

CITY OF TWO RIVERS, WISCONSIN
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2024



CPAs | CONSULTANTS | WEALTH ADVISORS

CLAconnect.com

**CITY OF TWO RIVERS, WISCONSIN
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2024**

INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	4
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	21
STATEMENT OF ACTIVITIES	23
FUND FINANCIAL STATEMENTS	
BALANCE SHEET – GOVERNMENTAL FUNDS	25
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS	27
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND	29
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – HOUSING REVOLVING LOANS SPECIAL REVENUE FUND	30
STATEMENT OF NET POSITION – PROPRIETARY FUNDS	31
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – PROPRIETARY FUNDS	35
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS	37
STATEMENT OF FIDUCIARY NET POSITION	41
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION	42
NOTES TO BASIC FINANCIAL STATEMENTS	43
REQUIRED SUPPLEMENTARY INFORMATION	
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET) – WISCONSIN RETIREMENT SYSTEM	96
SCHEDULE OF CONTRIBUTIONS – WISCONSIN RETIREMENT SYSTEM	96
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY – LOCAL RETIREE LIFE INSURANCE FUND	97

**CITY OF TWO RIVERS, WISCONSIN
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2024**

SCHEDULE OF CONTRIBUTIONS – LOCAL RETIREE LIFE INSURANCE FUND	97
SCHEDULE OF CHANGES IN OPEB LIABILITY AND RELATED RATIOS	98
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION	99
SUPPLEMENTARY INFORMATION	
GENERAL FUND	
DETAILED COMPARISON OF BUDGETED AND ACTUAL REVENUES	102
DETAILED COMPARISON OF BUDGETED AND ACTUAL EXPENDITURES	104
DEBT SERVICE FUND	
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	106
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS	107
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS	117
COMBINING STATEMENT OF NET POSITION – NONMAJOR ENTERPRISE FUNDS	127
COMBINING STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION – NONMAJOR ENTERPRISE FUNDS	128
COMBINING STATEMENT OF CASH FLOWS – NONMAJOR ENTERPRISE FUNDS	129
COMBINING STATEMENT OF FIDUCIARY NET POSITION	131
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION	132
ADDITIONAL INDEPENDENT AUDITORS' REPORT FOR BASIC FINANCIAL STATEMENTS	
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	134
SCHEDULE OF FINDINGS AND RESPONSES	136



INDEPENDENT AUDITORS' REPORT

City Manager and City Council
City of Two Rivers, Wisconsin

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Two Rivers, Wisconsin (the 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2024, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund and the Housing Revolving Loans Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

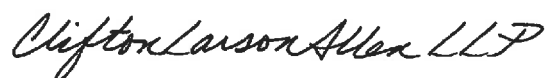
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules relating to pensions and other postemployment benefits as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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.

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 detailed comparison of budgeted and actual revenues and expenditures for the general fund, the schedule of budget to actual for the debt service fund, combining nonmajor fund financial statements, and the combining fiduciary fund statements, the supplementary information as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 13, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Sheboygan, Wisconsin
August 13, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS



**TWO
RIVERS**
WISCONSIN

City of Two Rivers

Wisconsin, USA

www.two-rivers.org

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Two Rivers (the City), Wisconsin, we offer readers of the City of Two Rivers' financial statements this narrative overview and analysis of the financial activities of the City for the year ended December 31, 2024. Please consider this Discussion and Analysis in conjunction with the City's financial statements following this section.

FINANCIAL HIGHLIGHTS

The City has combined Net Position of Governmental Activities and Business-type Activities that total \$63,667,073 which is an increase of \$3,238,413 compared to year-end 2023. This follows an increase of \$2,170,722 during 2023. This reflects an improvement in the financial condition for our municipality and on-going reinvestment in infrastructure.

At the end of 2024, the unassigned fund balance for the General Fund was a negative \$179,075, a decrease of \$14,796 from 2023.

The assets and deferred outflows of resources of the governmental activities of the City of Two Rivers exceeds its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$25,795,114 (*total net position*). This is an increase of \$1,666,161 from 2023.

The Proprietary Funds improved their net position in 2024 by \$1,572,252, ending the year with a Net Position of \$37,871,959. The Water Utility highlighted those funds with an increase of \$618,734.

Fifteen funds of the City experienced cash deficits at year-end, an increase from thirteen funds as of December 31, 2023. For these funds to remain solvent, the City has temporarily advanced cash to these funds. These funds owe the General Fund a total of \$1,753,588, primarily from advances made to these funds in prior years. By comparison, the General Fund showed inter-fund receivables at the end of prior years as follows:

--\$1,649,335 at the end of 2023
--\$1,819,865 at the end of 2022
--\$1,597,266 at the end of 2021
--\$1,917,574 at the end of 2020
--\$2,617,361 at the end of 2019
--\$4,013,031 at the end of 2018
--\$3,275,519 at the end of 2017
--\$4,885,767 at the end of 2016

Funds owed to the General Fund by these other funds as of December 31, 2024 include:

--\$248,496 owed by six of the City's twelve active Tax Incremental where monies were advanced by the General Fund in past years to finance project costs. This interfund payable increased by \$48,761, from \$199,735 at 2023 year-end. All of the City's TIDs are generating revenues sufficient to repay their debt obligations, including these interfund payables. Two TIDs (TIDs #6 & #10) are currently projected to have a deficit balances at their termination dates. Management conducts on-going reviews to improve the future finances of all TIDs. TID #6 has an additional \$111,200 payable to TID #7 for a loan that is payable over the next four years.

--\$952,952 owed by the Water Utility, due to advances for distribution system capital improvements (paid from cash, instead of borrowing) in past years, debt service on a \$4.2 million filtration plant project completed in 2003, and lower than projected revenues in recent years.

The City continues to review our billing rates and watch financial performance for the need to work with the Public Service Commission of Wisconsin on a rate case. The last rate case was completed in late 2017 and in 2018. The received approval for a 14% increase, effective 9/1/18. A simplified rate case was filed with the PSC in June 2023 resulting in an additional 8 percent increase effective 9/1/2023.

Management is confident that this rate increase together with streamlining processes and cost savings measures will result in significant improvements in the cash position of this Utility. During 2020, we experienced a \$933,023 reduction in this payable. In 2021, the improvement was an additional \$206,936. There was an increase of \$50,925 in 2022. In 2023 there was an increase of \$156,276. In 2024, there was a decrease of \$201,030. While we can't guarantee continued improvement, we are confident that we will see improvement again in 2025.

The Water also has an additional \$338,235 payable to TID #7 for a loan that has payments remaining in 2025 and 2026. When that obligation has been eliminated, more resources will be available to reduce the advance to this utility from the General Fund.

--\$270,928 owed by the Sewer Utility for project costs and delays in implementing a rate increase to cover debt service related to plant improvement and infrastructure construction costs. This amount has increased from \$117,747 at 2023 year end. A rate increase was implemented in September 2022 to assist in improving this cash deficit. There have been substantial investments in infrastructure and treatment plant renovations in recent years for the Sewer Utility.

--\$287,790 short-term amounts owed by five special revenue and capital project funds, for monies advanced by the City in recent years for the various projects. This amount is up from \$177,871 at 2023 year end. City staff is in ongoing discussions to address these advances.

Total general obligation debt for the City of Two Rivers increased \$483,812 in the current fiscal year. Significant refinancing of debt was done in 2020 in addition to normal Capital Improvement borrowing to take advantage of favorable interest rates. The City maintains an aggressive repayment schedule on its General Obligation debt with 98% of the GO debt to be repaid within 10 years.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the basic financial statements of the City of Two Rivers. This annual financial report consists of three components: Government-wide Financial Statements, Fund Financial Statements, and Notes to the Financial Statements. It also contains required supplementary information and other supplementary information.

Government-wide Statements

The *government-wide financial statements* that provide information about the overall financial status of the City of Two Rivers in a manner like those used by private-sector companies.

The *statement of net position* includes all the City of Two Rivers' assets, liabilities, deferred inflows/outflows of resources of resources, with the difference reported as net position. Over time, the increases or decreases in net position serve as an indicator of improving or deteriorating financial position.

All the current year's revenues and expenses are accounted for in the *statement of activities* regardless of the timing of related cash flows. This statement presents information showing how the City's new position changed during the most recent fiscal year.

The government-wide financial statements of the City are divided into two categories:

--Governmental activities – The City's basic services are included here, such as police, fire, public works, parks and recreation, community development, assessing, finance, and administration. Property taxes and state aid finance most of these activities

--Business-type activities – The City Two Rivers Utilities charge user fees to cover the costs of services they provide, which include water, sewer, solid waste, electricity, stormwater, and telecommunications services.

Fund Financial Statements

The remaining statements are *fund financial statements* that focus on *individual parts* of City government and report the City's operations in *more detail* than the government-wide statements. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes and are used to ensure and demonstrate compliance with finance-related legal requirements.

The City has three kinds of funds:

--**Governmental funds** - Most of the City's basic services are included in governmental funds which focus on (1) how cash, and other financial assets that can readily be converted to cash, flow in and out, and (2) the balances left at year-end that are available for spending. Consequently, governmental funds statements tell how general government services like public safety and public works were financed in the short term as well as what future spending remains. Because this information does not encompass the additional long-term focus of government-wide statements, additional information is provided at the bottom of the governmental funds statement explaining the differences between them.

--**Proprietary funds** - Services for which the City charges customers a fee are reported in proprietary funds, also referred to as enterprise funds. These include all the above-referenced utility funds listed in *business-type activities*. Proprietary fund statements offer short and long-term financial information about activities the City operates like a business.

--**Fiduciary funds** - The City is the trustee, or fiduciary, for collection of all property taxes within the City for all taxing districts, including the Two Rivers Public School District, Manitowoc Public School District, Manitowoc County and Lakeshore Technical College. All the City's fiduciary activities are reported in a separate statement of fiduciary net position. These activities are excluded from the City's government-wide financial statements because these assets cannot be used to finance operations.

Notes to the financial statements

The financial statements also include additional information that is essential to a full understanding of the information in the financial statements.

Required Supplemental Information

The *required supplementary information* further explains and supports the information in the financial statements related to the City's other postemployment benefit plans and the net pension liability (asset) of the Wisconsin Retirement System.

Other Supplemental Information

In addition to these required elements, we have included a section with combining statements that provide details about our non-major governmental and proprietary funds. The non-major funds are added together and presented in single columns in the basic financial statements.

FINANCIAL ANALYSIS OF THE GOVERNMENT WIDE STATEMENTS

Statement of Net Position

The City's combined Net Position total \$63,667,073, an increase of 5% from last year. Governmental Activities account for about 41% of the Net Position, Business-Type Activities for 59%.

Table A-1						
City Two Rivers Net Position						
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$20,330,355	\$19,385,285	\$5,283,166	\$5,605,901	\$25,613,521	\$24,991,186
Capital assets, less depreciation	\$33,987,054	\$32,621,252	\$51,640,633	\$49,351,202	\$85,627,687	\$81,972,454
Total Assets	\$54,317,409	\$52,006,537	\$56,923,799	\$54,957,103	\$111,241,208	\$106,963,640
Deferred outflows	\$9,926,584	\$13,419,807	\$1,799,104	\$2,570,164	\$11,725,688	\$15,989,971
Long-term debt outstanding	\$16,747,160	\$16,024,604	\$18,513,159	\$18,026,410	\$35,260,319	\$34,051,014
Other Liabilities	\$9,024,360	\$10,469,214	\$1,242,989	\$1,641,548	\$10,267,349	\$12,110,762
Total Liabilities	\$25,771,520	\$26,493,818	\$19,756,148	\$19,667,958	\$45,527,668	\$46,161,776
Deferred Inflows	\$12,677,459	\$14,803,573	\$1,094,793	\$1,559,602	\$13,772,252	\$16,363,175
Net Position						
Net Investment in Capital Assets	\$19,064,361	\$18,505,975	\$34,244,342	\$32,623,229	\$53,308,703	\$51,129,204
Restricted	\$6,657,767	\$6,544,278	\$1,197,533	\$1,270,288	\$7,855,300	\$7,814,566
Unrestricted	\$72,986	-\$921,300	\$2,430,084	\$2,406,190	\$2,503,070	\$1,484,890
Total Net Position	\$25,795,114	\$24,128,953	\$37,871,959	\$36,299,707	\$63,667,073	\$60,428,660

The Net Pension Assets and Restricted Net Position are presented in accordance with GASB Statement No. 68, due to the City's participation in the Wisconsin Retirement System.

While we have seen major shifts from Unrestricted to Restricted Net Position in recent years, the Total Net Position on these financial statements reflect consistent growth:

Year	Governmental Activities	Business-type Activities	Total	Change %
2015	\$18,370,455	\$20,831,859	\$39,202,314	
2016	22,537,057	21,638,900	44,175,957	+12.7%
2017	25,625,074	22,438,576	48,063,650	+ 8.8%
2018	20,250,371	25,644,460	45,894,831	- 4.5%
2019	19,132,455	27,881,265	47,013,720	+ 2.4%
2020	19,036,264	29,295,275	48,331,539	+ 2.7%
2021	20,540,500	31,802,325	52,342,825	+ 8.3%
2022	24,018,185	34,239,753	58,257,938	+11.3%
2023	24,128,953	36,299,707	60,428,660	+3.7%
2024	25,795,114	37,871,959	63,667,073	+5.4%

The City's Net Position for 2018 was greatly impacted on these statements by the cumulative effect of the change in accounting principle, due to the implementation of GASB Statement No. 75 related to other postemployment benefits.

In the past, the City's General Fund has contributed capital to the City's business activities. All business and government type activities are intended to be self-supporting entities. Net position of one entity is not permanently used by other entities. Contributions by the General Fund to the business type activities is intended to be repaid over time, as addressed in the "Financial Highlights" section above.

Table A-2
City of Two Rivers Statement of Activities
Changes in Net Position

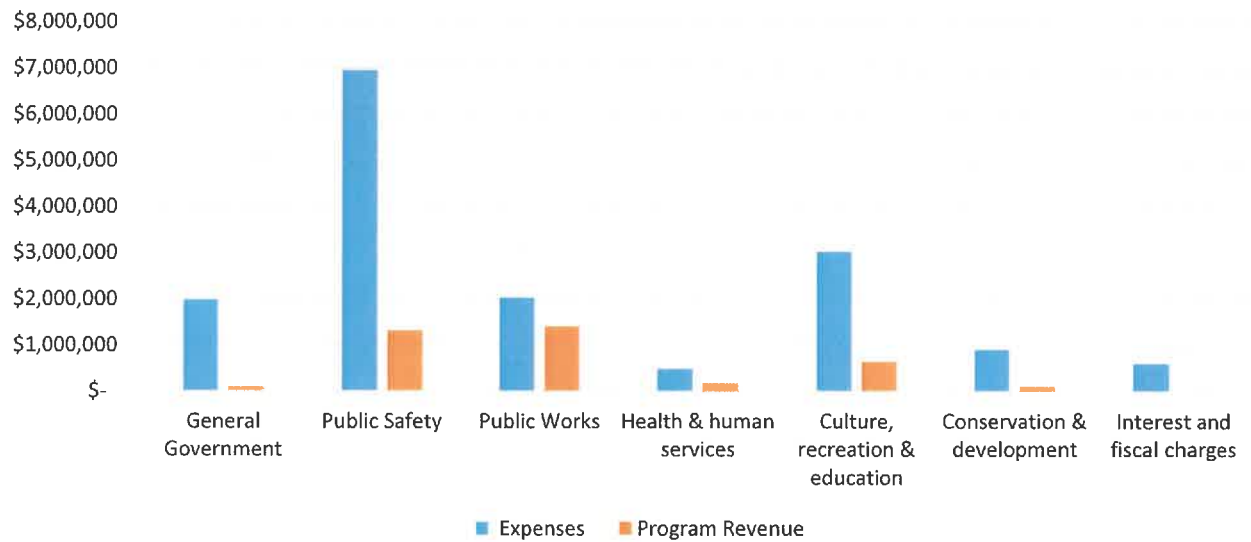
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues						
Program Revenues						
Charges for Services	\$ 2,142,383	\$ 2,649,481	\$ 16,965,309	\$ 16,839,887	\$ 19,107,692	\$ 19,489,368
Operating Grant and Contributions	1,058,855	1,005,554	82,618	81,890	1,141,473	1,087,444
Capital Grants and Contributions	566,736	685,420	696,279	1,151,220	1,263,015	1,836,640
General Revenues						
Property Taxes	6,142,554	5,917,104	-	-	6,142,554	5,917,104
Other Taxes	300,602	324,551	-	-	300,602	324,551
Grants and Contributions not restricted to specific programs	5,637,989	4,287,640	-	-	5,637,989	4,287,640
Other	1,173,350	1,129,991	16,758	31,469	1,190,108	1,161,460
Total Revenues	\$ 17,022,469	\$ 15,999,741	\$ 17,760,964	\$ 18,104,466	\$ 34,783,433	\$ 34,104,207
Expenditures						
General Government	\$ 1,982,566	\$ 1,957,673	\$ -	\$ -	\$ 1,982,566	\$ 1,957,673
Public Safety	6,971,974	7,403,579	-	-	6,971,974	7,403,579
Public Works	2,036,567	2,402,409	-	-	2,036,567	2,402,409
Health & human services	497,857	469,014	-	-	497,857	469,014
Culture, recreation & education	3,032,895	3,320,144	-	-	3,032,895	3,320,144
Conservation & development	916,994	652,717	-	-	916,994	652,717
Interest and fiscal charges	610,194	343,749	-	-	610,194	343,749
Electric Utility	-	-	8,718,210	8,884,025	8,718,210	8,884,025
Water Utility	-	-	2,665,628	2,544,388	2,665,628	2,544,388
Sewer Utility	-	-	2,849,276	2,729,713	2,849,276	2,729,713
Telecommunications Utility	-	-	24,062	15,684	24,062	15,684
Solid Waste Utility	-	-	820,947	868,995	820,947	868,995
Stormwater Utility	-	-	417,850	341,395	417,850	341,395
Total Expenditures	\$ 16,049,047	\$ 16,549,285	\$ 15,495,973	\$ 15,384,200	\$ 31,545,020	\$ 31,933,485
Transfers	\$ 692,739	\$ 660,312	\$ (692,739)	\$ (660,312)	\$ -	\$ -
Change in Net Position	\$ 1,666,161	\$ 110,768	\$ 1,572,252	\$ 2,059,954	\$ 3,238,413	\$ 2,170,722
Net Position, Jan 1	\$ 24,128,953	\$ 24,018,185	\$ 36,299,707	\$ 34,239,753	\$ 60,428,660	\$ 58,257,938
Net position, December 31	\$ 25,795,114	\$ 24,128,953	\$ 37,871,959	\$ 36,299,707	\$ 63,667,073	\$ 60,428,660

Governmental Activities

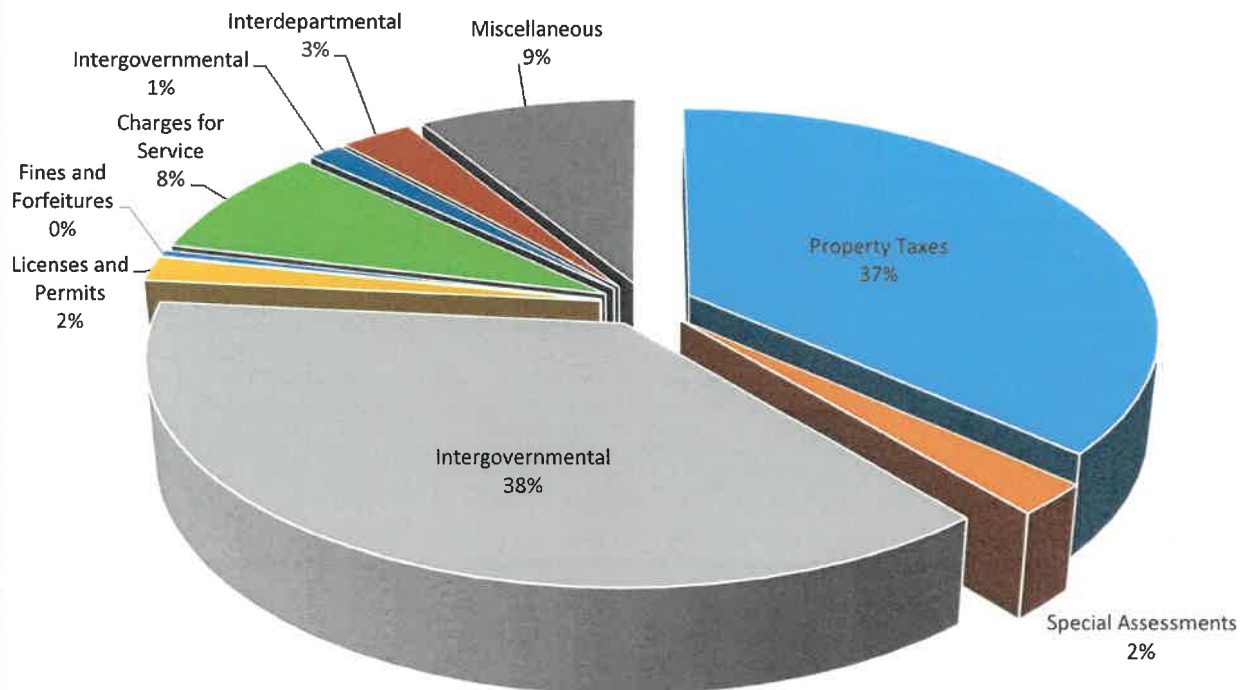
Property taxes increased 3.24% from 2023 to 2024 and have averaged an increase of .54% per year since 2018. City administration remains focused on keeping property taxes at a manageable level, working within the regulations of the State of Wisconsin Expenditure Restraint Program and Levy Limit Increase Program.

The net position of Governmental Activities increased by \$1,666,161 driven by leverage of grant programs, cost savings measures taken, depreciation of assets, and the recording of actuarial transactions of pension and postemployment benefits. The average change to the net position of Governmental Activities over the last five years has been +\$1,332,532 per year.

Governmental Funds-Expense & Revenues



Revenues by Source - Governmental Funds



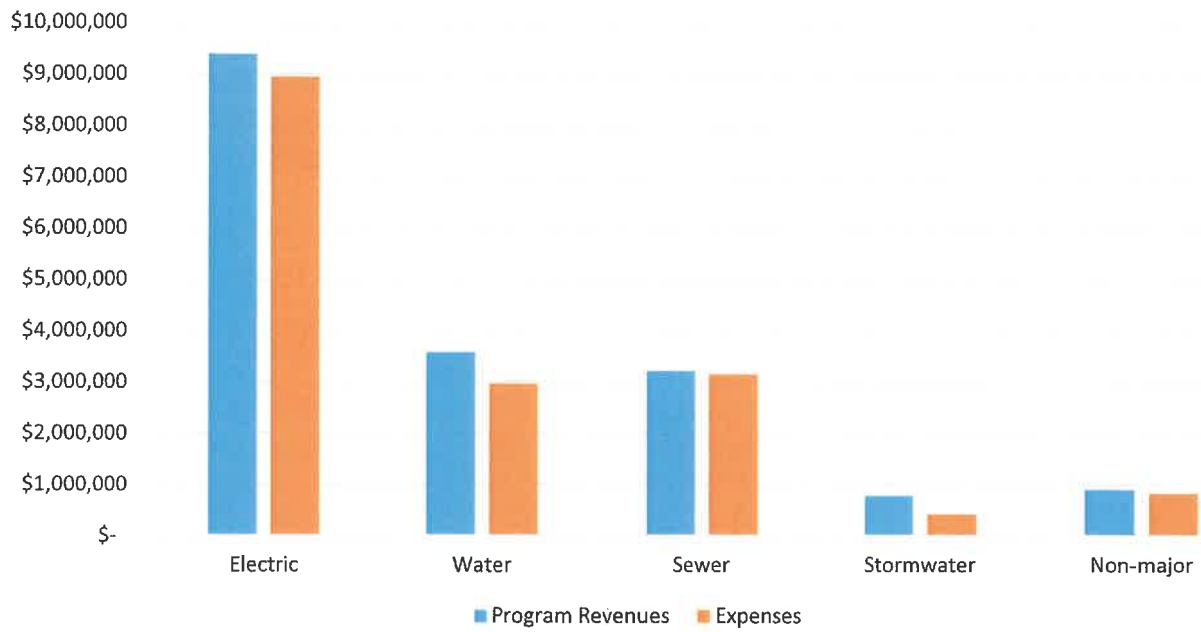
Business-type Activities

Operating Revenue for the City's business-type activities totaled \$16,949,424, down 1% from 2023, with user fees accounting for 93% of all operating revenues. Business-type operating expenses totaled \$15,085,609, an increase of 1% from 2023. The electric utility is the largest business type fund, accounting for 58% of all business-type operating expense activity. The water and sewer utilities operating expenses were \$2.5 million and \$2.6 million, respectively.

