CITY OF MERRILL

COMMON COUNCIL

AGENDA • TUESDAY, JANUARY 14, 2025

Regular Meeting | **City Hall Council Chambers** | **6:30 PM**

To attend remotely call 254-946-1125 PIN 435 842 199 #

I. Call to Order

II. Invocation - Pastor William Hohman - New Testament Church

III. Pledge of Allegiance

IV. Roll Call

V. Common Council Meeting Expectations

The City of Merrill respects the role of our elected officials. Alderpersons and Department Heads are committed to working in collaboration to provide our citizens with the best decision-making for our city's future. This meeting is a formal event and professional conduct is the expectation of all in attendance.

VI. Public Comment

VII. Minutes from Previous Meeting

1. Consider placing the minutes from the December 10th meeting on file

VIII. Revenue and Expense Reports for period ending December 31, 2024 will be provided at the February Common Council meeting

IX. General Agenda Items for Consideration

1. Employee Recognition
    - Scott Gomoll - 10 years - Fire Department
    - Kraig Hanig - 10 years - Airport
    - Randall English - 10 years - Transit
2. City of Merrill 2023 Audit Presentation

X. Place Committee Reports on File

1. Consider placing the following reports on file: Airport Commission, Parks and Recreation Commission, Joint Review Board, and Housing Authority.

XI. Resolutions

1. Resolution Adopting the Lincoln County All Hazards Mitigation Plan Update
2. Resolution Honoring Fairgrounds Manager Rick Bjorklund

XII. Mayor's Communications

XIII. Adjournment

The Merrill City Hall is accessible to the physically disadvantaged. If special accommodations are needed, please contact the Merrill City Hall at (715) 536-5594.

CITY OF MERRILL
COMMON COUNCIL
TUESDAY, DECEMBER 10, 2024 MINUTES
REGULAR MEETING CITY HALL COUNCIL CHAMBERS 6:30 PM

I. **Call to Order** Mayor Hass called the meeting to order at 6:30 p.m.
Voting members: Alderperson A. Caylor, Alderperson M. Caylor, Alderperson Meyer, Alderperson Fermanich, Alderperson Rick, Alderperson Weix Jr., Alderperson Rutkowski
Others present: City Attorney Hayden, City Clerk Anderson-Malm, City Administrator Akey, Building Inspector/Zoning Administrator Pagel, Finance Director Ley, Fire Chief Klug, Library Director Ollhoff, Police Chief Bennett, Pastor Mike Zahn, Diane Zahn.
Excused: Parks & Recreation Director Wendorf, Street Superintendent Bonack, Transit Director Brummond

II. **Invocation - Pastor Mike Zahn - Christ United Methodist Church**

III. **Pledge of Allegiance**

IV. **Roll Call** Mayor Hass announced Alderperson Lass had resigned from his position. Roll call was taken.

V. **Common Council Meeting Expectations**

VI. **Public Comment** There was no public comment.

VII. **Minutes from Previous Meeting**

1. **Consider placing the minutes from the October 28th and November 12th meetings on file. -** Alderperson M. Caylor motioned to place minutes on file. Alderperson Rick seconded and the motion passed.

VIII. **Revenue and Expense Reports**

1. **Discuss and consider the November 2024 Revenue and Expense report.** - Alderperson Meyer motioned to approve. Alderperson Fermanich seconded and the motion passed.

IX. **Personnel & Finance**

1. **Discuss and consider lifting the hiring freeze for hiring a mechanic in the Street Department. The Personnel & Finance Committee recommends approval. -** Alderperson Rick motioned to approve. Alderperson Rutkowski seconded and the motion passed.

2. **Discuss and consider transferring duty weapons to officers through an FFL (Federal Firearms Licensed) dealer at no greater than $275.00 with the remaining ammunition and holsters, not claimed, to Wisconsin Surplus Auction for sale. The Personnel & Finance Committee**

recommends approval. - Alderperson Meyer motioned to approve. Alderperson M. Caylor seconded and the motion passed.

3. **Discuss and consider disposing of the 2020 F150 through the Wisconsin Surplus Auction for sale. The Personnel & Finance Committee recommends approval.** - Alderperson Rick motioned to approve. Alderperson Weix Jr. seconded and the motion passed.

4. **Discuss and consider maintaining the Administrative Assistant/Evidence Manager position in the Police Department following an upcoming retirement. The Personnel & Finance Committee recommends approval.** - Alderperson Meyer motioned to approve. Alderperson Fermanich seconded and the motion passed. Alderperson M. Caylor voted no.

5. **Discuss and consider allowing the maximum bankable sick leave at 800 hours with a maximum PEP payout at 800 hours for non-union employees upon retirement. This would only affect future hired employees. The Personnel & Finance Committee recommends approval.** - Alderperson Meyer motioned to approve. Alderperson M. Caylor seconded and the motion passed.

X. Place Committee Reports on File

1. **Consider placing the following monthly reports on file: Airport Commission, Board of Public Works, Committee of the Whole, Health & Safety, Marketing & Communications, Joint Review Board, Personnel & Finance, Redevelopment Authority, Tourism Commission, Housing Authority, Parks & Recreation Commission, and Transit Commission.** - Alderperson Meyer motioned to place monthly reports on file. Alderperson Rutkowski seconded and the motion passed.

XI. Mayor's Communications December 11th - Tour of Lights starting at 5:30. Winter Parking went into effect on December 1st with even/odd parking and no overnight parking on city streets.
December 18th - TB Scott Library, Start with Art from 10:30 am - 11:30 am
December 26th - TB Scott Library, Big Puzzle Bash from 10:30 am - 12:30 pm
Merry Christmas and Happy New Year to all City Staff, Alderpersons, and citizens.

XII. Adjournment Alderperson Meyer motioned to adjourn. Alderperson Rick seconded and the motion passed. The meeting was adjourned at 6:44 pm.

Minutes respectfully submitted by Lori L Anderson-Malm - City Clerk

The minutes are in draft form until approved at the next scheduled meeting. Meeting minutes are available in the City Clerk's office and on the City of Merrill website. Complete Ordinances are available on the City of Merrill website. https://www.ci.merrill.wi.us

Steve Hass
Mayor

Lori L. Anderson-Malm
City Clerk

I, Lori L. Anderson-Malm, City Clerk of the City of Merrill, Wisconsin, do hereby certify that the Mayor approved the above action of the Common Council on December 18th, 2024.

Lori L. Anderson-Malm
City Clerk

CITY OF MERRILL, WISCONSIN

ANNUAL FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2023

CPAs | CONSULTANTS | WEALTH ADVISORS

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INDEPENDENT AUDITORS' REPORT

City Council
City of Merrill, Wisconsin
Merrill, Wisconsin

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2023, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund and the Community Development Block Grant fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the schedules relating to pensions and other postemployment benefits 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining nonmajor governmental fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining nonmajor governmental fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Wausau, Wisconsin
December 11, 2024

BASIC FINANCIAL STATEMENTS

CITY OF MERRILL, WISCONSIN
STATEMENT OF NET POSITION
DECEMBER 31, 2023

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	$ 3,303,585	$ 2,563,780	$ 5,867,365
Receivables:			
Taxes and Special Charges	5,823,976	-	5,823,976
Delinquent Taxes	19,344	-	19,344
Accounts, Net	492,055	859,758	1,351,813
Special Assessments	8,420	-	8,420
Loans	2,538,801	-	2,538,801
Leases	896,171	686,954	1,583,125
Other	1,410,123	92,159	1,502,282
Due from Other Governments	5,449	-	5,449
Inventories and Prepaid Items	171,534	81,279	252,813
Restricted Assets:			
Cash and Investments	-	2,168,645	2,168,645
Capital assets, Nondepreciable	3,947,037	134,490	4,081,527
Capital assets, Depreciable	42,014,259	18,110,696	60,124,955
Total Assets	60,630,754	24,697,761	85,328,515
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related Amounts	12,469,016	854,225	13,323,241
Other Postemployment Related Amounts	194,466	13,328	207,794
Total Deferred Outflows of Resources	12,663,482	867,553	13,531,035
LIABILITIES			
Accounts Payable	508,540	79,685	588,225
Accrued and Other Current Liabilities	303,154	43,044	346,198
Due to Other Governments	19,858	-	19,858
Accrued Interest Payable	188,156	8,333	196,489
Special Deposits	166,737	-	166,737
Unearned Revenues	127,026	-	127,026
Long-Term Obligations:			
Due Within One Year	5,487,255	149,427	5,636,682
Due in More Than One Year	19,982,711	1,913,472	21,896,183
Net Pension Liability	3,339,469	228,873	3,568,342
Other Postemployment Benefits	485,738	33,290	519,028
Total Liabilities	30,608,644	2,456,124	33,064,768
DEFERRED INFLOWS OF RESOURCES			
Property Taxes Levied for Subsequent Year	8,448,471	-	8,448,471
Leases Receivable	896,171	686,954	1,583,125
Pension Related Amounts	7,004,770	480,079	7,484,849
Other Postemployment Related Amounts	350,417	24,016	374,433
Total Deferred Inflows of Resources	16,699,829	1,191,049	17,890,878
NET POSITION			
Net Investment in Capital Assets	22,149,440	16,261,325	37,496,077
Restricted for:			
Community Development	3,040,454	-	3,040,454
Remedial Action	215,470	-	215,470
Debt Service	283,294	98,719	382,013
Library	2,023,345	-	2,023,345
Tax Incremental Project Plan Expenses	53,217	-	53,217
Sewer Utility Plant Replacement	-	2,067,276	2,067,276
Capital Projects	19,677	-	19,677
Unrestricted	(1,799,134)	3,490,821	2,606,375
Total Net Position	$ 25,985,763	$ 21,918,141	$ 47,903,904

See accompanying Notes to Basic Financial Statements.

CITY OF MERRILL, WISCONSIN
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023

		Program Revenues		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
General Government	$ 1,889,446	$ 290,711	$ 750	$ 1,479
Public Safety	7,274,671	502,256	1,608,998	147,095
Public Works	4,713,368	426,528	1,391,634	821,650
Health and Human Services	213,439	12,212	12,500	2,810
Culture and Recreation	3,133,025	283,404	606,158	291,551
Conservation and Development	927,389	14,916	-	-
Interest and Fiscal Charges	693,463	-	-	-
Total Governmental Activities	18,844,801	1,530,027	3,620,040	1,264,585
BUSINESS-TYPE ACTIVITIES				
Water Utility	1,585,107	1,974,156	-	-
Sewer Utility	1,677,510	1,898,459	-	-
Total Business-Type Activities	3,262,617	3,872,615	-	-
Total	$ 22,107,418	$ 5,402,642	$ 3,620,040	$ 1,264,585

GENERAL REVENUES
Taxes:
Property Taxes
Tax Increments
Other Taxes
Federal and State Grants and Other Contributions
Not Restricted to Specific Functions
Interest and Investment Earnings
Miscellaneous
Gain on Sale of Asset
Transfers
Total General Revenues

CHANGE IN NET POSITION

Net Position - Beginning of Year

NET POSITION - END OF YEAR

See accompanying Notes to Basic Financial Statements.

CITY OF MERRILL, WISCONSIN
STATEMENT OF ACTIVITIES (CONTINUED)
YEAR ENDED DECEMBER 31, 2023

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
$ (1,596,506)	$ -	$ (1,596,506)
(5,016,322)	-	(5,016,322)
(2,073,556)	-	(2,073,556)
(185,917)	-	(185,917)
(1,951,912)	-	(1,951,912)
(912,473)	-	(912,473)
(693,463)	-	(693,463)
(12,430,149)	-	(12,430,149)
-	389,049	389,049
-	220,949	220,949
-	609,998	609,998
(12,430,149)	609,998	(11,820,151)
5,853,780	-	5,853,780
1,900,981	-	1,900,981
227,603	-	227,603
3,785,744	-	3,785,744
325,460	117,140	442,600
268,917	6,650	275,567
34,245	-	34,245
(289,141)	289,141	-
12,107,589	412,931	12,520,520
(322,560)	1,022,929	700,369
26,308,323	20,895,212	47,203,535
$ 25,985,763	$ 21,918,141	$ 47,903,904

See accompanying Notes to Basic Financial Statements.

CITY OF MERRILL, WISCONSIN
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2023

	General	Community Development Block Grant	Debt Service
ASSETS			
Cash and Investments	$ 584,841	$ 506,333	$ 1,004,663
Receivables:			
Taxes and Special Charges	2,879,256	6,873	1,172,021
Delinquent Taxes	19,344	-	-
Accounts, Net	492,055	-	-
Special Assessments	8,420	-	-
Loans	-	2,538,801	-
Leases	896,171	-	-
Other	-	-	-
Due from Other Funds	3,105,115	-	-
Advance to Other Funds	99,896	-	-
Due from Other Governments	5,449	-	-
Inventories and Prepaid Items	171,534	-	-
Total Assets	$ 8,262,081	$ 3,052,007	$ 2,176,684
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	$ 302,402	$ 253	$ -
Accrued and Other Current Liabilities	301,827	1,300	-
Due to Other Funds	-	-	-
Advance from Other Funds	188,615	-	-
Due to Other Governments	19,858	-	-
Special Deposits	166,737	-	-
Unearned Revenues	127,026	-	-
Total Liabilities	1,106,465	1,553	-
DEFERRED INFLOWS OF RESOURCES			
Property Taxes Levied for Subsequent Year	4,164,046	10,000	1,705,234
Other receivables	148,788	-	-
Loans Receivable	-	2,538,804	-
Leases Receivable	896,171	-	-
Special Assessments	3,215	-	-
Total Deferred Inflows of Resources	5,212,220	2,548,804	1,705,234
FUND BALANCES			
Nonspendable	271,430	-	-
Restricted	106,814	501,650	471,450
Committed	880,350	-	-
Unassigned (Deficit)	684,802	-	-
Total Fund Balances	1,943,396	501,650	471,450
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 8,262,081	$ 3,052,007	$ 2,176,684

See accompanying Notes to Basic Financial Statements.

CITY OF MERRILL, WISCONSIN
BALANCE SHEET – GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2023

Other Governmental Funds	Total
$ 1,207,748	$ 3,303,585
1,765,826	5,823,976
-	19,344
-	492,055
-	8,420
-	2,538,801
-	896,171
1,410,123	1,410,123
-	3,105,115
188,615	288,511
-	5,449
-	171,534
$ 4,572,312	$ 18,063,084
$ 205,885	$ 508,540
27	303,154
3,105,115	3,105,115
99,896	288,511
-	19,858
-	166,737
-	127,026
3,410,923	4,518,941
2,569,191	8,448,471
-	148,788
-	2,538,804
-	896,171
-	3,215
2,569,191	12,035,449
1,410,123	1,681,553
881,909	1,961,823
-	880,350
(3,699,834)	(3,015,032)
(1,407,802)	1,508,694
$ 4,572,312	$ 18,063,084

See accompanying Notes to Basic Financial Statements.

