



JOHNSON BLOCK
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CITY OF PLATTEVILLE, WISCONSIN

FINANCIAL STATEMENTS

Including Independent Auditor's Report
As of and for the year ended December 31, 2023

Johnson Block and Company, Inc.
Certified Public Accountants
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CITY OF PLATTEVILLE, WISCONSIN
DECEMBER 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Platteville, Wisconsin

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Platteville, Wisconsin ("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 present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, 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 of Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's 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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City'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.

Emphasis of Matter

As discussed in Note 1 to the financial statements, a prior period adjustment was recorded as of January 1, 2023 in the Fire Facility Fund. Our opinions are not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, the Local Retiree Life Insurance Fund schedules, the Schedule of Changes in the City's Total OPEB Liability and Related Ratios, and Wisconsin Retirement System schedules, be presented to supplement the basic financial statements. Such 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Platteville, Wisconsin's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the schedules of insurance and other utility information, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Report on Summarized Comparative Information

We have previously audited the City's 2022 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information in our report dated June 19, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

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

Johnson Block & Company, Inc.

Johnson Block & Company, Inc.
June 25, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

On behalf of Platteville's management team, I am pleased to offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2023. We encourage readers to consider the information presented here in conjunction with additional information that can be found in our annual audit report issued by Johnson Block and Company, Inc. Copies may be obtained at the Municipal Building at 75 North Bonson St. or the City Web Site at www.platteville.org.

Financial Highlights

- The assets of the City of Platteville exceeded its liabilities as of December 31, 2023. The total net position of the City is categorized by investment in capital assets (i.e. land, buildings, infrastructure, machinery and equipment), net of related debt used to acquire these assets still outstanding, restricted net position (resources subject to external restrictions on how they may be used) and unrestricted net position (may be used to meet the City's ongoing obligations to citizens and creditors). Over the last two years, the following changes have occurred:

<u>Year</u>	<u>Net Position*</u>	<u>\$ Change (+/-)</u>
2023	\$78,127,220	\$ 1,648,252
2022	\$76,478,968	\$ 5,621,422

**see net position-pg 16*

- As of December 31, 2023, the City of Platteville's governmental activities reported total current assets of \$16,330,416 (page 15, Exhibit A-1). This compares to the prior year as follows:

<u>Year</u>	<u>Current Assets</u>	<u>\$ Change (+/-)</u>
2023	\$16,330,416	\$ 710,394
2022	\$15,620,022	\$ 295,543

About 54.44 percent of this total, or \$8,889,843 represents cash and investments.

- The City's general fund balance increased by \$82,759 from 2022 to 2023. In the past 2 years, changes have been as follows:

<u>Year</u>	<u>General Fund Bal.</u>	<u>% Change (+/-)</u>
2023	\$4,694,073	1.79%
2022	\$4,611,314	(0.41%)

**Exhibit A-3, Page 18*

- In 2023, the City's long-term obligations decreased by \$904,931, as compared to a decrease of \$1,562,201 during 2022 (page 49). General obligation bonds of \$1,730,000 and utility revenue bonds of \$1,833,706 were issued in 2023.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an overview of the City of Platteville's basic financial statements. These basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. In addition, this report contains supplementary information.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Platteville's finances, in a manner similar to a private-sector business.

The *statement of net position* (*Exhibit A-1*) presents information on all of the City of Platteville's assets and liabilities, with the difference between the two reported as *net position* (*page 16*). Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Platteville is improving or deteriorating.

The *statement of activities* (*Exhibit A-2*) presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation and sick leave).

Both of the government-wide financial statements distinguish functions of the City of Platteville that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Platteville include general government, public safety, public works, community enrichment services, and conservation and development. The business-type activities of the City of Platteville include the Water and Wastewater Utility.

The government-wide financial statements include not only the City of Platteville itself (known as the *primary government*), but also a legally separate Housing Authority for which the City of Platteville is financially accountable. Financial information for this *component unit* is reported separately from the financial information presented for the primary government itself. A separate audited financial statement report is also issued for the Housing Authority.

The government-wide financial statements can be found on pages 15-17 of this report. Supplementary information is included starting on page 86.

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

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The City of Platteville maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances. Major categories include the General Fund, the Capital Projects Fund, and Neighborhood Investment.

The basic governmental fund financial statements can be found on pages 18-22 of this report.

Proprietary funds. Proprietary funds are used to report the same functions presented as *business-type activities* in the government-wide financial statements. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Platteville Water and Sewer Utility, which is considered to be a major fund of the City of Platteville.

The basic proprietary fund financial statements can be found on pages 23-27 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City of Platteville's programs. The fiduciary fund maintained by the City of Platteville is the Tax Collection Fund which records the tax roll and tax collections for other taxing jurisdictions within the City of Platteville.

The basic fiduciary fund financial statements can be found on pages 28-29 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 30-77 of this report.

Other information. In addition to the basic financial statements and accompanying notes, *required supplementary information* presents a detailed budgetary comparison schedule for the General Fund, information on the Wisconsin Retirement System pension plan, and information on the City's OPEB plans for the Local Retiree Insurance Fund and retiree health insurance. The budgetary comparison schedules, Wisconsin Retirement System Schedules, and OPEB Schedules are on pages 78-85. The budgetary comparison schedules demonstrate compliance with the budget and complements the statement included in the basic governmental fund financial statements. The Wisconsin Retirement System, Local Retiree Life Insurance Fund, and retiree health insurance schedules present 10-year plan trend information.

The combining statements referred to earlier in connection with non-major governmental funds and other information related to the individual funds is presented immediately following the required supplementary information. Individual fund statements and schedules can be found on pages 86-89 of this report.

Government-wide Financial Analysis

Changes in net position can serve as a useful indicator of a government's financial position over time. In the case of the City of Platteville, assets and deferred outflows of resources exceeded liabilities and deferred inflow of resources by \$76,478,968 at the close of 2022, which increased to \$78,127,220 at the end of 2023.

TABLE 1: CITY OF PLATTEVILLE'S NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current/other assets	\$ 18,332,793	\$ 19,714,519	\$ 11,210,359	\$ 10,526,052	\$ 29,543,152	\$ 30,240,571
Capital Assets	58,295,938	58,550,123	40,275,846	39,281,428	98,571,784	97,831,551
Total Assets	\$ 76,628,731	\$ 78,264,642	\$ 51,486,205	\$ 49,807,480	\$128,114,936	\$128,072,122
Deferred outflows of resources	\$ 5,413,727	\$ 4,335,681	\$ 1,143,957	\$ 916,737	\$ 6,557,684	\$ 5,252,418
Current Liabilities	\$ 5,457,885	\$ 5,123,268	\$ 1,701,502	\$ 1,651,385	\$ 7,159,387	\$ 6,774,653
Other Liabilities	19,164,395	18,763,859	18,355,184	17,607,631	37,519,579	36,371,490
Total Liabilities	\$ 24,622,280	\$ 23,887,127	\$ 20,056,686	\$ 19,259,016	\$ 44,678,966	\$ 43,146,143
Deferred inflows of resources	\$ 11,047,046	\$ 12,534,513	\$ 819,388	\$ 1,164,916	\$ 11,866,434	\$ 13,699,429
Net Position:						
Net investment in capital assets	\$ 42,414,447	\$ 41,289,961	\$ 21,373,192	\$ 21,390,371	\$ 63,787,639	\$ 62,680,332
Restricted	3,369,031	4,553,237	6,072,330	5,619,482	9,441,361	10,172,719
Unrestricted	589,654	335,485	4,308,566	3,290,432	4,898,220	3,625,917
Total Net Position	\$ 46,373,132	\$ 46,178,683	\$ 31,754,088	\$ 30,300,285	\$ 78,127,220	\$ 76,478,968

Source: Rows 1-3 Exhibit A-1 page 15, Rows 4-6 page 16, Rows 7-10 page 16

The largest portion of the City of Platteville's net position reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment) less any related outstanding debt against those assets (approximately 82 percent). The City uses these capital assets to provide services to citizens; subsequently these assets are not available for future spending. Although Platteville's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must come from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City of Platteville's net position (approximately 12 percent) represents resources that are subject to external restrictions on how they may be used. Any remaining balance of unrestricted net position may be used to meet the City's ongoing obligations to citizens and creditors.

Governmental Activities. Governmental activities have the potential to increase or decrease the City's net position during the course of the year. The following chart establishes baseline numbers for comparison in future years.

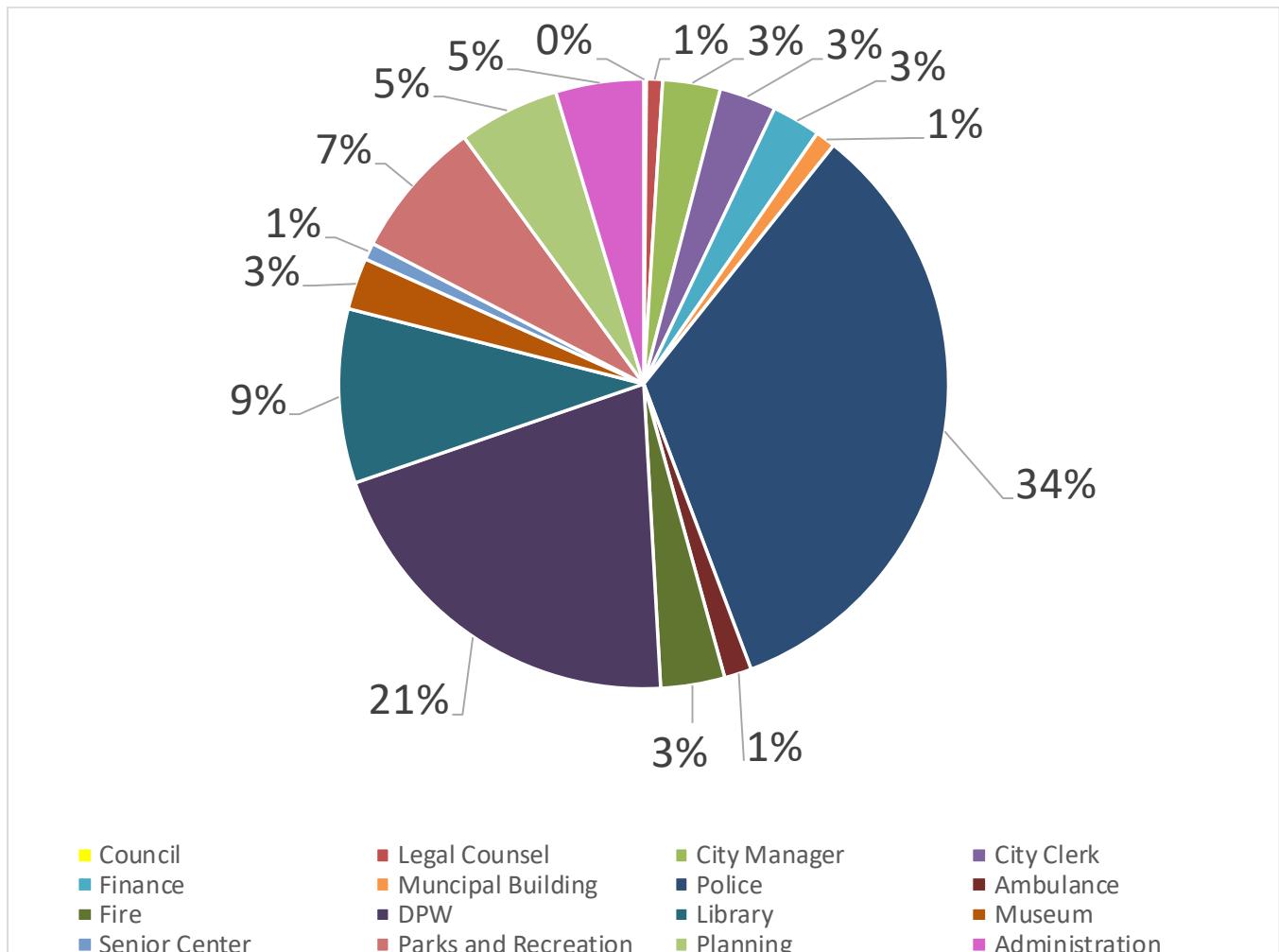
TABLE 2: CITY OF PLATTEVILLE'S PRIMARY GOVERNMENT STATEMENT OF ACTIVITIES

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues						
Program Revenues						
Charges for Service	\$ 2,036,922	\$ 2,018,164	\$ 5,540,193	\$ 5,525,394	\$ 7,577,115	\$ 7,543,558
Operating grants and contributions	2,284,621	1,931,199			2,284,621	1,931,199
Capital grants and contributions	5,239,793	4,278,977	182,611		5,422,404	4,278,977
Property taxes	6,940,871	6,791,673			6,940,871	6,791,673
Other taxes	345,721	327,798			345,721	327,798
Intergovernmental rev's not restricted to specific programs	2,673,706	2,666,364			2,673,706	2,666,364
Investment income	409,661	120,722	361,993	102,570	771,654	223,292
Other	50,446	(105,516)	13,360	(13,318)	63,806	(92,198)
Total revenues	19,981,741	18,029,381	6,098,157	5,614,646	26,079,898	23,670,663
Expenses						
General Gov't	1,829,176	1,509,796			1,563,285	1,509,796
Public safety	4,103,594	3,294,399			4,183,844	3,294,399
Public works	6,259,969	5,413,000			6,593,396	5,413,000
Hlth & Hum Serv.	115,441	111,414			126,781	111,414
Leisure Activities	2,591,895	2,318,834			2,529,175	2,318,834
Conservation and Development	4,516,593	878,807			4,503,949	878,807
Interest and Fiscal Charges	582,168	586,340			582,168	586,340
Water and Sewer			4,366,805	3,936,651	4,291,338	3,936,651
Total expenses	19,998,836	14,112,590	4,366,805	3,936,651	24,373,936	18,049,241
Incr.(Decr.) in net position before Transfers	(17,095)	3,916,791	1,731,352	1,704,631	1,714,257	5,621,422
Transfers	277,549	394,520	(277,549)	(394,520)		
Incr.(Decr.) in net position	260,454	4,311,311	1,453,803	1,310,111	1,714,257	5,621,422
Net position – beginning of year	46,178,683	41,867,372	30,300,285	28,990,174	76,478,968	70,857,546
Adjustments to net position	(66,005)				(66,005)	
Adjusted net position	46,112,678		30,300,285		76,412,963	
Net position – end of year	\$ 46,373,132	\$ 46,178,683	\$ 31,754,088	\$ 30,300,285	\$ 78,127,220	\$ 76,478,968

Source: Exhibit A-2, Page 17

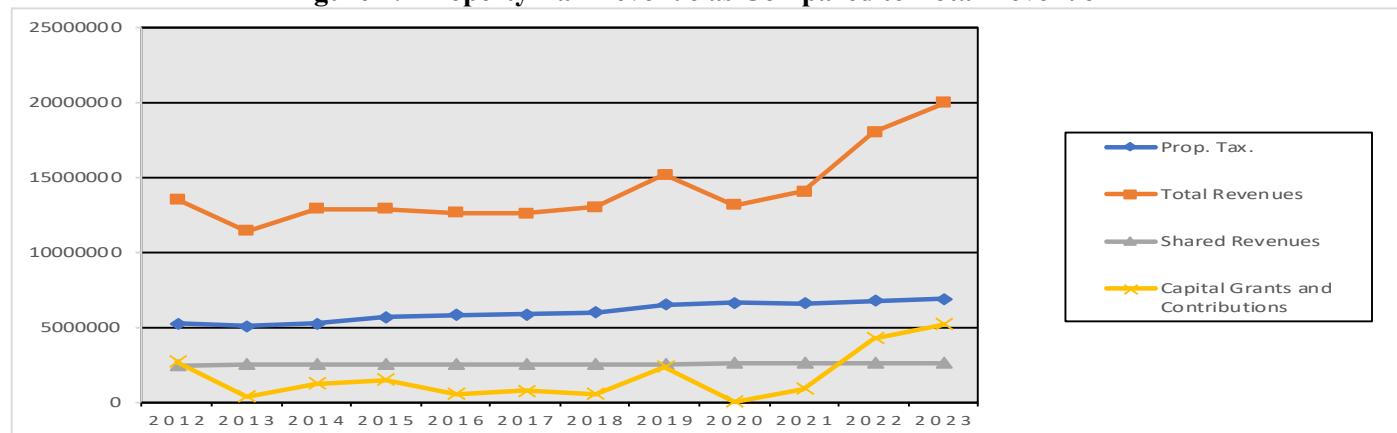
General Government expenses increased by \$319,380, or 21.2% from 2022. Public Safety expenses increased by \$809,195, or 24.6% from 2022. Public works expenditures increased by \$846,969, or 15.6% from 2022. Health and Human Services expenses increased by \$4,027, or 3.6% from 2022. Leisure expenses increased by \$273,061, or 11.8% from 2022. Conservation and development expenses increased by \$3,637,786, or 413.9% from 2022.

