



312 W. Whitewater Street, P.O. Box 178
Whitewater, Wisconsin 53190

www.whitewater-wi.gov
Telephone: (262) 473-0500
Fax: (262) 222-5901

To: Whitewater Common Council
From: Finance Department – Rachelle Blitch, Financial and Administrative Services Director, and Jeremiah Thomas
Date: May 7, 2024
Re: Outstanding WAFC Deficit 2023 and Prior, 2024 YTD May 2024

Attached to this memo are 2 memos detailing the outstanding Whitewater Unified Schools District (WUSD) balances with regards to the Whitewater Aquatic and Fitness Center (WAFC) during 2 time periods.

Attached Memo 1 (Memo for WAFC WUSD Deficit 2023 and prior) provides a detailing of the outstanding deficit of the WUSD's portion of the WAFC. Within the memo there are two points in time covered; first 07/01/2021 through 12/31/2022 and second 01/01/2023 through 12/31/2023. The 07/01/2021-12/31/2022 deficit is \$30,005.07, and the 2023 operational deficit was \$18,318.35 of which the WUSD is responsible for \$9159.18. The total due from the WUSD for outstanding deficits is \$44,164.25.

Attached Memo 2 (WAFC 2024 Budget Shortfall) provides an estimate of the 2024 short fall after meeting with Park & Recreation Director Kevin Boehm. Within the memo it provides for a detail of the expected revenue shortfall and unexpected/unbudgeted expenses within 2024. The total estimated 2024 deficit is projected to be \$74,895 and the prorated portion of the deficit for the WUSD would be \$15,603 through May 31, 2024.

It is recommended that the City submit both memos for payment from the WUSD.



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To: Whitewater Unified School District
From: Finance Department - Jeremiah Thomas
Date: May 7, 2024
Re: Outstanding WAFC Deficit

On April 20, 2023 the WUSD was issued an invoice in the amount of \$222,008.70, which was WUSD's portion of the running deficit for the operations of the Whitewater Aquatic and Fitness Center (WAFC) for the time period of 01/01/2016-06/30/2021. The invoice was paid in full by the WUSD on 05/15/2023.

After the payment of the invoice there was a remaining deficit due by the WUSD of \$35,005.07 for the time period of 07/01/2021-12/31/2022. The deficit was documented with supporting papers when the \$222,008.70 invoice was issued.

2023 WAFC financials are complete and below is a brief synopsis of the operating loss to be split between the City of Whitewater and the Whitewater Unified School District.

Revenue:	\$390,406.04
WUSD 2023 Contribution:	\$178,000.00
COW 2023 Contribution:	<u>\$178,000.00</u>
Total Revenue:	\$746,406.04
Total Expenses:	<u>\$764,724.39</u>
2023 Profit (Loss)	(\$18,318.35)

City of Whitewater portion of 2023 loss:	\$9159.18
Whitewater Unified School District portion of 2023 loss:	\$9159.18

Total Deficit due from the WUSD:	
07/01/2021-12/31/2022	\$35,005.07
50% of 2023 Operational Loss	<u>\$ 9,159.18</u>
Total Deficits Due:	\$44,164.25

The revenue in 2023 recognized or recorded all COW and WUSD contribution payments; both the 2023 contribution and previous deficit balance payments. To account for the prior negative balances carried by the WAFC and obtain the true 2023 profit or losses for the WAFC the Total Revenue on the income statement I made an adjustment to showing the removal of all WUSD and COW contributions. In doing so, it reveals the actual income brought in by the WAFC for 2023 (\$390,406.04). I then added back WUSD and COW 2023 contributions to give the 2023 total revenue with contributions (\$746,406.04). The remaining contribution totaling \$373,767.40 actually went to pay the carried negative balance (negative equity) from 01/01/2016-06/30/2021 thus was not actual 2023 Revenue.



