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AUDITED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Whitewater
Whitewater, Wisconsin

Report on the Audit of Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Whitewater, Wisconsin, as of December 31, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Delafield, Wisconsin, 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 of Whitewater, Wisconsin's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions.

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted 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 generally accepted 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 of Whitewater, Wisconsin'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 of Whitewater, Wisconsin'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, the budgetary comparison information, the Wisconsin Retirement System schedules, and the Local Retiree Life Insurance Fund schedules as identified in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Whitewater, Wisconsin's basic financial statements. The accompanying combining and individual fund financial statements 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 auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the schedules of long-term debt payments but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Johnson Block & Company, Inc.

DATE XX, 2024

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MANAGEMENT'S DISCUSSION

AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2023



CITY OF WHITEWATER
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2023

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The management of the City of Whitewater ("City") offers all persons interested in the financial condition of the City to review this narrative overview and analysis of the City's financial performance during the fiscal year ending December 31, 2023. This section should be read in conjunction with the financial statements and the accompanying notes that follow. It should also be noted that the information contained here will focus primarily on the governmental operations of the City.

FINANCIAL HIGHLIGHTS

The City's total net position increased 1,089,327, or 1.5% from the prior year. The net position for governmental activities increased \$301,269, while net position of the business-type activities increased by \$788,058. The Community Development Authority ("CDA") a component unit of the city, net position increased by \$48,373.

The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources as of December 31, 2023 by \$72,891,562 (net position). Of this amount, \$14,023,415 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors. The breakout of the unrestricted net position is \$7,611,356 and \$6,412,059 for governmental and business-type activities, respectively.

As of December 31, 2023, the City's governmental funds reported combined ending fund balances of \$9,221,437, an increase of \$9,032 in comparison with the prior year. Approximately 29% of this total, or \$2,680,733 (unassigned fund balance), is available for spending at the government's discretion.

The City's Water Utility had an operating income in 2023 of \$560,915. Unrestricted net position was \$2,343,439. The Water Utility's total net position decreased by \$36,106 to \$11,362,115. For 2023, the Rate of Return equaled 3.25%. The City filed an application with the PSC in 2022 and new rates went effective April 28, 2023. Rates increased approximately 30%.

The Wastewater Utility had an operating income of \$1,172,302 in 2023. The Utility's total net position increased by \$927,285. A major upgrade to the wastewater treatment plant was completed in early 2019 representing \$24.358 million in plant improvements. In anticipation of this project, Wastewater rates were increased effective June 27, 2019 that increased the average residential user by 18%.

This annual report consists of two parts: Management's Discussion and Analysis (this section) and the basic financial statements. The basic financial statements include two kinds of statements that present different views of the City:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the City's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements. The governmental fund statements tell how general government services like public safety and public works were financed in the short-term as well as what remains for future spending.

CITY OF WHITEWATER
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2023

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OVERVIEW OF THE FINANCIAL STATEMENTS

These financial statements also include notes that explain some of the information in the financial statements and provide more detail data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. The remainder of this overview section (Management's Discussion and Analysis) explains the structure and contents of each of the statements.

Government-Wide Statements

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and deferred outflows and liabilities and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City's net position and how they have changed. Net Position, the difference between the City's assets and deferred outflows and liabilities and deferred inflows of resources, is one way to measure the City's financial health, or position. Over time, increases or decreases in the City's net position are an indicator of whether its financial health is improving or deteriorating. To assess the overall health of the City you need to consider additional non-financial factors such as changes in the City's property tax base and the condition of the City's infrastructure.

The government-wide financial statements include not only the City of Whitewater itself (known as the primary government), but also the City of Whitewater Community Development Authority (component unit). The CDA does not issue separate financial statements.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows. Thus, revenue and expenses reported in this statement for some items will only result in cash flows in future fiscal periods.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds – Used to account for essentially the same functions reported as governmental activities in the government-wide financial statements.

However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

CITY OF WHITEWATER
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2023

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OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Fund Financial Statements (Continued)

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains 23 individual governmental funds. Several other funds are included with the General Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and Fire and EMS Fund, which are considered to be major funds. Data from the other governmental funds are split between the non-major special revenue funds and the non-major capital project funds. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for all of its funds. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

Proprietary Funds – The City maintains 3 different types of proprietary funds. Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Proprietary Funds are the Water, Wastewater, and Stormwater Utilities. The Stormwater Utility was established in the 4th quarter of 2007.

Fiduciary Funds – Used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The City is a trustee, or fiduciary, for the collection of all property taxes within the City for all taxing jurisdictions including the Whitewater Unified School District, Walworth and Jefferson counties, Gateway and Madison Area Technical College, and the State of Wisconsin. The accounting used for fiduciary funds is much like that used for proprietary funds.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

An analysis of the City's financial position begins with a review of the Statement of Net Position and the Statement Activities. These two statements report the City's net position and changes therein. It should be noted that the financial position can also be affected by non-financial factors, including economic conditions, population growth and new regulations.

The largest portion of the City's (governmental and business-type activities) net position (approximately 77%) represents its investments in capital assets, less any debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide service to citizens; consequently, these assets are not available for future spending. Although the City's net investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

CITY OF WHITEWATER
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2023

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (Continued)

CITY OF WHITEWATER'S NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and Other Assets	\$ 17,043,409	\$ 18,907,365	\$ 12,243,635	\$ 13,907,965	\$ 29,287,044	\$ 32,815,330
Capital Assets	<u>39,816,047</u>	<u>40,286,981</u>	<u>60,113,075</u>	<u>60,478,936</u>	<u>99,929,122</u>	<u>100,765,917</u>
Total Assets	\$ 56,859,456	\$ 59,194,346	\$ 72,356,710	\$ 74,386,901	\$ 129,216,166	\$ 133,581,247
Deferred Outflows of Resources	<u>\$ 7,284,758</u>	<u>\$ 5,561,979</u>	<u>\$ 1,085,657</u>	<u>\$ 1,013,349</u>	<u>\$ 8,370,415</u>	<u>\$ 6,575,328</u>
Non-Current Liabilities	\$ 14,565,803	\$ 13,872,515	\$ 32,725,565	\$ 34,881,433	\$ 47,291,368	\$ 48,753,948
Other Liabilities	<u>1,926,427</u>	<u>2,031,725</u>	<u>3,835,008</u>	<u>3,782,363</u>	<u>5,761,435</u>	<u>5,814,088</u>
Total Liabilities	\$ 16,492,230	\$ 15,904,240	\$ 36,560,573	\$ 38,663,796	\$ 53,052,803	\$ 54,568,036
Deferred Inflows of Resources	<u>\$ 11,024,810</u>	<u>\$ 12,526,180</u>	<u>\$ 617,406</u>	<u>\$ 1,260,124</u>	<u>\$ 11,642,216</u>	<u>\$ 13,786,304</u>
Net Position:						
Net Investment in Capital Assets	\$ 27,438,434	\$ 27,592,633	\$ 27,064,833	\$ 28,159,364	\$ 54,503,267	\$ 55,751,997
Restricted	1,577,384	3,911,832	2,787,496	3,176,365	4,364,880	7,088,197
Unrestricted	<u>7,611,356</u>	<u>4,821,440</u>	<u>6,412,059</u>	<u>4,140,601</u>	<u>14,023,415</u>	<u>8,962,041</u>
TOTAL NET POSITION	\$ 36,627,174	\$ 36,325,905	\$ 36,264,388	\$ 35,476,330	\$ 72,891,562	\$ 71,802,235
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, & NET POSITION	\$ 64,144,214	\$ 64,756,325	\$ 73,442,367	\$ 75,400,250	\$ 137,586,581	\$ 140,156,575

NET POSITION: The City's combined net position increased 1.5% between fiscal years 2022 and 2023 to \$72,891,562. 49.8% of the 2023 net position are business-type activities of the City's Water, Wastewater, and Stormwater Utilities. The governmental activities had an increase in net position of \$301,269 for the year, while the business-type activities experienced an increase of \$788,058.

ASSETS: Governmental Activities: Taxes Receivable increased by \$238,017. Accounts Receivables and Other Receivables increased by \$190,864. Due from Other Governmental Units decreased by \$87,403. Net Capital Assets decreased by \$470,934 to a total of \$39,816,047. Deferred outflows of resources increased by \$1,722,779 between years due to the reporting for employee pensions and other postemployment benefits.

LIABILITIES: Governmental Activities: Non-Current Liabilities increased by \$693,288 with the reporting of employee pensions, which was considered a liability as of December 31, 2023 rather than an asset. Deferred inflows of resources decreased by \$1,501,370 mainly due to a decrease in pension inflows.

CITY OF WHITEWATER
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2023

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (Continued)

CITY OF WHITEWATER
CONDENSED STATEMENT OF ACTIVITIES

	Governmental Activities		Business-type Activities		Combined-Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program Revenues:						
Charges for Services	\$ 2,147,258	\$ 1,276,446	\$ 7,331,530	\$ 7,017,121	\$ 9,478,788	\$ 8,293,567
Operating grants and contributions	1,637,004	1,792,011	-	-	1,637,004	1,792,011
Capital grants and contributions	294,732	981,735	175,018	46,002	469,750	1,027,737
General Revenues:						
Property Taxes	5,868,240	6,259,575	-	-	5,868,240	6,259,575
Other Taxes	331,063	418,436	-	-	331,063	418,436
Intergovernmental	3,539,656	3,739,407	-	-	3,539,656	3,739,407
Investment Income	964,210	212,567	139,726	13,480	1,103,936	226,047
Miscellaneous	308,069	152,049	73,102	379,676	381,171	531,725
Total Revenues	\$ 15,090,232	\$ 14,832,226	\$ 7,719,376	\$ 7,456,279	\$ 22,809,608	\$ 22,288,505
Expenses:						
General government	\$ 1,982,019	\$ 2,189,854	\$ -	\$ -	\$ 1,982,019	\$ 2,189,854
Public Safety	6,696,683	4,458,069	-	-	6,696,683	4,458,069
Public Works	2,994,985	3,749,402	-	-	2,994,985	3,749,402
Leisure activities	2,793,227	2,539,539	-	-	2,793,227	2,539,539
Conservation and Development	67,462	25,337	-	-	67,462	25,337
Interest and fiscal charges	331,518	468,574	996,053	900,162	1,327,571	1,368,736
Water Utility	-	-	2,171,694	2,191,047	2,171,694	2,191,047
Sewer Utility	-	-	2,875,448	2,798,830	2,875,448	2,798,830
Stormwater Utility	-	-	560,891	497,566	560,891	497,566
Total Expenses	\$ 14,865,894	\$ 13,430,775	\$ 6,604,086	\$ 6,387,605	\$ 21,469,980	\$ 19,818,380
Increases in net position before transfers	\$ 224,338	\$ 1,401,451	\$ 1,115,290	\$ 1,068,674	\$ 1,339,628	\$ 2,470,125
Special items	(152,801)	96,420	-	-	(152,801)	96,420
Transfers	229,732	202,063	(327,232)	(369,406)	(97,500)	(167,343)
Increase in net position	\$ 301,269	\$ 1,699,934	\$ 788,058	\$ 699,268	\$ 1,089,327	\$ 2,399,202
NET Position-January 1	\$ 36,325,905	\$ 34,625,971	\$ 35,476,330	\$ 34,777,062	\$ 71,802,235	\$ 69,403,033
Net Position-December 31	\$ 36,627,174	\$ 36,325,905	\$ 36,264,388	\$ 35,476,330	\$ 72,891,562	\$ 71,802,235

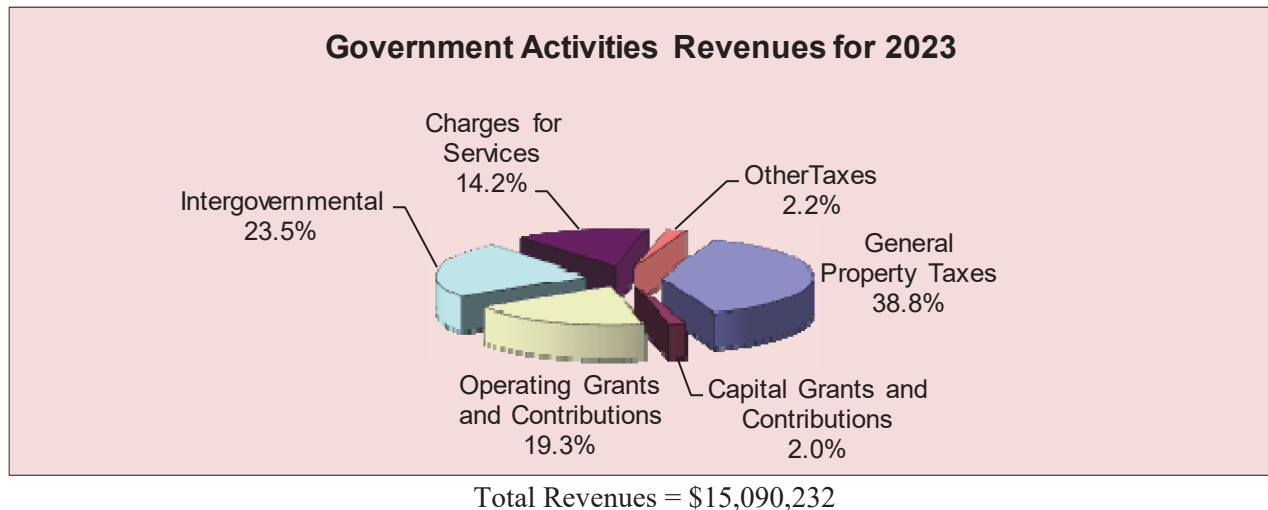
CITY OF WHITEWATER
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2023

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (Continued)

Governmental Activities

Change in Net Position: The City's 2023 revenues for both governmental and business-type activities total \$22,809,608 and expenses total \$21,469,980. These totals plus transfers and special items resulted in an increase in net position of \$1,089,327. Net position increased by \$301,269 for governmental activities. This growth in net position is driven by several factors. First, each year, funds are budgeted to be set aside in special revenue or sinking funds for large or infrequent needs. Secondly, revenues were favorable compared to budget and 164,000 higher than 2021 due, in part, to increased room tax, state intergovernmental funding, and ARPA funding. Expenditures were also below budget.

Revenues for the City's governmental activities total \$15,090,232 with intergovernmental revenues (largely state shared-revenues) accounting for 23.5% (\$3,539,656) of total revenues. Taxes have been broken out into two categories, debt service property taxes and general property taxes. The tax collected for debt service property taxes, which is 8.3% (\$1,257,105) of total revenues, were collected to pay for the principal and interest due in 2023. General property taxes accounted for 30.5% (\$4,611,135) of governmental revenues in 2023. Charges for services contributed 14.2% (\$2,147,258) and increased modestly in 2023; operating grants, other taxes, interest income, contributed 21.5% (\$3,240,346) of the total revenues. Capital grants were \$294,732 and decreased mainly because of a CDBG grant received in 2022.

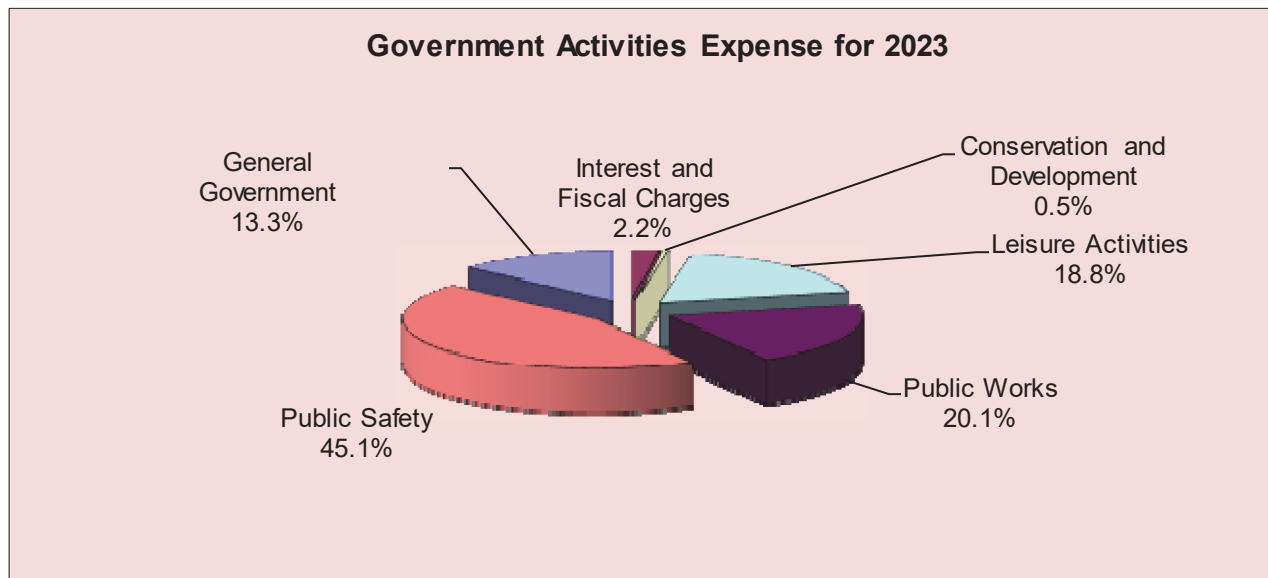


CITY OF WHITEWATER
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2023

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (Continued)

Governmental Activities (Continued)

Governmental activities expenditures total \$14,865,894. Public Safety activities amount for 45.1% (\$6,696,683), or the largest single portion of expenditures. Public Safety includes Police, Fire, Rescue, Crash and Building Inspections. Public Works, General Government and Leisure activities account for 20.1% (\$2,994,985), 13.3% (\$1,982,019), and 18.8% (\$2,793,227), respectively, of total expenditures for 2023. Conservation/Development—0.5% (\$67,462); Interest/Fiscal Charges—2.2% (\$331,518).



Total Expenses = \$14,865,894

CITY OF WHITEWATER
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2023

DRAFT

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (Continued)

Governmental Activities (Continued)

The following table presents the total cost of each of the City's activities as well as their net cost. The net costs are the total costs less fees generated by the activities plus operating and capital grants and contributions. The net cost shows the financial burden placed on City taxpayers or indirect revenue sources by each of these activities. The cost of all governmental activities during 2023 was \$10,786,900. However, the amount paid through the City's property tax was only \$5,868,240. Intergovernmental revenues make up most of the additional revenue sources along with investment earnings, transfers and other revenue.

	<u>Cost of Services</u>	<u>Charges for Services, Operating & Capital Grants, Contributions</u>	<u>Net Cost of Services</u>
General Government	\$ 1,982,019	\$ 260,690	\$ 1,721,329
Public Safety	6,696,683	1,762,002	4,934,681
Public Works	2,994,985	703,676	2,291,309
Culture and Recreation	2,793,227	1,348,597	1,444,630
Conservation and Development	67,462	4,029	63,433
Interest and Fiscal Charges	331,518	-	331,518
Total	<u>\$ 14,865,894</u>	<u>\$ 4,078,994</u>	<u>\$ 10,786,900</u>

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

General Fund – Is the primary operating fund of the City. The General Fund's fund balance decreased \$5,906,135 to \$5,483,417. Of that amount, \$2,918,974, is unassigned, which represents 24.0% of the expenditures and transfers out for calendar/budget year 2023.

Fire and EMS Fund – Accounts for revenues and expenditures related to the City's Fire and EMS department.

