

City of Black River Falls

Financial Statements and
Supplementary Information

December 31, 2023

City of Black River Falls

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Independent Auditors' Report

To the City Council of
City of Black River Falls

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate discretely presented component unit and remaining fund information of the City of Black River Falls, Wisconsin (the City), 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 referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate discretely presented component unit and remaining fund information of the City 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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 the 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 opinions on the basic financial statements are 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'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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 1, 2024 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Milwaukee, Wisconsin
July 1, 2024

City of Black River Falls

Statement of Net Position
December 31, 2023

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>	<u>Component Unit Business Improvement District</u>
Assets and Deferred Outflows of Resources				
Assets				
Cash and investments	\$ 7,277,785	\$ 3,981,679	\$ 11,259,464	\$ 17,234
Receivables (net):				
Taxes	2,939,070	-	2,939,070	27,084
Accounts	157,175	1,120,096	1,277,271	-
Special assessments	11,068	-	11,068	-
Notes	695,449	-	695,449	-
Accrued interest	-	20,244	20,244	-
Other	-	23,878	23,878	-
Due from other governments	116,024	-	116,024	-
Internal balances	618,427	(618,427)	-	-
Prepaid items and inventories	622,412	297,796	920,208	-
Other assets	506,214	-	506,214	-
Restricted assets:				
Restricted cash	-	1,715,669	1,715,669	-
Capital assets (net of accumulated depreciation):				
Construction in progress	33,160	249,256	282,416	-
Land and land improvements	5,960,644	277,362	6,238,006	-
Other capital assets, net of depreciation	16,539,918	26,524,744	43,064,662	-
Total assets	<u>35,477,346</u>	<u>33,592,297</u>	<u>69,069,643</u>	<u>44,318</u>
Deferred Outflows of Resources				
Deferred charge on refunding	-	52,397	52,397	-
Pension related amounts	1,609,039	2,181,427	3,790,466	-
Total deferred outflows of resources	<u>1,609,039</u>	<u>2,233,824</u>	<u>3,842,863</u>	<u>-</u>
Liabilities, Deferred Inflows of Resources and Net Position				
Liabilities				
Accounts payable	380,343	402,864	783,207	-
Accrued liabilities	60,579	96,815	157,394	-
Other deferred credits	-	16,984	16,984	-
Deposits	28,787	45,124	73,911	-
Unearned revenues	645,915	-	645,915	-
Noncurrent liabilities:				
Due within one year	371,508	925,371	1,296,879	-
Due in more than one year	4,198,412	10,876,755	15,075,167	-
Net pension liability	438,395	572,706	1,011,101	-
Total liabilities	<u>6,123,939</u>	<u>12,936,619</u>	<u>19,060,558</u>	<u>-</u>
Deferred Inflows of Resources				
Unearned revenues	2,925,404	-	2,925,404	27,084
Pension related amounts	924,006	1,195,438	2,119,444	-
Total deferred inflows of resources	<u>3,849,410</u>	<u>1,195,438</u>	<u>5,044,848</u>	<u>27,084</u>

See notes to financial statements

City of Black River Falls

Statement of Net Position

December 31, 2023

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>	<u>Component Unit Business Improvement District</u>
Net Position				
Net investment in capital assets	\$ 18,113,449	\$ 16,085,011	\$ 34,198,460	\$ -
Restricted for:				
Future fair park projects	163,971	-	163,971	-
Future library costs	126,709	-	126,709	-
Future TIF project costs	1,344,708	-	1,344,708	-
Future housing loans	783,613	-	783,613	-
Future affordable housing projects	65,070	-	65,070	-
Future playground projects	353,692	-	353,692	-
Debt and equipment replacement	-	1,128,132	1,128,132	-
Unrestricted	<u>6,161,824</u>	<u>4,480,921</u>	<u>10,642,745</u>	<u>17,234</u>
Total net position	<u>\$ 27,113,036</u>	<u>\$ 21,694,064</u>	<u>\$ 48,807,100</u>	<u>\$ 17,234</u>

See notes to financial statements

City of Black River Falls

Statement of Activities

Year Ended December 31, 2023

<u>Functions/Programs</u>	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary Government				
Governmental activities:				
General government	\$ 665,651	\$ 71,614	\$ 73,388	\$ -
Public safety	1,049,847	36,550	95,135	12,113
Public works	2,159,234	34,357	719,075	25,000
Health and human services	10,175	-	-	-
Culture, education and recreation	1,438,618	89,431	324,573	1,062,148
Conservation and development	635,785	-	-	-
Interest and fiscal charges	125,918	-	-	-
Total governmental activities	<u>6,085,228</u>	<u>231,952</u>	<u>1,212,171</u>	<u>1,099,261</u>
Business-type activities:				
Electric utility	6,704,125	7,176,626	50,755	46,781
Water utility	995,283	1,075,270	-	-
Sewer utility	940,556	1,130,949	-	-
Ambulance	963,816	852,314	170,018	-
Total business-type activities	<u>9,603,780</u>	<u>10,235,159</u>	<u>220,773</u>	<u>46,781</u>
Total primary government	<u>\$ 15,689,008</u>	<u>\$ 10,467,111</u>	<u>\$ 1,432,944</u>	<u>\$ 1,146,042</u>
Component Unit				
Business Improvement District	<u>\$ 17,234</u>	<u>\$ -</u>	<u>\$ 7,500</u>	<u>\$ -</u>

General Revenues

Taxes

Property taxes, levied for general purposes

Property taxes, levied for BID

Property taxes, levied for debt service

Property taxes, levied for TIF districts

Property taxes, levied for capital assets

Other taxes

Intergovernmental revenues not restricted to specific programs

Investment income

Miscellaneous

Total general revenues

Transfers

Change in net position

Net Position, Beginning

Net Position, Ending

See notes to financial statements

Net (Expenses) Revenues and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Total	Business Improvement District
\$ (520,649)	\$ -	\$ (520,649)	\$ -
(906,049)	-	(906,049)	-
(1,380,802)	-	(1,380,802)	-
(10,175)	-	(10,175)	-
37,534	-	37,534	-
(635,785)	-	(635,785)	-
(125,918)	-	(125,918)	-
<u>(3,541,844)</u>	<u>-</u>	<u>(3,541,844)</u>	<u>-</u>
-	570,037	570,037	-
-	79,987	79,987	-
-	190,393	190,393	-
-	58,516	58,516	-
<u>-</u>	<u>898,933</u>	<u>898,933</u>	<u>-</u>
<u>(3,541,844)</u>	<u>898,933</u>	<u>(2,642,911)</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,734)</u>
1,211,495	-	1,211,495	-
-	-	-	26,968
470,000	-	470,000	-
591,056	-	591,056	-
535,000	-	535,000	-
98,195	-	98,195	-
846,715	-	846,715	-
144,537	162,235	306,772	-
30,972	4,183	35,155	-
<u>3,927,970</u>	<u>166,418</u>	<u>4,094,388</u>	<u>26,968</u>
<u>(790,359)</u>	<u>790,359</u>	<u>-</u>	<u>-</u>
(404,233)	1,855,710	1,451,477	17,234
<u>27,517,269</u>	<u>19,838,354</u>	<u>47,355,623</u>	<u>-</u>
<u>\$ 27,113,036</u>	<u>\$ 21,694,064</u>	<u>\$ 48,807,100</u>	<u>\$ 17,234</u>

See notes to financial statements

City of Black River Falls

Balance Sheet -
Governmental Funds
December 31, 2023

	<u>General Fund</u>	<u>Playground Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>General Capital Projects Fund</u>
Assets				
Cash and investments	\$ 4,918,842	\$ 357,584	\$ 261,762	\$ -
Receivables (net):				
Taxes	1,237,277	-	510,000	550,000
Accounts	156,501	-	-	674
Special assessments	-	-	-	11,068
Loans	45,469	-	-	-
Due from other governments	75,468	-	-	40,556
Due from other funds	636,521	-	-	-
Prepaid items	10,719	-	-	486,693
Other assets	-	-	-	506,214
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 7,080,797</u>	<u>\$ 357,584</u>	<u>\$ 771,762</u>	<u>\$ 1,595,205</u>
Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)				
Liabilities				
Accounts payable	\$ 201,256	\$ 3,892	\$ -	\$ -
Accrued liabilities	30,375	-	-	-
Deposits	28,787	-	-	-
Due to other funds	-	-	-	-
Unearned revenues	10,000	-	-	486,694
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>270,418</u>	<u>3,892</u>	<u>-</u>	<u>486,694</u>
Deferred Inflows of Resources				
Unearned revenues	1,223,611	-	510,000	550,000
Unavailable revenues	61,049	-	-	557,838
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total deferred inflows of resources	<u>1,284,660</u>	<u>-</u>	<u>510,000</u>	<u>1,107,838</u>
Fund Balances (Deficit)				
Nonspendable	25,853	-	-	-
Restricted	290,680	353,692	-	-
Assigned	2,760,609	-	261,762	673
Unassigned (deficit)	2,448,577	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances (deficit)	<u>5,525,719</u>	<u>353,692</u>	<u>261,762</u>	<u>673</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities, deferred inflows of resources and fund balances (deficit)	<u>\$ 7,080,797</u>	<u>\$ 357,584</u>	<u>\$ 771,762</u>	<u>\$ 1,595,205</u>

See notes to financial statements

TIF #3 Capital Projects Fund	TIF #8 Capital Projects Fund	Nonmajor Governmental Funds	Total
\$ 992,820	\$ 196,441	\$ 550,336	\$ 7,277,785
339,247	52,001	250,545	2,939,070
-	-	-	157,175
-	-	-	11,068
-	-	649,980	695,449
-	-	-	116,024
-	-	3,230	639,751
-	-	125,000	622,412
-	-	-	506,214
<u>\$ 1,332,067</u>	<u>\$ 248,442</u>	<u>\$ 1,579,091</u>	<u>\$ 12,964,948</u>

\$ -	\$ 39,825	\$ 135,370	\$ 380,343
-	-	-	30,375
-	-	-	28,787
-	-	21,324	21,324
-	-	149,221	645,915
-	39,825	305,915	1,106,744

339,247	52,001	250,545	2,925,404
-	-	649,980	1,268,867
<u>339,247</u>	<u>52,001</u>	<u>900,525</u>	<u>4,194,271</u>

-	-	-	25,853
992,820	156,616	393,975	2,187,783
-	-	-	3,023,044
-	-	(21,324)	2,427,253
<u>992,820</u>	<u>156,616</u>	<u>372,651</u>	<u>7,663,933</u>

<u>\$ 1,332,067</u>	<u>\$ 248,442</u>	<u>\$ 1,579,091</u>	<u>\$ 12,964,948</u>
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See notes to financial statements

City of Black River Falls

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

Total Fund Balances, Governmental Funds	\$ 7,663,933
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds. See Note 3.	22,533,722
Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	1,609,039
Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	(924,006)
Special assessments, loans and some other assets are reported as unavailable revenue in the fund financial statements but recognized as revenue when earned in the government-wide financial statements. These types of unavailable revenues at year-end consist of:	
Notes receivable	695,449
Other assets held for sale	506,214
Special assessments	51,624
Accounts receivable	15,580
Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds.	
Bonds and notes payable	(4,420,273)
Vested compensated absences	(109,647)
Accrued interest	(30,204)
Landfill post closure costs	(40,000)
Net pension liability	<u>(438,395)</u>
Net Position of Governmental Activities	<u><u>\$ 27,113,036</u></u>

See notes to financial statements

City of Black River Falls

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

	<u>General Fund</u>	<u>Playground Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>General Capital Projects Fund</u>
Revenues				
Taxes	\$ 1,307,493	\$ -	\$ 470,000	\$ 535,000
Intergovernmental	1,694,052	600,000	-	25,000
Licenses and permits	89,296	-	-	-
Fines, forfeitures and penalties	12,863	-	-	-
Public charges for services	154,213	-	-	-
Investment income	93,318	8,986	-	-
Miscellaneous	278,957	440,337	-	12,113
	<u>3,630,192</u>	<u>1,049,323</u>	<u>470,000</u>	<u>572,113</u>
Total revenues				
Expenditures				
Current:				
General government	625,626	-	-	-
Public safety	959,082	-	-	-
Public works	1,380,037	-	-	-
Health and human services	10,175	-	-	-
Culture, recreation and education	962,388	-	-	-
Conservation and development	8,490	-	-	-
Capital outlay	21,142	755,696	-	508,338
Debt service:				
Principal retirement	-	-	226,206	-
Interest and fiscal charges	-	-	3,027	-
	<u>3,966,940</u>	<u>755,696</u>	<u>229,233</u>	<u>508,338</u>
Total expenditures				
Excess (deficiency) of revenues over expenditures	<u>(336,748)</u>	<u>293,627</u>	<u>240,767</u>	<u>63,775</u>
Other Financing Sources (Uses)				
Transfers in	731,592	10,000	-	285,574
Transfers out	(299,476)	-	-	(153,492)
Proceeds from sale of capital assets	8,200	-	-	-
	<u>440,316</u>	<u>10,000</u>	<u>-</u>	<u>132,082</u>
Total other financing sources (uses)				
Net change in fund balances	103,568	303,627	240,767	195,857
Fund Balances (Deficit), Beginning	<u>5,422,151</u>	<u>50,065</u>	<u>20,995</u>	<u>(195,184)</u>
Fund Balances, Ending	<u>\$ 5,525,719</u>	<u>\$ 353,692</u>	<u>\$ 261,762</u>	<u>\$ 673</u>

See notes to financial statements

TIF #3 Capital Projects Fund	TIF #8 Capital Projects	Nonmajor Governmental Funds	Total
\$ 348,275	\$ 2,290	\$ 240,491	\$ 2,903,549
9,966	-	110,561	2,439,579
-	-	-	89,296
-	-	-	12,863
-	-	-	154,213
-	38,616	3,617	144,537
-	-	75,610	807,017
<u>358,241</u>	<u>40,906</u>	<u>430,279</u>	<u>6,551,054</u>
-	-	-	625,626
-	-	-	959,082
-	-	-	1,380,037
-	-	-	10,175
-	-	-	962,388
10,151	799,640	469,969	1,288,250
-	-	-	1,285,176
238,000	-	118,969	583,175
<u>30,302</u>	<u>128,764</u>	<u>4,278</u>	<u>166,371</u>
<u>278,453</u>	<u>928,404</u>	<u>593,216</u>	<u>7,260,280</u>
<u>79,788</u>	<u>(887,498)</u>	<u>(162,937)</u>	<u>(709,226)</u>
-	-	221,402	1,248,568
(200,000)	-	(17,500)	(670,468)
-	-	-	8,200
<u>(200,000)</u>	<u>-</u>	<u>203,902</u>	<u>586,300</u>
(120,212)	(887,498)	40,965	(122,926)
<u>1,113,032</u>	<u>1,044,114</u>	<u>331,686</u>	<u>7,786,859</u>
<u>\$ 992,820</u>	<u>\$ 156,616</u>	<u>\$ 372,651</u>	<u>\$ 7,663,933</u>

See notes to financial statements

City of Black River Falls

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

Net Change in Fund Balances, Total Governmental Funds \$ (122,926)

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

Governmental funds report capital outlays as expenditures. However, in the statement of net position the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities.

