



JOHNSON BLOCK
CPAs



City of
WHITEWATER

AUDITED FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

City of Whitewater

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INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Whitewater
Whitewater, Wisconsin

Report on the Audit of Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Whitewater, Wisconsin, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Whitewater, Wisconsin, as of December 31, 2022, 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 and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. 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 Whitewater, 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.

Emphasis of Matter

As discussed in Note 1 to the financial statements, effective January 1, 2022, the City of Whitewater, Wisconsin adopted the provisions of GASB Statement No. 87, Leases. Our opinions are not modified with respects to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

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

Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Whitewater, Wisconsin's basic financial statements. The accompanying combining and individual fund financial statements and schedules of expenditures of federal and state awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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



Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 2, 2023 on our consideration of the City of Whitewater, Wisconsin's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering City of Whitewater, Wisconsin's internal control over financial reporting and compliance.

Johnson Block & Company, Inc.

Johnson Block & Company, Inc.
June 2, 2023

**MANAGEMENT'S DISCUSSION
AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2022**



CITY OF WHITEWATER

MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended December 31, 2022

The management of the City of Whitewater ("City") offers all persons interested in the financial condition of the City to review this narrative overview and analysis of the City's financial performance during the fiscal year ending December 31, 2022. This section should be read in conjunction with the financial statements and the accompanying notes that follow. It should also be noted that the information contained here will focus primarily on the governmental operations of the city.

FINANCIAL HIGHLIGHTS

The City's total net position increased 2,399,202, or 3.5% from the prior year. The net position for governmental activities increased \$1,699,934, while net position of the business-type activities increased by \$699,266. The Community Development Authority ("CDA") a component unit of the city, net position decreased by \$305,880.

The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources as of December 31, 2021, by \$71,802,235 (net position). Of this amount, \$8,962,041 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors. The breakout of the unrestricted net position is \$4,821,440 and \$4,140,601 for governmental and business-type activities, respectively.

As of December 31, 2022, the City's governmental funds reported combined ending fund balances of \$9,212,405, an increase of \$3,763,466 in comparison with the prior year. Approximately 20% of this total, or \$1,883,949 (unassigned fund balance), is available for spending at the government's discretion.

The City's Water Utility had an operating income in 2022 of \$362,631. Unrestricted net position was \$874,437. The Water Utility's total net position decreased by \$39,826 to \$11,398,221. For 2022, the Rate of Return equaled 1.17%. The City filed an application with the PSC in 2022 and new rates went effective April 28, 2023. Rates increased approximately 30%.

The Wastewater Utility had an operating income of \$1,268,810 in 2022. The Utility's total net position increased by \$816,994. A major upgrade to the wastewater treatment plant was completed in early 2019 representing \$24.358 million in plant improvements. In anticipation of this project, Wastewater rates were increased effective June 27, 2019 that increased the average residential user by 18%.

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

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

CITY OF WHITEWATER

MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended December 31, 2022

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Statements

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

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

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

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

Fund Financial Statements

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

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

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

CITY OF WHITEWATER

**MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2022**

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Fund Financial Statements (Continued)

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

The City maintains 22 individual governmental funds. Several of the funds are included with the General Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Debt Service Fund, and the Capital Projects Fund and the Housing TIF, all of which are considered to be major funds. Data from the other governmental funds are split between the non-major special revenue funds and the non-major capital project funds. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

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

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

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

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

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

The largest portion of the City's (governmental and business-type activities) net position (approximately 85%) represents its investments in capital assets, less any debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide service to citizens; consequently, these assets are not available for future spending. Although the City's net investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

CITY OF WHITEWATER

**MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2022**

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (Continued)

CITY OF WHITEWATER'S NET POSITION

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Current and Other Assets	\$ 18,907,365	\$ 14,832,135	\$ 13,907,965	\$ 8,490,392	\$ 32,815,330	\$ 23,322,527
Capital Assets	<u>40,286,981</u>	<u>38,568,016</u>	<u>60,478,936</u>	<u>57,864,236</u>	<u>100,765,917</u>	<u>96,432,252</u>
Total Assets	<u>\$ 59,194,346</u>	<u>\$ 53,400,151</u>	<u>\$ 74,386,901</u>	<u>\$ 66,354,628</u>	<u>\$ 133,581,247</u>	<u>\$ 119,754,779</u>
Deferred Outflows of Resources	<u>\$ 5,561,979</u>	<u>\$ 3,702,170</u>	<u>\$ 1,013,349</u>	<u>\$ 727,586</u>	<u>\$ 6,575,328</u>	<u>\$ 4,429,756</u>
Non-Current Liabilities	\$ 13,872,515	\$ 9,633,509	\$ 34,881,433	\$ 27,954,146	\$ 48,753,948	\$ 37,587,655
Other Liabilities	<u>2,031,725</u>	<u>1,856,947</u>	<u>3,782,363</u>	<u>3,387,492</u>	<u>5,814,088</u>	<u>5,244,439</u>
Total Liabilities	<u>\$ 15,904,240</u>	<u>\$ 11,490,456</u>	<u>\$ 38,663,796</u>	<u>\$ 31,341,638</u>	<u>\$ 54,568,036</u>	<u>\$ 42,832,094</u>
Deferred Inflows of Resources	<u>\$ 12,526,180</u>	<u>\$ 10,985,894</u>	<u>\$ 1,260,124</u>	<u>\$ 963,514</u>	<u>\$ 13,786,304</u>	<u>\$ 11,949,408</u>
Net Position:						
Net Investment in Capital Assets	\$ 27,592,633	\$ 29,463,819	\$ 28,159,364	\$ 29,890,539	\$ 55,751,997	\$ 59,354,358
Restricted	3,911,832	3,344,920	3,176,365	3,155,333	7,088,197	6,500,253
Unrestricted	<u>4,821,440</u>	<u>1,817,232</u>	<u>4,140,601</u>	<u>1,731,190</u>	<u>8,962,041</u>	<u>3,548,422</u>
TOTAL NET POSITION	<u>\$ 36,325,905</u>	<u>\$ 34,625,971</u>	<u>\$ 35,476,330</u>	<u>\$ 34,777,062</u>	<u>\$ 71,802,235</u>	<u>\$ 69,403,033</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, & NET POSITION	<u>\$ 64,756,325</u>	<u>\$ 57,102,321</u>	<u>\$ 75,400,250</u>	<u>\$ 67,082,214</u>	<u>\$ 140,156,575</u>	<u>\$ 124,184,535</u>

NET POSITION: The City's combined net position increased 3.5% between fiscal years 2021 and 2022 to \$71,802,235. 49.4% of the 2022 net position are business-type activities of the City's Water, Wastewater, and Stormwater Utilities. The governmental activities had an increase in net position of \$1,699,934 for the year, while the business-type activities experienced an increase of \$699,268.

ASSETS: Governmental Activities: Taxes Receivable decreased by \$341,912. Accounts Receivables, and Other Receivables increased by \$297,965. Due from Other Governmental Units decreased by \$85,477. Net Capital Assets increased by \$1,718,965 to a total of \$40,286,981. Deferred outflows of resources increased by \$1,859,809 between years due to the reporting for employee pensions and other postemployment benefits.

LIABILITIES: Governmental Activities: Non-Current Liabilities increased by \$4,239,006 with the issuance of debt and increase in other post-employment benefits. Deferred inflows of resources increased by \$1,540,286 mainly due to an increase in pension inflows.

CITY OF WHITEWATER

**MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2022**

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (Continued)

**CITY OF WHITEWATER
CONDENSED STATEMENT OF ACTIVITIES**

	Governmental Activities		Business-type Activities		Combined-Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program Revenues:						
Charges for Services	\$ 1,276,446	\$ 1,205,603	\$ 7,017,121	\$ 6,780,184	\$ 8,293,567	\$ 7,985,787
Operating grants and contributions	1,792,011	1,571,142	-	-	1,792,011	1,571,142
Capital grants and contributions	981,735	75,221	46,002	210,100	1,027,737	285,321
General Revenues:						
Property Taxes	6,259,575	6,197,837	-	-	6,259,575	6,197,837
Other Taxes	418,436	260,730	-	-	418,436	260,730
Intergovernmental	3,739,407	3,733,039	-	-	3,739,407	3,733,039
Investment Income	212,567	9,287	13,480	3,346	226,047	12,633
Miscellaneous	152,049	176,781	379,676	329,212	531,725	505,993
Total Revenues	\$ 14,832,226	\$ 13,229,640	\$ 7,456,279	\$ 7,322,842	\$ 22,288,505	\$ 20,552,482
Expenses:						
General government	\$ 2,189,854	\$ 1,613,973	\$ -	\$ -	\$ 2,189,854	\$ 1,613,973
Public Safety	4,458,069	3,743,250	-	-	4,458,069	3,743,250
Public Works	3,749,402	2,710,809	-	-	3,749,402	2,710,809
Leisure activities	2,539,539	2,435,172	-	-	2,539,539	2,435,172
Conservation and Development	25,337	72,871	-	-	25,337	72,871
Interest and fiscal charges	468,574	424,827	900,162	750,651	1,368,736	1,175,478
Water Utility	-	-	2,191,047	1,797,462	2,191,047	1,797,462
Sewer Utility	-	-	2,798,830	2,716,312	2,798,830	2,716,312
Stormwater Utility	-	-	497,566	453,711	497,566	453,711
Total Expenses	\$ 13,430,775	\$ 11,000,902	\$ 6,387,605	\$ 5,718,136	\$ 19,818,380	\$ 16,719,038
Increases in net position before transfers	\$ 1,401,451	\$ 2,228,738	\$ 1,068,674	\$ 1,604,706	\$ 2,470,125	\$ 3,833,444
Special items	96,420	(730,231)	-	-	96,420	(730,231)
Transfers	202,063	285,398	(369,406)	(382,531)	(167,343)	(97,133)
Increase in net position	\$ 1,699,934	\$ 1,783,905	\$ 699,268	\$ 1,222,175	\$ 2,399,202	\$ 3,006,080
NET Position-January 1	\$ 34,625,971	\$ 32,842,066	\$ 34,777,062	\$ 33,554,887	\$ 69,403,033	\$ 66,396,953
Net Position-December 31	\$ 36,325,905	\$ 34,625,971	\$ 35,476,330	\$ 34,777,062	\$ 71,802,235	\$ 69,403,033

CITY OF WHITEWATER

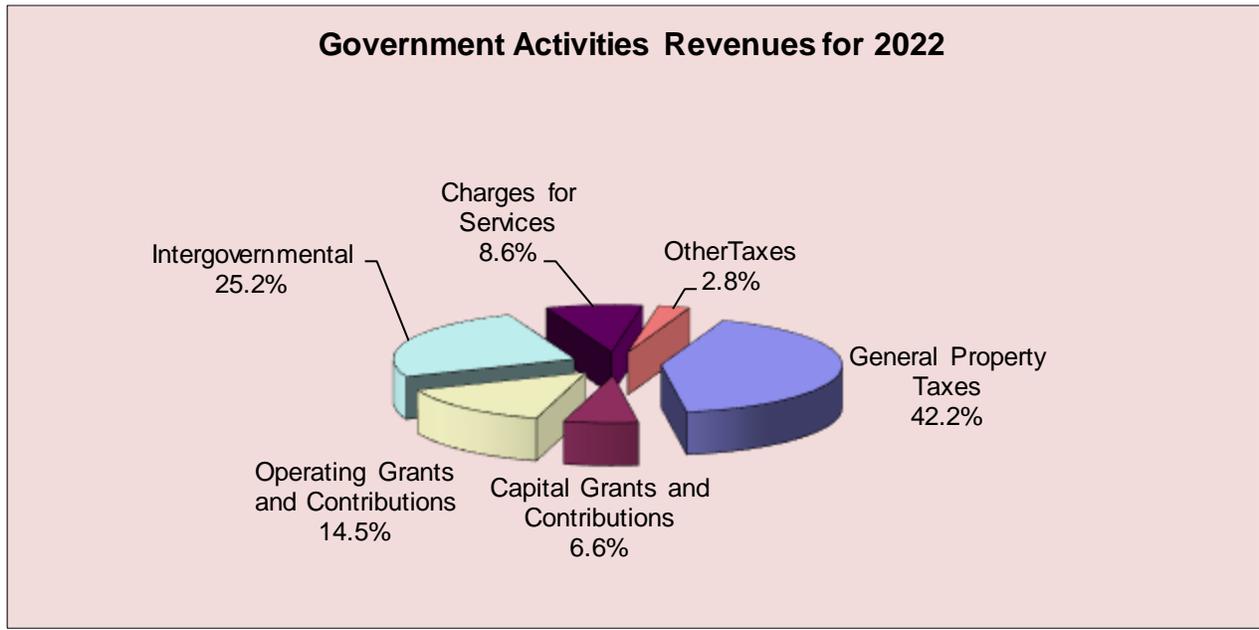
**MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2022**

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (Continued)

Governmental Activities

Change in Net Position: The City's 2022 revenues for both governmental and business-type activities total \$22,288,505 and expenses total \$19,818,380. These totals plus transfers and special items resulted in an increase in net position of \$2,399,202. Net position increased by \$1,699,934 for governmental activities. This growth in net position is driven by several factors. First, each year, funds are budgeted to be set aside in special revenue or sinking funds for large or infrequent needs. Secondly, revenues were favorable compared to budget and 164,000 higher than 2021 due, in part, to increased room tax, state intergovernmental funding, and ARPA funding. Expenditures were also below budget.

Revenues for the City's governmental activities total \$14,832,226 with intergovernmental revenues (largely state shared-revenues) accounting for 25% (\$3,739,402) of total revenues. Taxes have been broken out into two categories, debt service property taxes and general property taxes. The tax collected for debt service property taxes, which is 7.1% (\$1,045,965) of total revenues, were collected to pay for the principal and interest due in 2022. General property taxes accounted for 35.1% (\$5,213,610) of governmental revenues in 2021. Charges for services contributed 8.6% (\$1,276,446) and increased modestly in 2022; operating grants, other taxes, interest income, contributed 14.5% (\$2,350,498) of the total revenues. Capital grants were \$981,735 and increased mainly because of a CDBG grant.



Total Revenues = \$14,832,226

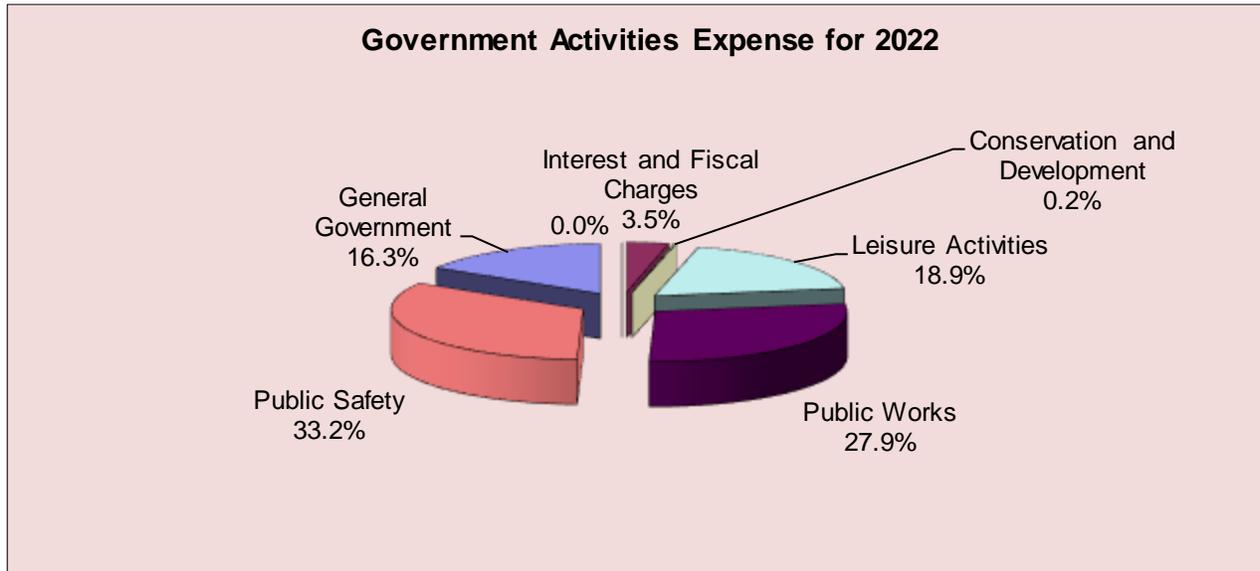
CITY OF WHITEWATER

**MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2022**

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (Continued)

Governmental Activities (Continued)

Governmental activities expenditures total \$13,430,773. Public Safety activities amount for 33% (\$4,458,069), or the largest single portion of expenditures. Public Safety includes Police, Fire, Rescue, Crash and Building Inspections. In 2022 expenditures increased because the Whitewater Fire and EMS became a city operation mid-year. Public Works, General Government and Leisure activities account for 27.9% (\$3,749,402), 16.3% (\$2,187,854), and 18.9% (\$2,539,539), respectively, of total expenditures for 2022. Conservation/Development - 0.2% (\$72,871); Interest/Fiscal Charges - 3.5% (\$468,574).



Total Expenses = \$13,430,775

CITY OF WHITEWATER

**MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2022**

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (Continued)

Governmental Activities (Continued)

The following table presents the total cost of each of the City's activities as well as their net cost. The net costs are the total costs less fees generated by the activities plus operating and capital grants and contributions. The net cost shows the financial burden placed on City taxpayers or indirect revenue sources by each of these activities. The cost of all governmental activities during 2022 was \$10,502,480. However, the amount paid through the City's property tax was only \$6,295,575. Intergovernmental revenues make up the most of the additional revenue sources along with investment earnings, transfers and other revenue.

	<u>Cost of Services</u>	<u>Charges for Services, Operating & Capital Grants, Contributions</u>	<u>Net Cost of Services</u>
General Government	\$ 2,189,854	\$ 251,464	\$ 1,938,390
Public Safety	4,458,069	708,901	3,749,168
Public Works	3,749,402	890,999	2,858,403
Culture and Recreation	2,539,539	891,015	1,648,524
Conservation and Development	25,337	185,916	(160,579)
Interest and Fiscal Charges	468,574	-	468,574
Total	<u>\$ 13,430,775</u>	<u>\$ 2,928,295</u>	<u>\$ 10,502,480</u>

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

General Fund – Is the primary operating fund of the City. The General Fund’s fund balance increased \$1,377,109 to \$5,906,135. Of that amount, \$2,452,338, is unassigned, which represents 26.2% of the expenditures and transfers out for calendar/budget year 2022.

Debt Service Fund – Accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Housing TIF – This fund's purpose to provide funding for housing. The funds are carryover from the final TIF 4 increment.

Other Capital Projects Fund – Accounts for the acquisition and construction of major capital facilities and projects.

CITY OF WHITEWATER

**MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2022**

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS (Continued)

WATER, WASTEWATER, AND STORMWATER UTILITY

The **Water Utility** earned a 1.17% return on its rate base in 2022 compared to 4.69% in 2021. The Water Utility's (GAAP Basis) operating revenues increased by \$66,654 to \$2,399,789 and the operating expenses increased by \$239,636 to \$2,037,158. The Utility filed a rate increase in 2022 and has no rates effective in 2023.

The **Wastewater Utility** operating revenue increased by \$163,134 in 2022 to \$4,067,640. Operating expenses increased by \$82,518 to \$2,798,830. Wastewater rates were adjusted by 17.6% (average residential user) on June 27, 2019. The increase provided funding for the debt service costs of the wastewater treatment plant project.