CITY OF WHITEWATER
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2023

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS (Continued)

WATER, WASTEWATER, AND STORMWATER UTILITY

The **Water Utility** earned a 3.25% return on its rate base in 2023 compared to 1.17% in 2022. The Water Utility's (GAAP Basis) operating revenues increased by \$332,820 to \$2,732,609 and the operating expenses increased by \$134,536 to \$2,171,694. The Utility filed a rate increase in 2022 and had new rates effective in 2023.

The **Wastewater Utility** operating revenue decreased by \$19,890 in 2023 to \$4,047,750. Operating expenses increased by \$76,618 to \$2,875,448. Wastewater rates were adjusted by 17.6% (average residential user) on June 27, 2019. The increase provided funding for the debt service costs of the wastewater treatment plant project.

The **Stormwater Utility** operating revenues increased by \$1,479 to \$551,171. The operating loss was \$9,720 in 2023. The monthly charge is \$6.17 per ERU (Equivalent Runoff Unit), which was increased as of December 29, 2015, to provide funding for the debt service costs of George Street and Center Street reconstruction projects. Most residential properties equal 1.0 ERU.

	Operating Revenues		Operating Expenses		Operating Income (Loss)	
	2023	2022	2023	2022	2023	2022
Water Utility	\$ 2,732,609	2,399,789	\$ 2,171,694	\$ 2,037,158	\$ 560,915	\$ 362,631
Wastewater Utility	4,047,750	4,067,640	2,875,448	2,798,830	1,172,302	1,268,810
Stormwater Utility	551,171	549,692	560,891	497,566	(9,720)	52,126

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Governmental Activities			
	2023	2022	Total Change
Land/Right of Way/Improvements	\$ 9,456,100	\$ 9,766,650	\$ (310,550)
Construction in Progress	1,392,186	-	1,392,186
Traffic and street lights	1,471,875	1,471,875	-
Buildings and Improvements	15,083,187	15,553,697	(470,510)
Machinery & Equipment	8,902,079	8,657,763	244,316
Streets/Sidewalks/Curb & Gutter	32,066,941	31,946,037	120,904
Accumulated depreciation	(28,556,321)	(27,109,041)	(1,447,280)
Capital Assets,			
Net of Depreciation	\$ 39,816,047	\$ 40,286,981	\$ (470,934)

CITY OF WHITEWATER
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2023

CAPITAL ASSETS AND DEBT ADMINISTRATION (Continued)

Capital Assets (Continued)

In the governmental-wide financial statement, fixed assets are accounted for as capital assets. Capital assets are defined as assets with an initial cost of more than \$5,000 for general assets and infrastructure assets. Prior to January 2003, infrastructure assets of the City's governmental activities were not capitalized. The City has retroactively reported significant infrastructure networks acquired by its governmental activities for streets (including curb and gutter) and sidewalks, lighting and easements. The dams were considered to be immaterial to the government-wide financial statements. Storm sewers have been retroactively reported in 2007.

The City (Primary Government) had capital assets of \$39,816,047 in the governmental activities and \$60,113,075 in the business-like activities for a total of \$99,929,122 at the end of 2023. The largest investment in capital assets was infrastructure, including streets, curb & gutter, sidewalks, storm sewers, sewer mains, sewer laterals, water mains and hydrants. Of the total City of Whitewater capital assets, the governmental activities account for 39.8% and the business-type activities total 60.2%. The business-type activities represent the Water Utility with 30.8%, the Wastewater Utility having 58.5%, and the Stormwater Utility 10.7% of the capital assets.

BUSINESS-TYPE ACTIVITIES			
	2023	2022	Change
Water			
Land and Land Rights	\$ 224,506	224,506	\$ -
Source of Supply	705,364	705,364	-
Pumping	987,932	978,052	9,880
Water Treatment	1,458,742	1,458,742	-
Transmission and Distribution	22,458,161	21,898,948	559,213
General	1,051,182	1,037,855	13,327
Construction in Progress	672,739	21,150	651,589
Less: Accumulated Depreciation	(9,056,719)	(8,595,787)	(460,932)
Net Assets-Water Utility Plant	18,501,907	17,728,830	773,077
Wastewater			
Land and Land Rights	4,498,925	4,498,925	-
Collection System	17,335,824	17,214,642	121,182
Treatment and Disposal	37,645,225	37,645,225	-
General	1,845,187	1,840,614	4,573
Construction in Progress	236,469	180,203	56,266
Less: Accumulated Depreciation	(26,379,327)	(25,116,997)	(1,262,330)
Net Assets-Wastewater Utility Plant	35,182,303	36,262,612	(1,080,309)
Stormwater			
Capital Assets	7,402,354	7,402,354	-
Construction in Progress	75,680	13,281	62,399
Less: Accumulated Depreciation	(1,049,169)	(928,141)	(121,028)
Net Assets-Stormwater Utility Plant	6,428,865	6,487,494	(58,629)
Total Utility's Capital Assets	\$ 60,113,075	\$ 60,478,936	\$ (365,861)

CITY OF WHITEWATER
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2023

CAPITAL ASSETS AND DEBT ADMINISTRATION (Continued)

Long-term Debt

All general obligation notes and bonds payable are backed by full faith and credit of the City. Notes and bonds payable by the governmental funds will be retired by future property tax levies or TID tax increments accumulated by the Debt Service Fund or from the utility portion of the State Shared Revenues. Business-type activities debt is payable by revenues from user fees of those funds. In accordance with Wisconsin Statutes, total general obligation indebtedness of the City may not exceed five percent of the equalized value of taxable property within the city's jurisdiction. The debt limit as of December 31, 2023 was \$48,814,160. Total general obligation debt outstanding at year end was \$20,782,415, which represents 42.6% of the allowable debt limit.

Comparison of Outstanding Debt by Activity						
	Governmental Activities		Business-type Activities		TOTAL	
	2023	2022	2023	2022	2023	2022
General Obligation						
Bonds and Notes	\$ 12,087,915	\$ 12,949,975	\$ 8,694,500	\$ 9,264,997	\$ 20,782,415	\$ 22,214,972
Revenue Bond/Notes	-	-	24,741,721	26,295,528	24,741,721	26,295,528
Total Outstanding	\$ 12,087,915	\$ 12,949,975	\$ 33,436,221	\$ 35,560,525	\$ 45,524,136	\$ 48,510,500

The total outstanding general obligation debt of \$20,782,415 is distributed:

City	\$12,087,915
Utility (Water/Sewer/Storm)	\$ 8,694,500

AMOUNTS DUE WITHIN ONE YEAR			
	Governmental Activities	Business-type Activities	Amounts Due Within One Year
General Obligation			
Bonds and Notes	\$ 975,600	\$ 595,500	\$ 1,571,100
Revenue Bonds	-	1,772,793	1,772,793
Totals	\$ 975,600	\$ 2,368,293	\$ 3,343,893

CITY OF WHITEWATER
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2023

DRAFT

GENERAL FUND BUDGETARY HIGHLIGHTS

Budgets are adopted at the function level of expenditures. General Fund revenues were greater than the final budget by \$838,725. Expenditures were \$206,350 higher than the final budget of \$7,604,928. General Government was over by \$67,462; Public Safety was over by \$97,338; Culture, Recreation and Education was under by \$28,575. Public Works was over by \$70,125. The actual change in Fund Balance was an increase of \$130,856 to a balance of \$3,128,823. This includes only Fund 100 and none of the other assigned general fund balances.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City's strategic location between Milwaukee and Madison and the success of the business park, developed by the City of Whitewater under the direction of the Community Development Authority, has contributed to both growth in tax base and population. The City's tax base, currently \$861 million, has shown steady growth over the past two decades. For 2023, the equalized value increased by \$59 million.

All recreational fees, fines, licenses, and permits are reviewed on a yearly basis. Solid Waste/Recycling costs are paid by the General Fund and State of Wisconsin grants.

For 2022, the monthly cost for one household is \$12.55. The distribution of this cost is \$8.70 for Solid Waste and \$3.85 for Recycling. Solid Waste monthly household fee increased \$0.41 per month and recycling increased \$1.26 per month in 2022.

For 2023, the monthly cost for one household is \$13.15. The distribution of this cost is \$9.00 for Solid Waste and \$4.15 for Recycling. Solid Waste monthly household fee increased \$0.30 per month and recycling increased \$.30 per month in 2023.

On March 28, 2022 the City issued \$5.13MM in GO Debt. S&P Global rated the issue at "A+".
On June 8, 2022 the City issued \$8.19MM in Waterworks & Sewer System Revenue Bonds. Build America Mutual Rating of S&P Global rating "AA" with an underlying rating S&P Global rating "A-".
On December 9, 2022 the City took out a 10 year \$304,500 Bank Note.

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 and resources it receives. If you have questions about this report or need additional information, please contact the City of Whitewater, Finance Director, P.O. Box 690, Whitewater, WI 53190.

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BASIC FINANCIAL STATEMENTS

City of Whitewater
Whitewater, WI

Statement of Net Position
December 31, 2023

DRAFT

	Governmental Activities	Business-type Activities	Primary Government	Component Unit
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 12,281,956	\$ 7,056,615	\$ 19,338,571	\$ 1,179,629
Receivables				
Taxes and special assessments	4,121,624	-	4,121,624	-
Accounts	394,064	611,827	1,005,891	-
Other	194,518	189	194,707	2,437
Due from Other Governments	-	-	-	-
Leases-current portion	-	8,020	8,020	141,248
Internal Balances	(6,803)	6,803	-	-
Due From Agency Fund	7,890	-	7,890	-
Due From Component Unit/City	17,177	-	17,177	-
Inventories	-	22,500	22,500	-
Prepaid Expenses	6,406	-	6,406	-
Total Current Assets	<u>17,016,832</u>	<u>7,705,954</u>	<u>24,722,786</u>	<u>1,323,314</u>
Noncurrent Assets:				
Restricted Assets				
Cash and Cash Equivalents	-	4,537,681	4,537,681	-
Other Assets				
Special Assessment Receivable	26,577	-	26,577	-
Loans Receivable	-	-	-	1,026,892
Due From City	-	-	-	851,866
Lease Receivable- Long-Term	-	-	-	589,951
Capital Assets				
Land, Improvements, and Construction in Progress	10,848,286	5,708,319	16,556,605	446,740
Other Capital Assets, net of depreciation	28,967,761	54,404,756	83,372,517	4,543,149
Net Capital Assets	<u>39,816,047</u>	<u>60,113,075</u>	<u>99,929,122</u>	<u>4,989,889</u>
Total Noncurrent Assets	<u>39,842,624</u>	<u>64,650,756</u>	<u>104,493,380</u>	<u>7,458,598</u>
Total Assets	<u>56,859,456</u>	<u>72,356,710</u>	<u>129,216,166</u>	<u>8,781,912</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Pension Outflows	7,164,833	1,085,657	8,250,490	23,155
Deferred OPEB Outflows	<u>119,925</u>	<u>-</u>	<u>119,925</u>	<u>-</u>
Total Deferred Outflows of Resources	<u>7,284,758</u>	<u>1,085,657</u>	<u>8,370,415</u>	<u>23,155</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 64,144,214</u>	<u>\$ 73,442,367</u>	<u>\$ 137,586,581</u>	<u>\$ 8,805,067</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable and Accrued Expenses	\$ 760,355	\$ 408,047	\$ 1,168,402	\$ 24,589
Due to Component Unit/City	-	-	-	17,177
Payable to Other Governments	-	-	-	-
Accrued Interest	71,979	173,260	245,239	-
Unearned Grant Advance	18,043	866,900	884,943	-
Current Portion of Long-Term Liabilities	<u>1,076,050</u>	<u>2,386,801</u>	<u>3,462,851</u>	<u>-</u>
Total Current Liabilities	<u>1,926,427</u>	<u>3,835,008</u>	<u>5,761,435</u>	<u>41,766</u>
Noncurrent Liabilities:				
Due to Component Unit/City	-	851,866	851,866	-
Unamortized Debt Premium	289,698	466,895	756,593	-
Net OPEB Liability - Life Insurance	310,402	-	310,402	-
Net Pension Liability	1,886,803	285,899	2,172,702	6,098
Net OPEB Liability - Health Insurance	439,559	-	439,559	-
Bonds and Direct Borrowings	11,112,315	31,067,928	42,180,243	-
Compensated Absences	<u>527,026</u>	<u>52,977</u>	<u>580,003</u>	<u>-</u>
Total Noncurrent Liabilities	<u>14,565,803</u>	<u>32,725,565</u>	<u>47,291,368</u>	<u>6,098</u>
Total Liabilities	<u>16,492,230</u>	<u>36,560,573</u>	<u>53,052,803</u>	<u>47,864</u>
DEFERRED INFLOWS OF RESOURCES				
Tax Apportionment	6,737,184	-	6,737,184	-
Deferred Pension Inflows	3,950,385	598,585	4,548,970	12,767
Deferred OPEB Inflows	247,504	-	247,504	-
Deferred Life insurance OPEB Inflows	68,257	-	68,257	-
Other Deferred Inflows	<u>21,480</u>	<u>18,821</u>	<u>40,301</u>	<u>1,551,301</u>
Total Deferred Inflows of Resources	<u>11,024,810</u>	<u>617,406</u>	<u>11,642,216</u>	<u>1,564,068</u>
NET POSITION				
Net Investment in Capital Assets	27,438,434	27,064,833	54,503,267	4,543,149
Restricted				
CDA Programs	-	-	-	2,590,731
Debt Service	-	134,400	134,400	-
Capital	3,048	2,653,096	2,656,144	-
Special Revenue Activity	1,574,336	-	1,574,336	-
Unrestricted	<u>7,611,356</u>	<u>6,412,059</u>	<u>14,023,415</u>	<u>59,255</u>
Total Net Position	<u>36,627,174</u>	<u>36,264,388</u>	<u>72,891,562</u>	<u>7,193,135</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 64,144,214</u>	<u>\$ 73,442,367</u>	<u>\$ 137,586,581</u>	<u>\$ 8,805,067</u>

See accompanying notes to the basic financial statements

**City of Whitewater
Whitewater, WI**

**Statement of Activities
For the Year Ended December 31, 2023**

Functions/Programs Primary Government	Net (Expense) Revenue and Changes in Net Position				
	Primary Government				Component Unit
	Expenses	Charges for Services	Program Revenue Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities					
General Government	\$ 1,982,019	\$ 242,190	\$ 18,500	\$ -	
Public Safety	6,696,683	1,237,066	256,442	268,494	\$ (1,721,329)
Public Works	2,994,985	-	678,538	25,138	(4,934,681)
Culture and Recreation	2,793,227	668,002	679,495	1,100	(2,291,309)
Conservation and Development	67,462	-	4,029	-	(1,444,630)
Interest on Long-Term Debt	331,518	-	-	-	(63,433)
Total Governmental Activities	14,865,894	2,147,258	1,637,004	294,732	(331,518)
					(10,786,900)
Business-Type Activities					
Water	2,587,713	2,732,609	-	76,522	\$ 221,418
Wastewater	3,383,215	4,047,750	-	98,496	763,031
Storm Sewer	633,158	551,171	-	-	(81,987)
Total Business-Type Activities	6,604,086	7,331,530	-	175,018	902,462
Total Primary Government	21,469,980	9,478,788	1,637,004	469,750	(9,884,438)
Component Unit					
Community Development Authority	415,089	249,461	-	-	\$ (165,628)
Total Component Units	\$ 415,089	\$ 249,461	\$ -	\$ -	(165,628)
General Revenues:					
Taxes:					
Property Taxes, Levied for General Purposes					-
Property Taxes, Levied for Debt Service					-
Other Taxes					-
Grants and Contributions Not Restricted to Specific Programs					-
Unrestricted Investment Earnings					-
Public Gifts and Grants					-
Miscellaneous					-
Special Item - Gain (Loss) on Retirement of Asset(s)					-
Transfers to/from CDA					-
Transfers					-
Total General Revenues, Transfers, and Special Items					-
Change in Net Position					214,001
Net Position - Beginning					48,373
Net Position - Ending					7,144,762
					\$ 7,193,135

See accompanying notes to the basic financial statements

City of Whitewater
Whitewater, WI

Balance Sheet
Governmental Funds
December 31, 2023

	General Fund	Fire and EMS Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 7,863,339	\$ -	\$ 4,418,617	\$ 12,281,956
Receivables:				
Taxes	3,566,021	-	551,764	4,117,785
Delinquent Personal Property Taxes	3,840	-	-	3,840
Special Assessments	26,577	-	-	26,577
Accounts net of Allowance	-	387,564	-	387,564
Other	169,518	-	31,500	201,018
Due from Other Funds	76,951	-	-	76,951
Due from CDA	17,177	-	-	17,177
Prepaid Expenses	6,406	-	-	6,406
Advances Receivable	199,604	-	-	199,604
Total Assets	<u>\$ 11,929,433</u>	<u>\$ 387,564</u>	<u>\$ 5,001,881</u>	<u>\$ 17,318,878</u>
LIABILITIES				
Accounts Payable	\$ 197,367	\$ 24,108	\$ 79,247	\$ 300,722
Accrued Liabilities	368,004	53,510	38,118	459,632
Due to Other Funds	6,803	-	69,060	75,863
Advances Payable	-	130,026	69,578	199,604
Unearned Grant Advance	-	-	18,043	18,043
Total Liabilities	<u>572,174</u>	<u>207,644</u>	<u>274,046</u>	<u>1,053,864</u>
DEFERRED INFLOWS OF RESOURCES	<u>5,873,842</u>	<u>280,663</u>	<u>889,072</u>	<u>7,043,577</u>
FUND BALANCE (DEFICIT)				
Nonspendable	209,850	-	-	209,850
Restricted	-	-	3,976,261	3,976,261
Assigned	2,354,593	-	-	2,354,593
Unassigned (Deficit)	2,918,974	(100,743)	(137,498)	2,680,733
Total Fund Balance (Deficit)	<u>5,483,417</u>	<u>(100,743)</u>	<u>3,838,763</u>	<u>9,221,437</u>
Total Liabilities, Deferred Inflows and Fund Balance (Deficit)	<u>\$ 11,929,433</u>	<u>\$ 387,564</u>	<u>\$ 5,001,881</u>	<u>\$ 17,318,878</u>

See accompanying notes to the basic financial statements

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

Total fund balance, governmental funds	\$ 9,221,437
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 this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.	39,816,047
The net pension asset (liability) is not a current financial resource and is, therefore, not reported in the fund statements.	(1,886,803)
The net OPEB asset (liability) is not a current financial obligation and is, therefore, not reported in the fund statements.	
Life Insurance	(310,402)
Health Insurance	(439,559)
Pension and OPEB deferred outflows of resources and deferred inflows of resources are actuarially determined by the defined benefit pension and OPEB plans. These items are reflected in the Statement of Net Position and are being amortized with pension and OPEB expense in the Statement of Activities. The deferred outflows of resources and deferred inflows of resources are not financial resources or uses and therefore are not reported in the fund financial statements.	3,018,609
Deferred inflows of resources are reported in the fund financial statement, but are already recognized as earned in the Statement of Position. This represents EMS revenues recognized on the Statement of activities but not in the fund financials.	284,913
Some liabilities, (such as General Obligation Debt, Long-Term Compensated Absences, and Leases Payable), are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.	
Long-term debt current portion	1,076,050
Long-term debt non-current portion	11,112,315
Unamortized premium on debt	289,698
Compensated absences long-term portion	527,026
Accrued interest	71,979
	<u>(13,077,068)</u>
Net Position of Governmental Activities in the Statement of Net Position	\$ 36,627,174
See accompanying notes to the basic financial statements	

**City of Whitewater
Whitewater, WI**

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

	General Fund	Fire and EMS Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES				
Property Taxes	\$ 4,499,748	\$ -	\$ 1,368,491	\$ 5,868,239
Other Taxes	363,435	-	-	363,435
Special Assessment Revenue	138	-	-	138
Intergovernmental	4,347,842	338,782	770,440	5,457,064
License and Permits	167,690	-	-	167,690
Fines, Forfeits and Penalties	250,979	-	-	250,979
Public Charges for Services	62,413	635,022	687,929	1,385,364
Intergovernmental Charges for Services	-	-	-	-
Interest Income	834,090	-	95,735	929,825
Miscellaneous Income	425,688	8,324	649,643	1,083,655
Total Revenues	10,952,023	982,128	3,572,238	15,506,389

EXPENDITURES

Current:				
General Government	1,808,116	-	-	1,808,116
Public Safety	5,515,036	1,825,855	37,822	7,378,713
Public Works	1,842,843	-	106,772	1,949,615
Culture, Recreation and Education	415,680	-	2,057,956	2,473,636
Conservation and Development	-	-	68,940	68,940
Capital Outlay	186,706	46,562	477,723	710,991
Debt Service:				
Principal Repayment	-	-	862,060	862,060
Interest Expense	-	-	475,019	475,019
Total Expenditures	9,768,381	1,872,417	4,086,292	15,727,090
Excess (Deficiency) of Revenues Over Expenditures	1,183,642	(890,289)	(514,054)	(220,701)

OTHER FINANCING SOURCES (USES)

Transfers In	797,047	1,258,615	1,133,929	3,189,591
Transfers Out	(2,370,907)	(385,000)	(106,451)	(2,862,358)
Transfers Out to CDA	(32,500)	-	(65,000)	(97,500)
Total Other Financing Sources and Uses	(1,606,360)	873,615	962,478	229,733
Net Change in Fund Balances	(422,718)	(16,674)	448,424	9,032
Fund Balances (Deficits) - Beginning	5,906,135	(84,069)	3,390,339	9,212,405
Fund Balances - Ending	\$ 5,483,417	\$ (100,743)	\$ 3,838,763	\$ 9,221,437

See accompanying notes to the basic financial statements

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2023**

Net change in fund balances - total governmental funds: \$ 9,032

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

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.