CITY OF MERRILL, WISCONSIN
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION – GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2023

RECONCILIATION TO THE STATEMENT OF NET POSITION

Total Fund Balances as Shown on Previous Page	$ 1,508,694
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.	45,961,296
Long-term assets are not available; therefore, are not reported in the funds:	
Loans Receivable	2,538,804
Special Assessments	3,215
Other Receivables	148,788
Some deferred outflows and inflows of resources reflect changes in long-term liabilities and are not reported in the funds.	
Deferred Outflows Related to Pensions	12,469,016
Deferred Inflows Related to Pensions	(7,004,770)
Deferred Outflows Related to Other Postemployment Benefits	194,466
Deferred Inflows Related to Other Postemployment Benefits	(350,417)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Bonds and Notes Payable	(24,179,350)
Premium on Debt	(446,264)
Compensated Absences	(844,352)
Net pension Liability	(3,339,469)
Other Postemployment Benefit	(485,738)
Accrued Interest on Long-Term Obligations	(188,156)
Net Position of Governmental Activities as Reported on the Statement of Net Position	$ 25,985,763

See accompanying Notes to Basic Financial Statements.

CITY OF MERRILL, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2023

	General	Community Development Block Grant	Debt Service
REVENUES			
Taxes	$ 4,315,719	$ 10,000	$ 1,755,664
Special Assessments	17,248	-	-
Intergovernmental	5,834,936	-	-
Licenses and Permits	196,662	-	-
Fines and Forfeits	121,487	-	-
Public Charges for Services	590,275	-	-
Intergovernmental Charges for Services	1,898,819	-	-
Miscellaneous	1,001,904	212,471	18,414
Total Revenues	13,977,050	222,471	1,774,078
EXPENDITURES			
Current:			
General Government	1,624,032	-	-
Public Safety	6,071,721	-	-
Public Works	3,273,822	-	-
Health and Human Services	200,716	-	-
Culture and Recreation	2,492,188	-	-
Conservation and Development	20,200	256,072	-
Debt Service:			
Principal	-	-	2,397,450
Interest and Fiscal Charges	-	-	707,464
Capital Outlay	798,867	-	-
Total Expenditures	14,481,546	256,072	3,104,914
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(504,496)	(33,601)	(1,330,836)
OTHER FINANCING SOURCES (USES)			
Proceeds from Sale of Capital Assets	48,531	-	-
Transfers In	309,325	-	1,344,342
Transfers Out	(6,525)	-	-
Total Other Financing Sources (Uses)	351,331	-	1,344,342
NET CHANGE IN FUND BALANCES	(153,165)	(33,601)	13,506
Fund Balances - Beginning of Year	2,096,561	535,251	457,944
FUND BALANCES - END OF YEAR	$ 1,943,396	$ 501,650	$ 471,450

See accompanying Notes to Basic Financial Statements.

CITY OF MERRILL, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2023

Other Governmental Funds	Total
$ 1,900,981	$ 7,982,364
-	17,248
100,498	5,935,434
-	196,662
-	121,487
975	591,250
-	1,898,819
151,044	1,383,833
2,153,498	18,127,097
-	1,624,032
-	6,071,721
40,671	3,314,493
-	200,716
56,118	2,548,306
584,345	860,617
-	2,397,450
-	707,464
1,462,192	2,261,059
2,143,326	19,985,858
10,172	(1,858,761)
-	48,531
351,747	2,005,414
(1,689,564)	(1,696,089)
(1,337,817)	357,856
(1,327,645)	(1,500,905)
(80,157)	3,009,599
$ (1,407,802)	$ 1,508,694

See accompanying Notes to Basic Financial Statements.

CITY OF MERRILL, WISCONSIN
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES – GOVERNMENTAL ACTIVITIES
YEAR ENDED DECEMBER 31, 2023

RECONCILIATION TO THE STATEMENT OF ACTIVITIES

Net Change in Fund Balances as Shown on Previous Page	$ (1,500,905)
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 activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital Assets Reported as Capital Outlay in Governmental Fund Statements	2,510,336
Depreciation Expense Reported in the Statement of Activities	(2,242,891)
Net Book Value of Disposals	(129,645)
Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the statement of activities when earned.	(318,017)
Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Principal Repaid	2,397,450
Some expenses reported 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:	
Accrued Interest on Long-Term Debt	(38,492)
Amortization of Debt Premium and Loss on Advance Refunding	52,493
Compensated Absences	(122,857)
Net Pension Liability (Asset)	(8,350,000)
Deferred Outflows of Resources Related to Pensions	2,671,237
Deferred Inflows of Resources Related to Pensions	4,793,514
Other Postemployment Benefits	289,183
Deferred Outflows of Resources Related to Other Postemployment Benefits	(63,462)
Deferred Inflows of Resources Related to Other Postemployment Benefits	(270,504)
Change in Net Position of Governmental Activities as Reported in the Statement of Activities	$ (322,560)

See accompanying Notes to Basic Financial Statements.

CITY OF MERRILL, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – GENERAL FUND
YEAR ENDED DECEMBER 31, 2023

	Budget Original	Budget Final	Actual	Variance Final Budget - Positive (Negative)
REVENUES				
Taxes	$ 4,321,367	$ 4,321,367	$ 4,315,719	$ (5,648)
Special Assessments	20,000	20,000	17,248	(2,752)
Intergovernmental	5,647,963	5,647,963	5,834,936	186,973
Licenses and Permits	189,120	189,120	196,662	7,542
Fines and Forfeits	117,500	117,500	121,487	3,987
Public Charges for Services	556,649	556,649	590,275	33,626
Intergovernmental Charges for Services	1,908,208	1,908,208	1,898,819	(9,389)
Miscellaneous	460,592	460,592	1,001,904	541,312
Total Revenues	13,221,399	13,221,399	13,977,050	755,651
EXPENDITURES				
Current:				
General Government	1,814,715	1,814,715	1,624,032	190,683
Public Safety	6,076,691	6,076,691	6,071,721	4,970
Public Works	3,385,931	3,385,931	3,273,822	112,109
Health and Human Services	173,948	173,948	200,716	(26,768)
Culture and Recreation	2,477,924	2,477,924	2,492,188	(14,264)
Conservation and Development	20,200	20,200	20,200	-
Capital Outlay	551,100	551,100	798,867	(247,767)
Total Expenditures	14,500,509	14,500,509	14,481,546	18,963
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,279,110)	(1,279,110)	(504,496)	774,614
OTHER FINANCING SOURCES (USES)				
Long-Term Debt Issued	635,000	635,000	-	(635,000)
Proceeds from Sale of Capital Assets	-	-	48,531	48,531
Transfers In	390,000	390,000	309,325	(80,675)
Transfers Out	(32,570)	(32,570)	(6,525)	26,045
Total Other Financing Sources (Uses)	992,430	992,430	351,331	(641,099)
NET CHANGE IN FUND BALANCE	(286,680)	(286,680)	(153,165)	133,515
Fund Balances - Beginning of Year	2,096,561	2,096,561	2,096,561	-
FUND BALANCE - END OF YEAR	$ 1,809,881	$ 1,809,881	$ 1,943,396	$ 133,515

See accompanying Notes to Basic Financial Statements.

CITY OF MERRILL, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – COMMUNITY DEVELOPMENT BLOCK GRANT
SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2023

	Budget			Variance Final Budget - Positive
	Original	Final	Actual	(Negative)
REVENUES				
Taxes	$ 10,000	$ 10,000	$ 10,000	$ -
Intergovernmental Charges for Services	34,500	34,500	-	(34,500)
Miscellaneous	229,525	229,525	212,471	(17,054)
Total Revenues	274,025	274,025	222,471	(51,554)
EXPENDITURES				
Current:				
Conservation and Development	201,612	201,612	256,072	(54,460)
NET CHANGE IN FUND BALANCE	72,413	72,413	(33,601)	(106,014)
Fund Balance - Beginning of Year	535,251	535,251	535,251	-
FUND BALANCE - END OF YEAR	$ 607,664	$ 607,664	$ 501,650	$ (106,014)

See accompanying Notes to Basic Financial Statements.

CITY OF MERRILL, WISCONSIN
STATEMENT OF NET POSITION – PROPRIETARY FUNDS
DECEMBER 31, 2023

	Water Utility	Sewer Utility	Total
ASSETS			
Current Assets:			
Cash and Investments	$ 1,819,045	$ 744,735	$ 2,563,780
Receivables:			
Customer Accounts	428,275	431,483	859,758
Leases Receivable	99,813	-	99,813
Other	20,578	71,581	92,159
Due from Other Funds	-	174	174
Inventories and Prepaid Items	76,407	4,872	81,279
Total Current Assets	2,444,118	1,252,845	3,696,963
Noncurrent Assets:			
Restricted Assets			
Cash and Investments	101,369	2,067,276	2,168,645
Leases Receivable	587,141	-	587,141
Capital Assets:			
Nondepreciable	35,320	99,170	134,490
Depreciable	9,624,549	8,486,147	18,110,696
Total Capital Assets	9,659,869	8,585,317	18,245,186
Total Noncurrent Assets	10,348,379	10,652,593	21,000,972
Total Assets	12,792,497	11,905,438	24,697,935
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related Amounts	494,010	360,215	854,225
Other Postemployment Related Amounts	7,874	5,454	13,328
Total Deferred Outflows of Resources	501,884	365,669	867,553

See accompanying Notes to Basic Financial Statements.

CITY OF MERRILL, WISCONSIN
STATEMENT OF NET POSITION – PROPRIETARY FUNDS (CONTINUED)
DECEMBER 31, 2023

	Water Utility	Sewer Utility	Total
LIABILITIES			
Current Liabilities:			
Accounts Payable	$ 44,999	$ 34,686	$ 79,685
Accrued and Other Current Liabilities	20,584	22,460	43,044
Due to Other Funds	174	-	174
Accrued Interest	6,295	2,038	8,333
Current Portion of Long-Term Debt	124,552	24,875	149,427
Total Current Liabilities	196,604	84,059	280,663
Long-Term Obligations, Less Current Portion:			
General Obligation Debt	660,000	353,775	1,013,775
Revenue Bonds	781,344	-	781,344
Debt Premium	18,664	9,501	28,165
Compensated Absences	17,867	72,321	90,188
Net Pension Liability	132,264	96,609	228,873
Other Postemployment Benefits	20,806	12,484	33,290
Total Long-Term Liabilities	1,630,945	544,690	2,175,635
Total Liabilities	1,827,549	628,749	2,456,298
DEFERRED INFLOWS OF RESOURCES			
Leases Receivable	686,954	-	686,954
Pension Related Amounts	277,434	202,645	480,079
Other Postemployment Related Amounts	10,833	13,183	24,016
Total Deferred Inflows of Resources	975,221	215,828	1,191,049
NET POSITION			
Net Investment in Capital Assets	8,064,159	8,197,166	16,261,325
Restricted for:			
Water Utility Debt Retirement	98,719	-	98,719
Sewer Utility Plant Replacement	-	2,067,276	2,067,276
Unrestricted	2,328,733	1,162,088	3,490,821
Total Net Position	$ 10,491,611	$ 11,426,530	$ 21,918,141

See accompanying Notes to Basic Financial Statements.

CITY OF MERRILL, WISCONSIN
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2023

	Water Utility	Sewer Utility	Total
OPERATING REVENUES			
Charges for Services	$ 1,821,997	$ 1,613,983	$ 3,435,980
Other	152,159	284,476	436,635
Total Operating Revenues	1,974,156	1,898,459	3,872,615
OPERATING EXPENSES			
Operation and Maintenance	975,969	1,160,340	2,136,309
Depreciation	551,147	460,801	1,011,948
Taxes	23,456	46,548	70,004
Total Operating Expenses	1,550,572	1,667,689	3,218,261
OPERATING INCOME	423,584	230,770	654,354
NONOPERATING REVENUES (EXPENSES)			
Interest Income	21,487	95,653	117,140
Interest and Fiscal Charges	(34,535)	(9,821)	(44,356)
Other Nonoperating Revenues (Expenses)	4,999	1,651	6,650
Total Nonoperating Revenues (Expenses)	(8,049)	87,483	79,434
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	415,535	318,253	733,788
Capital Contributions	341,445	257,021	598,466
Transfers Out	(309,325)	-	(309,325)
CHANGE IN NET POSITION	447,655	575,274	1,022,929
Net Position - Beginning of Year	10,043,956	10,851,256	20,895,212
NET POSITION - END OF YEAR	$ 10,491,611	$ 11,426,530	$ 21,918,141

See accompanying Notes to Basic Financial Statements.

CITY OF MERRILL, WISCONSIN
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2023

	Water Utility	Sewer Utility	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers	$ 1,867,088	$ 1,854,906	$ 3,721,994
Cash Received from Lessees	118,695	-	118,695
Cash Paid for Employee Wages and Benefits	(400,459)	(335,684)	(736,143)
Cash Paid to Suppliers	(538,533)	(839,116)	(1,377,649)
Net Cash Provided by Operating Activities	1,046,791	680,106	1,726,897
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfer Out	(309,325)	-	(309,325)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of Capital Assets	(94,848)	(251,079)	(345,927)
Principal Paid on Long-Term Debt	(122,860)	(24,550)	(147,410)
Interest Paid on Long-Term Debt	(36,180)	(10,565)	(46,745)
Net Cash Used by Capital and Related Financing Activities	(253,888)	(286,194)	(540,082)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received	21,487	95,653	117,140
CHANGE IN CASH AND CASH EQUIVALENTS	505,065	489,565	994,630
Cash and Cash Equivalents - Beginning of Year	1,415,349	2,322,446	3,737,795
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 1,920,414	$ 2,812,011	$ 4,732,425

See accompanying Notes to Basic Financial Statements.