The **Stormwater Utility** operating revenues increased by \$7,149 to \$549,692. The operating income was \$52,126 in 2022. The monthly charge is \$6.17 per ERU (Equivalent Runoff Unit), which was increased as of December 29, 2015, to provide funding for the debt service costs of George Street and Center Street reconstruction projects. Most residential properties equal 1.0 ERU.

	<u>Operating Revenues</u>		<u>Operating Expenses</u>		<u>Operating Income (Loss)</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Water Utility	\$ 2,399,789	2,333,135	\$ 2,037,158	\$ 1,797,462	\$ 362,631	\$ 535,673
Wastewater Utility	4,067,640	3,904,506	2,798,830	2,716,312	1,268,810	1,188,194
Stormwater Utility	549,692	542,543	497,566	453,711	52,126	88,832

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

<u>Governmental Activities</u>			
	<u>2022</u>	<u>2021</u>	<u>Total Change</u>
Land/Right of Way/Improvements	\$ 9,766,650	\$ 9,775,494	\$ (8,844)
Construction in Progress	-	70,684	(70,684)
Traffic and street lights	1,471,875	1,180,624	291,251
Buildings and Improvements	15,553,697	14,168,410	1,385,287
Machinery & Equipment	8,657,763	8,822,892	(165,129)
Streets/Sidewalks/Curb & Gutter	31,946,037	30,367,685	1,578,352
Accumulated depreciation	<u>(27,109,041)</u>	<u>(25,817,773)</u>	<u>(1,291,268)</u>
Capital Assets, Net of Depreciation	<u>\$ 40,286,981</u>	<u>\$ 38,568,016</u>	<u>\$ 1,718,965</u>

CITY OF WHITEWATER

**MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2022**

CAPITAL ASSETS AND DEBT ADMINISTRATION (Continued)

Capital Assets (Continued)

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

The City (Primary Government) had capital assets of \$40,286,981 in the governmental activities and \$60,478,936 in the business-like activities for a total of \$100,765,917 at the end of 2022. The largest investment in capital assets was infrastructure, including streets, curb & gutter, sidewalks, storm sewers, sewer mains, sewer laterals, water mains and hydrants. Of the total City of Whitewater capital assets, the governmental activities account for 40.0% and the business-type activities total 60.0%. The business-type activities represent the Water Utility with 29.3%, the Wastewater Utility having 60.0%, and the Stormwater Utility 10.7% of the capital assets.

<u>BUSINESS-TYPE ACTIVITIES</u>	<u>2022</u>	<u>2021</u>	<u>Change</u>
Water			
Land and Land Rights	\$ 224,506	224,506	\$ -
Source of Supply	705,364	705,364	-
Pumping	978,052	939,089	38,963
Water Treatment	1,458,742	1,458,742	-
Transmission and Distribution	21,898,948	18,021,260	3,877,688
General	1,037,855	940,813	97,042
Construction in Progress	21,150	914,894	(893,744)
Less: Accumulated Depreciation	(8,595,787)	(8,206,072)	(389,715)
Net Assets-Water Utility Plant	<u>17,728,830</u>	<u>14,998,596</u>	<u>2,730,234</u>
Wastewater			
Land and Land Rights	4,498,925	4,498,925	-
Collection System	17,214,642	16,677,555	537,087
Treatment and Disposal	37,645,225	37,645,225	-
General	1,840,614	1,453,215	387,399
Construction in Progress	180,203	99,651	80,552
Less: Accumulated Depreciation	(25,116,997)	(23,838,267)	(1,278,730)
Net Assets-Wastewater Utility Plant	<u>36,262,612</u>	<u>36,536,304</u>	<u>(273,692)</u>
Stormwater			
Capital Assets	7,402,354	7,109,740	292,614
Construction in Progress	13,281	30,593	(17,312)
Less: Accumulated Depreciation	(928,141)	(810,997)	(117,144)
Net Assets-Stormwater Utility Plant	<u>6,487,494</u>	<u>6,329,336</u>	<u>158,158</u>
Total Utility's Capital Assets	<u>\$ 60,478,936</u>	<u>\$ 57,864,236</u>	<u>\$ 2,614,700</u>

CITY OF WHITEWATER

**MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2022**

CAPITAL ASSETS AND DEBT ADMINISTRATION (Continued)

Long-term Debt

All general obligation notes and bonds payable are backed by full faith and credit of the City. Notes and bonds payable by the governmental funds will be retired by future property tax levies or TID tax increments accumulated by the Debt Service Fund or from the utility portion of the State Shared Revenues. Business-type activities debt is payable by revenues from user fees of those funds. In accordance with Wisconsin Statutes, total general obligation indebtedness of the City may not exceed five percent of the equalized value of taxable property within the city's jurisdiction. The debt limit as of December 31, 2022, was \$43,058,280. Total general obligation debt outstanding at year end was \$22,214,972, which represents 51.6% of the allowable debt limit.

	Comparison of Outstanding Debt by Activity					
	Governmental Activities		Business-type Activities		TOTAL	
	2022	2021	2022	2021	2022	2021
General Obligation						
Bonds and Notes	\$ 12,949,975	\$ 9,273,375	\$ 9,264,997	\$ 8,825,500	\$ 22,214,972	\$ 18,098,875
Revenue Bond/Notes	-	-	26,295,528	20,785,983	26,295,528	20,785,983
Total Outstanding	<u>\$ 12,949,975</u>	<u>\$ 9,273,375</u>	<u>\$ 35,560,525</u>	<u>\$ 29,611,483</u>	<u>\$ 48,510,500</u>	<u>\$ 38,884,858</u>

The total outstanding general obligation debt of \$22,214,972 is distributed:

City-CIP	\$12,949,975
Utility (Water/Sewer/Storm)	\$ 9,264,997

	AMOUNTS DUE WITHIN ONE YEAR		
	Governmental Activities	Business-type Activities	Amounts Due Within One Year
General Obligation			
Bonds and Notes	\$ 862,060	\$ 570,500	\$ 1,432,560
Revenue Bonds	-	1,553,807	1,553,807
Totals	<u>\$ 862,060</u>	<u>\$ 2,124,307</u>	<u>\$ 2,986,367</u>

CITY OF WHITEWATER

**MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2022**

GENERAL FUND BUDGETARY HIGHLIGHTS

Budgets are adopted at the function level of expenditures. General Fund revenues were greater than the final budget by \$355,132. Expenditures were \$291,288 lower than the final budget of \$7,545,947. General Government was over by \$122,042; Public Safety was under by 298,224; Culture, Recreation and Education was under by \$107,881. Public Works was under by \$7,225. The actual change in Fund Balance was an increase of \$309,985 to a balance of \$2,997,968. This includes only fund 100 and none of the other assigned general fund balances.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City's strategic location between Milwaukee and Madison and the success of the business park, developed by the City of Whitewater under the direction of the Community Development Authority, has contributed to both growth in tax base and population. The City's tax base, currently \$861 million, has shown steady growth over the past two decades. For 2022, the equalized value increased by \$59 million.

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

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

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

On March 28, 2022 the City issued \$5.13MM in GO Debt. S&P Global rated the issue at "A+".

On June 8, 2022 the City issued \$8.19MM in Waterworks & Sewer System Revenue Bonds. Build America Mutual Rating of S&P Global rating "AA" with an underlying rating S&P Global rating "A-".

On December 9, 2022 the City took out a 10 year \$304,500 Bank Note.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money and resources it receives. If you have questions about this report or need additional information, please contact the City of Whitewater, Finance Director, P.O. Box 690, Whitewater, WI 53190.

BASIC FINANCIAL STATEMENTS

**City of Whitewater
Whitewater, WI**

**Statement of Net Position
December 31, 2022**

	Governmental Activities	Business-type Activities	Primary Government	Component Unit
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 11,540,249	\$ 5,274,944	\$ 16,815,193	\$ 1,071,928
Receivables				
Taxes and special assessments	3,883,607	-	3,883,607	-
Accounts	221,265	860,738	1,082,003	-
Other	176,453	727	177,180	2,881
Due from Other Governments	87,403	-	87,403	-
Leases-current portion	43,238	25,404	68,642	133,032
Internal Balances	(5,594)	5,594	-	-
Due From Agency Fund	5,221	-	5,221	-
Due From Component Unit/City	108,501	-	108,501	-
Inventories	-	22,500	22,500	-
Prepaid Expenses	54,950	-	54,950	-
Total Current Assets	<u>16,115,293</u>	<u>6,189,907</u>	<u>22,305,200</u>	<u>1,207,841</u>
Noncurrent Assets:				
Restricted Assets				
Cash and Cash Equivalents	-	7,191,422	7,191,422	-
Net Pension Asset	2,765,279	518,616	3,283,895	15,657
Other Assets				
Special Assessment Receivable	26,793	-	26,793	-
Loans Receivable	-	-	-	1,226,628
Due From City	-	-	-	851,866
Lease Receivable- Long-Term	-	8,020	8,020	731,199
Capital Assets				
Land, Improvements, and Construction in Progress	9,766,650	4,938,065	14,704,715	275,172
Other Capital Assets, net of depreciation	30,520,331	55,540,871	86,061,202	4,667,425
Net Capital Assets	<u>40,286,981</u>	<u>60,478,936</u>	<u>100,765,917</u>	<u>4,942,597</u>
Total Noncurrent Assets	<u>43,079,053</u>	<u>68,196,994</u>	<u>111,276,047</u>	<u>7,767,947</u>
Total Assets	<u>59,194,346</u>	<u>74,386,901</u>	<u>133,581,247</u>	<u>8,975,788</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Pension Outflows	5,403,222	1,013,349	6,416,571	30,593
Deferred OPEB Outflows	158,757	-	158,757	-
Total Deferred Outflows of Resources	<u>5,561,979</u>	<u>1,013,349</u>	<u>6,575,328</u>	<u>30,593</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 64,756,325</u>	<u>\$ 75,400,250</u>	<u>\$ 140,156,575</u>	<u>\$ 9,006,381</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable and Accrued Expenses	\$ 808,960	\$ 429,286	\$ 1,238,246	\$ 16,982
Due to Component Unit/City	-	-	-	108,501
Payable to Other Governments	682	-	682	-
Accrued Interest	194,129	335,263	529,392	-
Unearned Grant Advance	80,826	873,020	953,846	-
Current Portion of Long-Term Liabilities	947,128	2,144,794	3,091,922	-
Total Current Liabilities	<u>2,031,725</u>	<u>3,782,363</u>	<u>5,814,088</u>	<u>125,483</u>
Noncurrent Liabilities:				
Due to Component Unit/City	-	851,866	851,866	-
Unamortized Debt Premium	311,049	495,788	806,837	-
Net OPEB Liability - Life Insurance	493,770	-	493,770	-
Net OPEB Liability - Health Insurance	479,871	-	479,871	-
Bonds and Direct Borrowings	12,087,915	33,436,219	45,524,134	-
Compensated Absences	499,910	97,560	597,470	-
Total Noncurrent Liabilities	<u>13,872,515</u>	<u>34,881,433</u>	<u>48,753,948</u>	<u>-</u>
Total Liabilities	<u>15,904,240</u>	<u>38,663,796</u>	<u>54,568,036</u>	<u>125,483</u>
DEFERRED INFLOWS OF RESOURCES				
Tax Apportionment	5,868,240	-	5,868,240	-
Deferred Pension Inflows	6,511,977	1,221,291	7,733,268	36,871
Deferred OPEB Inflows	81,789	-	81,789	-
Other Deferred Inflows	64,174	38,833	103,007	1,699,265
Total Deferred Inflows of Resources	<u>12,526,180</u>	<u>1,260,124</u>	<u>13,786,304</u>	<u>1,736,136</u>
NET POSITION				
Net Investment in Capital Assets	27,592,633	28,159,364	55,751,997	4,667,425
Restricted				
CDA Programs	-	-	-	2,508,478
Debt Service	-	68,635	68,635	-
Capital	-	2,589,114	2,589,114	-
Pension asset	2,765,279	518,616	3,283,895	-
Special Revenue Activity	1,146,553	-	1,146,553	-
Unrestricted	<u>4,821,440</u>	<u>4,140,601</u>	<u>8,962,041</u>	<u>(31,141)</u>
Total Net Position	<u>36,325,905</u>	<u>35,476,330</u>	<u>71,802,235</u>	<u>7,144,762</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 64,756,325</u>	<u>\$ 75,400,250</u>	<u>\$ 140,156,575</u>	<u>\$ 9,006,381</u>

See accompanying notes to the basic financial statements

**City of Whitewater
Whitewater, WI**

**Statement of Activities
For the Year Ended December 31, 2022**

Functions/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Position			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Primary Government	
Primary Government								
Governmental Activities								
General Government	\$ 2,189,854	\$ 142,079	\$ -	\$ -	\$ (2,047,775)		\$ (2,047,775)	
Public Safety	4,458,069	527,593	615,637	81,063	(3,233,776)		(3,233,776)	
Public Works	3,749,402	30	739,539	859,516	(2,150,317)		(2,150,317)	
Culture and Recreation	2,539,539	606,744	431,719	41,156	(1,459,920)		(1,459,920)	
Conservation and Development	25,337	-	5,116	-	(20,221)		(20,221)	
Interest on Long-Term Debt	468,574	-	-	-	(468,574)		(468,574)	
Total Governmental Activities	<u>13,430,775</u>	<u>1,276,446</u>	<u>1,792,011</u>	<u>981,735</u>	<u>(9,380,583)</u>		<u>(9,380,583)</u>	
Business-Type Activities								
Water	2,411,012	2,399,789	-	40,530	-	\$ 29,307	29,307	
Wastewater	3,370,135	4,067,640	-	5,472	-	702,977	702,977	
Storm Sewer	606,458	549,692	-	-	-	(56,766)	(56,766)	
Total Business-Type Activities	<u>6,387,605</u>	<u>7,017,121</u>	<u>-</u>	<u>46,002</u>	<u>-</u>	<u>675,518</u>	<u>675,518</u>	
Total Primary Government	<u>19,818,380</u>	<u>8,293,567</u>	<u>1,792,011</u>	<u>1,027,737</u>	<u>(9,380,583)</u>	<u>675,518</u>	<u>(8,705,065)</u>	
Component Unit								
Community Development Authority	997,562	219,058	-	258,223				\$ (520,281)
Total Component Units	<u>\$ 997,562</u>	<u>\$ 219,058</u>	<u>\$ -</u>	<u>\$ 258,223</u>				<u>\$ (520,281)</u>
General Revenues:								
Taxes:								
Property Taxes, Levied for General Purposes					5,213,610	-	5,213,610	-
Property Taxes, Levied for Debt Service					1,045,965	-	1,045,965	-
Other Taxes					418,436	-	418,436	-
Grants and Contributions Not Restricted to Specific Programs					3,739,407	-	3,739,407	-
Unrestricted Investment Earnings					212,567	13,480	226,047	62,613
Public Gifts and Grants					50,049	-	50,049	-
Miscellaneous					102,000	379,676	481,676	24,995
Special Item - Gain (Loss) on Retirement of Asset(s)					96,420	-	96,420	-
Transfers to/from CDA					(167,343)	-	(167,343)	167,343
Transfers					369,406	(369,406)	-	-
Total General Revenues, Transfers, and Special Items					<u>11,080,517</u>	<u>23,750</u>	<u>11,104,267</u>	<u>254,951</u>
Change in Net Position					<u>1,699,934</u>	<u>699,268</u>	<u>2,399,202</u>	<u>(265,330)</u>
Net Position - Beginning					<u>34,625,971</u>	<u>34,777,062</u>	<u>69,403,033</u>	<u>7,410,092</u>
Net Position - Ending					<u>\$ 36,325,905</u>	<u>\$ 35,476,330</u>	<u>\$ 71,802,235</u>	<u>\$ 7,144,762</u>

See accompanying notes to the basic financial statements

**City of Whitewater
Whitewater, WI**

**Balance Sheet
Governmental Funds
December 31, 2022**

	<u>General Fund</u>	<u>Debt Service</u>	<u>Housing TIF</u>	<u>Other Capital Projects Funds</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash and Cash Equivalents	\$ 7,459,604	\$ -	\$ 2,076,362	\$ 764,665	\$ 1,239,618	\$ 11,540,249
Receivables:						
Taxes	3,793,344	-	-	-	82,795	3,876,139
Delinquent Personal Property Taxes	7,468	-	-	-	-	7,468
Special Assessments	26,793	-	-	-	-	26,793
Accounts net of Allowance	-	-	-	-	221,265	221,265
Leases	43,238	-	-	-	-	43,238
Other	176,453	-	-	-	-	176,453
Due from Other Governments	4,653	-	-	-	82,750	87,403
Due from Other Funds	103,444	-	-	-	4,779	108,223
Due from CDA	108,501	-	-	-	-	108,501
Prepaid Expenses	54,950	-	-	-	-	54,950
Advances Receivable	555,986	-	-	-	-	555,986
Total Assets	<u>\$ 12,334,434</u>	<u>\$ -</u>	<u>\$ 2,076,362</u>	<u>\$ 764,665</u>	<u>\$ 1,631,207</u>	<u>\$ 16,806,668</u>
LIABILITIES						
Accounts Payable	\$ 238,292	\$ -	\$ -	\$ 53,359	\$ 85,250	\$ 376,901
Accrued Liabilities	347,135	-	-	-	86,398	433,533
Due to Other Funds	10,373	3,651	-	-	94,572	108,596
Advances Payable	-	-	-	-	555,986	555,986
Unearned Grant Advance	21,264	-	-	59,562	-	80,826
Total Liabilities	<u>617,746</u>	<u>3,651</u>	<u>-</u>	<u>112,921</u>	<u>822,206</u>	<u>1,556,524</u>
DEFERRED INFLOWS OF RESOURCES	<u>5,810,553</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>227,186</u>	<u>6,037,739</u>
FUND BALANCE						
Nonspendable	618,404	-	-	-	-	618,404
Restricted	-	-	2,076,362	651,744	1,146,553	3,874,659
Assigned	2,835,393	-	-	-	-	2,835,393
Unassigned (Deficit)	2,452,338	(3,651)	-	-	(564,738)	1,883,949
Total Fund Balance (deficit)	<u>5,906,135</u>	<u>(3,651)</u>	<u>2,076,362</u>	<u>651,744</u>	<u>581,815</u>	<u>9,212,405</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 12,334,434</u>	<u>\$ -</u>	<u>\$ 2,076,362</u>	<u>\$ 764,665</u>	<u>\$ 1,631,207</u>	<u>\$ 16,806,668</u>

See accompanying notes to the basic financial statements

**City of Whitewater
Whitewater, WI**

**Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
December 31, 2022**

Total fund balance, governmental funds	\$	9,212,405
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
<p>Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.</p>		40,286,981
<p>The net pension asset (liability) is not a current financial resource and is, therefore, not reported in the fund statements.</p>		2,765,279
<p>The net OPEB asset (liability) is not a current financial obligation and is, therefore, not reported in the fund statements.</p>		
Life Insurance		(493,770)
Health Insurance		(479,871)
<p>Pension and OPEB deferred outflows of resources and deferred inflows of resources are actuarially determined by the defined benefit pension and OPEB plans. These items are reflected in the Statement of Net Position and are being amortized with pension and OPEB expense in the Statement of Activities. The deferred outflows of resources and deferred inflows of resources are not financial resources or uses and therefore are not reported in the fund financial statements.</p>		(1,031,787)
<p>Deferred inflows of resources are reported in the fund financial statement, but are already recognized as earned in the Statement of Position. This represents EMS revenues recognized on the Statement of activities but not in the fund financials.</p>		106,799
<p>Some liabilities, (such as General Obligation Debt, Long-Term Compensated Absences, and Leases Payable), are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.</p>		
Long-term debt current portion	947,128	
Long-term debt non-current portion	12,087,915	
Unamortized premium on debt	311,049	
Compensated absences long-term portion	499,910	
Accrued interest	194,129	(14,040,131)
Net Position of Governmental Activities in the Statement of Net Position		\$ 36,325,905

