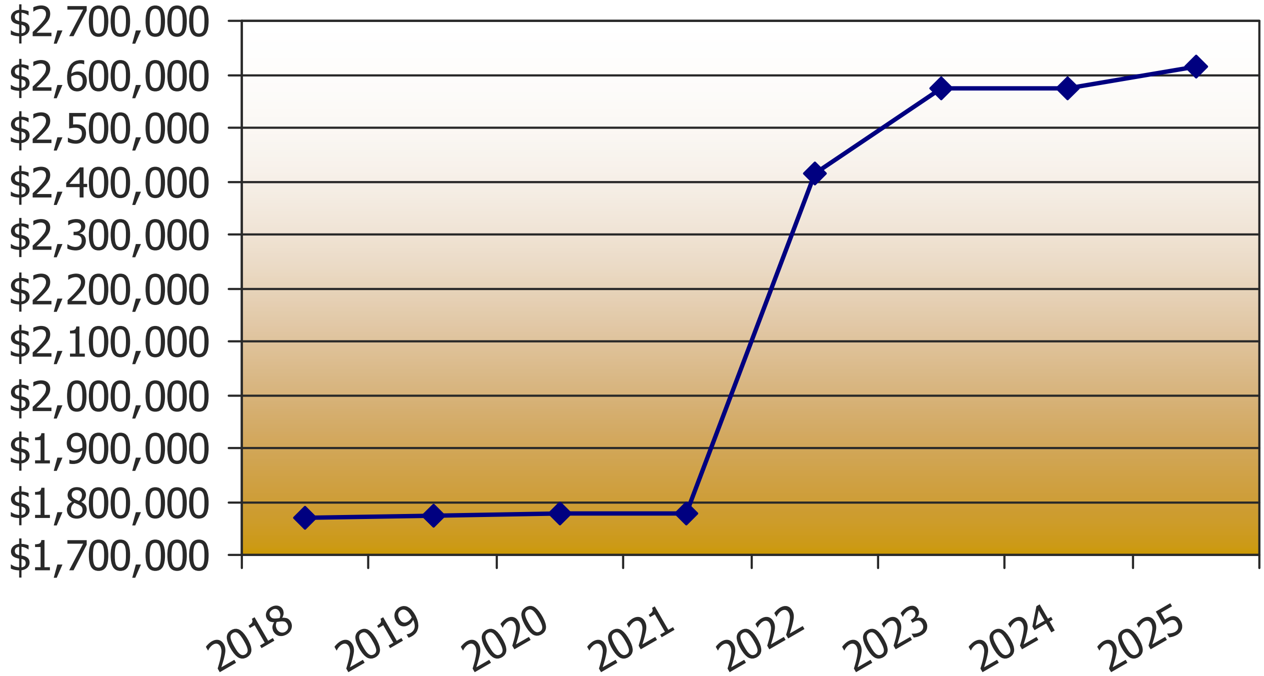
OBSERVATIONS AND COMMENTS:

- Property taxes are collected in January and August.
- The most significant recurring intergovernmental revenues are:

General transportation aids	$ 425,480
Shared taxes	$ 1,381,546

SOURCE: 12/31/25
AUDITED FINANCIAL STATEMENTS

TREND IN PROPERTY TAX LEVY (EXCLUDING TIF)



