



CITY OF GALESVILLE, WISCONSIN

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

Year Ended December 31, 2023

**Johnson Block & Company, Inc.
Certified Public Accountants
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CITY OF GALESVILLE, WISCONSIN

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INDEPENDENT AUDITOR'S REPORT

Mayor and Members of
the City Council
City of Galesville, Wisconsin

Opinions

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

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Galesville, Wisconsin, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information and Wisconsin Retirement System schedules on pages 52 - 57 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.



Required Supplementary Information (Continued)

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Galesville, Wisconsin’s basic financial statements. The combining nonmajor fund financial statements are presented for purposes of additional analysis and is not a required part of the basic financial statements.

The combining nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Johnson Block & Company, Inc.

Johnson Block & Company, Inc.
July 25, 2024

BASIC FINANCIAL STATEMENTS

CITY OF GALESVILLE, WISCONSIN
GOVERNMENT-WIDE STATEMENT OF NET POSITION
As of December 31, 2023

| | Governmental Activities | Business-Type Activities | Total |
|--|----------------------------|-----------------------------|----------------------|
| Assets | | | |
| Current assets: | | | |
| Cash and cash equivalents | \$ 2,576,748 | \$ 2,912,405 | \$ 5,489,153 |
| Receivables (net of allowance for uncollectible accounts): | | | |
| Taxes | 667,727 | - | 667,727 |
| Customer | - | 1,074,072 | 1,074,072 |
| Leases | 9,719 | - | 9,719 |
| Other | 13,147 | 34 | 13,181 |
| Inventories and prepaid items | - | 12,456 | 12,456 |
| Total current assets | 3,267,341 | 3,998,967 | 7,266,308 |
| Restricted assets: | | | |
| Restricted cash and cash equivalents | 104,992 | 413,198 | 518,190 |
| Total restricted assets | 104,992 | 413,198 | 518,190 |
| Noncurrent assets: | | | |
| Land | 258,296 | 96,711 | 355,007 |
| Other capital assets, net of depreciation | 3,475,640 | 6,270,989 | 9,746,629 |
| Investment in joint ventures | 815,181 | - | 815,181 |
| Long-term receivables | 244,161 | 14,142 | 258,303 |
| Lease receivable | 38,236 | - | 38,236 |
| Total noncurrent assets | 4,831,514 | 6,381,842 | 11,213,356 |
| Total assets | 8,203,847 | 10,794,007 | 18,997,854 |
| Deferred Outflows of Resources | | | |
| Pension outflows | 720,256 | 144,070 | 864,326 |
| Total deferred outflows of resources | 720,256 | 144,070 | 864,326 |
| Total assets and deferred outflows of resources | \$ 8,924,103 | \$ 10,938,077 | \$ 19,862,180 |

See accompanying notes to financial statements.

CITY OF GALESVILLE, WISCONSIN
GOVERNMENT-WIDE STATEMENT OF NET POSITION
As of December 31, 2023

| | Governmental Activities | Business-Type Activities | Total |
|--|----------------------------|-----------------------------|----------------------|
| Liabilities | | | |
| Current liabilities: | | | |
| Accounts payable | \$ 15,650 | \$ 136,257 | \$ 151,907 |
| Accrued liabilities: | | | |
| Payroll, payroll taxes, insurance | 38,682 | 219,082 | 257,764 |
| Interest | 8,295 | 8,172 | 16,467 |
| Security deposit | - | 19,040 | 19,040 |
| Unearned revenue | 63,741 | - | 63,741 |
| Restricted funds held in trust | - | 2,284 | 2,284 |
| Current portion of compensated absences | 23,388 | 129,454 | 152,842 |
| Current portion of long-term obligations | 105,876 | 164,343 | 270,219 |
| Total current liabilities | <u>255,632</u> | <u>678,632</u> | <u>934,264</u> |
| Noncurrent liabilities: | | | |
| Long-term obligations, net of current portion | 1,464,573 | 2,606,724 | 4,071,297 |
| Long-term portion of compensated absences | 3,888 | 2,036 | 5,924 |
| Net pension liability | 193,319 | 38,669 | 231,988 |
| Total noncurrent liabilities | <u>1,661,780</u> | <u>2,647,429</u> | <u>4,309,209</u> |
| Total liabilities | <u>1,917,412</u> | <u>3,326,061</u> | <u>5,243,473</u> |
| Deferred Inflows of Resources | | | |
| Unavailable revenue | 1,243,518 | - | 1,243,518 |
| Lease inflows | 46,579 | - | 46,579 |
| Pension inflows | 406,275 | 81,266 | 487,541 |
| Total deferred inflows of resources | <u>1,696,372</u> | <u>81,266</u> | <u>1,777,638</u> |
| Net Position | | | |
| Net investment in capital assets | 2,181,634 | 3,596,633 | 5,778,267 |
| Restricted for special purposes | | | |
| Downtown development | 141 | - | 141 |
| Environmental impact | 9,771 | - | 9,771 |
| Zahorik Foundation | 1,093 | - | 1,093 |
| TIF District No. 2 | 581,714 | - | 581,714 |
| Residential rehabilitation operations | 38,260 | - | 38,260 |
| Bond principal and interest | - | 31,107 | 31,107 |
| Bond reserve accounts | 30,246 | 63,325 | 93,571 |
| WQT capital reserve fund | - | 196,909 | 196,909 |
| Equipment replacement fund | - | 111,570 | 111,570 |
| Unrestricted | 2,467,460 | 3,531,206 | 5,998,666 |
| Total net position | <u>5,310,319</u> | <u>7,530,750</u> | <u>12,841,069</u> |
| Total liabilities, deferred inflows of resources and net position | <u>\$ 8,924,103</u> | <u>\$ 10,938,077</u> | <u>\$ 19,862,180</u> |

See accompanying notes to financial statements.

CITY OF GALESVILLE, WISCONSIN
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2023

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | | |
|---|---------------------|----------------------------|--|--|--|---------------------------------|----------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Gov't. Activities | Business- Type Activities | Total |
| Governmental activities: | | | | | | | |
| General government | \$ 234,537 | \$ 11,799 | \$ - | \$ - | \$ (222,738) | \$ - | \$ (222,738) |
| Public safety | 485,025 | 3,797 | 6,137 | 43,354 | (431,737) | - | (431,737) |
| Public works | 454,798 | 1,989 | 134,661 | - | (318,148) | - | (318,148) |
| Health and human services | 12,928 | - | - | - | (12,928) | - | (12,928) |
| Culture and recreation | 325,701 | 5,700 | 86,221 | - | (233,780) | - | (233,780) |
| Conservation and development | 56,124 | - | 9,635 | - | (46,489) | - | (46,489) |
| Interest and fiscal charges | 54,448 | - | - | - | (54,448) | - | (54,448) |
| Total governmental activities | 1,623,561 | 23,285 | 236,654 | 43,354 | (1,320,268) | - | (1,320,268) |
| Business-type activities: | | | | | | | |
| Water | 338,428 | 375,101 | - | - | - | 36,673 | 36,673 |
| Sewer | 409,963 | 519,031 | - | - | - | 109,068 | 109,068 |
| Marinuka Manor and Eden House | 4,109,135 | 4,188,661 | - | - | - | 79,526 | 79,526 |
| Total business-type activities | 4,857,526 | 5,082,793 | - | - | - | 225,267 | 225,267 |
| Total | \$ 6,481,087 | \$ 5,106,078 | \$ 236,654 | \$ 43,354 | (1,320,268) | 225,267 | (1,095,001) |
| General revenues: | | | | | | | |
| Property taxes: | | | | | | | |
| General purpose | | | | | 682,042 | - | 682,042 |
| Tax incremental financing districts | | | | | 194,117 | - | 194,117 |
| Library | | | | | 97,694 | - | 97,694 |
| Other taxes | | | | | 29,418 | - | 29,418 |
| Grants and contributions not restricted to specific programs | | | | | 370,199 | - | 370,199 |
| Interest and investment earnings (loss) | | | | | 24,556 | 6,009 | 30,565 |
| Miscellaneous | | | | | 81,072 | 13,710 | 94,782 |
| Transfers: | | | | | | | |
| Property tax equivalent | | | | | 10,000 | (10,000) | - |
| Total general revenues and transfers | | | | | 1,489,098 | 9,719 | 1,498,817 |
| Change in net position | | | | | 168,830 | 234,986 | 403,816 |
| Net position - January 1 | | | | | 5,141,489 | 7,295,764 | 12,437,253 |
| Net position - December 31 | | | | | \$ 5,310,319 | \$ 7,530,750 | \$ 12,841,069 |

See accompanying notes to financial statements.

**CITY OF GALESVILLE, WISCONSIN
BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2023**

| | Major | | | Total Gov't. Funds |
|--|---------------------|---|-------------------|--------------------------|
| | General | Tax Incremental Financing District No. 2 | Nonmajor Funds | |
| <u>ASSETS</u> | | | | |
| Cash and cash equivalents | \$ 1,762,704 | \$ 664,368 | \$ 149,676 | \$ 2,576,748 |
| Receivables: | | | | |
| Taxes | 501,469 | 166,258 | - | 667,727 |
| Special assessments | 27,559 | 89,761 | - | 117,320 |
| Residential rehab loans | - | - | 126,841 | 126,841 |
| Leases | 47,955 | - | - | 47,955 |
| Other | 13,147 | - | - | 13,147 |
| Restricted cash and cash equivalents | 41,251 | - | 63,741 | 104,992 |
| Total assets | \$ 2,394,085 | \$ 920,387 | \$ 340,258 | \$ 3,654,730 |
| <u>LIABILITIES</u> | | | | |
| Accounts payable | \$ 14,321 | \$ - | \$ 1,329 | \$ 15,650 |
| Accrued liabilities | 35,303 | - | 3,379 | 38,682 |
| Unearned revenue | - | - | 63,741 | 63,741 |
| Due to other funds | - | - | - | - |
| Advance payables | - | - | - | - |
| Total liabilities | 49,624 | - | 68,449 | 118,073 |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | | | | |
| Unavailable revenue | 778,004 | 338,673 | 126,841 | 1,243,518 |
| Lease inflows | 46,579 | - | - | 46,579 |
| Total deferred inflows of resources | 824,583 | 338,673 | 126,841 | 1,290,097 |
| <u>FUND BALANCES</u> | | | | |
| Nonspendable | 58 | - | - | 58 |
| Restricted | 41,251 | 581,714 | 38,260 | 661,225 |
| Assigned | 53,898 | - | 106,708 | 160,606 |
| Unassigned | 1,424,671 | - | - | 1,424,671 |
| Total fund balances | 1,519,878 | 581,714 | 144,968 | 2,246,560 |
| Total liabilities, deferred inflows of resources, and fund balances | \$ 2,394,085 | \$ 920,387 | \$ 340,258 | \$ 3,654,730 |

See accompanying notes to financial statements.

