

City of Park Falls

Financial Statements and
Supplementary Information

December 31, 2023

City of Park Falls

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City of Park Falls

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Independent Auditors' Report

To the City Council of
City of Park Falls

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

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

Management has omitted 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 opinions on the basic financial statements are 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 supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

A handwritten signature in black ink that reads "Baker Tilly US, LLP". The signature is written in a cursive, flowing style.

Milwaukee, Wisconsin
October 3, 2024

City of Park FallsStatement of Net Position
December 31, 2023

	Primary Government		
	Governmental	Business-	
	Activities	Type	Total
		Activities	
Assets and Deferred Outflows of Resources			
Assets			
Cash and investments	\$ 4,795,516	\$ 481,069	\$ 5,276,585
Taxes receivable	1,923,110	-	1,923,110
Special assessments receivable	33,501	-	33,501
Notes receivable, net	917,432	-	917,432
Other receivables, net	25,314	557,129	582,443
Due from other governments	61,014	-	61,014
Internal balances	181,301	(181,301)	-
Inventories and prepaid items	89,093	88,747	177,840
Restricted assets, cash and investments	-	131,112	131,112
Capital assets:			
Construction in progress	2,577,244	-	2,577,244
Land and right of way	368,175	159,318	527,493
Other capital assets, net of depreciation	11,943,131	14,408,462	26,351,593
Total assets	22,914,831	15,644,536	38,559,367
Deferred Outflows of Resources			
Pension related amounts	1,557,592	339,571	1,897,163
Total deferred outflows of resources	1,557,592	339,571	1,897,163
Liabilities, Deferred Inflows of Resources and Net Position			
Liabilities			
Accounts payable	728,583	139,858	868,441
Accrued liabilities and deposits	115,465	39,826	155,291
Unearned revenue	1,017,857	-	1,017,857
Noncurrent liabilities:			
Due within one year	417,406	670,271	1,087,677
Due in more than one year	7,277,534	5,411,288	12,688,822
Net pension liability	403,751	100,935	504,686
Total liabilities	9,960,596	6,362,178	16,322,774
Deferred Inflows of Resources			
Unearned revenues	1,948,219	-	1,948,219
Pension related amounts	846,284	211,566	1,057,850
Total deferred inflows of resources	2,794,503	211,566	3,006,069
Net Position			
Net investment in capital assets	9,211,400	8,541,408	17,752,808
Restricted:			
Loan programs, CDBG	296,504	-	296,504
TIF districts	486,943	-	486,943
Special project, DARE	19,174	-	19,174
YMCA project	31,195	-	31,195
Fair housing fund	54,070	-	54,070
Equipment replacement fund	-	118,102	118,102
Unrestricted	1,618,038	750,853	2,368,891
Total net position	\$ 11,717,324	\$ 9,410,363	\$ 21,127,687

See notes to financial statements

City of Park Falls

Statement of Activities

Year Ended December 31, 2023

	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	
					Governmental Activities	Business-Type Activities
						Total
Functions/Programs						
Primary government:						
Governmental activities:						
General government	\$ 778,638	\$ 25,950	\$ 19,773	\$ -	\$ (732,915)	\$ -
Public safety	1,121,859	26,381	100,816	-	(994,662)	-
Public works	1,027,436	16,266	320,450	-	(690,720)	-
Health and human services	31,150	31,455	-	-	305	-
Leisure activities	612,232	35,241	-	-	(576,991)	-
Conservation and development	229,370	-	-	1,829,796	1,600,426	-
Interest and fiscal charges	178,969	-	-	-	(178,969)	-
Depreciation, unallocated	412,118	-	-	-	(412,118)	-
Total governmental activities	4,391,772	135,293	441,039	1,829,796	(1,985,644)	-
Business-type activities:						
Water Utility	959,396	830,626	-	-	-	(128,770)
Sewer Utility	720,910	747,450	-	-	-	26,540
Refuse Utility	219,320	219,714	8,926	-	-	9,320
Economic Redevelopment Authority	104,950	-	-	-	-	(104,950)
Total business-type activities	2,004,576	1,797,790	8,926	-	-	(197,860)
Total primary government	\$ 6,396,348	\$ 1,933,083	\$ 449,965	\$ 1,829,796	(1,985,644)	(197,860)
						(2,183,504)
General Revenues						
Taxes:						
Property taxes, levied for general purposes					1,539,510	-
Property taxes, levied for TIF districts					320,140	-
Other taxes					74,661	-
Intergovernmental revenues not restricted to specific programs					1,538,519	-
Interest and investment income					57,365	50,027
Miscellaneous					141,877	-
Total general revenues					3,672,072	50,027
						3,722,099
Transfers					109,055	(109,055)
						-
Change in net position					1,795,483	(256,888)
						1,538,595
Net Position, Beginning					9,921,841	9,667,251
						19,589,092
Net Position, Ending					\$ 11,717,324	\$ 9,410,363
						\$ 21,127,687

See notes to financial statements

City of Park Falls

Balance Sheet -
Governmental Funds
December 31, 2023

	General Fund	Capital Projects	Capital Projects TIF #5	YMCA Grant	Nonmajor Governmental Funds	Total
Assets						
Cash and investments	\$ 905,281	\$ 1,752,519	\$ 394,779	\$ 1,049,950	\$ 692,987	\$ 4,795,516
Receivables:						
Taxes	1,502,704	-	277,159	-	143,226	1,923,089
Delinquent personal property taxes, net	21	-	-	-	-	21
Accounts, net	-	184	25,130	-	-	25,314
Notes, net	753,728	-	-	-	163,704	917,432
Delinquent special assessments, net	33,501	-	-	-	-	33,501
Due from other governments	-	-	61,014	-	-	61,014
Due from other funds	932,358	-	-	-	-	932,358
Prepaid items and inventory	89,093	-	-	-	-	89,093
Total assets	<u>\$ 4,216,686</u>	<u>\$ 1,752,703</u>	<u>\$ 758,082</u>	<u>\$ 1,049,950</u>	<u>\$ 999,917</u>	<u>\$ 8,777,338</u>
Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)						
Liabilities						
Accounts payable	\$ 184,328	\$ -	\$ 543,357	\$ 898	\$ -	\$ 728,583
Accrued liabilities	83,718	-	-	-	-	83,718
Due to other funds	-	-	400,175	-	-	400,175
Unearned revenue	-	-	-	1,017,857	-	1,017,857
Advances from other funds	350,882	-	-	-	-	350,882
Total liabilities	<u>618,928</u>	<u>-</u>	<u>943,532</u>	<u>1,018,755</u>	<u>-</u>	<u>2,581,215</u>
Deferred Inflows of Resources						
Unearned revenues	1,502,704	-	302,289	-	143,226	1,948,219
Unavailable revenues	<u>787,229</u>	<u>-</u>	<u>61,014</u>	<u>-</u>	<u>163,704</u>	<u>1,011,947</u>
Total deferred inflows of resources	<u>2,289,933</u>	<u>-</u>	<u>363,303</u>	<u>-</u>	<u>306,930</u>	<u>2,960,166</u>
Fund Balances (Deficit)						
Nonspendable	122,615	-	-	-	-	122,615
Restricted	-	1,772,878	-	31,195	692,987	2,497,060
Unassigned (deficit)	<u>1,185,210</u>	<u>(20,175)</u>	<u>(548,753)</u>	<u>-</u>	<u>-</u>	<u>616,282</u>
Total fund balances (deficit)	<u>1,307,825</u>	<u>1,752,703</u>	<u>(548,753)</u>	<u>31,195</u>	<u>692,987</u>	<u>3,235,957</u>
Total liabilities, deferred inflows of resources and fund balances (deficit)	<u>\$ 4,216,686</u>	<u>\$ 1,752,703</u>	<u>\$ 758,082</u>	<u>\$ 1,049,950</u>	<u>\$ 999,917</u>	<u>\$ 8,777,338</u>

See notes to financial statements

City of Park Falls

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

Total Fund Balance, Governmental Funds	\$ 3,235,957
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in government activities are not financial resources and, therefore, are not reported in the fund statements. Capital assets at year end consist of:

Capital assets	\$ 27,168,899	
Accumulated depreciation	(12,280,349)	14,888,550

Special assessments, certain grant receivables, loan receivables and various other receivables are reported as unavailable revenues in the fund financial statements and are recognized as revenue when earned in the government-wide financial statements. See Note 3 for details.

1,011,947

Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.

1,557,592

Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.

(846,284)

Governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. These amounts are the net effect of these differences:

Premium on debt	(100,028)
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Long-term liabilities, including bond and notes payable, are not due in the current period and, therefore, are not reported in the fund statements.

