City of Fort Atkinson
City Manager's Office
101 N. Main Street
Fort Atkinson, WI 53538

CITY COUNCIL MEETING
IN PERSON AND VIA ZOOM
TUESDAY, JUNE 4, 2024 – 7:00 PM
CITY HALL – SECOND FLOOR

https://us02web.zoom.us/j/5997866403?pwd=alcreldSbGpNUVI1VnR1RWF5bXovdz09

Meeting ID: 599 786 6403
Passcode: 53538

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If you have special needs or circumstances which may make communication or accessibility difficult at the meeting, please call (920) 397-9901. Accommodations will, to the fullest extent possible, be made available on request by a person with a disability.

AGENDA

1. **Call meeting to order**

2. **Roll call**

3. **Public Hearings**

4. **Public Comment:** *The City Council will receive comments from City residents. Comments are generally limited to three minutes per individual. Anyone wishing to speak is required to sign up in advance or state the following items for the record when called upon: name, address, subject matter, and contact information. No action will be taken on any public comments unless the item is also elsewhere on the agenda.*

5. **Consent Agenda:** *The Consent Agenda outlined below is hereby presented for action by the City Council. Items may be removed from the Consent Agenda on the request of any one Council member. Items not removed may be adopted by one action without debate. Removed items may be taken up either immediately after the Consent Agenda or placed later on the agenda at the discretion of the Council President.*

   a. Review and possible action relating to the **minutes of the May 21, 2024 regular**

City Council meeting (Ebbert, Clerk, Treasurer, Finance Director)

b. Review and possible action relating to the **minutes of the May 28, 2024 License Committee meeting** (Ebbert, Clerk, Treasurer, Finance Director)

c. Review and possible action on a **Special Event: 10th Annual Dairy Day at the MOOseum,** Saturday, June 15, 2024, from 11 a.m. to 2 p.m. (Ebbert, Clerk/Treasurer/Finance Director)

d. Review and possible action relating to **Citizen Appointments** to Committees, Commissions, and Boards (Houseman, City Manager)

e. Review and possible action relating to the **minutes of the May 29, 2024 Board of Review meeting** (Ebbert, Clerk/Treasurer/Finance Director)

f. Review and possible action on a **Special Event: Frosty Rock Challenge,** November 9, 2024 7 a.m. - 11 a.m. (Ebbert, Clerk/Treasurer/Finance Director)

6. Petitions, Requests, and Communications

a. Recognition of 2023-24 City Council President Bruce Johnson (Houseman, City Manager)

b. Presentation of the City of Fort Atkinson **Financial Statements and Supplemental Information for the year ending December 31, 2023** (Andrea Jansen, CPA, CFE, Partner, Baker Tilly US, LLP)

7. Resolutions and Ordinances

8. Reports of Officers, Boards, and Committees

a. City Manager's Report (Houseman, City Manager)

9. Unfinished Business

10. New Business

a. Review and possible action relating to **Alcohol Beverage License Applications** for the licensing period of July 1, 2024 through June 30, 2025. (Ebbert, Clerk/Treasurer/Finance Director)

b. Review and possible action relating to **Cigarette, Tobacco and Electronic Vaping Device Retail License Applications** for the licensing period of July 1, 2024 through June 30, 2025. (Ebbert, Clerk/Treasurer/Finance Director)

c. Review and possible action relating to the **purchase of a Enduro M32 Robotic Pool Cleaner** with ARPA funds at a cost not to exceed $11,767.45 (Dayton, Parks and Recreation Director)

11. Miscellaneous

12. Claims, Appropriations and Contract Payments

a. Review and possible action relating to **disallowance of a claim** against the City of Fort Atkinson (Ebbert, City Clerk/Treasurer/Finance Director)

b. Review and possible action relating to the **Verified Claims** presented by the Director of Finance and authorization of payment (Ebbert, Clerk/Treasurer/Finance Director)

13. Adjournment

Date Posted: May 31, 2024

CC: City Council; City Staff; City Attorney; News Media; Fort Atkinson School District; Fort Atkinson Chamber of Commerce

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City of Fort Atkinson
City Manager's Office
101 N. Main Street
Fort Atkinson, WI 53538

AMENDED CITY COUNCIL MEETING
IN PERSON AND VIA ZOOM
TUESDAY, MAY 21, 2024 – 7:00 PM
CITY HALL – SECOND FLOOR

MINUTES

1. Call meeting to order
President Lescohier called the meeting to order at 7:00 pm.

2. Roll call
Present: Cm. Johnson, Cm. Schultz and President Lescohier. Also Present: City Manager, City Attorney, City Engineer, City Clerk/Treasurer, Public Works Superintendent, Building Inspector, Museum Director, Interim Library Director and Park & Recreation Director.
Excused absence: Cm. Becker.
Cm. Jaeckel arrived at 7:02 pm.

3. Public Hearings
None.

4. Public Comment
John Hausz, 104 Jefferson Street - questioned if repair work is being done on the roof of Municipal Building as he was unaware of it. He commented on storm sewer drainage at a marsh owned by the Hausz family. He commented on meetings and conversations he had pertaining to storm water on the north side of the City.

5. Consent Agenda
Cm. Schultz moved, seconded by Cm. Jaeckel to approve the Consent Agenda as presented. Motion carried.

a. *Review and possible action relating to the **minutes of the May 7, 2024 City Council meeting** (Ebbert, Clerk/Treasurer/Finance Director)*

b. *Review and possible action relating to the **minutes of the May 13, 2024 Police and Fire Commission meeting** (Ebbert, Clerk/Treasurer/Finance Director)*

c. *Review and possible action relating to the **minutes of the May 14, 2024 regular Plan Commission meeting** (Ebbert, Clerk/Treasurer/Finance Director)*

d. *Review and possible action relating to **building, plumbing, and electrical permit report for***

__April 2024__ (Draeger, Building Inspector/Zoning Administrator)

*e. Review and possible action relating to the City Clerk-issued **License and Permit Report for May 2024** (Ebbert, Clerk/Treasurer/Finance Director)*

*f. Review and possible action relating to **City Sewer, Water, and Stormwater Utility Financial Statements** as of April 30, 2024 (Ebbert, Clerk/Treasurer/Finance Director)*

*g. Review and possible action relating to **Citizen Appointments** to Committees, Commissions, and Boards (Houseman, City Manager)*

*h. Review and possible action on a **Special Event: Fort Atkinson Club Veteran's Regional Benefit,** Saturday, June 22, 2024, from 12 p.m. to 8 p.m.*

*i. Review and possible action relating to **Temporary Class "B" Retailer's License** St. Joseph's Catholic Church for use at 1660 Endl Blvd on June 1, 2024. (Ebbert, Clerk/Treasurer/Finance Director)*

6. Petitions, Requests, and Communications

*a. Review and possible action relating to proclamation recognizing **Fort Atkinson as the Intersectional Peony City of Wisconsin** (Lee, Museum Director)*
Cm. Schultz moved, seconded by Cm. Johnson to approve the Proclamation recognizing Fort Atkinson as the Intersectional Peony City of Wisconsin and direct the Hoard Historical Museum to pursue a Proclamation from the State of Wisconsin. Motion carried.

*b. Review and possible action relating to the proclamation for **National Public Works Week May 19-25, 2024** in the City of Fort Atkinson (Houseman, City Manager)*
Cm. Schultz moved, seconded by Cm. Jaeckel to approve the Proclamation for National Public Works Week May 19-25, 2024 in the City of Fort Atkinson. Motion carried.

*c. Review and possible action relating to a proclamation declaring **May 22, 2024, as Wastewater Professionals Appreciation Day** (Houseman, City Manager)*
Cm. Johnson moved, seconded by Cm. Schultz to approve the Proclamation declaring May 22, 2024 as Wastewater Professionals Appreciation Day in the City of Fort Atkinson. Motion carried.

*d. Review and possible action relating to the proclamation declaring the month of **May as Building Safety Month** in the City of Fort Atkinson (Houseman, City Manager)*
Cm. Jaeckel moved, seconded by Cm. Johnson to approve the Proclamation declaring the month of May as Building Safety Month in the City of Fort Atkinson. Motion carried.

7. Resolutions and Ordinances

*a. Review and possible action to approve a **Resolution** authorizing the Department of Public Works application for the Wisconsin Department of Natural Resources Urban Forestry Grant through the Federal Inflation Reduction Act (Williamson, Superintendent of Public Works)*

Public Works Superintendent Williamson presented the Wisconsin Department of Natural Resources is currently offering competitive "no-match" IRA forestry grants of up to $500,000. These grants will utilize Federal Inflation Reduction Act funds to support projects that positively impact trees and people within disadvantaged communities in Wisconsin. Based upon the current approved parameters of the program, and associated program mapping (image attached), the City of Fort Atkinson has approximately 45% of its area located within the State's designated "Disadvantaged Community Boundary". All urban forestry program planning, design, and work within these designated areas qualify for grant funds should the Wisconsin DNR deem them appropriate for the grant award. This funding may provide assistance to the City for more detailed urban forestry equipment acquisition, planning and consultation services, removals, trimming, planting, and restoration within the qualifying mapped locations. The proposed grant funding would require the City to provide budgeted funds for future reimbursement for all qualified grant activities, with an opportunity to receive up to 50% of the funding in advance to assist in project planning, design, and materials. The Public Works and Parks Departments will work together, with the assistance of the City Manager, to properly plan funding prior to reimbursement through the grant should the City be awarded funding for this program. Any budget funding for this program will follow the properly approved City budgetary process for future general fund requirements and come before the Council for approval as part of that process.

Cm. Schultz moved, seconded by Cm. Johnson to approve of the Resolution authorizing the Public Works Superintendent to apply for the 2024 Wisconsin Department of Natural Resources Inflation Reduction Act (IRA) Forestry Grant. Motion carried.

8. Reports of Officers, Boards, and Committees

a. *City Manager's Report (Houseman, City Manager)*
No action was taken.

b. *Wastewater Utility Phase II Project Completion Summary Report by Kevin Berg, Donohue & Associates (Christensen, Wastewater Utility Superintendent)*
No action was taken.

9. Unfinished Business

None.

10. New Business

a. *Review and possible action to relating to a request for* ***Public Monument Review for the Haumerson's Pond accessory structure*** *(Dayton, Parks and Recreation Director)*
Park & Recreation Director Dayton provided the recommendation from Plan Commission for a new storage and concessions building. This was originally presented to the Planning

Commission on April 11, 2023, as part of a Request for Resolution Recommendation. This step was necessitated by the Wisconsin Department of Natural Resources (DNR) to fulfill the Knowles-Nelson Stewardship grant application requirements. Subsequently, on April 18, 2023, the City Council approved Resolution No.1399 to enter into an Agreement/Contract with cost-sharing grant assistance from the DNR. On January 5, 2024, the City received confirmation of being awarded $100,000 from the DNR Knowles-Nelson Stewardship grant program, representing a 50% matching funds grant. The remaining project costs are being covered by contributions from the Friends of Haumerson’s Pond (FHP) and the Fort Atkinson Community Foundation. The project is currently budgeted at around $200,000. After securing the DNR grant, City staff have been engaged with the Friends of Haumerson’s Pond (FHP) to develop the design for a multi-use storage/concession building and to fulfill all requirements for the Public Monument/Building Review application. City staff is requesting approval of the site plan and building design through the Public Monument/Building Review process. Funding for the roughly $200,000 project will come from the following sources: $100,000 from the Wisconsin DNR, $45,000 from the Fort Atkinson Community Foundation, and the balance from the Friends of Haumerson's Pond fundraising efforts. While the City will not be investing in the capital project costs, there will be significant staff time associated with the management and implementation of the project. There will also be short-term and long-term maintenance of the building and the park that will be the responsibility of the City. These costs can not be quantified at this time. However, the City Council should be aware that this project will impact the City financially in the future.

Cm. Jaeckel moved, seconded by Cm. Schultz to approve the request for Public Monument Review for Haumerson's Pond accessory structure. Motion carried.

11. Miscellaneous

None.

12. Claims, Appropriations and Contract Payments

*a. Review and possible action relating to the **Verified Claims** presented by the Director of Finance and authorization of payment (Ebbert, Clerk/Treasurer/Finance Director)*

Cm. Jaeckel moved, seconded by Cm. Johnson to approve the Verified Claims as presented. Motion carried.

13. Adjournment

Cm. Jaeckel moved, seconded by Cm. Schultz to adjourn. Meeting adjourned at 7:49 pm.

Respectfully submitted,
Michelle Ebbert
City Clerk/Treasurer/Finance Director

Respectfully submitted,
Michelle Ebbert
City Clerk/Treasurer

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City of Fort Atkinson
City Manager's Office
101 N. Main Street
Fort Atkinson, WI 53538

LICENSE COMMITTEE MEETING
IN PERSON AND VIA ZOOM
TUESDAY, MAY 28, 2024 – 4:15 PM
CITY HALL – SECOND FLOOR

MINUTES

1. Call meeting to order

President Lescohier called the meeting to order at 4:15 pm.

2. Roll call

Present: Cm. Jaeckel, Cm. Schultz and President Lescohier. Also present: City Manager and City Clerk/Treasurer.

3. New Business

a. *Review and possible recommendation to the City Council relating to* ***Alcohol Beverage License Applications*** *for the licensing period of July 1, 2024 through June 30, 2025. (Ebbert, Clerk/Treasurer/Finance Director)*

Clerk Ebbert reviewed the different types of Alcohol Licenses, allowances for consumption location and quotas. The current fees are the maximum allowed by State Statute which provides a revenue of $25,700. The table provided lists the quota and any license availability.

License	Quota	Licenses Issued	Licenses Available
			-
"Class A" Intoxicating Liquor	16 - 1 per 750 residents	16	0
Class "A" Fermented Malt	17 - 1 per 750 residents	16	1
"Class B" Intoxicating Liquor	25 - 1 per 500 residents	25	0
RESERVE "Class B" Intoxicating Liquor	4 - $10,000 one-time fee	4	0

Clerk Ebbert commented on any changes amongst the submitted applications.

Cm. Schultz moved, seconded by Cm. Jaeckel to recommend the City Council approve the Alcohol License Applications for the licensing period of July 1, 2024 to June 30, 2025 contingent upon all monies owed to the City are paid prior to license issuance by the City

Clerk. Motion carried.

b. *Review and possible recommendation to the City Council relating to **Cigarette, Tobacco and Electronic Vaping Device Retail License Applications** for the licensing period of July 1, 2024 through June 30, 2025. (Ebbert, Clerk/Treasurer/Finance Director)*
Clerk Ebbert stated that previous to March 6, 2024, a retailer selling only electronic vaping devices did not need any retail license for those products. With approval of Act 73, these retailers will need the same retail license cigarette and tobacco product retailers hold now. A current cigarette and tobacco license holder will not need any new license to lawfully sell electronic vaping devices. An electronic vaping device is a device that may be used to deliver any aerosolized or vaporized liquid or other substance for inhalation, regardless of whether the liquid or other substance contains nicotine and includes:
- e−cigarette
- e−cigar
- e−pipe
- vape pen
- e−hookah
- component, part, or accessory of the device
- liquid or other substance that may be aerosolized or vaporized by such device.

The Department of Revenue revised their application for the July 1st license renewal period. There are two applications still outstanding, Family Dollar and Hemp 1848. Cigarette licenses are not required to be approved by City Council, therefore should an application be submitted in June, there should be time for license issuance.

Cm. Jaeckel moved, seconded by Cm. Schultz to recommend the City Council approve the Cigarette and Tobacco Products Retail License Applications for the licensing period of July 1, 2024 to June 30, 2025 contingent upon all monies owed to the City are paid prior to license issuance by the City Clerk contingent upon applications submitted by Hemp 1848 and Family Dollar Store. Motion carried.

4. Adjournment

Cm. Schultz moved, seconded by Cm. Jaeckel to adjourn. Meeting adjourned at 4:29 pm.

Respectfully submitted
Michelle Ebbert
City Clerk/Treasurer/Finance Director

City of Fort Atkinson
City Manager's Office
101 N. Main Street
Fort Atkinson, WI 53538

MEMORANDUM

DATE: **June 4, 2024**

TO: **Fort Atkinson City Council**

FROM: **Michelle Ebbert, Clerk/Treasurer/Finance Director**

RE: **Review and possible action on a Special Event: 10th Annual Dairy Day at the MOOseum, Saturday, June 15, 2024, from 11 a.m. to 2 p.m. (Ebbert, Clerk/Treasurer/Finance Director)**

BACKGROUND

The City of Fort Atkinson is committed to supporting quality special events throughout the community. The Special Event Guide and Application was created to assist with planning events in the city and to allow appropriate contact information be obtained and forwarded to Departments. The planning guide is designed to assist members of the community in the planning, preparation and running of events and programs in Fort Atkinson.

The Special Event Guide defines a special event as a planned extraordinary occurrence or temporary aggregation of attractions, open to the public, that (a) is conducted on public property, (b) is conducted on private property and has a substantial impact on public property, (c) has activities that request special temporary licenses; or (d) require special city services, whether open to the public or not, including but not limited to, any of the following: street closures, provisions of barricades, garbage cans, stages or special no parking signs, special electrical services, or special police protection. Special events include, but not limited to, neighborhood and community festivals, parades, processions, fairs, and bicycle or foot races.

DISCUSSION

Event: Dairy Day at the MOOseum
Date & Hours of Event: Saturday June 15, 2024 11 a.m.–2 p.m.
Location: Hoard Historical Museum Grounds, Foster Street closure, Whitewater Avenue
Contact Person: Merrilee Lee
Estimated Number of Attendees: 800-900

Event information was routed to Departments with the following comments without concerns:

Department of Public Works will place two concrete jersey barriers at each curb side and place two flashing type sandwich barricades in front of them to increase visibility. An assigned volunteer's vehicle will be required to park between the barricades in order to allow the roadway to be available to emergency vehicle access.

The Museum will need to identify the two vehicles that would block the openings for the entire event and while people are present on the roadway. The keys for the vehicle and the authorized operators must also be present for the entirety of the event in case they need to be moved during an emergency.

FINANCIAL ANALYSIS

There is no financial impact to the City of Fort Atkinson for the event.

RECOMMENDATION

Staff recommends that City Council approve the 10th Annual Dairy Day at the MOOseum, June 15, 2024 at the Hoard Historical Museum.

ATTACHMENTS

1. Special Event Request.Dairy Day

CITY OF FORT ATKINSON
Special Event Application
Fee: $25.00

Name of Business/Group Organizing Event: Hoard Historical Museum	
Contact Person for Event: Merrilee Lee	
Phone Number:	Email: mlee@hoardmuseum.org
Day of Event Contact Person (if different from above):	Phone: 815-990-0401 Email:

Special Event Details

Event Name: Dairy Day at the MOOseum	
Event Date (mm/dd/yyyy): Saturday, June 15	
Event Location: Hoard Historical Museum	
Estimated Number of Attendees: 800-900 people	Hours of Event: 11 am - 2 pm
Event Setup Time: 8 am	Event Tear Down Time: 5 pm

Event Description: It's the 10th annual Dairy Day at the MOOSeum. The event is free to attend.The highlight is the gathering of all 7 milking breeds of cattle on the museum's grounds. We also have dairy facts, dairy games and dairy treats as well as our annual cow decorating contest. New this year is the pedal tractor pull, to be held on Foster Street.The event is free to attend. We ask that Foster Street be closed to the public during the event to faciliate the pedal tractor pull and the loading/unloading of the cows. We notify our neighbors of the closure and invite them to attend the event.

Goal/Purpose of Event: Each year, the museum organizes this event to highlight the importance of dairy for our communities and our economy. Our family-friendly event is fun for all ages. The event also welcomes visitors to the museum and encourages them to have a return visit.

Attach a map of the event including: Designated parking areas and available number of spaces*, directional signage for events (i.e. parking guidance), pedestrian street crossing locations, location of any traffic control barricades or personnel to ensure safe coordination of vehicles and pedestrians

** If limited parking available, provide proof of permission from neighboring businesses/property to utilize their parking*

Check all applicable boxes:

☐ I am renting a city park

Attach copy of paid park rental from Parks & Recreation Department. Equipment rentals are reservable through the Parks & Recreation office 920-397-9910. You are responsible for picking up, setting up, tearing down, and return of equipment. Each park is equipped with picnic tables and garbage/recycling receptacles, and additional are available upon request. If additional cans are requested, the event coordinator will need to pick up additional can liners from Park & Recreation office. The event coordinator is responsible for trash and recycling disposal. If there is no dumpster on site, a dumpster may be required and is the responsibility of the event coordinator.

☑ I am renting city equipment

Please secure and submit payment for requested equipment prior to submitting Special Event Application. *Attach a map with a location for drop off of equipment with this application.

8’ white plastic table (43 available; $4.50/each)	Qty ____
Metal folding chair (190 available; $0.75/each)	Qty ____
Additional Picnic Table ($15/each; includes delivery & pick up)*	Qty ____
Additional Garbage/Recycling Can*	Qty 2
Barricades*	Qty 2
Traffic Cones*	Qty ____

☐ Electrical Access

The City Electrican may reach out to you to address any needs/concerns.

Please specify if you have any requests or requirements beyond current access:

Continued

☐ I will be having music

(Per City Ordinance 17.03) no person shall cause or allow loud, excessive or unusual noise that will disturb the comfort and quiet repose of persons in the vicinity. All music shall terminate as of 10:00 p.m. City noise ordinance must be followed

Start Time of Music: ________________ End Time of Music: ________________

☑ I will be closing a street(s)*

Barricades can be provided by Public Works upon request

** Provide proof of permission from neighboring businesses/properties if street closure impacts daily activity*

☐ I will be selling beer and/or wine*

Alcohol license and licensed bartender(s) required. Contact City Clerk (920) 397-9901 prior to submitting this application.

**Restroom Plan also required with sales of beer and/or wine. Refer to the Special Event Guide.*

☑ I will be erecting a tent, canopy or other temporary structure.*

**Event coordinator is responsible for ensuring that the temporary structure is safely installed. Event Coordinator is required to contact Diggers Hotline at least 4 business days prior to the event. Diggershotline.com, 1-800-242-8511*

☐ I am having a walk/race*

**See map instructions above. In addition to the previously listed map requirements, clearly mark your walk/race route on the map.*

By signing, I agree to the following statements:

I understand I am responsible for a fire safety and medical plan. I understand it is my responsibility to read the Special Events Guide. I understand I may be required to provide Proof of Insurance. I understand that I may need to contact multiple Departments to arrange for assistance. I understand I am responsible for timely clean up after the event. I understand that additional charges may apply and that I can be billed after my event.

Responsible Party Signature: Merrilee Lee

Submission Date: 5/14/24

For Office Use Only:

Date Received: ________________

Date Paid: ________________

Council Approval / Denial Date: ________________

Date applicant notified of Council action and any event stipulations: ________

Event Stipulations:

Hoard HISTORICAL MUSEUM
FORT ATKINSON HISTORICAL SOCIETY
NATIONAL DAIRY SHRINE MUSEUM

May 14, 2024

Michelle Ebbert, City of Fort Atkinson
101 N. Main St.
Fort Atkinson, WI 53538

Dear Ms. Ebbert:

Attached is our special event application for the museum's annual "Dairy Day at the MOOseum." The 10th annual "Dairy Day" is scheduled for Saturday, June 15 from 11 a.m.- 2 p.m. at the Hoard Historical Museum. This year's event will be held on the museum's grounds. The event features cows, activities, games, and dairy treats. The event is free to attend.

We are asking permission for the following:

- Declare "no-parking" along the 400 block of Foster Street beginning the morning of Saturday, 6/15 and ending in the afternoon of the same day.
- Close the 400 block of Foster Street from 10:00 am-3:00 pm during the event to ensure public safety and for the safe unloading/loading of the cows and calves. Museum staff and volunteers would place the street-closing barricades at the appropriate time as well as parking staff vehicles perpendicular in the street to further block traffic. However, the vehicles could easily be moved to
- Museum staff will also notify the neighbors affected by the street closure and invite them to the event.

New this year, the museum will be adding a pedal-tractor pull during the event. The museum is contracting with Kindschi Pedal Pulls, an insured event provider. Kindschi Pedal Pulls from Loganville, Wisconsin, specializes in running a tractor pull for children ages 4-12 using pedal tractors. The pedal tractor pulls will occur on Foster Street behind the museum between 11:30-1:00 p.m.

We are happy to work with city personnel in the organization of this event and would appreciate the opportunity to answer any questions.