CITY OF GALESVILLE, WISCONSIN
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
As of December 31, 2023

Total net position reported for governmental activities in the Statement of Net Position are different from the amount reported as total governmental funds' fund balance because:

Total
Gov't.
Funds

Total fund balances from previous page \$ 2,246,560

Capital assets used in government activities are not financial resources and therefore are not reported in the fund statements. Amounts reported for governmental activities in the Statement of Net Position are:

| | | |
|---------------------------------------|--------------------|-----------|
| Governmental capital assets | 6,058,001 | |
| Governmental accumulated depreciation | <u>(2,324,065)</u> | 3,733,936 |

The investment in joint ventures is not a functional resource and therefore is not reported in the funds. 815,181

Pension deferred outflows of resources and deferred inflows of resources are actuarially determined by the defined benefit pension plan. These items are reflected in the Statement of Net Position and are being amortized with pension expense in the Statement of Activities. The deferred outflows and inflows of resources are not financial resources or uses and therefore are not reported in the fund statements.

| | | |
|--------------------------------|------------------|---------|
| Deferred outflows of resources | 720,256 | |
| Deferred inflows of resources | <u>(406,275)</u> | 313,981 |

Long-term liabilities, including bonds and notes payable, are not due in the current period and therefore are not reported in the fund statements, but are included in the governmental activities Statement of Net Position.

| | | |
|--------------------------------|----------------|--------------------|
| Long-term liabilities | (1,520,000) | |
| Financed purchase arrangements | (32,302) | |
| Bond premium | (18,147) | |
| Vested compensated absences | (27,276) | |
| Net pension liability | (193,319) | |
| Accrued interest | <u>(8,295)</u> | <u>(1,799,339)</u> |

Total net position - governmental activities \$ 5,310,319

See accompanying notes to financial statements.

CITY OF GALESVILLE, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended December 31, 2023

| | Major | | | Total Gov't. Funds |
|------------------------------------|---------------------|---|-------------------|--------------------------|
| | General | Tax Incremental Financing District No. 2 | Nonmajor Funds | |
| Revenues: | | | | |
| Taxes and special assessments | \$ 713,579 | \$ 201,998 | \$ 97,694 | \$ 1,013,271 |
| Intergovernmental | 526,725 | - | 128,375 | 655,100 |
| Licenses and permits | 11,010 | - | - | 11,010 |
| Penalties and forfeitures | 3,702 | - | 167 | 3,869 |
| Public charges for services | 3,512 | - | - | 3,512 |
| Interest income | 35,169 | 4,513 | 95 | 39,777 |
| Miscellaneous general revenues | 74,632 | - | 5,044 | 79,676 |
| Total revenues | 1,368,329 | 206,511 | 231,375 | 1,806,215 |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 255,277 | - | - | 255,277 |
| Public safety | 435,612 | - | - | 435,612 |
| Public works | 245,867 | - | - | 245,867 |
| Health and human services | 12,928 | - | - | 12,928 |
| Culture and recreation | 116,077 | - | 187,211 | 303,288 |
| Conservation and development | 53,292 | 604,608 | - | 657,900 |
| Capital outlay | 57,479 | - | 43,354 | 100,833 |
| Debt service: | | | | |
| Principal retirement | 100,347 | - | - | 100,347 |
| Interest and fiscal charges | 54,916 | - | - | 54,916 |
| Total expenditures | 1,331,795 | 604,608 | 230,565 | 2,166,968 |
| Net change in fund balances | 36,534 | (398,097) | 810 | (360,753) |
| Fund balances, January 1 | 1,483,344 | 979,811 | 144,158 | 2,607,313 |
| Fund balances, December 31 | \$ 1,519,878 | \$ 581,714 | \$ 144,968 | \$ 2,246,560 |

See accompanying notes to financial statements.

CITY OF GALESVILLE, WISCONSIN
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2023

| | | |
|--|------------------|---------------------------------|
| Net change in fund balances - total governmental funds | | \$ (360,753) |
| <i>Amounts reported for governmental activities in the Statement of Activities are different because:</i> | | |
| The acquisition of capital assets are reported in the governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities. | | |
| Capital outlay reported in governmental fund statements | \$ 100,833 | |
| Capital assets not included in capital outlay | 617,853 | |
| Depreciation expense reported in the Statement of Activities | <u>(226,260)</u> | 492,426 |
| The change in the investment in joint ventures does not provide current financial resources and is not reported in the funds. | | |
| | | (15,221) |
| Repayment of principal on long-term debt is reported in the governmental funds as expenditures, but is reported as a reduction in long-term debt in the Statement of Net Position and does not affect the Statement of Activities. | | |
| The amount of long-term principal payments is: | | 85,000 |
| The amount of financed purchase agreements principal payments is: | | 15,347 |
| Vested employee benefits are reported in the governmental funds when amounts are paid. The Statement of Activities reports the value of benefits earned during the year. | | |
| | | 3,175 |
| In governmental funds, interest payments on outstanding long-term debt are reported as an expenditure when paid. In the Statement of Activities interest is reported as incurred. | | |
| The amount of interest paid during the current period is: | 54,916 | |
| The amount of interest accrued during the current period is: | <u>(54,448)</u> | 468 |
| In governmental funds, the effects of premiums and discounts on outstanding long-term debt are reported when the debt is issued. In the Statement of Activities, these amounts are deferred and amortized over the life of the debt issue. | | |
| The amount of debt premium/discount recognized during the current period is: | | 1,396 |
| Pension expense reported in the governmental funds represent current year required contributions into the defined benefit pension plan. Pension expense in the Statement of Activities is actuarially determined by the defined benefit pension plan as the difference between the net pension asset/liability from the prior year to the current year, with some adjustments. | | |
| Amount of current year required contributions into the defined benefit pension plan | 43,636 | |
| Actuarially determined change in net pension asset/liability between years, with adjustments | <u>(96,644)</u> | <u>(53,008)</u> |
| Change in net position - governmental activities | | <u><u>\$ 168,830</u></u> |

See accompanying notes to financial statements.

CITY OF GALESVILLE, WISCONSIN
STATEMENT OF NET POSITION
ENTERPRISE FUNDS
As of December 31, 2023

| | Major | | | 2023 Totals |
|---|---------------------|---------------------|--------------------------------------|----------------------|
| | Water Utility | Sewer Utility | Marinuka Manor & Eden House | |
| <u>ASSETS</u> | | | | |
| Current assets: | | | | |
| Cash and cash equivalents | \$ 1,157,570 | \$ 662,797 | \$ 1,092,038 | \$ 2,912,405 |
| Receivables (net of allowance for uncollectible accounts): | | | | |
| Customer | 65,301 | 81,406 | 927,365 | 1,074,072 |
| Other | 34 | - | - | 34 |
| Inventory and prepaids | 11,318 | 625 | 513 | 12,456 |
| Total current assets | 1,234,223 | 744,828 | 2,019,916 | 3,998,967 |
| Restricted assets: | | | | |
| Cash and cash equivalents | 97,242 | 313,672 | 2,284 | 413,198 |
| Total restricted assets | 97,242 | 313,672 | 2,284 | 413,198 |
| Property, plant and equipment: | | | | |
| Land | 34,656 | 25,250 | 36,805 | 96,711 |
| Utility plant | 4,408,980 | 5,952,943 | 3,275,834 | 13,637,757 |
| Less accumulated depreciation | (2,799,246) | (1,596,766) | (2,970,756) | (7,366,768) |
| Net property, plant and equipment | 1,644,390 | 4,381,427 | 341,883 | 6,367,700 |
| Other assets and debits: | | | | |
| Special assessments | 7,921 | 6,221 | - | 14,142 |
| Total other assets and debits | 7,921 | 6,221 | - | 14,142 |
| Total assets | 2,983,776 | 5,446,148 | 2,364,083 | 10,794,007 |
| <u>DEFERRED OUTFLOWS OF RESOURCES</u> | | | | |
| Pension outflows | 72,011 | 72,059 | - | 144,070 |
| Total deferred outflows of resources | 72,011 | 72,059 | - | 144,070 |
| Total assets and deferred outflows of resources | \$ 3,055,787 | \$ 5,518,207 | \$ 2,364,083 | \$ 10,938,077 |

See accompanying notes to financial statements.

CITY OF GALESVILLE, WISCONSIN
STATEMENT OF NET POSITION
ENTERPRISE FUNDS
As of December 31, 2023

| | Major | | | 2023 Totals |
|--|--------------------|--------------------|--------------------------------------|---------------------|
| | Water Utility | Sewer Utility | Marinuka Manor & Eden House | |
| <u>LIABILITIES</u> | | | | |
| Current liabilities: | | | | |
| Accounts payable | \$ 56,273 | \$ 9,479 | \$ 70,505 | \$ 136,257 |
| Accrued liabilities and expenses | 3,407 | 2,887 | 212,788 | 219,082 |
| Current portion of compensated absences | 6,487 | 6,188 | 116,779 | 129,454 |
| Current portion of long-term debt | 45,000 | 119,343 | - | 164,343 |
| Security deposit | - | - | 19,040 | 19,040 |
| Restricted funds held in trust | - | - | 2,284 | 2,284 |
| Accrued interest payable | 2,811 | 5,361 | - | 8,172 |
| Total current liabilities | 113,978 | 143,258 | 421,396 | 678,632 |
| Long-term liabilities: | | | | |
| Net pension liability | 19,328 | 19,341 | - | 38,669 |
| Compensated absences | 1,043 | 993 | - | 2,036 |
| Bonds and notes payable | 890,000 | 1,716,724 | - | 2,606,724 |
| Total long-term liabilities | 910,371 | 1,737,058 | - | 2,647,429 |
| Total liabilities | 1,024,349 | 1,880,316 | 421,396 | 3,326,061 |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | | | | |
| Deferred pension inflows | 40,620 | 40,646 | - | 81,266 |
| Total deferred inflows of resources | 40,620 | 40,646 | - | 81,266 |
| <u>NET POSITION</u> | | | | |
| Net investment in capital assets | 709,390 | 2,545,360 | 341,883 | 3,596,633 |
| Restricted for: | | | | |
| Bond principal and interest | 31,107 | - | - | 31,107 |
| Bond reserve accounts | 63,325 | - | - | 63,325 |
| WQT capital reserve fund | - | 196,909 | - | 196,909 |
| Equipment replacement fund | - | 111,570 | - | 111,570 |
| Unrestricted | 1,186,996 | 743,406 | 1,600,804 | 3,531,206 |
| Total net position | 1,990,818 | 3,597,245 | 1,942,687 | 7,530,750 |
| Total liabilities, deferred inflows of resources and net position | \$3,055,787 | \$5,518,207 | \$2,364,083 | \$10,938,077 |

See accompanying notes to financial statements.