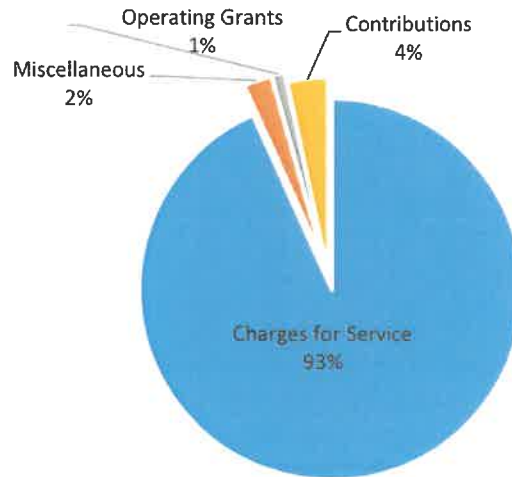
Table A-3
Change in Business Type Activity Net Position

Operating Revenues	Electric Utility	Water Utility	Sewer Utility	Telecom Utility	Solid Waste	Stormwater Utility	Total 2024	Total 2023
Charges for services	\$ 9,164,113	\$3,092,911	\$ 3,044,869	\$ -	\$ 581,192	\$ 656,411	\$16,539,496	\$16,417,581
Other	119,356	36,417	15,651	-	238,504	-	409,928	397,714
Total Operating Revenues	9,283,469	3,129,328	3,060,520	-	819,696	656,411	16,949,424	16,815,295
Operating Expenses								
Operating and maintenance	8,125,751	1,894,838	1,758,079	5,822	813,575	217,080	12,815,145	12,936,398
Depreciation	507,063	575,261	848,880	18,240	-	130,353	2,079,797	1,808,411
Taxes	92,882	57,442	40,343	-	-	-	190,667	166,717
Total Operating Expenses	8,725,696	2,527,541	2,647,302	24,062	813,575	347,433	15,085,609	14,911,526
Operating Income (Loss)	557,773	601,787	413,218	(24,062)	6,121	308,978	1,863,815	1,903,769
Nonoperating Revenues (Expense)								
Grants	-	5,836	87,903	-	82,618	9,331	185,688	1,114,219
Interest Expense	(17,615)	(138,087)	(201,974)	-	(7,372)	(70,417)	(435,465)	(455,953)
Other	25,101	11,686	-	15,885	-	2,106	54,778	12,136
Total Nonoperating Revenues (Expenses)	7,486	(120,565)	(114,071)	15,885	75,246	(58,980)	(194,999)	670,402
Net Income (Loss)	565,259	481,222	299,147	(8,177)	81,367	249,998	1,668,816	2,574,171
Customer Contributions	120,080	364,943	2,966	-	-	108,186	596,175	146,095
Net Transfers In (Out)	(225,675)	(227,431)	(237,599)	-	(2,034)	-	(692,739)	(660,312)
Change in Net Position	459,664	618,734	64,514	(8,177)	79,333	358,184	1,572,252	2,059,954
Net Position - Jan 1	10,111,320	9,116,410	10,342,526	117,666	86,671	6,525,114	36,299,707	34,239,753
Net Position - Dec. 31	\$10,570,984	\$9,735,144	\$10,407,040	\$ 109,489	\$ 166,004	\$6,883,298	\$37,871,959	\$36,299,707

Business-Type Activity-Revenue and Expenses



Revenues by Source - Business Type Activities



Historically, the Business-type Activities are making efforts to keep operating expenses in control. While the City has seen decreases in demand from our customers, the utilities have needed to constantly search for efficiencies and streamline processes to keep expenses in control.

Year	Total Operating Expenses	Change %
2014	\$ 13,696,868	
2015	13,387,050	-2.3%
2016	13,462,619	+ .6%
2017	13,433,217	- .2%
2018	13,428,940	- .0%
2019	13,226,522	-1.5%
2020	13,911,780	+5.2%
2021	14,131,717	+1.6%
2022	15,240,828	+7.8%
2023	14,911,526	-2.2%
2024	15,085,609	+1.2%

The average increase in Operating Expenses has been 1% per year since 2014.

The most recent **Electric Utility** rate increase took effect May 1, 2020. Operating Expenses decreased \$125,747 from 2023, mainly driven by a \$251,780 (-3.7%) decrease in purchased power costs due to lower demands from our customers and lower power costs from our supplier. Other than Purchased Power Costs, Operating Expenses increased \$58,293 (2.2%). The Electric Utility increased its Net Position \$459,664 in 2024.

In the **Water Utility**, our current rates became effective on September 1, 2018. This increased rates an average of 14%. A Simplified Rate Case Filed with the PSC in June 2023 resulted in an additional 8 percent increase, effective 9/1/2023. This utility has continued to work at trimming operating expenses to reduce its cash deficit. In 2024, revenues were up 3.7%. Operating expenses were up 6.7%, due to increased depreciation, inflationary increases in supply costs, and pay increases for utility employees to remain competitive with other utilities. The Utility continues to invest in plant efficiencies, cost savings procedures and the elimination of lead services. The Water Utility increased its Net Position \$618,734 in 2024.

The **Sewer Utility** most recently raised rates effective August 1, 2022. The increase was needed to invest in plant improvements, system infrastructure, and overall financial health of the Utility. The Wastewater facility has gone through extensive remodeling and upgrading over the last six years to improve efficiency and ensure its ability to comply with environmental restrictions in the future. Staff continues to analyze revenues and expenses to solidify its financial position. Due to the increased amount of debt service related to the plant upgrades and remodeling and the ongoing infrastructure replacement, utility staff will do regular rate reviews to ensure the utility's financial stability in the future. In 2024, Operating Revenues increased 3.6% and Operating Expenses increased 3.6%. The Sewer Utility increased its Net Position \$89,713 in 2024.

The **Stormwater Utility** has generated a dedicated user fee to support the maintenance of the City's Stormwater infrastructure and to fund mandated runoff programs. Over the past decade, the utility has consistently performed well, building equity reserves that are now being invested in critical infrastructure improvements. The Stormwater Utility increased its Net Position \$369,619 in 2024.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As the City completed 2024, its governmental funds reported a combined fund balance of \$7,703,830. The City is making every attempt not to draw on its fund balance and is continuing to concentrate on rebuilding the General Fund Balance. This continues to be a major challenge, as General Fund revenues from both property taxes and intergovernmental sources have been restricted, frozen or reduced. While the activity in 2024 does not reflect it, the City has seen significant improvement in the Unassigned category in recent years due to the reduction of cash deficit in other funds, most significantly in the Water Utility. City staff will continue to closely monitor this trend in light of recent results. The chart below shows a history of the Fund Balance for Governmental Funds:

Summary of Fund Balance for Government Funds					
Year	Fund Balance	Nonspendable	Restricted	Committed	Unassigned
2011	\$ 7,102,083	\$ 3,208,736	\$ 5,502,734	\$ 424,424	\$ (2,033,811)
2012	6,221,759	2,938,240	4,410,213	368,072	(1,494,766)
2013	5,786,344	3,005,684	3,472,718	1,335,350	(2,027,408)
2014	5,910,200	2,682,999	3,020,131	1,289,687	(1,082,617)
2015	4,488,158	2,893,674	2,576,394	620,359	(1,602,269)
2016	4,855,232	3,173,913	2,856,578	923,268	(2,098,527)
2017	5,759,328	3,215,134	2,996,793	1,145,941	(1,598,540)
2018	4,663,934	4,116,560	3,089,522	707,006	(3,249,154)
2019	5,942,069	3,004,735	3,955,820	760,663	(1,779,149)
2020	6,322,303	2,466,515	3,963,047	702,364	(809,623)
2021	6,640,500	2,223,949	2,879,845	1,767,456	(230,750)
2022	8,221,143	2,484,460	4,203,414	2,264,873	(731,604)
2023	6,749,212	2,315,575	3,261,962	1,911,091	(739,416)
2024	7,703,830	2,396,690	4,432,370	1,806,464	(931,694)

GENERAL FUND BUDGETARY HIGHLIGHTS

All budgets are adopted at the department level of expenditures. In 2024, General Fund revenues were higher than the budgeted amount by \$223,376 (2% of budget) per both summarized and detailed budget schedules in the statements. Total expenditures were \$105,586 under budget (1% of budget), resulting in a \$66,319 operating revenue and year-end Fund Balance in the General Fund of \$2,217,615.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Net Capital Assets

Capital assets are tangible and intangible assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or higher and an estimated useful life in excess of a year.

Table A-4
City of Two Rivers Capital Assets
(Net of Depreciation/Amortization and Related Debt)

	Governmental Activities	Business Type Activities	Total
Land	\$ 982,257	\$ 36,944	\$ 1,019,201
Construction in Progress	1,880,558	2,523,653	4,404,211
Buildings	15,484,213	8,469,002	23,953,215
Improvements	5,255,142	51,326,593	56,581,735
Equipment	13,092,134	22,135,369	35,227,503
Infrastructure	39,146,253	-	39,146,253
Lease Assets-Machinery & Equipment	656,874	205,343	862,217
Total Capital Assets	\$ 76,497,431	\$ 84,696,904	\$ 161,194,335
Less: Acc. Depreciation & Amortization	(42,510,377)	(33,056,271)	(75,566,648)
Less: Related long-term debt outstanding	(14,922,693)	(17,396,291)	(32,318,984)
Total Invested in Capital Assets	\$ 19,064,361	\$ 34,244,342	\$ 53,308,703

A comparison to this information in the 2015 financial statement shows the reinvestment in the community that the City is making. Total Capital Assets have increased \$46,974,211 in that period (average of \$5.22 million per year). At the same time, the related outstanding debt has increased \$6,473,310 (average of \$719,257 per year).

Long-term Debt

At year-end, the City had \$17,350,129 in outstanding general obligation (G.O.) debt that is subject to statutory debt limitations. That amount of debt is equivalent to 38% of the statutory debt limit (5% of equalized valuation, or \$45,939,895 as of December 31, 2024). This level of G.O. debt is in compliance with City's long-term policy of staying at or below 60% of the statutory limit.

Equalized values have increased in years 2019-24, including an increase of 14% in 2024, and due to the local housing market the City anticipates 2025 will maintain this trend. The City's legal margin for new G.O. debt as of December 31, 2024 is \$28,589,766, compared to December 31, 2023 of \$23,413,863.

Outstanding revenue bonds to be repaid from the Water Utility totaled \$4,219,264 at the end of 2024, associated with a \$4.2 million upgrade of the water filtration plant, completed in 2005 (funded through a 20-year Safe Drinking Water Fund borrowing, at 2.365%) and various infrastructure projects.

Outstanding revenue bonds to be repaid from the Sewer Utility totaled \$9,644,312 at the end of 2024. This debt is associated with a \$6.2 million upgrade of the wastewater treatment plant completed in 2009 (funded through a 20-year Clean Water Fund borrowing at 2.39%), a major renovation of the wastewater treatment plant started in 2018 (funded through a 20-year Clean Water Fund borrowing at 1.87%), and Phase Two of the major renovation started in 2019 (funded through a 20-year Clean Water Fund borrowing at 1.65%).

Outstanding State Trust Fund loans to be repaid from the Electric Utility totaled \$111,835 at the end of 2024. It represents the remaining balance on a debt issue to cover the Electric Utility's portion of the Wisconsin Retirement Unfunded Pension Liability.

The Stormwater Utility is responsible for repayment of \$1,353,155 in revenue bond debt. This debt was issued for Stormwater infrastructure and shoreline erosion protection in 2020 and for a stormwater retention pond project in 2021.

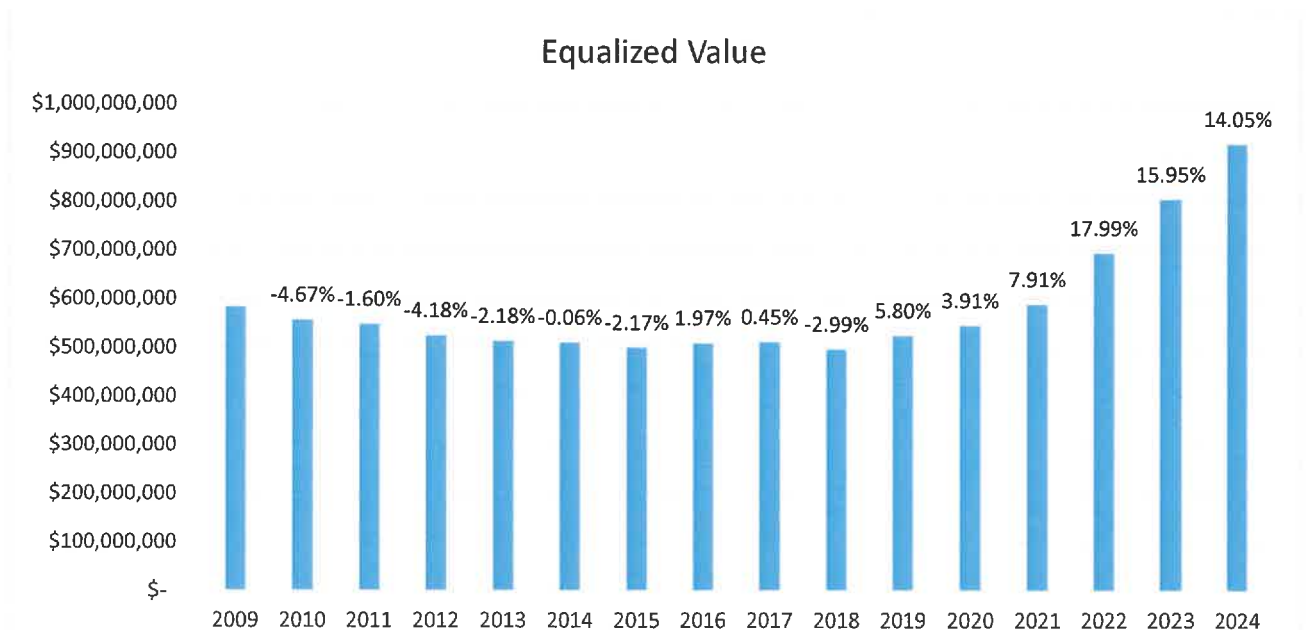
The Solid Waste Utility took out a small loan to eliminate its share of the Wisconsin Retirement Unfunded Pension Liability. The principal balance on this loan as of the end of 2021 is \$5,814.

The above-cited utility revenue bonds do not affect the City's borrowing capacity for general obligation debt.

ECONOMIC DEVELOPMENT & COMMUNITY NOTES

The City's location on the shore of Lake Michigan, with well-maintained infrastructure, sound housing, and available residential development land, makes it attractive for residential and small business development.

The City's Equalized Value for 2023 is the highest it has ever been, recovering from when the area was feeling the impact of a recession and a local plant closing. Equalized value had increased an average of 3% annually from 2005 to 2009. The recession of 2008 had an adverse impact on the local tax base, reflective of the declines experienced in other areas of the state and nation. Total Equalized Value, dating back to 2009, is as follows:



The City's development efforts in recent years have addressed both new, greenfield development, and the redevelopment of existing sites in the community. Its twelve active tax incremental financing (TIF) districts are performing well, with \$42.2 million in new tax base created. The total equalized value of the TIF districts is \$60.8 million. Three more districts were created in 2021 and another in one in 2022. These districts are projected to have a significant impact in coming years. Wisconsin's TIF law has created new opportunities for existing TIF districts to spur additional development. Two Rivers has also used its \$1.5 million Economic Development Revolving Loan Fund to help finance various commercial and manufacturing projects.

As a mature community with a relatively modest tax base, the City continues to be heavily dependent on State Shared Revenue and Expenditure Restraint Programs, which account for about 39% of its General Fund Revenue Budget. This major revenue source saw no growth for nearly two decades, until the 2023-24 biennial State Budget, when the Governor and the Legislature agreed to a significant increase in funding for the Shared Revenue program. Two Rivers saw a significant increase in Shared Revenues funding as the result of this change, from \$3,764,783 in 2023 to \$4,611,606 in 2024. State Shared Revenues are now set to be adjusted annually, growing by the same percentage as State sales tax receipts. Aggressive cost-cutting strategies have helped hold down growth in

operating budgets and the City's tax rate; 2 full-time positions have been eliminated from a workforce of 140 over the past 15 years, largely through attrition. The City's 2025 General Fund budget, at \$12,510,657, is \$3,115,277 more than the 2010 General Fund Budget, representing a 29.0% increase over 15 years, or 1.7% annually. This reflects the aggressive cost containment that has been occurring over the last 15 years

Use of a five-year capital improvement plan, updated annually, has allowed the City to re-invest aggressively in its infrastructure, while keeping debt levels manageable. Debt retirement schedules are aggressive, with over 95% of G.O. debt principal due in 10 years or less. Reinvestment in City facilities and infrastructure is viewed as essential for the long-term economic health of the City, and significant Federal and State funds (notably for street and bridge projects) have been leveraged by the City to aid such reinvestment. A debt policy was adopted in 2007, which formalized the City's longstanding practice of maintaining general obligation debt levels at or below 60% of statutory limits.

Economic Development Activity and Investments in City Infrastructure and Quality of Life Facilities

Industrial Development

Athens Development, LLC in December 2023 closed on the purchase a 9-acre parcel in the City's Woodland Industrial Park, and in July 2024 broke ground for new 28,000 SF facility that now houses the truss manufacturing division of Braun Building Supply of nearby Manitowoc. The \$2.1 million project is being assisted with a pay-go grant from City Tax Incremental District No. 14.

Driver Solutions, Inc., a delivery/logistics company based in nearby Manitowoc, is currently constructing a 6,000 SF facility on ~~purchase of~~ a 2.5 acre parcel at the Woodland Industrial Park. The company plans to relocate its operations, with 25+ employees, to the new facility by 2025 year-end

Downtown, Commercial and Tourism Development

Wine Not LLC completed a \$2.5 million redevelopment of a vacant downtown bank building in 2021. Opening late in 2022 as Cool City Brewing Company, the project converted the building into a coffee house, restaurant and micro brewery. In a separate purchase, Wine Not LLC also purchased a long-vacant, former gas station with plans to invest funds in developing the building into a mixed-use retail establishment.

Starbucks in late 2024 completed and opened a new, 2,448 SF freestanding coffee shop with drive-through on a redevelopment parcel on Washington Street in the downtown area.

Lakeshore Commercial LLC in 2024 commenced a \$1 million expansion and modernization of Sauve's Automotive, a long-time downtown service station and auto repair business. The project added three service bays and expanded office and customer areas. Completed in the Spring of 2025, the project is being assisted by a \$200,000 pay-as-you-go grant from TID 12.

Cozy B's Family Diner opened in mid-July 2024 after remodeling a vacant restaurant building on Jefferson Street in downtown. The diner offers breakfast and lunch.

Pop-Start Restaurants, LLC in early 2025 purchased a vacant small restaurant building on 22nd Street in the downtown. The company has since opened a wood-fire pizza restaurant and catering business at that location. The \$420,000 project is being assisted with an \$83,000 City loan and \$10,000 grant from Tax Incremental District 8.

Milkweed Ventures in 2023 purchased a vacant, blighted property in the downtown (former Elks Club, more recently a bar), for adaptive re-use as a 6-room boutique inn, spa and lounge called Violet Inn.. Renovations began in 2024 and have continued into 2025, with a planned Fall 2025 opening. This nearly \$2 million investment is being assisted with a \$200,000 City loan and a \$130,000 pay-as-you-go grant from TID 12.

Tourism continues to grow in the city. Fueled by the opening of the new 55-room Cobblestone Hotel in downtown (completed 2020) and an increasing number of vacation rental properties (now nearly 50), room tax revenues in 2023 totaled \$323,984, an increase of more than 175 percent over 2019. 2024 room tax revenues were up about 2.5 percent over 2023, in a year when many Wisconsin communities saw room tax proceeds decline.

Area Economy

Located 10 miles north of the city limits, **Next Era Energy's Point Beach Nuclear Power Plant** is a major factor in the local economy. The plant's two reactors are currently licensed to operate through 2030 and 2033. A \$500 million upgrade project was completed in 2011, resulting in a 17% increase in the plant's power output. The project also enhanced the long-term viability of the facility, which has a permanent workforce of 700 people and provides employment for many contractors. Next Era Energy is pursuing re-licensing of the reactors, each for an additional 20 years of operation.

One large solar energy project was completed in 2020 in an area adjacent to the Point Beach Nuclear Plant and a second was completed in 2021. The 150 megawatt Two Creeks Solar project is a joint project of Wisconsin Public Service Corporation and Madison Gas and Electric, who invested an estimated \$195 million in the project, which began producing energy in November 2020. The 100-megawatt Point Beach Solar project was constructed by Next Era Energy to provide energy per a long-term purchase power contract with WPPI Energy, wholesale electricity provider to Two Rivers and 50 other municipal utilities.

Housing

Washington Highlands Senior Apartments & Condominiums. Construction of a new, eight-unit, market rate senior apartment building was completed in 2018. This \$1.2 million investment added to the valuation of this financially healthy redevelopment TID, consisting of residential condos and apartments on the former Two Rivers High School site. Construction was completed in 2021 on three additional 2-unit condominiums. An additional 2-unit structure was constructed in 2024.

Sandy Bay Highlands Conservation Subdivision, Phase 3. There are currently 28 single family homes in this city-developed subdivision. Eight new homes were completed in 2023, and Phases 1 and 2 of the subdivision are nearly sold out. The City Council in August 2024 approved a contract for extending public utility and street infrastructure to serve an additional 26 home sites. Average market value of the homes in this development is \$450,000.

Community Quality of Life

Central Park West 365, a City-led project to redevelop the west half of the downtown park, was completed in mid-2023. Grants and donations funded two-thirds of the cost of this \$1.8 million project that created a year-round venue for outdoor activities in the heart of downtown. Features include a splash pad, ice skating rink, concession building, restrooms and a performance stage. Construction was completed, and a ribbon cutting and dedication took place in July 2023.

Neshotah Park. A new Master Plan for this 50-acre park, which is also home to the City's very popular Lake Michigan beach, was developed and adopted in 2023. Also in 2023, the City completed the first major improvement project identified in that plan: installation of a new destination playground, at a cost of \$400,000.

An automated beach hazard warning system was installed in Summer 2024, funded with room tax funds awarded by the City's Room Tax Commission. Connected directly to the National Weather Service's Beach Hazard Warning System, the signs provide beachgoers with vital information about beach hazard advisories in real time. Lighting and access improvements have also been completed in 2024, at a cost of approximately \$130,000. Budgeted improvements to the park in 2025 total \$750,000, half of that amount grant funded.

Wayside on Memorial Drive. In 2020, the City finalized the transfer of a five-acre facility on the shores of Lake Michigan from the Wisconsin Department of Transportation. Adjacent additional acreage was acquired from Manitowoc County.. The City has assumed the responsibility of upkeep and maintenance on the facilities and the grounds, including the investment already made in tree plantings. In 2018, the “Spirit of the Rivers” sculpture, a large piece of community-funded public art, was installed on the site. Budget for the Spirit project, funded entirely from private sources, was \$1.6 million.

Working with Woodland Dune Nature Center, the City is pursuing project to further enhance the area, including planting of pollinator gardens and restoration of Forget-Me-Not Creek, which flows into Lake Michigan at the wayside.

Woodland Dunes Nature Center & Preserve recently completed construction on a 5,000 square-foot expansion to its Nature Center. The \$2.2 million project, funded through a capital campaign, will accommodate larger groups for school visits, classes, and workshop.

Van Der Brohe Arboretum. This private not-for-profit organization purchased a former 65-acre golf course in 2020 and is in the midst of long-term plans to develop the property into an ecological center focused on providing an environment for the cultivation and display of a variety of tree types and plant species. Construction of the walking trails, installation of art displays, and planting of a variety of vegetation occurred in 2021. Plans include the construction of a visitor’s center and an outdoor event venue.

City Utilities

Ongoing review of five-year utility business plans and more frequent rate filings by the City’s utilities is intended to eliminate past utility fund deficits that have been covered by loans from the General Fund. With a revenue base made up largely of residential customers, demand for utility services is growing slowly; aggressive cost containment measures along with prudent rate adjustments are necessary to put the utility funds back “in the black.”

CONTACTING THE CITY’S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City’s finances and to demonstrate the City’s accountability for the money it receives. If you have questions about this report or need additional information, please contact:

Kasandra Paider, Finance Director
1717 E. Park Street
P.O. Box 87
Two Rivers, WI 54241
920-793-7274
kaspai@two-rivers.org

Gregory Buckley, City Manager
1717 E. Park Street
P.O. Box 87
Two Rivers, WI 54241
920-793-5532
grebuc@two-rivers.org

BASIC FINANCIAL STATEMENTS

**CITY OF TWO RIVERS, WISCONSIN
STATEMENT OF NET POSITION
DECEMBER 31, 2024**

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	\$ 9,762,180	\$ 1,867,896	\$ 11,630,076
Receivables:			
Taxes	3,642,859	120,233	3,763,092
Accounts	142,222	2,267,923	2,410,145
Special Assessments	648,799	264,814	913,613
Loans	3,452,945	-	3,452,945
Other	-	124,791	124,791
Leases	161,107	-	161,107
Internal Balances	1,565,006	(1,565,006)	-
Due from Other Governments	200,000	541,799	741,799
Prepaid Items	755,237	463,183	1,218,420
Restricted Assets:			
Cash and Investments	-	1,197,533	1,197,533
Capital Assets, Nondepreciable/Nonamortizable	2,862,815	2,560,597	5,423,412
Capital Assets, Depreciable/Amortizable, Net	31,124,239	49,080,036	80,204,275
Total Assets	54,317,409	56,923,799	111,241,208
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related Amounts	8,251,659	1,507,645	9,759,304
Other Postemployment Benefit Related Amounts	1,674,925	291,459	1,966,384
Total Deferred Outflows of Resources	9,926,584	1,799,104	11,725,688

See accompanying Notes to Basic Financial Statements.