This is the amount by which capital additions \$2,033,772 were greater than depreciation of \$1,757,635 in the current period. 276,137

Governmental funds report the entire net sales price (proceeds) from sale of an asset as revenue because it provides current financial resources. In contrast, the Statement of Activities reports the gain or (loss) on the sale of the assets. Thus, the change in net position differs from the change in fund balance by the cost of the asset sold. (747,071)

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. This represents revenues which were recorded on the government-wide financial statements in the current year but not yet recognized in the fund financial statements. 178,113

Governmental funds report bond proceeds as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of bond principal as an expenditure. In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities. The following is a summary of the debt activity for the year.

Debt repayment - general obligation 862,060

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

Adjustment for accrued interest not reflected on Governmental Funds 122,150
Adjustment for increase in compensated absences (42,498)
Adjustment for premium amortization 21,351

Pension and OPEB expense reported in the governmental funds represents current year required contributions into the defined benefit pension and OPEB plans. Pension and OPEB expense in the Statement of Activities are actuarially determined by the defined benefit pension and OPEB plans as differences between net pension asset/net OPEB liability from the prior year to the current year, with some adjustments. (378,005)

Change in net position of governmental activities \$ 301,269

See accompanying notes to the basic financial statements

Statement of Net Position
Proprietary Funds
December 31, 2023

	Enterprise Funds			
	Water	Wastewater	Stormwater	Total
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 2,372,783	\$ 4,269,980	\$ 413,852	\$ 7,056,615
Receivables				
Accounts	211,718	350,786	49,323	611,827
Interest	189	-	-	189
Leases- Current portion	8,020	-	-	8,020
Due from Other Funds	6,803	-	-	6,803
Inventories	22,500	-	-	22,500
Total Current Assets	2,622,013	4,620,766	463,175	7,705,954
Restricted Assets:				
Restricted Cash	1,099,678	3,438,003	-	4,537,681
Total Restricted Assets	1,099,678	3,438,003	-	4,537,681
Capital Assets:				
Construction Work-In-Progress	672,739	236,469	75,680	984,888
Land	224,506	4,498,925	-	4,723,431
Utility Plant	26,661,381	56,826,236	7,402,354	90,889,971
Less Accumulated Depreciation	(9,056,719)	(26,379,327)	(1,049,169)	(36,485,215)
Net Capital Assets	18,501,907	35,182,303	6,428,865	60,113,075
Total Assets	22,223,598	43,241,072	6,892,040	72,356,710
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Pension Outflows	419,024	503,457	163,176	1,085,657
Total Deferred Outflows of Resources	419,024	503,457	163,176	1,085,657
Total Assets and Deferred Outflows of Resources	\$ 22,642,622	\$ 43,744,529	\$ 7,055,216	\$ 73,442,367

See accompanying notes to the basic financial statements

Statement of Net Position
Proprietary Funds
December 31, 2023

	Enterprise Funds			
	Water	Wastewater	Stormwater	Total
LIABILITIES				
Current Liabilities:				
Accounts Payable	\$ 241,446	\$ 88,214	\$ 30,172	\$ 359,832
Accrued Liabilities	19,161	22,142	6,912	48,215
Accrued Interest Payable	67,632	90,965	14,663	173,260
Unearned Grant Advance	-	866,900	-	866,900
Compensated Absences	7,152	7,867	3,489	18,508
Current Portion of Long-Term Debt	511,300	1,676,993	180,000	2,368,293
Total Current Liabilities	846,691	2,753,081	235,236	3,835,008
Non-Current Liabilities:				
Long-Term Debt				
Notes Payable	156,500	62,500	210,000	429,000
Bonds and Loans Payable	8,785,000	19,848,928	2,005,000	30,638,928
Unamortized Debt Premium	264,124	140,014	62,757	466,895
Advance Payable-CDA	851,866	-	-	851,866
Total Long-Term Debt	10,057,490	20,051,442	2,277,757	32,386,689
Other Liabilities:				
Compensated Absences	16,125	21,982	14,870	52,977
Net Pension Liability	110,347	132,581	42,971	285,899
Total Other Liabilities	126,472	154,563	57,841	338,876
Total Non-Current Liabilities	10,183,962	20,206,005	2,335,598	32,725,565
Total Liabilities	11,030,653	22,959,086	2,570,834	36,560,573
DEFERRED INFLOWS OF RESOURCES				
Deferred Pension Inflows	231,033	277,584	89,968	598,585
Unearned Revenue	18,821	-	-	18,821
Total Deferred Inflows of Resources	249,854	277,584	89,968	617,406
NET POSITION				
Net Investment in Capital Assets	8,996,176	14,097,549	3,971,108	27,064,833
Restricted				
Debt	22,500	111,900	-	134,400
Capital	-	2,653,096	-	2,653,096
Unrestricted	2,343,439	3,645,314	423,306	6,412,059
Total Net Position	11,362,115	20,507,859	4,394,414	36,264,388
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 22,642,622	\$ 43,744,529	\$ 7,055,216	\$ 73,442,367

See accompanying notes to the basic financial statements

**Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2023**

	Enterprise Funds			
	Water	Wastewater	Stormwater	Total
OPERATING REVENUES				
Charges for Services	\$ 2,732,609	\$ 4,047,750	\$ 534,171	\$ 7,314,530
Other Operating Revenues	-	-	17,000	17,000
Total Operating Revenues	<u>2,732,609</u>	<u>4,047,750</u>	<u>551,171</u>	<u>7,331,530</u>
OPERATING EXPENSES				
Operation and Maintenance	1,675,886	1,588,620	439,863	3,704,369
Depreciation	495,808	1,286,828	121,028	1,903,664
Total Operating Expenses	<u>2,171,694</u>	<u>2,875,448</u>	<u>560,891</u>	<u>5,608,033</u>
Operating Income (Loss)	<u>560,915</u>	<u>1,172,302</u>	<u>(9,720)</u>	<u>1,723,497</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest and Investment Revenue	26,640	113,086	-	139,726
Miscellaneous Non-Operating Revenues	63,116	6,120	3,866	73,102
Interest Expense	(416,019)	(507,767)	(72,267)	(996,053)
Total Non-Operating Revenue (Expenses)	<u>(326,263)</u>	<u>(388,561)</u>	<u>(68,401)</u>	<u>(783,225)</u>
Income (Loss) Before Contributions and Transfers	<u>234,652</u>	<u>783,741</u>	<u>(78,121)</u>	<u>940,272</u>
Capital Contributions	76,522	98,496	-	175,018
Transfers In	44,465	50,526	-	94,991
Transfers Out	(391,745)	(5,478)	(25,000)	(422,223)
Change in Net Position	<u>(36,106)</u>	<u>927,285</u>	<u>(103,121)</u>	<u>788,058</u>
Total Net Position - Beginning	<u>11,398,221</u>	<u>19,580,574</u>	<u>4,497,535</u>	<u>35,476,330</u>
Total Net Position - Ending	<u>\$ 11,362,115</u>	<u>\$ 20,507,859</u>	<u>\$ 4,394,414</u>	<u>\$ 36,264,388</u>

See accompanying notes to the basic financial statements

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

	Water	Wastewater	Stormwater	Totals 2023
<u>Cash Flows From Operating Activities:</u>				
Receipts from customers	\$ 2,958,046	\$ 4,070,262	\$ 552,133	\$ 7,580,441
Payments to suppliers	(808,972)	(826,388)	(152,309)	(1,787,669)
Payments to employees	(738,173)	(750,937)	(286,178)	(1,775,288)
Taxes paid	(391,745)	(5,478)	-	(397,223)
Net cash provided (used) by operating activities	1,019,156	2,487,459	113,646	3,620,261
<u>Cash Flows From Capital and Related Financing Activities:</u>				
Acquisition and construction of plant assets	(1,270,408)	(83,525)	(62,399)	(1,416,332)
Proceeds of debt	1,550,000	-	-	1,550,000
Principal payments on long-term debt	(346,300)	(3,153,005)	(175,000)	(3,674,305)
Interest and debt issuance costs paid	(448,953)	(632,628)	(105,368)	(1,186,949)
Transfers in	44,465	50,526	-	94,991
Net cash provided (used) by capital and related financing activities	(471,196)	(3,818,632)	(342,767)	(4,632,595)
<u>Cash Flows From Investing Activities:</u>				
Interest on investments	27,178	113,086	-	140,264
Net cash provided (used) by investing activities	27,178	113,086	-	140,264
Net increase (decrease) in cash and equivalents	575,138	(1,218,087)	(229,121)	(872,070)
Cash and equivalents - beginning of year	2,897,323	8,926,070	642,973	12,466,366
Cash and equivalents - end of year	\$ 3,472,461	\$ 7,707,983	\$ 413,852	\$ 11,594,296

See accompanying notes to basic financial statements

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2023**

	Water	Wastewater	Stormwater	Totals 2023
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	\$ 560,915	\$ 1,172,302	\$ (9,720)	\$ 1,723,497
Adjustments to Reconcile Operating Income (Loss):				
Depreciation	495,808	1,286,828	121,028	1,903,664
Pension expense	38,777	50,749	19,975	109,501
Other	-	-	3,866	3,866
Joint meter	24,498	(24,498)	-	-
Cash Provided (Used) by Operating Activities:				
Tax equivalent	(391,745)	(5,478)	-	(397,223)
Other income (expense)	43,104	-	-	43,104
Transfer out	-	-	(25,000)	(25,000)
Changes in Assets and Liabilities:				
Customer accounts receivable	225,437	22,512	962	248,911
Other accounts receivable	25,404	-	-	25,404
Due from/to other funds	(1,209)	-	-	(1,209)
Accounts payable	(94)	15,287	16,944	32,137
Accrued liabilities	(1,739)	(30,243)	(14,409)	(46,391)
Net cash provided (used) by operating activities	<u>\$ 1,019,156</u>	<u>\$ 2,487,459</u>	<u>\$ 113,646</u>	<u>\$ 3,620,261</u>
Reconciliation of cash and cash equivalents to statement of net position accounts				
Cash and cash equivalents	\$ 2,372,783	\$ 4,269,980	\$ 413,852	\$ 7,056,615
Restricted Cash	<u>1,099,678</u>	<u>3,438,003</u>	<u>-</u>	<u>4,537,681</u>
Total cash and investments	<u>\$ 3,472,461</u>	<u>\$ 7,707,983</u>	<u>\$ 413,852</u>	<u>\$ 11,594,296</u>

See accompanying notes to basic financial statements

Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2023

	Tax Custodial Fund
ASSETS	
Cash and Cash Equivalents	\$ 3,942,182
Receivables:	
Taxes Receivable	6,157,771
Total Assets	<u>\$ 10,099,953</u>
LIABILITIES	
Due to Other Funds	\$ 7,890
Due to Other Governments	10,092,063
Total Liabilities	<u>\$ 10,099,953</u>

See accompanying notes to the basic financial statements

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

	Tax Custodial Fund
ADDITIONS	
Property tax collections for other governments	\$ 7,849,388
Total additions	7,849,388
DEDUCTIONS	
Payments of taxes to other governments	7,849,388
Total deductions	7,849,388
Net increase (decrease) in fiduciary net position	-
Net position - Beginning	-
Net position - Ending	\$ -

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2023

1. Summary of Significant Accounting Policies

The accounting policies of the City of Whitewater, Wisconsin, conform to generally accepted accounting principles as applicable to governmental units.

A. Reporting Entity

This report includes all of the funds of the City of Whitewater (the “City”). The reporting entity for the City consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity’s financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization’s governing body and it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government.

A legally separate, tax exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; (3) the economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. Blended component units, although legally separate entities, are, in substance, part of the government’s operations and are reported with similar funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the primary government.

Discretely Presented Component Unit

The government-wide financial statements include the City of Whitewater Community Development Authority (“CDA”) as a component unit. The CDA is a legally separate organization. The board of the CDA is appointed by the city council. Wisconsin Statutes provide for circumstances whereby the City can impose their will on the CDA, and also create a potential financial benefit to or burden on the City. See Note 15. As a component unit, the CDA’s financial statements have been presented as a discrete column in the financial statements. The information presented is for the fiscal year ended 2023. The CDA does not issue separate financial statements.

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2023

1. Summary of Significant Accounting Policies (Continued)

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

“Government-wide” financial statements are basic financial statements required for all governmental units. The statement of net position and the statement of activities are the two required statements. Both statements are prepared on the full accrual basis. The modified accrual basis of accounting continues to be the appropriate basis of accounting for governmental activity fund financial statements.

In addition, all funds in the government-wide financial statements are reported as business-type activities, governmental activities or fiduciary funds. The definitions for these types of activities are discussed in other portions of Note 1.

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The City does not allocate indirect expenses to functions in the statement of activities. Program revenues include: (1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported instead as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

Fund Financial Statements

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

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

Finally, all non-fiduciary funds are further classified as major or non-major funds. In reporting financial condition and results of operations for governmental units, the new standard concentrates on major funds versus non-major funds.

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2023

1. Summary of Significant Accounting Policies (Continued)

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

Fund Financial Statements (Continued)

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

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

Major Governmental Funds

The City reports the following major governmental funds:

General Fund – Accounts for the City’s primary operating activities. It is used to account for all financial resources except those required to be accounted for in another fund.

Fire and EMS Fund – Accounts for revenues and expenditures related to the City’s Fire and EMS department.

Major and Non-Major Enterprise Funds

The City reports the following major and non-major enterprise funds:

Enterprise Funds – Used to account for operations (1) that are financed and operated in a manner similar to private business enterprise – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (2) where the governing body has decided that periodic determination of revenues earned, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The following enterprise funds are included in these statements:

Water Utility – Accounts for the operations of the water system. (Major Fund)

Wastewater Utility – Accounts for the operations of the sewer system. (Major Fund)

Stormwater Utility – Accounts for the operations of the stormwater system (Non-Major Fund)

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2023

1. Summary of Significant Accounting Policies (Continued)

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

Fund Financial Statements (Continued)

Non-Major Governmental Funds

The City reports the following non-major governmental funds:

Debt Service Fund – Accounts for resources accumulated and payments made for principal and interest on long-term debt other than TID or enterprise debt.

Special Revenue Funds – Used to account for the proceeds of specific revenue sources (other than major capital projects) that is legally restricted to expenditures for specific purposes. Non-major special revenue funds included in these statements are the following:

- Cable TV Fund
- Library Special Revenue Fund
- Taxicab Grant Program Fund
- Parkland Acquisition Fund
- Parkland Development Fund
- Forestry Fund
- Rescue Squad Equipment/Education Fund
- Parking Permit Fund
- Police Department Trust Fund
- Parks and Recreation Fund
- Field of Dreams Fund
- Aquatic Center Fund

Capital Projects Funds – Used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds). Non-major capital projects funds included in these statements are the following:

Tax Incremental Districts No. 10-14. TIF 10-14 were created in 2021 and are reported as non-major funds.

- Capital Projects Fund
- Housing Fund

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

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2023

1. Summary of Significant Accounting Policies (Continued)

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

Fund Financial Statements (Continued)

The City reports the following fiduciary funds:

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

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

Measurement focus refers to what is being measured, basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

Government-Wide Financial Statements

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Deferred outflows of resources represent a consumption of resources that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred inflows of resources represent an acquisition of resources that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows of resources. Grants and similar items are recognized as revenue when earned.

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

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. "Measurable" means the amount of the transaction can be determined. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2023

1. Summary of Significant Accounting Policies (Continued)

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

Fund Financial Statements (Continued)

Property taxes are recorded in the year levied as receivables and deferred inflows of resources. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

Intergovernmental aids and grants are recognized as revenues in the period the City is entitled to the resources and the amounts are available. Amounts owed to the City, which are not available, are recorded as receivables and deferred inflows of resources. Amounts received prior to the entitlement period are also recorded as deferred inflows of resources.

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

Delinquent special assessments being held for collection by the county are reported as receivables and nonspendable fund balance in the General Fund.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, and public charges for services, special assessments, and interest. Other general revenues such as fines and forfeitures, inspection fees, recreation fees, and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

The City reports deferred inflows of resources on its governmental funds balance sheet. Deferred inflows of resources arise from taxes levied in the current year, which are for subsequent year's operations. For governmental fund financial statements, deferred inflows of resources arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred inflows of resources also arise when resources are received before the City has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability for deferred inflows of resources is removed from the balance sheet and revenue is recognized.

Proprietary and fiduciary fund financial statements (other than agency funds) are reported using the economic resources measurement focus and accrual basis of accounting, as described previously in this note. Agency funds follow the accrual basis of accounting and do not have a measurement focus.