See accompanying notes to the basic financial statements

**City of Whitewater
Whitewater, WI**

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2022**

	<u>General Fund</u>	<u>Debt Service</u>	<u>Housing TIF</u>	<u>Capital Projects Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES						
Property Taxes	\$ 3,157,405	\$ 1,043,530	\$ 2,058,640	\$ -	\$ -	\$ 6,259,575
Other Taxes	424,055	-	-	-	-	424,055
Special Assessment Revenue	150	-	-	-	-	150
Intergovernmental	4,674,022	-	67,722	876,133	516,313	6,134,190
License and Permits	89,048	-	-	-	-	89,048
Fines, Forfeits and Penalties	296,072	-	-	-	-	296,072
Public Charges for Services	87,873	-	-	-	986,288	1,074,161
Intergovernmental Charges for Services	-	-	-	-	268	268
Interest Income	183,529	-	-	19,664	12,558	215,751
Miscellaneous Income	124,553	-	-	95,367	121,411	341,331
Total Revenues	<u>9,036,707</u>	<u>1,043,530</u>	<u>2,126,362</u>	<u>991,164</u>	<u>1,636,838</u>	<u>14,834,601</u>
EXPENDITURES						
Current:						
General Government	1,758,004	-	-	-	-	1,758,004
Public Safety	3,964,881	-	-	-	748,322	4,713,203
Public Works	1,913,676	-	-	-	112,860	2,026,536
Culture, Recreation and Education	602,523	-	-	-	1,811,622	2,414,145
Conservation and Development	-	-	-	-	215,788	215,788
Capital Outlay	30,090	-	-	3,622,398	34,204	3,686,692
Debt Service:						
Principal Repayment	-	792,849	-	-	-	792,849
Interest Expense	33,080	251,956	-	89,922	6,367	381,325
Total Expenditures	<u>8,302,254</u>	<u>1,044,805</u>	<u>-</u>	<u>3,712,320</u>	<u>2,929,163</u>	<u>15,988,542</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>734,453</u>	<u>(1,275)</u>	<u>2,126,362</u>	<u>(2,721,156)</u>	<u>(1,292,325)</u>	<u>(1,153,941)</u>
OTHER FINANCING SOURCES (USES)						
Proceeds from Long-Term Debt	1,218,700	-	-	3,045,800	205,000	4,469,500
Premium on Long-Term Debt	38,493	-	-	110,931	-	149,424
Transfers In	424,861	-	-	46,991	875,064	1,346,916
Transfers Out	(922,055)	-	-	-	(55,455)	(977,510)
Transfers Out to CDA	(117,343)	-	(50,000)	-	-	(167,343)
Total Other Financing Sources and Uses	<u>642,656</u>	<u>-</u>	<u>(50,000)</u>	<u>3,203,722</u>	<u>1,024,609</u>	<u>4,820,987</u>
SPECIAL ITEM						
Beginning transfer in from Fire and EMS	-	-	-	-	96,420	96,420
Net Change in Fund Balances	1,377,109	(1,275)	2,076,362	482,566	(171,296)	3,763,466
Fund Balances (Deficits) - Beginning	4,529,026	(2,376)	-	169,178	753,111	5,448,939
Fund Balances - Ending	<u>\$ 5,906,135</u>	<u>\$ (3,651)</u>	<u>\$ 2,076,362</u>	<u>\$ 651,744</u>	<u>\$ 581,815</u>	<u>\$ 9,212,405</u>

See accompanying notes to the basic financial statements

**City of Whitewater
Whitewater, WI**

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2022**

Net change in fund balances - total governmental funds: \$ 3,763,466

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

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

This is the amount by which capital additions \$3,437,108 were greater than depreciation of \$1,709,299 in the current period. 1,727,809

Governmental funds report the entire net sales price (proceeds) from sale of an asset as revenue because it provides current financial resources. In contrast, the Statement of Activities reports the gain or (loss) on the sale of the assets. Thus, the change in net position differs from the change in fund balance by the cost of the asset sold. (8,844)

Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the Statement of Activities when earned. This represents revenues which were recorded on the government-wide financial statements in the current year but not yet recognized in the fund financial statements. 15,134

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

Proceeds of general obligation debt	(4,469,500)
Proceeds of debt premium	(136,790)
Debt repayment - general obligation	792,900

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

Adjustment for accrued interest not reflected on Governmental Funds	(114,970)
Adjustment for decrease in compensated absences	(12,060)

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

Change in net position of governmental activities	142,789
	\$ 1,699,934

See accompanying notes to the basic financial statements

**City of Whitewater
Whitewater, WI**

**Statement of Net Position
Proprietary Funds
December 31, 2022**

Enterprise Funds

	<u>Water</u>	<u>Wastewater</u>	<u>Stormwater</u>	<u>Total</u>
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 1,177,358	\$ 3,454,613	\$ 642,973	\$ 5,274,944
Receivables				
Accounts	437,155	373,298	50,285	860,738
Interest	727		-	727
Leases- Current portion	25,404	-	-	25,404
Due from Other Funds	14,102	-	-	14,102
Inventories	22,500	-	-	22,500
Total Current Assets	<u>1,677,246</u>	<u>3,827,911</u>	<u>693,258</u>	<u>6,198,415</u>
Restricted Assets:				
Restricted Cash	1,719,965	5,471,457	-	7,191,422
Net Pension Asset	194,345	240,451	83,820	518,616
Total Restricted Assets	<u>1,914,310</u>	<u>5,711,908</u>	<u>83,820</u>	<u>7,710,038</u>
Capital Assets:				
Construction Work-In-Progress	21,150	180,203	13,281	214,634
Land	224,506	4,498,925	-	4,723,431
Utility Plant	26,078,961	56,700,481	7,402,354	90,181,796
Less Accumulated Depreciation	<u>(8,595,787)</u>	<u>(25,116,997)</u>	<u>(928,141)</u>	<u>(34,640,925)</u>
Net Capital Assets	<u>17,728,830</u>	<u>36,262,612</u>	<u>6,487,494</u>	<u>60,478,936</u>
Noncurrent Assets:				
Long-Term Lease Receivable	8,020	-	-	8,020
Total Noncurrent Assets	<u>8,020</u>	<u>-</u>	<u>-</u>	<u>8,020</u>
Total Assets	<u>21,328,406</u>	<u>45,802,431</u>	<u>7,264,572</u>	<u>74,395,409</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Pension Outflows	379,741	469,829	163,779	1,013,349
Total Deferred Outflows of Resources	<u>379,741</u>	<u>469,829</u>	<u>163,779</u>	<u>1,013,349</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 21,708,147</u>	<u>\$ 46,272,260</u>	<u>\$ 7,428,351</u>	<u>\$ 75,408,758</u>

See accompanying notes to the basic financial statements

**City of Whitewater
Whitewater, WI**

**Statement of Net Position
Proprietary Funds
December 31, 2022**

	Enterprise Funds			
	Water	Wastewater	Stormwater	Total
LIABILITIES				
Current Liabilities:				
Accounts Payable	\$ 295,087	\$ 72,927	\$ 13,228	\$ 381,242
Accrued Liabilities	18,355	22,132	7,557	48,044
Accrued Interest Payable	128,480	162,885	43,898	335,263
Due to Other Funds	8,508	-	-	8,508
Unearned Grant Advance	-	873,020	-	873,020
Compensated Absences	6,082	9,423	4,982	20,487
Current Portion of Long-Term Debt	346,300	1,603,007	175,000	2,124,307
Total Current Liabilities	802,812	2,743,394	244,665	3,790,871
Non-Current Liabilities:				
Long-Term Debt				
Notes Payable	187,800	76,700	240,000	504,500
Bonds and Loans Payable	7,715,000	23,061,719	2,155,000	32,931,719
Unamortized Debt Premium	236,210	192,955	66,623	495,788
Advance Payable-CDA	851,866	-	-	851,866
Total Long-Term Debt	8,990,876	23,331,374	2,461,623	34,783,873
Other Liabilities:				
Compensated Absences	19,740	50,679	27,141	97,560
Total Other Liabilities	19,740	50,679	27,141	97,560
Total Non-Current Liabilities	9,010,616	23,382,053	2,488,764	34,881,433
Total Liabilities	9,813,428	26,125,447	2,733,429	38,672,304
DEFERRED INFLOWS OF RESOURCES				
Deferred Pension Inflows	457,665	566,239	197,387	1,221,291
Unearned Revenue	38,833	-	-	38,833
Total Deferred Inflows of Resources	496,498	566,239	197,387	1,260,124
NET POSITION				
Net Investment in Capital Assets	10,266,919	14,041,574	3,850,871	28,159,364
Restricted				
Debt	62,520	6,115	-	68,635
Capital	-	2,589,114	-	2,589,114
Pension asset	194,345	240,451	83,820	518,616
Unrestricted	874,437	2,703,320	562,844	4,140,601
Total Net Position	11,398,221	19,580,574	4,497,535	35,476,330
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 21,708,147	\$ 46,272,260	\$ 7,428,351	\$ 75,408,758

See accompanying notes to the basic financial statements

**City of Whitewater
Whitewater, WI**

**Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2022**

	Enterprise Funds			
	Water	Wastewater	Stormwater	Total
OPERATING REVENUES				
Charges for Services	\$ 2,399,789	\$ 4,067,640	\$ 532,692	\$ 7,000,121
Other Operating Revenues	-	-	17,000	17,000
Total Operating Revenues	2,399,789	4,067,640	549,692	7,017,121
OPERATING EXPENSES				
Operation and Maintenance	1,553,662	1,471,832	380,422	3,405,916
Depreciation	483,496	1,326,998	117,144	1,927,638
Total Operating Expenses	2,037,158	2,798,830	497,566	5,333,554
Operating Income (Loss)	362,631	1,268,810	52,126	1,683,567
NON-OPERATING REVENUES (EXPENSES)				
Interest and Investment Revenue	4,000	9,480	-	13,480
Miscellaneous Non-Operating Revenues	265,143	110,667	3,866	379,676
Interest Expense	(219,965)	(571,305)	(108,892)	(900,162)
Amortization and issuance expenses	(153,889)	-	-	(153,889)
Total Non-Operating Revenue (Expenses)	(104,711)	(451,158)	(105,026)	(660,895)
Income (Loss) Before Contributions and Transfers	257,920	817,652	(52,900)	1,022,672
Capital Contributions	33,030	5,472	-	38,502
Capital Contributions transferred in from City	7,500	-	-	7,500
Transfers Out	(338,276)	(6,130)	(25,000)	(369,406)
Change in Net Position	(39,826)	816,994	(77,900)	699,268
Total Net Position - Beginning	11,438,047	18,763,580	4,575,435	34,777,062
Total Net Position - Ending	\$ 11,398,221	\$ 19,580,574	\$ 4,497,535	\$ 35,476,330

See accompanying notes to the basic financial statements

**City of Whitewater
Whitewater, WI**

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2022**

	Water	Wastewater	Stormwater	Totals 2022
<u>Cash Flows From Operating Activities:</u>				
Receipts from customers	\$ 2,166,329	\$ 4,065,712	\$ 599,198	\$ 6,831,239
Payments to suppliers	(917,021)	(866,961)	(148,696)	(1,932,678)
Payments to employees	(626,975)	(722,657)	(263,628)	(1,613,260)
Taxes paid	(338,276)	(6,130)	-	(344,406)
Net cash provided (used) by operating activities	<u>284,057</u>	<u>2,469,964</u>	<u>186,874</u>	<u>2,940,895</u>
<u>Cash Flows From Capital and Related Financing Activities:</u>				
Proceeds of Advance from CDA	851,866	-	-	851,866
Acquisition and construction of plant assets	(3,519,090)	(1,023,416)	(275,302)	(4,817,808)
Proceeds of debt	4,743,358	3,659,534	1,007,716	9,410,608
Principal payments on long-term debt	(974,247)	(2,102,815)	(135,042)	(3,212,104)
Interest and debt issuance costs paid	(290,102)	(508,609)	(87,400)	(886,111)
Capital grants	-	850,199	-	850,199
Net cash provided (used) by capital and related financing activities	<u>811,785</u>	<u>874,893</u>	<u>509,972</u>	<u>2,196,650</u>
<u>Cash Flows From Investing Activities:</u>				
Interest on investments	4,000	9,480	-	13,480
Net cash provided (used) by investing activities	<u>4,000</u>	<u>9,480</u>	<u>-</u>	<u>13,480</u>
Net increase (decrease) in cash and equivalents	1,099,842	3,354,337	696,846	5,151,025
Cash and equivalents - beginning of year	<u>1,797,481</u>	<u>5,571,733</u>	<u>(53,873)</u>	<u>7,315,341</u>
Cash and equivalents - end of year	<u>\$ 2,897,323</u>	<u>\$ 8,926,070</u>	<u>\$ 642,973</u>	<u>\$ 12,466,366</u>

See accompanying notes to basic financial statements

**City of Whitewater
Whitewater, WI**

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2022**

	Water	Wastewater	Stormwater	Totals 2022
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	\$ 362,631	\$ 1,268,810	\$ 52,126	\$ 1,683,567
Adjustments to Reconcile Operating Income (Loss):				
Depreciation	483,496	1,326,998	117,144	1,927,638
Pension expense	(4,926)	(43,127)	(20,170)	(68,223)
Other	-	-	3,866	3,866
Joint meter	24,418	(24,418)	-	-
Cash Provided (Used) by Operating Activities:				
Tax equivalent	(338,276)	(6,130)	-	(344,406)
Other income (expense)	32,277	-	-	32,277
Transfer out	-	-	(25,000)	(25,000)
Changes in Assets and Liabilities:				
Customer accounts receivable	(233,460)	(1,928)	49,506	(185,882)
Other accounts receivable	(34,151)	-	-	(34,151)
Due from/to other funds	(38,125)	-	-	(38,125)
Accounts payable	28,642	(42,064)	6,500	(6,922)
Accrued liabilities	1,531	(8,177)	2,902	(3,744)
Net cash provided (used) by operating activities	\$ 284,057	\$ 2,469,964	\$ 186,874	\$ 2,940,895
Reconciliation of cash and cash equivalents to statement of net position accounts				
Cash and cash equivalents	\$ 1,177,358	\$ 3,454,613	\$ 642,973	\$ 5,274,944
Restricted Cash	1,719,965	5,471,457	-	7,191,422
Total cash and investments	\$ 2,897,323	\$ 8,926,070	\$ 642,973	\$ 12,466,366

See accompanying notes to basic financial statements

**City of Whitewater
Whitewater, WI**

**Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2022**

	Tax Custodial Fund
ASSETS	
Cash and Cash Equivalents	\$ 3,624,603
Receivables:	
Taxes Receivable	6,980,231
Total Assets	<u>\$ 10,604,834</u>
 LIABILITIES	
Due to Other Funds	\$ 5,221
Due to Other Governments	10,599,613
Total Liabilities	<u>\$ 10,604,834</u>

See accompanying notes to the basic financial statements

**City of Whitewater
Whitewater, WI**

**Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2022**

	<u>Tax Custodial Fund</u>
ADDITIONS	
Property tax collections for other governments	\$ 7,558,506
Total additions	<u>7,558,506</u>
DEDUCTIONS	
Payments of taxes to other governments	<u>7,558,506</u>
Total deductions	<u>7,558,506</u>
Net increase (decrease) in fiduciary net position	-
Net position - Beginning	-
Net position - Ending	<u><u>\$ -</u></u>

See accompanying notes to the basic financial statements

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2022

1. Summary of Significant Accounting Policies

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

A. Reporting Entity

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

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

Discretely Presented Component Unit

The government-wide financial statements include the City of Whitewater Community Development Authority (“CDA”) as a component unit. The CDA is a legally separate organization. The board of the CDA is appointed by the city council. Wisconsin Statutes provide for circumstances whereby the City can impose their will on the CDA, and also create a potential financial benefit to or burden on the City. See Note 15. As a component unit, the CDA’s financial statements have been presented as a discrete column in the financial statements. The information presented is for the fiscal year ended 2022. The CDA does not issue separate financial statements.

Excluded Component Unit

The City considered the potential of the Whitewater Volunteer Fire Department (the “Department”) as a component unit, but excluded it since the City does not control the Department nor can it access its financial resources. In 2022, the City and Fire Department agreed that the City would take over operations of the Department. The Department became part of the City August 1, 2022 and activity since then is reported as a non-major fund.

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2022

1. Summary of Significant Accounting Policies (Continued)

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

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

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2022

1. Summary of Significant Accounting Policies (Continued)

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

Fund Financial Statements (Continued)

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

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

Major Governmental Funds

The City reports the following major governmental funds:

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

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

Housing TIF – Accounts for expenditures related to affordable housing. This District was funded by the remaining TIF 4 property increment collected in 2022.

Other Capital Projects Fund- Accounts for City capital projects.

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2022

1. Summary of Significant Accounting Policies (Continued)

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

Fund Financial Statements (Continued)

Major and Non-Major Enterprise Funds

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

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

- Water Utility – Accounts for the operations of the water system. (Major Fund)
- Wastewater Utility – Accounts for the operations of the sewer system. (Major Fund)
- Stormwater Utility – Accounts for the operations of the stormwater system (Non-Major Fund)

Non-Major Governmental Funds

The City reports the following non-major governmental funds:

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

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

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2022

1. Summary of Significant Accounting Policies (Continued)

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

Fund Financial Statements (Continued)

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

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

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 funds:

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

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

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

Government-Wide Financial Statements

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

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2022

1. Summary of Significant Accounting Policies (Continued)

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

Government-Wide Financial Statements (Continued)

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

Fund Financial Statements

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

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

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

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

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

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

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2022

1. Summary of Significant Accounting Policies (Continued)

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

Fund Financial Statements (Continued)

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

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

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

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

D. Assets, Liabilities, and Net Position or Equity

Cash and Cash Equivalents/Investments

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

- (1) Deposits in any credit union, bank, savings bank, trust company or savings and loan association which is authorized to transact business in this State if the time deposits mature in not more than three years.
- (2) Bonds or securities issued or guaranteed as to principal and interest by the federal government, or by a commission, board or other instrumentality of the federal government.
- (3) Bonds or securities of any county, drainage district, VTAE district, village, city, town, district or school district of this State.

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2022

1. Summary of Significant Accounting Policies (Continued)

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

Cash and Cash Equivalents/Investments (Continued)

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

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

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

Proprietary Cash and Equivalents

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

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2022

1. Summary of Significant Accounting Policies (Continued)

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

Taxes Receivable

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

Property tax calendar – 2022 tax roll

Lien date and levy date	December, 2022
Tax Bills mailed	December, 2022
Payment in full, or	January 31, 2023
First installment due	January 31, 2023
Second installment due	July 31, 2023
Personal property taxes in full	January 31, 2023

Allowance for Uncollectible Accounts

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

Leases Receivable

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

Interfund Transactions

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

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

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2022

1. Summary of Significant Accounting Policies (Continued)

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

Special Assessments

Assessments against property owners for public improvements are generally not subject to full settlement in the year levied. Deferred inflows of resources for special assessments are placed on tax rolls on an installment basis. Revenue from special assessments recorded in governmental funds is recognized as collections are made or as current installments are placed on tax rolls. Special assessments of enterprise funds are recorded as non-operating revenue at the time of assessment, if subject to collection. Deferred inflows of resources for special assessments, those not subject to collection, are recorded as other liability until such time they are subject to collection.