CITY OF MERRILL, WISCONSIN
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2023

	Water Utility	Sewer Utility	Total
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating Income	$ 423,584	$ 230,770	$ 654,354
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation	551,147	460,801	1,011,948
Depreciation Charged to Sewer Utility	28,753	(28,753)	-
Miscellaneous Nonoperating Revenue	4,999	1,651	6,650
Change in Liability (Asset) and Deferred Outflows and Inflows of Resources:			
Change in WRS Asset/Liability	323,374	244,047	567,421
Change in WRS Deferred Outflow	(119,909)	(72,332)	(192,241)
Change in WRS Deferred Inflow	(172,573)	(144,527)	(317,100)
Change in OPEB Liability	(8,751)	(10,319)	(19,070)
Change in OPEB Deferred Outflow	1,964	2,136	4,100
Change in OPEB Deferred Inflow	7,785	10,831	18,616
Change in Operating Assets and Liabilities:			
Accounts Receivables	6,675	(24,721)	(18,046)
Other Receivables	(47)	(20,483)	(20,530)
Inventories and Prepaid Items	(6,606)	963	(5,643)
Accounts Payable	4,695	4,714	9,409
Accrued Liabilities	(162)	6,277	6,115
Compensated Absences	1,863	19,051	20,914
Net Cash Provided by Operating Activities	$ 1,046,791	$ 680,106	$ 1,726,897
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION			
Cash and Cash Equivalents in Current Assets	$ 1,819,045	$ 744,735	$ 2,563,780
Cash and Cash Equivalents in Restricted Assets	101,369	2,067,276	2,168,645
Total Cash and Cash Equivalents	$ 1,920,414	$ 2,812,011	$ 4,732,425
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital Assets Financed by Municipality or Developers	$ 341,445	$ 257,021	$ 598,466
Capital Assets Purchased on Account	$ 11,150	$ -	$ 11,150

See accompanying Notes to Basic Financial Statements.

CITY OF MERRILL, WISCONSIN
STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUND
DECEMBER 31, 2023

	Tax Collection Custodial Fund
ASSETS	
Cash and Investments	$ 1,881,387
Taxes Receivable	4,135,355
Total Assets	6,016,742
DEFERRED INFLOWS OF RESOURCES	
Property Taxes Levied for Subsequent Year	6,016,742
FIDUCIARY NET POSITION	
Restricted for Other Governments	$ -

See accompanying Notes to Basic Financial Statements.

CITY OF MERRILL, WISCONSIN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – FIDUCIARY FUND
YEAR ENDED DECEMBER 31, 2023

	Tax Collection Custodial Fund
ADDITIONS	
Property Tax Collections	$ 5,168,638
DEDUCTIONS	
Payments to Taxing Jurisdictions	5,168,638
CHANGE IN NET POSITION	-
Fiduciary Net Position - Beginning of Year	-
FIDUCIARY NET POSITION - END OF YEAR	$ -

See accompanying Notes to Basic Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City of Merrill, Wisconsin (the City), have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the City are described below:

A. Reporting Entity

The City is a municipal corporation governed by an elected nine member council. In accordance with GAAP, the basic financial statements are required to include the City and any separate component units that have a significant operational or financial relationship with the City. The City has not identified any component units that are required to be included in the basic financial statements.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which are primarily supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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. Governmental funds include general, special revenue, debt service and capital projects funds. Proprietary funds include enterprise funds. The City has no internal service funds. 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
This is the City's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Community Development Block Grant Fund

To account for all transactions relating to the operation of the City's revolving loan program. Significant revenues are loan repayments.

Debt Service Fund

This fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of government funds.

The City reports the following major enterprise funds:

Water Utility Fund

This fund accounts for the operations of the City's water utility.

Sewer Utility Fund

This fund accounts for the operations of the City's sewer utility.

The City also reports the following fiduciary fund:

Custodial Fund

The custodial fund is used to report fiduciary activities that are not required to be reported in pension or OPEB trust funds, investment trust funds, or private purpose trust funds.

C. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter 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 generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

Revenues susceptible to accrual include intergovernmental grants, intergovernmental charges for services, public charges for services and interest. Other revenues such as licenses and permits, fines and forfeits and miscellaneous revenues are recognized when received in cash or when measurable and available.

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

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, and fees and fines, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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 City's proprietary funds are charges to customers for services. Operating expenses for proprietary funds include the costs of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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.

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance

1. Cash and Investments

Cash and investments are combined in the financial statements. Cash deposits consist of demand and time deposits with financial institutions and are carried at cost. Investments are stated at fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. For purposes of the statement of cash flows, all cash deposits and highly liquid investments (including restricted assets) with a maturity of three months or less from date of acquisition are considered to be cash equivalents.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

2. Property Taxes and Special Charges Receivable

Property taxes and special charges consist of taxes on real estate and personal property and user charges assessed against City properties. They are levied during December of the prior year and become an enforceable lien on property the following January 1. Property taxes are payable in various options depending on the type and amount. Personal property taxes and special charges are payable on or before January 31 in full. Real estate taxes are payable in full by January 31 or in six equal installments from January through June. Real estate taxes not paid by June 30 are purchased by the County as part of the August tax settlement. Delinquent personal property taxes remain the collection responsibility of the City. Special charges not paid by January 31 are held in trust by the County and remitted to the City, including interest, when collected by the County.

In addition to its levy, the City also levies and collects taxes for the Merrill School District, Lincoln County, and North Central Technical College.

3. Accounts Receivable

Governmental Activities accounts receivable have been shown net of allowance for uncollectible accounts of $370,879.

4. Loans Receivable

The City has received federal and state grant funds for economic development and housing rehabilitation loan programs and has passed the funds to various businesses and individuals in the form of loans. The City records a loan receivable and expenditure when the loan has been made and the funds disbursed. No allowance for uncollectible accounts has been provided since it is believed that the amount of such allowance would not be material to the basic financial statements. In the governmental funds, the City records a deferred inflow of resources for the net amount of the receivable. As the loans are repaid, revenue is recognized. Any unspent loan proceeds are presented as restricted fund balance in the fund financial statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

5. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” and “due to other funds” in the fund financial statements. Noncurrent portions of the interfund receivables for the governmental funds are reported as “advances to other funds” and are offset by nonspendable fund balance since they do not constitute expendable available financial resources and therefore are not available for appropriation.

The amount reported on the statement of net position for internal balances represents the residual balance outstanding between the governmental and business-type activities.

6. Inventories

Inventories are recorded at cost, which approximates market, using the first-in, first-out method. Inventories consist of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are consumed rather than when purchased.

Inventories of governmental funds in the fund financial statements are classified as nonspendable fund balance to indicate that they do not represent spendable available financial resources.

7. Prepaid Items

Payments made to vendors that will benefit periods beyond the end of the current fiscal year are recorded as prepaid items and are expensed in the periods benefited.

Prepaid items of governmental funds in the fund financial statements are classified as nonspendable fund balance to indicate that they do not represent spendable available financial resources.

8. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of $5,000 or higher and an estimated useful life in excess of a year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

8. Capital Assets (Continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the City are depreciated using the straight-line method over the following estimated useful lives:

Assets	Governmental Activities	Business-Type Activities
	Years	
Land Improvements	20 to 40	-
Buildings and Improvements	25 to 50	25 to 50
Machinery and Equipment	3 to 20	3 to 20
Infrastructure	30 to 50	25 to 100

9. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick leave benefits in accordance with employee handbook policies and/or bargaining unit agreements. All vacation and sick leave is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds in the fund financial statements only if they have matured, for example, as a result of employee resignations and retirements.

10. Deferred Outflows/Inflows of Resources

Deferred outflows of resources are a consumption of net assets by the government that is applicable to a future reporting period. Deferred inflows of resources are an acquisition of net assets by the government that is applicable to a future reporting period. The recognition of those outflows and inflows as expenses or expenditures and revenues are deferred until the future periods to which the outflows and inflows are applicable.

Governmental funds may report deferred inflows of resources for unavailable revenues. The City reports unavailable revenues for special assessments, grants, municipal court fines receivable, and loan receivables. These inflows are recognized as revenues in the government-wide financial statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

11. Long-Term Obligations

In the government-wide financial statements, and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

12. Pensions

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

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

Information about the fiduciary net position of the WRS and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

13. Other Postemployment Benefits Other Than Pensions (OPEB)

The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring following:

- Net OPEB Liability,
- Deferred Outflows of Resources and Deferred Inflows of Resources Related to Other Post-Employment 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.

14. Fund Equity

Governmental Fund Financial Statements

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- **Nonspendable fund balance**. Amounts that are not in spendable form (such as inventory, prepaid items, or long-term receivables) or are legally or contractually required to remain intact.

- **Restricted fund balance**. Amounts that are constrained for specific purposes by external parties (such as grantor or bondholders), through constitutional provisions, or by enabling legislation.

- **Committed fund balance**. Amounts that are constrained for specific purposes by action of the City Council. These constraints can only be removed or changed by the City Council using the same action that was used to create them.

- **Assigned fund balance**. Amounts that are constrained for specific purposes by action of City management. Residual amounts in any governmental fund, other than the General Fund, are also reported as assigned.

- **Unassigned fund balance**. Amounts that are available for any purpose. Positive unassigned amounts are only reported in the General Fund.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

14. Fund Equity (Continued)

The City has adopted a fund balance spend-down policy regarding the order in which fund balance will be utilized. Where applicable, the policy requires restricted funds to be spent first, followed by committed funds, and then assigned funds. Unassigned funds would be spent last.

Government-Wide and Proprietary Fund Statements

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

- **Net investment in capital assets**. Amount of capital assets, net of accumulated depreciation, and capital related deferred outflows of resources less outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets and any capital related deferred inflows of resources.

- **Restricted net position**. Amount of net position that is subject to restrictions that are imposed 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.

- **Unrestricted net position**. Net position that is neither classified as restricted nor as net investment in capital assets.

E. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

NOTE 2 STEWARDSHIP AND COMPLIANCE

A. Budgets and Budgetary Accounting

The City follows these procedures in establishing the budgetary data reflected in the basic financial statements:

1. During October, City management submits to the City Council a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. After submission to the governing body, public hearings are held to obtain taxpayer comments. Following the public hearings, the proposed budget, including authorized additions and deletions, is legally enacted by City Council action.

2. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds. Budget is defined as the originally approved budget plus or minus approved amendments. Individual amendments throughout the year were not material in relation to the original budget. Budget appropriations not expended during the year are closed to fund balance unless authorized by the governing body to be forwarded into the succeeding year's budget.

3. During the year, formal budgetary integration is employed as a management control device for the governmental funds. Management control for the capital projects funds is also achieved through project authorizations included in debt issue resolutions.

4. Expenditures may not exceed appropriations at the fund level. Amendments to the budget during the year require initial approval by management and are subsequently authorized by the City Council.

5. Encumbrance accounting is not used by the City to record commitments related to unperformed contracts for goods or services.

The City did not have any material violation of legal or contractual provisions for the fiscal year ended December 31, 2023.

NOTE 2 STEWARDSHIP AND COMPLIANCE (CONTINUED)

B. Deficit Fund Equity

The following funds had deficit fund balance as of December 31, 2023:

Funds	Deficit Fund Balance
TIF No. 6	$ 475,961
TIF No. 7	105,225
TIF No. 8	1,149,360
TIF No. 9	317,578
TIF No. 10	828,249
TIF No. 11	672,531
TIF No. 13	13,431
TIF No. 14	137,499

The City anticipates future tax increments will finance the deficits of the funds.

C. Property Tax Levy Limit

Wisconsin state statutes provide for a limit on the property tax levies for all Wisconsin cities, towns and counties. For the 2023 and 2024 budget years, Wisconsin Statutes limit the increase in the maximum allowable tax levy to the change in the City's January 1 equalized value as a result of net new construction. The actual limit for the City for the 2023 budget was 1.491%. The actual limit for the City for the 2024 budget was 1.882%. Debt service for debt authorized after July 1, 2005 is exempt from the levy limit. In addition, Wisconsin statutes allow the limit to be adjusted for the increase in debt service authorized prior to July 1, 2005 and in certain other situations.

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

The City maintains various cash and investment accounts, including pooled funds that are available for use by all funds. Each fund's portion of these accounts is displayed on the financial statements as Cash and Investments.

Invested cash consists of deposits and investments that are restricted by Wisconsin Statutes to the following:

> Time deposits; repurchase agreements; securities issued by federal, state, and local governmental entities; statutorily authorized commercial paper and corporate securities; and the Wisconsin local government investment pool.

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

The carrying amount of the City's cash and investments totaled $9,917,397 on December 31, 2023 as summarized below:

Petty Cash and Cash on Hand	$	8,400
Deposits with Financial Institutions		9,476,437
Investments:		432,560
Total	$	9,917,397

Reconciliation to the basic financial statements:

Government-Wide Statement of Net Position:		
Cash and Investments	$	5,867,365
Restricted Cash and Investments		2,168,645
Fiduciary Fund Statement of Net Position:		
Cash and Investments		1,881,387
Total	$	9,917,397

Fair Value Measurements

The City follows an accounting standard that defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and requires expanded disclosures about fair value measurements. In accordance with this standard, the City has categorized its investments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Financial assets and liabilities recorded on the combined statements of financial position are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Financial assets and liabilities are valued using inputs that are unadjusted quoted prices in active markets accessible at the measurement date of identical financial assets and liabilities.

Level 2 – Financial assets and liabilities are valued based on quoted prices for similar assets, or inputs that are observable, either directly or indirectly for substantially the full term through corroboration with observable market data.

Level 3 – Financial assets and liabilities are valued using pricing inputs which are unobservable for the asset, inputs that reflect the reporting entity's own assumptions.

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

The City has the following fair value measurements as of December 31, 2023:

	Fair Value Measurements Using		
	Level 1	Level 2	Level 3
Investments:			
Mutual Bond Funds	$ -	$ 91,054	$ -
Money Market Mutual Funds	15,312	-	-
Negotiable Certificates of Deposit	-	224,825	-
Total	$ 15,312	$ 315,879	$ -

Deposits and investments of the City are subject to various risks. Presented below is a discussion of the City's deposits and investments and the related risks.

Custodial Credit Risk

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

Wisconsin statutes require repurchase agreements to be fully collateralized by bonds or securities issued or guaranteed by the federal government or its instrumentalities. The City does not have an additional custodial credit policy.

Deposits with financial institutions within the state of Wisconsin are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of $250,000 for the combined amount of all time and savings deposits and $250,000 for interest-bearing and noninterest-bearing demand deposits per official custodian per insured depository institution. Deposits with financial institutions located outside the state of Wisconsin are insured by the FDIC in the amount of $250,000 for the combined amount of all deposit accounts per official custodian per depository institution. Deposits with credit unions are insured by the National Credit Union Share Insurance Fund (NCUSIF) in the amount of $250,000 per credit union member. Also, the state of Wisconsin has a State Guarantee Fund which provides a maximum of $400,000 per public depository above the amount provided by an agency of the U.S. government. However, due to the relatively small size of the State Guarantee Fund in relation to the Fund's total coverage, total recovery of insured losses may not be available. This coverage has been considered in determining custodial credit risk.

As of December 31, 2023, $44,267 of the City's deposits with financial institutions were in excess of federal and state depository insurance limits. All deposits in excess of federal and state depository insurance limits were collateralized with securities held by the pledging financial institution's trust department or agent but not in the institution's name.