Figure 1: Municipal Expenditures by Major Department as a Percentage Share of Total 2023 Budget



In recent years, property taxes have been the largest revenue source for governmental activities, with state shared revenue providing the second largest funding source. However in 2023, capital grants and contributions provided the second largest funding source mainly due to the City receiving a pass-through grant for approximately \$3,450,000 for construction of a domestic abuse shelter and about \$590,000 in ARPA funding, and other capital grants. Property taxes accounted for approximately 37.7% of total revenues in 2022, and 34.7% in 2023.

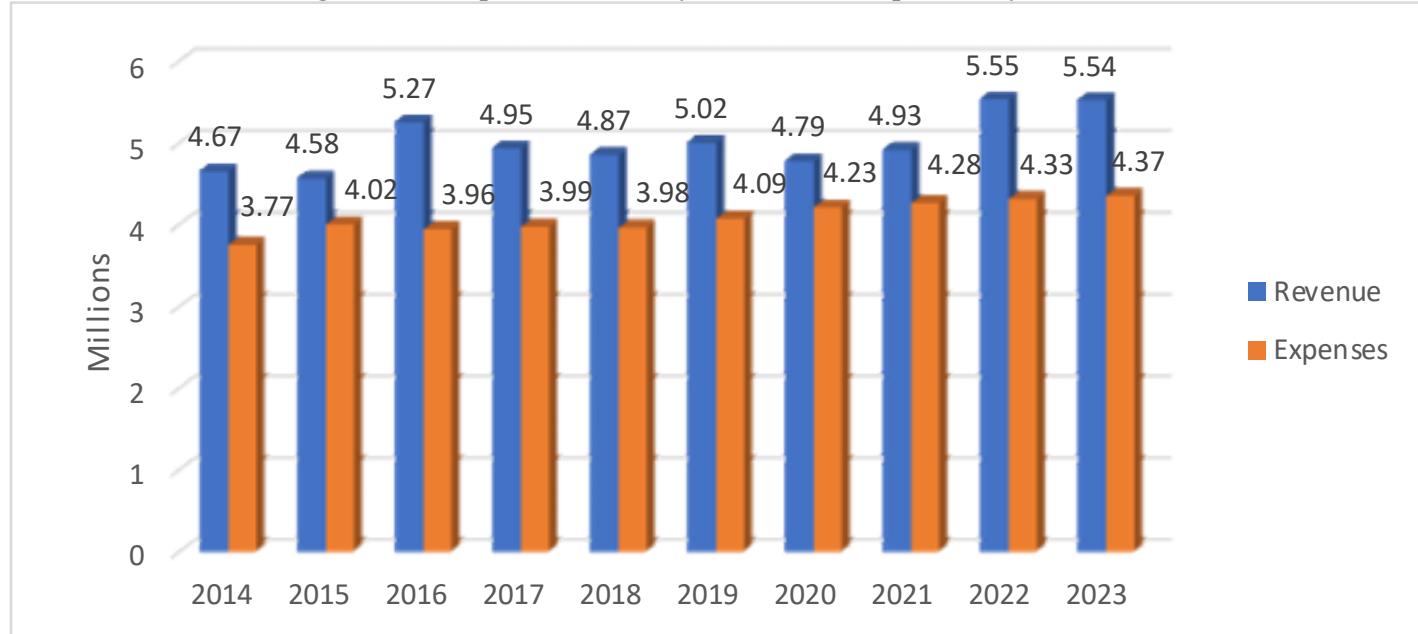
Figure 2: Property Tax Revenue as Compared to Total Revenue



Business-type activities (Proprietary Funds).

In 2023, net position in the proprietary funds increased by \$1,453,803. This compares to a \$1,310,111 increase in 2022. Major water and sewer line replacements and improvements and upgrades to the utility's facilities increased net position. The Platteville Water and Wastewater Utility is fairly unique in that it is a combined utility. While rates are established separately for water and sewer, revenues and expenses are combined into a single operating unit. Rates are monitored and set according to the policies of the Wisconsin Public Service Commission. In 2020, the PSC approved deregulation of the Wastewater Utility. A sewer rate increase took effect on September 1, 2021. The PSC approved a water rate that took effect on April 15, 2022.

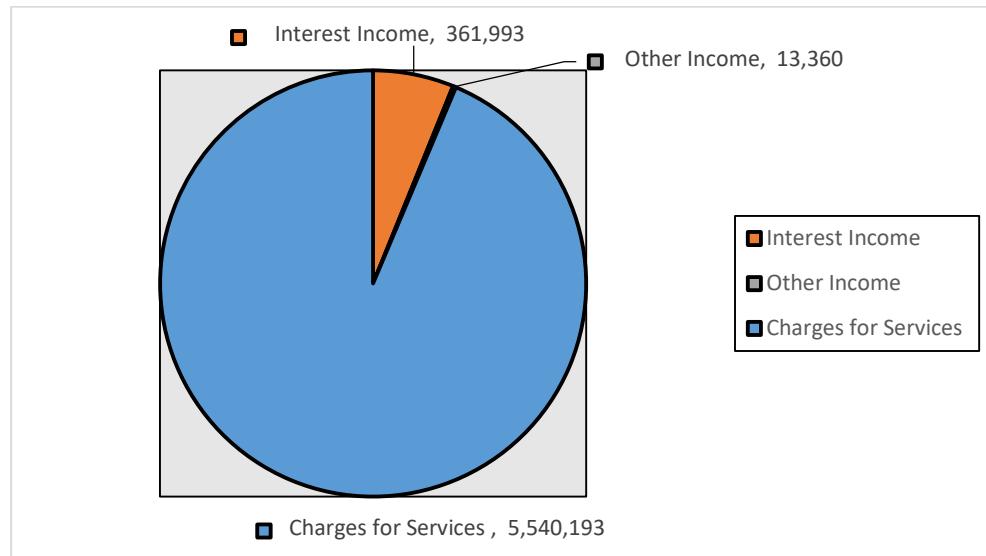
Figure 3: Comparison of Utility Revenues to Expenses, By Year



Source: Exhibit A-2, Page 17

As shown on the following chart, the revenues of the Platteville Water and Wastewater Utility consisted primarily of charges for services (operating revenues). Any investment income and miscellaneous revenues are not identified specifically to an individual program but to the fund as a whole.

Figure 4: Revenues by Source - Business-type Activities



Source: Exhibit A-2, Page 17

Financial Analysis of the Government's Funds

As noted earlier, the City of Platteville uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City of Platteville's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Platteville's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Please note that major funds may change from year to year depending on whether the fund meets the definition of major fund for the year or established by governmental standards.

Over the last 2 years, the governmental funds have reported the following balances (*Exhibit A-5, page 20*):

<u>Year</u>	<u>Governmental Fund Balance as of year-end</u>	<u>\$ Change (+/-)</u>
2023	\$6,140,047	\$ (78,614)
2022	\$6,218,661	\$ (417,019)

The fund balance gives the overall total funds, and includes positive and negative balances in individual allocations. This is a useful tool for examining the fiscal changes in the City's major funds, which may otherwise be masked by being included in totals.

The *General Fund* is the main operating fund of the City of Platteville. In the past two years this fund has seen the following changes (*Exhibit A-5, page 20*):

<u>Year</u>	<u>General Fund Balance as of year-end</u>	<u>\$ Change (+/-)</u>
2023	\$4,694,073	\$ 82,759
2022	\$4,611,314	\$ (19,180)

The balance in the general fund accounts for 76% of the overall governmental funds balance.

The *Capital Projects Fund* provides funding for capital projects of the City of Platteville or other unique expenditures, which are not normal operating or maintenance type expenditures reportable within the general fund or other governmental funds (example-large equipment acquisition). The total fund balance as of December 31, 2023 was \$758,432. This is an increase of \$260,908 from 2022 (*Exhibit A-5, page 20*). In 2023, the City issued \$1,455,000 in bonds.

Proprietary fund. The City of Platteville's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The net position of the Water and Wastewater Utility at the end of 2023 amounted to \$31,754,088, up \$1,453,803 from the year before. The financial statements and a statement of cash flows for the enterprise funds can be found on pages 23-27 of this report.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were relatively minor. Actual revenue exceeded budget by \$605,243. Actual expenditures were less than the budget by \$230,167.

Capital Asset and Debt Administration

Capital assets- The City of Platteville's investment in capital assets for its governmental and business type activities is considerable. Recent changes are as follows (*Notes to Financial Statements-Page 47-48*):

<u>Year</u>	<u>Capital Assets</u>	<u>\$ Change (+/-)</u>
2023	\$98,571,784	\$ 740,233
2022	\$97,831,551	\$ 4,316,017

Capital assets include land, buildings, improvements other than buildings, machinery and equipment, infrastructure, and construction in progress.

TABLE 3: CITY OF PLATTEVILLE'S GOVERNMENTAL CAPITAL ASSETS

	Governmental Activities		Business Activities		Total	
	2023	2022	2022	2022	2023	2022
Land**	\$ 3,558,698	\$ 3,558,698	\$	\$	\$ 3,558,698	\$ 3,558,698
Land improvements	4,486,503	3,646,500			4,486,503	3,646,500
Buildings and improvements	10,816,669	10,445,379			10,816,669	10,445,379
Machinery and Equipment	6,173,400	6,272,962			6,173,400	6,272,962
Vehicles	5,027,060	4,892,209			5,027,060	4,892,209
Infrastructure	70,528,551	69,492,901			70,528,551	69,492,901
Intangible Plant			8,978	8,978	8,978	8,978
Land & Land Rights			40,438	40,438	40,438	40,438
Const. in Progress	3,243,863	3,354,113	605,409	307,933	3,849,272	3,662,046
Water:						
Source of supply			1,349,323	1,349,323	1,349,323	1,349,323
Pumping			2,425,291	2,425,291	2,425,291	2,425,291
Water treatment			1,413,694	1,413,694	1,413,694	1,413,694
Transmis. & Distr.			22,559,854	22,252,821	22,559,854	22,252,821
General plant			874,588	816,612	874,588	816,612
Sewer:						
Collection system			19,182,955	18,668,164	19,182,955	18,668,164
Treatment and disp.			11,821,483	11,297,934	11,821,483	11,297,934
General plant			1,170,134	1,108,503	1,170,134	1,108,503
Total capital assets	103,834,744	101,662,762	61,452,147	59,689,691	165,286,891	161,352,453
Less accumulated depreciation	(45,538,806)	(43,112,639)	(21,176,301)	(20,408,263)	(66,715,107)	(63,520,902)
Capital assets net of depreciation	\$ 58,295,938	\$ 58,550,123	\$ 40,275,846	\$ 39,281,428	\$ 98,571,784	\$ 97,831,551

Source: Notes to the Basic Financial Statements-Note 4, pages 47-48

***Note that land is not depreciated.*

The total decrease in the City of Platteville's governmental-type activities capital assets totals (\$254,185) net of depreciation, or a 0.43% decrease. Depreciation on these assets was \$3,468,508.

In Business Type Activities, the biggest gains have been seen in the investment into the water distribution and sewer collection and treatment systems. The water transmission and distribution plant had additions of \$384,907. The sewer collection system and sewer treatment and disposal had additions of \$560,597 and \$869,403, respectively.

Long-term debt. At the end of 2023, the City of Platteville had total bonded debt outstanding of \$18,723,338 entirely backed by the full faith and credit of the government (general obligation bonds).

The City of Platteville issued general obligation debt in 2023, in the amount of \$1,730,000 to pay the cost of street and storm water improvement projects. The City issued \$1,833,706 of Utility Revenue Bonds for improvements to water and wastewater infrastructure.

TABLE 4: CITY OF PLATTEVILLE OUTSTANDING DEBT

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
G.O. debt	\$18,723,338	\$19,450,099	\$	\$	\$18,723,338	\$19,450,099
Revenue Bonds –						
Utility			18,966,435	18,388,213	18,966,435	18,388,213
Tax Increment	568,499	992,055			568,498	992,055
Other Long-term liabilities	569,202	452,835	107,967	116,588	677,169	569,423
Total	\$19,861,039	\$20,894,989	\$19,074,402	\$18,504,801	\$38,935,440	\$39,399,790

Source: Notes to the Basic Financial Statements, Note 5, pages 49-52

The City of Platteville maintains an "AA-" rating from Standards and Poor's for general obligation debt.

State statutes limit the amount of general obligation debt a governmental entity may issue to 5 percent of its total equalized valuation. The debt limitation as of 12/31/23 for the City of Platteville was \$48,910,830 which significantly exceeds the City of Platteville's current outstanding general obligation debt. As of December 31, 2023, the City of Platteville's outstanding general obligation debt equaled 38.3 percent of the state authorized debt limit.

The Platteville Water and Wastewater Utility generally have used borrowed funds for capital improvements. A replacement fund that was established as part of the 1982 bond issue will be continued voluntarily, and proceeds from it are used to pay for allowable costs of maintenance and improvement. This allows the utility to undertake larger projects while reducing debt load.

Additional information of the City of Platteville's long-term debt can be found in note 5 beginning on page 49.

Economic Factors and Next Year's Budgets and Rates

- In early 2020, a novel strain of coronavirus (COVID-19) spread throughout the world, including in the United States and Wisconsin. The City proactively monitored changes to revenues and expenditures in 2020 and took measures to restrain spending where possible. In 2021 and 2022 the City received funding support through various programs including the Coronavirus Aid, Relief and Economic Security (CARES) Act and the American Rescue Plan Act (ARPA), which continued to be expended in 2023.
- The unemployment rate as of December 2023, for Grant County, which includes the City of Platteville, was 2.5 percent. This compares to a rate of 3.3 percent for the State of Wisconsin. (*Source: Dept of Workforce Development*)
- The rate of inflation for 2023 was 3.4 percent before seasonal adjustment. The equalized tax rate for taxes collected for 2024 operations (2023 tax bill) decreased from 6.81 to 5.97 per thousand of equalized valuation. The taxes to be collected decreased by 2.2 percent.

Requests for Information. This financial report is designed to provide a general overview of the City of Platteville's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Administration Director or the Office of the City Manager, 75 N. Bonson Street, PO Box 780, Platteville, WI 53818. General information relating to the City of Platteville, Wisconsin, can be found at the City's website, <http://www.platteville.org>.