Long-term liabilities at year end consist of:

General obligation debt	(7,427,576)	
Accrued interest on general obligation debt	(31,747)	
Net pension liability	(403,751)	
Vested compensated absences	(167,336)	(8,030,410)

Total Net Position, Governmental Activities	\$ 11,717,324
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City of Park Falls

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

	Capital Projects Funds				Nonmajor Governmental Funds	Total
	General Fund	Capital Projects	TIF #5	YMCA Grant		
Revenues						
Taxes	\$ 1,613,703	\$ -	\$ 172,745	\$ -	\$ 147,395	\$ 1,933,843
Intergovernmental	1,416,661	93,300	1,973,179	44,500	69	3,527,709
Licenses and permits	21,263	-	-	-	-	21,263
Fines, forfeitures and penalties	21,187	-	-	-	-	21,187
Public charges for services	92,843	-	-	-	-	92,843
Intergovernmental charges for services	227,045	-	-	-	-	227,045
Investment income (loss)	50,586	-	-	-	6,778	57,364
Miscellaneous	72,111	-	31,719	57,819	14,105	175,754
Total revenues	3,515,399	93,300	2,177,643	102,319	168,347	6,057,008
Expenditures						
Current:						
General government	724,636	-	-	-	-	724,636
Public safety	1,065,504	-	-	-	620	1,066,124
Public works	639,700	-	-	71,124	-	710,824
Health and human services	31,150	-	-	-	-	31,150
Leisure activities	610,809	-	-	-	-	610,809
Conservation and development	73,121	-	810,341	-	151	883,613
Capital outlay	50,584	190,205	2,106,269	-	-	2,347,058
Debt service:						
Principal retirement	-	-	-	-	200,000	200,000
Interest and fiscal charges	24,729	42,789	104,000	-	44,496	216,014
Total expenditures	3,220,233	232,994	3,020,610	71,124	245,267	6,790,228
Excess (deficiency) of revenues over expenditures	295,166	(139,694)	(842,967)	31,195	(76,920)	(733,220)
Other Financing Sources (Uses)						
Long-term debt issued	-	1,250,000	-	-	-	1,250,000
Transfers in	109,055	-	-	-	244,496	353,551
Transfers out	(244,496)	-	-	-	-	(244,496)
Total other financing sources (uses)	(135,441)	1,250,000	-	-	244,496	1,359,055
Net change in fund balances	159,725	1,110,306	(842,967)	31,195	167,576	625,835
Fund Balances, Beginning	1,148,100	642,397	294,214	-	525,411	2,610,122
Fund Balances (Deficit), Ending	\$ 1,307,825	\$ 1,752,703	\$ (548,753)	\$ 31,195	\$ 692,987	\$ 3,235,957

See notes to financial statements

City of Park Falls

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

Net Change in Fund Balances, Total Governmental Funds \$ 625,835

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 these assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. The following differ in their presentation in the two statements:

Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements	2,347,058
Some items reported as capital outlay were not capitalized	(79,745)
Some functional expenditures are capitalized	698,926
Depreciation/amortization is reported in the government-wide statements	(751,150)

Grant and accounts receivables are reported as unavailable revenues in the fund financial statements if not collected within 60 days of year end but are recognized as revenue when earned in the government-wide financial statements.	35,296
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Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Debt issued	(1,250,000)
Principal payments paid	200,000

Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Change in the vested compensated absences	43,928
Change in accrued interest payable	5,872
Change in net pension liability (and pension related deferred inflows and outflows of resources)	(97,586)

Governmental funds report repayments of economic development and housing loans and notes receivables as revenue and issuing new loans as expenditures. However, in the Statement of Activities, these amounts are not reported as revenue and expenses; they are reported as changes in the receivables balances.

(14,105)

Governmental funds report debt premiums and discounts as other financing sources (uses) or expenditures. However, in the Statement of Net Position, these are reported as additions to or deductions from long-term debt. These are allocated over the period the debt is outstanding in the Statement of Activities and are reported as interest expense.

Change in/Amortization of premium	31,154
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Change in Net Position of Governmental Activities \$ 1,795,483

City of Park Falls

Statement of Net Position -
Proprietary Funds
Year Ended December 31, 2023

	Business-Type Activities - Enterprise Funds			
	Water Utility	Wastewater Utility	Nonmajor Funds	Total
Assets and Deferred Outflows of Resources				
Assets				
Current assets:				
Cash and investments	\$ -	\$ 480,543	\$ 526	\$ 481,069
Restricted assets, construction account	-	13,010	-	13,010
Customer accounts receivable	318,914	183,562	-	502,476
Other accounts receivable	-	-	54,653	54,653
Current portion of advances to other funds	-	33,412	-	33,412
Inventories and prepaid items	78,952	9,795	-	88,747
Total current assets	397,866	720,322	55,179	1,173,367
Noncurrent assets:				
Restricted assets:				
Equipment replacement	-	118,102	-	118,102
Capital assets:				
Land	99,318	60,000	-	159,318
Capital assets being depreciated	14,671,607	10,328,064	2,098,996	27,098,667
Accumulated depreciation	(6,209,681)	(4,392,018)	(2,088,506)	(12,690,205)
Other assets:				
Advances to other funds	-	676,244	-	676,244
Total noncurrent assets	8,561,244	6,790,392	10,490	15,362,126
Total assets	8,959,110	7,510,714	65,669	16,535,493
Deferred Outflows of Resources				
Pension related amounts	169,785	135,833	33,953	339,571
Total deferred outflows of resources	169,785	135,833	33,953	339,571
Liabilities, Deferred Inflows of Resources and Net Position				
Liabilities				
Current liabilities:				
Accounts payable	36,314	81,784	21,760	139,858
Accrued interest	11,271	5,321	-	16,592
Accrued expenses	13,406	9,767	61	23,234
Due to other funds	530,671	-	1,512	532,183
Current portion of advances from other funds	16,892	-	-	16,892
Current portion of accrued compensated absences	1,249	-	-	1,249
Current portion of long-term debt	465,693	203,329	-	669,022
Total current liabilities	1,075,496	300,201	23,333	1,399,030
Noncurrent liabilities:				
Long-term debt	3,021,177	2,349,183	-	5,370,360
Advances from other funds	341,882	-	-	341,882
Accrued compensated absences	20,908	20,020	-	40,928
Net pension liability	50,467	40,375	10,093	100,935
Total noncurrent liabilities	3,434,434	2,409,578	10,093	5,854,105
Total liabilities	4,509,930	2,709,779	33,426	7,253,135
Deferred Inflows of Resources				
Pension related amounts	105,782	84,629	21,155	211,566
Total deferred inflow of resources	105,782	84,629	21,155	211,566
Net Position				
Net investment in capital assets	5,074,374	3,456,544	10,490	8,541,408
Restricted for:				
Equipment replacement	-	118,102	-	118,102
Unrestricted (deficit)	(561,191)	1,277,493	34,551	750,853
Total net position	\$ 4,513,183	\$ 4,852,139	\$ 45,041	\$ 9,410,363

See notes to financial statements

City of Park Falls

Statement of Revenues, Expenses and Changes in Net Position -

Proprietary Funds

Year Ended December 31, 2023

	Business-Type Activities - Enterprise Funds			
	Water Utility	Wastewater Utility	Nonmajor Funds	Total
Operating Revenues	\$ 830,626	\$ 747,450	\$ 228,640	\$ 1,806,716
Operating Expenses				
Operation and maintenance	484,428	447,283	219,320	1,151,031
Depreciation	373,342	232,826	104,950	711,118
Taxes	14,805	-	-	14,805
Total operating expenses	872,575	680,109	324,270	1,876,954
Operating income (loss)	(41,949)	67,341	(95,630)	(70,238)
Nonoperating Revenues (Expenses)				
Investment income	37,257	12,743	27	50,027
Interest and fiscal charges	(86,822)	(40,800)	-	(127,622)
Total nonoperating revenue (expenses)	(49,565)	(28,057)	27	(77,595)
Income (loss) before transfers	(91,514)	39,284	(95,603)	(147,833)
Transfers				
Transfers out	(109,055)	-	-	(109,055)
Total transfers	(109,055)	-	-	(109,055)
Change in net position	(200,569)	39,284	(95,603)	(256,888)
Net Position, Beginning	4,713,752	4,812,855	140,644	9,667,251
Net Position, Ending	<u>\$ 4,513,183</u>	<u>\$ 4,852,139</u>	<u>\$ 45,041</u>	<u>\$ 9,410,363</u>