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Wisconsin statutes limit investment in securities to the top two ratings assigned by nationally recognized statistical rating organizations. Presented below is the actual rating as of the year-end for each investment type.

Investment Type	Amount	Exempt from Disclosure	A	B+	BB	Not Rated
Mutual Bond Funds	$ 91,054	$ -	$ -	$ 66,377	$ -	$ 24,677
Money Market Mutual Funds	15,312	-	-	-	-	15,312
Wisconsin Local Government Investment Pool	101,369	-	-	-	-	101,369
Negotiable Certificates of Deposit	224,825	-	-	-	-	224,825
Totals	$ 432,560	$ -	$ -	$ 66,377	$ -	$ 366,183

Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer.

At December 31, 2023, the City had no investments in any one issuer (other than mutual funds, and external investment pools) that represent 5% or more of total City investments.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Information about the sensitivity of the fair values of the City's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

		Remaining Maturity (in Months)			
Investment Type	Amount	12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
Mutual Bond Funds	$ 91,054	$ -	$ -	$ 66,377	$ 24,677
Money Market Mutual Fund	15,312	15,312	-	-	-
Wisconsin Local Government Investment Pool	101,369	101,369	-	-	-
Negotiable Certificates of Deposit	224,825	224,825	-	-	-
Totals	$ 432,560	$ 341,506	$ -	$ 66,377	$ 24,677

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

Investment in Wisconsin Local Government Investment Pool

The City has investments in the Wisconsin local government investment pool of $101,369 at year-end. The Wisconsin local government investment pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the state of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2023, the fair value of the City's share of the LGIP's assets was substantially equal to the carrying value.

B. Restricted Assets

Restricted assets on December 31, 2023 totaled $2,168,645 and consisted of cash and investments held for the following purposes:

Funds	Amount	Purpose
Enterprise Funds:		
Water Utility:		
Debt Retirement	$ 101,369	To be used for retirement of revenue bonds.
Sewer Utility:		
Plant Replacement	2,067,276	To be used for the replacement of certain assets for the sewer utility.
Total	$ 2,168,645	

C. Leases Receivable

A summary of the City's lease terms and interest rates is as follows:

Governmental Activities:

Office Space lease. Monthly installments from $5,847 to $7,200 including interest at 4%, due dates through 2035.

Office Space and parking lot lease. Monthly installments of $506 including interest at 2.5%, due dates through 2026.

19 Hangar land leases. Annual installments ranging from $220 to $968 including interest at 4%, due dates through 2052.

Festival grounds land lease. Annual installments of $713 including interest at 4%, due dates through 2042.

Festival grounds land lease. Annual installments of $713 including interest at 4%, due dates through 2042.

Festival grounds land lease. Annual installments of $1,140 including interest at 4%, due dates through 2042.

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Leases Receivable (Continued)

Festival grounds land lease. Annual installments of $1,354 including interest at 4%, due dates through 2042.

Festival grounds land lease. Annual installments of $713 including interest at 4%, due dates through 2042.

Festival grounds land lease. Annual installments of $713 including interest at 4%, due dates through 2042.

Festival grounds land lease. Annual installments of $618 including interest at 6.25%, due dates through 2048.

Business-type Activities:

Tower/ground lease. Monthly installments of $2,274 including interest at 2.5%, due dates through 2025.

Tower/ground lease. Monthly installments ranging from $3,100 to $3,567 including interest at 3%, due dates through 2030.

Tower/ground lease. Monthly installments ranging from $2,400 to $2,800 including interest at 3%, due dates through 2030.

Tower/ground lease. Monthly installments ranging from $2,118 to $2,329 including interest at 3%, due dates through 2032.

For the year ended December 31, 2023, the City received $151,858 in lease revenue and $57,553 in interest on the leases receivable.

Total future principal and interest payments to be received under lease agreements are as follows:

	Governmental Activities		Business-Type Activities		
Year Ended December 31,	Principal	Interest	Principal	Interest	Total
2024	$ 57,380	$ 34,286	$ 99,813	$ 18,881	$ 210,360
2025	60,922	32,005	90,849	16,070	199,846
2026	63,106	29,588	85,863	13,548	192,105
2027	62,319	27,132	91,356	10,878	191,685
2028	66,221	24,560	96,287	8,064	195,132
2029-2033	392,527	78,561	222,786	8,893	702,767
2034-2038	159,880	13,739	-	-	173,619
2039-2043	26,584	3,387	-	-	29,971
2044-2048	6,759	722	-	-	7,481
2049-2052	473	2	-	-	475
Total	$ 896,171	$ 243,982	$ 686,954	$ 76,334	$ 1,903,441

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Nondepreciable:				
Land	$ 3,947,943	$ 408	$ 108,850	$ 3,839,501
Construction in Progress	258,479	89,858	240,801	107,536
Total Capital Assets, Nondepreciable	4,206,422	90,266	349,651	3,947,037
Capital Assets, Depreciable:				
Land Improvements	9,347,163	224,108	22,894	9,548,377
Buildings and Improvements	20,160,561	47,954	-	20,208,515
Machinery and Equipment	13,736,454	291,152	139,305	13,888,301
Infrastructure	19,765,743	2,097,657	-	21,863,400
Subtotals	63,009,921	2,660,871	162,199	65,508,593
Less Accumulated Depreciation for:				
Land Improvements	4,900,622	458,265	22,894	5,335,993
Buildings and Improvements	7,410,454	443,925	-	7,854,379
Machinery and Equipment	5,205,417	703,911	118,510	5,790,818
Infrastructure	3,876,354	636,790	-	4,513,144
Subtotals	21,392,847	2,242,891	141,404	23,494,334
Total Capital Assets, Depreciable, Net	41,617,074	417,980	20,795	42,014,259
Governmental Activities Capital Assets, Net	$ 45,823,496	$ 508,246	$ 370,446	45,961,296
Less: Capital Related Debt				23,177,525
Less: Capital-Related Accounts Payable, Including Retainage				188,067
Less: Debt Premium				446,264
Net Investment in Capital Assets				$ 22,149,440

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Capital Assets (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital Assets, Nondepreciable:				
Land	$ 87,348	$ -	$ -	$ 87,348
Construction in Progress	210,591	47,142	210,591	47,142
Total Capital Assets, Nondepreciable	297,939	47,142	210,591	134,490
Capital Assets, Depreciable:				
Water Utility	18,017,129	550,874	39,001	18,529,002
Sewer Utility	17,023,583	568,118	51,400	17,540,301
Subtotals	35,040,712	1,118,992	90,401	36,069,303
Less Accumulated Depreciation for:				
Water Utility	8,363,553	579,900	39,001	8,904,452
Sewer Utility	8,673,507	432,048	51,400	9,054,155
Subtotals	17,037,060	1,011,948	90,401	17,958,607
Total Capital Assets, Depreciable, Net	18,003,652	107,044	-	18,110,696
Business-Type Activities Capital Assets, Net	$ 18,301,591	$ 154,186	$ 210,591	18,245,186
Less: Capital Related Debt				1,944,546
Less: Debt Premium				28,165
Less: Capital-Related Accounts Payable, Including Retainage				11,150
Net Investment in Capital Assets				$ 16,261,325

An additional $914,688 of governmental activities debt relates to business-type activities capital assets. This amount reduces total net investment in capital assets for the City to $34,496,077.

Depreciation expense was charged to functions of the City as follows:

Governmental Activities:	
General Government	$ 82,909
Public Safety	299,586
Public Works	1,199,109
Health and Human Services	5,255
Culture and Recreation	625,785
Conservation and Development	30,247
Total Governmental Activities	$ 2,242,891
Business-Type Activities:	
Water Utility	$ 551,147
Sewer Utility	460,801
Total Business-Type Activities	$ 1,011,948

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Interfund Receivable, Payables, and Transfers

Interfund receivables and payables between individual funds of the City, as reported in the fund financial statements, as of December 31, 2023 are detailed below:

	Interfund Receivables	Interfund Payables
Temporary Cash Advances to Finance Operating Cash Deficits:		
Governmental Funds:		
General	$ 3,105,115	$ -
TIF No. 6	-	421,753
TIF No. 8	-	1,026,037
TIF No. 9	-	313,226
TIF No. 10	-	752,610
TIF No. 11	-	445,656
TIF No. 13	-	13,276
TIF No. 14	-	132,557
Proprietary Funds:		
Water Utility	-	174
Sewer Utility	174	-
Subtotal	3,105,289	3,105,289
Long-Term Advances:		
General	99,896	188,615
Remedial Action	188,615	-
TIF No. 11	-	99,896
Subtotal	288,511	288,511
Total	$ 3,393,800	$ 3,393,800

The advance to the general fund for the retirement of the unfunded pension liability will be repaid at $26,945 per year through 2030. The advance does not bear interest. The advance to TIF No. 11 does not have an established repayment schedule.

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Interfund Receivable, Payables, and Transfers (Continued)

Interfund transfers for the year ended December 31, 2023 were as follows:

Fund	Transfer In	Transfer Out
General	$ 309,325	$ 6,525
Debt Service	1,344,342	-
Library	41,747	-
Library Trust	-	41,747
TIF No. 3	-	1,007,982
TIF No. 4	-	191,636
TIF No. 5	-	2,317
TIF No. 6	-	32,361
TIF No. 7	-	49,704
TIF No. 8	215,000	201,732
TIF No. 9	95,000	22,450
TIF No. 10	-	14,125
TIF No. 11	-	117,735
TIF No. 12	-	7,775
Water Utility	-	309,325
Total	$ 2,005,414	$ 2,005,414

Governmental Fund Transfers In	$ 2,005,414
Less: Fund Eliminations	(1,696,089)
Less: Contributions from TIF Nos. 8, 10, and 11 to Finance Water and Sewer Capital Assets	(598,466)
Total Transfers - Government-Wide Statement of Activities	$ (289,141)

Interfund transfers were made for the following purposes:

Tax Equivalent Payment made by Water Utility to General Fund	$ 309,325
Tax Incremental District Transfers for Debt Retirement Related to the Districts	1,337,817
Donor TIF Transfers	310,000
Library Expenditures	41,747
General Fund Transfers for Debt Retirement	6,525
Total	$ 2,005,414

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Long-Term Obligations

The following is a summary of changes in long-term obligations of the City for the year ended December 31, 2023:

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
Governmental Activities:					
General Obligation Debt:					
Bonds	$ 14,331,800	$ -	$ 1,000,450	$ 13,331,350	$ 990,125
Notes	3,525,000	-	640,000	2,885,000	630,000
State Trust Fund Loans	552,000	-	-	552,000	44,130
Total General Obligation Debt	18,408,800	-	1,640,450	16,768,350	1,664,255
Tax Increment Revenue Bonds	4,599,000	-	757,000	3,842,000	819,000
Note Anticipation Notes	3,004,000	-	-	3,004,000	3,004,000
Bond Anticipation Notes	565,000	-	-	565,000	-
Premium on Bond Issuance	498,757	-	52,493	446,264	-
Compensated Absences	721,495	122,857	-	844,352	-
Governmental Activities Long-Term Obligations	$ 27,797,052	$ 122,857	$ 2,449,943	$ 25,469,966	$ 5,487,255

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
Business-Type Activities:					
General Obligation Debt:					
Bonds	$ 1,133,200	$ -	$ 59,550	$ 1,073,650	$ 59,875
Direct Borrowings:					
Revenue Bonds	958,756	-	87,860	870,896	89,552
Debt Premium	29,854	-	1,689	28,165	-
Compensated Absences	69,274	20,914	-	90,188	-
Business-Type Activities Long-Term Obligations	$ 2,191,084	$ 20,914	$ 149,099	$ 2,062,899	$ 149,427

Total interest paid during the year on long-term debt totaled $764,029.

For governmental activities, the other long-term liabilities are generally funded by the general fund.

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Long-Term Obligations (Continued)

General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/23
General Obligation Bonds:					
Series 2013A	09/04/13	05/01/33	2.25 - 4.2%	$ 4,290,000	$ 2,455,000
Series 2016B	10/11/16	10/01/36	2.0 - 2.5%	4,095,000	2,485,000
Series 2017C	10/26/17	10/01/37	2.0 - 3.375%	3,210,000	2,220,000
Series 2018B	09/27/18	04/01/38	2.0 - 3.7%	1,575,000	1,265,000
Series 2019A	11/05/19	10/01/39	2.25 - 3.0%	1,945,000	1,670,000
Series 2020C	11/17/20	05/01/40	2.0 - 4.0%	3,430,000	2,705,000
Series 2021A	10/05/21	10/01/41	2.0-3.0%	1,680,000	1,605,000
General Obligation Notes:					
Series 2016A	10/11/16	10/01/26	0.8 - 2.2%	2,095,000	915,000
Series 2017D	10/26/17	10/01/27	1.25 - 2.15%	860,000	390,000
Series 2018A	09/27/18	04/01/28	1.9 - 2.95%	1,310,000	695,000
Series 2021B	10/05/21	10/01/31	2.0-3.0%	1,130,000	885,000
Direct Borrowing:					
State Trust Fund Loan	12/27/22	03/15/32	5.25%	552,000	552,000
Total Outstanding General Obligation Debt					$ 17,842,000

Annual principal and interest maturities of the outstanding general obligation debt of $17,842,000 on December 31, 2023 are detailed below:

	Governmental Activities					
	Bonds and Notes		Direct Borrowings		Totals	
Year Ended December 31,	Principal	Interest	Principal	Interest	Principal	Interest
2024	$ 1,620,125	$ 441,733	$ 44,130	$ 35,252	$ 1,664,255	$ 476,985
2025	1,620,450	403,421	52,719	26,663	1,673,169	430,084
2026	1,635,775	362,958	55,487	23,895	1,691,262	386,853
2027	1,235,000	318,473	58,400	20,982	1,293,400	339,455
2028	1,105,000	278,885	61,416	17,966	1,166,416	296,851
2029-2033	5,020,000	950,525	279,848	37,679	5,299,848	988,204
2034-2038	3,385,000	315,708	-	-	3,385,000	315,708
2039-2041	595,000	18,938	-	-	595,000	18,938
Total	$ 16,216,350	$ 3,090,641	$ 552,000	$ 162,437	$ 16,768,350	$ 3,253,078

	Business-Type Activities	
	Bonds and Notes	
Year Ended December 31,	Principal	Interest
2024	$ 59,875	$ 27,192
2025	59,550	25,244
2026	59,225	23,304
2027	55,000	21,369
2028	55,000	19,469
2029-2033	310,000	76,088
2034-2038	345,000	39,738
2039-2041	130,000	3,956
Total	$ 1,073,650	$ 236,360

