



CITY OF WISCONSIN DELLS

**FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITOR'S REPORT**

DECEMBER 31, 2023

CITY OF WISCONSIN DELLS

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CITY OF WISCONSIN DELLS

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INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Wisconsin Dells
Wisconsin Dells, Wisconsin

Opinions

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Wisconsin Dells, 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 accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wisconsin Dells, 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 Wisconsin Dells, 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Wisconsin Dells, 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 Wisconsin Dells, 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 Wisconsin Dells, 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 required supplementary information as listed in the table of contents on pages 48 – 60 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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.

Management has omitted a management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Wisconsin Dells, Wisconsin's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Johnson Block & Company, Inc.

Johnson Block & Company, Inc.
September 23, 2024

CITY OF WISCONSIN DELLS
FINANCIAL STATEMENTS

City of Wisconsin Dells

**Statement of Net Position
December 31, 2023**

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and investments	\$ 15,907,199	\$ 7,082,687	\$ 22,989,886
Taxes receivable	5,808,540	-	5,808,540
Notes receivable	14,754	-	14,754
Accounts receivable	2,401	1,574,930	1,577,331
Leases receivable - short-term	20,915	18,912	39,827
Interest receivable	5,062	14,278	19,340
Internal balances	58,511	(58,511)	-
Due from other governmental agencies	455,354	-	455,354
Inventories	-	732,486	732,486
Prepaid expenses	20,088	24,484	44,572
Total current assets	<u>22,292,824</u>	<u>9,389,266</u>	<u>31,682,090</u>
Restricted assets:			
Restricted cash	4,917,151	937,485	5,854,636
Total restricted assets	<u>4,917,151</u>	<u>937,485</u>	<u>5,854,636</u>
Capital assets:			
Capital assets	51,383,371	47,910,968	99,294,339
Less: Accumulated depreciation and amortization	<u>(22,366,228)</u>	<u>(23,474,451)</u>	<u>(45,840,679)</u>
Net capital assets	<u>29,017,143</u>	<u>24,436,517</u>	<u>53,453,660</u>
Noncurrent assets:			
Special assessments receivable	894,209	-	894,209
Leases receivable - long-term	618,516	645,120	1,263,636
Land held for resale	147,176	-	147,176
Total noncurrent assets	<u>1,659,901</u>	<u>645,120</u>	<u>2,305,021</u>
Total Assets	<u>57,887,019</u>	<u>35,408,388</u>	<u>93,295,407</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred pension outflows	4,225,919	1,089,249	5,315,168
Deferred OPEB outflows - LRLIF	116,854	-	116,854
Deferred OPEB outflows - group health insurance	196,530	-	196,530
Unamortized loss on advanced refunding	346,878	-	346,878
Total Deferred Outflows of Resources	<u>4,886,181</u>	<u>1,089,249</u>	<u>5,975,430</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 62,773,200</u>	<u>\$ 36,497,637</u>	<u>\$ 99,270,837</u>

See accompanying notes to the basic financial statements

City of Wisconsin Dells

**Statement of Net Position
December 31, 2023**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 186,190	\$ 405,792	\$ 591,982
Accrued liabilities	135,799	2,144	137,943
Accrued interest	330,649	47,435	378,084
Lease liability due within one year	36,982	-	36,982
Debt due within one year	3,345,812	375,741	3,721,553
Compensated absences due within one year	162,700	29,076	191,776
Noncurrent liabilities:			
Customer deposits and public benefits	-	41,262	41,262
Compensated absences due in more than one year	130,900	-	130,900
Net pension liability	1,125,491	290,098	1,415,589
Net OPEB liability - LRLIF	250,028	-	250,028
OPEB liability - group health insurance	699,417	-	699,417
Lease liability due in more than one year	108,698	-	108,698
Debt due in more than one year	25,379,999	4,195,046	29,575,045
Total Liabilities	<u>31,892,665</u>	<u>5,386,594</u>	<u>37,279,259</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred pension inflows	2,357,230	607,586	2,964,816
Deferred OPEB inflows - LRLIF	202,686	-	202,686
Deferred OPEB inflows - group health insurance	103,883	-	103,883
Deferred lease inflows	604,780	639,500	1,244,280
Subsequent year tax levy	6,976,718	-	6,976,718
Unearned revenue	3,476	-	3,476
Total Deferred Inflows of Resources	<u>10,248,773</u>	<u>1,247,086</u>	<u>11,495,859</u>
NET POSITION (DEFICIT)			
Net investment in capital assets	13,316,202	19,865,730	33,181,932
Restricted for:			
Capital projects	6,058,396	-	6,058,396
Debt service	1,371,475	808,546	2,180,021
Premier Resort Tax	4,093,211	-	4,093,211
Other purposes	444,383	128,939	573,322
Unrestricted (deficit)	(4,651,905)	9,060,742	4,408,837
Total Net Position	<u>20,631,762</u>	<u>29,863,957</u>	<u>50,495,719</u>
 Total Liabilities, Deferred Inflows of Resources and Net Position	 <u>\$ 62,773,200</u>	 <u>\$ 36,497,637</u>	 <u>\$ 99,270,837</u>

See accompanying notes to the basic financial statements

City of Wisconsin Dells

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

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 852,029	\$ 403,972	\$ 170,179	\$ -	\$ (277,878)		\$ (277,878)
Public safety	4,197,144	307,929	33,275	-	(3,855,940)		(3,855,940)
Public works	2,914,935	318,109	741,921	347,777	(1,507,128)		(1,507,128)
Health and human services	125,860	21,370	-	-	(104,490)		(104,490)
Culture, recreation, and education	1,625,785	245,374	584,946	-	(795,465)		(795,465)
Conservation and development	3,200,143	427,408	-	-	(2,772,735)		(2,772,735)
Interest on long-term debt	741,031	-	-	-	(741,031)		(741,031)
Total	<u>13,656,927</u>	<u>1,724,162</u>	<u>1,530,321</u>	<u>347,777</u>	<u>(10,054,667)</u>		<u>(10,054,667)</u>
Business-type activities:							
Electric	9,091,389	9,167,679	-	54,973	-	131,263	131,263
Water	766,098	917,647	-	14,446	-	165,995	165,995
Sewer	1,539,056	1,493,347	-	172,853	-	127,144	127,144
Parking	302,386	685,453	-	-	-	383,067	383,067
Total business-type activities	<u>11,698,929</u>	<u>12,264,126</u>	<u>-</u>	<u>242,272</u>	<u>-</u>	<u>807,469</u>	<u>807,469</u>
Total	<u>\$ 25,355,856</u>	<u>\$ 13,988,288</u>	<u>\$ 1,530,321</u>	<u>\$ 590,049</u>	<u>(10,054,667)</u>	<u>807,469</u>	<u>(9,247,198)</u>
General revenues:							
Taxes:							
Property taxes, levied for general purposes					3,710,665	-	3,710,665
Room taxes					2,179,446	-	2,179,446
Tax increments					2,683,091	-	2,683,091
Premier Resort Tax					3,136,886	-	3,136,886
Other taxes					233,875	-	233,875
Special assessments					(57,150)	-	(57,150)
Grants and contributions not restricted to specific programs					489,046	-	489,046
Unrestricted investment earnings					831,499	286,306	1,117,805
Miscellaneous					142,056	3,955	146,011
<i>Special item</i> - gain/(loss) on disposal of fixed assets					(1,940)	(100,244)	(102,184)
Transfers					(1,051,450)	1,051,450	-
Total general revenues, special items and transfers					<u>12,296,024</u>	<u>1,241,467</u>	<u>13,537,491</u>
Changes in Net Position					2,241,357	2,048,936	4,290,293
Net Position - beginning of year					18,390,405	27,815,021	46,205,426
Net Position - end of year					<u>\$ 20,631,762</u>	<u>\$ 29,863,957</u>	<u>\$ 50,495,719</u>

See accompanying notes to the basic financial statements

City of Wisconsin Dells

**Balance Sheet
Governmental Funds
December 31, 2023**

	General Fund	Premier Resort Tax	Debt Service	Capital Reserve	Room Tax	Tax Increment Districts	Non-Major Governmental Funds	Total Governmental Funds
ASSETS								
Cash and Cash Equivalents	\$ 3,532,037	\$ 3,661,503	\$ 702,922	\$ 702,219	\$ 48,578	\$ 6,400,502	\$ 859,437	\$ 15,907,198
Receivables:								
Taxes	2,863,991	-	84,797	-	-	2,498,120	361,632	5,808,540
Special Assessments	33,558	-	302,140	-	-	558,511	-	894,209
Leases	639,431	-	-	-	-	-	-	639,431
Interest	5,062	-	-	-	-	-	-	5,062
Other	2,401	-	-	-	-	-	-	2,401
Loans	14,754	-	-	-	-	-	-	14,754
Due from Other Funds	75,073	-	-	-	-	-	-	75,073
Due from Other Governments	-	455,354	-	-	-	-	-	455,354
Prepaid Expenses	20,088	-	-	-	-	-	-	20,088
Restricted Cash	80,011	-	54,953	3,410,653	-	1,371,535	-	4,917,152
Land Held for Resale	-	-	-	2,452	-	144,724	-	147,176
Total Assets	<u>\$ 7,266,406</u>	<u>\$ 4,116,857</u>	<u>\$ 1,144,812</u>	<u>\$ 4,115,324</u>	<u>\$ 48,578</u>	<u>\$ 10,973,392</u>	<u>\$ 1,221,069</u>	<u>\$ 28,886,438</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES								
Liabilities:								
Accounts Payable	\$ 231,795	\$ 23,646	\$ -	\$ 25,000	\$ -	\$ 2,013	\$ 25,018	\$ 307,472
Accrued Liabilities	14,496	-	-	-	-	-	20	14,516
Due to Other Funds	16,561	-	-	-	-	-	-	16,561
Total Liabilities	<u>262,852</u>	<u>23,646</u>	<u>-</u>	<u>25,000</u>	<u>-</u>	<u>2,013</u>	<u>25,038</u>	<u>338,549</u>
Deferred Inflows of Resources:								
Tax Levy	3,563,066	-	-	-	-	3,143,377	415,000	7,121,443
Special Assessments	-	-	302,140	-	-	413,787	-	715,927
Leases	604,780	-	-	-	-	-	-	604,780
Unearned Revenue	3,476	-	-	-	-	-	-	3,476
Total Deferred Inflows of Resources	<u>4,171,322</u>	<u>-</u>	<u>302,140</u>	<u>-</u>	<u>-</u>	<u>3,557,164</u>	<u>415,000</u>	<u>8,445,626</u>
Nonspendable	68,400	-	-	2,452	-	144,724	-	215,576
Restricted for:								
Debt Service	-	-	842,672	-	-	1,371,535	-	2,214,207
Library	80,011	-	-	-	-	-	-	80,011
BID	-	-	-	-	-	-	155,265	155,265
Capital Projects	-	-	-	3,410,653	-	5,897,956	-	9,308,609
River Arts	-	-	-	-	-	-	8,187	8,187
Housing Program	-	-	-	-	-	-	92,953	92,953
Revolving Loan Fund	-	-	-	-	-	-	14,737	14,737
Fire Services	-	-	-	-	-	-	93,230	93,230
Premier Resort Tax	-	4,093,211	-	-	-	-	-	4,093,211
Committed	-	-	-	-	-	-	362,181	362,181
Assigned	812,501	-	-	677,219	48,578	-	54,478	1,592,776
Unassigned	1,871,320	-	-	-	-	-	-	1,871,320
Total Fund Balances	<u>2,832,232</u>	<u>4,093,211</u>	<u>842,672</u>	<u>4,090,324</u>	<u>48,578</u>	<u>7,414,215</u>	<u>781,031</u>	<u>20,102,263</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 7,266,406</u>	<u>\$ 4,116,857</u>	<u>\$ 1,144,812</u>	<u>\$ 4,115,324</u>	<u>\$ 48,578</u>	<u>\$ 10,973,392</u>	<u>\$ 1,221,069</u>	<u>\$ 28,886,438</u>

