City of Fort Atkinson

Financial Statements and
Supplementary Information

December 31, 2024

City of Fort Atkinson

Table of Contents
December 31, 2024

	Page
Independent Auditors' Report	i
Required Supplementary Information	
Management's Discussion and Analysis	iv
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	1
Statement of Activities	3
Fund Financial Statements	
Balance Sheet - Governmental Funds	4
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	6
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	7
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	9
Statement of Net Position - Proprietary Funds	10
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	12
Statement of Cash Flows - Proprietary Funds	13
Statement of Fiduciary Net Position - Fiduciary Fund	15
Statement of Changes in Fiduciary Net Position - Fiduciary Fund	16
Index to Notes to Financial Statements	17
Notes to Financial Statements	18

	Page
Required Supplementary Information	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	60
Special Revenue Fund	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Transportation Improvements	65
Schedule of Proportionate Share of the Net Pension Liability (Asset) - Wisconsin Retirement System	66
Schedule of Employer Contributions - Wisconsin Retirement System	66
Schedule of Proportionate Share of the Net Insurance OPEB Liability - Local Retiree Life Insurance Fund	67
Schedule of Employer Contributions - Local Retiree Life Insurance Fund	67
Schedule of Changes in Employer's Total OPEB Liabilities and Related Ratios - Health Insurance	68
Notes to Required Supplementary Information	69
Supplementary Information	
Combining Balance Sheet - Nonmajor Governmental Funds	71
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	74

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, 2024 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, 2024, 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, 2024 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.

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Emphasis of Matter

As discussed in Note 3 to the financial statements, changes in the presentation of funds within the financial statements resulted in adjustments to beginning fund balance. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City'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.



Madison, Wisconsin
May 8, 2025

CITY OF FORT ATKINSON

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED
As of and for the Year Ended December 31, 2024

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, 2024. You are invited to read this narrative in conjunction with the City's financial statements.

FINANCIAL HIGHLIGHTS

The City's total net position totaled $81.2 million. $39.3 million was related to governmental activities and $41.8 million to business-type activities. Events that had major impacts on the City's 2024 financials were:

- Fire Department F 550 Fire Truck - $349,736
- Fire Department Fire Hose - $25,000
- Fire Department Portable Radios - $315,475
- Public Works 2 F 750 Dump Plow Trucks - $424,210
- Police Department Squad Car - $63,651
- Police Department Radios & Equipment - $45,291
- Public Works Facility Construction - $10,236,881
- Baxter Road Construction - $139,864
- Road Rehabilitation and Water Main Relay - $2,697,961
- Land for WWII Veterans Memorial - $96,625
- Chrysler Taxi Vans - $146,284
- Public Works Asphalt Recycler Hot Box - $51,770
- Aquatic Center Pool Heater - $35,822

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, general debt service, TIF District No.9, and capital improvements project 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. 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 nonmajor 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	
	2024	2023	2024	2023	2024	2023
Current and other assets	$ 32,995,511	$ 25,222,186	$ 12,583,452	$ 8,230,793	$ 45,578,963	$ 33,452,979
Capital assets	45,863,731	34,731,042	50,247,266	49,501,127	96,110,997	84,232,169
Total Assets	78,859,242	59,953,228	62,830,718	57,731,920	141,689,960	117,685,148
Total deferred outflows of resources	5,434,614	7,238,484	752,345	1,028,935	6,186,959	8,267,419
Long-term liabilities	28,764,643	14,187,401	20,922,927	16,765,460	49,687,570	30,952,861
Other liabilities	1,635,214	2,053,096	307,958	785,053	1,943,172	2,838,149
Total Liabilities	30,399,857	16,240,497	21,230,885	17,550,513	51,630,742	33,791,010
Total deferred inflows of resources	14,547,955	14,896,749	537,155	649,486	15,085,110	15,546,235
Invested in capital assets, net of related debt	22,515,384	23,548,840	33,002,696	33,484,220	55,518,080	57,033,060
Restricted	4,304,074	3,868,671	2,022,321	1,593,629	6,326,395	5,462,300
Unrestricted	12,526,586	8,636,955	6,790,006	5,483,007	19,316,592	14,119,962
Total Net Position	$ 39,346,044	$ 36,054,466	$ 41,815,023	$ 40,560,856	$ 81,161,067	$ 76,615,322

The largest portion of the City's total net position (68%) 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 (8%) 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.

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

Table 2
Condensed Statement of Activities

	Governmental Activities		Business-Type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program Revenues						
Charges for services	$ 2,351,924	$ 2,123,718	$ 7,406,104	$ 7,456,116	$ 9,758,028	$ 9,579,834
Operating grants and contributions	1,406,155	1,692,241	-	-	1,406,155	1,692,241
Capital grants and contributions	-	79,780	54,170	330,766	54,170	410,546
General Revenues						
Property taxes	10,342,235	10,380,730	-	-	10,342,235	10,380,730
Other taxes	321,714	314,690	-	-	321,714	314,690
Intergovernmental	2,496,216	1,322,895	9,431	5,230	2,496,216	1,328,125
Other	1,979,826	1,233,874	181,519	190,976	2,161,345	1,424,850
Total Revenues	18,898,070	17,147,928	7,651,224	7,983,088	26,549,294	25,131,016
Expenses:						
General government	1,142,678	1,273,385	-	-	1,142,678	1,273,385
Public safety	6,372,690	6,066,234	-	-	6,372,690	6,066,234
Public works	3,018,841	2,664,566	-	-	3,018,841	2,664,566
Health and human services	32,643	31,977	-	-	32,643	31,977
Culture, education and recreation	3,199,654	3,062,099	-	-	3,199,654	3,062,099
Conservation and development	896,567	1,109,141	-	-	896,567	1,109,141
Water	-	-	1,654,607	1,782,527	1,654,607	1,782,527
Sewer	-	-	3,750,611	3,395,358	3,750,611	3,395,358
Stormwater	-	-	674,973	650,200	674,973	650,200
Interest and fiscal charges	1,260,285	387,267	-	-	1,260,285	387,267
Total Expenses	15,923,358	14,594,669	6,080,191	5,828,085	22,003,549	20,422,754
Income (Loss) Before Transfers	2,974,712	2,553,259	1,571,033	2,155,003	4,545,745	4,708,262
Transfers	316,866	315,798	(316,866)	(315,798)	-	-
Changes in Net Position	3,291,578	2,869,057	1,254,167	1,839,205	4,545,745	4,708,262
Beginning Net Position	36,054,466	33,185,409	40,560,856	38,721,651	76,615,322	71,907,060
Ending Net Position	$ 39,346,044	$ 36,054,466	$ 41,815,023	$ 40,560,856	$ 81,161,067	$ 76,615,322

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 $3,291,578 compared to an increase of $2,869,057 in 2023. The increase is related primarily to grants and investment income.

BUSINESS-TYPE ACTIVITIES

Business-type activities increased the City's net position by $1,254,167 compared to an increase of approximately $1,839,205 in 2023. 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, 2024, the City's governmental funds reported combined fund balances of $20,198,533. Of this amount, $5,865,420 constitutes the unassigned fund balance. An additional $2,802,433 is non-spendable funds related to land held for resale, prepaids and TIF District advances. Restricted funds amount to $8,403,185 for unspent debt related to capital purchases, library, museum, and grant purposes, or other amounts restricted by state statutes. Committed funds amount to $864,919 for transportation improvements and EMS activities. The remaining $2,262,576 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 $6.1 million. This amount does not include $2.8 million of fund balance for prepaid items, land held for resale, and advances 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 original general fund budget. For 2024, unassigned fund balance is $6,107,325, and the current year general fund expenditure budget is $10,070,400 resulting in an unassigned fund balance of 61%. 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 $864,919 at the end of the current year, which is an increase of $171,389 from the previous year, largely related to a general obligation debt issuance to fund increased capital outlay in 2024.

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

GENERAL DEBT SERVICE

The general debt service fund had a restricted fund balance of $871,540 at year end, an increase of $867,132 from the prior year. The increase is largely due to a transfer in from TIF District No. 8 to be used for future debt service related to the district.

TIF DISTRICT NO. 9

TIF District No. 9 had a restricted fund balance of $3,298,281 at year end, an increase of $3,316,032 from the prior year, related to a debt issuance to fund future capital projects in the district.

CAPITAL IMPROVEMENTS PROJECTS

The capital improvements projects fund had an increase in fund balance in 2024 from $640,034 to $710,141. Of this balance, $339,693 is restricted for future capital projects and the remaining balance is assigned.

PROPRIETARY FUNDS

The water utility rates are governed by the Public Service Commission of Wisconsin (PSCW) and were placed into effect on July 1,2024. The authorized rate of net operating income as a percentage of average rate base is 4.90%.

The sewer and stormwater utility rates are governed by the Fort Atkinson City Council. Current rates were effective as of January 1, 2024.

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 2024, the City has invested a total of $96,110,997 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	
	2024	2023	2024	2023	2024	2023
Land and other assets not being depreciated	$ 17,209,874	$ 6,711,504	$ 419,277	$ 15,858,523	$ 17,629,151	$ 22,570,027
Land improvements	3,404,813	3,404,813	-	-	3,404,813	3,404,813
Buildings	21,251,738	21,251,738	-	-	21,251,738	21,251,738
Machinery and equipment	12,795,936	11,543,696	-	-	12,795,936	11,543,696
Infrastructure	25,223,472	24,142,632	-	-	25,223,472	24,142,632
Utility plant	-	-	86,415,257	68,534,628	86,415,257	68,534,628
Total Capital Assets	79,885,833	67,054,383	86,834,534	84,393,151	166,720,367	151,447,534
Less: Accumulated Depreciation	(34,022,102)	(32,323,341)	(36,587,268)	(34,892,024)	(70,634,194)	(67,215,365)
Net Capital Assets	$ 45,863,731	$ 34,731,042	$ 50,247,266	$ 49,501,127	$ 96,110,997	$ 84,232,169

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

GOVERNMENTAL ACTIVITIES

- Land for Veterans Memorial
- Taxi Vans
- Plow Trucks
- Public Works Facility
- Trucks for Fire Department
- Computer and Technology Upgrades
- Public Safety Equipment

BUSINESS-TYPE ACTIVITIES

- Water Utility Hydrant replacement
- Water Main replacement
- Wastewater Treatment Plant Upgrades
- Wastewater Main replacement
- 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, 2024, the City had $30,406,700 of long-term general obligation bonds and notes outstanding, which is an increase of $15,837,100 from the previous year. In addition, the City has $3.5 million in outstanding Note Anticipation notes related to future TIF District No. 9 projects.

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, 2024 was $71,144,470. Total general obligation debt outstanding at year-end was $30,406,700. Therefore, the City was at 43% of the legal debt limit.