See notes to financial statements

City of Park Falls

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

	Business-Type Activities - Enterprise Funds			
	Water Utility	Wastewater Utility	Nonmajor Funds	Total
Cash Flows From Operating Activities				
Cash received from customers	\$ 680,720	\$ 712,123	\$ 226,168	\$ 1,619,011
Cash paid to suppliers for goods and services	293,212	(223,514)	(206,115)	(136,417)
Cash paid to employees for services	(224,157)	(144,695)	(20,080)	(388,932)
Net cash flows from operating activities	<u>749,775</u>	<u>343,914</u>	<u>(27)</u>	<u>1,093,662</u>
Cash Flows From Noncapital Financing Activities				
Transfers to other funds	(109,055)	-	-	(109,055)
Net cash flows from investing activities	<u>(109,055)</u>	<u>-</u>	<u>-</u>	<u>(109,055)</u>
Cash Flows From Investing Activities				
Investment income	37,257	12,743	27	50,027
Net cash flows from investing activities	<u>37,257</u>	<u>12,743</u>	<u>27</u>	<u>50,027</u>
Cash Flows From Capital and Related Financing Activities				
Debt proceeds	120,173	-	-	120,173
Debt retired	(565,983)	(291,135)	-	(857,118)
Payments on short-term debt	(210,852)	-	-	(210,852)
Interest paid	(96,985)	(49,351)	-	(146,336)
Advances (to) from other funds	(16,687)	33,411	-	16,724
Acquisition and construction of capital assets	(65,469)	(15,733)	-	(81,202)
Net cash flows from capital and related financing activities	<u>(835,803)</u>	<u>(322,808)</u>	<u>-</u>	<u>(1,158,611)</u>
Net increase (decrease) in cash and cash equivalents	(157,826)	33,849	-	(123,977)
Cash and Cash Equivalents, Beginning	<u>157,826</u>	<u>577,806</u>	<u>526</u>	<u>736,158</u>
Cash and Cash Equivalents, Ending	<u>\$ -</u>	<u>\$ 611,655</u>	<u>\$ 526</u>	<u>\$ 612,181</u>
Reconciliation of Cash and Cash Equivalents				
Cash and cash equivalents per statement of net position:				
Cash and investments	\$ -	\$ 480,543	\$ 526	\$ 481,069
Restricted cash and investments:				
Bond proceeds account	-	13,010	-	13,010
Replacement account	-	118,102	-	118,102
Cash and cash equivalents per statement of cash flows	<u>\$ -</u>	<u>\$ 611,655</u>	<u>\$ 526</u>	<u>\$ 612,181</u>
Reconciliation of Operating Income (Loss) to Net Cash Flows From Operating Activities				
Operating income (loss)	\$ (41,949)	\$ 67,341	\$ (95,630)	\$ (70,238)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:				
Noncash items included in income:				
Depreciation	373,342	232,826	104,950	711,118
Depreciation charged to other accounts	10,965	(10,965)	-	-
Change in assets and liabilities:				
Customer accounts receivable	(165,206)	(23,958)	-	(189,164)
Receivable from municipality	-	(403)	-	(403)
Other accounts receivable	4,334	-	(2,472)	1,862
Inventories and prepaid items	(3,923)	(4,222)	-	(8,145)
Accounts payable	22,048	67,827	17,840	107,715
Payable to municipality	530,671	-	(27,069)	503,602
Other current liabilities	6,877	5,711	(85)	12,503
Accrued compensated absences	416	-	-	416
Pension related deferrals and asset	12,200	9,757	2,439	24,396
Net cash flows from operating activities	<u>\$ 749,775</u>	<u>\$ 343,914</u>	<u>\$ (27)</u>	<u>\$ 1,093,662</u>
Noncash Capital, Investing and Financing Activities				
Change in capital accounts payable	<u>\$ (42,000)</u>	<u>\$ -</u>	<u>\$ -</u>	

See notes to financial statements

City of Park Falls

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

	<u>Custodial Fund</u> <u>Tax Collection</u> <u>Fund</u>
Assets	
Cash and investments	\$ 571,521
Taxes receivable	<u>1,386,683</u>
Total assets	<u>1,958,204</u>
Liabilities	
Due to other governments	<u>1,958,204</u>
Net Position	
Total net position	<u>\$ -</u>

See notes to financial statements

City of Park Falls

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

	<u>Custodial Fund</u> <u>Tax Collection</u> <u>Fund</u>
Additions	
Property taxes collected for other governments	<u>\$ 1,175,805</u>
Deductions	
Property taxes distributed to other governments	<u>1,175,805</u>
Change in fiduciary net position	-
Net Position, Beginning	<u>-</u>
Net Position, Ending	<u><u>\$ -</u></u>

See notes to financial statements

City of Park Falls

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December 31, 2023

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City of Park Falls

Notes to Financial Statements
December 31, 2023

1. Summary of Significant Accounting Policies

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

Reporting Entity

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

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

Blended Component Unit

The Redevelopment Authority of the City of Park Falls (RDA) serves all the citizens of the government and is governed by a board comprised of the government's elected council. The rates for any user charges and bond issuance authorizations are approved by the government's council and the government is legally obligated to provide resources in case there are deficiencies in debt service payments and resources are not available from other remedies. The Authority is reported as an enterprise fund. The Authority does not issue separate financial statements.

Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

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

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

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

City of Park Falls

Notes to Financial Statements

December 31, 2023

The City reports the following major governmental funds:

General Fund

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

Capital Projects Funds

The Capital Projects Fund is used to account for and report financial resources that are restricted or assigned to expenditures for the acquisition or construction of the City's capital improvement plan projects.

TIF #5, Capital Projects Fund, is used to account for and report financial resources that are committed for expenditures in accordance with the TIF District plan.

YMCA Grant, Capital Projects Fund, is used to account for and report financial resources that are restricted to expenditures for the acquisition and construction of the YMCA project.

The City reports the following major enterprise funds:

Water Utility

This fund accounts for the operation of the water system.

Wastewater Utility

Wastewater Utility accounts for operations of the wastewater system.

The City reports the following nonmajor governmental and enterprise funds:

Special Revenue Funds

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

DARE
CDBG
Fair Housing

Capital Projects Funds

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

TIF #3 Development

Debt Service Fund

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

Enterprise Funds

Enterprise Fund is used to account for and report any activity for which a fee is charged to external uses for goods or services, and must be used for activities which meet certain debt or cost recovery criteria. In addition, the City reports the following fund types:

Refuse
Redevelopment Authority - Blended Component Unit

Custodial Fund

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

Tax Collection Fund

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-Wide Financial Statements

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

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

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

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

City of Park Falls

Notes to Financial Statements

December 31, 2023

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

Special assessments are recorded as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and unavailable revenues.

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

Proprietary and Fiduciary Funds

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

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

All Financial Statements

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

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

Deposits and Investments

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

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

- a. Time deposits in any credit union, bank, savings bank or trust company.
- b. Bonds or securities of any county, city, drainage district, technical college district, village, town or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, the University of Wisconsin Hospitals and Clinics Authority or the Wisconsin Aerospace Authority.
- c. Bonds or securities issued or guaranteed by the federal government.
- d. The local government investment pool.
- e. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- f. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- g. Repurchase agreements with public depositories, with certain conditions.

The City has adopted a formal investment policy. That policy contains the following guidelines:

Custodial Credit Risk - The policy states investments shall be collateralized with a written agreement for amounts above and beyond coverage provided by FDIC. Collateral is limited to securities of the U.S. Treasury and its agencies and AAA rated irrevocable letters of credit.

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

See Note 3 for further information.

Receivables

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

City of Park Falls

Notes to Financial Statements
December 31, 2023

Property tax calendar, 2023 tax roll:

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

Delinquent real estate taxes as of July 31 are paid in full by the county, which assumes the collection thereof. Therefore, no provision has been made for uncollectible real estate taxes.

The water and wastewater utilities have the right, by law, to place substantially all delinquent bills on the tax roll. Therefore, no provision for has been made for uncollectible utility bills..

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

The City has received federal and state grant funds for economic development and housing rehabilitation loan programs to various businesses and individuals. The City records a loan receivable when the loan has been made and funds have been disbursed. The amount recorded as loans receivable has not been reduced by an allowance for uncollectible accounts.

It is the City's policy to record unavailable revenue for the net amount of the receivable balance. As loans are repaid, revenue is recognized. When new loans are made from the repayments, expenditures are recorded. Interest received from loan repayments is recognized as revenue when received in cash. Any unspent loan repayments at year-end are presented as restricted fund balance in the fund financial statements.