BASIC FINANCIAL STATEMENTS

Exhibit A-1
 City of Platteville, Wisconsin
 Statement of Net Position
 December 31, 2023
 (With summarized financial information as of December 31, 2022)

	Governmental Activities	Business-Type Activities	Total Governmental and Business-Type activities		Component Unit	
			2023	2022	2023	2022
ASSETS						
Current assets:						
Cash and investments	\$ 8,889,843	\$ 3,943,965	\$ 12,833,808	\$ 10,152,420	\$ 66,762	\$ 49,785
Receivables:						
Taxes	5,752,392		5,752,392	5,184,346		
Customer		820,565	820,565	821,825		
Leases		47,495	47,495	44,745		
Due from other governmental units	1,172,666		1,172,666	2,584,538		
Other	245,307	10,913	256,220	580,231	13,751	9,895
Special assessments	27,473		27,473	24,835		
Prepaid expenses	124,175	24,457	148,632	174,402	115	268
Internal balances	89,374	(89,374)				
Inventory	29,186	56,704	85,890	86,752		
Total current assets	16,330,416	4,814,725	21,145,141	19,654,094	80,628	59,948
Noncurrent assets:						
Restricted assets:						
Net pension asset				2,494,984		
Cash and investments	45,867	6,275,207	6,321,074	6,011,397	17,348	23,766
Lease receivable		120,427	120,427	167,922		
Other assets:						
Mortgages receivable	1,434,041		1,434,041	1,406,701		
Loans receivable	522,469		522,469	505,473		
Capital assets:						
Less: accumulated depreciation	103,834,744	61,452,147	165,286,891	161,352,453		
Net book value of capital assets	45,538,806	21,176,301	66,715,107	63,520,902		
Total noncurrent assets	58,295,938	40,275,846	98,571,784	97,831,551		
	60,298,315	46,671,480	106,969,795	108,418,028	17,348	23,766
Total assets	76,628,731	51,486,205	128,114,936	128,072,122	97,976	83,714
DEFERRED OUTFLOWS OF RESOURCES						
Deferred pension outflows	5,257,724	892,380	6,150,104	4,864,534		
OPEB - group life insurance plan outflows	92,225	35,776	128,001	135,561		
OPEB - City health insurance plan outflows	63,778	11,912	75,690	90,614		
Unamortized major repairs		117,319	117,319	64,527		
Unamortized deferral on advance refunding		86,570	86,570	97,182		
Total deferred outflows of resources	5,413,727	1,143,957	6,557,684	5,252,418		
Total assets and deferred outflows of resources	\$ 82,042,458	\$ 52,630,162	\$ 134,672,620	\$ 133,324,540	\$ 97,976	\$ 83,714

Exhibit A-1 (Continued)
 City of Platteville, Wisconsin
 Statement of Net Position
 December 31, 2023

(With summarized financial information as of December 31, 2022)

	Governmental Activities	Business-Type Activities	Total Governmental and Business-Type activities		Component Unit	
			2023	2022	2023	2022
LIABILITIES						
Current liabilities:						
Accounts payable	\$ 1,861,540	\$ 235,181	\$ 2,096,721	\$ 1,273,397	\$ 610	\$ 537
Accrued wages	130,951	27,422	158,373	112,296	2,933	2,282
Accrued interest	176,307		176,307	166,353		
Unearned revenue	279,583		279,583	803,529		
Current portion of:						
Long-term debt	2,803,181		2,803,181	2,811,017		
Compensated absences	205,398	46,363	251,761	265,454		
Deposits	925		925	925		
Total current liabilities	5,457,885	308,966	5,766,851	5,432,971	3,543	2,819
Current liabilities payable from restricted assets:						
Accrued interest		68,786	68,786	86,199		
Current portion of revenue bonds		1,323,750	1,323,750	1,255,483		
Total current liabilities payable from restricted assets		1,392,536	1,392,536	1,341,682		
Noncurrent liabilities:						
General obligation debt	18,723,338		18,723,338	19,450,099		
Tax increment revenue bonds	568,499		568,499	922,055		
Water and sewer revenue bonds		18,966,435	18,966,435	18,388,213		
Unamortized bond premium	299,923	225,666	525,589	400,784		
Net pension liability	1,405,582	238,566	1,644,148			
OPEB - group life insurance plan	208,517	80,889	289,406	424,229		
OPEB - City health insurance plan	397,913	105,774	503,687	548,641		
Compensated absences	569,202	107,967	677,169	569,423		
Less current portion of long-term debt	(3,008,579)	(1,370,113)	(4,378,692)	(4,331,954)		
Total noncurrent liabilities	19,164,395	18,355,184	37,519,579	36,371,490		
Total liabilities	24,622,280	20,056,686	44,678,966	43,146,143	3,543	2,819
DEFERRED INFLOWS OF RESOURCES						
Deferred pension inflows	2,948,124	500,377	3,448,501	5,877,989		
OPEB - group life insurance plan inflows	174,785	67,804	242,589	99,672		
OPEB - City health insurance plan inflows	339,454	90,235	429,689	390,713		
Deferred revenue	7,584,683		7,584,683	7,121,205		
Leases		160,972	160,972	209,850		
Total deferred inflows of resources	11,047,046	819,388	11,866,434	13,699,429		
NET POSITION						
Net investment in capital assets	42,414,447	21,373,192	63,787,639	62,680,332		
Restricted for:						
Redevelopment authority	286,279		286,279	283,682		
Housing conservation	85,677		85,677	85,268		
Donor specified	488,997		488,997	413,544		
Community development receivables	1,470,803		1,470,803	1,466,740		
Perpetual care	555,517		555,517	542,106		
Taxi/bus	248,437		248,437	231,981		
TIF expenditures	45,867		45,867	43,623		
Debt service	45,480		45,480			
Affordable housing	70,229		70,229	123,201		
Other	71,745		71,745	93,125		
Debt service - revenue bond funds		2,323,982	2,323,982	2,066,910		
Equipment replacement		3,748,348	3,748,348	3,341,010		
Net pension asset				1,481,529		
Housing assistance payments					17,348	23,766
Unrestricted	589,654	4,308,566	4,898,220	3,625,917	77,085	57,129
Total net position	46,373,132	31,754,088	78,127,220	76,478,968	94,433	80,895
Total liabilities, deferred inflows of resources, and net position	\$ 82,042,458	\$ 52,630,162	\$ 134,672,620	\$ 133,324,540	\$ 97,976	\$ 83,714

The notes to the basic financial statements are an integral part of this statement.

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Exhibit A-2
City of Platteville, Wisconsin
Statement of Activities
For the Year Ended December 31, 2023
(With summarized financial information for the year ended December 31, 2022)

Functions/Programs	Program Revenues				Net (Expenses) Revenue and Changes in Net Position			
	Expenses	Operating	Capital	Governmental Activities	Business-	Totals		Component Unit
		Charges for Services	Grants and Contributions		Type Activities	2023	2022	Housing Authority
Primary Government:								
Governmental activities:								
General government	\$ 1,829,176	\$ 38,311	\$ 4,760	\$ (1,786,105)	\$ (1,786,105)	\$ (1,467,762)	\$	\$
Public safety	4,103,594	666,886	225,237	2,500	(3,208,971)	(3,208,971)	(2,312,081)	
Public works	6,259,969	986,862	1,342,568	1,293,160	(2,637,379)	(2,637,379)	(1,370,982)	
Health and human services	115,441	46,065	4,741		(64,635)	(64,635)	(4,935)	
Leisure activities	2,591,895	283,822	441,199	437,495	(1,429,379)	(1,429,379)	579,527	
Conservation and development	4,516,593	14,976	266,116	3,506,638	(728,863)	(728,863)	(721,677)	
Interest, issuance costs, and fiscal charges	582,168				(582,168)	(582,168)	(586,340)	
Total governmental activities	<u>19,998,836</u>	<u>2,036,922</u>	<u>2,284,621</u>	<u>5,239,793</u>	<u>(10,437,500)</u>	<u>(10,437,500)</u>	<u>(5,884,250)</u>	
Business-type activities:								
Water and sewer	4,366,805	5,540,193	182,611		1,355,999	1,355,999	1,588,743	
Total business-type activities	<u>4,366,805</u>	<u>5,540,193</u>	<u>182,611</u>		<u>1,355,999</u>	<u>1,355,999</u>	<u>1,588,743</u>	
Total primary government	<u>\$ 24,365,641</u>	<u>\$ 7,577,115</u>	<u>\$ 2,284,621</u>	<u>\$ 5,422,404</u>	<u>(10,437,500)</u>	<u>1,355,999</u>	<u>(9,081,501)</u>	<u>(4,295,507)</u>
Component Unit:								
Housing Authority	590,679		604,032					13,353 20,311
Total component unit	<u>590,679</u>		<u>604,032</u>					<u>13,353 20,311</u>
General revenues and transfers:								
Property taxes								
General purposes				3,509,078	3,509,078	3,263,926		
Debt service				1,650,566	1,650,566	1,599,054		
Tax Increments				1,781,227	1,781,227	1,928,693		
Other taxes				345,721	345,721	327,798		
Federal and State aid not restricted for specific purposes								
General				2,673,706	2,673,706	2,666,364		
Interest and investment earnings				409,661	361,993	771,654	223,292	185 57
(Loss) on sale/disposal of capital assets				(67,755)		(67,755)	(155,718)	
Miscellaneous				118,201	13,360	131,561	63,520	
Transfers				277,549	(277,549)			
Total general revenues and transfers				<u>10,697,954</u>	<u>97,804</u>	<u>10,795,758</u>	<u>9,916,929</u>	<u>185 57</u>
Changes in net position				260,454	1,453,803	1,714,257	5,621,422	13,538 20,368
Net position - beginning, as previously stated				46,178,683	30,300,285	76,478,968	70,857,546	80,895 60,527
Prior period adjustments				(66,005)		(66,005)		
Net position - beginning of year, restated				<u>46,112,678</u>	<u>30,300,285</u>	<u>76,412,963</u>	<u>70,857,546</u>	<u>80,895 60,527</u>
Net position - end of year				<u>\$ 46,373,132</u>	<u>\$ 31,754,088</u>	<u>\$ 78,127,220</u>	<u>\$ 76,478,968</u>	<u>\$ 94,433 \$ 80,895</u>

Exhibit A-3
City of Platteville, Wisconsin
Balance Sheet
Governmental Funds
December 31, 2023
(With summarized financial information as of December 31, 2022)

	General	Capital Projects	Neighborhood Investment	Other Governmental Funds	Total Governmental Funds	
					2023	2022
ASSETS						
Cash and investments	\$ 5,570,098	\$ 920,473	\$ 748,340	\$ 2,399,272	\$ 8,889,843	\$ 6,938,593
Restricted cash and investments				\$ 45,867	\$ 45,867	\$ 43,623
Receivables:						
Taxes	3,979,671			1,772,721	5,752,392	5,184,346
Other accounts	169,100	58,154		18,053	245,307	571,574
Other governments	107,681	116,879	748,340	199,766	1,172,666	2,584,538
Special assessments	27,473				27,473	24,835
Mortgages				1,434,041	1,434,041	1,406,701
Loans	210,031			312,438	522,469	505,473
Prepaid expenses	124,175				124,175	150,485
Inventory				29,186	29,186	49,276
Due from other funds	498,686			30,000	528,686	1,824,751
Advances to other funds	391,598				391,598	378,724
Total assets	\$ 11,078,513	\$ 1,095,506	\$ 748,340	\$ 6,241,344	\$ 19,163,703	\$ 19,662,919
LIABILITIES						
Accounts payable	\$ 420,090	\$ 307,074	\$ 748,340	\$ 386,036	\$ 1,861,540	\$ 1,027,988
Accrued payroll	130,851			100	130,951	96,817
Due to other funds	24,322	30,000		120,132	174,454	1,443,518
Advances from other funds				656,456	656,456	643,582
Unearned revenue	395			279,188	279,583	803,529
Deposits	925				925	925
Total liabilities	576,583	337,074	748,340	1,441,912	3,103,909	4,016,359
DEFERRED INFLOWS OF RESOURCES						
Deferred revenues	5,807,857			4,111,890	9,919,747	9,427,899
FUND BALANCES						
Nonspendable	586,113			29,186	615,299	632,365
Restricted	546,781	758,432		1,685,292	2,990,505	2,745,471
Assigned	1,012,914				1,012,914	580,656
Unassigned (deficit)	2,548,265			(1,026,936)	1,521,329	2,260,169
Total fund balance	4,694,073	758,432		687,542	6,140,047	6,218,661
Total liabilities, deferred inflow of resources and fund balance	\$ 11,078,513	\$ 1,095,506	\$ 748,340	\$ 6,241,344	\$ 19,163,703	\$ 19,662,919

Exhibit A-4
 City of Platteville, Wisconsin
 Reconciliation of the Governmental Funds Balance Sheet
 with the Statement of Net Position
 December 31, 2023
 (With summarized financial information as of December 31, 2022)

	2023	2022
Total fund balances-governmental funds:	\$ 6,140,047	\$ 6,218,661
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental funds are not financial resources and therefore are not reported in the fund statements. Amounts reported for governmental activities in the statement of net position:		
Governmental capital asset	103,834,744	101,662,762
Governmental accumulated depreciation	<u>(45,538,806)</u>	<u>58,295,938</u>
The net pension asset is not a current financial resource and is, therefore, not reported in the fund statements		2,138,700
Pension and OPEB deferred outflows and inflows of resources are actuarially determined by the plans. These items are reflected in the statement of net position and are being amortized with pension and OPEB expense in the statement of activities. The deferred outflows of resources and deferred inflows of resources are not financial resources or uses and therefore are not reported in the fund statements.		
Deferred outflows of resources	5,413,727	4,335,681
Deferred inflows of resources	<u>(3,462,363)</u>	<u>(5,413,308)</u>
Other long-term assets that are not available to pay for current-period expenditures and therefore are deferred inflows for the fund statements.		
Long-term notes and loans	1,956,510	1,912,174
Subsequent year tax equivalent from utility	<u>378,554</u>	<u>394,520</u>
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds statements. Long-term liabilities reported in the statement of net position that are not reported in the funds balance sheet are:		
Bonds and notes payable	(18,723,338)	(19,450,099)
Tax increment revenue bonds	(568,499)	(922,055)
Bond premium	(299,923)	(240,904)
Accrued interest	(176,307)	(166,353)
Net pension liability	(1,405,582)	
OPEB - group life insurance plan	(208,517)	(297,682)
OPEB - City health insurance plan	(397,913)	(427,940)
Compensated absences	<u>(569,202)</u>	<u>(452,835)</u>
Net position of governmental activities	<u><u>\$ 46,373,132</u></u>	<u><u>\$ 46,178,683</u></u>

Exhibit A-5
City of Platteville, Wisconsin
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2023
(With summarized financial information for the year ended December 31, 2022)

	General	Capital Projects	Neighborhood Investment	Other Governmental Funds	Total Governmental Funds	
					2023	2022
REVENUES						
Taxes	\$ 3,754,799	\$ 100,000	\$	\$ 3,431,792	\$ 7,286,591	\$ 7,119,472
Special assessments	5,876				5,876	8,942
Intergovernmental	3,840,810	368,095	3,452,917	1,491,478	9,153,300	7,033,943
Licenses and permits	132,744				132,744	116,498
Fines and forfeitures	153,477			1,402	154,879	109,736
Public charges for services	921,780	118,377		760,962	1,801,119	1,843,735
Interest income	346,553			63,108	409,661	120,846
Loan repayments	12,565			35,393	47,958	42,762
Miscellaneous	259,215	230,724		18,038	507,977	404,314
Total revenues	9,427,819	817,196	3,452,917	5,802,173	19,500,105	16,800,248
EXPENDITURES						
Current:						
General government	1,518,046				1,518,046	1,420,199
Public safety	3,567,823				3,567,823	3,341,761
Public works	1,620,686			1,165,244	2,785,930	2,625,637
Health and social services	121,809				121,809	112,887
Leisure activities	2,082,897			28,200	2,111,097	1,920,317
Conservation and development	342,942			642,505	985,447	794,065
Capital outlay		2,961,857	3,452,917	778,964	7,193,738	5,291,172
Debt service:						
Principal retirement				2,810,317	2,810,317	2,888,176
Interest and fiscal charges				536,043	536,043	561,564
Debt issuance costs		52,251		17,887	70,138	53,609
Total expenditures	9,254,203	3,014,108	3,452,917	5,979,160	21,700,388	19,009,387
Excess (deficiency) of revenues over expenditures	173,616	(2,196,912)		(176,987)	(2,200,283)	(2,209,139)
OTHER FINANCING SOURCES (USES)						
Long-term debt proceeds		1,455,000		275,000	1,730,000	1,325,000
Debt premium				89,295	89,295	
Proceeds from sale of capital assets	74,314			550	74,864	58,264
Transfer to other funds	(572,496)	(42,805)		(1,112,959)	(1,728,260)	(1,562,325)
Transfer from other funds	12,805	1,045,625		568,825	1,627,255	1,562,325
Transfer from utility-tax equivalent	394,520				394,520	408,856
Total other financing sources (uses)	(90,857)	2,457,820		(179,289)	2,187,674	1,792,120
Net change in fund balances	82,759	260,908		(356,276)	(12,609)	(417,019)
Fund balance - beginning, as previously stated	4,611,314	497,524		1,109,823	6,218,661	6,635,680
Prior period adjustments				(66,005)	(66,005)	
Fund balance - beginning of year, restated	4,611,314	497,524		1,043,818	6,152,656	6,635,680
Fund balance - end of year	\$ 4,694,073	\$ 758,432	\$	\$ 687,542	\$ 6,140,047	\$ 6,218,661