In the current year, the City also issued $437,391 in revenue debt for the Sewer Utility. The outstanding amount of revenue debt as of December 31, 2024 is $12,708,966. 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 2025 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, 2024

	Governmental Activities	Business-Type Activities	Total
Assets and Deferred Outflows of Resources			
Assets			
Cash and investments	$ 19,998,765	$ 5,681,558	$ 25,680,323
Receivables (net):			
Taxes	10,862,055	-	10,862,055
Accounts	872,809	1,048,372	1,921,181
Loans	413,627	-	413,627
Due from other governments	3,150	-	3,150
Leases	404,618	-	404,618
Internal balances	(683,134)	683,134	-
Inventories	-	63,352	63,352
Land held for resale	867,245	-	867,245
Prepaid items	256,376	177	256,553
Restricted assets:			
Cash and investments	-	5,106,859	5,106,859
Capital assets:			
Land	6,471,101	364,125	6,835,226
Construction in progress	10,738,773	55,152	10,793,925
Other capital assets, net of depreciation	28,653,857	49,827,989	78,481,846
Total assets	78,859,242	62,830,718	141,689,960
Deferred Outflows of Resources			
Deferred charge on refunding	-	8,823	8,823
Pension related amounts	5,187,881	680,261	5,868,142
OPEB related amounts	246,733	63,261	309,994
Total deferred outflows of resources	5,434,614	752,345	6,186,959

See notes to financial statements

City of Fort Atkinson

Statement of Net Position
December 31, 2024

	Governmental Activities	Business-Type Activities	Total
Liabilities, Deferred Inflows of Resources and Net Position			
Liabilities			
Accounts payable	$ 1,103,666	$ 123,463	$ 1,227,129
Accrued liabilities	531,548	184,495	716,043
Noncurrent liabilities:			
Due within one year	1,318,431	1,153,733	2,472,164
Due in more than one year	26,302,922	19,505,641	45,808,563
Net pension liability	562,113	81,163	643,276
OPEB liabilities	581,177	182,390	763,567
Total liabilities	30,399,857	21,230,885	51,630,742
Deferred Inflows of Resources			
Unearned revenues	11,220,111	-	11,220,111
Pension related amounts	2,998,179	438,952	3,437,131
OPEB related amounts	329,665	98,203	427,868
Total deferred inflows of resources	14,547,955	537,155	15,085,110
Net Position			
Net investment in capital assets	22,515,384	33,002,696	55,518,080
Restricted for:			
Library	951,007	-	951,007
Museum	1,019,734	-	1,019,734
Tourism	138,317	-	138,317
TIF district purposes	1,141,856	-	1,141,856
Grant purposes	693,619	-	693,619
Equipment replacement	-	1,913,380	1,913,380
Debt service	359,541	108,941	468,482
Unrestricted	12,526,586	6,790,006	19,316,592
Total net position	$ 39,346,044	$ 41,815,023	$ 81,161,067

See notes to financial statements

City of Fort Atkinson

Statement of Activities
Year Ended December 31, 2024

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	Net (Expenses) Revenues and Changes in Net Position: Total
Governmental activities:							
General government	$ 1,142,678	$ 239,160	$ -	$ -	$ (903,518)	$ -	$ (903,518)
Public safety	6,372,690	1,566,914	62,747	-	(4,743,029)	-	(4,743,029)
Public works	3,018,841	224,031	1,037,105	-	(1,757,705)	-	(1,757,705)
Health and human services	32,643	-	-	-	(32,643)	-	(32,643)
Culture, education and recreation	3,199,654	308,322	301,437	-	(2,589,895)	-	(2,589,895)
Conservation and development	896,567	13,497	4,866	-	(878,204)	-	(878,204)
Interest and fiscal charges	1,260,285	-	-	-	(1,260,285)	-	(1,260,285)
Total governmental activities	15,923,358	2,351,924	1,406,155	-	(12,165,279)	-	(12,165,279)
Business-type activities:							
Water utility	1,654,607	3,119,512	-	-	-	1,464,905	1,464,905
Sewer utility	3,750,611	3,581,370	-	54,170	-	(115,071)	(115,071)
Stormwater utility	674,973	705,222	-	-	-	30,249	30,249
Total business-type activities	6,080,191	7,406,104	-	54,170	-	1,380,083	1,380,083
Total	$ 22,003,549	$ 9,758,028	$ 1,406,155	$ 54,170	(12,165,279)	1,380,083	(10,785,196)
General Revenues							
Taxes:							
Property taxes, levied for general purposes					7,369,914	-	7,369,914
Property taxes, levied for debt service					1,397,791	-	1,397,791
Property taxes, levied for TIF districts					1,574,530	-	1,574,530
Other taxes					321,714	-	321,714
Intergovernmental revenues not restricted to specific programs					2,496,216	9,431	2,505,647
Investment income					1,448,565	181,519	1,630,084
Miscellaneous					531,261	-	531,261
Total general revenues					15,139,991	190,950	15,330,941
Transfers					316,866	(316,866)	-
Change in net position					3,291,578	1,254,167	4,545,745
Net Position, Beginning					36,054,466	40,560,856	76,615,322
Net Position, Ending					$ 39,346,044	$ 41,815,023	$ 81,161,067

See notes to financial statements

City of Fort Atkinson

Balance Sheet -
Governmental Funds
December 31, 2024

	General	Transportation Improvements	General Debt Service	TIF District No. 9
Assets				
Cash and investments	$ 6,806,236	$ 864,199	$ 871,540	$ 4,986,784
Receivables (net):				
Taxes	6,052,414	500,000	1,823,441	21,962
Accounts	137,994	-	-	-
Due from other governments	500	2,650	-	-
Lease	389,662	-	-	-
Loans	-	-	-	-
Due from other funds	492,770	-	-	-
Land held for resale	867,245	-	-	-
Prepaid items	250,730	-	-	-
Advances to other funds	1,678,812	-	-	-
Total assets	$ 16,676,363	$ 1,366,849	$ 2,694,981	$ 5,008,746
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	$ 108,787	$ 1,930	$ -	$ 63,503
Accrued liabilities	19,546	-	-	-
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	1,625,000
Total liabilities	128,333	1,930	-	1,688,503
Deferred Inflows of Resources				
Unearned revenues	6,395,514	500,000	1,823,441	21,962
Unavailable revenues	-	-	-	-
Total deferred inflows of resources	6,395,514	500,000	1,823,441	21,962
Fund Balances (Deficit)				
Nonspendable	2,796,787	-	-	-
Restricted	-	-	871,540	3,298,281
Committed	-	864,919	-	-
Assigned	1,248,404	-	-	-
Unassigned (deficit)	6,107,325	-	-	-
Total fund balances (deficit)	10,152,516	864,919	871,540	3,298,281
Total liabilities, deferred inflows of resources and fund balances	$ 16,676,363	$ 1,366,849	$ 2,694,981	$ 5,008,746

See notes to financial statements

Capital Improvements Project	Nonmajor Governmental Funds	Total
$ 1,452,557	$ 5,017,449	$ 19,998,765
167,450	2,296,788	10,862,055
99,088	635,727	872,809
-	-	3,150
-	14,956	404,618
-	413,627	413,627
-	-	492,770
-	-	867,245
-	5,646	256,376
-	-	1,678,812
$ 1,719,095	$ 8,384,193	$ 35,850,227
$ 841,504	$ 87,945	$ 1,103,669
-	-	19,546
-	175,904	175,904
-	1,053,812	2,678,812
841,504	1,317,661	3,977,931
167,450	2,311,744	11,220,111
-	453,652	453,652
167,450	2,765,396	11,673,763
-	5,646	2,802,433
339,693	3,893,671	8,403,185
-	-	864,919
370,448	643,724	2,262,576
-	(241,905)	5,865,420
710,141	4,301,136	20,198,533
$ 1,719,095	$ 8,384,193	$ 35,850,227

See notes to financial statements

City of Fort Atkinson

Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
December 31, 2024

Total Fund Balances, Governmental Funds	$ 20,198,533
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	6,471,101
Construction in progress	10,738,773
Other capital assets	62,675,959
Less accumulated depreciation	(34,022,102)
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.	453,652
The net pension liability does not relate to current financial resources and is not reported in the governmental funds.	(562,113)
Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	5,187,881
Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	(2,998,179)
The OPEB liabilities do not relate to current financial resources and are not reported in the governmental funds.	(581,177)
Deferred outflows of resources related to OPEB do not relate to current financial resources and are not reported in the governmental funds.	246,733
Deferred inflows of resources related to OPEB do not relate to current financial resources and are not reported in the governmental funds.	(329,665)
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	(26,385,700)
Compensated absences	(638,394)
Accrued interest	(511,999)
Unamortized debt premium	(597,259)
Net Position of Governmental Activities	$ 39,346,044

See notes to financial statements

City of Fort Atkinson

Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds
Year Ended December 31, 2024

	General	Transportation Improvements	General Debt Service	TIF District No. 9
Revenues				
Taxes	$ 6,100,102	$ 718,308	$ 1,397,791	$ -
Intergovernmental	2,511,451	-	-	-
Licenses and permits	343,837	-	-	-
Fines, forfeitures and penalties	194,496	-	-	-
Public charges for services	472,807	2,650	-	-
Intergovernmental charges for services	264,332	-	-	-
Special assessments	13,347	-	-	-
Investment income	1,073,115	-	-	-
Miscellaneous	69,027	-	-	-
Total revenues	11,042,514	720,958	1,397,791	-
Expenditures				
Current:				
General government	944,720	-	-	-
Public safety	4,702,412	-	-	-
Public works	2,251,196	-	-	-
Health and human services	32,643	-	-	-
Culture, recreation and education	1,549,142	-	-	-
Conservation and development	272,060	-	-	148,041
Capital outlay	74,198	1,349,569	-	-
Debt service:				
Principal	-	-	16,255,900	-
Interest and fiscal charges	-	-	741,724	112,717
Total expenditures	9,826,371	1,349,569	16,997,624	260,758
Excess (deficiency) of revenues over expenditures	1,216,143	(628,611)	(15,599,833)	(260,758)
Other Financing Sources (Uses)				
Debt issued	497,161	800,000	12,760,000	3,500,000
Premium on debt issued	-	-	513,094	76,790
Transfers in	1,011,937	-	3,193,871	-
Transfers out	(38,717)	-	-	-
Total other financing sources (uses)	1,470,381	800,000	16,466,965	3,576,790
Net change in fund balances	2,686,524	171,389	867,132	3,316,032
Fund Balances (Deficit), Beginning	7,465,992	693,530	4,408	-
Accounting changes (see note disclosure)	-	-	-	(17,751)
Fund Balances (Deficit), Beginning, as Adjusted	7,465,992	693,530	4,408	(17,751)
Fund Balances, Ending	$ 10,152,516	$ 864,919	$ 871,540	$ 3,298,281