Inventories and Prepaid Items

Governmental fund inventory items are charged to expenditure accounts when purchased. Year-end inventory was not significant. Proprietary fund inventories are generally used for construction and/or for operation and maintenance work. They are not for resale. They are valued at average cost based on the first-in/first-out (FIFO) method and charged to construction or operation and maintenance expense when used.

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

Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties.

Capital Assets

Government-Wide Statements

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$5,000 and an estimated useful life in excess of 1 year. All capital assets are valued at historical cost or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

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

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

Buildings	20-50 years
Furniture and equipment	5-10 years
Vehicles	5-10 years
Infrastructure	10-50 years

Fund Financial Statements

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

Compensated Absences

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

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

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

Deferred Outflows of Resources

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

Long-Term Obligations

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

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

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

Deferred Inflows of Resources

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

Equity Classifications

Government-Wide Statements

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

- a. **Net Investment in Capital Assets** - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. **Restricted Net Position** - Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. **Unrestricted Net Position** - All other net positions that do not meet the definitions of "restricted" or "net investment in capital assets."

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

Fund Statements

Governmental fund balances are displayed as follows:

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

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

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

Assigned - Includes spendable fund balance amounts that are intended to be used for specific purposes that are not considered restricted or committed. The City Council may take official action to assign amounts. Assignments may take place after the end of the reporting period.

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

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

The City considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents / contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the City would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

See Note 3 for further information.

Basis for Existing Utility Rates

Current water rates were authorized by Public Service Commission order 4550-WQ-104 and were in effect for services rendered on or after September 17, 2023.

Current wastewater rates were approved by the City Council and were in effect for services rendered on or after January 1, 2023.

City of Park Falls

Notes to Financial Statements
December 31, 2023

Pension

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

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

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

2. Stewardship, Compliance and Accountability

Deficit Balances

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year-end. As of December 31, 2023, the following individual funds held a deficit balance:

Fund	Amount	Reason
Capital Project Fund - TIF #5	\$ 548,753	Expenditures in excess of increment

TIF district deficits are anticipated to be funded with future incremental taxes levied over the life of the districts, which is 27 years for the districts created before October 1, 1995 and 23 years for districts created thereafter through September 30, 2004. Beginning October 1, 2004, the life of new districts varies by type of district (20-27 years) and may be extended in some cases.

Budgetary Information

A budget has been adopted for the general fund, capital projects fund, refuse utility, water utility and wastewater utility. A budget has not been formally adopted for the redevelopment authority fund, YMCA grant, TIF #3 and TIF #5 capital projects funds, debt service fund and special revenue funds – DARE, CDBG and Fair housing. Wisconsin Statute 65.90 requires that an annual budget be adopted for all funds.

Limitations on the City's Tax Levy

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

City of Park Falls

Notes to Financial Statements

December 31, 2023

Violation of Finance-Related Legal or Contractual Provisions

At December 31, 2023, the City was not in compliance with the provisions of the 2008, 2013, 2016, 2017, 2022 and 2023 water and wastewater revenue bond covenants that require assets to be accumulated in a restricted account for the payment of future debt service. The covenants require, at a minimum, that an amount equivalent to the next debt service payments be always maintained in a segregated cash account. As of year-end, the City had no restricted cash and investments available related to debt service and had not set up segregated debt service bank accounts.

In addition, as of year-end, the water utility did not have sufficient cash available to pay for operation and maintenance expenses, as required by the revenue bond agreement.

The City was in compliance with the provisions of its water and wastewater revenue bond covenants that require that the net revenues in the water utility equal or exceed 110% of the total principal and interest paid on the revenue bonds during the year. The actual coverage as of December 31, 2023, was approximately 112% and 175%, respectively.

3. Detailed Notes on All Funds

Deposits and Investments

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

	Carrying Value	Bank Balance	Associated Risks
Demand and time deposits	\$ 3,119,234	\$ 2,966,806	Custodial credit risk
Cash on hand and petty cash	75	-	N/A
Certificate of deposit	2,859,909	2,859,909	N/A
Total cash and investments	<u>\$ 5,979,218</u>	<u>\$ 5,826,715</u>	
Reconciliation to financial statements:			
Per statement of net position:			
Unrestricted cash and investments	\$ 5,276,585		
Restricted cash and investments	131,112		
Per statement of fiduciary net position:			
Tax collection fund	571,521		
Total cash and investments	<u>\$ 5,979,218</u>		

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

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

The city has a floating collateralization agreement with First National Bank that covers deposits over the FDIC limit with additional collateralization up to \$10,000,000. As of December 31, 2023 the city was fully collateralized in their depositories.

City of Park Falls

Notes to Financial Statements
December 31, 2023

Custodial Credit Risk

Deposits

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

Receivables

All of the receivables on the balance sheet are expected to be collected within one year with the exception of the \$753,728 mill loan receivable, \$163,704 CDBG mortgages receivable, \$21 of delinquent personal property taxes and \$33,501 of delinquent special assessments held by the City.

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

	<u>Unearned</u>	<u>Unavailable</u>
Property taxes receivable for subsequent year	\$ 1,923,089	\$ -
Payment in lieu of taxes	25,130	-
Special assessments	-	33,501
Loans receivable	-	917,432
Grants receivable	-	61,014
Grants received in advance of meeting eligibility requirements	<u>1,017,857</u>	<u>-</u>
Total unearned/unavailable revenue for governmental funds	<u>\$ 2,966,076</u>	<u>\$ 1,011,947</u>
Unearned revenue included in liabilities	\$ 1,017,857	
Unearned revenue included in deferred outflows	<u>1,948,219</u>	
Total unearned revenue for governmental activities	<u>\$ 2,966,076</u>	

Restricted Assets

The following represent the balances of the restricted assets.

Long-Term Debt Accounts

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

Equipment Replacement - Used for significant wastewater treatment mechanical equipment replacement as required by the Wisconsin Department of Natural Resources.

City of Park Falls

Notes to Financial Statements

December 31, 2023

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

	Business-Type Activities
Restricted cash and investments:	
Construction account	\$ 13,010
Equipment replacement	118,102
	<u> </u>
Total restricted assets	<u>\$ 131,112</u>

Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital assets not being depreciated:				
Land and right of way	\$ 368,175	\$ -	\$ -	\$ 368,175
Construction in progress	127,528	2,449,716	-	2,577,244
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total capital assets not being depreciated	495,703	2,449,716	-	2,945,419
Capital assets being depreciated:				
Buildings and improvements	10,453,881	59,588	-	10,513,469
Infrastructure	7,356,387	355,294	-	7,711,681
Equipment and vehicles	5,979,721	101,641	(83,032)	5,998,330
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total capital assets being depreciated	23,789,989	516,523	(83,032)	24,223,480
Total capital assets	24,285,692	2,966,239	(83,032)	27,168,899
Accumulated depreciation for:				
Buildings and improvements	(5,959,954)	(228,256)	-	(6,188,210)
Infrastructure	(1,565,457)	(339,032)	-	(1,904,489)
Equipment and vehicles	(4,086,820)	(183,862)	83,032	(4,187,650)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total accumulated depreciation	(11,612,231)	(751,150)	83,032	(12,280,349)
Total governmental activities capital assets, net of depreciation	<u>\$ 12,673,461</u>	<u>\$ 2,215,089</u>	<u>\$ -</u>	<u>\$ 14,888,550</u>

Depreciation was charged to governmental funds as follows:

Governmental Activities	
Unallocated	\$ 412,118
Public works	339,032
	<u> </u>
Total	<u>\$ 751,150</u>

City of Park Falls

Notes to Financial Statements

December 31, 2023

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-Type Activities				
Water Utility:				
Capital assets not being depreciated:				
Land and land rights	\$ 99,318	\$ -	\$ -	\$ 99,318
Construction work in progress	-	-	-	-
Total capital assets not being depreciated	<u>99,318</u>	<u>-</u>	<u>-</u>	<u>99,318</u>
Capital assets being depreciated:				
Source of supply	1,629,169	-	-	1,629,169
Pumping plant	1,934,010	-	-	1,934,010
Water treatment plant	2,720,401	-	-	2,720,401
Trans. & dist. plant	7,961,080	23,469	-	7,984,549
General plant	<u>403,478</u>	<u>-</u>	<u>-</u>	<u>403,478</u>
Total capital assets being depreciated	<u>14,648,138</u>	<u>23,469</u>	<u>-</u>	<u>14,671,607</u>
Total capital assets	14,747,456	23,469	-	14,770,925
Less accumulated depreciation	<u>(5,825,374)</u>	<u>(384,307)</u>	<u>-</u>	<u>(6,209,681)</u>
Total water utility capital assets, net of depreciation	<u>\$ 8,922,082</u>	<u>\$ (360,838)</u>	<u>\$ -</u>	<u>\$ 8,561,244</u>