Sincerely,

Merrilee Lee
Museum Director, Hoard Historical Museum

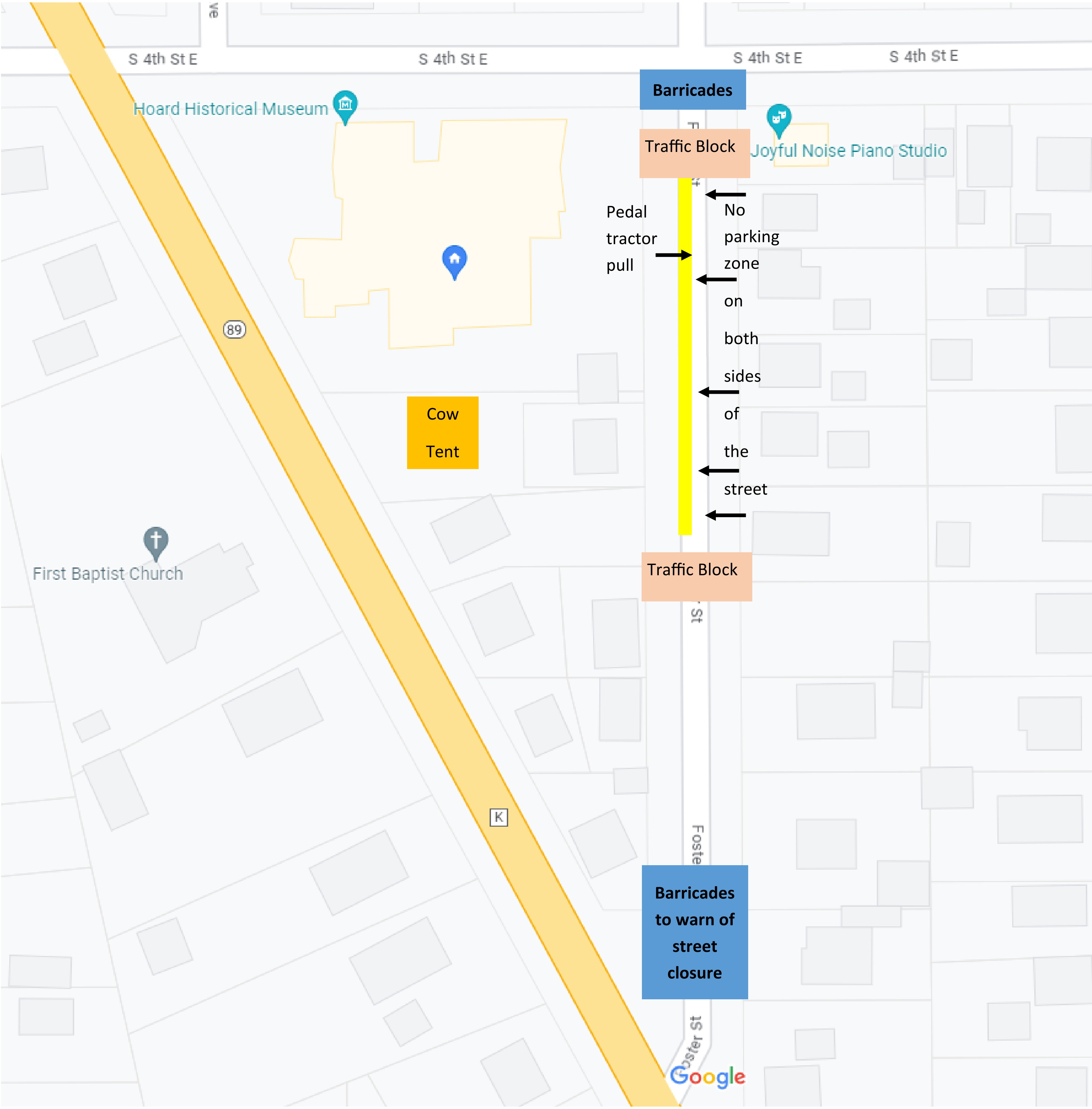
Items requested from the City of Fort Atkinson:

From DPW:

Barricades for closing Foster Street

"No Parking" signs for both sides of the 400 block of Foster Street

We are happy to coordinate with DPW for the drop-off of these items.



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Barricades
Hoard Historical Museum
Traffic Block
Joyful Noise Piano Studio
Pedal tractor pull
No parking zone on both sides of the street
89
Cow Tent
First Baptist Church
Traffic Block
K
Foster St
Barricades to warn of street closure
Google

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City of Fort Atkinson
City Manager's Office
101 N. Main Street
Fort Atkinson, WI 53538

MEMORANDUM

DATE: June 4, 2024

TO: Fort Atkinson City Council

FROM: Rebecca Houseman, City Manager

RE: Review and possible action relating to Citizen Appointments to Committees, Commissions, and Boards (Houseman, City Manager)

BACKGROUND

The City has a wide variety of Committees, Commissions, and Boards made up of citizens, staff, and elected officials. Some of these groups are outlined in the City's Ordinances. Most often, the City Manager is responsible for appointing citizen members, subject to approval by the City Council. Similarly, in most cases, the Council President is responsible for appointing Council members to these groups.

DISCUSSION

The following citizen members are eligible for appointment or reappointment to the Committees, Commissions, and Boards below for the terms indicated:

- **Airport Committee:**
  - Ardell Wiederhoeft for a four-year term ending in 2028

Note the following vacancies for citizens on City Commissions, Committees, and Boards:

- Airport Committee (one seat)
- Board of Zoning Appeals (two seats)
- Cable Television Committee (one seat)
- Economic Development Commission (one seat)
- Parks and Recreation Advisory Committee (one seat)
- Sex Offender Residence Board (one seat)

Staff continues to work on filing these vacancies and encourages members of the public to submit an application to serve if interested.

FINANCIAL ANALYSIS

The appointments of citizens to these Committees, Commissions, and Boards is not expected to impact the City financially.

RECOMMENDATION

Staff recommends that the City Council confirm the appointments listed in this memo through the Consent Agenda.

ATTACHMENTS

None

City of Fort Atkinson
City Manager's Office
101 N. Main Street
Fort Atkinson, WI 53538

BOARD OF REVIEW
IN PERSON AND VIA ZOOM
WEDNESDAY, MAY 29, 2024 – 9:00 AM
CITY HALL – SECOND FLOOR

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1. CALL MEETING TO ORDER

President Lescohier called the meeting to order at 9:00 am.

2. ROLL CALL

Present: Cm. Schultz, President Lescohier, Cm. Johnson, Manager Houseman and Clerk/Treasurer Ebbert.

3. ELECTION OF CHAIRPERSON

Clerk Ebbert nominated Manager Houseman to serve as the Chairperson. President Lescohier seconded the motion and Manager Houseman accepted. Motion carried.

4. ELECTION OF VICE-CHAIRPERSON

Manager Houseman nominated President Lescohier to serve as Vice-Chairperson. Seconded by Cm. Johnson, President Lescohier accepted. Motion carried.

5. REVIEW OF MEMBERS OF THE BOARD THAT HAVE MET THE MANDATORY TRAINING REQUIREMENTS SPECIFIED IN SEC. 70.46(4), WISCONSIN STATUTE.

Clerk/Treasurer Ebbert and Deputy Thom have both completed and filed the required training.

6. REVIEW OF 2024 ASSESSMENT ROLL AND COMMENTS BY THE ASSESSOR.

Justin Wiersma, certification number WI96095CA addressed the Board.

7. REVIEW AND POSSIBLE ACTION TO CERTIFY ALL CORRECTIONS OF ERROR UNDER STATE LAW (WIS. STATE 70.43).

Cm. Schultz moved, seconded by Cm. Johnson to certify all corrections of error under State Law 70.43. are filed. Motion carried.

8. REVIEW AND POSSIBLE ACTION ON VERIFYING WITH THE ASSESSOR THAT OPEN BOOK CHANGES ARE INCLUDED IN THE ASSESSMENT ROLL.

Wiersma noted that Open Book was held on May 15th with 11 scheduled appointments.

Clerk/Treasurer Ebbert moved, seconded by Cm. Schultz to verify the Open Book changes are included in the Assessment Roll. Motion carried.

9. **HEAR OF TESTIMONY OF PROPERTY OWNERS FOR SCHEDULED APPOINTMENTS AND DETERMINE FINAL VALUES. (none scheduled as of 5.24.24)**

10. **DURING THE FIRST TWO HOURS, CONSIDERATION OF:**
    a. **WAIVERS OF THE REQUIRED 48-HOUR NOTICE OF INTENT TO FILE AN OBJECTION WHEN THERE IS GOOD CAUSE,**
    b. **REQUESTS FOR WAIVER OF THE BOR HEARING ALLOWING THE PROPERTY OWNER AN APPEAL DIRECTLY TO THE CIRCUIT COURT,**
    c. **REQUESTS TO TESTIFY BY TELEPHONE OR SUBMIT A SWORN WRITTEN STATEMENT,**
    d. **SUBPOENA REQUESTS; AND**
    e. **ACT ON ANY OTHER LEGALLY ALLOWED OR REQUIRED BOR MATTERS.**

11. **ADJOURN 2024 BOARD OF REVIEW**

Cm. Johnson moved, seconded by Clerk/Treasurer Ebbert to adjourn. Meeting adjourned at 11:00 am.

Respectfully submitted,
Michelle Ebbert
City Clerk/Treasurer/Finance Director

CITY OF FORT ATKINSON
Special Event Application
Fee: $25.00

Name of Business/Group Organizing Event: Rotary Club of Fort Atkinson	
Contact Person for Event: Erin Nichols	
Phone Number:	Email: eringus2002@yahoo.com
Day of Event Contact Person (if different from above):	Phone: 920-650-3224 Email:

Special Event Details

Event Name: Frosty Rock Challenge	
Event Date (mm/dd/yyyy): November 9, 2024	
Event Location: Fort Atkinson High School: 5K route through neighboring streets and 12K route on Banker Rd and Dorothy Carnes Park	
Estimated Number of Attendees: 350	Hours of Event: 7:00a-11:00a
Event Setup Time: 6:00a-7:00a	Event Tear Down Time: 11:00a-12:00pm

Event Description: The Frosty Rock Challenge, formerly coordinated by Fort HealthCare, was started in 2013 to provide the community a low cost opportunity to compete/participate in an organized fitness event. The Rotary Club will be taking over the organization of this event, while keeping the logistics of the race the same. This race will be a low cost family-friendly event consisting of a 12K race, 5K run/walk and 1 mile kids fun run. Prizes will be awarded to top place finishers of the 12K and 5K races.

Goal/Purpose of Event: Raise funds for the Fort Atkinson Rotary Club to support our mission of making positive changes in our community and the world. Some of the past Rotary-sponsored events include bike path Christmas lights, trees and playground equipment at Rotary/Arrowhead park, as well as support of Project Lead, the Top Scholars Banquet and the Academic Letter. We host the Teacher of the Month program. We are also involved in many international efforts as well.

Attach a map of the event including: Designated parking areas and available number of spaces*, directional signage for events (i.e. parking guidance), pedestrian street crossing locations, location of any traffic control barricades or personnel to ensure safe coordination of vehicles and pedestrians

** If limited parking available, provide proof of permission from neighboring businesses/property to utilize their parking*

Check all applicable boxes:

☐ I am renting a city park

Attach copy of paid park rental from Parks & Recreation Department. Equipment rentals are reservable through the Parks & Recreation office 920-397-9910. You are responsible for picking up, setting up, tearing down, and return of equipment. Each park is equipped with picnic tables and garbage/recycling receptacles, and additional are available upon request. If additional cans are requested, the event coordinator will need to pick up additional can liners from Park & Recreation office. The event coordinator is responsible for trash and recycling disposal. If there is no dumpster on site, a dumpster may be required and is the responsibility of the event coordinator.

☐ I am renting city equipment

Please secure and submit payment for requested equipment prior to submitting Special Event Application.
*Attach a map with a location for drop off of equipment with this application.

8' white plastic table (43 available; $4.50/each)	Qty ____
Metal folding chair (190 available; $0.75/each)	Qty ____
Additional Picnic Table ($15/each; includes delivery & pick up)*	Qty ____
Additional Garbage/Recycling Can*	Qty ____
Barricades*	Qty ____
Traffic Cones*	Qty ____

☐ Electrical Access

The City Electrican may reach out to you to address any needs/concerns.

Please specify if you have any requests or requirements beyond current access:

Continued

☐	I will be having music	(Per City Ordinance 17.03) no person shall cause or allow loud, excessive or unusual noise that will disturb the comfort and quiet repose of persons in the vicinity. All music shall terminate as of 10:00 p.m. City noise ordinance must be followed Start Time of Music: ______ End Time of Music: ______
☐	I will be closing a street(s)*	Barricades can be provided by Public Works upon request ** Provide proof of permission from neighboring businesses/properties if street closure impacts daily activity*
☐	I will be selling beer and/or wine*	Alcohol license and licensed bartender(s) required. Contact City Clerk (920) 397-9901 prior to submitting this application. **Restroom Plan also required with sales of beer and/or wine. Refer to the Special Event Guide.*
☐	I will be erecting a tent, canopy or other temporary structure.*	**Event coordinator is responsible for ensuring that the temporary structure is safely installed. Event Coordinator is required to contact Diggers Hotline at least 4 business days prior to the event. Diggershotline.com, 1-800-242-8511*
☑	I am having a walk/race*	**See map instructions above. In addition to the previously listed map requirements, clearly mark your walk/race route on the map.*

By signing, I agree to the following statements:

I understand I am responsible for a fire safety and medical plan. I understand it is my responsibility to read the Special Events Guide. I understand I may be required to provide Proof of Insurance. I understand that I may need to contact multiple Departments to arrange for assistance. I understand I am responsible for timely clean up after the event. I understand that additional charges may apply and that I can be billed after my event.

Responsible Party Signature: Erin Nichols

Submission Date: 05/06/2024

For Office Use Only:

Date Received: ______

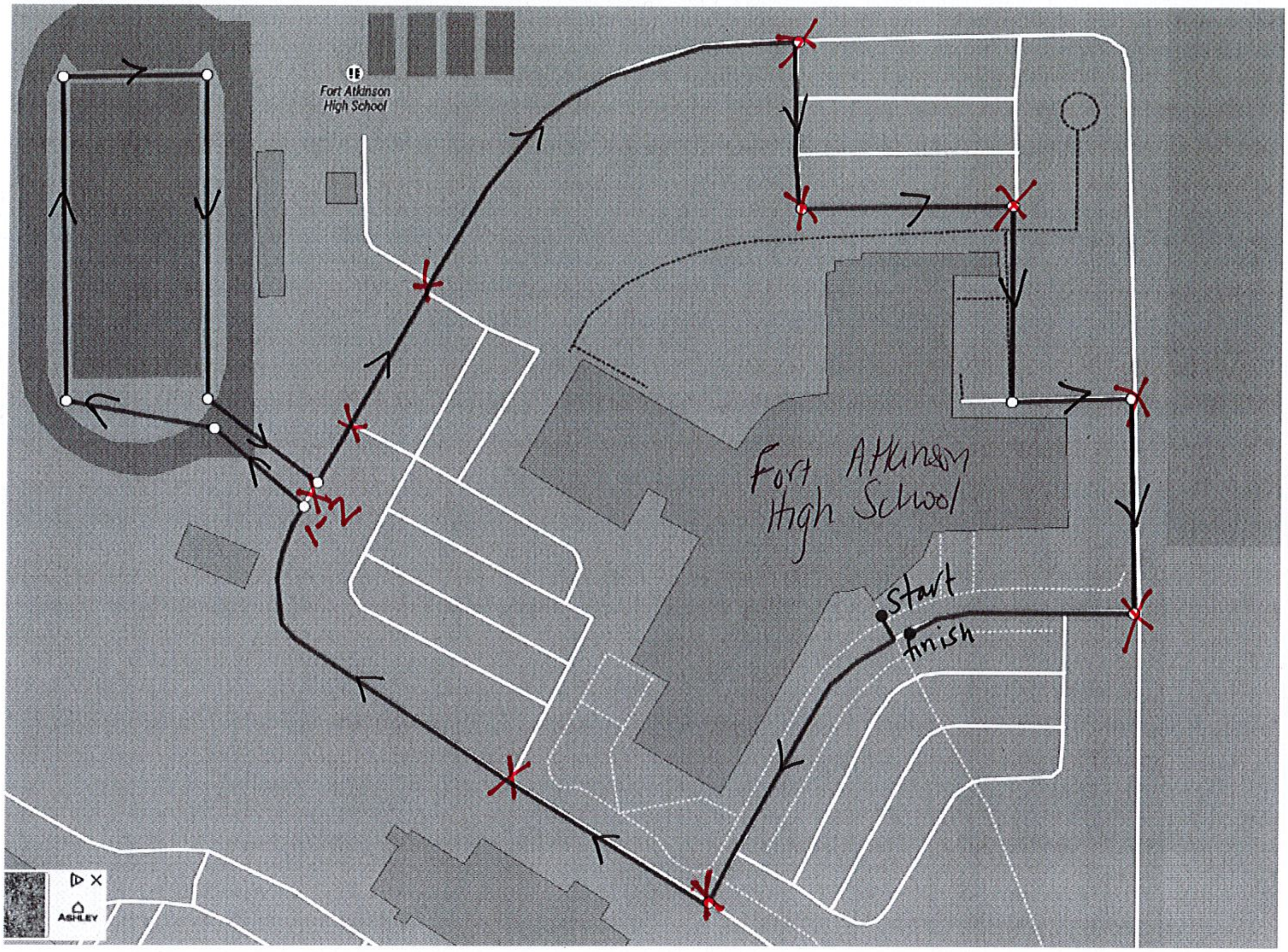
Date Paid: ______

Council Approval / Denial Date: ______

Date applicant notified of Council action and any event stipulations: ______

Event Stipulations:

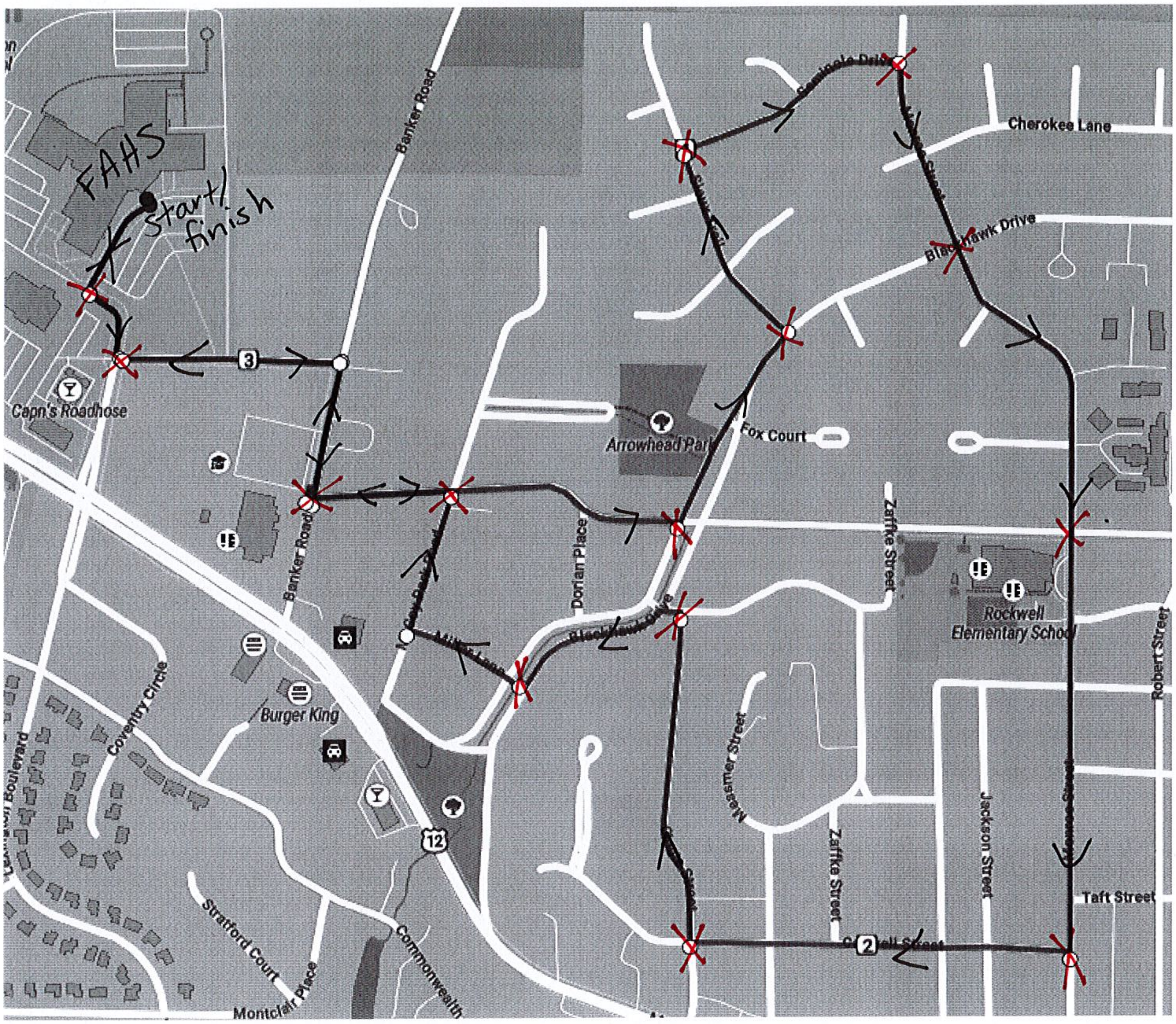
Frosty Rock Challenge 1 Mile Fun Run



X - volunteer location

< - course direction

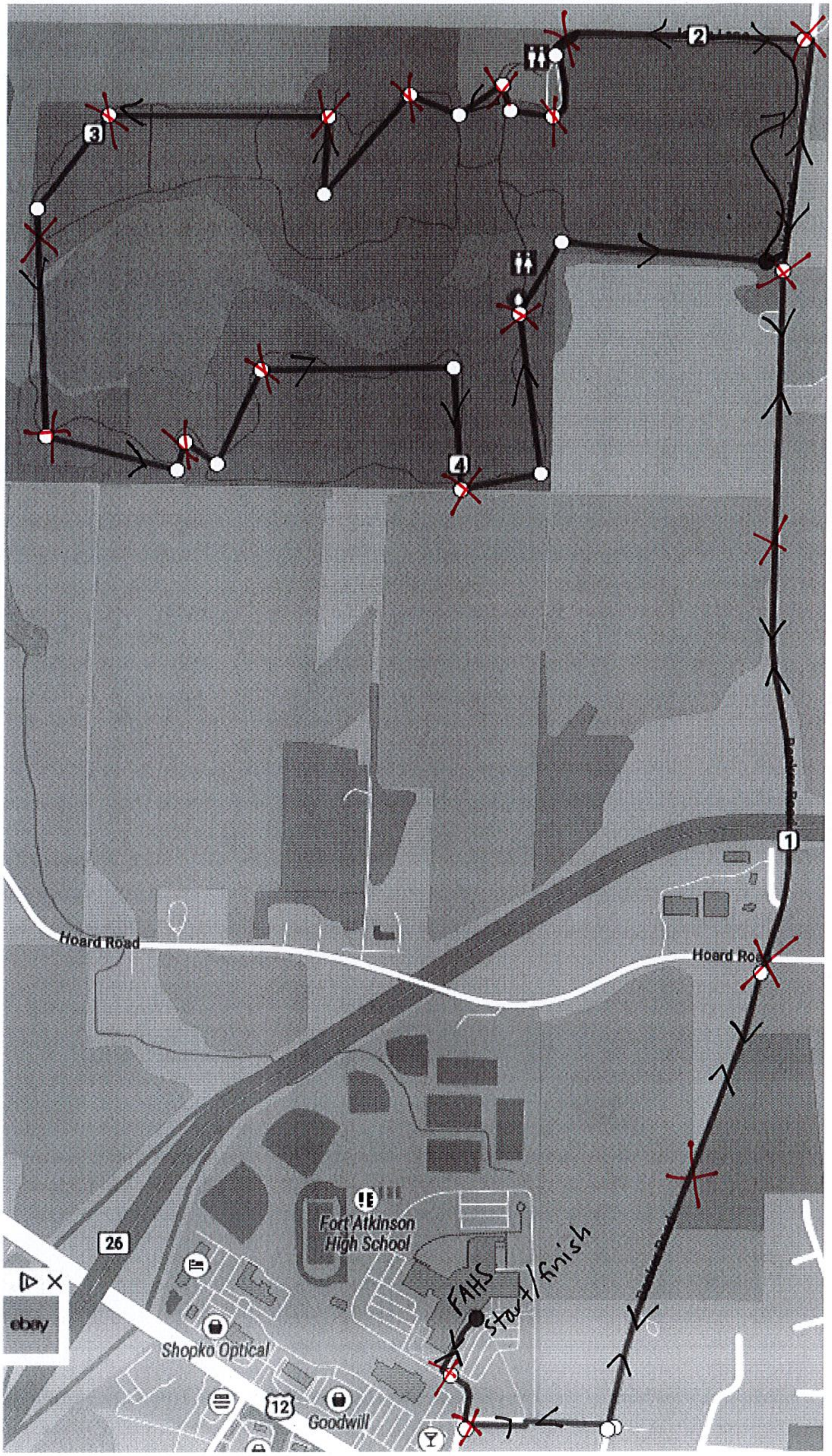
Frosty Rock Challenge 5K



x- volunteer location

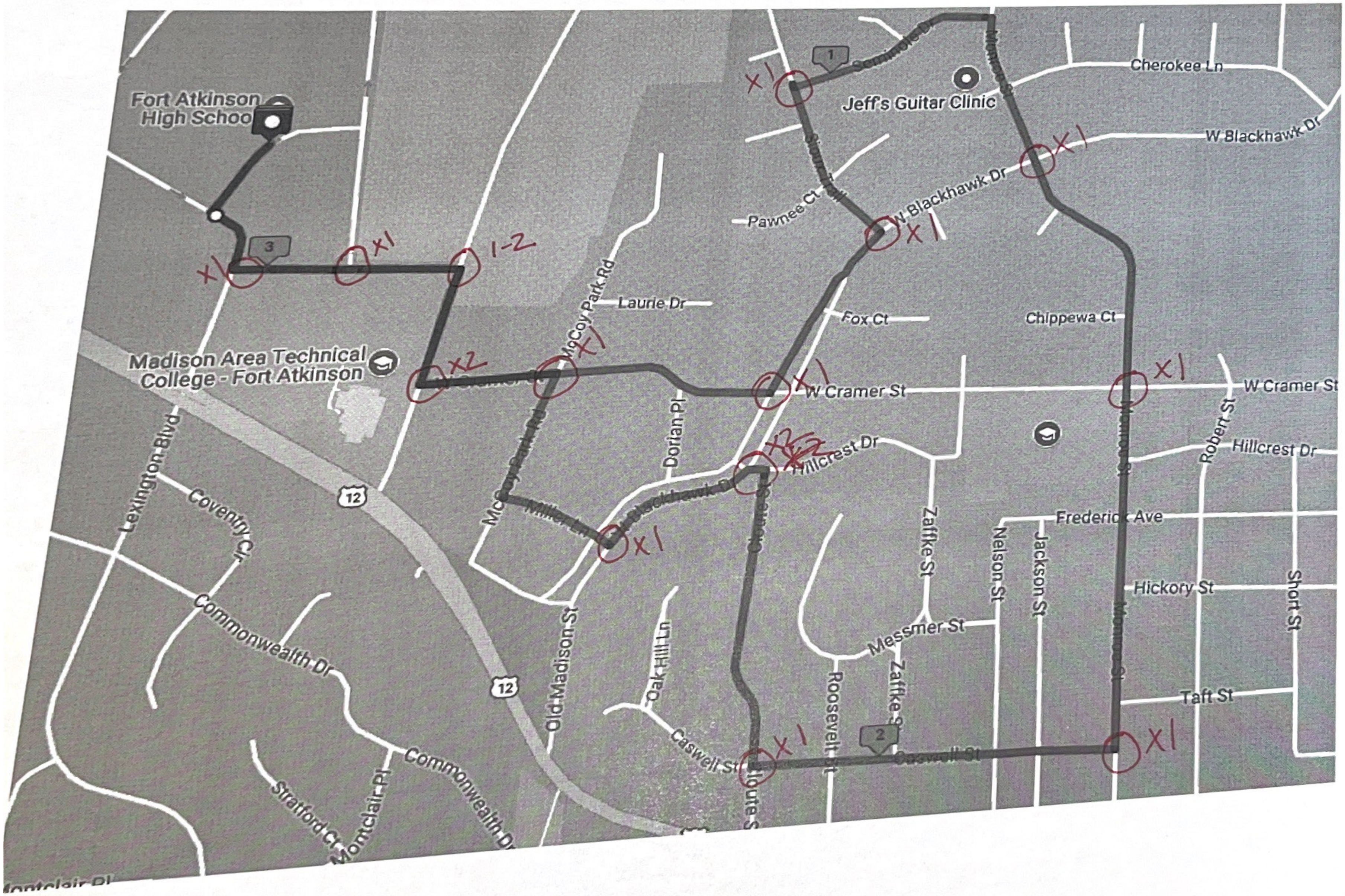
>- course direction

Frosty Rock Challenge 12K



X- Volunteer location

>- course direction


Fort Atkinson High School
Madison Area Technical College - Fort Atkinson
Jeff's Guitar Clinic
Cherokee Ln
W Blackhawk Dr
Pawnee Ct
Laurie Dr
Fox Ct
Chippewa Ct
W Cramer St
McCoy Park Rd
Dorian Pl
Hillcrest Dr
Robert St
Frederick Ave
Zaffke St
Nelson St
Jackson St
Hickory St
Short St
Messmer St
Roosevelt St
Taft St
Caswell St
Monroe St
Lexington Blvd
Coventry Cir
Commonwealth Dr
Old Madison St
Oak Hill Ln
Stratford Ct
Montclair Pl
12
1
2
3
x1
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1-2
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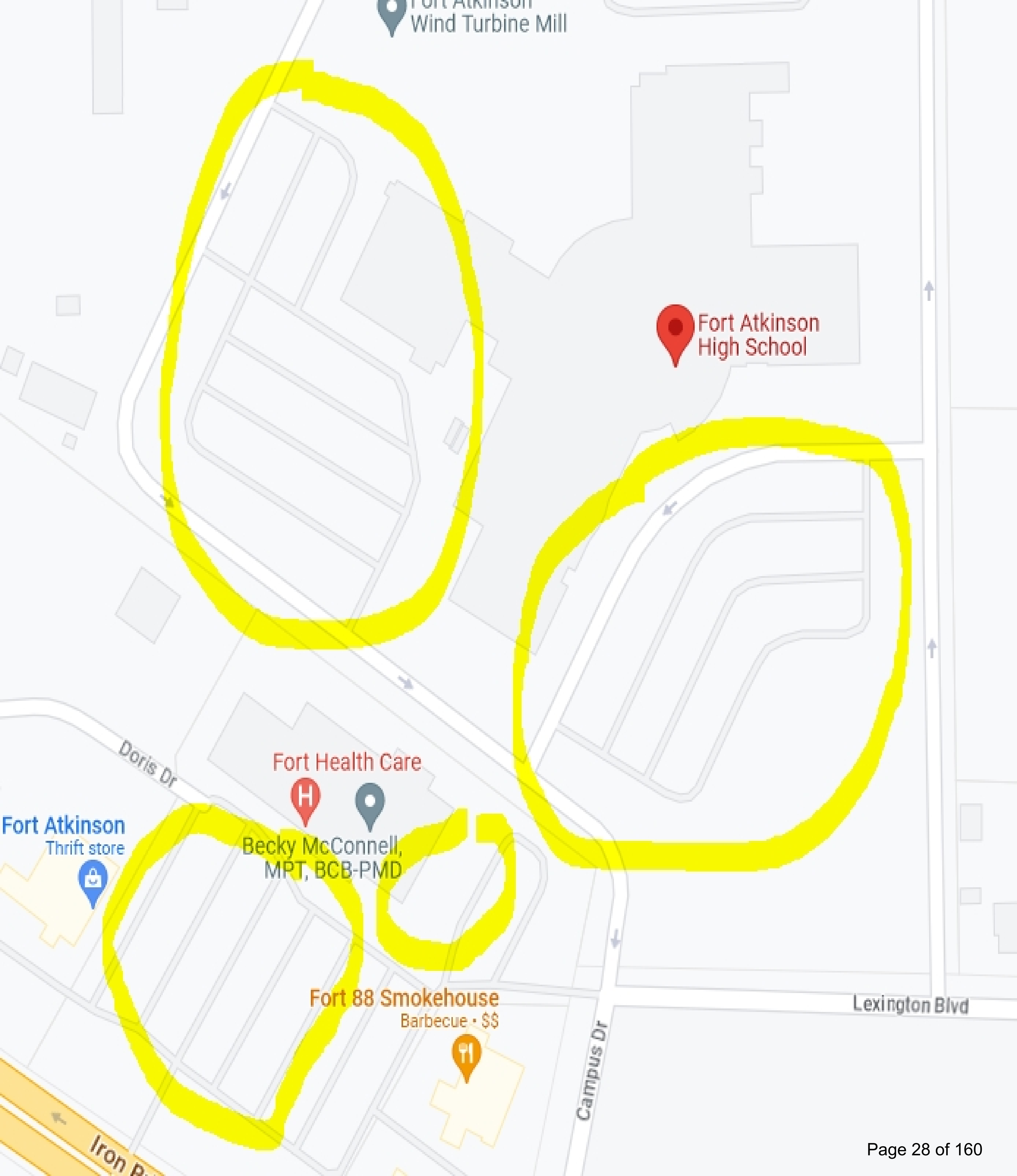
Fort Atkinson
Wind Turbine Mill
Fort Atkinson
High School
Fort Health Care
Becky McConnell,
MPT, BCB-PMD
Fort Atkinson
Thrift store
Doris Dr
Fort 88 Smokehouse
Barbecue · $$
Campus Dr
Lexington Blvd

City of Fort Atkinson

Financial Statements and
Supplementary Information

December 31, 2023

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Independent Auditors' Report

To the City Council of
City of Fort Atkinson

Adverse and Unmodified Opinions

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

Adverse Opinion on Discretely Presented Component Unit

In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the financial statements referred to above do not present fairly the financial position of the discretely presented component unit of the City as of December 31, 2023, or the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions on Governmental Activities, Business-Type Activities, Each Major Fund and the Aggregate Remaining Fund Information

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, each major fund and the aggregate remaining fund information of the City as of December 31, 2023 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Adverse and Unmodified Opinions

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

Matters Giving Rise to Adverse Opinion on the Discretely Presented Component Unit

The financial statements do not include financial data for the City's legally separate component unit, the Fort Atkinson Historical Society. Accounting principles generally accepted in the United States of America require the financial data for the component unit to be reported with the financial data of the City's primary government unless the City also issues financial statements for the financial reporting entity that include the financial data for its component unit. The City has not issued such reporting entity financial statements. The effects of not including the City's legally separate component unit on the discretely presented component unit have not been determined.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Because of the significance of the matter described above, it is inappropriate to and we do not express an opinion on the supplementary information referred to above.

Baker Tilly US, LLP

Madison, Wisconsin
May 16, 2024

CITY OF FORT ATKINSON

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED
As of and for the Year Ended December 31, 2023

The management of the City of Fort Atkinson (the City) offers all persons interested in the financial position of the City, this narrative overview and analysis of the City's financial performance during the fiscal year ending December 31, 2023. You are invited to read this narrative in conjunction with the City's financial statements.

FINANCIAL HIGHLIGHTS

The City's total net position totaled over $76.6 million. $36.1 million was related to governmental activities and $40.6 million to business-type activities. Events that had major impacts on the City's 2023 financials were:

- City-wide Accounts Payable Workflow - $7,900
- City-wide Server Upgrades - $80,000
- Municipal Building Exterior Updates - $13,200
- Police Department Squads - $62,685
- Fire Department Airbags, Security Upgrades - $19,631
- Fire Department Radio Upgrades - $5,200
- Public Safety Emergency Sires - $14,113
- Wastewater Treatment Plant Upgrade Phase II completed - $15,521,760
- Hoard Historical Museum Exterior Upgrades - $14,740
- Senior Center Restroom Upgrades - $10,607
- Aquatic Center Facility and Furniture Upgrades - $14,400
- Parks Infield Groomer - $18,500
- Parks F150 Truck - $42,700
- Transportation Utility Study - $10,000

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. These financial statements consist 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 financial status.

- The remaining statements are fund financial statements that focus on individual parts of city government, reporting the City's operations in more detail than the government-wide statements.

These financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of the required supplementary information that further explains and supports the information in the financial statements. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)

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, deferred outflows of resources, 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, deferred outflows of resources, 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 roads.

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.

The government-wide financial statements of the City are divided into three categories:

- Governmental activities – Most of the City's basic services are included here, such as police, fire, public works, park and recreation, library, and general administration. Property taxes and state aid finance most of these activities.
- Business-type activities – The City charges fees to customers to help it cover the costs of certain services it provides. The City's water, sewer, and stormwater system are included here.
- Fiduciary activities – Included in these activities are collections of all property taxes in the City for all taxing jurisdictions.

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 – Governmental funds are 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 available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)

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 on 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.

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, transportation improvements and general debt service, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. 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 its general fund and other funds as listed in Note 2. A budgetary comparison statement has been provided for the general fund and transportation improvements fund to demonstrate compliance with this budget.

Proprietary Funds – The City maintains three different proprietary funds (water, sewer, and stormwater utilities), all of which are enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Proprietary fund financial statements present the same type of information as the government-wide financial statements, only in more detail.

Fiduciary Funds – Fiduciary funds are 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 accounting used for fiduciary funds is much like that used for proprietary funds.

The City is the trustee, or fiduciary, for collection of all property taxes within the City for all taxing districts including the School District of Fort Atkinson, Madison Area Technical College and Jefferson County. We exclude these activities from the City's government-wide financial statements because the City cannot use these assets to finance its operation.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information – In addition to the basic financial statements and accompanying notes, required supplementary information presents a detailed budgetary comparison schedule for the general fund and transportation improvements fund to demonstrate compliance with the budget along with additional information about the city's pension and other postemployment benefits. The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information.

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 of 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.

A summary of the City's Statement of Net Position is presented below in Table 1.

Table 1
Condensed Statements of Net Position

	Governmental Activities		Business-Type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Current and other assets	$ 25,222,186	$ 27,027,569	$ 8,230,793	$ 8,637,163	$ 33,452,979	$ 35,664,732
Capital assets	34,731,042	34,164,102	49,501,127	46,171,662	84,232,169	80,335,764
Total Assets	59,953,228	61,191,671	57,731,920	54,808,825	117,685,148	116,000,496
Total deferred outflows of resources	7,238,484	5,475,112	1,028,935	1,101,378	8,267,419	6,576,490
Long-term liabilities	14,187,401	14,241,494	16,765,460	14,846,951	30,952,861	29,088,445
Other liabilities	2,053,096	2,015,817	785,053	1,089,284	2,838,149	3,105,101
Total Liabilities	16,240,497	16,257,311	17,550,513	15,936,235	33,791,010	32,193,546
Total deferred inflows of resources	14,896,749	17,224,063	649,486	1,252,317	15,546,235	18,476,380
Invested in capital assets, net of related debt	23,548,840	22,678,622	33,484,220	31,857,343	57,033,060	54,535,965
Restricted	3,868,671	5,845,547	1,593,629	1,466,006	5,462,300	7,311,553
Unrestricted	8,636,955	4,661,240	5,483,007	5,398,302	14,119,962	10,059,542
Total Net Position	$ 36,054,466	$ 33,185,409	$ 40,560,856	$ 38,721,651	$ 76,615,322	$ 71,907,060

The largest portion of the City's total net position (75%) reflects its investment in capital assets (e.g., land, buildings and improvements, machinery and equipment, and infrastructure), less any debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its 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.

An additional portion of the City's net position (10%) represents resources that are subject to external restrictions on how they may be used. The remaining portion of the City's net position represents resources that are unrestricted on how they may be used.

FINANCE ANALYSIS OF THE CITY AS A WHOLE (cont.)

Table 2
Condensed Statement of Activities

	Governmental Activities		Business-Type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program Revenues						
Charges for services	$ 2,123,718	$ 1,256,257	$ 7,456,116	$ 7,023,753	$ 9,579,834	$ 8,280,010
Operating grants and contributions	1,692,241	1,701,060	-	-	1,692,241	1,701,060
Capital grants and contributions	79,780	1,022,142	330,766	1,423,633	410,546	2,445,775
General Revenues						
Property taxes	10,380,730	9,085,628	-	-	10,380,730	9,085,628
Other taxes	314,690	295,799	-	-	314,690	295,799
Intergovernmental	1,322,895	1,526,708	5,230	-	1,328,125	1,526,708
Public gifts and grants	-	215,136	-	-	-	215,136
Other	1,233,874	129,119	190,976	34,402	1,424,850	163,521
Total Revenues	17,147,928	15,231,849	7,983,088	8,481,788	25,131,016	23,713,637
Expenses:						
General government	1,273,385	1,090,715	-	-	1,273,385	1,090,715
Public safety	6,066,234	4,169,999	-	-	6,066,234	4,169,999
Public works	2,664,566	2,502,078	-	-	2,664,566	2,502,078
Health and human services	31,977	34,114	-	-	31,977	34,114
Culture, education and recreation	3,062,099	2,930,785	-	-	3,062,099	2,930,785
Conservation and development	1,109,141	987,109	-	-	1,109,141	987,109
Water	-	-	1,782,527	1,418,513	1,782,527	1,418,513
Sewer	-	-	3,395,358	2,821,082	3,395,358	2,821,082
Stormwater	-	-	650,200	598,625	650,200	598,625
Interest and fiscal charges	387,267	343,097	-	-	387,267	343,097
Total Expenses	14,594,669	12,057,897	5,828,085	4,838,220	20,422,754	16,896,117
Income (Loss) Before Transfers	2,553,259	3,173,952	2,155,003	3,643,568	4,708,262	6,817,520
Transfers	315,798	333,400	(315,798)	(333,400)	-	-
Changes in Net Position	2,869,057	3,507,352	1,839,205	3,310,168	4,708,262	6,817,520
Beginning Net Position	33,185,409	29,678,057	38,721,651	35,411,483	71,907,060	65,089,540
Ending Net Position	$ 36,054,466	$ 33,185,409	$ 40,560,856	$ 38,721,651	$ 76,615,322	$ 71,907,060

As previously noted, the Statement of Net Position shows the change in financial position or net position. The specific nature or source of these changes then becomes more evident in the Statement of Activities as shown above in Table 2.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (cont.)

Governmental Activities

Governmental activities increased the City's net position by $2,869,057 compared to an increase of $3,507,352 in 2022. The increase is related primarily to grants and donations.

Business-Type Activities

Business-type activities increased the City's net position by $1,839,205 compared to an increase of approximately $3,310,168 in 2022. The current year increase is the result of regular operations.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Governmental Funds

The focus of the city of Fort Atkinson's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the government's net resources available for spending at the end of the fiscal year.

At December 31, 2023, the City's governmental funds reported combined fund balances of $12,215,189. Of this amount, $2,726,683 constitutes the unassigned fund balance. An additional $2,764,924 is non-spendable funds related to land held for resale, delinquent items, prepaids and TIF District advances. Restricted funds amount to $3,959,777 for unspent debt related to capital purchases, library, museum, and grant purposes, or other amounts restricted by state statutes. Committed funds amount to $695,622 for transportation improvements and EMS activities. The remaining $2,068,183 is assigned to deposits, loan programs, non-lapsing funds and equipment replacement, utility taxes, the municipal airport and capital improvements.

General Fund

The unassigned fund balance is approximately $3.8 million. This amount does not include $2.7 million of fund balance for prepaid items, land held for resale, advances, and delinquent personal property taxes shown as non-spendable because they are assets on the balance sheet that are not in spendable form.

The City evaluates general fund balance by measuring the unassigned general fund balance as a percentage of the general fund budget. For 2023, unassigned fund balance is $3,828,062, and the current year general fund expenditure budget is $9,806,937, resulting in an unassigned fund balance of 39%. The City's goal is to maintain a 15%-30% general fund balance to current year's expenditure budget. The City is above its policy range at year end.

Transportation Improvements

The transportation improvements special revenue fund has fund balance of $693,530 at the end of the current year, which is a decrease of $13,922 from the previous year, largely related to increased capital outlay related to streets offset by CDBG grant revenues received in 2023.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS (cont.)

General Debt Service

The general debt service fund had a restricted fund balance of $4,408 at year end, an increase of $16 from the prior year.

Proprietary Funds

The water utility rates are governed by the Public Service Commission of Wisconsin (PSCW). The authorized rate of net operating income as a percentage of average rate base is 4.90%.

The sewer utility rates are governed by the Fort Atkinson City Council. Current rates were effective as of January 1, 2021.

The stormwater rates are governed by the Fort Atkinson City Council. The fixed rate remained consistent to the previous year at $52.50 per year in 2023.

The city of Fort Atkinson's proprietary fund financial statements provide the same type of information found in the government-wide financial statements, but in more detail. Factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

CAPITAL ASSETS

At the end of 2023, the City has invested a total of $84,232,169 in capital assets. This investment in capital assets includes land, land improvements, buildings, machinery and equipment and infrastructure.

Table 3
Capital Assets

	Governmental Activities		Business-Type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Land and other assets not being depreciated	$ 6,711,504	$ 5,877,315	$ 15,858,523	$ 13,298,563	$ 22,570,027	$ 19,175,878
Land improvements	3,404,813	3,404,813	-	-	3,404,813	3,404,813
Buildings	21,251,738	21,222,748	-	-	21,251,738	21,222,748
Machinery and equipment	11,543,696	11,274,151	-	-	11,543,696	11,274,151
Infrastructure	24,142,632	23,330,215	-	-	24,142,632	23,330,215
Utility plant	-	-	68,534,628	66,340,359	68,534,628	66,340,359
Total Capital Assets	67,054,383	65,109,242	84,393,151	79,638,922	151,447,534	144,748,164
Less: Accumulated Depreciation	(32,323,341)	(30,945,140)	(34,892,024)	(33,467,260)	(67,215,365)	(64,412,400)
Net Capital Assets	$ 34,731,042	$ 34,164,102	$ 49,501,127	$ 46,171,662	$ 84,232,169	$ 80,335,764

CAPITAL ASSETS (cont.)

Major capital asset events during the current fiscal year included the following:

Governmental Activities

- Land for public works facility
- Road improvements
- Squad cars
- Public safety equipment
- Street rehabilitation and maintenance
- Computer and technology upgrades
- Public Works and Parks Equipment

Business-Type Activities

- Water Utility meter replacement
- Water Main replacement
- Wastewater Treatment Plant Upgrades
- Stormwater equipment

Additional information on the City's capital assets can be found in Note 3 of this report.

LONG-TERM OBLIGATIONS

At December 31, 2023, the City had $14,569,600 of long-term general obligation bonds and notes outstanding, which is a decrease of $2,039,100 from the previous year.

In accordance with Wisconsin Statutes, total general obligation indebtedness of the City may not exceed five percent of the equalized value of taxable property within the City's jurisdiction. The debt limit as of December 31, 2023 was $67,624,320. Total general obligation debt outstanding at year-end was $14,569,600. Therefore, the City was at 22% of the legal debt limit.

In the current year, the City also issued $2,670,692 in revenue debt for the Sewer Utility. The outstanding amount of revenue debt as of December 31, 2023 is $12,897,928. This clean water fund loan will be repaid solely from future sewer utility revenues and relates to the wastewater treatment plant upgrade. The City has not drawn the full amount authorized for this debt issuance through the end of the year. The fully authorized amount is $14,125,508.

Additional information on the City's long-term obligations can be found in Note 3 of this report.

CURRENTLY KNOWN FACTS/ECONOMIC CONDITIONS

All currently known facts and economic conditions were considered in preparing the 2024 City budget. None of these conditions are anticipated to significantly change the overall financial position of the City.

REQUESTS FOR INFORMATION

The financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the City's finances. If you have questions about this report or need any additional information, contact Michelle Ebbert, City Finance Director/Clerk/Treasurer.

City of Fort Atkinson

Statement of Net Position
December 31, 2023

	Governmental Activities	Business-Type Activities	Total
Assets and Deferred Outflows of Resources			
Assets			
Cash and investments	$ 12,145,011	$ 5,869,533	$ 18,014,544
Receivables (net):			
Taxes	10,395,778	-	10,395,778
Delinquent personal property taxes	2,905	-	2,905
Accounts	506,507	502,474	1,008,981
Loans	412,049	-	412,049
Leases	422,890	-	422,890
Other receivables	-	488,686	488,686
Internal balances	315,798	(315,798)	-
Inventories	-	60,172	60,172
Land held for resale	818,210	-	818,210
Prepaid items	203,038	252	203,290
Restricted assets:			
Cash and investments	-	1,625,474	1,625,474
Capital assets:			
Land	6,374,476	364,125	6,738,601
Construction in progress	337,028	15,494,398	15,831,426
Other capital assets, net of depreciation	28,019,538	33,642,604	61,662,142
Total assets	59,953,228	57,731,920	117,685,148
Deferred Outflows of Resources			
Deferred charge on refunding	-	15,201	15,201
Pension related amounts	6,997,232	952,120	7,949,352
OPEB related amounts	241,252	61,614	302,866
Total deferred outflows of resources	7,238,484	1,028,935	8,267,419

See notes to financial statements

	Governmental Activities	Business-Type Activities	Total
Liabilities, Deferred Inflows of Resources and Net Position			
Liabilities			
Accounts payable	$ 1,038,368	$ 712,619	$ 1,750,987
Accrued liabilities and deposits	148,747	72,434	221,181
Unearned revenues	865,981	-	865,981
Noncurrent liabilities:			
Due within one year	1,325,316	963,089	2,288,405
Due in more than one year	10,465,159	15,358,681	25,823,840
Net pension liability	1,822,130	263,083	2,085,213
OPEB liabilities	574,796	180,607	755,403
Total liabilities	16,240,497	17,550,513	33,791,010
Deferred Inflows of Resources			
Unearned revenues	10,772,469	-	10,772,469
Pension related amounts	3,809,913	556,154	4,366,067
OPEB related amounts	314,367	93,332	407,699
Total deferred inflows of resources	14,896,749	649,486	15,546,235
Net Position			
Net investment in capital assets	23,548,840	33,484,220	57,033,060
Restricted for:			
Library	856,386	-	856,386
Museum	936,923	-	936,923
Tourism	112,979	-	112,979
TIF district purposes	1,309,962	-	1,309,962
Grant purposes	652,421	-	652,421
Equipment replacement	-	1,488,380	1,488,380
Debt service	-	105,249	105,249
Unrestricted	8,636,955	5,483,007	14,119,962
Total net position	$ 36,054,466	$ 40,560,856	$ 76,615,322

See notes to financial statements

City of Fort Atkinson

Statement of Activities
Year Ended December 31, 2023

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Governmental Activities	Net (Expenses) Revenues and Changes in Net Position: Business-Type Activities	Total
Governmental activities:							
General government	$ 1,273,385	$ 224,753	$ -	$ -	$ (1,048,632)	$ -	$ (1,048,632)
Public safety	6,066,234	1,410,288	437,638	-	(4,218,308)	-	(4,218,308)
Public works	2,664,566	162,202	959,116	79,780	(1,463,468)	-	(1,463,468)
Health and human services	31,977	-	-	-	(31,977)	-	(31,977)
Culture, education and recreation	3,062,099	316,976	290,621	-	(2,454,502)	-	(2,454,502)
Conservation and development	1,109,141	9,499	4,866	-	(1,094,776)	-	(1,094,776)
Interest and fiscal charges	387,267	-	-	-	(387,267)	-	(387,267)
Total governmental activities	14,594,669	2,123,718	1,692,241	79,780	(10,698,930)	-	(10,698,930)
Business-type activities:							
Water utility	1,782,527	3,100,416	-	-	-	1,317,889	1,317,889
Sewer utility	3,395,358	3,791,511	-	330,766	-	726,919	726,919
Stormwater utility	650,200	564,189	-	-	-	(86,011)	(86,011)
Total business-type activities	5,828,085	7,456,116	-	330,766	-	1,958,797	1,958,797
Total	$ 20,422,754	$ 9,579,834	$ 1,692,241	$ 410,546	(10,698,930)	1,958,797	(8,740,133)
General Revenues							
Taxes:							
Property taxes, levied for general purposes					7,329,733	-	7,329,733
Property taxes, levied for debt service					1,296,445	-	1,296,445
Property taxes, levied for TIF districts					1,754,552	-	1,754,552
Other taxes					314,690	-	314,690
Intergovernmental revenues not restricted to specific programs					1,322,895	5,230	1,328,125
Investment income					583,161	190,976	774,137
Miscellaneous					650,713	-	650,713
Total general revenues					13,252,189	196,206	13,448,395
Transfers					315,798	(315,798)	-
Change in net position					2,869,057	1,839,205	4,708,262
Net Position, Beginning					33,185,409	38,721,651	71,907,060
Net Position, Ending					$ 36,054,466	$ 40,560,856	$ 76,615,322

See notes to financial statements

City of Fort Atkinson

Balance Sheet -
Governmental Funds
December 31, 2023

	General	Transportation Improvements	General Debt Service
Assets			
Cash and investments	$ 4,498,520	$ 1,336,602	$ 4,408
Receivables (net):			
Taxes	6,105,957	500,000	1,397,791
Delinquent personal property taxes	2,905	-	-
Accounts	179,009	-	-
Lease	393,531	-	-
Loans	-	-	-
Due from other funds	356,501	-	-
Land held for resale	818,210	-	-
Prepaid items	178,247	-	-
Advances to other funds	1,740,771	-	-
Total assets	$ 14,273,651	$ 1,836,602	$ 1,402,199
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities			
Accounts payable	$ 263,093	$ 643,072	$ -
Accrued liabilities	12,899	-	-
Due to other funds	-	-	-
Unearned revenues	-	-	-
Advances from other funds	-	-	-
Total liabilities	275,992	643,072	-
Deferred Inflows of Resources			
Unearned revenues	6,453,289	500,000	1,397,791
Unavailable revenues	78,378	-	-
Total deferred inflows of resources	6,531,667	500,000	1,397,791
Fund Balances (Deficit)			
Nonspendable	2,740,133	-	-
Restricted	-	-	4,408
Committed	-	693,530	-
Assigned	897,797	-	-
Unassigned (deficit)	3,828,062	-	-
Total fund balances (deficit)	7,465,992	693,530	4,408
Total liabilities, deferred inflows of resources and fund balances	$ 14,273,651	$ 1,836,602	$ 1,402,199