CITY OF GALESVILLE, WISCONSIN
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION - ENTERPRISE FUNDS
For the Year Ended December 31, 2023

| | Major | | | 2023 Totals |
|---|---------------------|---------------------|--------------------------------------|---------------------|
| | Water Utility | Sewer Utility | Marinuka Manor & Eden House | |
| Operating revenues: | | | | |
| Charges for services | \$ 375,101 | \$ 519,031 | \$ 4,005,279 | \$ 4,899,411 |
| Other operating revenues | 4,058 | 3,178 | 183,382 | 190,618 |
| Total operating revenues | <u>379,159</u> | <u>522,209</u> | <u>4,188,661</u> | <u>5,090,029</u> |
| Operating expenses: | | | | |
| Operation and maintenance | 202,781 | 258,539 | 4,024,609 | 4,485,929 |
| Depreciation | 114,160 | 112,470 | 84,526 | 311,156 |
| Taxes | 4,517 | 5,957 | - | 10,474 |
| Total operating expenses | <u>321,458</u> | <u>376,966</u> | <u>4,109,135</u> | <u>4,807,559</u> |
| Operating income (loss) | <u>57,701</u> | <u>145,243</u> | <u>79,526</u> | <u>282,470</u> |
| Nonoperating revenues | | | | |
| (expenses): | | | | |
| Interest income | 1,560 | 1,076 | 3,373 | 6,009 |
| Miscellaneous nonoperating income | - | - | 6,474 | 6,474 |
| Interest on long-term debt | (16,970) | (32,997) | - | (49,967) |
| Total nonoperating revenues (expenses) | <u>(15,410)</u> | <u>(31,921)</u> | <u>9,847</u> | <u>(37,484)</u> |
| Net income (loss) before transfers | 42,291 | 113,322 | 89,373 | 244,986 |
| Transfers - property tax equivalent | <u>(10,000)</u> | <u>-</u> | <u>-</u> | <u>(10,000)</u> |
| Change in net position | 32,291 | 113,322 | 89,373 | 234,986 |
| Net position, January 1 | 1,958,527 | 3,483,923 | 1,853,314 | 7,295,764 |
| Net position, December 31 | <u>\$ 1,990,818</u> | <u>\$ 3,597,245</u> | <u>\$ 1,942,687</u> | <u>\$ 7,530,750</u> |

See accompanying notes to financial statements.

CITY OF GALESVILLE, WISCONSIN
STATEMENT OF CASH FLOWS - ENTERPRISE FUNDS
For the Year Ended December 31, 2023

| | Major | | | 2023 Totals |
|---|---------------------|-------------------|--------------------------------------|---------------------|
| | Water Utility | Sewer Utility | Marinuka Manor & Eden House | |
| Cash flows from operating activities: | | | | |
| Cash received from customers/ residents/lessees | \$ 385,133 | \$ 527,902 | \$ 3,825,881 | \$ 4,738,916 |
| Cash received from (paid to) other funds for services | 3,834 | (3,834) | - | - |
| Cash paid to suppliers for goods and services | (134,567) | (192,098) | (1,396,307) | (1,722,973) |
| Cash paid to other organizations | - | - | (216,428) | (216,428) |
| Cash paid in lieu of taxes | - | - | (7,000) | (7,000) |
| Cash paid to employees for services | (61,077) | (63,332) | (2,454,534) | (2,578,942) |
| Net cash provided (used) by operating activities | <u>193,323</u> | <u>268,638</u> | <u>(248,388)</u> | <u>213,573</u> |
| Cash flows from investing activities: | | | | |
| Interest income | 1,560 | 1,076 | 3,373 | 6,009 |
| Net cash provided (used) by investing activities | <u>1,560</u> | <u>1,076</u> | <u>3,373</u> | <u>6,009</u> |
| Cash flows from noncapital financing activities: | | | | |
| Cash paid for tax equivalent | (10,000) | - | - | (10,000) |
| Net cash provided (used) by noncapital financing activities | <u>(10,000)</u> | <u>-</u> | <u>-</u> | <u>(10,000)</u> |
| Cash flows from capital and related financing activities: | | | | |
| Special assessments received | 2,965 | 2,329 | - | 5,294 |
| Principal paid on long-term debt | (45,000) | (117,176) | - | (162,176) |
| Interest paid on long-term debt | (17,022) | (33,251) | - | (50,273) |
| Miscellaneous income | - | - | 6,474 | 6,474 |
| Capital asset additions | (46,543) | (71,340) | (41,332) | (159,215) |
| Net cash provided (used) by capital and related financing activities | <u>(105,600)</u> | <u>(219,438)</u> | <u>(34,858)</u> | <u>(359,896)</u> |
| Net increase (decrease) in cash and cash equivalents | 79,283 | 50,276 | (279,873) | (150,314) |
| Cash and cash equivalents, January 1 | 1,175,529 | 926,193 | 1,374,195 | 3,475,917 |
| Cash and cash equivalents, December 31 | <u>\$ 1,254,812</u> | <u>\$ 976,469</u> | <u>\$ 1,094,322</u> | <u>\$ 3,325,603</u> |

See accompanying notes to financial statements.

CITY OF GALESVILLE, WISCONSIN
STATEMENT OF CASH FLOWS - ENTERPRISE FUNDS
For the Year Ended December 31, 2023

| | Major | | | 2023 Totals |
|---|---------------------|-------------------|--------------------------------------|---------------------|
| | Water Utility | Sewer Utility | Marinuka Manor & Eden House | |
| Reconciliation of operating income (loss) to net cash flows from operating activities: | | | | |
| Operating income (loss) | \$ 57,701 | \$ 145,243 | \$ 79,526 | \$ 282,470 |
| Depreciation | 114,160 | 112,470 | 84,526 | 311,156 |
| Meter reading allocation | 3,834 | (3,834) | - | - |
| Changes in assets and liabilities and deferred inflows and outflows: | | | | |
| Customer accounts receivable | 5,974 | 5,693 | (361,887) | (350,220) |
| Due from other funds | (139) | - | - | (139) |
| Prepays | - | - | (475) | (475) |
| Pension asset and related deferrals | 4,572 | 5,481 | - | 10,053 |
| Accounts payable | 4,539 | 2,680 | 7,670 | 14,889 |
| Accrued liabilities and expenses | 700 | 99 | (56,855) | (56,056) |
| Resident trust fund payable/ security deposit | - | - | (893) | (893) |
| Compensated absences | 1,982 | 806 | - | 2,788 |
| Net cash provided (used) by operating activities | \$ 193,323 | \$ 268,638 | \$ (248,388) | \$ 213,573 |
| Supplementary schedule: | | | | |
| Noncash capital and related financing transactions: | | | | |
| Plant additions | \$ (43,859) | \$ - | \$ - | \$ (43,859) |
| Accounts payable | 43,859 | - | - | 43,859 |
| | \$ - | \$ - | \$ - | \$ - |
| Reconciliation of cash and cash equivalents to the Statement of Net Position: | | | | |
| Cash and cash equivalents - Statement of Net Position | \$ 1,157,570 | \$ 662,797 | \$ 1,092,038 | \$ 2,912,405 |
| Restricted cash and cash equivalents - Statement of Net Position | 97,242 | 313,672 | 2,284 | 413,198 |
| Cash and cash equivalents - end of year | \$ 1,254,812 | \$ 976,469 | \$ 1,094,322 | \$ 3,325,603 |

See accompanying notes to financial statements.

CITY OF GALESVILLE, WISCONSIN
STATEMENT OF FIDUCIARY NET POSITION
As of December 31, 2023

| | Custodial Fund |
|--------------------------|---------------------------|
| | Tax Collection Fund |
| Assets | |
| Cash and investments | \$ 647,715 |
| Taxes receivable | 1,205,753 |
| Total assets | \$ 1,853,468 |
| Liabilities | |
| Due to other governments | \$ 1,853,468 |
| Total liabilities | \$ 1,853,468 |

See accompanying notes to financial statements.

CITY OF GALESVILLE, WISCONSIN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Year Ended December 31, 2023

| | Custodial Fund |
|--|---------------------------|
| | Tax Collection Fund |
| Additions | |
| Property tax collections for other governments | \$ 1,246,558 |
| Total additions | 1,246,558 |
| Deductions | |
| Payments of taxes to other governments | 1,246,558 |
| Total deductions | 1,246,558 |
| Net increase (decrease) in fiduciary net position | - |
| Net position, January 1 | - |
| Net position, December 31 | \$ - |

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

CITY OF GALESVILLE, WISCONSIN
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December 31, 2023

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CITY OF GALESVILLE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. REPORTING ENTITY

This report includes all of the funds of the City of Galesville. The reporting entity for the City consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government. This report does not contain any component units.

B. BASIS OF FINANCIAL STATEMENT PRESENTATION

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. The effect of interfund activity, within the governmental and business-type activities columns, has been removed from these statements. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment 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

Fund financial statements of the reporting entity are organized into funds each of which are considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitutes its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures.