Exhibit A-6
 City of Platteville, Wisconsin
 Reconciliation of Statement of Revenues, Expenditures and Changes
 in Fund Balance of Governmental Funds to the Statement of Activities
 For the Year Ended December 31, 2023
 (With summarized financial information for the year ended December 31, 2022)

	2023	2022
Net change in fund balances-total governmental funds	\$ (12,609)	\$ (417,019)
Amounts reported for governmental activities in the statement of activities are different because:		
The acquisition of capital assets are reported in the governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities.		
Capital outlay reported in governmental fund statements	3,356,942	6,623,339
Depreciation expenses reported in the statement of activities	<u>(3,468,508)</u>	<u>(3,449,814)</u>
Amount by which capital outlays are greater (less) than depreciation in the current period	(111,566)	3,173,525
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, donations, and disposals) is to increase/decrease net position:	(142,619)	(396,482)
Compensated absences and OPEB are reported in the governmental funds when amounts are paid. The statement of activities reports the amount earned during the year.		
Change in OPEB - group life insurance plan liability and related deferred outflows and inflows of resources	(18,578)	(22,150)
Change in OPEB - City health insurance plan liability and related deferred outflows and inflows of resources	(11,572)	(32,780)
Change in compensated absences	(116,367)	(29,578)
Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the statement of net position and does not affect the statement of activities		
The amount of long-term debt principal payments in the current year is:	2,810,317	2,888,175
The issuance of long-term debt (e.g. bonds, notes) provides current financial resources to governmental funds but does not affect the statement of activities	(1,730,000)	(1,325,000)
Repayments of economic development loans receivable are reflected as revenue in governmental funds, but are reported as a reduction of notes receivable in the statement of net position and does not affect the statement of activities	(36,632)	(31,401)
Additional economic development loans are reflected as expenditures in governmental funds, but are reported as additions to loans receivable in the statement of net position and does not affect the statement of activities	80,968	

Exhibit A-6 (Continued)
 City of Platteville, Wisconsin
 Reconciliation of Statement of Revenues, Expenditures and Changes
 in Fund Balance of Governmental Funds to the Statement of Activities
 For the Year Ended December 31, 2023
 (With summarized financial information for the year ended December 31, 2022)

	2023	2022
Debt premiums are reported in the governmental funds as revenues when those amounts are received. However, the premium is shown in the statement of net position and allocated over the life of the debt issue as amortization expense in the statement of activities		
Amount of debt premium amortized in the current year	30,276	28,604
Amount of debt premium received in the current year	(89,295)	
In governmental funds, the current year utility tax equivalent is deferred and recognized as revenue in the subsequent year. In the statement of activities, this amount is recognized as a transfer in the year accrued.		
Prior year utility tax equivalent recognized as revenue in current year in the governmental funds	(394,520)	(408,856)
Current year utility tax equivalent recognized as a transfer in for the statement of activities	<u>378,554</u>	<u>394,520</u>
	(15,966)	(14,336)
In governmental funds, interest payments on outstanding debt are reported as an expenditure when paid. In the statement of activities, interest is reported as incurred.		
The amount of interest paid during the current period	534,344	559,839
The amount of interest accrued during the current period	<u>(544,298)</u>	<u>(563,263)</u>
Interest paid is greater (less) than interest expensed by	(9,954)	(3,424)
Pension expense reported in the governmental funds represents current year required contributions into the defined benefit pension plan.		
Pension expense in the statement of activities is actuarially determined by the defined benefit pension plan as the difference between the net pension liability from the prior year to the current year, with some adjustments.		
Difference between the required contributions into the defined benefit plan and the actuarially determined change in net pension liability between years, with adjustments	<u>(365,949)</u>	<u>493,177</u>
Change in net position-governmental activities	<u><u>\$ 260,454</u></u>	<u><u>\$ 4,311,311</u></u>

Exhibit A-7
City of Platteville, Wisconsin
Statement of Net Position
Proprietary Funds
December 31, 2023
(With summarized financial information as of December 31, 2022)

	Water and Sewer Utility	
	2023	2022
ASSETS		
Current assets:		
Cash	\$ 3,943,765	\$ 3,213,627
Petty cash	200	200
Customer accounts receivable	820,565	821,825
Other accounts receivable	10,913	8,657
Due from other funds	24,322	13,287
Prepaid expenses	24,457	23,917
Current portion of lease receivable	47,495	44,745
Inventories	56,704	37,476
 Total current assets	 4,928,421	 4,163,734
Noncurrent assets:		
Restricted assets:		
Net pension asset	356,284	
Cash and investments:		
Bond proceeds - unspent	202,877	559,854
Replacement fund	3,748,348	3,341,010
Depreciation fund	912,887	868,235
Debt reserve fund	1,411,095	1,198,675
Lease receivable	120,427	167,922
 Total restricted assets	 6,395,634	 6,491,980
Capital assets:		
Property and plant	61,452,147	59,689,691
Less: accumulated provision for depreciation	21,176,301	20,408,263
 Net property and plant	 40,275,846	 39,281,428
Other assets:		
Advances due from other funds	264,858	264,858
 Total noncurrent assets	 46,936,338	 46,038,266
DEFERRED OUTFLOWS OF RESOURCES		
Deferred pension outflows	892,380	694,655
OPEB - Group life insurance plan outflows	35,776	40,438
OPEB - City health insurance plan outflows	11,912	19,935
Unamortized major repairs	117,319	64,527
Unamortized deferral on advance refunding	86,570	97,182
 Total deferred outflows of resources	 1,143,957	 916,737
 Total assets and deferred outflows of resources	 \$ 53,008,716	 \$ 51,118,737

Exhibit A-7 (Continued)
 City of Platteville, Wisconsin
 Statement of Net Position
 Proprietary Funds
 December 31, 2023
 (With summarized financial information as of December 31, 2022)

	Water and Sewer Utility	
	2023	2022
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 235,181	\$ 245,409
Accrued payroll	27,422	15,479
Current portion of:		
Compensated absences	46,363	48,815
Due to other funds	378,554	394,520
Total current liabilities	<u>687,520</u>	<u>704,223</u>
Current liabilities payable from restricted assets:		
Accrued interest	68,786	86,199
Current portion of revenue bonds	<u>1,323,750</u>	<u>1,255,483</u>
Total current liabilities payable from restricted assets	<u>1,392,536</u>	<u>1,341,682</u>
Non-current liabilities		
Revenue bonds	18,966,435	18,388,213
Unamortized bond premium	225,666	159,880
Net pension liability	238,566	
OPEB - Group life insurance plan	80,889	126,547
OPEB - City health insurance plan	105,774	120,701
Compensated absences	107,967	116,588
Less current portion of long-term debt	<u>(1,370,113)</u>	<u>(1,304,298)</u>
Total non-current liabilities	<u>18,355,184</u>	<u>17,607,631</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred pension inflows	500,377	839,377
OPEB - Group life insurance plan inflows	67,804	29,732
OPEB - City health insurance plan inflows	90,235	85,957
Leases	<u>160,972</u>	<u>209,850</u>
Total deferred inflows of resources	<u>819,388</u>	<u>1,164,916</u>
NET POSITION		
Net investment in capital assets	21,373,192	21,390,371
Restricted		
Debt service - revenue bond funds	2,323,982	2,066,910
Equipment replacement	3,748,348	3,341,010
Net pension asset	211,562	
Unrestricted	<u>4,308,566</u>	<u>3,290,432</u>
Total net position	<u>31,754,088</u>	<u>30,300,285</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 53,008,716</u>	<u>\$ 51,118,737</u>

Exhibit A-8
City of Platteville, Wisconsin
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2023
(With summarized financial information for the year ended December 31, 2022)

	Water	Sewer	Total	
			2023	2022
OPERATING REVENUES				
Metered sales	\$ 1,497,000	\$	\$ 1,497,000	\$ 1,439,498
Private fire protection	88,665		88,665	89,013
Public fire protection	687,499		687,499	665,012
Public authorities	265,914		265,914	256,247
Measured sewer service		2,726,005	2,726,005	2,883,184
Forfeited discounts	8,580	7,868	16,448	18,237
Miscellaneous	173,689	84,973	258,662	174,203
Total operating revenues	<u>2,721,347</u>	<u>2,818,846</u>	<u>5,540,193</u>	<u>5,525,394</u>
OPERATING EXPENDITURES				
Pumping expenses	308,555		308,555	268,319
Treatment expenses	171,759	606,286	778,045	666,510
Transmission and distribution	254,767		254,767	226,798
Customer accounts expense	61,855	11,854	73,709	70,553
Administrative and general	320,006	494,123	814,129	710,350
Rent	1,080	9,416	10,496	9,057
Transportation expenses	18,443	47,429	65,872	77,643
Maintenance of sewage system		263,263	263,263	210,846
Depreciation	560,589	630,230	1,190,819	1,131,320
Taxes	16,754	51,509	68,263	60,222
Total operating expenses	<u>1,713,808</u>	<u>2,114,110</u>	<u>3,827,918</u>	<u>3,431,618</u>
Operating income	<u>\$ 1,007,539</u>	<u>\$ 704,736</u>	<u>1,712,275</u>	<u>2,093,776</u>
NONOPERATING REVENUES (EXPENSES)				
*Interest and dividends on investments			361,993	102,570
*Interest expense			(423,357)	(401,743)
*Contributed capital			182,611	
*Amortization of debt premium			13,360	13,318
*Amortization of debt expense			(10,612)	(10,613)
*Debt issuance costs			(104,918)	(92,677)
*Transfer from other funds			101,005	
*Transfer of tax equivalent			(378,554)	(394,520)
Total nonoperating revenues (expenses)			<u>(258,472)</u>	<u>(783,665)</u>
Change in net position			1,453,803	1,310,111
Net position - beginning of year			<u>30,300,285</u>	<u>28,990,174</u>
Net position - end of year			<u>\$ 31,754,088</u>	<u>\$ 30,300,285</u>

* Not allocated

Exhibit A-9
City of Platteville, Wisconsin
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2023
(With summarized financial information for the year ended December 31, 2022)

	2023	2022
CASH FLOWS FROM (USED BY) OPERATING ACTIVITIES		
Received from customers	\$ 5,539,197	\$ 5,469,973
Payments to employees	(712,838)	(613,535)
Payment for employee benefits	(376,676)	(357,304)
Payment to suppliers	<u>(1,499,288)</u>	<u>(1,246,399)</u>
Net cash flows from operating activities	<u>2,950,395</u>	<u>3,252,735</u>
CASH FLOWS FROM (USED BY) NONCAPITAL FINANCING ACTIVITIES		
Paid to municipality for tax equivalent	<u>(378,554)</u>	<u>(394,520)</u>
Net cash flows (used by) noncapital financing activities:	<u>(378,554)</u>	<u>(394,520)</u>
CASH FLOWS FROM (USED BY) CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(2,185,237)	(2,670,291)
Contributed capital received	182,611	
Transfer from other funds for capital asset acquisitions	101,005	
Debt retired	(1,255,484)	(1,137,410)
Debt issuance costs	(104,918)	(92,677)
Debt proceeds	1,833,706	2,665,000
Premium from debt issue	79,146	
Interest paid	(440,770)	(376,454)
Payment for major repair	<u>(106,322)</u>	
Net cash flows (used by) capital and related financing activities	<u>(1,896,263)</u>	<u>(1,611,832)</u>
CASH FLOWS FROM (USED BY) INVESTING ACTIVITIES		
Purchase of investments	(778,708)	
Receipt of investments maturing	762,506	10,082
Investment income	<u>361,993</u>	<u>102,570</u>
Net cash flows from investing activities	<u>345,791</u>	<u>112,652</u>
Net change in cash and cash equivalents	<u>1,021,369</u>	<u>1,359,035</u>
Cash and cash equivalents - beginning of year	<u>8,195,796</u>	<u>6,836,761</u>
Cash and cash equivalents - end of year	<u>\$ 9,217,165</u>	<u>\$ 8,195,796</u>
Reconciliation of cash and cash equivalents to statement of net position accounts		
Cash	\$ 3,943,765	\$ 3,213,627
Petty cash	200	200
Restricted cash and investments	6,275,207	5,967,774
Less: long-term investments	<u>(1,002,007)</u>	<u>(985,805)</u>
Total cash and cash equivalents	<u>\$ 9,217,165</u>	<u>\$ 8,195,796</u>

Exhibit A-9 (Continued)
 City of Platteville, Wisconsin
 Statement of Cash Flows
 Proprietary Funds
 For the Year Ended December 31, 2023
 (With summarized financial information for the year ended December 31, 2022)

	2023	2022
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 1,712,275	\$ 2,093,776
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	1,190,819	1,131,320
Pension expense	58,125	(83,002)
Life insurance OPEB expense	(2,924)	14,872
Health insurance OPEB expense	(2,626)	(3,244)
Amortization of major repairs	53,530	32,263
Changes in assets and liabilities:		
(Increase) decrease in customer accounts receivable	1,260	(58,513)
(Increase) decrease in other accounts receivable	(2,256)	3,092
(Increase) decrease in other prepaid expenses	(540)	(1,359)
(Increase) decrease in due from other funds	(11,035)	23,150
(Increase) decrease in inventories	(19,228)	1,516
(Increase) decrease in lease receivable and related deferred inflows of resources	(4,133)	(2,817)
Increase (decrease) in accounts payable	(10,228)	110,645
Increase (decrease) in accrued payroll	11,943	154
Increase (decrease) in due other funds	(15,966)	(14,336)
Increase (decrease) in compensated absences	(8,621)	5,218
Net cash provided by operating activities	<u><u>\$ 2,950,395</u></u>	<u><u>\$ 3,252,735</u></u>

Exhibit A-10
City of Platteville, Wisconsin
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2023
(With summarized financial information as of December 31, 2022)

	<u>Custodial Fund</u>		Total	
	<u>Tax Collection</u>		<u>2023</u>	
	Fund	2023	2022	
ASSETS				
Cash and investments	\$ 2,491,620	\$ 2,491,620	\$ 2,534,275	
Taxes receivable	7,452,388	7,452,388	6,556,714	
Total assets	\$ 9,944,008	\$ 9,944,008	\$ 9,090,989	
LIABILITIES				
Due to other taxing units	\$ 9,944,008	\$ 9,944,008	\$ 9,090,989	
NET POSITION				
Restricted				
Total liabilities and net position	\$ 9,944,008	\$ 9,944,008	\$ 9,090,989	

Exhibit A-11
City of Platteville, Wisconsin
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2023
(With summarized financial information for the year ended December 31, 2022)

	Custodial Fund		Total
	Tax Collection Fund	2023	2022
ADDITIONS			
Property tax collections for other governments	\$ 6,396,035	\$ 6,396,035	<u>\$ 5,462,669</u>
DEDUCTIONS			
Property tax collections paid or owed to other governments	<u>6,396,035</u>	6,396,035	5,462,669
Net increase (decrease) in fiduciary net position			
Net position - beginning of year			
Net position - end of year	<u>\$</u>	<u>\$</u>	<u>\$</u>

NOTES TO THE BASIC FINANCIAL STATEMENTS

City of Platteville, Wisconsin
December 31, 2023
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City of Platteville, Wisconsin
Notes to the Basic Financial Statements
December 31, 2023

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The City is a municipal corporation governed by an elected seven-member council. This report includes all of the funds of the City of Platteville. The reporting entity for the City consists of the (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government. The City has identified the following component unit that is required to be included in the financial statements in accordance with standards established in GASB standards.

Discretely Presented Component Unit

The Platteville Housing Authority was created by the City of Platteville under the provisions of Section 66.40 to 66.404 of the Wisconsin Statutes. The central purpose of the Platteville Housing Authority is to provide the opportunity for the City of Platteville residents to live in decent, affordable and standard housing. The programs at the Platteville Housing Authority are created to enable Platteville families to improve their housing conditions. Its governing board is appointed by the City Council.

B. Government-Wide and Fund Financial Statements

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

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.

City of Platteville, Wisconsin
Notes to the Basic Financial Statements
December 31, 2023

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund Financial Statements

Financial statements of the reporting entity 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 equity, revenues, and expenditure/expenses.

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

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

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

Major Governmental Funds:

The City reports the following major governmental funds:

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

Capital Projects Fund – Accounts for financial resources to be used for the acquisition or construction of equipment and/or major capital facilities.