Capital outlay is capitalized in the government-wide statements	1,285,176
Some capital outlay is not capitalized in the government-wide statements	(112,724)
Some functional expenditures were capitalized in the government-wide statements	596,212
Certain costs that were in construction in progress were expensed in the government-wide statements	(12,607)
Depreciation is reported in the government-wide statements	(1,215,283)
Some items reported as capital outlay or operating expenditures were transferred to the business-type activities	(1,368,459)

Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.

Accounts receivable	15,580
---------------------	--------

Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Principal repaid	583,175
------------------	---------

Some expenses 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.

Change in accrued interest payable	40,453
Change in landfill post closure liability	4,000
Change in vested compensated absences liability	(447)
Change in net pension asset and related pension deferred outflows/inflows of resources	(111,936)

Governmental funds report repayments of loans and notes receivable as revenue and the issuance of new loans and notes receivable as expenditures. However, in the statement of net position, these amounts increase or decrease loans and notes receivable.

New loans and other receivables recognized as expenditures on fund statements	121,230
Repayment of principal on loans, notes and other receivables recognized as revenue on fund statements	<u>(105,677)</u>

Change in Net Position of Governmental Activities \$ (404,233)

City of Black River Falls

Statement of Net Position -
Proprietary Funds
December 31, 2023

	Business-Type Activities - Enterprise Funds				Total
	Electric Utility	Water Utility	Sewer Utility	Ambulance	
Assets					
Current assets:					
Cash and investments	\$ 1,457,491	\$ 876,061	\$ 160,681	\$ 1,487,446	\$ 3,981,679
Receivables (net):					
Accounts	593,192	88,943	173,286	264,675	1,120,096
Interest	19,421	823	-	-	20,244
Other	23,878	-	-	-	23,878
Prepays items and inventories	253,522	44,274	-	-	297,796
Restricted assets:					
Redemption account	137,360	169,953	139,151	-	446,464
Total current assets	2,484,864	1,180,054	473,118	1,752,121	5,890,157
Noncurrent assets:					
Restricted assets:					
Reserve account	814,181	-	-	-	814,181
Replacement account	150	9,990	444,884	-	455,024
Capital assets:					
Construction in progress	118,731	-	130,525	-	249,256
Plant in service	25,397,561	13,846,728	6,287,103	1,449,700	46,981,092
Less accumulated depreciation	(10,824,879)	(5,008,619)	(3,498,111)	(847,377)	(20,178,986)
Total noncurrent assets	15,505,744	8,848,099	3,364,401	602,323	28,320,567
Total assets	17,990,608	10,028,153	3,837,519	2,354,444	34,210,724
Deferred Outflows of Resources					
Deferred charge on refunding	44,708	7,689	-	-	52,397
Pension related amounts	913,752	333,341	175,914	758,420	2,181,427
Total deferred outflows of resources	958,460	341,030	175,914	758,420	2,233,824

See notes to financial statements

City of Black River Falls

Statement of Net Position -
Proprietary Funds
December 31, 2023

	Business-Type Activities - Enterprise Funds				Total
	Electric Utility	Water Utility	Sewer Utility	Ambulance	
Liabilities					
Current liabilities:					
Accounts payable	\$ 384,082	\$ -	\$ -	\$ 18,782	\$ 402,864
Deposits	45,124	-	-	-	45,124
Other deferred credits	16,984	-	-	-	16,984
Due to other funds	327,125	166,727	69,567	55,008	618,427
Accrued payroll	45,750	9,672	9,559	-	64,981
Accrued interest	-	217	-	-	217
Current portion of general obligation debt	-	100,000	-	-	100,000
Current portion of revenue bonds	28,000	-	-	-	28,000
Current portion of vested compensated absences	-	-	-	28,324	28,324
Current liabilities payable from restricted assets:					
Current portion of revenue bonds	511,460	86,305	171,282	-	769,047
Accrued interest	27,487	2,249	1,881	-	31,617
Total current liabilities	<u>1,386,012</u>	<u>365,170</u>	<u>252,289</u>	<u>102,114</u>	<u>2,105,585</u>
Noncurrent liabilities:					
Long-term debt:					
Unamortized debt premium	97,730	-	-	-	97,730
Customer advances for construction	85,260	-	-	-	85,260
Revenue bonds	8,261,234	1,421,348	897,309	-	10,579,891
Vested compensated absences	70,002	17,315	17,116	9,441	113,874
Net pension liability	257,321	86,875	43,504	185,006	572,706
Total noncurrent liabilities	<u>8,771,547</u>	<u>1,525,538</u>	<u>957,929</u>	<u>194,447</u>	<u>11,449,461</u>
Total liabilities	<u>10,157,559</u>	<u>1,890,708</u>	<u>1,210,218</u>	<u>296,561</u>	<u>13,555,046</u>
Deferred Inflows of Resources					
Pension related amounts	<u>535,591</u>	<u>175,151</u>	<u>109,977</u>	<u>374,719</u>	<u>1,195,438</u>
Total deferred inflows of resources	<u>535,591</u>	<u>175,151</u>	<u>109,977</u>	<u>374,719</u>	<u>1,195,438</u>
Net Position					
Net investment in capital assets	6,393,617	7,238,145	1,850,926	602,323	16,085,011
Restricted for:					
Debt and equipment replacement	368,284	177,694	582,154	-	1,128,132
Unrestricted	1,494,017	887,485	260,158	1,839,261	4,480,921
Total net position	<u>\$ 8,255,918</u>	<u>\$ 8,303,324</u>	<u>\$ 2,693,238</u>	<u>\$ 2,441,584</u>	<u>\$ 21,694,064</u>

See notes to financial statements

City of Black River Falls

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

	Business-Type Activities - Enterprise Funds				
	Electric Utility	Water Utility	Sewer Utility	Ambulance	Total
Operating Revenues	\$ 7,176,626	\$ 1,075,270	\$ 1,130,949	\$ 852,314	\$ 10,235,159
Operating Expenses					
Operation and maintenance	5,748,336	660,796	703,446	885,951	7,998,529
Depreciation	680,105	293,958	213,311	77,865	1,265,239
Amortization	6,000	-	-	-	6,000
Total operating expenses	<u>6,434,441</u>	<u>954,754</u>	<u>916,757</u>	<u>963,816</u>	<u>9,269,768</u>
Operating income (loss)	<u>742,185</u>	<u>120,516</u>	<u>214,192</u>	<u>(111,502)</u>	<u>965,391</u>
Nonoperating Revenues (Expenses)					
Investment income	47,542	22,732	18,250	73,711	162,235
Interest expense	(305,289)	(32,512)	(23,799)	-	(361,600)
IRS Build America Bond interest subsidy	31,396	-	-	-	31,396
Amortization	4,209	(7,689)	-	-	(3,480)
Miscellaneous revenue (expenses)	1,567	(328)	-	2,616	3,855
Grant revenue	-	-	-	170,018	170,018
Total nonoperating revenues (expenses)	<u>(220,575)</u>	<u>(17,797)</u>	<u>(5,549)</u>	<u>246,345</u>	<u>2,424</u>
Income before contributions and transfers	<u>521,610</u>	<u>102,719</u>	<u>208,643</u>	<u>134,843</u>	<u>967,815</u>
Contributions and Transfers					
Capital contributions	97,536	1,237,934	130,525	-	1,465,995
Transfers out	(338,278)	(168,707)	(71,115)	-	(578,100)
Total contributions and transfers	<u>(240,742)</u>	<u>1,069,227</u>	<u>59,410</u>	<u>-</u>	<u>887,895</u>
Change in net position	280,868	1,171,946	268,053	134,843	1,855,710
Net Position, Beginning	<u>7,975,050</u>	<u>7,131,378</u>	<u>2,425,185</u>	<u>2,306,741</u>	<u>19,838,354</u>
Net Position, Ending	<u>\$ 8,255,918</u>	<u>\$ 8,303,324</u>	<u>\$ 2,693,238</u>	<u>\$ 2,441,584</u>	<u>\$ 21,694,064</u>

See notes to financial statements

City of Black River Falls

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

	Business-Type Activities - Enterprise Funds				
	Electric Utility	Water Utility	Sewer Utility	Ambulance	Total
Cash Flows From Operating Activities					
Received from customers	\$ 7,220,740	\$ 1,102,630	\$ 1,072,276	\$ 868,964	\$ 10,264,610
Cash received from City	60,424	-	-	-	60,424
Operating grants received	-	-	-	170,018	170,018
Paid to suppliers for goods and services	(4,883,983)	(412,666)	(471,140)	(315,266)	(6,083,055)
Paid to employees for services	(828,553)	(229,745)	(234,305)	(1,158,959)	(2,451,562)
Net cash flows from operating activities	<u>1,568,628</u>	<u>460,219</u>	<u>366,831</u>	<u>(435,243)</u>	<u>1,960,435</u>
Cash Flows From Investing Activities					
Marketable securities sold	198,765	170,003	-	300,000	668,768
Marketable securities purchased	(211,749)	(103,580)	-	(55,717)	(371,046)
Investment income	<u>31,525</u>	<u>23,008</u>	<u>12,281</u>	<u>73,711</u>	<u>140,525</u>
Net cash flows from investing activities	<u>18,541</u>	<u>89,431</u>	<u>12,281</u>	<u>317,994</u>	<u>438,247</u>
Cash Flows From Noncapital Financing Activities					
Paid to municipality for tax equivalent	(359,740)	(183,028)	-	-	(542,768)
Transfers in (out)	<u>(4,240)</u>	<u>-</u>	<u>(59,977)</u>	<u>-</u>	<u>(64,217)</u>
Net cash flows from noncapital financing activities	<u>(363,980)</u>	<u>(183,028)</u>	<u>(59,977)</u>	<u>-</u>	<u>(606,985)</u>
Cash Flows From Capital and Related Financing Activities					
Debt retired	(536,126)	(213,317)	(163,133)	-	(912,576)
Interest paid	(302,870)	(33,012)	(24,091)	-	(359,973)
Capital contributions	90,763	-	-	-	90,763
Acquisition and construction of capital assets	(416,134)	(249,488)	(23,900)	(276,191)	(965,713)
Interest rebate received on bonds	<u>31,434</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,434</u>
Net cash flows from capital and related financing activities	<u>(1,132,933)</u>	<u>(495,817)</u>	<u>(211,124)</u>	<u>(276,191)</u>	<u>(2,116,065)</u>
Net change in cash and cash equivalents	90,256	(129,195)	108,011	(393,440)	(324,368)
Cash and Cash Equivalents, Beginning	<u>1,533,683</u>	<u>692,012</u>	<u>458,722</u>	<u>1,005,714</u>	<u>3,690,131</u>
Cash and Cash Equivalents, Ending	<u>\$ 1,623,939</u>	<u>\$ 562,817</u>	<u>\$ 566,733</u>	<u>\$ 612,274</u>	<u>\$ 3,365,763</u>

See notes to financial statements

City of Black River Falls

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

	Business-Type Activities - Enterprise Funds				
	Electric Utility	Water Utility	Sewer Utility	Ambulance	Total
Reconciliation of Operating Income (Loss) to Net Cash Flows From Operating Activities					
Operating income (loss)	\$ 742,185	\$ 120,516	\$ 214,192	\$ (111,502)	\$ 965,391
Nonoperating revenue, net	1,567	(328)	-	172,634	173,873
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:					
Depreciation	680,105	293,958	213,311	77,865	1,265,239
Depreciation charged to other funds	-	14,381	(14,381)	-	-
Depreciation and amortization	6,000	-	-	-	6,000
Depreciation charged to clearing	(1,366)	-	-	-	(1,366)
Changes in assets and liabilities:					
Accounts receivable	105,587	8,487	(43,458)	14,034	84,650
Other receivables	(12,400)	4,604	-	-	(7,796)
Prepaid items and inventories	(9,918)	(1,019)	-	-	(10,937)
Accounts payable	(33,707)	-	-	6,597	(27,110)
Due to other funds	233	216	(834)	(531,806)	(532,191)
Customer deposits	9,551	-	-	-	9,551
Accrued liabilities	7,120	(12,545)	(11,570)	(4,626)	(21,621)
Pension related deferrals and liability	73,671	31,949	9,571	33,741	148,932
Other current liabilities	-	-	-	(92,180)	(92,180)
Net cash flows from operating activities	<u>\$ 1,568,628</u>	<u>\$ 460,219</u>	<u>\$ 366,831</u>	<u>\$ (435,243)</u>	<u>\$ 1,960,435</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position, Proprietary Funds					
Cash and investments	\$ 1,457,491	\$ 876,061	\$ 160,681	\$ 1,487,446	\$ 3,981,679
Restricted cash and investments:					
Redemption account	137,360	169,953	139,151	-	446,464
Reserve account	814,181	-	-	-	814,181
Replacement account	150	9,990	444,884	-	455,024
Total cash and investments	2,409,182	1,056,004	744,716	1,487,446	5,697,348
Less noncash equivalents	<u>(785,243)</u>	<u>(493,187)</u>	<u>(177,983)</u>	<u>(875,172)</u>	<u>(2,331,585)</u>
Cash and cash equivalents	<u>\$ 1,623,939</u>	<u>\$ 562,817</u>	<u>\$ 566,733</u>	<u>\$ 612,274</u>	<u>\$ 3,365,763</u>
Noncash Capital and Related Financing Activities					
Capital contributions from TIF District No. 8	<u>\$ -</u>	<u>\$ 1,237,934</u>	<u>\$ 130,525</u>	<u>\$ -</u>	