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Long-Term Obligations (Continued)

Legal Margin for New Debt

The City's legal margin for creation of additional general obligation debt on December 31, 2023 was $14,902,630 as follows:

Equalized Valuation of the City	$ 654,892,600
Statutory Limitation Percentage	(x) 5%
General Obligation Debt Limitation, per Section 67.03 of the Wisconsin Statutes	32,744,630
Total Outstanding General Obligation Debt Applicable to Debt Limitation	17,842,000
Legal Margin for New Debt	$ 14,902,630

Bond and Note Anticipation Notes

Bond and note anticipation notes outstanding on December 31, 2023 was comprised of the following issues:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/23
Taxable Bond Anticipation Notes:					
Series 2021D	09/30/21	09/01/26	2.50%	$ 565,000	$ 565,000
Taxable Note Anticipation Notes:					
Series 2022A	11/30/22	11/01/24	4.75%	3,004,000	3,004,000
Total					$ 3,569,000

Annual principal and interest maturities of the outstanding bond and note anticipation note debt of $3,569,000 on December 31, 2023 are detailed below:

	Governmental Activities		
Year Ended December 31,	Principal	Interest	Total
2024	$ 3,004,000	$ 156,815	$ 3,160,815
2025	-	14,125	14,125
2026	565,000	14,125	579,125
Total	$ 3,569,000	$ 185,065	$ 3,754,065

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Long-Term Obligations (Continued)

Tax Increment Revenue Bonds

Tax increment revenue bonds are limited obligations of the City, payable from tax increments or other appropriated funds and shall not constitute an indebtedness of the City nor a charge against its general credit or taxing power. Tax increment revenue bonds outstanding on December 31, 2023 totaled $3,842,000 and were comprised of the following issues:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/23
Tax Increment Revenue Bonds:					
Series 2017B (TID No. 4)	10/10/17	10/01/28	3.06%	$ 579,000	$ 287,000
Series 2020D (TID No. 3)	11/30/20	10/01/26	2.00%	4,420,000	2,420,000
Series 2021C (TID No. 11)	09/30/21	10/01/38	1.60 - 3.75%	1,195,000	1,135,000
Total					$ 3,842,000

Annual principal and interest maturities of the outstanding tax increment revenue bonds of $3,842,000 on December 31, 2023 are detailed below:

	Governmental Activities							
Year Ended	TID No. 3		TID No. 4		TID No. 11		Total	
December 31,	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	$ 690,000	$ 48,400	$ 54,000	$ 8,782	$ 75,000	$ 18,160	$ 819,000	$ 75,342
2025	700,000	34,600	56,000	7,130	75,000	16,960	831,000	58,690
2026	1,030,000	20,600	57,000	5,416	75,000	15,760	1,162,000	41,776
2027	-	-	59,000	3,672	75,000	14,560	134,000	18,232
2028	-	-	61,000	1,867	75,000	79,763	136,000	81,630
2029-2033	-	-	-	-	360,000	60,750	360,000	60,750
2034-2038	-	-	-	-	400,000	3,188	400,000	3,188
Total	$ 2,420,000	$ 103,600	$ 287,000	$ 26,867	$ 1,135,000	$ 209,141	$ 3,842,000	$ 339,608

Tax Incremental Revenue Pledged

The City has pledged future tax increments within TIF No. 3, TIF No. 4 and TIF No. 11 to pay for the debt service on the tax increment bonds.

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Long-Term Obligations (Continued)

Water System Revenue Bonds

Revenue bonds outstanding on December 31, 2023 totaled $870,896 and were comprised of the following issue:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/23
Direct Borrowings:					
Safe Water Drinking Bond	10/10/17	10/01/26	2.92%	$ 1,745,386	$ 870,896

The City's outstanding bonds from direct borrowings of $870,896 contain the following provisions in the event of a default: 1) Wisconsin Department of Administration can deduct amounts due from any state payments due to the City or add the amounts due as a special charge to the property taxes apportioned; 2) may appoint a receiver for the Program's benefit; 3) may declare the principal amount immediately due and payable; 4) may enforce any right or obligation under the financing agreement including the right to seek specific performance or mandamus; and 5) may increase the interest rate set forth in the financing agreement to the market interest rate.

Annual principal and interest maturities of the outstanding water system revenue bonds of $870,896 on December 31, 2023 are detailed below:

	Business-Type Activities		
Year Ended December 31,	Principal	Interest	Total
2024	$ 89,552	$ 15,903	$ 105,455
2025	91,276	14,162	105,438
2026	93,033	12,388	105,421
2027	94,824	10,580	105,404
2028	96,649	8,737	105,386
2029-2032	405,562	15,800	421,362
Total	$ 870,896	$ 77,570	$ 948,466

Utility Revenues Pledged

The City has pledged future water customer revenues, net of specified operating expenses, to repay the water system revenue bonds. Proceeds from the bonds provided financing for the construction or acquisition of capital assets used with the systems. The bonds are payable solely from water customer net revenues and are payable through 2032. The total principal and interest remaining to be paid on the bonds is $948,466. Principal and interest paid for the current year and total customer net revenues were $105,471 and $996,218 respectively.

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Pension Plan

1. 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 1200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issues a standalone Annual Comprehensive Financial Report, which can be found at http://etf.wi.gov/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.

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.

Employees who retire at or after age 65 (54 for protective occupations and 62 for elected officials and executive service retirement plan participants, if hired on or before December 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 earnings periods. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Pension Plan (Continued)

1. Plan Description (Continued)

The WRS also provides death and disability benefits for employees.

2. Postretirement Adjustments

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

Year	Core Fund Adjustment (%)	Variable Fund Adjustment (%)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	0.5	(5)
2017	2.0	4
2018	2.4	17
2019	0	(10)
2020	1.7	21
2021	5.1	13
2022	7.4	15

3. 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 year ended December 31, 2023, the WRS recognized $871,648 in contributions from the City.

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Pension Plan (Continued)

3. Contributions (Continued)

Contribution rates, per WRS Employer Rates website, for the reporting period are:

Employee Category	Employee	Employer
General (Including Teachers, Executives, and Elected Officials)	6.80 %	6.80 %
Protective with Social Security	6.80	13.20
Protective without Social Security	6.80	18.10

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

At December 31, 2023, the City reported a liability of $3,568,342 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021 rolled forward to December 31, 2022. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2022, the City's proportion was 0.06735642%, which was an increase of 0.00099218% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the City recognized pension expense of $1,812,795.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 5,683,265	$ 7,466,536
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	6,061,793	-
Changes in Assumptions	701,684	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	4,851	18,313
Employer Contributions Subsequent to the Measurement Date	871,648	-
Total	$ 13,323,241	$ 7,484,849

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Pension Plan (Continued)

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

The $871,648 reported as deferred outflows related to pension resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31,	Expenses
2024	$ 204,115
2025	1,026,798
2026	1,052,497
2027	2,683,334
Total	$ 4,966,744

5. Actuarial Assumptions

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

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

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

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Pension Plan (Continued)

5. Actuarial Assumptions (Continued)

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:

	Current Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Core Fund Asset Class:			
Public Equity	48.0 %	7.6 %	5.0 %
Public Fixed Income	25.0	5.3	2.7
Inflation Sensitive	19.0	3.6	1.1
Real Estate	8.0	5.2	2.6
Private Equity/Debt	15.0	9.6	6.9
Cash	(15.0)	N/A	N/A
Total Core Fund	100.0 %	7.4	4.8
Variable Fund Asset Class:			
U.S. Equities	70.0 %	7.2	4.6
International Equities	30.0	8.1	5.5
Total Variable Fund	100.0 %	7.7	5.1

New England Pension Consultants Long-Term U.S. CPI (Inflation) Forecast: 2.50%

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

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Pension Plan (Continued)

5. Actuarial Assumptions (Continued)

Single Discount Rate. A single discount rate of 6.80% was used to measure the total pension liability for the current and prior year. This single discount rate is based on the expected rate of return on pension plan investments of 6.80% and a municipal bond rate of 4.05% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2022. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 6.80% 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 members 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.

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 one-percentage-point lower (5.80%) or one-percentage-point higher (7.80%) than the current rate:

	One Percent Decrease to Discount Rate (5.80%)	Current Discount Rate (6.80%)	One Percent Increase to Discount Rate (7.80%)
City's Proportionate Share of the Net Pension Liability (Asset)	$ 11,843,216	$ 3,568,342	$ (2,124,059)

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.

6. Payables to the Pension Plan

The City reported a payable of $20,978 for the outstanding amount of contributions to the pension plan for the year ended December 31, 2023.

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Other Postemployment Benefits

Local Retiree Life Insurance Fund

Plan Description

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

OPEB Plan Fiduciary Net Position

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

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

Benefits Provided

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

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

Contribution rates as of December 31, 2023 are:

Coverage Type	Employer Contribution
50% Postretirement Coverage	40% of Member Contribution
25% Postretirement Coverage	20% of Member Contribution

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Other Postemployment Benefits (Continued)

Local Retiree Life Insurance Fund (Continued)

Contributions (Continued)

Member contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating members must pay monthly contribution rates per $1,000 of coverage until the age of 65 (age 70 if active). The member contribution rates in effect for the year ended December 31, 2022 are listed below:

Life Insurance
Member Contribution Rates*
For the Year Ended December 31, 2022

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 year ended December 31, 2023, the LRLIF recognized $2,795 in contributions from the employer.

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

At December 31, 2023, the City reported a liability of $519,028 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2022 rolled forward to December 31, 2022. No material changes in assumptions or benefits terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net OPEB liability was based on the City's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2022, the City's proportion was 0.13623400%, which was a decrease of 0.00373700% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the City recognized OPEB expense of $51,166.

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Other Postemployment Benefits (Continued)

Local Retiree Life Insurance Fund (Continued)

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ -	$ 50,795
Net Differences Between Projected and Actual Earnings on OPEB Plan Investments	9,740	-
Changes in Assumptions	186,476	306,369
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	11,578	17,269
Total	$ 207,794	$ 374,433

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31,	Expense
2024	$ (11,357)
2025	(15,148)
2026	(6,693)
2027	(31,311)
2028	(52,938)
Thereafter	(49,192)
Total	$ (166,639)

Actuarial assumptions. The total OPEB liability in the January 1, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Valuation Date:	January 1, 2022
Measurement Date of Net OPEB Liability (Asset):	December 31, 2022
Experience Study:	January 1, 2018- December 31, 2020, Published November 19, 2021
Actuarial Cost Method:	Entry age normal
20 Year Tax-Exempt Municipal Bond Yield*:	3.72%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	3.76%
Salary Increases:	
Wage Inflation	3.00%
Seniority/Merit	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table

* Based on the Bond Buyers GO Index

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Other Postemployment Benefits (Continued)

Local Retiree Life Insurance Fund (Continued)

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

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

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

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return %
U.S. Intermediate Credit Bonds	Bloomberg U.S. Interim Credit	50 %	2.45 %
U.S. Mortgages	Bloomberg U.S. MBS	50	2.83
Inflation			2.30
Long-Term Expected Rate of Return			4.25

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Other Postemployment Benefits (Continued)

Local Retiree Life Insurance Fund (Continued)

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

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

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

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

	One Percent Decrease to Discount Rate (2.76%)	Current Discount Rate (3.76%)	One Percent Increase to Discount Rate (4.76%)
City's Proportionate Share of the Net OPEB Liability	$ 707,640	$ 519,028	$ 374,479

Payable to the OPEB Plan

The City reported a payable of $-0- for the outstanding amount of contribution to the Plan required for the year ended December 31, 2023.

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

I. Deferred Compensation Plans

The City offers its employees two deferred compensation plans created in accordance with the Internal Revenue Code Section 457.

The Wisconsin Deferred Compensation Plan (the Plan), available to all employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Contributions to this Plan are entirely from employee voluntary contributions. Employees can elect to contribute to the Plan by selecting a specific percentage of their salary or selecting a dollar amount. Annual amounts to be contributed by the employee may not exceed IRS limits. The City makes no employer contributions to this Plan. Wisconsin Department of Employee Trust Funds is the administrator of the Wisconsin Deferred Compensation Plan. The deferred compensation Plan assets are placed in trust for the sole benefit of employees and beneficiaries participating in the Plan and, therefore, are not recorded on these financial statements.

The City of Merrill, WI 457 Plan, available to all City employees, permits employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Contributions to the plan are entirely from employee voluntary contributions. Employees can elect to contribute to the Plans by selecting a specific percentage of their salary or selecting a dollar amount. Annual amounts to be contributed by the employee may not exceed IRS limits. The County makes no employer contributions to the plan. The City utilizes Voya Financial as a third party administrator for the City of Merrill, WI 457 Plan. The deferred compensation plan assets are placed in trust for the sole benefit of employees and beneficiaries participating in the Plan and, therefore, are not recorded on these financial statements.

J. Fund Equity

Nonspendable Fund Balance

In the fund financial statements, portions of the governmental fund balances are amounts that cannot be spent because they are either 1) not in spendable form or 2) legally or contractually required to be maintained intact. At December 31, 2023, nonspendable fund balance was as follows:

General Fund:	
Nonspendable:	
Inventory and Prepaids	$ 171,534
Long-Term Advance to Other Funds	99,896
Total General Fund Nonspendable Fund Balance	271,430
Special Revenue Funds:	
Nonspendable:	
Library Trust	1,410,123
Total Nonspendable Fund Balance	$ 1,681,553

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

J. Fund Equity (Continued)

Restricted Fund Balance

In the fund financial statements, portions of governmental fund balances are not available for appropriation or are legally restricted for use for a specific purpose. At December 31, 2023, restricted fund balance was as follows:

General Fund:		
Restricted for:		
Capital Projects	$	106,814
Special Revenue Funds:		
Restricted for:		
Community Development		501,650
Library Endowment		613,222
Remedial Action		215,470
Capital Projects Funds:		
Restricted for:		
TIF No. 3		4,101
TIF No. 4		2,927
TIF No. 5		14,892
TIF No. 12		31,297
Debt Service Fund:		
Restricted for:		
Debt Service		471,450
Total Restricted Fund Balance	$	1,961,823

Committed Fund Balance

In the fund financial statements, portions of government fund balances are committed by City Council action. At December 31, 2023, General Fund balance was committed as follows:

General Fund:		
Committed for:		
Nonlapsing Reserves:		
General Government	$	275,530
Public Safety		366,261
Public Works		22,485
Health and Human Services		41,294
Culture and Recreation		174,780
Total Committed Fund Balance	$	880,350

NOTE 4 OTHER INFORMATION

A. Tax Incremental Financing Districts

The City has established separate capital projects funds for Tax Incremental Financing Districts (TIFs) which were created by the City in accordance with Section 66.1105 of the Wisconsin Statutes. At the time the TIFs were created, the property tax base within the TIFs were "frozen" and increment taxes resulting from increase is to the property tax base are used to finance District improvements, including principal and interest on long-term debt issued by the City to finance such improvements. The Statutes allow eligible project costs to be incurred up to five years prior to the maximum termination date. The City's TIFs with the exception of TIF Nos. 3, 4, and 5 are still eligible to incur project costs.