The proprietary funds follow all pronouncements of the Governmental Accounting Standards Board ("GASB"). The proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water and Sewer Utilities are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2023

1. Summary of Significant Accounting Policies (Continued)

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

Fund Financial Statements (Continued)

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

D. Assets, Liabilities, and Net Position or Equity

Cash and Cash Equivalents/Investments

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

- (1) Deposits in any credit union, bank, savings bank, trust company or savings and loan association which is authorized to transact business in this State if the time deposits mature in not more than three years.
- (2) Bonds or securities issued or guaranteed as to principal and interest by the federal government, or by a commission, board or other instrumentality of the federal government.
- (3) Bonds or securities of any county, drainage district, VTAE district, village, city, town, district or school district of this State.
- (4) Any security which matures or which may be tendered for purchase at the option of the holder within not more than seven years of the date on which it is acquired, if that security has a rating which is the highest or second highest rating category assigned by Standard & Poor's Corporation, Moody's Investor Service or other similar nationally recognized rating agency or if that security is senior to, or on a parity with, a security of the same issuer which has such a rating.
- (5) Bonds or securities issued under the authority of the municipality.
- (6) The local government pooled-investment fund as established under Section 25.50 of the Wisconsin Statutes.
- (7) Agreements in which a public depository agrees to repay funds advanced to it by the City plus interest, if the agreement is secured by bonds or securities issued or guaranteed as to principal and interest by the federal government.
- (8) Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- (9) Repurchase agreements with public depositories, with certain conditions.
- (10) Bonds issued by the University of Wisconsin Hospital and Clinics Authority and the Wisconsin Aerospace Authority.

The City has adopted an investment policy. That policy follows the State statute for allowable investments, but does not specifically address the risk described in Note 2.

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2023

1. Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, and Net Position or Equity (Continued)

Cash and Cash Equivalents/Investments (Continued)

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances. The difference between the bank balance and carrying value is due to outstanding checks and/or deposits in-transit. See Note 2 for additional information.

Proprietary Cash and Equivalents

For purposes of the proprietary fund statement of cash flows, the City considers all highly liquid investments, with a maturity of less than three months, when purchased, to be cash equivalents. This consists of current cash and investments.

Taxes Receivable

Property taxes are levied prior to the end of the calendar year and are due and collectible in the following year. Property taxes attach as an enforceable lien as of January 1. The City's portion of taxes is recorded as a receivable in the General Fund. The County acts as the collecting agency for all City taxes. Since City property taxes are not considered available until January 1 of the year following the levy, they are recorded as deferred inflows of resources in the funds budgeted therefore. Taxes are levied in December on the assessed value as of the prior January 1.

Property tax calendar – 2023 tax roll

Lien date and levy date	December, 2023
Tax Bills mailed	December, 2023
Payment in full, or	January 31, 2024
First installment due	January 31, 2024
Second installment due	July 31, 2024
Personal property taxes in full	January 31, 2024

Allowance for Uncollectible Accounts

General Fund accounts receivable have been adjusted for all known uncollectible accounts. No allowance is necessary at year-end. Delinquent real estate taxes as of July 31 are paid in full by the county, which assumes the collection thereof. No provision for uncollectible accounts receivable has been made for delinquent Water and Sewer billings because the utilities have the right by law to place delinquent bills on tax roll and other delinquent bills are not significant.

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2023

1. Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, and Net Position or Equity (Continued)

Leases Receivable

The City has recorded leases receivable. They are a lessor for cell antennas and parking spaces. The lease is recorded at the discounted amount of future lease payments and offset by deferred inflows.

Interfund Transactions

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as “due to and from other funds”. Long-term interfund loans (noncurrent portion) are reported as “advances from and to other funds”. Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

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

Special Assessments

Assessments against property owners for public improvements are generally not subject to full settlement in the year levied. Deferred inflows of resources for 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. Special assessments of enterprise funds are recorded as non-operating revenue at the time of assessment, if subject to collection. Deferred inflows of resources for special assessments, those not subject to collection, are recorded as other liability until such time they are subject to collection.

Uncollected installments placed on prior year tax rolls are held for collection by the County and are remitted to the City upon collection by the County. These delinquent installments are financed by the General Fund.

Inventories and Prepaid Items

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

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2023

1. Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, and Net Position or Equity (Continued)

Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are also classified. The excess of restricted assets over current liabilities payable from restricted assets will be used first for retirement of related long-term debt. The remainder, if generated from earnings, is shown as restricted net position.

Capital Assets

Government-Wide Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets are defined by the government as assets with an initial cost of more than \$5,000 for general capital assets including infrastructure assets, and an estimated useful life in excess of 1 year. All capital assets are valued at historical cost or estimated historical cost if actual amounts are unavailable. Donated fixed assets are recorded at their estimated fair value at the date of donation.

Prior to January 2003, infrastructure assets of governmental funds were not capitalized. The City has retroactively reported all infrastructure acquired by its governmental fund types.

General Fixed Assets – Fixed assets acquired or constructed for general governmental services are recorded as expenditures in the fund from which the disbursements are made. Generally accepted accounting principles require that these fixed assets be capitalized at cost in the government-wide financial statements. Contributed fixed assets are to be recorded in the government-wide financial statements at acquisition value at the time received. Interest incurred during construction is not capitalized.

Depreciation on governmental fixed assets is calculated straight-line based on the estimated useful life of assets. The estimated useful life of assets is determined by industry standards as recommended by GASB.

Proprietary Fund Fixed Assets - Assets in the enterprise fund are capitalized at cost or fair value at date of contribution or acquisition. Normal repairs and maintenance that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining lives of the related assets.

Depreciation is charged over the estimated service life of the assets using the straight-line method. Annual depreciation charges are determined using the average utility plant in service and rates ranging from 8 to 77 years for the Water Utility and 4 to 100 years for the Wastewater Utility, depending on the various classes of property, in the respective utilities. The Stormwater Utility assets are depreciated straight-line over useful lives ranging from 65 to 85 years.

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2023

1. Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, and Net Position or Equity (Continued)

Capital Assets (Continued)

Fund Financial Statements

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

Debt Issuance Costs

Debt issuance costs are recognized in the current period for the government-wide, proprietary, and governmental fund statements.

Deferred charges are recorded in the enterprise fund for extraordinary repairs. Costs are amortized over the estimated life of repair.

Compensated Absences

Governmental Funds

Under terms of employment, employees are granted sick leave and vacations in varying amounts. The entire accumulation is recorded in the statement of net position. See Note 7.

All Funds

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2023 are determined on the basis of current salary rates and include salary related payments.

Long-Term Obligations/Conduit Debt

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

All short term and long-term obligations expected to be financed from proprietary fund type operations are accounted for as those fund liabilities.

Proceeds of long-term debt issues not recorded as fund liabilities are reflected as “Other Financing Sources” in the operating statement of the recipient fund. Retirement of these issues is reported as an expenditure of the debt service fund in the year in which the debt matures or is repaid, whichever is earlier.

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2023

1. Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, and Net Position or Equity (Continued)

Long-Term Obligations/Conduit Debt (Continued)

For the government-wide statements and the proprietary fund statements, bond premiums and discounts are amortized over the life of the issue using the straight-line method. Gains or losses on prior refunding are amortized over the remaining life of the old debt, or the life of the new debt, whichever is shorter. The balance at year-end for both premiums/discounts and gains/losses, as applicable, is shown in the deferred outflows of resources or inflows of resources sections of the balance sheet.

The City had approved the issuance of industrial revenue bonds (IRB) for the benefit of private business enterprises. IRB's are secured by mortgages or revenue agreements on the associated projects, and do not constitute indebtedness of the City. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The total amount of IRB's outstanding at the end of the year is zero.

Claims and Judgments

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

Equity Classifications

Government-Wide Statements

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

1. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted – Consists of net assets with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
3. Unrestricted – All other net position that does not meet the definition of “restricted” or “net investment in capital assets”.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2023

1. Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, and Net Position or Equity (Continued)

Equity Classifications (Continued)

Fund Financial Statements

Government fund equity is classified as fund balance.

In the fund financial statements, governmental fund balance is presented in five possible categories:

1. Nonspendable – Resources which cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact.
2. Restricted – Resources with constraints placed on the use of resources are either (1) externally imposed by the creditors (such as through debt covenants), grantors, contributors, or law and regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.
3. Committed – Resources which are subject to limitations the government imposes upon itself through formal action of the City Council, and that remain binding unless removed in the same manner.
1. Assigned – Resources neither restricted nor committed for which a government has stated intended use for a specific purpose. This intent can be expressed through the City Council or through the City Council delegating this responsibility to the City Finance Director through the budgetary process.
2. Unassigned – Resources which cannot be properly classified in one of the other four categories. Unassigned balances also include negative balances in the governmental funds reporting resources restricted for specific programs.

E. Utility Rates

Current water rates were approved by the City, as regulated by the Wisconsin Public Service Commission, effective August 27, 2020. Current wastewater rates were approved by the City Council on June 27, 2019 and stormwater rates were approved by the City Council on December 29, 2015.

F. Income Taxes

The City of Whitewater Water, Wastewater, and Stormwater Utilities are municipal utilities. Municipal utilities are exempt from income taxes and therefore no income tax liability is recorded.

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2023

1. Summary of Significant Accounting Policies (Continued)

G. Deficit Balances

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year-end. As of December 31, 2023, the following individual funds held a deficit balance:

Aquatic Center	\$ (69,579)
Fire and EMS Fund	\$ (100,743)
TID 10	\$ (16,469)
TID 12	\$ (44,296)
TID 13	\$ (7,154)

The TIF deficits are anticipated to be replenished with future increments. The Debt Service Fund will be replenished with future tax revenues. The Aquatic Center Fund deficit is financed internally and will be monitored over the next few years. The Fire and EMS will be financed by a tax levy.

H. Tax Incremental Financing District

The City has 5 active Tax Incremental Districts (TIF's). TIFs 10-14 are in existence. TIF's are authorized by Section 66.1105 of the Wisconsin Statutes. It is a method by which the City can recover its project costs in the designated district of the City. Those costs are recovered through tax increments, which are placed on the tax rolls.

I. Capital Contributions

Capital contributions represent the value of infrastructure contributed or paid by developers for plant. They are recorded as additions to net position in the government-wide statements and proprietary fund statements. These amounts are not subject to repayment.

J. Advances to Other Funds

Non-current portions of long-term interfund loan receivables are reported as advances and are offset equally by a fund balance reserve account which indicates that they do not constitute expendable available financial resources and therefore are not available for appropriation.

K. Pensions

For purposes of measuring the 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 Wisconsin Retirement System ("WRS"), and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by the WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefits terms. Investments are reported at fair value.

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2023

1. Summary of Significant Accounting Policies (Continued)

L. Other Post-Employment Benefits

Group Life Insurance Plan

The fiduciary net position of the Local Retiree Life Insurance Fund (“LRLIF”) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the net other postemployment benefits (“OPEB”) liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense (revenue), and information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIF’s fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments (including refunds of member contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

City Health Insurance Plan

For purposes of measuring the OPEB Health Insurance liability and OPEB expense, information of the City’s OPEB plan has been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with benefit terms.

M. Deferred Outflows of Resources and Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expenditure) until then. The City has two items that qualify for reporting in this category. The deferred outflows of resources are for the WRS pension system and the LRLIF.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statements element represents an acquisition of net position which applies to a future period and will not be recognized as an inflow of resources (revenue) until then. The City has three items that qualify for reporting in the category. The deferred inflows of resources are related to the deferred property tax revenue to be received in 2024, along with the WRS pension system and the LRLIF. In 2023, deferred lease inflows were also added.

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2023

2. Cash and Investments

As previously discussed, cash for all City funds is pooled for investment purposes. At December 31, 2023, the cash and investments consist of the following:

	Carrying Value	Bank Balance	Associated Risk
Deposits in financial institutions - City	\$ 21,398,530	\$ 19,611,496	Custodial credit risk, interest rate risk
Deposits in financial institutions - CDA	1,142,835	1,142,835	Custodial credit risk, interest rate risk
LGIP	<u>7,222,655</u>	<u>7,222,655</u>	Credit risk, interest rate risk
Total Cash and Investments	<u><u>\$ 29,764,020</u></u>	<u><u>\$ 27,976,986</u></u>	

Reconciliation to financial statements

Per statement of net position

Primary government

Cash and Cash Equivalents \$20,104,527

Restricted Cash and Cash Equivalents 4,537,682 Agrees to Restricted Assets tab

Component unit 1,179,629 Agrees to subtotal on lead

Fiduciary Funds

Tax Custodial Fund 3,942,182 Agrees to subtotal on lead

Total Cash and Investments \$ 29,764,020

A. 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. As of December 31, 2023, the Local Government Investment Pool ("LGIP") investments have an average maturity of 17 days and a fair value of \$7,222,655.

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2023

2. Cash and Investments (Continued)

B. 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. The City has no investment policy that would further limit its investments choices.

The LGIP is part of the State Investment Fund (“SIF”), and is managed by the State of Wisconsin Investment Board (SWIB). The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. All investments are valued at amortized cost by the SIF for purposes of calculating earnings to each participant. Specifically, the SIF distributes income to pool participants monthly, based on their average daily share balance. Distributions include interest income based on stated rates (both paid and accrued), amortization of discounts and premiums on a straight-line basis, realized investment gains and losses calculated on an amortized cost basis, and investment expenses. This method does not distribute to participants any unrealized gains or losses generated by the pool’s investments. Detailed information about the SIF is available in separately issued financial statements available at <https://doa.wi.gov/Pages/StateFinances/LGIP.aspx>.

Participants in the LGIP have the right to withdraw their funds in total on one day’s notice. At December 31, 2023, the fair value of the City’s share of the LGIP’s assets was substantially equal to the amount reported above. Information on derivatives was not available to the City.

Investment allocation in the LGIP as of December 31, 2023 was: 39% in U.S. Treasuries, 2% in Certificates of Deposit and Bankers’ Acceptances and 10% in Commercial Paper and Corporate Notes. The Wisconsin State Treasurer updates the investment allocations on a monthly basis.

C. Custodial Credit Risk

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

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings deposit accounts and \$250,000 for demand deposit accounts. Deposits in credit unions are insured by the National Credit Union Administration in the amount of \$250,000 for all share draft accounts, and \$250,000 for all share certificate and regular share accounts.

Bank accounts, credit union accounts, and the local government investment pool are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the relatively small size of the Guarantee Fund in relationship to the total deposits covered and other legal implications, recovery of material principal losses may be significant to individual municipalities. This has been considered when determining custodial credit risk.

The City’s uninsured deposits in financial institutions are collateralized by various instruments. These include depository bonds and collateralized investments.

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2023

2. Cash and Investments (Continued)

Custodial Credit Risk (Continued)

As of December 31, 2023, the City's deposits with financial institutions in excess of federal depository insurance limits that were exposed to custodial credit risk are listed below:

Uninsured and collateralized by depository bond	\$ 4,137,343
Uninsured and collateral held by the pledging financial institution's trust department or agent not in the City's name	\$ 13,352,829
Uninsured and uncollateralized	\$ -

D. Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer.

3. Receivables

The following accounts receivable amounts are not expected to be collected within one year:

	General
Delinquent personal property taxes	\$ 3,840
Special assessments	4,936
Total	\$ 8,776

The following represents 2023 lease revenue at year-end:

	For the Year Ended December 31, 2023			
	Governmental Activities	Business-type Activities	Component Unit	Total
Lease-related Revenue				
Lease Revenue				
Land and equipment	\$ (32,220)	\$ (20,012)	\$ -	\$ (52,232)
Office Space	-	-	(147,964)	(147,964)
Total Lease Revenue	(32,220)	(20,012)	(147,964)	(200,196)
Interest Revenue	(1,182)	(824)	(31,704)	(33,710)
Total	\$ (33,402)	\$ (20,836)	\$ (179,668)	\$ (233,906)

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2023

3. Receivables (Continued)

Aggregate future cash flows for the revenue generated by the lease receivables and interest for the City as of December 31, 2023 were as follows:

Year Ended December 31,	Business-type Activities		Component Unit		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ (8,020)	\$ (327)	\$ (141,248)	\$ (26,682)	\$ (149,268)	\$ (27,009)
2025	-	-	(101,734)	(21,746)	(101,734)	(21,746)
2026	-	-	(105,879)	(17,602)	(105,879)	(17,602)
2027	-	-	(112,988)	(13,242)	(112,988)	(13,242)
2028	-	-	(83,750)	(9,250)	(83,750)	(9,250)
2029-2031	-	-	(185,600)	(8,150)	(185,600)	(8,150)
Total	<u>\$ (8,020)</u>	<u>\$ (327)</u>	<u>\$ (731,199)</u>	<u>\$ (96,672)</u>	<u>\$ (739,219)</u>	<u>\$ (96,999)</u>

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

	Unearned	Total
Property taxes for subsequent year	\$ 6,737,184	\$ 6,737,184
Tournament entry fees	4,250	4,250
Leases	21,480	21,480
Unearned Fire & EMS revenue	280,663	280,663
Total Deferred Inflows of Resources For Governmental Funds	<u>\$ 7,043,577</u>	<u>\$ 7,043,577</u>

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2023

4. Restricted Assets

The following represent the balances of the restricted cash and cash equivalents:

	Water Utility	Wastewater Utility	Totals
Restricted Assets			
Redemption account	\$ 39,008	\$ 142,076	\$ 181,084
Unspent bond proceeds	473,727	292,229	765,956
Reserve account	586,943	350,603	937,546
Connection account	-	375,559	375,559
DNR Replacement account	-	2,277,537	2,277,537
	<u> </u>	<u> </u>	<u> </u>
Total Restricted Assets	<u>\$ 1,099,678</u>	<u>\$ 3,438,004</u>	<u>\$ 4,537,682</u>

Long-Term Debt Accounts

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

Reserve – Used to report resources set aside to make up potential future deficiencies in the redemption account.

Equipment Replacement Account

The Wastewater Utility established an equipment replacement account to be used for significant mechanical equipment replacement as required by the Wisconsin Department of Natural Resources.

Clean Water Fund Loan Account

The Wastewater Utility established this account in order to track clean water fund loan proceeds and reimbursements.