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

Inventories and Prepaid Items

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

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

Restricted Assets

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

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2022

1. Summary of Significant Accounting Policies (Continued)

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

Capital Assets

Government-Wide Statements

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

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

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

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

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

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

Fund Financial Statements

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

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2022

1. Summary of Significant Accounting Policies (Continued)

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

Debt Issuance Costs

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

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

Compensated Absences

Governmental Funds

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

All Funds

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2022 are determined on the basis of current salary rates and include salary related payments.

Long-Term Obligations/Conduit Debt

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

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

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

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2022

1. Summary of Significant Accounting Policies (Continued)

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

Long-Term Obligations/Conduit Debt (Continued)

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

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

Claims and Judgments

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

Equity Classifications

Government-Wide Statements

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

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

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

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2022

1. Summary of Significant Accounting Policies (Continued)

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

Equity Classifications (Continued)

Fund Financial Statements

Government fund equity is classified as fund balance.

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

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

E. Utility Rates

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

F. Income Taxes

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

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2022

1. Summary of Significant Accounting Policies (Continued)

G. Deficit Balances

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year-end. As of December 31, 2022, the following individual funds held a deficit balance:

Debt Service (deficit)	\$ (3,651)
Aquatic Center (deficit)	(425,029)
Fire and EMS Fund	(84,069)
TID 10 (deficit)	(18,948)
TID 11 (deficit)	(10,998)
TID 12 (deficit)	(3,698)
TID 13 (deficit)	(10,998)
TID 14 (deficit)	(10,998)

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

H. Tax Incremental Financing District

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

I. Capital Contributions

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

J. Advances to Other Funds

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

K. Pensions

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

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2022

1. Summary of Significant Accounting Policies (Continued)

L. Other Post-Employment Benefits

Group Life Insurance Plan

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

City Health Insurance Plan

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

M. Deferred Outflows of Resources and Inflows of Resources

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

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statements element represents an acquisition of net position which applies to a future period and will not be recognized as an inflow of resources (revenue) until then. The City has three items that qualify for reporting in the category. The deferred inflows of resources are related to the deferred property tax revenue to be received in 2023, along with the WRS pension system and the LRLIF. In 2022, deferred lease inflows were also added.

N. Change in Accounting Principle

Effective January 1, 2022, the City adopted GASB Statement No. 87, Leases. GASB 87 replaces previous lease accounting methodology and establishes a single model for lease accounting based on the foundation principle that leases are a financing right to use an underlying asset. GASB No. 87 requires recognition of certain lease assets and liabilities for lessee agreements and lease receivables and deferred inflows of resources for lessor agreements. This has no effect on the beginning balance on the statement of activities.

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2022

2. Cash and Investments (Continued)

B. Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. The City has no investment policy that would further limit its investments choices.

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

Participants in the LGIP have the right to withdraw their funds in total on one day’s notice. At December 31, 2022, the fair value of the City’s share of the LGIP’s assets was substantially equal to the amount reported above. Information on derivatives was not available to the City.

Investment allocation in the LGIP as of December 31, 2022 was: 88% in U.S. Government Securities, 2% in Certificates of Deposit and Bankers’ Acceptances and 10% in Commercial Paper and Corporate Notes. The Wisconsin State Treasurer updates the investment allocations on a monthly basis.

C. Custodial Credit Risk

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

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

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

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

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2022

2. Cash and Investments (Continued)

C. Custodial Credit Risk (Continued)

As of December 31, 2022, the City's deposits with financial institutions in excess of federal depository insurance limits that were exposed to custodial credit risk are listed below:

Uninsured and collateralized by depository bond	\$ 5,844,201
Uninsured and collateral held by the pledging financial institution's trust department or agent not in the City's name	\$ 12,436,953
Uninsured and uncollateralized	\$ -

D. Concentration of Credit Risk

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

3. Receivables

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

	<u>General</u>
Delinquent personal property taxes	\$ 7,468
Special assessments	5,909
Total	\$ 13,377

The following represents 2022 lease revenue at year-end:

	For the Year Ended December 31, 2022			
	Governmental Activities	Business-type Activities	Component Unit	Total
Lease-related Revenue				
Lease Revenue				
Land and equipment	\$ (32,220)	\$ (20,012)	\$ -	\$ (52,232)
Office Space	-	-	(147,964)	(147,964)
Total Lease Revenue	(32,220)	(20,012)	(147,964)	(200,196)
Interest Revenue	(2,898)	(1,836)	(36,930)	(41,663)
Total	\$ (35,118)	\$ (21,848)	\$ (184,893)	\$ (241,859)

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2022

3. Receivables (Continued)

Aggregate future cash flows for the revenue generated by the lease receivables and interest for the city as of December 31, 2022 were as follows:

Year Ended December 31,	Governmental Activities		Business-type Activities		Component Unit		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ (43,238)	\$ (1,762)	\$ (25,404)	\$ (1,362)	\$ (133,032)	\$ (32,148)	\$ (201,675)	\$ (35,271)
2024	-	-	(8,020)	(327)	(141,248)	(26,682)	(149,268)	(27,008)
2025	-	-	-	-	(101,734)	(21,746)	(101,734)	(21,746)
2026	-	-	-	-	(105,878)	(17,602)	(105,878)	(17,602)
2027	-	-	-	-	(112,988)	(13,242)	(112,988)	(13,242)
2028-2031	-	-	-	-	(269,351)	(17,399)	(269,351)	(17,399)
Total	<u>\$ (43,238)</u>	<u>\$ (1,762)</u>	<u>\$ (33,424)</u>	<u>\$ (1,689)</u>	<u>\$ (864,231)</u>	<u>\$ (128,819)</u>	<u>\$ (940,894)</u>	<u>\$ (132,269)</u>

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

	Unearned	Total
Property taxes for subsequent year	\$ 5,868,239	\$ 5,868,239
Tournament entry fees	9,000	9,000
Leases	53,700	53,700
Unearned Fire & EMS revenue	106,800	106,800
Total Deferred Inflows of Resources		
For Governmental Funds	<u>\$ 6,037,739</u>	<u>\$ 6,037,739</u>

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2022

4. Restricted Assets

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

Long-Term Debt Accounts

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

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

Equipment Replacement Account

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

Clean Water Fund Loan Account

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

Following is a list of the restricted cash and cash equivalents at December 31, 2022:

	Water Utility	Wastewater Utility	Totals
Restricted Assets			
Redemption account	\$ 191,000	\$ 169,000	\$ 360,000
Unspent bond proceeds	1,090,660	2,375,133	3,465,793
Reserve account	438,305	338,210	776,515
Connection account	-	363,702	363,702
DNR Replacement account	-	2,225,412	2,225,412
	<u> </u>	<u> </u>	<u> </u>
Total Restricted Assets	<u>\$ 1,719,965</u>	<u>\$ 5,471,457</u>	<u>\$ 7,191,422</u>

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2022

5. Capital Assets

Capital asset activity in the governmental activities for the year ended December 31, 2022, was as follows:

	1/1/2022 Beginning Balance	Additions	Deletions	12/31/2022 Ending Balance
Governmental Activities				
Capital Assets Not Being Depreciated				
Construction in Progress	\$ 70,684	\$ -	\$ 70,684	\$ -
Land	3,054,920	-	8,844	3,046,076
Right of way	1,879,406	-	-	1,879,406
Land improvements	4,841,168	-	-	4,841,168
Total Capital Assets Not Being Depreciated	<u>9,846,178</u>	<u>-</u>	<u>79,528</u>	<u>9,766,650</u>
Capital Assets Being Depreciated				
Land Improvements	1,087,289	1,367,584	-	2,454,873
Buildings	13,081,121	17,703	-	13,098,824
Traffic and Street Lights	1,180,624	291,251	-	1,471,875
Machinery and Equipment	8,822,892	252,902	418,031	8,657,763
Streets	28,431,412	1,201,378	-	29,632,790
Sidewalks	1,110,054	147,080	-	1,257,134
Curb and Gutter	826,219	229,894	-	1,056,113
Total Capital Assets Being Depreciated	<u>54,539,611</u>	<u>3,507,792</u>	<u>418,031</u>	<u>57,629,372</u>
Total Accumulated Depreciation	<u>25,817,773</u>	<u>1,709,299</u>	<u>418,031</u>	<u>27,109,041</u>
Capital Assets, Net of Depreciation	<u>\$ 38,568,016</u>	<u>\$ 1,798,493</u>	<u>\$ 79,528</u>	<u>\$ 40,286,981</u>

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2022

5. Capital Assets (Continued)

Depreciation expense for the governmental activities is as follows:

Government Activities		
General Government	\$	175,341
Public Safety		214,929
Public Works, which includes the depreciation of streets (including curb and gutter) and sidewalks		1,081,163
Culture, Recreation and Education		<u>237,866</u>
Total Governmental Activities Depreciation Expense	\$	<u><u>1,709,299</u></u>

Capital asset activity in the business-type activities for the year ended December 31, 2022, was as follows:

<u>Water</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital Assets Not Being Depreciated				
Construction in progress	\$ 914,894	\$ 21,150	\$ 914,894	\$ 21,150
Land and land rights	<u>224,506</u>	<u>-</u>	<u>-</u>	<u>224,506</u>
Total Capital Assets Not Being Depreciated	<u>1,139,400</u>	<u>21,150</u>	<u>914,894</u>	<u>245,656</u>
Capital Assets Being Depreciated				
Source of supply	705,364	-	-	705,364
Pumping	939,089	38,963	-	978,052
Water treatment	1,458,742	-	-	1,458,742
Transmission and distribution	18,021,260	3,984,992	107,304	21,898,948
Administrative and general assets	<u>940,813</u>	<u>107,937</u>	<u>10,895</u>	<u>1,037,855</u>
Total Capital Assets Being Depreciated	<u>22,065,268</u>	<u>4,131,892</u>	<u>118,199</u>	<u>26,078,961</u>
Total Capital Assets	<u>23,204,668</u>	<u>4,153,042</u>	<u>1,033,093</u>	<u>26,324,617</u>
Less: Accumulated depreciation	<u>(8,206,072)</u>	<u>(507,914)</u>	<u>(118,199)</u>	<u>(8,595,787)</u>
Net Capital Assets	<u><u>\$ 14,998,596</u></u>	<u><u>\$ 3,645,128</u></u>	<u><u>\$ 914,894</u></u>	<u><u>\$ 17,728,830</u></u>

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2022

5. Capital Assets (Continued)

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Wastewater</u>				
Capital Assets Not Being Depreciated				
Construction in progress	\$ 99,651	\$ 110,240	\$ 29,688	\$ 180,203
Land and land rights	4,498,925	-	-	4,498,925
Total Capital Assets Not Being Depreciated	4,598,576	110,240	29,688	4,679,128
Capital Assets Being Depreciated				
Collection system	16,677,555	560,938	23,851	17,214,642
Treatment and disposal	37,645,225	-	-	37,645,225
General	1,453,215	387,399	-	1,840,614
Total Capital Assets Being Depreciated	55,775,995	948,337	23,851	56,700,481
Total Capital Assets	60,374,571	1,058,577	53,539	61,379,609
Less: Accumulated depreciation	(23,838,267)	(1,302,581)	(23,851)	(25,116,997)
Net Capital Assets	<u>\$ 36,536,304</u>	<u>\$ (244,004)</u>	<u>\$ 29,688</u>	<u>\$ 36,262,612</u>
	Beginning Balance	Additions	Deletions	Ending Balance
<u>Stormwater</u>				
Capital Assets Not Being Depreciated				
Construction in progress	\$ 30,593	\$ 12,376	\$ 29,688	\$ 13,281
Total Capital Assets Not Being Depreciated	30,593	12,376	29,688	13,281
Capital Assets Being Depreciated				
Infrastructure	7,109,740	292,614	-	7,402,354
Less: Accumulated depreciation	(810,997)	(117,144)	-	(928,141)
Net Capital Assets	<u>\$ 6,329,336</u>	<u>\$ 187,846</u>	<u>\$ 29,688</u>	<u>\$ 6,487,494</u>

Listed below is the depreciation expense for the utilities.

Business Type Activities	
Water Utility	\$ 483,496
Wastewater Utility	1,326,999
Stormwater Utility	117,144
Total Business-Type Activities Depreciation Expense	<u>\$ 1,927,639</u>

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2022

6. Interfund Receivables/Payables, Advances and Transfers

Interfund Receivables/Payables

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

Receivable Fund	Payable Fund	Amount
General Fund	Aquatic Center Fund	\$ 38,932
General Fund	TIFs 10, 13, and 14	55,640
General Fund	Debt Service	3,651
Subtotal - General Fund		98,223
Police Department Trust Fund	General Fund	4,779
Subtotal - Other Funds		4,779
Water Utility	General Fund	5,594
Subtotal - Proprietary Funds		5,594
Subtotal - Fund Financial Statements		108,596
Less: Fund Eliminations		(103,002)
Total - Government-Wide Statements		\$ 5,594
Receivable Fund	Payable Fund	Amount
Governmental Activity	Tax Collection Fund	\$ 5,221
Governmental Activity	Component Unit Activity	108,501
Business-type Activity	Governmental Activity	5,594
	Total	\$ 119,316

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

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

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2022

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

Advances

The following is a schedule of interfund advances:

Receivable Fund	Payable Fund	Amount	Amount Due Within One Year
General Fund	Aquatic Center	\$ 425,028	-
General Fund	Fire and EMS Fund	130,958	-
Advances Receivable Governmental Funds		\$ 555,986	\$ -

No repayment schedule exists.

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2022

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

Transfers

The following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount	Principal Purpose
General Fund	Parking Permit Fund	\$ 35,000	Administrative
General Fund	Field of Dreams	5,000	Administrative
General Fund	Parkland Development Fund	533	Administrative
General Fund	Parks and Recreation Fund	14,922	Administrative
General Fund	Water and Wastewater	344,406	Tax equivalent
General Fund	Stormwater Utility	<u>25,000</u>	Capital equipment
Subtotal - General Fund		<u>424,861</u>	
Capital Projects Fund	General Fund	<u>46,991</u>	Appropriation
Subtotal - Capital Projects		<u>46,991</u>	
Aquatic Center Fund	General Fund	50,000	Capital improvements
Aquatic Center Fund	General Fund	128,000	Appropriation
Fire and EMS Fund	General Fund	199,564	Appropriation
Library Special Revenue Fund	General Fund	485,000	Appropriation
Forestry Fund	General Fund	7,500	Appropriation
Police Department Trust Fund	General Fund	<u>5,000</u>	Appropriation
Subtotal - Non-Major Funds		<u>875,064</u>	
Sub-Total – Fund Financial Statements		1,346,916	
Less: Fund Eliminations		<u>(977,510)</u>	
Total – Government-Wide Statement of Activities - Primary Government		<u>\$ 369,406</u>	
CDA	Housing TIF	\$ 50,000	Economic development
CDA	General Fund	<u>117,343</u>	Economic development
Total – Government-Wide Statement of Activities - Component Unit		<u>\$ 167,343</u>	

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

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2022

7. Long-Term Obligations

The following is a summary of long-term debt transactions of the City for the year ended December 31, 2022.

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
GOVERNMENTAL ACTIVITIES					
Bonds and Notes Payable					
General Obligation Bonds	\$ 8,685,000	\$ 4,165,000	\$ 645,000	\$ 12,205,000	\$ 725,000
Notes from Direct Borrowings	588,375	304,500	147,900	744,975	137,060
Sub-Total	<u>9,273,375</u>	<u>4,469,500</u>	<u>792,900</u>	<u>12,949,975</u>	<u>862,060</u>
Other Liabilities					
Vested Compensated Absences	572,918	12,060	-	584,978	85,068
Total Other Liabilities	<u>572,918</u>	<u>12,060</u>	<u>-</u>	<u>584,978</u>	<u>85,068</u>
Total Governmental Activities					
Long-Term Liabilities	<u>\$ 9,846,293</u>	<u>\$ 4,481,560</u>	<u>\$ 792,900</u>	<u>\$ 13,534,953</u>	<u>\$ 947,128</u>
BUSINESS-TYPE ACTIVITIES					
Bonds and Notes Payable					
General Obligation Notes and Bonds	\$ 8,470,000	\$ 965,000	\$ 480,003	\$ 8,954,997	\$ 570,500
Bonds from Direct Borrowings	19,746,483	-	1,330,955	18,415,528	1,313,807
Revenue Bonds	1,395,000	8,190,000	1,395,000	8,190,000	240,000
Total Long-Term Debt	<u>29,611,483</u>	<u>9,155,000</u>	<u>3,205,958</u>	<u>35,560,525</u>	<u>2,124,307</u>
Other Liabilities					
Vested Compensated Absences	129,372	-	11,324	118,048	20,487
Total Other Liabilities	<u>129,372</u>	<u>-</u>	<u>11,324</u>	<u>118,048</u>	<u>20,487</u>
Total Business-type Activities					
Long-Term Liabilities	<u>\$ 29,740,855</u>	<u>\$ 9,155,000</u>	<u>\$ 3,217,282</u>	<u>\$ 35,678,573</u>	<u>\$ 2,144,794</u>

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2022

7. Long-Term Obligations (Continued)

A. Governmental Activities – General Obligation Debt

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

The City’s general obligation debt limit is equal to 5% of the City’s total equalized value. The City’s debt limit as of December 31, 2022, is \$43,058,280. Debt subject to the limit is \$22,214,972.