Rachelle Blitch
Director of Financial and
Administrative Services
P.O. Box 690
Whitewater, WI 53190

Phone: (262) 473-1380

Email: rblitch@whitewater-wi.gov

Date: May 3, 2024

To: John Weidl, City Manager

From: Rachelle Blitch, Financial and Administrative Services Director

Re: WAFC 2024 Budget Shortfall

After a detailed budget review with Kevin, it was determined that the WAFC is facing a 2024 estimated shortfall of approximately \$74,895. This projection was calculated by analyzing the WAFC's revenues and expenses through April 30th. Individually the revenues and expenses were averaged over the first 4 months of 2024 and annualized to create a year-end estimate.

Initially, the WAFC anticipated 2024 revenues of \$988,199, however current projections suggest the WAFC will only achieve \$939,505 in 2024 revenues, resulting in a revenue shortfall of \$48,695.

On the expense side, the WAFC payroll expenses are aligned with 2024 budget expectations after reallocating funds across various budget lines. However, the WAFC has encountered unforeseen (unbudgeted) expenses totaling \$26,200. The unforeseen expenses include \$5,000 for weight bench replacements, \$6,000 for an emergency action plan, \$3,000 for backboards (lifesaving equipment), \$5,000 for a new pool vacuum, and \$7,200 for new HVAC pumps.

The prorated shortfall for the COW and WUSD through 4/30/24 would be \$15,603 for each entity. The shortfall was calculated by dividing the anticipated annual shortfall of \$74,895 by twelve months resulting in an average monthly shortfall averages of \$6,241.25. The average monthly shortfall was multiplied by the first five months of the year (January to May) to give a prorated shortfall of \$31,206. The prorated shortfall of \$31,206 was then split evenly between the COW and WUSD.

Whitewater Aquatic Center Fund Balance History

	12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023
247								
247-34300	14	14	14	14	14	14	14	14
FUND BALANCE	185,337.53	158,583.51	249,241.86	261,150.42	122,552.99	162,214.40	168,013.76	
247-34350					211,552.99	251,214.40	257,013.77	
CITY FUND BALANCE					334,105.98	413,428.80	425,027.53	
247-34400								
WWUSD FUND BALANCE								
Yearly Totals	185,337.53	158,583.51	249,241.86	261,150.42	122,552.99	162,214.40	168,013.76	
YTD Revenues	(299,365.63)	(835,744.03)	(778,849.37)	(776,190.71)	(430,859.57)	(491,641.23)	(676,860.30)	
YTD Expenses	548,703.16	808,990.01	869,507.72	798,099.27	503,815.13	583,464.05	700,959.03	
Net (Income)/Loss	249,337.53	(26,754.02)	90,658.35	11,908.56	72,955.56	91,822.82	24,098.73	
Yearly City Portion	124,668.77	(13,377.01)	45,329.18	5,954.28	36,477.78	45,911.41	12,049.36	
Additional City Contributions	(64,000.00)					(12,500.00)	(12,500.00)	
Total City Portion	60,668.77	(13,377.01)	45,329.18	5,954.28	36,477.78	33,411.41	(450.64)	168,013.77
Yearly WWUSD Portion	124,668.77	(13,377.01)	45,329.18	5,954.28	36,477.78	45,911.41	12,049.36	257,013.77
**City contributed a total of \$89,000 more than WWUSD to date								425,027.53

247-49280-55	WWUSD CONTRIBUTION	(39,000.00)	(78,000.00)	(78,000.00)	(78,000.00)	(78,000.00)	(90,500.00)	(115,500.00)
247-49285-55	WWUSD CAPITAL IMPROVE CONT	(25,000.00)	(50,000.00)	(50,000.00)	(50,000.00)	(50,000.00)	(50,000.00)	(50,000.00)
	TOTAL WWUSD	(64,000.00)	(128,000.00)	(128,000.00)	(128,000.00)	(128,000.00)	(140,500.00)	(165,500.00)
247-49290-55	GENERAL FUND TRANSFER		(78,000.00)	(78,000.00)	(78,000.00)	(103,000.00)	(128,000.00)	
247-49295-55	GENERAL FUND CAP IMPROVE CONT	(50,000.00)	(50,000.00)	(50,000.00)	(50,000.00)	(50,000.00)	(50,000.00)	
100-55330-760	AQUATIC CENTER CONTRIBUTION	(78,000.00)						
	TOTAL CITY	(128,000.00)	(128,000.00)	(128,000.00)	(128,000.00)	(153,000.00)	(178,000.00)	