CITY OF GALESVILLE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF FINANCIAL STATEMENT PRESENTATION (Continued)

Fund Financial Statements (Continued)

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

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

Governmental Funds

Governmental funds are those funds through which most governmental functions are typically financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. The City has presented the following governmental funds:

General Fund – The General Fund is the City’s primary operating fund and is always classified as a major fund. It is used to account for and report all financial resources not accounted for and reported in another fund.

Special Revenue Funds – Special Revenue Funds are used to account for and report the specific revenue sources comprising a substantial portion of the fund’s resources on an ongoing basis that are restricted or committed to expenditures for specific purposes other than debt service or capital projects.

Capital Projects Fund – The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays (other than those financed by proprietary funds and trust funds).

The City reports the following major governmental funds:

General Fund
Tax Incremental Financing District Fund No. 2

The City reports the following nonmajor governmental funds:

Residential Rehabilitation Fund
Library Fund
American Rescue Plan Act Fund

CITY OF GALESVILLE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF FINANCIAL STATEMENT PRESENTATION (Continued)

Proprietary Funds

Proprietary Funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of net income, financial position and cash flow.

The City reports the following business-type activities:

Major Enterprise Funds

Water Utility – Accounts for providing water service.

Sewer Utility – Accounts for providing sewer service.

Marinuka Manor Nursing Home & Eden House Housing Project – Accounts for providing licensed health care, and independent living for aged and disabled persons.

Fiduciary Funds (Not included in Government-Wide Statements)

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

The City reports the following fiduciary fund:

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

C. BASIS OF ACCOUNTING

The government-wide financial statements and fund financial statements for the proprietary funds are presented 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 recognized at the time the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Deferred outflows of resources represent a consumption of resources that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred inflows of resources represent an acquisition of resources that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Unbilled receivables are recorded as revenues when services are provided.

CITY OF GALESVILLE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. BASIS OF ACCOUNTING (Continued)

The proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water Utility, Sewer Utility, Marinuka Manor and Eden House are charges to customers for providing service to the City's residents and businesses. Operating expenses for proprietary funds include the cost of providing these services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The modified accrual basis of accounting is followed by the governmental funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., 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.

The City's property taxes are levied on or before December 31 on the assessed valuation as of the prior January 1 for all general property located in the City. The taxes are due and payable in the following year. Property taxes are recorded in the year levied as taxes receivable and deferred inflows. Property taxes are recognized in the appropriate fund as revenues in the succeeding year when they are collected and available to finance services.

In addition to property taxes for the City, taxes are collected for and remitted to the state and county governments 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 custodial fund statement of fiduciary net position.

The aggregate amount of property taxes to be levied for City purposes is determined according to provisions of Chapter 120 of the Wisconsin Statutes. Property taxes levied by the City are certified to local taxing districts for collection. Property taxes attach as an enforceable lien as of January 1.

Property tax calendar – 2023 tax roll:

| | |
|--|------------------|
| Lien date and levy date | December, 2023 |
| Tax bills mailed | December, 2023 |
| Payment in full or first installment due | January 31, 2024 |
| Second installment due | July 31, 2024 |

CITY OF GALESVILLE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. BASIS OF ACCOUNTING (Continued)

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 water and 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.

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

Special assessments are recorded as revenues when collected (or) when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and deferred inflows.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, 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.

For governmental fund financial statements, deferred revenues arise when a potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Deferred inflows also arise when resources are received before the City has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, deferred inflows are removed from the balance sheet and revenue is recognized.

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

D. MEASUREMENT FOCUS

On the Government-Wide Statement of Net Position and Statement of Activities, governmental activities are presented using the economic resources measurement focus. Under this concept, revenues and expenses are matched using the accrual basis of accounting.

The measurement focus of all governmental funds is the flow of current financial resources concept. Under this concept, sources and uses of financial resources, including capital outlays, debt proceeds and debt retirements are reflected in operations. Resources not available to finance expenditures and commitments of the current period are recognized as deferred inflows or nonspendable fund equity. Liabilities for claims, judgments, compensated absences and pension contributions which will not be currently liquidated using expendable available financial resources are included as liabilities in the government-wide financial statements but are excluded from the government fund financial statements. The related expenditures are recognized in the governmental fund financial statements when the liabilities are liquidated.

CITY OF GALESVILLE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. CASH AND INVESTMENTS

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. Cash and investment balances for individual funds are pooled unless maintained in segregated accounts. For purposes of the statement of cash flows, the City considers all highly liquid investments (including restricted assets, except for patients' funds) with a maturity of three months or less when acquired to be cash equivalents.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income.

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.

F. INVENTORIES AND PREPAID ITEMS

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

G. CAPITAL ASSETS

Government-Wide Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets are defined by the government as assets with an initial cost of more than \$500 for general capital assets and \$500 for infrastructure assets, and an estimated useful life in excess of two years. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated fixed assets are recorded at their estimated acquisition value at the date of donation.

Upon implementing GASB 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 not required. The City has elected to prospectively report all major general infrastructure assets.

CITY OF GALESVILLE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. CAPITAL ASSETS (Continued)

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. 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 fixed 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 of depreciation. The range of estimated useful lives by type of asset is as follows:

| | |
|-------------------------------------|--------------|
| Infrastructure | 20 years |
| Land improvements | 3 - 20 years |
| Buildings and building improvements | 5 - 50 years |
| Furniture, fixtures and equipment | 5 - 12 years |
| Vehicles | 6 - 12 years |

Fund Financial Statements

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

H. INTERFUND RECEIVABLES AND PAYABLES

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.” Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position. Noncurrent portions of long-term interfund receivables are reported as advances. Advances from governmental funds are offset equally by nonspendable fund equity which indicates that they do not constitute expendable available financial resources and therefore are not available for appropriation.

CITY OF GALESVILLE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS

General accounts receivable have been adjusted for all known uncollectible accounts. No allowance is necessary at year end. A provision for uncollectible resident accounts for Marinuka Manor Nursing Home was \$29,198 at December 31, 2023. Accounts are charged to this allowance when they are deemed uncollectible. The allowance account is adjusted to equal an estimate of doubtful accounts at year end.

J. COMPENSATED ABSENCES AND OTHER EMPLOYEE BENEFIT AMOUNTS

Under terms of employment, employees are granted sick leave and vacations 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, enterprise, and fiduciary 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, or are payable with expendable available 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.

K. LONG-TERM OBLIGATIONS

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term debt consists primarily of notes and bonds payable, financed purchase arrangements, and sick leave payable.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds 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 deferred and amortized over the life of the issue using the straight-line method. Gains or losses on prior refundings are amortized over the remaining life of the old debt, or the life of the new debt, whichever is shorter. The balance at year end for both premiums/discounts and gains/losses, as applicable, is shown as an increase or decrease in the deferred outflows of resources section of the balance sheet. The City does not engage in conduit debt transactions.

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

CITY OF GALESVILLE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. CLAIMS AND JUDGMENTS

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

M. INTERFUND TRANSACTIONS

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers.

N. PENSIONS

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

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

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

O. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

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

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position which applies to future periods and so will not be recognized as an inflow of resources (revenue) until then. The deferred inflows of resources are for deferred tax roll and special assessment revenue, housing loan receivables, leases and the WRS pension system.

CITY OF GALESVILLE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. EQUITY CLASSIFICATIONS

Government-Wide Statements

Equity is reported 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 of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets.
- b. Restricted net position – Consists of net positions with constraints placed on the 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 definition of “restricted” or “net investment in capital assets”.

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

Fund Statements

Governmental fund equity is reported as fund balance and is classified as follows:

- a. Nonspendable – amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- b. Restricted – amounts with externally imposed constraints placed on the use of resources by constitution, external resource providers, or through enabling legislation.
- c. Committed – amounts that can only be spent for specific purposes pursuant to constraints imposed by formal action by the City Council. A formal resolution by the City Council is required to establish, modify, or rescind a fund balance commitment.
- d. Assigned – amounts that are constrained by the City’s intent to be used for specific purposes, but are neither restricted nor committed. The City Council will assign amounts to a specific purpose.
- e. Unassigned – the residual classification for the General Fund representing amounts not restricted, committed, or assigned to specific purposes. Unassigned balances also include negative balance in the governmental funds reporting resources restricted for specific purposes.

When the City incurs an expenditure for purposes for which various fund balance classifications can be used, it is the City’s policy to use restricted fund balance first, then committed fund balance, assigned fund balance, and finally unassigned fund balance.

**CITY OF GALESVILLE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Q. HOUSING REHABILITATION LOANS RECEIVABLE

The City has received federal grant funds for a housing rehabilitation loan program. The City records a loan receivable when the loan has been made and funds have been disbursed. No allowance for housing rehabilitation loans receivable has been recorded.

It is the City's policy to record deferred inflows 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 financial statements.

R. BASIS FOR EXISTING RATES – PROPRIETARY FUNDS

Water Utility

Current water rates were approved by the Public Service Commission of Wisconsin on October 19, 2015. The rates are designed to provide a 5.75% return on rate base.

Sewer Utility

Current sewer rates were approved by the City Council on November 12, 2020 and went into effect January 1, 2021. On November 9, 2023, the City Council approved new sewer rates that were placed into effect on January 1, 2024.

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. 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.

A budget has been adopted for the General Fund. The budget adopted for 2023 for the Residential Rehabilitation Fund, a special revenue fund, and for TID No. 2, a capital projects fund, is a part of the General Fund budget. Wisconsin Statute 65.90 requires that an annual budget be adopted for all funds.

The budgeted amounts presented include any amendments made during the year. The City Council may authorize transfers of budgeted amounts within departments. Transfers between departments and changes to the overall budget must be approved by two-thirds of the City Council. There were no supplemental appropriations during the year. Appropriations lapse at year end unless specifically carried over. There were no carryovers to the following year. Budgets are adopted at the department level of expenditure.

**CITY OF GALESVILLE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2023**

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

B. BOND COVENANT DISCLOSURES

As part of the Water Revenue Bond resolutions, certain information is required to be disclosed.

Number of Customers

The utilities served the following number of Water Utility customer units at December 31, 2023:

| | Water |
|------------------|-------|
| Residential | 642 |
| Commercial | 77 |
| Industrial | 10 |
| Public authority | 21 |
| Multifamily | 6 |
| Totals | 756 |

Insurance Coverage

The utility is in compliance with combined insurance requirements.