The following table outlines the governmental debt:

	<u>Date Of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/22</u>	<u>Current Portion</u>
Governmental Activities						
2012 GO Refunding Bonds	5/17/2012	9/1/2031	.85-3.25%	\$ 5,020,000	\$ 2,790,000	\$ 280,000
2014 Taxable GO Bonds	6/10/2014	9/1/2029	0.5-3.0%	\$ 2,645,000	1,695,000	150,000
2018 Taxable GO Bonds	4/11/2018	9/1/2037	2.0-5.0%	\$ 2,535,000	2,345,000	120,000
2019 GO Promissory Notes	7/23/2019	7/23/2029	2.49%	\$ 703,500	440,475	87,675
2020 Taxable GO Bonds	7/8/2020	6/1/2040	2.0-2.1%	\$ 1,450,000	1,210,000	170,000
2022 Taxable GO Bonds	3/30/2022	6/1/2041	3.0-4.0%	\$ 4,165,000	4,165,000	5,000
2022 GO Promissory Notes	12/9/2022	12/15/2032	3.99%	\$ 304,500	304,500	49,385
Total Governmental Activities -- General Obligation Debt					<u>\$ 12,949,975</u>	<u>\$ 862,060</u>

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2022

7. Long-Term Obligations (Continued)

A. Governmental Activities – General Obligation Debt (Continued)

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Governmental Activities</u>			
	<u>General Obligation Bonds</u>		<u>Notes from Direct Borrowings</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 725,000	\$ 220,601	\$ 137,060	\$ 10,968
2024	860,000	201,601	115,600	8,809
2025	845,000	182,639	111,406	7,190
2026	820,000	166,864	113,568	5,752
2027	845,000	148,886	115,817	4,314
2028-2032	4,035,000	441,640	151,524	8,333
2033-2037	2,785,000	130,263	-	-
2038-2041	1,290,000	7,525	-	-
Totals	<u>\$ 12,205,000</u>	<u>\$ 1,500,016</u>	<u>\$ 744,975</u>	<u>\$ 45,366</u>

B. Business-Type Debt

The following is business-type debt outstanding:

	<u>Date of Issuance</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/22</u>	<u>Current Portion</u>
<u>Water Utility</u>						
2022 Mortgage Revenue Bonds	6/9/2022	5/1/1942	4.0-5.0%	\$ 4,625,000	<u>\$ 4,625,000</u>	<u>\$ 125,000</u>
					<u>4,625,000</u>	<u>125,000</u>
2014 Taxable GO Bonds	6/10/2014	9/1/2029	0.5-3.0%	\$ 510,000	265,000	35,000
2018 Taxable GO Bonds	4/11/2018	9/1/2037	2.0-5.0%	\$ 1,850,000	1,545,000	80,000
2019 GO Promissory Notes	7/23/2019	7/23/2029	2.49%	\$ 313,000	219,100	31,300
2020 GO Taxable Bonds	7/8/2020	6/1/2040	2.0-2.1%	\$ 1,730,000	1,595,000	75,000
				Total Water Utility G.O. Debt	<u>3,624,100</u>	<u>221,300</u>
				Total Water Utility Long-Term Debt	<u>8,249,100</u>	<u>346,300</u>

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2022

7. Long-Term Obligations (Continued)

B. Business-Type Debt (Continued)

	Date of Issuance	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/22	Current Portion
<u>Wastewater Utility</u>						
2009 Clean Water Fund Loan	12/9/2009	5/1/2029	2.91%	\$ 50,000	1,223,998	160,175
2011 Clean Water Fund Loan	7/27/2011	5/1/2031	2.40%	\$ 115,954	324,105	32,691
2016 Clean Water Fund Loan	4/13/2016	5/1/2035	2.10%	\$ 8,829,926	16,557,425	1,120,941
2022 Mortgage Revenue Bonds	6/9/2022	5/1/1942	4.0-5.0%	\$ 3,565,000	3,565,000	115,000
		Total Wastewater Utility Revenue Bonds			21,670,528	1,428,807
2014 Taxable GO Bonds	6/10/2014	9/1/2029	0.5-3.0%	\$ 220,000	110,000	15,000
2018 Taxable GO Bonds	4/11/2018	9/1/2037	2.0-5.0%	\$ 1,355,000	1,215,000	65,000
2019 GO Promissory Notes	7/23/2019	7/23/2029	2.49%	\$ 133,500	90,900	14,200
2020 GO Taxable Bonds	7/8/2020	6/1/2040	2.0-2.1%	\$ 1,795,000	1,655,000	80,000
		Total Wastewater Utility G.O. Debt			3,070,900	174,200
		Total Wastewater Utility Long-Term Debt			24,741,428	1,603,007
<u>Stormwater Utility</u>						
2012 GO Refunding Bonds	5/17/2012	9/1/2031	.85-3.25%	\$ 455,000	270,000	30,000
2014 Taxable GO Bonds	6/10/2014	9/1/2029	0.5-3.0%	\$ 905,000	470,000	60,000
2018 Taxable GO Bonds	4/11/2018	9/1/2037	2.0-5.0%	\$ 800,000	664,997	35,000
2020 GO Taxable Bonds	7/8/2020	6/1/2040	2.0-2.1%	\$ 220,000	200,000	10,000
2022 GO Taxable Bonds	3/30/2022	6/1/2041	3.0-4.0%	\$ 965,000	965,000	40,000
		Total Stormwater Utility G.O. Debt			2,569,997	175,000
		Total Business-type Activities Long-Term Debt			\$ 35,560,525	\$ 2,124,307

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2022

7. Long-Term Obligations (Continued)

B. Business-Type Debt (Continued)

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

<u>Years</u>	<u>General Obligation Bonds and</u>		<u>Business-Type Activities</u>		<u>Revenue Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Bonds from Direct</u>	<u>Borrowings</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 525,000	\$ 241,927	\$ 1,359,307	\$ 392,048	\$ 240,000	\$ 499,512
2024	550,000	229,173	1,388,293	360,509	430,000	339,769
2025	560,000	212,180	1,416,227	328,240	345,000	320,394
2026	575,000	194,823	1,446,525	295,422	345,000	303,144
2027	595,000	176,713	1,477,501	261,917	270,000	287,769
2028-2032	2,744,999	652,298	7,100,505	814,968	1,415,000	1,249,219
2033-2037	2,584,999	292,890	4,227,171	134,386	2,250,000	837,762
2038-2042	819,998	30,514	-	-	2,895,000	312,547
Totals	<u>\$ 8,954,997</u>	<u>\$ 2,030,518</u>	<u>\$ 18,415,528</u>	<u>\$ 2,587,491</u>	<u>\$ 8,190,000</u>	<u>\$ 4,150,115</u>

C. Other Debt

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

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

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

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2022

8. Commitments

Construction

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

9. Net Position/Fund Balances

Governmental Activities

Net position reported on the government-wide statement of net position at December 31, 2022, includes the following:

Capital Assets net of depreciation	\$ 40,286,981
Less: long-term debt outstanding	(13,346,092)
Plus: unspent bond proceeds	651,744
Total Net Investment in Capital Assets	<u>\$ 27,592,633</u>
 Restricted	
Pension asset	<u>2,765,279</u>
Cable TV Fund	47,874
Library Special Revenue Fund	536,437
Taxicab Grant Program Fund	93,362
Parkland Acquisition Fund	53,169
Parkland Development Fund	12,913
Forestry Fund	15,802
Rescue Squad Equipment/Education Fund	140,004
Parking Permit Fund	75,074
Police Dept. Trust Fund	83,498
Parks and Recreation Fund	31,689
Field of Dreams Fund	56,731
Special revenue Funds	<u>1,146,553</u>
Total Restricted	<u>3,911,832</u>
 Unrestricted	
Total Governmental Activities Net Position	<u>\$ 4,821,440</u>
	<u>\$ 36,325,905</u>

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2022

9. Net Position/Fund Balances (Continued)

Governmental Activities (Continued)

Fund balances as of December 31, 2022, include the items in the following tables:

Major Funds

<u>General Fund</u>	<u>Nonspendable</u>	<u>Restricted</u>	<u>Assigned</u>	<u>Unassigned</u>
Delinquent personal property tax	\$ 7,468	\$ -	\$ -	\$ -
Prepaid expenses	54,950	-	-	-
Advances	555,986	-	-	-
27th Payroll	-	-	-	75,848
Fire Department Equipment	-	-	1,690,153	-
DPW Equipment Revolving Fund	-	-	246,333	-
Police Vehicle Revolving Fund (deficit)	-	-	-	(3,073)
Building Repair Fund	-	-	44,719	-
Skate Park Fund	-	-	5,433	-
Solid Waste/Recycling Fund	-	-	17,138	-
Sick Leave Severance Fund	-	-	85,000	-
Lakes Improvements Fund	-	-	475	-
Street Repair Revolving Fund	-	-	591,099	-
Insurance Fund	-	-	144,627	-
Elections Fund	-	-	10,416	-
Unassigned	-	-	-	2,379,563
Total General Fund	<u>\$ 618,404</u>	<u>\$ -</u>	<u>\$ 2,835,393</u>	<u>\$ 2,452,338</u>

Debt Service Fund

Fund deficit	<u>\$ (3,651)</u>
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Housing TIF

Fund balance	<u>\$ 2,076,362</u>
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Other Capital Projects

Fund balance	<u>\$ 651,744</u>
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CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2022

9. Net Position/Fund Balances (Continued)

Governmental Activities (Continued)

<u>Non-Major Funds</u>	<u>Nonspendable</u>	<u>Restricted</u>	<u>Assigned</u>	<u>Unassigned</u>
Special Revenue Funds				
Cable TV Fund	\$ -	\$ 47,874	\$ -	\$ -
Library Special Revenue Fund	-	536,437	-	-
Taxicab Grant Program Fund	-	93,362	-	-
Parkland Acquisition Fund	-	53,169	-	-
Parkland Development Fund	-	12,913	-	-
Forestry Fund	-	15,802	-	-
Rescue Squad Equipment/Education Fund	-	140,004	-	-
Parking Permit Fund	-	75,074	-	-
Police Dept. Trust Fund	-	83,498	-	-
Parks and Recreation Fund	-	31,689	-	-
Field of Dreams Fund	-	56,731	-	-
Aquatic Center (deficit)	-	-	-	(425,029)
Fire and EMS Fund (deficit)	-	-	-	(84,069)
Capital Projects Funds				
TID 10 (deficit)	-	-	-	(18,948)
TID 11 (deficit)	-	-	-	(10,998)
TID 12 (deficit)	-	-	-	(3,698)
TID 13 (deficit)	-	-	-	(10,998)
TID 14 (deficit)	-	-	-	(10,998)
Total Non-Major Funds	<u>\$ -</u>	<u>\$ 1,146,553</u>	<u>\$ -</u>	<u>\$ (564,738)</u>

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

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2022

9. Net Position/Fund Balances (Continued)

Business-Type Activities

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

	2022
Water Utility	
Capital Assets net of depreciation	\$ 17,728,830
Less: related long-term debt outstanding	(8,990,876)
Total Invested in Capital Assets	8,737,954
Unspent bond proceeds	1,090,660
Reserve from borrowing	438,305
Total Net Position - Net Investment in Capital Assets	\$ 10,266,919
	2022
Wastewater Utility	
Capital Assets net of depreciation	\$ 36,262,612
Less: related long-term debt outstanding	(24,934,381)
Total Invested in Capital Assets	11,328,231
Unspent bond proceeds	2,375,133
Reserve from borrowing	338,210
Total Net Position - Net Investment in Capital Assets	\$ 14,041,574
	2022
Stormwater Utility	
Capital Assets net of depreciation	\$ 6,487,494
Less: related long-term debt outstanding	(2,636,623)
Total Net Position - Net Investment in Capital Assets	\$ 3,850,871

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2022

9. Net Position/Fund Balances (Continued)

Business-Type Activities (Continued)

The following calculation supports the Water, Wastewater, and Stormwater Utilities' balance of restricted net position as of December 31, 2022:

	<u>Water</u>	<u>Wastewater</u>	<u>Stormwater</u>
Restricted Assets			
Redemption account	\$ 191,000	\$ 169,000	\$ -
Reserve account	438,305	338,210	-
Connection account	-	363,702	-
Replacement account	-	2,225,412	-
Net Pension Asset	194,345	240,451	83,820
Total Restricted Assets	<u>823,650</u>	<u>3,336,775</u>	<u>83,820</u>
Less: Restricted Assets Not Funded by Revenues			
Reserve from borrowing	(438,305)	(338,210)	-
Less: Current Liabilities Payable From Restricted Assets	(128,480)	(162,885)	-
Total Restricted Net Position as Calculated	<u>\$ 256,865</u>	<u>\$ 2,835,680</u>	<u>\$ 83,820</u>
Restricted for Debt	\$ 62,520	\$ 6,115	\$ -
Restricted for Capital	-	2,589,114	-
Restricted for Pension Asset	194,345	240,451	83,820
	<u>256,865</u>	<u>2,835,680</u>	<u>83,820</u>

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2022

10. Defined Benefit Pension Plan

A. Plan Description

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

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

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

B. Vesting

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

C. Benefits Provided

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

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

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

The WRS also provides death and disability benefits for employees.

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2022

10. Defined Benefit Pension Plan (Continued)

D. Post-Retirement Adjustments

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

Year	Core Fund Adjustment (%)	Variable Fund Adjustment (%)
2012	(7.0)	(7.0)
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

E. Contributions

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

Contribution rates as of December 31, 2022, are:

Employee Category	Employee	Employer
General (including teachers, executives and elected officials)	6.50%	6.50%
Protective with Social Security	6.50%	12.00%
Protective without Social Security	6.50%	16.40%

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2022

10. Defined Benefit Pension Plan (Continued)

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

At December 31, 2022, the City reported a liability (asset) of (\$3,299,552) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2021, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2020, rolled forward to December 31, 2021. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension liability (asset) was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2021, the City's proportion was 0.04093644%, which was a decrease of 0.00045594% from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022, the City recognized pension expense (income) of (\$285,435).

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

At December 31, 2022, 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	\$ 5,330,260	\$ (384,369)
Net differences between projected and actual earnings on pension plan investments	-	(7,381,373)
Changes in assumptions	615,583	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	5,313	(4,397)
Employer contributions subsequent to the measurement date	<u>496,008</u>	<u>-</u>
Total	<u>\$ 6,447,164</u>	<u>\$ (7,770,139)</u>

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2022

10. Defined Benefit Pension Plan (Continued)

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

\$496,008 reported as deferred outflows of resources related to pension resulting from the WRS Member's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31:	Net Deferred Outflows (Inflows) of Resources
2023	\$ (152,937)
2024	(895,330)
2025	(393,825)
2026	(376,891)
2027	-
Total	\$ (1,818,983)

G. Actuarial Assumptions

The total pension liability in the December 31, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2022

10. Defined Benefit Pension Plan (Continued)

G. Actuarial Assumptions (Continued)

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. Based on this experience study, actuarial assumptions used to measure the Total Pension Liability changed from prior year, including the discount rate, long-term expected rate of return, post-retirement adjustment, price inflation, mortality and separation rates. The Total Pension Liability for December 31, 2021 is based upon a roll-forward of the liability calculated from the December 31, 2020 actuarial valuation.

H. Long-Term Expected Return on Plan Assets

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

Asset Allocation Targets and Expected Returns¹
As of December 31, 2021

<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>
Global Equities	52	6.8	4.2
Fixed Income	25	4.3	1.8
Inflation Sensitive Assets	19	2.7	0.2
Real Estate	7	5.6	3.0
Private Equity/Debt	12	9.7	7.0
Total Core Fund ³	115	6.6	4.0
<u>Variable Fund Asset Class</u>			
U.S. Equities	70	6.3	3.7
International Equities	30	7.2	4.6
Total Variable Fund	100	6.8	4.2

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

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

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

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2022

10. Defined Benefit Pension Plan (Continued)

I. Single Discount Rate

A single discount rate of 6.8% was used to measure the Total Pension Liability, as opposed to a discount rate of 7.0% for the prior year. This single discount rate is based on the expected rate of return on pension plan investments of 6.80% and a municipal bond rate of 1.84% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index’s “20-year Municipal GO AA Index” as of December 31, 2021. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax- exempt securities.). Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid.

The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

	1% Decrease to Discount Rate (5.80%)	Current Discount Rate (6.80%)	1% Increase to Discount Rate (7.80%)
City's proportionate share of the net pension liability (asset)	\$ 2,341,266	\$ (3,299,552)	\$ (7,359,892)

K. Pension Plan Fiduciary Net Position

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

L. Allocation of Pension Plan

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

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2022

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

A. Plan Description

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

B. OPEB Plan Fiduciary Net Position

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

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

C. Benefits Provided

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

D. Contributions

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

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

Contribution rates as of December 31, 2022, are:

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

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2022

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

D. Contributions (Continued)

Member contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating members must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The employee contribution rates in effect for the year ended December 31, 2021 are as listed below:

Life Insurance Member Contribution Rates*		
For the year ended December 31, 2021		
Attained Age	Basic	Supplemental
Under 30	\$0.05	\$0.05
30-34	0.06	0.06
35-39	0.07	0.07
40-44	0.08	0.08
45-49	0.12	0.12
50-54	0.22	0.22
55-59	0.39	0.39
60-64	0.49	0.49
65-69	0.57	0.57

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

During the reporting period, the LRLIF recognized \$1,709 in contributions from the employer.

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

At December 31, 2022, the City reported a liability (asset) of \$493,770 for its proportionate share of the net OPEB liability (asset). The net OPEB liability (asset) was measured as of December 31, 2021 and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of January 1, 2021, rolled forward to December 31, 2021. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net OPEB liability (asset) was based on the City's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2021, the City's proportion was 0.0835430%, which was a decrease of 0.003996% from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022, the City recognized OPEB expense of \$54,928.

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2022

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

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

At December 31, 2022 the City reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (25,118)
Net differences between projected and actual earnings on plan investments	6,424	-
Changes in actuarial assumptions	149,185	(23,933)
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,496	(32,738)
Employer contributions subsequent to the measurement date	1,652	-
Totals	\$ 158,757	\$ (81,789)

\$1,652 reported as deferred outflows related to OPEB resulting from the City employer’s contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense(revenue) as follows:

Year Ended December 31:	Net Deferred Outflows (Inflows) of Resources
2023	\$ 17,754
2024	17,008
2025	14,484
2026	21,646
2027	6,696
Thereafter	(2,272)
Total	\$ 75,316

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2022

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

F. Actuarial Assumptions

The total OPEB liability in the January 1, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2021
Measurement Date of Net OPEB Liability (Asset)	December 31, 2021
Experience Study:	January 1, 2018 - December 31, 2020, Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield:	2.06%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	2.17%
Salary Increases	
Wage Inflation:	3.00%
Seniority/Merit:	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. Based on this experience study, actuarial assumptions used to measure the Total OPEB Liability changed from the prior year, including the price inflation, mortality and separation rates. The Total OPEB Liability for December 31, 2021 is based upon a roll-forward of the liability calculated from the January 1, 2021 actuarial valuation.

G. Long-Term Expected Return on Plan Assets

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

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2022

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

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

Local OPEB Life Insurance
Asset Allocation Targets and Expected Returns
As of December 31, 2021

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
US Intermediate Credit Bonds	Bloomberg US Interm Credit	45%	1.68%
US Long Credit Bonds	Bloomberg US Long Credit	5%	1.82%
US Mortgages	Bloomberg US MBS	50%	1.94%
Inflation			2.30%
Long-Term Expected Rate of Return			4.25%

The long-term expected rate of return remained unchanged from the prior year at 4.25%. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The expected inflation rate increased from 2.20% as of December 31, 2020 to 2.30% as of December 31, 2021.

H. Single Discount Rate

A single discount rate of 2.17% was used to measure the Total OPEB Liability for the current year, as opposed to a discount rate of 2.25% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 2.12% as of December 31, 2020 to 2.06% as of December 31, 2021. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive members. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

The projection of cash flows used to determine the single discount rate assumed that employer contributions will be made according to the current employer contribution schedule and that contributions are made by plan members retiring prior to age 65.

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2022

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

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

The following presents the City’s proportionate share of the net OPEB liability (asset) calculated using the discount rate of 2.17 percent, as well as what the City’s proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (1.17 percent) or 1-percentage-point higher (3.17 percent) than the current rate:

	1% Decrease to Discount Rate (1.17%)	Current Discount Rate (2.17%)	1% Increase to Discount Rate (3.17%)
City's proportionate share of the net OPEB liability (asset)	\$ 669,868	\$ 493,770	\$ 361,264

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

A. Plan Description

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

B. Benefits

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

C. Funding Policy

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

D. Employees Covered by Benefit Terms

At December 31, 2021, 66 active employees were eligible for the benefit terms.

E. Total OPEB Liability

The City’s total OPEB liability of \$479,871 was measured at December 31, 2021, and was determined by an actuarial valuation as of December 31, 2021.

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2022

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

F. Actuarial Assumptions and Other Inputs

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

Inflation:	2.0 percent
Salary increases:	3.0 percent, average, including inflation
Discount rate	2.25 percent
Healthcare cost trend rates	Actual first year increase, then 6.4% decreasing by 0.10% per year down to 5.0%, and level thereafter
Retirees' share of benefit-related costs	Retirees are responsible for the full (100%) amount of premiums

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

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

The actuarial assumptions used in the December 31, 2021 valuation were based on a study conducted in 2018 using the Wisconsin Retirement System (WRS) experience from 2015-2017.

G. Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at 12/31/2020	\$ 435,968
Changes for the year:	
Service cost	52,768
Interest	10,189
Benefit payments	(19,054)
Net Changes	43,903
Balance at 12/31/2021	\$ 479,871

There were no changes of benefit terms.

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2022

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

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

The following presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.25 percent) or 1-percentage-point higher (3.25 percent) than the current discount rate:

		1% Decrease 1.25%	Current Discount Rate 2.25%	1% Increase 3.25%
Total OPEB Liability	12/31/2021	\$ 516,456	\$ 479,871	\$ 445,716

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

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

		1% Decrease (Actual first year increase, then 5.4% decreasing to 4.0%)	Healthcare Cost Trend Rates (Actual first year increase, then 6.4% decreasing to 5.0%)	1% Increase (Actual first year increase, then 7.4% decreasing to 6.0%)
Total OPEB Liability	12/31/2021	\$ 431,323	\$ 479,871	\$ 538,355

13. Risk Management

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

14. Joint Venture – Whitewater Fire Department

The City and the Whitewater Volunteer Fire Department (the “Department”) had a mutual understanding regarding the providing of fire and emergency medical services. Through July 2022, the Department provided fire and emergency medical services to the City as well as some rural townships. Effective August 1, the City took over operations of the department. A transfer in of fund balance consisting of the net of receivables and payables took place upon the City taking over. The effect of this was a net transfer in of \$96,420.

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2022

14. Joint Venture – Whitewater Fire Department (Continued)

The Department has been operating as a separate organization. The Department Chief and assistant chiefs are elected by the Fire Department membership. Even though the Department has operated as a separate entity, the City may be liable for actions undertaken by the Department.

The City provided payroll billing and accounting services for the Department. The City’s financial statements do not include financial transactions related to the Department prior to August 1, 2022.

15. Aquatic Center Lease and Operating Agreement

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

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

Under the agreement, the parties will split all Center expenses equally to the extent they are not covered by revenues generated by the Park Board. The City contributed \$178,000 toward the Center costs in 2022 and the District contributed \$165,500 in 2022 for Center costs.

As of December 31, 2022, the aquatic center fund had a deficit of \$425,029.

16. Component Unit

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

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

A. Basis of Accounting/Measurement Focus

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

B. Deposits and Investments

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

	Carrying Value	Bank Balance	Associated Risk
Demand deposits	\$ 1,071,928	\$ 1,018,608	Custodial Credit Risk, Interest Rate risk

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2022

16. Component Unit (Continued)

B. Deposits and Investments (Continued)

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

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

Custodial Credit Risk

Deposits – Custodial credit risk is the risk that in the event of a financial institution failure, the CDA’s deposits may not be returned to the CDA. As of December 31, 2022, the total bank balance of \$1,018,608 was exposed to custodial credit as outlined in Note 2. The City’s and the CDA deposits had FDIC and State Deposit Guarantee Fund insurance as well as collateralized investments held in the bank’s name. None of the City and CDA investments were uninsured and uncollateralized. No breakdown was given between the City and the CDA.

C. Economic Development and Housing Rehabilitation Loans Receivable

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

Loan receivable, net \$1,226,628

D. Capital Assets

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

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2022

16. Component Unit (Continued)

E. Employee Retirement System

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

F. Transfers In

The CDA recorded net transfers recorded from the City of \$167,343.

G. Due to and from City

CDA Program fund owes the City \$3,698 and the Innovation center fund owes the City \$104,803.

H. Leases Receivable

The CDA is a lessor for building space. As of December 31, 2022, the CDA had leases receivable of \$864,231. A schedule of lease repayments to the CDA follows:

Year Ended December 31,	Component Unit	
	Principal	Interest
2023	\$ (133,032)	\$ (32,148)
2024	(141,248)	(26,682)
2025	(101,734)	(21,746)
2026	(105,878)	(17,602)
2027	(112,988)	(13,242)
2028-2031	(269,351)	(17,399)
Total	\$ (864,231)	\$ (128,819)

17. Economic Dependency

One of the City's Water Utility customers provides approximately 25.7% of the water revenue. Another provides 9.4% of water revenue and 15.8% of sewer revenue.

18. Contingencies

From time to time, the City is party to other various pending claims and legal proceedings. Although the outcome of such matters cannot be forecast with certainty, it is the opinion of management that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the City's financial position or results of operations. The City did settle a lawsuit in April 2023 but no provision for liability was necessary since the City's portion was paid by its deductible.

CITY OF WHITEWATER
Notes to the Financial Statements
December 31, 2022

19. Subsequent Events

The City implemented new water rates, as approved by the PSC, effective April 28, 2023.

The City approved agreements between the State and City for approximately \$3.2 million in street repairs to be completed in 2025. The City's portion is to be only approximately \$672,000 with the remaining amounts funded by the State and Federal Government.

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

Governmental Accounting Standards Board (GASB) has adopted GASB Statement No. 96, *Subscription Based Information Technology Arrangements*, effective for periods beginning after June 15, 2022. When this standard becomes effective, application of this standard may restate portions of these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

**City of Whitewater
Whitewater, WI**

**Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (with Budget to GAAP Differences)
General Fund
For the Year Ended December 31, 2022**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Budget to</u>	<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts,</u> <u>Budgetary</u> <u>Basis</u>	<u>GAAP</u> <u>Differences</u>	<u>Amounts,</u> <u>GAAP Basis</u>	<u>Final Budget-</u> <u>Positive</u> <u>(Negative)</u>
REVENUES						
Taxes	\$ 3,154,970	\$ 3,154,970	\$ 3,157,405	\$ -	\$ 3,157,405	\$ 2,435
Other Taxes	267,883	267,883	424,055	-	424,055	156,172
Special Assessment Revenue	1,000	1,000	150	-	150	(850)
Intergovernmental	4,514,205	4,514,205	4,577,962	96,060	4,674,022	63,757
License and Permits	104,974	104,974	89,048	-	89,048	(15,926)
Fines, Forfeits and Penalties	330,356	330,356	296,072	-	296,072	(34,284)
Public Charges for Services	100,635	100,635	87,843	30	87,873	(12,792)
Interest Income	7,500	7,500	181,987	1,542	183,529	174,487
Miscellaneous Income	50,298	50,298	72,431	52,122	124,553	22,133
Total Revenues	<u>8,531,821</u>	<u>8,531,821</u>	<u>8,886,953</u>	<u>149,754</u>	<u>9,036,707</u>	<u>355,132</u>
EXPENDITURES						
Current:						
General Government	1,558,387	1,558,387	1,680,429	77,575	1,758,004	(122,042)
Public Safety	4,145,631	4,145,631	3,847,407	117,474	3,964,881	298,224
Public Works	1,131,525	1,131,525	1,124,300	789,376	1,913,676	7,225
Culture, Recreation and Education	710,404	710,404	602,523	-	602,523	107,881
Capital Outlay	-	-	-	30,090	30,090	-
Debt Service	-	-	-	-	-	-
Interest Expense	-	-	-	33,080	33,080	-
Total Expenditures	<u>7,545,947</u>	<u>7,545,947</u>	<u>7,254,659</u>	<u>1,047,595</u>	<u>8,302,254</u>	<u>291,288</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>985,874</u>	<u>985,874</u>	<u>1,632,294</u>	<u>(897,841)</u>	<u>734,453</u>	<u>646,420</u>
OTHER FINANCING SOURCES (USES)						
Proceeds from Long-Term Debt	-	-	-	1,218,700	1,218,700	-
Premium on Long-Term Debt	-	-	-	38,493	38,493	-
Other financing sources	(117,343)	(117,343)	(117,343)	-	(117,343)	-
Transfers In	443,042	443,042	399,861	25,000	424,861	(43,181)
Transfers Out	(1,311,573)	(1,611,573)	(1,604,917)	682,862	(922,055)	6,656
Total Other Financing Sources and Uses	<u>(985,874)</u>	<u>(1,285,874)</u>	<u>(1,322,399)</u>	<u>1,965,055</u>	<u>642,656</u>	<u>(36,525)</u>
Net Change in Fund Balances	-	(300,000)	309,895	1,067,214	1,377,109	609,895
Fund Balances - Beginning	2,688,073	2,688,073	2,688,073	1,840,953	4,529,026	2,688,073
Fund Balances - Ending	<u>\$ 2,688,073</u>	<u>\$ 2,388,073</u>	<u>\$ 2,997,968</u>	<u>\$ 2,908,167</u>	<u>\$ 5,906,135</u>	<u>\$ 3,297,968</u>

See accompanying notes to the required supplementary information

**CITY OF WHITEWATER
WISCONSIN RETIREMENT SYSTEM SCHEDULES
December 31, 2022**

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

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

**SCHEDULE OF CITY'S CONTRIBUTIONS
FOR THE YEAR ENDED**

Year ended December 31,	Contractually required contributions	Contributions in relation to the contractually required contributions	Contribution deficiency (excess)	Covered-employee payroll	Contributions as a percentage of covered- employee payroll
2022	\$ 496,008	\$ (496,008)	\$ -	\$ 5,835,664	8.50%
2021	\$ 474,842	\$ (474,842)	\$ -	\$ 5,614,968	8.46%
2020	\$ 460,645	\$ (460,645)	\$ -	\$ 5,494,004	8.38%
2019	\$ 434,659	\$ (434,659)	\$ -	\$ 5,512,701	7.88%
2018	\$ 431,432	\$ (431,432)	\$ -	\$ 5,370,806	8.03%
2017	\$ 421,690	\$ (421,690)	\$ -	\$ 5,085,068	8.29%
2016	\$ 385,047	\$ (385,047)	\$ -	\$ 5,008,036	7.69%
2015	\$ 435,190	\$ (435,190)	\$ -	\$ 5,156,137	8.44%

See accompanying notes to the required supplementary information

**CITY OF WHITEWATER
LOCAL RETIREE LIFE INSURANCE FUND SCHEDULES
December 31, 2022**

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

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

**SCHEDULE OF CONTRIBUTIONS
FOR THE YEAR ENDED**

Year ended December 31,	Contractually required contributions	Contributions in relation to the contractually required contributions	Contribution deficiency (excess)	Covered- employee payroll	Contributions as a percentage of covered- employee payroll
2022	\$ 1,652	\$ (1,652)	\$ -	\$ 4,750,431	0.03%
2021	\$ 1,663	\$ (1,663)	\$ -	\$ 4,640,078	0.04%
2020	\$ 1,736	\$ (1,736)	\$ -	\$ 4,514,655	0.04%
2019	\$ 1,668	\$ (1,668)	\$ -	\$ 4,303,000	0.04%
2018	\$ 1,773	\$ (1,773)	\$ -	\$ 4,172,000	0.04%

See accompanying notes to the required supplementary information

CITY OF WHITEWATER
SCHEDULE OF CHANGES IN THE CITY'S TOTAL HEALTH INSURANCE
OPEB LIABILITY AND RELATED RATIOS
December 31, 2022

		<u>2021</u>
Total OPEB Liability		
Service cost	\$	52,768
Interest		10,189
Benefit payments		(19,054)
Net change in total OPEB		<u>43,903</u>
Total OPEB Liability - Beginning		<u>435,968</u>
Total OPEB Liability - Ending	\$	<u><u>479,871</u></u>
 Covered Employee Payroll	 \$	 6,005,020
 Total OPEB Liability as a Percentage of Covered-Employee Payroll		 7.99%

See accompanying notes to the required supplementary information.

CITY OF WHITEWATER
Notes to the Required Supplementary Information
December 31, 2022

1. Budgetary Information

Budgets

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

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

Excess Expenditures over Appropriations

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

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

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final budget
	<u>Original</u>	<u>Final</u>		
General Government	1,558,387	1,558,387	1,680,429	(122,042)

Revenues were sufficient to cover the expenditures.

CITY OF WHITEWATER
Notes to the Required Supplementary Information
December 31, 2022

2. Wisconsin Retirement System Schedules

Governmental Accounting Standards Board Statement No. 68 requirements have been implemented prospectively, therefore, the illustrations do not present similar information for the 2 preceding years.

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

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

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

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

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

CITY OF WHITEWATER
Notes to the Required Supplementary Information
December 31, 2022

2. Wisconsin Retirement System Schedules (Continued)

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

	2021	2020	2019	2018	2017
Valuation Date:	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015
Actuarial Cost Method:	Frozen Entry Age				
Amortization Method:	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)				
Actuarial Assumptions					
Net Investment Rate of Return:	5.4%	5.4%	5.5%	5.5%	5.5%
Weighted based on assumed rate for:					
Pre-retirement:	7.0%	7.0%	7.2%	7.2%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increases					
Wage Inflation:	3.0%	3.0%	3.2%	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*:	1.9%	1.9%	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 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.	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 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%).	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 WHITEWATER
Notes to the Required Supplementary Information
December 31, 2022

2. Wisconsin Retirement System Schedules (Continued)

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

	2016	2015	2014	2013
Valuation Date:	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
Amortization Method:	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
Asset Valuation Method:	Five Year Smoothed Market (Closed)			
Actuarial Assumptions				
Net Investment Rate of Return:	5.5%	5.5%	5.5%	5.5%
assumed rate for:				
Pre-retirement:	7.2%	7.2%	7.2%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%
Salary Increases				
Wage Inflation:	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%
Post-retirement Benefit Adjustments*:	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 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 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 WHITEWATER
Notes to the Required Supplementary Information
December 31, 2022

3. Local Retiree Life Insurance Fund Schedules

Governmental Accounting Standards Board Statement No. 75 requirements have been implemented prospectively, therefore, the illustrations do not present similar information for the 5 preceding years.

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

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

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

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

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

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

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

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

Governmental Accounting Standards Board Statement No. 75 requirements have been implemented prospectively, therefore, the illustrations do not present similar information for the 9 preceding years.

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

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

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

OTHER SUPPLEMENTAL INFORMATION

**City of Whitewater
Whitewater, WI
Balance Sheet
Combining General Fund
December 31, 2022**

	<u>General Fund</u>	<u>27th Payroll</u>	<u>Fire Dept. Equipment Fund</u>	<u>DPW Equipment Revolving Fund</u>	<u>Police Vehicle Revolving Fund</u>	<u>Building Repair Fund</u>	<u>Skate Park Fund</u>	<u>Solid Waste Recycling Fund</u>	<u>Sick Leave Severance Fund</u>	<u>Lakes Improvement Fund</u>	<u>Street Repair Rev. Fund</u>	<u>Insurance Reserve</u>	<u>Elections Fund</u>	<u>Total General Fund</u>
ASSETS														
Cash and Cash Equivalents	\$ 4,477,403	\$ 75,848	\$ 1,711,417	\$ 246,333	\$ 42,613	\$ 44,719	\$ 5,433	\$ 17,890	\$ 85,000	\$ 475	\$ 595,938	\$ 144,627	\$ 11,908	\$ 7,459,604
Receivables:														
Taxes	3,793,344	-	-	-	-	-	-	-	-	-	-	-	-	3,793,344
Delinquent Personal Property Taxes	7,468	-	-	-	-	-	-	-	-	-	-	-	-	7,468
Special Assessments	26,793	-	-	-	-	-	-	-	-	-	-	-	-	26,793
Leases	43,238	-	-	-	-	-	-	-	-	-	-	-	-	43,238
Other	176,453	-	-	-	-	-	-	-	-	-	-	-	-	176,453
Due from other Governments	4,653	-	-	-	-	-	-	-	-	-	-	-	-	4,653
Due from CDA	108,501	-	-	-	-	-	-	-	-	-	-	-	-	108,501
Due from Other Funds	103,444	-	-	-	-	-	-	-	-	-	-	-	-	103,444
Prepaid Expenses	54,950	-	-	-	-	-	-	-	-	-	-	-	-	54,950
Advances receivable	555,986	-	-	-	-	-	-	-	-	-	-	-	-	555,986
Total Assets	<u>\$ 9,352,233</u>	<u>\$ 75,848</u>	<u>\$ 1,711,417</u>	<u>\$ 246,333</u>	<u>\$ 42,613</u>	<u>\$ 44,719</u>	<u>\$ 5,433</u>	<u>\$ 17,890</u>	<u>\$ 85,000</u>	<u>\$ 475</u>	<u>\$ 595,938</u>	<u>\$ 144,627</u>	<u>\$ 11,908</u>	<u>\$ 12,334,434</u>
LIABILITIES														
Liabilities:														
Accounts Payable	\$ 188,929	\$ -	\$ -	\$ -	\$ 42,613	\$ -	\$ -	\$ 752	\$ -	\$ -	\$ 4,839	\$ -	\$ 1,159	\$ 238,292
Accrued Liabilities	346,802	-	-	-	-	-	-	-	-	-	-	-	333	347,135
Due to Other Funds	7,300	-	-	-	3,073	-	-	-	-	-	-	-	-	10,373
Payable to Other Governments	682	-	-	-	-	-	-	-	-	-	-	-	-	682
Refundable Advance	-	-	21,264	-	-	-	-	-	-	-	-	-	-	21,264
Total Liabilities	<u>543,713</u>	<u>-</u>	<u>21,264</u>	<u>-</u>	<u>45,686</u>	<u>-</u>	<u>-</u>	<u>752</u>	<u>-</u>	<u>-</u>	<u>4,839</u>	<u>-</u>	<u>1,492</u>	<u>617,746</u>
DEFERRED INFLOWS OF RESOURCES	<u>5,810,553</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,810,553</u>
FUND BALANCE														
Nonspendable	618,404	-	-	-	-	-	-	-	-	-	-	-	-	618,404
Assigned	-	-	1,690,153	246,333	-	44,719	5,433	17,138	85,000	475	591,099	144,627	10,416	2,835,393
Unassigned	2,379,563	75,848	-	-	(3,073)	-	-	-	-	-	-	-	-	2,452,338
Total Fund Balance	<u>2,997,967</u>	<u>75,848</u>	<u>1,690,153</u>	<u>246,333</u>	<u>(3,073)</u>	<u>44,719</u>	<u>5,433</u>	<u>17,138</u>	<u>85,000</u>	<u>475</u>	<u>591,099</u>	<u>144,627</u>	<u>10,416</u>	<u>5,906,135</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 9,352,233</u>	<u>\$ 75,848</u>	<u>\$ 1,711,417</u>	<u>\$ 246,333</u>	<u>\$ 42,613</u>	<u>\$ 44,719</u>	<u>\$ 5,433</u>	<u>\$ 17,890</u>	<u>\$ 85,000</u>	<u>\$ 475</u>	<u>\$ 595,938</u>	<u>\$ 144,627</u>	<u>\$ 11,908</u>	<u>\$ 12,334,434</u>

**City of Whitewater
Whitewater, WI**

**Statement of Revenues, Expenditures and Changes in
Fund Balances Combining General Fund
For the Year Ended December 31, 2022**