Neighborhood Investment – Accounts for the construction of a domestic abuse shelter and related grant proceeds. This fund is accounted for as a capital projects fund.

Major Enterprise Funds:

The City reports the following major enterprise funds:

Water and Sewer Utility – Accounts for operations of the water and sewer system.

City of Platteville, Wisconsin
Notes to the Basic Financial Statements
December 31, 2023

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Non-Major Governmental Funds:

The City reports the following non-major governmental funds:

Special Revenue Funds – Accounts for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

Airport
Community Development Block Grant
Redevelopment Authority
Housing Conservation Program
Library (Littlefield)
Zeigert Trust
Boll Cemetery
Taxi/Bus
Affordable Housing
Broske Center
Local Fiscal Recovery Fund
Fire Facility
CDI Grant

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

TIF District No. 5 – Accounts for the activity of tax incremental district No. 5, including the payment of general long-term debt principal, interest and related costs.

TIF District No. 6 – Accounts for the activity of tax incremental district No. 6, including the payment of general long-term debt principal, interest and related costs.

TIF District No. 7 – Accounts for the activity of tax incremental district No. 7, including the payment of general long-term debt principal, interest and related costs.

TIF District No. 9 – Accounts for the activity of tax incremental district No. 9, including the payment of general long-term debt principal, interest and related costs.

Permanent Funds – Are used to account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the City's programs.

-Cemetery perpetual care

City of Platteville, Wisconsin
Notes to the Basic Financial Statements
December 31, 2023

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fiduciary Funds (Not included in Government-Wide Statements)

Fiduciary funds consist of pension (and other employee benefit) trust funds, private-purpose trust funds, investment trust funds, and custodial funds. Fiduciary funds should be used only to report resources held for individuals, private organizations, or other governments. A fund is presented as a fiduciary fund when all of the following criteria are met: a) the government controls the assets that finance the activity, b) assets are not generated from the government's own-source revenues or from government-mandated or voluntary nonexchange transactions, c) assets are administered through a qualifying trust or the government does not have administrative involvement and the assets are not generated from the government's delivery of goods or services to the beneficiaries, or the assets are for the benefit of entities that are not part of the government's reporting entity.

The City reports the following fiduciary fund:

Custodial Fund - used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units. The City accounts for tax collections payable to overlying taxing jurisdictions in the Tax Collection Fund.

C. 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 of resources. 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 sewer utility 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.

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

City of Platteville, Wisconsin
Notes to the Basic Financial Statements
December 31, 2023

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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. Certain government funded grant reimbursable costs are considered available if they are collected within 180 days of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

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

Intergovernmental aids and grants are recognized as revenues in the period the City is entitled the resources and the amounts are available. Amounts owed to the City which are not available are recorded as receivables and deferred inflows of resources. Resources (typically cash) received before all eligibility requirements have been met are reported as assets and offset by unearned revenue (a liability) unless only a time requirement has not been met. In that case, deferred inflows of resources are reported rather than a liability.

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 deferred inflows of resources.

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.

The City reports deferred inflows of resources on its governmental funds balance sheet. Deferred inflows of resources arise from taxes levied in the current year, which are for subsequent year's operations. For governmental fund financial statements, deferred inflows of resources arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, the deferred inflows of resources are removed from the balance sheet and revenue is recognized.

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.

City of Platteville, Wisconsin
Notes to the Basic Financial Statements
December 31, 2023

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water and sewer utility are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administration expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Revenues and expenditures arising from non-exchange transactions, such as property and sales taxes, fines, and grants are recorded according to the standards in Governmental Accounting Standards.

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

D. Cash and Cash Equivalent/Investments

All deposits of the City are made in board designated official depositories and are secured as required by State Statute. The City may designate, as an official depository, any bank or savings association. Also, the City may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

Investments with remaining maturities at the time of purchase of one year or less are stated at amortized cost, which approximates fair value. Investments with a maturity of more than one year at acquisition and non-money market investments are carried at fair value as determined by quoted market prices.

For purposes of the statement of cash flows, all cash deposits and highly liquid investments with an original maturity of three months or less (including restricted assets) are considered to be cash equivalents.

E. 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 state and county governments 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 in the accompanying custodial fund statement of net position.

Property tax calendar - 2023 tax roll:

Lien date and levy date	December 2023
Tax bills mailed	December 2023
Payment in full, or	January 31, 2024
First installment due	January 31, 2024
Second installment due	July 31, 2024
Personal property taxes in full	January 31, 2024
Tax sale- 2023 delinquent real estate taxes	October 2027

City of Platteville, Wisconsin
Notes to the Basic Financial Statements
December 31, 2023

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Receivables (Continued)

No provision for uncollectible accounts receivable has been made for customer accounts receivable since the Water and Sewer Utility has the right by law to place delinquent bills on the tax roll.

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

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

Lease Receivable

The City's lease receivables are measured at the present value of lease payments expected to be received during the lease term.

A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

Leases – in the governmental funds, when the year-end receivable balance exceeds the deferred inflow of resources, the difference is presented as nonspendable fund balance.

F. Inventories and Prepaid Items

Inventories of governmental fund types consist of airport fuel and expendable supplies held for consumption. Expendable supplies, which are not material, are considered expenditures when purchased and, accordingly, are not reflected on the Balance Sheet-Governmental Funds.

Inventories of proprietary fund types are valued at cost using the first-in, first-out method and are charged as expenses or are capitalized when used.

G. Restricted Assets

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

City of Platteville, Wisconsin
Notes to the Basic Financial Statements
December 31, 2023

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Capital Assets

Government-Wide Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets are defined by the government as assets with an initial cost of more than \$10,000 and an estimated useful life in excess of three years. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated fixed assets are reported at acquisition value.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. 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 of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	20-50 Years
Machinery and Equipment	3-40 Years
Utility System	10-100 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.

I. Unearned Revenue

The City reports unearned revenue on its governmental funds balance sheet. Unearned revenue arises when resources are received before the City has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when the City has legal claim to the resources, the unearned revenue is removed from the balance sheet and revenue is recognized.

J. Compensated Absences

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

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

City of Platteville, Wisconsin
Notes to the Basic Financial Statements
December 31, 2023

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Compensated Absences (Continued)

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.

K. Long-Term Obligations/Conduit Debt

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

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

In June, 2004, the City authorized the issuance of industrial revenue bonds for TCF Investments Management, Inc. in the amount of \$4,420,000. In July 2013, the City authorized the issuance of industrial revenue bonds for UW-Platteville Real Estate Foundation in the amount of \$24,030,000. TCF Investments and UW-Platteville Real Estate Foundation are responsible for all debt service on the bonds and therefore, the bonds are not reported as liabilities in the accompanying financial statements. The total amount of conduit debt outstanding at the end of the year is approximately \$20,454,457.

L. Claims and Judgments

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental funds. If they are not to be liquidated with expendable available financial resources, no liability is recognized in the governmental fund statements. The related expenditure is recognized when the liability is liquidated. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred.

M. Risk Management

The City is exposed to various risks of loss related to tort; theft of, damage to, and destruction of assets; errors and omission; injuries to employees; and natural disasters. The City maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the City. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

City of Platteville, Wisconsin
Notes to the Basic Financial Statements
December 31, 2023

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. 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 of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital 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 position that does not meet the definition of "restricted" or "net investment in capital assets."

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

Fund Statements

The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Non-Spendable – includes amounts that are not in a spendable form (such as inventory and advances) or are required to be maintained intact.
- Restricted – includes amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government) through constitutional provisions, or by enabling legislation.
- Committed – includes amounts constrained to specific purposes by the City Council, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the City Council takes the same highest level action to remove or change the constraint.
- Assigned – includes amounts the City Council intends to use for a specific purpose; intent can be expressed by the City Council or by an official or body to which the City Council delegates the authority. All remaining positive spendable amounts in governmental funds, other than the general fund, that are neither restricted nor committed may be assigned. 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.

City of Platteville, Wisconsin
Notes to the Basic Financial Statements
December 31, 2023

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Equity Classifications (Continued)

The City's fund balance policy is to strive to maintain an unassigned fund balance equal to 20% of the General Fund budget.

The Council may, from time to time, commit additional amounts of fund balance to a specific purpose. Such action shall be taken in open meeting and require the approval of a majority of the Council. Commitments of fund balance, once made, can be modified only by majority vote of the Council.

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, it shall be the policy of the City to consider restricted amounts to have been reduced first. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it shall be the policy of the City that committed amounts would be reduced first, followed by assigned amounts and then unassigned amounts.

O. Transfers

Transfers include the payment in lieu of taxes from the water and sewer utility to the general fund.

P. Housing Conservation and Community Development Block Grant

Long-term loans receivable under the Housing Conservation and Community Development Block Program are shown as loans receivable and deferred inflows of resources in the governmental fund statements.

Q. Summarized Comparative Information

The basic financial statements include certain prior year summarized comparative information in total, but not at the level of detail for a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended December 31, 2022, from which the summarized information was derived.

R. Pensions

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

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

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 benefits terms. Investments are reported at fair value.

City of Platteville, Wisconsin
Notes to the Basic Financial Statements
December 31, 2023

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

S. Other Postemployment Benefits

Group life insurance plan

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

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

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

City health insurance plan

For purposes of measuring the OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information of the City's Other Postemployment Benefit Plan (the Plan) has been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

T. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expenditure) until then. The deferred outflows of resources were derived from the OPEB plans, the WRS pension system, deferred amount on refunding revenue bond, and unamortized major repairs as approved by the Public Service Commission.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until then. Deferred inflows of resources related to the OPEB plans are discussed in Note 8 and Note 9, deferred inflows of resources related to the WRS pension system are discussed in Note 10, and the remaining deferred inflows of resources are discussed in Note 15.

U. Unamortized Major Repairs

The water utility incurred \$161,318 of water tower painting and repair costs in 2020. This amount is being amortized to expense over five years per authorization from the Public Service Commission. The balance at December 31, 2023 was \$32,262. The water utility also incurred \$106,322 of well rehabilitation costs in 2023, which is being amortized over 5 years. The balance at December 31, 2023 was \$85,057.

City of Platteville, Wisconsin
Notes to the Basic Financial Statements
December 31, 2023

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

V. Change in Accounting Principle

Effective January 1, 2023, the City adopted GASB Statement No. 96, Subscription-Based Information Technology Arrangements. GASB 96 was issued to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs). The City does not have any material SBITAs requiring disclosure in the financial statements.

W. Prior Period Adjustment

A prior period adjustment was recorded as of January 1, 2023 in the Fire Facility Fund. Grant revenue reported in a prior year was overstated.

Effective January 1, 2023, a prior period adjustment has been recorded in the fund financial statements as follows:

	<u>Governmental Funds</u>
Aggregate Nonmajor	
Governmental Funds	
Fund balance, as previously stated	\$ 1,109,823
Cumulative effect for adjusting revenue	
relating to the City's Fire Facility	(66,005)
Fund balance, as restated	<u><u>\$ 1,043,818</u></u>

The prior period adjustment in the aggregate nonmajor governmental funds occurred in the City's nonmajor Fire Facility special revenue fund.

Effective January 1, 2023, a prior period adjustment has been recorded in the statement of activities as follows:

	<u>Governmental Activities</u>
Net position, as previously stated	\$ 46,178,683
Cumulative effect for adjusting revenue	
relating to the City's Fire Facility	(66,005)
Net position, as restated	<u><u>\$ 46,112,678</u></u>

City of Platteville, Wisconsin
Notes to the Basic Financial Statements
December 31, 2023

NOTE 2 EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND GOVERNMENT-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used on the government fund statements and district-wide statements certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items.

Explanation of Differences between Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances and the Statement of Activities

Differences between the governmental funds statement of revenues, expenditures and changes in fund balance and the statement of activities fall into one of three broad categories.

- a. Long-term revenue differences arise because governmental funds report revenues only when they are considered “available”, whereas the statement of activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis whereas the accrual basis of accounting is used on the statement of activities.
- b. Capital related differences include (1) the difference between proceeds for the sale of capital assets reported on governmental fund statements and the gain or loss on the sale of assets as reported on the statement of activities, and (2) the difference between recording an expenditure for the purchase of capital items in the governmental fund statements, and capitalization and recording depreciation expense on those items as recorded in the statement of activities.
- c. Long-term debt transaction differences occur because long-term debt proceeds are recorded as revenue and both interest and principal payments are recorded as expenditures in the governmental fund statements. In the statement of activities, long-term debt proceeds are recorded as a liability, interest expense is recorded as incurred, and principal payments are recorded as a reduction of liabilities.

NOTE 3

CASH AND INVESTMENTS

At December 31, 2023, the cash and investments included the following:

Deposits with financial institutions	\$ 12,322,199
Wisconsin Local Government Investment Pool	9,322,872
Petty cash	1,430
Total	<u>\$ 21,646,501</u>

Cash and investments as of December 31, 2023 are classified in the accompanying financial statements as follows:

Exhibit A-1:

Cash and investments	\$ 12,833,808
Restricted cash and investments	6,321,074

Exhibit A-10:

Cash and investments	2,491,620
Total cash and investments	<u>\$ 21,646,501</u>

City of Platteville, Wisconsin
Notes to the Basic Financial Statements
December 31, 2023

NOTE 3

CASH AND INVESTMENTS (CONTINUED)

Investments Authorized by Wisconsin State Statutes

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

- Time deposits in any credit union, bank, savings bank, trust company or savings and loan association.
- Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state.
- Bonds or securities issued or guaranteed by the federal government.
- The local government investment pool.
- Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- Repurchase agreements with public depositories, with certain conditions.
- Bond issued by a local football stadium district.
- Bonds issued by a local arts district.
- Bonds issued by the Wisconsin Aerospace Authority.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

The City's investment policy limits investments to securities with maturities of less than five years from the date of purchase.

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

Investment Type	Amount	12 months or less	13 to 24 months	25 to 36 months
Certificates of deposit	\$ 2,139,317	\$ 1,671,147	\$ 238,000	\$ 230,170
Local Government Investment Pool	9,322,872	9,322,872		
Totals	\$ 11,462,189	\$ 10,994,019	\$ 238,000	\$ 230,170

City of Platteville, Wisconsin
Notes to the Basic Financial Statements
December 31, 2023

NOTE 3

CASH AND INVESTMENTS (CONTINUED)

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments in commercial paper, corporate bonds and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The City's investment policy limits investments to those authorized by Wisconsin State Statutes. As of December 31, 2023, the City's investments were rated as follows:

	Amount	Rating
Wisconsin Local Government Investment Pool	\$ 9,322,872	Not Rated

Custodial Credit Risk

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

Federal Deposit Insurance Corporation (FDIC) Insurance

The insurance coverage of public unit accounts depends upon the type of deposit and the location of the insured depository institution. All time and savings deposits owned by a public unit and held by the public unit's official custodian in an insured depository institution within the State in which the public unit is located are added together and insured up to \$250,000. Separately, all demand deposits owned by a public unit and held by the public unit's official custodian in an insured depository institution within the State in which the public unit is located are added together and insured up to \$250,000. For the purpose of these rules, the term 'time and savings deposits' includes NOW accounts and money market deposit accounts but does not include interest bearing demand deposit accounts. The term 'demand deposits' means both interest-bearing and noninterest-bearing deposits that are payable on demand and for which the depository institution does not reserve the right to require advance notice of an intended withdrawal.

Collateralization of Public Unit Deposits

Depending on applicable state or federal law, public unit deposits may be secured by collateral or assets of the bank. In the event of the failure of the bank, the FDIC will honor the collateralization agreement if the agreement is valid and enforceable under applicable law. The FDIC does not guarantee, however, that the collateral will be sufficient to cover the amount of the uninsured funds. As such, although it does not increase the insurance coverage of the public unit deposits, collateralization provides an avenue of recovery in the event of the failure of an insured bank.

City of Platteville, Wisconsin
Notes to the Basic Financial Statements
December 31, 2023

NOTE 3

CASH AND INVESTMENTS (CONTINUED)

Bank accounts and the local government investment pool are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the relatively small size of the Guarantee Fund in relationship to the total deposits covered and other legal implications, recovery of material principal losses may be significant to individual organizations. Additionally, deposits in each local and area credit union are insured by the NCUA in the amount of \$250,000 for interest bearing accounts and \$250,000 for non-interest bearing accounts.