See accompanying notes to the basic financial statements

City of Wisconsin Dells

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

Total fund balance, governmental funds	\$ 20,102,263
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.	29,017,143
Pension and OPEB deferred outflows and inflows of resources are actuarially determined. These items are reflected in the Statement of Net Position and are being amortized with pension and OPEB expense in the Statement of Activities. They are not current financial resources or uses and are therefore not reported in the fund statements.	
Pension and OPEB related deferred outflows	4,539,303
Pension and OPEB related deferred inflows	(2,663,799)
Certain other deferred outflows are not available to pay current period expenditures and therefore are not reported in the fund financial statements, but are reported in the governmental activities of the Statement of Net Position. This amount represents unamortized loss on advanced refunding.	346,878
Some receivables are fully accrued and recognized as revenues when the receivable is established for the governmental activities of the Statement of Net Position. They are reported as deferred inflows on the fund financial statements to the extent they are not available.	
Special assessments	860,651
Some liabilities, (such as Notes Payable, Long-term Compensated Absences, and Bonds 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	(28,725,811)
Lease liabilities	(145,680)
Compensated absences	(293,600)
Net pension liability	(1,125,491)
Net OPEB liability - LRLIF	(250,028)
OPEB liability - group health insurance	(699,417)
Accrued interest	(330,649)
Rounding	(1)
	<u>(31,570,677)</u>
Net Position of Governmental Activities in the Statement of Net Position	<u><u>\$ 20,631,762</u></u>

See accompanying notes to the basic financial statements

City of Wisconsin Dells

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

	General Fund	Premier Resort Tax	Debt Service	Capital Reserve	Room Tax	Tax Increment Districts	Non-Major Governmental Funds	Total Governmental Funds
REVENUES								
Taxes	\$ 3,084,435	\$ 3,136,886	\$ 860,105	\$ -	\$ 2,179,446	\$ 2,683,091	\$ 414,744	\$ 12,358,707
Special Assessment Revenue	-	-	75,535	-	-	11,040	-	86,575
Intergovernmental	1,725,584	347,777	-	-	-	95,069	269,275	2,437,705
License and Permits	183,653	-	-	-	-	-	70,011	253,664
Fines, Forfeits and Penalties	116,244	-	-	-	-	-	1,990	118,234
Public Charges for Services	686,636	-	-	-	-	-	-	686,636
Interest/Investment Income	369,461	-	24,464	115,339	-	397,906	3,796	910,966
Miscellaneous Income	251,974	80,675	-	-	-	-	1,299	333,948
Total Revenues	<u>6,417,987</u>	<u>3,565,338</u>	<u>960,104</u>	<u>115,339</u>	<u>2,179,446</u>	<u>3,187,106</u>	<u>761,115</u>	<u>17,186,435</u>
EXPENDITURES								
Current:								
General Government	635,777	125,984	-	6,100	-	42,493	-	810,354
Public Safety	2,860,590	683,685	-	-	-	-	252,873	3,797,148
Public Works	1,511,645	557,263	-	335,550	-	-	-	2,404,458
Health and Human Services	116,066	-	-	-	-	-	-	116,066
Culture, Recreation and Education	1,281,702	174,016	-	-	-	-	28,452	1,484,170
Conservation and Development	121,339	-	-	-	2,130,434	442,600	553,638	3,248,011
Capital Outlay	596,498	1,108	-	-	-	3,468,616	22,360	4,088,582
Debt Service:								
Principal Repayment	-	242,850	720,000	39,394	-	1,820,000	-	2,822,244
Interest and Fiscal Charges	-	85,075	207,920	4,410	-	531,309	-	828,714
Total Expenditures	<u>7,123,617</u>	<u>1,869,981</u>	<u>927,920</u>	<u>385,454</u>	<u>2,130,434</u>	<u>6,305,018</u>	<u>857,323</u>	<u>19,599,747</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(705,630)</u>	<u>1,695,357</u>	<u>32,184</u>	<u>(270,115)</u>	<u>49,012</u>	<u>(3,117,912)</u>	<u>(96,208)</u>	<u>(2,413,312)</u>
OTHER FINANCING SOURCES (USES)								
Proceeds from long-term debt	-	-	-	-	-	3,798,654	-	3,798,654
Lease proceeds	168,289	-	-	-	-	-	-	168,289
Transfers In	711,116	290,941	-	43,804	-	-	-	1,045,861
Transfers Out	-	(103,804)	-	-	-	(411,126)	-	(514,930)
Total Other Financing Sources (Uses)	<u>879,405</u>	<u>187,137</u>	<u>-</u>	<u>43,804</u>	<u>-</u>	<u>3,387,528</u>	<u>-</u>	<u>4,497,874</u>
Net Change in Fund Balances	173,775	1,882,494	32,184	(226,311)	49,012	269,616	(96,208)	2,084,562
Fund Balances - Beginning	2,658,457	2,210,717	810,488	4,316,635	(434)	7,144,599	877,239	18,017,701
Fund Balances - Ending	<u>\$ 2,832,232</u>	<u>\$ 4,093,211</u>	<u>\$ 842,672</u>	<u>\$ 4,090,324</u>	<u>\$ 48,578</u>	<u>\$ 7,414,215</u>	<u>\$ 781,031</u>	<u>\$ 20,102,263</u>

See accompanying notes to the basic financial statements

City of Wisconsin Dells

**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: \$ 2,084,562

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

The acquisition of capital assets are reported in the governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities.

Capital outlay reported in governmental fund statements	3,301,958	
Depreciation and amortization expenses reported in the Statement of Activities	(1,620,369)	
Loss on asset disposition	<u>(1,940)</u>	
Amount by which capital outlays are greater (less) than depreciation in the current period.		1,679,649

Vested employee benefits are reported in the governmental funds as an expenditure when the amounts are paid. The Statement of Activities reports the value of benefits earned during the year.

Compensated absences paid in current year.	(19,000)
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Governmental funds report bond and note 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 and note principal as an expenditure. In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities.

Debt proceeds for the year	(3,745,000)	
Premium on long term debt	(53,654)	
The amount of long-term debt principal payments in the current year is	2,822,244	
Amortization of long term debt premium	24,301	
Amortization of loss on refunding	<u>(43,359)</u>	(995,468)

In governmental funds, interest payments on outstanding debt are reported as an expenditure when paid. In the Statement of Activities, interest is reported as incurred.

Interest paid is greater (less) than interest accrued by	(111,627)
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Accrued liability - Amount paid in current year	85,000
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Special assessments in the governmental funds that provide current financial resources were previously accrued in the Statement of Activities when they were earned.

(143,725)

Pension and OPEB expense reported in the governmental funds represent current year required contributions into the defined benefit plans. Pension and OPEB expense in the Statement of Activities is actuarially determined by the defined benefit pension or OPEB plan as the difference between the net pension or OPEB asset/liability from the prior year to the current year, with some adjustments

Difference between current year required contributions into the defined benefit pension or OPEB plan and the actuarially determined change in net pension asset/liability between years, with adjustments	<u>(338,034)</u>
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Change in Net Position of Governmental Activities	<u><u>\$ 2,241,357</u></u>
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See accompanying notes to the basic financial statements

City of Wisconsin Dells
Statement of Net Position
Proprietary Funds
December 31, 2023

	Enterprise Funds				
	Water	Sewer	Electric	Parking	Total
ASSETS					
Current Assets:					
Cash and Cash Equivalents	\$ 2,004,012	\$ 3,794,874	\$ 1,098,361	\$ 185,440	\$ 7,082,687
Receivables:					
Interest	12,420	-	1,858		14,278
Accounts	8,436	-	1,566,494	-	1,574,930
Leases - Short-term	16,770	-	2,142	-	18,912
Due from Other Funds	104,064	90,456	11,981	-	206,501
Inventories	36,579	3,316	692,591	-	732,486
Prepaid Expenses	7,236	7,236	10,012	-	24,484
Total Current Assets	<u>2,189,517</u>	<u>3,895,882</u>	<u>3,383,439</u>	<u>185,440</u>	<u>9,654,278</u>
Restricted Assets:					
Restricted Cash	-	463,308	474,177	-	937,485
Total Restricted Assets	<u>-</u>	<u>463,308</u>	<u>474,177</u>	<u>-</u>	<u>937,485</u>
Noncurrent Assets:					
Leases Receivable - Long-term	573,807	-	71,313	-	645,120
Capital Assets:					
Plant and Equipment	11,278,587	20,610,562	13,876,986	2,144,833	47,910,968
Less Accumulated Depreciation	<u>(3,674,202)</u>	<u>(9,358,106)</u>	<u>(10,169,428)</u>	<u>(272,715)</u>	<u>(23,474,451)</u>
Net Capital Assets	<u>7,604,385</u>	<u>11,252,456</u>	<u>3,707,558</u>	<u>1,872,118</u>	<u>24,436,517</u>
Total Noncurrent Assets	<u>8,178,192</u>	<u>11,252,456</u>	<u>3,778,871</u>	<u>1,872,118</u>	<u>25,081,637</u>
Total Assets	<u>10,367,709</u>	<u>15,611,646</u>	<u>7,636,487</u>	<u>2,057,558</u>	<u>35,673,400</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Pension Outflows	232,915	193,228	604,038	59,068	1,089,249
Total Deferred Outflows of Resources	<u>232,915</u>	<u>193,228</u>	<u>604,038</u>	<u>59,068</u>	<u>1,089,249</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 10,600,624</u>	<u>\$ 15,804,874</u>	<u>\$ 8,240,525</u>	<u>\$ 2,116,626</u>	<u>\$ 36,762,649</u>
LIABILITIES					
Current Liabilities:					
Accounts Payable	\$ 13,991	\$ 12,409	\$ 365,259	\$ 14,133	\$ 405,792
Accrued Liabilities	321	78	1,662	83	2,144
Accrued Interest Payable	-	9,196	38,239	-	47,435
Due to Other Funds	480	37,547	189,272	37,713	265,012
Compensated Absences	-	-	29,076	-	29,076
Debt Due Within One Year	-	155,741	220,000	-	375,741
Other Liabilities	-	-	41,262	-	41,262
Total Current Liabilities	<u>14,792</u>	<u>214,971</u>	<u>884,770</u>	<u>51,929</u>	<u>1,166,462</u>
Noncurrent Liabilities:					
Net Pension Liability	62,032	51,462	160,873	15,731	290,098
Debt Due in More Than One Year	-	2,240,046	1,955,000	-	4,195,046
Total Noncurrent Liabilities	<u>62,032</u>	<u>2,291,508</u>	<u>2,115,873</u>	<u>15,731</u>	<u>4,485,144</u>
Total Liabilities	<u>76,824</u>	<u>2,506,479</u>	<u>3,000,643</u>	<u>67,660</u>	<u>5,651,606</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred Pension Inflows	129,922	107,783	336,933	32,948	607,586
Leases	565,847	-	73,653	-	639,500
Total Deferred Inflows of Resources	<u>695,769</u>	<u>107,783</u>	<u>410,586</u>	<u>32,948</u>	<u>1,247,086</u>
NET POSITION					
Net Investment in Capital Assets	7,604,385	8,856,669	1,532,558	1,872,118	19,865,730
Restricted for:					
Debt Service	-	463,308	345,238	-	808,546
Equipment Replacement	-	-	128,939	-	128,939
Unrestricted	<u>2,223,646</u>	<u>3,870,635</u>	<u>2,822,561</u>	<u>143,900</u>	<u>9,060,742</u>
Total Net Position	<u>9,828,031</u>	<u>13,190,612</u>	<u>4,829,296</u>	<u>2,016,018</u>	<u>29,863,957</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 10,600,624</u>	<u>\$ 15,804,874</u>	<u>\$ 8,240,525</u>	<u>\$ 2,116,626</u>	<u>\$ 36,762,649</u>

See accompanying notes to the basic financial statements

City of Wisconsin Dells

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

	Enterprise Funds				
	Water	Sewer	Electric	Parking	Total
OPERATING REVENUES					
Charges for Services	\$ 883,362	\$ 1,389,667	\$ 9,152,339	\$ 613,696	\$ 12,039,064
Other Operating Revenues	-	-	-	75,713	75,713
Total Operating Revenues	<u>883,362</u>	<u>1,389,667</u>	<u>9,152,339</u>	<u>689,409</u>	<u>12,114,777</u>
OPERATING EXPENSES					
Operation and Maintenance	551,243	898,711	8,440,527	244,077	10,134,558
Depreciation	214,855	588,000	574,382	58,309	1,435,546
Total Operating Expenses	<u>766,098</u>	<u>1,486,711</u>	<u>9,014,909</u>	<u>302,386</u>	<u>11,570,104</u>
Operating Income (Loss)	<u>117,264</u>	<u>(97,044)</u>	<u>137,430</u>	<u>387,023</u>	<u>544,673</u>
NONOPERATING REVENUES (EXPENSES)					
Interest and Investment Revenue	74,333	146,778	62,713	2,479	286,303
Interest Expense	-	(52,345)	(76,480)	-	(128,825)
Miscellaneous Nonoperating	34,676	103,680	55,699	-	194,055
Miscellaneous Amortization	14,055	-	10,247	-	24,302
Total Nonoperating Revenue (Expenses)	<u>123,064</u>	<u>198,113</u>	<u>52,179</u>	<u>2,479</u>	<u>375,835</u>
Income (Loss) Before Contributions, Transfers, and Special Items	240,328	101,069	189,609	389,502	920,508
Capital Grants and Contributions	587,391	640,954	479,954	51,302	1,759,601
Transfers In	-	-	120,185	-	120,185
Transfers Out	(152,737)	(2,960)	(189,020)	(306,400)	(651,117)
Special Item - Gain (Loss) on Sale of Assets	-	(15,600)	-	(84,644)	(100,244)
Change in Net Position	<u>674,982</u>	<u>723,463</u>	<u>600,728</u>	<u>49,760</u>	<u>2,048,933</u>
Total Net Position - Beginning	9,153,049	12,467,149	4,228,568	1,966,258	27,815,024
Total Net Position - Ending	<u>\$ 9,828,031</u>	<u>\$ 13,190,612</u>	<u>\$ 4,829,296</u>	<u>\$ 2,016,018</u>	<u>\$ 29,863,957</u>