**CITY OF TWO RIVERS, WISCONSIN
STATEMENT OF NET POSITION (CONTINUED)
DECEMBER 31, 2024**

	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Accounts Payable	\$ 1,003,637	\$ 941,314	\$ 1,944,951
Accrued and Other Current Liabilities	436,253	66,639	502,892
Due to Other Governments	24,143	-	24,143
Accrued Interest Payable	256,714	126,116	382,830
Special Deposits	42,176	108,923	151,099
Unearned Revenues	356,132	-	356,132
Long-Term Obligations:			
Due within One Year	2,548,526	1,581,547	4,130,073
Due in More than One Year	14,198,534	15,726,004	29,924,538
Other Postemployment Benefits:			
Due within One Year	539,237	46,638	585,875
Due in More than One Year	5,446,973	989,683	6,436,656
Net Pension Liability	919,095	169,287	1,088,382
Total Liabilities	25,771,420	19,756,151	45,527,571
DEFERRED INFLOWS OF RESOURCES			
Property Taxes Levied for Subsequent Year	6,537,535	-	6,537,535
Lease Related	161,107	-	161,107
Pension Related Amounts	4,915,026	905,292	5,820,318
Other Postemployment Benefit Related Amounts	1,063,791	189,501	1,253,292
Total Deferred Inflows of Resources	12,677,459	1,094,793	13,772,252
NET POSITION			
Net Investment in Capital Assets	19,064,361	34,244,342	53,308,703
Restricted:			
Housing and Business Loans	4,880,024	-	4,880,024
Library Operations and Donations	82,140	-	82,140
WDF Administrative	200	-	200
EMS Act 102 Grant	12,046	-	12,046
Affordable Housing	141,477	-	141,477
Medical/Hospital Equipment	20,764	-	20,764
Tax Incremental Districts	1,416,360	-	1,416,360
Debt Service	104,756	-	104,756
Capital Assets	-	1,176,392	1,176,392
Unrestricted	72,986	2,451,225	2,524,211
Total Net Position	\$ 25,795,114	\$ 37,871,959	\$ 63,667,073

See accompanying Notes to Basic Financial Statements.

**CITY OF TWO RIVERS, WISCONSIN
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024**

FUNCTIONS/PROGRAMS	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Governmental Activities:			
General Government	\$ 1,982,566	\$ 83,897	\$ 11,429
Public Safety	6,971,974	1,184,775	120,882
Public Works	2,066,079	385,225	592,370
Health and Human Services	497,857	167,015	19,371
Culture and Recreation	3,032,895	207,115	314,803
Conservation and Development	916,994	114,356	-
Interest and Fiscal Charges	580,682	-	-
Total Governmental Activities	16,049,047	2,142,383	1,058,855
Business-Type Activities:			
Electric Utility	8,718,210	9,283,469	-
Water Utility	2,665,628	3,129,328	-
Sewer Utility	2,849,276	3,060,520	-
Telecommunications Utility	24,062	15,885	-
Solid Waste	820,947	819,696	82,618
Stormwater Utility	417,850	656,411	-
Total Business-Type Activities	15,495,973	16,965,309	82,618
Total Functions/Programs	\$ 31,545,020	\$ 19,107,692	\$ 1,141,473

See accompanying Notes to Basic Financial Statements.

**CITY OF TWO RIVERS, WISCONSIN
STATEMENT OF ACTIVITIES (CONTINUED)
YEAR ENDED DECEMBER 31, 2024**

	Program Revenues	Net Revenue (Expense) and Changes in Net Position		
	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
FUNCTIONS/PROGRAMS				
Governmental Activities:				
General Government	\$ -	\$ (1,887,240)	\$ -	\$ (1,887,240)
Public Safety	8,685	(5,657,632)	-	(5,657,632)
Public Works	432,797	(655,687)	-	(655,687)
Health and Human Services	-	(311,471)	-	(311,471)
Culture and Recreation	125,254	(2,385,723)	-	(2,385,723)
Conservation and Development	-	(802,638)	-	(802,638)
Interest and Fiscal Charges	-	(580,682)	-	(580,682)
Total Governmental Activities	566,736	(12,281,073)	-	(12,281,073)
Business-Type Activities:				
Electric Utility	120,080	-	685,339	685,339
Water Utility	370,779	-	834,479	834,479
Sewer Utility	87,903	-	299,147	299,147
Telecommunications Utility	-	-	(8,177)	(8,177)
Solid Waste	-	-	81,367	81,367
Stormwater Utility	117,517	-	356,078	356,078
Total Business-Type Activities	696,279	-	2,248,233	2,248,233
Total Functions/Programs	\$ 1,263,015	(12,281,073)	2,248,233	(10,032,840)
GENERAL REVENUES AND TRANSFERS				
Taxes:				
Property Taxes		6,142,554	-	6,142,554
Other Taxes		300,602	-	300,602
Federal and State Grants and Other Contributions				
Not Restricted to Specific Functions		5,637,989	-	5,637,989
Interest and Investment Earnings		658,565	2,106	660,671
Miscellaneous		423,807	14,652	438,459
Gain on Sale of Asset		90,978	-	90,978
Transfers		692,739	(692,739)	-
Total General Revenues and Transfers		13,947,234	(675,981)	13,271,253
CHANGE IN NET POSITION		1,666,161	1,572,252	3,238,413
Net Position - Beginning of Year		24,128,953	36,299,707	60,428,660
NET POSITION - END OF YEAR		\$ 25,795,114	\$ 37,871,959	\$ 63,667,073

See accompanying Notes to Basic Financial Statements.

**CITY OF TWO RIVERS, WISCONSIN
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2024**

	General	Debt Service	Housing Revolving Loans	Nonmajor Governmental Funds	Total
ASSETS					
Cash and Investments	\$ 1,299,581	\$ 1,513,809	\$ 180,304	\$ 6,732,725	\$ 9,726,419
Receivables:					
Taxes	1,374,971	1,415,286	-	835,562	3,625,819
Delinquent Taxes	17,040	-	-	-	17,040
Accounts	136,539	-	-	5,683	142,222
Special Assessments	648,799	-	-	-	648,799
Loans	-	-	2,282,639	1,170,306	3,452,945
Leases	161,107	-	-	-	161,107
Due from Other Funds	1,753,588	-	-	449,435	2,203,023
Due from Other Governments	-	-	-	200,000	200,000
Prepaid Items	755,237	-	-	-	755,237
Total Assets	<u>\$ 6,146,862</u>	<u>\$ 2,929,095</u>	<u>\$ 2,462,943</u>	<u>\$ 9,393,711</u>	<u>\$ 20,932,611</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 144,487	\$ 16,087	\$ -	\$ 842,788	\$ 1,003,362
Accrued and Other Current Liabilities	416,000	-	-	20,253	436,253
Due to Other Funds	-	-	-	638,017	638,017
Due to Other Governments	24,110	-	-	33	24,143
Special Deposits	37,112	-	-	5,064	42,176
Unearned Revenues	74,500	-	-	281,632	356,132
Total Liabilities	<u>696,209</u>	<u>16,087</u>	<u>-</u>	<u>1,787,787</u>	<u>2,500,083</u>
DEFERRED INFLOWS OF RESOURCES					
Property Taxes Levied for Subsequent Year	2,494,820	2,551,538	-	1,491,177	6,537,535
Loans Receivable	-	-	2,282,639	1,170,306	3,452,945
Lease Related	161,107	-	-	-	161,107
Special Assessments	577,111	-	-	-	577,111
Total Deferred Inflows of Resources	<u>3,233,038</u>	<u>2,551,538</u>	<u>2,282,639</u>	<u>2,661,483</u>	<u>10,728,698</u>
FUND BALANCES					
Nonspendable	2,396,690	-	-	-	2,396,690
Restricted	-	361,470	180,304	3,890,596	4,432,370
Committed	-	-	-	1,806,464	1,806,464
Unassigned	(179,075)	-	-	(752,619)	(931,694)
Total Fund Balances	<u>2,217,615</u>	<u>361,470</u>	<u>180,304</u>	<u>4,944,441</u>	<u>7,703,830</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 6,146,862</u>	<u>\$ 2,929,095</u>	<u>\$ 2,462,943</u>	<u>\$ 9,393,711</u>	<u>\$ 20,932,611</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF TWO RIVERS, WISCONSIN
BALANCE SHEET – GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2024**

RECONCILIATION TO THE STATEMENT OF NET POSITION

Total Fund Balances as Shown on Previous Page \$ 7,703,830

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

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds. 33,987,054

Other long-term assets are not available to pay current period expenditures and, therefore, are deferred in the funds. 4,030,056

Net position of the internal service fund is reported in the Statement of Net Position as governmental activities. 35,486

Some deferred outflows and inflows of resources reflect changes in long-term liabilities and are not reported in the funds:

Deferred Outflows Related to Pensions	8,251,659
Deferred Inflows Related to Pensions	(4,915,026)
Deferred Outflows Related to Other Postemployment Benefits	1,674,925
Deferred Inflows Related to Other Postemployment Benefits	(1,063,791)

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:

Bonds and Notes Payable	(15,596,925)
Premium on Debt	(580,892)
Lease Liability	(400,398)
Compensated Absences	(168,845)
Net Pension Liability	(919,095)
Other Postemployment Benefits Liability	(5,986,210)
Accrued Interest on Long-Term Obligations	<u>(256,714)</u>

Net Position of Governmental Activities as Reported on the Statement of Net Position \$ 25,795,114

See accompanying Notes to Basic Financial Statements.

CITY OF TWO RIVERS, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2024

	General	Debt Service	Housing Revolving Loans	Nonmajor Governmental Funds	Total
REVENUES					
Taxes	\$ 2,262,502	\$ 2,589,571	\$ -	\$ 1,603,568	\$ 6,455,641
Special Assessments	365,611	-	-	48,573	414,184
Intergovernmental	5,543,177	-	-	1,094,065	6,637,242
Licenses and Permits	307,164	-	-	-	307,164
Fines and Forfeits	80,334	-	-	-	80,334
Public Charges for Services	1,309,285	-	-	144,414	1,453,699
Intergovernmental Charges for Services	242,690	-	-	-	242,690
Interdepartmental Charges for Services	510,434	-	-	-	510,434
Miscellaneous	394,171	245,686	138,819	779,990	1,558,666
Total Revenues	11,015,368	2,835,257	138,819	3,670,610	17,660,054
EXPENDITURES					
Current:					
General Government	1,332,235	-	-	6,024	1,338,259
Public Safety	6,871,072	-	-	69,505	6,940,577
Public Works	1,645,884	-	-	208,179	1,854,063
Health and Human Services	392,577	-	-	84,979	477,556
Culture and Recreation	1,342,741	-	-	1,146,702	2,489,443
Conservation and Development	-	-	97,066	1,606,890	1,703,956
Capital Outlay	39,512	-	-	2,512,354	2,551,866
Debt Service:					
Principal	-	2,372,972	-	-	2,372,972
Interest and Fiscal Charges	-	646,575	-	12,107	658,682
Total Expenditures	11,624,021	3,019,547	97,066	5,646,740	20,387,374
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	(608,653)	(184,290)	41,753	(1,976,130)	(2,727,320)
OTHER FINANCING SOURCES (USES)					
Long-Term Debt Issued	-	1,454	-	3,018,546	3,020,000
Lease Proceeds	29,512	-	-	-	29,512
Premium on Debt Issued	-	210,897	-	-	210,897
Proceeds from Sale of Capital Assets	130,334	-	-	61,349	191,683
Transfers In	1,088,301	259,325	-	838,683	2,186,309
Transfers Out	(573,175)	(47,975)	-	(1,335,313)	(1,956,463)
Total Other Financing Sources (Uses)	674,972	423,701	-	2,583,265	3,681,938
NET CHANGE IN FUND BALANCES	66,319	239,411	41,753	607,135	954,618
Fund Balances - Beginning of Year	2,151,296	122,059	138,551	4,337,306	6,749,212
FUND BALANCES - END OF YEAR	<u>\$ 2,217,615</u>	<u>\$ 361,470</u>	<u>\$ 180,304</u>	<u>\$ 4,944,441</u>	<u>\$ 7,703,830</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF TWO RIVERS, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024**

RECONCILIATION TO THE STATEMENT OF ACTIVITIES

Net Change in Fund Balances as Shown on Previous Page \$ 954,618

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital Assets Reported as Expenditures in Governmental Fund Statements	3,397,123
Depreciation and Amortization Expense Reported in the Statement of Activities	(1,848,180)
Net Book Value of Disposals	(183,141)

Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the Statement of Activities when earned:	(159,905)
---	-----------

Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position:

Long-Term Debt Issued	(3,020,000)
Lease Liability Issued	(29,512)
Premium on Debt Issued	(210,897)
Principal Repaid	2,244,270
Lease Liability Principal Repaid	128,702

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:

Accrued Interest on Long-Term Debt	(54,768)
Amortization of Premiums	132,768
Compensated Absences	32,213
Net Pension Liability	2,369,835
Deferred Outflows of Resources Related to Pensions	(4,042,271)
Deferred Inflows of Resources Related to Pensions	1,976,603
Other Postemployment Benefits Liability	(772,785)
Deferred Outflows of Resources Related to Other Postemployment Benefits	549,048
Deferred Inflows of Resources Related to Other Postemployment Benefits	192,242

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.

10,198

Change in Net Position of Governmental Activities as Reported in the Statement of Activities

\$ 1,666,161

See accompanying Notes to Basic Financial Statements.

CITY OF TWO RIVERS, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – GENERAL FUND
YEAR ENDED DECEMBER 31, 2024

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 2,260,020	\$ 2,260,020	\$ 2,262,502	\$ 2,482
Special Assessments	165,000	165,000	365,611	200,611
Intergovernmental	5,481,672	5,481,672	5,543,177	61,505
Licenses and Permits	274,800	274,800	307,164	32,364
Fines and Forfeits	90,500	90,500	80,334	(10,166)
Public Charges for Services	1,421,500	1,421,500	1,309,285	(112,215)
Intergovernmental Charges for Services	156,500	156,500	242,690	86,190
Interdepartmental Charges for Services	585,000	585,000	510,434	(74,566)
Miscellaneous	524,505	357,000	394,171	37,171
Total Revenues	10,959,497	10,791,992	11,015,368	223,376
EXPENDITURES				
Current:				
General Government	1,660,796	1,687,037	1,332,235	354,802
Public Safety	6,660,850	6,660,850	6,871,072	(210,222)
Public Works	1,751,501	1,594,435	1,645,884	(51,449)
Health and Human Services	417,600	413,990	392,577	21,413
Culture and Recreation	1,356,173	1,343,783	1,342,741	1,042
Capital Outlay	-	-	39,512	(39,512)
Total Expenditures	11,846,920	11,700,095	11,624,021	76,074
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	(887,423)	(908,103)	(608,653)	299,450
OTHER FINANCING SOURCES (USES)				
Lease Proceeds	-	-	29,512	29,512
Proceeds From Sale of Capital Assets	25,000	25,000	130,334	105,334
Transfers In	1,252,000	1,268,000	1,088,301	(179,699)
Transfers Out	(389,577)	(389,577)	(573,175)	(183,598)
Total Other Financing Sources (Uses)	887,423	903,423	674,972	(228,451)
NET CHANGE IN FUND BALANCE	-	(4,680)	66,319	70,999
Fund Balance - Beginning of Year	2,151,296	2,151,296	2,151,296	-
FUND BALANCE - END OF YEAR	<u>\$ 2,151,296</u>	<u>\$ 2,146,616</u>	<u>\$ 2,217,615</u>	<u>\$ 70,999</u>

See accompanying Notes to Basic Financial Statements.

CITY OF TWO RIVERS, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – HOUSING REVOLVING LOANS SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2024

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Miscellaneous	\$ 80,000	\$ 80,000	\$ 138,819	\$ 58,819
EXPENDITURES				
Current:				
Conservation and Development	93,000	93,000	97,066	(4,066)
NET CHANGE IN FUND BALANCE	(13,000)	(13,000)	41,753	54,753
Fund Balance - Beginning of Year	138,551	138,551	138,551	-
FUND BALANCE - END OF YEAR	<u>\$ 125,551</u>	<u>\$ 125,551</u>	<u>\$ 180,304</u>	<u>\$ 54,753</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF TWO RIVERS, WISCONSIN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2024**

	Enterprise Funds		
	Electric Utility	Water Utility	Sewer Utility
ASSETS			
Current Assets:			
Cash and Investments	\$ 611,567	\$ -	\$ -
Receivables:			
Taxes and Special Charges	-	24,845	59,492
Customer Accounts	1,315,681	410,446	394,365
Special Assessments	-	16,371	70,043
Other	124,791	-	-
Due from Other Funds	-	-	-
Due from Other Governments	-	-	541,799
Prepaid Items	327,272	135,911	-
Total Current Assets	2,379,311	587,573	1,065,699
Restricted Assets:			
Cash and Investments	-	-	1,176,392
Capital Assets:			
Nondepreciable/Nonamortizable	29,768	1,024,317	1,007,133
Depreciable/Amortizable, Net	9,336,376	14,831,427	18,030,073
Total Capital Assets	9,366,144	15,855,744	19,037,206
Total Assets	11,745,455	16,443,317	21,279,297
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related Amounts	673,805	393,238	363,528
Other Postemployment Benefit Related Amounts	128,148	74,324	78,322
Total Deferred Outflows of Resources	801,953	467,562	441,850

See accompanying Notes to Basic Financial Statements.

**CITY OF TWO RIVERS, WISCONSIN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS (CONTINUED)
DECEMBER 31, 2024**

	Enterprise Funds			Governmental Activities - Internal Service Fund
	Stormwater Utility	Nonmajor Funds	Total	Health Insurance
ASSETS				
Current Assets:				
Cash and Investments	\$ 1,050,673	\$ 226,797	\$ 1,889,037	\$ 35,761
Receivables:				
Taxes and Special Charges	33,290	2,606	120,233	-
Customer Accounts	84,655	-	2,205,147	-
Special Assessments	178,400	-	264,814	-
Other	-	62,776	187,567	-
Due from Other Funds	15,999	-	15,999	-
Due from Other Governments	-	-	541,799	-
Prepaid Items	-	-	463,183	-
Total Current Assets	1,363,017	292,179	5,687,779	35,761
Restricted Assets:				
Cash and Investments	-	-	1,176,392	-
Capital Assets:				
Nondepreciable/Nonamortizable	499,379	-	2,560,597	-
Depreciable/Amortizable, Net	6,854,943	27,217	49,080,036	-
Total Capital Assets	7,354,322	27,217	51,640,633	-
Total Assets	8,717,339	319,396	58,504,804	35,761
DEFERRED OUTFLOWS OF RESOURCES				
Pension Related Amounts	25,041	52,033	1,507,645	-
Other Postemployment Benefit Related Amounts	-	10,665	291,459	-
Total Deferred Outflows of Resources	25,041	62,698	1,799,104	-

See accompanying Notes to Basic Financial Statements.

**CITY OF TWO RIVERS, WISCONSIN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS (CONTINUED)
DECEMBER 31, 2024**

	Enterprise Funds		
	Electric Utility	Water Utility	Sewer Utility
LIABILITIES			
Current Liabilities:			
Accounts Payable	\$ 599,301	\$ 74,604	\$ 248,675
Accrued and Other Current Liabilities	35,387	18,647	17,540
Due to Other Funds	-	1,291,187	289,818
Accrued Interest Payable	10,372	27,130	36,186
Special Deposits	108,923	-	-
Current Portion of Long-Term Debt	35,826	395,344	75,559
Current Portion of Lease Liability	21,247	22,165	1,283
Current Portion of Compensated Absences	3,884	1,481	770
Current Portion of Other Postemployment Benefits	24,814	21,824	-
Payable from Restricted Assets:			
Current Portion of Long-Term Debt	-	-	851,273
Total Current Liabilities	839,754	1,852,382	1,521,104
Long-Term Liabilities, Less Current Portion:			
General Obligation Debt	-	697,923	390,000
Revenue Bonds	76,009	3,982,906	8,793,039
Debt Premium	-	16,952	13,240
Lease Liability	30,407	40,527	-
Compensated Absences	34,952	13,328	6,928
Net Pension Liability	75,795	44,252	40,988
Other Postemployment Benefits	430,970	242,751	279,646
Total Long-Term Liabilities	648,133	5,038,639	9,523,841
Total Liabilities	1,487,886	6,891,021	11,044,945
DEFERRED INFLOWS OF RESOURCES			
Pension Related Amounts	405,329	236,645	219,189
Other Postemployment Benefit Related Amounts	83,209	48,069	49,973
Total Deferred Inflows of Resources	488,538	284,714	269,162
NET POSITION			
Net Investment in Capital Assets	9,314,490	10,652,487	8,692,521
Restricted:			
Capital Assets	-	-	1,176,392
Unrestricted	1,256,494	(917,343)	538,127
Total Net Position	\$ 10,570,984	\$ 9,735,144	\$ 10,407,040

See accompanying Notes to Basic Financial Statements.

**CITY OF TWO RIVERS, WISCONSIN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS (CONTINUED)
DECEMBER 31, 2024**

	Enterprise Funds			Governmental Activities - Internal Service Fund
	Stormwater Utility	Nonmajor Funds	Total	Health Insurance
LIABILITIES				
Current Liabilities:				
Accounts Payable	\$ 196	\$ 10,156	\$ 932,932	\$ 275
Accrued and Other Current Liabilities	2,173	1,274	75,021	-
Due to Other Funds	-	-	1,581,005	-
Accrued Interest Payable	45,109	7,319	126,116	-
Special Deposits	-	-	108,923	-
Current Portion of Long-Term Debt	170,853	1,863	679,445	-
Current Portion of Lease Liability	-	-	44,695	-
Current Portion of Compensated Absences	-	-	6,134	-
Current Portion of Other Postemployment Benefits	-	-	46,638	-
Payable from Restricted Assets:				
Current Portion of Long-Term Debt	-	-	851,273	-
Total Current Liabilities	218,331	20,612	4,452,182	275
Long-Term Liabilities, Less Current Portion:				
General Obligation Debt	272,687	-	1,360,610	-
Revenue Bonds	1,353,155	3,951	14,209,060	-
Debt Premium	-	-	30,192	-
Lease Liability	-	-	70,934	-
Compensated Absences	-	-	55,208	-
Net Pension Liability	2,349	5,903	169,287	-
Other Postemployment Benefits	-	36,316	989,683	-
Total Long-Term Liabilities	1,628,191	46,170	16,884,974	-
Total Liabilities	1,846,522	66,782	21,337,156	275
DEFERRED INFLOWS OF RESOURCES				
Pension Related Amounts	12,560	31,569	905,292	-
Other Postemployment Benefit Related Amounts	-	8,250	189,501	-
Total Deferred Inflows of Resources	12,560	39,819	1,094,793	-
NET POSITION				
Net Investment in Capital Assets	5,557,627	27,217	34,244,342	-
Restricted:				
Capital Assets	-	-	1,176,392	-
Unrestricted	1,325,671	248,276	2,451,225	35,486
Total Net Position	\$ 6,883,298	\$ 275,493	\$ 37,871,959	\$ 35,486

See accompanying Notes to Basic Financial Statements.

CITY OF TWO RIVERS, WISCONSIN
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2024

	Enterprise Funds		
	Electric Utility	Water Utility	Sewer Utility
OPERATING REVENUES			
Charges for Services	\$ 9,164,113	\$ 3,092,911	\$ 3,044,869
Other	119,356	36,417	15,651
Total Operating Revenues	9,283,469	3,129,328	3,060,520
OPERATING EXPENSES			
Operation and Maintenance	8,125,751	1,894,838	1,758,079
Depreciation	507,063	575,261	848,880
Taxes	92,882	57,442	40,343
Total Operating Expenses	8,725,696	2,527,541	2,647,302
OPERATING INCOME (LOSS)	557,773	601,787	413,218
NONOPERATING REVENUES (EXPENSES)			
Interest Income	-	-	-
Nonoperating Grants	-	5,836	87,903
Interest and Fiscal Charges	(17,615)	(138,087)	(201,974)
Other Nonoperating Revenues	25,101	11,686	-
Total Nonoperating Revenues (Expenses)	7,486	(120,565)	(114,071)
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	565,259	481,222	299,147
Capital Contributions	120,080	364,943	2,966
Transfers In	-	78,193	63,160
Transfers Out	(225,675)	(305,624)	(300,759)
CHANGE IN NET POSITION	459,664	618,734	64,514
Net Position - Beginning of Year	10,111,320	9,116,410	10,342,526
NET POSITION - END OF YEAR	<u>\$ 10,570,984</u>	<u>\$ 9,735,144</u>	<u>\$ 10,407,040</u>

See accompanying Notes to Basic Financial Statements.