The City established TIF No. 3 on September 13, 2005 as a mixed-use district and amended the boundaries on July 11, 2006, September 24, 2013, September 22, 2015 and on April 26, 2017. The City intends that the TIF will include industrial, commercial, and residential development.

The City established TIF No. 4 on September 11, 2007 as a mixed-use district and amended the boundaries on September 24, 2013. The City intends that the District will be used to assure a combination of private industrial and commercial development.

The City established TIF No. 5 on September 11, 2007 as a mixed-use district. The City intends that the District will be used to assure a combination of private industrial and residential development.

The City established TIF No. 6 on May 12, 2009 as a blighted area district and amended the boundaries on September 22, 2015. The City intends that the TIF will be used to assure a combination of private industrial, commercial, and residential development.

The City established TIF No. 7 on August 11, 2009 as a blighted area district and amended the boundaries on September 22, 2015. The City intends that the TIF will be used to assure a combination of private industrial, commercial, and residential development.

The City established TIF No. 8 on September 27, 2011 as a blighted area district and amended the boundaries on September 24, 2013, September 22, 2015 and on August 3, 2017. The City intends that the TIF will be used to assure a combination of private industrial, commercial, and residential development.

The City established TIF No. 9 on September 24, 2013 as a blighted area district. The City intends that the TIF will be used to assure a combination of private industrial, commercial, and residential development.

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Tax Incremental Financing Districts (Continued)

The City established TIF No. 10 on September 22, 2015 as a blighted area district. The City intends that the TIF will be used to assure a combination of private industrial, commercial, and residential development.

The City established TIF No. 11 on May 10, 2016 as a mixed use development district. The City intends that the TIF will be used to assure a combination of private industrial, commercial, and residential development.

The City established TIF No. 12 on August 23, 2017 as a mixed-use development district. The City intends that the TIF will be used to assure a combination of private industrial, commercial, and residential development.

The City established TIF No. 13 on February 23, 2021 as an industrial district. The City intends that the TIF will be used to assure private industrial development.

The City established TIF No. 14 on June 29, 2021 as an industrial district. The City intends that the TIF will be used to assure private industrial development a combination of private industrial, commercial, and residential development.

Since the creation of the above TIFs, the City has provided various financing sources to the TIF. The following amounts are not recorded as liabilities in the TIF capital project fund but can be recovered by the City from any future excess tax increment revenues.

	Unreimbursed Costs
TIF No. 3	$ 2,143,849
TIF No. 4	831,382
TIF No. 5	5,138
TIF No. 6	767,809
TIF No. 7	1,053,024
TIF No. 8	4,007,890
TIF No. 9	552,579
TIF No. 10	1,644,158
TIF No. 11	2,669,481
TIF No. 12	73,702
TIF No. 13	13,431
TIF No. 14	137,499

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Tax Incremental Financing Districts (Continued)

The intent of the City is to recover the above amounts from future TIF surplus funds, if any, prior to termination of the respective Districts. Unless terminated by the City prior thereto, each TIF has a statutory termination year as follows:

	Termination Year
TIF No. 3	2025
TIF No. 4	2027
TIF No. 5	2027
TIF No. 6	2036
TIF No. 7	2036
TIF No. 8	2038
TIF No. 9	2040
TIF No. 10	2042
TIF No. 11	2037
TIF No. 12	2037
TIF No. 13	2042
TIF No. 14	2048

B. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. The City completes an annual review of its insurance coverage to ensure adequate coverage. Settled claims have not exceeded coverage in each of the last three years.

C. Contingencies

From time-to-time, the City is party to other various pending claims and legal proceedings. Although the outcome of such matters cannot be forecast with certainty, it is the opinion of management and legal counsel 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.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF MERRILL, WISCONSIN
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET) – WISCONSIN RETIREMENT SYSTEM
LAST TEN MEASUREMENT PERIODS

Measurement Period Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll (Plan Year)	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 (Asset)
12/31/14	0.05946372 %	$ (1,460,591)	$ 6,308,015	23.15 %	102.74 %
12/31/15	0.06016318	977,641	6,640,714	14.72	98.20
12/31/16	0.06118127	504,280	6,647,432	7.59	99.12
12/31/17	0.06255663	(1,857,380)	6,746,319	27.53	102.93
12/31/18	0.06360067	2,262,712	6,972,423	32.45	96.45
12/31/19	0.06492726	(2,093,550)	7,254,325	28.86	102.96
12/31/20	0.06583242	(4,110,009)	7,389,371	55.62	105.26
12/31/21	0.06636424	(5,349,079)	7,569,107	70.67	106.02
12/31/22	0.06735642	3,568,342	7,953,376	44.87	95.72

SCHEDULE OF CONTRIBUTIONS – WISCONSIN RETIREMENT SYSTEM
LAST TEN FISCAL YEARS

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll (Fiscal Year)	Contributions as a Percentage of Covered Payroll
12/31/15	$ 596,197	$ 596,197	$ -	$ 6,640,714	8.98 %
12/31/16	587,229	587,229	-	6,647,432	8.83
12/31/17	649,476	649,476	-	6,746,319	9.63
12/31/18	672,929	672,929	-	6,972,423	9.65
12/31/19	688,367	688,367	-	7,254,325	9.49
12/31/20	750,027	750,027	-	7,389,371	10.15
12/31/21	779,928	779,928	-	7,569,107	10.30
12/31/22	811,785	811,785	-	7,953,376	10.21
12/31/23	871,648	871,648	-	7,995,652	10.90

See accompanying Notes to Required Supplementary Information.

CITY OF MERRILL, WISCONSIN
SCHEDULE OF PROPORTIONATE SHARE OF NET OPEB LIABILITY (ASSET) – LOCAL RETIREE LIFE INSURANCE FUND
LAST TEN MEASUREMENT PERIODS

Measurement Period Ending	Proportion of the Net OPEB Liability (Asset)	Proportionate Share of the Net OPEB Liability (Asset)	Covered-Employee Payroll	Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
12/31/17	0.13536800 %	$ 407,265	$ 6,746,319	6.04 %	44.81 %
12/31/18	0.13564600	350,012	6,972,423	5.02	48.69
12/31/19	0.13444600	572,497	7,254,325	7.89	37.58
12/31/20	0.14029200	771,707	7,389,371	10.44	31.36
12/31/21	0.13997100	827,281	7,569,107	10.93	29.57
12/31/22	0.13623400	519,028	7,953,376	6.53	38.81

SCHEDULE OF CONTRIBUTIONS – LOCAL RETIREE LIFE INSURANCE FUND
LAST TEN FISCAL YEARS

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
12/31/18	$ 2,571	$ 2,571	$ -	$ 6,972,423	0.04 %
12/31/19	2,662	2,662	-	7,254,325	0.04
12/31/20	2,825	2,825	-	7,389,371	0.04
12/31/21	2,796	2,796	-	7,569,107	0.04
12/31/22	2,864	2,864	-	7,953,376	0.04
12/31/23	2,795	2,795	-	7,995,652	0.04

See accompanying Notes to Required Supplementary Information.

NOTE A WISCONSIN RETIREMENT SYSTEM

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

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

- Lowering the long-term expected rate of return from 7.0% to 6.8%
- Lowering the discount rate from 7.0% to 6.8%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.5% to 2.4%
- Lowering the post-retirement adjustments from 1.9% to 1.7%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table.

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

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

The City is required to present the last 10 fiscal years of data; however, accounting standards allow the presentation of as many years as are available until 10 fiscal years are presented.

NOTE B LRLIF OPEB

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

Changes of Assumptions. The State of Wisconsin Employee Trust Fund Board adopted economic and demographic assumption changes based on a three year experience study performed from 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.

NOTE B LRLIF OPEB (CONTINUED)

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

- Lowering the discount rate from 2.25% to 2.17%
- 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.

The City is required to present the last 10 fiscal years of data; however, accounting standards allow the presentation of as many years as are available until 10 fiscal years are presented.

SUPPLEMENTARY INFORMATION

CITY OF MERRILL, WISCONSIN
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2023

	Special Revenue			Capital Projects			
	Library	Library Trust	Remedial Action	TIF No. 3	TIF No. 4	TIF No. 5	TIF No. 6
ASSETS							
Cash and Investments	$ 613,222	$ -	$ 36,980	$ 364,375	$ 71,054	$ 19,353	$ -
Receivables:							
Taxes and Special Charges	-	-	6,873	791,894	149,747	9,806	119,150
Other	-	1,410,123	-	-	-	-	-
Advance to Other Funds	-	-	188,615	-	-	-	-
Total Assets	$ 613,222	$ 1,410,123	$ 232,468	$ 1,156,269	$ 220,801	$ 29,159	$ 119,150
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)							
LIABILITIES							
Accounts Payable	$ -	$ -	$ 6,971	$ -	$ -	$ -	$ -
Accrued and Other Current Liabilities	-	-	27	-	-	-	-
Due to Other Funds	-	-	-	-	-	-	421,753
Advance from Other Funds	-	-	-	-	-	-	-
Total Liabilities	-	-	6,998	-	-	-	421,753
DEFERRED INFLOWS OF RESOURCES							
Property Taxes Levied for Subsequent Year	-	-	10,000	1,152,168	217,874	14,267	173,358
FUND BALANCES (DEFICITS)							
Nonspendable	-	1,410,123	-	-	-	-	-
Restricted	613,222	-	215,470	4,101	2,927	14,892	-
Unassigned	-	-	-	-	-	-	(475,961)
Total Fund Balances (Deficits)	613,222	1,410,123	215,470	4,101	2,927	14,892	(475,961)
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	$ 613,222	$ 1,410,123	$ 232,468	$ 1,156,269	$ 220,801	$ 29,159	$ 119,150

CITY OF MERRILL, WISCONSIN
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2023

Capital Projects								
TIF No. 7	TIF No. 8	TIF No. 9	TIF No. 10	TIF No. 11	TIF No. 12	TIF No. 13	TIF No. 14	Total
$ 62,187	$ -	$ -	$ -	$ -	$ 40,577	$ -	$ -	$ 1,207,748
143,742	180,583	9,248	79,802	243,377	20,399	341	10,864	1,765,826
-	-	-	-	-	-	-	-	1,410,123
-	-	-	-	-	-	-	-	188,615
$ 205,929	$ 180,583	$ 9,248	$ 79,802	$ 243,377	$ 60,976	$ 341	$ 10,864	$ 4,572,312
$ 102,016	$ 41,167	$ 144	$ 39,333	$ 16,254	$ -	$ -	$ -	$ 205,885
-	-	-	-	-	-	-	-	27
-	1,026,037	313,226	752,610	445,656	-	13,276	132,557	3,105,115
-	-	-	-	99,896	-	-	-	99,896
102,016	1,067,204	313,370	791,943	561,806	-	13,276	132,557	3,410,923
209,138	262,739	13,456	116,108	354,102	29,679	496	15,806	2,569,191
-	-	-	-	-	-	-	-	1,410,123
-	-	-	-	-	31,297	-	-	881,909
(105,225)	(1,149,360)	(317,578)	(828,249)	(672,531)	-	(13,431)	(137,499)	(3,699,834)
(105,225)	(1,149,360)	(317,578)	(828,249)	(672,531)	31,297	(13,431)	(137,499)	(1,407,802)
$ 205,929	$ 180,583	$ 9,248	$ 79,802	$ 243,377	$ 60,976	$ 341	$ 10,864	$ 4,572,312

CITY OF MERRILL, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2023

	Special Revenue			Capital Projects			
	Library	Library Trust	Remedial Action	TIF No. 3	TIF No. 4	TIF No. 5	TIF No. 6
REVENUES							
Taxes	$ -	$ -	$ -	$ 991,440	$ 167,685	$ 14,132	$ 113,252
Intergovernmental	-	-	-	47,295	23,877	137	2,844
Public Charges for Services	-	-	-	-	-	-	-
Miscellaneous	59,566	75,775	-	-	-	-	14,648
Total Revenues	59,566	75,775	-	1,038,735	191,562	14,269	130,744
EXPENDITURES							
Current:							
Public Works	-	-	40,671	-	-	-	-
Culture and Recreation	56,118	-	-	-	-	-	-
Conservation and Development	-	-	-	30,251	7,906	1,362	16,806
Capital Outlay	-	-	-	-	-	-	-
Total Expenditures	56,118	-	40,671	30,251	7,906	1,362	16,806
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	3,448	75,775	(40,671)	1,008,484	183,656	12,907	113,938
OTHER FINANCING SOURCES (USES)							
Transfers In	41,747	-	-	-	-	-	-
Transfers Out	-	(41,747)	-	(1,007,982)	(191,636)	(2,317)	(32,361)
Total Other Financing Sources (Uses)	41,747	(41,747)	-	(1,007,982)	(191,636)	(2,317)	(32,361)
NET CHANGE IN FUND BALANCES	45,195	34,028	(40,671)	502	(7,980)	10,590	81,577
Fund Balances (Deficits) - Beginning of Year	568,027	1,376,095	256,141	3,599	10,907	4,302	(557,538)
FUND BALANCES (DEFICITS) - END OF YEAR	$ 613,222	$ 1,410,123	$ 215,470	$ 4,101	$ 2,927	$ 14,892	$ (475,961)

CITY OF MERRILL, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2023

Capital Projects								
TIF No. 7	TIF No. 8	TIF No. 9	TIF No. 10	TIF No. 11	TIF No. 12	TIF No. 13	TIF No. 14	Total
$ 152,656	$ 128,440	$ -	$ 58,355	$ 236,061	$ 25,394	$ 208	$ 13,358	$ 1,900,981
1,476	3,668	4,896	-	16,305	-	-	-	100,498
-	175	375	425	-	-	-	-	975
1,000	55	-	-	-	-	-	-	151,044
155,132	132,338	5,271	58,780	252,366	25,394	208	13,358	2,153,498
-	-	-	-	-	-	-	-	40,671
-	-	-	-	-	-	-	-	56,118
29,177	272,008	26,899	10,000	141,000	5,312	2,155	41,469	584,345
45,835	327,933	61	783,358	305,005	-	-	-	1,462,192
75,012	599,941	26,960	793,358	446,005	5,312	2,155	41,469	2,143,326
80,120	(467,603)	(21,689)	(734,578)	(193,639)	20,082	(1,947)	(28,111)	10,172
-	215,000	95,000	-	-	-	-	-	351,747
(49,704)	(201,732)	(22,450)	(14,125)	(117,735)	(7,775)	-	-	(1,689,564)
(49,704)	13,268	72,550	(14,125)	(117,735)	(7,775)	-	-	(1,337,817)
30,416	(454,335)	50,861	(748,703)	(311,374)	12,307	(1,947)	(28,111)	(1,327,645)
(135,641)	(695,025)	(368,439)	(79,546)	(361,157)	18,990	(11,484)	(109,388)	(80,157)
$ (105,225)	$ (1,149,360)	$ (317,578)	$ (828,249)	$ (672,531)	$ 31,297	$ (13,431)	$ (137,499)	$ (1,407,802)

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

City Council
City of Merrill, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Merrill, Wisconsin (the City) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 11, 2024.