See notes to financial statements

City of Black River Falls

Statement of Fiduciary Net Position -
Fiduciary Funds
December 31, 2023

	Custodial Funds
Assets	
Cash and investments	\$ 1,418,044
Taxes receivable	<u>2,333,873</u>
Total assets	<u>3,751,917</u>
Liabilities	
Due to other taxing units	<u>3,751,917</u>
Total liabilities	<u>3,751,917</u>
Net Position	
Total net position	<u><u>\$ -</u></u>

See notes to financial statements

City of Black River Falls

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

	<u>Custodial Funds</u>
Additions	
Property taxes collected for other governments	\$ 2,567,195
License and registration fees collected for other governments	<u>65,937</u>
Total additions	<u>2,633,132</u>
Deductions	
Property taxes distributed to other governments	2,567,195
License and registration fees distributed to other governments	<u>65,937</u>
Total deductions	<u>2,633,132</u>
Change in fiduciary net position	-
Net Position, Beginning	<u>-</u>
Net Position, Ending	<u><u>\$ -</u></u>

City of Black River Falls

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December 31, 2023

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City of Black River Falls

Notes to Financial Statements
December 31, 2023

1. Summary of Significant Accounting Policies

The accounting policies of the City of Black River Falls, Wisconsin (the City) conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

Reporting Entity

This report includes all of the funds of the City. The reporting entity for the City consists of the primary government and its component unit. Component units are legally separate organizations for which the primary government is financially accountable or 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. The primary government is financially accountable if (1) it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization, (2) it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government, (3) the organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. Certain legally separate, tax exempt organizations should also be reported as a component unit if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units or its constituents; (2) the primary government or its component units, is entitled to, or has the ability to access, a majority of the economic resources received or held by the separate organization; and (3) the economic resources received or held by an individual organization that the primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to the primary government.

Component units are reported using one of three methods, discrete presentation, blended or fiduciary. Generally, component units should be discretely presented in a separate column in the financial statements. A component unit should be reported as part of the primary government using the blending method if it meets any one of the following criteria: (1) the primary government and the component unit have substantively the same governing body and a financial benefit or burden relationship exists, (2) the primary government and the component unit have substantively the same governing body and management of the primary government has operational responsibility for the component unit, (3) the component unit serves or benefits, exclusively or almost exclusively, the primary government rather than its citizens or (4) the total debt of the component unit will be paid entirely or almost entirely from resources of the primary government.

Discretely Presented Component Unit

Business Improvement District of the City of Black River Falls

The government-wide financial statements include the Business Improvement District of the City of Black River Falls (BID) as a component unit. The BID is a legally separate organization. The board of the BID is appointed by the mayor and approved by the City Council of the City of Black River Falls. Wisconsin Statutes provide for circumstances whereby the City can impose its will on the BID, and also create a potential financial benefit to or burden on the City. See Note 3. As a component unit, the BID's financial statements have been presented as a discrete column in the financial statements. The information presented is for the fiscal year ended December 31, 2023. The BID does not issue separate financial statements.

Government-Wide and Fund Financial Statements

In May 2020, the GASB issued Statement No. 96, *Subscription—Based Information Technology Arrangements*. This Statement establishes accounting and financial reporting requirements related to subscription-based information technology arrangements (SBITAs) for government end users. This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset-an intangible asset-and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. This standard was implemented January 1, 2023. The applicable SBITAs were not material to the financial statements.

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

Fund Financial Statements

Financial statements of the City are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund balance, revenues and expenditures/expenses.

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

- a. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental or enterprise fund that met the 10% test is at least 5% of the corresponding total for all governmental and enterprise funds combined.

City of Black River Falls

Notes to Financial Statements
December 31, 2023

- c. In addition, any other governmental or enterprise fund that the City believes is particularly important to financial statement users may be reported as a major fund.

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

The City reports the following major governmental funds:

General Fund

General Fund accounts for the City's primary operating activities. It is used to account for and report all financial resources except those accounted for and reported in another fund.

Special Revenue Fund

Playground Special Revenue Fund is used to account for the City's revenues that are legally restricted or committed to expenditures for improvements to the City's playgrounds.

Debt Service Fund

Debt Service Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for the payment of general long-term debt principal, interest and related costs, other than TID or enterprise fund debt.

Capital Projects Funds

General Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities.

Tax Incremental District (TID) No. 3 Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures outlined in the TID project plan.

Tax Incremental District (TID) No. 8 Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures outlined in the TID project plan.

Enterprise Funds

The City reports the following major enterprise funds:

Electric Utility accounts for operations of the electric system.

Water Utility accounts for operations of the water system.

Sewer Utility accounts for operations of the sewer system.

Ambulance Fund accounts for operations of the City's ambulance service.

City of Black River Falls

Notes to Financial Statements

December 31, 2023

The City reports the following nonmajor governmental funds:

Special Revenue Funds

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes (other than debt service or capital projects).

Revolving Housing Fund
Affordable Housing Fund
ARPA Fund

Capital Projects Funds

Capital Projects Funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

TIF #4
TIF #5
TIF #6
TIF #7
TIF #9

In addition, the City reports the following fund type:

Custodial Funds

Custodial Funds are used to account for and report assets controlled by the City and the assets are for the benefit of individuals, private organizations and/or other governmental units.

Tax Collection Fund
License & Registration Collection Fund

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-Wide Financial Statements

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

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

City of Black River Falls

Notes to Financial Statements
December 31, 2023

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

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.

Intergovernmental aids and grants are recognized as revenues in the period the City is entitled to the resources and the amounts are available. Amounts owed to the City which are not available are recorded as receivables and unavailable revenues. Amounts received before eligibility requirements (excluding time requirements) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

Special assessments are recorded as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and unavailable revenues.

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

Proprietary and Fiduciary Funds

Proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note.

The proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the electric, water and sewer utilities and ambulance service are charges to customers for sales and services. Special assessments are recorded as receivables and contribution revenue when levied. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

All Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources 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.

City of Black River Falls

Notes to Financial Statements
December 31, 2023

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity

Deposits and Investments

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

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

- a. Time deposits in any credit union, bank, savings bank or trust company.
- b. Bonds or securities of any county, city, drainage district, technical college district, village, town or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, the University of Wisconsin Hospitals and Clinics Authority or the Wisconsin Aerospace Authority.
- c. Bonds or securities issued or guaranteed by the federal government.
- d. The local government investment pool.
- e. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- f. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- g. Repurchase agreements with public depositories, with certain conditions.

The City has adopted an investment policy. That policy follows the state statute for allowable investments, but also considers commercial paper (rated in the highest tier by a nationally recognized rating agency) and securities having any of the three highest rating categories (rated by any rating agency) as allowable investments.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on methods and inputs as outlined in Note 3. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated to the general fund. The difference between the bank statement balance and carrying value is due to outstanding checks and/or deposits in transit.

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF) and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 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.

See Note 3 for further information.

City of Black River Falls

Notes to Financial Statements
December 31, 2023

Receivables

Property taxes are levied in December on the assessed value as of the prior January 1. In addition to property taxes for the city, taxes are collected for and remitted to the county government as well as the local school district and technical college district. Taxes for all state and local governmental units billed in the current year for the succeeding year are reflected as receivables and due to other taxing units on the accompanying statement of fiduciary net position.

Property tax calendar - 2023 tax roll:

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

Accounts receivable have been shown net of an allowance for uncollectible accounts. Delinquent real estate taxes as of July 31 are paid in full by the County, which assumes the collection thereof. No provision for uncollectible accounts receivable has been made for the City's electric, water or sewer utilities because they have the right by law to place substantially all delinquent bills on the tax roll and other delinquent bills are generally not significant.

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

The City has received grant funds for economic development and housing rehabilitation loan programs to various businesses and individuals. The City records a loan receivable when the loan has been made and funds have been disbursed. The amount recorded as housing rehabilitation loans receivable has been reduced by an allowance for uncollectible accounts of \$56,763.

It is the City's policy to record unavailable revenue for the net amount of the receivable balance. As loans are repaid, revenue is recognized. When new loans are made from the repayments, expenditures are recorded. Interest received from loan repayments is recognized as revenue when received in cash. Any unspent loan repayments at year end are presented as restricted fund balance in the fund financial statements.

Inventories and Prepaid Items

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

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

City of Black River Falls

Notes to Financial Statements
December 31, 2023

Restricted Assets

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

Capital Assets

Government-Wide Financial Statements

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$5,000 for general capital assets, \$25,000 for infrastructure assets and \$1,000 for utility capital assets and an estimated useful life in excess of one year. All capital assets are valued at historical cost or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

Prior to January 2004, infrastructure assets of governmental funds were not capitalized. Upon implementing GASB No. 34, governmental units are required to account for all capital assets, including infrastructure, in the government-wide statements prospectively from the date of implementation. Retroactive reporting of all major general infrastructure assets is encouraged but GASB No. 34 does not require the City to retroactively report all major general infrastructure assets. As of December 31, 2023, the City has not retroactively reported any infrastructure.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor and overhead. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method. The range of estimated useful lives by type of asset is as follows:

Land improvements	15-30	Years
Buildings	30-50	Years
Machinery and equipment	3-20	Years
Infrastructure	20-50	Years
Utility system	4-77	Years

Fund Financial Statements

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

Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

A deferred charge on refunding arises from the advance refunding of debt. The difference between the cost of the securities placed in trust for future payments of the refunded debt and the net carrying value of that debt is deferred and amortized as a component of interest expense over the shorter of the term of the refunding issue or the original term of the refunded debt. The unamortized amount is reported as a deferred outflow of resources in the government-wide and proprietary fund financial statements.

Compensated Absences

Under terms of employment, employees are granted sick leave, vacation and compensation time in varying amounts. Only benefits considered to be vested are disclosed in these statements.

All vested vacation and sick leave pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, and are payable with expendable resources.

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

Long-Term Obligations

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

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) are reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

For the government-wide statements and proprietary fund statements, bond premiums and discounts are amortized over the life of the issue using the effective interest method. The balance at year end is shown as an increase or decrease in the liability section of the statement of net position.

Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net assets that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

Equity Classifications

Government-Wide Statements

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

- a. **Net Investment in Capital Assets** - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. **Restricted Net Position** - Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. **Unrestricted Net Position** - All other net positions that do not meet the definitions of "restricted" or "net investment in capital assets."

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

Fund Statements

Governmental fund balances are displayed as follows:

- a. **Nonspendable** - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. **Restricted** - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. **Committed** - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the City Council. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the City Council that originally created the commitment.
- d. **Assigned** - Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. The City Council may take official action to assign amounts. Assignments may take place after the end of the reporting period.
- e. **Unassigned** - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those purposes.

Proprietary fund equity is classified the same as in the government-wide statements.

City of Black River Falls

Notes to Financial Statements
December 31, 2023

The City considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the City would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

See Note 3 for further information.

Pension

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.

Basis for Existing Rates

Current electric rates were approved by the Public Service Commission of Wisconsin and placed into effect by the utility on January 1, 2021.

Current water rates were approved by the Public Service Commission of Wisconsin and placed into effect by the utility on December 26, 2019.

Current sewer rates were approved by the utility commission and placed into effect on May 1, 2023.

Current ambulance rates became effective as follows:

<u>Rate</u>	<u>Date Adopted</u>
BLS Base Rate	January 19, 2022
ALS Base Rate	January 19, 2022
BLS Mileage Rate	January 19, 2022
ALS Mileage Rate	January 19, 2022

Other Assets

The balance in the General Capital Projects fund represents the value of land in the Lallapalooza development that the City has listed for sale. The City received the property in a settlement of unpaid special assessments.

City of Black River Falls

Notes to Financial Statements
December 31, 2023

Other Deferred Credits

The electric utility charges fees to all customers as required by the 1999 Energy Reliability Act and 2006 Act 141. Revenues generated from the fees are used to fund energy conservation and low-income energy assistance (Commitment to Community) programs. The utility is acting as an agent administering the program so net collections and expenditures/remittances associated with the program are recorded as a current liability on the statement of net position.

2. Stewardship, Compliance and Accountability

Budgetary Information

A budget has been adopted for the general fund, debt service fund and general capital projects fund. A budget has not been formally adopted for any of the City's other funds. Wisconsin Statute 65.90 requires that an annual budget be adopted for all funds.

Excess Expenditures and Other Financing Uses Over Budget

<u>Fund</u>	<u>Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Excess Expenditures Over Budget</u>
General Fund	\$ 3,077,665	\$ 3,319,390	\$ 241,725

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

Deficit Balances

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year end.

As of December 31, 2023, the following individual funds held a deficit balance:

<u>Fund</u>	<u>Amount</u>	<u>Reason</u>
TIF #7	\$ 3,788	Expenditures in excess of tax increment
TIF #9	17,536	Expenditures in excess of tax increment

TIF district deficits are anticipated to be funded with future incremental taxes levied over the life of the districts, which is 27 years for the districts created before October 1, 1995, and 23 years for districts created thereafter through September 30, 2004. Beginning October 1, 2004, the life of new districts varies by type of district (20-27 years) and may be extended in some cases.

Limitations on the City's Tax Levy

Wisconsin law limits the City's future tax levies. Generally the City is limited to its prior tax levy dollar amount (excluding TIF Districts), increased by the greater of the percentage change in the City's equalized value due to net new construction or zero percent. Changes in debt service from one year to the next are generally exempt from this limit with certain exceptions. The City is required to reduce its allowable levy by the estimated amount of fee revenue it collects for certain services, if those services were funded in 2013 by the property tax levy. Levies can be increased above the allowable limits if the amount is approved by referendum.