CITY OF TWO RIVERS, WISCONSIN
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024

	Enterprise Funds			Governmental Activities - Internal Service Fund
	Stormwater Utility	Nonmajor Funds	Totals	Health Insurance
OPERATING REVENUES				
Charges for Services	\$ 656,411	\$ 581,192	\$ 16,539,496	\$ 342,466
Other	-	238,504	409,928	-
Total Operating Revenues	656,411	819,696	16,949,424	342,466
OPERATING EXPENSES				
Operation and Maintenance	217,080	819,397	12,815,145	795,161
Depreciation	130,353	18,240	2,079,797	-
Taxes	-	-	190,667	-
Total Operating Expenses	347,433	837,637	15,085,609	795,161
OPERATING INCOME (LOSS)	308,978	(17,941)	1,863,815	(452,695)
NONOPERATING REVENUES (EXPENSES)				
Interest Income	2,106	-	2,106	-
Nonoperating Grants	9,331	82,618	185,688	-
Interest and Fiscal Charges	(70,417)	(7,372)	(435,465)	-
Other Nonoperating Revenues	-	15,885	52,672	-
Total Nonoperating Revenues (Expenses)	(58,980)	91,131	(194,999)	-
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	249,998	73,190	1,668,816	(452,695)
Capital Contributions	108,186	-	596,175	-
Transfers In	-	-	141,353	462,893
Transfers Out	-	(2,034)	(834,092)	-
CHANGE IN NET POSITION	358,184	71,156	1,572,252	10,198
Net Position - Beginning of Year	6,525,114	204,337	36,299,707	25,288
NET POSITION - END OF YEAR	<u>\$ 6,883,298</u>	<u>\$ 275,493</u>	<u>\$ 37,871,959</u>	<u>\$ 35,486</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF TWO RIVERS, WISCONSIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2024**

	Enterprise Funds		
	Electric Utility	Water Utility	Sewer Utility
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers	\$ 9,263,260	\$ 3,152,048	\$ 3,032,829
Cash Received from Other Departments	-	-	-
Cash Received from Rent	-	-	-
Cash Paid for Employee Wages And Benefits	(1,052,641)	(817,017)	(1,091,102)
Cash Paid to Suppliers	(7,191,645)	(1,132,497)	(739,300)
Net Cash Provided (Used) by Operating Activities	1,018,974	1,202,534	1,202,427
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Special Assessments	-	18,193	11,776
Nonoperating Grants	-	5,836	87,903
Due to/from Other Funds	-	(362,795)	172,071
Transfer In (Out)	(225,675)	(227,431)	(237,599)
Net Cash Provided (Used) by Noncapital Financing Activities	(225,675)	(566,197)	34,151
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of Capital Assets	(997,445)	(1,080,758)	(1,058,814)
Cost of Removal of Capital Assets	(54,844)	-	-
Sale of Capital Assets	11,680	-	348
Long-Term Debt Issued	-	875,372	1,011,081
Principal Paid on Long-Term Debt	(34,433)	(334,018)	(904,019)
Interest Paid on Long-Term Debt	(16,950)	(148,498)	(211,001)
Principal Paid on Lease Liability and Financed Purchase	(20,363)	(21,190)	(74,173)
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,112,355)	(709,092)	(1,236,578)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received	-	-	-
CHANGE IN CASH AND INVESTMENTS	(319,056)	(72,755)	-
Cash and Investments - Beginning of Year	930,623	72,755	1,176,392
CASH AND INVESTMENTS - END OF YEAR	<u>\$ 611,567</u>	<u>\$ -</u>	<u>\$ 1,176,392</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF TWO RIVERS, WISCONSIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024**

	Enterprise Funds			Governmental Activities - Internal Service Fund
	Stormwater Utility	Nonmajor Funds	Total	Health Insurance
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers	\$ 656,050	\$ 821,001	\$ 16,925,188	\$ -
Cash Received from Other Departments	-	-	-	342,466
Cash Received from Rent	-	15,885	15,885	-
Cash Paid for Employee Wages And Benefits	(75,693)	(106,985)	(3,143,438)	-
Cash Paid to Suppliers	(149,904)	(734,941)	(9,948,287)	(794,886)
Net Cash Provided (Used) by Operating Activities	430,453	(5,040)	3,849,348	(452,420)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Special Assessments	88,651	-	118,620	-
Nonoperating Grants	9,331	82,618	185,688	-
Due to/from Other Funds	38,646	-	(152,078)	-
Transfer In (Out)	-	(2,034)	(692,739)	462,893
Net Cash Provided (Used) by Noncapital Financing Activities	136,628	80,584	(540,509)	462,893
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of Capital Assets	(535,649)	-	(3,672,666)	-
Cost of Removal of Capital Assets	-	-	(54,844)	-
Sale of Capital Assets	-	-	12,028	-
Long-Term Debt Issued	21,773	-	1,908,226	-
Principal Paid on Long-Term Debt	(164,064)	(1,790)	(1,438,324)	-
Interest Paid on Long-Term Debt	(63,438)	(305)	(440,192)	-
Principal Paid on Lease Liability and Financed Purchase	-	-	(115,726)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(741,378)	(2,095)	(3,801,498)	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received	2,106	-	2,106	-
CHANGE IN CASH AND INVESTMENTS	(172,191)	73,449	(490,553)	10,473
Cash and Investments - Beginning of Year	1,222,864	153,348	3,555,982	25,288
CASH AND INVESTMENTS - END OF YEAR	<u>\$ 1,050,673</u>	<u>\$ 226,797</u>	<u>\$ 3,065,429</u>	<u>\$ 35,761</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF TWO RIVERS, WISCONSIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024**

	Enterprise Funds		
	Electric Utility	Water Utility	Sewer Utility
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$ 557,773	\$ 601,787	\$ 413,218
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation	507,063	575,261	848,880
Depreciation Charged to Operating Accounts	79,360	41,765	-
Other	25,101	11,686	-
Change in (Asset) Liability and Deferred Outflows and Inflows of Resources:			
Deferred Outflows - Pension Related	395,544	233,073	206,727
Net Pension Liability	(210,044)	(123,600)	(110,940)
Deferred Inflows - Pension Related	(193,618)	(115,072)	(99,160)
Deferred Outflows - OPEB Related	(30,289)	(18,936)	(23,451)
OPEB Liability	(554)	6,690	24,561
Deferred Inflows - OPEB Related	(25,195)	(13,384)	(11,002)
Change in Operating Assets and Liabilities:			
Accounts Receivable	(25,972)	11,034	(27,691)
Prepaid Items	8,021	7,490	-
Accounts Payable	(53,431)	(522)	(24,103)
Accrued and Other Current Liabilities	12,168	622	5,786
Special Deposits	5,763	-	-
Compensated Absences	(32,716)	(15,360)	(398)
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,018,974</u>	<u>\$ 1,202,534</u>	<u>\$ 1,202,427</u>
RECONCILIATION OF CASH AND INVESTMENTS TO THE STATEMENT OF NET POSITION			
Cash and Investments in Current Assets	\$ 611,567	\$ -	\$ -
Cash and Investments in Restricted Assets	-	-	1,176,392
Total Cash and Cash Equivalents	<u>\$ 611,567</u>	<u>\$ -</u>	<u>\$ 1,176,392</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital Assets Contributed	<u>\$ 120,080</u>	<u>\$ 364,943</u>	<u>\$ 2,966</u>
Capital Related Accounts Payable	<u>\$ -</u>	<u>\$ 47,440</u>	<u>\$ 239,443</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF TWO RIVERS, WISCONSIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024**

	Enterprise Funds			Governmental Activities - Internal Service Fund
	Stormwater Utility	Nonmajor Funds	Total	Health Insurance
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ 308,978	\$ (17,941)	\$ 1,863,815	\$ (452,695)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	130,353	18,241	2,079,798	-
Depreciation Charged to Operating Accounts	-	-	121,125	-
Other	-	15,885	52,672	-
Change in (Asset) Liability and Deferred Outflows and Inflows of Resources:				
Deferred Outflows - Pension Related	(25,041)	34,691	844,994	-
Net Pension Liability	2,349	(17,244)	(459,479)	-
Deferred Inflows - Pension Related	12,560	(16,933)	(412,223)	-
Deferred Outflows - OPEB Related	-	(1,258)	(73,934)	-
OPEB Liability	-	(4,076)	26,621	-
Deferred Inflows - OPEB Related	-	(3,005)	(52,586)	-
Change in Operating Assets and Liabilities:				
Accounts Receivable	(361)	1,305	(41,685)	-
Prepaid Items	-	-	15,511	-
Accounts Payable	196	(14,956)	(92,816)	275
Accrued and Other Current Liabilities	1,419	251	20,246	-
Special Deposits	-	-	5,763	-
Compensated Absences	-	-	(48,474)	-
Net Cash Provided (Used) by Operating Activities	<u>\$ 430,453</u>	<u>\$ (5,040)</u>	<u>\$ 3,849,348</u>	<u>\$ (452,420)</u>
RECONCILIATION OF CASH AND INVESTMENTS TO THE STATEMENT OF NET POSITION				
Cash and Investments in Current Assets	\$ 1,050,673	\$ 226,797	\$ 1,889,037	\$ 35,761
Cash and Investments in Restricted Assets	-	-	1,176,392	-
Total Cash and Cash Equivalents	<u>\$ 1,050,673</u>	<u>\$ 226,797</u>	<u>\$ 3,065,429</u>	<u>\$ 35,761</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital Assets Contributed	<u>\$ 108,186</u>	<u>\$ -</u>	<u>\$ 596,175</u>	<u>\$ -</u>
Capital Related Accounts Payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 286,883</u>	<u>\$ -</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF TWO RIVERS, WISCONSIN
STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2024**

	<u>Custodial Funds</u>
ASSETS	
Cash and Investments	\$ 4,720,274
Receivables:	
Taxes	<u>5,653,204</u>
Total Assets	<u>10,373,478</u>
 DEFERRED INFLOWS OF RESOURCES	
Property Taxes Levied for Subsequent Year	<u>10,191,840</u>
 NET POSITION	
Restricted	<u><u>\$ 181,638</u></u>

See accompanying Notes to Basic Financial Statements.

**CITY OF TWO RIVERS, WISCONSIN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED DECEMBER 31, 2024**

	<u>Custodial Funds</u>
ADDITIONS	
Interest on Investments	\$ 11,683
Taxes and Special Charges Collected	<u>8,532,135</u>
Total Additions	<u>8,543,818</u>
DEDUCTIONS	
Payments to Others	8,537,212
Benefits	<u>2,317</u>
Total Deductions	<u>8,539,529</u>
CHANGE IN NET POSITION	4,289
Net Position - Beginning of Year	<u>177,349</u>
NET POSITION - END OF YEAR	<u><u>\$ 181,638</u></u>

See accompanying Notes to Basic Financial Statements.

**CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City of Two Rivers, Wisconsin (the City) have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the City are described below:

A. Reporting Entity

The City is a municipal corporation governed by an elected nine-member council. In accordance with U.S. GAAP, the basic financial statements are required to include the City and any separate component units that have a significant operational or financial relationship with the City. The City has not identified any component units that are required to be included in the basic financial statements in accordance with standards.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which are primarily supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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. Governmental funds include general, special revenue, debt service and capital projects funds. Proprietary funds include enterprise and internal service funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**CITY OF TWO RIVERS, 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)

The City reports the following major governmental funds:

General Fund

This is the City's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

Debt Service Fund

This fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of government funds.

Housing Revolving Loans Fund

This special revenue fund accounts for loans made for housing programs. Additional loans are made as previous loans are repaid.

The City reports the following major enterprise funds:

Electric Utility Enterprise Fund

The electric utility enterprise fund accounts for the provision of electric service to City residents, businesses, and public authorities.

Water Utility Enterprise Fund

The water utility enterprise fund accounts for the provision of water service to City residents, businesses, and public authorities.

Sewer Utility Enterprise Fund

The sewer utility enterprise fund accounts for the provision of wastewater collection and treatment for City residents, businesses, and public authorities.

Stormwater Utility Enterprise Fund

The stormwater utility enterprise fund accounts for the provision of stormwater collection and management for City residents, businesses, and public authorities.

The City also reports the following fiduciary funds which are all custodial funds that hold assets on behalf of individuals or other government agencies:

Property Tax Collection

The tax collection custodial fund accounts for property taxes and special charges collected on behalf of other governments.

Smongeski Health

The fund is used to account for resources held for assisting low-income individuals in paying for the cost of eyeglasses.

**CITY OF TWO RIVERS, 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)

Crime Prevention

The fund is used to account for resources held for others which have been dedicated to crime prevention.

TRIAD Committee

The fund is used to account for resources held for others which have been dedicated to policing initiatives between seniors, law enforcement, and service providers of the community to increase safety through education and crime prevention.

Additionally, the City reports the following fund types:

- *Internal Service Fund* – accounts for health insurance services provided to other departments of the City on a cost reimbursement basis.

C. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers grant revenues to be available if they are collected within 180 days of the end of the current fiscal period. The City considers all over revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to lease liabilities, compensated absences and claims and judgments, are recorded only when payment is due.

Revenues susceptible to accrual include intergovernmental grants, intergovernmental charges for services, public charges for services, and interest. Other revenues such as licenses and permits, fines and forfeits, and miscellaneous revenues are recognized when received in cash or when measurable and available.

**CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the City's utility functions and various other functions of the City. 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, and fees and fines, (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.

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 City's proprietary funds are charges to customers for services. Operating expenses for proprietary funds include the costs of services, administrative 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.

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance

1. Cash and Investments

Cash and investments are combined in the financial statements. Cash deposits consist of demand and time deposits with financial institutions. Investments are stated at fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. For purposes of the statement of cash flows, all cash deposits and highly liquid investments (including restricted assets) with a maturity of three months or less from date of acquisition are considered to be cash equivalents.

**CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

2. Property Taxes

Property taxes consist of taxes on real estate and personal property. They are levied during December of the prior year and become an enforceable lien on property the following January 1. Property taxes are payable in various options depending on the type and amount. Personal property taxes are payable on or before January 31 in full. Real estate taxes are payable in full by January 31 or in three equal installments on or before January 31, March 31, and July 31. Real estate taxes not paid by July 31 are purchased by the county as part of the August tax settlement. Delinquent personal property taxes remain the collection responsibility of the City.

The City bills and collects its own property taxes and also levies and collects taxes for the Two Rivers School District, Manitowoc School District, Manitowoc County, and Lakeshore Technical College. Collections and remittances of taxes for other entities are accounted for in the general fund.

3. Accounts Receivable

Accounts receivable are recorded at gross amounts with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that the amount of such allowance would not be material to the basic financial statements.

4. Special Assessments

Assessments against property owners for public improvements are generally not subject to full settlement in the year levied. Special assessments are placed on tax rolls on an installment basis. Revenue from special assessments recorded in governmental funds is recognized as collections are made or as current installments are placed on tax rolls. (Installments placed on the 2023 tax roll are recognized as revenue in 2024.)

5. Loans Receivable

The housing, business, and industrial revolving loans represent various loans to City homeowners and local businesses that were originally financed from economic development grants received by the City from the Wisconsin Department of Administration. The housing revolving loans will be repaid to the City when the property is no longer the loan recipient's principal place of residence, while business and industrial revolving loans are being repaid to the City in installments at various rates.

**CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

5. Loans Receivable (Continued)

Principal and interest repayments are used to finance additional development loans. The industrial park loans receivable represents various sales of industrial park land that are being paid to the City, including interest, on the installment basis.

6. Leases

Lessor

The City is a lessor for a noncancellable leases of land, infrastructure and buildings. The City recognizes a lease receivable and a deferred inflow of resources in the applicable governmental activities or business-type activities in the government-wide and in the governmental and proprietary fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of the lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate is uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

**CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

6. Leases (Continued)

Lessee

The City is a lessee for noncancellable leases of vehicles and equipment. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the applicable governmental activities or business-type activities in the government-wide and in the proprietary fund financial statements.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease payments included in the measurement of the lease liability are composed of fixed payments and the purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statements of net position.

**CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

7. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as Due from Other Funds and Due to Other Funds in the fund financial statements. Noncurrent portions of the interfund receivables for the governmental funds are offset by nonspendable fund balance since they do not constitute expendable available financial resources and therefore are not available for appropriation.

The amount reported on the statement of net position for internal balances represents the residual balance outstanding between the governmental and business-type activities.

8. Prepaid Items

Payments made to vendors that will benefit periods beyond the end of the current fiscal year are recorded as prepaid items and are expensed in the periods benefitted.

Prepaid items of governmental funds in the fund financial statements are classified as nonspendable fund balance to indicate that they do not represent spendable available financial resources.

9. Capital Assets

Capital assets are tangible and intangible assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or higher and an estimated useful life in excess of a year. Capital assets are capitalized and reported at cost or estimated historical cost except for intangible right-to-use lease assets, the measurement of which is discussed in Note 1.D.6. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Donated capital assets are recorded at estimated acquisition value at the date of donation. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with the tangible assets in the appropriate capital asset class.

**CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

9. Capital Assets (Continued)

Land and construction in progress are not depreciated. The other tangible and intangible property, plant, equipment, infrastructure assets, and right-to-use lease assets are depreciated/amortized using the straight-line method over the following estimated useful lives:

	Governmental Activities	Business-Type Activities
Buildings	7 to 75 Years	25 to 50 Years
Improvements Other than Buildings	10 to 75 Years	25 to 100 Years
Machinery and Equipment	3 to 25 Years	3 to 10 Years
Infrastructure	35 to 75 Years	-
Right-to-Use Lease Assets	3 to 10 Years	3 to 10 Years

10. Compensated Absences

The liability for compensated absences reported in the government-wide and proprietary fund statements consists of leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability also includes amounts for leave that has been used for time off but has not yet been paid in cash or settled through noncash means and certain other types of leave.

11. Deferred Outflows/Inflows of Resources

Deferred outflows of resources are a consumption of net assets by the government that is applicable to a future reporting period. Deferred inflows of resources are an acquisition of net assets by the government that is applicable to a future reporting period. The recognition of those outflows and inflows as expenses or expenditures and revenues are deferred until the future periods to which the outflows and inflows are applicable.

Governmental funds may report deferred inflows of resources for unavailable revenues. The City reports unavailable revenues for special assessments and loan receivables. These inflows are recognized as revenues in the government-wide financial statements.

12. Unearned Revenue

Unearned revenues are reported in connection with resources that have been received but not yet earned.

**CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

13. Long-Term Obligations

In the government-wide financial statements, and proprietary funds in the fund financial statements, long-term debt, and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

14. 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,
- Pension Expense (Revenue).

Information about the fiduciary net position of the WRS and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by 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.

**CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

15. Other Postemployment Benefits Other than Pensions (OPEB)

Local Retiree Life Insurance Fund

The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) 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 OPEB Liability (Asset),
- Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs,
- 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 WRS. 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.

Single-Employer Defined Postemployment Benefit Plan

The City's OPEB Plan is a single employer defined benefit plan that provides eligible retirees access to group medical and dental benefits. For purposes of measuring the OPEB liability, related deferred outflows and inflows, and OPEB expense, the City has used values provided by their actuary.

16. Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with the Internal Revenue Code Section 457. The Plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Contributions to this plan are entirely from employee voluntary contributions. The City makes no employer contributions to this plan.

CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

17. Fund Equity

Governmental Fund Financial Statements

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. 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 spendable form (such as prepaid items or long-term receivables) or are legally or contractually required to remain intact.
- *Restricted Fund Balance* – amounts that are constrained for specific purposes by external parties (such as grantor or bondholders), through constitutional provisions, or by enabling legislation.
- *Committed Fund Balance* – amounts that are constrained for specific purposes by action of the City Council. These constraints can only be removed or changed by the City Council using the same action that was used to create them.
- *Assigned Fund Balance* – amounts that are constrained for specific purposes by action of City management. The City Council has authorized the City Manager and the Finance Director to assign fund balance. Residual amounts in any governmental fund, other than the General Fund, are also reported as assigned.
- *Unassigned Fund Balance* – amounts that are available for any purpose. Positive unassigned amounts are only reported in the General Fund.

The City has adopted a fund balance spend-down policy regarding the order in which fund balance will be utilized. Where applicable, the policy requires restricted funds to be spent first, followed by committed funds, and then assigned funds. Unassigned funds would be spent last.

CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

17. Fund Equity (Continued)

Government-Wide and Proprietary Fund Statements

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

- *Net Investment in Capital Assets* – amount of capital assets, net of accumulated depreciation, and capital-related deferred outflows of resources less outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets, and any capital related deferred inflows of resources.
- *Restricted Net Position* – amount of net position that is subject to restrictions that are imposed 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.
- *Unrestricted Net Position* – net position that is neither classified as restricted nor as net investment in capital assets.

E. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

**CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 2 STEWARDSHIP AND COMPLIANCE

A. Budgets and Budgetary Accounting

The City follows these procedures in establishing the budgetary data reflected in the basic financial statements:

1. During November, City management submits to the City Council a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. After submission to the governing body, public hearings are held to obtain taxpayer comments. Following the public hearings, the proposed budget, including authorized additions and deletions, is legally enacted by City Council action.
2. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the general fund, certain special revenue funds, and the debt service fund. Budget is defined as the originally approved budget plus or minus approved amendments. Individual amendments throughout the year were not material in relation to the original budget. Budget appropriations not expended during the year are closed to fund balance unless authorized by the governing body to be forwarded into the succeeding year's budget.
3. During the year, formal budgetary integration is employed as a management control device for the general fund, certain special revenue funds and the debt service fund. Management control for the capital projects funds is achieved through project authorizations included in debt issue resolutions.
4. Expenditures may not exceed appropriations provided in detailed budget accounts maintained for each activity or department of the City. Amendments to the budget during the year require initial approval by management and are subsequently authorized by the City Council.
5. Encumbrance accounting is not used by the City to record commitments related to unperformed contracts for goods or services. All outstanding encumbrances lapse at year-end.

**CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 2 STEWARDSHIP AND COMPLIANCE (CONTINUED)

B. Excess of Expenditures Over Budget Appropriations

The following expenditure accounts of the governmental funds had actual expenditures in excess of budget appropriations for the year ended December 31, 2024, as follows:

	<u>Excess Expenditures</u>
General Fund:	
General Government:	
City Manager	\$ 8,193
City Hall	311
Information Systems	3,616
Other General Government	5,517
Accounting	1,386
Public Safety:	
Police and Fire Commission	6,035
Police Department	137,577
Fire Department	
Ambulance	23,404
Inspection	63,663
Public Works:	
Public Works Shop	113,473
Traffic Control	14,444
Transit	12,650
Work Done for Others	45,055
Culture and Recreation:	
Parks	38,452
Special Events	7,350
Recreation Fields	20,361
Capital Outlay:	
Equipment	39,512
Housing and Revolving Loans:	
Conservation and Development	4,066

**CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 2 STEWARDSHIP AND COMPLIANCE (CONTINUED)

C. Deficit Fund Equity

The following funds had deficit fund balance as of December 31, 2024:

	Deficit Fund Balance
General Fund	\$ 179,075
Library	220
Urban Forestry	22,426
Golf Simulator	788
Sandy Bay Highlands	5,041
City Hall Equipment	73,596
Management Information	43,693
Police Equipment	114,668
TIF District No. 6	143,625
TIF District No. 8	16,383
TIF District No. 10	227,978
TIF District No. 15	7,437
TIF District No. 16	5,835
TIF District No. 17	4,484
Central Park Renovation	43,577

The City anticipates funding the above deficits from future revenues of the funds.

D. Property Tax Levy Limit

Wisconsin state statutes provide for a limit on the property tax levies for all Wisconsin cities, villages, towns, and counties. For the 2024 and 2025 budget years, Wisconsin Statutes limit the increase in the maximum allowable tax levy to the change in the City's January 1 equalized value as a result of net new construction. The actual limit for the City for the 2024 budget was 0.37%. The actual limit for the City for the 2025 budget was 0.80%. Debt service for debt authorized after July 1, 2005, is exempt from the levy limit. In addition, Wisconsin statutes allow the limit to be adjusted for the increase in debt service authorized prior to July 1, 2005, and in certain other situations.

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

The City maintains various cash and investment accounts, including pooled funds that are available for use by all funds. Each fund's portion of these accounts is displayed on the financial statements as Cash and Investments.

**CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

Invested cash consists of deposits and investments that are restricted by Wisconsin statutes to the following:

- Time deposits; repurchase agreements; securities issued by federal, state, and local governmental entities; statutorily authorized commercial paper and corporate securities; and the Wisconsin local government investment pool.