City of Park Falls

Notes to Financial Statements

December 31, 2023

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-Type Activities				
Wastewater Utility:				
Capital assets not being depreciated:				
Land and land rights	\$ 60,000	\$ -	\$ -	\$ 60,000
Construction work in progress	-	-	-	-
Total capital assets not being depreciated	60,000	-	-	60,000
Capital assets being depreciated:				
Collection system	6,393,356	-	-	6,393,356
Collection pumping	650,561	-	-	650,561
Treatment plant	2,786,632	15,733	-	2,802,365
General plant	481,782	-	-	481,782
Total capital assets being depreciated	10,312,331	15,733	-	10,328,064
Total capital assets	10,372,331	15,733	-	10,388,064
Less accumulated depreciation	(4,170,157)	(221,861)	-	(4,392,018)
Total wastewater utility capital assets, net of depreciation	\$ 6,202,174	\$ (206,128)	\$ -	\$ 5,996,046
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-Type Activities				
Redevelopment Authority:				
Capital assets being depreciated:				
Infrastructure	\$ 2,098,996	\$ -	\$ -	\$ 2,098,996
Less accumulated depreciation	(1,983,556)	(104,950)	-	(2,088,506)
Total redevelopment authority capital assets, net of depreciation	\$ 115,440	\$ (104,950)	\$ -	\$ 10,490

City of Park Falls

Notes to Financial Statements

December 31, 2023

Depreciation was charged to business-type activities as follows:

Water utility	\$	373,342
Wastewater utility		232,826
Redevelopment authority		<u>104,950</u>
Total	\$	<u>711,118</u>

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

Interfund Receivables/Payables, Advances and Transfers

Interfund Receivables/Payables

The following is a schedule of interfund receivables and payables, including any overdrafts on pooled cash and investment accounts:

Receivable Fund	Payable Fund	Amount
General Fund	Capital Project Fund – TIF #5	\$ 400,175
General Fund	Water Utility	530,671
General Fund	Refuse Fund	<u>1,512</u>
Total, fund financial statements		932,358
Less advances		(350,882)
Less fund and government-wide eliminations		<u>(400,175)</u>
Total internal balances, government-wide statement of net position		<u>\$ 181,301</u>

All amounts are due within one year.

The primary purpose of the interfund balances is to cover an overdraft of pooled cash.

Advances

The following is a schedule of interfund advances. A repayment schedule has been established for the advances to the water utility and general fund.

City of Park Falls

Notes to Financial Statements

December 31, 2023

The following is a schedule of interfund advances:

Receivable Fund	Payable Fund	Amount	Amount Due Within One Year
Wastewater Utility	Water Utility	\$ 358,774	\$ 16,892
Wastewater Utility	General Fund	350,882	16,520
Total, fund financial statements		709,656	
Less fund eliminations		(358,774)	
Total advances for government-wide statement of net position		<u>\$ 350,882</u>	

The principal purpose of these interfunds is to finance capital projects in those funds.

Years	Water Utility		General Fund	
	Principal	Interest	Principal	Interest
2024	\$ 16,892	\$ 4,278	\$ 16,520	\$ 4,183
2025	17,098	4,070	16,722	3,980
2026	17,307	3,860	16,926	3,775
2027	17,518	3,647	17,133	3,567
2028	17,732	3,432	17,342	3,142
2029-2033	91,960	13,840	89,938	13,535
2034-2038	97,713	8,052	95,564	7,874
2039-2043	82,554	2,031	80,737	1,987
Total	<u>\$ 358,774</u>	<u>\$ 43,210</u>	<u>\$ 350,882</u>	<u>\$ 42,043</u>

Transfers

The following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount
General Fund	Water Utility	\$ 109,055
Debt Service Fund	General Fund	244,496
Total, fund financial statements		353,551
Less government-wide eliminations		(244,496)
Total transfers, government-wide statement of activities		<u>\$ 109,055</u>

The transfer from the Water Utility to the General Fund is for payment of the property tax equivalent imposed on the utility by the Public Service Commission guidelines. The transfer from the General Fund to the Debt Service Fund is for debt service payments.

City of Park Falls

Notes to Financial Statements

December 31, 2023

Short-Term Debt

The City issued short-term debt in 2022 for cash flow purposes in anticipation of financing. The proceeds were used to provide interim financing for additions, extensions and improvements to the City's Streets, Water System and Sewerage System and paying the related costs. Interest rate on note was 2.44% and the note was paid in full on September 27, 2023.

Short-term debt activity for the year ended December 31, 2023, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities				
2022 GO bank note	\$ 901,797	\$ -	\$ (901,797)	\$ -
Total governmental activities short-term debt	<u>\$ 901,797</u>	<u>\$ -</u>	<u>\$ (901,797)</u>	<u>\$ -</u>
Business-Type Activities				
2022 GO bank note	\$ 210,852	\$ -	\$ (210,852)	\$ -
Total business-type activities short-term debt	<u>\$ 210,852</u>	<u>\$ -</u>	<u>\$ (210,852)</u>	<u>\$ -</u>

Long-Term Obligations

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities					
Bonds and notes payable:					
General obligation bonds and notes	\$ 2,200,000	\$ 1,250,000	\$ (200,000)	\$ 3,250,000	\$ 400,000
General obligation notes from direct borrowings and direct placements	77,576	-	-	77,576	-
Note anticipation notes	4,100,000	-	-	4,100,000	-
Unamortized bond premium	131,182	-	(31,154)	100,028	-
Total bonds and notes payable	<u>6,508,758</u>	<u>1,250,000</u>	<u>(231,154)</u>	<u>7,527,604</u>	<u>400,000</u>
Other liabilities:					
Vested compensated absences	211,264	-	(43,928)	167,336	17,406
Total other liabilities	<u>211,264</u>	<u>-</u>	<u>(43,928)</u>	<u>167,336</u>	<u>17,406</u>
Total governmental activities, long-term liabilities	<u>\$ 6,720,022</u>	<u>\$ 1,250,000</u>	<u>\$ (275,082)</u>	<u>\$ 7,694,940</u>	<u>\$ 417,406</u>

City of Park Falls

Notes to Financial Statements

December 31, 2023

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Business-Type Activities					
Bonds and notes payable:					
General obligation notes from direct borrowings and direct placements	\$ 325,649	\$ -	\$ (265,649)	\$ 60,000	\$ 60,000
Revenue bonds from direct borrowing or direct placement	6,450,678	120,173	(591,469)	5,979,382	609,022
Total bonds and notes payable	6,776,327	120,173	(857,118)	6,039,382	669,022
Other liabilities:					
Vested compensated absences	41,761	416	-	42,177	1,249
Total other liabilities	41,761	416	-	42,177	1,249
Total business-type activities, long-term liabilities	<u>\$ 6,818,088</u>	<u>\$ 120,589</u>	<u>\$ (857,118)</u>	<u>\$ 6,081,559</u>	<u>\$ 670,271</u>

In accordance with Wisconsin Statutes, total general obligation indebtedness of the City may not exceed 5% of the equalized value of taxable property within the City's jurisdiction. The debt limit as of December 31, 2023, was \$8,873,735. Total general obligation debt outstanding at year-end was \$3,387,576.

General Obligation Debt

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

General obligation debt payable for the City at December 31, 2023, consists of the following:

<u>Governmental Activities General Obligation Debt</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance, December 31, 2023</u>
2021A Note payable	2021	2028	2.00 %	\$ 2,300,000	\$ 2,000,000
2021 Bank note payable*	2021	2026	2.45	1,269,000	77,576
2023 Note payable	2023	2033	2.56	1,250,000	1,250,000
Total governmental activities, general obligation debt					<u>\$ 3,327,576</u>
<u>Business-Type Activities General Obligation Debt</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance, December 31, 2023</u>
2017 Bank note payable*	2017	2024	2.740 %	\$ 760,000	\$ 60,000
Total business-type activities, general obligation debt					<u>\$ 60,000</u>

* - Debt is considered direct borrowings or direct placements.