Debt Coverage

2023 required and actual coverage factors are as follows:

| | Water |
|-----------------------------------|------------|
| Change in net position | \$ 32,291 |
| Plus: | |
| Interest expense | 16,970 |
| Depreciation | 114,160 |
| Income available for debt service | \$ 163,421 |
| Annual debt service | \$ 61,708 |
| Calculated coverage ratio | 2.65 |
| Required coverage ratio | 1.10 |

**CITY OF GALESVILLE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2023**

NOTE 3. DETAILED NOTES ON ALL FUNDS

A. CASH AND INVESTMENTS

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

1. Time deposits in any credit union, bank, savings bank, trust company or savings and loan association which is authorized to transact business in the State of Wisconsin.
2. 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 by the Wisconsin Aerospace Authority.
3. Bonds or securities issued or guaranteed by the federal government.
4. The Local Government Investment Pool.
5. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
6. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
7. Repurchase agreements with public depositories, with certain conditions.

The carrying amount of the City's cash and investments totaled \$6,655,058 on December 31, 2023 and is summarized below:

| | |
|--------------------------------------|--------------|
| Petty cash and cash on hand | \$ 175 |
| Deposits with financial institutions | 6,654,883 |
| | \$ 6,655,058 |

Reconciliation to the basic financial statements:

Government-Wide Statement of Net Position:

| | |
|--------------------------------------|--------------|
| Cash and cash equivalents | \$ 5,489,153 |
| Restricted cash and cash equivalents | 518,190 |

Fiduciary Fund:

| | |
|----------------|--------------|
| Custodial fund | 647,715 |
| | \$ 6,655,058 |

Deposits and investments of the City are subject to various risks. Following is a discussion of the specific risks and the City's policy related to the risk.

CITY OF GALESVILLE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

A. CASH AND INVESTMENTS (Continued)

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure the City’s deposits may not be returned to it. The City evaluates custodial credit risk through periodic monitoring of the financial condition of financial institutions where deposits are held. Formal written custodial risk policies have not been adopted by the City.

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings deposits and \$250,000 for demand deposits. Deposits with financial institutions are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the relatively small size of the Guarantee Fund in relationship to the total deposits covered and other legal implications, recovery of material principal losses may not be significant to individual organizations. This coverage has not been considered in computing the below amounts.

As of December 31, 2023, \$6,065,752 of the City’s deposits with financial institutions totaling \$6,565,752, was exposed to custodial credit risk as follows. The difference between the bank balance and carrying value is due to outstanding checks and/or deposits in transit.

| | | |
|---|----|-------------------------|
| Uninsured and uncollateralized | \$ | - |
| Uninsured and collateralized with securities held by pledging financial institutions | | <u>6,065,752</u> |
| | \$ | <u><u>6,065,752</u></u> |

Interest Rate Risk – Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Wisconsin State Statute limits the maturity of commercial paper and corporate bonds to not more than seven years. The City had no investments of this type at year end.

Credit Risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Wisconsin Statute limits investments in securities to the top two ratings assigned by nationally recognized statistical rating organizations.

Concentration of Credit Risk – The investment policy of the City contains no limitations on the amount that can be invested in any one issuer. The City had no investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total City investments.

**CITY OF GALESVILLE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2023**

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

B. RECEIVABLES

Receivables as of year end for the governmental funds' individual major and nonmajor funds, and the fiduciary fund in the aggregate, are as follows:

| | General Fund | Tax Incremental Financing District No. 2 | Residential Rehabilitation | Fiduciary Fund | Total |
|--|-------------------|---|-------------------------------|---------------------|---------------------|
| Total receivables | <u>\$ 590,130</u> | <u>\$ 256,019</u> | <u>\$ 126,841</u> | <u>\$ 1,205,753</u> | <u>\$ 2,178,743</u> |
| Amounts not expected to be collected within one year | <u>\$ 27,617</u> | <u>\$ 89,761</u> | <u>\$ 126,841</u> | <u>\$ -</u> | <u>\$ 244,219</u> |

Special assessments, delinquent personal property taxes, and housing rehabilitation loans receivable are not expected to be collected within one year.

C. RESTRICTED ASSETS

At December 31, 2023, governmental funds restricted cash consisted of the following:

| | General Fund | Nonmajor Funds |
|-----------------------|------------------|------------------|
| Environmental impact | \$ 9,771 | \$ - |
| Donated funds | 1,234 | - |
| Bond reserve accounts | 30,246 | - |
| Grant funds | - | 63,741 |
| Total restricted cash | <u>\$ 41,251</u> | <u>\$ 63,741</u> |

In the Water and Sewer Enterprise Funds, restricted assets represent cash reserved in accordance with utility revenue bond ordinances and can only be used in the following ways:

Bond Principal and Interest Accounts – Payments from these accounts can be made only for interest and principal and paying agent's fees as such become due.

Bond Reserve Accounts – Payments from the accounts may be made only to prevent default in the event the monies in the bond principal and interest accounts are insufficient to make payments when due.

Bond Depreciation and Replacement Account – Payments from the account may be made for making emergency replacements, repairs and additions to the City's utility systems if other funds are not available.

CITY OF GALESVILLE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

C. RESTRICTED ASSETS (Continued)

At December 31, 2023, enterprise fund restricted cash consisted of the following:

| | Water | Sewer | Marinuka Manor Nursing Home | Total |
|-----------------------------|------------------|-------------------|--------------------------------|-------------------|
| Bond principal and interest | \$ 33,918 | \$ 5,193 | \$ - | \$ 39,111 |
| Bond reserve accounts | 63,324 | - | - | 63,324 |
| WQT capital reserve fund | - | 196,909 | - | 196,909 |
| Equipment replacement fund | - | 111,570 | - | 111,570 |
| Resident trust fund | - | - | 2,284 | 2,284 |
| Total restricted cash | <u>\$ 97,242</u> | <u>\$ 313,672</u> | <u>\$ 2,284</u> | <u>\$ 413,198</u> |

D. CAPITAL ASSETS

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

| | Balance 1/1/2023 | Additions | Deletions | Balance 12/31/2023 |
|--|---------------------|-------------------|-------------|-----------------------|
| Capital assets not being depreciated: | | | | |
| Land | \$ 258,296 | \$ - | \$ - | \$ 258,296 |
| Total capital assets not being depreciated | <u>258,296</u> | <u>-</u> | <u>-</u> | <u>258,296</u> |
| Capital assets being depreciated: | | | | |
| Land improvements | 989,563 | 43,354 | - | 1,032,917 |
| Infrastructure | 808,502 | 617,832 | - | 1,426,334 |
| Buildings and building improvements | 2,109,891 | 36,970 | - | 2,146,861 |
| Furniture and equipment | 584,322 | 20,530 | - | 604,852 |
| Vehicles | 588,741 | - | - | 588,741 |
| Total capital assets being depreciated | <u>5,081,019</u> | <u>718,686</u> | <u>-</u> | <u>5,799,705</u> |
| Less: Accumulated depreciation: | | | | |
| Land improvements | (433,957) | (39,206) | - | (473,163) |
| Infrastructure | (451,976) | (72,352) | - | (524,328) |
| Buildings and building improvements | (391,516) | (42,179) | - | (433,695) |
| Furniture and equipment | (366,973) | (42,508) | - | (409,481) |
| Vehicles | (453,383) | (30,015) | - | (483,398) |
| Total accumulated depreciation | <u>(2,097,805)</u> | <u>(226,260)</u> | <u>-</u> | <u>(2,324,065)</u> |
| Net capital assets - governmental activities | <u>\$ 3,241,510</u> | <u>\$ 492,426</u> | <u>\$ -</u> | <u>\$ 3,733,936</u> |

**CITY OF GALESVILLE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2023**

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

D. CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions as follows:

| Governmental activities | |
|--|------------|
| General government | \$ 12,623 |
| Public safety | 14,126 |
| Public works | 186,415 |
| Culture and recreation | 13,096 |
| Total governmental activities depreciation expense | \$ 226,260 |

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

| | Balance 1/1/2023 | Additions | Deletions | Balance 12/31/2023 |
|---------------------------------------|---------------------|------------------|------------------|-----------------------|
| <u>Water Utility</u> | | | | |
| Capital assets not being depreciated: | | | | |
| Land and land rights | \$ 34,656 | \$ - | \$ - | \$ 34,656 |
| Capital assets being depreciated: | | | | |
| Source of supply plant | 271,121 | 32,415 | 22,900 | 280,636 |
| Pumping plant | 1,009,626 | 43,859 | 22,701 | 1,030,784 |
| Water treatment plant | 794,972 | - | - | 794,972 |
| Transmission and distribution plant | 2,234,724 | 14,128 | 4,660 | 2,244,192 |
| General plant | 58,396 | - | - | 58,396 |
| Total capital assets | \$ 4,403,495 | \$ 90,402 | \$ 50,261 | \$ 4,443,636 |
| <u>Sewer Utility</u> | | | | |
| Capital assets not being depreciated: | | | | |
| Land and land rights | \$ 25,250 | \$ - | \$ - | \$ 25,250 |
| Capital assets being depreciated: | | | | |
| Collecting system plant | 1,894,162 | 57,370 | 27,200 | 1,924,332 |
| Treatment and disposal plant | 4,004,535 | 13,970 | 11,100 | 4,007,405 |
| General plant | 21,206 | - | - | 21,206 |
| Total capital assets | \$ 5,945,153 | \$ 71,340 | \$ 38,300 | \$ 5,978,193 |

**CITY OF GALESVILLE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2023**

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

D. CAPITAL ASSETS (Continued)

Capital asset activity for governmental activities (Continued):

| | Balance 1/1/2023 | Additions | Deletions | Balance 12/31/2023 |
|---|---------------------|------------------|-------------|-----------------------|
| <u>Marinuka Manor Nursing Home</u> | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 25,490 | \$ - | \$ - | \$ 25,490 |
| Capital assets being depreciated: | | | | |
| Land improvements | 188,104 | - | - | 188,104 |
| Building and building improvements | 1,261,099 | 37,091 | - | 1,298,190 |
| Moveable equipment | 485,366 | 4,241 | - | 489,607 |
| Fixed equipment | 344,792 | - | - | 344,792 |
| Total capital assets | \$ 2,304,851 | \$ 41,332 | \$ - | \$ 2,346,183 |