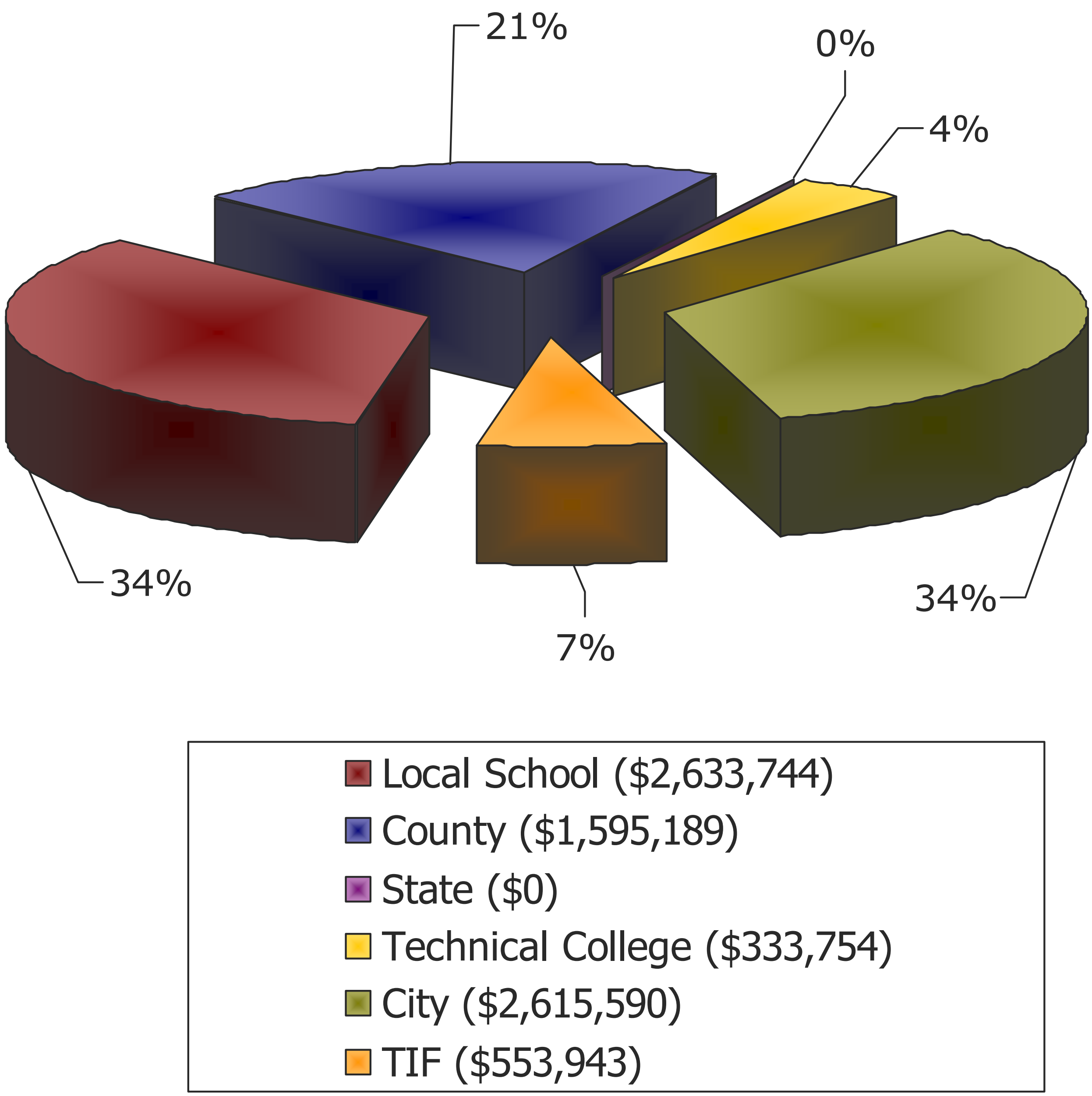
Property Tax Levy (Excludes TIF Increment)

2018	$ 1,770,846	2022	$ 2,415,727
2019	$ 1,772,900	2023	$ 2,572,771
2020	$ 1,776,818	2024	$ 2,571,788
2021	$ 1,776,818	2025	$ 2,615,590

OBSERVATIONS AND COMMENTS:

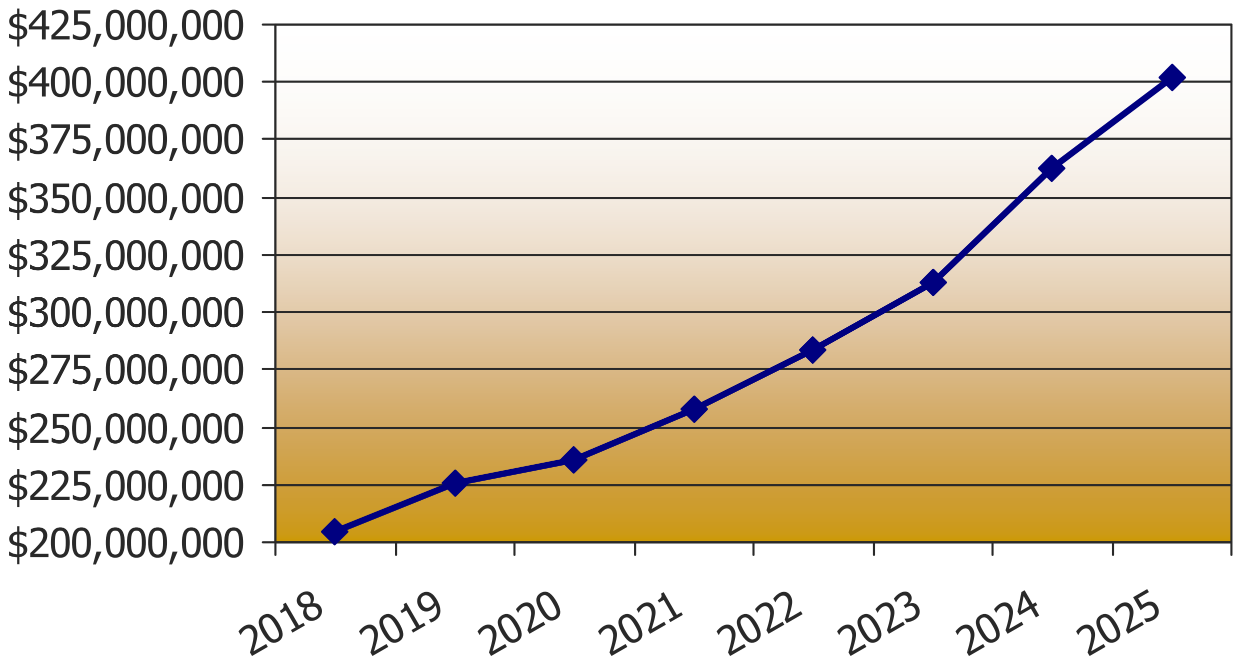
- In the eight years presented, the non-TIF tax levy has increased approximately 48% overall.

PROPERTY TAX ROLL
2025 TAX LEVY COLLECTED IN 2026



SOURCE: 2025 STATEMENT OF TAXES – JUNEAU COUNTY
FILED WITH WISCONSIN DEPARTMENT OF REVENUE

TREND IN EQUALIZED VALUE OF PROPERTY



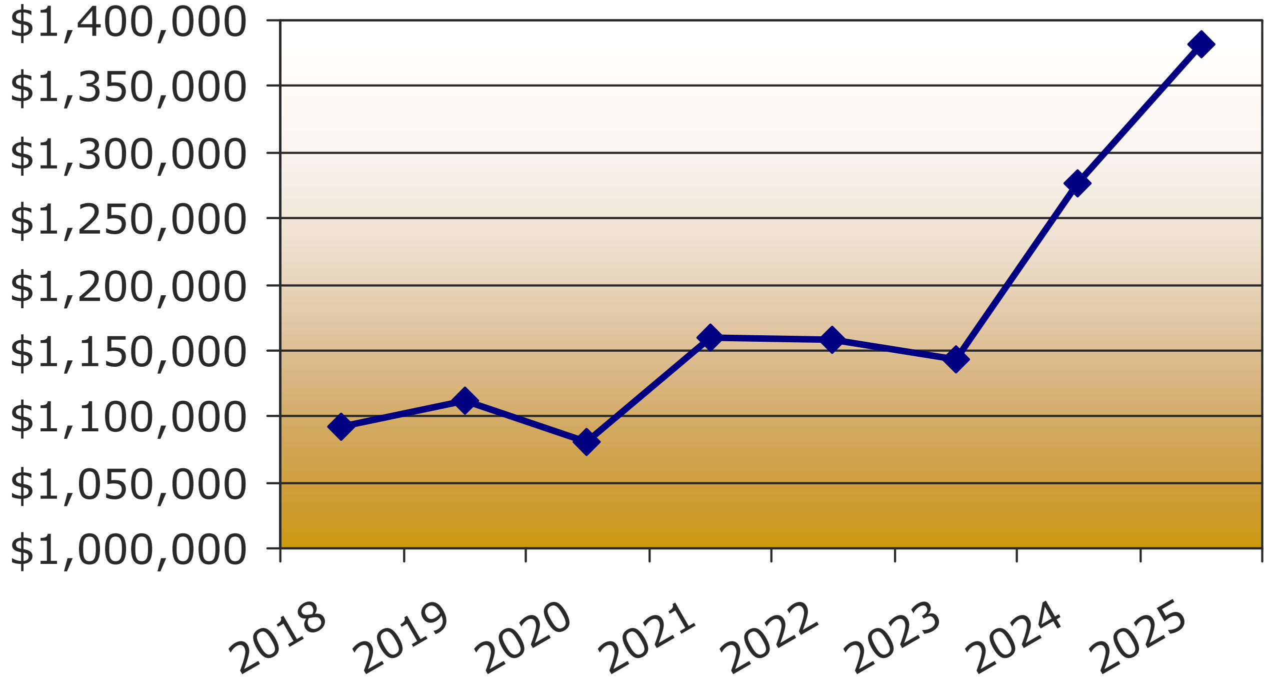
Total Equalized Value (Includes TIF Increment)