City of Park Falls

Notes to Financial Statements

December 31, 2023

Debt service requirements to maturity are as follows:

<u>Years</u>	Governmental Activities	
	General Obligation Notes	
	Principal	Interest
2024	\$ 400,000	\$ 88,833
2025	400,000	90,600
2026	400,000	82,600
2027	400,000	74,600
2028	400,000	66,600
2029-2033	1,250,000	147,500
Total	<u>\$ 3,250,000</u>	<u>\$ 550,733</u>

<u>Years</u>	Governmental Activities		Business-Type Activities	
	General Obligation Debt From Direct Borrowings and Direct Placements		General Obligation Debt From Direct Borrowings and Direct Placements	
	Principal	Interest	Principal	Interest
2024	\$ -	\$ 1,901	\$ 60,000	\$ 831
2025	-	1,901	-	-
2026	77,576	1,901	-	-
Total	<u>\$ 77,576</u>	<u>\$ 5,703</u>	<u>\$ 60,000</u>	<u>\$ 831</u>

Revenue Debt

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

The water utility has pledged future water utility revenues, net of specified operating expenses, to repay water revenue bonds issued in 2008, 2013, 2015, 2016, 2017 and 2023. Proceeds from the bonds provided financing for the water utility. The bonds are payable solely from water utility revenues and are payable through 2043. Annual principal and interest payments on the bonds are expected to require 57% of net revenues. The total principal and interest remaining to be paid on the bonds is \$3,744,507. Principal and interest paid for the current year and total customer net revenues were \$321,399 and \$331,395, respectively.

The wastewater utility has pledged future wastewater utility revenues, net of specified operating expenses, to repay wastewater revenue bonds issued in 2013, 2016, 2017 and 2022. Proceeds from the bonds provided financing for the wastewater utility. The bonds are payable solely from wastewater utility revenues and are payable through 2042. Annual principal and interest payments on the wastewater bonds are expected to require 49% of net revenues. The total principal and interest remaining to be paid on the bonds is \$2,788,464. Principal and interest paid for the current year and total customer net revenues were \$179,090 and \$300,166, respectively.

City of Park Falls

Notes to Financial Statements
December 31, 2023

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

Business-Type Activities Revenue Debt

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2023</u>
Water Utility					
Safe Drinking Water Loan*	2008	2027	2.365 %	\$ 639,638	\$ 151,034
Safe Drinking Water Loan*	2008	2028	1.419	2,564,141	719,688
Safe Drinking Water Loan*	2013	2033	1.155	858,691	455,955
Water Systems Refunding Bond*	2015	2029	3.750	2,120,500	986,500
Safe Drinking Water Loan*	2016	2036	.990	953,244	629,964
Safe Drinking Water Loan*	2017	2037	1.122	711,250	423,556
Safe Drinking Water Loan*	2023	2043	1.287	120,173	120,173
Wastewater Utility					
Sewerage Revenue Bond*	2013	2033	2.625 %	452,721	188,376
Sewerage Revenue Bond*	2016	2036	2.100	734,562	492,065
Sewerage Revenue Bond*	2017	2037	1.056	620,367	407,872
Sewerage Revenue Bond*(1)	2022	2042	1.221	1,469,513	1,404,199
Total business-type activities, revenue debt					<u>\$ 5,979,382</u>

* The debt noted is directly placed with a third party

(1) - During 2022, the wastewater utility was authorized to issue \$1,506,000 of Sewerage System Revenue Bonds. The original amount reported above has been issued as of December 31, 2023. The repayment schedule includes payments for the amount issued.

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Business-Type Activities Revenue Debt From Direct Borrowings and Direct Placements</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 609,022	\$ 99,659
2025	622,438	86,551
2026	635,955	73,218
2027	649,577	59,514
2028	623,289	45,909
2029-2033	1,540,832	133,307
2034-2038	942,180	46,409
2039-2043	356,089	9,022
Total	<u>\$ 5,979,382</u>	<u>\$ 553,589</u>

City of Park Falls

Notes to Financial Statements
December 31, 2023

Note Anticipation Notes

Note anticipation notes are payable from the issuance of future General Obligation debt.

Note anticipation notes for the City at December 31, 2023, consists of the following:

Governmental Activities Note Anticipation Notes	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance, December 31, 2023
Note payable	2020	2025	2.00 %	\$ 1,900,000	\$ 1,900,000
Note payable	2021	2025	3.00	2,200,000	2,200,000
Total governmental activities, general obligation debt					<u>\$ 4,100,000</u>

Debt service requirements to maturity are as follows:

<u>Years</u>	Governmental Activities Note Anticipation Notes	
	Principal	Interest
2024	\$ -	\$ 104,000
2025	4,100,000	52,000
Total	<u>\$ 4,100,000</u>	<u>\$ 156,000</u>

Other Debt Information

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

The City's outstanding 2021 General Obligation notes from direct borrowings and/or direct placements related to governmental activities and business-type activities with balances totaling \$77,576, contain provisions that in the event of default, the outstanding balance shall become immediately due and payable.

The City's 2008, 2013, 2015, 2017 and 2023 Safe Drinking Water Loan and 2013, 2016, 2017 and 2022 Clean Water Fund Loan from direct borrowings and/or direct placements related to business-type activities with balances totaling \$5,859,208, contain provisions that amounts due may be deducted from any state payments due to the City, that the Wisconsin Department of Administration may add a special charge to the amount of taxes apportioned to and levied upon the county in which the City is located, that the state has the right to bill the users of the City's utility system directly and that the state has the right to declare the entire principal balance immediately due and payable.

City of Park Falls

Notes to Financial Statements

December 31, 2023

Net Position/Fund Balances

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

Governmental Activities

Net investment in capital assets:

Land and right of way	\$ 368,175
Construction work in progress	2,577,244
Other capital assets, net of accumulated depreciation	11,943,131
Less related long-term debt outstanding (excluding unspent capital related debt proceeds)	(5,577,122)
Less unamortized premium on capital related debt	<u>(100,028)</u>

Total net investment in capital assets	<u>\$ 9,211,400</u>
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Governmental fund balances reported on the fund financial statements at December 31, 2023 include the following:

		Capital Projects Funds				Nonmajor Governmental Funds	Total
	General Fund	Capital Projects	TIF #5	YMCA Grant			
Nonspendable							
Delinquent taxes	\$ 33,522	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 33,522
Prepaid items and inventory	<u>89,093</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>89,093</u>
Subtotal	<u>122,615</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>122,615</u>
Restricted:							
Loan programs, CDBG	-	-	-	-	132,800		132,800
TIF districts	-	-	-	-	486,943		486,943
Special project, DARE	-	-	-	-	19,174		19,174
YMCA project	-	-	-	31,195	-		31,195
Unspent debt proceeds	-	1,772,878	-	-	-		1,772,878
Fair housing fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>54,070</u>		<u>54,070</u>
Subtotal	<u>-</u>	<u>1,772,878</u>	<u>-</u>	<u>31,195</u>	<u>692,987</u>		<u>2,497,060</u>
Unassigned (deficit)	<u>1,185,210</u>	<u>(20,175)</u>	<u>(548,753)</u>	<u>-</u>	<u>-</u>		<u>616,282</u>
Total fund balances (deficit)	<u>\$ 1,307,825</u>	<u>\$ 1,752,703</u>	<u>\$ (548,753)</u>	<u>\$ 31,195</u>	<u>\$ 692,987</u>		<u>\$ 3,235,957</u>

Business-Type Activities

Net investment in capital assets:

Land	\$ 159,318
Other capital assets, net of accumulated depreciation	14,408,462
Less related long-term debt outstanding (excluding unspent capital related debt proceeds)	<u>(6,026,372)</u>

Total net investment in capital assets	<u>\$ 8,541,408</u>
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4. Other Information

Employees' Retirement System

Plan Description

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

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

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

Vesting

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

Benefits Provided

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

Final average earnings is the average of the participant's three highest annual earnings 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 age 55 (50 for protective occupations) and receive an actuarially reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

The WRS also provides death and disability benefits for employees.

City of Park Falls

Notes to Financial Statements

December 31, 2023

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:

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

Contributions

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

During the reporting period, the WRS recognized \$115,959 in contributions from the City.