Eden House Housing Project

| | | | | |
|---------------------------------------|-------------------|-------------|-------------|-------------------|
| Capital assets not being depreciated: | | | | |
| Land | \$ 11,315 | \$ - | \$ - | \$ 11,315 |
| Capital assets being depreciated: | | | | |
| Land improvements | 29,876 | - | - | 29,876 |
| Building and building improvements | 856,763 | - | - | 856,763 |
| Furniture and fixtures | 68,502 | - | - | 68,502 |
| Total capital assets | \$ 966,456 | \$ - | \$ - | \$ 966,456 |

A summary of depreciation rates and accumulated depreciation for these funds is as follows:

| Fund | Depreciation Rate | 2023 | | 2023 Meter | 2023 | |
|----------------|-------------------|---------------------|-------------------------|-----------------------|-----------------------------|-----------------------|
| | | Balance 1/1/2023 | Depreciation Expense | Reading Allocation | Retirements and Removals | Balance 12/31/2023 |
| Water | 1.3% - 5.8% | \$ 2,731,513 | \$ 114,160 | \$ 3,834 | \$ 50,261 | \$ 2,799,246 |
| Sewer | 1.83% | 1,526,430 | 112,470 | (3,834) | 38,300 | 1,596,766 |
| Marinuka Manor | 2.5% - 32.33% | 2,021,799 | 57,787 | - | - | 2,079,586 |
| Eden House | 2.5% - 20.0% | 864,431 | 26,739 | - | - | 891,170 |
| | | \$ 7,144,173 | \$ 311,156 | \$ - | \$ 88,561 | \$ 7,366,768 |

**CITY OF GALESVILLE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2023**

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

E. DEFERRED INFLOWS OF RESOURCES

Deferred inflows for governmental and enterprise funds at December 31, 2023, consist of the following:

| | General Fund | Tax Incremental Financing District No. 2 | Residential Rehabilitation Fund | Total Governmental Funds |
|------------------------------|-----------------|--|---------------------------------------|--------------------------------|
| 2023 tax apportionment | \$ 776,554 | \$ 248,912 | \$ - | \$ 1,025,466 |
| Special assessments | 1,450 | 89,761 | - | 91,211 |
| Lease | 46,579 | - | - | 46,579 |
| Housing rehabilitation loans | - | - | 126,841 | 126,841 |
| Total | \$ 824,583 | \$ 338,673 | \$ 126,841 | \$ 1,290,097 |

| | Water Utility | Sewer Utility | Total Enterprise Funds |
|-------------|------------------|------------------|------------------------------|
| WRS pension | \$ 40,620 | \$ 40,646 | \$ 81,266 |
| Total | \$ 40,620 | \$ 40,646 | \$ 81,266 |

**CITY OF GALESVILLE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2023**

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2023 was as follows:

| | 1/1/2023 Balance | Increases | Decreases | 12/31/2023 Balance | Due Within One Year |
|--|---------------------|-----------------|-------------------|-----------------------|---------------------------|
| Governmental Activities | | | | | |
| Bonds and notes payable: | | | | | |
| Bonds | \$ 1,605,000 | \$ - | \$ 85,000 | \$ 1,520,000 | \$ 90,000 |
| Bond premium | 19,543 | - | 1,396 | 18,147 | - |
| Total bonds and notes payable | <u>1,624,543</u> | <u>-</u> | <u>86,396</u> | <u>1,538,147</u> | <u>90,000</u> |
| Other liabilities: | | | | | |
| Financed purchase arrangements | 47,649 | - | 15,347 | 32,302 | 15,876 |
| Vested compensated absences | 30,451 | 1,521 | 4,696 | 27,276 | 23,388 |
| Total other liabilities | <u>78,100</u> | <u>1,521</u> | <u>20,043</u> | <u>59,578</u> | <u>39,264</u> |
| Total governmental activities - long-term liabilities | <u>\$ 1,702,643</u> | <u>\$ 1,521</u> | <u>\$ 106,439</u> | <u>\$ 1,597,725</u> | <u>\$ 129,264</u> |
| Business-Type Activities | | | | | |
| Bonds and notes payable: | | | | | |
| Notes from direct borrowings and direct placements | \$ 1,953,243 | \$ - | \$ 117,176 | \$ 1,836,067 | \$ 119,343 |
| Bonds | 980,000 | - | 45,000 | 935,000 | 45,000 |
| Total bonds and notes payable | <u>2,933,243</u> | <u>-</u> | <u>162,176</u> | <u>2,771,067</u> | <u>164,343</u> |
| Other liabilities: | | | | | |
| Vested compensated absences | 126,330 | 5,160 | - | 131,490 | 129,454 |
| Total other liabilities | <u>126,330</u> | <u>5,160</u> | <u>-</u> | <u>131,490</u> | <u>129,454</u> |
| Total business-type activities - long-term liabilities | <u>\$ 3,059,573</u> | <u>\$ 5,160</u> | <u>\$ 162,176</u> | <u>\$ 2,902,557</u> | <u>\$ 293,797</u> |

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

In accordance with Wisconsin Statutes, total general obligation indebtedness of the City may not exceed five percent of the equalized value of taxable property within the City's jurisdiction. The debt limit as of December 31, 2023 was \$7,280,755. The total general obligation debt outstanding at year end was \$1,520,000.

CITY OF GALESVILLE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

F. LONG-TERM OBLIGATIONS (Continued)

Governmental activities long-term debt at December 31, 2023 consists of the following individual issues:

| | Date of Issue | Final Maturity | Interest Rate | Original Indebtedness | Balance 12/31/2023 |
|--|------------------|-------------------|------------------|--------------------------|-----------------------|
| Governmental Activities | | | | | |
| General obligation bond | 5/11/2017 | 5/1/2037 | 2%-3.7% | \$ 1,965,000 | \$ 1,520,000 |
| Total governmental activities - long-term debt | | | | | <u>\$ 1,520,000</u> |

Debt service requirements to maturity are as follows:

| Years | Governmental Activities | |
|-----------|-------------------------|-------------------|
| | Principal | Interest |
| 2024 | \$ 90,000 | \$ 50,320 |
| 2025 | 90,000 | 47,620 |
| 2026 | 90,000 | 44,920 |
| 2027 | 95,000 | 42,220 |
| 2028 | 95,000 | 39,370 |
| 2029-2033 | 545,000 | 149,890 |
| 2034-2037 | 515,000 | 45,880 |
| Totals | <u>\$ 1,520,000</u> | <u>\$ 420,220</u> |

Business-type activities long-term debt at December 31, 2023 consists of the following individual issues:

| | Date of Issue | Final Maturity | Interest Rate | Original Indebtedness | Balance 12/31/2023 |
|---|------------------|-------------------|------------------|--------------------------|-----------------------|
| Business-Type Activities | | | | | |
| Water revenue bonds | 8/18/2021 | 5/1/2042 | 2.50% | \$ 1,020,000 | \$ 935,000 |
| Clean water fund loan | 2/23/2011 | 2/1/2030 | 2.40% | 428,932 | 178,528 |
| Clean water fund loan | 9/28/2011 | 9/1/2031 | 2.40% | 158,790 | 71,088 |
| Clean water fund loan | 9/25/2019 | 9/1/2039 | 1.76% | 1,915,868 | 1,586,451 |
| Total business-type activities - long-term debt | | | | | <u>\$ 2,771,067</u> |

There are a number of limitations and restrictions contained in the various bond indentures and loan agreements. (See Note 2.B.)

**CITY OF GALESVILLE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2023**

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

F. LONG-TERM OBLIGATIONS (Continued)

Debt service requirements to maturity are as follows:

| Years | Business-Type Activities | | | |
|-----------|--------------------------|------------|---|------------|
| | Bonds | | Notes from Direct Borrowings and Direct Placements | |
| | Principal | Interest | Principal | Interest |
| 2024 | \$ 45,000 | \$ 16,708 | \$ 119,343 | \$ 31,063 |
| 2025 | 45,000 | 16,393 | 121,551 | 28,834 |
| 2026 | 45,000 | 15,965 | 123,802 | 26,562 |
| 2027 | 45,000 | 15,425 | 126,096 | 24,246 |
| 2028 | 45,000 | 14,885 | 128,433 | 21,886 |
| 2029-2033 | 230,000 | 64,483 | 572,777 | 75,965 |
| 2034-2037 | 255,000 | 41,793 | 532,281 | 31,466 |
| 2038-2042 | 225,000 | 11,383 | 111,784 | 922 |
| Totals | \$ 935,000 | \$ 197,035 | \$ 1,836,067 | \$ 240,944 |

G. FINANCED PURCHASE ARRANGEMENTS

The City has acquired a case loader through a lease/purchase agreement. The gross amount of this asset under the lease is \$104,080, which is included in capital assets. Accumulated amortization for the lease is \$43,367, of which \$8,673 has been included with the current year depreciation expense. The following is a schedule of years of future minimum lease payments, together with the present value of the net minimum lease payments as of December 31, 2023:

| Year Ended December 31, | |
|-------------------------|-----------|
| 2024 | \$ 16,992 |
| 2025 | 16,993 |
| Total payments | 33,985 |
| Less: interest | (1,683) |
| Minimum lease payments | \$ 32,302 |

**CITY OF GALESVILLE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2023**

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

H. LEASE RECEIVABLES

The City has entered into one lease arrangement where the City leases office space. Lease revenue for the year ended December 31, 2023 was as follows:

| | Year Ended 12/31/2023 |
|---------------------|--------------------------|
| Lease Revenue | |
| Office Space | \$ 9,981 |
| Total Lease Revenue | 9,981 |
| Interest Revenue | 1,593 |
| Total | \$ 11,574 |

Aggregate cash flows for the revenue that will be generated by the lease receivable and interest at December 31, 2023 are as follows:

| Years Ended December 31 | Principal | Interest | Total |
|----------------------------|-----------|----------|-----------|
| 2024 | \$ 9,719 | \$ 1,306 | \$ 11,025 |
| 2025 | 10,015 | 1,010 | 11,025 |
| 2026 | 10,320 | 705 | 11,025 |
| 2027 | 10,633 | 392 | 11,025 |
| 2028 | 7,268 | 82 | 7,350 |
| Totals | \$ 47,955 | \$ 3,495 | \$ 51,450 |