Following is a list of the restricted cash and cash equivalents at December 31, 2023:

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2023

5. Capital Assets

Capital asset activity in the governmental activities for the year ended December 31, 2023, was as follows:

	1/1/2023 Beginning Balance	Additions	Deletions	12/31/2023 Ending Balance
Governmental Activities				
Capital Assets Not Being Depreciated				
Construction in Progress	\$ -	\$ 1,392,186	\$ -	\$ 1,392,186
Land	3,046,076	-	310,550	2,735,526
Right of way	1,879,406	-	-	1,879,406
Land improvements	4,841,168	-	-	4,841,168
Total Capital Assets Not Being Depreciated	9,766,650	1,392,186	310,550	10,848,286
Capital Assets Being Depreciated				
Land Improvements	2,454,873	162,504	-	2,617,377
Buildings	13,098,824	19,375	652,389	12,465,810
Traffic and Street Lights	1,471,875	-	-	1,471,875
Machinery and Equipment	8,657,763	338,802	94,486	8,902,079
Streets	29,632,790	120,904	-	29,753,694
Sidewalks	1,257,134	-	-	1,257,134
Curb and Gutter	1,056,113	-	-	1,056,113
Total Capital Assets Being Depreciated	57,629,372	641,585	746,875	57,524,082
Accumulated Depreciation				
Total Accumulated Depreciation	27,109,041	1,757,635	310,355	28,556,321
Capital Assets, Net of Depreciation	\$ 40,286,981	\$ 276,136	\$ 747,070	\$ 39,816,047

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2023

5. Capital Assets (Continued)

Depreciation expense for the governmental activities is as follows:

Government Activities	
General Government	\$ 174,852
Public Safety	195,566
Public Works, which includes the depreciation of streets (including curb and gutter) and sidewalks	1,163,257
Culture, Recreation and Education	<u>223,960</u>
Total Governmental Activities Depreciation Expense	<u><u>\$ 1,757,635</u></u>

Capital asset activity in the business-type activities for the year ended December 31, 2023, was as follows:

<u>Water</u>	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets Not Being Depreciated				
Construction in progress	\$ 21,150	\$ 651,589	\$ -	\$ 672,739
Land and land rights	<u>224,506</u>	<u>-</u>	<u>-</u>	<u>224,506</u>
Total Capital Assets Not Being Depreciated	<u>245,656</u>	<u>651,589</u>	<u>-</u>	<u>897,245</u>
Capital Assets Being Depreciated				
Source of supply	705,364	-	-	705,364
Pumping	978,052	9,880	-	987,932
Water treatment	1,458,742	-	-	1,458,742
Transmission and distribution	21,898,948	618,588	59,375	22,458,161
Administrative and general assets	<u>1,037,855</u>	<u>13,327</u>	<u>-</u>	<u>1,051,182</u>
Total Capital Assets Being Depreciated	<u>26,078,961</u>	<u>641,795</u>	<u>59,375</u>	<u>26,661,381</u>
Total Capital Assets	<u>26,324,617</u>	<u>1,293,384</u>	<u>59,375</u>	<u>27,558,626</u>
Less: Accumulated depreciation	<u>(8,595,787)</u>	<u>(515,798)</u>	<u>(54,866)</u>	<u>(9,056,719)</u>
Net Capital Assets	<u><u>\$ 17,728,830</u></u>	<u><u>\$ 777,586</u></u>	<u><u>\$ 4,509</u></u>	<u><u>\$ 18,501,907</u></u>

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2023

5. Capital Assets (Continued)

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Wastewater</u>				
Capital Assets Not Being Depreciated				
Construction in progress	\$ 180,203	\$ 56,266	\$ -	\$ 236,469
Land and land rights	4,498,925	-	-	4,498,925
Total Capital Assets Not Being Depreciated	4,679,128	56,266	-	4,735,394
Capital Assets Being Depreciated				
Collection system	17,214,642	121,182	-	17,335,824
Treatment and disposal	37,645,225	-	-	37,645,225
General	1,840,614	4,573	-	1,845,187
Total Capital Assets Being Depreciated	56,700,481	125,755	-	56,826,236
Total Capital Assets	61,379,609	182,021	-	61,561,630
Less: Accumulated depreciation	(25,116,997)	(1,262,330)	-	(26,379,327)
Net Capital Assets	<u>\$ 36,262,612</u>	<u>\$ (1,080,309)</u>	<u>\$ -</u>	<u>\$ 35,182,303</u>
	Beginning Balance	Additions	Deletions	Ending Balance
<u>Stormwater</u>				
Capital Assets Not Being Depreciated				
Construction in progress	\$ 13,281	\$ 62,399	\$ -	\$ 75,680
Total Capital Assets Not Being Depreciated	13,281	62,399	-	75,680
Capital Assets Being Depreciated				
Infrastructure	7,402,354	-	-	7,402,354
Less: Accumulated depreciation	(928,141)	(121,028)	-	(1,049,169)
Net Capital Assets	<u>\$ 6,487,494</u>	<u>\$ (58,629)</u>	<u>\$ -</u>	<u>\$ 6,428,865</u>

Listed below is the depreciation expense for the utilities.

Business Type Activities

Water Utility	\$ 491,300
Wastewater Utility	1,286,828
Stormwater Utility	121,028
Total Business-Type Activities Depreciation Expense	<u>\$ 1,899,156</u>

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2023

6. Interfund Receivables/Payables, Advances and Transfers

Interfund Receivables/Payables

The following is a schedule of interfund receivables and payables including any overdrafts on pooled cash and investment accounts in the governmental funds:

Receivable Fund	Payable Fund	Amount
General Fund	Police Department Trust Fund	\$ 1,096
General Fund	Tax Custodial Fund	7,890
General Fund	Rescue Squad Equipment	45
General Fund	TIFs 10, 12, and 13	67,920
Subtotal - General Fund		<u>76,951</u>
Water Utility	General Fund	6,803
Subtotal - Proprietary Funds		<u>6,803</u>
Subtotal - Fund Financial Statements		83,754
Less: Fund Eliminations		<u>(76,951)</u>
Total - Government-Wide Statements		<u><u>\$ 6,803</u></u>
Receivable Fund	Payable Fund	Amount
Governmental Activity	Tax Collection Fund	\$ 7,890
Governmental Activity	Component Unit Activity	17,177
Business-type Activity	Governmental Activity	6,803
	Total	<u><u>\$ 31,870</u></u>

The principal purpose of these interfunds is due to commingled cash. All remaining balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. All amounts are due within one year.

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

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2023

6. Interfund Receivables/Payables, Advances and Transfers (Continued)

Advances

The following is a schedule of interfund advances:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Amount Due Within One Year</u>
General Fund	Aquatic Center	\$ 69,578	-
General Fund	Fire and EMS Fund	<u>\$ 130,026</u>	<u>-</u>
Advances Receivable Governmental Funds		<u><u>\$ 199,604</u></u>	<u><u>\$ -</u></u>

No repayment schedule exists.

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2023

6. Interfund Receivables/Payables, Advances and Transfers (Continued)

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
General Fund	Parking Permit Fund	\$ 35,350	Administrative
General Fund	Police Department Trust Fund	5,000	Administrative
General Fund	Fire and EMS Fund	385,000	Administrative
General Fund	Water and Sewer	346,697	Tax equivalent
General Fund	Stormwater Utility	25,000	Capital equipment
Subtotal - General Fund		<u>797,047</u>	
Capital Projects Fund	General Fund	<u>500</u>	Appropriation
Debt Service Fund	General Fund	67,039	Debt service payment
Debt Service Fund	TIF 12	16,586	Debt service payment
Subtotal - Debt Service Fund		<u>83,625</u>	
Cable TV Fund	General Fund	47,200	Appropriation
Aquatic Center Fund	General Fund	50,000	Capital improvements
Aquatic Center Fund	General Fund	279,759	Appropriation
Parks and Recreation Fund	General Fund	197,795	Appropriation
Fire and EMS Fund	General Fund	1,258,615	Appropriation
Library Special Revenue Fund	General Fund	470,000	Appropriation
Parks and Recreation Fund	Field of Dreams Fund	5,050	Appropriation
Subtotal - Non-Major Funds		<u>2,308,419</u>	
Water Utility	TIF 14	44,465	Debt Service Payments
Wastewater Utility	Water Utility	50,526	Bond Issuance Costs
Subtotal - Enterprise Funds		<u>94,991</u>	
Sub-Total – Fund Financial Statements		3,284,582	
Less: Fund Eliminations		<u>(2,957,350)</u>	
Total – Government-Wide Statement of Activities - Primary Government		<u>\$ 327,232</u>	
CDA	Housing	\$ 50,000	Economic development
CDA	TIFs 11 and 12	15,000	Economic development
CDA	General Fund	<u>32,500</u>	Economic development
Total – Government-Wide Statement of Activities - Component Unit		<u>\$ 97,500</u>	

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2023

6. Interfund Receivables/Payables, Advances and Transfers (Continued)

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

7. Long-Term Obligations

The following is a summary of long-term debt transactions of the City for the year ended December 31, 2023.

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
GOVERNMENTAL ACTIVITIES					
Bonds and Notes Payable					
General Obligation Bonds	\$ 12,205,000	\$ -	\$ 725,000	\$ 11,480,000	\$ 860,000
Notes from Direct Borrowings	744,975	-	137,060	607,915	115,600
Sub-Total	<u>12,949,975</u>	<u>-</u>	<u>862,060</u>	<u>12,087,915</u>	<u>975,600</u>
Other Liabilities					
Vested Compensated Absences	<u>584,978</u>	<u>42,498</u>	<u>-</u>	<u>627,476</u>	<u>100,450</u>
Total Other Liabilities	<u>584,978</u>	<u>42,498</u>	<u>-</u>	<u>627,476</u>	<u>100,450</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 13,534,953</u>	<u>\$ 42,498</u>	<u>\$ 862,060</u>	<u>\$ 12,715,391</u>	<u>\$ 1,076,050</u>
BUSINESS-TYPE ACTIVITIES					
Bonds and Notes Payable					
General Obligation Notes and Bonds	\$ 8,954,997	\$ -	\$ 524,997	\$ 8,430,000	\$ 595,500
Bonds from Direct Borrowings	18,415,528	-	1,359,307	17,056,221	1,342,793
Revenue Bonds	<u>8,190,000</u>	<u>1,550,000</u>	<u>1,790,000</u>	<u>7,950,000</u>	<u>430,000</u>
Total Long-Term Debt	<u>35,560,525</u>	<u>1,550,000</u>	<u>3,674,304</u>	<u>33,436,221</u>	<u>2,368,293</u>
Other Liabilities					
Vested Compensated Absences	<u>118,048</u>	<u>-</u>	<u>46,563</u>	<u>71,485</u>	<u>18,508</u>
Total Other Liabilities	<u>118,048</u>	<u>-</u>	<u>46,563</u>	<u>71,485</u>	<u>18,508</u>
Total Business-type Activities Long-Term Liabilities	<u>\$ 35,678,573</u>	<u>\$ 1,550,000</u>	<u>\$ 3,720,867</u>	<u>\$ 33,507,706</u>	<u>\$ 2,386,801</u>

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2023

7. Long-Term Obligations (Continued)

A. Governmental Activities – General Obligation Debt

All general obligation notes and bonds payable are backed by the full faith and credit of the municipality. Notes and bonds will be retired by future property tax levies. Proprietary fund debt is payable by revenues from user fees of those funds, or if the revenues are not sufficient, by future tax levies.

The City's general obligation debt limit is equal to 5% of the City's total equalized value. The City's debt limit as of December 31, 2023, is \$48,814,160. Debt subject to the limit is \$20,782,415.

The following table outlines the governmental debt:

	<u>Date Of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/23</u>	<u>Current Portion</u>
Governmental Activities						
2012 GO Refunding Bonds	5/17/2012	9/1/2031	.85-3.25%	\$ 5,020,000	\$ 2,510,000	\$ 290,000
2014 Taxable GO Bonds	6/10/2014	9/1/2029	0.5-3.0%	\$ 2,645,000	1,545,000	155,000
2018 Taxable GO Bonds	4/11/2018	9/1/2037	2.0-5.0%	\$ 2,535,000	2,225,000	110,000
2019 GO Promissory Notes	7/23/2019	7/23/2029	2.49%	\$ 703,500	352,800	64,050
2020 Taxable GO Bonds	7/8/2020	6/1/2040	2.0-2.1%	\$ 1,450,000	1,040,000	170,000
2022 Taxable GO Bonds	3/30/2022	6/1/2041	3.0-4.0%	\$ 4,165,000	4,160,000	135,000
2022 GO Promissory Notes	12/9/2022	12/15/2032	3.99%	\$ 304,500	255,115	51,550
Total Governmental Activities -- General Obligation Debt					<u>\$ 12,087,915</u>	<u>\$ 975,600</u>

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2023

7. Long-Term Obligations (Continued)

A. Governmental Activities – General Obligation Debt (Continued)

Debt service requirements to maturity are as follows:

Governmental Activities

<u>Years</u>	<u>General Obligation Bonds</u>		<u>Notes from Direct Borrowings</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 860,000	\$ 336,201	\$ 115,600	\$ 18,505
2025	845,000	312,739	111,406	14,781
2026	820,000	293,264	113,568	11,180
2027	845,000	271,386	115,817	7,493
2028	835,000	248,121	64,526	4,258
2029-2033	3,750,000	827,789	86,998	4,075
2034-2038	2,580,000	329,275	-	-
2039-2041	945,000	40,030	-	-
Totals	<u>\$ 11,480,000</u>	<u>\$ 2,658,802</u>	<u>\$ 607,915</u>	<u>\$ 60,293</u>

B. Business-Type Debt

The following is business-type debt outstanding:

	<u>Date of Issuance</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/23</u>	<u>Current Portion</u>
<u>Water Utility</u>						
2022 Mortgage Revenue Bonds	6/9/2022	5/1/1942	4.0-5.0%	\$ 4,625,000	<u>\$ 6,050,000</u>	<u>\$ 270,000</u>
					<u>6,050,000</u>	<u>270,000</u>
2014 Taxable GO Bonds	6/10/2014	9/1/2029	0.5-3.0%	\$ 510,000	230,000	35,000
2018 Taxable GO Bonds	4/11/2018	9/1/2037	2.0-5.0%	\$ 1,850,000	1,465,000	95,000
2019 GO Promissory Notes	7/23/2019	7/23/2029	2.49%	\$ 313,000	187,800	31,300
2020 GO Taxable Bonds	7/8/2020	6/1/2040	2.0-2.1%	\$ 1,730,000	<u>1,520,000</u>	<u>80,000</u>
				Total Water Utility G.O. Debt	<u>3,402,800</u>	<u>241,300</u>
				Total Water Utility Long-Term Debt	<u>9,452,800</u>	<u>511,300</u>

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2023

7. Long-Term Obligations (Continued)

B. Business-Type Debt (continued)

	<u>Date of Issuance</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/23</u>	<u>Current Portion</u>
<u>Wastewater Utility</u>						
2009 Clean Water Fund Loan	12/9/2009	5/1/2029	2.91%	\$ 50,000	1,063,823	164,836
2011 Clean Water Fund Loan	7/27/2011	5/1/2031	2.40%	\$ 115,954	291,414	33,476
2016 Clean Water Fund Loan	4/13/2016	5/1/2035	2.10%	\$ 8,829,926	15,436,484	1,144,481
2022 Mortgage Revenue Bonds	6/9/2022	5/1/1942	4.0-5.0%	\$ 3,565,000	1,900,000	160,000
		Total Wastewater Utility Revenue Bonds			18,691,721	1,502,793
2014 Taxable GO Bonds	6/10/2014	9/1/2029	0.5-3.0%	\$ 220,000	95,000	15,000
2018 Taxable GO Bonds	4/11/2018	9/1/2037	2.0-5.0%	\$ 1,355,000	1,150,000	65,000
2019 GO Promissory Notes	7/23/2019	7/23/2029	2.49%	\$ 133,500	76,700	14,200
2020 GO Taxable Bonds	7/8/2020	6/1/2040	2.0-2.1%	\$ 1,795,000	1,575,000	80,000
		Total Wastewater Utility G.O. Debt			2,896,700	174,200
		Total Wastewater Utility Long-Term Debt			21,588,421	1,676,993
<u>Stormwater Utility</u>						
2012 GO Refunding Bonds	5/17/2012	9/1/2031	.85-3.25%	\$ 455,000	240,000	30,000
2014 Taxable GO Bonds	6/10/2014	9/1/2029	0.5-3.0%	\$ 905,000	410,000	65,000
2018 Taxable GO Bonds	4/11/2018	9/1/2037	2.0-5.0%	\$ 800,000	630,000	35,000
2020 GO Taxable Bonds	7/8/2020	6/1/2040	2.0-2.1%	\$ 220,000	190,000	10,000
2022 GO Taxable Bonds	3/30/2022	6/1/2041	3.0-4.0%	\$ 965,000	925,000	40,000
		Total Stormwater Utility G.O. Debt			2,395,000	180,000
		Total Business-type Activities Long-Term Debt			\$ 33,436,221	\$ 2,368,293

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2023

7. Long-Term Obligations (Continued)

B. Business-Type Debt (Continued)

Debt service requirements on business-type debt to maturity are as follows:

<u>Years</u>	<u>General Obligation Bonds and</u>		<u>Business-Type Activities</u>			
	<u>Notes</u>		<u>Bonds from Direct Borrowings</u>		<u>Revenue Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 550,000	\$ 235,778	\$ 1,388,293	\$ 353,905	\$ 430,000	\$ 339,769
2025	560,000	217,633	1,416,227	322,787	345,000	320,394
2026	575,000	199,185	1,446,525	291,060	345,000	303,144
2027	595,000	179,985	1,477,501	258,646	270,000	287,769
2028	610,000	163,920	1,509,172	225,535	205,000	275,894
2029-2033	2,634,999	578,016	6,971,209	660,437	1,605,000	1,175,694
2034-2038	2,359,999	222,389	2,847,295	60,104	2,390,000	744,962
2039-2042	545,001	14,653	-	-	2,360,000	202,978
Totals	<u>\$ 8,430,000</u>	<u>\$ 1,811,559</u>	<u>\$ 17,056,221</u>	<u>\$ 2,172,473</u>	<u>\$ 7,950,000</u>	<u>\$ 3,650,603</u>

C. Other Debt

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

A statutory mortgage lien upon the utility's system and any additions, improvements and extensions thereto is created by Section 66.066 of the Wisconsin Statutes as provided for in the ordinances creating the revenue bond issue. The City's system and the earnings of the system remain subject to the lien until payment in full of the principal and interest on the bonds.

There are a number of limitations and restrictions contained in the various bond indentures and loan agreements. The City believes it is in compliance with all significant limitations and restrictions, including federal arbitrage regulations.

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2023

8. Commitments

Construction

The City has committed up to \$3 million for a library expansion. The total costs anticipated are \$5.057 million. The project is being designed and the library is in the middle of a capital fundraising campaign.