See accompanying notes to the basic financial statements

City of Wisconsin Dells

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

	Enterprise Funds				
	Water	Sewer	Electric	Parking	Total
<u>Cash Flows From Operating Activities:</u>					
Receipts from customers and users	\$ 878,783	\$ 1,391,054	\$ 9,122,154	\$ 689,943	\$ 12,081,934
Payments to suppliers	(355,021)	(765,694)	(8,033,906)	(410,888)	(9,565,509)
Payments to employees	(210,822)	(201,651)	(618,577)	(119,713)	(1,150,763)
Received from/paid to other funds	(124,930)	(46,393)	(157,674)	-	(328,997)
Net cash provided (used) by operating activities	<u>188,010</u>	<u>377,316</u>	<u>311,997</u>	<u>159,342</u>	<u>1,036,665</u>
<u>Cash Flows From Capital and Related Financing Activities:</u>					
Acquisition and construction of plant assets	(41,177)	(371,944)	(945,234)	(367,383)	(1,725,738)
Proceeds from long-term debt	-	402,293	-	-	402,293
Assessments and connection fees	-	103,680	-	-	103,680
Principal payments on long-term debt	-	(137,357)	(210,000)	-	(347,357)
Interest and fiscal charges	-	(51,412)	(80,355)	-	(131,767)
Transfers for debt service payments	-	-	120,185	-	120,185
Net cash provided (used) by capital and related financing activities	<u>(41,177)</u>	<u>(54,740)</u>	<u>(1,115,404)</u>	<u>(367,383)</u>	<u>(1,578,704)</u>
<u>Cash Flows From Non-Capital Financing Activities:</u>					
Miscellaneous non-operating receipts	34,676	-	55,699	-	90,375
Net cash provided (used) by non-capital financing activities	<u>34,676</u>	<u>-</u>	<u>55,699</u>	<u>-</u>	<u>90,375</u>
<u>Cash Flows From Investing Activities:</u>					
Interest on investments	74,333	146,778	62,713	2,479	286,303
Net cash provided (used) by investing activities	<u>74,333</u>	<u>146,778</u>	<u>62,713</u>	<u>2,479</u>	<u>286,303</u>
Net increase (decrease) in cash and equivalents	255,842	469,354	(684,995)	(205,562)	(165,361)
Cash and equivalents - beginning of year	1,748,170	3,788,828	2,257,533	391,002	8,185,533
Cash and equivalents - end of year	<u>\$ 2,004,012</u>	<u>\$ 4,258,182</u>	<u>\$ 1,572,538</u>	<u>\$ 185,440</u>	<u>\$ 8,020,172</u>
Reconciliation of cash to statement of net position:					
Cash and Cash Equivalents	\$ 2,004,012	\$ 3,794,874	\$ 1,098,361	\$ 185,440	\$ 7,082,687
Restricted Cash	-	463,308	474,177	-	937,485
	<u>\$ 2,004,012</u>	<u>\$ 4,258,182</u>	<u>\$ 1,572,538</u>	<u>\$ 185,440</u>	<u>\$ 8,020,172</u>
Reconciliation of operating income (loss) to net cash flows from operating activities:					
Operating income (loss)	\$ 117,264	\$ (97,044)	\$ 137,430	\$ 387,023	\$ 544,673
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Transfers	(152,737)	(2,960)	(189,020)	(306,400)	(651,117)
Depreciation	214,855	588,000	574,382	58,309	1,435,546
Depreciation charged other accounts	11,400	-	-	-	11,400
Changes in Assets, Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources:					
Receivables	(4,579)	1,387	(30,185)	534	(32,843)
Due from Other Funds	27,363	(10,230)	500	-	17,633
Inventories	-	-	(135,398)	-	(135,398)
Prepaid Expenses	(7,236)	(7,236)	(10,012)	-	(24,484)
Accounts Payable	(15,752)	(75,951)	(64,310)	12,605	(143,408)
Accrued Liabilities	(97)	(320)	(1,692)	(271)	(2,380)
Due to Other Funds	444	(33,203)	30,846	4,664	2,751
Compensated Absences	-	-	3,384	-	3,384
Other Liabilities	-	-	(34,580)	-	(34,580)
Leases - related receivables and deferrals	(17,800)	-	(804)	-	(18,604)
Pension - related deferrals, liability and (asset)	14,885	14,873	31,456	2,878	64,092
Net cash provided (used) by operating activities	<u>\$ 188,010</u>	<u>\$ 377,316</u>	<u>\$ 311,997</u>	<u>\$ 159,342</u>	<u>\$ 1,036,665</u>
Noncash Capital Financing Activities					
Contributed utility plant	<u>\$ 587,391</u>	<u>\$ 640,954</u>	<u>\$ 242,701</u>	<u>\$ 51,302</u>	<u>\$ 1,522,348</u>

See accompanying notes to the basic financial statements

City of Wisconsin Dells

**Statement of Fiduciary Net Position
Tax Collection Fund
December 31, 2023**

	<u>Tax Collection</u>
ASSETS	
Cash and Cash Equivalents	\$ 1,124,789
Property Taxes Receivable	<u>3,943,188</u>
Total Assets	<u><u>\$ 5,067,977</u></u>
LIABILITIES	
Due to Other Governments	\$ 5,067,977
Total Liabilities	<u><u>\$ 5,067,977</u></u>

See accompanying notes to the basic financial statements

City of Wisconsin Dells

**Statement of Changes in Fiduciary Net Position
Tax Collection Fund
For the Year Ended December 31, 2023**

	<u>Tax Collection</u>
ADDITIONS	
Property Tax Collections for Other Governments	<u>\$ 3,379,729</u>
Total Additions	<u>3,379,729</u>
DEDUCTIONS	
Payments of Taxes to Other Governments	<u>3,379,729</u>
Total Deductions	<u>3,379,729</u>
Net Increase (Decrease) in Fiduciary Net Position	-
Net Position - Beginning	-
Net Position - Ending	<u><u>\$ -</u></u>

See accompanying notes to the basic financial statements

**City of Wisconsin Dells
Notes to Financial Statements
December 31, 2023**

1. Significant Accounting Policies

The accounting policies of the City of Wisconsin Dells, Wisconsin conform to accounting principles generally accepted in the United States of America as applicable to governmental units.

A. Reporting Entity

The City is a municipal corporation governed by an elected council of a mayor and six alderpersons. The reporting entity for the City consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) 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. The City has identified the Community Development Authority of the City of Wisconsin Dells as a component unit that is required to be included in the financial statements. Activities of the Authority are reported in a capital projects fund and are discussed in Note 16.

See Note 13 regarding joint ventures.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements report information on all of the nonfiduciary activities of the City. The effect of most interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers for services provided by a given function or segment and 2) grants and contributions that are restricted to meeting the requirements of a particular function. Taxes and other items not included in program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Governmental funds include general, special revenue, debt service and capital projects funds. Proprietary funds include enterprise funds. Major individual governmental and enterprise funds are reported in separate columns in the fund financial statements.

The City reports the following major governmental funds:

General Fund - the general operating fund of the municipality. It is used to account for all financial resources except those required to be accounted for in another fund.

Premier Resort Tax Fund – used to account for the collection and expenditure of the premier resort taxes received from the state, legally restricted for certain expenses.

**City of Wisconsin Dells
Notes to Financial Statements
December 31, 2023**

1. Significant Accounting Policies (Continued)

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

Capital Reserve Fund - 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).

Room Tax Fund - used to account for the collection and expenditure of the City's room tax legally restricted for tourism promotion and tourism development.

Debt Service Fund - used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest, and related costs that are related to the City's governmental activities.

Tax Increment District Fund - Transactions of the City's tax incremental districts are accounted for in a capital projects fund.

The City reports the following major proprietary funds:

Enterprise Funds - The enterprise funds are the Water Utility, Sewer Utility, Electric Utility and Parking Utility.

The nonmajor governmental funds of the City are reported in a single column on the fund financial statements.

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 administer through a *qualifying trust* or the government does *not* have *administrative involvement* and the assets are *not* generated from the *government's delivery of goods or services* to the beneficiaries, *or* the assets are for the benefit of *entities that are not part of the government's reporting entity*.

The City reports the following fiduciary fund:

Custodial Fund – 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 overlaying taxing jurisdictions in a custodial fund.

C. Measurement Focus and Basis of Accounting

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

**City of Wisconsin Dells
Notes to Financial Statements
December 31, 2023**

1. Significant Accounting Policies (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Resources not available to finance expenditures and commitments of the current period are recorded as deferred inflows or nonspendable fund balance. Expenditures are recorded when the related fund liability is incurred, except for debt service expenditures, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the 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. Budgets

Annual budgets for the general fund and debt service fund are approved by the common council. City management submits the proposed budget to the common council. The council conducts public hearings on the proposed budget and adopts the budget before December each year. See notes to required supplementary information for additional information.

E. Cash and Cash Equivalents

For purposes of the statement of cash flows, the City considers all highly liquid, unrestricted investments with an initial maturity of three months or less to be cash equivalents.

F. Taxes Receivable

Property taxes are recorded in the year levied as receivables and deferred inflows. They are recognized as revenues in the succeeding year when services financed by the levy are being provided. In addition to property taxes for the municipality, taxes are collected for and remitted to the state and county governments as well as the local and vocational school districts. Taxes for other state and local governmental units collected in the current year for the succeeding year are reported as payable to other governments. Taxes are levied in December on the assessed value as of the prior January 1.

Property tax calendar – 2023 roll

Lien and levy date, tax bills mailed	December, 2023
Payment in full or first installment due	January 31, 2024
Second installment due	July 31, 2024
Tax sale – 2023 delinquent real estate taxes	October, 2026

**City of Wisconsin Dells
Notes to Financial Statements
December 31, 2023**

1. Significant Accounting Policies (Continued)

G. Allowance for Uncollectible Accounts

Delinquent real estate taxes are paid in full by the county, which assumes the collection thereof. No provision for uncollectible utility accounts receivable has been made in the accompanying financial statements because the utilities have the right by law to place delinquent bills on the tax roll.

H. Capital Assets

Additions to and replacements of capital assets are recorded at original cost, which includes material, labor, overhead, and interest incurred during construction. Contributed capital assets are recorded at estimated acquisition value at the time received. The cost of property replaced, retired or otherwise disposed of is deducted from plant accounts and accumulated depreciation. Depreciation is recorded using the straight-line method over the estimated useful lives.

The historical cost of streets, storm water sewers, sidewalks, and curb and gutter acquired prior to 2004 was estimated. Capital assets acquired for governmental purposes are recorded as expenditures in the governmental fund financial statements.

I. Land Held for Resale

The financial statements include land held for resale. This represents the original cost of land purchased by the City and held for resale to developers.

J. Inventories

Proprietary fund inventories are generally used for construction or maintenance - not for resale. They are valued at cost based on first in - first out and charged to construction or maintenance when used.

K. Long-Term Debt

In the government-wide and proprietary fund financial statements, long-term liabilities are reported. Bonds payable are reported net of the applicable bond premium or discount. Long-term liabilities are not reported in the governmental fund financial statements. Proceeds of long-term debt issues are reflected as "Other Financing Sources" in the operating statement of the recipient fund. Retirement of these issues is reported as an expenditure in the year in which the debt matures or is repaid, whichever is earlier.