City of Black River Falls

Notes to Financial Statements
December 31, 2023

3. Detailed Notes on All Funds

Deposits and Investments

The City's deposits and investments at year end were comprised of the following:

	<u>Carrying Value</u>	<u>Bank and Investment Balances</u>	<u>Associated Risks</u>
Deposits	\$ 12,960,003	\$ 13,613,775	Custodial credit
U.S. agencies	49,242	49,242	Credit, custodial credit, concentration of credit, interest rate
LGIP	95,193	95,193	Credit
Negotiable certificates of deposit	317,851	317,851	Credit, custodial credit, concentration of credit, interest rate
State and local bonds	987,722	987,722	Credit, custodial credit, concentration of credit, interest rate
Petty cash	<u>400</u>	<u>-</u>	N/A
Total deposits and investments	<u>\$ 14,410,411</u>	<u>\$ 15,063,783</u>	
Reconciliation to financial statements			
Per statement of net position:			
Unrestricted cash and investments	\$ 11,259,464		
Restricted cash and investments	1,715,669		
Unrestricted cash and investments, component unit	17,234		
Per statement of fiduciary net position:			
Custodial funds	<u>1,418,044</u>		
Total deposits and investments	<u>\$ 14,410,411</u>		

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit accounts (interest-bearing and noninterest-bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts. Deposits in the credit union are insured by the National Credit Union Administration in the amount of \$250,000 for all share draft accounts and \$250,000 for all share certificate and regular share accounts.

Bank accounts and credit unions are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the nature of this fund, recovery of material principal losses may not be significant to individual municipalities. This coverage has been considered in computing custodial credit risk.

The Securities Investor Protection Corporation (SIPC), created by the Securities Investor Protection Act of 1970, is an independent government-sponsored corporation (not an agency of the U.S. government).

City of Black River Falls

Notes to Financial Statements
December 31, 2023

SIPC membership provides account protection up to a maximum of \$500,000 per customer, of which \$250,000 may be in cash. \$500,000 of the City's investments are covered by SIPC. Additionally, through Lloyds of London, accounts have additional securities coverage, subject to a \$1 billion aggregate firm limit.

The City maintains collateral agreements with its banks. At December 31, 2023, the banks had pledged various government securities in the amount of \$8,823,785 to secure the City's deposits and \$4,492,407 to secure the utilities' deposits.

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

The valuation methods for recurring fair value measurements are as follows:

- Quoted prices for similar assets in active markets

Investment Type	December 31, 2023			Total
	Level 1	Level 2	Level 3	
U.S. agencies - implicitly guaranteed	\$ -	\$ 49,242	\$ -	\$ 49,242
Negotiable certificates of deposit	-	317,851	-	317,851
State and local bonds	-	987,722	-	987,722
Total	<u>\$ -</u>	<u>\$ 1,354,815</u>	<u>\$ -</u>	<u>\$ 1,354,815</u>

Custodial Credit Risk

Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the City's deposits may not be returned to the City.

As of December 31, 2023, \$44,777 of the City's total bank balances were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	<u>\$ 44,777</u>
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Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The City does not have any investments exposed to custodial credit risk.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

City of Black River Falls

Notes to Financial Statements
December 31, 2023

As of December 31, 2023, the City's investments were rated as follows:

Investment Type	Standard & Poors	Moody's Investors Services
U.S. agencies - implicitly guaranteed	AA+	Aaa
LGIP	Not rated	Not rated
Negotiable certificates of deposit	Not rated	Not rated
State and local bonds	AAA, AA	Aaa, Aa1, Aa3, A1

Some of the City's negotiable certificates of deposit and state and local bonds were not rated.

Concentration of Credit Risk

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

At December 31, 2023, the City's investment portfolio was concentrated as follows:

Issuer	Investment Type	Percentage of Portfolio
Discover Bank	Negotiable certificate of deposit	10.06 %
Goldman Sachs Bank USA	Negotiable certificate of deposit	6.65
New York ST MTG AGY Homeowner MTF REV	State & Local Bonds	8.42
Minnesota ST Office of Higher ED REV	State & Local Bonds	7.46
Fitzgerald Mich Pub Sch Dist	State & Local Bonds	9.49
Rio Rancho N Mex Gross RCPTS Tax Rev	State & Local Bonds	6.98
Sulphur Springs Calif Un Sch Dist SPL Tax	State & Local Bonds	10.39
Connecticut St HSG Fin Auth Hs	State & Local Bonds	7.93
Harris County TX Muni Utility Dist	State & Local Bonds	6.24
Kankakee IL	State & Local Bonds	5.96
Rosemont IL	State & Local Bonds	5.40

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment.

As of December 31, 2023, the City's investments were as follows:

Investment Type	Fair Value	Maturity (in Years)	
		Less Than 1	1-5
U.S. agencies, implicitly guaranteed	\$ 49,242	\$ 49,242	\$ -
Negotiable certificates of deposit	317,851	317,851	-
State and local bonds	987,722	130,615	857,107
Total	<u>\$ 1,354,815</u>	<u>\$ 497,708</u>	<u>\$ 857,107</u>

See Note 1 for further information on deposit and investment policies.

Receivables

All of the receivables on the balance sheet are expected to be collected within one year except for \$25,810 in the General Fund, \$51,624 in the General Capital Projects Fund and \$649,980 in the nonmajor governmental funds.

City of Black River Falls

Notes to Financial Statements
December 31, 2023

Revenues of the ambulance fund are reported net of uncollectible amounts. Total uncollectible amounts related to revenues of the current period are as follows:

Uncollectibles related to revenues of the current period \$ 37,242

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

	<u>Unearned</u>	<u>Unavailable</u>
Property taxes receivable for subsequent year	\$ 2,925,404	\$ -
Special assessments, taxes receivable, accounts receivable and due from other governments not yet due	-	67,204
Other assets held for sale	-	506,214
Loans receivable	-	695,449
Grant funds received in advance of incurring allowable expenditures	<u>645,915</u>	<u>-</u>
 Total unearned/unavailable revenue for governmental funds	 <u>\$ 3,571,319</u>	 <u>\$ 1,268,867</u>
 Unearned revenue included in liabilities	 \$ 645,915	
 Unearned revenue included in deferred inflows	 <u>2,925,404</u>	
 Total unearned revenue for governmental funds	 <u>\$ 3,571,319</u>	

Restricted Assets

The following represent the balances of the restricted assets:

Long-Term Debt Accounts

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

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

Equipment Replacement Account

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

Following is a list of restricted assets at December 31, 2023:

Restricted assets:	
Redemption account	\$ 446,464
Reserve account	814,181
Replacement account	<u>455,024</u>
 Total restricted assets	 <u>\$ 1,715,669</u>

City of Black River Falls

Notes to Financial Statements
December 31, 2023

Capital Assets

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

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated:				
Land and land improvements	\$ 5,960,644	\$ -	\$ -	\$ 5,960,644
Construction in progress	<u>1,786,277</u>	<u>579,395</u>	<u>2,332,512</u>	<u>33,160</u>
Total capital assets not being depreciated	<u>7,746,921</u>	<u>579,395</u>	<u>2,332,512</u>	<u>5,993,804</u>
Capital assets being depreciated:				
Land improvements	1,190,687	15,000	-	1,205,687
Buildings	11,204,463	50,000	59,014	11,195,449
Machinery and equipment	5,632,771	1,059,617	202,605	6,489,783
Roads	10,500,392	599,273	-	11,099,665
Curb and gutter	280,543	-	-	280,543
Storm sewer	815,688	92,974	-	908,662
Sanitary sewer	1,110,695	323,851	-	1,434,546
Street lighting	66,219	-	-	66,219
Bridges	<u>617,988</u>	<u>-</u>	<u>-</u>	<u>617,988</u>
Total capital assets being depreciated	<u>31,419,446</u>	<u>2,140,715</u>	<u>261,619</u>	<u>33,298,542</u>
Total capital assets	<u>39,166,367</u>	<u>2,720,110</u>	<u>2,594,131</u>	<u>39,292,346</u>
Less accumulated depreciation for:				
Land improvements	(556,915)	(52,314)	-	(609,229)
Buildings	(6,373,591)	(297,415)	59,014	(6,611,992)
Machinery and equipment	(4,037,320)	(317,116)	202,605	(4,151,831)
Roads	(3,761,213)	(454,687)	-	(4,215,900)
Curb and gutter	(80,762)	(9,298)	-	(90,060)
Storm sewer	(276,346)	(28,852)	-	(305,198)
Sanitary sewer	(565,026)	(41,034)	-	(606,060)
Street lighting	(30,187)	(2,207)	-	(32,394)
Bridges	<u>(123,600)</u>	<u>(12,360)</u>	<u>-</u>	<u>(135,960)</u>
Total accumulated depreciation	<u>(15,804,960)</u>	<u>(1,215,283)</u>	<u>261,619</u>	<u>(16,758,624)</u>
Net capital assets being depreciated	<u>15,614,486</u>	<u>925,432</u>	<u>-</u>	<u>16,539,918</u>
Total governmental activities capital assets, net of accumulated depreciation	<u>\$ 23,361,407</u>	<u>\$ 1,504,827</u>	<u>\$ 2,332,512</u>	<u>\$ 22,533,722</u>

Depreciation expense was charged to functions as follows:

Governmental Activities

General government	\$ 15,629
Public safety	64,689
Public works	720,184
Culture, recreation and education	<u>414,781</u>
Total governmental activities depreciation expense	<u>\$ 1,215,283</u>

City of Black River Falls

Notes to Financial Statements
December 31, 2023

Business-Type Activities

	Beginning Balance	Additions	Deletions	Ending Balance
Electric				
Capital assets not being depreciated/amortized:				
Land and land rights	\$ 103,345	\$ -	\$ 7,505	\$ 95,840
Construction in progress	77,896	337,217	296,382	118,731
Total capital assets not being depreciated/amortized	<u>181,241</u>	<u>337,217</u>	<u>303,887</u>	<u>214,571</u>
Capital assets being depreciated/amortized:				
Intangible	244,513	-	-	244,513
Hydraulic production	12,905,837	-	-	12,905,837
Other production	198,820	-	-	198,820
Transmission	361,280	-	-	361,280
Distribution	8,074,672	316,395	42,638	8,348,429
Administrative and general assets	3,225,995	16,847	-	3,242,842
Total capital assets being depreciated/amortized	<u>25,011,117</u>	<u>333,242</u>	<u>42,638</u>	<u>25,301,721</u>
Total capital assets	<u>25,192,358</u>	<u>670,459</u>	<u>346,525</u>	<u>25,516,292</u>
Less accumulated depreciation/amortization for:				
Intangible	(148,520)	(6,000)	-	(154,520)
Hydraulic production	(3,863,522)	(285,284)	-	(4,148,806)
Other production	(198,820)	-	-	(198,820)
Transmission	(329,012)	(6,970)	-	(335,982)
Distribution	(4,807,416)	(282,792)	75,252	(5,014,956)
General	(857,944)	(113,851)	-	(971,795)
Total accumulated depreciation/amortization	<u>(10,205,234)</u>	<u>(694,897)</u>	<u>75,252</u>	<u>(10,824,879)</u>
Net capital assets being depreciated/amortized	<u>14,805,883</u>	<u>(361,655)</u>	<u>(32,614)</u>	<u>14,476,842</u>
Net electric capital assets	<u>\$ 14,987,124</u>	<u>\$ (24,438)</u>	<u>\$ 271,273</u>	<u>\$ 14,691,413</u>

City of Black River Falls

Notes to Financial Statements
December 31, 2023

	Beginning Balance	Additions	Deletions	Ending Balance
Water				
Capital assets not being depreciated:				
Land and land rights	\$ 94,478	\$ -	\$ -	\$ 94,478
Construction in progress	-	174,336	174,336	-
Total capital assets not being depreciated	<u>94,478</u>	<u>174,336</u>	<u>174,336</u>	<u>94,478</u>
Capital assets being depreciated:				
Source of supply	621,431	-	-	621,431
Pumping	1,810,497	68,415	16,132	1,862,780
Treatment	289,287	3,207	-	292,494
Transmission and distribution	7,988,879	1,351,568	2,754	9,337,693
General	<u>1,594,031</u>	<u>62,023</u>	<u>18,202</u>	<u>1,637,852</u>
Total capital assets being depreciated	<u>12,304,125</u>	<u>1,485,213</u>	<u>37,088</u>	<u>13,752,250</u>
Total capital assets	<u>12,398,603</u>	<u>1,659,549</u>	<u>211,424</u>	<u>13,846,728</u>
Less accumulated depreciation for:				
Source of supply	(407,703)	(17,759)	-	(425,462)
Pumping	(1,210,419)	(63,551)	16,132	(1,257,838)
Treatment	(99,273)	(9,419)	-	(108,692)
Transmission and distribution	(2,598,789)	(163,779)	4,964	(2,757,604)
General	<u>(423,393)</u>	<u>(53,832)</u>	<u>18,202</u>	<u>(459,023)</u>
Total accumulated depreciation	<u>(4,739,577)</u>	<u>(308,340)</u>	<u>39,298</u>	<u>(5,008,619)</u>
Net capital assets being depreciated	<u>7,564,548</u>	<u>1,176,873</u>	<u>(2,210)</u>	<u>8,743,631</u>
Net water capital assets	<u>\$ 7,659,026</u>	<u>\$ 1,351,209</u>	<u>\$ 172,126</u>	<u>\$ 8,838,109</u>
	Beginning Balance	Additions	Deletions	Ending Balance
Sewer				
Capital assets not being depreciated:				
Land and land rights	\$ 87,044	\$ -	\$ -	\$ 87,044
Construction in progress	-	130,525	-	130,525
Total capital assets not being depreciated	<u>87,044</u>	<u>130,525</u>	<u>-</u>	<u>217,569</u>
Capital assets being depreciated:				
Collecting system pumping	97,228	-	-	97,228
Treatment and disposal	5,241,440	21,621	-	5,263,061
General	<u>837,493</u>	<u>2,277</u>	<u>-</u>	<u>839,770</u>
Total capital assets being depreciated	<u>6,176,161</u>	<u>23,898</u>	<u>-</u>	<u>6,200,059</u>
Total capital assets	<u>6,263,205</u>	<u>154,423</u>	<u>-</u>	<u>6,417,628</u>
Less accumulated depreciation for:				
Sewer plant	<u>(3,299,183)</u>	<u>(198,928)</u>	<u>-</u>	<u>(3,498,111)</u>
Total accumulated depreciation	<u>(3,299,183)</u>	<u>(198,928)</u>	<u>-</u>	<u>(3,498,111)</u>
Net capital assets being depreciated	<u>2,876,978</u>	<u>(175,030)</u>	<u>-</u>	<u>2,701,948</u>
Net sewer capital assets	<u>\$ 2,964,022</u>	<u>\$ (44,505)</u>	<u>\$ -</u>	<u>\$ 2,919,517</u>

City of Black River Falls

Notes to Financial Statements
December 31, 2023

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Ambulance				
Capital assets being depreciated:				
Machinery and equipment	\$ 1,186,078	\$ 276,691	\$ 13,069	\$ 1,449,700
Total capital assets being depreciated	<u>1,186,078</u>	<u>276,691</u>	<u>13,069</u>	<u>1,449,700</u>
Less accumulated depreciation for:				
Machinery and equipment	<u>(782,081)</u>	<u>(77,865)</u>	<u>12,569</u>	<u>(847,377)</u>
Total accumulated depreciation	<u>(782,081)</u>	<u>(77,865)</u>	<u>12,569</u>	<u>(847,377)</u>
Net capital assets being depreciated	<u>403,997</u>	<u>198,826</u>	<u>500</u>	<u>602,323</u>
Net ambulance capital assets	<u>\$ 403,997</u>	<u>\$ 198,826</u>	<u>\$ 500</u>	<u>\$ 602,323</u>
Business-type activities capital assets, net of accumulated depreciation/amortization	<u>\$ 26,014,169</u>	<u>\$ 1,481,092</u>	<u>\$ 443,899</u>	<u>\$ 27,051,362</u>

Depreciation/amortization expense was charged to functions as follows:

Business-Type Activities

Electric	\$ 680,105
Water	293,958
Sewer	213,311
Ambulance	<u>77,865</u>
Total business-type activities depreciation/amortization expense	<u>\$ 1,265,239</u>

Depreciation expense may be different from business-type activity accumulated depreciation additions because of joint metering, salvage, cost of removal, internal allocations or costs associated with the disposal of assets.