The City's investment policy requires collateralization on certificate of deposits which exceed the FDIC and State Deposit Guarantee Fund insurance limits and on repurchase agreements. The collateral is limited to securities of the U.S. Treasury and its agencies.

As of December 31, 2023, \$11,183,126 of the City's deposits were insured by the FDIC or NCUA, \$1,071,497 were insured by a federal home loan bank letter of credit, and \$5,158 were in excess of federal depository insurance limits, national credit union insurance limits, and pledged collateral. The Wisconsin State Guarantee Fund would provide coverage for this amount, providing funds are available at the time of any potential loss.

Fluctuating cash flows during the year due to tax collections, receipt of state aids and proceeds from borrowing may have resulted in temporary balances during the year significantly exceeding uninsured amounts at the balance sheet date.

Wisconsin Local Government Investment Pool

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board (SWIB). The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. All investments are valued at amortized cost by the SIF for purposes of calculating earnings to each participant. Specifically, the SIF distributes income to pool participants monthly, based on their average daily share balance. Distributions include interest income based on stated rates (both paid and accrued), amortization of discounts and premiums on a straight-line basis, realized investment gains and losses calculated on an amortized cost basis, and investment expenses. This method does not distribute to participants any unrealized gains or losses generated by the pool's investments.

Detailed information about the SIF is available in separately issued financial statements available at <https://doa.wi.gov/Pages/StateFinances/LGIP.aspx>. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2023, the fair value of the City's share of the LGIP's assets was substantially equal to the amount reported above. Information on derivatives was not available to the City.

SWIB may invest in obligations of the U.S. Treasury and its agencies, Commercial Paper, Bank Time Deposits/Certificates of Deposit, Bankers' Acceptances, Asset Backed Securities and Repurchase Agreements secured by the U.S. Government or its agencies and other instruments authorized under State Investment Fund Investment guidelines.

Investment allocation in the local government investment pool as of December 31, 2023 was: 94.0% in U.S. Government Securities and 6.0% in commercial paper and corporate notes. The Wisconsin State Treasurer updates the investment allocations on a monthly basis.

Concentration of Credit Risk

The City places no limit on the amount the City may invest in any one issuer.

City of Platteville, Wisconsin
 Notes to the Basic Financial Statements
 December 31, 2023

NOTE 4

CAPITAL ASSETS

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

	Balance 1/1/23	Additions	Deletions	Balance 12/31/23
<u>Governmental Activities:</u>				
Capital assets not being depreciated:				
Land	\$ 3,558,698	\$	\$	\$ 3,558,698
Construction in progress	3,354,113	3,126,676	(3,236,926)	3,243,863
Total capital asset not being depreciated	<u>6,912,811</u>	<u>3,126,676</u>	<u>(3,236,926)</u>	<u>6,802,561</u>
Other capital assets				
Land improvements	3,646,500	840,003		4,486,503
Buildings and improvements	10,445,379	371,290		10,816,669
Machinery and equipment	6,272,962	333,216	(432,778)	6,173,400
Vehicles	4,892,209	326,061	(191,210)	5,027,060
Infrastructure	69,492,901	1,589,248	(553,598)	70,528,551
Total other capital assets at historical costs	<u>94,749,951</u>	<u>3,459,818</u>	<u>(1,177,586)</u>	<u>97,032,183</u>
Less accumulated depreciation for:				
Land improvements	(1,597,580)	(166,442)		(1,764,022)
Buildings and improvements	(5,202,654)	(237,104)		(5,439,758)
Machinery and equipment	(3,705,933)	(369,079)	426,879	(3,648,133)
Vehicles	(2,956,320)	(300,364)	191,210	(3,065,474)
Infrastructure	(29,650,152)	(2,395,519)	424,252	(31,621,419)
Total accumulated depreciation	<u>(43,112,639)</u>	<u>(3,468,508)</u>	<u>1,042,341</u>	<u>(45,538,806)</u>
Net other capital assets	<u>51,637,312</u>	<u>(8,690)</u>	<u>(135,245)</u>	<u>51,493,377</u>
Total net capital assets	<u><u>\$ 58,550,123</u></u>	<u><u>\$ 3,117,986</u></u>	<u><u>\$ (3,372,171)</u></u>	<u><u>\$ 58,295,938</u></u>

Depreciation expense was charged to functions as follows:

Governmental Activities

General government	\$ 102,638
Public safety	249,971
Public works, which includes the depreciation of infrastructure	2,839,381
Leisure activities	268,661
Health and human services	3,938
Conservation and development	3,919
Total governmental activities depreciation expense	<u><u>\$ 3,468,508</u></u>

City of Platteville, Wisconsin
 Notes to the Basic Financial Statements
 December 31, 2023

NOTE 4

CAPITAL ASSETS (CONTINUED)

	1/1/23			12/31/23
	Balance	Additions	Deletions	Balance
<u>Business-type Activities:</u>				
Capital assets not being depreciated:				
Intangible plant	\$ 8,978	\$	\$	8,978
Land and land rights	40,438			40,438
Construction in progress	307,933	359,216	(61,740)	605,409
Total capital assets not being depreciated	357,349	359,216	(61,740)	654,825
Capital assets being depreciated:				
Water:				
Source of supply	1,349,323			1,349,323
Pumping	2,425,291			2,425,291
Water treatment	1,413,694			1,413,694
Transmission and distribution	22,252,821	384,907	(77,874)	22,559,854
General plant	816,612	57,976		874,588
Sewer:				
Collection system	18,668,164	560,597	(45,806)	19,182,955
Treatment and disposal	11,297,934	869,403	(345,854)	11,821,483
General plant	1,108,503	119,879	(58,248)	1,170,134
Total capital assets being depreciated	59,332,342	1,992,762	(527,782)	60,797,322
Less: accumulated depreciation for:				
Water:				
Source of supply	(297,765)	(34,048)		(331,813)
Pumping	(1,301,839)	(79,711)		(1,381,550)
Water treatment	(588,894)	(44,206)		(633,100)
Transmission and distribution	(5,444,179)	(420,962)	77,874	(5,787,267)
General plant	(776,334)	(22,997)		(799,331)
Sewer:				
Collection system	(2,358,081)	(223,317)	45,805	(2,535,593)
Treatment and disposal	(8,792,180)	(332,933)	345,854	(8,779,259)
General plant	(848,991)	(32,645)	(46,752)	(928,388)
Total accumulated depreciation	(20,408,263)	(1,190,819)	422,781	(21,176,301)
Net capital assets being depreciated	38,924,079	801,943	(105,001)	39,621,021
Total net capital assets	\$ 39,281,428	\$ 1,161,159	\$ (166,741)	\$ 40,275,846

Depreciation expense consisted of the following:

Business-Type Activities:

Water and sewer depreciation (Per Exhibit A-8) \$ (1,190,819)

City of Platteville, Wisconsin
Notes to the Basic Financial Statements
December 31, 2023

NOTE 5

LONG-TERM OBLIGATIONS

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

	1/1/23			12/31/23	Amounts Due within One Year
	Balance	Increases	Decreases	Balance	
<u>Governmental Activities</u>					
General obligation debt-nondirect	\$ 19,335,000	\$ 1,210,000	\$ (2,450,000)	\$ 18,095,000	\$ 2,225,000
Bonds and Notes from direct borrowings and direct placements	115,099	520,000	(6,761)	628,338	398,339
Tax increment revenue bonds-direct borrowings and direct placements	922,055		(353,556)	568,499	179,842
Other liabilities:					
Unamortized debt premium	240,904	89,295	(30,276)	299,923	
Compensated absences	452,835	116,367		569,202	205,398
Total other liabilities	693,739	205,662	(30,276)	869,125	205,398
Total governmental activities					
long-term liabilities	\$ 21,065,893	\$ 1,935,662	\$ (2,840,593)	\$ 20,160,962	\$ 3,008,579
<u>Business-type Activities</u>					
Revenue bonds - nondirect	\$ 15,700,000	\$ 1,610,000	\$ (910,000)	\$ 16,400,000	\$ 970,000
Revenue bonds - direct borrowings and direct placements	2,688,213	223,706	(345,484)	2,566,435	353,750
Less: deferred amount on refunding	(97,182)		10,612	(86,570)	
Other liabilities:					
Unamortized debt premium	159,880	79,146	(13,360)	225,666	
Compensated absences	116,588		(8,621)	107,967	46,363
Total other liabilities	276,468	79,146	(21,981)	333,633	46,363
Total business-type activities					
long-term liabilities	\$ 18,567,499	\$ 1,912,852	\$ (1,266,853)	\$ 19,213,498	\$ 1,370,113

The compensated absences liability attributed to governmental activities are typically being liquidated in the general fund. In addition to the City's governmental debt service fund, debt service payments are also being made by the City's redevelopment authority fund and TIF District funds.

General Obligation Debt

All general obligation notes and bonds payable are backed by the full faith and credit of the City. In accordance with Wisconsin statutes, notes and bonds in the governmental funds will be retired by future property tax levies or tax increments. 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.

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 per Wisconsin Statutes as of December 31, 2023 was \$48,910,830. Total general obligation debt outstanding at year-end was \$18,723,338. City policy limits general obligation indebtedness to 3.5% of the equalized value of taxable property within the city's jurisdiction, or \$34,237,581. As of December 31, 2023, outstanding general obligation debt was within the limits established by Wisconsin Statutes and City policy.

City of Platteville, Wisconsin
 Notes to the Basic Financial Statements
 December 31, 2023

NOTE 5

LONG-TERM OBLIGATIONS (CONTINUED)

General Obligation Debt (Continued)

	Date of Issue	Final Maturity	Interest Rates	Original Amount	Balance 12/31/2023
<u>Governmental Activities</u>					
General obligation debt:					
General obligation bonds	3/28/2013	10/1/2028	2.5-3.0%	\$ 3,240,000	\$ 2,600,000
General obligation bonds	12/29/2015	3/1/2033	2.75-3.8	3,790,000	2,480,000
General obligation bonds	6/2/2016	12/1/2025	1.55-1.85	2,520,000	1,160,000
General obligation bonds	6/1/2017	9/1/2036	1.9-3.35	1,375,000	1,225,000
General obligation bonds	10/4/2017	10/1/2029	2.0-3.0	2,975,000	2,175,000
General obligation bonds	5/10/2018	3/1/2026	3.0-3.25	1,245,000	1,100,000
General obligation bonds	5/30/2019	9/1/2034	3.0-4.0	1,125,000	1,075,000
General obligation bonds	7/30/2020	3/1/2038	0.75-2.4	1,265,000	1,075,000
General obligation bonds	9/10/2020	3/1/2030	1.0-2.0	1,170,000	1,170,000
General obligation bonds	9/16/2021	3/1/2031	1.0-2.0	1,975,000	1,600,000
General obligation notes	4/6/2022	4/6/2024	3.25	119,476	108,338
General obligation bonds	6/15/2022	3/1/2031	2.6-3.35	1,325,000	1,225,000
General obligation bonds	7/19/2023	6/1/2037	4.0-5.0	1,210,000	1,210,000
General obligation notes	10/3/2023	10/1/2032	3.39	245,000	245,000
General obligation notes	12/15/2023	12/15/2024	3.99	275,000	275,000
Total governmental activities – general obligation debt					<u>\$ 18,723,338</u>

Debt service requirements to maturity are as follows:

Years	Governmental Activities			Bonds and Notes from Direct Borrowings		
	Bonds and Notes - Nondirect			and Direct Placements		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 2,225,000	\$ 501,420	\$ 2,726,420	\$ 398,339	\$ 20,266	\$ 418,605
2025	2,205,000	425,735	2,630,735	28,750	7,797	36,547
2026	2,200,000	368,528	2,568,528	28,750	6,822	35,572
2027	1,925,000	313,980	2,238,980	28,750	5,848	34,598
2028	1,840,000	261,513	2,101,513	28,750	4,886	33,636
2029-2033	5,785,000	704,516	6,489,516	114,999	9,749	124,748
2034-2038	1,915,000	101,513	2,016,513			
Totals	\$ 18,095,000	\$ 2,677,205	\$ 20,772,205	\$ 628,338	\$ 55,368	\$ 683,706

City of Platteville, Wisconsin
 Notes to the Basic Financial Statements
 December 31, 2023

NOTE 5

LONG-TERM OBLIGATIONS (CONTINUED)

Tax Increment Revenue Bonds

Tax increment revenue bonds are not a general obligation of the City and are payable solely from available tax increments. Available tax increments consist of the annual gross tax increment revenue which is generated by the increment value of the property (as noted in the development agreements underlying the bond issues) in the Tax Incremental Districts which said revenue is in excess value of the property plus any supplemental payment as defined in the development agreements.

Tax increment revenue bonds payable at December 31, 2023 consist of the following:

	Date of Issue	Final Maturity	Interest Rates	Original Amount	Balance 12/31/2023
Tax increment revenue bonds	9/12/2013	9/12/2026	4.303%	\$ 2,000,000	\$ 568,499
Total governmental activities – tax increment revenue bonds					\$ 568,499

Debt service requirements to maturity are as follows:

Years	Governmental Activities		
	Tax Increment Revenue Debt - Direct		
	Borrowing and Direct Placements		
Years	Principal	Interest	Total
2024	\$ 179,842	\$ 24,229	\$ 204,071
2025	187,581	16,491	204,072
2026	201,076	8,419	209,495
Totals	\$ 568,499	\$ 49,139	\$ 617,638

Water and Sewer Revenue Debt

Revenue bonds are payable only from revenues derived from the operation of the utility. Revenue debt payable at December 31, 2023 consists of the following:

	Date of Issue	Final Maturity	Interest Rates	Original Amount	Balance 12/31/2023
Clean water revenue bonds	12/10/2008	5/1/2028	2.339%	\$ 2,473,498	\$ 734,764
Clean water revenue bonds	11/1/2010	5/1/2030	2.428	3,964,010	1,607,965
Revenue bonds	6/24/2015	5/1/2035	3.0-4.0	5,425,000	3,655,000
Revenue bonds	12/4/2019	5/1/2038	2.0-4.0	1,625,000	1,345,000
Revenue bonds	5/1/2020	5/1/2039	1.15-2.0	1,420,000	1,240,000
Revenue bonds	9/16/2021	5/1/2034	2.0	1,890,000	1,720,000
Taxable refunding revenue bonds	9/16/2021	5/1/2031	.55-1.60	4,965,000	4,255,000
Revenue bonds	9/1/2022	5/1/2042	2.0-3.85	2,665,000	2,575,000
Clean water revenue bonds	5/24/2023	5/1/2043	2.145	223,706	223,706
Revenue bonds	12/28/2023	5/1/2039	4.0-5.0	1,610,000	1,610,000
Total					\$ 18,966,435

City of Platteville, Wisconsin
 Notes to the Basic Financial Statements
 December 31, 2023

NOTE 5

LONG-TERM OBLIGATIONS (CONTINUED)

Debt service requirements to maturity are as follows:

Years	Business-type Activities					
	Revenue Bonds - Nondirect			Revenue Bonds from Direct Borrowings and Direct Placements		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 970,000	\$ 405,929	\$ 1,375,929	\$ 353,750	\$ 56,751	\$ 410,501
2025	985,000	397,120	1,382,120	371,875	48,125	420,000
2026	1,000,000	376,260	1,376,260	380,749	39,145	419,894
2027	1,015,000	353,956	1,368,956	389,835	29,950	419,785
2028	1,040,000	330,335	1,370,335	399,138	20,536	419,674
2029-2033	6,685,000	1,191,756	7,876,756	542,181	28,721	570,902
2034-2038	3,670,000	470,906	4,140,906	61,037	10,608	71,645
2039-2043	1,035,000	62,068	1,097,068	67,870	3,701	71,571
Totals	\$ 16,400,000	\$ 3,588,330	\$ 19,988,330	\$ 2,566,435	\$ 237,537	\$ 2,803,972

Water and Sewer System Mortgage Revenue Bonds

Under the terms of the bond resolutions, local officials must comply with certain requirements specified therein as discussed below:

Section 4 provides that income and revenues of the water and sewer utility shall be set aside into separate and special funds as follows:

Account	Amount	Purpose
Operation and Maintenance Fund		Paying current expenses in the operation and maintenance of system.
Special Redemption Fund	Amount sufficient to pay principal and interest on all revenue bonds and notes and to meet the reserve requirement.	Paying current interest and principal on bonds and maintaining minimum reserve requirement.
Depreciation Fund	Amount determined by the Governing Body to be sufficient to provide a proper and adequate depreciation account for the system.	New construction, repairs, replacements, extensions, or additions to the system

Section 6 requires that the "net revenues" of the system for each year be not less than 1.25 times the sum of the annual debt service requirement and the annual debt service on all other revenue bonds and notes. For the year ended December 31, 2023, the "net revenues" of the system were \$3,265,087 or 1.83 times the annual debt service requirement.