See notes to financial statements

Nonmajor Governmental Funds	Total
$ 6,305,481	$ 12,145,011
2,392,030	10,395,778
-	2,905
327,498	506,507
29,359	422,890
412,049	412,049
-	356,501
-	818,210
24,791	203,038
-	1,740,771
$ 9,491,208	$ 27,003,660
$ 132,203	$ 1,038,368
-	12,899
40,703	40,703
865,981	865,981
1,740,771	1,740,771
2,779,658	3,698,722
2,421,389	10,772,469
238,902	317,280
2,660,291	11,089,749
24,791	2,764,924
3,955,369	3,959,777
2,092	695,622
1,170,386	2,068,183
(1,101,379)	2,726,683
4,051,259	12,215,189
$ 9,491,208	$ 27,003,660

See notes to financial statements

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

Total Fund Balances, Governmental Funds	$ 12,215,189
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds.	
Land	6,374,476
Construction in progress	337,028
Other capital assets	60,342,879
Less accumulated depreciation	(32,323,341)
Some receivables that are not currently available are reported as unavailable revenues in the fund financial statements but are recognized as revenue when earned in the government-wide statements.	317,280
The net pension liability does not relate to current financial resources and is not reported in the governmental funds.	(1,822,130)
Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	6,997,232
Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	(3,809,913)
The OPEB liabilities do not relate to current financial resources and are not reported in the governmental funds.	(574,796)
Deferred outflows of resources related to OPEB do not relate to current financial resources and are not reported in the governmental funds.	241,252
Deferred inflows of resources related to OPEB do not relate to current financial resources and are not reported in the governmental funds.	(314,367)
Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds.	
Bonds and notes payable	(11,331,600)
Compensated absences	(458,875)
Accrued interest	(135,848)
Net Position of Governmental Activities	$ 36,054,466

See notes to financial statements

City of Fort Atkinson

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

	General	Transportation Improvements	General Debt Service
Revenues			
Taxes	$ 6,046,081	$ 716,387	$ 1,296,445
Intergovernmental	2,151,091	277,629	-
Licenses and permits	330,673	-	-
Fines, forfeitures and penalties	173,448	-	-
Public charges for services	454,110	-	-
Intergovernmental charges for services	253,319	-	-
Investment income	248,653	-	-
Miscellaneous	201,109	-	-
Total revenues	9,858,484	994,016	1,296,445
Expenditures			
Current:			
General government	977,329	-	-
Public safety	4,578,176	-	-
Public works	2,250,744	-	-
Health and human services	31,977	-	-
Culture, recreation and education	1,506,102	-	-
Conservation and development	275,249	-	-
Capital outlay	533,958	1,018,020	-
Debt service:			
Principal	-	-	944,900
Interest and fiscal charges	-	-	351,529
Total expenditures	10,153,535	1,018,020	1,296,429
Excess (deficiency) of revenues over expenditures	(295,051)	(24,004)	16
Other Financing Sources (Uses)			
Property sales	-	-	-
Transfers in	323,273	10,082	-
Transfers out	(187,238)	-	-
Total other financing sources (uses)	136,035	10,082	-
Net change in fund balances	(159,016)	(13,922)	16
Fund Balances (Deficit), Beginning	7,625,008	707,452	4,392
Fund Balances (Deficit), Ending	$ 7,465,992	$ 693,530	$ 4,408

See notes to financial statements

Nonmajor Governmental Funds	Total
$ 2,636,507	$ 10,695,420
1,313,898	3,742,618
-	330,673
-	173,448
742,936	1,197,046
-	253,319
334,508	583,161
477,335	678,444
5,505,184	17,654,129
134,997	1,112,326
649,315	5,227,491
2,828	2,253,572
-	31,977
977,947	2,484,049
281,317	556,566
1,458,836	3,010,814
638,200	1,583,100
40,951	392,480
4,184,391	16,652,375
1,320,793	1,001,754
88,517	88,517
1,043,295	1,376,650
(873,614)	(1,060,852)
258,198	404,315
1,578,991	1,406,069
2,472,268	10,809,120
$ 4,051,259	$ 12,215,189

See notes to financial statements

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

Net Change in Fund Balances, Total Governmental Funds	$	1,406,069
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Net Position the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities.		
Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements		3,010,814
Some items reported as capital outlay were not capitalized		(683,213)
Depreciation is reported in the government-wide financial statements		(1,760,661)
Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.		(594,715)
Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		
Principal repaid		1,583,100
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Compensated absences		89,619
Accrued interest on debt		5,213
Net pension asset/liability		(4,476,011)
Deferred outflows of resources related to pensions		1,806,755
Deferred inflows of resources related to pensions		2,469,819
OPEB liabilities		203,504
Deferred outflows of resources related to OPEB		(43,383)
Deferred inflows of resources related to OPEB		(147,853)
Change in Net Position of Governmental Activities	$	2,869,057

See notes to financial statements

City of Fort Atkinson

Statement of Net Position -
Proprietary Funds
December 31, 2023

	Business-Type Activities - Enterprise Funds			
	Water Utility	Sewer Utility	Stormwater Utility	Total
Assets				
Current assets:				
Cash and investments	$ 1,672,134	$ 3,956,083	$ 241,316	$ 5,869,533
Receivables:				
Customer accounts receivable	305,717	143,208	53,549	502,474
Other	8,904	479,782	-	488,686
Prepaid items	84	84	84	252
Inventories	60,172	-	-	60,172
Restricted assets:				
Redemption account	-	137,094	-	137,094
Total current assets	2,047,011	4,716,251	294,949	7,058,211
Noncurrent assets:				
Restricted assets:				
Depreciation account	94,301	-	-	94,301
Replacement account	-	1,394,079	-	1,394,079
Capital assets:				
Land	69,046	295,079	-	364,125
Construction in progress	-	15,494,398	-	15,494,398
Utility plant	21,276,693	37,023,656	10,234,279	68,534,628
Less accumulated depreciation	(6,727,838)	(23,393,529)	(4,770,657)	(34,892,024)
Total noncurrent assets	14,712,202	30,813,683	5,463,622	50,989,507
Total assets	16,759,213	35,529,934	5,758,571	58,047,718
Deferred Outflows of Resources				
Deferred charge on refunding	8,902	6,299	-	15,201
Pension related amounts	370,272	478,761	103,087	952,120
OPEB related amounts	25,631	35,983	-	61,614
Total deferred outflows of resources	404,805	521,043	103,087	1,028,935

See notes to financial statements

City of Fort Atkinson

Statement of Net Position -
Proprietary Funds
December 31, 2023

	Business-Type Activities - Enterprise Funds			
	Water Utility	Sewer Utility	Stormwater Utility	Total
Liabilities				
Current liabilities:				
Accounts payable	$ 259,181	$ 354,637	$ 98,801	$ 712,619
Accrued interest	22,505	3,271	14,813	40,589
Due to other funds	315,798	-	-	315,798
Current portion of general obligation debt	169,000	76,000	57,000	302,000
Compensated absences	8,011	26,725	-	34,736
Liabilities payable from restricted assets:				
Current portion of revenue debt payable	-	626,353	-	626,353
Accrued interest	-	31,845	-	31,845
Total current liabilities	774,495	1,118,831	170,614	2,063,940
Noncurrent liabilities:				
General obligation bonds payable	1,593,000	296,000	1,047,000	2,936,000
Compensated absences	25,932	70,994	-	96,926
Revenue bonds payable	-	12,271,575	-	12,271,575
Unamortized premium	27,218	5,227	21,735	54,180
OPEB liability	75,435	105,172	-	180,607
Net pension liability	96,746	137,797	28,540	263,083
Total noncurrent liabilities	1,818,331	12,886,765	1,097,275	15,802,371
Total liabilities	2,592,826	14,005,596	1,267,889	17,866,311
Deferred Inflows of Resources				
Deferred inflows related to pension	209,030	280,124	67,000	556,154
OPEB related amounts	36,403	56,929	-	93,332
Total deferred inflows of resources	245,433	337,053	67,000	649,486
Net Position				
Net investment in capital assets	12,894,585	16,227,748	4,361,887	33,484,220
Restricted for:				
Equipment replacement	94,301	1,394,079	-	1,488,380
Debt service	-	105,249	-	105,249
Unrestricted	1,336,873	3,981,252	164,882	5,483,007
Total net position	$ 14,325,759	$ 21,708,328	$ 4,526,769	$ 40,560,856

See notes to financial statements

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

	Business-Type Activities - Enterprise Funds			
	Water Utility	Sewer Utility	Stormwater Utility	Total
Operating Revenues				
Charges for services	$ 3,100,416	$ 3,791,511	$ 564,189	$ 7,456,116
Total operating revenues	3,100,416	3,791,511	564,189	7,456,116
Operating Expenses				
Operation and maintenance	1,286,951	2,194,868	373,711	3,855,530
Depreciation	401,403	959,785	243,151	1,604,339
Taxes	26,384	47,706	-	74,090
Total operating expenses	1,714,738	3,202,359	616,862	5,533,959
Operating income (loss)	1,385,678	589,152	(52,673)	1,922,157
Nonoperating Revenues (Expenses)				
Intergovernmental	-	5,230	-	5,230
Investment income	39,795	150,699	482	190,976
Interest expense	(67,789)	(192,999)	(33,338)	(294,126)
Total nonoperating revenues (expenses)	(27,994)	(37,070)	(32,856)	(97,920)
Income before contributions and transfers	1,357,684	552,082	(85,529)	1,824,237
Contributions and Transfers				
Capital contributions	-	330,766	-	330,766
Transfers out	(315,798)	-	-	(315,798)
Total contributions and transfers	(315,798)	330,766	-	14,968
Change in net position	1,041,886	882,848	(85,529)	1,839,205
Net Position, Beginning	13,283,873	20,825,480	4,612,298	38,721,651
Net Position, Ending	$ 14,325,759	$ 21,708,328	$ 4,526,769	$ 40,560,856

See notes to financial statements

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

	Business-Type Activities - Enterprise Funds			
	Water Utility	Sewer Utility	Stormwater Utility	Total
Cash Flows From Operating Activities				
Received from customers	$ 3,658,030	$ 3,876,699	$ 653,081	$ 8,187,810
Paid to suppliers for goods and services	(765,904)	(2,022,970)	(145,033)	(2,933,907)
Paid to employees for services	(217,720)	(280,976)	(216,324)	(715,020)
Net cash flows from operating activities	2,674,406	1,572,753	291,724	4,538,883
Cash Flows From Investing Activities				
Investment income	39,795	150,699	482	190,976
Net cash flows from investing activities	39,795	150,699	482	190,976
Cash Flows From Noncapital Financing Activities				
Paid to municipality for tax equivalent	(333,400)	-	-	(333,400)
Net cash flows from noncapital financing activities	(333,400)	-	-	(333,400)
Cash Flows From Capital and Related Financing Activities				
Proceeds from debt issue	-	2,670,692	-	2,670,692
Debt retired	(274,000)	(647,792)	(56,000)	(977,792)
Interest paid	(73,644)	(190,525)	(35,891)	(300,060)
Acquisition and construction of capital assets	(1,257,881)	(3,677,941)	(448,813)	(5,384,635)
Capital contributions received	-	335,996	-	335,996
Net cash flows from capital and related financing activities	(1,605,525)	(1,509,570)	(540,704)	(3,655,799)
Net change in cash and cash equivalents	775,276	213,882	(248,498)	740,660
Cash and Cash Equivalents, Beginning	991,159	5,273,374	489,814	6,754,347
Cash and Cash Equivalents, Ending	$ 1,766,435	$ 5,487,256	$ 241,316	$ 7,495,007

See notes to financial statements

City of Fort Atkinson

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

	Business-Type Activities - Enterprise Funds			
	Water Utility	Sewer Utility	Stormwater Utility	Total
Reconciliation of Operating Income (Loss) to Net Cash Flows From Operating Activities				
Operating income (loss)	$ 1,385,678	$ 589,152	$ (52,673)	$ 1,922,157
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:				
Depreciation	401,403	959,785	243,151	1,604,339
Depreciation charged to other funds	44,191	-	-	44,191
Changes in assets, deferred outflows/inflows of resources and liabilities:				
Accounts receivable	45,149	(8,434)	88,892	125,607
Other accounts receivable	458,638	63,310	-	521,948
Inventories	(9,702)	-	-	(9,702)
Prepayments	868	636	636	2,140
Accrued compensation	(1,587)	4,663	-	3,076
Other current liabilities	-	(522)	-	(522)
Accounts payable	241,754	(134,723)	-	107,031
Pension related deferrals and assets/liabilities	89,761	87,363	11,718	188,842
OPEB related deferrals and liabilities	18,253	11,523	-	29,776
Net cash flows from operating activities	$ 2,674,406	$ 1,572,753	$ 291,724	$ 4,538,883
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position, Proprietary Funds				
Cash and investments	$ 1,672,134	$ 3,956,083	$ 241,316	$ 5,869,533
Restricted cash and investments:				
Redemption account	-	137,094	-	137,094
Replacement account	-	1,394,079	-	1,394,079
Depreciation account	94,301	-	-	94,301
Cash and cash equivalents	$ 1,766,435	$ 5,487,256	$ 241,316	$ 7,495,007
Noncash Capital and Related Financing Activities				
Amortization of premium/deferred charge on refunding	$ 291	$ (428)	$ 1,449	

See notes to financial statements

City of Fort Atkinson

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

	Custodial Fund
Assets	
Cash and investments	$ 8,349,040
Tax roll receivable	8,787,601
Total assets	17,136,641
Liabilities	
Due to other taxing units	17,136,641
Total liabilities	17,136,641
Net Position	
Total net position	$ -

See notes to financial statements

City of Fort Atkinson

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

	Custodial Fund
Additions	
Property taxes collected for other governments	$ 13,134,618
Total additions	13,134,618
Deductions	
Property taxes distributed to other governments	13,134,618
Total deductions	13,134,618
Change in fiduciary net position	-
Net Position, Beginning	-
Net Position, Ending	$ -

See notes to financial statements

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1. Summary of Significant Accounting Policies

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

Reporting Entity

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

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

Component Unit Not Presented

Fort Atkinson Historical Society

The Fort Atkinson Historical Society (Historical Society) is a legally separate organization that qualifies as a component unit of the city. Audited financial statements of the Historical Society are not available for the year ended December 31, 2023.

Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

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

a. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type, and

b. The same element of the individual governmental or enterprise fund that met the 10% test is at least 5% of the corresponding total for all governmental and enterprise funds combined.

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

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

The City reports the following major governmental funds:

General Fund

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

Special Revenue Fund

Transportation Improvements is used to account for and report transportation projects that are legally restricted or committed to supporting expenditures for the program.

Debt Service Fund

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

Enterprise Funds

The City reports the following major enterprise funds:

Water Utility accounts for operations of the water system

Sewer Utility accounts for operations of the sewer system

Stormwater Utility accounts for operations of the stormwater system

The City reports the following nonmajor governmental funds:

Special Revenue Funds

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

Wisconsin Development Fund
Library Trust
Museum Trust
EMS
Lodging Room Tax
Dwight Foster Public Library
Subsidized Taxi Program
CDBG
Municipal Airport
Capital Catalyst Grant
ARPA

Capital Projects Funds

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

TIF District No. 6
TIF District No. 8
TIF District No. 10
TIF District No. 7
TIF District No. 9
Capital Improvements Project

In addition, the City reports the following fund type:

Custodial Funds

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

Tax Collection

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-Wide Financial Statements

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's 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. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

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

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

Special assessments are recorded as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and unavailable revenues. At December 31, 2023, there were $665,769 of unrecorded anticipated future assessments which are not recorded as receivables because collection is subject to certain events occurring in the future. No formal repayment schedules have been established.

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

Proprietary and Fiduciary Funds

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

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

All Financial Statements

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

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

Deposits and Investments

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

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

a. Time deposits in any credit union, bank, savings bank or trust company.

b. Bonds or securities of any county, city, drainage district, technical college district, village, town or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, the University of Wisconsin Hospitals and Clinics Authority or the Wisconsin Aerospace Authority.

c. Bonds or securities issued or guaranteed by the federal government.

d. The local government investment pool.

e. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.

f. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.

g. Repurchase agreements with public depositories, with certain conditions.

Investment of most trust funds including cemetery perpetual care funds, is regulated by Chapter 881 of the Wisconsin Statutes. Investment of library trust funds is regulated by Chapter 112. Those sections give broad authority to use such funds to acquire various kinds of investments including stocks, bonds and debentures.

The City has adopted an investment policy. That policy contains the following guidelines related to custodial credit risk: all deposits of city funds in interest bearing time instruments shall be secured by pledged collateral in an amount equal to at least 100% of the total investment less the amount insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation. At December 31, 2023, the City has deposits which do not meet the previous criteria and are uninsured and uncollateralized. See Note 3. The policy addresses credit risk by limiting the types of securities allowable, pre-qualifying financial institutions, broker/dealers, intermediaries and advisors with which the City will do business with and by diversifying the investment portfolio to minimize the impact of potential losses from any one type of security or individual issuer.

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

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF) and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2023, the fair value of the City 's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

See Note 3 for further information.

Receivables

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

Property tax calendar - 2023 tax roll:

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

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

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 governmental-wide financial statements as internal balances.

In the governmental fund financial statements, advances to other funds are offset equally by a nonspendable fund balance account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation or by a restricted fund balance account, if the funds will ultimately be restricted when the advance is repaid.

It is the City's policy to record revenue when the initial loan is made from the grant funds. The net amount of the loan receivable balance is included in restricted fund balance. Interest received from loan repayments is recognized as revenue when received in cash. Any unspent loan repayments at year end are presented as assigned fund balance in the fund financial statements.

Inventories and Prepaid Items

Governmental fund inventories, if material, are recorded at cost based on the FIFO method using the purchases method of accounting. Proprietary fund inventories are generally used for construction and/or for operation and maintenance work. They are not for resale. They are valued at cost based on FIFO and charged to construction and/or operation and maintenance expense when used.

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

Restricted Assets

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

Capital Assets

Government-Wide Financial Statements

Capital assets, which include property, plant and equipment are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than $10,000 for general capital assets and $25,000 for infrastructure assets and an estimated useful life in excess of one year. All capital assets are valued at historical cost or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

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

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

Buildings	10-40	Years
Land improvements	10-20	Years
Machinery and equipment	4-25	Years
Utility systems	15-85	Years
Infrastructure	50-75	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.

Other Assets

The general fund is reporting assets held for resale in the amount of $818,210. These assets are valued at the lower of cost or market value and are intended to be used for future development of the City.

Deferred Outflows of Resources

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

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

Compensated Absences

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

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

The City provides postemployment health insurance benefits for all eligible employees. Eligibility is based on various criteria. The benefits are based on contractual agreements with employee groups, local ordinances or employee benefit policies. Employees may convert a portion of accumulated sick leave to pay for health care premiums. The cost of those premiums is recognized as an expenditure as the premiums are paid. The entire cost is paid by the City. Funding for those costs is provided out of the current operating budget of the City. The contributions are financed on a pay as you go basis. Total expenditures for such premiums during the year were $82,349. The number of participants eligible to receive benefits as of December 31, 2023 is 6. The total amount outstanding at year end to be paid in the future is $79,311 and is included in the government-wide statement of net position.

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

Long-Term Obligations

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

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

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

Leases

The City is a lessor because it leases capital assets to other entities. As a lessor, the City reports a lease receivable and corresponding deferred inflow of resources in both the fund financial statements and government-wide financial statements. The City continues to report and depreciate the capital assets being leased as capital assets of the primary government.

Deferred Inflows of Resources

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

Equity Classifications

Government-Wide Statements

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

a. **Net Investment in Capital Assets** - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

b. **Restricted Net Position** - Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.

c. **Unrestricted Net Position** - All other net positions that do not meet the definitions of "restricted" or "net investment in capital assets."

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

Fund Statements

Governmental fund balances are displayed as follows:

a. **Nonspendable** - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.

b. **Restricted** - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.

c. **Committed** - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the City Council. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the City Council that originally created the commitment.

d. **Assigned** - Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. The City Council has, by resolution, adopted a financial policy authorizing the Council to assign amounts for a specific purpose. Assignments may take place after the end of the reporting period.

e. **Unassigned** - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those purposes.

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

The City has a formal minimum fund balance policy. That policy is to maintain unassigned general fund balance at a minimum of 15 - 30% of budgeted general fund expenditures. The unassigned general fund balance at year end was $3,828,062 or 39% of the budgeted general fund expenditures in 2023.

See Note 3 for further information.

Pension

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

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

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

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, information about the City health OPEB have been determined on the same basis as they are reported by the City health OPEB Plan. For this purpose, the City health OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

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 following:

- Net OPEB Liability;
- Deferred Outflows of Resources and Deferred Inflows of Resources Related to Other Postemployment Benefits; and
- OPEB Expense (Revenue).

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

Basis for Existing Rates

Water Utility

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

Sewer Utility

Current sewer rates, which include increases for the years 2021 through 2023, were approved by the city council to be effective as of January 1, 2021.

Stormwater Utility

Current stormwater rates were approved by the city council to be effective as of January 1, 2020.

2. Stewardship, Compliance and Accountability

Budgetary Information

A budget has been adopted for the general fund, transportation improvement, general debt service, TIF District No. 6, TIF District No. 7, TIF District No. 8, TIF District No. 9, TIF District No. 10, Wisconsin Development Fund, EMS, Lodging Room Tax, Dwight Foster Public Library, Subsidized Taxi Program, CDBG, Municipal Airport, Capital Catalyst Grant, ARPA and Capital Improvements Project. A budget has not been formally adopted for the Museum Trust and Library Trust. Wisconsin Development Fund, Library Trust, Museum Trust, and TIF Districts No. 9 and 10. Wisconsin Statute 65.90 requires that an annual budget be adopted for all funds.

Excess Expenditures and Other Financing Uses Over Budget

Funds	Budgeted Expenditures and Other Financing Uses	Actual Expenditures and Other Financing Uses	Excess Expenditures and Other Financing Uses Over Budget
TIF District No. 6	$ 296,261	$ 301,771	$ 5,510
Municipal Airport	93,000	107,142	14,142
Capital Catalyst Grant	-	4,913	4,913
ARPA	-	136,570	136,570
Capital Improvements Project	515,364	1,050,873	535,509
CDBG	-	374,239	374,239

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

Deficit Balances

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

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

Fund	Amount	Reason
Subsidized taxi program	$ 44,287	Timing difference in funding source
CDBG	205,728	Timing difference in funding source
TIF District No. 6	816,305	Timing difference in funding source
TIF District No. 9	17,751	Timing difference in funding source
TIF District No. 10	17,308	Timing difference in funding source

TIF district deficits are anticipated to be funded with future incremental taxes levied over the life of the districts, which is 27 years for the districts created before October 1, 1995, and 23 years for districts created thereafter through September 30, 2004. Beginning October 1, 2004, the life of new districts varies by type of district (20-27 years) and may be extended in some cases. TIF District No. 6 has been designated as distressed and can collect increment for an additional 10 years past the original life. The Subsidized taxi program and CDBG are anticipated to be funded with future grants.

Limitations on the City's Tax Levy

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

3. Detailed Notes on All Funds

Deposits and Investments

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

	Carrying Value	Bank and Investment Balances	Associated Risks
Deposits	$ 15,654,764	$ 16,334,289	Custodial credit
Mutual funds, bonds	515,967	515,967	Credit, interest rate
Mutual funds, other	1,184,729	1,184,729	N/A
LGIP	8,676,817	8,676,817	Credit
Equity securities/stocks	1,955,981	1,955,981	Custodial credit, Concentration of credit
Petty cash	800	-	N/A
Total deposits and investments	$ 27,989,058	$ 28,667,783	

Reconciliation to financial statements	
Per statement of net position:	
Unrestricted cash and investments	$ 18,014,544
Restricted cash and investments	1,625,474
Per statement of net position, fiduciary fund:	
Custodial fund	8,349,040
Total deposits and investments	$ 27,989,058

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

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

The City maintains collateral agreements with its banks. At December 31, 2023, the banks had pledged various government securities in the amount of $2,322,685 to secure the City's deposits.

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

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

- Market approach, prices or other information from market transactions involving identical assets - used for mutual funds

- Market approach, prices or other information from market transactions involving similar assets - used for equity securities/stocks

	December 31, 2023			
Investment Type	**Level 1**	**Level 2**	**Level 3**	**Total**
Mutual funds, bonds	$ 515,967	$ -	$ -	$ 515,967
Mutual funds, other	1,184,729	-	-	1,184,729
Equity securities/stocks	-	1,955,981	-	1,955,981
Total	$ 1,700,696	$ 1,955,981	$ -	$ 3,656,677

Custodial Credit Risk

Deposits

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

As of December 31, 2023, $13,123,583 of the City's total bank balances were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	$ 13,123,583
Total	$ 13,123,583

Credit Risk

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

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

Investment Type	Standard & Poors
Mutual funds, bonds	AA-, A+
Equity securities/stocks	Not rated

The City also held investments in the following external pool which is not rated:

Local Government Investment Pool (LGIP)

Interest Rate Risk

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

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

		Maturity (in Years)		
Investment Type	**Fair Value**	**Less Than 1**	**1-5**	**6-10**
Mutual funds, bonds	$ 515,967	$ -	$ 244,484	$ 271,483

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

Receivables

Receivables are expected to be collected within one year except for delinquent personal property taxes and leases reported in the general fund and loan balances reported in the nonmajor funds.

Accounts receivable in the EMS nonmajor fund are offset by an allowance for uncollectible accounts in the amount of $135,789.