ADDITIONAL CITY CONTRIBUTIONS	64,000.00	-	-	-	-	12,500.00	12,500.00	89,000.00
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Fund Balance Breakout through June 30, 2021	01/01/2016-	01/01/2017-	01/01/2018-	01/01/2019-	01/01/2020-	01/01/2021-	07/01/2021-	
City 2016 - June 30, 2021 (1/2 of 2021 Deficit)	012/31/2016	012/31/2017	012/31/2018	012/31/2019	012/31/2020	06/30/2021	12/31/2021	12/31/2022
WWUSD 2016 - June 30, 2021 (1/2 of 2021 Deficit)	60,668.77	(13,377.01)	45,329.18	5,954.28	36,477.78	16,705.71	16,255.07	Remaining City Balance 7/1/2021 - 12/31/2022
	124,668.77	(13,377.01)	45,329.18	5,954.28	36,477.78	22,955.71	35,005.07	Remaining WWUSD Balance 7/1/2021 - 12/31/2022
							51,260.14	425,027.53

① Balanced paid 5/15/23

② Remaining balance for each organization

CITY OF WHITEWATER
REVENUES WITH COMPARISON TO BUDGET
FOR THE 12 MONTHS ENDING DECEMBER 31, 2023

AQUATIC CENTER

	PERIOD ACTUAL	YTD ACTUAL	BUDGET AMOUNT	VARIANCE	% OF BUDGET
AQUATIC CTR-MEMBERSHIPS					
247-41000-55 FAMILY MEMBERSHIP REVENUE	.00	123,557.32	200,000.00	76,442.68	61.8
247-41100-55 MONTHLY EFT REVENUE	.00	376.25	8,000.00	7,623.75	4.7
247-41200-55 YOUTH MEMBERSHIP REVENUE	.00	17,025.75	.00	(17,025.75)	.0
247-41250-55 ADULT MEMBERSHIP REVENUE	.00	48,333.37	1,000.00	(47,333.37)	4833.3
247-41300-55 SENIOR MEMBERSHIP REVENUE	.00	41,568.16	1,000.00	(40,568.16)	4156.8
247-41350-55 SILVER SNEAKERS MEMBERSHIP	.00	27,408.00	20,000.00	(7,408.00)	137.0
TOTAL AQUATIC CTR-MEMBERSHIPS	.00	258,268.85	230,000.00	(28,268.85)	112.3
AQUATIC CTR-PASSES					
247-42000-55 ADULT DAY PASSES	.00	44,356.21	70,000.00	25,643.79	63.4
247-42100-55 YOUTH DAY PASSES	.00	31,217.48	38,000.00	6,782.52	82.2
247-42300-55 GROUP RATES	.00	11,471.04	14,000.00	2,528.96	81.9
TOTAL AQUATIC CTR-PASSES	.00	87,044.73	122,000.00	34,955.27	71.4
AQUATIC CTR-CLASSES					
247-43000-55 SWIM LESSONS	.00	11,922.87	21,000.00	9,077.13	56.8
247-43200-55 LAND FITNESS CLASSES	.00	9,883.56	5,000.00	(4,883.56)	197.7
247-43300-55 WATER CLASSES	.00	794.34	3,000.00	2,205.66	26.5
TOTAL AQUATIC CTR-CLASSES	.00	22,600.77	29,000.00	6,399.23	77.9
AQUATIC CTR-RENTALS					
247-44000-55 MEETING ROOM RENTALS	.00	1,828.01	7,000.00	5,171.99	26.1
247-44100-55 WHITEWATER SCHOOL DIST RENTAL	.00	709.44	1,200.00	490.56	59.1
247-44105-55 J HAWKS RENTALS	.00	388.80	1,000.00	611.20	38.9
247-44200-55 BIRTHDAY PARTIES	.00	5,771.34	20,000.00	14,228.66	28.9
TOTAL AQUATIC CTR-RENTALS	.00	8,697.59	29,200.00	20,502.41	29.8
AQUATIC CTR-OTHER INCOME					
247-45050-55 DONATIONS	.00	103.00	6,400.00	6,297.00	1.6
247-45400-55 CONCESSIONS STAND	.00	11,519.94	25,000.00	13,480.06	46.1
247-45500-55 PRO-SHOP INCOME	.00	302.98	4,500.00	4,197.02	6.7
247-45505-55 MISC INCOME-ONE TIME REV	.00	44.22	.00	(44.22)	.0
247-45600-55 GIFT CARDS/CERTIFICATES	.00	1,823.96	2,000.00	176.04	91.2
TOTAL AQUATIC CTR-OTHER INCOME	.00	13,794.10	37,900.00	24,105.90	36.4