	<u>General Fund</u>	<u>27th Payroll</u>	<u>Fire Dept. Equipment Fund</u>	<u>DPW Equipment Revolving Fund</u>	<u>Police Vehicle Revolving Fund</u>	<u>Building Repair Fund</u>	<u>Skate Park Fund</u>	<u>Solid Waste Recycling Fund</u>	<u>Sick Leave Severance Fund</u>	<u>Lakes Improvement Fund</u>	<u>Street Repair Rev. Fund</u>	<u>Insurance Reserve</u>	<u>Elections Fund</u>	<u>Total General Fund</u>
REVENUES														
Property Taxes	\$ 3,157,405	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,157,405
Other Taxes	424,055	-	-	-	-	-	-	-	-	-	-	-	-	424,055
Special Assessment Revenue	150	-	-	-	-	-	-	-	-	-	-	-	-	150
Intergovernmental	4,577,962	-	64,296	-	-	-	-	31,764	-	-	-	-	-	4,674,022
License and Permits	89,048	-	-	-	-	-	-	-	-	-	-	-	-	89,048
Fines, Forfeits and Penalties	296,072	-	-	-	-	-	-	-	-	-	-	-	-	296,072
Public Charges for Services	87,843	-	-	-	-	-	-	30	-	-	-	-	-	87,873
Interest Income	181,987	64	163	82	-	-	-	-	-	-	1,233	-	-	183,529
Miscellaneous Income	72,431	-	52,122	-	-	-	-	-	-	-	-	-	-	124,553
Total Revenues	8,886,953	64	116,581	82	-	-	-	31,794	-	-	1,233	-	-	9,036,707
EXPENDITURES														
Current:														
General Government	1,680,429	-	-	-	-	-	-	-	40,593	-	-	-	36,982	1,758,004
Public Safety	3,847,407	-	62,453	-	55,021	-	-	-	-	-	-	-	-	3,964,881
Public Works	1,124,300	-	-	-	-	-	-	480,493	-	-	308,883	-	-	1,913,676
Culture, Recreation and Education	602,523	-	-	-	-	-	-	-	-	-	-	-	-	602,523
Capital Outlay	-	-	-	30,090	-	-	-	-	-	-	-	-	-	30,090
Interest Expense	-	-	33,080	-	-	-	-	-	-	-	-	-	-	33,080
Total Expenditures	7,254,659	-	95,533	30,090	55,021	-	-	480,493	40,593	-	308,883	-	36,982	8,302,254
Excess (Deficiency) of Revenues Over Expenditures	1,632,294	64	21,048	(30,008)	(55,021)	-	-	(448,699)	(40,593)	-	(307,650)	-	(36,982)	734,453
OTHER FINANCING SOURCES (USES)														
Proceeds from Long-Term Debt	-	-	1,089,600	129,100	-	-	-	-	-	-	-	-	-	1,218,700
Premium on debt	-	-	38,493	-	-	-	-	-	-	-	-	-	-	38,493
Transfer (to) from CDA	(117,343)	-	-	-	-	-	-	-	-	-	-	-	-	(117,343)
Transfers In	399,861	-	-	25,000	-	-	-	-	-	-	-	-	-	424,861
Transfers Out	(1,604,917)	-	-	-	21,730	25,000	-	406,853	18,888	-	176,965	-	33,426	(922,055)
Total Other Financing Sources and Uses	(1,322,399)	-	1,128,093	154,100	21,730	25,000	-	406,853	18,888	-	176,965	-	33,426	642,656
Net Change in Fund Balances	309,895	64	1,149,141	124,092	(33,291)	25,000	-	(41,846)	(21,705)	-	(130,685)	-	(3,556)	1,377,109
Fund Balances (Deficit) - Beginning	2,688,072	75,784	541,012	122,241	30,218	19,719	5,433	58,984	106,705	475	721,784	144,627	13,972	4,529,026
Fund Balances - Ending	\$ 2,997,967	75,848	\$ 1,690,153	\$ 246,333	\$ (3,073)	\$ 44,719	\$ 5,433	\$ 17,138	\$ 85,000	\$ 475	\$ 591,099	\$ 144,627	\$ 10,416	\$ 5,906,135

**City of Whitewater
Whitewater, WI**

**Balance Sheet
Non-Major Governmental Funds
December 31, 2022**

	Non-Major Special Revenue Funds	Non-Major Capital Projects Funds	Non-Major Governmental Funds
ASSETS			
Cash and Cash Equivalents	\$ 1,211,027	\$ 28,591	\$ 1,239,618
Receivables:			
Taxes	-	82,795	82,795
Accounts	221,265	-	221,265
Due from Other Funds	4,779	-	4,779
Due from Other Governments	82,750	-	82,750
Total Assets	\$ 1,519,821	\$ 111,386	\$ 1,631,207
 LIABILITIES			
Accounts Payable	\$ 85,250	\$ -	\$ 85,250
Accrued Liabilities	86,398	-	86,398
Due to Other Funds	38,932	55,640	94,572
Advances Payable	555,986	-	555,986
Total Liabilities	766,566	55,640	822,206
 DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows	115,800	111,386	227,186
 FUND BALANCE			
Restricted	1,146,553	-	1,146,553
Unassigned (Deficit)	(509,098)	(55,640)	(564,738)
Total Fund Balance	637,455	(55,640)	581,815
Total Liabilities, Deferred Inflows and Fund Balance	\$ 1,519,821	\$ 111,386	\$ 1,631,207

**City of Whitewater
Whitewater, WI**

**Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended December 31, 2022**

	Non-Major Special Revenue Funds	Non-Major Capital Project Funds	Non-Major Governmental Funds
REVENUES			
Intergovernmental	\$ 516,313	\$ -	\$ 516,313
Public Charges for Services	986,288	-	986,288
Intergovernmental Charges for Services	268	-	268
Interest Income	3,890	8,668	12,558
Miscellaneous Income	121,411	-	121,411
Total Revenues	<u>1,628,170</u>	<u>8,668</u>	<u>1,636,838</u>
EXPENDITURES			
Current:			
Public Safety	748,322	-	748,322
Public Works	112,860	-	112,860
Culture, Recreation and Education	1,811,622	-	1,811,622
Conservation and Development	14,347	201,441	215,788
Capital Outlay	34,204	-	34,204
Debt Service			
Interest Expense	-	6,367	6,367
Total Expenditures	<u>2,721,355</u>	<u>207,808</u>	<u>2,929,163</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,093,185)</u>	<u>(199,140)</u>	<u>(1,292,325)</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from Long-Term Debt	-	205,000	205,000
Transfers In	875,064	-	875,064
Transfers Out	(55,455)	-	(55,455)
Total Other Financing Sources and Uses	<u>819,609</u>	<u>205,000</u>	<u>1,024,609</u>
SPECIAL ITEM			
Beginning transfer in from Fire and EMS	96,420	-	96,420
Net Change in Fund Balances	(177,156)	5,860	(171,296)
Fund Balances - Beginning	814,611	(61,500)	753,111
Fund Balances - Ending	<u>\$ 637,455</u>	<u>\$ (55,640)</u>	<u>\$ 581,815</u>

**City of Whitewater
Whitewater, WI**

**Combining Balance Sheet
Non-Major Special Revenue Funds
December 31, 2022**

	<u>Cable TV Fund</u>	<u>Library Special Revenue Fund</u>	<u>Taxicab Grant Program Fund</u>	<u>Parkland Acquisition Fund</u>	<u>Parkland Development Fund</u>	<u>Forestry Fund</u>	<u>Rescue Squad Equipment/ Educ. Fund</u>
ASSETS							
Cash and Cash Equivalents	\$ 50,325	\$ 570,956	\$ 99,703	\$ 53,169	\$ 13,567	\$ 15,802	\$ 140,004
Receivables:							
Accounts	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	-
Due from Other Governments	-	-	-	-	-	-	-
Total Assets	<u>\$ 50,325</u>	<u>\$ 570,956</u>	<u>\$ 99,703</u>	<u>\$ 53,169</u>	<u>\$ 13,567</u>	<u>\$ 15,802</u>	<u>\$ 140,004</u>
LIABILITIES							
Liabilities:							
Accounts Payable	\$ 1,457	\$ 14,937	\$ 6,341	\$ -	\$ 654	\$ -	\$ -
Accrued Liabilities	994	19,582	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-	-
Total Liabilities	<u>2,451</u>	<u>34,519</u>	<u>6,341</u>	<u>-</u>	<u>654</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES							
Deferred Inflows	-	-	-	-	-	-	-
FUND BALANCE							
Restricted	47,874	536,437	93,362	53,169	12,913	15,802	140,004
Unassigned (Deficit)	-	-	-	-	-	-	-
Total Fund Balance	<u>47,874</u>	<u>536,437</u>	<u>93,362</u>	<u>53,169</u>	<u>12,913</u>	<u>15,802</u>	<u>140,004</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 50,325</u>	<u>\$ 570,956</u>	<u>\$ 99,703</u>	<u>\$ 53,169</u>	<u>\$ 13,567</u>	<u>\$ 15,802</u>	<u>\$ 140,004</u>

**City of Whitewater
Whitewater, WI**

**Combining Balance Sheet
Non-Major Special Revenue Funds
December 31, 2022**

	<u>Parking Permit Fund</u>	<u>Police Dept. Trust Fund</u>	<u>Parks and Recreation Fund</u>	<u>Field of Dreams Fund</u>	<u>Aquatic Center Fund</u>	<u>Fire and EMS Fund</u>	<u>Non-Major Special Revenue Funds</u>
ASSETS							
Cash and Cash Equivalents	\$ 75,324	\$ 78,719	\$ 47,727	\$ 65,731	\$ -	\$ -	\$ 1,211,027
Receivables:							
Accounts	-	-	-	-	-	221,265	221,265
Due from Other Funds	-	4,779	-	-	-	-	4,779
Due from Other Governments	-	-	-	-	82,750	-	82,750
Total Assets	<u>\$ 75,324</u>	<u>\$ 83,498</u>	<u>\$ 47,727</u>	<u>\$ 65,731</u>	<u>\$ 82,750</u>	<u>\$ 221,265</u>	<u>\$ 1,519,821</u>
LIABILITIES							
Liabilities:							
Accounts Payable	\$ 250	\$ -	\$ 15,038	\$ -	\$ 31,006	\$ 15,567	\$ 85,250
Accrued Liabilities	-	-	1,000	-	12,813	52,009	86,398
Due to Other Funds	-	-	-	-	38,932	-	38,932
Advances Payable	-	-	-	-	425,028	130,958	555,986
Total Liabilities	<u>250</u>	<u>-</u>	<u>16,038</u>	<u>-</u>	<u>507,779</u>	<u>198,534</u>	<u>766,566</u>
DEFERRED INFLOWS OF RESOURCES							
Deferred Inflows	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,000</u>	<u>-</u>	<u>106,800</u>	<u>115,800</u>
FUND BALANCE (DEFICIT)							
Restricted	75,074	83,498	31,689	56,731	-	-	1,146,553
Unassigned (Deficit)	-	-	-	-	(425,029)	(84,069)	(509,098)
Total Fund Balance (Deficit)	<u>75,074</u>	<u>83,498</u>	<u>31,689</u>	<u>56,731</u>	<u>(425,029)</u>	<u>(84,069)</u>	<u>637,455</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 75,324</u>	<u>\$ 83,498</u>	<u>\$ 47,727</u>	<u>\$ 65,731</u>	<u>\$ 82,750</u>	<u>\$ 221,265</u>	<u>\$ 1,519,821</u>

**City of Whitewater
Whitewater, WI**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Special Revenue Funds
For the Year Ended December 31, 2022**

	<u>Cable TV Fund</u>	<u>Library Special Revenue Fund</u>	<u>Taxicab Grant Program Fund</u>	<u>Parkland Acquisition Fund</u>	<u>Parkland Development Fund</u>	<u>Forestry Fund</u>	<u>Rescue Squad Equipment/ Educ. Fund</u>
REVENUES							
Intergovernmental	\$ -	\$ 213,740	\$ 130,127	\$ -	\$ -	\$ -	\$ -
Public Charges for Services	78,684	7,048	-	-	-	-	-
Intergovernmental Charges for Services	-	-	-	-	-	-	268
Interest Income	137	2,091	-	-	-	4	811
Miscellaneous Income	18,209	34,958	-	-	26,881	3,750	-
Total Revenues	<u>97,030</u>	<u>257,837</u>	<u>130,127</u>	<u>-</u>	<u>26,881</u>	<u>3,754</u>	<u>1,079</u>
EXPENDITURES							
Current:							
Public Safety	-	-	-	-	-	-	7,259
Public Works	-	-	112,860	-	-	-	-
Culture, Recreation and Education	106,048	812,888	-	-	19,772	-	-
Conservation and Development	-	-	-	-	-	14,347	-
Capital Outlay	-	2,657	-	-	26,465	-	-
Total Expenditures	<u>106,048</u>	<u>815,545</u>	<u>112,860</u>	<u>-</u>	<u>46,237</u>	<u>14,347</u>	<u>7,259</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(9,018)</u>	<u>(557,708)</u>	<u>17,267</u>	<u>-</u>	<u>(19,356)</u>	<u>(10,593)</u>	<u>(6,180)</u>
OTHER FINANCING SOURCES (USES)							
Transfers In	-	485,000	-	-	-	7,500	-
Transfers Out	-	-	-	-	(533)	-	-
Total Other Financing Sources and Uses	<u>-</u>	<u>485,000</u>	<u>-</u>	<u>-</u>	<u>(533)</u>	<u>7,500</u>	<u>-</u>
SPECIAL ITEM							
Beginning transfer in from Fire and EMS	-	-	-	-	-	-	-
Net Change in Fund Balances	(9,018)	(72,708)	17,267	-	(19,889)	(3,093)	(6,180)
Fund Balances - Beginning	56,892	609,145	76,095	53,169	32,802	18,895	146,184
Fund Balances - Ending	<u>\$ 47,874</u>	<u>\$ 536,437</u>	<u>\$ 93,362</u>	<u>\$ 53,169</u>	<u>\$ 12,913</u>	<u>\$ 15,802</u>	<u>\$ 140,004</u>

City of Whitewater
Whitewater, WI

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Special Revenue Funds
For the Year Ended December 31, 2022**

	Parking Permit Fund	Police Dept. Trust Fund	Parks and Recreation Fund	Field of Dreams Fund	Aquatic Center Fund	Fire and EMS Fund	Non-Major Special Revenue Funds
REVENUES							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 165,500	\$ 6,946	\$ 516,313
Public Charges for Services	35,160	-	188,629	-	342,636	334,131	986,288
Intergovernmental Charges for Services	-	-	-	-	-	-	268
Interest Income	83	42	-	-	722	-	3,890
Miscellaneous Income	-	6,426	3,611	20,510	2,500	4,566	121,411
Total Revenues	<u>35,243</u>	<u>6,468</u>	<u>192,240</u>	<u>20,510</u>	<u>511,358</u>	<u>345,643</u>	<u>1,628,170</u>
EXPENDITURES							
Current:							
Public Safety	4,122	16,327	-	-	-	720,614	748,322
Public Works	-	-	-	-	-	-	112,860
Culture, Recreation and Education	-	-	152,793	19,162	700,959	-	1,811,622
Conservation and Development	-	-	-	-	-	-	14,347
Capital Outlay	-	-	-	-	-	5,082	34,204
Total Expenditures	<u>4,122</u>	<u>16,327</u>	<u>152,793</u>	<u>19,162</u>	<u>700,959</u>	<u>725,696</u>	<u>2,721,355</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>31,121</u>	<u>(9,859)</u>	<u>39,447</u>	<u>1,348</u>	<u>(189,601)</u>	<u>(380,053)</u>	<u>(1,093,185)</u>
OTHER FINANCING SOURCES (USES)							
Transfers In	-	5,000	-	-	178,000	199,564	875,064
Transfers Out	(35,000)	-	(14,922)	(5,000)	-	-	(55,455)
Total Other Financing Sources and Uses	<u>(35,000)</u>	<u>5,000</u>	<u>(14,922)</u>	<u>(5,000)</u>	<u>178,000</u>	<u>199,564</u>	<u>819,609</u>
SPECIAL ITEM							
Beginning transfer in from Fire and EMS	-	-	-	-	-	96,420	96,420
Net Change in Fund Balances	(3,879)	(4,859)	24,525	(3,652)	(11,601)	(84,069)	(177,156)
Fund Balances - Beginning	78,953	88,357	7,164	60,383	(413,428)	-	814,611
Fund Balances (Deficit) - Ending	<u>\$ 75,074</u>	<u>\$ 83,498</u>	<u>\$ 31,689</u>	<u>\$ 56,731</u>	<u>\$ (425,029)</u>	<u>\$ (84,069)</u>	<u>\$ 637,455</u>

**City of Whitewater
Whitewater, WI**

**Combining Balance Sheet
Non-Major Capital Project Funds
December 31, 2022**

	TIF 10	TIF 11	TIF 12	TIF 13	TIF 14	Non-Major Capital Project Funds
ASSETS						
Cash and Cash Equivalents	\$ 1,156	\$ 6,875	\$ 3,296	\$ 1,462	\$ 15,802	\$ 28,591
Receivables:						
Taxes	3,347	19,909	9,546	4,232	45,761	82,795
Total Assets	\$ 4,503	\$ 26,784	\$ 12,842	\$ 5,694	\$ 61,563	\$ 111,386
 LIABILITIES						
Due to Other Funds	\$ 18,948	\$ 10,998	\$ 3,698	\$ 10,998	\$ 10,998	\$ 55,640
Total Liabilities	18,948	10,998	3,698	10,998	10,998	55,640
 DEFERRED INFLOWS OF RESOURCES						
Tax Apportionment	4,503	26,784	12,842	5,694	61,563	111,386
 FUND BALANCE (DEFICIT)						
Unassigned (Deficit)	(18,948)	(10,998)	(3,698)	(10,998)	(10,998)	(55,640)
Total Fund Balance (Deficit)	(18,948)	(10,998)	(3,698)	(10,998)	(10,998)	(55,640)
Total Liabilities, Deferred Inflows and Fund Balance	\$ 4,503	\$ 26,784	\$ 12,842	\$ 5,694	\$ 61,563	\$ 111,386

**City of Whitewater
Whitewater, WI**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Capital Project Funds
For the Year Ended December 31, 2022**

	<u>TIF 10</u>	<u>TIF 11</u>	<u>TIF 12</u>	<u>TIF 13</u>	<u>TIF 14</u>	<u>Non-Major Capital Projects Funds</u>
REVENUES						
Interest Income	\$ -	\$ -	\$ 8,668	\$ -	\$ -	\$ 8,668
Total Revenues	<u>-</u>	<u>-</u>	<u>8,668</u>	<u>-</u>	<u>-</u>	<u>8,668</u>
EXPENDITURES						
Current:						
Conservation and Development	288	288	200,289	288	288	201,441
Interest Expense	-	-	6,367	-	-	6,367
Total Expenditures	<u>288</u>	<u>288</u>	<u>206,656</u>	<u>288</u>	<u>288</u>	<u>207,808</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(288)</u>	<u>(288)</u>	<u>(197,988)</u>	<u>(288)</u>	<u>(288)</u>	<u>(199,140)</u>
OTHER FINANCING SOURCES (USES)						
Proceeds from Long-Term Debt	-	-	205,000	-	-	205,000
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>205,000</u>	<u>-</u>	<u>-</u>	<u>205,000</u>
Net Change in Fund Balances	(288)	(288)	7,012	(288)	(288)	5,860
Fund Balances (Deficit) - Beginning	<u>(18,660)</u>	<u>(10,710)</u>	<u>(10,710)</u>	<u>(10,710)</u>	<u>(10,710)</u>	<u>(61,500)</u>
Fund Balances (Deficit) - Ending	<u>\$ (18,948)</u>	<u>\$ (10,998)</u>	<u>\$ (3,698)</u>	<u>\$ (10,998)</u>	<u>\$ (10,998)</u>	<u>\$ (55,640)</u>