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

	Unearned	**Unavailable**
Property taxes receivable for subsequent year	$ 10,349,579	$ -
Reimbursement grants not received	-	78,378
Grant funds not spent	865,981	-
Lease payments not yet due	422,890	-
EMS receivables not yet available	-	238,902
Total unearned/unavailable revenue for governmental funds	$ 11,638,450	$ 317,280
Unearned revenue included in liabilities	$ 865,981	
Unearned revenue included in deferred inflows	10,772,469	
Total unearned revenue for governmental funds	$ 11,638,450	

Restricted Assets

The following represent the balances of the restricted assets:

Long-Term Debt Accounts

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

Depreciation - Used to report resources set aside to fund plant renewals and replacement or make up potential future deficiencies in the redemption account.

Equipment Replacement Account

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

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

	Restricted Assets	Liabilities Payable from Restricted Assets	Restricted Net Position
Redemption account	$ 137,094	$ 31,845	$ 105,249
Depreciation account	94,301	-	94,301
Equipment replacement account	1,394,079	-	1,394,079
Total	$ 1,625,474	$ 31,845	$ 1,593,629

Capital Assets

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

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated:				
Land	$ 5,877,315	$ 497,161	$ -	$ 6,374,476
Construction in progress	-	337,028	-	337,028
Total capital assets not being depreciated	5,877,315	834,189	-	6,711,504
Capital assets being depreciated:				
Land improvements	3,404,813	-	-	3,404,813
Buildings	21,222,748	28,990	-	21,251,738
Machinery and equipment	11,274,151	520,639	251,094	11,543,696
Infrastructure	23,330,215	943,783	131,366	24,142,632
Total capital assets being depreciated	59,231,927	1,493,412	382,460	60,342,879
Total capital assets	65,109,242	2,327,601	382,460	67,054,383
Less accumulated depreciation for:				
Land improvements	(1,451,978)	(105,505)	-	(1,557,483)
Buildings	(10,651,290)	(800,116)	-	(11,451,406)
Machinery and equipment	(8,600,929)	(475,214)	251,094	(8,825,049)
Infrastructure	(10,240,943)	(379,826)	131,366	(10,489,403)
Total accumulated depreciation	(30,945,140)	(1,760,661)	382,460	(32,323,341)
Net capital assets being depreciated	28,286,787	(267,249)	-	28,019,538
Total governmental activities capital assets, net as reported in the statement of net position	$ 34,164,102	$ 566,940	$ -	$ 34,731,042

Depreciation expense was charged to functions as follows:

Governmental Activities

General government	$ 67,702
Public safety	667,304
Public works	526,037
Culture, recreation and education	460,522
Conservation and development	39,096
Total governmental activities depreciation expense	$ 1,760,661

Business-Type Activities

	Beginning Balance	Additions	Deletions	Ending Balance
Water				
Capital assets not being depreciated:				
Land and land rights	$ 69,046	$ -	$ -	$ 69,046
Total capital assets not being depreciated	69,046	-	-	69,046
Capital assets being depreciated:				
Source of supply	159,505	-	-	159,505
Pumping	1,208,424	-	-	1,208,424
Treatment	75,288	-	-	75,288
Transmission and distribution	16,990,681	1,194,321	166,170	18,018,832
Administrative and general assets	1,751,084	63,560	-	1,814,644
Total capital assets being depreciated	20,184,982	1,257,881	166,170	21,276,693
Total capital assets	20,254,028	1,257,881	166,170	21,345,739
Less accumulated depreciation for:				
Source of supply	(159,506)	-	-	(159,506)
Pumping	(815,285)	(27,275)	-	(842,560)
Treatment	(75,288)	-	-	(75,288)
Transmission and distribution	(4,241,664)	(342,435)	166,170	(4,417,929)
Administrative and general assets	(1,156,671)	(75,884)	-	(1,232,555)
Total accumulated depreciation	(6,448,414)	(445,594)	166,170	(6,727,838)
Net capital assets being depreciated	13,736,568	812,287	-	14,548,855
Net water capital assets	$ 13,805,614	$ 812,287	$ -	$ 14,617,901

	Beginning Balance	Additions	Deletions	Ending Balance
Sewer				
Capital assets not being depreciated:				
Land and land rights	$ 295,079	$ -	$ -	$ 295,079
Construction in progress	12,934,438	2,559,960	-	15,494,398
Total capital assets not being depreciated	13,229,517	2,559,960	-	15,789,477
Capital assets being depreciated:				
Collection system	13,126,777	266,398	29,201	13,363,974
Collection system pumping	596,255	-	-	596,255
Treatment and disposal	21,012,369	179,637	-	21,192,006
Administrative and general assets	1,691,083	180,338	-	1,871,421
Total capital assets being depreciated	36,426,484	626,373	29,201	37,023,656
Total capital assets	49,656,001	3,186,333	29,201	52,813,133
Less accumulated depreciation for:				
Sewer plant	(22,462,945)	(959,785)	29,201	(23,393,529)
Total accumulated depreciation	(22,462,945)	(959,785)	29,201	(23,393,529)
Net capital assets being depreciated	13,963,539	(333,412)	-	13,630,127
Net sewer capital assets	$ 27,193,056	$ 2,226,548	$ -	$ 29,419,604

	Beginning Balance	Additions	Deletions	Ending Balance
Stormwater				
Capital assets being depreciated:				
Stormwater assets	$ 9,728,893	$ 533,781	$ 28,395	$ 10,234,279
Total capital assets being depreciated	9,728,893	533,781	28,395	10,234,279
Less accumulated depreciation for:				
Stormwater assets	(4,555,901)	(243,151)	28,395	(4,770,657)
Total accumulated depreciation	(4,555,901)	(243,151)	28,395	(4,770,657)
Net capital assets being depreciated	5,172,992	290,630	-	5,463,622
Net stormwater capital assets	$ 5,172,992	$ 290,630	$ -	$ 5,463,622
Business-type activities capital assets, net as reported in the statement of net position	$ 46,171,662	$ 3,329,465	$ -	$ 49,501,127

Depreciation expense was charged to functions as follows:

Business-Type Activities	
Water	$ 401,403
Sewer	959,785
Stormwater	243,151
Total business-type activities , net as reported in the statement of net position expense	$ 1,604,339

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

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:

Receivable Fund	Payable Fund	Amount
General fund	EMS	$ 40,703
General fund	Water utility	315,798
Total, fund financial statements		356,501
Less fund eliminations		(40,703)
Total internal balances, government-wide statement of net position		$ 315,798

All amounts are due within one year.

All interfund 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.

Advances

The general fund is advancing funds to TIF District Nos. 6, 9 and 10, CDBG, and the subsidized taxi program. The amount advanced is determined by the deficiency of revenues over expenditures and other financing sources since the district's inception. No repayment schedules have been established and no interest is being charged.

The following is a schedule of interfund advances:

Receivable Fund	Payable Fund	Amount	Amount Not Due Within One Year
General fund	TIF District No. 6	$ 1,472,315	$ 1,472,315
General fund	TIF District No. 9	17,751	17,751
General fund	TIF District No. 10	17,308	17,308
General fund	Subsidized Taxi Program	30,064	30,064
General fund	CDBG	203,333	203,333
Total, fund financial statements		1,740,771	
Less fund eliminations		(1,740,771)	
Total, interfund advances		$ -	

Transfers

The following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount	Principal Purpose
General fund	Water utility	$ 315,798	Tax equivalent
TIF District No. 6	TIF District No. 7	252,260	TIF increment sharing
TIF District No. 6	TIF District No. 8	484,784	TIF increment sharing
General fund	ARPA	7,475	Reimburse for qualified expenses
Transportation Improvements	ARPA	10,082	Reimburse for qualified expenses
Capital improvements project	ARPA	119,013	Reimburse for qualified expenses
Capital improvements project	General fund	187,238	Funding for equipment purchase
Total, fund financial statements		1,376,650	
Less fund eliminations		(1,060,852)	
Total transfers, government-wide statement of activities		$ 315,798	

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.

Long-Term Obligations

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

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and notes payable:					
General obligation debt	$ 11,397,000	$ -	$ 1,338,000	$ 10,059,000	$ 1,009,000
General obligation notes from direct borrowings and direct placements	1,517,700	-	245,100	1,272,600	196,900
Total bonds and notes payable	12,914,700	-	1,583,100	11,331,600	1,205,900
Other liabilities:					
Vested compensated absences	548,494	117,874	207,493	458,875	119,416
Total other liabilities	548,494	117,874	207,493	458,875	119,416
Total governmental activities long-term liabilities	$ 13,463,194	$ 117,874	$ 1,790,593	$ 11,790,475	$ 1,325,316
Business-Type Activities					
Bonds and notes payable:					
General obligation debt	$ 3,694,000	$ -	$ 456,000	$ 3,238,000	$ 302,000
Revenue bonds	10,749,028	2,670,692	521,792	12,897,928	626,353
(Discounts)/Premiums	64,028	-	9,848	54,180	-
Total bonds and notes payable	14,507,056	2,670,692	987,640	16,190,108	928,353
Other liabilities:					
Vested compensated absences	129,108	39,277	36,723	131,662	34,736
Total other liabilities	129,108	39,277	36,723	131,662	34,736
Total business-type activities long-term liabilities	$ 14,636,164	$ 2,709,969	$ 1,024,363	$ 16,321,770	$ 963,089

In accordance with Wisconsin Statutes, total general obligation indebtedness of the City may not exceed 5% of the equalized value of taxable property within the City's jurisdiction. The debt limit as of December 31, 2023, was $67,624,320. Total general obligation debt outstanding at year end was $14,569,600.

General Obligation Debt

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

Governmental Activities General Obligation Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2023
G.O. refunding bonds	05/26/15	02/01/27	1.50-3.00%	$ 990,000	$ 165,000
Promissory note*	06/27/17	03/01/27	2.08	394,000	157,600
G.O. corporate purpose bonds	06/26/18	02/01/38	3.0-4.0	1,580,000	1,180,000
G.O. refunding bonds	11/18/19	08/01/39	3.0	6,985,000	6,025,000
Promissory note*	12/20/19	09/01/29	2.75	950,000	575,000
G.O refunding bonds	02/22/21	02/01/35	1.79	894,000	779,000
Promissory note*	08/23/21	05/01/31	1.55	675,000	540,000
G.O refunding bonds	05/24/22	02/01/42	3.10-5.00	2,025,000	1,910,000
Total governmental activities, general obligation debt					$ 11,331,600

Business-Type Activities General Obligation Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2023
G.O. refunding bonds	05/26/15	02/01/27	1.50-3.00%	$ 2,055,000	$ 710,000
G.O. corporate purpose bonds	06/26/18	02/01/38	3.0-4.0	2,635,000	2,120,000
G.O. refunding bonds	02/22/21	02/01/35	1.79	180,000	158,000
G.O. refunding bonds	05/24/22	02/01/42	3.1-5.00	250,000	250,000
Total business-type activities, general obligation debt					$ 3,238,000

* Debt issue is a direct borrowing or direct placement

Debt service requirements to maturity are as follows:

	Governmental Activities General Obligation Debt		Business-Type Activities General Obligation Debt	
Years	Principal	Interest	Principal	Interest
2024	$ 1,009,000	$ 307,994	$ 302,000	$ 96,635
2025	640,000	276,929	312,000	87,206
2026	761,000	250,746	317,000	77,104
2027	817,000	221,470	328,000	66,905
2028	768,000	194,751	148,000	59,823
2029-2033	3,387,000	633,507	828,000	228,770
2034-2038	2,152,000	243,392	938,000	90,391
2039-2042	525,000	16,475	65,000	4,813
Total	$ 10,059,000	$ 2,145,264	$ 3,238,000	$ 711,647

Years	Governmental Activities Notes from Direct Borrowings and Direct Placements Principal	Interest
2024	$ 196,900	$ 25,464
2025	196,900	21,065
2026	201,900	16,629
2027	201,900	12,125
2028	167,500	7,983
2029-2031	307,500	6,205
Total	$ 1,272,600	$ 89,471

The City's outstanding debt from direct borrowings and/or direct placements related to governmental contain event of default and/or termination provisions with possible finance-related consequences. The 2021 promissory notes contain provisions that include a 5% delinquency penalty and interest rate adjustments to 12% until any delinquent balances are paid. All other direct borrowings of the City contain terms that in the event of default, the unpaid balance shall automatically mature and become immediately due and payable.

Revenue Debt

Business-type activities revenue bonds are payable only from revenues derived from the operation of the sewer utility.

The sewer utility has pledged future sewer revenues, net of specified operating expenses, to repay revenue bonds issued in 2021. Proceeds from the bonds provided financing for the sewer system upgrades. The bonds are payable solely from sewer revenues and are payable through 2041. Annual principal and interest payments on the bonds are expected to require 48% of net revenues. The total principal and interest remaining to be paid on the bonds is $14,788,988. Principal and interest paid for the current year and total customer net revenues were $700,445 and $1,699,636, respectively.

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

Business-Type Activities Revenue Debt

Sewer Utility	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2023	
2021 Clean Water Fund Loan	07/28/2021	05/01/2041	1.557%	$ 13,419,720	$ 12,897,928	(1)
Total business-type activities, revenue debt					$ 12,897,928	

The City's outstanding revenue debt from direct borrowings and/or direct placements related to business type activities contain event of default and/or termination provisions with possible finance-related consequences. The 2021 Clean Water Fund Loan contains terms that in the event of default, any delinquent amounts may be deducted from any state payments that are due to the municipality.

(1) - During 2021 the utility was authorized to issue $14,125,508 of Sewerage system Clean Water Fund revenue bonds. The original amount reported above has been issued as of December 31, 2023. The repayment schedule is for the amount issued.

Debt service requirements to maturity are as follows:

Years	Business-Type Activities Revenue Debt from Direct Borrowings and Direct Placements Principal	Interest
2024	$ 626,353	$ 196,212
2025	636,105	186,116
2026	646,010	176,135
2027	656,068	165,998
2028	666,283	155,704
2029-2033	3,490,294	618,404
2034-2038	3,770,608	335,908
2039-2041	2,406,207	56,583
Total	$ 12,897,928	$ 1,891,060

Other Debt Information

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

Bond Covenant Disclosures

Insurance

The utility 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. These risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded coverage in any of the last three years. There were no significant reductions in coverage compared to the prior year.

Debt Coverage

Under terms of the resolutions providing for the issue of revenue bonds, revenues less operating expenses excluding depreciation (defined net earnings) must exceed 1.1 times the highest annual debt service of the bonds. The coverage only includes revenue debt and does not include general obligation or other debt. The coverage requirement was met in 2023 as follows:

Operating revenues	$ 3,791,511
Investment income	150,699
Less operation and maintenance expenses	(2,242,574)
Net defined earnings	$ 1,699,636
Minimum required earnings per resolution:	
Highest annual debt service 2021 CWF bonds	$ 822,565
Coverage factor	1.10
Minimum required earnings	$ 904,822
Actual Debt Coverage	2.07

Lease Disclosures

Lessor - Lease Receivables

Governmental Activities Lease Receivables Description	Date of Inception	Final Maturity	Interest Rates	Receivable Balance December 31, 2023
U.S. Cellular, ground lease	11/11/22	10/26/52	2.01%	$ 393,531
Klement, farm land leases	1/1/23	12/1/25	2.01%	29,359
Total governmental activities				$ 422,890

The City recognized $17,657 of lease revenue during the fiscal year.

The City recognized $12,949 of interest revenue during the fiscal year.

Regulated Leases

The City maintains certain regulated leases related to the municipal airport that, in accordance with GASB No. 87, do not recognize a lease receivable or a deferred inflow of resources. Regulated leases are subject to external laws, regulations, or legal rulings. Hangar rent revenues for the year of $20,035 were recognized in the municipal airport fund.

Net Position/Fund Balances

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

Governmental Activities

Net investment in capital assets:	
Land	$ 6,374,476
Construction in progress	337,028
Other capital assets, net of accumulated depreciation	28,019,538
Less long-term debt outstanding	(11,331,600)
Plus noncapital debt proceeds	62,700
Plus unspent proceeds of capital-related debt included above	86,698
Total net investment in capital assets	$ 23,548,840

Governmental Funds

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

	General Fund	Transportation Improvements	General Debt Service	Nonmajor Funds	Total
Fund Balances					
Nonspendable:					
Prepaid items	$ 178,247	$ -	$ -	$ 24,791	$ 203,038
Land held for resale	818,210	-	-	-	818,210
Delinquent personal property taxes	2,905	-	-	-	2,905
Advances to other funds	1,740,771	-	-	-	1,740,771
Subtotal	2,740,133	-	-	24,791	2,764,924
Restricted for:					
Library purposes	-	-	-	856,386	856,386
Museum purposes	-	-	-	936,923	936,923
Debt service	-	-	4,408	-	4,408
TIF purposes	-	-	-	1,309,962	1,309,962
Tourism	-	-	-	112,979	112,979
Grant purposes	-	-	-	652,421	652,421
Capital projects, unspent debt	-	-	-	86,698	86,698
Subtotal	-	-	4,408	3,955,369	3,959,777
Committed to:					
Transportation improvements	-	693,530	-	-	693,530
EMS	-	-	-	2,092	2,092
Subtotal	-	693,530	-	2,092	695,622
Assigned to:					
PILOT from utility	315,798	-	-	-	315,798
Deposits	6,400	-	-	-	6,400
Land purchases	28,707	-	-	-	28,707
Carryovers to 2024	131,360	-	-	-	131,360
Fire equipment replacement	255,007	-	-	-	255,007
Subsequent year's budget	160,525	-	-	-	160,525
Municipal airport	-	-	-	108,399	108,399
Loan programs	-	-	-	518,467	518,467
Capital improvements	-	-	-	543,520	543,520
Subtotal	897,797	-	-	1,170,386	2,068,183
Unassigned (Deficit):	3,828,062	-	-	(1,101,379)	2,726,683
Total fund balances (deficit)	$ 7,465,992	$ 693,530	$ 4,408	$ 4,051,259	$ 12,215,189

Business-Type Activities

Net investment in capital assets:	
Land	$ 364,125
Construction in progress	15,494,398
Other capital assets, net of accumulated depreciation	33,642,604
Less Long-term capital-related debt outstanding	(15,977,928)
Less unamortized debt premium	(54,180)
Add deferred charge on refunding	15,201
Total net investment in capital assets	$ 33,484,220

4. Other Information

Employees' Retirement System

Plan Description

The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, expected to work at least 1,200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

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

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

Vesting

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

Benefits Provided

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

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

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

The WRS also provides death and disability benefits for employees.

Postretirement Adjustments

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

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

Contributions

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

During the reporting period, the WRS recognized $461,107 in contributions from the City.

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

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

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

At December 31, 2023, the City reported a liability of $2,085,213 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021 rolled forward to December 31, 2022. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2022, the City's proportion was 0.03936071%, which was a decrease of 0.00007413% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the City recognized pension expense (revenue) of $1,060,450.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual experience	$ 3,321,099	$ 4,363,179
Changes in assumptions	410,039	-
Net differences between projected and actual earnings on pension plan investments	3,542,297	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	3,742	2,888
Employer contributions subsequent to the measurement date	672,175	-
Total	$ 7,949,352	$ 4,366,067

$672,175 reported as deferred outflows of resources related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Years Ending December 31:	Deferred Outflows of Resources and Deferred Inflows of Resources (Net)
2024	$ 121,629
2025	602,435
2026	617,596
2027	1,569,450

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

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

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

Long-Term Expected Return on Plan Assets

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

Asset Allocation Targets and Expected Returns* as of December 31, 2022

Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %**
Public Equity	48	7.6	5
Public Fixed Income	25	5.3	2.7
Inflation Sensitive	19	3.6	1.1
Real Estate	8	5.2	2.6
Private Equity/Debt	15	9.6	6.9
Total Core Fund***	115	7.4	4.8
Variable Fund Asset			
U.S. Equities	70	7.2	4.6
International Equities	30	8.1	5.5
Total Variable Fund	100	7.7	5.1

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

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

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

Single Discount Rate

A single discount rate of 6.8% was used to measure the total pension liability for the current and prior year. This discount rate is based on the expected rate of return on pension plan investments of 6.8% and a municipal bond rate of 4.05% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2022. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the investment rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

	1% Decrease to Discount Rate (5.8%)	Current Discount Rate (6.8%)	1% Increase to Discount Rate (7.8%)
City's proportionate share of the net pension liability (asset)	$ 6,920,756	$ 2,085,213	$ (1,241,224)

Pension Plan Fiduciary Net Position

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

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

Risk Management

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

Commitments and Contingencies

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

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

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

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

Other Postemployment Benefits

The City administers a single-employer defined contribution healthcare plan (the Retiree Health Plan). The plan provides health insurance benefits for eligible retirees and their spouses through the City's group health insurance plan, which covers both active and retired members. Plan provisions and contribution requirements are established and may be amended by the City.

General Information about the OPEB Plan

Plan Description

The City's defined benefit OPEB plan, Retiree Benefits Plan (RBP), provides OPEB for all eligible permanent full-time general and public safety employees of the City. RBP is a single-employer defined benefit OPEB plan administered by the City. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the City Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided

RBP provides healthcare coverage to active employees and retirees at blended premium rates. This results in an other postemployment benefit (OPEB) for the retirees, commonly referred to as an implicit rate subsidy. Retirees participating in the plan contribute 100% of the blended premium. The City, by paying the blended premium for active employees, contributes the difference between the blended premium and the age adjusted premium towards retiree benefits.

Employees Covered by Benefit Terms

At December 31, 2023, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	22
Active plan members	71
Total	93

Total OPEB Liability

The City's total OPEB liability of $482,208 was measured as of December 31, 2022, and was determined by an actuarial valuation as of December 31, 2021.

Actuarial Assumptions and Other Inputs

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

Inflation	2.50%
Salary increases	3.1-7.8%
Healthcare cost trend rates	6.5% decreasing 0.1% per year to an ultimate rate of 5.0%
Healthcare participation rate	100% of blended premium

The discount rate of 4.25% was updated for the current year and was based on the S&P Municipal Bond 20-year High Grade Index.

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

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study 2015-17 conducted in 2018 using Wisconsin Retirement System.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balances at December 31, 2022	$ 575,438
Changes for the year:	
Service cost	20,080
Interest	11,324
Differences between expected and actual experience	(27,886)
Changes in assumptions or other inputs	(58,191)
Benefit payments	(38,557)
Net changes	(93,230)
Balances at December 31, 2023	$ 482,208

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

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.25%) or 1-percentage-point higher (5.25%) than the current discount rate:

	1% Decrease	Discount Rate	1% Increase
Total OPEB liability	$ 507,506	$ 482,208	$ 458,134

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

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 healthcare cost trend rates that are 1-percentage-point lower (5.5% decreasing to 4.0%) or 1-percentage-point higher (7.5% decreasing to 6.0%) than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	$ 454,368	$ 482,208	$ 513,182

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2023, the City recognized OPEB expense of $18,029. At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 142,326
Changes of assumptions or other inputs	155,935	64,305
Contributions subsequent to the measurement date	26,728	-
Total	$ 182,663	$ 206,631

$26,728 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years Ending December 31:	Amount
2024	$ (13,375)
2025	(13,375)
2026	(13,375)
2027	(13,375)
2028	(11,461)
Thereafter	14,265

Local Retiree Life Insurance Fund (LRLIF)

Plan Description

The 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 employees.

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 be found at the link above.

Benefits Provided

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

Contributions

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

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

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

Coverage Type	Employer Contribution
50% Post Retirement Coverage	40% of member contribution
25% Post Retirement Coverage	20% of member contribution

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

Life Insurance Member Contribution Rates* for the Plan Year

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 $1,438 in contributions from the employer.

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

At December 31, 2023, the City reported a liability of $273,195 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2022 rolled forward to December 31, 2022. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net OPEB liability was based on the City's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2022, the City's proportion was 0.07170800%, which was an increase of 0.00172100% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the City recognized OPEB expense (revenue) of $26,207.

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

	Deferred Outflow of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 26,737
Net differences between projected and actual earnings on plan investments	5,127	-
Changes in actuarial assumptions	98,154	161,260
Changes in proportion and differences between employer contributions and proportionate share of contributions	15,381	13,071
Employer contributions subsequent to the measurement date	1,541	-
Total	$ 120,203	$ 201,068

$1,541 reported as deferred outflows of resources related to OPEB resulting from the LRLIF 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years Ending December 31:	Deferred Outflows of Resources and Deferred Inflows of Resources (Net)
2024	$ (5,167)
2025	(7,234)
2026	(2,295)
2027	(16,514)
2028	(27,593)
Thereafter	(23,603)

Actuarial Assumptions

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

Actuarial Valuation Date:	January 1, 2022
Measurement Date of Net OPEB Liability (Asset)	December 31, 2022
Experience Study:	January 1, 2018 - December 31, 2020. Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield*	3.72%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	3.76%
Salary Increases:	
Wage Inflation	3.00%
Seniority/Merit	0.10% - 5.6%
Mortality:	2020 WRS Experience Mortality Table

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

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.

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

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
U.S. Intermediate Credit Bonds	Bloomberg U.S. Interm Credit	50.00%	2.45%
U.S. Mortgages	Bloomberg U.S. MBS	50.00	2.83
Inflation			2.30
Long-Term Expected Rate of Return			4.25

The long-term expected rate of return remained unchanged from the prior year at 4.25%. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The expected inflation rate remained unchanged from the prior year at 2.30%.

Single Discount Rate

A single discount rate of 3.76% was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 2.17% for the prior year. The significant change in the discount rate was primarily caused by the increase in the municipal bond rate from 2.06% as of December 31, 2021 to 3.72% as of December 31, 2022. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive members. Therefore, the discount rate for calculating the total OPEB liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

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

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

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

	1% Decrease to Discount Rate (2.76%)	Current Discount Rate (3.76%)	1% Increase to Discount Rate (4.76%)
City's proportionate share of the net OPEB liability (asset)	$ 372,473	$ 273,195	$ 197,110

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

Subsequent Events

The City Council approved sewer utility rate increases effective January 1, 2024.

Economic Dependency

Sewer Utility

The Sewer Utility has two significant customers who were responsible for 44% of operating revenues in 2023.