9. Net Position/Fund Balances

Governmental Activities

Net position reported on the government-wide statement of net position at December 31, 2023, includes the following:

Capital Assets net of depreciation	\$ 39,816,047
Less: long-term debt outstanding	(12,377,613)
Total Net Investment in Capital Assets	<u>\$ 27,438,434</u>
Restricted	
Cable TV Fund	87,482
Library Special Revenue Fund	952,131
Taxicab Grant Program Fund	61,262
Parkland Acquisition Fund	61,233
Parkland Development Fund	17,488
Forestry Fund	13,828
Rescue Squad Equipment/Education Fund	137,971
Parking Permit Fund	71,859
Police Dept. Trust Fund	69,989
Parks and Recreation Fund	35,981
Field of Dreams Fund	65,112
Total Special Revenue Funds	<u>1,574,336</u>
Capital TIF districts	<u>3,048</u>
Total Restricted	<u>1,577,384</u>
Unrestricted	<u>7,611,356</u>
Total Governmental Activities Net Position	<u>\$ 36,627,174</u>

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2023

9. Net Position/Fund Balances (Continued)

Governmental Activities (Continued)

Fund balances as of December 31, 2023, include the items in the following tables:

Major Funds

<u>General Fund</u>	<u>Nonspendable</u>	<u>Restricted</u>	<u>Assigned</u>	<u>Unassigned</u>
Delinquent personal property tax	\$ 3,840	\$ -	\$ -	\$ -
Prepaid expenses	6,406	-	-	-
Advances	199,604	-	-	-
27th Payroll	-	-	-	-
Fire Department Equipment	-	-	1,060,553	-
DPW Equipment Revolving Fund	-	-	287,802	-
Police Vehicle Revolving Fund (deficit)	-	-	32,738	-
Building Repair Fund	-	-	46,152	-
Skate Park Fund	-	-	5,433	-
Solid Waste/Recycling Fund	-	-	17,774	-
Sick Leave Severance Fund	-	-	132,389	-
Lakes Improvements Fund	-	-	475	-
Street Repair Revolving Fund	-	-	616,236	-
Insurance Fund	-	-	136,281	-
Elections Fund	-	-	18,760	-
Unassigned	-	-	-	2,917,974
Total General Fund	<u>\$ 209,850</u>	<u>\$ -</u>	<u>\$ 2,354,593</u>	<u>\$ 2,917,974</u>

Fire and EMS

Fund balance (deficit)	<u><u>\$ (100,743)</u></u>
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CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2023

9. Net Position/Fund Balances (Continued)

Governmental Activities (Continued)

<u>Non-Major Funds</u>	<u>Nonspendable</u>	<u>Restricted</u>	<u>Assigned</u>	<u>Unassigned</u>
Special Revenue Funds				
Cable TV Fund	\$ -	\$ 87,482	\$ -	\$ -
Library Special Revenue Fund	-	952,131	-	-
Taxicab Grant Program Fund	-	61,262	-	-
Parkland Acquisition Fund	-	61,233	-	-
Parkland Development Fund	-	17,488	-	-
Forestry Fund	-	13,828	-	-
Rescue Squad Equipment/Education Fund	-	137,971	-	-
Parking Permit Fund	-	71,859	-	-
Police Dept. Trust Fund	-	69,989	-	-
Parks and Recreation Fund	-	35,981	-	-
Field of Dreams Fund	-	65,112	-	-
Aquatic Center (deficit)	-	-	-	(69,579)
Capital Projects Funds				
TID 10 (deficit)	-	-	-	(16,469)
TID 11	-	2,436	-	-
TID 12 (deficit)	-	-	-	(44,296)
TID 13 (deficit)	-	-	-	(7,154)
TID 14	-	612	-	-
Capital Projects		392,339		
Housing		2,007,538		
Total Non-Major Funds	<u>\$ -</u>	<u>\$ 3,977,261</u>	<u>\$ -</u>	<u>\$ (137,498)</u>

See Note 1. G. for an explanation of fund deficits.

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2023

9. Net Position/Fund Balances (Continued)

Business-Type Activities

The following calculation supports the Water, Wastewater, and Stormwater Utilities' balance of net investment in capital assets:

	<u>2023</u>
Water Utility	
Capital Assets net of depreciation	\$ 18,504,296
Less: related long-term debt outstanding	<u>(10,568,790)</u>
Total Invested in Capital Assets	<u>7,935,506</u>
Unspent bond proceeds	473,727
Reserve from borrowing	586,943
Total Net Position - Net Investment in Capital Assets	<u><u>\$ 8,996,176</u></u>
	<u>2023</u>
Wastewater Utility	
Capital Assets net of depreciation	\$ 35,183,152
Less: related long-term debt outstanding	<u>(21,728,435)</u>
Total Invested in Capital Assets	<u>13,454,717</u>
Unspent bond proceeds	292,229
Reserve from borrowing	350,603
Total Net Position - Net Investment in Capital Assets	<u><u>\$ 14,097,549</u></u>
	<u>2023</u>
Stormwater Utility	
Capital Assets net of depreciation	\$ 6,428,865
Less: related long-term debt outstanding	<u>(2,457,757)</u>
Total Net Position - Net Investment in Capital Assets	<u><u>\$ 3,971,108</u></u>

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2023

9. Net Position/Fund Balances (Continued)

Business-Type Activities (Continued)

The following calculation supports the Water, Wastewater, and Stormwater Utilities' balance of restricted net position as of December 31, 2023:

	<u>Water</u>	<u>Wastewater</u>
Restricted Assets		
Redemption account	\$ 39,008	\$ 142,076
Reserve account	586,943	350,603
Connection account	-	375,559
Replacement account	-	2,277,537
Total Restricted Assets	<u>625,951</u>	<u>3,145,775</u>
Less: Restricted Assets Not Funded by Revenues		
Reserve from borrowing	(586,943)	(350,603)
Less: Current Liabilities Payable From Restricted Assets	<u>(16,508)</u>	<u>(30,176)</u>
Total Restricted Net Position as Calculated	<u>\$ 22,500</u>	<u>\$ 2,764,996</u>
Restricted for Debt	\$ 22,500	\$ 111,900
Restricted for Capital	-	2,653,096
	<u>22,500</u>	<u>2,764,996</u>

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2023

10. Defined Benefit Pension Plan

A. Plan Description

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

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

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

B. 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.

C. Benefits Provided

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

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

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

The WRS also provides death and disability benefits for employees.

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2023

10. Defined Benefit Pension Plan (Continued)

D. Post-Retirement Adjustments

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

Year	Core Fund Adjustment (%)	Variable Fund Adjustment (%)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0
2021	5.1	13.0
2022	7.4	15.0

E. Contributions

Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, executives and elected officials. Starting on January 1, 2016, the executives and elected officials category was merged into the general employee category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement. During the reporting period, the WRS recognized \$472,129 in contributions from the municipality.

Contribution rates as of December 31, 2023, are:

Employee Category	Employee	Employer
General (including teachers, executives and elected officials)	6.80%	6.80%
Protective with Social Security	6.80%	13.20%
Protective without Social Security	6.80%	18.10%

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2023

10. Defined Benefit Pension Plan (Continued)

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

At December 31, 2023, the City reported a liability (asset) of \$2,178,800 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2022, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2021, rolled forward to December 31, 2022. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension liability (asset) was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2022, the City's proportion was 0.04112726%, which was a decrease of 0.00019082% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the City recognized pension expense (income) of \$1,110,094.

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

At December 31, 2023, 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	\$ 3,470,154	\$ (4,559,003)
Net differences between projected and actual earnings on pension plan investments	3,701,279	-
Changes in assumptions	428,442	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	5,959	(2,734)
Employer contributions subsequent to the measurement date	667,811	-
Total	<u>\$ 8,273,645</u>	<u>\$ (4,561,737)</u>

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2023

10. Defined Benefit Pension Plan (Continued)

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

\$312,790 reported as deferred outflows of resources related to pension resulting from the WRS Member's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31:	Net Deferred Outflows (Inflows) of Resources
2024	\$ 126,395
2025	630,237
2026	647,246
2027	1,640,219
2028	-
Total	<u>\$ 3,044,097</u>

G. Actuarial Assumptions

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

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

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

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2023

10. Defined Benefit Pension Plan (Continued)

G. 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, 2021 is based upon a roll-forward of the liability calculated from the December 31, 2020 actuarial valuation.

H. Long-Term Expected Return on Plan Assets

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

Asset Allocation Targets and Expected Returns¹
As of December 31, 2022

Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return % ²
Public Equity	48	7.6	5.0
Public Fixed Income	25	5.3	2.7
Inflation Sensitive	19	3.6	1.1
Real Estate	8	5.2	2.6
Private Equity/Debt	15	9.6	6.9
Total Core Fund ³	115	7.4	4.8
Variable Fund Asset Class			
U.S. Equities	70	7.2	4.6
International Equities	30	8.1	5.5
Total Variable Fund	100	7.7	5.1

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

²New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.5%

³The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower volatility assets, such as fixed income securities. This results in an asset allocation beyond 100%. Currently, an asset allocation target of 15% policy leverage is used, subject to an allowable range of up to 20%

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2023

10. Defined Benefit Pension Plan (Continued)

I. Single Discount Rate

A single discount rate of 6.8% was used to measure the Total Pension Liability, as opposed to a discount rate of 7.0% for the prior year. This single discount rate is based on the expected rate of return on pension plan investments of 6.80% and a municipal bond rate of 4.05% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2021. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

	1% Decrease to Discount Rate (5.80%)	Current Discount Rate (6.80%)	1% Increase to Discount Rate (7.80%)
City's proportionate share of the net pension liability (asset)	\$ 7,231,367	\$ 2,178,800	\$ (1,296,932)

K. 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>.

L. Allocation of Pension Plan

Pension amounts are allocated between the General Fund, Proprietary Funds and CDA based upon the required contributions of each fund to the whole.

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2023

11. Other Post-Employment Benefits Plan – Multiple Employer Life Insurance Plan

A. Plan Description

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

B. 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.

C. 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.

D. Contributions

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

Employers are required to pay the following contributions based on 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, 2023, are:

<u>Coverage Type</u>	<u>Employer Contribution</u>
25% Post Retirement Coverage	20% of Member Contribution

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2023

**11. Other Post-Employment Benefits Plan – Multiple Employer Life Insurance Plan
(Continued)**

D. 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 employee contribution rates in effect for the year ended December 31, 2022 are as listed below:

Life Insurance Member Contribution Rates* For the year ended December 31, 2022		
Attained Age	Basic	Supplemental
Under 30	\$0.05	\$0.05
30-34	0.06	0.06
35-39	0.07	0.07
40-44	0.08	0.08
45-49	0.12	0.12
50-54	0.22	0.22
55-59	0.39	0.39
60-64	0.49	0.49
65-69	0.57	0.57

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

During the reporting period, the LRLIF recognized \$1,634 in contributions from the employer.

**E. OPEB Liabilities, OPEB Expense (Revenue), and Deferred Outflows of Resources and
Deferred Inflows of Resources Related to OPEBs**

At December 31, 2023, the City reported a liability (asset) of \$310,402 for its proportionate share of the net OPEB liability (asset). The net OPEB liability (asset) was measured as of December 31, 2022 and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of January 1, 2022, rolled forward to December 31, 2022. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net OPEB liability (asset) was based on the City's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2022, the City's proportion was 0.08147400%, which was a decrease of 0.002069% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the City recognized OPEB expense of \$22,836.

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2023

**11. Other Post-Employment Benefits Plan – Multiple Employer Life Insurance Plan
(Continued)**

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (30,377)
Net differences between projected and actual earnings on plan investments	5,825	-
Changes in actuarial assumptions	111,521	(183,222)
Changes in proportion and differences between employer contributions and proportionate share of contributions	906	(33,905)
Employer contributions subsequent to the measurement date	1,673	-
Totals	<u>\$ 119,925</u>	<u>\$ (247,504)</u>

\$1,673 reported as deferred outflows related to OPEB resulting from the City employer's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense(revenue) as follows:

Year Ended December 31:	Net Deferred Outflows (Inflows) of Resources
2024	\$ (14,555)
2025	(17,024)
2026	(9,995)
2027	(24,563)
2028	(33,797)
Thereafter	(29,318)
Total	<u>\$ (129,252)</u>

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2023

**11. Other Post-Employment Benefits Plan – Multiple Employer Life Insurance Plan
(Continued)**

F. Actuarial Assumptions

The total OPEB liability in the January 1, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2022
Measurement Date of Net OPEB Liability (Asset)	December 31, 2022
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:	3.72%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	3.76%
Salary Increases	
Wage Inflation:	3.00%
Seniority/Merit:	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table

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, 2022 is based upon a roll-forward of the liability calculated from the January 1, 2022 actuarial valuation.

G. 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.

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2023

11. Other Post-Employment Benefits Plan – Multiple Employer Life Insurance Plan (Continued)

G. Long-Term Expected Return on Plan Assets (Continued)

Local OPEB Life Insurance
Asset Allocation Targets and Expected Returns
As of December 31, 2022

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
US Intermediate Credit Bonds	Bloomberg US Interim Credit	50%	2.45%
US Mortgages	Bloomberg US MBS	50%	2.83%
Inflation			2.30%
Long-Term Expected Rate of Return			4.25%

The long-term expected rate of return remained unchanged from the prior year at 4.25%. 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. The expected inflation rate remained unchanged from the prior year at 2.30%.

H. Single Discount Rate

A single discount rate of 3.76% was used to measure the Total OPEB Liability for the current year, as opposed to a discount rate of 2.17% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 2.06% as of December 31, 2021 to 3.72% as of December 31, 2022. 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.

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2023

**11. Other Post-Employment Benefits Plan – Multiple Employer Life Insurance Plan
(Continued)**

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

The following presents the City's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 3.76 percent, as well as what the City's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (2.76 percent) or 1-percentage-point higher (4.76 percent) than the current rate:

	1% Decrease to Discount Rate (2.76%)	Current Discount Rate (3.76%)	1% Increase to Discount Rate (4.76%)
City's proportionate share of the net OPEB liability (asset)	\$ 423,200	\$ 310,402	\$ 223,955

12. Other Post-Employment Benefits Plan – Single-Employer Health Insurance Plan

A. Plan Description

The City operates a single-employer retiree benefit plan that provides postemployment health insurance benefits to eligible employees and their spouses. There are 66 active members and 9 retired members in the plan. Benefits and eligibility are established and amended by the governing body. The plan does not issue stand-alone financial statements.

B. Benefits

Upon retirement, those retirees eligible for the Wisconsin Retirement System may choose to remain on the City's group medical plan indefinitely provided that they self-pay the full premiums. This is typically done with the use of accumulated sick and vacation pay.

C. Funding Policy

The City will fund the OPEB on a pay-as-you-go basis.

D. Employees Covered by Benefit Terms

At December 31, 2022, 66 active employees were eligible for the benefit terms.

E. Total OPEB Liability

The City's total OPEB liability of \$439,559 was measured at December 31, 2022, and was determined by an actuarial valuation as of December 31, 2022.

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2023

**12. Other Post-Employment Benefits Plan – Single-Employer Health Insurance Plan
(Continued)**

F. Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation:	2.50 percent
Salary increases:	3.0 percent, average, including inflation
Discount rate	4.31 percent
Healthcare cost trend rates	Actual first year increase, then 6.4% decreasing by 0.10% per year down to 5.0%, and level thereafter
Retirees' share of benefit-related costs	Retirees are responsible for the full (100%) amount of premiums

The discount rate is based on the S&P Municipal Bond 20 Year High Grade Index as of the week of the measurement date.

Mortality rates were based on the Wisconsin 2018 Mortality Table adjusted for future mortality improvements using the MP-2018 fully generated improvement scale (multiplied 60%).

The actuarial assumptions used in the December 31, 2022 valuation were based on a study conducted in 2018 using the Wisconsin Retirement System (WRS) experience from 2015-2017.

G. Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at 12/31/2021	<u>\$ 479,871</u>
Changes for the year:	
Service cost	52,768
Interest	11,072
Changes in assumptions or other inputs	(75,841)
Benefit payments	<u>(28,311)</u>
Net Changes	<u>(40,312)</u>
Balance at 12/31/2022	<u><u>\$ 439,559</u></u>

There were no changes of benefit terms.

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2023

**12. Other Post-Employment Benefits Plan – Single-Employer Health Insurance Plan
(Continued)**

H. Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.31 percent) or 1-percentage-point higher (5.31 percent) than the current discount rate:

		1% Decrease 3.31%	Current Discount Rate 4.31%	1% Increase 5.31%
Total OPEB Liability	12/31/2022	<u>\$ 474,768</u>	<u>\$ 439,559</u>	<u>\$ 407,321</u>

I. Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following represents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (actual first year increase, then 5.4 percent decreasing to 4.0 percent) or 1-percentage-point higher (actual first year increase, then 7.4 percent decreasing to 6.0 percent) than the current healthcare cost trend rates:

		1% Decrease (Actual first year increase, then 5.4% decreasing to 4.0%)	Healthcare Cost Trend Rates (Actual first year increase, then 6.4% decreasing to 5.0%)	1% Increase (Actual first year increase, then 7.4% decreasing to 6.0%)
Total OPEB Liability	12/31/2022	<u>\$ 394,806</u>	<u>\$ 439,559</u>	<u>\$ 493,402</u>

13. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. All risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial coverage in any of the past three years.

14. Aquatic Center Lease and Operating Agreement

The City and the Whitewater Unified School District (the "District") have a lease and operating agreement for the Aquatic Center (the "Center"). The Center is owned by the District and leased by the City for \$1 annually. The agreement provides for the City of Whitewater Park Board to assume responsibility for the operation and management of the Center. The effective date is July 1, 2016 for an initial five-year term expiring June 30, 2021. The renewal of this agreement remains under discussion and a committee is in place to negotiate.

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2023

14. Aquatic Center Lease and Operating Agreement (continued)

The City budgets and accounts for this activity separately in the Aquatic Center Fund (Fund 247) and is included as a Non-Major Special Revenue Fund within this document.

Under the agreement, the parties will split all Center expenses equally to the extent they are not covered by revenues generated by the Park Board. The City contributed \$329,759 toward the Center costs in 2023 and the District contributed \$400,009 in 2023 for Center costs.

As of December 31, 2023, the aquatic center fund had a deficit of \$69,579.

15. Component Unit

This report contains the City of Whitewater Community Development Authority (“CDA”), which is included as a component unit. Financial information is presented as a discrete column in the statement of net position and the statement of activities.

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

A. Basis of Accounting/Measurement Focus

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

B. Deposits and Investments

The CDA’s cash and investments at year end were comprised of the following:

	Carrying Value	Bank Balance	Associated Risk
	<u>\$</u>	<u>\$</u>	<u>Custodial Credit Risk, Interest Rate risk</u>
Demand deposits	<u>1,179,629</u>	<u>1,142,507</u>	

B. Deposits and Investments (Continued)

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for demand deposit accounts and \$250,000 for time and savings deposit accounts.

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the relatively small size of the Guarantee Fund in relationship to the total deposits covered and other legal implications, recovery of material principal losses may not be significant to individual municipalities.

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2023

15. Component Unit (Continued)

Custodial Credit Risk

Deposits – Custodial credit risk is the risk that in the event of a financial institution failure, the CDA’s deposits may not be returned to the CDA. As of December 31, 2023, the total bank balance of \$1,142,507 was exposed to custodial credit as outlined in Note 2. The City’s and the CDA deposits had FDIC and State Deposit Guarantee Fund insurance as well as collateralized investments held in the bank’s name. None of the City and CDA investments were uninsured and uncollateralized. No breakdown was given between the City and the CDA.

C. Economic Development and Housing Rehabilitation Loans Receivable

The CDA has received federal and state grant funds for economic development and housing rehabilitation loan programs to various businesses and individuals. The CDA records a loan receivable when the loan has been made and funds have been disbursed. It is the CDA’s policy to record revenue when the initial loan is made from the federal and state grant funds. Interest received from loan repayments is recognized as revenue when received in cash. The following receivable amounts are not expected to be collected within one year:

Loan receivable, net \$1,226,628

D. Capital Assets

	Beginning Balance	Additions	Deletions	Ending Balance	Useful Lives (Years)
Land	\$ 481,816	\$ -	\$ (206,644)	\$ 275,172	N/A
Equipment	-	-	-	-	5-10
Buildings	6,225,556	40,550	(137,562)	6,128,544	35-40
Accumulated Depreciation					
Equipment	-	-	-	-	
Buildings	(1,343,994)	(124,800)	7,675	(1,461,119)	
Totals	<u>\$ 5,363,378</u>	<u>\$ (84,250)</u>	<u>\$ (206,644)</u>	<u>\$ 4,942,597</u>	

E. Employee Retirement System

All eligible authority employees participate in the WRS, a cost-sharing defined benefit multiple-employer public employee retirement system (PERS). Activity related to the CDA’s involvement in the system is included with the City in Note 10.

F. Transfers In

The CDA recorded net transfers recorded from the City of \$97,500.

G. Due to and from City

The CDA Program fund owes the City \$17,117.