The carrying amount of the City's cash and investments totaled \$17,547,883 on December 31, 2024, as summarized below:

Petty Cash and Cash on Hand	\$ 2,659
Deposits with Financial Institutions	11,479,201
Investments:	
Wisconsin Local Government Investment Pool	5,978,014
Mutual Funds	88,009
Total	<u>\$ 17,547,883</u>

Reconciliation to the basic financial statements:

Government-Wide Statement of Net Position:	
Cash and Investments	\$ 11,630,076
Restricted Cash and Investments	1,197,533
Fiduciary Fund Statement of Net Position:	
Cash and Investments	4,720,274
Total	<u>\$ 17,547,883</u>

Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant observable inputs; Level 3 inputs are significant unobservable inputs. The City has the following fair value measurements as of December 31, 2024:

	Fair Value Measurements Using:		
	Level 1	Level 2	Level 3
Mutual Funds	<u>\$ -</u>	<u>\$ 88,009</u>	<u>\$ -</u>

**CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

Fair Value Measurements (Continued)

The valuation method for the fair value measurements of the mutual funds is based on institutional quotes with evaluations based on various market and industry inputs.

Deposits and investments of the City are subject to various risks. Presented below is a discussion of the City's deposits and investments and the related risks.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will 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 credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Wisconsin statutes require repurchase agreements to be fully collateralized by bonds or securities issued or guaranteed by the federal government or its instrumentalities. The City does not have an additional custodial credit policy.

Deposits with financial institutions within the state of Wisconsin are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 for the combined amount of all time and savings deposits and \$250,000 for interest-bearing and noninterest-bearing demand deposits per official custodian per insured depository institution. Deposits with financial institutions located outside the state of Wisconsin are insured by the FDIC in the amount of \$250,000 for the combined amount of all deposit accounts per official custodian per depository institution. Also, the state of Wisconsin has a State Guarantee Fund which provides a maximum of \$1,000,000 per public depository above the amount provided by an agency of the U.S. government. However, due to the relatively small size of the State Guarantee Fund in relation to the Fund's total coverage, total recovery of insured losses may not be available. This coverage has been considered in determining custodial credit risk.

As of December 31, 2024, \$7,975,992 of the City's deposits with financial institutions were in excess of federal and state depository insurance limits. No amounts were collateralized.

**CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (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. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Wisconsin statutes limit investment in securities to the top two ratings assigned by nationally recognized statistical rating organizations. Presented below is the actual rating as of the year-end for each investment type.

Investment Type	Amount	Exempt from Disclosure	AAA	Aa	Not Rated
Mutual Funds	\$ 88,009	\$ -	\$ -	\$ -	\$ 88,009
Wisconsin Local Government Investment Pool	5,978,014	-	-	-	5,978,014
Totals	<u>\$ 6,066,023</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,066,023</u>

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 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	Remaining Maturity			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More than 60 Months
Mutual Funds	\$ 88,009	\$ 88,009	\$ -	\$ -	\$ -
Wisconsin Local Government Investment Pool	5,978,014	5,978,014	-	-	-
Totals	<u>\$ 6,066,023</u>	<u>\$ 6,066,023</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

Investment in Wisconsin Local Government Investment Pool

The City has investments in the Wisconsin Local Government Investment Pool (LGIP) of \$5,978,014 at year-end. The LGIP is part of the State Investment Fund (SIF), and is managed by the state of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2024, the fair value of the City's share of the LGIP's assets was substantially equal to the carrying value. As of December 31, 2024 the LGIP had a weighted average maturity of 9 days.

B. Restricted Assets

Restricted assets on December 31, 2024, totaled \$1,176,392 and consisted of cash and investments held for the following purposes:

<u>Funds</u>	<u>Amount</u>	<u>Purpose</u>
Enterprise Fund		
Sewer Utility	<u>\$ 1,176,392</u>	Equipment Replacement Fund

**CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Nondepreciable/Nonamortizable:				
Land	\$ 893,577	\$ 88,680	\$ -	\$ 982,257
Construction in Progress	326,161	1,734,192	179,795	1,880,558
Total Capital Assets, Nondepreciable/ Nonamortizable	1,219,738	1,822,872	179,795	2,862,815
Capital Assets, Being Depreciated and Amortized:				
Buildings	15,149,355	334,858	-	15,484,213
Improvements Other than Buildings	5,169,135	86,007	-	5,255,142
Machinery and Equipment	12,686,066	902,408	496,340	13,092,134
Infrastructure	38,900,764	401,261	155,772	39,146,253
Right-to-Use Lease Assets - Machinery and Equipment	627,362	29,512	-	656,874
Subtotals	72,532,682	1,754,046	652,112	73,634,616
Less Accumulated Depreciation and Amortization for:				
Buildings	7,706,270	329,480	-	8,035,750
Improvements Other than Buildings	742,443	131,760	-	874,203
Machinery and Equipment	7,676,858	657,723	381,173	7,953,408
Infrastructure	24,868,213	586,115	87,798	25,366,530
Right-to-Use Leases Assets - Machinery and Equipment	137,384	143,102	-	280,486
Subtotals	41,131,168	1,848,180	468,971	42,510,377
Total Capital Assets, Depreciable / Amortizable, Net	31,401,514	(94,134)	183,141	31,124,239
Governmental Activities Capital Assets, Net	\$ 32,621,252	\$ 1,728,738	\$ 362,936	33,987,054
Less: Capital Related Debt				14,529,856
Add: Unspent Debt Proceeds				970,834
Less: Debt Premium				580,892
Less: Capital Related Accounts Payable				782,779
Net Investment in Capital Assets				\$ 19,064,361

**CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital Assets, Nondepreciable/Nonamortizable:				
Land	\$ 36,944	\$ -	\$ -	\$ 36,944
Construction in Progress	3,795,276	3,071,287	4,342,910	2,523,653
Total Capital Assets, Nondepreciable/Amortizable	3,832,220	3,071,287	4,342,910	2,560,597
Capital Assets, Being Depreciated and Amortized:				
Buildings	8,469,001	-	-	8,469,001
Improvements Other than Buildings	47,925,433	3,858,266	457,105	51,326,594
Machinery and Equipment	20,461,616	1,856,308	182,555	22,135,369
Right-to-Use Lease Assets - Machinery and Equipment	205,343	-	-	205,343
Subtotals	77,061,393	5,714,574	639,660	82,136,307
Less:				
Accumulated Depreciation and Amortization	31,542,411	2,201,269	687,409	33,056,271
Total Capital Assets, Depreciable/Amortizable, Net	45,518,982	3,513,305	(47,749)	49,080,036
Business-Type Activities Capital Assets, Net	\$ 49,351,202	\$ 6,584,592	\$ 4,295,161	51,640,633
Less: Capital Related Debt				17,066,412
Less: Debt Premium				42,996
Less: Capital Related Accounts Payable				286,883
Net Investment in Capital Assets				\$ 34,244,342

**CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets (Continued)

Depreciation and amortization expense was charged to functions of the City as follows:

Governmental Activities:

General Government	\$ 124,647
Public Safety	344,459
Public Works	874,375
Health and Human Services	24,820
Culture and Recreation	<u>479,879</u>
Total Depreciation and Amortization Expense - Governmental Activities	<u><u>\$ 1,848,180</u></u>

Business-Type Activities:

Electric Utility	\$ 507,063
Water Utility	575,261
Sewer Utility	848,880
Telecommunication Utility	130,353
Stormwater Utility	<u>18,240</u>
Total Depreciation and Amortization Expense	2,079,797
Depreciation Charged to Operating Accounts	<u>121,472</u>
Total Increase in Accumulated Depreciation and Amortization - Business-Type Activities	<u><u>\$ 2,201,269</u></u>

**CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Interfund Receivable, Payables, and Transfers

Interfund receivables and payables between individual funds of the City, as reported in the fund financial statements, as of December 31, 2024, are detailed below:

	Interfund Receivables	Interfund Payables
Governmental Funds:		
General	\$ 1,753,588	\$ -
Nonmajor Governmental Funds:		
Urban Forestry	-	22,426
Golf Simulator	-	788
City Hall Equipment	-	73,596
Management Information	-	43,693
Police Equipment	-	114,668
TIF District No. 6	-	136,139
TIF District No. 7	449,435	-
TIF District No. 10	-	180,367
TIF District No. 15	-	7,436
TIF District No. 16	-	5,833
TIF District No. 17	-	4,453
Sandy Bay Highlands	-	5,041
Central Park Renovation	-	43,577
Subtotal - Nonmajor Governmental Funds	449,435	638,017
Proprietary Funds:		
Water Utility	-	1,291,187
Sewer Utility	-	289,818
Stormwater Utility	15,999	-
Subtotal - Proprietary Funds	15,999	1,581,005
Totals	<u>\$ 2,219,022</u>	<u>\$ 2,219,022</u>

The outstanding balances between funds result mainly from the time lag between the dates that (a) interfund goods and services are provided or reimbursable expenditures occur, (b) transactions are recorded in the accounting system, and (c) payments between funds are made.

**CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Interfund Receivable, Payables, and Transfers (Continued)

Interfund transfers for the year ended December 31, 2024, were as follows:

Fund	Transfer In	Transfer Out
Governmental Funds:		
General	\$ 1,088,301	\$ 573,175
Debt Service	259,325	47,975
Nonmajor Governmental Funds:		
Library	4,000	2,034
Library Gift	-	4,000
Community Tourism	194,741	346,578
Special Events Donations	9,221	-
Urban Forestry	19,500	-
Tree Planting	-	19,500
Business and Industrial Revolving Loans	9,329	75,000
Sandy Bay Highlands	-	58,660
K-9 Fund	61,893	-
Community Development	124,000	-
Recreation Concession	-	9,221
Street Construction	288,454	-
Park and Cemetery Construction	30,000	-
Management Information	33,899	9,899
Police Equipment	38,646	61,893
TIF District No. 7	-	96,590
TIF District No. 8	-	124,639
TIF District No. 10	-	21,650
TIF District No. 12	-	52,195
Industrial Park Development	-	165,000
Central Park Renovation	25,000	-
Harbor Master Plan	-	288,454
Subtotal - Nonmajor Governmental Funds	838,683	1,335,313
Proprietary Funds:		
Electric Utility	-	225,675
Water Utility	78,193	305,624
Sewer Utility	63,160	300,759
Nonmajor Proprietary Fund:		
Solid Waste	-	2,034
Internal Service Fund - Health Insurance	462,893	-
Total	<u>\$ 2,790,555</u>	<u>\$ 2,790,555</u>

**CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Interfund Receivable, Payables, and Transfers (Continued)

Transfers are used to: (a) move unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; (b) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; and (c) move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service funds as debt service payments become due.

E. Long-Term Obligations

The following is a summary of changes in long-term obligations of the City for the year ended December 31, 2024:

	Balance Beginning of Year	Issued	Retired	Ending Balance	Due Within One Year
Governmental Activities:					
General Obligation Debt:					
Bonds	\$ 4,465,000	\$ -	\$ 455,000	\$ 4,010,000	\$ 470,000
Notes	9,570,000	3,020,000	1,625,000	10,965,000	1,715,000
Direct Borrowings	786,195	-	164,270	621,925	106,747
Total General					
Obligation Debt	14,821,195	3,020,000	2,244,270	15,596,925	2,291,747
Debt Premium	502,763	210,897	132,768	580,892	101,037
Lease Liability	499,588	29,512	128,702	400,398	138,857
Compensated Absences	201,058	-	32,213	168,845	16,885
Governmental					
Activities Long-					
Term Obligations	<u>\$ 16,024,604</u>	<u>\$ 3,260,409</u>	<u>\$ 2,537,953</u>	<u>\$ 16,747,060</u>	<u>\$ 2,548,526</u>
Business-Type Activities:					
General Obligation Debt:					
Bonds	\$ 1,340,000	\$ -	\$ 175,000	\$ 1,165,000	\$ 185,000
Notes	45,000	-	15,000	30,000	15,000
Direct Borrowings	660,122	-	101,918	558,204	105,029
Total General					
Obligation Debt	2,045,122	-	291,918	1,753,204	305,029
Revenue Bonds	14,572,560	1,908,226	1,146,406	15,334,380	1,212,885
Debt Premium	57,857	-	14,861	42,996	12,804
Financed Purchase	75,455	-	75,455	-	-
Lease Liability	155,900	-	40,271	115,629	44,695
Compensated Absences	109,816	-	48,474	61,342	6,134
Business-Type					
Activities Long-					
Term Obligations	<u>\$ 17,016,710</u>	<u>\$ 1,908,226</u>	<u>\$ 1,617,385</u>	<u>\$ 17,307,551</u>	<u>\$ 1,581,547</u>

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

Total interest paid during the year on long-term debt totaled \$878,785.

State Trust Fund Loan

The City's outstanding notes from direct borrowings related to the governmental activities of \$616,867 are subject to a statutory provision that in an event of late or nonpayment, a 1% per month penalty will be charged and the payment will be collected through a reduction in payments from the State of Wisconsin.

**CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

Clean Water Fund Loan Programs

The City's outstanding notes from direct borrowings related to business type activities of \$558,204 contain the following provisions in the event of a default: (1) Wisconsin Department of Administration can deduct amounts due from any state payments due to the City or add the amounts due as a special charge to the property taxes apportioned; (2) may appoint a receiver for the program's benefit; (3) may declare the principal amount immediately due and payable; (4) may enforce any right or obligation under the financing agreement including the right to see specific performance or mandamus; and (5) may increase the interest rate set forth in the financing agreement to the market interest rate.

WPPI Loan

The City's outstanding notes from direct borrowings related to the governmental activities of \$5,058 contain a provision that in an event of default, outstanding amounts become immediately due if the City is unable to make payment.

General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance at December 31, 2024
Bonds:					
General Obligation Bond	07/08/19	2030	3.00% to 4.00%	\$ 1,610,000	\$ 960,000
General Obligation Bond	08/30/19	2034	3.00% to 4.00%	3,210,000	2,235,000
General Obligation Bond	04/20/20	2030	2.55%	2,085,000	1,260,000
General Obligation Bond	06/07/21	2039	2.40% to 3.25%	775,000	720,000
Notes:					
General Obligation Note	07/08/19	2029	3.00% to 4.00%	1,785,000	1,065,000
General Obligation Note	04/20/20	2030	3.00%	6,125,000	2,420,000
General Obligation Note	06/07/21	2031	2.00% to 3.00%	1,915,000	1,505,000
General Obligation Note	02/23/22	2041	3.00% to 4.00%	2,305,000	1,955,000
General Obligation Note	04/03/23	2033	4.00% to 5.00%	1,165,000	1,030,000
General Obligation Note	04/01/24	2034	4.00% to 5.00%	3,020,000	3,020,000
Direct Placement:					
Safe Drinking Water Bond	11/13/13	2029	3.15%	487,054	166,452
Safe Drinking Water Bond	11/13/13	2029	3.15%	824,459	277,088
WPPI Energy Note	08/01/16	2026	0.00%	30,350	5,058
Safe Drinking Water Bond	12/31/16	2029	2.67%	361,269	114,664
State Trust Fund Bond	07/23/19	2029	3.75%	500,000	269,467
State Trust Fund Bond	04/16/20	2030	3.00%	550,000	347,400
Total Outstanding General Obligation Debt					<u>\$ 17,350,129</u>

**CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

General Obligation Debt (Continued)

Annual principal and interest maturities of the outstanding general obligation debt of \$17,350,129 on December 31, 2024, are detailed below:

Year Ending December 31,	Bonds and Notes		Governmental Activities Direct Placement		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 2,185,000	\$ 579,123	\$ 106,747	\$ 20,527	\$ 2,291,747	\$ 599,650
2026	2,120,000	432,249	109,222	17,041	2,229,222	449,290
2027	1,790,000	361,623	110,803	13,436	1,900,803	375,059
2028	1,855,000	292,895	114,505	9,734	1,969,505	302,629
2029	1,510,000	226,401	118,385	5,854	1,628,385	232,255
2030 - 2034	5,230,000	444,681	62,263	1,868	5,292,263	446,549
2035 - 2039	285,000	23,575	-	-	285,000	23,575
Total	<u>\$ 14,975,000</u>	<u>\$ 2,360,547</u>	<u>\$ 621,925</u>	<u>\$ 68,460</u>	<u>\$ 15,596,925</u>	<u>\$ 2,429,007</u>

Year Ending December 31,	Bonds and Notes		Business-Type Activities Direct Placement		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 200,000	\$ 43,557	\$ 105,029	\$ 12,672	\$ 305,029	\$ 56,229
2026	210,000	35,599	108,235	10,004	318,235	45,603
2027	200,000	27,549	111,539	7,253	311,539	34,802
2028	200,000	19,568	114,945	4,414	314,945	23,982
2029	210,000	11,272	118,456	1,487	328,456	12,759
2030 - 2032	175,000	3,500	-	-	175,000	3,500
Total	<u>\$ 1,195,000</u>	<u>\$ 141,045</u>	<u>\$ 558,204</u>	<u>\$ 35,830</u>	<u>\$ 1,753,204</u>	<u>\$ 176,875</u>

For governmental activities, the other long-term liabilities are generally funded by the General Fund.

Legal Margin for New Debt

The City's legal margin for creation of additional general obligation debt on December 31, 2024, was \$28,589,766 as follows:

Equalized Valuation of the City	\$ 918,797,900
Statutory Limitation Percentage	x 5%
General Obligation Debt Limitation, per Section 67.03 of the Wisconsin Statutes	45,939,895
Net Outstanding General Obligation Debt Applicable to Debt Limitation	17,350,129
Legal Margin for New Debt	<u>\$ 28,589,766</u>

**CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

Revenue Bonds

Revenue bonds outstanding on December 31, 2024, totaled \$15,334,380 and were comprised of the following issues:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2024
Sewer Utility	3/26/2008	2027	2.39	\$ 6,297,058	\$ 1,194,172
Water Utility	6/25/2014	2034	1.93	400,432	219,246
Sewer Utility	12/23/2014	2034	2.63	698,698	398,014
Water Utility	11/12/2014	2034	1.93	301,465	165,612
Water Utility	6/28/2017	2037	1.87	805,787	569,803
Electric, Sewer, and Solid Waste Utilities	3/20/2017	2027	4.00	400,000	136,801
Water Utility	6/13/2018	2038	1.87	709,297	531,822
Sewer Utility	2/28/2018	2037	1.76	794,500	574,554
Sewer Utility	10/24/2018	2038	1.87	4,059,972	3,047,669
Water Utility	6/26/2019	2039	1.98	504,014	429,555
Sewer Utility	11/27/2019	2039	1.65	1,710,844	1,402,769
Stormwater Utility	4/16/2020	2035	4.50	1,073,000	845,339
Water Utility	6/23/2021	2041	1.49	791,889	688,857
Sewer Utility	11/10/2021	2041	1.49	857,168	767,540
Stormwater Utility	2/23/2022	2041	1.49	441,217	507,817
Sewer Utility	9/28/2022	2041	2.15	265,498	291,930
Sewer Utility	12/14/2022	2041	2.15	1,027,408	1,170,917
Water Utility	9/27/2023	2043	2.15	465,670	470,410
Sewer Utility	12/14/2022	2041	2.15	261,831	272,368
Water Utility	9/25/2024	2044	2.37	852,029	852,029
Sewer Utility	11/13/2024	2044	2.20	797,158	797,156
Total Outstanding Revenue Bonds					<u>\$ 15,334,380</u>

Annual principal and interest maturities of the outstanding revenue bonds of \$15,334,380 on December 31, 2024, are detailed below:

<u>Year Ending December 31,</u>	<u>Business-Type Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 1,212,885	\$ 308,748	\$ 1,521,633
2026	1,274,522	281,429	1,555,951
2027	1,303,341	252,321	1,555,662
2028	866,239	229,535	1,095,774
2029	884,626	211,042	1,095,668
2030 - 2034	4,713,443	763,218	5,476,661
2035 - 2039	3,861,173	291,398	4,152,571
2040 - 2044	1,218,151	49,433	1,267,584
Total	<u>\$ 15,334,380</u>	<u>\$ 2,387,124</u>	<u>\$ 17,721,504</u>

**CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

Utility Revenues Pledged

The City has pledged future electric, water and sewer, and solid waste customer revenues, net of specified operating expenses, to repay the revenue bonds. Proceeds from the bonds provided financing for the construction or acquisition of capital assets used by the utilities. The bonds are payable solely from customer net revenues and are payable through 2044. Net customer revenues, 2024 principal and interest paid, and outstanding debt service of revenue bonds are as follows:

	Electric Utility	Water Utility	Sewer Utility	Stormwater Utility
Net Customer Revenues:				
Charges for Services	\$ 9,164,113	\$ 3,092,911	\$ 3,044,869	\$ 656,411
Other Income	119,356	36,417	15,651	-
Total Operating Revenues	9,283,469	3,129,328	3,060,520	656,411
Less: Operating Expenses *	8,218,633	1,952,280	1,798,422	217,080
Net Customer Revenues	<u>\$ 1,064,836</u>	<u>\$ 1,177,048</u>	<u>\$ 1,262,098</u>	<u>\$ 439,331</u>
Debt Service:				
Principal	\$ 34,433	\$ 197,842	\$ 829,019	\$ 85,112
Interest	4,473	64,982	177,578	48,384
Total Debt Service	<u>\$ 38,906</u>	<u>\$ 262,824</u>	<u>\$ 1,006,597</u>	<u>\$ 133,496</u>
Remaining Principal and Interest	<u>\$ 116,425</u>	<u>\$ 4,934,236</u>	<u>\$ 11,002,686</u>	<u>\$ 1,668,157</u>
Debt Service Coverage Requirement	125%	110%	110%	125%
Excess Coverage	<u>\$ 1,016,204</u>	<u>\$ 887,942</u>	<u>\$ 154,841</u>	<u>\$ 272,461</u>

* Excludes Depreciation Expense

As seen above, the City is in compliance with the required debt service coverage requirement.

Lease Liabilities

A summary of the City lease terms and interest rates is as follows:

Governmental Activities:

Vehicle leases. Monthly payments ranging from \$70 to \$310 including interest of 4% termination dates ranging from 2026 to 2029.

Business-Type Activities:

Vehicle leases. Monthly payments ranging from \$70 to \$267 including interest of 4% termination dates ranging from 2025 to 2028.

**CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

Lease Liabilities (Continued)

Certain leases provide for future minimum annual rental payments based on defined increases in the lease agreement.

Year Ending December 31	Governmental Activities		Business-Type Activities		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 138,857	\$ 15,513	\$ 44,695	\$ 4,190	\$ 183,552	\$ 19,703
2026	120,070	9,426	34,823	2,379	154,893	11,805
2027	93,426	4,409	25,119	1,054	118,545	5,463
2028	43,132	798	10,992	162	54,124	960
2029	4,913	82	-	-	4,913	82
Total	<u>\$ 400,398</u>	<u>\$ 30,228</u>	<u>\$ 115,629</u>	<u>\$ 7,785</u>	<u>\$ 516,027</u>	<u>\$ 38,013</u>

F. Pension Plan

1. Plan Description

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

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

Additionally, ETF issue 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.

**CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Pension Plan (Continued)

1. Plan Description (Continued)

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 December 31, 2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

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

2. Postretirement Adjustments

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

**CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Pension Plan (Continued)

2. Postretirement Adjustments (Continued)

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2014	4.7%	25%
2015	2.9%	2%
2016	0.5%	-5%
2017	2.0%	4%
2018	2.4%	17%
2019	0.0%	-10%
2020	1.7%	21%
2021	5.1%	13%
2022	7.4%	15%
2023	1.6%	-21%

3. Contributions

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

During the reporting period ending December 31, 2024, the WRS recognized \$1,092,984 in contributions from the City.

Contribution rates for the reporting period are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
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

**CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Pension Plan (Continued)

4. Pension Assets, Liabilities, Pension Expense (Revenue), Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

At December 31, 2024, the City reported a liability of \$1,088,382 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability 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 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 0.07320269%, which was a decrease of 0.00074816% from its proportion measured as of December 31, 2022.

For the year ended December 31, 2024, the City recognized pension expense of \$753,651.

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	\$ 4,388,345	\$ 5,812,390
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	3,792,834	-
Changes in Assumptions	474,394	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	10,747	7,928
Employer Contributions Subsequent to the Measurement Date	1,092,984	-
Total	<u>\$ 9,759,304</u>	<u>\$ 5,820,318</u>

**CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Pension Plan (Continued)

4. Pension Assets, Liabilities, Pension Expense (Revenue), Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions (Continued)

\$1,092,984 reported as deferred outflows related to pension resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ending 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:

<u>Year Ending December 31,</u>	<u>Expense</u>
2025	\$ 583,133
2026	610,460
2027	2,381,697
2028	(729,288)
Total	<u>\$ 2,846,002</u>

5. Actuarial Assumptions

The total pension liability in the December 31, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2022
Measurement Date of Net Pension Liability (Asset):	December 31, 2023
Experience Study:	January 1, 2018 - December 31, 2020 Published November 19, 2021
Actuarial Valuation Date:	December 31, 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	3.00%
Seniority/Merit	0.1% - 5.6%
Mortality	2020 WRS Experience Mortality Table
Postretirement Adjustments*	1.7%

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

**CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Pension Plan (Continued)

5. Actuarial Assumptions (Continued)

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.