Report on Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be a material weakness and significant deficiencies.

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

We consider the deficiency described in the accompanying schedule of findings and responses as item 2023-002 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and responses as item 2023-001 to be a significant deficiency.

Report on Compliance and Other Matters

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

City of Merrill, Wisconsin's Response to Findings

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

Purpose of This Report

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Wausau, Wisconsin
December 11, 2024

Section II – Financial Statement Findings

2023-001 Preparation of Annual Financial Report

Type of Finding: Significant Deficiency in Internal Control Over Financial Reporting

Condition: Current City staff maintains accounting records which reflect the City's financial transactions; however, preparing the City's annual financial report, including note disclosures, involves the selection and application of specific accounting principles which would require additional experience and knowledge. The City contracts with us and our knowledge of applicable accounting principles, financial statement format, and note disclosures to assist in the preparation of the annual financial report in an efficient manner. However, as independent auditors, CLA cannot be considered part of the City's internal control system. As part of its internal control over preparation of its financial statements, including note disclosures, the City had implemented a comprehensive review procedure to ensure that the financial statements, including note disclosures, are complete and accurate.

Criteria or specific requirement: The preparation and review of the annual financial report by staff with expertise in financial reporting is an internal control intended to prevent, detect and correct a potential omission or misstatement in the financial statements or notes.

Effect: The City may not be able to completely prepare an annual financial report in accordance with accounting principles generally accepted in the United States of America.

Cause: City management has determined that the additional costs associated with training staff to become experienced in applicable accounting principles and note disclosures outweigh the derived benefits.

Repeat finding: The finding is a repeat of a finding in the immediately prior year. Prior year finding number was 2022-001.

Recommendation: We recommend the City continue reviewing the annual financial report. Such review procedures should be performed by an individual possessing a thorough understanding of accounting principles generally accepted in the United States of America and knowledge of the activities and operations. While it may not be cost beneficial to train additional staff to completely prepare the report, a thorough review of this information by appropriate staff of the City is necessary to obtain a complete and adequate understanding of the City's annual financial report.

Views of responsible officials and planned corrective actions: We agree with the auditors' comments and will continue to thoroughly review the City's annual financial report. We will look for educational opportunities to supplement and enhance staff's knowledge of accounting principles to aid in the preparation and review of the city's financial reports.

Section II – Financial Statement Findings (Continued)

2023-002 Material Adjustment to the City's Financial Records

Type of Finding: Material Weakness in Internal Control Over Financial Reporting

Condition: As part of our audit, we proposed adjusting journal entries that were material to the City's financial statements.

Criteria or specific requirement: Material adjusting journal entries proposed by the auditors are considered to be an internal control deficiency.

Effect: Year-end financial records prepared by the City may contain material misstatements.

Cause: City staff maintain financial records which accurately report revenues and expenditures throughout the year and have applied year-end procedures consistently with prior years; however, a final review of general ledger amounts prior to the audit did not identify some inaccurate balances which caused the material adjustments.

Repeat finding: The finding is a repeat of a finding in the immediately prior year. Prior year finding number was 2022-002.

Recommendation: We recommend the City during year-end closing procedures include a final review of general ledger accounts to ensure balances are accurate and reasonable based on the City's activities for the year.

Views of responsible officials and planned corrective actions: We agree with the auditors' comments and will review and verify general ledger account balances during the reconciliation process at year-end closing.

INDEPENDENT NETWORK MEMBER

City Council
City of Merrill, Wisconsin
Merrill, Wisconsin

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Merrill as of and for the year ended December 31, 2023, and have issued our report thereon dated December 11, 2024. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit in our engagement agreement dated October 25, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings or issues

Qualitative aspects of accounting practices

Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by City of Merrill are described in Note 1 to the financial statements.

No new accounting policies were adopted and the application of existing policies was not changed during 2023.

We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no accounting estimates affecting the financial statements which were particularly sensitive or required substantial judgments by management.

Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties encountered in performing the audit

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

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has determined that the effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The following summarizes uncorrected misstatements of the financial statements: the City has determined Subscription-Based Information Technology Agreement (SBITA) right-to-use assets of $42,195 and liabilities of $29,369 are immaterial to the City's financial statements. Net position is understated by $12,826 as a result of not recording this item.

Uncorrected misstatements or the matters underlying uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even if management has concluded that the uncorrected misstatements are immaterial to the financial statements under audit.

Corrected misstatements

The following material misstatements detected as a result of audit procedures were corrected by management: recorded water and sewer depreciation expense, reclassified water and sewer asset additions to proper accounts, recorded water and sewer asset removals, reclassified accounts payable out of cash, and corrected direction of TIF donor transfers.

Disagreements with management

For purposes of this communication, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

Management representations

We have requested certain representations from management that are included in the attached management representation letter dated December 11, 2024.

Management consultations with other independent accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the entity's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Significant issues discussed with management prior to engagement

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

Significant findings or issues that were discussed, or the subject of correspondence, with management

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year. The following summarizes the significant findings or issues arising during the audit that were discussed, or were the subject of correspondence, with management:

- CliftonLarsonAllen LLP (CLA) prepared the financial statements, material audit adjustments, reconciliation of budget documents to what is recorded in the accounting system, and library trust considerations.

Other audit findings or issues

We have provided a separate communication to you dated December 11, 2024, communicating internal control related matters identified during the audit.

Required supplementary information

With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We compared the RSI for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

Supplementary information in relation to the financial statements as a whole

With respect to the combining nonmajor governmental fund financial statements (collectively, the supplementary information) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period or the reasons for such changes, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated December 11, 2024.

* * *

This communication is intended solely for the information and use of the City Council and management of City of Merrill and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Wausau, Wisconsin
December 11, 2024

City of Merrill
City Treasurer
Emily Ley, Finance Director
1004 E 1st St . Merrill, WI 54452
Phone: (715) 536-5594 I Fax: (715) 539-2668
Emily.ley@ci.merrill.wi.us

December 11, 2024

CliftonLarsonAllen LLP
311 Financial Way, Suite 100
Wausau, Wisconsin 54401

This representation letter is provided in connection with your audit of the financial statements of City of Merrill, which comprise the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information as of December 31, 2023, and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to misstatements that are material. Misstatements, including omissions, 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.

We confirm, to the best of our knowledge and belief, as of December 11, 2024, the following representations made to you during your audit of the financial statements as of and for the year ended December 31, 2023.

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement agreement dated October 25, 2023, for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP. The financial statements include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.

2. We acknowledge and have fulfilled our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

4. Methods, data, and significant assumptions used by us in making accounting estimates and their related disclosures, including those measured at fair value, are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with U.S. GAAP.

5. Related party relationships and transactions, including, but not limited to, revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.

6. No events, including instances of noncompliance, have occurred subsequent to the financial statement date and through the date of this letter that would require adjustment to, or disclosure in, the financial statements.

7. The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements for each opinion unit. The City has determined Subscription-Based Information Technology Agreement (SBITA) right-to-use assets of $42,195 and liabilities of $29,369 are immaterial to the City's financial statements. Net position is understated by $12,826 as a result of not recording these items. In addition, you have proposed adjusting journal entries that have been posted to the entity's accounts. We have reviewed and approved those adjusting journal entries and understand the nature of the changes and their impact on the financial statements. We are in agreement with those adjustments and accept responsibility for them.

8. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.

9. Guarantees, whether written or oral, under which the entity is contingently liable, if any, have been properly recorded or disclosed in accordance with U.S. GAAP.

10. Receivables recorded in the financial statements represent valid claims against debtors for transactions arising on or before the financial statement date, and the carrying amounts of those receivables and related allowances are determined in accordance with U.S. GAAP.

11. The methods and significant assumptions used to determine fair values of financial instruments are as follows: Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The methods and significant assumptions used result in a measure of fair value appropriate for financial statement measurement and disclosure purposes.

12. We have analyzed all lease contracts and have considered material embedded leases contained within other contracts in accordance with U.S. GAAP.

13. We have no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.

14. Capital assets have been evaluated for impairment as a result of significant and unexpected decline in service utility. Impairment loss and insurance recoveries have been properly recorded.

15. Direct borrowings of debt have been properly separated from other debt and unused lines of credit, collateral pledged to secure debt, terms in debt agreements related to significant default or termination events with finance related consequences, and significant subjective acceleration clauses have been properly disclosed.

16. We believe that the actuarial assumptions and methods used to measure pension and other postemployment benefits (OPEB) liabilities and costs for financial accounting purposes are appropriate in the circumstances.

17. We are unable to determine the possibility of a withdrawal liability in a multiple-employer benefit plan.

18. We do not plan to make frequent amendments to our pension or other postretirement benefit plans.

Information Provided

1. We have provided you with:

    a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements such as records (including information obtained from within and outside of the general and subsidiary ledgers), documentation, and other matters.

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

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

    d. Complete minutes of the meetings of the governing board and related committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.

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

3. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

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

    a. Management;

    b. Employees who have significant roles in internal control; or

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

5. We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, grantors, regulators, or others.

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

7. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.

8. There are no other material liabilities or gain or loss contingencies that are required to be accrued or disclosed in accordance with U.S. GAAP.

9. There are no known related-party relationships or transactions which need to be accounted for or disclosed in accordance with U.S. GAAP.

10. The entity has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets, nor has any asset been pledged as collateral, except as made known to you and disclosed in the financial statements.

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

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

13. We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.

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

15. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.

16. The entity has complied with all aspects of contractual or grant agreements that would have a material effect on the financial statements in the event of noncompliance.

17. We have complied with all restrictions on resources (including donor restrictions) and all aspects of contractual and grant agreements that would have a material effect on the financial statements in the event of noncompliance. This includes complying with donor requirements to maintain a specific asset composition necessary to satisfy their restrictions.

18. We are responsible for determining whether we have received, expended, or otherwise been the beneficiary of any federal awards during the period of this audit. No federal award, received directly from federal agencies or indirectly as a subrecipient, was expended in an amount that cumulatively totals from all sources $750,000 or more. For this representation, "award" means financial assistance and federal cost-reimbursement contracts that non-federal entities receive directly from federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, user grants, or contracts used to buy goods or services from vendors.

19. We have followed all applicable laws and regulations in adopting, approving, and amending budgets.

20. The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures, jointly governed organizations, and other related organizations.

21. The financial statements properly classify all funds and activities.

22. All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.

23. Components of net position (net investment in capital assets; restricted; and unrestricted) and equity amounts are properly classified and, if applicable, approved.

24. Investments are properly valued.

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

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

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

28. Deposits and investment securities are properly classified as to risk and are properly valued and disclosed.

29. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.

30. We have appropriately disclosed the entity's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.

31. We have appropriately disclosed the entity's accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.

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

33. We acknowledge our responsibility for presenting the nonmajor governmental fund financial statements (the supplementary information) in accordance with U.S. GAAP, and we believe the supplementary information, including its form and content, is fairly presented in accordance with U.S. GAAP. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information. If the supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditors' report thereon.

34. As part of your audit, you prepared the draft financial statements, related notes, and supplementary information. We have designated an individual who possesses suitable skill, knowledge, and/or experience to understand and oversee your services; have made all management judgments and decisions; and have assumed all management responsibilities. We have evaluated the adequacy and results of the service. We have reviewed, approved, and accepted responsibility for those financial statements, related notes, and supplementary information. We have also ensured that the entity's data and records are complete and received sufficient information to oversee the service.

35. We have evaluated the adequacy and results of the depreciation services performed and accept responsibility for the results. We acknowledge our responsibility for our depreciation schedules and have determined the methods and rates of depreciation and the salvage values used in the calculations. We have designated an individual who possesses suitable skill, knowledge, and/or experience to understand and oversee your depreciation services; have made all significant management judgments and decisions; and have assumed all management responsibilities. We have also ensured that the entity's data and records are complete and received sufficient information to oversee the service.

36. We have evaluated the adequacy and results of the lease accounting services performed and accept responsibility for the results. We acknowledge our responsibility for our lease asset and lease liability (lease schedule) based on the lease information provided by us. We have reviewed our lease contracts and related lease schedule and have determined and accept responsibility for all inputs, outputs, assumptions and estimates included in the lease schedule, including specific review of underlying contracts for accuracy of data input. We have designated an individual who possesses suitable skill, knowledge, and/or experience to understand and oversee your lease services; have made all significant management judgments and decisions; and have assumed all management responsibilities. We have also ensured that the entity's data and records are complete and received sufficient information to oversee the service.

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

Signature: ______________________ Title: Finance Director

Signature: ______________________ Title: City Administrator

Management
City of Merrill, Wisconsin
Merrill, Wisconsin

In planning and performing our audit of the financial statements of City of Merrill as of and for the year ended December 31, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered the entity's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control.

However, during our audit we became aware of other matters that are opportunities to strengthen your internal control and improve the efficiency of your operations. Our comments and suggestions regarding those matters are summarized below. A separate communication dated December 11, 2024, contains our written communication of deficiencies and material weaknesses in the entity's internal control. This letter does not affect our report on the financial statements dated December 11, 2024, nor our internal control communication dated December 11, 2024.

Reporting of Budget in Accounting System

During our audit, we noted that the amounts reported in the accounting system as the original adopted budget for 2023 for the General Fund did not reconcile the amounts adopted at the November 2022 public hearing and board meeting. The differences were across all functions and revenue sources. We recommend that the city review its budget preparation process to add a control to ensure the budget approved by the City matches what is recorded as the budget in the accounting system. A budget comparison report by fund from the accounting system should printed and compared to the budget publication summary before giving the approval packet to the board and preparing the budget resolution for the public hearing and board meeting.