2018	$ 204,482,200	2022	$ 283,140,300
2019	$ 226,013,600	2023	$ 312,862,700
2020	$ 235,802,700	2024	$ 362,404,600
2021	$ 258,297,300	2025	$ 402,050,000

OBSERVATIONS AND COMMENTS:

- The equalized property values have increased by approximately 11% from 2024 to 2025.

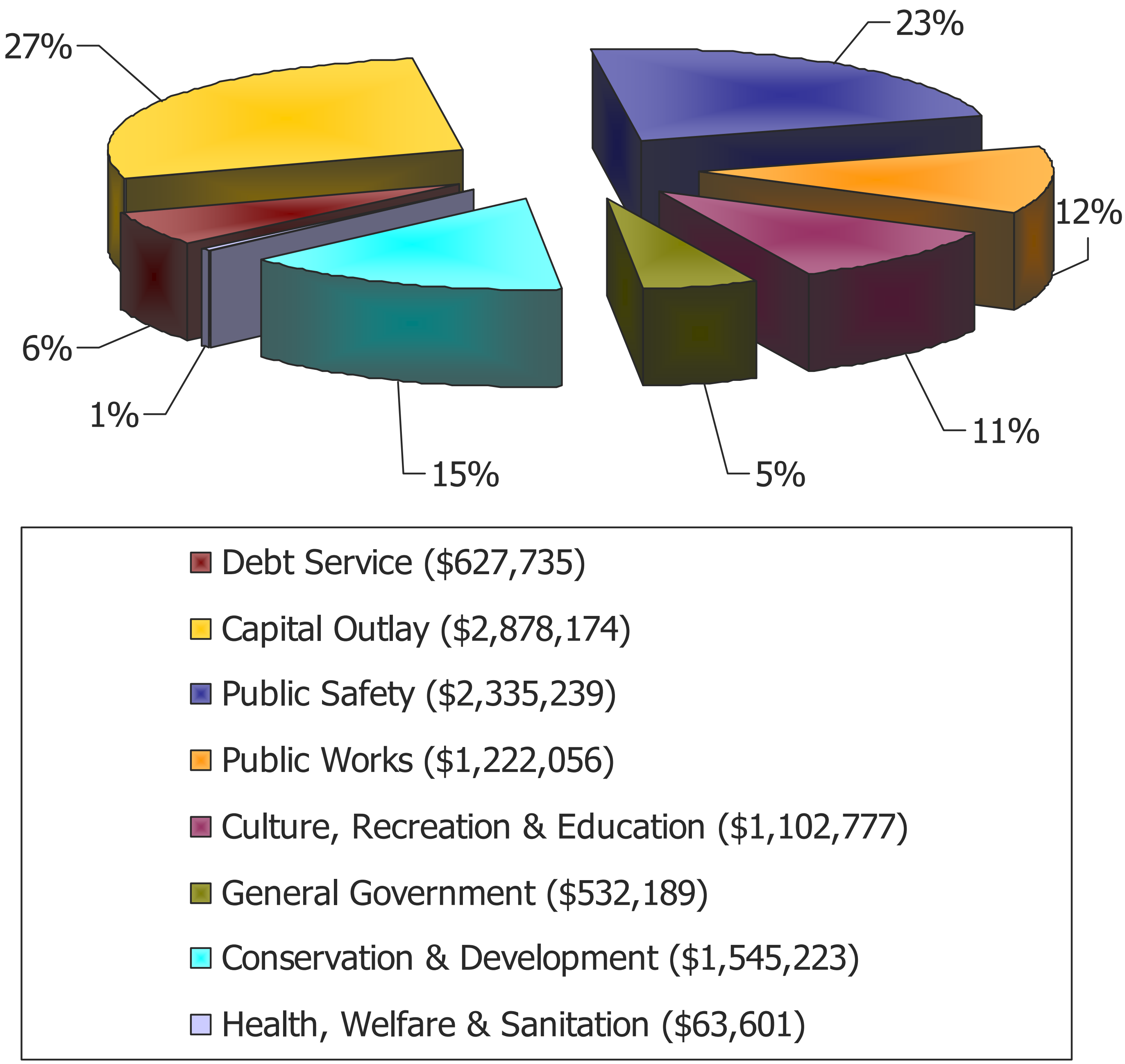
TREND IN SHARED REVENUES



Shared Revenues

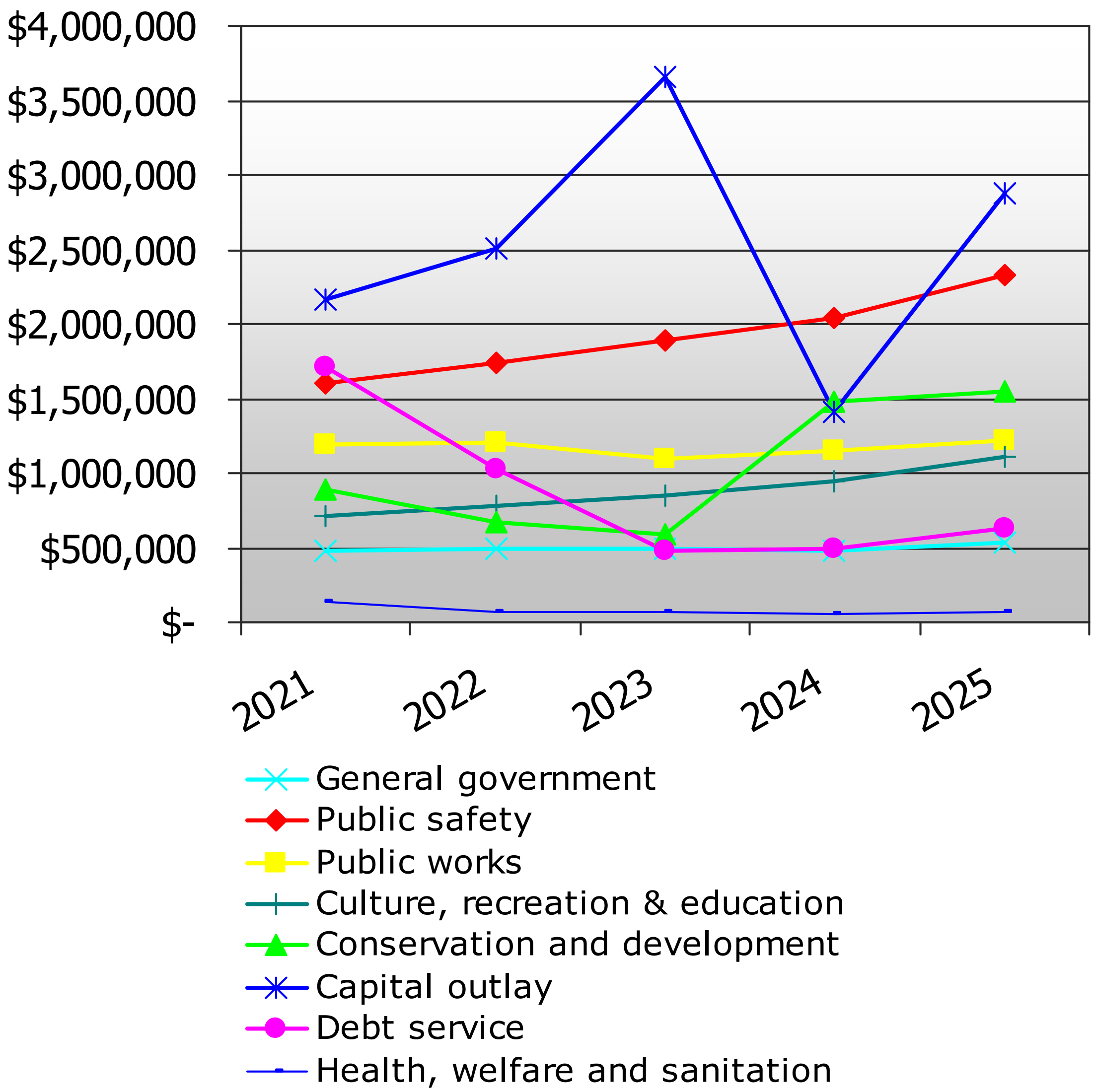
2018	$ 1,092,899	2022	$ 1,158,031
2019	$ 1,112,294	2023	$ 1,143,077
2020	$ 1,080,580	2024	$ 1,276,512
2021	$ 1,159,969	2025	$ 1,381,546