L. Regulatory Credit

In 2004 the Public Service Commission of Wisconsin ("Wisconsin PSC") required regulated utilities (the water utility and electric utility) to create a deferred regulatory credit account. The amount of the credit was equal to the estimated accumulated depreciation on contributed utility plant as of December 31, 2003. The credit has the effect of reducing the rate base used by the Commission in approving user rates charged by the utilities. The credit is being amortized to nonoperating income over a period of 20 years.

**City of Wisconsin Dells
Notes to Financial Statements
December 31, 2023**

1. Significant Accounting Policies (Continued)

M. Compensated Absences

The governmental funds have not recorded liabilities for accrued employee vacations and sick leave since these will not be liquidated from current revenues. The actual expenditure will be recorded at the time the benefits are used by the employee, and will be paid at the rate of pay then in effect. Under terms of employment, municipal employees are granted vacations and sick leave in varying amounts. To the extent that sick leave and vacation must be paid by the municipality when an employee leaves employment, such amounts are considered to be a long-term liability and are reported in the government-wide and proprietary fund financial statements.

N. Deferred Outflows and Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

O. Claims and Judgments

Claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental funds. The related expenditure is recognized when the liability is liquidated. Claims and judgments are reported in the government-wide and proprietary fund financial statements as expenses when the related liabilities are incurred.

P. Equity

Equity is classified as net position in the government-wide and proprietary fund financial statements and displayed in three components. 1) Net investment in capital assets – the amount of capital assets less accumulated depreciation and outstanding debt related to the purchase, construction, or improvement of capital assets. 2) Restricted net position – amount of net position subject to restrictions that are imposed by external groups or law. 3) Unrestricted net position – net position that is classified as neither of the above.

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.

In the governmental fund financial statements, equity is reported as fund balance.

Fund Balance is report in five separate classifications:

Nonspendable – resources which cannot be spent because they are either a) not in spendable form or; b) legally or contractually required to be maintained intact.

Restricted – resources with constraints placed on the use of resources are either a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

City of Wisconsin Dells
Notes to Financial Statements
December 31, 2023

1. Significant Accounting Policies (Continued)

P. Equity (Continued)

Committed – resources which are subject to limitation the government imposes upon itself at its highest level of decision making, and that remain binding unless removed in the same manner.

Assigned – resources neither restricted nor committed for which a government has a stated intended use as established by the City Council or a body or official to which the City Council has delegated the authority to assign amounts for specific purposes.

Unassigned – resources which cannot be properly classified in one of the other four categories. The General Fund is the only fund that reports a positive unassigned fund balance amount. Unassigned balances also include negative balances in the governmental funds reporting resources restricted for specific programs.

When restricted and other fund balance resources are available for use, it is the City's policy to use restricted resources first, followed by committed, assigned, and unassigned amounts, respectively.

Q. Revenues and Expenses

Intergovernmental aids and grants are recognized as revenues in the period the related expenditures are incurred, if applicable, or when the municipality is entitled to the aids.

In the governmental funds, special assessments are recorded as revenues when collected. Annual installments due in future years are reflected as receivables and deferred inflows. As of December 31, 2023, the City is owed \$860,651 in special assessments related to developer projects. The assessments are due in annual installments of approximately \$291,000 for ten to fourteen years bearing interest ranging from 3.75% to 4.98%. These assessments are reported in the General Fund, TID, and Debt Service funds.

Proprietary fund revenues are recorded when services are billed. Estimated unbilled revenues are accrued to the end of the year. Rates charged by the water utility and electric utility are regulated by the Public Service Commission of Wisconsin.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are user charges for water consumption, for wastewater disposal and treatment, for electricity use and parking fees. Operating expenses for enterprise funds include the cost of services, administrative expenses, and depreciation. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Contributions and contributed capital to the utilities are reflected as nonoperating revenue.

**City of Wisconsin Dells
Notes to Financial Statements
December 31, 2023**

1. Significant Accounting Policies (Continued)

R. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; employee health; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties and from the Cities and Villages Mutual Insurance Company (CVMIC). The City is a participant in the Wisconsin Municipal Insurance Commission (WMIC) which formed CVMIC to operate as a public entity risk pool. The City retains responsibility for the first \$10,000 on all risks and has \$5,000,000 of liability coverage from CVMIC. The City's participation in WMIC and CVMIC is described in Note 13. Management believes such coverage is sufficient to preclude any significant uninsured losses to the City. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

S. Pensions

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

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

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

T. Other Postemployment Benefits (OPEB) Plan – 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 accrual basis of accounting. This includes for purposes of measuring the following:

- Net OPEB Liability,
- Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Other Post-Employment Benefits, and
- OPEB Expense (Revenue).

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

**City of Wisconsin Dells
Notes to Financial Statements
December 31, 2023**

U. Other Postemployment Benefits (OPEB) Plan – Group Health Insurance Plan

The City has their health insurance through Employee Trust Fund (ETF). The ETF health plan allows all retirees who are eligible for WRS to choose to self-pay the full (100%) amount of premiums to remain on the City's group health insurance plan indefinitely, provided they continue to pay all required premiums. The City's group health insurance plan OPEB liability is based upon the actuarial assumptions and projections. The City's annual liability for retiree medical benefits is on a pay-as-you-go basis. See Note 10 for additional information.

2. Cash and Investments

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments to the list below. The City's investment policy is to follow 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;
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, 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. The local government pooled-investment fund as established under Section 25.50 of the Wisconsin Statutes;
6. Agreements in which a public depository agrees to repay funds advanced to it by the Board, plus interest, if the agreement is secured by bonds or securities issued or guaranteed as to principal and interest by the federal government;
7. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options;
8. Bonds issued by the University of Wisconsin Hospital and Clinics Authority and the Wisconsin Aerospace Authority.

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. The City's policy for custodial credit risk is to obtain collateral for all deposits.

City of Wisconsin Dells
Notes to Financial Statements
December 31, 2023

2. Cash and Investments (Continued)

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

Fluctuating cash flows during the year due to tax collections, receipt of state aids and/or proceeds from borrowing may have resulted in temporary balances exceeding insured amounts.

As of December 31, 2023, \$9,616,701 of the City's deposits with financial institutions were exposed to custodial credit risk as follows:

Uninsured and collateralized	\$ 9,616,701
Total Uninsured	<u>\$ 9,616,701</u>

Wisconsin Local Government Investment Pool

The Wisconsin Local Government Investment Pool 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 <http://www.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 as reported in these statements.

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

Investment allocation in the LGIP as of December 31, 2023, was: 94% in U.S. Government Securities and 6% in Commercial Paper, Certificates of Deposit, and Time Deposits. The Wisconsin State Treasurer updates the investment allocations on a monthly basis.

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 its fair value has to changes in market interest rates.

City of Wisconsin Dells
Notes to Financial Statements
December 31, 2023

2. Cash and Investments (Continued)

The City's investment policy follows state statutes that limit investment maturities to three years as a means of managing exposure of fair value losses arising from increasing interest rates. City investments at December 31, 2023, were available on demand or had maturities of less than one year.

Restricted Cash and Investments

Bond covenants and external sources require portions of debt proceeds and income to be set aside for debt service payments and asset replacements. The following balances were restricted as of December 31, 2023:

General Fund - library donation	\$ 80,011
Capital Reserve - unspent bond proceeds	3,410,653
Tax Increment Districts - lease revenue bond reserve	1,371,535
Debt Service - current refunding proceeds	54,953
Sewer Utility - DNR replacement	463,308
Electric Utility - debt and depreciation reserve	474,176
	<u>\$ 5,854,636</u>

3. Leases as Lessor

The City has entered into various lease arrangements where the City is the lessor. In the financial statements, lease revenue for the year ended December 31, 2023 was as follows:

Lease Revenue	
Pole Attachment	\$ 2,946
Cell Tower	71,375
Total Lease Revenue	<u>74,321</u>
Interest Revenue	33,085
Total	<u>\$ 107,406</u>

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

Year Ending December 31,	Principal	Interest	Total
2024	\$ 39,827	\$ 32,663	\$ 72,490
2025	43,585	31,644	75,229
2026	47,549	30,529	78,078
2027	51,728	29,314	81,042
2028	56,131	27,992	84,123
2029-2033	355,325	116,008	471,333
2034-2038	505,686	63,429	569,115
2039-2043	185,064	9,466	194,530
2044-2048	18,568	1,434	20,002
	<u>\$ 1,303,463</u>	<u>\$ 342,479</u>	<u>\$ 1,645,942</u>

City of Wisconsin Dells
Notes to Financial Statements
December 31, 2023

4. Capital Assets

Capital asset activity for the year ended December 31, 2023, is shown below:

Governmental Activities	Balance 1/1/2023	Additions	Deletions	Balance 12/31/2023
<i>Capital assets, not being depreciated</i>				
Land	\$ 1,195,962	\$ 227,088	\$ -	\$ 1,423,050
Construction Work in Progress	3,705,003	469,245	(3,471,334)	702,914
Subtotals	<u>4,900,965</u>	<u>696,333</u>	<u>(3,471,334)</u>	<u>2,125,964</u>
<i>Capital assets, being depreciated and amortized</i>				
Infrastructure	26,571,279	5,332,721	(539,308)	31,364,692
Buildings and improvements	9,449,409	222,321	-	9,671,730
Equipment and vehicles	7,557,822	521,918	(27,043)	8,052,697
Right-of-use assets - vehicles	-	168,288	-	168,288
Subtotals	<u>43,578,510</u>	<u>6,245,248</u>	<u>(566,351)</u>	<u>49,257,407</u>
<i>Accumulated depreciation and amortization</i>				
Infrastructure	12,683,510	1,005,553	(537,368)	13,151,695
Buildings and improvements	4,488,301	250,025	-	4,738,326
Equipment and vehicles	4,116,397	359,043	(27,043)	4,448,397
Right-of-use assets - vehicles	-	27,810	-	27,810
Subtotals	<u>21,288,208</u>	<u>1,642,431</u>	<u>(564,411)</u>	<u>22,366,228</u>
<i>Net capital assets, being depreciated</i>	<u>22,290,302</u>	<u>4,602,817</u>	<u>(1,940)</u>	<u>26,891,179</u>
Capital Assets, net	<u>\$ 27,191,267</u>	<u>\$ 5,299,150</u>	<u>\$ (3,473,274)</u>	<u>\$ 29,017,143</u>

City of Wisconsin Dells
Notes to Financial Statements
December 31, 2023

4. Capital Assets (Continued)

Business-type Activities	Balance 1/1/2023	Additions	Deletions	Balance 12/31/2023
<i>Capital assets, not being depreciated</i>				
Land	\$ 862,521	\$ -	\$ -	\$ 862,521
Construction Work in Progress	1,483,373	871,655	1,769,204	585,824
Subtotals	<u>2,345,894</u>	<u>871,655</u>	<u>1,769,204</u>	<u>1,448,345</u>
<i>Capital assets, being depreciated</i>				
Water utility plant	10,242,411	988,979	12,354	11,219,036
Sewer utility plant	18,708,443	1,866,898	167,322	20,408,019
Electric utility plant	12,168,204	1,423,850	10,649	13,581,405
Parking utility plant	1,264,017	113,406	123,260	1,254,163
Subtotals	<u>42,383,075</u>	<u>4,393,133</u>	<u>313,585</u>	<u>46,462,623</u>
<i>Accumulated depreciation</i>				
Water utility plant	3,460,302	226,255	12,355	3,674,202
Sewer utility plant	8,921,828	588,000	151,722	9,358,106
Electric utility plant	9,605,696	574,382	10,650	10,169,428
Parking utility plant	253,023	58,309	38,617	272,715
Subtotals	<u>22,240,849</u>	<u>1,446,946</u>	<u>213,344</u>	<u>23,474,451</u>
<i>Net capital assets, being depreciated</i>	<u>20,142,226</u>	<u>2,946,187</u>	<u>100,241</u>	<u>22,988,172</u>
Capital Assets, net	<u>\$ 22,488,120</u>	<u>\$ 3,817,842</u>	<u>\$ 1,869,445</u>	<u>\$ 24,436,517</u>

Depreciation and amortization expense was charged to functions on the Statement of Activities as follows:

Governmental activities:

General government	\$ 20,407
Public safety	255,603
Public works	1,126,264
Health and human services	3,343
Culture, recreation, and education	232,213
Conservation and development	4,601
Total	<u>\$ 1,642,431</u>

Business-type activities:

Water Utility	\$ 226,255
Sewer Utility	588,000
Electric Utility	574,382
Parking Utility	58,309
Total	<u>\$ 1,446,946</u>

City of Wisconsin Dells
Notes to Financial Statements
December 31, 2023

5. Long-Term Obligations

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

	Balance 1/1/2023	Increases	Decreases	Balance 12/31/2023
<u>Governmental Activities</u>				
Notes and bonds from direct borrowings and direct placements	\$ 910,000	\$ -	\$ 910,000	\$ -
General obligation notes and bonds	16,745,000	-	1,420,000	15,325,000
CDA bonds	9,520,000	3,745,000	410,000	12,855,000
Financed purchase	122,487	-	39,394	83,093
Land contracts	42,850	-	42,850	-
Premium on long-term debt	433,365	53,654	24,301	462,718
Total bonds, notes payable, leases, and land contracts	27,773,702	3,798,654	2,846,545	28,725,811
Other liabilities:				
Lease liability	-	168,289	22,609	145,680
Compensated absences	274,600	19,000	-	293,600
Total other liabilities	274,600	187,289	22,609	439,280
Total long-term liabilities - governmental activities	\$ 28,048,302	\$ 3,985,943	\$ 2,869,154	\$ 29,165,091
<u>Business-Type Activities</u>				
Bonds from direct borrowings and direct placements	\$ 2,130,851	\$ 402,293	\$ 137,357	\$ 2,395,787
Revenue bonds	2,385,000	-	210,000	2,175,000
Total bonds and notes payable	4,515,851	402,293	347,357	4,570,787
Other liabilities:				
Compensated absences	25,692	3,384	-	29,076
Total other liabilities	25,692	3,384	-	29,076
Total long-term liabilities - business-type activities	\$ 4,541,543	\$ 405,677	\$ 347,357	\$ 4,599,863

Interest paid in 2023 on governmental activities and business-type activities debt was \$694,948 and \$131,767, respectively.