I. GOVERNMENTAL FUND BALANCES

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

Nonspendable

General Fund:

| | |
|------------------------------------|-------|
| Delinquent personal property taxes | \$ 58 |
| Total nonspendable | 58 |

Restricted

General Fund:

| | |
|-----------------------|--------|
| Downtown development | 141 |
| Bond reserve accounts | 30,246 |
| Zahorik Foundation | 1,093 |
| Environmental impact | 9,771 |

Tax Incremental Financing District No. 2:

| | |
|-----------------------|---------|
| Community development | 581,714 |
|-----------------------|---------|

Residential Rehabilitation Fund:

| | |
|-----------------------------|---------|
| Restricted for future loans | 38,260 |
| Total restricted | 661,225 |

**CITY OF GALESVILLE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2023**

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

I. GOVERNMENTAL FUND BALANCES (Continued)

| | |
|----------------------------------|--------------|
| Assigned | |
| General Fund: | |
| Capital outlay | \$ 53,898 |
| Library Fund: | |
| Library operations | 106,708 |
| Total assigned | 160,606 |
| Unassigned | |
| General Fund | 1,424,671 |
| Total governmental fund balances | \$ 2,246,560 |

J. PENSION PLAN

General Information about the Pension Plan

Plan Description. The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, 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 occupations and 62 for elected officials and executive service retirement plan participants, if hired on or before 12/31/2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

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

**CITY OF GALESVILLE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2023**

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

J. PENSION PLAN (Continued)

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

The WRS also provides death and disability benefits for employees.

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

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

Contributions. Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for General category employees, including Teachers, 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 \$52,364 in contributions from the employer.

**CITY OF GALESVILLE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2023**

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

J. PENSION PLAN (Continued)

Contribution rates as of December 31, 2023 are:

| <u>Employee Category</u> | <u>Employee</u> | <u>Employer</u> |
|--|-----------------|-----------------|
| General (including teachers, executives and elected officials) | 6.80% | 6.80% |
| Protective with Social Security | 6.80% | 13.20% |
| Protective without Social Security | 6.80% | 18.10% |

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

At December 31, 2023, the City reported a liability (asset) of \$231,988 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2021 rolled forward to December 31, 2022. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension liability (asset) was based on a projection of 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 0.00437905%, which was an increase of 0.00010050% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the City recognized pension expense of \$117,823.

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 expected and actual experience | \$ 369,486 | \$ (485,422) |
| Net differences between projected and actual earnings on pension plan investments | 394,096 | - |
| Changes in assumptions | 45,618 | - |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 418 | (2,119) |
| Employer contributions subsequent to the measurement date | 54,708 | - |
| Total | <u>\$ 864,326</u> | <u>\$ (487,541)</u> |

**CITY OF GALESVILLE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2023**

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

J. PENSION PLAN (Continued)

\$54,708 reported as deferred outflows of resources related to pension resulting from the City'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 related to pension will be recognized in pension expense (revenue) as follows:

| Year Ended December 31: | Net Deferred Outflows (Inflows) of Resources |
|----------------------------|--|
| 2024 | \$ 12,983 |
| 2025 | 66,586 |
| 2026 | 68,232 |
| 2027 | 174,276 |
| 2028 | - |
| Total | \$ 322,077 |

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

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

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

**CITY OF GALESVILLE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2023**

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

J. PENSION PLAN (Continued)

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

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

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

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

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

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

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

**CITY OF GALESVILLE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2023**

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

J. PENSION PLAN (Continued)

Single Discount Rate. A single discount rate of 6.8% was used to measure the Total Pension Liability for the current and prior year. The 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 percent, as well as what the City’s proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.80 percent) or 1-percentage-point higher (7.80 percent) than the current rate:

| | 1% Decrease to Discount Rate (5.80%) | Current Discount Rate (6.80%) | 1% Increase to Discount Rate (7.80%) |
|---|--|-------------------------------------|--|
| City's proportionate share of the net pension liability (asset) | \$ 769,964 | \$ 231,988 | \$ (138,091) |

Pension Plan Fiduciary Net Position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued financial statements available at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

Allocation of Pension Plan

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

Payables to the Pension Plan

At December 31, 2023, the City had \$7,478 in outstanding contributions due to the pension plan.

**CITY OF GALESVILLE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2023**

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

K. STATUS OF TAX INCREMENTAL FINANCING DISTRICT

Summary Description

The City has created a Tax Incremental Financing District (TIF District or TID) in accordance with Section 66.1105 of the Wisconsin Statutes. The purpose of that section is to allow a municipality to recover development and improvement costs in a designated area from the property taxes generated on the increased value of the property after creation of the district. The tax on the increased value is called a tax increment.

Generally, the statutes provide that no project costs may be expended later than seven years after the creation date of the district. The statutes further allow the municipality to collect tax increments for sixteen years after the last project expenditure is made or until the net project cost of the district has been recovered, whichever occurs first. The 1995-97 state budget act changed these timeframes for districts created prior to October 1, 1995. The budget act extended the project expenditure period for these districts from seven years to ten years.

Also, the budget act established a maximum life of twenty-seven years on these districts. Project costs uncollected at the dissolution date are absorbed by the municipality.

The State enacted several changes relating to tax incremental financing districts in 2004. One of these changes extends the expenditure period for all current and future districts, effective October 1, 2004, to five years prior to the termination of the district's unextended maximum life. For those districts that have reached the end of its expenditure period prior to October 1, 2004, it allows a municipality to expend additional project costs included in the project plan beginning October 1, 2004.

The City created Tax Incremental Financing District No. 2 on June 28, 2001. A summary of the project plan and status are as follows:

| | 2023 Year Ended | From Date of Creation |
|--|-----------------|--------------------------|
| Project Costs: | | |
| Capital expenditures | \$ 602,458 | \$ 1,543,716 |
| Administration | 2,150 | 49,056 |
| Interest and fiscal charges | - | 735,495 |
| Total costs | 604,608 | 2,328,267 |
| Project Revenues: | | |
| Tax increments | 194,117 | 2,367,352 |
| Special assessments | 7,881 | 231,782 |
| Intergovernmental grants | - | 593 |
| Interest income | 4,513 | 190,254 |
| Write-off developer's agreement | - | 120,000 |
| Total revenues | 206,511 | 2,909,981 |
| Net cost recoverable through TIF Increments - December 31, 2023 | \$ 398,097 | \$ (581,714) |
| Reconciliation of Recoverable Costs: | | |
| General obligation debt | | \$ - |
| Plus: Fund balance | | (581,714) |
| Net cost recoverable through TIF Increments - December 31, 2023 | | \$ (581,714) |

CITY OF GALESVILLE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

K. STATUS OF TAX INCREMENTAL FINANCING DISTRICT (Continued)

Current valuation of the District is as follows:

| | |
|------------------|----------------------|
| | TIF District No. 2 |
| Current value | \$ 13,060,100 |
| Less: Base value | 1,038,600 |
| Increment | <u>\$ 12,021,500</u> |

The intent of the City is to recover the above amount from future TID surplus funds, if any, prior to termination of the respective TID. On May 9, 2024, the City Council approved Resolution 2024-07 which approved the termination of TIF District No. 2.

NOTE 4. OTHER INFORMATION

A. COMMITMENTS AND CONTINGENCIES

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 Attorneys 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 is monitoring a former landfill site. The landfill was closed in 1990. Annual monitoring costs are approximately \$3,500.

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.

Funding for the operating budget of the City comes from many sources, including property taxes, grants and aids from other units of government, user fees, fines and permits, and other miscellaneous revenues. The State of Wisconsin provides a variety of aid and grant programs which benefit the City. Those aid and grant programs are dependent on continued approval and funding by the Wisconsin governor and legislature, through their budget processes. Any changes made by the State to funding or eligibility of local aid programs could have a significant impact on the future operating results of the City.

CITY OF GALESVILLE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 4. OTHER INFORMATION (Continued)

A. COMMITMENTS AND CONTINGENCIES (Continued)

The City of Galesville has contracted with Bethany St. Joseph Corporation (BSJ), as an independent contractor, to provide management, consultant and operating services to Marinuka Manor and Eden House. Under the terms of the management agreements, BSJ's services include hiring, paying, supervising, and discharging personnel employed at the facilities, setting rates and collecting charges due to the City, and operating and maintaining the facilities.

These management agreements call for a fixed monthly fee, which is adjusted annually for changes in the consumer price index. Additionally, 50% of profits as defined by the contract are payable as additional fees. The agreement for Marinuka Manor and Eden House is automatically renewed every five years until July 31, 2027, unless terminated by mutual agreement or by either party giving the other 180 days' notice.

The Manor's management fees for the year ended December 31, 2023 totaled \$51,894, and the profit split was \$93,125 for the year ended December 31, 2023. Eden House's management fees for the year ended December 31, 2023 totaled \$7,992, and the profit split was \$0 for the year ended December 31, 2023.

B. JOINT VENTURES

The City of Galesville and surrounding towns jointly operate a volunteer fire department and a first responder's unit. The Galesville Area Fire Department serves residents of the City of Galesville and Town of Gale. Each of these municipalities contributes 50% towards the fire department's annual budget. In 2023, the City appropriated \$61,650 for the Galesville Area Fire Department. The City's equity interest is recorded in the government-wide statement of net position. Changes in the equity interest are reported on the statement of activities.

The City provides first responder services to its residents via its participation in G-E-T First Responders, Inc. One city and three towns also participate. For the fiscal year ended September 30, 2023, each participating municipality was assessed \$4 per capita. The City of Galesville appropriated \$6,688 for first responder services in 2023. The investment in the unit has not been reflected in the statement of net position.

The City of Galesville also participates in the Southern Trempealeau County Solid Waste Commission to jointly provide garbage and recycling service to residents of the City of Galesville, Villages of Trempealeau and Melrose, and Towns of Caledonia, Gale, Trempealeau and Dodge. The governing body is made up of one member from each community. The City made payments totaling \$7,016 to the Commission in 2023. The City's equity interest is recorded in the government-wide statement of net position. Changes in the equity interest are reported on the statement of activities.

Audited financial statements for 2023 of the Fire Department, First Responders, and Waste Commission are not currently available.