City of Platteville, Wisconsin
 Notes to the Basic Financial Statements
 December 31, 2023

NOTE 6

LEASES

Lease Receivable

The City has entered into two lease arrangements where the City leases cell phone towers for commercial use. In the statement of activities, lease revenue for the year ended December 31, 2023 was as follows:

Lease-related revenue	Year Ending December 31, 2023	
Lease revenue:		
Cell tower	\$	48,878
Interest revenue		5,587
Total	<u>\$</u>	<u>54,465</u>

Aggregate cash flows for the revenue generated by the lease receivable and interest at December 31, 2023 are as follows:

Years Ended December 31,	Principal	Interest	Total
2024	\$ 47,495	\$ 4,347	\$ 51,842
2025	50,374	3,022	53,396
2026	47,101	1,616	48,717
2027	22,952	375	23,327
Totals	<u>\$ 167,922</u>	<u>\$ 9,360</u>	<u>\$ 177,282</u>

NOTE 7

LONG-TERM ADVANCES

The following is a schedule of interfund advances at December 31, 2023:

Receivable Fund	Payable Fund	Amount
General	TIF #6	\$ 378,724
Water and sewer utility	TIF #6	65,552
Water and sewer utility	TIF #7	199,306
General	TIF #9	12,874
	Total	<u>\$ 656,456</u>

The City has also advanced funds to the TIF districts to pay for project costs incurred over and above amounts that had been originally borrowed to pay for these project costs. No repayment schedule has been established for these advances. The repayment of these advances is subject to the tax incremental financing districts generating sufficient increments to pay the debt service for funds borrowed and advanced.

City of Platteville, Wisconsin
Notes to the Basic Financial Statements
December 31, 2023

NOTE 8 OTHER POSTEMPLOYMENT BENEFITS – MULTIPLE EMPLOYER LIFE INSURANCE PLAN

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

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

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

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

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

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

Contribution rates as of December 31, 2023 are:

Coverage Type	Employer Contribution
25% Post Retirement Coverage	20% of Member Contribution

City of Platteville, Wisconsin
Notes to the Basic Financial Statements
December 31, 2023

NOTE 8 OTHER POSTEMPLOYMENT BENEFITS – MULTIPLE EMPLOYER LIFE INSURANCE PLAN (CONTINUED)

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

Attained Age	Life Insurance	
	Employee Contribution Rates*	
	For the year ended December 31, 2022	
Attained Age	Basic	Supplemental
Under 30	\$0.05	\$0.05
30-34	0.06	0.06
35-39	0.07	0.07
40-44	0.08	0.08
45-49	0.12	0.12
50-54	0.22	0.22
55-59	0.39	0.39
60-64	0.49	0.49
65-69	0.57	0.57

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

During the reporting period, the LRLIF recognized \$1,524 in contributions from the employer.

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

At December 31, 2023, the City reported a liability (asset) of \$289,406 for its proportionate share of the net OPEB liability (asset). The net OPEB liability (asset) was measured as of December 31, 2022, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of January 1, 2022 rolled forward to December 31, 2022. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net OPEB liability (asset) was based on the City's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2022, the City's proportion was 0.07596300%, which was an increase of 0.004186% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the City recognized OPEB expense of \$17,303.

OPEB amounts have been allocated to the proprietary funds and business-type activities. Allocations were based on the proportionate share of current year contributions to the OPEB plan made by the proprietary fund and business-type activities relative to the total contributions made by the City.

City of Platteville, Wisconsin
 Notes to the Basic Financial Statements
 December 31, 2023

NOTE 8 OTHER POSTEMPLOYMENT BENEFITS – MULTIPLE EMPLOYER LIFE INSURANCE PLAN (CONTINUED)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
	\$	\$
Differences between expected and actual experience	\$ (28,323)	
Net differences between projected and actual earnings on plan investments	5,430	
Changes in actuarial assumptions	103,976	(170,829)
Changes in proportion and differences between employer contributions and proportionate share of contributions	16,599	(43,437)
Employer contributions subsequent to the measurement date	1,996	
Totals	\$ 128,001	\$ (242,589)

\$1,996 reported as deferred outflows related to OPEB resulting from the City employer's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31:	Net Deferred Outflows (Inflows) of Resources
2024	\$ (17,560)
2025	(19,467)
2026	(8,690)
2027	(19,597)
2028	(27,739)
Thereafter	(23,531)
Total	\$ (116,584)

City of Platteville, Wisconsin
Notes to the Basic Financial Statements
December 31, 2023

NOTE 8 OTHER POSTEMPLOYMENT BENEFITS – MULTIPLE EMPLOYER LIFE INSURANCE PLAN (CONTINUED)

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

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

*Based on the Bond Buyers GO index.

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

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

City of Platteville, Wisconsin
 Notes to the Basic Financial Statements
 December 31, 2023

NOTE 8 OTHER POSTEMPLOYMENT BENEFITS – MULTIPLE EMPLOYER LIFE INSURANCE PLAN (CONTINUED)

Local OPEB Life Insurance Asset Allocation Targets and Expected Returns As of December 31, 2022			
Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
US Intermediate Credit Bonds	Bloomberg US Interim Credit	50%	2.45%
US Mortgages	Bloomberg US MBS	50%	2.83%
Inflation			2.30%
Long-Term Expected Rate of Return			4.25%

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

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

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

City of Platteville, Wisconsin
Notes to the Basic Financial Statements
December 31, 2023

NOTE 8 OTHER POSTEMPLOYMENT BENEFITS – MULTIPLE EMPLOYER LIFE INSURANCE PLAN (CONTINUED)

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

	1% Decrease to Discount Rate (2.76%)	Current Discount Rate (3.76%)	1% Increase to Discount Rate (4.76%)
City's proportionate share of the net OPEB liability (asset)	\$ 394,574	\$ 394,574	\$ 289,406

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS – SINGLE EMPLOYER HEALTH INSURANCE PLAN

Plan Description – The City operates a single-employer retiree benefit plan that provides postemployment health insurance benefits to eligible employees. Benefits and eligibility are established and amended by the City Council. The plan does not issue stand-alone financial statements. Current approved benefits are as follows:

Employees Retiring from the City that are also eligible for the Wisconsin Retirement System: Retirees may choose to remain on the City's group medical plan until age 65 provided they self-pay the full (100%) amount of all required premiums. Eligible retirees also receive an HRA benefit for reimbursement of a portion of the high deductible health plan up to \$1,100 for single and \$2,200 for family coverage.

Funding Policy – The City will fund the OPEB with a pay-as-you go basis. There are no assets accumulated in a trust that meet the criteria in Governmental Accounting Standards to pay related benefits.

Employees Covered by Benefit Terms – At December 31, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	4
Inactive employees entitled to but not yet receiving benefit payments	68
Active employees	72

Total OPEB Liability – The City's total OPEB liability of \$503,687 was measured at December 31, 2022, and was determined by an actuarial valuation as of December 31, 2021, rolled forward to December 31, 2022.

City of Platteville, Wisconsin
 Notes to the Basic Financial Statements
 December 31, 2023

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS – SINGLE EMPLOYER HEALTH INSURANCE PLAN (CONTINUED)

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

Valuation date	December 31, 2021
Measurement date	December 31, 2022
Actuarial cost method	Entry age normal (level percent of salary)
Inflation	2.0 percent
Salary increases	3.0 percent, average, including inflation
Discount rate	4.25 percent
Healthcare cost trend rates	7.00% decreasing to 6.50%, then decreasing by 0.10% per year down to 4.50%, and level thereafter
Retirees' share of benefit-related costs	Retirees are responsible for the full (100%) amount of premiums.

The discount rate is based on the S&P Municipal Bond 20 Year High Grade Index as of the week of the measurement date. Implicit in this rate is a 2.50% assumed rate of inflation.

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

The actuarial assumptions were based on an experience study conducted in 2021 using the Wisconsin Retirement System (WRS) experience from 2018-2020.

Changes in the Total OPEB Liability:

	<u>Total OPEB Liability</u>
Balance at 12/31/2021	<u>\$ 548,641</u>
Changes for the year:	
Service cost	62,171
Interest	12,763
Changes of benefit terms	(2,401)
Differences between expected and actual experience	(92,550)
Changes in assumptions or other inputs	(24,937)
Benefit payments	(44,954)
Net Changes	<u>\$ 503,687</u>
Balance at 12/31/2022	<u>\$ 503,687</u>

There were no changes of benefit terms.

City of Platteville, Wisconsin
Notes to the Basic Financial Statements
December 31, 2023

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS – SINGLE EMPLOYER HEALTH INSURANCE PLAN (CONTINUED)

The discount rate was updated based on the S&P Municipal Bond 20 Year High Grade Index as of the week of the measurement date (4.25%) in compliance with GASB 75. All other assumptions and methods remained unchanged from the actuarial valuation performed as of December 31, 2021.

Sensitivity of the total OPEB liability to changes in the discount rate

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

		Current		
		1% Decrease	Discount Rate	1% Increase
		3.25%	4.25%	5.25%
Total OPEB liability	12/31/2022	<u>\$ 548,122</u>	<u>\$ 503,687</u>	<u>\$ 462,982</u>

Sensitivity of the total OPEB liability to changes in healthcare cost trend rates

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.0 percent decreasing to 3.5 percent) or 1-percentage-point higher (8.0 decreasing to 5.5 percent) than the current healthcare cost trend rates:

		Healthcare Cost Trend		
		1% Decrease (6.0% decreasing to 3.5%)	Rates (7.0% decreasing to 4.5%)	1% Increase (8.0% decreasing to 5.5%)
Total OPEB liability	12/31/2022	<u>\$ 443,543</u>	<u>\$ 503,687</u>	<u>\$ 576,794</u>

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

For the year ended December 31, 2023, the City recognized OPEB expense of \$27,913.

OPEB amounts have been allocated to the proprietary funds and business-type activities. Allocations were based on the proportionate share of current year contributions to the OPEB plan made by the proprietary fund and business-type activities relative to the total contributions made by the City.

City of Platteville, Wisconsin
 Notes to the Basic Financial Statements
 December 31, 2023

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS – SINGLE EMPLOYER HEALTH INSURANCE PLAN (CONTINUED)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experiences	\$ 56,723	\$ (309,406)
Changes of assumptions or other inputs	18,967	(120,283)
Contributions after the measurement date		
Total	\$ 75,690	\$ (429,689)

\$18,967 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended December 31, 2023, to be reported for the fiscal year end December 31, 2024. Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended December 31:</u>	
2024	\$ (47,021)
2025	(47,021)
2026	(47,021)
2027	(47,021)
2028	(47,017)
Thereafter	<u>(137,865)</u>
Total	<u>\$ (372,966)</u>

NOTE 10

DEFINED BENEFIT PENSION PLAN

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

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

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

City of Platteville, Wisconsin
Notes to the Basic Financial Statements
December 31, 2023

NOTE 10

DEFINED BENEFIT PENSION PLAN (CONTINUED)

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 occupations and 62 for elected officials and executive service retirement plan participants, if hired on or before 12/31/2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

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

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

The WRS also provides death and disability benefits for employees.

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

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

City of Platteville, Wisconsin
Notes to the Basic Financial Statements
December 31, 2023

NOTE 10

DEFINED BENEFIT PENSION PLAN (CONTINUED)

Contributions. Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, 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 \$361,456 in contributions from the employer.

Contribution rates as of December 31, 2023 are:

Employee Category	Employee	Employer
General (including teachers, executives and elected officials)	6.80%	6.80%
Protective with Social Security	6.80%	13.20%
Protective without Social Security	6.80%	18.10%

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

At December 31, 2023, the City reported a liability (asset) of \$1,644,148 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2022, and the total pension liability (asset) used to calculate the net pension liability (asset) 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 (asset) was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2022, the City's proportion was 0.03103512%, which was an increase of 0.00008069% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the City recognized pension expense of \$834,931.

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

City of Platteville, Wisconsin
 Notes to the Basic Financial Statements
 December 31, 2023

NOTE 10

DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,618,619	\$ (3,440,278)
Net differences between projected and actual earnings on pension plan investments	2,793,028	
Changes in assumptions	323,307	
Changes in proportion and differences between employer contributions and proportionate share of contributions	3,939	(8,223)
Employer contributions subsequent to the measurement date	<u>411,211</u>	
Total	\$ 6,150,104	\$ (3,448,501)

\$411,211 reported as deferred outflows 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:

Year Ended December 31:	Net Deferred Outflows (Inflows) of Resources	
	2024	\$ 94,208
2025	474,243	
2026	485,292	
2027	1,236,649	
Total	\$ 2,290,392	

City of Platteville, Wisconsin
Notes to the Basic Financial Statements
December 31, 2023

NOTE 10

DEFINED BENEFIT PENSION PLAN (CONTINUED)

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
Post-Retirement Adjustments*	1.7%*

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

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:

City of Platteville, Wisconsin
 Notes to the Basic Financial Statements
 December 31, 2023

NOTE 10

DEFINED BENEFIT PENSION PLAN (CONTINUED)

Asset Allocation Targets and Expected Returns¹

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 % ²
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 Fund³	115	7.4	4.8
Variable Fund Asset Class			
U.S. Equities	70	7.2	4.6
International Equities	30	8.1	5.5
Total Variable Fund	100	7.7	5.1

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

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

³ 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, as asset allocation target of 15% policy leverage is used, subject to an allowable range 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. The 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 municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

City of Platteville, Wisconsin
Notes to the Basic Financial Statements
December 31, 2023

NOTE 10

DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

	1% Decrease to Discount Rate (5.80%)	Current Discount Rate (6.80%)	1% Increase to Discount Rate (7.80%)
City's proportionate share of the net pension liability (asset)	\$ 5,456,876	\$ 1,644,148	\$ (978,680)

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>.

NOTE 11

CONTINGENT LIABILITIES

The City has identified the following items as potential liabilities not recorded on the financial statements:

1. The City participates in a number of federal and state assistance programs. These programs are subject to program compliance audits by the grantors or their representatives. Accordingly, the City's compliance with applicable grant requirements will be established at some future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the City expects such amounts, if any, to be immaterial.
2. From time to time, the City is party to various claims and legal proceedings. Although the outcome of such matters cannot be forecast 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.

NOTE 12

COMPENSATED ABSENCES

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Upon termination or retirement, a City employee is paid any vested accrued vacation or sick leave benefits. As of December 31, 2023, the compensated absences consisted of:

Sick leave	\$ 425,408
Vacation	251,761
Total	<u><u>\$ 677,169</u></u>

City of Platteville, Wisconsin
 Notes to the Basic Financial Statements
 December 31, 2023

NOTE 13

TAX INCREMENTAL DISTRICTS

Transactions of the tax incremental district to December 31, 2023 are summarized below:

	TIF #5	TIF #6	TIF #7	TIF #9
Project expenditures to 12/31/23	<u>\$ 14,408,785</u>	<u>\$ 10,131,792</u>	<u>\$ 13,818,499</u>	<u>\$ 12,874</u>
Accumulated credits to project expenditures:				
Tax increments collected	14,228,464	5,720,303	3,073,703	
Developer agreement payments	112,247	691,096		
EDA grant	382,667	178,808		
Community development block grant		909,276		
WEDC grants		400,000		
Tax exempt computer aid	134,688	9,497	63,204	
Tax exempt personal property aid	21,435	11,580	32,114	
Interest income		215,010	95,332	
Miscellaneous income	24,198	16,196	107,506	
Transfer from other funds			3,935,389	
Total accumulated credits	<u>14,408,785</u>	<u>6,467,500</u>	<u>9,486,428</u>	
Excess of project expenditures over accumulated credits to 12/31/23	<u>\$</u>	<u>\$ 3,664,292</u>	<u>\$ 4,332,071</u>	<u>\$ 12,874</u>
Notes payable				
outstanding 12/31/23	\$	\$ 2,994,609	\$ 4,190,000	\$
Fund balance (positive) 12/31/23		<u>669,683</u>	<u>142,071</u>	<u>12,874</u>
Project expenditures to be recovered subsequent to 12/31/23	<u>\$</u>	<u>\$ 3,664,292</u>	<u>\$ 4,332,071</u>	<u>\$ 12,874</u>

Tax Incremental Financing Districts were created under the provisions of Wisconsin Statute Section 66.46. The purpose of that section is to allow a municipality to recover development and improvements costs in a designated area from the property taxes generated on the increased value of the property after the creation date of the district. The tax on the increased value is called a tax increment.