See notes to financial statements

Capital Improvements Project	Nonmajor Governmental Funds	Total
$ 201,500	$ 2,246,248	$ 10,663,949
20,122	1,508,390	4,039,963
-	-	343,837
-	-	194,496
-	912,493	1,387,950
-	-	264,332
-	-	13,347
-	375,450	1,448,565
253,392	82,842	405,261
475,014	5,125,423	18,761,700
-	166,325	1,111,045
-	782,952	5,485,364
-	-	2,251,196
-	-	32,643
-	985,113	2,534,255
-	385,939	806,040
12,142,544	75,593	13,641,904
-	110,000	16,365,900
-	29,693	884,134
12,142,544	2,535,615	43,112,481
(11,667,530)	2,589,808	(24,350,781)
13,862,839	-	31,420,000
7,375	-	597,259
189,754	1,833,046	6,228,608
(2,322,331)	(3,550,694)	(5,911,742)
11,737,637	(1,717,648)	32,334,125
70,107	872,160	7,983,344
-	4,051,259	12,215,189
640,034	(622,283)	-
640,034	3,428,976	12,215,189
$ 710,141	$ 4,301,136	$ 20,198,533

See notes to financial statements

City of Fort Atkinson

Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended December 31, 2024

Net Change in Fund Balances, Total Governmental Funds	$	7,983,344
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		13,641,904
Some items reported as capital outlay were not capitalized		(678,865)
Depreciation is reported in the government-wide financial statements		(1,830,350)
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.		136,372
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.		
Debt issued		(31,420,000)
Principal repaid		16,365,900
Governmental funds report debt premiums and discounts as other financing sources (uses) or financing sources or uses. However, in the Statement of Net Position, these are reported as additions to or deductions from long-term debt. These are allocated over the period the debt is outstanding in the Statement of Activities and are reported as interest expense.		
Debt premium		(597,259)
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		(179,519)
Accrued interest on debt		(376,151)
Net pension asset/liability		1,260,017
Deferred outflows of resources related to pensions		(1,809,351)
Deferred inflows of resources related to pensions		811,734
OPEB liabilities		(6,381)
Deferred outflows of resources related to OPEB		5,481
Deferred inflows of resources related to OPEB		(15,298)
Change in Net Position of Governmental Activities	$	3,291,578

See notes to financial statements

City of Fort Atkinson

Statement of Net Position -
Proprietary Funds
December 31, 2024

	Business-Type Activities - Enterprise Funds			
	Water Utility	Sewer Utility	Stormwater Utility	Total
Assets and Deferred Outflows of Resources				
Current Assets				
Cash and investments	$ 1,836,098	$ 3,415,092	$ 430,368	$ 5,681,558
Receivables:				
Customer accounts receivable	320,884	164,147	67,834	552,865
Other	8,993	486,514	-	495,507
Prepaid items	59	59	59	177
Inventories	63,352	-	-	63,352
Restricted assets:				
Redemption account	-	141,922	-	141,922
Construction	-	1,957,136	1,094,421	3,051,557
Total current assets	2,229,386	6,164,870	1,592,682	9,986,938
Noncurrent Assets				
Restricted assets:				
Depreciation account	94,301	-	-	94,301
Replacement account	-	1,819,079	-	1,819,079
Capital assets:				
Land	69,046	295,079	-	364,125
Construction in progress	55,152	-	-	55,152
Utility plant	22,564,796	53,345,511	10,504,950	86,415,257
Less accumulated depreciation	(7,000,419)	(24,580,685)	(5,006,164)	(36,587,268)
Advances to other funds	-	1,000,000	-	1,000,000
Total noncurrent assets	15,782,876	31,878,984	5,498,786	53,160,646
Total assets	18,012,262	38,043,854	7,091,468	63,147,584
Deferred Outflows of Resources				
Deferred charge on refunding	5,183	3,640	-	8,823
Pension related amounts	271,190	335,854	73,217	680,261
OPEB related amounts	25,539	37,722	-	63,261
Total deferred outflows of resources	301,912	377,216	73,217	752,345

See notes to financial statements

City of Fort Atkinson

Statement of Net Position -
Proprietary Funds
December 31, 2024

	Business-Type Activities - Enterprise Funds			
	Water Utility	Sewer Utility	Stormwater Utility	Total
Liabilities, Deferred Inflows of Resources and Net Position				
Current Liabilities				
Accounts payable	$ 45,959	$ 44,150	$ 33,354	$ 123,463
Accrued interest	29,667	74,471	47,376	151,514
Due to other funds	316,866	-	-	316,866
Current portion of general obligation debt	179,000	156,000	97,000	432,000
Compensated absences	17,850	45,105	-	62,955
Liabilities payable from restricted assets:				
Current portion of revenue debt payable	-	658,778	-	658,778
Accrued interest	-	32,981	-	32,981
Total current liabilities	589,342	1,011,485	177,730	1,778,557
Noncurrent Liabilities				
General obligation bonds payable	1,819,000	2,975,000	2,295,000	7,089,000
Compensated absences	36,958	108,511	-	145,469
Revenue bonds payable	-	12,050,188	-	12,050,188
Unamortized premium	38,434	111,080	71,470	220,984
OPEB liability	72,014	110,376	-	182,390
Net pension liability	29,849	42,510	8,804	81,163
Total noncurrent liabilities	1,996,255	15,397,665	2,375,274	19,769,194
Total liabilities	2,585,597	16,409,150	2,553,004	21,547,751
Deferred Inflows of Resources				
Deferred inflows related to pension	165,929	218,737	54,286	438,952
OPEB related amounts	39,965	58,238	-	98,203
Total deferred inflows of resources	205,894	276,975	54,286	537,155
Net Position				
Net investment in capital assets	13,710,324	15,140,635	4,151,737	33,002,696
Restricted for:				
Equipment replacement	94,301	1,819,079	-	1,913,380
Debt service	-	108,941	-	108,941
Unrestricted	1,718,058	4,666,290	405,658	6,790,006
Total net position	$ 15,522,683	$ 21,734,945	$ 4,557,395	$ 41,815,023

See notes to financial statements

City of Fort Atkinson

Statement of Revenues, Expenses and Changes in Net Position -
Proprietary Funds
Year Ended December 31, 2024

	Business-Type Activities - Enterprise Funds			
	Water Utility	Sewer Utility	Stormwater Utility	Total
Operating Revenues				
Charges for services	$ 3,119,512	$ 3,581,370	$ 705,222	$ 7,406,104
Total operating revenues	3,119,512	3,581,370	705,222	7,406,104
Operating Expenses				
Operation and maintenance	1,116,329	2,058,569	306,688	3,481,586
Depreciation	431,246	1,275,774	257,667	1,964,687
Taxes	22,594	50,279	-	72,873
Total operating expenses	1,570,169	3,384,622	564,355	5,519,146
Operating income	1,549,343	196,748	140,867	1,886,958
Nonoperating Revenues (Expenses)				
Intergovernmental	-	9,431	-	9,431
Investment income	48,885	132,257	377	181,519
Interest expense	(84,438)	(365,989)	(110,618)	(561,045)
Total nonoperating revenues (expenses)	(35,553)	(224,301)	(110,241)	(370,095)
Income before contributions and transfers	1,513,790	(27,553)	30,626	1,516,863
Contributions and Transfers				
Capital contributions	-	54,170	-	54,170
Transfers out	(316,866)	-	-	(316,866)
Total contributions and transfers	(316,866)	54,170	-	(262,696)
Change in net position	1,196,924	26,617	30,626	1,254,167
Net Position, Beginning	14,325,759	21,708,328	4,526,769	40,560,856
Net Position, Ending	$ 15,522,683	$ 21,734,945	$ 4,557,395	$ 41,815,023

See notes to financial statements

City of Fort Atkinson

Statement of Cash Flows -
Proprietary Funds
Year Ended December 31, 2024

	Business-Type Activities - Enterprise Funds			
	Water Utility	Sewer Utility	Stormwater Utility	Total
Cash Flows From Operating Activities				
Received from customers	$ 3,147,448	$ 3,555,008	$ 690,937	$ 7,393,393
Paid to suppliers for goods and services	(1,132,019)	(1,959,211)	(109,092)	(3,200,322)
Paid to employees for services	(219,360)	(312,160)	(200,151)	(731,671)
Net cash flows from operating activities	1,796,069	1,283,637	381,694	3,461,400
Cash Flows From Investing Activities				
Investment income	48,885	132,257	377	181,519
Net cash flows from investing activities	48,885	132,257	377	181,519
Cash Flows From Noncapital Financing Activities				
Paid to municipality for tax equivalent	(315,798)	-	-	(315,798)
Paid on long-term advances	-	(1,000,000)	-	(1,000,000)
Net cash flows from noncapital financing activities	(315,798)	(1,000,000)	-	(1,315,798)
Cash Flows From Capital and Related Financing Activities				
Proceeds from debt issue	900,000	6,422,391	2,995,000	10,317,391
Debt retired	(664,000)	(3,852,353)	(1,707,000)	(6,223,353)
Interest paid	(69,925)	(240,344)	(52,100)	(362,369)
Debt premium	15,355	108,055	51,184	174,594
Acquisition and construction of capital assets	(1,538,851)	(1,018,419)	(358,278)	(2,915,548)
Capital contributions received	-	63,601	-	63,601
Debt issuance costs	(7,771)	(52,852)	(27,404)	(88,027)
Net cash flows from capital and related financing activities	(1,365,192)	1,430,079	901,402	966,289
Net change in cash and cash equivalents	163,964	1,845,973	1,283,473	3,293,410
Cash and Cash Equivalents, Beginning	1,766,435	5,487,256	241,316	7,495,007
Cash and Cash Equivalents, Ending	$ 1,930,399	$ 7,333,229	$ 1,524,789	$ 10,788,417

See notes to financial statements

City of Fort Atkinson

Statement of Cash Flows -
Proprietary Funds
Year Ended December 31, 2024

	Business-Type Activities - Enterprise Funds			
	Water Utility	Sewer Utility	Stormwater Utility	Total
Reconciliation of Operating Income to Net Cash Flows From Operating Activities				
Operating income	$ 1,549,343	$ 196,748	$ 140,867	$ 1,886,958
Adjustments to reconcile operating income to net cash flows from operating activities:				
Depreciation	431,246	1,275,774	257,667	1,964,687
Depreciation charged to other funds	36,931	-	-	36,931
Changes in assets, deferred outflows/inflows of resources and liabilities:				
Accounts receivable	(15,167)	(20,939)	(14,285)	(50,391)
Other accounts receivable	(89)	(6,732)	-	(6,821)
Inventories	(3,180)	-	-	(3,180)
Prepayments	25	25	25	75
Accrued compensation	20,865	37,517	-	58,382
Other current liabilities	-	18,380	-	18,380
Accounts payable	(213,222)	(208,143)	-	(421,365)
Pension related deferrals and assets/liabilities	(10,916)	(13,767)	(2,580)	(27,263)
OPEB related deferrals and liabilities	233	4,774	-	5,007
Net cash flows from operating activities	$ 1,796,069	$ 1,283,637	$ 381,694	$ 3,461,400
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position, Proprietary Funds				
Cash and investments	$ 1,836,098	$ 3,415,092	$ 430,368	$ 5,681,558
Restricted cash and investments:				
Redemption account	-	141,922	-	141,922
Replacement account	-	1,819,079	-	1,819,079
Depreciation account	94,301	-	-	94,301
Construction account	-	1,957,136	1,094,421	3,051,557
Cash and cash equivalents	$ 1,930,399	$ 7,333,229	$ 1,524,789	$ 10,788,417
Noncash Capital and Related Financing Activities				
Amortization of premium/deferred charge on refunding	$ 420	$ (457)	$ 1,449	