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:

	Current Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Core Fund Asset Class:			
Public Equity	40.0 %	7.3 %	4.5 %
Public Fixed Income	27.0	5.8	3.0
Inflation Sensitive	19.0	4.4	1.7
Real Estate	8.0	5.8	3.0
Private Equity/Debt	18.0	9.6	6.7
Leverage	(12.0)	3.7	1.0
Total Core Fund	100.0 %	7.4 %	4.6 %
Variable Fund Asset Class:			
U.S. Equities	70.0 %	6.8 %	4.0 %
International Equities	30.0	7.6	4.8
Total Variable Fund	100.0 %	7.3 %	4.5 %

New England Pension Consultants Long Term U.S. CPI (Inflation) Forecast: 2.7%

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

**CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Pension Plan (Continued)

5. Actuarial Assumptions (Continued)

Long-Term Expected Return on Plan Assets (Continued)

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

Single Discount Rate

A single discount rate of 6.8% was used to measure the total pension liability for the current and prior year. The discount rate is based on the expected rate of return on Pension Plan investments of 6.8% 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 the 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.

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

The following presents the City's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.80%, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.80%) or 1-percentage-point higher (7.80%) than the current rate:

	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)	<u>\$ 10,519,737</u>	<u>\$ 1,088,382</u>	<u>\$ (5,511,136)</u>

**CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Pension Plan (Continued)

5. Actuarial Assumptions (Continued)

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>.

6. Payables to the Pension Plan

The City reported a payable of \$153,345 for the outstanding amount of contributions to the Pension Plan for the year ended December 31, 2024.

G. Other Postemployment Benefits

The City reports OPEB related balances at December 31, 2024, as summarized below:

	<u>OPEB Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Local Retiree Life Insurance Fund (LRLIF)	\$ 743,089	\$ 300,048	\$ 460,130
Single-Employer Defined OPEB Plan	<u>6,279,442</u>	<u>1,666,336</u>	<u>793,162</u>
Total OPEB Liability	<u>\$ 7,022,531</u>	<u>\$ 1,966,384</u>	<u>\$ 1,253,292</u>

1. Single-Employer Defined Postemployment Benefit Plan

Plan Description

The Plan is a single employer defined benefit postemployment health plan that covers retired employees of the City. Eligible retired employees have access to group medical coverage through the City's group plan. Depending on employee classification and years of service, the City pays up to a maximum of 85% of the premium, not to exceed Medicare age eligibility. There are no Plan assets that have been accumulated in a trust. There are no separate Plan financial statements issued.

Benefits Provided

The City provides health care for retired employees through the City's group plans.

**CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Other Postemployment Benefits (Continued)

1. Single-Employer Defined Postemployment Benefit Plan (Continued)

Employees Covered by Benefit Terms

At December 31, 2024, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries	
Currently Receiving Benefit Payments	25
Active Employees	123
Total	<u>148</u>

Total OPEB Liability

The City's total OPEB liability was measured as of December 31, 2024 and was determined by an actuarial valuation date of December 31, 2023.

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

Inflation:	2.50%
Investment Rate of Return:	4.00%
Healthcare Cost Trend Rates:	7.00% decreasing to 6.50%, then decreasing by .10% per year down to 4.5%, and level thereafter

Mortality rates are the same as those used in the 2020 WRS Experience tables.

The actuarial assumptions used in the December 31, 2023, valuation were based on the *Wisconsin Retirement System 2018 - 2020 Experience Study*.

The current yield for 20-year tax-exempt municipal bond rate as of the measurement date was used for all years of benefit payments.

Discount Rate. The discount rate used to measure the total OPEB liability was 4.00%. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates.

**CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Other Postemployment Benefits (Continued)

1. Single-Employer Defined Postemployment Benefit Plan (Continued)

Changes in the Total OPEB Liability

	Increase (Decrease) Total OPEB Liability
Balance at December 31, 2022	\$ 5,599,921
Changes for the Year:	
Service Cost	104,736
Interest	230,547
Difference Between Expected and Actual Experience	396,050
Changes of Assumptions	403,495
Benefit Payments	(455,307)
Net Changes	679,521
Balance at December 31, 2023	<u>\$ 6,279,442</u>

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% lower (3.00%) or 1% higher (5.00%) than the current rate:

	1% Decrease to Discount Rate 3.00%	Current Discount Rate 4.00%	1% Increase to Discount Rate 5.00%
Total OPEB Liability	<u>\$ 6,651,755</u>	<u>\$ 6,279,442</u>	<u>\$ 5,927,950</u>

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (6.0% decreasing to 3.5%) or 1% higher (8.0% decreasing to 5.5%) than the current healthcare cost trend rates:

	1% Decrease (6.0% Decreasing to 3.5%)	Healthcare Cost Trend Rates (7.0% Decreasing to 4.5%)	1% Increase (8.0% Decreasing to 5.5%)
Total OPEB Liability	<u>\$ 5,863,953</u>	<u>\$ 6,279,442</u>	<u>\$ 6,738,251</u>

**CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Other Postemployment Benefits (Continued)

1. Single-Employer Defined Postemployment Benefit Plan (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2024, the City recognized OPEB expense of \$469,331. At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 577,211	\$ 208,947
Changes in Assumptions	503,250	584,215
City Contributions Subsequent to the Measurement Date	585,875	-
Total	<u>\$ 1,666,336</u>	<u>\$ 793,162</u>

\$585,875 reported as deferred outflows related to OPEB resulting from the City's contribution subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended December 31, 2025. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending December 31,</u>	<u>Expense</u>
2025	\$ 134,046
2026	160,895
2027	9,808
2028	(21,180)
2029	(21,175)
Thereafter	24,905
Total	<u>\$ 287,299</u>

Payable to the OPEB Plan

The City reported a payable of \$-0- for the outstanding amount of contribution to the Plan required for the year ended December 31, 2024.

**CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Other Postemployment Benefits (Continued)

2. Local Retiree Life Insurance Fund

Plan Description

The 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 postemployment life insurance benefits for all eligible employees.

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 members and pre-65 retirees who pay for their coverage.

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 postretirement benefit.

Employers are required to pay the following contributions based on member 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 member premiums until age 65 in order to be eligible for the benefit after age 65.

Contribution rates as of December 31, 2024 are:

<u>Coverage Type</u>	<u>Employer Contribution</u>
50% Postretirement Coverage	40% of Employee Contribution
25% Postretirement Coverage	20% of Employee Contribution

**CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Other Postemployment Benefits (Continued)

2. Local Retiree Life Insurance Fund (Continued)

Contributions (Continued)

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

Life Insurance Member			
Contribution Rates for the Year Ended December 31, 2023			
<u>Attained Age</u>	<u>Basic</u>		<u>Supplemental</u>
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

During the reporting period, the LRLIF recognized \$3,471 in contributions from the employer.

OPEB Liabilities, OPEB Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At December 31, 2024, the City reported a liability of \$743,089 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2023, rolled forward to December 31, 2023. No material changes in assumptions or benefits terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net OPEB liability 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 0.16151800%, which was a decrease of 0.00206000% from its proportion measured as of December 31, 2022.

For the year ended December 31, 2024, the City recognized OPEB expense of \$51,431.

**CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Other Postemployment Benefits (Continued)

2. Local Retiree Life Insurance Fund (Continued)

OPEB Liabilities, OPEB Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ -	\$ 65,765
Net Differences Between Projected and Actual Earnings on OPEB Plan Investments	10,039	-
Changes in Assumptions	232,445	292,613
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	57,564	101,752
Total	<u>\$ 300,048</u>	<u>\$ 460,130</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending December 31,</u>	<u>Expense</u>
2025	\$ (12,712)
2026	(5,010)
2027	(34,549)
2028	(53,275)
2029	(61,802)
Thereafter	7,266
Total	<u>\$ (160,082)</u>

**CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Other Postemployment Benefits (Continued)

2. Local Retiree Life Insurance Fund (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, unless otherwise specified:

Actuarial Valuation Date:	January 1, 2023
Measurement Date of Net OPEB Liability:	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 Rate 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 Buyers 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.

**CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Other Postemployment Benefits (Continued)

2. Local Retiree Life Insurance Fund (Continued)

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.

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return %
U.S. Intermediate Credit Bonds	Bloomberg US Interim Credit	40.00%	2.32
U.S. Mortgages	Bloomberg US MBS	60.00%	2.52
Inflation			2.30
Long-Term Expected Rate of Return			4.25

**CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Other Postemployment Benefits (Continued)

2. Local Retiree Life Insurance Fund (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 Net OPEB Liability to Changes in the Discount Rate

The following presents the City's proportionate share of the net OPEB liability calculated using the discount rate of 3.32%, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1% lower (2.32%) or 1% higher (4.32%) 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)	\$ 998,443	\$ 743,089	\$ 548,170

Payable to the OPEB Plan

The City reported a payable of \$-0- for the outstanding amount of contribution to the Plan required for the year ended December 31, 2024.

**CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Fund Equity

Nonspendable Fund Balance

In the fund financial statements, portions of the governmental fund balances are amounts that cannot be spent because they are either: (1) not in spendable form, or (2) legally or contractually required to be maintained intact. At December 31, 2024, nonspendable fund balance was as follows:

General Fund:

Nonspendable:

Prepaid Items	\$ 755,237
Long-Term Receivables	1,641,453
Total Nonspendable Fund Balance	<u>\$ 2,396,690</u>

Restricted Fund Balance

In the fund financial statements, portions of governmental fund balances are not available for appropriation or are legally restricted for use for a specific purpose. At December 31, 2024, restricted fund balance was as follows:

Special Revenue Funds:

Restricted for:

Housing Revolving Loans	\$ 180,304
Library Gift Fund	82,140
WDF Administrative	200
EMS Act 102 Grant	12,046
Business and Industrial Revolving Loans	1,246,775
Affordable Housing	141,477
Medical/Hospital Equipment	20,764

Debt Service Fund:

Restricted for Debt Service	361,470
-----------------------------	---------

Capital Projects Funds:

Restricted for:

Bridge Construction	64,317
Fire Equipment	122,096
Public Works Equipment	247,468
Police Equipment	30,886
TIF District No. 7	1,027,441
TIF District No. 9	179,373
TIF District No. 11	4,139
TIF District No. 12	433,814
TIF District No. 13	52,849
TIF District No. 14	144,630
City Landfill	80,181

Total Restricted Fund Balance	<u>\$ 4,432,370</u>
-------------------------------	---------------------

**CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Fund Equity (Continued)

Committed Fund Balance

In the fund financial statements, portions of government fund balances are committed by City Council action. At December 31, 2024, governmental fund balance was committed as follows:

Special Revenue Funds:

Committed for:

Community Tourism	\$ 105,245
Special Events Donations	29,925
Business Improvement District	5,683
Docks and Harbors	4,537
Senior Center	10,452
Tree Planting	1,127
K-9 Fund	64,314
Community Development	94,800
ARPA	87,973

Capital Projects Funds:

Committed for:

Street Construction	153,665
Bridge Construction	4,470
Park and Cemetery Construction	11,376
Public Works Equipment	368,131
Industrial Park Development	16,433
City Landfill	266,638
High School Bike Trail	54,118
Harbor Master Plan	458,483
Library Building and Grounds	9,094
South Shore Waterfront Park	<u>60,000</u>

Total Committed Fund Balance	<u><u>\$ 1,806,464</u></u>
------------------------------	----------------------------

**CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 4 OTHER INFORMATION

A. WPPI Energy Contract (WPPI)

The City of Two Rivers, Wisconsin electric utility purchases its electric requirements from WPPI Energy (WPPI). WPPI is a municipal electric company and political subdivision of the state of Wisconsin created by contract by its members on September 5, 1980, pursuant to the Municipal Electric Company Act, Sec. 66.073 of the Wisconsin Statutes (the Act). WPPI's purposes include providing an adequate, economical, and reliable supply of electric energy to its members.

The City of Two Rivers, Wisconsin is one of 51 members of WPPI located throughout the states of Wisconsin, Michigan, and Iowa. On December 31, 1989, each of WPPI's original members, including the City of Two Rivers, Wisconsin, commenced purchasing electric service from WPPI under a Long-Term Power Supply Contract for Participating Members (the Long-Term Contract) under which WPPI has agreed to sell and deliver to each member, and each member has agreed to take and pay for, the electric power and energy requirements of the members for an initial 35-year term. The contract has been amended to extend the term of the contract through 2037. A subsequent amendment has extended the contract through 2055.

Under the Long-Term Contract, the City of Two Rivers, Wisconsin and the other members of WPPI are required to pay for all power and energy requirements supplied or made available by WPPI at rates sufficient to cover all of WPPI's revenue requirement which includes power supply costs, administrative expenses, and debt service on outstanding bonds. WPPI's subsequent year's rates and operating budget are approved annually by its board of directors, which consists of representatives from each member municipality.

The City of Two Rivers, Wisconsin has agreed to charge rates to the retail rate payers of its electric system sufficient to meet its obligations to WPPI. The Long-Term Contract provides that all payments to WPPI under the Contract constitute operating expenses of the City of Two Rivers, Wisconsin electric system payable from any operating and maintenance fund established by the City of Two Rivers, Wisconsin electric utility.

The Long-Term Contract may be terminated by either party upon five years prior written notice effective at the end of the initial 35-year term, or at any other time thereafter, provided that no WPPI bonds are outstanding at the time of the proposed termination and certain other contract provisions are met.

The electric operation purchases power through WPPI Energy, for distribution to its customers. Total purchases under this arrangement amounted to approximately \$6.5 million in 2024.

**CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 4 OTHER INFORMATION (CONTINUED)

B. Tax Incremental Financing Districts

The City has established separate capital projects funds for Tax Incremental District (TID) Nos. 4 through 17. The TIDs were created by the City in accordance with Section 66.1105 of the Wisconsin Statutes. At the time the TIDs were created, the property tax base within each TID was "frozen" and increment taxes resulting from increases to the property tax base are used to finance TID improvements, including principal and interest on long-term debt issued by the City to finance such improvements. Except for certain exceptions under Section 66.1105(6)(am)(1), the Statutes allow up to five years from the date of termination for a tax incremental district to incur project costs eligible for financing from tax increments.

The intent of the City is to recover any unreimbursed project costs from future TID surplus funds, if any, prior to termination of the respective Districts. Unless terminated by the City prior thereto, each TID has a statutory termination year as follows:

	<u>Termination Year</u>
TID No. 6	07/17/27
TID No. 7	08/20/28
TID No. 8	08/05/29
TID No. 9	07/28/26
TID No. 10	08/25/41
TID No. 11	09/06/43
TID No. 12	09/04/45
TID No. 13	02/03/41
TID No. 14	05/17/41
TID No. 15	07/19/48
TID No. 16	09/27/48
TID No. 17	09/06/49

C. Tax Abatements

The City has created Tax Increment Financing Districts (the Districts) in accordance with Wisconsin State Statute 66.1105, Tax Increment Law. As part of the project plan for the Districts, the City entered into agreements with developers for creation of tax base within the Districts. The agreements require the City to make annual repayments of property taxes collected within the Districts to the developers, based upon the terms of the agreements. As tax abatements, those developer payments and the related property tax revenues are not reported as revenues or expenditures in the financial statements. For the year ended December 31, 2024, the City abated property taxes totaling \$166,307 to a developer within District No. 9.

**CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 4 OTHER INFORMATION (CONTINUED)

D. Contingencies

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

E. Risk Management

The City is exposed to various risk of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. The City completes an annual review of its insurance coverage to ensure adequate coverage. The amount of actual settlements has not exceeded the insurance coverage amounts in any of the three most recent years.

F. Subsequent Events

On April 7, 2025, the City issued general obligation promissory notes in the amount of \$3,295,000 to be used for capital improvement projects and various equipment purchases.

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF TWO RIVERS, WISCONSIN
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)
WISCONSIN RETIREMENT SYSTEM
LAST 10 MEASUREMENT PERIODS**

Measurement Period Ending December 31,	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
2014	0.06625508 %	\$ (1,627,406)	\$ 7,273,639	22.37 %	102.74 %
2015	0.06634313	1,078,063	7,423,143	14.52	98.20
2016	0.06736854	555,278	7,680,109	7.23	99.12
2017	0.06946263	(2,062,427)	7,920,634	26.04	102.93
2018	0.07174643	2,552,513	8,182,118	31.20	96.45
2019	0.07286082	(2,349,365)	8,387,804	28.01	102.96
2020	0.07376752	(4,605,408)	8,722,182	52.80	105.26
2021	0.07368305	(5,938,989)	8,638,338	68.75	106.02
2022	0.07395085	3,917,696	8,943,746	43.80	95.72
2023	0.07320269	1,088,382	9,287,600	11.72	98.85

**SCHEDULE OF CONTRIBUTIONS
WISCONSIN RETIREMENT SYSTEM
LAST 10 FISCAL YEARS**

Fiscal Year Ended December 31,	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll (Fiscal Year)	Contributions as a Percentage of Covered Payroll
2015	\$ 638,770	\$ 638,770	\$ -	\$ 7,423,143	8.61 %
2016	661,683	661,683	-	7,680,109	8.62
2017	734,795	734,795	-	7,920,634	9.28
2018	751,207	751,207	-	8,182,118	9.18
2019	761,553	761,553	-	8,387,804	9.08
2020	849,147	849,147	-	8,722,182	9.74
2021	848,073	848,073	-	8,638,338	9.82
2022	868,733	868,733	-	8,943,746	9.71
2023	975,675	975,675	-	9,287,600	10.51
2024	1,092,984	1,092,984	-	9,906,394	11.03

See accompanying Notes to Required Supplementary Information.

**CITY OF TWO RIVERS, WISCONSIN
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
LOCAL RETIREE LIFE INSURANCE FUND
LAST 10 MEASUREMENT PERIODS***

Plan Fiscal Year Ended December 31,	Proportion of the Net OPEB Liability	Proportionate Share of the Net OPEB Liability	Covered- Employee Payroll	Proportionate Share of the Net OPEB Liability as a Percentage of Covered- Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2017	0.16989100 %	\$ 511,131	\$ 7,920,634	6.45 %	44.81 %
2018	0.17386000	448,617	8,182,118	5.48	48.69
2019	0.17281800	735,893	8,168,000	9.01	37.58
2020	0.16272900	895,127	8,178,000	10.95	31.36
2021	0.18717400	1,106,268	8,413,000	13.15	29.57
2022	0.16357800	623,204	8,652,000	7.20	38.81
2023	0.16151800	743,089	8,951,000	8.30	33.90

* Amounts for prior years were not available.

**SCHEDULE OF CONTRIBUTIONS
LOCAL RETIREE LIFE INSURANCE FUND
LAST 10 FISCAL YEARS**

Fiscal 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
2018	\$ 3,349	\$ 3,349	\$ -	\$ 8,182,118	0.04 %
2019	3,440	3,440	-	8,168,000	0.04
2020	3,124	3,124	-	8,178,000	0.04
2021	3,420	3,420	-	8,413,000	0.04
2022	3,268	3,268	-	8,652,000	0.04
2023	3,316	3,316	-	8,951,000	0.04
2024	3,471	3,471	-	8,678,100	0.04

* Amounts for prior years were not available.

See accompanying Notes to Required Supplementary Information.

CITY OF TWO RIVERS, WISCONSIN
SCHEDULE OF CHANGES IN OPEB LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS*

	2024	2023	2022	2021	2020	2019	2018
TOTAL OPEB LIABILITY							
Service Cost	\$ 104,736	\$ 145,849	\$ 180,326	\$ 161,329	\$ 169,825	\$ 178,228	\$ 178,228
Interest	230,547	141,566	155,810	185,026	227,897	207,851	209,119
Differences Between Expected and Actual Experience	-	-	-	-	832,095	-	-
Changes of Assumptions	396,050	(694,662)	(58,196)	216,916	225,508	(187,924)	-
Effect of Liability Gains or Losses	403,495	(19,850)	(523,658)	-	-	-	-
Benefit Payments	(455,307)	(383,730)	(356,544)	(395,645)	(444,924)	(425,292)	(421,890)
NET CHANGE IN TOTAL OPEB LIABILITY	679,521	(810,827)	(602,262)	167,626	1,010,401	(227,137)	(34,543)
Total OPEB Liability - Beginning of Year	5,599,921	6,410,748	7,013,010	6,845,384	5,834,983	6,062,120	6,096,663
TOTAL OPEB LIABILITY - END OF YEAR	<u>\$ 6,279,442</u>	<u>\$ 5,599,921</u>	<u>\$ 6,410,748</u>	<u>\$ 7,013,010</u>	<u>\$ 6,845,384</u>	<u>\$ 5,834,983</u>	<u>\$ 6,062,120</u>
Covered-Employee Payroll	\$ 8,803,927	\$ 7,766,532	\$ 7,766,532	\$ 7,319,913	\$ 7,319,913	\$ 6,875,838	\$ 6,875,838
City's Total OPEB Liability as a Percentage of Covered-Employee Payroll	71.33%	72.10%	82.54%	95.81%	93.52%	84.86%	88.17%

* The amounts presented for each fiscal year were determined as of the prior fiscal year-end. Amounts for prior years were not available.

**CITY OF TWO RIVERS, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2024**

NOTE 1 WISCONSIN RETIREMENT SYSTEM

Changes of Benefits Terms: There were no changes of benefits terms for any participating employers in the 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-end 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 TWO RIVERS, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2024**

NOTE 2 OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS

The City maintains the following two OPEB plans:

Single-Employer Defined Postemployment Benefit Plan

Demographic assumptions have been updated based upon the most recent Wisconsin Retirement System (WRS) experience study. No assets have been accumulated in an irrevocable trust, so the Plan's discount rate applied to all periods is based on a 20-year, tax-exempt general obligation municipal bond index.

Local Retiree Life Insurance Fund (LRLIF)

Benefits Terms: There were no changes of benefit terms for any participating employer in LRLIF.

Assumptions: 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

The City is required to present the last then fiscal years of data; however, accounting standards allow the presentation of as many years as are available until 10 fiscal years are presented.