GOVERNMENTAL FUNDS
2025 EXPENDITURES



SOURCE: 12/31/25
AUDITED FINANCIAL STATEMENTS

FIVE-YEAR COMPARISON OF GOVERNMENTAL EXPENDITURES



	2021		2022		2023		2024		2025	
Expenditures:	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total
General government	$ 485,141	5%	$ 495,663	6%	$ 495,012	5%	$ 481,725	6%	$ 532,189	5%
Public safety	1,604,937	18%	1,743,230	21%	1,887,094	21%	2,041,823	26%	2,335,239	23%
Public works	1,186,909	13%	1,200,535	14%	1,095,571	12%	1,148,198	14%	1,222,056	12%
Health, welfare and sanitation	140,530	2%	64,713	1%	75,213	1%	54,659	1%	63,601	1%
Culture, recreation and education	710,803	8%	784,410	9%	852,259	9%	938,718	12%	1,102,777	11%
Conservation and development	886,293	10%	665,493	8%	592,702	6%	1,482,898	18%	1,545,223	15%
Capital outlay	2,170,256	25%	2,505,283	29%	3,650,899	41%	1,408,670	17%	2,878,174	27%
Debt service	1,714,817	19%	1,030,742	12%	476,191	5%	489,633	6%	627,735	6%
	$ 8,899,686	100%	$ 8,490,069	100%	$ 9,124,941	100%	$ 8,046,324	100%	$ 10,306,994	100%

COMBINING BALANCE SHEET – TIF DISTRICTS

	TIF District No. 4	TIF District No. 5	TIF District No. 6	2025 Totals	2024 Totals (Memorandum Only)
ASSETS					
Cash and Cash Equivalents	$ 427,980	$ 303,736	$ -	$ 731,716	$ 254,465
Receivables:					
Taxes	241,995	137,281	-	379,276	220,399
Property Held for Sale	-	360,260	-	360,260	-
Total Assets	$ 669,975	$ 801,277	$ -	$ 1,471,252	$ 474,864
LIABILITIES					
Advances Due to Other Funds	$ 100,000	$ 1,129,700	$ -	$ 1,229,700	$ 200,000
Due to Other Funds	-	-	15,803	15,803	-
Accounts Payable	-	2,509	-	2,509	12,406
Total Liabilities	100,000	1,132,209	15,803	1,248,012	212,406
DEFERRED INFLOWS OF RESOURCES	353,432	200,511	-	553,943	298,571
FUND BALANCES					
Restricted	216,543	-	-	216,543	54,723
Unassigned (Deficit)	-	(531,443)	(15,803)	(547,246)	(90,836)
Total Fund Balances (Deficit)	216,543	(531,443)	(15,803)	(330,703)	(36,113)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 669,975	$ 801,277	$ -	$ 1,471,252	$ 474,864

SOURCE: 12/31/25
AUDITED FINANCIAL STATEMENTS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – TIF DISTRICTS

	TIF District No. 4	TIF District No. 5	TIF District No. 6	2025 Totals	2024 Totals (Memorandum Only)
REVENUES					
General Property Taxes	$ 155,479	$ 143,092	$ -	$ 298,571	$ 142,301
Intergovernmental	17,023	16,862	-	33,885	7,322
Miscellaneous Income	-	19,722	-	19,722	-
Total Revenues	172,502	179,676	-	352,178	149,623
EXPENDITURES					
Current:					
Conservation and Development	10,682	578,570	15,803	605,055	72,262
Culture, Recreation and Education	-	41,713	-	41,713	-
Capital Outlay	-	-	-	-	2,050
Total Expenditures	10,682	620,283	15,803	646,768	74,312
Net Change in Fund Balances	161,820	(440,607)	(15,803)	(294,590)	75,311
Fund Balance (Deficit), Beginning	54,723	(90,836)	-	(36,113)	(111,424)
Fund Balance (Deficit), Ending	$ 216,543	$ (531,443)	$ (15,803)	$ (330,703)	$ (36,113)