City of Black River Falls

Notes to Financial Statements
December 31, 2023

Interfund Receivables/Payables and Transfers

Interfund Receivables/Payables

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Amount Not Due Within One Year</u>
General Fund	Electric Utility	\$ 327,125	\$ -
General Fund	Water Utility	166,727	-
General Fund	Sewer Utility	69,567	-
General Fund	Ambulance	51,778	-
General Fund	TIF #7	3,788	-
General Fund	TIF #9	17,536	15,134
ARPA Fund	Ambulance	<u>3,230</u>	-
	Total, fund financial statements	639,751	
	Less fund eliminations	<u>(21,324)</u>	
	Total internal balances, government-wide statement of net position	<u>\$ 618,427</u>	

The payables from the electric and water utilities to the general fund are for payments in lieu of taxes. All remaining balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made.

City of Black River Falls

Notes to Financial Statements
December 31, 2023

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Business-Type Activities					
Bonds and notes payable:					
General obligation debt	\$ 200,000	\$ -	\$ 100,000	\$ 100,000	\$ 100,000
General obligation notes from direct borrowings and direct placements	43,853	-	43,853	-	-
Revenue bonds	5,250,000	-	390,000	4,860,000	405,000
Revenue bonds from direct borrowings and direct placements	6,895,661	-	378,723	6,516,938	392,047
(Discounts)/Premiums	108,326	-	10,596	97,730	-
Total bonds and notes payable	<u>12,497,840</u>	<u>-</u>	<u>923,172</u>	<u>11,574,668</u>	<u>897,047</u>
Other liabilities:					
Vested compensated absences	167,337	32,473	57,612	142,198	28,324
Customer advances for construction	92,033	-	6,773	85,260	-
Total other liabilities	<u>259,370</u>	<u>32,473</u>	<u>64,385</u>	<u>227,458</u>	<u>28,324</u>
Total business-type activities long-term liabilities	<u>\$ 12,757,210</u>	<u>\$ 32,473</u>	<u>\$ 987,557</u>	<u>\$ 11,802,126</u>	<u>\$ 925,371</u>

In accordance with Wisconsin Statutes, total general obligation indebtedness of the City may not exceed 5% of the equalized value of taxable property within the City's jurisdiction. The debt limit as of December 31, 2023, was \$16,812,555. Total general obligation debt outstanding at year end was \$4,520,273.

General Obligation Debt

All general obligation debt payable is backed by the full faith and credit of the City. Debt in the governmental funds will be retired by future property tax levies or tax increments accumulated by the debt service fund. Business-type activities debt is payable by revenues from user fees of those funds or, if the revenues are not sufficient, by future tax levies.

<u>Governmental Activities</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2023</u>
General Obligation Debt					
Bank Loan *	Sept-20	Sept-24	1.65%	\$ 165,000	\$ 42,273
Promissory Note *	Mar-21	Mar-29	1.73	1,990,000	1,518,000
Community Development Bonds	Aug-22	Jun-42	3.00-4.00	2,860,000	<u>2,860,000</u>
Total governmental activities, general obligation debt					<u>\$ 4,420,273</u>

<u>Business-Type Activities</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2023</u>
General Obligation Debt					
Refunding Bonds	Jun-13	Dec-24	0.50-2.60%	\$ 995,000	\$ 100,000
Total business-type activities, general obligation debt					<u>\$ 100,000</u>

* The debt noted is directly placed with a third party.

City of Black River Falls

Notes to Financial Statements
December 31, 2023

Debt service requirements to maturity are as follows:

<u>Years</u>	Governmental Activities General Obligation Debt		Business-Type Activities General Obligation Debt	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ -	\$ 98,113	\$ 100,000	\$ 2,600
2025	120,000	98,113	-	-
2026	125,000	94,511	-	-
2027	130,000	90,762	-	-
2028	130,000	86,863	-	-
2029-2033	725,000	372,813	-	-
2034-2038	835,000	254,138	-	-
2039-2042	795,000	77,100	-	-
Total	<u>\$ 2,860,000</u>	<u>\$ 1,172,413</u>	<u>\$ 100,000</u>	<u>\$ 2,600</u>

<u>Years</u>	Governmental Activities General Obligation Debt From Direct Borrowings and Direct Placements	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 285,273	\$ 26,894
2025	247,000	21,994
2026	250,000	17,733
2027	255,000	13,420
2028	259,000	9,022
2029	264,000	4,554
Total	<u>\$ 1,560,273</u>	<u>\$ 93,617</u>

Revenue Debt

Business-type activities revenue bonds are payable only from revenues derived from the operation of the electric, water, and sewer utilities.

The electric utility revenues, net of specified operating expenses, are pledged as security of the electric revenue bonds until the bonds are defeased. Principal and interest paid for 2023 was \$820,677. Total customer net revenues as defined for 2023 were \$1,507,228. Annual principal and interest payments are expected to require 33% of net revenues on average.

The water utility revenues, net of specified operating expenses, are pledged as security of the water revenue bonds until the bonds are defeased. Principal and interest paid for 2023 was \$112,076. Total customer net revenues as defined for 2023 were \$437,656. Annual principal and interest payments are expected to require 23% of net revenues on average.

The sewer utility revenues, net of specified operating expenses, are pledged as security of the sewer revenue bonds until the bonds are defeased. Principal and interest paid for 2023 was \$187,242. Total customer net revenues as defined for 2023 were \$445,753. Annual principal and interest payments are expected to require 16% of net revenues on average.

City of Black River Falls

Notes to Financial Statements
December 31, 2023

Revenue debt payable at December 31, 2023, consists of the following:

Business-Type Activities Revenue Debt

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2023</u>
Electric Utility					
Revenue Bond *	Dec-10	Jun-47	3.75%	\$ 5,000,000	\$ 3,800,694
Revenue Bond	May-14	Dec-30	2.00-5.00	5,045,000	2,410,000
Revenue Bond *	Jan-18	Jan-28	0.00%	280,000	140,000
Revenue Bond	Dec-20	Dec-45	2.00-2.35	2,705,000	<u>2,450,000</u>
				Total Electric Utility	<u>8,800,694</u>
Water Utility					
Revenue Bond *	Dec-14	May-34	1.16%	506,560	306,653
Revenue Bond *	Dec-20	May-40	1.90%	1,318,000	<u>1,201,000</u>
				Total Water Utility	<u>1,507,653</u>
Sewer Utility					
Revenue Bond *	Oct-06	May-26	2.37%	2,299,337	418,591
Revenue Bond *	Dec-20	May-40	1.90%	710,000	<u>650,000</u>
				Total Sewer Utility	<u>1,068,591</u>
				Total business-type activities, revenue debt	<u>\$ 11,376,938</u>

* The debt noted is directly placed with a third party.

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Business-Type Activities Revenue Debt</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 405,000	\$ 143,828
2025	415,000	132,578
2026	430,000	120,541
2027	440,000	107,586
2028	455,000	93,783
2029-2033	1,240,000	246,513
2034-2038	570,000	138,697
2039-2043	630,000	75,870
2044-2045	<u>275,000</u>	<u>9,753</u>
Total	<u>\$ 4,860,000</u>	<u>\$ 1,069,149</u>

City of Black River Falls

Notes to Financial Statements

December 31, 2023

<u>Years</u>	Business-Type Activities Revenue Debt From Direct Borrowings and Direct Placements	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 392,047	\$ 187,485
2025	401,603	178,063
2026	410,392	168,382
2027	273,239	160,170
2028	279,058	153,458
2029-2033	1,363,908	659,267
2034-2038	1,441,994	459,437
2039-2043	1,254,431	242,376
2044-2047	700,266	46,948
Total	<u>\$ 6,516,938</u>	<u>\$ 2,255,586</u>

Other Debt Information

Estimated payments of compensated absences and landfill post-closure costs are not included in the debt service requirement schedules. The compensated absences and landfill post-closure costs attributable to governmental activities will be liquidated primarily by the general fund.

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

The City's general obligation debt from direct borrowings and/or direct placements related to governmental activities with balances totaling \$42,273 contain provisions that if the City fails to pay any amount due, then the unpaid balance shall, at the option of the lender, without notice, mature and become immediately payable.

The utilities' outstanding debt from direct borrowings and direct placements of \$3,800,694 contain a provision that in the event the utilities fail to make a payment when due or fail to comply with any other provisions of the agreement, the lender at its option may declare the entire loan balance outstanding immediately due and payable, incur and pay expenses necessary to cure the cause of default (payable from the source of funds pledged to pay the bonds or any other legally permissible source) and/or take possession of the facility.

The utilities' outstanding debt from direct borrowings and direct placements of \$725,244 contain a provision that in the event the utilities fail to make a payment when due or fail to comply with any other provisions of the financial assistance agreement, the lender may pursue remedies including, but not limited to, deducting amounts from any state payments due the municipality, declaring the entire balance of the loan immediately due and payable, increasing the interest rate to the market interest rate and/or appointing a receiver for the benefit of the lender.

The utilities' outstanding debt from direct borrowings and direct placements of \$140,000 contain a provision that upon an event of default, all principal outstanding may become immediately due and payable, except that amounts due shall be limited to income and revenues of the system and shall be subject to prior pledges of income and revenues.

City of Black River Falls

Notes to Financial Statements
December 31, 2023

Closure and Postclosure Care Cost

State and federal laws and regulations require the City to place a final cover on its former landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$40,000 reported as landfill closure and postclosure care liability at December 31, 2023, represents the total amount needed by the City for postclosure care costs according to state and federal regulations. Actual cost may be higher due to inflation, changes in technology or changes in regulations.

Net Position/Fund Balances

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

Governmental Activities

Net investment in capital assets:

Land	\$ 5,960,644
Construction in progress	33,160
Other capital assets, net of accumulated depreciation	16,539,918
Less capital related long-term debt outstanding	<u>(4,420,273)</u>

Total net investment in capital assets \$ 18,113,449

City of Black River Falls

Notes to Financial Statements
December 31, 2023

Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2023, include the following:

	General Fund	Playground Special Revenue Fund	Debt Service Fund	General Capital Projects Fund	TIF #3 Capital Projects Fund	TIF #8 Capital Projects Fund	Nonmajor Governmental Funds	Total
Fund Balances								
Nonspendable:								
Prepaid items	\$ 10,719	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,719
Noncurrent interfunds	15,134	-	-	-	-	-	-	15,134
Subtotal	<u>25,853</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,853</u>
Restricted for:								
Fair park	163,971	-	-	-	-	-	-	163,971
Library	126,709	-	-	-	-	-	-	126,709
TIF project costs	-	-	-	-	992,820	156,616	195,272	1,344,708
Playground	-	353,692	-	-	-	-	-	353,692
Loans	-	-	-	-	-	-	133,633	133,633
Affordable housing	-	-	-	-	-	-	65,070	65,070
Subtotal	<u>290,680</u>	<u>353,692</u>	<u>-</u>	<u>-</u>	<u>992,820</u>	<u>156,616</u>	<u>393,975</u>	<u>2,187,783</u>
Assigned to:								
Superfund	892,321	-	-	-	-	-	-	892,321
Economic development	643,728	-	-	-	-	-	-	643,728
Fair Park projects	262,736	-	-	-	-	-	-	262,736
Lunda Community Park	75,465	-	-	-	-	-	-	75,465
Licence plates	34,798	-	-	-	-	-	-	34,798
Taxi services	29,079	-	-	-	-	-	-	29,079
Fire Department	822,482	-	-	-	-	-	-	822,482
Debt service	-	-	261,762	-	-	-	-	261,762
Capital projects	-	-	-	673	-	-	-	673
Subtotal	<u>2,760,609</u>	<u>-</u>	<u>261,762</u>	<u>673</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,023,044</u>
Unassigned (deficit):								
	<u>2,448,577</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(21,324)</u>	<u>2,427,253</u>
Total fund balances	<u>\$ 5,525,719</u>	<u>\$ 353,692</u>	<u>\$261,762</u>	<u>\$ 673</u>	<u>\$ 992,820</u>	<u>\$ 156,616</u>	<u>\$ 372,651</u>	<u>\$ 7,663,933</u>

City of Black River Falls

Notes to Financial Statements

December 31, 2023

Business-Type Activities

Net investment in capital assets:	
Land	\$ 277,362
Construction in progress	249,256
Other capital assets, net of accumulated depreciation/amortization	26,524,744
Less long-term debt outstanding	(11,476,938)
Plus unamortized debt discount (premium)	(97,730)
Plus deferred charge on refunding	52,397
Plus unspent proceeds	<u>555,920</u>
Total net investment in capital assets	<u>\$ 16,085,011</u>

Component Unit

Business Improvement District of the City of Black River Falls

This report contains the Business Improvement District of the City of Black River Falls (BID), which is included as a component unit.