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

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

City of Park Falls

Notes to Financial Statements

December 31, 2023

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

At December 31, 2023, the City reported a liability of \$504,686 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 0.00952651%, which was an increase of 0.00005574% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the City recognized pension expense of \$236,244.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual experience	\$ 803,808	\$ 1,056,024
Changes in actuarial assumptions	99,242	-
Net differences between projected and actual earnings on pension plan investments	857,345	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	3,565	1,826
Employer contributions subsequent to the measurement date	133,203	-
Total	<u>\$ 1,897,163</u>	<u>\$ 1,057,850</u>

\$133,203 reported as deferred outflows of resources related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Years Ending December 31:	Deferred Outflows of Resources and Deferred Inflows of Resources (Net)
2024	\$ 29,321
2025	146,253
2026	150,484
2027	380,052

Actuarial Assumptions

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

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

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

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

Long-Term Expected Return on Plan Assets

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

Asset Allocation Targets and Expected Returns* as of December 31, 2022			
Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %**
Public Equity	48	7.6	5.0
Public Fixed Income	25	5.3	2.7
Inflation Sensitive	19	3.6	1.1
Real Estate	8	5.2	2.6
Private Equity/Debt	15	9.6	6.9
Total Core Fund***	115	7.4	4.8
Variable Fund Asset			
U.S. Equities	70	7.2	4.6
International Equities	30	8.1	5.5
Total Variable Fund	100	7.7	5.1

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

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

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

Single Discount Rate

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

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

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

	1% Decrease to Discount Rate (5.80%)	Current Discount Rate (6.80%)	1% Increase to Discount Rate (7.80%)
City's proportionate share of the net pension liability (asset)	\$ 1,675,037	\$ 504,686	\$ (300,414)

Pension Plan Fiduciary Net Position

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

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

Risk Management

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

Commitments and Contingencies

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

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

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

Subsequent Events

On April 11, 2024, the City entered into a contract for the 2024 Old Abe Park project totaling \$3,087,420.

On August 9, 2024, the City issued a General Obligation Promissory Note in the amount of \$1,100,000 for short-term financing of capital projects in anticipation of the issuance of a long-term General Obligation Note in November 2024. The Note has an interest rate of 6.5% and maturity of January 9, 2025.

Effect of New Accounting Standards on Current Period Financial Statements

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

- Statement No. 100, *Accounting Changes and Error Corrections—An Amendment of GASB Statement No. 62*
- Statement No. 101, *Compensated Absences*
- Statement No. 102, *Certain Risk Disclosures*
- Statement No. 103, *Financial Reporting Model Improvements*

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

REQUIRED SUPPLEMENTARY INFORMATION

City of Park Falls

Budgetary Comparison Schedule -
 General Fund
 Year Ended December 31, 2023

	Budgeted Amounts Original & Final	Actual	Variance With Final Budget
Revenues			
Taxes:			
General property tax for local purposes	\$ 1,538,000	\$ 1,539,510	\$ 1,510
Forest land tax	183	-	(183)
Mobile home taxes	15,000	8,329	(6,671)
Room tax	40,000	56,279	16,279
Taxes from other tax exempt entities	21,000	9,531	(11,469)
Interest on taxes	50	54	4
Total taxes	1,614,233	1,613,703	(530)
Intergovernmental:			
Shared taxes from state	1,067,038	1,068,964	1,926
State aid, LRIP	-	6,326	6,326
State aid, local streets	273,910	314,124	40,214
State aid, other public safety	-	1,351	1,351
Other state shared taxes	8,317	8,317	-
Protection services	2,872	3,664	792
State aid, fire insurance tax	5,000	6,165	1,165
Other local government grants	-	7,281	7,281
In lieu of taxes	440	469	29
Forest cropland, managed forest land	4	-	(4)
Total intergovernmental	1,357,581	1,416,661	59,080
Licenses and permits:			
Liquor and malt beverage licenses	8,025	7,716	(309)
Building permits	1,300	12,249	10,949
Other regulatory permits and fees	-	1,298	1,298
Total licenses and permits	9,325	21,263	11,938
Fines, forfeitures and penalties:			
Court penalties and costs	15,000	21,187	6,187
Total fines, forfeitures and penalties	15,000	21,187	6,187
Public charges for services:			
General government fees	800	4,687	3,887
Police department fees	4,500	3,836	(664)
Other public safety fees	6,000	1,358	(4,642)
Park fees	15,000	16,466	1,466
Airport fees	7,500	16,266	8,766
Cemetery fees	24,000	31,455	7,455
Library fees	8,800	5,720	(3,080)
Swimming area fees	13,000	13,055	55
Total public charges for services	79,600	92,843	13,243
Intergovernmental charges for services:			
State, fire services	61,080	66,565	5,485
State, other services	187,770	160,480	(27,290)
Total intergovernmental charges for services	248,850	227,045	(21,805)
Investment income:			
Interest on temporary investments	6,000	50,586	44,586
Total investment income	6,000	50,586	44,586
Miscellaneous:			
Rent/lease	6,000	19,773	13,773
Other miscellaneous revenue	10,757	52,338	41,581
Total miscellaneous	16,757	72,111	55,354
Total revenues	3,347,346	3,515,399	168,053

See notes to required supplementary information

City of Park Falls

Budgetary Comparison Schedule -
General Fund
Year Ended December 31, 2023

	Budgeted Amounts Original & Final	Actual	Variance With Final Budget
Expenditures			
General government:			
Council	\$ 349,800	\$ 208,896	\$ 140,904
Mayor	215,500	231,062	(15,562)
Financial administration, finance department	88,200	95,883	(7,683)
Legal	20,700	22,528	(1,828)
Municipal buildings	43,200	36,046	7,154
Uncollectible taxes/special assessment refunds	1,000	-	1,000
Property and liability insurance	100,000	130,221	(30,221)
Total general government	818,400	724,636	93,764
Public safety:			
Police	829,112	871,356	(42,244)
Ambulance and fire	203,900	182,248	21,652
Other public safety	12,000	11,900	100
Total public safety	1,045,012	1,065,504	(20,492)
Public works:			
Road maintenance	325,500	323,889	1,611
Street lighting	53,500	45,343	8,157
Sidewalks	9,750	9,409	341
Storm sewers	6,900	6,966	(66)
Engineering	-	3,050	(3,050)
Machinery operation and maintenance	152,300	179,307	(27,007)
Buildings and grounds operations	16,550	19,301	(2,751)
Airport	38,600	42,435	(3,835)
Other transportation facilities	12,000	10,000	2,000
Total public works	615,100	639,700	(24,600)
Health and human services:			
Cemetery	44,059	31,150	12,909
Total health and human services	44,059	31,150	12,909
Leisure activities:			
Library	436,878	414,608	22,270
Parks	130,550	59,369	71,181
Leisure services	96,050	136,832	(40,782)
Total leisure activities	663,478	610,809	52,669
Conservation and development:			
Planning	59,350	55,572	3,778
Community development	16,400	17,549	(1,149)
Total conservation and development	75,750	73,121	2,629
Debt service:			
Interest	-	24,729	(24,729)
Total debt service	-	24,729	(24,729)
Capital expenditures	24,500	50,584	(26,084)
Total expenditures	3,286,299	3,220,233	66,066
Excess of revenues over expenditures	61,047	295,166	234,119
Other Financing Sources (Uses)			
Transfers in	95,000	109,055	14,055
Transfers out	(480,000)	(244,496)	235,504
Total other financing sources (uses)	(385,000)	(135,441)	249,559
Net change in fund balance	\$ (323,953)	159,725	\$ 483,678
Fund Balance, Beginning		1,148,100	
Fund Balance, Ending		\$ 1,307,825	

See notes to required supplementary information

City of Park Falls

Schedule of Proportionate Share of the Net Pension Liability (Asset) -

Wisconsin Retirement System

Year Ended December 31, 2023

WRS Fiscal Year End Date (Measurement Date)	City's Proportion of the Net Pension Liability/(Asset)	City's Proportionate Share of the Net Pension Liability/(Asset)	City's Covered Payroll	City's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/2022	0.00952651 %	\$ 504,686	\$ 1,380,007	36.57 %	95.72 %
12/31/2021	0.00947077 %	(763,361)	1,303,460	58.56 %	8.51 %
12/31/2020	0.00961736 %	(600,425)	1,237,238	105.26 %	48.53 %
12/31/2019	0.00968894 %	(312,415)	1,299,301	102.96 %	24.04 %
12/31/2018	0.00974159 %	346,575	1,285,026	496.45 %	26.97 %
12/31/2017	0.00961393 %	(285,448)	1,187,928	102.93 %	24.03 %
12/31/2016	0.00975681 %	80,419	1,265,816	99.12 %	6.35 %
12/31/2015	0.00981109 %	159,428	1,216,412	98.20 %	13.11 %
12/31/2014	0.00993752 %	(181,028)	1,209,958	102.74 %	14.96 %

Schedule of Contributions -

Wisconsin Retirement System

Year Ended December 31, 2023

City Year End Date	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/2023	\$ 133,203	\$ 133,203	\$ -	\$ 1,490,142	8.94 %
12/31/2022	114,262	114,262	-	1,380,007	8.28 %
12/31/2021	103,724	103,724	-	1,237,238	8.38 %
12/31/2020	101,754	101,754	-	1,299,301	7.83 %
12/31/2019	102,829	102,829	-	1,285,026	8.00 %
12/31/2018	94,664	94,664	-	1,187,928	7.97 %
12/31/2017	94,165	94,165	-	1,265,816	7.44 %
12/31/2016	92,858	92,858	-	1,216,412	7.53 %
12/31/2015	95,915	95,915	-	1,209,958	7.93 %

See notes to required supplementary information

Budgetary Information

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

The budgeted amounts presented include both the original adopted budget and the final budget. Changes to the budget during the year, if any, generally include amendments authorized by the governing body, additions of approved carryover amounts and appropriations of revenues and other sources for specified expenditures/uses. Changes to appropriations authorized in the adopted budget generally require a vote of two-thirds of the entire membership of the governing body.