See notes to financial statements

City of Fort Atkinson

Statement of Fiduciary Net Position -
Fiduciary Fund
December 31, 2024

	Custodial Fund
Assets	
Cash and investments	$ 11,113,645
Tax roll receivable	5,654,920
Total assets	16,768,565
Liabilities	
Due to other taxing units	16,768,565
Total liabilities	16,768,565
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, 2024

	Custodial Fund
Additions	
Property taxes collected for other governments	$ 12,337,919
Total additions	12,337,919
Deductions	
Property taxes distributed to other governments	12,337,919
Total deductions	12,337,919
Change in fiduciary net position	-
Net Position, Beginning	-
Net Position, Ending	$ -

See notes to financial statements

		Page
1.	**Summary of Significant Accounting Policies**	18
	Reporting Entity	18
	Government-Wide and Fund Financial Statements	18
	Measurement Focus, Basis of Accounting and Financial Statement Presentation	21
	Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity	22
	Deposits and Investments	22
	Receivables	24
	Inventories and Prepaid Items	24
	Restricted Assets	25
	Capital Assets	25
	Other Assets	25
	Deferred Outflows of Resources	26
	Compensated Absences	26
	Long-Term Obligations	26
	Leases	27
	Deferred Inflows of Resources	27
	Equity Classifications	27
	Pension	28
	Postemployment Benefits Other Than Pensions (OPEB)	28
	Basis for Existing Rates	29
2.	**Stewardship, Compliance and Accountability**	29
	Excess Expenditures and Other Financing Uses Over Budget	29
	Deficit Balances	29
	Limitations on the City's Tax Levy	30
3.	**Detailed Notes on All Funds**	30
	Deposits and Investments	30
	Receivables	32
	Restricted Assets	33
	Capital Assets	34
	Interfund Receivables/Payables, Advances and Transfers	37
	Long-Term Obligations	39
	Lease Disclosures	43
	Net Position/Fund Balances	44
	Accounting Changes	46
4.	**Other Information**	46
	Employees' Retirement System	46
	Risk Management	51
	Commitments and Contingencies	52
	Other Postemployment Benefits	52
	Economic Dependency	59
	Effect of New Accounting Standards on Current-Period Financial Statements	59

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, 2024.

Government-Wide and Fund Financial Statements

In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections*. This Statement establishes accounting and financial reporting requirements for (a) accounting changes and (b) the correction of an error in previously issued financial statements (error correction). This standard was implemented January 1, 2024.

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. This Statement requires that liabilities for compensated absences be recognized in financial statements prepared using the economic resources measurement focus for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This standard was implemented January 1, 2024.

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.

Capital Projects Funds

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

Tax Incremental Financing (TIF) District No. 9 Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures outlined in the TIF project plan.

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. 7
TIF District No. 8	TIF District No. 10

In addition, the City reports the following fund type:

Custodial Fund

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, 2024, there were $639,144 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, 2024, all deposits at the City met the previous criteria and were insured and collateralized. 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, 2024, 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 - 2024 tax roll:

Lien date and levy date	December 2024
Tax bills mailed	December 2024
Payment in full, or	January 31, 2025
First installment due	January 31, 2025
Second installment due	July 31, 2025
Personal property taxes in full	January 31, 2025
Tax sale, 2024 delinquent real estate taxes	October 2027

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 $867,245. 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.

Vacation and sick leave pay is accrued 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 $66,163. The number of participants eligible to receive benefits as of December 31, 2024 is 7. The total amount outstanding at year end to be paid in the future is $142,576 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, 2024, 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 $6,107,325 or 61% of the budgeted general fund expenditures in 2024.

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 Plan 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 (Asset);
- 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 LRLIF's fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments (including refunds of member contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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 July 1, 2024.

Sewer Utility

Current sewer rates were approved by the city council to be effective as of January 1, 2024.

Stormwater Utility

Current stormwater rates were approved by the city council to be effective as of January 1, 2024.

2. Stewardship, Compliance and Accountability

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
General Debt Service	$ 1,397,790	$ 16,997,624	$ 15,599,834
TIF District No. 7	454,427	454,640	213
TIF District No. 9	8,574	260,758	252,184
Municipal Airport	103,000	131,171	28,171
Capital Catalyst Grant	-	5,372	5,372
ARPA	-	949,825	949,825
Capital Improvements Project	632,905	12,142,544	11,509,639
Wisconsin Development Fund	2,500	2,501	1

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, 2024, the following individual funds held a deficit balance:

Fund	Amount	Reason
EMS	$ 24,602	Timing difference in funding source
CDBG	191,497	Timing difference in funding source
TIF District No. 10	25,486	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. The CDBG fund is anticipated to be funded with future grants. EMS is anticipated to be funded with collections on receivables that are currently unavailable.

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	$ 28,038,880	$ 28,654,266	Custodial credit
Mutual funds, bonds	554,259	554,259	Credit, interest rate
Mutual funds, other	1,273,350	1,273,351	N/A
LGIP	9,140,941	9,140,941	Credit
Equity securities/stocks	2,143,585	2,151,850	Custodial credit, Concentration of credit
U.S. treasuries	749,012	746,811	Custodial, interest rate
Petty cash	800	-	N/A
Total deposits and investments	$ 41,900,827	$ 42,521,478	

Reconciliation to financial statements	
Per statement of net position:	
Unrestricted cash and investments	$ 25,680,323
Restricted cash and investments	5,106,859
Per statement of net position, fiduciary fund:	
Custodial fund	11,113,645
Total deposits and investments	$ 41,900,827

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 non-interest-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 $1,000,000. 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, 2024, the banks had pledged various government securities in the amount of $27,323,914 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, 2024			
Investment Type	**Level 1**	**Level 2**	**Level 3**	**Total**
Mutual funds, bonds	$ 554,259	$ -	$ -	$ 554,259
Mutual funds, other	1,273,350	-	-	1,273,350
Equity securities/stocks	-	2,143,585	-	2,143,585
U.S. treasuries	-	749,012	-	749,012
Total	$ 1,827,609	$ 2,892,597	$ -	$ 4,720,206

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.

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

Investments

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

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

Credit Risk

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

As of December 31, 2024, the City's investments were rated as follows:

Investment Type	Standard & Poors
Mutual funds, bonds	AA-, A+

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, 2024, the City's investments were as follows:

		Maturity (in Years)		
Investment Type	Fair Value	Less Than 1	1-5	6-10
Mutual funds, bonds	$ 554,259	$ -	$ 273,474	$ 280,785
U.S. treasuries	746,811	-	746,811	-
Total	$ 1,301,070	$ -	$ 1,020,285	$ 280,785

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

Receivables

Receivables are expected to be collected within one year except for 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 $259,567.

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	$ 10,815,493	$ -
Lease payments not yet due	404,618	-
EMS receivables not yet available	-	453,652
Total unearned/unavailable revenue for governmental funds	$ 11,220,111	$ 453,652

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.

Construction - Used to report proceeds of revenue bond issuances that are restricted for use in construction.

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, 2024:

	Restricted Assets	Liabilities Payable From Restricted Assets	Restricted Net Position
Redemption account	$ 141,922	$ 32,981	$ 108,941
Depreciation account	94,301	-	94,301
Construction account	3,051,557	-	N/A
Equipment replacement account	1,819,079	-	1,819,079
Total	$ 5,106,859	$ 32,981	$ 2,022,321

Capital Assets

Capital asset activity for the year ended December 31, 2024, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated:				
Land	$ 6,374,476	$ 96,625	$ -	$ 6,471,101
Construction in progress	337,028	10,401,745	-	10,738,773
Total capital assets not being depreciated	6,711,504	10,498,370	-	17,209,874
Capital assets being depreciated:				
Land improvements	3,404,813	-	-	3,404,813
Buildings	21,251,738	-	-	21,251,738
Machinery and equipment	11,543,696	1,252,240	-	12,795,936
Infrastructure	24,142,632	1,212,429	131,589	25,223,472
Total capital assets being depreciated	60,342,879	2,464,669	131,589	62,675,959
Total capital assets	67,054,383	12,963,039	131,589	79,885,833
Less accumulated depreciation for:				
Land improvements	(1,557,483)	(101,859)	-	(1,659,342)
Buildings	(11,451,406)	(796,063)	-	(12,247,469)
Machinery and equipment	(8,825,049)	(530,984)	-	(9,356,033)
Infrastructure	(10,489,403)	(401,444)	131,589	(10,759,258)
Total accumulated depreciation	(32,323,341)	(1,830,350)	131,589	(34,022,102)
Net capital assets being depreciated	28,019,538	634,319	-	28,653,857
Total governmental activities capital assets, net as reported in the statement of net position	$ 34,731,042	$ 11,132,689	$ -	$ 45,863,731

Depreciation expense was charged to functions as follows:

Governmental Activities	
General government	$ 82,798
Public safety	666,486
Public works	580,126
Culture, recreation and education	461,844
Conservation and development	39,096
Total governmental activities depreciation expense	$ 1,830,350

Business-Type Activities

	Beginning Balance	Additions	Deletions	Ending Balance
Water				
Capital assets not being depreciated:				
Land and land rights	$ 69,046	$ -	$ -	$ 69,046
Construction in progress	-	55,152	-	55,152
Total capital assets not being depreciated	69,046	55,152	-	124,198
Capital assets being depreciated:				
Source of supply	159,505	-	-	159,505
Pumping	1,208,424	3,657	-	1,212,081
Treatment	75,288	-	-	75,288
Transmission and distribution	18,018,831	1,477,292	195,596	19,300,527
Administrative and general assets	1,814,645	2,750	-	1,817,395
Total capital assets being depreciated	21,276,693	1,483,699	195,596	22,564,796
Total capital assets	21,345,739	1,538,851	195,596	22,688,994
Less accumulated depreciation for:				
Source of supply	(159,506)	-	-	(159,506)
Pumping	(842,560)	(27,437)	-	(869,997)
Treatment	(75,288)	-	-	(75,288)
Transmission and distribution	(4,417,929)	(364,006)	195,596	(4,586,339)
Administrative and general assets	(1,232,555)	(76,734)	-	(1,309,289)
Total accumulated depreciation	(6,727,838)	(468,177)	195,596	(7,000,419)
Net capital assets being depreciated	14,548,855	1,015,522	-	15,564,377
Net water capital assets	$ 14,617,901	$ 1,070,674	$ -	$ 15,688,575