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

a. Basis of Accounting/Measurement Focus

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

b. Deposits and Investments

At year end, the carrying amount of the BID's deposits was \$17,234 and is part of the City's commingled cash. See Note 3.

c. Receivables

As of December 31, 2023, the BID had unearned revenues of \$27,084 related to property taxes receivable for the subsequent year.

City of Black River Falls

Notes to Financial Statements
December 31, 2023

4. Other Information

Employees' Retirement System

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, expected to work at least 1,200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

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

Additionally, ETF 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 executive service retirement participants, if hired on or before 12/31/2016) are entitled to retirement benefit based on a formula factor, their average earnings and creditable service.

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

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

The WRS also provides death and disability benefits for employees.

City of Black River Falls

Notes to Financial Statements

December 31, 2023

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:

<u>Year</u>	<u>Core Fund Adjustment %</u>	<u>Variable Fund Adjustment %</u>
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

City of Black River Falls

Notes to Financial Statements
December 31, 2023

Contributions

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

During the reporting period, the WRS recognized \$227,125 in contributions from the City.

Contribution rates for the plan year reported as of December 31, 2023 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (Executives & Elected Officials)	6.50 %	6.50 %
Protective with Social Security	6.50	12.00
Protective without Social Security	6.50	16.40

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

At December 31, 2023, the City reported an liability of \$1,011,101 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability 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 0.01908565%, which was a decrease of 0.00017310% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the City recognized pension expense of \$488,381.

City of Black River Falls

Notes to Financial Statements
December 31, 2023

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between projected and actual experience	\$ 1,610,370	\$ 2,115,665
Changes in assumptions	198,824	-
Net differences between projected and actual earnings on pension plan investments	1,717,627	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	10,397	3,779
Employer contributions subsequent to the measurement date	<u>253,248</u>	<u>-</u>
Total	<u>\$ 3,790,466</u>	<u>\$ 2,119,444</u>

\$253,248 reported as deferred outflows of resources 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:

<u>Years Ending December 31:</u>	<u>Deferred Outflows of Resources and Deferred Inflows of Resources (Net)</u>
2024	\$ 59,340
2025	293,961
2026	302,476
2027	761,997

City of Black River Falls

Notes to Financial Statements
December 31, 2023

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
Experience Study:	January 1, 2018 - December 31, 2020 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 postretirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.7% is the assumed annual adjustment based on the investment return assumption and the 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 the December 31, 2021 actuarial valuation.

City of Black River Falls

Notes to Financial Statements
December 31, 2023

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 Returns* as of December 31, 2022			
Core Fund Asset Class	Current Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %**
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***	115	7.4	4.8
Variable Fund Asset Class			
U.S. Equities	70	7.2	4.6
International Equities	30	8.1	5.5
Total Variable Fund	100	7.7	5.1

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

** *New England Pension Consultants' Long-Term US CPI (Inflation) Forecast: 2.5%*

****The 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 Black River Falls

Notes to Financial Statements
December 31, 2023

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

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

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

	<u>1% Decrease to Discount Rate (5.8%)</u>	<u>Current Discount Rate (6.8%)</u>	<u>1% Increase to Discount Rate (7.8%)</u>
City's proportionate share of the net pension liability (asset)	\$ 3,355,811	\$ 1,011,101	\$ (601,858)

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>.

At December 31, 2023, the City reported a payable to the pension plan which represents contractually required contributions outstanding as of the end of the year.

Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. All of these risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

City of Black River Falls

Notes to Financial Statements
December 31, 2023

Commitments and Contingencies

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred.

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

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

The City has active construction projects as of December 31, 2023. Work that has been completed on these projects but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures.

Long-Term Contracts, WPPI Energy

The electric utility is one of 51 WPPI Energy member municipalities located throughout the States of Wisconsin, Michigan and Iowa. On December 1, 1989, each initial WPPI Energy member commenced purchasing electric service from WPPI Energy under a long-term Power Supply Contract for Participating Members (long-term contract). Under the long-term contract, WPPI Energy is obligated to provide and sell, and each member is obligated to take and pay for, the electric power and energy required for the operation of each member's electric utility.

The long-term contract requires all WPPI Energy members to pay for power and energy requirements supplied or made available by WPPI Energy at rates sufficient to cover WPPI Energy's revenue requirement including power supply costs, administrative expenses and debt service. WPPI Energy's subsequent year's operating budget and rates are approved annually by its Board of Directors, consisting of representatives from each member. The members have agreed to charge rates to retail customers sufficient to meet their WPPI Energy obligations. The long-term contract provides that all payments to WPPI Energy constitute operating expenses of the utility payable from any operating and maintenance fund established for that system.

Fifty members, representing approximately 99.8% of WPPI Energy's existing load, have long-term contracts through December 31, 2055. The remaining member has a long-term contract through December 31, 2037.

WPPI Energy's outstanding debt service obligation to be paid by its members through their wholesale power charges through the remainder of the long-term contract was \$253 million as of December 31, 2023.

City of Black River Falls

Notes to Financial Statements
December 31, 2023

Joint Ventures

Black River Falls Rural Fire Department

The City of Black River Falls and the townships of Alma, Adams, Albion, Irving, Brockway, Manchester, Komensky and Millston jointly operate the local fire department, which is called the Black River Falls Rural Fire Department (Department) and provides fire service. The townships share in the operation of the department on a mill-rate formula based on the latest aggregate full value of the townships. The City of Black River Falls agrees to provide adequate housing for the fire apparatus and pay 12% of the operating budget per year.

The governing body is made up of citizens from each community. Local representatives are appointed by the Mayor of the City of Black River Falls and the Chairperson of each township. The governing body has authority to adopt its own budget and control the financial affairs of the Department. The City is obligated by the joint venture agreement to remit an amount annually to the Department. The City made a payment to the Department of \$12,340 in 2023.

Financial information of the Department as of December 31, 2023 is available directly from the Department's office.

The City does not have an equity interest in the Department.

Black River Falls Area Airport

The City of Black River Falls and Jackson County jointly operate the local airport, which is called the Black River Falls Area Airport (Airport) and provides airport service.

The governing body is made up of elected officials appointed by the Mayor and County Board Chairperson. The governing body has authority to adopt its own budget and control the financial affairs of the airport. The City is obligated by the joint venture agreement to remit an amount annually to the department. The City made a payment to the Airport of \$12,500 in 2023.

Summary financial information of the airport as of December 31, 2023 is available from the City Clerk's office at 101 S. 2nd Street, Black River Falls, WI 54615.

The transactions of the Airport are not reflected in these financial statements.

The City reports the airport capital assets on the statement of net position.

Subsequent Event

On April 16, 2024, the City Council approved the issuance of \$1,250,000 of general obligation promissory notes with an interest rate of 5.25% and payable over a five year period. The proceeds from the notes will be used towards the purchase of a fire truck.

Economic Dependency

Sewer Utility

The sewer utility has one significant customer who was responsible for 26% of operating revenues in 2023.

Effect of New Accounting Standards on Current-Period Financial Statements

The Governmental Accounting Standards Board (GASB) has approved the following:

- Statement No. 100, *Accounting Changes and Error Corrections—an Amendment of GASB Statement No. 62*
- Statement No. 101, *Compensated Absences*
- Statement No. 102, *Certain Risk Disclosures*

When they become effective, application of these standards may restate portions of these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

City of Black River Falls

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - General Fund (Non-GAAP)
Year Ended December 31, 2023

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues			
Taxes	\$ 947,790	\$ 955,304	\$ 7,514
Intergovernmental	1,374,225	1,411,483	37,258
Licenses and permits	55,000	89,296	34,296
Fines, forfeitures and penalties	14,800	12,863	(1,937)
Public charges for services	22,650	67,027	44,377
Investment income	15,000	81,749	66,749
Miscellaneous	12,000	90,193	78,193
	<u>2,441,465</u>	<u>2,707,915</u>	<u>266,450</u>
Total revenues			
Expenditures			
Current:			
General government	659,992	625,626	34,366
Public safety	776,710	764,430	12,280
Public works	1,029,761	986,833	42,928
Health and human services	10,500	10,175	325
Culture, recreation and education	593,702	610,816	(17,114)
Conservation and development	1,000	892	108
Capital outlay	6,000	21,142	(15,142)
	<u>3,077,665</u>	<u>3,019,914</u>	<u>57,751</u>
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures	<u>(636,200)</u>	<u>(311,999)</u>	<u>324,201</u>
Other Financing Sources (Uses)			
Transfers in	632,200	637,256	5,056
Transfers out	-	(299,476)	(299,476)
Proceeds from sale of capital assets	-	3,201	3,201
	<u>632,200</u>	<u>340,981</u>	<u>(291,219)</u>
Total other financing sources (uses)			
Net change in fund balance, budgetary basis	<u>\$ (4,000)</u>	28,982	<u>\$ 32,982</u>
Prospective Differences			
Fire Department fund change in fund balance		107,778	
Economic Development fund change in fund balance		27,235	
Aquatic Center fund change in fund balance		(3,420)	
Jackson County Fair fund change in fund balance		898	
Jackson County New Arena fund change in fund balance		(20,668)	
Lunda Community Park fund change in fund balance		48,314	
Field of Honor fund change in fund balance		(1,040)	
Fair Park Renovation fund change in fund balance		2,956	
Jackson County Fair Park Maintenance fund change in fund balance		(4,357)	
License Plate fund change in fund balance		(16,162)	
Taxi Service fund change in fund balance		(66,948)	
		<u>\$ 103,568</u>	
Net change in fund balance, GAAP basis			

See notes to required supplementary information

City of Black River Falls

Schedule of Employer's Proportionate Share of the Net Pension Asset (Liability)

Wisconsin Retirement System (WRS)

Year Ended December 31, 2023

WRS Fiscal Year End Date (Measurement Date)	City's Proportion of the Net Pension Asset (Liability)	City's Proportionate Share of the Net Pension Asset (Liability)	City's Covered Payroll	City's Proportionate Share of the Net Pension Asset (Liability) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/22	0.01908565%	\$ 1,011,101	\$ 2,877,392	35.14%	95.72%
12/31/21	0.01925875%	1,552,290	2,781,812	55.80%	106.02%
12/31/20	0.01967604%	1,228,402	2,733,369	44.94%	105.26%
12/31/19	0.02005494%	646,662	2,789,420	23.18%	102.96%
12/31/18	0.01996108%	(710,152)	2,745,533	25.87%	96.45%
12/31/17	0.01929270%	572,823	2,603,541	22.00%	102.93%
12/31/16	0.01841270%	(151,765)	2,535,421	5.99%	99.12%
12/31/15	0.01827242%	(296,923)	2,375,291	12.50%	98.20%
12/31/14	0.01868455%	458,944	2,333,340	19.67%	102.74%

Schedule of Employer Contributions

Wisconsin Retirement System (WRS)

Year Ended December 31, 2023

City Year End Date	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/23	\$ 253,248	\$ 253,248	\$ -	\$ 2,894,267	8.75%
12/31/22	227,511	227,511	-	2,880,621	7.90%
12/31/21	222,310	222,310	-	2,781,813	7.99%
12/31/20	210,962	210,962	-	2,717,359	7.76%
12/31/19	210,796	210,796	-	2,843,576	7.41%
12/31/18	200,790	200,790	-	2,638,058	7.61%
12/31/17	194,642	194,642	-	2,539,137	7.67%
12/31/16	186,397	186,397	-	2,535,421	7.35%
12/31/15	177,400	177,400	-	2,401,183	7.39%

See notes to required supplementary information

City of Black River Falls

Notes to Required Supplementary Information
Year Ended December 31, 2023

Budgetary Information

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note 1.

The budgeted amounts presented include any amendments made. The City may authorize transfers of budgeted amounts within departments. Transfers between departments and changes to the overall budget must be approved by a two-thirds council action.

Appropriations lapse at year end unless specifically carried over. There were no carryovers to the following year. Budgets are adopted at the object level of expenditure in the general fund and in the debt service fund and general capital projects fund, budgets are adopted at the fund level of expenditure.

Budgetary information is derived from the annual operating budget and is presented using generally accepted accounting principles and the modified accrual basis of accounting. There are prospective differences between general fund actual amounts shown in the required supplementary information and those shown in the basic financial statements. These are detailed in the required supplementary information.

Wisconsin Retirement System

The amounts determined for each fiscal year were determined as of the calendar year-end and occurred within the fiscal year.

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

Changes in benefit terms. There were no changes of benefit terms for any participating employer in the Wisconsin Retirement System.