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2023

15. Component Unit (Continued)

H. Leases Receivable

The CDA is a lessor for building space. As of December 31, 2023, the CDA had leases receivable of \$731,198. A schedule of lease repayments to the CDA follows:

Year Ended December 31,	Component Unit	
	Principal	Interest
2024	\$ (141,248)	\$ (26,682)
2025	(101,734)	(21,746)
2026	(105,879)	(17,602)
2027	(112,988)	(13,242)
2028	(83,750)	(9,250)
2029-2031	(185,600)	(8,150)
Total	<u>\$ (731,199)</u>	<u>\$ (96,672)</u>

17. Economic Dependency

One of the City's Water Utility customers provides approximately 20.4% of the water revenue. Another provides 7.2% of water revenue and 25.4% of sewer revenue.

18. 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 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.

19. Effect of New Accounting Standards on Current Period Financial Statements

The GASB has adopted GASB Statement No. 100, *Accounting Changes and Error Corrections*, effective for periods beginning after June 15, 2023, and GASB Statement No. 101, *Compensated Absences*, effective for periods beginning after December 15, 2023. When these become effective, application of these standards may restate portions of these financial statements.

20. Subsequent Events

Subsequent to year-end, the City approved road construction and other capital projects costs totaling \$4,913,181.

Additionally, the City approved issuing \$6,430,000 in general obligation notes and \$1,635,000 in water and sewer revenue bonds to finance the above projects.

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REQUIRED SUPPLEMENTARY INFORMATION

City of Whitewater
Whitewater, WI

**Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (with Budget to GAAP Differences)
General Fund
For the year ended December 31, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Budget to GAAP Differences</u>	<u>Actual Amounts, GAAP Basis</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>				
REVENUES						
Taxes	\$ 4,499,748	\$ 4,499,748	\$ 4,499,748	\$ -	\$ 4,499,748	\$ -
Other Taxes	243,383	243,383	363,435	-	363,435	120,052
Special Assessment Revenue	500	500	138	-	138	(362)
Intergovernmental	4,401,936	4,401,936	4,282,603	65,239	4,347,842	(119,333)
License and Permits	73,975	73,975	167,690	-	167,690	93,715
Fines, Forfeits and Penalties	336,400	336,400	250,979	-	250,979	(85,421)
Public Charges for Services	106,911	106,911	62,413	-	62,413	(44,498)
Interest Income	49,533	49,533	815,941	18,149	834,090	766,408
Miscellaneous Income	107,535	107,535	215,699	209,989	425,688	108,164
Total Revenues	<u>9,819,921</u>	<u>9,819,921</u>	<u>10,658,646</u>	<u>293,377</u>	<u>10,952,023</u>	<u>838,725</u>
EXPENDITURES						
Current:						
General Government	1,678,202	1,678,202	1,745,664	62,452	1,808,116	(67,462)
Public Safety	4,167,072	4,167,072	4,264,410	1,250,626	5,515,036	(97,338)
Public Works	1,117,395	1,117,395	1,187,520	655,323	1,842,843	(70,125)
Culture, Recreation and Education	435,909	435,909	407,334	8,346	415,680	28,575
Capital Outlay	-	-	-	186,706	186,706	-
Total Expenditures	<u>7,398,578</u>	<u>7,398,578</u>	<u>7,604,928</u>	<u>2,163,453</u>	<u>9,768,381</u>	<u>(206,350)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>2,421,343</u>	<u>2,421,343</u>	<u>3,053,718</u>	<u>(1,870,076)</u>	<u>1,183,642</u>	<u>632,375</u>
OTHER FINANCING SOURCES (USES)						
Other financing sources	(32,500)	(32,500)	(32,500)	-	(32,500)	-
Transfers In	433,950	433,950	387,047	410,000	797,047	(46,903)
Transfers Out	-	(3,301,920)	(3,277,409)	906,502	(2,370,907)	24,511
Total Other Financing Sources and Uses	<u>401,450</u>	<u>(2,900,470)</u>	<u>(2,922,862)</u>	<u>1,316,502</u>	<u>(1,606,360)</u>	<u>(22,392)</u>
Net Change in Fund Balances	2,822,793	(479,127)	130,856	(553,574)	(422,718)	609,983
Fund Balances - Beginning	2,997,967	2,997,967	2,997,967	2,908,168	5,906,135	2,997,967
Fund Balances - Ending	<u>\$ 5,820,760</u>	<u>\$ 2,518,840</u>	<u>\$ 3,128,823</u>	<u>\$ 2,354,594</u>	<u>\$ 5,483,417</u>	<u>\$3,607,950</u>

See accompanying notes to the required supplementary information

CITY OF WHITEWATER
WISCONSIN RETIREMENT SYSTEM SCHEDULES
December 31, 2023

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
AS OF THE MEASUREMENT DATE

Year ended December 31,	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered- employee payroll	Collective net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability (asset)
2022	0.04112726%	\$ 2,178,800	\$ 5,835,664	37.34%	97.72%
2021	0.04093644%	(3,299,552)	5,614,968	(58.76%)	106.02%
2020	0.04139238%	(2,584,182)	5,494,004	(47.04%)	105.26%
2019	0.04136795%	(1,333,891)	5,512,700	(24.20%)	102.96%
2018	0.04079730%	1,451,440	5,370,806	27.02%	96.45%
2017	-0.04050154%	(1,202,538)	5,085,067	(23.65%)	102.93%
2016	0.04009691%	330,494	5,007,766	6.60%	99.12%
2015	0.04036951%	655,997	5,156,137	12.72%	98.20%
2014	-0.04072418%	(1,000,022)	4,826,161	(20.72%)	102.74%

SCHEDULE OF CITY'S CONTRIBUTIONS
FOR THE YEAR ENDED

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
2023	\$ 667,811	\$ (667,811)	\$ -	\$ 6,853,506	9.74%
2022	494,319	(494,319)	-	5,835,664	8.47%
2021	474,842	(474,842)	-	5,614,968	8.46%
2020	460,645	(460,645)	-	5,494,004	8.38%
2019	434,659	(434,659)	-	5,512,701	7.88%
2018	431,432	(431,432)	-	5,370,806	8.03%
2017	421,690	(421,690)	-	5,085,068	8.29%
2016	385,047	(385,047)	-	5,008,036	7.69%
2015	435,190	(435,190)	-	5,156,137	8.44%

See accompanying notes to the required supplementary information

CITY OF WHITEWATER
LOCAL RETIREE LIFE INSURANCE SCHEDULES
December 31, 2023

SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)
AS OF THE MEASUREMENT DATE

Year ended December 31,	Proportion of the net OPEB liability (asset)	Proportionate share of the net OPEB liability (asset)	Covered- employee payroll	Collective net OPEB liability (asset) as a percentage of its covered- employee payroll	Plan fiduciary net position as a percentage of the total OPEB liability (asset)
2022	0.08147400%	\$ 310,402	\$ 4,294,000	7.23%	38.81%
2021	0.08035430%	493,770	4,379,000	11.28%	29.57%
2020	0.08753900%	481,528	4,394,000	10.96%	31.36%
2019	0.09230900%	393,070	4,303,000	9.13%	37.58%
2018	0.09298000%	238,418	4,172,000	5.71%	48.69%
2017	0.09906500%	298,045	4,165,967	7.15%	44.81%

SCHEDULE OF CONTRIBUTIONS
FOR THE YEAR ENDED

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
2023	\$ 1,673	\$ (1,673)	\$ -	\$ 5,419,769	0.03%
2022	1,634	(1,634)	-	4,294,000	0.04%
2021	1,663	(1,663)	-	4,379,000	0.04%
2020	1,736	(1,736)	-	4,394,000	0.04%
2019	1,668	(1,668)	-	4,303,000	0.04%
2018	1,773	(1,773)	-	4,172,000	0.04%

See accompanying notes to the required supplementary information

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**CITY OF WHITEWATER
WHITEWATER, WISCONSIN
December 31, 2023**

**SCHEDULE OF CHANGES IN THE VILLAGE'S TOTAL HEALTH INSURANCE
OPEB LIABILITY AND RELATED RATIOS**

	<u>2022</u>	<u>2021</u>
Total OPEB Liability		
Service cost	\$ 52,768	\$ 52,768
Interest	11,072	10,189
Changes in assumptions or other inputs	(75,841)	-
Benefit payments	<u>(28,311)</u>	<u>(19,054)</u>
Net change in total OPEB	(40,312)	43,903
Total OPEB Liability - Beginning	479,871	435,968
Total OPEB Liability - Ending	<u><u>\$ 439,559</u></u>	<u><u>\$ 479,871</u></u>
 Covered Employee Payroll	 \$ 6,005,020	 \$ 6,005,020
 Total OPEB Liability as a Percentage of Covered-Employee Payroll	 7.32%	 7.99%

See accompanying notes to the required supplementary information.

CITY OF WHITEWATER
Notes to the Required Supplementary Information
December 31, 2023

1. Budgetary Information

Budgets

A budget has been adopted for all funds of the City. The City's budget is adopted in accordance with Chapter 65 of the Wisconsin Statutes. Changes to appropriations authorized in the adopted budget generally require a vote of two-thirds of the entire membership of the governing body. Budgetary expenditure control is exercised at the department level. The budgetary comparison schedule is presented for the general fund only. The debt service levy and transfer out to debt service of \$1,043,530 were eliminated on the fund statements.

Budget amounts include appropriations authorized in the original budget, any council approved amendments, appropriations of restricted resources received for funding specific expenditures and designated portions of the beginning balance of the General Fund's equity expected to finance expenditures of the current fiscal year. Unused appropriations lapse at year-end unless specifically carried over for financing subsequent year expenditures. The final budget includes an other financing source for anticipated fund balance increase which is not a revenue source under modified accrual accounting. Accordingly there is no actual revenue.

Excess Expenditures over Appropriations

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

The City's General Fund had expenditures in excess of budget as follows:

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final budget
	<u>Original</u>	<u>Final</u>		
General Government	1,678,202	1,678,202	1,745,664	(67,462)
Public Safety	4,167,072	4,167,072	4,264,410	(97,338)
Public Works	1,117,395	1,117,395	1,187,520	(70,125)

Revenues were sufficient to cover the expenditures.

2. Wisconsin Retirement System Schedules

Governmental Accounting Standards Board Statement No. 68 requirements have been implemented prospectively, therefore, the illustrations do not present similar information for the last preceding year.

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

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

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

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

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

CITY OF WHITEWATER
Notes to the Required Supplementary Information
December 31, 2023

2. Wisconsin Retirement System Schedules (Continued)

Significant methods and assumptions used in calculating Wisconsin Retirement System Actuarially Determined Contributions:

	2022	2021	2020	2019	2018
Valuation Date:	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method:	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period
Amortization Period:	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS
Asset Valuation Method:	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)
Actuarial Assumptions					
Net Investment Rate of Return:	5.4%	5.4%	5.4%	5.5%	5.5%
Weighted based on assumed rate for:					
Pre-retirement:	7.0%	7.0%	7.0%	7.2%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increases					
Wage Inflation:	3.0%	3.0%	3.0%	3.2%	3.2%
Seniority/Merit:	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%
Post-retirement Benefit Adjustments*:	1.9%	1.9%	1.9%	2.1%	2.1%
Retirement Age:	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017.	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017.	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015 - 2017.	Experience -based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.
Mortality:	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).

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

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CITY OF WHITEWATER

Notes to the Required Supplementary Information

December 31, 2023

2. Wisconsin Retirement System Schedules (Continued)

Significant methods and assumptions used in calculating Wisconsin Retirement System Actuarially Determined Contributions:

	2017	2016	2015	2014	2013
Valuation Date:	December 31, 2015	December 31, 2014	December 31, 2013	December 31, 2012	December 31, 2011
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method:	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period
Amortization Period:	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS
Asset Valuation Method:	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)
Actuarial Assumptions					
Net Investment Rate of Return:	5.5%	5.5%	5.5%	5.5%	5.5%
Weighted based on assumed rate for:					
Pre-retirement:	7.2%	7.2%	7.2%	7.2%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increases					
Wage Inflation:	3.2%	3.2%	3.2%	3.2%	3.2%
Seniority/Merit:	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%
Post-retirement Benefit Adjustments*:	2.1%	2.1%	2.1%	2.1%	2.1%
Retirement Age:	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2006 - 2008.
Mortality:	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality	Wisconsin Projected Experience Table - 2005 for women and 90% of the Wisconsin Projected Experience Table - 2005 for men.

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

3. Local Retiree Life Insurance Fund Schedules

Governmental Accounting Standards Board Statement No. 75 requirements have been implemented prospectively, therefore, the illustrations do not present similar information for the 4 preceding years.

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

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

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

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

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

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

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

4. Schedule of Changes in the City's Total Health Insurance OPEB Liability and Related Ratios

Governmental Accounting Standards Board Statement No. 75 requirements have been implemented prospectively, therefore, the illustrations do not present similar information for the 8 preceding years.

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

Assumptions: Actuarial assumptions were not changed from the prior year.

Assets: There were not assets accumulated in a trust that meet the criteria in governmental accounting standards to pay related benefits.

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OTHER SUPPLEMENTAL INFORMATION

City of Whitewater
Whitewater, WI
Balance Sheet
Combining General Fund
December 31, 2023

	General Fund	Fire Dept. Equipment Fund	DPW Equipment Revolving Fund	Police Vehicle Revolving Fund	Building Repair Fund	Skate Park Fund	Solid Waste Recycling Fund	Sick Leave Severance Fund	Lakes Improvement Fund	Street Repair Rev. Fund	Insurance Reserve	Elections Fund	Total General Fund
ASSETS													
Cash and Cash Equivalents	\$ 5,501,614	\$ 1,060,553	\$ 287,802	\$ 32,738	\$ 46,152	\$ 5,433	\$ 17,774	\$ 132,389	\$ 475	\$ 623,188	\$ 136,281	\$ 18,940	\$ 7,863,339
Receivables:													
Taxes	3,566,021	-	-	-	-	-	-	-	-	-	-	-	3,566,021
Delinquent Personal Property Taxes	3,840	-	-	-	-	-	-	-	-	-	-	-	3,840
Special Assessments	26,577	-	-	-	-	-	-	-	-	-	-	-	26,577
Other	166,691	2,827	-	-	-	-	-	-	-	-	-	-	169,518
Due from CDA	17,177	-	-	-	-	-	-	-	-	-	-	-	17,177
Due from Other Funds	76,951	-	-	-	-	-	-	-	-	-	-	-	76,951
Prepaid Expenses	6,406	-	-	-	-	-	-	-	-	-	-	-	6,406
Advances receivable	199,604	-	-	-	-	-	-	-	-	-	-	-	199,604
Total Assets	<u>\$ 9,564,881</u>	<u>\$ 1,063,380</u>	<u>\$ 287,802</u>	<u>\$ 32,738</u>	<u>\$ 46,152</u>	<u>\$ 5,433</u>	<u>\$ 17,774</u>	<u>\$ 132,389</u>	<u>\$ 475</u>	<u>\$ 623,188</u>	<u>\$ 136,281</u>	<u>\$ 18,940</u>	<u>\$ 11,929,433</u>
LIABILITIES													
Liabilities:													
Accounts Payable	\$ 187,408	\$ 2,827	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,952	\$ -	\$ 180	\$ 197,367
Accrued Liabilities	368,004	-	-	-	-	-	-	-	-	-	-	-	368,004
Due to Other Funds	6,803	-	-	-	-	-	-	-	-	-	-	-	6,803
Total Liabilities	<u>562,215</u>	<u>2,827</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,952</u>	<u>-</u>	<u>180</u>	<u>572,174</u>
DEFERRED INFLOWS OF RESOURCES	<u>5,873,842</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,873,842</u>
FUND BALANCE													
Nonspendable	209,850	-	-	-	-	-	-	-	-	-	-	-	209,850
Assigned	-	1,060,553	287,802	32,738	46,152	5,433	17,774	132,389	475	616,236	136,281	18,760	2,354,593
Unassigned	2,918,974	-	-	-	-	-	-	-	-	-	-	-	2,918,974
Total Fund Balance	<u>3,128,824</u>	<u>1,060,553</u>	<u>287,802</u>	<u>32,738</u>	<u>46,152</u>	<u>5,433</u>	<u>17,774</u>	<u>132,389</u>	<u>475</u>	<u>616,236</u>	<u>136,281</u>	<u>18,760</u>	<u>5,483,417</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 9,564,881</u>	<u>\$ 1,063,380</u>	<u>\$ 287,802</u>	<u>\$ 32,738</u>	<u>\$ 46,152</u>	<u>\$ 5,433</u>	<u>\$ 17,774</u>	<u>\$ 132,389</u>	<u>\$ 475</u>	<u>\$ 623,188</u>	<u>\$ 136,281</u>	<u>\$ 18,940</u>	<u>\$ 11,929,433</u>

City of Whitewater
Whitewater, WI

Statement of Revenues, Expenditures and Changes in Fund Balance:
Combining General Fund
For the Year Ended December 31, 2023

	General Fund	27th Payroll	Fire Dept. Equipment Fund	DPW Equipment Revolving Fund	Police Vehicle Revolving Fund	Building Repair Fund	Skate Park Fund	Solid Waste Recycling Fund	Sick Leave Severance Fund	Lakes Improvement Fund	Street Repair Rev. Fund	Insurance Reserve	Elections Fund	Total General Fund
REVENUES														
Property Taxes	\$ 4,499,748	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,499,748
Other Taxes	363,435	-	-	-	-	-	-	-	-	-	-	-	-	363,435
Special Assessment Revenue	138	-	-	-	-	-	-	-	-	-	-	-	-	138
Intergovernmental	4,282,603	-	33,459	-	-	-	-	31,780	-	-	-	-	-	4,347,842
License and Permits	167,690	-	-	-	-	-	-	-	-	-	-	-	-	167,690
Fines, Forfeits and Penalties	250,979	-	-	-	-	-	-	-	-	-	-	-	-	250,979
Public Charges for Services	62,413	-	-	-	-	-	-	-	-	-	-	-	-	62,413
Interest Income	815,941	535	1,941	972	-	-	-	-	-	-	14,701	-	-	834,090
Miscellaneous Income	215,699	-	193,517	9,970	4,650	-	-	-	-	-	-	-	1,852	425,688
Total Revenues	10,658,646	535	228,917	10,942	4,650	-	-	31,780	-	-	14,701	-	1,852	10,952,023
EXPENDITURES														
Current:														
General Government	1,745,663	-	-	-	-	6,334	-	-	37,611	-	-	-	18,508	1,808,116
Public Safety	4,264,410	-	1,243,517	-	7,109	-	-	-	-	-	-	-	-	5,515,036
Public Works	1,187,520	-	-	-	-	-	-	507,724	-	-	147,599	-	-	1,842,843
Culture, Recreation and Education	407,334	-	-	-	-	-	-	-	-	-	-	8,346	-	415,680
Capital Outlay	-	-	-	-	-	22,233	-	-	-	-	-	-	-	186,706
Interest Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	7,604,927	-	1,243,517	164,473	7,109	28,567	-	507,724	37,611	-	147,599	8,346	18,508	9,768,381
Excess (Deficiency) of Revenues Over Expenditures	3,053,719	535	(1,014,600)	(153,531)	(2,459)	(28,567)	-	(475,944)	(37,611)	-	(132,898)	(8,346)	(16,656)	1,183,642
OTHER FINANCING SOURCES (USES)														
Transfer (to) from CDA	(32,500)	-	-	-	-	-	-	-	-	-	-	-	-	(32,500)
Transfers In	387,047	-	385,000	25,000	-	-	-	-	-	-	-	-	-	797,047
Transfers Out	(3,277,409)	(76,383)	-	170,000	38,270	30,000	-	476,580	85,000	-	158,035	-	25,000	(2,370,907)
Total Other Financing Sources and Uses	(2,922,862)	(76,383)	385,000	195,000	38,270	30,000	-	476,580	85,000	-	158,035	-	25,000	(1,606,360)
Net Change in Fund Balances	130,857	(75,848)	(629,600)	41,469	35,811	1,433	-	636	47,389	-	25,137	(8,346)	8,344	(422,718)
Fund Balances (Deficit) - Beginning	2,997,967	75,848	1,690,153	246,333	(3,073)	44,719	5,433	17,138	85,000	475	591,099	144,627	10,416	5,906,135
Fund Balances - Ending	\$ 3,128,824	\$ -	\$ 1,060,553	\$ 287,802	\$ 32,738	\$ 46,152	\$ 5,433	\$ 17,774	\$ 132,389	\$ 475	\$ 616,236	\$ 136,281	\$ 18,760	\$ 5,483,417