	Beginning Balance	Additions	Deletions	Ending Balance
Sewer				
Capital assets not being depreciated:				
Land and land rights	$ 295,079	$ -	$ -	$ 295,079
Construction in progress	15,494,398	-	15,494,398	-
Total capital assets not being depreciated	15,789,477	-	15,494,398	295,079
Capital assets being depreciated:				
Collection system	13,363,975	707,872	88,618	13,983,229
Collection system pumping	596,255	10,583	-	606,838
Treatment and disposal	21,192,006	15,687,688	-	36,879,694
Administrative and general assets	1,871,420	4,330	-	1,875,750
Total capital assets being depreciated	37,023,656	16,410,473	88,618	53,345,511
Total capital assets	52,813,133	16,410,473	15,583,016	53,640,590
Less accumulated depreciation for:				
Sewer plant	(23,393,529)	(1,275,774)	88,618	(24,580,685)
Total accumulated depreciation	(23,393,529)	(1,275,774)	88,618	(24,580,685)
Net capital assets being depreciated	13,630,127	15,134,699	-	28,764,826
Net sewer capital assets	$ 29,419,604	$ 15,134,699	$ 15,494,398	$ 29,059,905

	Beginning Balance	Additions	Deletions	Ending Balance
Stormwater				
Capital assets being depreciated:				
Stormwater assets	$ 10,234,279	$ 292,831	$ 22,160	$ 10,504,950
Total capital assets being depreciated	10,234,279	292,831	22,160	10,504,950
Less accumulated depreciation for:				
Stormwater assets	(4,770,657)	(257,667)	22,160	(5,006,164)
Total accumulated depreciation	(4,770,657)	(257,667)	22,160	(5,006,164)
Net capital assets being depreciated	5,463,622	35,164	-	5,498,786
Net stormwater capital assets	$ 5,463,622	$ 35,164	$ -	$ 5,498,786
Business-type activities capital assets, net as reported in the statement of net position	$ 49,501,127	$ 16,240,537	$ 15,494,398	$ 50,247,266

Depreciation expense was charged to functions as follows:

Business-Type Activities	
Water	$ 431,246
Sewer	1,275,774
Stormwater	257,667
Total business-type activities, net as reported in the statement of net position expense	$ 1,964,687

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	$ 150,418
General fund	TIF District No. 10	25,486
General fund	Water utility	316,866
Total, fund financial statements		492,770
Less fund eliminations		(175,904)
Less interfund advances		(1,000,000)
Total internal balances, government-wide statement of net position		$ (683,134)

Receivable Fund	Payable Fund	Amount
Governmental activities	Business-type activities	$ 316,866
Business-type activities	Governmental activities	(1,000,000)
Total government-wide financial statements		$ (683,134)

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 No. 6, TIF District No. 9 and CDBG. The amount advanced to CDBG is determined by the deficiency of revenues over expenditures. TIF District No. 9 was advanced funds by both the general fund and sewer utility in anticipation of project plan costs to be incurred in the district to be recovered over the life of the district through increment. TIF District No. 6 was advanced funds prior to its recovery of project plan costs through increment and increment transfers. No repayment schedules have been established for TIF District No. 6 or CDBG, however, TIF advances are anticipated to be repaid prior to TIF closure, and no interest is being charged. A repayment schedule has been approved by the City Council for the TIF District No. 9 advances. The advance from the general fund will be repaid in annual installments of $125,000 from 2030 through 2034. The advance from the sewer utility is scheduled to be repaid in installments of $111,111 from 2035 through 2043. If increment is sufficient, the advance may be repaid in advance of the schedule.

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	$ 862,315	$ 862,315
General fund	TIF District No. 9	625,000	625,000
General fund	CDBG	191,497	191,497
Sewer utility	TIF District No. 9	1,000,000	1,000,000
Total, fund financial statements		2,678,812	
Less fund eliminations		(1,678,812)	
Total, interfund advances		$ 1,000,000	

Transfers

The following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount	Principal Purpose
General fund	Water utility	$ 316,866	Tax equivalent
TIF District No. 6	TIF District No. 7	445,853	TIF increment sharing
TIF District No. 6	TIF District No. 8	1,283,476	TIF increment sharing
General fund	ARPA	695,071	Reimburse for qualified expenses
Subsidized taxi program	ARPA	40,000	Reimburse for qualified expenses
CDBG	ARPA	25,000	Reimburse for qualified expenses
Capital improvements project	ARPA	189,754	Reimburse for qualified expenses
General debt service	TIF District No. 8	871,540	TID share of debt service
General debt service	Capital improvement projects	2,322,331	Apply excess proceeds to refunding
Subsidized taxi program	General fund	38,717	Funding for equipment purchase
Total, fund financial statements		6,228,608	
Less fund eliminations		(5,911,742)	
Total transfers, government-wide statement of activities		$ 316,866	

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, 2024, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and notes payable:					
General obligation debt	$ 10,059,000	$ 12,760,000	$ 1,009,000	$ 21,810,000	$ 825,000
General obligation notes from direct borrowings and direct placements	1,272,600	-	196,900	1,075,700	196,900
Note anticipation note	-	18,660,000	15,160,000	3,500,000	-
(Discounts)/Premiums	-	597,259	-	597,259	-
Total bonds and notes payable	11,331,600	32,017,259	16,365,900	26,982,959	1,021,900
Other liabilities:					
Vested compensated absences*	458,875	179,519	-	638,394	296,531
Total other liabilities	458,875	179,519	-	638,394	296,531
Total governmental activities long-term liabilities	$ 11,790,475	$ 32,196,778	$ 16,365,900	$ 27,621,353	$ 1,318,431
Business-Type Activities					
Bonds and notes payable:					
General obligation debt	$ 3,238,000	$ 4,585,000	$ 302,000	$ 7,521,000	$ 432,000
Revenue bonds	12,897,928	437,391	626,353	12,708,966	658,778
Note anticipation note	-	5,295,000	5,295,000	-	-
(Discounts)/Premiums	54,180	174,594	7,790	220,984	-
Total bonds and notes payable	16,190,108	10,491,985	6,231,143	20,450,950	1,090,778
Other liabilities:					
Vested compensated absences*	131,662	76,762	-	208,424	62,955
Total other liabilities	131,662	76,762	-	208,424	62,955
Total business-type activities long-term liabilities	$ 16,321,770	$ 10,568,747	$ 6,231,143	$ 20,659,374	$ 1,153,733

* The change in compensated absences liability is presented as a net change.

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, 2024, was $71,144,470. Total general obligation debt outstanding at year end was $30,406,700.

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, 2024
G.O. refunding bonds	05/26/15	02/01/27	1.50-3.00%	$ 990,000	$ 125,000
Promissory note*	06/27/17	03/01/27	2.08	394,000	118,200
G.O. corporate purpose bonds	06/26/18	02/01/38	3.0-4.0	1,580,000	1,090,000
G.O. refunding bonds	11/18/19	08/01/39	3.0	6,985,000	5,720,000
Promissory note*	12/20/19	09/01/29	2.75	950,000	485,000
G.O. refunding bonds	02/22/21	02/01/35	1.79	894,000	720,000
Promissory note*	08/23/21	05/01/31	1.55	675,000	472,500
G.O. refunding bonds	05/24/22	02/01/42	3.10-5.00	2,025,000	1,395,000
G.O. refunding bonds	06/04/24	02/01/44	4.0-5.0	12,760,000	12,760,000
Total governmental activities, general obligation debt					$ 22,885,700

Business-Type Activities General Obligation Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2024
G.O. refunding bonds	05/26/15	02/01/27	1.50-3.00%	$ 2,055,000	$ 540,000
G.O. corporate purpose bonds	06/26/18	02/01/38	3.0-4.0	2,635,000	2,010,000
G.O. refunding bonds	02/22/21	02/01/35	1.79	180,000	146,000
G.O. refunding bonds	05/24/22	02/01/42	3.1-5.00	250,000	240,000
G.O. refunding bonds	06/04/24	02/01/44	4.0-5.0	4,585,000	4,585,000
Total business-type activities, general obligation debt					$ 7,521,000

* 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
2025	$ 825,000	$ 917,957	$ 432,000	$ 316,647
2026	1,226,000	790,646	472,000	269,354
2027	1,297,000	742,470	488,000	252,855
2028	1,308,000	695,351	318,000	239,173
2029	1,364,000	649,620	328,000	227,815
2030-2034	6,198,000	2,554,430	1,844,000	949,601
2035-2039	5,387,000	1,422,911	2,019,000	539,032
2040-2044	4,205,000	428,213	1,620,000	164,800
Total	$ 21,810,000	$ 8,201,598	$ 7,521,000	$ 2,959,277

Years	Governmental Activities Notes From Direct Borrowings and Direct Placements Principal	Interest
2025	$ 196,900	$ 21,065
2026	201,900	16,629
2027	201,900	12,125
2028	167,500	7,983
2029	172,500	4,092
2030-2031	135,000	2,113
Total	$ 1,075,700	$ 64,007

The City's outstanding debt from direct borrowings and/or direct placements related to governmental activities 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 51% of net revenues. The total principal and interest remaining to be paid on the bonds is $14,464,226. Principal and interest paid for the current year and total customer net revenues were $825,215 and $1,668,380, respectively.

Revenue debt payable at December 31, 2024, consists of the following:

Business-Type Activities Revenue Debt

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2024	
Sewer Utility						
2021 Clean Water Fund Loan	07/28/2021	05/01/2041	1.557%	$ 13,857,111	$ 12,708,966	(1)
Total business-type activities, revenue debt					$ 12,708,966	

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, 2024. 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
2025	$ 658,778	$ 192,752
2026	669,035	182,413
2027	679,452	171,915
2028	690,031	161,254
2029	700,775	150,426
2030-2034	3,670,978	583,726
2035-2039	3,965,803	286,606
2040-2041	1,674,114	26,168
Total	$ 12,708,966	$ 1,755,260

Note Anticipation Notes

Note anticipation notes (NANs) were issued March 1, 2024 in the amount of $20,455,000, split across governmental activities and business-type activities. These NANs were current refunded on June 6, 2024 with general obligation refunding bonds in the amount of $17,345,000 and funds on hand. Note Anticipation Notes in the amount of $3,500,000 were also issued on March 1, 2024, for purposes of TIF District No. 9 infrastructure projects. This NAN will be refinanced in 2026 with future borrowing.

Note anticipation notes at December 31, 2024, consist of the following:

Governmental Activities Note Anticipation Notes	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2024
Note Anticipation Notes, Series 2024B	03/01/2024	02/01/2027	5.00%	$ 3,500,000	$ 3,500,000
Total governmental activities note anticipation notes					$ 3,500,000

Debt service requirements to maturity are as follows:

Years	Governmental Activities Note Anticipation Notes	
	Principal	Interest
2025	$ -	$ 175,000
2026	-	175,000
2027	3,500,000	87,500
Total	$ 3,500,000	$ 437,500

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 2024 as follows:

Operating revenues	$ 3,581,370
Investment income	132,257
Other revenues	63,601
Less operation and maintenance expenses	(2,108,848)
Net defined earnings	$ 1,668,380
Minimum required earnings per resolution:	
Highest annual debt service 2021 CWF bonds	$ 851,530
Coverage factor	1.10
Minimum required earnings	$ 936,683
Actual debt coverage	1.96

Lease Disclosures

Lessor - Lease Receivables

Governmental Activities

Lease Receivables Description	Date of Inception	Final Maturity	Interest Rates	Receivable Balance December 31, 2024
U.S. Cellular, ground lease	11/11/22	10/26/52	2.01%	$ 389,662
Klement, farm land leases	01/01/23	12/01/25	2.01	14,956
Total governmental activities				$ 404,618

The City recognized $18,272 of lease revenue during the fiscal year.