City of Wisconsin Dells
Notes to Financial Statements
December 31, 2023

5. Long-Term Obligations (Continued)

A. General Obligation Debt

All general obligation notes and bonds payable are backed by the full faith and credit of the municipality. Revenue debt for governmental activities is payable from annual tax increments collected on the tax roll. If the tax increments are not sufficient, the debt will be paid by future tax levies. Business-type activities debt is payable by revenues from user fees of the proprietary funds.

In accordance with Wisconsin Statutes, total general obligation indebtedness of the municipality may not exceed five percent of the equalized value of taxable property within the municipality's jurisdiction. The debt limit as of December 31, 2023, was \$32,245,130. The total of general obligation debt at December 31, 2023, was \$15,325,000.

Following is a schedule of the general obligation long-term debt of the City at December 31, 2023. Interest on all indebtedness is due semi-annually, except for the state trust fund loans which are due annually.

<u>GENERAL OBLIGATION DEBT</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
General obligation refunding bonds issued in 2016 at interest rates of .75 to 2.35%, due in varying amounts until maturity at 3/1/30	\$ 1,435,000	\$ -
General obligation promissory note issued in 2020 at interest rates of .3 to 1.1%, due in varying amounts until maturity at 9/1/29	2,100,000	-
General obligation promissory note issued in 2020 at interest rates of .3 to 2.0%, due in varying amounts until maturity at 9/1/29	3,080,000	-
General obligation refunding bonds issued in 2021 at interest rates of 2.00 to 2.20%, due in varying amounts until maturity at 5/1/30	4,085,000	-
General obligation promissory note issued in 2022 at interest rates of 2.50 to 4.00%, due in varying amounts until maturity at 9/1/32	1,390,000	-
General obligation maintenance facility bonds issued in 2022 at interest rates of 4.00 to 5.00%, due in varying amounts until maturity at 9/1/42	<u>3,235,000</u>	<u>-</u>
Total general obligation debt	<u>15,325,000</u>	<u>-</u>

City of Wisconsin Dells
Notes to Financial Statements
December 31, 2023

5. Long-Term Obligations (Continued)

B. Mortgage Revenue Debt

<u>REVENUE BONDS</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Sewer Mortgage Revenue Bonds dated 5/12/10, at interest rate of 2.4%, due in increasing annual installments until maturity at 5/1/30	\$ -	\$ 77,025
Electric System Revenue Refunding Bonds dated 12/6/10, at interest rates of 1.45% to 4.1%, due in varying amounts until maturity at 1/1/24	-	170,000
Electric System Revenue Refunding Bonds dated 9/10/12, at interest rates of .90% to 3.85%, due in varying amounts until maturity at 1/1/32	-	2,005,000
Sewer Mortgage Revenue Bonds dated 2/24/16, at interest rate of 2.438%, due in increasing annual installments until maturity at 5/1/35.	-	1,522,796
Community Development Lease Revenue Bonds, Series 2017B, dated March 8, 2017, at interest rates of 2.6% to 3.85%, due in varying amounts until maturity at 3/1/30	9,110,000	-
Sewer Mortgage Revenue Bonds dated 7/13/22, at interest rate of 2.035%, due in increasing annual installments until maturity at 5/1/42.	-	795,966
Community Development Lease Revenue Bonds, Series 2023, dated May 10, 2023, at interest rates of 4.00% to 5.00%, due in varying amounts until maturity at 3/1/31	<u>3,745,000</u>	<u>-</u>
Total revenue bonds	<u>12,855,000</u>	<u>4,570,787</u>
Total debt	<u><u>\$ 28,180,000</u></u>	<u><u>\$ 4,570,787</u></u>

City of Wisconsin Dells
Notes to Financial Statements
December 31, 2023

5. Long-Term Obligations (Continued)

C. Debt Service Requirements

Debt service requirements to maturity are as follows:

Years	Governmental Activities		
	General Obligation Notes and Bonds	CDA Bonds	Total
<u>Principal</u>			
2024	\$ 1,635,000	\$ 1,670,000	\$ 3,305,000
2025	1,720,000	1,615,000	3,335,000
2026	1,385,000	1,670,000	3,055,000
2027	1,435,000	1,735,000	3,170,000
2028	1,450,000	1,805,000	3,255,000
2029-2033	4,420,000	4,360,000	8,780,000
2034-2038	2,025,000	-	2,025,000
2039-2042	1,255,000	-	1,255,000
Totals	<u>\$ 15,325,000</u>	<u>\$ 12,855,000</u>	<u>\$ 28,180,000</u>
<u>Interest</u>			
2024	\$ 344,695	\$ 500,900	\$ 845,595
2025	313,186	392,608	705,794
2026	285,030	333,540	618,570
2027	260,418	270,288	530,706
2028	230,260	202,648	432,908
2028-2032	704,235	203,697	907,932
2033-2037	342,541	-	342,541
2038-2042	69,596	-	69,596
Totals	<u>\$ 2,549,961</u>	<u>\$ 1,903,681</u>	<u>\$ 4,453,642</u>

Year	Business-Type Activities			
	Bonds from Direct Borrowings and Direct Placements		Revenue Bonds	
	Principal	Interest	Principal	Interest
2024	\$ 155,741	\$ 53,348	\$ 220,000	\$ 72,320
2025	159,394	49,649	215,000	65,043
2026	163,134	45,867	225,000	58,438
2027	166,961	41,994	230,000	51,155
2028	170,878	38,030	240,000	43,160
2029-2033	879,336	128,664	1,045,000	80,552
2034-2038	506,573	38,152	-	-
2039-2042	193,770	7,986	-	-
Totals	<u>\$ 2,395,787</u>	<u>\$ 403,690</u>	<u>\$ 2,175,000</u>	<u>\$ 370,668</u>

City of Wisconsin Dells
Notes to Financial Statements
December 31, 2023

5. Long Term Obligations (Continued)

D. Financed Purchase

The City has entered into a purchase agreement as of December 31, 2015, for a fire truck. The cumulative amount of assets acquired under the agreement described above amounted to \$462,467 with \$262,065 of accumulated depreciation as of December 31, 2023. The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2023, were as follows:

Year	Amount
2024	\$ 43,804
2025	43,802
Total Minimum Lease Payments	87,606
Less: Amount representing Interest	(4,513)
Present Value of Net Minimum Lease Payments	<u>\$ 83,093</u>

E. Lease Liabilities

The City entered into various agreements as a lessee during 2023 for vehicles. The lease allows the right-to-use the vehicles over the term of each lease. Terms vary from three to five years. Principal and interest requirements to maturity are as follows:

Year Ending December 31,	Principal	Interest	Total
2024	\$ 36,982	\$ 5,799	\$ 42,781
2025	38,680	4,100	42,780
2026	33,484	2,440	35,924
2027	30,762	967	31,729
2028	5,772	43	5,815
	<u>\$ 145,680</u>	<u>\$ 13,349</u>	<u>\$ 159,029</u>

F. Other Long-Term Obligations

The following is a summary of changes in other long-term obligations for the year ended December 31, 2023.

	Balance 1/1/2023	Increases	Decreases	Balance 12/31/2023
Accrued Liabilities:				
Athletic Fields	\$ 85,000	\$ -	\$ 85,000	\$ -
Total	<u>\$ 85,000</u>	<u>\$ -</u>	<u>\$ 85,000</u>	<u>\$ -</u>

Other long-term obligations were paid out of the general fund and the business improvement district fund.

City of Wisconsin Dells
Notes to Financial Statements
December 31, 2023

5. Long Term Obligations (Continued)

G. Bond Compliance Requirements

The City was covered under the following insurance at December 31, 2023:

Company	Type	Coverage	Expiration Date
Cities and Villages Mutual Insurance Company	General liability	\$ 5,000,000	1/1/2024
	Uninsured Motor Vehicle		
	Per Person	25,000	
	Per Occurrence	50,000	
	Auto Physical Damage Insurance		
	Per Occurrence	15,000,000	
	Sub-limit for any Vehicle	1,500,000	
	Worker's Compensation	Wisconsin Statutory Limits	
	Worker's Compensation Employer's Liability:		
	Each Accident	500,000	
	Each Employee for Disease	500,000	
	Policy Limit for Disease	500,000	

The Sewer Utility is required by bond ordinances to produce net revenues sufficient to provide 110% of the annual principal and interest requirements on the bonds.

Net Revenues Required	<u>\$ 229,998</u>
2023 Net Revenues	<u>\$ 634,774</u>

6. Compensated Absences and Termination Benefits

The following is a summary of changes in other long-term obligations related to the governmental activities for the year ended December 31, 2023.

	Balance 1/1/2023	Increases	Decreases	Balance 12/31/2023
Compensated Absences:				
Accumulated vacation	\$ 148,000	\$ 14,700	\$ -	\$ 162,700
Accumulated sick leave	126,600	4,300	-	130,900
Totals	<u>\$ 274,600</u>	<u>\$ 19,000</u>	<u>\$ -</u>	<u>\$ 293,600</u>

The City will pay a portion of the monetary value of accumulated sick leave to union employees upon retirement or death. Alternatively, the retiring employee may apply a greater portion of the sick leave balance to future health insurance premiums. An expenditure and a liability are recorded in the general fund at the time of an eligible employee's retirement for the value of the employee's accumulated sick leave that is expected to be paid during the current year. The estimated long-term obligation for pay outs of the accumulated sick leave of current and retired employees on December 31, 2023, was \$130,900 and is accrued in the government-wide financial statements. The City finances these benefits on a pay-as-you-go basis. Obligations for compensated absences will be paid out of the general fund.

City of Wisconsin Dells
Notes to Financial Statements
December 31, 2023

7. Interfund Balances and Transfers

Interfund balances at December 31, 2023 were:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
General	Electric	\$ 36,936	Taxes & Expenses
General	Water	281	Expenses
General	Parking	37,649	Taxes & Expenses
General	Sewer	206	Expenses
Subtotal General		<u>75,073</u>	
Electric	Parking	65	Expenses
Electric	Water	199	Electric Service
Electric	General	11,717	Tax Equivalent
Subtotal Electric		<u>11,981</u>	
Water	General	4,844	Tax Equivalent
Water	Sewer	37,341	Meter Costs
Water	Electric	61,879	Utility Bills
Subtotal Water		<u>104,064</u>	
Sewer	Electric	90,456	Utility Billings
Subtotal Sewer		<u>90,456</u>	
Subtotal Fund Financial Statements		<u>281,574</u>	
Less: Interfund Eliminations		<u>(223,063)</u>	
Internal Balances		<u>\$ 58,511</u>	

Interfund transfers made during 2023 consisted of the following:

<u>Fund Transferred To:</u>	<u>Fund Transferred From:</u>	<u>Amount</u>	<u>Purpose</u>
General	Water	\$ 152,737	Tax equivalent
General	Sewer	2,960	Tax equivalent
General	Electric	189,020	Tax equivalent
General	Parking	306,400	Operations & tax equivalent
General	PRT	60,000	Dog park
Capital Reserve	General	43,804	Capital lease payment - fire truck
PRT	TIF 4	290,941	Capital improvements
Parking	PRT	51,302	Capital contributions
Electric	Tax Increment Districts	436,941	Capital contributions
Electric	PRT	38,646	Capital contributions
Water	Tax Increment Districts	587,391	Capital contributions
Sewer	Tax Increment Districts	375,435	Capital contribution
Sewer	PRT	92,667	Capital contribution
Electric	Tax Increment Districts	120,185	Debt service
Amount per fund statements		<u>\$ 2,748,429</u>	
Less eliminations		<u>(1,696,979)</u>	
Transfers per government-wide statements		<u>\$ 1,051,450</u>	

**City of Wisconsin Dells
Notes to Financial Statements
December 31, 2023**

8. Employee Retirement Plan

Defined Benefit Pension Plan

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

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

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

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

Benefits provided. Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and State executive participants, if hired on or before 12/31/16) are entitled to receive 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 years' earnings. 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 contributions, with interest, if that benefit is higher than the formula benefit.