Balance Sheet
Non-Major Governmental Funds
December 31, 2023

	Non-Major Special Revenue Funds	Non-Major Capital Projects Funds	Non-Major Governmental Funds
ASSETS			
Cash and Cash Equivalents	\$ 1,666,711	\$ 2,751,906	\$ 4,418,617
Receivables:			
Taxes	-	551,764	551,764
Other	6,500	25,000	31,500
Total Assets	<u>\$ 1,673,211</u>	<u>\$ 3,328,670</u>	<u>\$ 5,001,881</u>
LIABILITIES			
Accounts Payable	\$ 55,367	\$ 23,880	\$ 79,247
Accrued Liabilities	38,118	-	38,118
Due to Other Funds	1,141	67,919	69,060
Advances Payable	69,578	-	69,578
Unearned Grant Advance		18,043	18,043
Total Liabilities	<u>164,204</u>	<u>109,842</u>	<u>274,046</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows	<u>4,250</u>	<u>884,822</u>	<u>889,072</u>
FUND BALANCE			
Restricted	1,574,336	2,401,925	3,976,261
Unassigned (Deficit)	(69,579)	(67,919)	(137,498)
Total Fund Balance	<u>1,504,757</u>	<u>2,334,006</u>	<u>3,838,763</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 1,673,211</u>	<u>\$ 3,328,670</u>	<u>\$ 5,001,881</u>

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

	Debt Service	Non-Major Special Revenue Funds	Non-Major Capital Project Funds	Non-Major Governmental Funds
REVENUES				
Property Taxes	\$ 1,257,105	\$ -	\$ 111,386	\$ 1,368,491
Intergovernmental	-	703,921	66,519	770,440
Public Charges for Services	-	687,929	-	687,929
Intergovernmental Charges for Services	-	-	-	-
Interest Income	-	24,195	71,540	95,735
Miscellaneous Income	-	647,643	2,000	649,643
Total Revenues	1,257,105	2,063,688	251,445	3,572,238
EXPENDITURES				
Current:				
Public Safety	-	37,822	-	37,822
Public Works	-	106,772	-	106,772
Culture, Recreation and Education	-	2,057,956	-	2,057,956
Conservation and Development	-	3,550	65,390	68,940
Capital Outlay	-	78,759	398,964	477,723
Debt Service:				
Principal Repayment	862,060	-	-	862,060
Interest Expense	475,019	-	-	475,019
Total Expenditures	1,337,079	2,284,859	464,354	4,086,292
Excess (Deficiency) of Revenues Over Expenditures	(79,974)	(221,171)	(212,909)	(514,054)
OTHER FINANCING SOURCES (USES)				
Transfers In	83,625	1,049,804	500	1,133,929
Transfers Out	-	(45,400)	(61,051)	(106,451)
Transfers Out to CDA	-	-	(65,000)	(65,000)
Total Other Financing Sources and Uses	83,625	1,004,404	(125,551)	962,478
Net Change in Fund Balances	3,651	783,233	(338,460)	448,424
Fund Balances (Deficit) - Beginning	(3,651)	721,524	2,672,466	3,390,339
Fund Balances - Ending	\$ -	\$ 1,504,757	\$ 2,334,006	\$ 3,838,763

City of Whitewater
Whitewater, WI

Combining Balance Sheet
Non-Major Special Revenue Funds
December 31, 2023

	Cable TV Fund	Library Special Revenue Fund	Taxicab Grant Program Fund	Parkland Acquisition Fund	Parkland Development Fund	Forestry Fund	Rescue Squad Equipment/ Educ. Fund
ASSETS							
Cash and Cash Equivalents	\$ 91,706	\$ 981,891	\$ 72,861	\$ 61,233	\$ 10,988	\$ 13,978	\$ 138,016
Receivables:							
Other	-	-	-	-	6,500	-	-
Total Assets	\$ 91,706	\$ 981,891	\$ 72,861	\$ 61,233	\$ 17,488	\$ 13,978	\$ 138,016
LIABILITIES							
Liabilities:							
Accounts Payable	\$ 1,723	\$ 13,853	\$ 11,599	\$ -	\$ -	\$ 150	\$ -
Accrued Liabilities	2,501	15,907	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-	45
Advances Payable	-	-	-	-	-	-	-
Total Liabilities	4,224	29,760	11,599	-	-	150	45
DEFERRED INFLOWS OF RESOURCES							
Deferred Inflows	-	-	-	-	-	-	-
FUND BALANCE (DEFICIT)							
Restricted	87,482	952,131	61,262	61,233	17,488	13,828	137,971
Total Fund Balance	87,482	952,131	61,262	61,233	17,488	13,828	137,971
Total Liabilities, Deferred Inflows of Resources, and Fund Balance (Deficit)	\$ 91,706	\$ 981,891	\$ 72,861	\$ 61,233	\$ 17,488	\$ 13,978	\$ 138,016

City of Whitewater
Whitewater, WI

Combining Balance Sheet
Non-Major Special Revenue Funds
December 31, 2023

	Parking Permit Fund	Police Dept. Trust Fund	Parks and Recreation Fund	Field of Dreams Fund	Aquatic Center Fund	Non-Major Special Revenue Funds
ASSETS						
Cash and Cash Equivalents	\$ 72,184	\$ 71,085	\$ 45,374	\$ 69,394	\$ 38,001	\$ 1,666,711
Receivables:						
Other	-	-	-	-	-	6,500
Total Assets	<u>\$ 72,184</u>	<u>\$ 71,085</u>	<u>\$ 45,374</u>	<u>\$ 69,394</u>	<u>\$ 38,001</u>	<u>\$ 1,673,211</u>
LIABILITIES						
Liabilities:						
Accounts Payable	\$ 325	\$ -	\$ 2,442	\$ 32	\$ 25,243	\$ 55,367
Accrued Liabilities	-	-	6,951	-	12,759	38,118
Due to Other Funds	-	1,096	-	-	-	1,141
Advances Payable	-	-	-	-	69,578	69,578
Total Liabilities	<u>325</u>	<u>1,096</u>	<u>9,393</u>	<u>32</u>	<u>107,580</u>	<u>164,204</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred Inflows	-	-	-	4,250	-	4,250
FUND BALANCE (DEFICIT)						
Restricted	71,859	69,989	35,981	65,112	-	1,574,336
Unassigned (Deficit)	-	-	-	-	(69,579)	(69,579)
Total Fund Balance (Deficit)	<u>71,859</u>	<u>69,989</u>	<u>35,981</u>	<u>65,112</u>	<u>(69,579)</u>	<u>1,504,757</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance (Deficit)	<u>\$ 72,184</u>	<u>\$ 71,085</u>	<u>\$ 45,374</u>	<u>\$ 69,394</u>	<u>\$ 38,001</u>	<u>\$ 1,673,211</u>

City of Whitewater
Whitewater, WI

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Special Revenue Funds
For the Year Ended December 31, 2023

	Cable TV Fund	Library Special Revenue Fund	Taxicab Grant Program Fund	Parkland Acquisition Fund	Parkland Development Fund	Forestry Fund	Rescue Squad Equipment/ Educ. Fund
REVENUES							
Intergovernmental	\$ -	\$ 229,240	\$ 74,672	\$ -	\$ -	\$ -	\$ -
Public Charges for Services	76,847	5,876	-	8,064	-	-	-
Intergovernmental Charges for Services	-	-	-	-	-	-	-
Interest Income	1,661	16,295	-	-	-	46	5,154
Miscellaneous Income	18,250	591,827	-	-	16,453	1,530	268
Total Revenues	96,758	843,238	74,672	8,064	16,453	1,576	5,422
EXPENDITURES							
Current:							
Public Safety	-	-	-	-	-	-	7,455
Public Works	-	-	106,772	-	-	-	-
Culture, Recreation and Education	104,350	818,785	-	-	11,878	-	-
Conservation and Development	-	-	-	-	-	3,550	-
Capital Outlay	-	78,759	-	-	-	-	-
Total Expenditures	104,350	897,544	106,772	-	11,878	3,550	7,455
Excess (Deficiency) of Revenues Over Expenditures	(7,592)	(54,306)	(32,100)	8,064	4,575	(1,974)	(2,033)
OTHER FINANCING SOURCES (USES)							
Transfers In	47,200	470,000	-	-	-	-	-
Total Other Financing Sources and Uses	47,200	470,000	-	-	-	-	-
Net Change in Fund Balances	39,608	415,694	(32,100)	8,064	4,575	(1,974)	(2,033)
Fund Balances - Beginning	47,874	536,437	93,362	53,169	12,913	15,802	140,004
Fund Balances - Ending	\$ 87,482	\$ 952,131	\$ 61,262	\$ 61,233	\$ 17,488	\$ 13,828	\$ 137,971

City of Whitewater
Whitewater, WI

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Special Revenue Funds
For the Year Ended December 31, 2023

	Parking Permit Fund	Police Dept. Trust Fund	Parks and Recreation Fund	Field of Dreams Fund	Aquatic Center Fund	Non-Major Special Revenue Funds
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 400,009	\$ 703,921
Public Charges for Services	35,651	-	129,761	43,295	388,435	687,929
Intergovernmental Charges for Services	-	-	-	-	-	-
Interest Income	1,000	39	-	-	-	24,195
Miscellaneous Income	-	17,303	41	-	1,971	647,643
Total Revenues	36,651	17,342	129,802	43,295	790,415	2,063,688
EXPENDITURES						
Current:						
Public Safety	4,516	25,851	-	-	-	37,822
Public Works	-	-	-	-	-	106,772
Culture, Recreation and Education	-	-	328,355	29,864	764,724	2,057,956
Conservation and Development	-	-	-	-	-	3,550
Capital Outlay	-	-	-	-	-	78,759
Total Expenditures	4,516	25,851	328,355	29,864	764,724	2,284,859
Excess (Deficiency) of Revenues Over Expenditures	32,135	(8,509)	(198,553)	13,431	25,691	(221,171)
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	202,845	-	329,759	1,049,804
Transfers Out	(35,350)	(5,000)	-	(5,050)	-	(45,400)
Total Other Financing Sources and Uses	(35,350)	(5,000)	202,845	(5,050)	329,759	1,004,404
Net Change in Fund Balances	(3,215)	(13,509)	4,292	8,381	355,450	783,233
Fund Balances - Beginning	75,074	83,498	31,689	56,731	(425,029)	721,524
Fund Balances (Deficit) - Ending	\$ 71,859	\$ 69,989	\$ 35,981	\$ 65,112	\$ (69,579)	\$ 1,504,757

City of Whitewater
Whitewater, WI

Combining Balance Sheet
Non-Major Capital Project Funds
December 31, 2023

	Capital Projects Funds	Housing	TIF 10	TIF 11	TIF 12	TIF 13	TIF 14	Non-Major Capital Project Funds
ASSETS								
Cash and Cash Equivalents	\$ 430,738	\$ 1,985,062	\$ 89,636	\$ 26,671	\$ 54,199	\$ 33,182	\$ 132,418	\$ 2,751,906
Receivables:								
Taxes	-	-	148,497	40,149	89,788	54,972	218,358	551,764
Other	-	25,000	-	-	-	-	-	25,000
Total Assets	<u>\$ 430,738</u>	<u>\$ 2,010,062</u>	<u>\$ 238,133</u>	<u>\$ 66,820</u>	<u>\$ 143,987</u>	<u>\$ 88,154</u>	<u>\$ 350,776</u>	<u>\$ 3,328,670</u>
LIABILITIES								
Accounts Payable	\$ 21,356	\$ 2,524	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,880
Due to Other Funds	-	-	16,469	-	44,296	7,154	-	67,919
Unearned Grant Advance	18,043	-	-	-	-	-	-	18,043
Total Liabilities	<u>39,399</u>	<u>2,524</u>	<u>16,469</u>	<u>-</u>	<u>44,296</u>	<u>7,154</u>	<u>-</u>	<u>109,842</u>
DEFERRED INFLOWS OF RESOURCES								
Tax Apportionment	-	-	238,133	64,384	143,987	88,154	350,164	884,822
FUND BALANCE (DEFICIT)								
Restricted	391,339	2,007,538	-	2,436	-	-	612	2,401,925
Unassigned (Deficit)	-	-	(16,469)	-	(44,296)	(7,154)	-	(67,919)
Total Fund Balance (Deficit)	<u>391,339</u>	<u>2,007,538</u>	<u>(16,469)</u>	<u>2,436</u>	<u>(44,296)</u>	<u>(7,154)</u>	<u>612</u>	<u>2,334,006</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance (Deficit)	<u>\$ 430,738</u>	<u>\$ 2,010,062</u>	<u>\$ 238,133</u>	<u>\$ 66,820</u>	<u>\$ 143,987</u>	<u>\$ 88,154</u>	<u>\$ 350,776</u>	<u>\$ 3,328,670</u>

City of Whitewater
Whitewater, WI

Non-Major Capital Project Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2023

	Capital Projects Funds	Housing	TIF 10	TIF 11	TIF 12	TIF 13	TIF 14	Non-Major Capital Projects Funds
REVENUES								
Property Taxes	\$ -	\$ -	\$ 4,503	\$ 26,784	\$ 12,842	\$ 5,694	\$ 61,563	\$ 111,386
Intergovernmental	66,519	-	-	-	-	-	-	66,519
Interest Income	71,540	-	-	-	-	-	-	71,540
Miscellaneous Income	-	2,000	-	-	-	-	-	2,000
Total Revenues	138,059	2,000	4,503	26,784	12,842	5,694	61,563	251,445
EXPENDITURES								
Current:								
Conservation and Development	-	20,824	2,024	3,350	31,854	1,850	5,488	65,390
Capital Outlay	398,964	-	-	-	-	-	-	398,964
Total Expenditures	398,964	20,824	2,024	3,350	31,854	1,850	5,488	464,354
Excess (Deficiency) of Revenues Over Expenditures	(260,905)	(18,824)	2,479	23,434	(19,012)	3,844	56,075	(212,909)
OTHER FINANCING SOURCES (USES)								
Transfers In	500	-	-	-	-	-	-	500
Transfers Out	-	-	-	-	(16,586)	-	(44,465)	(61,051)
Transfers Out to CDA	-	(50,000)	-	(10,000)	(5,000)	-	-	(65,000)
Total Other Financing Sources and Uses	500	(50,000)	-	(10,000)	(21,586)	-	(44,465)	(125,551)
Net Change in Fund Balances	(260,405)	(68,824)	2,479	13,434	(40,598)	3,844	11,610	(338,460)
Fund Balances (Deficit) - Beginning	651,744	2,076,362	(18,948)	(10,998)	(3,698)	(10,998)	(10,998)	2,672,466
Fund Balances (Deficit) - Ending	\$ 391,339	\$ 2,007,538	\$ (16,469)	\$ 2,436	\$ (44,296)	\$ (7,154)	\$ 612	\$ 2,334,006

Combining Statement of Net Position
Component Unit
December 31, 2023

	Community Development Authority (Operating)	Community Development Authority (Program)	Innovation Center	Total
ASSETS				
Current Assets:				
Cash and Investments	\$ 30,999	\$ 1,134,276	\$ 14,354	\$ 1,179,629
Receivables				
Lease-current portion	-	-	141,248	141,248
Other	-	-	2,437	2,437
Total Current Assets	30,999	1,134,276	158,039	1,323,314
Noncurrent Assets:				
Lease Receivable - Long-term		-	589,951	589,951
Loans Receivable	-	1,026,892	-	1,026,892
Advance Receivable from City	-	851,866	-	851,866
Capital Assets:				
Land, Improvements and Construction in Progress		446,740		446,740
Other Capital Assets, Net of Depreciation	-	4,543,149	-	4,543,149
Total Capital Assets	-	4,989,889	-	4,989,889
Total Noncurrent Assets	-	6,868,647	589,951	7,458,598
Total Assets	30,999	8,002,923	747,990	8,781,912
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Pension Outflows	23,155	-	-	23,155
Total Deferred Outflows of Resources	23,155	-	-	23,155
Total Assets and Deferred Outflows of Resources	\$ 54,154	\$ 8,002,923	\$ 747,990	\$ 8,805,067
LIABILITIES				
Current Liabilities:				
Accounts Payable and Accrued Expenses	\$ 13,538	\$ -	\$ 11,051	\$ 24,589
Due to City General Fund	-	17,177	-	17,177
Total Current Liabilities	13,538	17,177	11,051	41,766
Non-Current Liabilities:				
Net Pension Liability	6,098	-	-	6,098
Total Non-Current Liabilities	6,098	-	-	6,098
Total Liabilities	19,636	17,177	11,051	47,864
DEFERRED INFLOWS OF RESOURCES				
Deferred Pension Inflows	12,767	-	-	12,767
Deferred Inflows-Advances	-	851,866	-	851,866
Deferred Lease Inflows	-	-	699,435	699,435
Total Deferred Inflows of Resources	12,767	851,866	699,435	1,564,068
NET POSITION				
Net Investment in Capital Assets	-	4,543,149	-	4,543,149
Restricted	-	2,590,731	-	2,590,731
Unrestricted	21,751	-	37,504	59,255
Total Net Position	21,751	7,133,880	37,504	7,193,135
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 54,154	\$ 8,002,923	\$ 747,990	\$ 8,805,067

**Combining Statement of Revenues, Expenses and Changes in Net Position
Component Unit
For the Year Ended December 31, 2023**

	Community Development Authority (Operating)	Community Development Authority (Program)	Innovation Center	Total
Operating Revenues	\$ -	\$ 15,876	\$ 233,585	\$ 249,461
Operating Expenses				
Operating Expenses	129,697	18,117	142,999	290,813
Depreciation	-	124,276	-	124,276
Total Operating Expenses	129,697	142,393	142,999	415,089
Operating Income (Loss)	(129,697)	(126,517)	90,586	(165,628)
Non-Operating Revenues (Expenses)				
Investment Income	-	71,155	31,704	102,859
Miscellaneous	-	13,339	303	13,642
Total Non Operating Revenues	-	84,494	32,007	116,501
Transfer In from City	97,500	-	-	97,500
Change in Net Position	(32,197)	(42,023)	122,593	48,373
Total Net Position - Beginning	53,948	7,175,903	(85,089)	7,144,762
Total Net Position - Ending	\$ 21,751	\$ 7,133,880	\$ 37,504	\$ 7,193,135