Changes in 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-ended December 31, 2021, including the following:

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

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

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

SUPPLEMENTARY INFORMATION

City of Black River Falls

Detailed Schedule of Revenues and Other Financing Sources - Budget and Actual -
 General Fund (Non-GAAP)
 Year Ended December 31, 2023

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Taxes			
General property tax for local purposes	\$ 931,490	\$ 931,490	\$ -
Mobile home taxes	7,000	5,096	(1,904)
Forest cropland and managed forest land taxes	1,300	1,330	30
Public accommodation taxes	8,000	4,507	(3,493)
Payments in lieu of taxes	-	12,881	12,881
	<u>947,790</u>	<u>955,304</u>	<u>7,514</u>
Total taxes			
	<u>947,790</u>	<u>955,304</u>	<u>7,514</u>
Intergovernmental			
Shared revenues	741,000	712,224	(28,776)
State aid, general government	9,800	9,802	2
State aid, law enforcement training	-	1,120	1,120
State aid, other law enforcement	-	4,109	4,109
State aid, other public safety	-	30,836	30,836
State aid, general transportation aids	400,000	400,110	110
State aid, connecting streets	40,000	40,669	669
State aid, municipal services	4,350	5,953	1,603
In lieu of taxes on state conservation lands	75	155	80
Other state payments	-	13,809	13,809
County aid, libraries	179,000	192,696	13,696
	<u>1,374,225</u>	<u>1,411,483</u>	<u>37,258</u>
Total intergovernmental			
	<u>1,374,225</u>	<u>1,411,483</u>	<u>37,258</u>
Licenses and Permits			
Liquor and malt beverage licenses	7,000	9,054	2,054
Operators' license	2,000	2,543	543
Cigarette licenses	1,000	1,217	217
Cable television franchise fees	45,000	38,308	(6,692)
Building permits	-	18,824	18,824
Plan review fees	-	6,213	6,213
Other regulatory permits and fees	-	13,137	13,137
	<u>55,000</u>	<u>89,296</u>	<u>34,296</u>
Total licenses and permits			
	<u>55,000</u>	<u>89,296</u>	<u>34,296</u>
Fines, Forfeitures and Penalties			
Law and ordinance violations	800	867	67
Traffic reports	14,000	11,996	(2,004)
	<u>14,800</u>	<u>12,863</u>	<u>(1,937)</u>
Total fines, forfeitures and penalties			
	<u>14,800</u>	<u>12,863</u>	<u>(1,937)</u>
Public Charges for Services			
General government	15,000	40,467	25,467
Law enforcement	-	2,694	2,694
Parks	1,650	3,528	1,878
Street related facilities	-	13,987	13,987
Library	6,000	6,351	351
	<u>22,650</u>	<u>67,027</u>	<u>44,377</u>
Total public charges for services			
	<u>22,650</u>	<u>67,027</u>	<u>44,377</u>

City of Black River Falls

Detailed Schedule of Revenues and Other Financing Sources - Budget and Actual -
General Fund (Non-GAAP)
Year Ended December 31, 2023

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Investment Income			
Interest income	\$ 15,000	\$ 80,984	\$ 65,984
Interest on special assessments	-	765	765
Total investment income	<u>15,000</u>	<u>81,749</u>	<u>66,749</u>
Miscellaneous			
Rent	-	17,633	17,633
Insurance recoveries, highway	-	10,279	10,279
Donations	12,000	58,401	46,401
Miscellaneous	-	3,880	3,880
Total miscellaneous	<u>12,000</u>	<u>90,193</u>	<u>78,193</u>
Other Financing Sources			
Transfers in	632,200	637,256	5,056
Proceeds from sale of capital assets	-	3,201	3,201
Total other financing sources	<u>632,200</u>	<u>640,457</u>	<u>8,257</u>
Total revenues and other financing sources	<u>\$ 3,073,665</u>	<u>\$ 3,348,372</u>	<u>\$ 274,707</u>

City of Black River Falls

Detailed Schedule of Expenditures and Other Financing Uses - Budget and Actual -
 General Fund (Non-GAAP)
 Year Ended December 31, 2023

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
General Government			
Council	\$ 28,420	\$ 24,781	\$ 3,639
Legal counseling	40,000	23,967	16,033
Mayor	9,045	9,043	2
Administrator	122,707	122,278	429
Elections	10,000	5,360	4,640
Finance	161,850	161,277	573
Assessor/building inspector	15,250	24,319	(9,069)
Independent auditing	45,000	56,904	(11,904)
Municipal building	30,585	34,058	(3,473)
Property and liability insurance	50,000	45,913	4,087
Workers' compensation	45,000	22,065	22,935
Automobile fleet insurance	15,000	11,317	3,683
Other general government	37,500	28,207	9,293
Employee benefits	44,635	46,133	(1,498)
License publication fees	-	404	(404)
Training and safety	5,000	9,600	(4,600)
	<u>659,992</u>	<u>625,626</u>	<u>34,366</u>
Total general government			
Public Safety			
Police	776,710	748,518	28,192
Building inspection	-	15,912	(15,912)
	<u>776,710</u>	<u>764,430</u>	<u>12,280</u>
Total public safety			
Public Works			
Administration	97,115	102,121	(5,006)
Street machine repair	70,185	83,126	(12,941)
Highway and street maintenance and construction	98,556	85,502	13,054
Curb and gutter	34,825	30,779	4,046
Tree and brush control	44,730	73,565	(28,835)
Street signs	9,295	3,658	5,637
Street cleaning	12,335	11,562	773
Snow and ice control	111,250	87,999	23,251
Street lighting	73,500	71,358	2,142
Storm sewer	13,850	15,041	(1,191)
Airport	12,500	12,500	-
Levee certification and maintenance	500	7,295	(6,795)
Refuse and garbage collection	54,300	43,372	10,928
Landfill	45,000	40,428	4,572
Recycling	28,450	20,304	8,146
Sanitary sewers	45,880	38,389	7,491
Garage and machine shed	89,525	88,072	1,453
Landfill abandonment	3,500	3,606	(106)
Insurance	159,270	154,808	4,462
Sidewalks	25,195	13,348	11,847
	<u>1,029,761</u>	<u>986,833</u>	<u>42,928</u>
Total public works			

City of Black River Falls

Detailed Schedule of Expenditures and Other Financing Uses - Budget and Actual -
General Fund (Non-GAAP)
Year Ended December 31, 2023

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Health and Human Services			
Rodent control	\$ 500	\$ 175	\$ 325
Animal control	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Total health and human services	<u>10,500</u>	<u>10,175</u>	<u>325</u>
Culture, Recreation and Education			
Library	370,160	373,095	(2,935)
Parks	116,810	136,205	(19,395)
Recreation administration	105,232	101,516	3,716
Skating rink	<u>1,500</u>	<u>-</u>	<u>1,500</u>
Total culture, recreation and education	<u>593,702</u>	<u>610,816</u>	<u>(17,114)</u>
Conservation And Development			
Urban development	<u>1,000</u>	<u>892</u>	<u>108</u>
Capital Outlay			
Street lighting	2,500	2,845	(345)
Storm sewer	3,500	1,155	2,345
Dock and harbor	-	2,500	(2,500)
Parks and playgrounds	<u>-</u>	<u>14,642</u>	<u>(14,642)</u>
Total capital outlay	<u>6,000</u>	<u>21,142</u>	<u>(15,142)</u>
Other Financing Uses			
Transfers out	<u>-</u>	<u>299,476</u>	<u>(299,476)</u>
Total other financing uses	<u>-</u>	<u>299,476</u>	<u>(299,476)</u>
Total expenditures and other financing uses	<u>\$ 3,077,665</u>	<u>\$ 3,319,390</u>	<u>\$ (241,725)</u>

Capital Projects			Total Nonmajor Governmental Funds
TIF #6	TIF #7	TIF #9	
\$ 180,831	\$ -	\$ -	\$ 550,336
68,613	6,990	2,402	250,545
-	-	-	649,980
-	-	-	3,230
-	-	-	125,000
<u>\$ 249,444</u>	<u>\$ 6,990</u>	<u>\$ 2,402</u>	<u>\$ 1,579,091</u>
\$ 135,370	\$ -	\$ -	\$ 135,370
-	3,788	17,536	21,324
-	-	-	149,221
<u>135,370</u>	<u>3,788</u>	<u>17,536</u>	<u>305,915</u>
68,613	6,990	2,402	250,545
-	-	-	649,980
<u>68,613</u>	<u>6,990</u>	<u>2,402</u>	<u>900,525</u>
45,461	-	-	393,975
-	(3,788)	(17,536)	(21,324)
<u>45,461</u>	<u>(3,788)</u>	<u>(17,536)</u>	<u>372,651</u>
<u>\$ 249,444</u>	<u>\$ 6,990</u>	<u>\$ 2,402</u>	<u>\$ 1,579,091</u>

City of Black River Falls

Combining Statement of Revenues, Expenditures and Changes
in Fund Balances - Nonmajor Governmental Funds
Year Ended December 31, 2023

	Special Revenue			Capital Projects	
	Revolving Housing	Affordable Housing	ARPA	TIF #4	TIF #5
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ 176,711	\$ -
Intergovernmental	-	-	106,794	3,767	-
Investment income	3,617	-	-	-	-
Miscellaneous	75,610	-	-	-	-
Total revenues	<u>79,227</u>	<u>-</u>	<u>106,794</u>	<u>180,478</u>	<u>-</u>
Expenditures					
Current:					
Conservation and development	159,558	49,000	89,294	15,151	10,650
Debt service:					
Principal retirement	-	-	-	118,969	-
Interest and fiscal charges	-	-	-	4,278	-
Total expenditures	<u>159,558</u>	<u>49,000</u>	<u>89,294</u>	<u>138,398</u>	<u>10,650</u>
Excess (deficiency) of revenues over expenditures	<u>(80,331)</u>	<u>(49,000)</u>	<u>17,500</u>	<u>42,080</u>	<u>(10,650)</u>
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	21,402
Transfers out	-	-	(17,500)	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(17,500)</u>	<u>-</u>	<u>21,402</u>
Net change in fund balances	(80,331)	(49,000)	-	42,080	10,752
Fund Balances (Deficit), Beginning	<u>213,964</u>	<u>114,070</u>	<u>-</u>	<u>107,731</u>	<u>(10,752)</u>
Fund Balances (Deficit), Ending	<u>\$ 133,633</u>	<u>\$ 65,070</u>	<u>\$ -</u>	<u>\$ 149,811</u>	<u>\$ -</u>

<u>Capital Projects</u>			<u>Total Nonmajor Governmental Funds</u>
<u>TIF #6</u>	<u>TIF #7</u>	<u>TIF #9</u>	
\$ 56,601	\$ 7,179	\$ -	\$ 240,491
-	-	-	110,561
-	-	-	3,617
-	-	-	75,610
<u>56,601</u>	<u>7,179</u>	<u>-</u>	<u>430,279</u>
144,631	150	1,535	469,969
-	-	-	118,969
-	-	-	4,278
<u>144,631</u>	<u>150</u>	<u>1,535</u>	<u>593,216</u>
<u>(88,030)</u>	<u>7,029</u>	<u>(1,535)</u>	<u>(162,937)</u>
200,000	-	-	221,402
-	-	-	(17,500)
<u>200,000</u>	<u>-</u>	<u>-</u>	<u>203,902</u>
111,970	7,029	(1,535)	40,965
<u>(66,509)</u>	<u>(10,817)</u>	<u>(16,001)</u>	<u>331,686</u>
<u>\$ 45,461</u>	<u>\$ (3,788)</u>	<u>\$ (17,536)</u>	<u>\$ 372,651</u>

City of Black River Falls

Combining Statement of Fiduciary Net Position -
 Fiduciary Funds
 December 31, 2023

	Custodial Funds		Total
	Tax Collection Fund	License & Registration Collection Fund	
Assets			
Cash and investments	\$ 1,418,044	\$ -	\$ 1,418,044
Taxes receivable	2,333,873	-	2,333,873
Total assets	<u>3,751,917</u>	<u>-</u>	<u>3,751,917</u>
Liabilities			
Due to other taxing units	<u>3,751,917</u>	<u>-</u>	<u>3,751,917</u>
Total liabilities	<u>3,751,917</u>	<u>-</u>	<u>3,751,917</u>
Total net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Black River Falls

Combining Statement of Changes in Fiduciary Net Position -
Fiduciary Funds
Year Ended December 31, 2023

	Custodial Funds		Total
	Tax Collection Fund	License & Registration Collection Fund	
Additions			
Property taxes collected for other governments	\$ 2,567,195	\$ -	\$ 2,567,195
License and registration fees collected for other governments	-	65,937	65,937
Total additions	<u>2,567,195</u>	<u>65,937</u>	<u>2,633,132</u>
Deductions			
Property taxes distributed to other governments	2,567,195	-	2,567,195
License and registration fees distributed to other governments	-	65,937	65,937
Total deductions	<u>2,567,195</u>	<u>65,937</u>	<u>2,633,132</u>
Change in net position	-	-	-
Net Position, Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Net Position, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Black River Falls

Combining Balance Sheet - General Fund

December 31, 2023

	<u>General Fund</u>	<u>Fire Department</u>	<u>Economic Development</u>	<u>Aquatic Center</u>	<u>Jackson County Fair</u>	<u>Jackson County New Arena</u>	<u>Lunda Community Park</u>
Assets							
Cash and investments	\$ 3,053,894	\$ 768,623	\$ 643,728	\$ (70,439)	\$ 134,958	\$ 82,612	\$ 72,839
Receivables (net)							
Taxes	897,277	115,000	-	70,000	-	-	70,000
Accounts	55,514	74,327	-	-	5,110	18,143	3,407
Loans	-	-	45,469	-	-	-	-
Due from other governments	2,777	-	-	-	-	-	-
Due from other funds	626,620	9,901	-	-	-	-	-
Prepaid items	6,435	4,284	-	-	-	-	-
	<u>3,585,138</u>	<u>862,135</u>	<u>689,197</u>	<u>(70,439)</u>	<u>140,068</u>	<u>100,755</u>	<u>146,246</u>
Total assets	\$ 4,642,517	\$ 972,135	\$ 689,197	\$ (439)	\$ 140,068	\$ 100,755	\$ 146,246
Liabilities, Deferred Inflows of Resources and Fund Balances							
Liabilities							
Accounts payable	\$ 123,928	\$ 19,073	\$ -	\$ 452	\$ 18,134	\$ 10,025	\$ 781
Accrued liabilities	30,375	-	-	-	-	-	-
Deposits	28,787	-	-	-	-	-	-
Unearned revenue	10,000	-	-	-	-	-	-
	<u>193,090</u>	<u>19,073</u>	<u>-</u>	<u>452</u>	<u>18,134</u>	<u>10,025</u>	<u>781</u>
Total liabilities	193,090	19,073	-	452	18,134	10,025	781
Deferred Inflows of Resources							
Unearned revenues	883,611	115,000	-	70,000	-	-	70,000
Unavailable revenues	-	15,580	45,469	-	-	-	-
	<u>883,611</u>	<u>130,580</u>	<u>45,469</u>	<u>70,000</u>	<u>-</u>	<u>-</u>	<u>70,000</u>
Total deferred inflows of resources	883,611	130,580	45,469	70,000	-	-	70,000
Fund Balances (Deficit)							
Nonspendable	25,853	-	-	-	-	-	-
Restricted	126,709	-	-	-	-	-	-
Assigned	892,321	822,482	643,728	-	121,934	90,730	75,465
Unassigned (deficit)	2,520,933	-	-	(70,891)	-	-	-
	<u>3,565,816</u>	<u>822,482</u>	<u>643,728</u>	<u>(70,891)</u>	<u>121,934</u>	<u>90,730</u>	<u>75,465</u>
Total fund balances (deficit)	3,565,816	822,482	643,728	(70,891)	121,934	90,730	75,465
Total liabilities, deferred inflows of resources and fund balances	\$ 4,642,517	\$ 972,135	\$ 689,197	\$ (439)	\$ 140,068	\$ 100,755	\$ 146,246