Effect of New Accounting Standards on Current-Period Financial Statements

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

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

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

REQUIRED SUPPLEMENTARY INFORMATION

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

	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance With Final Budget
Revenues				
Taxes				
General property taxes	$ 7,025,167	$ 7,025,167	$ 6,001,822	$ (1,023,345)
Interest and penalties on taxes	50	50	355	305
Payments in lieu of taxes	42,500	42,500	43,904	1,404
Total taxes	7,067,717	7,067,717	6,046,081	(1,021,636)
Intergovernmental Revenues				
Federal aid, law enforcement	-	-	3,056	3,056
Federal aid, law enforcement	-	-	3,200	3,200
State shared revenues	981,581	981,581	987,859	6,278
State expenditure restraint	178,586	178,586	178,586	-
Fire insurance tax (2% fire dues)	45,000	45,000	52,007	7,007
Other state shared taxes	47,958	47,958	47,959	1
Personal property aids	29,401	29,401	29,401	-
Video service provider aid	31,659	31,659	31,659	-
State aid, general transportation aids	616,637	616,637	616,718	81
State aid, connecting streets	95,404	95,404	95,404	-
State aid, recycling	35,500	35,500	35,150	(350)
School resource officer	56,890	56,890	56,890	-
Payments for municipal services	4,700	4,700	4,702	2
Compost site, town	8,500	8,500	8,500	-
Total intergovernmental revenues	2,131,816	2,131,816	2,151,091	19,275
Licenses and Permits				
Liquor and malt beverage licenses	35,430	35,430	37,220	1,790
Operators' license	2,500	2,500	2,730	230
Cigarette licenses	1,500	1,500	1,900	400
Other business and occupational licenses	750	750	1,605	855
Cable television franchise fees	126,000	126,000	126,557	557
Bicycle licenses	100	100	130	30
Dog and cat licenses	20,000	20,000	20,554	554
Building permits	55,000	55,000	101,940	46,940
Electrical permits	15,000	15,000	15,778	778
Plumbing permits	6,000	6,000	8,399	2,399
Other permits	5,000	5,000	5,975	975
Zoning permits and fees	6,000	6,000	7,885	1,885
Total licenses and permits	273,280	273,280	330,673	57,393
Fines and Forfeitures				
Court penalties and costs	120,000	120,000	144,176	24,176
Parking violations	35,000	35,000	29,272	(5,728)
Total fines and forfeitures	155,000	155,000	173,448	18,448

See notes to required supplementary information

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

	Budgeted Amounts			
	Original	Final	Actual	Variance With Final Budget
Public Charges for Services				
General government	$ 2,000	$ 2,000	$ 2,578	$ 578
Law enforcement fees	6,000	6,000	7,677	1,677
Fire protection fees	-	-	88,806	88,806
Street related facilities	35,000	35,000	28,380	(6,620)
Parking lots, ramps and meters	110	110	110	-
Weed and nuisance control	3,000	3,000	1,658	(1,342)
Recreation programs	80,000	80,000	100,151	20,151
Museum	-	-	25,379	25,379
Swimming areas	163,000	163,000	180,412	17,412
Community center	2,500	2,500	2,458	(42)
Conservation and development	5,100	5,100	5,501	401
Economic development	2,500	2,500	2,500	-
Fiber	8,500	8,500	8,500	-
Total public charges for services	307,710	307,710	454,110	146,400
Intergovernmental Charges for Services				
Local, fire services	242,316	242,316	253,319	11,003
Investment Income				
Interest on investments	65,000	65,000	237,093	172,093
Interest on promissory notes	11,560	11,560	11,560	-
Total investment income	76,560	76,560	248,653	172,093
Miscellaneous				
Rent	22,900	22,900	10,984	(11,916)
Donations	-	50,214	54,479	4,265
Refund of prior year expenditures	-	-	392	392
Other miscellaneous	5,250	5,250	89,667	84,417
Insurance recoveries	-	-	45,587	45,587
Total miscellaneous	28,150	78,364	201,109	122,745
Total revenues	10,282,549	10,332,763	9,858,484	(474,279)

See notes to required supplementary information

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

	Budgeted Amounts			
	Original	Final	Actual	Variance With Final Budget
Expenditures				
General Government				
Council	$ 30,470	$ 30,470	$ 27,559	$ 2,911
Municipal court	78,400	78,400	72,089	6,311
Legal	38,600	38,600	37,879	721
City manager	94,800	96,072	90,229	5,843
Clerk	118,525	118,525	138,427	(19,902)
Labor relations	3,000	3,000	625	2,375
Board of review	70,000	70,000	70,000	-
Independent auditing	36,000	36,000	52,796	(16,796)
General buildings/plant/hall	53,450	53,450	54,087	(637)
Illegal taxes and refunds	100	100	-	100
Property and liability insurance	61,250	61,250	58,954	2,296
Law enforcement insurance	120,000	120,000	132,826	(12,826)
Other insurance	61,600	61,600	62,378	(778)
Health insurance	150,625	182,573	127,124	55,449
Manufacturing property assessment fees	3,892	3,892	3,892	-
Unemployment compensation costs	7,000	7,000	5,400	1,600
Contingency, health insurance	36,000	36,000	42,084	(6,084)
Other general government	3,000	3,000	980	2,020
Total general government	966,712	999,932	977,329	22,603
Public Safety				
Police	2,236,110	2,255,891	2,270,329	(14,438)
Crossing guards	21,700	21,700	21,859	(159)
Fire protection	1,011,100	1,016,100	1,047,323	(31,223)
Hydrant rental	2,500	2,500	1,766	734
Building inspection	88,700	88,700	92,673	(3,973)
Electrical inspection	43,375	43,375	46,420	(3,045)
Sealer of weights and measures	2,400	2,400	2,400	-
Civil defense	1,500	1,500	9,959	(8,459)
Emergency government	8,750	8,750	3,183	5,567
Other public safety	1,100,775	1,100,775	1,082,264	18,511
Total public safety	4,516,910	4,541,691	4,578,176	(36,485)

See notes to required supplementary information

City of Fort Atkinson

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

	Budgeted Amounts			
	Original	Final	Actual	Variance With Final Budget
Public Works				
Public works/highway administration	$ 305,540	$ 305,540	$ 221,976	$ 83,564
Engineering	77,680	77,680	67,966	9,714
Machinery operation and maintenance	294,500	294,500	273,606	20,894
Garages and sheds	200,700	200,700	169,068	31,632
Highway and street maintenance	177,000	177,000	157,511	19,489
Curb and gutter	4,200	4,200	-	4,200
Tree and brush removal	6,000	6,000	4,538	1,462
Traffic control	85,700	85,700	73,049	12,651
Snow and ice control	218,000	218,000	191,372	26,628
Street lighting	286,000	286,000	304,412	(18,412)
Sidewalks	13,750	13,750	-	13,750
Parking facilities	9,500	9,500	7,780	1,720
Refuse and garbage collection	575,000	575,000	573,210	1,790
Recycling	170,040	170,040	171,016	(976)
Composting facility	26,250	26,250	35,240	(8,990)
Total public works	2,449,860	2,449,860	2,250,744	199,116
Health and Human Services				
Animal control	35,500	35,500	31,977	3,523
Culture, Recreation and Education				
Museum	170,100	181,100	188,196	(7,096)
Community center	78,900	78,900	61,813	17,087
Senior citizens' center	93,095	103,293	91,020	12,273
Recreation administration	278,435	278,435	257,627	20,808
Recreation facilities	267,050	267,050	256,706	10,344
Celebration and entertainment	33,200	33,200	29,480	3,720
Parks	366,325	366,325	352,133	14,192
Other culture	303,150	303,150	269,127	34,023
Total culture, recreation and education	1,590,255	1,611,453	1,506,102	105,351
Conservation and Development				
Forestry	151,500	164,661	198,468	(33,807)
Industrial development	23,850	23,850	27,798	(3,948)
Other conservation and development	72,350	72,350	48,983	23,367
Total conservation and development	247,700	260,861	275,249	(14,388)

See notes to required supplementary information

City of Fort Atkinson

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

	Budgeted Amounts			
	Original	**Final**	**Actual**	**Variance With Final Budget**
Capital Outlay				
Other conservation and development	$ -	$ 110,995	$ 533,958	$ (422,963)
Total capital outlay	-	110,995	533,958	(422,963)
Total expenditures	9,806,937	10,010,292	10,153,535	(143,243)
Excess (deficiency) of revenues over (under) expenditures	475,612	322,471	(295,051)	(617,522)
Other Financing Sources (Uses)				
Transfers in	340,000	340,000	323,273	(16,727)
Transfers out	-	-	(187,238)	(187,238)
Total other financing sources (uses)	340,000	340,000	136,035	(203,965)
Net change in fund balance	815,612	662,471	(159,016)	(821,487)
Fund Balance, Beginning	7,625,008	7,625,008	7,625,008	-
Fund Balance, Ending	$ 8,440,620	$ 8,287,479	$ 7,465,992	$ (821,487)

See notes to required supplementary information

City of Fort Atkinson

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -
Transportation Improvements
Year Ended December 31, 2023

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Revenues				
Taxes				
General property taxes	$ 500,000	$ 500,000	$ 500,000	$ -
Motor vehicle registration fee	212,000	212,000	216,387	4,387
Total taxes	712,000	712,000	716,387	4,387
Intergovernmental				
CDBG grants	-	-	277,629	277,629
Total revenues	712,000	712,000	994,016	282,016
Expenditures				
Capital Outlay				
Capital outlay	712,000	712,000	1,018,020	(306,020)
Total expenditures	712,000	712,000	1,018,020	(306,020)
Excess (deficiency) of revenues over (under) expenditures	-	-	(24,004)	(24,004)
Other Financing Sources				
Transfers in	-	-	10,082	10,082
Total other financing sources	-	-	10,082	10,082
Net change in fund balance	-	-	(13,922)	(13,922)
Fund Balance, Beginning	707,452	707,452	707,452	-
Fund Balance, Ending	$ 707,452	$ 707,452	$ 693,530	$ (13,922)

See notes to required supplementary information

City of Fort Atkinson

Schedule of Proportionate Share of the Net Pension Liability (Asset) -
Wisconsin Retirement System
Year Ended December 31, 2023

WRS Fiscal Year Ending	Proportionate of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/23	0.03936071%	$ 2,085,213	$ 5,280,272	39.49%	95.72%
12/31/22	0.03943484%	(3,178,520)	5,119,614	62.09%	106.02%
12/31/21	0.03945772%	(2,463,400)	5,185,422	47.51%	105.26%
12/31/20	0.03895124%	(1,255,965)	5,082,878	24.71%	102.96%
12/31/19	0.03824638%	1,360,686	4,816,488	28.25%	96.45%
12/31/18	0.03768448%	(1,118,896)	4,673,410	23.94%	102.93%
12/31/17	0.03713569%	306,087	4,580,496	6.68%	99.12%
12/31/16	0.03728650%	605,898	4,538,005	13.35%	98.20%
12/31/15	0.03800802%	(933,581)	4,396,943	21.23%	102.74%

Schedule of Employer Contributions - Wisconsin Retirement System
Year Ended December 31, 2023

City Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/23	$ 672,175	$ 672,175	$ -	$ 6,382,100	10.53%
12/31/22	460,311	460,311	-	5,267,447	8.74%
12/31/21	452,309	452,309	-	5,119,614	8.83%
12/31/20	452,027	452,027	-	5,185,422	8.72%
12/31/19	412,584	412,584	-	5,082,878	8.12%
12/31/18	387,884	387,884	-	4,817,138	8.05%
12/31/17	398,149	398,149	-	4,673,418	8.52%
12/31/16	361,620	361,620	-	4,580,496	7.89%
12/31/15	359,786	359,786	-	4,538,005	7.93%

Schedule of Proportionate Share of the Net Insurance OPEB Liability -
Local Retiree Life Insurance Fund
Year Ended December 31, 2023

WRS Fiscal Year Ending	Proportionate of the Net OPEB Liability	Proportionate Share of the Net OPEB Liability	Covered Payroll	Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
12/31/23	0.07170800%	$ 273,195	$ 3,986,000	6.85%	38.81%
12/31/22	0.06998700%	413,649	4,124,000	10.03%	29.57%
12/31/21	0.07418600%	408,077	3,950,000	10.33%	31.36%
12/31/20	0.07190600%	306,190	3,798,000	8.06%	37.58%
12/31/19	0.06893300%	177,870	3,625,000	4.91%	48.69%
12/31/18	0.07056300%	212,294	2,967,376	7.15%	44.81%

Schedule of Employer Contributions - Local Retiree Life Insurance Fund
Year Ended December 31, 2023

City Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/23	$ 1,541	$ 1,541	$ -	$ 5,010,569	0.03%
12/31/22	1,444	1,444	-	4,253,378	0.03%
12/31/21	1,401	1,401	-	4,090,835	0.03%
12/31/20	1,467	1,467	-	4,101,987	0.04%
12/31/19	1,433	1,433	-	3,871,256	0.04%
12/31/18	1,335	1,335	-	2,919,583	0.05%

See notes to required supplementary information

Schedule of Changes in Employer's Total OPEB Liability and Related Ratios -
Health Insurance
Year Ended December 31, 2023

Total OPEB Liability	2023	2022	2021	2020	2019	2018
Service cost	$ 20,080	$ 18,807	$ 17,039	$ 18,641	$ 20,221	$ 20,221
Interest	11,324	8,628	10,206	22,555	19,822	19,852
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	(27,886)	(3,519)	-	(206,641)	-	-
Changes of assumptions	(58,191)	191,745	10,202	(8,832)	(17,262)	-
Benefit payments	(38,557)	(28,530)	(23,472)	(11,905)	(37,004)	(44,860)
Net change in total OPEB liability	(93,230)	187,131	13,975	(186,182)	(14,223)	(4,787)
Total OPEB Liability, Beginning	575,438	388,307	374,332	560,514	574,737	579,524
Total OPEB Liability, Ending	$ 482,208	$ 575,438	$ 388,307	$ 374,332	$ 560,514	$ 574,737
Covered, Employee Payroll	$ 4,825,523	$ 4,825,523	$ 5,036,448	$ 5,036,448	$ 4,461,015	$ 4,461,015
Total OPEB Liability as a Percentage of Covered, Employee Payroll	9.99%	11.92%	7.71%	7.43%	12.56%	12.88%

Notes to Schedule:

The amounts presented for each fiscal year were determined as of the calendar-year end prior to the year reported.

Benefit changes. There were no changes to the benefits.

Changes of assumptions. The discount rate assumption was changed from 2.0% to 4.25% for the current year.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Note: this schedule is to show information for 10 years. However, accounting standards allow the presentation of as many years as are available until 10 years are presented.

Budgetary Information

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

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

Appropriations lapse at year end unless specifically carried over. Carryovers to the following year were $131,360. Budgets are adopted at the department level of expenditure.

Wisconsin Retirement System

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

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

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

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

Local Retiree Life Insurance Fund

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

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

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

Changes in 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

SUPPLEMENTARY INFORMATION

Combining Balance Sheet -
Nonmajor Governmental Funds
December 31, 2023

	Special Revenue Funds			
	Wisconsin Development Fund	Library Trust	Museum Trust	EMS
Assets				
Cash and investments	$ 480,229	$ 797,203	$ 936,923	$ -
Receivables (net):				
Taxes	-	-	-	-
Accounts	-	-	-	282,765
Lease	-	-	-	-
Loans	38,238	-	-	-
Prepaid items	-	-	-	25
Total assets	$ 518,467	$ 797,203	$ 936,923	$ 282,790
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	$ -	$ -	$ -	$ 1,068
Due to other funds	-	-	-	40,703
Unearned revenues	-	-	-	-
Advances from other funds	-	-	-	-
Total liabilities	-	-	-	41,771
Deferred Inflows of Resources				
Unearned revenues	-	-	-	-
Unavailable revenues	-	-	-	238,902
Total deferred inflows of resources	-	-	-	238,902
Fund Balances (Deficit)				
Nonspendable	-	-	-	25
Restricted	-	797,203	936,923	-
Committed	-	-	-	2,092
Assigned	518,467	-	-	-
Unassigned (deficit)	-	-	-	-
Total fund balances (deficit)	518,467	797,203	936,923	2,117
Total liabilities, deferred inflows of resources and fund balances	$ 518,467	$ 797,203	$ 936,923	$ 282,790

Special Revenue Funds						
Lodging Room Tax	Dwight Foster Public Library	Subsidized Taxi Program	CDBG	Municipal Airport	Capital Catalyst Grant	ARPA
$ 102,596	$ 69,381	$ -	$ -	$ 108,217	$ 231,624	$ 915,795
-	616,000	-	-	-	-	-
39,212	-	-	-	182	-	-
-	-	-	-	-	-	-
-	-	-	-	-	373,811	-
8,892	25	-	-	6,033	-	-
$ 150,700	$ 685,406	$ -	$ -	$ 114,432	$ 605,435	$ 915,795
$ 28,829	$ 10,198	$ 14,223	$ 2,395	$ -	$ 2,828	$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	865,981
-	-	30,064	203,333	-	-	-
28,829	10,198	44,287	205,728	-	2,828	865,981
-	616,000	-	-	-	-	-
-	-	-	-	-	-	-
-	616,000	-	-	-	-	-
8,892	25	-	-	6,033	-	-
112,979	59,183	-	-	-	602,607	49,814
-	-	-	-	-	-	-
-	-	-	-	108,399	-	-
-	-	(44,287)	(205,728)	-	-	-
121,871	59,208	(44,287)	(205,728)	114,432	602,607	49,814
$ 150,700	$ 685,406	$ -	$ -	$ 114,432	$ 605,435	$ 915,795

City of Fort Atkinson

Combining Balance Sheet -
Nonmajor Governmental Funds
December 31, 2023

	Capital Projects Funds			
	TIF District No. 6	TIF District No. 7	TIF District No. 8	TIF District No. 9
Assets				
Cash and investments	$ 652,363	$ 4,560	$ 1,323,027	$ -
Receivables (net):				
Taxes	150,651	453,726	970,153	-
Accounts	3,647	-	1,692	-
Lease	29,359	-	-	-
Loans	-	-	-	-
Prepaid items	-	-	-	-
Total assets	$ 836,020	$ 458,286	$ 2,294,872	$ -
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	$ -	$ 927	$ 18,390	$ -
Due to other funds	-	-	-	-
Unearned revenues	-	-	-	-
Advances from other funds	1,472,315	-	-	17,751
Total liabilities	1,472,315	927	18,390	17,751
Deferred Inflows of Resources				
Unearned revenues	180,010	453,726	970,153	-
Unavailable revenues	-	-	-	-
Total deferred inflows of resources	180,010	453,726	970,153	-
Fund Balances (Deficit)				
Nonspendable	-	-	-	-
Restricted	-	3,633	1,306,329	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned (deficit)	(816,305)	-	-	(17,751)
Total fund balances (deficit)	(816,305)	3,633	1,306,329	(17,751)
Total liabilities, deferred inflows of resources and fund balances	$ 836,020	$ 458,286	$ 2,294,872	$ -

Capital Projects Funds		
TIF District No. 10	Capital Improvements Project	Total Nonmajor Governmental Funds
$ -	$ 683,563	$ 6,305,481
-	201,500	2,392,030
-	-	327,498
-	-	29,359
-	-	412,049
-	9,816	24,791
$ -	$ 894,879	$ 9,491,208
$ -	$ 53,345	$ 132,203
-	-	40,703
-	-	865,981
17,308	-	1,740,771
17,308	53,345	2,779,658
-	201,500	2,421,389
-	-	238,902
-	201,500	2,660,291
-	9,816	24,791
-	86,698	3,955,369
-	-	2,092
-	543,520	1,170,386
(17,308)	-	(1,101,379)
(17,308)	640,034	4,051,259
$ -	$ 894,879	$ 9,491,208

City of Fort Atkinson

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

	Special Revenue Funds			
	Wisconsin Development Fund	Library Trust	Museum Trust	EMS
Revenues				
Taxes	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	-
Public charges for services	-	-	-	609,305
Investment income	3,702	102,677	94,565	-
Miscellaneous	-	2,890	-	242,805
Total revenues	3,702	105,567	94,565	852,110
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	649,315
Public works	-	-	-	-
Culture, recreation and education	-	31,901	37,353	-
Conservation and development	2,500	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	2,500	31,901	37,353	649,315
Excess (deficiency) of revenues over expenditures	1,202	73,666	57,212	202,795
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Property sales	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	1,202	73,666	57,212	202,795
Fund Balances (Deficit), Beginning	517,265	723,537	879,711	(200,678)
Fund Balances (Deficit), Ending	$ 518,467	$ 797,203	$ 936,923	$ 2,117

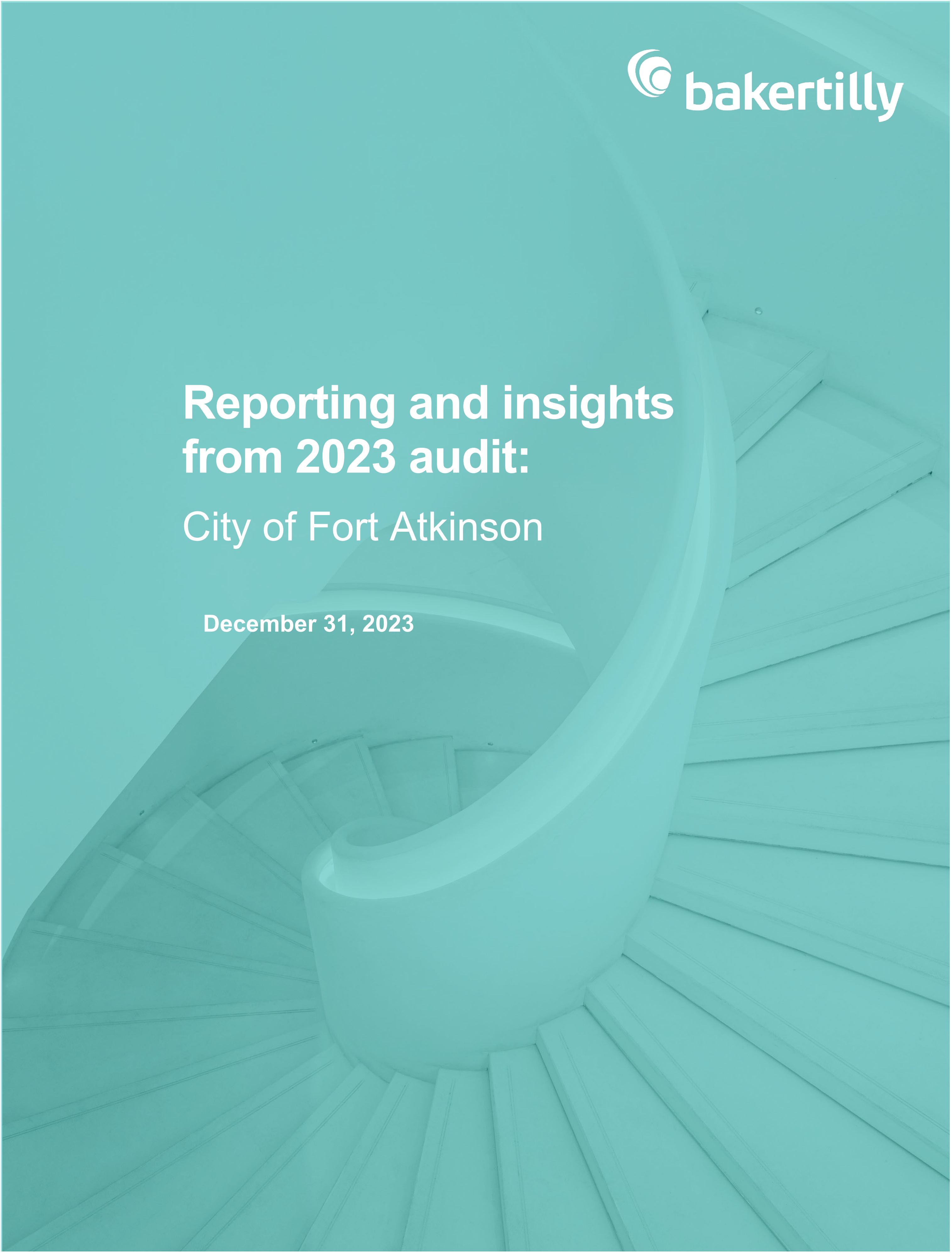
Special Revenue Funds						
Lodging Room Tax	Dwight Foster Public Library	Subsidized Taxi Program	CDBG	Municipal Airport	Capital Catalyst Grant	ARPA
$ 54,044	$ 616,511	$ -	$ -	$ -	$ -	$ -
-	290,621	203,344	635,768	32,000	-	136,570
-	8,576	-	-	123,554	1,501	-
-	-	-	-	-	5,046	40,639
-	54,396	-	-	-	-	-
54,044	970,104	203,344	635,768	155,554	6,547	177,209
27,852	-	-	-	107,142	-	-
-	-	-	-	-	-	-
-	-	-	-	-	2,828	-
-	908,693	-	-	-	-	-
8,500	-	185,797	-	-	2,085	-
-	26,166	-	374,239	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
36,352	934,859	185,797	374,239	107,142	4,913	-
17,692	35,245	17,547	261,529	48,412	1,634	177,209
-	-	-	-	-	-	-
-	-	-	-	-	-	(136,570)
-	-	-	-	-	-	-
-	-	-	-	-	-	(136,570)
17,692	35,245	17,547	261,529	48,412	1,634	40,639
104,179	23,963	(61,834)	(467,257)	66,020	600,973	9,175
$ 121,871	$ 59,208	$ (44,287)	$ (205,728)	$ 114,432	$ 602,607	$ 49,814

City of Fort Atkinson

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

	Capital Projects Funds			
	TIF District No. 6	TIF District No. 7	TIF District No. 8	TIF District No. 9
Revenues				
Taxes	$ 166,372	$ 512,578	$ 1,075,602	$ -
Intergovernmental	1,720	3,539	6,127	-
Public charges for services	-	-	-	-
Investment income	30,348	264	49,028	-
Miscellaneous	13,289	-	-	-
Total revenues	211,729	516,381	1,130,757	-
Expenditures				
Current:				
General government	-	-	3	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture, recreation and education	-	-	-	-
Conservation and development	13,108	9,330	42,881	8,558
Capital outlay	-	7,558	-	-
Debt service:				
Principal	280,000	240,000	118,200	-
Interest and fiscal charges	8,663	3,600	28,688	-
Total expenditures	301,771	260,488	189,772	8,558
Excess (deficiency) of revenues over expenditures	(90,042)	255,893	940,985	(8,558)
Other Financing Sources (Uses)				
Transfers in	737,044	-	-	-
Transfers out	-	(252,260)	(484,784)	-
Property sales	88,517	-	-	-
Total other financing sources (uses)	825,561	(252,260)	(484,784)	-
Net change in fund balances	735,519	3,633	456,201	(8,558)
Fund Balances (Deficit), Beginning	(1,551,824)	-	850,128	(9,193)
Fund Balances (Deficit), Ending	$ (816,305)	$ 3,633	$ 1,306,329	$ (17,751)

Capital Projects Funds		
TIF District No. 10	Capital Improvements Project	Total Nonmajor Governmental Funds
$ -	$ 211,400	$ 2,636,507
-	4,209	1,313,898
-	-	742,936
-	8,239	334,508
-	163,955	477,335
-	387,803	5,505,184
-	-	134,997
-	-	649,315
-	-	2,828
-	-	977,947
8,558	-	281,317
-	1,050,873	1,458,836
-	-	638,200
-	-	40,951
8,558	1,050,873	4,184,391
(8,558)	(663,070)	1,320,793
-	306,251	1,043,295
-	-	(873,614)
-	-	88,517
-	306,251	258,198
(8,558)	(356,819)	1,578,991
(8,750)	996,853	2,472,268
$ (17,308)	$ 640,034	$ 4,051,259



Reporting and insights from 2023 audit:

City of Fort Atkinson

December 31, 2023

Executive summary

May 16, 2024

To the City Council
City of Fort Atkinson
111 North Main St.
Fort Atkinson, Wisconsin 53538

We have completed our audit of the financial statements of the City of Fort Atkinson (the City) for the year ended December 31, 2023, and have issued our report thereon dated May 16, 2024. This letter presents communications required by our professional standards.