CITY OF WHITEWATER
REVENUES WITH COMPARISON TO BUDGET
FOR THE 12 MONTHS ENDING DECEMBER 31, 2023

AQUATIC CENTER

	PERIOD ACTUAL	YTD ACTUAL	BUDGET AMOUNT	VARIANCE	% OF BUDGET
<u>AQUATIC CTR-OTHER FIN SOURCES</u>					
247-49280-55 WUSD CONTRIBUTION	.00	400,008.70	89,000.00	(311,008.70)	449.5
247-49285-55 WUSD CAPITAL IMPROVE CONT	.00	.00	50,000.00	50,000.00	.0
247-49290-55 CITY CONTRIBUTION/TRANSFER	.00	279,758.70	279,758.70	.00	100.0
247-49295-55 GENERAL FUND CAP IMPROVE CONT	.00	50,000.00	50,000.00	.00	100.0
247-49300-55 FUND BALANCE APPLIED	.00	.00	(219,395.09)	(219,395.09)	.0
TOTAL AQUATIC CTR-OTHER FIN SOURCES	.00	② 729,767.40	249,363.61	(480,403.79)	292.7
TOTAL FUND REVENUE	.00	① 1,120,173.44	697,463.61	(422,709.83)	160.6

Adj Revenue: ① 1,120,173.44

② - 729,767.40 remove all 2023 contributions
both current year and
prior years deficit payments