SUPPLEMENTARY INFORMATION

**CITY OF TWO RIVERS, WISCONSIN
GENERAL FUND
DETAILED COMPARISON OF BUDGETED AND ACTUAL REVENUES
YEAR ENDED DECEMBER 31, 2024**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Taxes:				
General Property	\$ 2,250,000	\$ 2,250,000	\$ 2,250,000	\$ -
Payments in Lieu of Taxes	20	20	17	(3)
Interest and Taxes	10,000	10,000	12,485	2,485
Total Taxes	2,260,020	2,260,020	2,262,502	2,482
Special Assessments:				
Street Paving and Construction	160,000	160,000	361,137	201,137
Other Special Assessments	5,000	5,000	4,474	(526)
Total Special Assessments	165,000	165,000	365,611	200,611
Intergovernmental:				
State Shared Taxes	4,658,149	4,658,149	4,684,555	26,406
Exempt Computer Aid	20,753	20,753	20,753	-
Fire Insurance Tax	27,000	27,000	35,659	8,659
Law Enforcement Training	10,000	10,000	43,306	33,306
Expenditure Restraint	161,197	161,197	161,197	-
Other Public Safety	26,000	26,000	-	(26,000)
Municipal Services Payment	5,200	5,200	5,337	137
Local Highway Aid	462,596	462,596	462,665	69
Connecting Streets	110,777	110,777	129,705	18,928
Total Intergovernmental	5,481,672	5,481,672	5,543,177	61,505
Licenses and Permits:				
Licenses:				
Liquor and Malt Beverage	17,000	17,000	18,650	1,650
Bar Operators	6,000	6,000	5,760	(240)
Cigarette	1,000	1,000	200	(800)
Dog	7,000	7,000	7,912	912
Business and Occupational	2,500	2,500	2,330	(170)
Bicycle	1,300	1,300	1,200	(100)
Permits:				
Building	75,000	75,000	100,051	25,051
Electrical	15,000	15,000	19,950	4,950
Plumbing	25,000	25,000	21,738	(3,262)
Sign	1,500	1,500	1,730	230
Conditional Use	3,500	3,500	4,500	1,000
Other Permits	10,000	10,000	25,192	15,192
Cable Franchise Fees	110,000	110,000	97,951	(12,049)
Total Licenses and Permits	274,800	274,800	307,164	32,364

**CITY OF TWO RIVERS, WISCONSIN
GENERAL FUND
DETAILED COMPARISON OF BUDGETED AND ACTUAL REVENUES (CONTINUED)
YEAR ENDED DECEMBER 31, 2024**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Fines and Forfeits:				
Court Penalties and Costs	\$ 80,000	\$ 80,000	\$ 64,603	\$ (15,397)
Animal Control	500	500	950	450
Parking Fines	10,000	10,000	14,781	4,781
Total Fines and Forfeits	90,500	90,500	80,334	(10,166)
Public Charges for Services:				
Community Center	30,000	30,000	39,418	9,418
Senior Center	18,000	18,000	10,895	(7,105)
General Government	24,000	24,000	24,814	814
Public Works	260,000	260,000	240,357	(19,643)
Cemetery Plots and Burials	120,000	120,000	99,545	(20,455)
Law Enforcement	2,500	2,500	2,558	58
Ambulance	820,000	820,000	746,839	(73,161)
Recreation	85,000	85,000	84,241	(759)
Fire Department	62,000	62,000	60,618	(1,382)
Total Public Charges for Services	1,421,500	1,421,500	1,309,285	(112,215)
Intergovernmental Charges for Services:				
Police Liaison	156,000	156,000	242,690	86,690
Shared Fire Expense	500	500	-	(500)
Total Intergovernmental Charges for Services	156,500	156,500	242,690	86,190
Interdepartmental Charges for Services:				
Public Works	525,000	525,000	452,287	(72,713)
Recreation	30,000	30,000	35,553	5,553
Economic Development	30,000	30,000	22,594	(7,406)
Total Interdepartmental Charges for Services	585,000	585,000	510,434	(74,566)
Miscellaneous:				
Interest on Investments	140,000	140,000	184,835	44,835
Interest on Advances	25,500	25,500	40,505	15,005
Interest on Special Assessments	25,000	25,000	36,955	11,955
Rental Income	70,000	70,000	67,332	(2,668)
Donations	-	-	15,604	15,604
Refunds for Prior Years	36,500	36,500	30,638	(5,862)
Other	227,505	60,000	18,302	(41,698)
Total Miscellaneous	524,505	357,000	394,171	37,171
Total Revenues	\$ 10,959,497	\$ 10,791,992	\$ 11,015,368	\$ 223,376

**CITY OF TWO RIVERS, WISCONSIN
GENERAL FUND
DETAILED COMPARISON OF BUDGETED AND ACTUAL EXPENDITURES
YEAR ENDED DECEMBER 31, 2024**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
General Government:				
Council	\$ 16,147	\$ 16,147	\$ 11,689	\$ 4,458
Judicial	58,970	58,970	54,565	4,405
Clerk	86,395	86,395	83,578	2,817
Assessor	124,995	124,995	123,310	1,685
Elections	30,400	30,400	25,047	5,353
City Manager	170,103	170,103	178,296	(8,193)
City Hall	92,730	92,730	93,041	(311)
Information Systems	125,246	125,246	128,862	(3,616)
Other General Government	18,100	18,100	23,617	(5,517)
Insurance and Bonds	403,520	403,520	386,334	17,186
Legal	55,216	55,216	54,268	948
Accounting	158,974	158,974	160,360	(1,386)
Uncollectible Taxes and Refunds	10,000	10,000	9,002	998
Contingency	310,000	336,241	266	335,975
Total General Government	1,660,796	1,687,037	1,332,235	354,802
Public Safety:				
Police and Fire Commission	5,500	5,500	11,535	(6,035)
Police Department	3,660,663	3,660,663	3,798,240	(137,577)
Fire Department	2,416,385	2,416,385	2,395,928	20,457
Ambulance	457,950	457,950	481,354	(23,404)
Inspection	120,352	120,352	184,015	(63,663)
Total Public Safety	6,660,850	6,660,850	6,871,072	(210,222)
Public Works:				
Public Works Shop	638,329	618,165	731,638	(113,473)
Highway Administration	200,890	178,644	174,540	4,104
Bridge Repairs and Maintenance	58,546	43,239	41,698	1,541
Street and Highway Maintenance	262,368	253,949	188,122	65,827
Snow and Ice Removal	239,748	168,460	105,759	62,701
Traffic Control	68,551	65,745	80,189	(14,444)
Transit	120,000	120,000	132,650	(12,650)
Work Done for Others	163,069	146,233	191,288	(45,055)
Total Public Works	1,751,501	1,594,435	1,645,884	(51,449)
Health and Human Services:				
Cemetery	216,578	212,968	199,060	13,908
Senior Center	201,022	201,022	193,517	7,505
Total Health and Human Services	417,600	413,990	392,577	21,413

**CITY OF TWO RIVERS, WISCONSIN
GENERAL FUND
DETAILED COMPARISON OF BUDGETED AND ACTUAL EXPENDITURES (CONTINUED)
YEAR ENDED DECEMBER 31, 2024**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Culture and Recreation:				
Community Center	\$ 469,225	\$ 466,155	\$ 419,488	\$ 46,667
Parks	370,068	364,858	403,310	(38,452)
Recreation	337,808	335,458	314,920	20,538
Special Events	36,219	35,694	43,044	(7,350)
Recreation Fields	142,853	141,618	161,979	(20,361)
Total Culture and Recreation	1,356,173	1,343,783	1,342,741	1,042
Capital Outlay:				
Equipment	-	-	39,512	(39,512)
Total Expenditures	<u>\$ 11,846,920</u>	<u>\$ 11,700,095</u>	<u>\$ 11,624,021</u>	<u>\$ 76,074</u>

CITY OF TWO RIVERS, WISCONSIN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – DEBT SERVICE FUND
YEAR ENDED DECEMBER 31, 2024

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 2,589,571	\$ 2,589,571	\$ 2,589,571	\$ -
Miscellaneous	153,500	153,500	245,686	92,186
Total Revenues	2,743,071	2,743,071	2,835,257	92,186
EXPENDITURES				
Debt Service:				
Principal	2,427,270	2,427,270	2,372,972	54,298
Interest and Fiscal Charges	509,126	509,126	646,575	(137,449)
Total Expenditures	2,936,396	2,936,396	3,019,547	(83,151)
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	(193,325)	(193,325)	(184,290)	9,035
OTHER FINANCING SOURCES (USES)				
Long-Term Debt Issued	-	-	1,454	1,454
Premium on Debt Issued	-	-	210,897	210,897
Transfers In	241,636	241,636	259,325	17,689
Transfers Out	(48,311)	(48,311)	(47,975)	336
Total Other Financing Sources (Uses)	193,325	193,325	423,701	230,376
NET CHANGE IN FUND BALANCE	-	-	239,411	239,411
Fund Balance - Beginning of Year	122,059	122,059	122,059	-
FUND BALANCE - END OF YEAR	<u>\$ 122,059</u>	<u>\$ 122,059</u>	<u>\$ 361,470</u>	<u>\$ 239,411</u>

**CITY OF TWO RIVERS, WISCONSIN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2024**

	Special Revenue				
	Library	Library Gift	Community Tourism	Special Events Donations	WDF Administrative
ASSETS					
Cash and Investments	\$ 322,723	\$ 82,140	\$ 110,020	\$ 30,370	\$ 200
Receivables					
Taxes and Special Charges	378,175	-	-	-	-
Accounts	-	-	-	-	-
Loans	-	-	-	-	-
Due from Other Funds	-	-	-	-	-
Due from Other Governments	-	-	-	-	-
Total Assets	<u>\$ 700,898</u>	<u>\$ 82,140</u>	<u>\$ 110,020</u>	<u>\$ 30,370</u>	<u>\$ 200</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 2,079	\$ -	\$ 2,400	\$ 445	\$ -
Accrued and Other Current Liabilities	17,106	-	2,375	-	-
Due to Other Funds	-	-	-	-	-
Due to Other Governments	33	-	-	-	-
Special Deposits	110	-	-	-	-
Unearned Revenues	-	-	-	-	-
Total Liabilities	<u>19,328</u>	<u>-</u>	<u>4,775</u>	<u>445</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Property Taxes Levied for Subsequent Year	681,790	-	-	-	-
Loans Receivable	-	-	-	-	-
Total Deferred Inflows of Resources	<u>681,790</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Restricted	-	82,140	-	-	200
Committed	-	-	105,245	29,925	-
Unassigned	(220)	-	-	-	-
Total Fund Balances	<u>(220)</u>	<u>82,140</u>	<u>105,245</u>	<u>29,925</u>	<u>200</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 700,898</u>	<u>\$ 82,140</u>	<u>\$ 110,020</u>	<u>\$ 30,370</u>	<u>\$ 200</u>

**CITY OF TWO RIVERS, WISCONSIN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2024**

	Special Revenue				
	Business Improvement District	Docks and Harbors	Urban Forestry	Senior Center	Golf Simulator
ASSETS					
Cash and Investments	\$ 14,909	\$ 4,537	\$ -	\$ 14,543	\$ -
Receivables					
Taxes and Special Charges	37,514	-	-	-	-
Accounts	5,683	-	-	-	-
Loans	-	-	-	-	-
Due from Other Funds	-	-	-	-	-
Due from Other Governments	-	-	-	-	-
Total Assets	<u>\$ 58,106</u>	<u>\$ 4,537</u>	<u>\$ -</u>	<u>\$ 14,543</u>	<u>\$ -</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ -	\$ 2,846	\$ -
Accrued and Other Current Liabilities	-	-	-	772	-
Due to Other Funds	-	-	22,426	-	788
Due to Other Governments	-	-	-	-	-
Special Deposits	-	-	-	473	-
Unearned Revenues	-	-	-	-	-
Total Liabilities	-	-	22,426	4,091	788
DEFERRED INFLOWS OF RESOURCES					
Property Taxes Levied for Subsequent Year	52,423	-	-	-	-
Loans Receivable	-	-	-	-	-
Total Deferred Inflows of Resources	52,423	-	-	-	-
FUND BALANCES					
Restricted	-	-	-	-	-
Committed	5,683	4,537	-	10,452	-
Unassigned	-	-	(22,426)	-	(788)
Total Fund Balances	<u>5,683</u>	<u>4,537</u>	<u>(22,426)</u>	<u>10,452</u>	<u>(788)</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 58,106</u>	<u>\$ 4,537</u>	<u>\$ -</u>	<u>\$ 14,543</u>	<u>\$ -</u>

**CITY OF TWO RIVERS, WISCONSIN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2024**

	Special Revenue				
	Tree Planting	EMS Act 102 Grant	Business and Industrial Revolving Loans	Sandy Bay Highlands	Affordable Housing
ASSETS					
Cash and Investments	\$ 1,127	\$ 15,046	\$ 1,246,775	\$ -	\$ 141,477
Receivables	-	-	-	-	-
Taxes and Special Charges	-	-	-	-	-
Accounts	-	-	-	-	-
Loans	-	-	1,166,181	-	-
Due from Other Funds	-	-	-	-	-
Due from Other Governments	-	-	-	-	-
Total Assets	<u>\$ 1,127</u>	<u>\$ 15,046</u>	<u>\$ 2,412,956</u>	<u>\$ -</u>	<u>\$ 141,477</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ -	\$ 3,000	\$ -	\$ -	\$ -
Accrued and Other Current Liabilities	-	-	-	-	-
Due to Other Funds	-	-	-	5,041	-
Due to Other Governments	-	-	-	-	-
Special Deposits	-	-	-	-	-
Unearned Revenues	-	-	-	-	-
Total Liabilities	-	3,000	-	5,041	-
DEFERRED INFLOWS OF RESOURCES					
Property Taxes Levied for Subsequent Year	-	-	-	-	-
Loans Receivable	-	-	1,166,181	-	-
Total Deferred Inflows of Resources	-	-	1,166,181	-	-
FUND BALANCES					
Restricted	-	12,046	1,246,775	-	141,477
Committed	1,127	-	-	-	-
Unassigned	-	-	-	(5,041)	-
Total Fund Balances	<u>1,127</u>	<u>12,046</u>	<u>1,246,775</u>	<u>(5,041)</u>	<u>141,477</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,127</u>	<u>\$ 15,046</u>	<u>\$ 2,412,956</u>	<u>\$ -</u>	<u>\$ 141,477</u>

**CITY OF TWO RIVERS, WISCONSIN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2024**

	Special Revenue				
	K-9 Fund	Medical/ Hospital Equipment	Community Development	ARPA Fund	Recreation Concession
ASSETS					
Cash and Investments	\$ 64,314	\$ 20,764	\$ 154,006	\$ 442,891	\$ -
Receivables	-	-	-	-	-
Taxes and Special Charges	-	-	-	-	-
Accounts	-	-	-	-	-
Loans	-	-	-	-	-
Due from Other Funds	-	-	-	-	-
Due from Other Governments	-	-	-	200,000	-
Total Assets	<u>\$ 64,314</u>	<u>\$ 20,764</u>	<u>\$ 154,006</u>	<u>\$ 642,891</u>	<u>\$ -</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ 59,206	\$ 273,286	\$ -
Accrued and Other Current Liabilities	-	-	-	-	-
Due to Other Funds	-	-	-	-	-
Due to Other Governments	-	-	-	-	-
Special Deposits	-	-	-	-	-
Unearned Revenues	-	-	-	281,632	-
Total Liabilities	-	-	59,206	554,918	-
DEFERRED INFLOWS OF RESOURCES					
Property Taxes Levied for Subsequent Year	-	-	-	-	-
Loans Receivable	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-
FUND BALANCES					
Restricted	-	20,764	-	-	-
Committed	64,314	-	94,800	87,973	-
Unassigned	-	-	-	-	-
Total Fund Balances	<u>64,314</u>	<u>20,764</u>	<u>94,800</u>	<u>87,973</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 64,314</u>	<u>\$ 20,764</u>	<u>\$ 154,006</u>	<u>\$ 642,891</u>	<u>\$ -</u>

**CITY OF TWO RIVERS, WISCONSIN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2024**

	Capital Projects				
	Street Construction	Bridge Construction	Park and Cemetery Construction	Fire Equipment	Public Works Equipment
ASSETS					
Cash and Investments	\$ 649,060	\$ 68,787	\$ 13,985	\$ 110,289	\$ 616,868
Receivables	-	-	-	-	-
Taxes and Special Charges	-	-	-	-	-
Accounts	-	-	-	-	-
Loans	-	-	-	-	-
Due from Other Funds	-	-	-	-	-
Due from Other Governments	-	-	-	-	-
Total Assets	<u>\$ 649,060</u>	<u>\$ 68,787</u>	<u>\$ 13,985</u>	<u>\$ 110,289</u>	<u>\$ 616,868</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 495,395	\$ -	\$ 2,609	\$ 175	\$ 1,269
Accrued and Other Current Liabilities	-	-	-	-	-
Due to Other Funds	-	-	-	-	-
Due to Other Governments	-	-	-	-	-
Special Deposits	-	-	-	-	-
Unearned Revenues	-	-	-	-	-
Total Liabilities	<u>495,395</u>	<u>-</u>	<u>2,609</u>	<u>175</u>	<u>1,269</u>
DEFERRED INFLOWS OF RESOURCES					
Property Taxes Levied for Subsequent Year	-	-	-	-	-
Loans Receivable	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Restricted	-	64,317	-	122,096	247,468
Committed	153,665	4,470	11,376	-	368,131
Unassigned	-	-	-	(11,982)	-
Total Fund Balances	<u>153,665</u>	<u>68,787</u>	<u>11,376</u>	<u>110,114</u>	<u>615,599</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 649,060</u>	<u>\$ 68,787</u>	<u>\$ 13,985</u>	<u>\$ 110,289</u>	<u>\$ 616,868</u>

**CITY OF TWO RIVERS, WISCONSIN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2024**

	Capital Projects				
	City Hall Equipment	Management Information	Police Equipment	TIF District No. 6	TIF District No. 7
ASSETS					
Cash and Investments	\$ -	\$ -	\$ -	\$ -	\$ 605,937
Receivables	-	-	-	-	-
Taxes and Special Charges	-	-	-	9,325	34,790
Accounts	-	-	-	-	-
Loans	-	-	-	-	-
Due from Other Funds	-	-	-	-	449,435
Due from Other Governments	-	-	-	-	-
Total Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,325</u>	<u>\$ 1,090,162</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued and Other Current Liabilities	-	-	-	-	-
Due to Other Funds	73,596	43,693	114,668	136,139	-
Due to Other Governments	-	-	-	-	-
Special Deposits	-	-	-	-	-
Unearned Revenues	-	-	-	-	-
Total Liabilities	<u>73,596</u>	<u>43,693</u>	<u>114,668</u>	<u>136,139</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Property Taxes Levied for Subsequent Year	-	-	-	16,811	62,721
Loans Receivable	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,811</u>	<u>62,721</u>
FUND BALANCES					
Restricted	-	-	30,886	-	1,027,441
Committed	-	-	-	-	-
Unassigned	(73,596)	(43,693)	(145,554)	(143,625)	-
Total Fund Balances	<u>(73,596)</u>	<u>(43,693)</u>	<u>(114,668)</u>	<u>(143,625)</u>	<u>1,027,441</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,325</u>	<u>\$ 1,090,162</u>

**CITY OF TWO RIVERS, WISCONSIN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2024**

	Capital Projects				
	TIF District No. 8	TIF District No. 9	TIF District No. 10	TIF District No. 11	TIF District No. 12
ASSETS					
Cash and Investments	\$ 89,693	\$ 257,082	\$ -	\$ 17,819	\$ 457,516
Receivables					
Taxes and Special Charges	132,126	96,793	59,303	17,039	29,522
Accounts	-	-	-	-	-
Loans	-	-	-	-	-
Due from Other Funds	-	-	-	-	-
Due from Other Governments	-	-	-	-	-
Total Assets	<u>\$ 221,819</u>	<u>\$ 353,875</u>	<u>\$ 59,303</u>	<u>\$ 34,858</u>	<u>\$ 487,038</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued and Other Current Liabilities	-	-	-	-	-
Due to Other Funds	-	-	180,367	-	-
Due to Other Governments	-	-	-	-	-
Special Deposits	-	-	-	-	-
Unearned Revenues	-	-	-	-	-
Total Liabilities	-	-	180,367	-	-
DEFERRED INFLOWS OF RESOURCES					
Property Taxes Levied for Subsequent Year	238,202	174,502	106,914	30,719	53,224
Loans Receivable	-	-	-	-	-
Total Deferred Inflows of Resources	<u>238,202</u>	<u>174,502</u>	<u>106,914</u>	<u>30,719</u>	<u>53,224</u>
FUND BALANCES					
Restricted	-	179,373	-	4,139	433,814
Committed	-	-	-	-	-
Unassigned	(16,383)	-	(227,978)	-	-
Total Fund Balances	<u>(16,383)</u>	<u>179,373</u>	<u>(227,978)</u>	<u>4,139</u>	<u>433,814</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 221,819</u>	<u>\$ 353,875</u>	<u>\$ 59,303</u>	<u>\$ 34,858</u>	<u>\$ 487,038</u>

**CITY OF TWO RIVERS, WISCONSIN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2024**

	Capital Projects				
	TIF District No. 13	TIF District No. 14	TIF District No. 15	TIF District No. 16	TIF District No. 17
ASSETS					
Cash and Investments	\$ 72,570	\$ 157,771	\$ -	\$ -	\$ -
Receivables					
Taxes and Special Charges	24,563	16,369	1	3	39
Accounts	-	-	-	-	-
Loans	-	-	-	-	-
Due from Other Funds	-	-	-	-	-
Due from Other Governments	-	-	-	-	-
Total Assets	<u>\$ 97,133</u>	<u>\$ 174,140</u>	<u>\$ 1</u>	<u>\$ 3</u>	<u>\$ 39</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued and Other Current Liabilities	-	-	-	-	-
Due to Other Funds	-	-	7,436	5,833	4,453
Due to Other Governments	-	-	-	-	-
Special Deposits	-	-	-	-	-
Unearned Revenues	-	-	-	-	-
Total Liabilities	-	-	7,436	5,833	4,453
DEFERRED INFLOWS OF RESOURCES					
Property Taxes Levied for Subsequent Year	44,284	29,510	2	5	70
Loans Receivable	-	-	-	-	-
Total Deferred Inflows of Resources	44,284	29,510	2	5	70
FUND BALANCES					
Restricted	52,849	144,630	-	-	-
Committed	-	-	-	-	-
Unassigned	-	-	(7,437)	(5,835)	(4,484)
Total Fund Balances	<u>52,849</u>	<u>144,630</u>	<u>(7,437)</u>	<u>(5,835)</u>	<u>(4,484)</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 97,133</u>	<u>\$ 174,140</u>	<u>\$ 1</u>	<u>\$ 3</u>	<u>\$ 39</u>

**CITY OF TWO RIVERS, WISCONSIN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2024**

	Capital Projects				
	Industrial Park Development	City Landfill	Central Park Renovation	High School Bike Trail	Harbor Master Plan
ASSETS					
Cash and Investments	\$ 20,914	\$ 346,897	\$ -	\$ 54,118	\$ 458,483
Receivables	-	-	-	-	-
Taxes and Special Charges	-	-	-	-	-
Accounts	-	-	-	-	-
Loans	4,125	-	-	-	-
Due from Other Funds	-	-	-	-	-
Due from Other Governments	-	-	-	-	-
Total Assets	<u>\$ 25,039</u>	<u>\$ 346,897</u>	<u>\$ -</u>	<u>\$ 54,118</u>	<u>\$ 458,483</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ -	\$ 78	\$ -	\$ -	\$ -
Accrued and Other Current Liabilities	-	-	-	-	-
Due to Other Funds	-	-	43,577	-	-
Due to Other Governments	-	-	-	-	-
Special Deposits	4,481	-	-	-	-
Unearned Revenues	-	-	-	-	-
Total Liabilities	<u>4,481</u>	<u>78</u>	<u>43,577</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Property Taxes Levied for Subsequent Year	-	-	-	-	-
Loans Receivable	<u>4,125</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>4,125</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Restricted	-	80,181	-	-	-
Committed	16,433	266,638	-	54,118	458,483
Unassigned	-	-	(43,577)	-	-
Total Fund Balances	<u>16,433</u>	<u>346,819</u>	<u>(43,577)</u>	<u>54,118</u>	<u>458,483</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 25,039</u>	<u>\$ 346,897</u>	<u>\$ -</u>	<u>\$ 54,118</u>	<u>\$ 458,483</u>

**CITY OF TWO RIVERS, WISCONSIN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2024**

	Capital Projects		Totals
	Library Building and Grounds	South Shore Waterfront Park	
ASSETS			
Cash and Investments	\$ 9,094	\$ 60,000	\$ 6,732,725
Receivables	-	-	835,562
Taxes and Special Charges	-	-	5,683
Accounts	-	-	1,170,306
Loans	-	-	449,435
Due from Other Funds	-	-	200,000
Due from Other Governments	-	-	
Total Assets	<u>\$ 9,094</u>	<u>\$ 60,000</u>	<u>\$ 9,393,711</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ -	\$ -	\$ 842,788
Accrued and Other Current Liabilities	-	-	20,253
Due to Other Funds	-	-	638,017
Due to Other Governments	-	-	33
Special Deposits	-	-	5,064
Unearned Revenues	-	-	281,632
Total Liabilities	-	-	1,787,787
DEFERRED INFLOWS OF RESOURCES			
Property Taxes Levied for Subsequent Year	-	-	1,491,177
Loans Receivable	-	-	1,170,306
Total Deferred Inflows of Resources	-	-	2,661,483
FUND BALANCES			
Restricted	-	-	3,890,596
Committed	9,094	60,000	1,806,464
Unassigned	-	-	(752,619)
Total Fund Balances	<u>9,094</u>	<u>60,000</u>	<u>4,944,441</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 9,094</u>	<u>\$ 60,000</u>	<u>\$ 9,393,711</u>

**CITY OF TWO RIVERS, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2024**

	Special Revenue				
	Library	Library Gift	Community Tourism	Special Events Donations	WDF Administrative
REVENUES					
Taxes	\$ 681,790	\$ -	\$ 300,585	\$ -	\$ -
Special Assessments	-	-	-	-	-
Intergovernmental	192,519	-	-	-	-
Public Charges for Services	9,977	-	14,241	-	-
Miscellaneous	75,349	13,301	1,000	54,741	-
Total Revenues	959,635	13,301	315,826	54,741	-
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Health and Human Services	-	-	-	-	-
Culture and Recreation	972,071	22,674	-	49,553	-
Conservation and Development	-	-	238,793	-	-
Capital Outlay:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Conservation and Development	-	-	-	-	-
Debt Service:					
Interest and Fiscal Charges	-	-	-	-	-
Total Expenditures	972,071	22,674	238,793	49,553	-
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	(12,436)	(9,373)	77,033	5,188	-
OTHER FINANCING SOURCES (USES)					
Long-Term Debt Issued	-	-	-	-	-
Proceeds from Sale of Capital Assets	2,569	-	-	-	-
Transfers In	4,000	-	194,741	9,221	-
Transfers Out	(2,034)	(4,000)	(346,578)	-	-
Total Other Financing Sources (Uses)	4,535	(4,000)	(151,837)	9,221	-
NET CHANGE IN FUND BALANCES	(7,901)	(13,373)	(74,804)	14,409	-
Fund Balances - Beginning of Year	7,681	95,513	180,049	15,516	200
FUND BALANCES - END OF YEAR	\$ (220)	\$ 82,140	\$ 105,245	\$ 29,925	\$ 200