Vested participants may retire at age 55 (50 for protective occupation employees) and receive actuarially-reduced benefits. 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 Wisconsin Dells
Notes to Financial Statements
December 31, 2023

8. Employee Retirement Plan (Continued)

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

Year	Core Fund Adjustment (%)	Variable Fund Adjustment (%)
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

Contributions. Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and Executives and Elected Officials. Starting on January 1, 2016, the Executives & 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 \$327,694 in contributions from the employer.

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 Wisconsin Dells
Notes to Financial Statements
December 31, 2023

8. Employee Retirement Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At December 31, 2023, the City reported a liability of \$1,415,589 for its proportionate share of the net pension asset. The net pension 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 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 0.02672084%, which was an increase of .00043954% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the City recognized pension expense of \$720,010.

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	\$ 2,254,597	\$ (2,962,035)
Net differences between projected and actual earnings on pension plan investments	2,404,762	-
Changes in assumptions	278,363	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	497	(2,781)
Employer contributions subsequent to the measurement date	376,949	-
Total	<u>\$ 5,315,168</u>	<u>\$ (2,964,816)</u>

City of Wisconsin Dells
Notes to Financial Statements
December 31, 2023

8. Employee Retirement Plan (Continued)

\$376,949 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 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	\$ 81,430
2025	408,088
2026	418,790
2027	1,065,095
Total	<u>\$ 1,973,403</u>

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.*

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, 2022 is based upon a roll-forward of the liability calculated from December 31, 2021 actuarial valuation.

City of Wisconsin Dells
Notes to Financial Statements
December 31, 2023

8. Employee Retirement Plan (Continued)

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

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

<u>Core Fund Asset Class</u>	<u>Asset Allocation %</u>	<u>Long-Term Expected Nominal Rate of Return %</u>	<u>Long-Term Expected Real Rate of Return %²</u>
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
<u>Variable Fund Asset Class</u>			
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 Wisconsin Dells
Notes to Financial Statements
December 31, 2023

8. Employee Retirement Plan (Continued)

Single Discount rate. A single discount rate of 6.8% was used to measure the total pension liability for the current and prior year. 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, 2022. 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 6.80% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City'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)	\$ 4,698,300	\$ 1,415,589	\$ (842,631)

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>.

Allocation of Pension Plan. Pension amounts are allocated between the Proprietary Funds and the General Fund based on the percentage of required contributions of each fund to the whole.

9. Other Postemployment Benefits – Multiple-Employer Life Insurance Plan

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

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

City of Wisconsin Dells
Notes to Financial Statements
December 31, 2023

9. Other Postemployment Benefits – Multiple-Employer Life Insurance Plan (Continued)

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

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

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

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

Contribution rates as of December 31, 2023 are:

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

Member contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating employees must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The member contribution rates in effect for the year ended December 31, 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 \$1,316 in contributions from the employer.

City of Wisconsin Dells
Notes to Financial Statements
December 31, 2023

9. Other Postemployment Benefits – Multiple-Employer Life Insurance Plan (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs. At December 31, 2023, the City reported a liability of \$250,028 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 0.065627%, which was an increase of 0.003315% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the City recognized OPEB expense of \$24,434.

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	\$ -	\$ (24,470)
Net differences between projected and actual earnings on plan investments	4,691	-
Changes in actuarial assumptions	89,829	(147,585)
Changes in proportion and differences between employer contributions and proportionate share of contributions	22,334	(30,631)
Employer contributions subsequent to the measurement date	-	-
Totals	<u>\$ 116,854</u>	<u>\$ (202,686)</u>

No amount was reported as deferred outflows related to OPEB resulting from the City's contributions subsequent to the measurement date to be recognized as a reduction of the net OPEB liability (asset) in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31:	Net Deferred Outflows (Inflows) of Resources
2024	\$ (5,685)
2025	(8,021)
2026	(6,060)
2027	(17,920)
2028	(27,628)
Thereafter	(20,518)
Total	<u>\$ (85,832)</u>

City of Wisconsin Dells
Notes to Financial Statements
December 31, 2023

9. Other Postemployment Benefits – Multiple-Employer Life Insurance Plan (Continued)

Actuarial Assumptions. The total OPEB liability in the January 1, 2022, actuarial valuation was determined using the following 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	
Inflation:	3.00%
Seniority/Merit:	0.10% - 5.6%
Mortality:	2020 WRS Experience Mortality Table

*Based on the Bond Buyer GO index.

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

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

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

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

**City of Wisconsin Dells
Notes to Financial Statements
December 31, 2023**

9. Other Postemployment Benefits – Multiple-Employer Life Insurance Plan (Continued)

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%

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.

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)	\$ 340,886	\$ 250,028	\$ 180,395

10. Other Postemployment Benefits – Group Health Insurance Plan

Plan Description. The City has their health insurance through Employee Trust Fund (ETF). The ETF health plan allows all retirees who are eligible for WRS to choose to self-pay the full (100%) amount of premiums to remain on the City's group health insurance plan indefinitely, provided they continue to pay all required premiums.

Funding Policy. The City funds the policy on a pay-as-you-go basis.

Benefits Provided. The Group Health Insurance plan was provided to all employees who are eligible for WRS upon their retirement.

**City of Wisconsin Dells
Notes to Financial Statements
December 31, 2023**

10. Other Postemployment Benefits – Group Health Insurance Plan (Continued)

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

Inactive employees or beneficiaries currently receiving benefit payments	9
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	49
	<u>58</u>

Total OPEB Liability. The City's total group health insurance plan OPEB liability, reported as of December 31, 2023, of \$699,417 was measured at December 31, 2022, by an actuarial valuation as of December 31, 2021.

Actuarial Assumptions and Other Inputs. The total group health insurance plan 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 other specified:

Actuarial Valuation Date:	December 31, 2021
Measurement Date	December 31, 2022
Actuarial Cost Method:	Entry Age Normal (level percent of salary)
Health Care Trend	7.0% decreasing to 6.5%, then decreasing by 0.1% per year down to 4.5%, and level thereafter
Discount Rate *	4.25%
Inflation	2.50%
Asset Valuation Method	Market Value
Average of Expected Remaining Service Lives	9 years
Mortality	2020 WRS Experience Tables for Active Employees and Healthy Retirees projected with mortality improvements using the fully generational MP-2021 projection scale from a base year of 2010

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

Actuarial assumptions are based upon an experience study conducted in 2021 using Wisconsin Retirement System (WRS) experience from 2018-2020.

City of Wisconsin Dells
Notes to Financial Statements
December 31, 2023

10. Other Postemployment Benefits – Group Health Insurance Plan (Continued)

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at 12/31/2021	\$ 789,553
Changes for the year:	
Service cost	42,791
Interest	17,761
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	(107,530)
Benefit payments	(43,158)
Net Changes	(90,136)
Balance at 12/31/2022	\$ 699,417

The discount rate used to measure the other postemployment benefit balances was changed to 4.25% from 2.25%. The total other postemployment benefit liability measured as of December 31, 2022 was based upon a roll-forward of the liability calculated from the December 31, 2021 actuarial valuation.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total group health insurance OPEB liability of the City, as well as what the City's total group health insurance OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.25 percent) or 1-percentage-point higher (5.25 percent) than the current discount rate:

		1% Decrease 3.25%	Current Discount Rate 4.25%	1% Increase 5.25%
Total OPEB Liability	12/31/2022	\$ 751,345	\$ 699,417	\$ 651,153

Sensitivity of the Total OPEB Liability to Changes in Healthcare Cost Trend Rates. The following represents the total group health insurance OPEB liability of the City, as well as what the City's total group health insurance OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5.5 percent decreasing to 4.0 percent) or 1-percentage-point higher (7.5 percent decreasing to 6.0 percent) than the current healthcare cost trend rates:

		1% Decrease (Actual first year increase, then 6.0% decreasing to 3.5%)	Healthcare Cost Trend Rates (Actual first year increase, then 7.0% decreasing to 4.5%)	1% Increase (Actual first year increase, then 8.0% decreasing to 5.5%)
Total OPEB Liability	12/31/2022	\$ 634,399	\$ 699,417	\$ 774,966

City of Wisconsin Dells
Notes to Financial Statements
December 31, 2023

10. Other Postemployment Benefits – Group Health Insurance Plan (Continued)

OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB. For the year ended December 31, 2023, the City recognized an OPEB revenue of \$90,136. At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experiences	\$ 76,833	\$ -
Changes of assumptions or other inputs	119,697	(103,883)
City contributions subsequent to the measurement date	-	-
Total	<u>\$ 196,530</u>	<u>\$ (103,883)</u>

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

Year Ended December 31:	Net Deferred Outflows (Inflows) of Resources
2024	\$ 18,697
2025	18,697
2026	18,697
2027	18,697
2028	18,701
Thereafter	(842)
	<u>\$ 92,647</u>

11. Tax Abatements

Tax abatements are a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments. The City of Wisconsin Dells, through a Tax Increment Finance District, has entered into a tax abatement agreement for development of a senior housing complex. The agreement calls for a total tax abatement of \$1,579,620, which is payable over seven (7) years starting in 2021. Tax abatement payments are contingent upon collection of tax increment revenues from the development project and, therefore, no liability has been accrued in these financial statements.

As of December 31, 2023, the City provides tax abatements for the following program:

Tax Abatement Program	Amount in Taxes Abated:
Riverwood Eagles Nest	\$ 183,302

City of Wisconsin Dells
Notes to Financial Statements
December 31, 2023

12. Fund Balances

Governmental fund balances as of December 31, 2023, include the following:

	<u>Nonspendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>
<u>General Fund:</u>				
Delinquent Special Assessments	\$ 33,558	\$ -	\$ -	\$ -
Notes Receivable	14,754	-	-	-
Prepaid Expenses	20,088	-	-	-
Library Bequest	-	80,011	-	-
Police Canine Fund	-	-	-	19,389
Police Drug Fund	-	-	-	4,556
Police Evidence Fund	-	-	-	941
Garage Fund	-	-	-	91,354
Municipal Building Rent	-	-	-	2,705
FFE Replacement	-	-	-	4,905
Dog Park	-	-	-	56,656
Parks & Pool	-	-	-	92,397
Parks Building	-	-	-	158,417
Tribute Trees	-	-	-	33,980
Library	-	-	-	219,412
Cemetery Operations	-	-	-	127,789
Total General Fund	<u>68,400</u>	<u>80,011</u>	<u>-</u>	<u>812,501</u>
<u>Premier Resort Tax</u>	<u>-</u>	<u>4,093,211</u>	<u>-</u>	<u>-</u>
<u>Debt Service Fund:</u>				
Debt Service	<u>-</u>	<u>842,672</u>	<u>-</u>	<u>-</u>
Total Debt Service Fund	<u>-</u>	<u>842,672</u>	<u>-</u>	<u>-</u>
<u>Tax Increment Districts:</u>				
Land Held for Resale	144,724	-	-	-
Debt Service	-	1,371,535	-	-
Capital Projects	-	5,897,956	-	-
Total Tax Increment Districts	<u>144,724</u>	<u>7,269,491</u>	<u>-</u>	<u>-</u>
<u>Capital Reserve</u>	<u>2,452</u>	<u>3,410,653</u>	<u>-</u>	<u>677,219</u>
<u>Room Tax</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>48,578</u>
<u>Nonmajor Funds:</u>				
CDA Housing	-	92,953	-	-
Revolving Loan Fund	-	14,737	-	-
Business Improvement District	-	155,265	-	-
Fire Services Fund	-	93,230	-	-
River and Bays Fund	-	-	362,181	-
River Arts Fund	-	8,187	-	-
Building	-	-	-	54,478
Total Nonmajor Funds	<u>-</u>	<u>364,372</u>	<u>362,181</u>	<u>54,478</u>
Total	<u>\$ 215,576</u>	<u>\$ 16,060,410</u>	<u>\$ 362,181</u>	<u>\$ 1,592,776</u>

**City of Wisconsin Dells
Notes to Financial Statements
December 31, 2023**

13. Joint Ventures

**A. Wisconsin Municipal Insurance Commission (WMIC)
Cities and Villages Mutual Insurance Company (CVMIC)**

The City is one of about 40 members of WMIC, an intergovernmental cooperation commission formed to facilitate the formation of CVMIC. CVMIC provides liability insurance coverage to the cities and villages which make up the membership of WMIC. The City's proportionate share of the equity in WMIC is about 0.6%. The investment in WMIC has not been reflected on the balance sheet.