390,406.04

+ 178,000 WUSD 2023 contribution

+ 178,000 COW 2023 contribution

\$ 746,406.04 2023 Total Revenue & 2023
contributions

CITY OF WHITEWATER
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 12 MONTHS ENDING DECEMBER 31, 2023

AQUATIC CENTER

	PERIOD ACTUAL	YTD ACTUAL	BUDGET AMOUNT	VARIANCE	% OF BUDGET
<u>WAC-MANAGEMENT</u>					
247-55100-111 SALARIES/PERMANENT	.00	60,237.99	96,969.60	36,731.61	62.1
247-55100-150 MEDICARE TAX/CITY SHARE	.00	972.07	1,475.66	503.59	65.9
247-55100-151 SOCIAL SECURITY/CITY SHARE	.00	4,156.49	6,309.72	2,153.23	65.9
247-55100-152 RETIREMENT	.00	4,353.04	6,593.93	2,240.89	66.0
247-55100-153 HEALTH INSURANCE	.00	8,217.04	11,933.06	3,716.02	68.9
247-55100-154 HSA-HRA CONTRIBUTIONS	.00	.00	1,250.00	1,250.00	.0
247-55100-155 WORKERS COMPENSATION	.00	300.10	3,006.96	2,706.86	10.0
247-55100-156 LIFE INSURANCE	.00	1.48	.00	(1.48)	.0
TOTAL WAC-MANAGEMENT	.00	78,238.21	127,538.93	49,300.72	61.3
<u>WAC-FRONT DESK</u>					
247-55150-113 WAGES/TEMPORARY	.00	107,242.29	61,951.50	(45,290.79)	173.1
247-55150-150 MEDICARE TAX/CITY SHARE	.00	1,550.87	898.30	(652.57)	172.6
247-55150-151 SOCIAL SECURITY/CITY SHARE	.00	6,631.85	3,840.99	(2,790.86)	172.7
247-55150-152 RETIREMENT	.00	133.17	.00	(133.17)	.0
247-55150-155 WORKERS COMPENSATION	.00	2,003.48	1,921.08	(82.40)	104.3
247-55150-156 LIFE INSURANCE	.00	.21	.00	(.21)	.0
TOTAL WAC-FRONT DESK	.00	117,561.87	68,611.87	(48,950.00)	171.3
<u>WAC-FITNESS</u>					
247-55200-114 WAGES/PART-TIME/PERMANENT	.00	46,065.68	25,700.00	(20,365.68)	179.2
247-55200-150 MEDICARE TAX/CITY SHARE	.00	663.83	372.65	(291.18)	178.1
247-55200-151 SOCIAL SECURITY/CITY SHARE	.00	2,837.72	1,593.40	(1,244.32)	178.1
247-55200-152 RETIREMENT	.00	267.24	.00	(267.24)	.0
247-55200-153 HEALTH INSURANCE	.00	512.65	.00	(512.65)	.0
247-55200-155 WORKERS COMPENSATION	.00	966.64	796.94	(169.70)	121.3
247-55200-156 LIFE INSURANCE	.00	1.75	.00	(1.75)	.0
TOTAL WAC-FITNESS	.00	51,315.51	28,462.99	(22,852.52)	180.3
<u>WAC-AQUATIC</u>					
247-55300-113 WAGES/TEMPORARY	.00	10.00	.00	(10.00)	.0
247-55300-114 WAGES/PART-TIME/PERMANENT	.00	157,399.83	181,395.50	23,995.67	86.8
247-55300-150 MEDICARE TAX/CITY SHARE	.00	2,242.50	2,630.24	387.74	85.3
247-55300-151 SOCIAL SECURITY/CITY SHARE	.00	9,588.48	11,246.52	1,658.04	85.3
247-55300-152 RETIREMENT	.00	2,135.57	.00	(2,135.57)	.0
247-55300-153 HEALTH INSURANCE	.00	1,052.29	.00	(1,052.29)	.0
247-55300-155 WORKERS COMPENSATION	.00	3,444.82	5,624.96	2,180.14	61.2
247-55300-156 LIFE INSURANCE	.00	3.28	.00	(3.28)	.0
TOTAL WAC-AQUATIC	.00	175,876.77	200,897.22	25,020.45	87.6