Your audit should provide you with confidence in your financial statements. The audit was performed based on information obtained from meetings with management, data from your systems, knowledge of your City's operating environment and our risk assessment procedures. We strive to provide you clear, concise communication throughout the audit process and of the final results of our audit.

Additionally, we have included information on key risk areas the City should be aware of in your strategic planning. We are available to discuss these risks as they relate to your organization's financial stability and future planning.

If you have questions at any point, please connect with us:

- Andrea Jansen, Partner: Andrea.Jansen@bakertilly.com or +1 (608) 240 2338

Sincerely,

Baker Tilly US, LLP

Andrea Jansen, CPA, CFE, Partner

Responsibilities

Our responsibilities

As your independent auditor, our responsibilities include:

- Planning and performing the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. Reasonable assurance is a high level of assurance.
- Assessing the risks of material misstatement of the financial statements, whether due to fraud or error. Included in that assessment is a consideration of the City's internal control over financial reporting.
- Performing appropriate procedures based upon our risk assessment.
- Evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management.
- Forming and expressing an opinion based on our audit about whether the financial statements prepared by management, with the oversight of those charged with governance:
  - Are free from material misstatement
  - Present fairly, in all material respects and in accordance with accounting principles generally accepted in the United States of America
- Our audit does not relieve management or those charged with governance of their responsibilities.

We are also required to communicate significant matters related to our audit that are relevant to the responsibilities of those charged with governance, including:

- Internal control matters
- Qualitative aspects of the City's accounting practice including policies, accounting estimates and financial statement disclosures
- Significant unusual transactions
- Significant difficulties encountered
- Disagreements with management
- Circumstances that affect the form and content of the auditors' report
- Audit consultations outside the engagement team
- Corrected and uncorrected misstatements
- Other audit findings or issues

Audit status

Significant changes to the audit plan

There were no significant changes made to either our planned audit strategy or to the significant risks and other areas of emphasis identified during the performance of our risk assessment procedures.

Audit approach and results

Planned scope and timing

Audit focus

Based on our understanding of the City and environment in which you operate, we focused our audit on the following key areas:

- Key transaction cycles
- Areas with significant estimates
- Areas of complexity including Tax Incremental Districts
- Assessment of new accounting standards

Our areas of audit focus were informed by, among other things, our assessment of materiality. Materiality in the context of our audit was determined based on specific qualitative and quantitative factors combined with our expectations about the City's current year results.

Key areas of focus and significant findings

Significant risks of material misstatement

A significant risk is an identified and assessed risk of material misstatement that, in the auditor's professional judgment, requires special audit consideration. Within our audit, we focused on the following areas below.

Significant risk areas	Testing approach	Conclusion
Management override of controls	Incorporate unpredictability into audit procedures, emphasize professional skepticism and utilize audit team with industry expertise	Procedures identified provided sufficient evidence for our audit opinion
Improper revenue recognition due to fraud	Confirmation or validation of certain revenues supplemented with detailed predictive analytics based on non-financial data and substantive testing of related receivables	Procedures identified provided sufficient evidence for our audit opinion

Other areas of emphasis

We also focused on other areas that did not meet the definition of a significant risk, but were determined to require specific awareness and a unique audit response.

Other areas of emphasis		
Cash and investments	Revenues and receivables	General disbursements
Payroll	Pension and OPEB liabilities	Long-term debt
Capital assets including infrastructure	Net position calculations	Financial reporting and required disclosures

Internal control matters

We considered the City's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing an opinion on the financial statements. We are not expressing an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified.

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 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. We identified the following deficiencies as material weaknesses:

- **Financial statement close process**

  Properly designed systems of internal control provide your organization with the ability to process and record accurate monthly and year-end transactions and annual financial reports.

  Our audit includes a review and evaluation of the internal controls relating to financial reporting. Common attributes of a properly designed system of internal control for financial reporting are as follows:

  - There is adequate staffing to prepare financial reports throughout the year and at year-end.
  - Material misstatements are identified and corrected during the normal course of duties.
  - Complete and accurate financial statements, including footnotes, are prepared.
  - Financial reports are independently reviewed for completeness and accuracy.

Our evaluation of the internal controls over financial reporting has identified control deficiencies that are considered to be a material weakness surrounding the preparation of financial statements and footnotes, adjusting journal entries identified by the auditors, and an independent review of financial reports.

Management has not prepared financial statements that are in conformity with generally accepted accounting principles. In addition, material misstatements in the general ledger were identified during the financial audit.

Required communications

Qualitative aspect of accounting practices

- Accounting policies: Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we have advised management about the appropriateness of accounting policies and their application. The significant accounting policies used by the City are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing accounting policies was not changed during 2023. We noted no transactions entered into by the City during the year for which accounting policies are controversial or for which there is a lack of authoritative guidance or consensus or diversity in practice.

- Accounting estimates: Accounting estimates, including fair value estimates, are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements, the degree of subjectivity involved in their development and because of the possibility that future events affecting them may differ significantly from those expected. The following estimates are of most significance to the financial statements:

Estimate	Management's process to determine	Baker Tilly's conclusions regarding reasonableness
Accrued compensated absences	Evaluation of hours earned and accumulated in accordance with employment policies and average wage per hour rates	Reasonable in relation to the financial statements as a whole
Net pension liability and related deferrals	Evaluation of information provided by the Wisconsin Retirement System	Reasonable in relation to the financial statements as a whole
Allowance for doubtful accounts	Evaluation of historical revenues and loss levels with the analysis on collectability of individual amounts	Reasonable in relation to the financial statements as a whole
Net/Total OPEB liability and related deferrals	Key assumptions set by management with the assistance of a third party actuary	Reasonable in relation to the financial statements as a whole
Depreciation	Evaluate estimated useful life of the asset and original acquisition value	Reasonable in relation to the financial statements as a whole
Lease receivable and related deferral	Evaluation of leases by management and incremental borrowing rate used for present value calculation	Reasonable in relation to the financial statements as a whole

There have been no significant changes made by management to either the processes used to develop the particularly sensitive accounting estimates, or to the significant assumptions used to develop the estimates, noted above.

- Financial statement disclosures: The disclosures in the financial statements are neutral, consistent and clear.

Significant unusual transactions

There have been no significant transactions that are outside the normal course of business for the City or that otherwise appear to be unusual due to their timing, size or nature.

Significant difficulties encountered during the audit

We encountered no significant difficulties in dealing with management and completing our audit.

Disagreements with management

Professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Audit report

There have been no departures from the auditors' standard report, except for the adverse opinion on the omission of the discretely presented component unit, the Fort Atkinson Historical Society.

Audit consultations outside the engagement team

We encountered no difficult or contentious matters for which we consulted outside of the engagement team.

Uncorrected misstatements and corrected misstatements

Professional standards require us to accumulate misstatements identified during the audit, other than those that are clearly trivial and to communicate accumulated misstatements to management. Management is in agreement with the misstatements we have identified, and they have been corrected in the financial statements. The schedule within the attachments summarizes the material corrected misstatements, that, in our judgment, may not have been detected except through our auditing procedures. The internal control matters section of this report describes the effects on the financial reporting process indicated by the corrected misstatements, other than those that we consider to be of a lesser magnitude than significant deficiencies and material weaknesses.

Other audit findings or issues

We encountered no other audit findings or issues that require communication at this time.

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other information in documents containing audited basic financial statements

Official statements (or other equivalent document which we may not read unless engaged separately*)*

The City's audited financial statements are "general purpose" financial statements. General purpose financial statements consist of the basic financial statements that can be used by a broad group of people for a broad range of activities. Once we have issued our audit report, we have no further obligation to update our report for events occurring subsequent to the date of our report. The City can use the audited financial statements in other client prepared documents, such as official statements related to the issuance of debt, without our acknowledgement. Unless we have been engaged to perform services in connection with any subsequent transaction requiring the inclusion of our audit report, as well as to issue an auditor's acknowledgment letter, we have neither read the document nor performed subsequent event procedures in order to determine whether or not our report remains appropriate.

Management's consultations with other accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing or accounting matters.

Written communications between management and Baker Tilly

The attachments include copies of other material written communications, including a copy of the management representation letter.

Compliance with laws and regulations

We did not identify any non-compliance with laws and regulations during our audit.

Fraud

We did not identify any known or suspected fraud during our audit.

Going concern

Pursuant to professional standards, we are required to communicate to you, when applicable, certain matters relating to our evaluation of the City's ability to continue as a going concern for a reasonable period of time but no less than 12 months from the date of the financial statements, including the effects on the financial statements and the adequacy of the related disclosures, and the effects on the auditor's report. No such matters or conditions have come to our attention during our engagement.

Independence

We are not aware of any relationships between Baker Tilly and the City that, in our professional judgment, may reasonably be thought to bear on our independence.

Related parties

We did not have any significant findings or issues arise during the audit in connection with the City's related parties.

Other matters

We applied certain limited procedures to the required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

With respect to the supplementary information accompanying the financial statements, it is presented for purposes of additional analysis and is not a required part of the basic financial statements. Because the financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the City or the changes in its financial position, it is inappropriate to and we do not express an opinion on the supplementary information.

Nonattest services

The following nonattest services were provided by Baker Tilly:

- Financial statement preparation
- Adjusting journal entries
- Compiled regulatory reports
- Civic Systems Software

In addition, we prepared GASB No. 34 conversion entries which are summarized in the "Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position" and the "Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities" in the financial statements.

None of these nonattest services constitute an audit under generally accepted auditing standards, including *Government Auditing Standards*.

Reports to those charged with governance

Visit our resource page for regulatory updates, trending challenges and opportunities in your industry and other timely updates.

Visit the resource page at https://www.bakertilly.com/insights/audit-committee-resource-page.

Management representation letter

FORT • ATKINSON

CITY OF FORT ATKINSON

CLERK/TREASURER/FINANCE DIRECTOR
Michelle Ebbert | mebbert@fortatkinsonwi.gov

May 16, 2024

Baker Tilly US, LLP
4807 Innovate Lane
P.O. Box 7398
Madison, WI 53718

Dear Baker Tilly US, LLP:

We are providing this letter in connection with your audit of the financial statements of the City of Fort Atkinson as of December 31, 2023 and for the year then ended for the purpose of expressing opinions as to whether the primary government financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fort Atkinson and the respective changes in financial position and cash flows, where applicable, in conformity with accounting principles generally accepted in the United States of America (GAAP). We confirm that we are responsible for the fair presentation of the previously mentioned financial statements in conformity with accounting principles generally accepted in the United States of America. We are also responsible for adopting sound accounting policies, establishing and maintaining internal control over financial reporting, and preventing and detecting fraud.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audit.

Financial Statements

1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated August 25, 2022, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.

2) The financial statements referred to above are fairly presented in conformity with accounting principles generally accepted in the United States of America. We have engaged you to advise us in fulfilling that responsibility. The financial statements include all properly classified funds of the primary government required by accounting principles generally accepted in the United States of America to be included in the financial reporting entity.

3) We acknowledge our responsibility 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.

4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

5) Significant assumptions we used in making accounting estimates, including those measured at fair value, if any, are reasonable in accordance with U.S. GAAP.

6) All events subsequent to the date of the financial statements and for which accounting principles generally accepted in the United States of America require adjustment or disclosure have been adjusted or disclosed. No other events, including instances of noncompliance, have occurred subsequent to the financial statement date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.

7) All material transactions have been recorded in the accounting records and are reflected in the financial statements.

8) All known audit and bookkeeping adjustments have been included in our financial statements, and we are in agreement with those adjustments.

9) We are in agreement with the adjusting journal entries you have proposed, and they have been posted to the appropriate accounts.

10) There are no known or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements. There are no unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with accounting principles generally accepted in the United States of America.

11) Guarantees, whether written or oral, under which the City is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

12) We have provided you with:

    a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as financial records and related data, documentation, and other matters.

    b) Additional information that you have requested from us for the purpose of the audit.

    c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

    d) Minutes of the meetings of City Council or summaries of actions of recent meetings for which minutes have not yet been prepared.

13) We have not completed an assessment of the risk that the financial statements may be materially misstated as a result of fraud.

14) We have no knowledge of any fraud or suspected fraud that affects the entity and involves:

    a) Management,

b) Employees who have significant roles in internal control, or

c) Others where the fraud could have a material effect on the financial statements.

15) We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, regulators, or others.

16) We have no knowledge of known instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.

17) There are no related parties or related party relationships and transactions, including side agreements, of which we are aware.

Other

18) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

19) We have a process to track the status of audit findings and recommendations.

20) We have identified to you any previous financial audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.

21) The City has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources or fund balance or net position.

22) We are responsible for compliance with federal, state, and local laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits, debt contracts, and IRS arbitrage regulations; and we have identified and disclosed to you all federal, state, and local laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.

23) There are no:

a) Violations or possible violations of budget ordinances, federal, state, and local laws or regulations (including those pertaining to adopting, approving and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, or for reporting on noncompliance, except those already disclosed in the financial statement, if any.

b) Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by accounting principles generally accepted in the United States of America.

c) Nonspendable, restricted, committed, or assigned fund balances that were not properly authorized and approved.

d) Rates being charged to customers other than the rates as authorized by the applicable authoritative body.

e) Violations of restrictions placed on revenues as a result of bond resolution covenants such as revenue distribution or debt service funding.

24) In regards to the nonattest services performed by you listed below, we acknowledge our responsibility related to these nonattest services and have 1) accepted all management responsibility; 2) designated an individual with suitable skill, knowledge, or experience to oversee the services; 3) evaluated the adequacy and results of the services performed, and 4) accepted responsibility for the results of the services.

a) Financial statement preparation

b) Adjusting journal entries

c) Compiled regulatory reports

d) Civic Systems software

None of these nonattest services constitute an audit under generally accepted auditing standards, including *Government Auditing Standards.*

25) The City of Fort Atkinson has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.

26) The City of Fort Atkinson has complied with all aspects of contractual agreements that would have a material effect on the financial statement in the event of noncompliance.

27) The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations, if any, except for the Fort Atkinson Historical Society as disclosed in the notes to the financial statements. Component units have been properly presented as either blended or discrete.

28) The financial statements include all fiduciary activities required by GASB No. 84.

29) The financial statements properly classify all funds and activities.

30) All funds that meet the quantitative criteria in GASB Statement No. 34 and No. 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.

31) Components of net position (net investment in capital assets; restricted; and unrestricted) and components of fund balance (nonspendable, restricted, committed, assigned and unassigned) are properly classified and, if applicable, approved.

32) The City of Fort Atkinson has no derivative financial instruments such as contracts that could be assigned to someone else or net settled, interest rate swaps, collars or caps.

33) Provisions for uncollectible receivables, if any, have been properly identified and recorded.

34) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.

35) Revenues are appropriately classified in the statement of activities within program revenues and general revenues.

36) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.

37) Deposits and investments are properly classified, valued, and disclosed (including risk disclosures, collateralization agreements, valuation methods, and key inputs, as applicable).

38) Provision, when material, has been made to reduce excess or obsolete inventories to their estimated net realizable value.

39) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated/amortized. Any known impairments have been recorded and disclosed.

40) Tax-exempt bonds issued have retained their tax-exempt status.

41) We have appropriately disclosed the City of Fort Atkinson's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available and have determined that net position were properly recognized under the policy. We have also disclosed our policy regarding which resources (that is, restricted, committed, assigned or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available.

42) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.

43) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

44) With respect to the supplementary information, (SI):

   a) We acknowledge our responsibility for presenting the SI in accordance with accounting principles generally accepted in the United States of America, and we believe the SI, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the SI have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.

   b) If the SI is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.

45) We assume responsibility for, and agree with, the findings of specialists in evaluating the OPEB liability and have adequately considered the qualifications of the specialists in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had impact on the independence or objectivity of the specialists.

46) We assume responsibility for, and agree with, the information provided by the Wisconsin Retirement System as audited by the Legislative Audit Bureau relating to the net pension asset/liability and related deferred outflows and deferred inflows and have adequately considered the reasonableness of the amounts and disclosures used in the financial statements and underlying accounting records. We also assume responsibility for the census data that has been reported to the plan.

47) We have reviewed our long-term debt agreements and believe that all terms related to significant events of default with finance-related consequences, termination events with finance-related consequences and subjective acceleration clauses have been properly identified and disclosed.

48) We have identified any leases or other contracts that are required to be reported as leases and are in agreement with the key assumptions used in the measurement of any lease related assets, liabilities or deferred inflows of resources.

49) We have reviewed existing contracts and determined there are no items requiring accounting or reporting as lease or subscription based IT arrangement liabilities.

50) We are responsible for the estimation methods and assumptions used in measuring assets and liabilities reported or disclosed at fair value, including information obtained from brokers, pricing services or third parties. Our valuation methodologies have been consistently applied from period to period. The fair value measurements reported or disclosed represent our best estimate of fair value as the measurement date in accordance with the requirements of GASB 72 – *Fair Value Measurement.* In addition our disclosures related to fair value measurements are consistent with the objectives outlined in GASB 72. We have evaluated the fair value information provided to us by brokers, pricing services or other parties that has been used in the financial statements and believe this information to be reliable and consistent with the requirements.

51) The auditing standards define an annual report as "a document, or combination of documents, typically prepared on an annual basis by management or those charged with governance in accordance with law, regulation, or custom, the purpose of which is to provide owners (or similar stakeholders) with information on the entity's operations and the financial results and financial position as set out in the financial statements." Among other items, an annual report contains, accompanies, or incorporates by reference the financial statements and the auditors' report thereon. We confirm that we do not prepare and have no plans to prepare an annual report.

Sincerely,

City of Fort Atkinson

Signed: ______________________
Rebecca Houseman, City Manager

Signed: M. Ebbert
Michelle Ebbert, City Clerk/Treasurer/Finance Director

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Accounting changes relevant to the City of Fort Atkinson

Future accounting standards update

GASB Statement Number	Description	Potentially impacts you	Effective date
100	Accounting Changes and Error Corrections	✔	12/31/24
101	Compensated Absences	✔	12/31/24
102	Certain Risk Disclosures	✔	12/31/25

Further information on upcoming GASB pronouncements.

Revised guidance for accounting changes and error corrections

GASB Statement No. 100, *Accounting Changes and Error Corrections, an amendment of GASB Statement No. 62*, seeks to provide more understandable, reliable, relevant, consistent and comparable information for making decisions and assessing accountability.

The standard establishes the following categories:

1. Accounting changes, which is comprised of:

    a. Changes in accounting principles – result from a change from one generally accepted accounting principle to another that is justified on the basis that the newly adopted principle is preferable to the previously applied principle, or the implementation of a new pronouncement.
    b. Changes in accounting estimates – occur when inputs change due to a change in circumstances, new information, or more experience. Note that the focus is on changes to the inputs used; a change in the value of an input such as an annual inflation update does not require disclosure under this standard.
    c. Changes to or within the financial reporting entity – result from the addition or removal of a fund that results from the movement of continuing operations (such as moving sanitation operation from the general fund to its own separate fund), a change in a fund's presentation as major or nonmajor, the addition or removal of a component unit (with certain exceptions), or a change in a component unit's presentation as blended or discretely presented.

2. Error corrections – result from mathematical mistakes, mistakes in the application of accounting principles, or oversight or misuse of facts that existed at the time of the financial statements were issued (i.e., facts that could reasonably be expected to have been obtained and considered at that time).

A summary of the reporting impact of each category is as follows:

	Accounting changes			
Reporting considerations	**Change in accounting principle**	**Change in estimate**	**Change to the financial reporting entity**	**Correction of an error**
Basic financial statement schedules:	Restate earliest period presented	Report prospectively	Adjust current year beginning balances	Restate earliest period presented
Required supplementary information & supplementary information:	Should match the financial statement presentation noted above; no adjustments to earlier periods needed			Restate all periods impacted
Additional disclosures?	Yes	Yes	Yes	Yes

The City should become familiar with the new guidance in advance of the implementation effective date.

Updated accounting and reporting for compensated absences

The Governmental Accounting Standards Board (GASB) issued its Statement No. 101, *Compensated Absences*, in June 2022. The objective of GASB 101 is to update the recognition and measurement guidance for compensated absences for state & local government employers. It supersedes GASB No. 16, *Accounting for Compensated Absences*, issued in 1992, as well as earlier guidance, and addresses changes resulting from the types of leave now being offered. GASB 101 is effective for fiscal years beginning after December 15, 2023 (i.e., December 31, 2024, and June 30, 2025 year-end reporting entities).

GASB 101 more appropriately reflects a liability *when* a government incurs an obligation for compensated absences, and will improve comparability of reporting between governments that offer different types of leave. It requires that liabilities be recognized for (1) leave that has not been used, and (2) leave that has been used but not yet paid in cash or settled-up via non-cash means. Compensated absences is defined as leave for which employees may receive one or more of the following:

- Cash payments when the leave is used for time off;
- Other cash payments, such as payment for unused leave upon termination of employment, or;
- Noncash settlements, such as conversion to defined benefit postemployment benefits.

Examples of compensated absences provided in GASB 101 include vacation, sick leave, paid time off (PTO), holidays, parental leave, bereavement leave, and certain types of sabbatical leave. Payment or settlement of compensated absences could occur during employment, or upon termination of employment. GASB 101 does not apply to benefits that are within the scope of GASB 47, *Accounting for Termination Benefits*.

GASB 101 requires that a liability should be recognized for leave that has not been used if all of the following are true:

- The leave is attributable to services already rendered;
- The leave accumulates, and;
- The leave is "more likely than not" (i.e., likelihood of more than 50%) to be used for time off or otherwise paid in cash or settled through noncash means (101 provides factors to assess this criteria). (This differs from GASB 16, which required payment to be "probable" to be recognized).

Under GASB 101, governments will now need to accrue for time that has accumulated and is likely to be used, even if the employee is not eligible for a payout upon termination. This was not a requirement under GASB 16, and thus may result in a higher compensated absence liability.

GASB 101 requires liabilities for compensated absences to be recognized in financial statements prepared using the economic resources measurement focus equal to the amount of leave that has not yet been used and leave that has been used but not yet paid or settled. GASB 101 did not change the report for financial statements prepared using the current financial resources measurement focus (i.e., governmental funds).

Other changes in financial statement disclosures include the change in compensated absences liability can now be disclosed as a net change, rather than gross increases/decreases in the liability. Also, governments are no longer required to disclose which fund has typically liquidated the liability.

We recommend that governments begin to review the guidance contained in GASB 101 within the context of your existing compensated absences policies and accounting practices, in order to be better informed in terms of the information that you will need for this implementation.

Updated reporting for certain risk disclosures

The Governmental Accounting Standards Board (GASB) issued its Statement No. 102, *Certain Risk Disclosures*, in June 2022. The objective of GASB 102 is to provide financial statement users with information about certain risks when circumstances make a government vulnerable to a heightened possibility of loss or harm. It requires governments to disclose essential information about risks related to vulnerabilities due to certain concentrations or constraints.

The Statement generally requires a government to disclose information about a concentration or constraint if all of the following criteria are met.

- The concentration or constraint is known to the government prior to issuing the financial statements.
- The concentration or constraint makes the government vulnerable to the risk of a substantial impact.
- An event or events associated with the concentration or constraint that could cause a substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

The disclosures should include a description of the following:

- The concentration or constraint,
- Each event associated with the concentration or constraint that could cause a substantial impact if the event has occurred or has begun to occur prior to the issuance of the financial statements, and
- Actions taken by the government to mitigate the risk prior to the issuance of the financial statements.

Material corrected misstatements

Description	Opinion unit	Amount
Record repayment of advance	TIF 6	$ 360,000
Adjustments to beginning equity	General Fund, Stormwater utility	$ 701,971
To record / adjust CY depreciation	Stormwater utility	$ 28,909
To correct accelerated depreciation	Water utility	$ 1,873,058
To record utility plant additions from CWIP	Water utility	$ 215,806
Adjustments to restricted cash	Water utility	$ 748,699
To record utility plant retirements	Water utility	$ 166,170
To correct depreciation	Water utility	$ 131,320
Adjustments to EMS receivable, allowance, unavailable revenue, and revenue	EMS	$ 418,554

The remaining misstatements that were identified and corrected by management were not material individually or in the aggregate to the financial statements taken as a whole.