The City recognized $12,334 of interest revenue related to leases during the fiscal year.

Regulated Leases

The City maintains certain regulated leases 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 $22,818 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, 2024, includes the following:

Governmental Activities

Net investment in capital assets:	
Land	$ 6,471,101
Construction in progress	10,738,773
Other capital assets, net of accumulated depreciation	28,653,857
Less long-term debt outstanding	(26,385,700)
Less unamortized premium	(597,259)
Plus noncapital debt proceeds	47,500
Plus unspent proceeds of capital-related debt included above	3,587,112
Total net investment in capital assets	$ 22,515,384

Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2024, include the following:

	General Fund	Transportation Improvements	General Debt Service	TIF District No. 9	Capital Improvements Projects	Nonmajor Funds	Total
Fund Balances							
Nonspendable:							
Prepaid items	$ 250,730	$ -	$ -	$ -	$ -	$ 5,646	$ 256,376
Advance to TIF districts	1,487,315	-	-	-	-	-	1,487,315
Land held for resale	867,245	-	-	-	-	-	867,245
Advances to other funds	191,497	-	-	-	-	-	191,497
Subtotal	2,796,787	-	-	-	-	5,646	2,802,433
Restricted for:							
Library purposes	-	-	-	-	-	951,007	951,007
Museum purposes	-	-	-	-	-	1,019,734	1,019,734
Debt service	-	-	871,540	-	-	-	871,540
TIF purposes	-	-	-	3,298,281	-	1,090,994	4,389,275
Tourism	-	-	-	-	-	138,317	138,317
Grant purposes	-	-	-	-	-	693,619	693,619
Capital projects, unspent debt	-	-	-	-	339,693	-	339,693
Subtotal	-	-	871,540	3,298,281	339,693	3,893,671	8,403,185
Committed to:							
Transportation improvements	-	864,919	-	-	-	-	864,919
Subtotal	-	864,919	-	-	-	-	864,919
Assigned to:							
PILOT from utility	316,866	-	-	-	-	-	316,866
Deposits	6,400	-	-	-	-	-	6,400
Land purchases	28,707	-	-	-	-	-	28,707
Carryovers to 2025	96,594	-	-	-	-	-	96,594
Fire equipment replacement	255,007	-	-	-	-	-	255,007
Municipal airport	-	-	-	-	-	125,306	125,306
Loan programs	-	-	-	-	-	518,418	518,418
Capital improvements	544,830	-	-	-	370,448	-	915,278
Subtotal	1,248,404	-	-	-	370,448	643,724	2,262,576
Unassigned (Deficit):	6,107,325	-	-	-	-	(241,905)	5,865,420
Total fund balances (deficit)	$ 10,152,516	$ 864,919	$ 871,540	$3,298,281	$ 710,141	$ 4,301,136	$ 20,198,533

Business-Type Activities

Net investment in capital assets:	
Land	$ 364,125
Construction in progress	55,152
Other capital assets, net of accumulated depreciation	49,827,989
Less long-term capital-related debt outstanding	(20,083,966)
Less unamortized debt premium	(220,984)
Add deferred charge on refunding	8,823
Add unspent proceeds of capital-related debt	3,051,557
Total net investment in capital assets	$ 33,002,696

Accounting Changes

Changes to or Within the Financial Reporting Entity (See Adjustments Below)

Two of the City's funds, TIF District No. 9 and Capital Improvements Projects, were determined to be major funds as of December 31, 2024.

Adjustments to Beginning Balances

Based on the activity in the funds during 2024, TIF District No. 9 and Capital Improvements Projects will shift from nonmajor to major fund presentation. Changes are summarized below.

	December 31, 2023 As Previously Reported	Change to or Within the Financial Reporting Entity	December 31, 2023 As Adjusted
Governmental funds			
Major funds:			
TIF District No. 9	$ -	$ (17,751)	$ (17,751)
Capital improvement projects	-	640,034	640,034
Nonmajor funds	4,051,259	(622,283)	3,428,976
Total governmental funds	$ 4,051,259	$ -	$ 4,051,259

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 a retirement benefit based on a formula factor, their final average earnings, and creditable service.

Final average earnings is the average of the participant's three highest annual earnings 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 %
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
2023	1.6	(21.0)

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 $671,552 in contributions from the City.

Contribution rates for the plan year reported as of December 31, 2024 are:

Employee Category	Employee	Employer
General (Executives & Elected Officials)	6.80 %	6.80 %
Protective with Social Security	6.80	13.20
Protective without Social Security	6.80	18.10

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

At December 31, 2024, the City reported a liability of $643,276 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022 rolled forward to December 31, 2023. 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, 2024, the City's proportion was 0.04326547%, which was an increase of 0.00390476% from its proportion reported as of December 31, 2023.

For the year ended December 31, 2024, the City recognized pension expense (revenue) of $382,509.

At December 31, 2024, 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	$ 2,593,672	$ 3,435,335
Changes in assumptions	280,384	-
Net differences between projected and actual earnings on pension plan investments	2,241,704	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	13,958	1,796
Employer contributions subsequent to the measurement date	738,424	-
Total	$ 5,868,142	$ 3,437,131

$738,424 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, 2025. 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)
2025	$ 347,663
2026	364,364
2027	1,410,595
2028	(430,035)

Actuarial Assumptions

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

Actuarial Valuation Date:	December 31, 2022
Measurement Date of Net Pension Liability (Asset):	December 31, 2023
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, 2023 is based upon a roll-forward of the liability calculated from the December 31, 2022 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, 2023

Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %**
Public Equity	40	7.3	4.5
Public Fixed Income	27	5.8	3.0
Inflation Sensitive	19	4.4	1.7
Real Estate	8	5.8	3.0
Private Equity/Debt	18	9.6	6.7
Leverage***	(12)	3.7	1.0
Total Core Fund	100	7.4	4.6
Variable Fund Asset			
U.S. Equities	70	6.8	4.0
International Equities	30	7.6	4.8
Total Variable Fund	100	7.3	4.5

* *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: 2.7%*

*** *The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. Currently, an asset allocation target of 12% 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 3.77% (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, 2023. 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)	$ 6,217,550	$ 643,276	$ (3,257,283)

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, 2024, 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, 2024. 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 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, 2024, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	16
Active plan members	98
Total	114

Total OPEB Liability

The City's total OPEB liability of $418,914 was measured as of December 31, 2023, and was determined by an actuarial valuation as of December 31, 2023.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary increases	3.1-7.8%
Healthcare cost trend rates	7.00% decreasing to 6.50%, then decreasing 0.1% per year to an ultimate rate of 4.50%
Healthcare participation rate	100% of blended premium

The discount rate of 4.0% was based on all years of projected payments discounted at the S&P Municipal Bond 20-year High Grade Index.

Mortality rates were based on the 2020 WRS Experience Tables for Active Employees and Healthy Retirees projected with mortality improvements using the fully generational MP-2021 projection scale from a base year of 2010.

The actuarial assumptions used in the December 31, 2023 valuation were based on the results of an actuarial experience study 2018-20 conducted in 2021 using Wisconsin Retirement System.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balances at December 31, 2023	$ 482,208
Changes for the year:	
Service cost	14,806
Interest	20,240
Differences between expected and actual experience	(89,720)
Changes in assumptions or other inputs	18,108
Benefit payments	(26,728)
Net changes	(63,294)
Balances at December 31, 2024	$ 418,914

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 (3.0%) or 1-percentage-point higher (5.0%) than the current discount rate:

	1% Decrease	Discount Rate	1% Increase
Total OPEB liability	$ 441,563	$ 418,914	$ 397,302

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 (6.0% decreasing to 3.5%) or 1-percentage-point higher (8.0% decreasing to 5.5%) than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	$ 395,286	$ 418,914	$ 445,457

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

For the year ended December 31, 2024, the City recognized OPEB expense of $14,510. At December 31, 2024, 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	$ -	$ 196,625
Changes of assumptions or other inputs	149,793	54,940
Contributions subsequent to the measurement date	20,853	-
Total	$ 170,646	$ 251,565

$20,853 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, 2025. 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
2025	$ (20,536)
2026	(20,536)
2027	(20,536)
2028	(18,622)
2029	5,319
Thereafter	(26,861)

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, 2024 are:

Coverage Type	Employer Contribution
50% Postretirement Coverage	40% of member contribution
25% Postretirement 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 $1,526 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, 2024, the City reported a liability of $344,653 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2023 rolled forward to December 31, 2023. 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, 2024, the City's proportion was 0.07491400%, which was an increase of 0.00320600% from its proportion reported as of December 31, 2023.

For the year ended December 31, 2024, the City recognized OPEB expense (revenue) of $27,548.

At December 31, 2024, 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	$ -	$ 30,502
Net differences between projected and actual earnings on plan investments	4,655	-
Changes in actuarial assumptions	107,811	135,717
Changes in proportion and differences between employer contributions and proportionate share of contributions	25,315	10,084
Employer contributions subsequent to the measurement date	1,567	-
Total	$ 139,348	$ 176,303

$1,567 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, 2025. 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)
2025	$ (254)
2026	4,889
2027	(9,920)
2028	(21,449)
2029	(17,760)
Thereafter	5,972

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, 2023
Measurement Date of Net OPEB Liability (Asset)	December 31, 2023
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*	3.26%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	3.32%
Salary Increases:	
Wage Inflation	3.00%
Seniority/Merit	0.10%-5.6%
Mortality:	2020 WRS Experience Mortality Table

*Based on the Bond Buyers GO 20-Bond Municipal index

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The Total OPEB Liability for December 31, 2023 is based upon a roll-forward of the liability calculated from the January 1, 2023 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, 2023

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
U.S. Intermediate Credit Bonds	Bloomberg U.S. Interm Credit	40.00%	2.32%
U.S. Mortgages	Bloomberg U.S. MBS	60.00	2.52
Inflation			2.30
Long-term expected rate of return			4.25

Single Discount Rate

A single discount rate of 3.32% was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 3.76% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 3.72% as of December 31, 2022 to 3.26% as of December 31, 2023. 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 3.32%, 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 (2.32%) or 1-percentage-point higher (4.32%) than the current rate:

	1% Decrease to Discount Rate (2.32%)	Current Discount Rate (3.32%)	1% Increase to Discount Rate (4.32%)
City's proportionate share of the net OPEB liability (asset)	$ 463,090	$ 344,653	$ 254,248

At December 31, 2024, the City reported a payable to the OPEB plan, which represents contractually required contributions outstanding as of the end of the year.