CITY OF WHITEWATER
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 12 MONTHS ENDING DECEMBER 31, 2023

AQUATIC CENTER

	PERIOD ACTUAL	YTD ACTUAL	BUDGET AMOUNT	VARIANCE	% OF BUDGET
<u>WAC-MAINTENANCE</u>					
247-55400-111 SALARIES/PERMANENT	.00	12,557.64	.00	(12,557.64)	.0
247-55400-150 MEDICARE TAX/CITY SHARE	.00	173.18	.00	(173.18)	.0
247-55400-151 SOCIAL SECURITY/CITY SHARE	.00	740.45	.00	(740.45)	.0
247-55400-152 RETIREMENT	.00	845.72	.00	(845.72)	.0
247-55400-153 HEALTH INSURANCE	.00	2,980.12	.00	(2,980.12)	.0
247-55400-155 WORKERS COMPENSATION	.00	279.52	.00	(279.52)	.0
247-55400-156 LIFE INSURANCE	.00	2.15	.00	(2.15)	.0
247-55400-250 CONTRACTED SERVICES	.00	1,462.50	.00	(1,462.50)	.0
TOTAL WAC-MAINTENANCE	.00	19,041.28	.00	(19,041.28)	.0
<u>WAC-ADMIN EXPENSES</u>					
247-55500-220 INSURANCE	.00	7,415.79	.00	(7,415.79)	.0
247-55500-224 SOFTWARE/HARDWARE MAINTENANCE	.00	11,471.80	8,445.12	(3,026.68)	135.8
247-55500-225 TELECOM/INTERNET/COMMUNICATION	.00	4,440.00	4,765.98	325.98	93.2
247-55500-246 CLEANING & SUPPLIES	.00	9,277.73	5,500.00	(3,777.73)	168.7
247-55500-310 FITNESS & OPERATING SUPPLIES	.00	2,660.13	2,000.00	(660.13)	133.0
247-55500-320 CHAMBER DUES & EXPENSES	.00	288.00	275.00	(13.00)	104.7
247-55500-650 CREDIT CARD PROCESSING FEES	.00	90.48	151.50	61.02	59.7
247-55500-652 BANK CHARGES	.00	.00	10.00	10.00	.0
247-55500-654 PERMITS & FEES	.00	2,035.00	1,050.00	(985.00)	193.8
247-55500-656 MEMBER KEY TAGS	.00	885.00	1,100.00	215.00	80.5
TOTAL WAC-ADMIN EXPENSES	.00	38,563.93	23,297.60	(15,266.33)	165.5
<u>WAC-POOL EXPENSES</u>					
247-55600-310 OFFICE & OPERATING SUPPLIES	.00	6,190.57	250.00	(5,940.57)	2476.2
247-55600-342 WSI CLASS EXPENSE	.00	656.00	100.00	(556.00)	656.0
247-55600-344 LIFEGUARD CLASS EXPENSE	.00	2,086.96	1,500.00	(586.96)	139.1
247-55600-346 GENERAL POOL MAINTENANCE	.00	13,126.18	14,000.00	873.82	93.8
247-55600-348 POOL EQUIPMENT	.00	13,050.69	5,050.00	(8,000.69)	258.4
247-55600-350 POOL CHEMICALS	.00	18,000.00	18,180.00	180.00	99.0
TOTAL WAC-POOL EXPENSES	.00	53,110.40	39,080.00	(14,030.40)	135.9
<u>WAC-UTILITIES/HVAC</u>					
247-55700-221 WATER/SEWER UTILITIES	.00	26,349.58	28,280.00	1,930.42	93.2
247-55700-222 ELECTRIC UTILITIES	.00	87,823.75	80,800.00	(7,023.75)	108.7
247-55700-223 NATURAL GAS	.00	53,878.53	60,000.00	6,121.47	89.8
247-55700-244 HVAC SUPPLIES	.00	1,749.71	3,535.00	1,785.29	49.5
247-55700-355 REPAIR/MAINT SUPPLIES	.00	9,144.49	2,525.00	(6,619.49)	362.2
TOTAL WAC-UTILITIES/HVAC	.00	178,946.06	175,140.00	(3,806.06)	102.2

CITY OF WHITEWATER
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 12 MONTHS ENDING DECEMBER 31, 2023

AQUATIC CENTER

	PERIOD ACTUAL	YTD ACTUAL	BUDGET AMOUNT	VARIANCE	% OF BUDGET
<u>WAC-OTHER EXPENSES</u>					
247-55800-310 OFFICE & OPERATING SUPPLIES	.00	16,686.27	10,100.00	(6,586.27)	165.2
247-55800-324 MARKETING	.00	10,788.33	8,080.00	(2,708.33)	133.5
247-55800-341 JANITORIAL/CLEANING SUPPLIES	.00	336.51	505.00	168.49	66.6
247-55800-342 CONCESSION SUPPLIES	.00	9,903.30	15,000.00	5,096.70	66.0
247-55800-346 PRO-SHOP INVENTORY	.00	185.24	750.00	564.76	24.7
247-55800-810 CAPITAL EQUIPMENT	.00	14,170.71	.00	(14,170.71)	.0
TOTAL WAC-OTHER EXPENSES	.00	52,070.36	34,435.00	(17,635.36)	151.2
TOTAL FUND EXPENDITURES	.00	764,724.39	697,463.61	(67,260.78)	109.6
NET REVENUE OVER EXPENDITURES	.00	355,449.05	.00	(355,449.05)	.0