Separate financial statements of WMIC and CVMIC are available at CVMIC, 9898 West Bluemound Rd, Wauwatosa, Wisconsin 53226.

B. Wisconsin Dells - Lake Delton Sewerage Commission

The City has a 50% interest in the Wisconsin Dells - Lake Delton Sewerage Commission. The Commission owns and operates facilities for the joint treatment and disposal of sewage from the two municipalities. The City's share of the capital cost, depreciation, and debt of the joint facilities is included in the sewer utility's financial statements. Operating costs are paid to the Commission based on usage and are also reflected in the financial statements of the sewer utility. The net amount paid in 2023 was \$378,159. Separate financial statements of the Commission are available at the Lake Delton Municipal Building.

C. Dells-Delton EMS Commission

The City of Wisconsin Dells, Village of Lake Delton, and Town of Delton created the Dells-Delton EMS Commission. The Commission provides emergency medical services to the three municipalities effective January 1, 2003. The City contributed all of its EMS vehicles and equipment to the Commission. The Commission assumed the City's lease obligations related to that equipment. The Commission may assess the participating municipalities for financial deficits. The expenditures in the accompanying 2023 financial statements include the City's payments to the Commission for operations in the amount of \$656,599.

14. Contingencies and Commitments

The City is involved in claims and lawsuits arising in the normal course of business. In the opinion of management, the ultimate outcome of these actions will not have a materially adverse effect on the City's financial position at December 31, 2023.

In 2002, the City purchased real estate for a parking lot and a park. The property may have environmental contamination. The remediation costs may be eligible for reimbursement from the state. No loss accrual has been made in the financial statements.

Various infrastructure improvement projects began in 2023 and are expected to be completed in 2024. Total costs to complete these projects are expected to be approximately \$8,040,000.

The City has entered developer incentive agreements with various developers in which the City has agreed to pay incentives based on future tax increment collections. Generally, the City will rebate up to 90% of the tax increment generated from the developments each year. Payments are expected to begin in 2025 and end in 2032. The total amount of incentive payments is \$8,325,000.

**City of Wisconsin Dells
Notes to Financial Statements
December 31, 2023**

15. Business Improvement District

In 1998, the City formed a business improvement district (BID) under Wisconsin Statutes section 66.608. The BID finances improvements within its boundaries through special assessments of properties within the BID. The City collects the assessments with the annual real estate taxes. The BID also receives other funds from the City and others.

16. Tax Increment Financing (TIF)

The City created Tax Increment Finance District #2 (TID #2) in 2001. The total cost of planned projects that will be charged to the TID is \$3,860,000.

The City created Tax Increment Finance District #3 (TID #3) in 2005. The total cost of planned projects that will be charged to the TID is over \$26,000,000.

The City created Tax Increment Finance District #4 (TID #4) in 2006. The total cost of planned projects that will be charged to the TID is \$19,030,000.

In 2002, the City created the Community Development Authority of the City of Wisconsin Dells (CDA). The CDA is responsible for overseeing development in the tax increment districts. The CDA issued lease revenue bonds in 2002 and 2003 and used the proceeds for improvements in TID #2. The CDA leased improvements in TID #2 to the City. The CDA issued lease revenue bonds in 2005, 2006, 2007, and 2008 and used the proceeds for improvements in TID #3. The CDA leases improvements in TID #3 to the City. Lease payments from the City provide revenues to repay the bonds. In 2013 and 2014, the lease payments were insufficient to pay the scheduled bond payment, and the City refunded the scheduled payment with general obligation debt. In 2015, the City refunded the 2005 CDA lease revenue bonds with general obligation debt. In 2017, the City refunded the 2006, 2007, and 2008 CDA lease revenue bonds with lease revenue bonds. In 2023, additional lease revenue bonds were issued to fund improvements in TID #2 which are leased to the City.

17. Subsequent Events

In April 2024, the City approved the issuance of \$7,020,000 in general obligation promissory notes. The proceeds of these notes will be used to finance infrastructure improvements in TID #3, purchase public works equipment, and to refund the 2012 Electric System Revenue Bonds. The City also approved issuing \$2,315,000 in general obligation promissory notes. The proceeds of these notes will be used to fund infrastructure improvements to River Road.

In September 2024, the City approved the issuance of \$3,400,000 in Electric System Revenue Bonds. The proceeds of the bonds will be used to fund system improvements to River Road and Wisconsin Dells Parkway.

In 2024, the City approved various infrastructure improvements and equipment purchases. The total cost of these items is approximately \$11,000,000.

REQUIRED SUPPLEMENTARY INFORMATION

Required Supplementary Information
City of Wisconsin Dells
Budgetary Comparison Schedule for the General Fund
For the Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes				
Property	\$ 2,850,651	\$ 2,850,651	\$ 2,850,560	\$ (91)
Trailer parking permits	16,500	16,500	14,991	(1,509)
Room taxes	200,000	200,000	217,945	17,945
Interest on taxes	500	500	939	439
	<u>3,067,651</u>	<u>3,067,651</u>	<u>3,084,435</u>	<u>16,784</u>
Intergovernmental				
State shared revenues	311,521	311,521	311,550	29
State transportation aid	627,158	627,158	627,240	82
State recycling grant	11,900	11,900	10,999	(901)
State municipal services aid	10,800	10,800	11,364	564
State exempt property payment	83,500	83,500	80,187	(3,313)
County library grants	72,432	72,432	72,342	(90)
Other intergovernmental payments	486,128	486,128	496,893	10,765
	<u>1,603,439</u>	<u>1,603,439</u>	<u>1,610,575</u>	<u>7,136</u>
Licenses and Permits				
Liquor and malt beverages	42,000	42,000	36,363	(5,637)
Operator licenses	8,500	8,500	6,250	(2,250)
Business licenses	51,750	51,750	40,910	(10,840)
Dog licenses	1,750	1,750	1,955	205
DMV services	8,000	8,000	3,810	(4,190)
Building permits	100,000	100,000	91,165	(8,835)
Sign permits	10,000	10,000	3,200	(6,800)
	<u>222,000</u>	<u>222,000</u>	<u>183,653</u>	<u>(38,347)</u>
Fines, Forfeits and Penalties				
Court penalties and costs	100,000	100,000	107,800	7,800
Parking forfeits and fines	31,500	31,500	8,444	(23,056)
	<u>131,500</u>	<u>131,500</u>	<u>116,244</u>	<u>(15,256)</u>

See accompanying notes to the required supplementary information.

Required Supplementary Information
City of Wisconsin Dells
Budgetary Comparison Schedule for the General Fund
For the Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Public Charges for Services				
General fees	54,075	54,075	59,722	5,647
Police reports	1,500	1,500	1,520	20
Planning and Zoning	10,000	10,000	8,860	(1,140)
Snow removal	21,560	21,560	44,432	22,872
Street machinery rental	-	-	329	329
Street department jobbing	6,500	6,500	6,768	268
Garbage and recycling	327,325	327,325	370,262	42,937
Cemetery	23,350	23,350	21,370	(1,980)
Library	6,200	6,200	5,594	(606)
Pool	27,000	27,000	31,143	4,143
Community Center	-	-	705	705
Parks	95,000	95,000	135,031	40,031
	<u>572,510</u>	<u>572,510</u>	<u>685,736</u>	<u>113,226</u>
Interest/Investment Income				
Investments	72,500	72,500	368,639	296,139
Special assessments	250	250	822	572
	<u>72,750</u>	<u>72,750</u>	<u>369,461</u>	<u>296,711</u>
Miscellaneous Income				
Rent	107,885	107,885	104,690	(3,195)
Liability insurance	11,570	11,570	11,570	-
Miscellaneous	9,842	9,842	36,465	26,623
	<u>129,297</u>	<u>129,297</u>	<u>152,725</u>	<u>23,428</u>
Total Revenues	<u>5,799,147</u>	<u>5,799,147</u>	<u>6,202,829</u>	<u>403,682</u>

See accompanying notes to the required supplementary information.

Required Supplementary Information
City of Wisconsin Dells
Budgetary Comparison Schedule for the General Fund
For the Year Ended December 31, 2023

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
EXPENDITURES				
Current:				
General Government				
Legislative	\$ 55,550	\$ 55,550	\$ 51,472	\$ 4,078
Mayor	16,550	16,550	15,968	582
Court	100,100	100,100	74,165	25,935
Legal	96,500	96,500	116,013	(19,513)
Administration	170,975	170,975	162,663	8,312
Elections	25,115	25,115	26,188	(1,073)
Assessment of taxes	23,000	23,000	26,004	(3,004)
Audit	12,200	12,200	12,200	-
Municipal building	100,745	100,745	74,030	26,715
Insurance	74,600	74,600	77,074	(2,474)
	675,335	675,335	635,777	39,558
Public Safety				
Police	2,457,732	2,457,732	2,507,497	(49,765)
Fire	71,300	71,300	71,300	-
EMS	100,000	100,000	100,973	(973)
Inspection	45,620	45,620	37,157	8,463
Emergency government	10,700	10,700	8,215	2,485
PST	2,250	2,250	1,701	549
	2,687,602	2,687,602	2,726,843	(39,241)
Public Works				
Administration	127,925	127,925	85,122	42,803
Transportation	705,770	705,770	636,519	69,251
Sidewalk and crosswalk	21,000	21,000	21,137	(137)
Storm sewers	12,750	12,750	1,791	10,959
Depot	3,500	3,500	4,705	(1,205)
Garbage and refuse collection	293,195	293,195	380,764	(87,569)
Sanitary landfill	185,000	185,000	222,454	(37,454)
Recycling	159,360	159,360	157,536	1,824
	1,508,500	1,508,500	1,510,028	(1,528)

See accompanying notes to the required supplementary information.

Required Supplementary Information
City of Wisconsin Dells
Budgetary Comparison Schedule for the General Fund
For the Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Health and Human Services				
Cemetery	108,650	108,650	116,066	(7,416)
	108,650	108,650	116,066	(7,416)
Culture, Recreation and Education				
Library	612,910	612,910	569,518	43,392
Community Center	32,095	32,095	38,148	(6,053)
Pool	71,450	71,450	74,015	(2,565)
Parks	542,970	542,970	559,839	(16,869)
Celebrations	14,000	14,000	10,779	3,221
	1,273,425	1,273,425	1,252,299	21,126
Conservation and Development				
Zoning	130,410	130,410	121,339	9,071
	130,410	130,410	121,339	9,071
Miscellaneous				
Contingencies	15,000	15,000	30,348	(15,348)
<u>Capital Outlay:</u>				
Police	3,360	3,360	3,360	-
Street	85,000	85,000	85,000	-
Park	3,500	3,500	-	3,500
	91,860	91,860	88,360	3,500
Total Expenditures	6,490,782	6,490,782	6,481,060	9,722
Excess (deficiency) of revenues over expenditures	(691,635)	(691,635)	(278,231)	413,404
Other Financing Sources (Uses)				
Transfers in	691,635	691,635	651,116	(40,519)
Total other financing sources (uses)	691,635	691,635	651,116	(40,519)
Net change in fund balances	\$ -	\$ -	\$ 372,885	\$ 372,885

See accompanying notes to the required supplementary information.