Economic Dependency

Sewer Utility

The Sewer Utility has two significant customers who were responsible for 39% of operating revenues in 2024.

Effect of New Accounting Standards on Current-Period Financial Statements

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

- Statement No. 102, *Certain Risk Disclosures*
- Statement No. 103, *Financial Reporting Model Improvements*
- Statement No. 104, *Disclosure of Certain Capital Assets*

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

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, 2024

	Budgeted Amounts			
	Original	Final	Actual	Variance With Final Budget
Revenues				
Taxes				
General property taxes	$ 6,052,414	$ 6,052,414	$ 6,052,414	$ -
Interest and penalties on taxes	150	150	4,561	4,411
Payments in lieu of taxes	43,900	43,900	43,127	(773)
Total taxes	6,096,464	6,096,464	6,100,102	3,638
Intergovernmental Revenues				
Federal aid, other public safety	-	-	187,076	187,076
Federal aid, law enforcement	-	-	2,375	2,375
Federal aid, law enforcement	-	-	4,320	4,320
State shared revenues	1,297,908	1,297,908	1,302,798	4,890
Fire insurance tax (2% fire dues)	45,000	45,000	56,052	11,052
Other state shared taxes	47,958	47,958	47,959	1
Personal property aids	29,400	29,401	29,401	-
Video service provider aid	31,658	31,658	31,659	1
State aid, general transportation aids	606,362	606,362	606,451	89
State aid, connecting streets	115,936	115,936	135,744	19,808
State aid, recycling	35,150	35,150	35,202	52
School resource officer	59,214	59,214	59,214	-
Payments for municipal services	4,700	4,700	4,700	-
Compost site, town	8,500	8,500	8,500	-
Total intergovernmental revenues	2,281,786	2,281,787	2,511,451	229,664
Licenses and Permits				
Liquor and malt beverage licenses	26,000	26,000	26,293	293
Operators' license	9,000	9,000	9,080	80
Cigarette licenses	1,500	1,500	2,300	800
Other business and occupational licenses	1,000	1,000	1,660	660
Cable television franchise fees	126,000	126,000	126,000	-
Bicycle licenses	100	100	95	(5)
Dog and cat licenses	20,000	20,000	19,970	(30)
Building permits	70,000	70,000	107,551	37,551
Electrical permits	15,000	15,000	28,660	13,660
Plumbing permits	6,000	6,000	9,466	3,466
Other permits	5,000	5,000	5,522	522
Zoning permits and fees	7,500	7,500	7,240	(260)
Total licenses and permits	287,100	287,100	343,837	56,737
Fines and Forfeitures				
Court penalties and costs	130,000	130,000	162,808	32,808
Parking violations	35,000	35,000	31,688	(3,312)
Total fines and forfeitures	165,000	165,000	194,496	29,496

See notes to required supplementary information

City of Fort Atkinson

Schedule of Revenues, Expenditures and Changesin Fund Balance - Budget and Actual -
General Fund
Year Ended December 31, 2024

	Budgeted Amounts			
	Original	Final	Actual	Variance With Final Budget
Public Charges for Services				
General government	$ 2,500	$ 2,500	$ 4,192	$ 1,692
Law enforcement fees	6,000	6,000	2,845	(3,155)
Fire protection fees	-	-	92,175	92,175
Street related facilities	35,000	35,000	50,588	15,588
Parking lots, ramps and meters	110	110	110	-
Weed and nuisance control	2,000	2,000	2,781	781
Recreation programs	93,000	93,000	93,327	327
Museum	-	-	29,726	29,726
Swimming areas	165,000	165,000	173,060	8,060
Community center	2,500	2,500	2,502	2
Conservation and development	5,500	5,500	5,501	1
Economic development	2,500	2,500	7,500	5,000
Fiber	8,500	8,500	8,500	-
Total public charges for services	322,610	322,610	472,807	150,197
Intergovernmental Charges for Services				
Local, fire services	256,855	256,855	264,332	7,477
Special Assessments				
Sidewalk	-	-	13,347	13,347
Investment Income				
Interest on investments	95,000	95,000	1,061,555	966,555
Interest on promissory notes	11,560	11,560	11,560	-
Total investment income	106,560	106,560	1,073,115	966,555
Miscellaneous				
Rent	23,300	23,300	11,985	(11,315)
Donations	-	23,815	23,815	-
Refund of prior year expenditures	-	-	116	116
Other miscellaneous	20,200	20,200	7,485	(12,715)
Insurance recoveries	-	-	25,626	25,626
Total miscellaneous	43,500	67,315	69,027	1,712
Total revenues	9,559,875	9,583,691	11,042,514	1,458,823

See notes to required supplementary information

City of Fort Atkinson

Schedule of Revenues, Expenditures and Changesin Fund Balance - Budget and Actual -
General Fund
Year Ended December 31, 2024

	Budgeted Amounts			
	Original	Final	Actual	Variance With Final Budget
Expenditures				
General Government				
Council	$ 31,574	$ 31,574	$ 27,939	$ 3,635
Municipal court	80,600	80,600	75,116	5,484
Legal	39,300	39,300	39,930	(630)
City manager	102,200	102,200	94,699	7,501
Clerk	132,435	132,435	155,621	(23,186)
Labor relations	3,000	3,000	3,075	(75)
Board of review	35,000	35,000	35,000	-
Independent auditing	45,000	45,000	51,651	(6,651)
General buildings/plant/hall	57,550	57,550	52,327	5,223
Illegal taxes and refunds	100	100	6,774	(6,674)
Property and liability insurance	75,000	75,000	69,493	5,507
Law enforcement insurance	120,000	120,000	133,070	(13,070)
Other insurance	59,150	59,150	38,445	20,705
Health insurance	162,825	207,627	101,734	105,893
Manufacturing property assessment fees	4,000	4,000	3,843	157
Unemployment compensation costs	7,000	7,000	6,000	1,000
Contingency, health insurance	40,000	40,000	48,422	(8,422)
Other general government	3,000	3,000	1,581	1,419
Total general government	997,734	1,042,536	944,720	97,816
Public Safety				
Police	2,299,000	2,311,815	2,243,576	68,239
Crossing guards	23,100	23,100	18,659	4,441
Fire protection	1,081,700	1,081,700	1,127,300	(45,600)
Hydrant rental	3,000	3,000	83	2,917
Building inspection	95,850	95,850	99,743	(3,893)
Electrical inspection	47,250	47,250	42,087	5,163
Sealer of weights and measures	4,500	4,500	4,500	-
Civil defense	2,100	2,100	10,560	(8,460)
Emergency government	9,000	9,000	19,876	(10,876)
Other public safety	1,192,825	1,192,825	1,136,028	56,797
Total public safety	4,758,325	4,771,140	4,702,412	68,728

See notes to required supplementary information

City of Fort Atkinson

Schedule of Revenues, Expenditures and Changesin Fund Balance - Budget and Actual -
General Fund
Year Ended December 31, 2024

	Budgeted Amounts			
	Original	Final	Actual	Variance With Final Budget
Public Works				
Public works/highway administration	$ 278,025	$ 278,025	$ 217,359	$ 60,666
Engineering	77,950	77,950	56,140	21,810
Machinery operation and maintenance	282,500	282,500	219,053	63,447
Garages and sheds	203,700	203,700	190,501	13,199
Highway and street maintenance	162,000	162,000	162,789	(789)
Curb and gutter	4,200	4,200	22	4,178
Tree and brush removal	6,000	6,000	4,242	1,758
Street signs	-	-	(1,206)	1,206
Traffic control	87,700	87,700	56,960	30,740
Snow and ice control	198,500	198,500	175,420	23,080
Street lighting	305,000	305,000	310,210	(5,210)
Sidewalks	13,750	13,750	10,000	3,750
Parking facilities	9,000	9,000	8,242	758
Refuse and garbage collection	595,125	595,125	594,849	276
Recycling	175,991	175,991	200,487	(24,496)
Composting facility	29,500	29,500	46,128	(16,628)
Total public works	2,428,941	2,428,941	2,251,196	177,745
Health and Human Services				
Animal control	33,000	33,000	32,643	357
Culture, Recreation and Education				
Museum	176,100	187,100	192,430	(5,330)
Community center	69,800	69,800	67,212	2,588
Senior citizens' center	96,185	105,703	90,766	14,937
Recreation administration	285,390	285,390	268,337	17,053
Recreation facilities	272,050	272,050	245,722	26,328
Celebration and entertainment	35,900	35,900	26,682	9,218
Parks	383,715	383,715	352,871	30,844
Other culture	308,175	308,175	305,122	3,053
Total culture, recreation and education	1,627,315	1,647,833	1,549,142	98,691
Conservation and Development				
Forestry	146,500	146,500	188,464	(41,964)
Industrial development	24,000	24,000	36,292	(12,292)
Other conservation and development	54,585	54,585	47,304	7,281
Total conservation and development	225,085	225,085	272,060	(46,975)

See notes to required supplementary information

City of Fort Atkinson

Schedule of Revenues, Expenditures and Changesin Fund Balance - Budget and Actual -
General Fund
Year Ended December 31, 2024

	Budgeted Amounts			
	Original	Final	Actual	Variance With Final Budget
Capital Outlay				
Other conservation and development	$ -	$ 74,198	$ 74,198	$ -
Total expenditures	10,070,400	10,222,733	9,826,371	396,362
Excess (deficiency) of revenues over (under) expenditures	(510,525)	(639,042)	1,216,143	1,855,185
Other Financing Sources (Uses)				
Debt issued	-	-	497,161	497,161
Transfers in	350,000	350,000	1,011,937	661,937
Transfers out	-	-	(38,717)	(38,717)
Total other financing sources (uses)	350,000	350,000	1,470,381	1,120,381
Net change in fund balance	(160,525)	(289,042)	2,686,524	2,975,566
Fund Balance, Beginning	7,465,992	7,465,992	7,465,992	-
Fund Balance, Ending	$ 7,305,467	$ 7,176,950	$ 10,152,516	$ 2,975,566

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, 2024

	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	218,308	6,308
Total taxes	712,000	712,000	718,308	6,308
Public Charges for Service				
Transportation	-	-	2,650	2,650
Total revenues	712,000	712,000	720,958	8,958
Expenditures				
Capital Outlay				
Capital outlay	1,303,300	1,303,300	1,349,569	(46,269)
Total expenditures	1,303,300	1,303,300	1,349,569	(46,269)
Excess (deficiency) of revenues over (under) expenditures	(591,300)	(591,300)	(628,611)	(37,311)
Other Financing Sources				
Debt issued	591,300	591,300	800,000	208,700
Total other financing sources	591,300	591,300	800,000	208,700
Net change in fund balance	-	-	171,389	171,389
Fund Balance, Beginning	693,530	693,530	693,530	-
Fund Balance, Ending	$ 693,530	$ 693,530	$ 864,919	$ 171,389

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, 2024

City 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
12/31/24	0.04326547%	$ 643,276	$ 6,381,254	10.08%	98.85%
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, 2024