Library Zander Trust

In a prior year, a resident gifted a portion of her estate to the T.B. Scott Free Library. This gift is presented on the City's financial statements as a receivable as the investments have not been formally transferred into the T.B. Scott Free Library's name or a formal written trust agreement has not been created that clearly states the nature of the trust. The Library Board currently receives a distribution from this investment based on annual earnings that the Library Board can utilize to fund Library activities. We recommend the T.B. Scott Free Library work with its attorney and the current trustee of the investment to determine the long-term plan for the investment, including the drafting of a formal trust agreement. A formal trust agreement will allow the investment to be reported as an *investment held in trust* on the City's financial statements.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various entity personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This communication is intended solely for the information and use of management, City Council, and others within the entity and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Wausau, Wisconsin
December 11, 2024

CITY OF MERRILL
PARKS AND RECREATION COMMISSION
WEDNESDAY, DECEMBER 4, 2024 MINUTES
REGULAR MEETING   CITY HALL COUNCIL CHAMBERS   4:15 PM

I. Call to Order Roll Call:
Present: Gulke, Krueger, Novitch, Malm, Osness, Alderperson Rutkowski
Present Not Voting: Parks Director Dan Wendorf
Excused: Joan Tabor
Absent:
Novitch called the meeting to order at 4:15 p.m.

II. Consider approving minutes from the previous meeting

1. **November 2024 Minutes -** Krueger motioned to place minutes on file. Alderperson Rutkowski seconded and the motion Passed.

III. Approval of Claims

1. **November 2024 Claims -** Osness asked Wendorf what the charges were from Stainless Specialists for the Smith Center. Wendorf stated it was contracted start-up that they always perform while we are getting ready to turn the floor on and make ice for the season. They go through all of our mechanical equipment to ensure it is running well. Krueger asked about the two charges for tree planting. Wendorf stated that in our operations budget we have funding to plant trees and we have additional funding through the capital budget that has been awarded over the past 5+ years to allow the City to try and keep up with regular plantings, requested plantings, and road construction restocking. Without additional funding we would fall further behind on tree planting every year.

   Krueger motioned to Approve Claims. Osness seconded and the motion Passed.

IV. General Agenda Items for Consideration

1. **Update on bridge project to connect Prairie Dells County Park to the City Forest -** Wendorf informed the Commission that he has been talking with Lincoln County and they have approved a bid from Custom Manufacturing (same company that did Prairie Trails Bridge and the last Stange Bridge) to provide and install the bridge to connect Prairie Dells County Park with our City Forest. Wendorf stated that work is tentatively scheduled to begin spring/summer of 2025 and will be a tremendous asset to both of our parks. Wendorf also stated that after the work is completed we will both work to mesh our paths to match each side of the bridge to make it user friendly. Wendorf stated that he would keep the Commission informed on the project as things happen in 2025.

2. **Review Commission authority and responsibilities -** Novitch began the discussion by stating that with the number of new Commissioners he wanted to simply provide some information on what a Commission is versus a Board or Committee. He pointed out that it is important for the group to understand what the definition is and the statutory language associated with it. He pointed out that a Commission does have certain capabilities that Boards and Committees do not, but anything the Commission does is with Common Council approval. Wendorf summarized the conversation by stating the a Commission is intended for a better level of specialization meaning they can establish regulations, set fees, accept donations, purchase property, etc. but he reiterated Novitch's point that it is all with Common Council approval.

V. Monthly Reports

1. **December 2024 Director's Report -** Wendorf fielded a few questions from the Commission and summarized his board report by thanking all of the Commissioners for their insight and involvement in 2024. He went on to thank all of the Parks & Recreation Department Staff, volunteers, sponsors, and citizens who helped make 2024 another great year. He said it is always very refreshing to look back and see how amazing the Merrill Community is and we should celebrate that. The support is truly amazing and it allows our department to continue to thrive and serve not only our citizens but bring in thousands of visitors each year to showcase what we have to offer. Wendorf wished the Commission a very safe and happy holiday season.

VI. Date and Time of Next Meeting Novitch said that we typically skip the January meeting each year because of its close proximity to Christmas and the New Year and that the next regularly scheduled meeting will be on Wednesday, February 5th, 2025. If something pressing comes up we can always have a meeting at the call of the chair.

VII. Public Comment There was no public comment.

VIII. Adjournment Osness motioned to adjourn. Krueger seconded and the motion Passed.

CITY OF MERRILL
JOINT REVIEW BOARD
TUESDAY, DECEMBER 10, 2024 MINUTES
REGULAR MEETING CITY HALL COUNCIL CHAMBERS 5:30 PM

I. **Call to Order** Mayor Hass called the meeting to order at 5:30 pm.
Voting members present: Mayor Hass, Christine Rickert - NTC (remote), Shannon Murray - MAPS, Renea Krueger - Lincoln County, Pete Koblitz - Citizen Member
Others present: City Administrator Akey, City Attorney Hayden, Finance Director Ley, City Clerk Anderson-Malm, Brian Riley - Ehlers (remote), Alderperson Lass, Merrill Community Media

II. **Consider approving minutes from the previous meeting**

1. **Consider placing the minutes from the November 12th meeting on file. -** Shannon Murray motioned to place the minutes on file. Pete Koblitz seconded and the motion passed.

III. **General Agenda Items for Consideration**

1. **Review the public record, planning documents, and the resolutions passed by the RDA and Common Council. -** The board reviewed the information included in the packet. No action was required.
2. **Consideration of "Resolution Approving an Amended Project Plan for Tax Incremental District No. 6". -** Renea Krueger motioned to approve. Christine Rickert seconded and the motion passed.
3. **Consideration of "Resolution Approving an Amended Project Plan for Tax Incremental District No. 7". -** Shannon Murray motioned to approve. Renea Krueger seconded and the motion passed.
4. **Consideration of "Resolution Approving an Amended Project Plan for Tax Incremental District No. 11". -** Pete Koblitz motioned to approve. Shannon Murray seconded and the motion passed.
5. **Consideration of "Resolution Approving an Amended Project Plan for Tax Incremental District No. 12". -** Renea Krueger motioned to approve. Shannon Murray seconded and the motion passed.

IV. **Public Comment** There was no public comment.

V. **Adjournment** Pete Koblitz motioned to adjourn. Shannon Murray seconded and the motion passed. The meeting was adjourned at 5:35 pm.

Minutes submitted by City Clerk Anderson-Malm
Minutes are in draft form until approved at the next scheduled meeting.

CITY OF MERRILL
AIRPORT COMMISSION
WEDNESDAY, DECEMBER 18, 2024 MINUTES
REGULAR MEETING MERRILL AIRPORT TERMINAL 6:00 PM

I. **Call to Order** The meeting was called to order at 6:00 pm.
Present and voting: Banser, Malsack, Schulz, Alderperson Weix Jr.
Excused: Gary Schwartz
Present: Larry Wenning, Steve Krueger, Rich McCullough (Airport Manager)

II. **Consider approving minutes from the previous meeting**

1. **Minutes from the November 20th meeting -** Alderperson Weix Jr. motioned to place minutes on file. Banser seconded and the motion passed.

III. **Approval of Vouchers - Budget Discussion**

1. **November Revenue/Expense report -** Banser motioned to approve. Alderperson Weix Jr. seconded and the motion passed.

IV. **General Agenda Items for Consideration**

1. **Discussion Runway 16/34 Project -** No update
2. **Discussion - refund to Dale Kanitz for over payment on T-hangar -** The city is looking at refunding overpayments and verifying the number of occurrences.
3. **Jet A Fule Truck Repair/Sale - discussion/update -** Integrity Sales and Auction will take the truck for auction with a possible amount generated of $10,000 to $15,000.
4. **Discussion - Airport General Maintenance -**

a. **Lightning damages - update -** We are waiting on VanErt for a quote on repairs. The gate software is in and will be installed to correct the west gate. The fuel system is finished and working. AWOS bill is all covered by BOA.

b. **Status of deer ramps -** The city will come out once they have time and with weather permitting.

V. **Chairman's Report**

1. **Master Plan - update -** The plan is still on hold by the FAA. Gary Schwartz has continued contacting BOA on this issue.
2. **Economic Impact Study Jviation - update -** The study is still held up in the Governor's Public Affairs Office.
3. **Maintenance Hangar - update -** We are now in the 90% plan phase of the project. The following are some adjustments:
a. We found we could lower the roof four feet without affecting the usefulness

of the building.
b. They moved the hydraulic hangar door controls for better access by FBO staff.
c. Gutters and roof rakes were added to the east side of the roof to control water, ice, and snow coming off of the roof near the taxiway.
d. The FBO office space has been expanded from 10x10 to 12x12 per Rich's request
e. The mezzanine railing system will be built with a removable section to accommodate forklift access.
f. Two of the five high windows have been eliminated.
g. Two large box fans have been added to the ceiling to keep the heat pushed down.
We are currently on track to accommodate a February bid opening, barring approval from the BOA and the State Inspection Office.

4. **RRL Fuels P&L -** Gary Schwartz will work with the city on the accounting.
5. **Telephone service - update -** No update.
6. **Garage maintenance -** No update.

VI. **Aviation Happenings** The FAA administrator is leaving and will be missed. Boeing is back in production of the 737. Lots of drone concerns nationwide.

VII. **Public Comment** Mike Huth - County Zoning Permit Department. The garage will be built east of the rotating beacon. We do not think this will interfere with flight operations.

VIII. **Agenda Items for Next Meeting** Trees growing through the fence. Northeast door replacement on old maintenance building.

IX. **Date and Time of Next Meeting - Wednesday, January 15th at 6:00 pm**

X. **Adjournment** Alderperson Weix motioned to adjourn. Banser seconded and the motion passed.

Minutes prepared by J. Malsack and published by City Clerk Anderson-Malm

Minutes are in draft form until approved at the next scheduled meeting.

HOUSING AUTHORITY OF MERRILL WISCONSIN
SECTION 8 HOUSING
PARK PLACE & JENNY TOWERS
BOARD OF COMMISSIONERS
MEETING MINUTES

Regular Meeting @ 7:00am **November 19, 2024** **701 E Main St (Main Office)**

1. Call to Order: Jeremy Cordova – Chair called the meeting to order at 7:05am

2. Present: Andrew Polzin, Ian Cohrs, Sue Norenberg, Executive Director Lynn Ross, and Assistant Director Jeremy Winningham

3. Absent: Jeff Schneider

4. Public Comment: None

5. Approval of Minutes: Motion to approve minutes (Polzin/Cohrs) 2 Ayes/0 Nays motion carried.

6. Approval of Financials: Executive Director Ross briefed by exception. Motion to approve. (Polzin/Cohrs) 4 Ayes/0 Nays motion carried.

7. Old/Unfinished Business

8. New Business: None

9. Assistant Director Update:
   a. Fire Department Training: Annual tenant apartment fire safety meetings were held at Jenny Towers, Park Place and Stonebridge. Meeting attendance continues to be low with approximately 2 – 12 tenants in attendance.
   b. Staffing: The Building Operations position was vacated in October and was offered and filled on November 11, 2024.
   c. Plumbing Issues: During a recent plumbing leak and after hours of trying to open the drain located below the Salon floor it was discovered that the drain was plugged and required Krueger Plumbing to spend almost an hour to remove the clog.
   d. Winter: Preparation continues with equipment maintenance and order salt in bulk. Salt buckets have been placed at all entrances for tenants to use and the maintenance staff will monitor the changing conditions during the day.
10. Executive Director Update:
    a. Staffing: The vacant Property Coordinator position has been offered and accepted with the new hire starting on November 20, 2024. This candidate has prior leasing experience and will be a great addition to the current staff.
    b. Management Occupancy Review (MOR): Wisconsin Housing Economic Development Authority completed the review of tenant files and while Jenny Towers received a satisfactory score which is passing there are specific deficiencies that need to be corrected going forward.
    c. Occupancy – Vacant Units: Park Place and Westgate LLC 5 and Jenny Towers has 5.

11. Next Monthly Meeting: Tuesday, December 17, 2024 at 7:00am (701 E 1st St)

12. Adjournment: Meeting adjourned at 7:52am (Cohrs/Polzin). Roll call 4 Ayes/0 Nays

RESOLUTION NO. ________

ADOPTING THE LINCOLN COUNTY ALL HAZARDS MITIGATION PLAN UPDATE

WHEREAS, the City of Merrill recognizes the threat that natural hazards pose to people and property; and

WHEREAS, under taking hazard mitigation actions before disasters occur will reduce the potential for harm to people and property and save tax payer dollars; and

WHEREAS, an adopted All Hazards Mitigation Plan is required as a condition of future grant funding for mitigation projects; and

WHEREAS, the City of Merrill adopted the previous All Hazards Mitigation Plan on March 13, 2018; and

WHEREAS, an update of the All Hazards Mitigation Plan is required every five years; and

WHEREAS, City of Merrill participated jointly in the planning process with Lincoln County and the other local units of government within the County to prepare an update to the existing multi-jurisdictional All Hazards Mitigation Plan;

NOW THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF MERRILL, WISCONSIN this 14th day of January 2025, that the Lincoln County Emergency Management Department will submit, on behalf of the City, a signed copy of this resolution adopting the All Hazards Mitigation Plan Update for filing with Wisconsin Emergency Management and Federal Emergency Management Agency officials..

Recommended by:

Moved: ____________________________

Passed:____________________________

CITY OF MERRILL, WISCONSIN

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Steve J. Hass
Mayor

____

Lori Anderson-Malm
City Clerk

RESOLUTION NO.

A RESOLUTION HONORING FAIR GROUNDS MANAGER RICK BJORKLUND FOR HIS EXTENDED SERVICE AND GREAT CONTRIBUTION TO THE CITY OF MERRILL

WHEREAS, Rick Bjorklund is retiring as the Fair Grounds Manager of the City of Merrill; and,

WHEREAS, Rick Bjorklund has served in that capacity for the City of Merrill since May of 2016; and,

WHEREAS, Rick Bjorklund has played a vital part in the creation, execution and success of the Fair Grounds marketing and publicity efforts;

WHEREAS, the personal commitment and unselfish dedication Rick Bjorklund has put forth has contributed greatly to the growth, progress and stability of the City of Merrill; and,

WHEREAS, the City of Merrill offers a solid and stable community environment for all of its citizens in part because of Rick Bjorklund's dedicated service, through countless schedule changes; and,

WHEREAS, Rick Bjorklund's cheerful manner and hard work will be missed by the City of Merrill;

NOW THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF MERRILL, WISCONSIN this 14th day of January, 2025, that the Common Council, and the people of Merrill officially acknowledge with deep appreciation the dedicated and faithful service Rick Bjorklund has given to the City of Merrill and commend him for those years of service and thank him for a job well done.

Recommended by: Common Council

CITY OF MERRILL, WISCONSIN

Moved: ______________________

____
Steve J. Hass, Mayor

Passed: ______________________

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Lori Anderson-Malm, City Clerk