Two-way audit communications

As part of our audit of your financial statements, we are providing communications to you throughout the audit process. Auditing requirements provide for two-way communication and are important in assisting the auditor and you with more information relevant to the audit.

As this past audit is concluded, we use what we have learned to begin the planning process for next year's audit. It is important that you understand the following points about the scope and timing of our next audit:

a. We address the significant risks of material misstatement, whether due to fraud or error, through our detailed audit procedures.

b. We will obtain an understanding of the five components of internal control sufficient to assess the risk of material misstatement of the financial statements whether due to error or fraud, and to design the nature, timing and extent of further audit procedures. We will obtain a sufficient understanding by performing risk assessment procedures to evaluate the design of controls relevant to an audit of financial statements and to determine whether they have been implemented. We will use such knowledge to:

    - Identify types of potential misstatements.
    - Consider factors that affect the risks of material misstatement.
    - Design tests of controls, when applicable, and substantive procedures.

c. We will not express an opinion on the effectiveness of internal control over financial reporting or compliance with laws, regulations and provisions of contracts or grant programs.

d. The concept of materiality recognizes that some matters, either individually or in the aggregate, are important for fair presentation of financial statements in conformity with generally accepted accounting principles while other matters are not important. In performing the audit, we are concerned with matters that, either individually or in the aggregate, could be material to the financial statements. Our responsibility is to plan and perform the audit to obtain reasonable assurance that material misstatements, whether caused by errors or fraud, are detected.

Our audit will be performed in accordance with auditing standards generally accepted in the United States of America.

We are very interested in your views regarding certain matters. Those matters are listed here:

a. We typically will communicate with your top level of management unless you tell us otherwise.

b. We understand that the governing board has the responsibility to oversee the strategic direction of your organization, as well as the overall accountability of the entity. Management has the responsibility for achieving the objectives of the entity.

c. We need to know your views about your organization's objectives and strategies, and the related business risks that may result in material misstatements.

d. We anticipate that the City will receive an adverse opinion on its financial statements because of the exclusion of the Fort Atkinson Historical Society.

e. Which matters do you consider warrant particular attention during the audit, and are there any areas where you request additional procedures to be undertaken?

f. Have you had any significant communications with regulators or grantor agencies?

g. Are there other matters that you believe are relevant to the audit of the financial statements?

Also, is there anything that we need to know about the attitudes, awareness and actions of the governing body concerning:

a. The entity's internal control and its importance in the entity, including how those charged with governance oversee the effectiveness of internal control?

b. The detection or the possibility of fraud?

We also need to know if you have taken actions in response to developments in financial reporting, laws, accounting standards, governance practices, or other related matters, or in response to previous communications with us.

With regard to the timing of our audit, here is some general information. If necessary, we may do preliminary financial audit work during the months of October-December, and sometimes early in January. Our final financial fieldwork is scheduled during February to best coincide with your readiness and report deadlines. After fieldwork, we wrap up our financial audit procedures at our office and may issue drafts of our report for your review. Final copies of our report and other communications are issued after approval by your staff. This is typically 6-12 weeks after final fieldwork, but may vary depending on a number of factors.

Keep in mind that while this communication may assist us with planning the scope and timing of the audit, it does not change the auditor's sole responsibility to determine the overall audit strategy and the audit plan, including the nature, timing and extent of procedures necessary to obtain sufficient appropriate audit evidence.

We realize that you may have questions on what this all means, or wish to provide other feedback. We welcome the opportunity to hear from you.

City of Fort Atkinson
City Manager's Office
101 N. Main Street
Fort Atkinson, WI 53538

MEMORANDUM

DATE: **June 4, 2024**

TO: **Fort Atkinson City Council**

FROM: **Michelle Ebbert, Clerk/Treasurer/Finance Director**

RE: **Review and possible action relating to Alcohol Beverage License Applications for the licensing period of July 1, 2024 through June 30, 2025. (Ebbert, Clerk/Treasurer/Finance Director)**

BACKGROUND

The State of Wisconsin regulates alcohol licensing for local governments through Chapter 125. There are three classes of Licenses; Class A, Class B and Class C. The difference between Class A and B is where alcohol is authorized for sale and for consumption. Class A generally offers sale of alcohol on-site with consumption off-site (e.g. grocery or liquor store, gas station or convenience store). Class B allows for on-site sale and on-site consumption (e.g. Restaurant, Bar, Bowling Alley, Tavern). Class A can easily be remembered because alcohol is consumed *Away* from the premises. Likewise, Class B you consume on-site, for example *Bar.*

Table 1: Type of license, beverage and where consumption is permitted.

Type of License	Type of Beverage	Consumption Location
“Class A”	Intoxicating Liquor	Off-site
Class “A”	Fermented Malt	Off-site
“Class A” Liquor: Cider Only*	Cider Only	Off-site
“Class B”	Intoxicating Liquor	On-site
Class “B”	Fermented Malt	On-site
“Class C”	Wine only	On-site
Reserve “Class B”	Intoxicating Liquor	On-site
Temporary Class “B” **	Fermented Malt	On-site
Temporary “Class B” **	Wine	On-site

*The 2015-17 Wisconsin State Budget (2015 Act 55) provides that municipalities shall issue a “Class A” liquor license if both of the following apply:

- The “Class A” liquor license application is for sales limited to cider products only.
- The application for a “Class A” liquor license holds a Class “A” beer license for the same premises.

2015 Act 55 provision also defines ‘cider’ to mean any alcohol beverage that is obtained from the fermentation of the juice of apples or pears and that contains not less than 0.5 percent alcohol by volume and not more than 7.0 percent alcohol by volume. “Cider” includes flavored, sparkling, and carbonated cider.

** Temporary Class “B” Fermented Malt and Temporary “Class B” Wine – these licenses are issued throughout the year to lodges, societies, bona fide clubs, chambers, non-profit, etc.

Table 2: Combination of Licenses

License Combinations	**Type of Beverage(s)**	**Consumption Location**
“Class A” and Class “A”	Intoxicating Liquor and Fermented Malt	Off-site
Class “A” and “Class A” Liquor: Cider Only	Fermented Malt and Cider	Off-site
“Class B” and Class “B”	Intoxicating Liquor and Fermented Malt	On-site
Class “B” and “Class C” Wine	Fermented Malt and Wine	On-site
Reserve “Class B” and Class “B”	Intoxicating Liquor and Fermented Malt	On-site
Temporary Class “B” and Temporary “Class B”	Fermented Malt and Wine	On-site

Table 3: License fees (maximum amount allowable by State Statute is being charged)

Type of License	**License Fee**
“Class A” Intoxicating Liquor	$500.00
Class “A” Fermented Malt	$100.00
“Class A” Liquor: Cider Only	No fee.
“Class B” Intoxicating Liquor	$500.00
Class “B” Fermented Malt	$100.00
“Class C” Wine Only	$100.00
Reserve “Class B” Intoxicating Liquor	$10,000 (one-time)
Temporary Class “B” Fermented Malt	$10.00
Temporary “Class B” Wine	$10.00

A combination Class A license (intoxicating liquor and fermented malt) would total $600.00.
A combination Class B license (intoxicating liquor and fermented malt) would total $600.00

Table 4: Existing Quotas (05/23/2024)

License	Quota	Licenses Issued	Licenses Available
"Class A" Intoxicating Liquor	16 - 1 per 750 residents	16	- 0
Class "A" Fermented Malt	17 - 1 per 750 residents	16	1
"Class B" Intoxicating Liquor	25 - 1 per 500 residents	25	0
RESERVE "Class B" Intoxicating Liquor	4 - $10,000 one-time fee	4	0

DISCUSSION

Table 1: Submitted Alcohol License Applications - All Renewals

License Type	Trade Name	D/B/A Business Name	Business Address
Class A Beer Class A Liquor Cider Only	La Morenita LLC	La Morenita	303 S 3rd Street West
Class A Beer Class A Liquor Cider Only	Handyspot 105 LLC	Handyspot 105	303 S Main St
Class A Liquor	Blodgett Milling Co Inc	Blodgett Garden Center	1222 Janesville Ave
Class A Liquor	The Fireside, Inc	The Cheese Loft	1009 Janesville Ave
Class A Liquor	Sarahndipity Salon LLC	Sarahndipity Salon	121 N. Main Street
Class A Liquor Class A Beer	Casey's Marketing Company	Casey's General Store #3712	342 Whitewater Ave
Class A Liquor Class A Beer	Green Way Holdings, Inc	FA Gas	1285 Madison Ave
Class A Liquor Class A Beer	J & R Petro LLC	K P Mart	415 Janesville Ave
Class A Liquor Class A Beer	Kwik Trip Inc	Kwik Trip #439	1565 Madison Ave
Class A Liquor Class A Beer	Kwik Trip Inc	Stop-N-Go #1502	313 Madison Ave
Class A Liquor Class A Beer	Kwik Trip Inc	Kwik Trip #1506	1680 Janesville Ave
Class A Liquor Class A Beer	La Tienda Mexicana, Inc	La Tienda Mexicana	809 S Main St.
Class A Liquor Class A Beer	Skogen's Foodliner, Inc	Festival Foods	328 Washington St
Class A Liquor Class A Beer	Ultra Mart Foods LLC	Pick 'N Save #396	1505 Madison Ave
Class A Liquor Class A Beer	Walgreen Co.	Walgreens #01976	300 N. Main St
Class A Liquor Class A Beer	Guanajuato Produces LLC	Guanajuato Produces	1109 Whitewater Ave
Class A Liquor Class A Beer	Ruhani Gas & Food Inc	Shell Food & Liquor	1012 Whitewater Ave
Class A Liquor Class A Beer	Sunnys Quick Mart LLC	Sunny's Quick Mart	1220 Janesville Ave #100
Class B Beer Class C Wine	Mr. Brews Taphouse VIII, LLC	Mr Brews Taphouse	201 N Main Street Ste 220

Class B Beer Class C Wine	Carla J Robinson Stewart	Carla's Catering	1525 Janesville Ave
Class B Liquor Class B Beer	14 Sherman LLC	10-62 Saloon	12 S Water St E
Class B Liquor Class B Beer	29 Sherman Ave W LLC	Tavern on Rock	29 W Sherman Ave
Class B Liquor Class B Beer	99 Sushi, Inc	99 Sushi	99 N Main Street
Class B Liquor Class B Beer	Bienfang's Bar Inc.	Bienfang's Bar	28 N. Water St. E.
Class B Liquor Class B Beer	Bridge at River & Main LLC	Bridge	88 S Main St
Class B Liquor Class B Beer	William Welch & Alison Camplin	Cafe Carpe	18 S Water St W
Class B Liquor Class B Beer	Creamery 201, LLC	Creamery 201	201 N. Main Street
Class B Liquor Class B Beer	Fort Investments, LLC	Fort 88 Smokehouse & Bar	855 Lexington Blvd
Class B Liquor Class B Beer	Ft Atkinson Hotel Group 2 LLC	Country Inn & Suites	1650 Doris Drive
Class B Liquor Class B Beer	J&J Wisconsin Ventures, LLC	Brock's Riverwalk Tavern & Grill	99 S. Main Street
Class B Liquor Class B Beer	El Patron Mexican Restaurant LLC	El Patron Mexican Restaurant	100 Madison Ave
Class B Liquor Class B Beer	Mangiami Italiano LLC	Mangiami Italiano	226 S Main St
Class B Liquor Class B Beer	NAP Enterprises, LLC	Rock River Lanes	1010 Larsen Rd
Class B Liquor Class B Beer	Patrick Beach	Soup's On	1125 Whitewater Ave
Class B Liquor Class B Beer	Paul Frank Florine Post No. 166 of the American Legion	American Legion Dugout	201 S Water St E
Class B Liquor Class B Beer	McGrath Catering LLC	McGrath Catering	1245 Whitewater Avenue
Class B Liquor Class B Beer	Riverfront Café LLC	Riverfront Café	1317 N High St
Class B Liquor Class B Beer	Salamone Pizza Inc	Salamones Italian Pizzeria	1245 Madison Ave.
Class B Liquor Class B Beer	Scuzzi's Pizza Bar LLC	Brickhouse Pizza	1501 Janesville Ave
Class B Liquor Class B Beer	The Fireside, Inc	The Fireside	1131 Janesville Ave
Class B Liquor Class B Beer	The Sweet Spot Coffee Shop LLC	The Langholf	225 S Main St
Class B Liquor Class B Beer	Wiereal, LLC	Fat Boyz	219 S Main St
Class B Liquor Class B Beer RESERVE	Didley's LLC	Paddy Coughlin's	14 E Sherman Ave
Class B Liquor Class B Beer RESERVE	LTree Cuisine, LLC	Riverstone Event Center	1905 Central Coast Lane
Class B Liquor Class B Beer RESERVE	La Cabana 2, LLC	La Cabana	213 Washington Street
Class B Liquor Class B Beer RESERVE	14 Sherman LLC	Paddyshack Golf and Gaming Lounge	201 S. Main Street

FINANCIAL ANALYSIS

Alcohol license fees for the upcoming licensing period of July 1, 2024 to June 30, 2025 is $25,600. Applicants are also invoiced for a publication fee of $30.00 which covers the cost of the annual publication.

RECOMMENDATION

Staff recommends the City Council approve the Alcohol License Applications for the licensing period of July 1, 2024 to June 30, 2025 contingent upon all monies owed to the City are paid prior to license issuance by the City Clerk.

ATTACHMENTS

None

City of Fort Atkinson
City Manager's Office
101 N. Main Street
Fort Atkinson, WI 53538

MEMORANDUM

DATE: **June 4, 2024**

TO: **Fort Atkinson City Council**

FROM: **Michelle Ebbert, Clerk/Treasurer/Finance Director**

RE: **Review and possible action relating to Cigarette, Tobacco and Electronic Vaping Device Retail License Applications for the licensing period of July 1, 2024 through June 30, 2025. (Ebbert, Clerk/Treasurer/Finance Director)**

BACKGROUND

The State of Wisconsin regulates cigarette, tobacco and electronic vaping device licensing for local governments through State Statute Chapters 134 and 139. On December 6, 2023, Wisconsin Act 73 was signed into law. This legislation subjects electronic vaping devices to the same retail licensing requirements as cigarettes and tobacco products. As of March 6, 2024, retailers selling electronic vaping devices were required to obtain a retail license from the City. The Department of Revenue updated their existing Cigarette and Tobacco Retailers License application to include Electronic Vaping Products.

134.65(1)(d) No person shall in any manner, or upon any pretense, or by any device, directly or indirectly sell, expose for sale, possess with intent to sell, exchange, barter, dispose of or give away any cigarettes, electronic vaping devices, or tobacco products to any person not holding a license as herein provided or a permit under ss. 139.30 to 139.41 or 139.79 without first obtaining a license from the clerk of the city, village or town wherein such privilege is sought to be exercised.

DISCUSSION

Table 1: Submitted applications for Cigarette, Tobacco and Electronic Vaping Devit Retail License

Legal Name	**Trade Name**	**Trade Address 1**	**Cigarette**	**Tobacco**	**E-Vaping**
Casey's Marketing Company	Casey's General Store #3712	342 Whitewater Avenue	X	X	X
Creamery 201, LLC	Creamery 201	201 N Main Street			
Green Way Holdings, Inc	FA GAS	1285 Madison Avenue	X	X	X
Family Dollar Stores of Wisconsin LLC	Family Dollar Store #26250	1517 Madison Avenue #A			
Wiereal, LLC	Fat Boyz Bar & Grill	219 S. Main Street		X	
Skogen's Foodliner, Inc	Festival Foods	328 Washington Street	X	X	
Handyspot 105 LLC	Handyspot 105 LLC	303 S Main Street	X	X	X
Hemp 1848, Inc	Hemp 1848	1220 Janesville Avenue #300			

J&R Petro, LLC	K P Mart	415 Janesville Avenue	X	X	X
Kwik Trip, Inc	Kwik Trip #1506	1680 Janesville Avenue	X	X	X
Kwik Trip, Inc	Kwik Trip #439	1565 Madison Avenue	X	X	X
Ultra Mart Foods, LLC	Pick 'N Save #6396	1505 Madison Avenue	X	X	
Rock River Wellness LLC	Rock River Wellness	41 Sherman Avenue W		X	
Ruhani Gas & Food Inc	Shell Food & Liquor	1012 Whitewater Avenue	X	X	X
Kwik Trip, Inc	Stop-N-Go #1502	313 Madison Avenue	X	X	X
Sunnys Quick Mart LLC	Sunny's Quick Mart	1220 Janesville Avenue #100	X	X	X
Tobacco Land, Inc	Tobacco Land	211 Washington Street	X	X	X
Walgreen Co.	Walgreen's #01976	300 N. Main Street	X	X	
BLADCO, LLC	X-Treme Smoke & Vapor 6	1642 Madison Avenue	X	X	X

FINANCIAL ANALYSIS

Cigarette, Tobacco and Electronic Vaping Device Retail License fee for the licensing period of July 1, 2024 to June 30, 2025 is $100.00, a total potential revenue of $1,900.00 should Family Dollar and Hemp 1848 submit applications. Publication of the applications is not required.

RECOMMENDATION

Staff recommends the City Council approve the Cigarette and Tobacco Products Retail License Applications for the licensing period of July 1, 2024 to June 30, 2025 contingent upon all monies owed to the City are paid prior to license issuance by the City Clerk.

ATTACHMENTS

None

City of Fort Atkinson
City Manager's Office
101 N. Main Street
Fort Atkinson, WI 53538

MEMORANDUM

DATE: **June 4, 2024**

TO: **Fort Atkinson City Council**

FROM: **Ben Dayton, Director of Parks and Recreation**

RE: **Review and possible action relating to the purchase of a Enduro M32 Robotic Pool Cleaner with ARPA funds at a cost not to exceed $11,767.45 (Dayton, Parks and Recreation Director)**

BACKGROUND

The Fort Atkinson Family Aquatic Center was most recently renovated in 1992. From 1992 to 2014, the pool was vacuumed daily using the main pool pump system. A vacuum hose was inserted into various ports around the facility utilizing the pool's main pump for suction. In 2014, the Pool Code was updated, which ultimately did not allow this type of vacuum system anymore. To remain in compliance, staff had to purchase a new system that was custom for our facility. Various parts of this system have had to be replaced and modified to function properly. Several components on the current vacuum system are nearing the end of their useful life and will need to be replaced within the next 1–3 years.

Additionally, staffing the pool cleaner position has been an annual challenge. Over the past several years, the department has relied on seasonal parks and recreation staff to fill this position, pulling them away from the duties they were hired to do. Having this position filled by a consistent staff member is needed to ensure that the pool is ready for daily operations. The position is scheduled from 7 a.m.-10:30 a.m., Monday through Saturday, June 1 through August 18.

DISCUSSION

Carrico Aquatics has been the City's primary pool service provider, and they are very familiar with the aquatic center. The Parks and Recreation staff have been happy with their services and have had a long-standing relationship. Carrico recommended the M32 Robotic Cleaner for our facility as a solution to our staffing and cleaning needs. They currently have over 100 units in operation across the upper Midwest. With regular cleaning and preventative maintenance, the unit has an estimated lifespan of greater than 7 years.

Staff recommends that the City invest in an automated robot pool cleaner for the 2024 season, as it will provide cost savings within 3 years of operation. Below is a breakdown of both staffing expenses and anticipated equipment needs within the next 3 years.

On average, a manual pool cleaning shift takes 3-4 hours to complete. This is a daily task that takes place 7 days per week during the aquatic center's 11-week season, or 269.5 hours per season. At $14.50 per hour, the estimated cost of the pool cleaning position is $3,907.75 for the season. With the purchase of the robot cleaner, the City can reallocate the seasonal staff member to different tasks.

Additional savings will come from not replacing the components of our current system. Aquatic Center Maintenance staff anticipate that the current pool vacuum system will need to be fully replaced within 1-3 years. Below is a cost breakdown of our current system and replacement needs.

Self-Prime Electric Pump - $2,040 (life expectancy – 5 years)
Vacuum wheel - $262 (replace 3-5 years)
Fiberglass Pole for vacuum wheel - $160.
Vacuum hose – 100' = $420 (replace 5 years)
50' = $213 (replace 5 years)
Total cost of vacuum hose = $613.
TOTAL COST OF NEW VACUUM SYSTEM = $3,075

Given the annual wage savings and avoiding replacing the current vacuum system, the City will see cost savings within 3 years. This will also benefit our park's operations by not pulling seasonal staff for daily pool cleaning.

FINANCIAL ANALYSIS
Carrico Aquatics provided staff with two options to purchase the Enduro M32 Robotic Cleaner.

Option One: Purchase the unit outright. With this option, the unit will be delivered and assembled on site. They will provide staff on-site training over a 2-year period. Included with this option, if the unit becomes inoperable, a no-cost loaner will be provided during the initial warranty period (2 years).

Option Two: Lease to own. Carrico also offers a 3-year lease on a unit with the option to purchase at the end of the term. With this option, Carrico also provides a complete maintenance package during the term of the contract. The unit will be serviced annually and stored at their facility.

Options	Price	Warranty
Purchase	$11.252.45	2-year parts
	$515 Shipping	1-year labor
	Total: $11,767.45	7-year frame
3-year lease	$5,500/year	3-year parts
	$515 Shipping	2-year labor

Total (3 years): $ 17,015+7-year frame

The purchase of the robotic pool cleaner was not in the 2024 budget. However, the City has one-time ARPA funds that, in this case, can be used effectively to reduce annual operating costs in the Parks and Recreational seasonal staff account, as well as create efficiencies within the pool operations. Using ARPA funds would mitigate any impact on the current budget. Per the 2023 audit, the City had approximately $915,795 in ARPA funds remaining. The Council approved $157,000 in expenditures in 2024 using these funds. Any remaining funds will need to be allocated by the City Council to specific projects by the end of 2024 and spent by the end of 2026. As previously stated, staff intends to bring forth a Resolution in 2024 allocating the remaining funds for the Council's review and approval.

RECOMMENDATION

Staff recommends that the City Council authorize staff to accept the proposal from Carrico Aquatic Resources for the purchase of the Enduro M32 Robot Pool Cleaner at a cost not to exceed $11,767.45, using ARPA funds.

ATTACHMENTS

1. Fort Atkinson M32 Options 5.30.24

Providing Safe Clean Sparkling Blue Water

720 N. Parkway • Jefferson, WI 53549
Office: 920-541-3600
Fax: 920-541-3602
www.carricoaquatics.com

May 30, 2024

Dave Radloff
City of Fort Atkinson Aquatic Center
30 North Water Street West
Fort Atkinson, Wisconsin 53538

RE: Enduro M32 Robotic Cleaner Options

Dear Dave,

Thank you for allowing Carrico Aquatic Resources, Inc. the opportunity to work with the City of Fort Atkinson and provide a proposal for an Enduro M32 robotic cleaner.

Option I - Enduro M32 Purchase

- 32 meter, industrial grade cable with trolley and integrated cable reel
- Stainless steel frame with seven-year warranty
- Touchscreen control panel for easy entry and exit of robot from the pool
- Weatherproof remote control
- Voice alert system
- 2nd Generation gyroscope for precise navigation
- Top mount 105 micron umbrella filtration system
- Systematic mode for precision cleaning with maximum customization
- 120 volt input with safe 24volt adjustable DC operation
- PVA halfpad set for enhanced traction on a variety of surfaces resulting in precise navigation
- In house assembly, quality control and diagnostics
- Delivery to facility
- Two-year limited warranty with on-site vacuum warranty administration and repair program (excluding wearable parts)
- One-year labor warranty—from date of purchase on necessary repairs
- Onsite and on-going training of your staff for a two year period
- Custom on-site programming specific for the pool
- Ongoing 24/7 phone support
- Repairs that cannot be completed on the pool deck, a no-charge loaner will be provided during initial warranty period

Your total investment to purchase is eleven thousand two hundred fifty-two and 45/100 dollars ($11,252.45) plus shipping.

Option II - Enduro M32 Lease

In addition to the features above:

- Use of an Enduro cleaner for a term of three (3) years
- Maintenance agreement
- Model of Enduro unit to be determined by Carrico
- Ability to renew the lease or purchase the leased unit for a nominal fee at end of the term

Your total investment will be five thousand five hundred and no/100 dollars ($5,500.00) per year for three (3) years plus shipping. A formal lease agreement will be provided upon acceptance of this proposal. Please note that the lease agreement does not include the replacement of any wearable parts.

Shipping charges for either option will not exceed five hundred fifteen and no/100 dollars ($515.00).

Terms for this sale are:

- Prices are firm for 30 days from date of this proposal.
- Terms of payment requested is 30 days from the date of our invoice after delivery for purchase
- Annual payments for lease will be due on May 1 of each year.
- Past due accounts will be charged a late fee of 1.5% per month.
- This price does not include taxes.

If you have any questions, please feel free to contact our office toll free at 800-832-7147. If you find this proposal acceptable, please indicate below and email a copy **jseaton@carricoaquatics.com**.

Thank you,

Jason Seaton
Director - Robotic Cleaner Division
Carrico Aquatic Resources, Inc.

ACCEPTANCE OF PROPOSAL

Option I - Purchase _____ **Option II - Lease _____**

Accepted by: ______________________ Date: _________________ P.O.# __________________

Statewide Services, Inc.

Claim Division

Deb Ayres--Desk Adjuster
P.O. Box 5555
Madison, WI 53705-0555
608-828-5441

May 20, 2024

Luke Tabbert
1000 S Main St Apt 208
Fort Atkinson WI 53538

Our Insured: City of Fort Atkinson
Date of loss: 04/27/2024
Our Claim #: WM000282260025

Dear Luke:

Statewide Services, Inc. administers the claims for League Mutual Insurance, which provides liability insurance coverage for the City of Fort Atkinson. We are in receipt of your claim for vehicle damage, as a result of a fallen tree on April 27, 2024.

We have investigated this incident and found no negligence or liability on behalf of the City of Fort Atkinson. The City did not have prior actual or constructive notice that the tree in question would fail. A municipality has no liability unless it knew, or should have known, of the existence of a condition and had a reasonable amount of time to correct the condition. We assert that the tree failure was caused by a weather event which the City could not have prevented. Therefore, in the absence of negligence on the part of the City of Fort Atkinson, Statewide Services is advising the City to disallow your claim.

If you have any questions please contact me.

Thank you,

Deb Ayres

CC: R&R Insurance