City of Black River Falls

Combining Balance Sheet - General Fund

December 31, 2023

	<u>Field of Honor</u>	<u>Fair Park Renovation</u>	<u>Jackson County Fair Park Maintenance</u>	<u>License Plate</u>	<u>Taxi Service</u>	<u>Total Combined General Fund</u>
Assets						
Cash and investments	\$ (1,440)	\$ 163,971	\$ 50,072	\$ 34,804	\$ (14,780)	\$ 4,918,842
Receivables (net)						
Taxes	-	-	-	-	85,000	1,237,277
Accounts	-	-	-	-	-	156,501
Loans	-	-	-	-	-	45,469
Due from other governments	-	-	-	-	72,691	75,468
Due from other funds	-	-	-	-	-	636,521
Prepaid items	-	-	-	-	-	10,719
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,719</u>
Total assets	<u>\$ (1,440)</u>	<u>\$ 163,971</u>	<u>\$ 50,072</u>	<u>\$ 34,804</u>	<u>\$ 142,911</u>	<u>\$ 7,080,797</u>
Liabilities, Deferred Inflows of Resources and Fund Balances						
Liabilities						
Accounts payable	\$ 25	\$ -	\$ -	\$ 6	\$ 28,832	\$ 201,256
Accrued liabilities	-	-	-	-	-	30,375
Deposits	-	-	-	-	-	28,787
Unearned revenue	-	-	-	-	-	10,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,000</u>
Total liabilities	<u>25</u>	<u>-</u>	<u>-</u>	<u>6</u>	<u>28,832</u>	<u>270,418</u>
Deferred Inflows of Resources						
Unearned revenues	-	-	-	-	85,000	1,223,611
Unavailable revenues	-	-	-	-	-	61,049
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>61,049</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>85,000</u>	<u>1,284,660</u>
Fund Balances (Deficit)						
Nonspendable	-	-	-	-	-	25,853
Restricted	-	163,971	-	-	-	290,680
Assigned	-	-	50,072	34,798	29,079	2,760,609
Unassigned (deficit)	(1,465)	-	-	-	-	2,448,577
	<u>(1,465)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,448,577</u>
Total fund balances (deficit)	<u>(1,465)</u>	<u>163,971</u>	<u>50,072</u>	<u>34,798</u>	<u>29,079</u>	<u>5,525,719</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ (1,440)</u>	<u>\$ 163,971</u>	<u>\$ 50,072</u>	<u>\$ 34,804</u>	<u>\$ 142,911</u>	<u>\$ 7,080,797</u>

City of Black River Falls

Combining Statement of Revenues, Expenditures and Changes
in Fund Balances - General Fund
Year Ended December 31, 2023

	<u>General Fund</u>	<u>Fire Department</u>	<u>Economic Development</u>	<u>Aquatic Center</u>	<u>Jackson County Fair</u>	<u>Jackson County New Arena</u>	<u>Lunda Community Park</u>
Revenues							
Taxes	\$ 955,304	\$ 110,005	\$ -	\$ 60,000	\$ 27,069	\$ 27,069	\$ 78,046
Intergovernmental	1,411,483	14,552	-	-	-	-	-
Licenses and permits	89,296	-	-	-	-	-	-
Fines, forfeitures and penalties	12,863	-	-	-	-	-	-
Public charges for services	67,027	5,413	30	40	66,163	3,314	10,035
Investment income	81,749	5,805	4,736	-	-	-	348
Miscellaneous	90,193	53,286	30,067	-	-	78,283	20,932
	<u>2,707,915</u>	<u>189,061</u>	<u>34,833</u>	<u>60,040</u>	<u>93,232</u>	<u>108,666</u>	<u>109,361</u>
Total revenues							
Expenditures							
Current:							
General government	625,626	-	-	-	-	-	-
Public safety	764,430	175,619	-	-	-	-	-
Public works	986,833	-	-	-	-	-	-
Health and human services	10,175	-	-	-	-	-	-
Culture, recreation and education	610,816	-	-	63,460	77,334	129,334	61,047
Conservation and development	892	-	7,598	-	-	-	-
Capital outlay	21,142	-	-	-	-	-	-
	<u>3,019,914</u>	<u>175,619</u>	<u>7,598</u>	<u>63,460</u>	<u>77,334</u>	<u>129,334</u>	<u>61,047</u>
Total expenditures							
Excess (deficiency) of revenues over expenditures	<u>(311,999)</u>	<u>13,442</u>	<u>27,235</u>	<u>(3,420)</u>	<u>15,898</u>	<u>(20,668)</u>	<u>48,314</u>
Other Financing Sources (Uses)							
Transfers in	637,256	94,336	-	-	-	-	-
Transfers out	(299,476)	-	-	-	(15,000)	-	-
Sale of property and equipment	3,201	-	-	-	-	-	-
	<u>340,981</u>	<u>94,336</u>	<u>-</u>	<u>-</u>	<u>(15,000)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)							
Net change in fund balance	28,982	107,778	27,235	(3,420)	898	(20,668)	48,314
Fund Balances (Deficit), Beginning	<u>3,536,834</u>	<u>714,704</u>	<u>616,493</u>	<u>(67,471)</u>	<u>121,036</u>	<u>111,398</u>	<u>27,151</u>
Fund Balances (Deficit), Ending	<u>\$ 3,565,816</u>	<u>\$ 822,482</u>	<u>\$ 643,728</u>	<u>\$ (70,891)</u>	<u>\$ 121,934</u>	<u>\$ 90,730</u>	<u>\$ 75,465</u>

City of Black River Falls

Combining Statement of Revenues, Expenditures and Changes
in Fund Balances - General Fund
Year Ended December 31, 2023

	<u>Field of Honor</u>	<u>Fair Park Renovation</u>	<u>Jackson County Fair Park Maintenance</u>	<u>License Plate</u>	<u>Taxi Service</u>	<u>Eliminations</u>	<u>Total Combined General Fund</u>
Revenues							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 50,000	\$ -	\$ 1,307,493
Intergovernmental	-	-	-	-	268,017	-	1,694,052
Licenses and permits	-	-	-	-	-	-	89,296
Fines, forfeitures and penalties	-	-	-	-	-	-	12,863
Public charges for services	-	-	-	2,191	-	-	154,213
Investment income	-	-	-	680	-	-	93,318
Miscellaneous	-	2,956	-	-	3,240	-	278,957
	<u>-</u>	<u>2,956</u>	<u>-</u>	<u>-</u>	<u>3,240</u>	<u>-</u>	<u>278,957</u>
Total revenues	<u>-</u>	<u>2,956</u>	<u>-</u>	<u>2,871</u>	<u>321,257</u>	<u>-</u>	<u>3,630,192</u>
Expenditures							
Current:							
General government	-	-	-	-	-	-	625,626
Public safety	-	-	-	19,033	-	-	959,082
Public works	-	-	-	-	393,204	-	1,380,037
Health and human services	-	-	-	-	-	-	10,175
Culture, recreation and education	1,040	-	19,357	-	-	-	962,388
Conservation and development	-	-	-	-	-	-	8,490
Capital outlay	-	-	-	-	-	-	21,142
	<u>1,040</u>	<u>-</u>	<u>19,357</u>	<u>19,033</u>	<u>393,204</u>	<u>-</u>	<u>3,966,940</u>
Total expenditures	<u>1,040</u>	<u>-</u>	<u>19,357</u>	<u>19,033</u>	<u>393,204</u>	<u>-</u>	<u>3,966,940</u>
Excess (deficiency) of revenues over expenditures	<u>(1,040)</u>	<u>2,956</u>	<u>(19,357)</u>	<u>(16,162)</u>	<u>(71,947)</u>	<u>-</u>	<u>(336,748)</u>
Other Financing Sources (Uses)							
Transfers in	-	-	15,000	-	-	(15,000)	731,592
Transfers out	-	-	-	-	-	15,000	(299,476)
Sale of property and equipment	-	-	-	-	4,999	-	8,200
	<u>-</u>	<u>-</u>	<u>15,000</u>	<u>-</u>	<u>4,999</u>	<u>-</u>	<u>440,316</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>15,000</u>	<u>-</u>	<u>4,999</u>	<u>-</u>	<u>440,316</u>
Net change in fund balance	(1,040)	2,956	(4,357)	(16,162)	(66,948)	-	103,568
Fund Balances (Deficit), Beginning	<u>(425)</u>	<u>161,015</u>	<u>54,429</u>	<u>50,960</u>	<u>96,027</u>	<u>-</u>	<u>5,422,151</u>
Fund Balances (Deficit), Ending	<u>\$ (1,465)</u>	<u>\$ 163,971</u>	<u>\$ 50,072</u>	<u>\$ 34,798</u>	<u>\$ 29,079</u>	<u>\$ -</u>	<u>\$ 5,525,719</u>

City of Black River Falls Municipal Utilities

Required Bond Disclosures

Year Ended December 31, 2023

Insurance Coverage

<u>Description</u>	<u>Amount of Coverage</u>	<u>Coverage Dates</u>	<u>Name of Insurer</u>
Property	\$ 49,307,100	1/1/23 - 1/1/24	Municipal Property Insurance Fund
Personal Property	4,087,862	1/1/23 - 1/1/24	Municipal Property Insurance Fund
Property in the Open	4,735,256	1/1/23 - 1/1/24	Municipal Property Insurance Fund
Hydro-Electric Plant	10,284,519	1/1/23 - 1/1/24	Municipal Property Insurance Fund
Contractor's Equipment	3,050,063	1/1/23 - 1/1/24	Municipal Property Insurance Fund
Equipment Breakdown	50,000,000	1/1/23 - 1/1/24	Hartford Steam Boiler & Insurance Company
Auto Liability	3,000,000	1/1/23 - 1/1/24	League of Wisconsin Municipalities Mutual
Workers Compensation / Employer Liability	2,000,000	1/1/23 - 1/1/24	League of Wisconsin Municipalities Mutual & United Heartland

Number of Connections

<u>User Classification</u>	<u>Electric</u>
Residential	2,255
Commercial	555
Public Authority	14
Standby	-

OTHER REPORTS

**Report on Internal Control
Over Financial Reporting and on Compliance
and Other Matters Based on an Audit of
Financial Statements Performed in Accordance
With *Government Auditing Standards***

Independent Auditors' Report

To the City Council of
City of Black River Falls

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate discretely presented component unit and remaining fund information of the City of Black River Falls (the City), 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, and have issued our report thereon dated July 1, 2024.

Report on Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2023-001 and 2023-002, that we consider to be material weaknesses.

Report on Compliance and Other Matters

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

The City's Responses to Findings

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

Purpose of This Report

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

Baker Tilly US, LLP

Milwaukee, Wisconsin
July 1, 2024

City of Black River Falls

Schedule of Findings and Responses
Year Ended December 31, 2023

Financial Statement Findings Required to be Reported in Accordance With Government Auditing Standards

Finding 2023-001: Internal Control Over Financial Reporting

Criteria: A system of internal control should be in place that provides reasonable assurance that year-end financial statements are complete and accurate.

Condition: There is a lack of controls over the year-end financial reporting process. Material journal entries were discovered during the course of the audit and we, as your auditors, prepared the City of Black River Falls' (City) financial statements and schedule of expenditures of federal and state awards.

Cause: The City has chosen to have the auditors prepare its annual financial statements.

Effect: The City's financial records may be materially misstated before the annual audit is completed. In addition, the annual financial statements and schedule of expenditures of federal and state awards are not available to the City until they are completed by the auditors.

Recommendation: The City should develop a plan to ensure that all material year-end adjustments are recorded by city staff prior to audit fieldwork. Many small governments operate with only enough staff to process monthly transactions and reports and will continue to rely on outside consultants to handle year-end financial reporting. Management and the City Council should continue to make a reasonable effort to be knowledgeable about the City's financial condition and financial reporting requirements.

Management's Response/Planned Corrective Action: Because of its size, the City does not feel it is cost effective to hire an employee(s) with the experience and technical training to prepare its financial statements. The City will make every effort to reduce the number of journal entries made by the auditors at the end of the year.

Finding 2023-002: Internal Control Environment

Criteria: A system of internal controls should be in place to achieve a higher level of reliability that errors or irregularities in your processes would be discovered by your staff and to provide reasonable assurance that individuals have access to only one phase of the accounting process.

Condition: There is a lack of controls over accounts payable/disbursements, payroll, utility billing, utility plant accounting and period close transaction cycles, primarily due to a lack of segregation of duties in the accounting functions.

Cause: The City has not assigned duties to have the appropriate controls in place.

Effect: Because of the lack of internal controls, it is less likely that errors or irregularities would be discovered internally. Because of the lack of segregation of duties, the accounting records may be misstated.

Recommendation: Most of the key controls lacking for these transaction cycles are not possible to cure without adding staff. The City Council should rely more heavily on their direct knowledge of the City's operations and day-to-day contact with employees to control and safeguard assets. The City Council should also continue to make a reasonable effort to be knowledgeable about the City's key transaction cycles.

City of Black River Falls

Schedule of Findings and Responses
Year Ended December 31, 2023

Management's Response/Planned Corrective Action: The City is aware of our lack of controls over accounts payable/disbursements, payroll, utility billing, utility plant accounting and period close. Because of our size, we do not feel it is cost effective to hire the number of employees needed to cure these internal control deficiencies.