Required Supplementary Information
City of Wisconsin Dells
Reconciliation of Budgetary Comparison Schedule
to Statement of Revenues and Expenditures
For the Year Ended December 31, 2023

	<u>Revenues</u>	<u>Expenditures</u>	<u>Other</u>	<u>Net</u>
Amounts on budgetary comparison	<u>\$ 6,202,829</u>	<u>\$ 6,481,060</u>	<u>\$ 651,116</u>	<u>\$ 372,885</u>
Revenues and expenditures posted to carryover accounts:				
Intergovernmental revenue	115,009	-	-	115,009
Public charges for services	900	-	-	900
Miscellaneous	99,249	-	-	99,249
Public safety	-	105,133	-	(105,133)
Public works	-	1,617	-	(1,617)
Culture, recreation, and education	-	29,404	-	(29,404)
Capital outlay	-	506,403	-	(506,403)
Lease proceeds	-	-	168,289	168,289
Transfer in	<u>-</u>	<u>-</u>	<u>60,000</u>	<u>60,000</u>
 Total of reconciling items	<u>215,158</u>	<u>642,557</u>	<u>228,289</u>	<u>(199,110)</u>
 Amounts on Statement of Revenues and Expenditures	<u><u>\$ 6,417,987</u></u>	<u><u>\$ 7,123,617</u></u>	<u><u>\$ 879,405</u></u>	<u><u>\$ 173,775</u></u>

See accompanying notes to the required supplementary information.

Required Supplementary Information
City of Wisconsin Dells
Wisconsin Retirement System
December 31, 2023

Schedule of Proportionate Share of the Net Pension Liability (Asset)
As of the Measurement Date
Last 10 Calendar Years

Year ended December 31,	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered- employee payroll	Collective net pension liability (asset) as a percentage of its covered- employee payroll	Plan fiduciary net position as a percentage of the total pension liability (asset)
2022	0.02672084%	\$ 1,415,589	\$ 3,900,544	36.29%	95.72%
2021	0.02628130%	(2,118,321)	3,562,273	(59.47%)	106.02%
2020	0.02649365%	(1,654,034)	3,597,644	(45.98%)	105.26%
2019	0.02626102%	(846,774)	3,515,048	(24.09%)	102.96%
2018	0.02571937%	915,014	3,364,150	27.20%	96.45%
2017	0.02535100%	(752,701)	3,239,189	(23.24%)	102.93%
2016	0.02492502%	205,441	3,137,645	6.55%	99.12%
2015	0.02477271%	402,552	3,161,600	12.73%	98.20%
2014	0.02459401%	(604,096)	3,003,648	(20.11%)	102.74%

Schedule of City's Contributions
Last 10 Calendar Years

Year ended December 31,	Contractually required contributions	Contributions in relation to the contractually required contributions	Contribution deficiency (excess)	Covered-employee payroll	Contributions as a percentage of covered- employee payroll
2023	\$ 376,949	\$ (376,949)	\$ -	\$ 4,197,632	8.98%
2022	327,875	(327,875)	-	3,900,544	8.41%
2021	300,903	(300,903)	-	3,562,273	8.45%
2020	301,063	(301,063)	-	3,518,300	8.56%
2019	280,080	(280,080)	-	3,515,048	7.97%
2018	273,895	(273,895)	-	3,364,150	8.14%
2017	263,604	(263,604)	-	3,239,189	8.14%
2016	238,305	(238,305)	-	3,137,645	7.60%
2015	245,411	(245,411)	-	3,161,600	7.76%

See accompanying notes to the required supplementary information.

Required Supplementary Information
City of Wisconsin Dells
Local Retiree Life Insurance Fund
December 31, 2023

Schedule of City's 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	0.06562700%	\$ 250,028	\$ 3,596,000	6.95%	38.81%
2021	0.06231200%	368,287	3,305,000	11.14%	29.57%
2020	0.07268400%	399,814	3,018,000	13.25%	31.36%
2019	0.07090400%	301,923	3,083,000	9.79%	37.58%
2018	0.07218600%	186,264	3,015,000	6.18%	48.69%
2017	0.06730400%	202,489	2,830,326	7.15%	44.81%

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	\$ 1,343	\$ (1,343)	\$ -	\$ 3,468,000	0.04%
2022	1,316	(1,316)	-	3,596,000	0.04%
2021	1,257	(1,257)	-	3,305,000	0.04%
2020	1,449	(1,449)	-	3,018,000	0.05%
2019	1,281	(1,281)	-	3,083,000	0.04%
2018	1,390	(1,390)	-	3,015,000	0.05%

See accompanying notes to the required supplemental information.

Required Supplementary Information
City of Wisconsin Dells

Schedule of Changes in the City's Group Health Insurance Plan OPEB Liability and Related Ratios
For the Year Ended December 31, 2023

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability						
Service costs	\$ 42,791	\$ 37,462	\$ 33,690	\$ 23,525	\$ 25,618	\$ 25,618
Interest	17,761	13,963	15,607	16,539	13,952	12,856
Changes in benefit terms	-	-	-	-	-	-
Difference between expected and actual experience	-	49,097	-	69,566	-	-
Changes in assumptions or other inputs	(107,530)	97,404	21,989	52,699	(16,606)	-
Benefit payments	(43,158)	(20,480)	(19,729)	(6,973)	(7,157)	(7,163)
Net change in total OPEB	(90,136)	177,446	51,557	155,356	15,807	31,311
Total Retiree Health Insurance Plan OPEB Liability-Beginning	789,553	612,107	560,550	405,194	389,387	358,076
Total Retiree Health Insurance Plan OPEB Liability-Ending	<u>\$ 699,417</u>	<u>\$ 789,553</u>	<u>\$ 612,107</u>	<u>\$ 560,550</u>	<u>\$ 405,194</u>	<u>\$ 389,387</u>
Covered Employee Payroll	<u>\$ 3,781,216</u>	<u>\$ 3,781,216</u>	<u>\$ 3,335,420</u>	<u>\$ 3,335,420</u>	<u>\$ 3,218,262</u>	<u>\$ 3,218,262</u>
 Total OPEB Liability as a percentage of covered-employee payroll	 18.50%	 20.88%	 18.35%	 16.81%	 12.59%	 12.10%

Data presented as of the measurement date.

See accompanying notes to the required supplementary information.

City of Wisconsin Dells
Notes to Required Supplementary Information
For the Year Ended December 31, 2023

1. Budgetary Information and Excess Expenditures and Other Financing Uses Over Appropriations

Annual budgets, as required by state statutes, are adopted on a basis consistent with U.S. generally accepted accounting principles for all governmental funds. The City's Room Tax Fund is not legally required to adopt an annual budget. Budget amounts in the financial statements include appropriations authorized in the original budget resolution and subsequent revisions authorized by the City Council. Changes to the overall budget must be approved by a two-thirds City Council action. Such revisions are required by a statutory provision which states that no expenditure can be made from an expired appropriation. The statutes also require publication of these budget revisions. Appropriations lapse at year end, except those specifically carried forward by Council action.

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

No material budget adjustments were made during the year. Unexpended appropriations may be carried over to subsequent years. Budget carryovers are reported as assigned fund balance. Expenditures are controlled at the department level. For the year ended December 31, 2023, the following areas exceeded their budgeted appropriations:

Public Safety	\$ 39,241
Public Works	1,528
Health and Human Services	7,416
Miscellaneous	15,348

In total, General Fund expenditures were under budget by \$9,722.

City of Wisconsin Dells
Notes to Required Supplementary Information
For the Year Ended December 31, 2023

2. Employee Retirement Plan

Governmental Accounting Standards Board Statement No. 68 requirements have been implemented prospectively, therefore, the illustrations do not present similar information for the 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-end December 31, 2018, including the following:

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

City of Wisconsin Dells
Notes to Required Supplementary Information
For the Year Ended December 31, 2023

2. Employee Retirement Plan (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.

City of Wisconsin Dells
Notes to Required Supplementary Information
For the Year Ended December 31, 2023

2. Employee Retirement Plan (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.

City of Wisconsin Dells
Notes to Required Supplementary Information
For the Year Ended December 31, 2023

3. Notes to the Local Retiree Life Insurance 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 of Benefit Terms: There were no changes of benefit terms for any participating employer in LRLIF.

Changes of assumptions. In addition to the rate changes detailed in the tables at Note 9 to the financial statements, 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. Notes to the Group Health Insurance Plan 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 of Benefit Terms: There were no changes of benefit terms.

Changes of Assumptions: The discount rate used to calculate the total OPEB liability was updated to 4.25% from 2.25%.

SUPPLEMENTARY INFORMATION

City of Wisconsin Dells
Combining Balance Sheet
Non-Major Governmental Funds
December 31, 2023

	Special Revenue Funds						Capital Projects Funds	Total Non-Major Governmental Funds
	CDA Housing	Revolving Loan Fund	Business Improvement District	Fire Services Fund	River and Bays Fund	River Arts Fund	Building	
ASSETS								
Cash and Cash Equivalents	\$ 92,953	\$ 14,737	\$ 210,841	\$ 116,034	\$ 362,207	\$ 8,187	\$ 54,478	\$ 859,437
Receivables:								
Taxes	-	-	361,632	-	-	-	-	361,632
Total Assets	<u>\$ 92,953</u>	<u>\$ 14,737</u>	<u>\$ 572,473</u>	<u>\$ 116,034</u>	<u>\$ 362,207</u>	<u>\$ 8,187</u>	<u>\$ 54,478</u>	<u>\$ 1,221,069</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES								
Liabilities:								
Accounts Payable	\$ -	\$ -	\$ 2,208	\$ 22,804	\$ 6	\$ -	\$ -	\$ 25,018
Accrued Liabilities	-	-	-	-	20	-	-	20
Total Liabilities	<u>-</u>	<u>-</u>	<u>2,208</u>	<u>22,804</u>	<u>26</u>	<u>-</u>	<u>-</u>	<u>25,038</u>
Deferred Inflows of Resources:								
Tax Levy	-	-	415,000	-	-	-	-	415,000
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>415,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>415,000</u>
Fund Balances:								
Restricted	92,953	14,737	155,265	93,230	-	8,187	-	364,372
Committed	-	-	-	-	362,181	-	-	362,181
Assigned	-	-	-	-	-	-	54,478	54,478
Total Fund Balances	<u>92,953</u>	<u>14,737</u>	<u>155,265</u>	<u>93,230</u>	<u>362,181</u>	<u>8,187</u>	<u>54,478</u>	<u>781,031</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 92,953</u>	<u>\$ 14,737</u>	<u>\$ 572,473</u>	<u>\$ 116,034</u>	<u>\$ 362,207</u>	<u>\$ 8,187</u>	<u>\$ 54,478</u>	<u>\$ 1,221,069</u>

City of Wisconsin Dells

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

	Special Revenue Funds						Capital Projects Fund	Total Non-Major Governmental Funds
	CDA Housing	Revolving Loan Fund	Business Improvement District	Fire Services Fund	River and Bays Fund	River Arts Fund	Building	
REVENUES								
Taxes	\$ -	\$ -	\$ 414,744	\$ -	\$ -	\$ -	\$ -	\$ 414,744
Intergovernmental	-	-	-	269,275	-	-	-	269,275
License and Permits	-	-	-	-	70,011	-	-	70,011
Fines, Forfeits and Penalties	-	-	-	-	1,990	-	-	1,990
Interest Income	472	589	2,735	-	-	-	-	3,796
Miscellaneous Income	1,299	-	-	-	-	-	-	1,299
Total Revenues	<u>1,771</u>	<u>589</u>	<u>417,479</u>	<u>269,275</u>	<u>72,001</u>	<u>-</u>	<u>-</u>	<u>761,115</u>
EXPENDITURES								
Current:								
Public Safety	-	-	-	252,873	-	-	-	252,873
Culture, Recreation and Education	-	-	-	-	25,829	2,623	-	28,452
Conservation and Development	-	69,100	484,538	-	-	-	-	553,638
Capital Outlay	-	-	-	22,360	-	-	-	22,360
Total Expenditures	<u>-</u>	<u>69,100</u>	<u>484,538</u>	<u>275,233</u>	<u>25,829</u>	<u>2,623</u>	<u>-</u>	<u>857,323</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,771</u>	<u>(68,511)</u>	<u>(67,059)</u>	<u>(5,958)</u>	<u>46,172</u>	<u>(2,623)</u>	<u>-</u>	<u>(96,208)</u>
Fund Balances - Beginning	91,182	83,248	222,324	99,188	316,009	10,810	54,478	877,239
Fund Balances - Ending	<u>\$ 92,953</u>	<u>\$ 14,737</u>	<u>\$ 155,265</u>	<u>\$ 93,230</u>	<u>\$ 362,181</u>	<u>\$ 8,187</u>	<u>\$ 54,478</u>	<u>\$ 781,031</u>