Appropriated budget amounts in the general fund lapse at the end of the year unless specifically carried over for financing subsequent year expenditures. The City's legal budget is adopted at the major function level in the general fund (i.e., general government) and at the fund level in all other funds.

Wisconsin Retirement System

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

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

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

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

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

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

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

SUPPLEMENTARY INFORMATION

City of Park Falls

Combining Balance Sheet -
Nonmajor Governmental Funds
December 31, 2023

	Special Revenue			Capital Projects	Debt	Total
	DARE	CDBG	Fair Housing	TIF #3 Development	Service	Nonmajor Governmental Funds
Assets						
Cash and investments	\$ 19,174	\$ 132,800	\$ 54,070	\$ 486,943	\$ -	\$ 692,987
Taxes receivable	-	-	-	143,226	-	143,226
Notes receivable, net	-	163,704	-	-	-	163,704
Total assets	<u>\$ 19,174</u>	<u>\$ 296,504</u>	<u>\$ 54,070</u>	<u>\$ 630,169</u>	<u>\$ -</u>	<u>\$ 999,917</u>
Deferred Inflows of Resources and Fund Balances						
Deferred Inflows of Resources						
Unearned revenues	\$ -	\$ -	\$ -	\$ 143,226	\$ -	\$ 143,226
Unavailable revenues	-	163,704	-	-	-	163,704
Total deferred inflows of resources	<u>-</u>	<u>163,704</u>	<u>-</u>	<u>143,226</u>	<u>-</u>	<u>306,930</u>
Fund Balances						
Restricted	19,174	132,800	54,070	486,943	-	692,987
Total fund balances	<u>19,174</u>	<u>132,800</u>	<u>54,070</u>	<u>486,943</u>	<u>-</u>	<u>692,987</u>
Total deferred inflows of resources and fund balances	<u>\$ 19,174</u>	<u>\$ 296,504</u>	<u>\$ 54,070</u>	<u>\$ 630,169</u>	<u>\$ -</u>	<u>\$ 999,917</u>

City of Park Falls

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

	Special Revenue			Capital Projects		Total Nonmajor Governmental Funds
	DARE	CDBG	Fair Housing	TIF #3 Development	Debt Service	
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ 147,395	\$ -	\$ 147,395
Intergovernmental	-	-	-	69	-	69
Investment income	57	63	-	6,658	-	6,778
Miscellaneous		14,105		-	-	14,105
Total revenues	57	14,168	-	154,122	-	168,347
Expenditures						
Current:						
Public safety	620	-	-	-	-	620
Conservation and development	-	-	-	151	-	151
Debt service						
Principal retirement	-	-	-	-	200,000	200,000
Interest and fiscal charges	-	-	-	-	44,496	44,496
Total expenditures	620	-	-	151	244,496	245,267
Excess (deficiency) of revenues over expenditures	(563)	14,168	-	153,971	(244,496)	(76,920)
Other Financing Sources						
Transfers in	-	-	-	-	244,496	244,496
Total other financing sources	-	-	-	-	244,496	244,496
Net change in fund balances	(563)	14,168	-	153,971	-	167,576
Fund Balances, Beginning	19,737	118,632	54,070	332,972	-	525,411
Fund Balances, Ending	\$ 19,174	\$ 132,800	\$ 54,070	\$ 486,943	\$ -	\$ 692,987

City of Park Falls

Combining Statement of Net Position -
Nonmajor Enterprise Funds
December 31, 2023

	Refuse	Redevelopment Authority	Total Nonmajor Enterprise Funds
Assets and Deferred Outflows of Resources			
Assets			
Current assets:			
Cash and investments	\$ -	\$ 526	\$ 526
Other accounts receivable	54,653	-	54,653
Total current assets	54,653	526	55,179
Noncurrent assets:			
Capital assets:			
Capital assets being depreciated	-	2,098,996	2,098,996
Accumulated depreciation	-	(2,088,506)	(2,088,506)
Total noncurrent assets	-	10,490	10,490
Total assets	54,653	11,016	65,669
Deferred Outflows of Resources			
Pension related amounts	33,953	-	33,953
Total deferred outflows of resources	33,953	-	33,953
Liabilities, Deferred Inflows of Resources and Net Position			
Liabilities			
Accounts payable	21,760	-	21,760
Accrued expenses	61	-	61
Due to other funds	1,512	-	1,512
Total current liabilities	23,333	-	23,333
Noncurrent liabilities:			
Net pension liability	10,093	-	10,093
Total noncurrent liabilities	10,093	-	10,093
Total liabilities	33,426	-	33,426
Deferred Inflows of Resources			
Pension related amounts	21,155	-	21,155
Total deferred inflows of resources	21,155	-	21,155
Net Position			
Net investment in capital assets	-	10,490	10,490
Unrestricted	34,025	526	34,551
Total net position	\$ 34,025	\$ 11,016	\$ 45,041

City of Park Falls

Combining Statement of Revenues, Expenses and Changes in Net Position -

Nonmajor Enterprise Funds

Year Ended December 31, 2023

	Refuse	Redevelopment Authority	Total Nonmajor Enterprise Funds
Operating Revenues	<u>\$ 228,640</u>	<u>\$ -</u>	<u>\$ 228,640</u>
Operating Expenses			
Operation and maintenance	219,320	-	219,320
Depreciation	<u>-</u>	<u>104,950</u>	<u>104,950</u>
Total operating expenses	<u>219,320</u>	<u>104,950</u>	<u>324,270</u>
Operating income (loss)	<u>9,320</u>	<u>(104,950)</u>	<u>(95,630)</u>
Nonoperating Revenues			
Investment income	<u>27</u>	<u>-</u>	<u>27</u>
Total nonoperating revenue	<u>27</u>	<u>-</u>	<u>27</u>
Change in net position	9,347	(104,950)	(95,603)
Net Position, Beginning	<u>24,678</u>	<u>115,966</u>	<u>140,644</u>
Net Position, Ending	<u><u>\$ 34,025</u></u>	<u><u>\$ 11,016</u></u>	<u><u>\$ 45,041</u></u>

City of Park Falls

Combining Statement of Cash Flows -
Nonmajor Enterprise Funds
Year Ended December 31, 2023

	Refuse	Redevelopment Authority	Total Nonmajor Enterprise Funds
Cash Flows From Operating Activities			
Cash received from customers	\$ 226,168	\$ -	\$ 226,168
Cash paid to suppliers for goods and services	(206,115)	-	(206,115)
Cash paid to employees for services	(20,080)	-	(20,080)
Net cash flows from operating activities	(27)	-	(27)
Cash Flows From Investing Activities			
Investment income	27	-	27
Net cash flows from investing activities	27	-	27
Net decrease in cash and cash equivalents	-	-	-
Cash and Cash Equivalents, Beginning	-	526	526
Cash and Cash Equivalents, Ending	<u>\$ -</u>	<u>\$ 526</u>	<u>\$ 526</u>
Reconciliation of Operating Income (Loss) to Net Cash Flows From Operating Activities			
Operating income (loss)	\$ 9,320	\$ (104,950)	\$ (95,630)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:			
Depreciation	-	104,950	104,950
Change in assets and liabilities:			
Other accounts receivable	(2,472)	-	(2,472)
Accounts payable	17,840	-	17,840
Payable to municipality	(27,069)	-	(27,069)
Other current liabilities	(85)	-	(85)
OPEB related deferrals and asset	-	-	-
Pension related deferrals and asset	2,439	-	2,439
Net cash flows from operating activities	<u>\$ (27)</u>	<u>\$ -</u>	<u>\$ (27)</u>
Noncash Capital, Investing and Financing Activities			
None			