SOURCE: 12/31/25
AUDITED FINANCIAL STATEMENTS

FINANCIAL HIGHLIGHTS
PROPRIETARY FUNDS

	Major Funds			
	Water Utility	Sewer Utility	Total	2024 Totals (Memorandum Only)
OPERATING REVENUES				
Charges for Services	$ 1,124,737	$ 1,621,640	$ 2,746,377	$ 2,576,801
Other Operating Revenues	24,139	63,205	87,344	101,204
Total Operating Revenues	1,148,876	1,684,845	2,833,721	2,678,005
OPERATING EXPENSES				
Operation and Maintenance	556,737	647,609	1,204,346	1,043,296
Depreciation	274,926	400,000	674,926	672,125
Taxes	15,310	19,027	34,337	32,656
Total Operating Expenses	846,973	1,066,636	1,913,609	1,748,077
Operating Income (Loss)	301,903	618,209	920,112	929,928
NON-OPERATING REVENUES (EXPENSES)				
Interest and Investment Revenue	86,839	68,861	155,700	146,213
Interest Expense	(83,176)	(173,025)	(256,201)	(220,486)
Amortization of Lease Receivable	13,921	-	13,921	13,921
Miscellaneous Non-Operating Revenue	-	3,650	3,650	5,536
Total Non-Operating Revenues (Expenses)	17,584	(100,514)	(82,930)	(54,816)
Income (Loss) Before Transfers and Capital Contributions	319,487	517,695	837,182	875,112
Capital Contributions	389,641	1,407,104	1,796,745	875,602
Transfers In	5,676	-	5,676	-
Transfers Out	-	(5,676)	(5,676)	-
Transfers Out - Tax Equivalent	(105,715)	-	(105,715)	(105,715)
Change in Net Position	609,089	1,919,123	2,528,212	1,644,999
Total Net Position - Beginning of Year, as Previously Presented	9,333,581	11,953,133	21,286,714	19,668,521
Restatement for Change in Accounting Principle	-	-	-	(26,806)
Total Net Position - Beginning of Year, Restated	9,333,581	11,953,133	21,286,714	19,641,715
Total Net Position - End of Year	$ 9,942,670	$ 13,872,256	$ 23,814,926	$ 21,286,714

SOURCE: 12/31/25
AUDITED FINANCIAL STATEMENTS

CHANGES IN LONG-TERM OBLIGATIONS

- The following is a summary of long-term obligations:

	Balance 1/1/2025	Increases	Decreases	Balance 12/31/2025	Amounts Due Within One Year
Governmental Activities					
Bonds and notes payable:					
Notes and bonds from direct borrowings and direct placements	$ 840,000	$ -	$ 56,013	$ 783,987	$ 38,449
General obligation bonds	5,785,000	-	330,000	5,455,000	340,000
Add/subtract amounts for:					
Premiums/discounts on debt	170,405	-	10,413	159,992	-
Total bonds and notes payable	6,795,405	-	396,426	6,398,979	378,449
Other liabilities:					
Compensated absences*	355,665	53,207	-	408,872	131,033
Total other liabilities	355,665	53,207	-	408,872	131,033
Total governmental activities - long-term liabilities	$ 7,151,070	$ 53,207	$ 396,426	$ 6,807,851	$ 509,482
Business-Type Activities					
Bonds and notes payable:					
Notes and bonds from direct borrowings and direct placements	$ 8,657,978	$ 3,613,670	$ 592,854	$ 11,678,794	$ 771,346
General obligation debt	55,000	-	55,000	-	-
Total bonds and notes payable	8,712,978	3,613,670	647,854	11,678,794	771,346
Other liabilities:					
Compensated absences*	95,593	20,991	-	116,584	39,714
Total other liabilities	95,593	20,991	-	116,584	39,714
Total business-type activities - long-term liabilities	$ 8,808,571	$ 3,634,661	$ 647,854	$ 11,795,378	$ 811,060

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

OBSERVATIONS AND COMMENTS:

- General obligation debt limitation totals $20,102,500; debt subject to limitation totals $6,238,987. The City has approximately 69% of its debt capacity remaining.