**CITY OF TWO RIVERS, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024**

	Special Revenue				
	Business Improvement District	Docks and Harbors	Urban Forestry	Senior Center	Golf Simulator
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	48,573	-	-	-	-
Intergovernmental	-	-	25,000	10,800	-
Public Charges for Services	-	9,371	-	67,405	350
Miscellaneous	-	-	-	11,636	-
Total Revenues	48,573	9,371	25,000	89,841	350
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	5,116	-	-	-
Health and Human Services	-	-	-	84,979	-
Culture and Recreation	-	-	-	714	1,138
Conservation and Development	47,089	-	44,734	-	-
Capital Outlay:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Conservation and Development	-	-	-	-	-
Debt Service:					
Interest and Fiscal Charges	-	-	-	-	-
Total Expenditures	47,089	5,116	44,734	85,693	1,138
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	1,484	4,255	(19,734)	4,148	(788)
OTHER FINANCING SOURCES (USES)					
Long-Term Debt Issued	-	-	-	-	-
Proceeds from Sale of Capital Assets	-	-	-	-	-
Transfers In	-	-	19,500	-	-
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	19,500	-	-
NET CHANGE IN FUND BALANCES	1,484	4,255	(234)	4,148	(788)
Fund Balances - Beginning of Year	4,199	282	(22,192)	6,304	-
FUND BALANCES - END OF YEAR	\$ 5,683	\$ 4,537	\$ (22,426)	\$ 10,452	\$ (788)

**CITY OF TWO RIVERS, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024**

	Special Revenue				
	Tree Planting	EMS Act 102 Grant	Business and Industrial Revolving Loans	Sandy Bay Highlands	Affordable Housing
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-
Intergovernmental	-	7,345	259	-	-
Public Charges for Services	-	-	-	-	-
Miscellaneous	42,253	-	78,707	-	-
Total Revenues	42,253	7,345	78,966	-	-
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Safety	-	23,130	-	-	-
Public Works	-	-	-	-	-
Health and Human Services	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Conservation and Development	18,012	-	48,900	-	-
Capital Outlay:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Conservation and Development	-	-	-	5,161	-
Debt Service:					
Interest and Fiscal Charges	-	-	-	-	-
Total Expenditures	18,012	23,130	48,900	5,161	-
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	24,241	(15,785)	30,066	(5,161)	-
OTHER FINANCING SOURCES (USES)					
Long-Term Debt Issued	-	-	-	-	-
Proceeds from Sale of Capital Assets	-	-	-	58,780	-
Transfers In	-	-	9,329	-	-
Transfers Out	(19,500)	-	(75,000)	(58,660)	-
Total Other Financing Sources (Uses)	(19,500)	-	(65,671)	120	-
NET CHANGE IN FUND BALANCES	4,741	(15,785)	(35,605)	(5,041)	-
Fund Balances - Beginning of Year	(3,614)	27,831	1,282,380	-	141,477
FUND BALANCES - END OF YEAR	\$ 1,127	\$ 12,046	\$ 1,246,775	\$ (5,041)	\$ 141,477

**CITY OF TWO RIVERS, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024**

	Special Revenue				
	K-9 Fund	Medical/ Hospital Equipment	Community Development	ARPA Fund	Recreation Concession
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-
Intergovernmental	685	-	-	720,414	-
Public Charges for Services	-	-	-	-	43,070
Miscellaneous	12,483	14,505	-	51,716	-
Total Revenues	13,168	14,505	-	772,130	43,070
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Safety	10,747	18,339	-	-	-
Public Works	-	-	-	-	-
Health and Human Services	-	-	-	-	-
Culture and Recreation	-	-	-	-	33,849
Conservation and Development	-	-	85,412	715,580	-
Capital Outlay:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Conservation and Development	-	-	-	-	-
Debt Service:					
Interest and Fiscal Charges	-	-	-	-	-
Total Expenditures	10,747	18,339	85,412	715,580	33,849
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	2,421	(3,834)	(85,412)	56,550	9,221
OTHER FINANCING SOURCES (USES)					
Long-Term Debt Issued	-	-	-	-	-
Proceeds from Sale of Capital Assets	-	-	-	-	-
Transfers In	61,893	-	124,000	-	-
Transfers Out	-	-	-	-	(9,221)
Total Other Financing Sources (Uses)	61,893	-	124,000	-	(9,221)
NET CHANGE IN FUND BALANCES	64,314	(3,834)	38,588	56,550	-
Fund Balances - Beginning of Year	-	24,598	56,212	31,423	-
FUND BALANCES - END OF YEAR	\$ 64,314	\$ 20,764	\$ 94,800	\$ 87,973	\$ -

**CITY OF TWO RIVERS, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024**

	Capital Projects				
	Street Construction	Bridge Construction	Park and Cemetery Construction	Fire Equipment	Public Works Equipment
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-
Intergovernmental	5,525	100	-	685	-
Public Charges for Services	-	-	-	-	-
Miscellaneous	-	-	4,875	24,279	31,196
Total Revenues	5,525	100	4,875	24,964	31,196
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Safety	-	-	-	16,252	-
Public Works	-	-	-	-	-
Health and Human Services	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Conservation and Development	-	-	-	-	-
Capital Outlay:					
General Government	-	-	-	-	-
Public Safety	-	-	-	25,652	-
Public Works	1,117,411	18,737	-	-	327,532
Culture and Recreation	-	-	396,067	-	-
Conservation and Development	-	-	-	-	-
Debt Service:					
Interest and Fiscal Charges	-	-	-	-	-
Total Expenditures	1,117,411	18,737	396,067	41,904	327,532
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	(1,111,886)	(18,637)	(391,192)	(16,940)	(296,336)
OTHER FINANCING SOURCES (USES)					
Long-Term Debt Issued	931,546	-	367,500	164,000	575,000
Proceeds from Sale of Capital Assets	-	-	-	-	-
Transfers In	288,454	-	30,000	-	-
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	1,220,000	-	397,500	164,000	575,000
NET CHANGE IN FUND BALANCES	108,114	(18,637)	6,308	147,060	278,664
Fund Balances - Beginning of Year	45,551	87,424	5,068	(36,946)	336,935
FUND BALANCES - END OF YEAR	\$ 153,665	\$ 68,787	\$ 11,376	\$ 110,114	\$ 615,599

**CITY OF TWO RIVERS, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024**

	Capital Projects				
	City Hall Equipment	Management Information	Police Equipment	TIF District No. 6	TIF District No. 7
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ 24,740	\$ 93,831
Special Assessments	-	-	-	-	-
Intergovernmental	-	-	-	5	822
Public Charges for Services	-	-	-	-	-
Miscellaneous	-	-	8,000	-	19,110
Total Revenues	-	-	8,000	24,745	113,763
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Safety	-	-	1,037	-	-
Public Works	-	-	-	-	-
Health and Human Services	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Conservation and Development	-	-	-	3,562	150
Capital Outlay:					
General Government	259,413	56,704	-	-	-
Public Safety	-	-	213,841	-	-
Public Works	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Conservation and Development	-	-	-	-	-
Debt Service:					
Interest and Fiscal Charges	-	-	-	5,055	-
Total Expenditures	259,413	56,704	214,878	8,617	150
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	(259,413)	(56,704)	(206,878)	16,128	113,613
OTHER FINANCING SOURCES (USES)					
Long-Term Debt Issued	20,000	-	55,500	-	-
Proceeds from Sale of Capital Assets	-	-	-	-	-
Transfers In	-	33,899	38,646	-	-
Transfers Out	-	(9,899)	(61,893)	-	(96,590)
Total Other Financing Sources (Uses)	20,000	24,000	32,253	-	(96,590)
NET CHANGE IN FUND BALANCES	(239,413)	(32,704)	(174,625)	16,128	17,023
Fund Balances - Beginning of Year	165,817	(10,989)	59,957	(159,753)	1,010,418
FUND BALANCES - END OF YEAR	\$ (73,596)	\$ (43,693)	\$ (114,668)	\$ (143,625)	\$ 1,027,441

**CITY OF TWO RIVERS, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024**

	Capital Projects				
	TIF District No. 8	TIF District No. 9	TIF District No. 10	TIF District No. 11	TIF District No. 12
REVENUES					
Taxes	\$ 243,146	\$ 12,287	\$ 17,220	\$ 33,953	\$ 116,035
Special Assessments	-	-	-	-	-
Intergovernmental	-	3,681	100	16,125	-
Public Charges for Services	-	-	-	-	-
Miscellaneous	-	-	27,500	-	-
Total Revenues	243,146	15,968	44,820	50,078	116,035
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Health and Human Services	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Conservation and Development	43,731	3,563	68,543	49,117	140,415
Capital Outlay:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Conservation and Development	80,000	-	-	-	-
Debt Service:					
Interest and Fiscal Charges	-	-	6,535	-	-
Total Expenditures	123,731	3,563	75,078	49,117	140,415
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	119,415	12,405	(30,258)	961	(24,380)
OTHER FINANCING SOURCES (USES)					
Long-Term Debt Issued	-	-	-	-	455,000
Proceeds from Sale of Capital Assets	-	-	-	-	-
Transfers In	-	-	-	-	-
Transfers Out	(124,639)	-	(21,650)	-	(52,195)
Total Other Financing Sources (Uses)	(124,639)	-	(21,650)	-	402,805
NET CHANGE IN FUND BALANCES	(5,224)	12,405	(51,908)	961	378,425
Fund Balances - Beginning of Year	(11,159)	166,968	(176,070)	3,178	55,389
FUND BALANCES - END OF YEAR	\$ (16,383)	\$ 179,373	\$ (227,978)	\$ 4,139	\$ 433,814

**CITY OF TWO RIVERS, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024**

	Capital Projects				
	TIF District No. 13	TIF District No. 14	TIF District No. 15	TIF District No. 16	TIF District No. 17
REVENUES					
Taxes	\$ 45,280	\$ 31,309	\$ 542	\$ 1,555	\$ 1,295
Special Assessments	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Public Charges for Services	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Revenues	45,280	31,309	542	1,555	1,295
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Health and Human Services	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Conservation and Development	1,519	92,774	151	150	150
Capital Outlay:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Conservation and Development	-	-	-	-	-
Debt Service:					
Interest and Fiscal Charges	-	-	216	170	131
Total Expenditures	1,519	92,774	367	320	281
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	43,761	(61,465)	175	1,235	1,014
OTHER FINANCING SOURCES (USES)					
Long-Term Debt Issued	-	200,000	-	-	-
Proceeds from Sale of Capital Assets	-	-	-	-	-
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	200,000	-	-	-
NET CHANGE IN FUND BALANCES	43,761	138,535	175	1,235	1,014
Fund Balances - Beginning of Year	9,088	6,095	(7,612)	(7,070)	(5,498)
FUND BALANCES - END OF YEAR	<u>\$ 52,849</u>	<u>\$ 144,630</u>	<u>\$ (7,437)</u>	<u>\$ (5,835)</u>	<u>\$ (4,484)</u>

**CITY OF TWO RIVERS, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024**

	Capital Projects				
	Industrial Park Development	City Landfill	Central Park Renovation	Bike Trail	Harbor Master Plan
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-
Intergovernmental	-	-	50,000	-	-
Public Charges for Services	-	-	-	-	-
Miscellaneous	140,786	144,868	12,256	-	-
Total Revenues	140,786	144,868	62,256	-	-
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	111,546	-	-	91,517
Health and Human Services	-	-	-	-	-
Culture and Recreation	-	-	66,703	-	-
Conservation and Development	4,545	-	-	-	-
Capital Outlay:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	8,272	-	-	-
Culture and Recreation	-	-	-	-	-
Conservation and Development	3,564	-	-	-	-
Debt Service:					
Interest and Fiscal Charges	-	-	-	-	-
Total Expenditures	8,109	119,818	66,703	-	91,517
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	132,677	25,050	(4,447)	-	(91,517)
OTHER FINANCING SOURCES (USES)					
Long-Term Debt Issued	-	200,000	50,000	-	-
Proceeds from Sale of Capital Assets	-	-	-	-	-
Transfers In	-	-	25,000	-	-
Transfers Out	(165,000)	-	-	-	(288,454)
Total Other Financing Sources (Uses)	(165,000)	200,000	75,000	-	(288,454)
NET CHANGE IN FUND BALANCES	(32,323)	225,050	70,553	-	(379,971)
Fund Balances - Beginning of Year	48,756	121,769	(114,130)	54,118	838,454
FUND BALANCES - END OF YEAR	\$ 16,433	\$ 346,819	\$ (43,577)	\$ 54,118	\$ 458,483

**CITY OF TWO RIVERS, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024**

	Capital Projects		Totals
	Library Building and Grounds	South Shore Waterfront Park	
REVENUES			
Taxes	\$ -	\$ -	\$ 1,603,568
Special Assessments	-	-	48,573
Intergovernmental	-	60,000	1,094,065
Public Charges for Services	-	-	144,414
Miscellaneous	11,429	-	779,990
Total Revenues	11,429	60,000	3,670,610
EXPENDITURES			
Current:			
General Government	6,024	-	6,024
Public Safety	-	-	69,505
Public Works	-	-	208,179
Health and Human Services	-	-	84,979
Culture and Recreation	-	-	1,146,702
Conservation and Development	-	-	1,606,890
Capital Outlay:			
General Government	-	-	316,117
Public Safety	-	-	239,493
Public Works	-	-	1,471,952
Culture and Recreation	-	-	396,067
Conservation and Development	-	-	88,725
Debt Service:			
Interest and Fiscal Charges	-	-	12,107
Total Expenditures	6,024	-	5,646,740
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	5,405	60,000	(1,976,130)
OTHER FINANCING SOURCES (USES)			
Long-Term Debt Issued	-	-	3,018,546
Proceeds from Sale of Capital Assets	-	-	61,349
Transfers In	-	-	838,683
Transfers Out	-	-	(1,335,313)
Total Other Financing Sources (Uses)	-	-	2,583,265
NET CHANGE IN FUND BALANCES	5,405	60,000	607,135
Fund Balances - Beginning of Year	3,689	-	4,337,306
FUND BALANCES - END OF YEAR	\$ 9,094	\$ 60,000	\$ 4,944,441

**CITY OF TWO RIVERS, WISCONSIN
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2024**

	Telecommunication Utility	Solid Waste	Total
ASSETS			
Current Assets:			
Cash and Investments	\$ 82,272	\$ 144,525	\$ 226,797
Receivables			
Taxes and Special Charges	-	2,606	2,606
Other	-	62,776	62,776
Total Current Assets	<u>82,272</u>	<u>209,907</u>	<u>292,179</u>
Capital Assets:			
Depreciable, Net	<u>27,217</u>	-	<u>27,217</u>
Total Assets	<u>109,489</u>	<u>209,907</u>	<u>319,396</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related Amounts	-	52,033	52,033
Other Postemployment Related Amounts	-	10,665	10,665
Total Deferred Outflows of Resources	<u>-</u>	<u>62,698</u>	<u>62,698</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	-	10,156	10,156
Accrued and Other Current Liabilities	-	1,274	1,274
Accrued Interest Payable	-	7,319	7,319
Current Portion of Long-Term Debt	-	1,863	1,863
Total Current Liabilities	<u>-</u>	<u>20,612</u>	<u>20,612</u>
Long-Term Obligations, Less Current Portion:			
Revenue Bonds	-	3,951	3,951
Net Pension Liability	-	5,903	5,903
Other Postemployment Benefits	-	36,316	36,316
Total Long-Term Obligations,			
Less Current Portion	<u>-</u>	<u>46,170</u>	<u>46,170</u>
Total Liabilities	<u>-</u>	<u>66,782</u>	<u>66,782</u>
DEFERRED INFLOWS OF RESOURCES			
Pension Related Amounts	-	31,569	31,569
Other Postemployment Related Amounts	-	8,250	8,250
Total Deferred Inflows of Resources	<u>-</u>	<u>39,819</u>	<u>39,819</u>
NET POSITION			
Net Investment in Capital Assets	27,217	-	27,217
Unrestricted	<u>82,272</u>	<u>166,004</u>	<u>248,276</u>
Total Net Position	<u>\$ 109,489</u>	<u>\$ 166,004</u>	<u>\$ 275,493</u>

**CITY OF TWO RIVERS, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
YEAR ENDED DECEMBER 31, 2024**

	Telecommunication Utility	Solid Waste	Total
OPERATING REVENUES			
Charges for Services	\$ -	\$ 581,192	\$ 581,192
Other	-	238,504	238,504
Total Operating Revenues	-	819,696	819,696
OPERATING EXPENSES			
Operation and Maintenance	5,822	813,575	819,397
Depreciation	18,240	-	18,240
Total Operating Expenses	24,062	813,575	837,637
OPERATING INCOME (LOSS)	(24,062)	6,121	(17,941)
NONOPERATING REVENUES (EXPENSES)			
Nonoperating Grants	-	82,618	82,618
Interest and Fiscal Charges	-	(7,372)	(7,372)
Other Nonoperating Revenues	15,885	-	15,885
Total Nonoperating Revenues (Expenses)	15,885	75,246	91,131
INCOME (LOSS) BEFORE TRANSFERS TRANSFERS OUT	(8,177)	81,367	73,190
	-	(2,034)	(2,034)
CHANGE IN NET POSITION	(8,177)	79,333	71,156
Net Position - Beginning of Year	117,666	86,671	204,337
NET POSITION - END OF YEAR	\$ 109,489	\$ 166,004	\$ 275,493

**CITY OF TWO RIVERS, WISCONSIN
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
YEAR ENDED DECEMBER 31, 2024**

	Telecommunication Utility	Solid Waste	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers	\$ -	\$ 821,001	\$ 821,001
Cash Received from Rent	15,885	-	15,885
Cash Paid for Employee Wages and Benefits	-	(106,985)	(106,985)
Cash Paid to Suppliers	(6,070)	(728,871)	(734,941)
Net Cash Provided (Used) by Operating Activities	9,815	(14,855)	(5,040)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Nonoperating Grants	-	82,618	82,618
Transfer Out	-	(2,034)	(2,034)
Net Cash Provided by Noncapital Financing Activities	-	80,584	80,584
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal Paid on Long-Term Debt	-	(1,790)	(1,790)
Interest Paid on Long-Term Debt	-	(305)	(305)
Net Cash Provided (Used) by Capital and Related Financing Activities	-	(2,095)	(2,095)
CHANGE IN CASH AND INVESTMENTS	9,815	63,634	73,449
Cash and Investments - Beginning of Year	72,457	80,891	153,348
CASH AND INVESTMENTS - END OF YEAR	<u>\$ 82,272</u>	<u>\$ 144,525</u>	<u>\$ 226,797</u>

**CITY OF TWO RIVERS, WISCONSIN
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024**

	Telecommunication Utility	Solid Waste	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$ (24,062)	\$ 6,121	\$ (17,941)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation	18,241	-	18,241
Rental Income	15,885	-	15,885
Change in Asset, Liability, and Deferred Outflows and Inflows of Resources:			
Deferred Outflows - Pension Related	-	34,691	34,691
Net Pension Liability	-	(17,244)	(17,244)
Deferred Inflows - Pension Related	-	(16,933)	(16,933)
Deferred Outflows - OPEB Related	-	(1,258)	(1,258)
OPEB Liability	-	(4,076)	(4,076)
Deferred Inflows - OPEB Related	-	(3,005)	(3,005)
Change in Operating Assets and Liabilities:			
Accounts Receivable	-	1,305	1,305
Accounts Payable	(249)	(14,707)	(14,956)
Accrued and Other Current Liabilities	-	251	251
Net Cash Provided (Used) by Operating Activities	<u>\$ 9,815</u>	<u>\$ (14,855)</u>	<u>\$ (5,040)</u>

**CITY OF TWO RIVERS, WISCONSIN
COMBINING STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2024**

	Custodial Funds				
	Property Tax Collection	Smongeski Health	Crime Prevention	TRIAD Committee	Total
ASSETS					
Cash and Investments	\$ 4,538,636	\$ 178,994	\$ 928	\$ 1,716	\$ 4,720,274
Receivables:					
Taxes	5,653,204	-	-	-	5,653,204
Total Assets	10,191,840	178,994	928	1,716	10,373,478
DEFERRED INFLOWS OF RESOURCES					
Property Taxes Levied for Subsequent Year	10,191,840	-	-	-	10,191,840
NET POSITION					
Restricted	\$ -	\$ 178,994	\$ 928	\$ 1,716	\$ 181,638

**CITY OF TWO RIVERS, WISCONSIN
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED DECEMBER 31, 2024**

	Custodial Funds				
	Property Tax Collection	Smongeski Health	Crime Prevention	TRIAD Committee	Total
ADDITIONS					
Interest on Investments	\$ -	\$ 7,544	\$ 1,031	\$ 3,108	\$ 11,683
Taxes and Special Charges Collected	8,532,135	-	-	-	8,532,135
Total Additions	8,532,135	7,544	1,031	3,108	8,543,818
DEDUCTIONS					
Payments to Others	8,532,135	-	688	4,389	8,537,212
Benefits	-	2,317	-	-	2,317
Total Deductions	8,532,135	2,317	688	4,389	8,539,529
CHANGE IN NET POSITION	-	5,227	343	(1,281)	4,289
Net Position - Beginning of Year	-	173,767	585	2,997	177,349
NET POSITION - END OF YEAR	<u>\$ -</u>	<u>\$ 178,994</u>	<u>\$ 928</u>	<u>\$ 1,716</u>	<u>\$ 181,638</u>

**ADDITIONAL INDEPENDENT AUDITORS' REPORT
FOR BASIC FINANCIAL STATEMENTS**



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

City Manager and City Council
City of Two Rivers, Wisconsin
Two Rivers, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Two Rivers, Wisconsin (the 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, and have issued our report thereon dated August 13, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses we identified certain deficiencies in internal control that we consider to be a material weakness and a significant deficiency.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying schedule of findings and responses as item 2024-002 to be a material weakness.

City Manager and City Council
City of Two Rivers, Wisconsin

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and responses as item 2024-001 to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City of Two Rivers, Wisconsin's Response to the Finding

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Sheboygan, Wisconsin
August 13, 2025

**CITY OF TWO RIVERS, WISCONSIN
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2024**

Section I – Internal Control Over Financial Reporting

FINDING NO.	CONTROL DEFICIENCIES
2024-001	Preparation of Annual Financial Report Repeat of Finding 2023-001
Type of Finding:	Significant Deficiency in Internal Control over Financial Reporting
Condition:	Current City staff maintains accounting records which reflect the City's financial transactions; however, preparing the City's annual financial report, including note disclosures, involves the selection and application of specific accounting principles which would require additional experience and knowledge. The City contracts with us and relies on our knowledge of applicable accounting principles, financial statement format, and note disclosures to assist in the preparation of the annual financial report in an efficient manner. However, as independent auditors, CLA cannot be considered part of the City's internal control system. As part of its internal control over preparation of its financial statements, including disclosures, the City had implemented a comprehensive review procedure to ensure that the financial statements, including note disclosures, are complete and accurate.
Criteria or Specific Requirement:	The preparation and review of the annual financial report by staff with expertise in financial reporting is an internal control intended to prevent, detect and correct a potential omission or misstatement in the financial statements or notes.
Cause:	City management has determined that the additional costs associated with training staff to become experienced in applicable accounting principles and note disclosures outweigh the derived benefits.
Effect:	Without our involvement, the City may not be able to completely prepare an annual financial report in accordance with accounting principles generally accepted in the United States of America.
Recommendation:	We recommend the City continue reviewing the annual financial report. Such review procedures should be performed by an individual possessing a thorough understand of accounting principles generally accepted in the United States of America and knowledge of the City's activities and operations. While it may not be cost beneficial to train additional staff to completely prepare the report, a thorough review of this information by appropriate staff of the City is necessary to obtain a complete and adequate understanding of the City's annual financial report.
Management's Response:	There is no disagreement with this finding.

**CITY OF TWO RIVERS, WISCONSIN
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
YEAR ENDED DECEMBER 31, 2024**

Section I – Internal Control Over Financial Reporting (Continued)

FINDING NO.

CONTROL DEFICIENCIES

2024-001

Preparation of Annual Financial Report (Continued)
Repeat of Finding 2023-001

Management's
Response:

Management believes the cost for additional staff time and training to prepare year-end closing entries and reports outweigh the benefits to be received. Management has reviewed and approved the annual financial report prior to issuance.

FINDING NO.

CONTROL DEFICIENCIES

2024-002

Adjustments to the City's Financial Records

Type of Finding:

Material Weakness in Internal Control over Financial Reporting

Condition:

As part of our audit, we proposed adjusting journal entries that were material to the City's financial statements.

Criteria or
Specific Requirement:

Material adjusting journal entries proposed by the auditors are considered to be an internal control deficiency.

Cause:

While City staff maintain financial records which accurately report revenues and expenditures throughout the year, preparing year-end adjusting and closing entries requires additional expertise that would entail additional training and staff time to develop.

Effect:

Year-end financial records prepared by the City may contain material misstatements.

Recommendation:

Management will thoroughly review the year-end adjusting and closing entries and will work with CLA to identify opportunities to reduce the number and significance of year-end adjusting and closing entries.

Management's Response:

There is no disagreement with this finding.



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See CLAGlobal.com/disclaimer. Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.