**City of Whitewater
Whitewater, WI
Combining Statement of Net Position
Component Unit
December 31, 2022**

	Community Development Authority (Operating)	Community Development Authority (Program)	Innovation Center	Total
ASSETS				
Current Assets:				
Cash and Investments	\$ 47,001	\$ 1,010,376	\$ 14,551	\$ 1,071,928
Receivables				
Lease-current portion	-	-	133,032	133,032
Other	-	-	2,881	2,881
Total Current Assets	<u>47,001</u>	<u>1,010,376</u>	<u>150,464</u>	<u>1,207,841</u>
Noncurrent Assets:				
Restricted Assets				
Other Assets				
Net Pension Asset	15,657	-	-	15,657
Lease Receivable - Long-term	-	-	731,199	731,199
Loans Receivable	-	1,226,628	-	1,226,628
Capital Assets				
Land, Improvements and Construction in Progress	-	275,172	-	275,172
Other Capital Assets, Net of Depreciation	-	4,667,425	-	4,667,425
Total Capital Assets	<u>-</u>	<u>4,942,597</u>	<u>-</u>	<u>4,942,597</u>
Total Noncurrent Assets	<u>15,657</u>	<u>7,021,091</u>	<u>731,199</u>	<u>7,767,947</u>
Total Assets	<u>62,658</u>	<u>8,031,467</u>	<u>881,663</u>	<u>8,975,788</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Pension Outflows	30,593	-	-	30,593
Total Deferred Outflows of Resources	<u>30,593</u>	<u>-</u>	<u>-</u>	<u>30,593</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 93,251</u>	<u>\$ 8,031,467</u>	<u>\$ 881,663</u>	<u>\$ 9,006,381</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable and Accrued Expenses	\$ 2,432	\$ -	\$ 14,550	\$ 16,982
Due to City General Fund	-	3,698	104,803	108,501
Total Current Liabilities	<u>2,432</u>	<u>3,698</u>	<u>119,353</u>	<u>125,483</u>
Total Liabilities	<u>2,432</u>	<u>3,698</u>	<u>119,353</u>	<u>125,483</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Pension Inflows	36,871	-	-	36,871
Deferred Inflows - Advances	-	851,866	-	851,866
Deferred Lease Inflows	-	-	847,399	847,399
Total Deferred Inflows of Resources	<u>36,871</u>	<u>851,866</u>	<u>847,399</u>	<u>1,736,136</u>
NET POSITION				
Net Investment in Capital Assets	-	4,667,425	-	4,667,425
Restricted	-	2,508,478	-	2,508,478
Unrestricted	53,948	-	(85,089)	(31,141)
Total Net Position	<u>53,948</u>	<u>7,175,903</u>	<u>(85,089)</u>	<u>7,144,762</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 93,251</u>	<u>\$ 8,031,467</u>	<u>\$ 881,663</u>	<u>\$ 9,006,381</u>

**City of Whitewater
Whitewater, WI**

Combining Statement of Revenues, Expenses and Changes in Net Position

**Component Unit
For the Year Ended December 31, 2022**

	Community Development Authority (Operating)	Community Development Authority (Program)	Innovation Center	Total
Operating Revenues	\$ -	\$ 14,876	\$ 204,182	\$ 219,058
Operating Expenses				
Operating Expenses	122,277	511,731	238,754	872,762
Depreciation	-	124,800	-	124,800
Total Operating Expenses	<u>122,277</u>	<u>636,531</u>	<u>238,754</u>	<u>997,562</u>
Operating Income (Loss)	<u>(122,277)</u>	<u>(621,655)</u>	<u>(34,572)</u>	<u>(778,504)</u>
Non-Operating Revenues (Expenses)				
Investment Income	-	25,683	36,930	62,613
Miscellaneous	-	2,770	22,225	24,995
Total Non Operating Revenues	<u>-</u>	<u>28,453</u>	<u>59,155</u>	<u>87,608</u>
Transfer In from City	167,343	-	-	167,343
Transfer In (Out) from Other CDA Funds	-	40,550	(40,550)	-
Gain on land sale	<u>-</u>	<u>258,223</u>	<u>-</u>	<u>258,223</u>
Change in Net Position	45,066	(294,429)	(15,967)	(265,330)
Total Net Position - Beginning	<u>8,882</u>	<u>7,470,332</u>	<u>(69,122)</u>	<u>7,410,092</u>
Capital Asset Proceeds				
Tr Total Net Position - Ending	<u>\$ 53,948</u>	<u>\$ 7,175,903</u>	<u>\$ (85,089)</u>	<u>\$ 7,144,762</u>

**City of Whitewater
Whitewater, WI**

**Combining Statement of Cash Flows
Component Unit
For the Year Ended December 31, 2022**

	Community Development Authority (Operating)	Community Development Authority (Program)	Innovation Center	Total
Cash Flows From Operating Activities				
Received from customers	\$ -	\$ 14,876	\$ 204,182	\$ 219,058
Loans repaid	-	22,132	-	22,132
New loans issued	-	-	-	-
Paid to suppliers for goods and services	(123,267)	(456,510)	(194,955)	(774,732)
Net cash flows from operating activities	<u>(123,267)</u>	<u>(419,502)</u>	<u>9,227</u>	<u>(533,542)</u>
Cash Flows From Investing Activities				
Investment income	-	25,683	36,930	62,613
Net cash flows from investing activities	<u>-</u>	<u>25,683</u>	<u>36,930</u>	<u>62,613</u>
Cash Flows From Capital Related Financing Activities				
Acquisition and construction of capital assets	-	(40,550)		(40,550)
Proceeds from sale of capital assets held for resale	-	336,531	-	336,531
Net cash flow from noncapital financing activities	<u>-</u>	<u>295,981</u>	<u>-</u>	<u>295,981</u>
Cash Flows From Non-Capital Financing Activities				
Transfers in from City	167,343	-	-	167,343
Capital Asset Proceeds	-	258,223	-	258,223
Transfers to-from CDA	-	40,550	(40,550)	
Net cash flow from noncapital financing activities	<u>167,343</u>	<u>298,773</u>	<u>(40,550)</u>	<u>425,566</u>
Net increase (decrease) in cash and cash equivalents	44,076	200,935	5,607	250,618
Cash And Cash Equivalents - Beginning Of Year	<u>2,925</u>	<u>809,441</u>	<u>8,944</u>	<u>821,310</u>
Cash And Cash Equivalents - End Of Year	<u>\$ 47,001</u>	<u>\$ 1,010,376</u>	<u>\$ 14,551</u>	<u>\$ 1,071,928</u>
Reconciliation Of Operating Income (Loss) To Net Cash Flows From Operating Activities				
Operating income (loss)	\$ (122,277)	\$ (621,655)	\$ (34,572)	\$ (778,504)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities				
Miscellaneous	-	2,770	22,225	24,995
Noncash items included in income (loss)				
Depreciation	-	124,800	-	124,800
Pension expense	3,478	-	-	3,478
Leases			(16,832)	(16,832)
Change in Assets and Liabilities				
Receivables	-	-	(2,881)	(2,881)
Loans receivable	-	22,132	-	22,132
Due from other funds	(1,496)	-	-	(1,496)
Due to primary government	-	52,451	35,680	88,131
Accounts payable and accrued expenses	(2,972)	-	5,607	2,635
Net Cash Flows From Operating Activities	<u>\$ (123,267)</u>	<u>\$ (419,502)</u>	<u>\$ 9,227</u>	<u>\$ (533,542)</u>

OTHER INFORMATION

**City of Whitewater
Whitewater, WI**

**Schedule of Long-Term Debt Principal Payments - Governmental Activities
December 31, 2022**

Year	Totals	2012	2014	2018	2019	2020	2022	2022
		General Obligation Refunding Bonds	Taxable General Obligation Bonds	Taxable General Obligation Bonds	Taxable General Obligation Notes	Taxable General Obligation Bonds	Taxable General Obligation Bonds	Taxable General Obligation Notes
2023	\$ 862,060	\$ 280,000	\$ 150,000	\$ 120,000	\$ 87,675	\$ 170,000	\$ 5,000	\$ 49,385
2024	975,600	290,000	155,000	110,000	64,050	170,000	135,000	51,550
2025	956,406	295,000	285,000	-	57,750	175,000	90,000	53,656
2026	933,568	300,000	385,000	-	57,750	40,000	95,000	55,818
2027	960,817	305,000	400,000	-	57,750	40,000	100,000	58,067
2028	899,526	315,000	160,000	210,000	57,750	40,000	110,000	6,776
2029	914,803	325,000	160,000	210,000	57,750	45,000	110,000	7,053
2030	902,338	335,000	-	210,000	-	45,000	305,000	7,338
2031	912,633	345,000	-	210,000	-	45,000	305,000	7,633
2032	557,223	-	-	210,000	-	45,000	295,000	7,223
2033	550,000	-	-	215,000	-	45,000	290,000	-
2034	565,000	-	-	215,000	-	55,000	295,000	-
2035	560,000	-	-	210,000	-	55,000	295,000	-
2036	560,000	-	-	215,000	-	55,000	290,000	-
2037	550,000	-	-	210,000	-	55,000	285,000	-
2038	345,000	-	-	-	-	55,000	290,000	-
2039	350,000	-	-	-	-	55,000	295,000	-
2040	310,000	-	-	-	-	20,000	290,000	-
2041	285,000	-	-	-	-	-	285,000	-
Totals	\$ 12,949,975	\$ 2,790,000	\$ 1,695,000	\$ 2,345,000	\$ 440,475	\$ 1,210,000	\$ 4,165,000	\$ 304,500

**City of Whitewater
Whitewater, WI**

**Schedule of Long-Term Debt Interest Payments - Governmental Activities
December 31, 2022**

Year	Totals	2012	2014	2018	2019	2020	2022	2022
		General Obligation Refunding Bonds	Taxable General Obligation Bonds	Taxable General Obligation Bonds	Taxable General Obligation Notes	Taxable General Obligation Bonds	Taxable General Obligation Bonds	Taxable General Obligation Notes
2023	\$ 231,568	\$ 75,288	\$ 43,605	\$ 79,188	\$ 10,968	\$ 22,520	\$ 254,713	\$ 11,862
2024	210,409	68,988	40,305	73,188	8,809	19,120	134,600	9,696
2025	189,828	62,463	36,818	67,688	7,190	15,670	130,100	7,591
2026	172,615	55,678	29,978	67,688	5,752	13,520	126,400	5,428
2027	153,199	48,478	20,000	67,688	4,314	12,720	122,500	3,179
2028	132,704	40,853	9,360	67,688	2,884	11,920	118,300	1,374
2029	111,358	32,663	4,800	61,388	1,438	11,070	113,900	1,097
2030	87,358	22,100	-	55,088	-	10,170	105,600	813
2031	68,746	11,213	-	48,263	-	9,270	93,400	517
2032	49,808	-	-	41,438	-	8,370	82,875	210
2033	42,083	-	-	34,613	-	7,470	74,100	-
2034	34,095	-	-	27,625	-	6,470	65,325	-
2035	26,008	-	-	20,638	-	5,370	56,475	-
2036	18,083	-	-	13,813	-	4,270	47,700	-
2037	9,995	-	-	6,825	-	3,170	39,075	-
2038	2,070	-	-	-	-	2,070	30,450	-
2039	970	-	-	-	-	970	21,675	-
2040	210	-	-	-	-	210	12,900	-
2041	4,275	-	-	-	-	-	4,275	-
Totals	\$ 1,545,382	\$ 417,724	\$ 184,866	\$ 732,813	\$ 41,354	\$ 164,350	\$ 1,634,363	\$ 41,768

SINGLE AUDIT



**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the City Council
City of Whitewater
Whitewater, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Whitewater, Wisconsin, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City of Whitewater, Wisconsin’s basic financial statements, and have issued our report thereon dated June 2, 2023.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.



Report on Compliance and Other Matters

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

Purpose of This Report

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

Johnson Block & Company, Inc.

Johnson Block & Company, Inc.
June 2, 2023



**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
THE UNIFORM GUIDANCE AND THE STATE SINGLE AUDIT GUIDELINES**

To the City Council
City of Whitewater
Whitewater, Wisconsin

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the City of Whitewater, Wisconsin’s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the State Single Audit Guidelines that could have a direct and material effect on each of the City of Whitewater, Wisconsin’s major federal and state programs for the year ended December 31, 2022. The City of Whitewater, Wisconsin’s major federal and state programs are identified in the summary of auditor’s results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the City of Whitewater, Wisconsin complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the State Single Audit Guidelines. Our responsibilities under those standards, the Uniform Guidance, and the State Single Audit Guidelines are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of Whitewater, Wisconsin and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City of Whitewater, Wisconsin’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City of Whitewater, Wisconsin's federal and state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Whitewater, Wisconsin's compliance based on our audit. 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, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Guidelines will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City of Whitewater, Wisconsin's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Guidelines, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City of Whitewater, Wisconsin's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City of Whitewater, Wisconsin's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the State Single Audit Guidelines, but not for the purpose of expressing an opinion on the effectiveness of the City of Whitewater, Wisconsin's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.



Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the State Single Audit Guidelines. Accordingly, this report is not suitable for any other purpose.

Johnson Block & Company, Inc.

Johnson Block & Company, Inc.
June 2, 2023

City of Whitewater
Whitewater, WI
Schedule of Expenditures of Federal Financial Awards
Year Ended December 31, 2022

Federal Grantor/ Program Title	Assistance Listing	Cash/Accrued or (Cash/Deferred) Revenue at January 1, 2022	Revenue/ Cash Receipts	Expenditures	Cash/Accrued or (Cash/Deferred) Revenue at December 31, 2022	Expenditures Provided to Subrecipients
<u>U.S. Department of Housing and Urban Development</u>						
Community Development Block Grant for Entitlement Communities	14.218	\$ -	\$ 4,235	\$ 4,235	\$ -	\$ -
Passed Through Wisconsin Department of Administration:						
Community Development Block Grant - emergency assistance program	14.228	-	610,440	859,366	248,926	-
Total U.S. Department of Housing and Urban Development		<u>-</u>	<u>614,675</u>	<u>863,601</u>	<u>248,926</u>	<u>-</u>
<u>U.S. Department of Justice</u>						
Bulletproof Vest Partnership Program	16.607	-	4,653	4,653	-	-
Total U.S. Department of Justice		<u>-</u>	<u>4,653</u>	<u>4,653</u>	<u>-</u>	<u>-</u>
<u>U.S. Department of Transportation</u>						
Passed Through Wisconsin Department of Transportation:						
Formula Grants for Rural Areas and Tribal Transit Program	20.509	24,227	24,227	-	-	-
COVID-19 Formula Grants for Rural Areas and Tribal Transit Program	20.509	-	56,983	56,983	-	-
Total U.S. Department of Transportation		<u>24,227</u>	<u>81,210</u>	<u>56,983</u>	<u>-</u>	<u>-</u>
<u>U.S. Department of Treasury</u>						
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	(504,592)	779,519	351,530	(932,581)	-
Passed Through Wisconsin Department of Health Services:						
COVID-19 EMS FAP - Coronavirus State and Local Fiscal Recovery Funds	21.027	-	19,141	31,336	12,195	-
COVID 19 EMS Flex - Coronavirus state and local fiscal recovery funds	21.027	-	73,365	52,101	(21,264)	-
Total U.S. Department of Treasury		<u>(504,592)</u>	<u>872,025</u>	<u>434,967</u>	<u>(941,650)</u>	<u>-</u>
Total Federal Financial Awards		<u>\$ (480,365)</u>	<u>\$ 1,572,563</u>	<u>\$ 1,360,204</u>	<u>\$ (692,724)</u>	<u>\$ -</u>

Note: the pass-through entity identifying numbers are not available from the pass-through entities.

See notes to schedules of expenditures of financial awards.

**City of Whitewater
Whitewater, WI
Schedule of Expenditures of State of Wisconsin Financial Awards
Year Ended December 31, 2022**

<u>State I.D. Number</u>	<u>Cash/Accrued or (Cash/Deferred) Revenue at January 1, 2022</u>	<u>Revenue/ Cash Receipts</u>	<u>Expenditures</u>	<u>Cash/Accrued or (Cash/Deferred) Revenue at December 31, 2022</u>	<u>Expenditures Provided to Subrecipients</u>
<u>Wisconsin Department of Natural Resources</u>					
Recycling grant	-	31,764	31,764	-	-
Total Department of Natural Resources	-	31,764	31,764	-	-
<u>Wisconsin Department of Transportation</u>					
Tier C Transit Operating Aids	-	48,917	45,145	(3,772)	-
Total Department of Transportation	-	48,917	45,145	(3,772)	-
Total State of Wisconsin Financial Awards	\$ -	\$ 80,681	\$ 76,909	\$ (3,772)	\$ -

See notes to schedules of expenditures of financial awards.

**CITY OF WHITEWATER
WHITEWATER, WISCONSIN**

**NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For The Year Ended December 31, 2022**

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards and the Schedule of Expenditures of State Awards include the federal and state grant activity of the City of Whitewater, Wisconsin and are presented on the modified accrual basis of accounting. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the *State Single Audit Guidelines*. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements. Because the schedules present only a selected portion of the operations of the City of Whitewater, Wisconsin, the schedules are not intended to and does not present the financial position, changes in net position, or cash flows of the City of Whitewater, Wisconsin.

2. Subrecipients

The City of Whitewater, Wisconsin did not pass-through any federal or state awards to subrecipients.

3. De Minimis Cost Rate

The City of Whitewater, Wisconsin did not elect to use the 10% de minimis indirect cost rate.

**CITY OF WHITEWATER
WHITEWATER, WISCONSIN**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended December 31, 2022**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on whether the financial statements audited were in accordance with GAAP: Unmodified

Internal control over financial reporting:

* Material weakness identified? No

* Significant deficiency(ies) identified? None Reported

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

* Material weakness identified? No

* Significant deficiency(ies) identified? None Reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? No

Identification of major federal programs:

Assistance Listing Number

14.228

Name of Program or Cluster

U.S. Department of Housing and Urban Development –
Community Development Block Grant

Dollar threshold for distinguishing Types A and B programs: \$750,000

Auditee qualified as low-risk auditee? No

State Awards

Internal control over major programs:

* Material weakness identified? No

* Significant deficiency(ies) identified? None Reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with State Single Audit Guidelines? No

**CITY OF WHITEWATER
WHITEWATER, WISCONSIN**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended December 31, 2022**

Section I - Summary of Auditor's Results (Continued)

Identification of major state programs:

<u>ID Number</u>	<u>Name of State Program or Cluster</u>
395.177	Tier C Transit Operating Aids

Dollar threshold for distinguishing Types A and B programs: \$250,000

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None

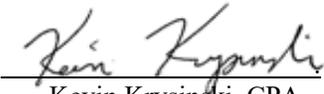
Section IV - State Award Findings and Questioned Costs

None

**CITY OF WHITEWATER
WHITEWATER, WISCONSIN**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended December 31, 2022**

Section V – Other Issues

- | | |
|--|---|
| 1. Does the auditor have substantial doubt as to the auditee’s ability to continue as a going concern? | No |
|
 | |
| 2. Does the audit report show audit issues (i.e. material non-compliance, non-material non-compliance, questioned costs, material weakness, significant deficiency, management letter comment, excess revenue or excess reserve) related to grants/contracts with funding agencies that require audits to be in accordance with the State Single Audit Guidelines: | |
| Department of Natural Resources | No |
| Department of Health Services | No |
| Department of Transportation | No |
| Department of Administration | No |
|
 | |
| 3. Was a Management Letter or other document conveying audit comments issued as a result of this audit? | Yes |
|
 | |
| 4. Name and signature of partner | 
Kevin Krysinski, CPA |
|
 | |
| 5. Date of report: | June 2, 2023 |