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
12/31/24	$ 738,424	$ 738,424	$ -	$ 6,582,540	11.22%
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%

See notes to required supplementary information

Schedule of Proportionate Share of the Net Insurance OPEB Liability -
Local Retiree Life Insurance Fund
Year Ended December 31, 2024

City 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
12/31/24	0.07491400%	$ 344,653	$ 4,422,000	7.79%	33.90%
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, 2024

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
12/31/24	$ 1,567	$ 1,567	$ -	$ 5,502,136	0.03%
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

City of Fort Atkinson

Schedule of Changes in Employer's Total OPEB Liability and Related Ratios -
Health Insurance
Year Ended December 31, 2024

	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service cost	$ 14,806	$ 20,080	$ 18,807	$ 17,039	$ 18,641	$ 20,221	$ 20,221
Interest	20,240	11,324	8,628	10,206	22,555	19,822	19,852
Changes of benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience	(89,720)	(27,886)	(3,519)	-	(206,641)	-	-
Changes of assumptions	18,108	(58,191)	191,745	10,202	(8,832)	(17,262)	-
Benefit payments	(26,728)	(38,557)	(28,530)	(23,472)	(11,905)	(37,004)	(44,860)
Net change in total OPEB liability	(63,294)	(93,230)	187,131	13,975	(186,182)	(14,223)	(4,787)
Total OPEB Liability, Beginning	482,208	575,438	388,307	374,332	560,514	574,737	579,524
Total OPEB Liability, Ending	$ 418,914	$ 482,208	$ 575,438	$ 388,307	$ 374,332	$ 560,514	$ 574,737
Covered, Employee Payroll	$ 6,448,275	$ 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	6.50%	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 4.25% to 4.0% 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 $96,594. 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.

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

City of Fort Atkinson

Combining Balance Sheet -
Nonmajor Governmental Funds
December 31, 2024

	Special Revenue Funds				
	Wisconsin Development Fund	Library Trust	Museum Trust	EMS	Lodging Room Tax
Assets					
Cash and investments	$ 496,744	$ 870,629	$ 1,019,734	$ -	$ 124,455
Receivables (net):					
Taxes	-	-	-	-	-
Accounts	-	-	-	583,831	47,511
Lease	-	-	-	-	-
Loans	21,674	-	-	-	-
Prepaid items	-	-	-	320	-
Total assets	$ 518,418	$ 870,629	$ 1,019,734	$ 584,151	$ 171,966
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable	$ -	$ -	$ -	$ 4,683	$ 33,649
Due to other funds	-	-	-	150,418	-
Advances from other funds	-	-	-	-	-
Total liabilities	-	-	-	155,101	33,649
Deferred Inflows of Resources					
Unearned revenues	-	-	-	-	-
Unavailable revenues	-	-	-	453,652	-
Total deferred inflows of resources	-	-	-	453,652	-
Fund Balances (Deficit)					
Nonspendable	-	-	-	320	-
Restricted	-	870,629	1,019,734	-	138,317
Assigned	518,418	-	-	-	-
Unassigned (deficit)	-	-	-	(24,922)	-
Total fund balances (deficit)	518,418	870,629	1,019,734	(24,602)	138,317
Total liabilities, deferred inflows of resources and fund balances	$ 518,418	$ 870,629	$ 1,019,734	$ 584,151	$ 171,966

Special Revenue Funds						
Dwight Foster Public Library	Subsidized Taxi Program	CDBG	Municipal Airport	Capital Catalyst Grant	ARPA
$ 93,732	$ 101,981	$ -	$ 143,059	$ 213,806	$ -
624,000	-	-	-	-	-
-	-	-	4,385	-	-
-	-	-	-	-	-
-	-	-	-	391,953	-
1,316	-	-	4,010	-	-
$ 719,048	$ 101,981	$ -	$ 151,454	$ 605,759	$ -
$ 13,354	$ 14,121	$ -	$ 22,138	$ -	$ -
-	-	-	-	-	-
-	-	191,497	-	-	-
13,354	14,121	191,497	22,138	-	-
624,000	-	-	-	-	-
-	-	-	-	-	-
624,000	-	-	-	-	-
1,316	-	-	4,010	-	-
80,378	87,860	-	-	605,759	-
-	-	-	125,306	-	-
-	-	(191,497)	-	-	-
81,694	87,860	(191,497)	129,316	605,759	-
$ 719,048	$ 101,981	$ -	$ 151,454	$ 605,759	$ -

City of Fort Atkinson

Combining Balance Sheet -
Nonmajor Governmental Funds
December 31, 2024

	Capital Projects Funds				
	TIF District No. 6	TIF District No. 7	TIF District No. 8	TIF District No. 10	Total Nonmajor Governmental Funds
Assets					
Cash and investments	$ 1,943,449	$ 9,860	$ -	$ -	$ 5,017,449
Receivables (net):					
Taxes	137,070	388,941	1,108,438	38,339	2,296,788
Accounts	-	-	-	-	635,727
Lease	14,956	-	-	-	14,956
Loans	-	-	-	-	413,627
Prepaid items	-	-	-	-	5,646
Total assets	$ 2,095,475	$ 398,801	$ 1,108,438	$ 38,339	$ 8,384,193
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable	$ -	$ -	$ -	$ -	$ 87,945
Due to other funds	-	-	-	25,486	175,904
Advances from other funds	862,315	-	-	-	1,053,812
Total liabilities	862,315	-	-	25,486	1,317,661
Deferred Inflows of Resources					
Unearned revenues	152,026	388,941	1,108,438	38,339	2,311,744
Unavailable revenues	-	-	-	-	453,652
Total deferred inflows of resources	152,026	388,941	1,108,438	38,339	2,765,396
Fund Balances (Deficit)					
Nonspendable	-	-	-	-	5,646
Restricted	1,081,134	9,860	-	-	3,893,671
Assigned	-	-	-	-	643,724
Unassigned (deficit)	-	-	-	(25,486)	(241,905)
Total fund balances (deficit)	1,081,134	9,860	-	(25,486)	4,301,136
Total liabilities, deferred inflows of resources and fund balances	$ 2,095,475	$ 398,801	$ 1,108,438	$ 38,339	$ 8,384,193

City of Fort Atkinson

Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
Nonmajor Governmental Funds
Year Ended December 31, 2024

	Special Revenue Funds			
	Wisconsin Development Fund	Library Trust	Museum Trust	EMS
Revenues				
Taxes	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	-
Public charges for services	-	-	-	756,233
Investment income	2,452	94,092	113,569	-
Miscellaneous	-	1,939	-	-
Total revenues	2,452	96,031	113,569	756,233
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	782,952
Culture, recreation and education	-	22,605	30,758	-
Conservation and development	2,501	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	2,501	22,605	30,758	782,952
Excess (deficiency) of revenues over expenditures	(49)	73,426	82,811	(26,719)
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	(49)	73,426	82,811	(26,719)
Fund Balances (Deficit), Beginning	518,467	797,203	936,923	2,117
Accounting changes (see note disclosure)	-	-	-	-
Fund Balances (Deficit), Beginning, as Adjusted	518,467	797,203	936,923	2,117
Fund Balances (Deficit), Ending	$ 518,418	$ 870,629	$ 1,019,734	$ (24,602)

Special Revenue Funds							
Lodging Room Tax	Dwight Foster Public Library	Subsidized Taxi Program	CDBG	Municipal Airport	Capital Catalyst Grant	ARPA
$ 55,718	$ 616,000	$ -	$ -	$ -	$ -	$ -
-	301,437	329,586	-	-	-	865,981
-	9,707	-	-	146,055	498	-
-	-	-	-	-	8,026	34,030
-	43,347	23,965	-	-	-	-
55,718	970,491	353,551	-	146,055	8,524	900,011
30,380	-	-	-	131,171	4,772	-
-	-	-	-	-	-	-
-	931,750	-	-	-	-	-
8,892	-	300,121	-	-	600	-
-	16,255	-	10,769	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
39,272	948,005	300,121	10,769	131,171	5,372	-
16,446	22,486	53,430	(10,769)	14,884	3,152	900,011
-	-	78,717	25,000	-	-	-
-	-	-	-	-	-	(949,825)
-	-	78,717	25,000	-	-	(949,825)
16,446	22,486	132,147	14,231	14,884	3,152	(49,814)
121,871	59,208	(44,287)	(205,728)	114,432	602,607	49,814
-	-	-	-	-	-	-
121,871	59,208	(44,287)	(205,728)	114,432	602,607	49,814
$ 138,317	$ 81,694	$ 87,860	$ (191,497)	$ 129,316	$ 605,759	$ -

City of Fort Atkinson

Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
Nonmajor Governmental Funds
Year Ended December 31, 2024

	Capital Projects Funds			
	TIF District No. 6	TIF District No. 7	TIF District No. 8	TIF District No. 10
Revenues				
Taxes	$ 150,651	$ 453,726	$ 970,153	$ -
Intergovernmental	1,720	3,539	6,127	-
Public charges for services	-	-	-	-
Investment income	54,377	3,602	65,302	-
Miscellaneous	13,591	-	-	-
Total revenues	220,339	460,867	1,041,582	-
Expenditures				
Current:				
General government	-	-	2	-
Public safety	-	-	-	-
Culture, recreation and education	-	-	-	-
Conservation and development	8,179	760	56,708	8,178
Capital outlay	-	8,027	40,542	-
Debt service:				
Principal	40,000	-	70,000	-
Interest and fiscal charges	4,050	-	25,643	-
Total expenditures	52,229	8,787	192,895	8,178
Excess (deficiency) of revenues over expenditures	168,110	452,080	848,687	(8,178)
Other Financing Sources (Uses)				
Transfers in	1,729,329	-	-	-
Transfers out	-	(445,853)	(2,155,016)	-
Total other financing sources (uses)	1,729,329	(445,853)	(2,155,016)	-
Net change in fund balances	1,897,439	6,227	(1,306,329)	(8,178)
Fund Balances (Deficit), Beginning	(816,305)	3,633	1,306,329	(17,308)
Accounting changes (see note disclosure)	-	-	-	-
Fund Balances (Deficit), Beginning, as Adjusted	(816,305)	3,633	1,306,329	(17,308)
Fund Balances (Deficit), Ending	$ 1,081,134	$ 9,860	$ -	$ (25,486)

Capital Projects Funds		
TIF District No. 9	Capital Improvements Project	Total Nonmajor Governmental Funds
$ -	$ -	$ 2,246,248
-	-	1,508,390
-	-	912,493
-	-	375,450
-	-	82,842
-	-	5,125,423
-	-	166,325
-	-	782,952
-	-	985,113
-	-	385,939
-	-	75,593
-	-	110,000
-	-	29,693
-	-	2,535,615
-	-	2,589,808
-	-	1,833,046
-	-	(3,550,694)
-	-	(1,717,648)
-	-	872,160
(17,751)	640,034	4,051,259
17,751	(640,034)	(622,283)
-	-	3,428,976
$ -	$ -	$ 4,301,136