CITY OF GALESVILLE, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 4. OTHER INFORMATION (Continued)

C. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; workers compensation and health care of its employees; and natural disasters. The City maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the City. Settled claims have not exceeded insurance coverage in any of the last three fiscal years. There were no significant reductions in coverage compared to the prior year.

D. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT PERIOD FINANCIAL STATEMENTS

The Governmental Accounting Standards Board (GASB) has adopted GASB Statement No. 101, Compensated Absences, effective for periods beginning after December 15, 2023. When this becomes effective, application of this standard may restate portions of these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF GALESVILLE, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended December 31, 2023

| | Budgeted Amounts | | Actual | Variance with Final Budget Favorable (Unfavorable) |
|--|---------------------|---------------------|---------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Taxes and special assessments | \$ 804,736 | \$ 804,736 | \$ 713,579 | \$ (91,157) |
| Intergovernmental | 606,213 | 606,213 | 526,725 | (79,488) |
| Licenses and permits | 7,700 | 7,700 | 11,010 | 3,310 |
| Penalties and forfeitures | 1,700 | 1,700 | 3,702 | 2,002 |
| Public charges for services | 1,800 | 1,800 | 3,512 | 1,712 |
| Interest | 5,100 | 5,100 | 35,169 | 30,069 |
| Miscellaneous general revenues | 30,933 | 30,933 | 74,632 | 43,699 |
| Total revenues | 1,458,182 | 1,458,182 | 1,368,329 | (89,853) |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 217,479 | 217,479 | 255,277 | (37,798) |
| Public safety | 466,946 | 466,946 | 435,612 | 31,334 |
| Public works | 205,813 | 205,813 | 245,867 | (40,054) |
| Health and human services | 12,202 | 12,202 | 12,928 | (726) |
| Culture and recreation | 94,016 | 94,016 | 116,077 | (22,061) |
| Conservation and development | 17,832 | 17,832 | 53,292 | (35,460) |
| Capital outlay: | | | | |
| Public safety | 16,000 | 16,000 | 6,395 | 9,605 |
| Public works | 93,131 | 93,131 | 51,084 | 42,047 |
| Culture and recreation | 82,206 | 82,206 | - | 82,206 |
| Debt service: | | | | |
| Principal retirement | 100,347 | 100,347 | 100,347 | - |
| Interest and fiscal charges | 54,516 | 54,516 | 54,916 | (400) |
| Total expenditures | 1,360,488 | 1,360,488 | 1,331,795 | 28,693 |
| Excess (deficiency) of revenues over expenditures | 97,694 | 97,694 | 36,534 | (61,160) |
| Other financing sources (uses): | | | | |
| Transfer out | (97,694) | (97,694) | - | 97,694 |
| Total other financing sources (uses) | (97,694) | (97,694) | - | 97,694 |
| Net change in fund balance | - | - | 36,534 | 36,534 |
| Fund balance, January 1 | 1,483,344 | 1,483,344 | 1,483,344 | - |
| Fund balance, December 31 | \$ 1,483,344 | \$ 1,483,344 | \$ 1,519,878 | \$ 36,534 |

See notes to required supplementary information.

CITY OF GALESVILLE, WISCONSIN
WISCONSIN RETIREMENT SYSTEM SCHEDULES
For the Year Ended December 31, 2023

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

Last 10 Calendar Years

| Year ended December 31, | City's proportionate share of the net pension liability (asset) | Proportionate share of the net pension liability (asset) | City's covered-employee payroll | Collective net pension liability (asset) as a percentage of its covered-employee payroll | Plan fiduciary net position as a percentage of the total pension liability (asset) |
|----------------------------|---|---|---------------------------------------|---|--|
| 2022 | 0.00437905% | \$ 231,988 | \$ 603,971 | 38.41% | 95.72% |
| 2021 | (0.00427855%) | (344,859) | 603,453 | (57.15%) | 106.02% |
| 2020 | (0.00418138%) | (261,049) | 594,330 | (43.92%) | 105.26% |
| 2019 | (0.00414544%) | (133,667) | 543,786 | (24.58%) | 102.96% |
| 2018 | 0.00405945% | 144,422 | 518,370 | 27.86% | 96.45% |
| 2017 | (0.00406731%) | (120,763) | 496,764 | (24.31%) | 102.93% |
| 2016 | 0.00369983% | 30,495 | 483,133 | 6.31% | 99.12% |
| 2015 | 0.00344355% | 55,956 | 445,154 | 12.57% | 98.20% |
| 2014 | (0.00311026%) | (76,375) | 372,386 | (20.51%) | 102.74% |

Schedule of Contributions

Last 10 Calendar Years

| Year ended December 31, | Contractually required contributions | Contributions in relation to the contractually required contributions | Contribution deficiency (excess) | Covered-employee payroll | Contributions as a percentage of covered-employee payroll |
|----------------------------|--|---|--|-----------------------------|--|
| 2023 | \$ 54,708 | \$ (54,708) | \$ - | \$ 596,581 | 9.17% |
| 2022 | 52,364 | (52,364) | - | 603,971 | 8.67% |
| 2021 | 52,010 | (52,010) | - | 603,453 | 8.62% |
| 2020 | 50,956 | (50,956) | - | 594,330 | 8.57% |
| 2019 | 44,843 | (44,843) | - | 543,786 | 8.25% |
| 2018 | 43,134 | (43,134) | - | 518,370 | 8.32% |
| 2017 | 41,565 | (41,565) | - | 496,764 | 8.37% |
| 2016 | 36,838 | (36,838) | - | 483,133 | 7.62% |
| 2015 | 40,768 | (40,768) | - | 445,154 | 9.16% |

See notes to required supplementary information.

CITY OF GALESVILLE, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended December 31, 2023

NOTE 1. WISCONSIN RETIREMENT SYSTEM SCHEDULES

Governmental Accounting Standards Board Statement No. 68 requirements have been implemented prospectively, therefore, the illustrations do not present similar information for the 1 preceding year.

Changes of benefit terms. There were no changes of benefit terms for any participating employer in WRS. *Changes of assumptions.* Based on a three-year experience study conducted in 2021 covering January 1, 2018 through December 31, 2020, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-end December 31, 2021, including the following:

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

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

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

CITY OF GALESVILLE, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended December 31, 2023

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

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

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

CITY OF GALESVILLE, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended December 31, 2023

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

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

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

CITY OF GALESVILLE, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended December 31, 2023

NOTE 2. EXCESS EXPENDITURES OVER APPROPRIATIONS

The City controls expenditures at the department level. The General Fund experienced expenditures which exceeded appropriations as follows:

| | Final Budgeted Expenditures | Actual Expenditures | Expenditures Over Appropriations |
|------------------------------|-----------------------------------|------------------------|--|
| General Fund: | | | |
| Current: | | | |
| General government | \$ 217,479 | \$ 255,277 | \$ (37,798) |
| Public works | 205,813 | 245,867 | (40,054) |
| Health and human services | 12,202 | 12,928 | (726) |
| Culture and recreation | 94,016 | 116,077 | (22,061) |
| Conservation and development | 17,832 | 53,292 | (35,460) |
| Capital outlay: | | | |
| Debt service: | | | |
| Interest and fiscal charges | 54,516 | 54,916 | (400) |

The excess expenditures are funded by revenues in excess of budgeted amounts, favorable variances in other categories, and fund balance.

OTHER SUPPLEMENTARY INFORMATION

**CITY OF GALESVILLE, WISCONSIN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
As of December 31, 2023**

| | Special Revenue Funds | | | 2023 Totals |
|---|-------------------------------|-------------------|-----------------------------|-------------------|
| | Residential Rehabilitation | Library | American Rescue Plan Act | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 38,260 | \$ 111,416 | \$ - | \$ 149,676 |
| Restricted cash and cash equivalents | - | - | 63,741 | 63,741 |
| Residential rehab loans receivable | 126,841 | - | - | 126,841 |
| Total assets | <u>\$ 165,101</u> | <u>\$ 111,416</u> | <u>\$ 63,741</u> | <u>\$ 340,258</u> |
| LIABILITIES | | | | |
| Accounts payable | \$ - | \$ 1,329 | \$ - | \$ 1,329 |
| Accrued liabilities | - | 3,379 | - | 3,379 |
| Unearned revenue | - | - | 63,741 | 63,741 |
| Total liabilities | <u>-</u> | <u>4,708</u> | <u>63,741</u> | <u>68,449</u> |
| DEFERRED INFLOWS OF RESOURCES | <u>126,841</u> | <u>-</u> | <u>-</u> | <u>126,841</u> |
| FUND BALANCES | | | | |
| Restricted | 38,260 | - | - | 38,260 |
| Assigned | - | 106,708 | - | 106,708 |
| Total fund balances | <u>38,260</u> | <u>106,708</u> | <u>-</u> | <u>144,968</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 165,101</u> | <u>\$ 111,416</u> | <u>\$ 63,741</u> | <u>\$ 340,258</u> |

**CITY OF GALESVILLE, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2023**

| | Special Revenue Funds | | | 2023 Totals |
|------------------------------------|-------------------------------|-------------------|-----------------------------|-------------------|
| | Residential Rehabilitation | Library | American Rescue Plan Act | |
| Revenues: | | | | |
| Taxes and special assessments | \$ - | \$ 97,694 | \$ - | \$ 97,694 |
| Intergovernmental | - | 85,021 | 43,354 | 128,375 |
| Penalties and forfeitures | - | 167 | - | 167 |
| Interest income | 95 | - | - | 95 |
| Miscellaneous general revenues | - | 5,044 | - | 5,044 |
| Total revenues | <u>95</u> | <u>187,926</u> | <u>43,354</u> | <u>231,375</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Culture and recreation | - | 187,211 | - | 187,211 |
| Capital Outlay | - | - | 43,354 | 43,354 |
| Total expenditures | <u>-</u> | <u>187,211</u> | <u>43,354</u> | <u>230,565</u> |
| Net change in fund balances | 95 | 715 | - | 810 |
| Fund balances, January 1 | 38,165 | 105,993 | - | 144,158 |
| Fund balances, December 31 | <u>\$ 38,260</u> | <u>\$ 106,708</u> | <u>\$ -</u> | <u>\$ 144,968</u> |