In 2017, TIF #5 began increment sharing with TIF #7. The increment sharing is recorded as a TIF #5 project expenditure in the table above and reflected as a transfer in the statement of revenues, expenditures, and changes in fund balances for the governmental funds.

City of Platteville, Wisconsin
 Notes to the Basic Financial Statements
 December 31, 2023

NOTE 13

TAX INCREMENTAL DISTRICTS (CONTINUED)

Project costs may be incurred up to five years before the District's mandatory termination date. The statutes allow the municipality to collect tax increments until the net project cost has been fully recovered, or for a maximum of years. Project cost uncollected at the dissolution date are absorbed by the municipality.

	Creation Date	Last Date to Incur Project Costs	Final Dissolution Date
District #5	6/28/05	6/28/20	6/28/25
District #6	3/28/06	3/28/21	3/28/32
District #7	3/28/06	3/28/28	3/28/33
District #9	7/25/23	7/25/38	7/25/43

NOTE 14

GOVERNMENTAL ACTIVITIES NET POSITION/FUND BALANCES

Governmental activities 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 construction work in progress	\$ 6,802,561
Other capital assets, net of accumulated depreciation	51,493,377
Less: long-term capital debt outstanding	(15,581,568)
Less: unamortized bond premium	<u>(299,923)</u>
Total net investment in capital assets	<u>42,414,447</u>
Restricted for:	
Redevelopment authority	286,279
Housing conservation	85,677
Donor specified	488,997
Impact fees	57,784
Community development grant restricted	1,470,803
Library endowment	5,135
Perpetual care	555,517
Taxi/Bus	248,437
Affordable housing	70,229
Broske Center	8,826
Debt service	45,480
TIF expenditures	<u>45,867</u>
Total restricted	<u>3,369,031</u>
Unrestricted	
Total governmental activities net position	<u><u>\$ 46,373,132</u></u>

City of Platteville, Wisconsin
Notes to the Basic Financial Statements
December 31, 2023

NOTE 14

GOVERNMENTAL ACTIVITIES NET POSITION/FUND BALANCES (CONTINUED)

GOVERNMENTAL FUND BALANCES

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

Nonspendable:

Major Funds:

General Fund:

Advances to other funds	\$ 391,598
Prepays	124,175
Delinquent taxes	70,340
Total major funds	<u>586,113</u>

Nonmajor Funds:

Airport:

Fuel inventory	29,186
Total nonmajor funds	<u>29,186</u>
Total nonspendable	<u><u>\$ 615,299</u></u>

City of Platteville, Wisconsin
Notes to the Basic Financial Statements
December 31, 2023

NOTE 14

GOVERNMENTAL ACTIVITIES NET POSITION/FUND BALANCES (CONTINUED)

GOVERNMENTAL FUND BALANCES (CONTINUED)

Restricted:

Major Funds:

General Fund:

Donor restricted:

Parking spaces	\$ 87,286
Parks Beining Trust:	
Parks	25,103
Museum	19,352
Museum donations	24,500
New park	18,625
Skateboard park	1,023
Dog park donations	3,149
Lifeguard incentive	4,210
Swim team	21,593
Park camping	325
Legion Park Trust	83,268
Tree	2,452
Automated external defibrillator	321
Recreation scholarships	14,696
Frisbee golf maintenance	861
Family theatre	745
Fireworks	2,162
Splash playground	2,480
Police	1,652
Cyril Clayton Trust	50,334
Cemetery	5,691
Senior Center	47,827
Historic Preservation Commission	984
Sports complex	8,950
Armory proceeds	61,278
Monument marking	130
Park impact fees	<u>57,784</u>
Total General Fund	<u>546,781</u>
Capital projects	<u>758,432</u>
Total Major Funds	<u>1,305,213</u>

City of Platteville, Wisconsin
 Notes to the Basic Financial Statements
 December 31, 2023

NOTE 14

GOVERNMENTAL ACTIVITIES NET POSITION/FUND BALANCES (CONTINUED)

GOVERNMENTAL FUND BALANCES (CONTINUED)

Restricted (Continued):

Nonmajor Funds:

Airport	324,875
Community development block grant	108,575
Redevelopment authority	82,180
Perpetual care	555,517
Housing conservation	13,864
Library	5,135
Taxi/Bus	248,437
Affordable housing	70,229
Broske Center	8,826
TIF District No. 7	45,867
Debt service	221,787
Total Nonmajor Funds	<u>1,685,292</u>
Total restricted	<u><u>\$ 2,990,505</u></u>

Assigned:

Major Funds:

General Fund:

Police funds	\$ 947
Museum funds	35,194
Fire department	17,027
Library building	17,186
Ambulance outlay	10,776
Ambulance services	34,120
City clerk conferences and training	2,000
IT operations and supplies	18,300
IT outlay	16,200
Cemetery supplies	4,400
Street maintenance	6,100
Building services	4,080
Building services outlay	9,100
Police outlay	12,027
Fire outlay	2,000
Capital outlay	823,457
Total assigned	<u><u>\$ 1,012,914</u></u>

City of Platteville, Wisconsin
Notes to the Basic Financial Statements
December 31, 2023

NOTE 14

GOVERNMENTAL ACTIVITIES NET POSITION/FUND BALANCES (CONTINUED)

The following funds had (deficit) unassigned fund balances at December 31, 2023:

Nonmajor Funds:

Fire Facility	\$ (156,441)
TIF District No. 6	(669,683)
TIF District No. 7	(187,938)
TIF District No. 9	(12,874)
Total (deficit)	<u><u>\$ (1,026,936)</u></u>

TIF District deficits are expected to be eliminated by increment revenues in future years. The Fire Facility deficit is expected to be eliminated by federal appropriations in future years.

NOTE 15

DEFERRED INFLOWS OF RESOURCES

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes receivable 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 December 31, 2023 the various components of deferred inflows of resources reported in the governmental funds were as follows:

Property tax receivable and tax roll special charges	\$ 5,219,272
Tax increment receivable	2,365,411
Tax equivalent	378,554
Loans receivable	522,469
Mortgages receivable	1,434,041
Total deferred inflows of resources for governmental funds	<u><u>\$ 9,919,747</u></u>

The mortgages receivable of \$1,434,041 represent loans to local businesses originally financed from economic development grants received by the City from the State of Wisconsin. Repayment of principal and interest on the mortgages is recorded as revenue in the community development block grant and housing conservation program special revenue funds and is used to finance additional development loans.

The loans receivable of \$522,469 represents various economic development loans that are being paid to the City, including interest, on an installment basis. Repayment of principal and interest on the loans is recorded as revenue when received in the funds statements.

NOTE 16

RESTRICTED ASSETS

DNR Replacement Account

The Wisconsin Department of Natural Resources required as a condition of the sewer grant that a replacement fund be established and funded on an annual basis. The balance in this account at December 31, 2023 was \$3,748,348.

City of Platteville, Wisconsin
 Notes to the Basic Financial Statements
 December 31, 2023

NOTE 16

RESTRICTED ASSETS (CONTINUED)

Tax Incremental Financing Borrowed Funds

Restricted cash and investments in the governmental activities and governmental fund statements represents funds that were borrowed by Tax Incremental Financing District #7 which have yet to be expended.

NOTE 17

INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS

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

Receivable Fund	Payable Fund	Amount	Purpose
Governmental Funds:			
General	Water and sewer	\$ 378,554	Tax equivalent
General	Fire facility	120,132	Cash flow
Airport	Capital projects	30,000	Cash flow
	Total	<u><u>\$ 528,686</u></u>	
Enterprise Funds:			
Water and sewer	General fund	<u><u>\$ 24,322</u></u>	Tax roll items

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

The following is a schedule of interfund transfers:

Fund Transfer To	Fund Transfer From	Amount	Purpose
Governmental Funds:			
Capital projects	General	\$ 572,496	Various outlays
Capital projects	Local fiscal recovery fund	473,129	ARPA funded outlays
General	Capital projects	12,805	Various outlays
TIF #7	TIF #5	538,825	Tax increment sharing
Sewer utility	Local fiscal recovery fund	101,005	ARPA funded outlays
Airport	Capital projects	30,000	Various outlays
	Total	<u><u>\$ 1,728,260</u></u>	
Proprietary Funds:			
General	Water utility	<u><u>\$ 378,554</u></u>	Tax equivalent

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations and (3) move fund balances whose designated purpose has been removed.

City of Platteville, Wisconsin
Notes to the Basic Financial Statements
December 31, 2023

NOTE 18

COMMITMENTS/SUBSEQUENT EVENTS

Prior to December 31, 2023, the City received a \$7,000,000 appropriation from the federal budget for a new fire facility. The estimated cost of the new fire facility is \$10,000,000. The City incurred approximately \$190,000 of expenses through 2023.

Subsequent to December 31, 2023, the City:

- Approved the purchase of self-contained breathing apparatuses and a breathing air compressor for the Fire Department for a total of \$420,000. Of this amount, 95% will be funded by a FEMA grant, with the remaining 5% paid for by the City.
- Approved thin overlay for approximately \$104,500.
- Approved West Adams Street reconstruction for \$327,600.
- Approved Sowden and Grace Street Reconstruction project for approximately \$915,000.
- Approved North Court Street water and sewer reconstruction for approximately \$346,000.
- Approved sand filter upgrades for approximately \$781,500.
- Approved Camp Street water and sewer replacement for approximately \$499,000.

NOTE 19

TAX ABATEMENTS

Tax abatements are a reduction in tax revenues that result from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

The City of Platteville, through its Tax Incremental Financing District No. 6, has entered into a tax abatement agreement with a developer in the form of tax incremental financing incentives to stimulate economic development. The abatements are authorized through the Tax Incremental Financing District No. 6 project plan. The agreement requires the City to make annual repayments of property taxes collected within the TID to the developer based upon the terms of the agreements.

For the year ended December 31, 2023, the City abated property taxes totaling \$55,213 related to a Tax Incremental Financing District No. 6 agreement.

City of Platteville, Wisconsin
Notes to the Basic Financial Statements
December 31, 2023

NOTE 20

TAX LEVY LIMIT

Wisconsin Act 32 imposes a limit on the property tax levies for all Wisconsin cities, villages, towns and counties. Under 2011 Wisconsin Act 32, in 2011 and all future years, a municipality is allowed to increase its levy over the amount it levied in the prior year by the percentage increase in equalized value from net new construction or zero percent. All of the exceptions and modifications to levy limits that existed under previous law continue to apply.

In addition, as part of Wisconsin's Act 20 (2013), legislation was passed that further limits future tax levies. If the City adopts a new fee or a fee increase for covered services (which were partly or wholly funded by property tax levy), the City must reduce its levy limit in the current year by the amount of the new fee or fee increase, less any previous reductions. Covered services include garbage collection, snow plowing, and street sweeping.

The City has the ability to increase tax levies through the debt service adjustment that the City has historically underutilized.

NOTE 21

COMPONENT UNIT – HOUSING AUTHORITY

A. Cash and Investments

At year-end, the carrying amount of the housing authority's deposits was \$84,110 and the bank balance was \$87,067. All the bank balance was covered by federal depository insurance.

B. Line of Credit

The Housing Authority has a \$10,000 line of credit with a local bank. No draws on the line of credit were made during the year.

NOTE 22 EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT PERIOD FINANCIAL STATEMENTS

The Governmental Accounting Standards Board (GASB) has adopted GASB Statement No. 100, *Accounting Changes and Error Corrections*, effective for periods beginning after June 15, 2023 and GASB Statement No. 101, *Compensated Absences*, effective for periods beginning after December 15, 2023. When these become effective, application of these standards may restate portions of these financial statements.

Required Supplementary Information

Exhibit B-1
Required Supplementary Information
City of Platteville, Wisconsin
Budgetary Comparison Schedule for the General Fund
For the Year Ended December 31, 2023

				Variances- Positive (Negative)	
	Budgeted Amounts		Actual	Original to Actual	Final to Actual
	Original	Final			
REVENUES					
Taxes	\$ 3,751,217	\$ 3,751,217	\$ 3,754,799	\$ 3,582	\$ 3,582
Special assessments	13,225	13,225	5,876	(7,349)	(7,349)
Intergovernmental	3,803,407	3,810,107	3,840,810	37,403	30,703
Licenses and permits	106,250	106,250	132,744	26,494	26,494
Fines and forfeitures	117,500	117,500	153,477	35,977	35,977
Public charges for services	812,656	812,656	921,780	109,124	109,124
Interest income	102,856	102,856	346,553	243,697	243,697
Loan repayments	12,565	12,565	12,565		
Miscellaneous	96,200	96,200	259,215	163,015	163,015
Total revenues	8,815,876	8,822,576	9,427,819	611,943	605,243
EXPENDITURES					
General government	1,543,010	1,578,690	1,518,046	24,964	60,644
Public safety	3,531,657	3,587,772	3,567,823	(36,166)	19,949
Public works	1,699,044	1,700,744	1,620,686	78,358	80,058
Health and social services	148,747	156,847	121,809	26,938	35,038
Leisure activities	2,048,015	2,110,094	2,082,897	(34,882)	27,197
Conservation and development	347,223	350,223	342,942	4,281	7,281
Total expenditures	9,317,696	9,484,370	9,254,203	63,493	230,167
Excess (deficiency) of revenues over over expenditures	(501,820)	(661,794)	173,616	675,436	835,410
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of capital assets	13,950	13,950	74,314	60,364	60,364
Transfer to other funds	(437,075)	(437,075)	(572,496)	(135,421)	(135,421)
Transfer from other funds	78,870	78,870	12,805	(66,065)	(66,065)
Transfer from utility-tax equivalent	409,000	409,000	394,520	(14,480)	(14,480)
Total other financing sources (uses)	64,745	64,745	(90,857)	(155,602)	(155,602)
Net change in fund balances	(437,075)	(597,049)	82,759	519,834	679,808
Fund balance - beginning of year	4,611,314	4,611,314	4,611,314		
Fund balance - end of year	\$ 4,174,239	\$ 4,014,265	\$ 4,694,073	\$ 519,834	\$ 679,808

Exhibit B-2
 City of Platteville, Wisconsin
 Local Retiree Life Insurance Fund Schedules
 December 31, 2023

SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)
Last 10 Calendar Years*

Year ended December 31,	Proportion of the net OPEB liability (asset)	Proportionate share of the net OPEB liability (asset)	Covered- employee payroll	Collective net OPEB liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total OPEB liability (asset)
2022	0.07596300%	\$ 289,406	\$ 4,152,000	6.97%	38.81%
2021	0.07177700%	424,229	4,213,000	10.07%	29.57%
2020	0.07605400%	418,352	4,065,000	10.29%	31.36%
2019	0.08110600%	345,365	3,820,000	9.04%	37.58%
2018	0.08647800%	223,142	3,904,000	5.72%	48.69%
2017	0.10432100%	313,858	4,386,996	7.15%	44.81%

*The proportionate share of the net OPEB liability (asset) and other amounts presented above for each year were determined as of the calendar year-end that occurred 12 months prior to the financial reporting period.

SCHEDULE OF CONTRIBUTIONS
Last 10 Calendar Years**

Year ended December 31,	Contractually required contributions	Contributions in relation to the contractually required contributions	Contribution deficiency (excess)	Covered- employee payroll	Contributions as a percentage of covered- employee payroll
2023	\$ 1,996	(1,996)		\$ 4,664,226	0.04%
2022	1,715	(1,715)		4,152,000	0.04%
2021	1,715	(1,715)		4,213,000	0.04%
2020	1,803	(1,803)		4,065,000	0.04%
2019	1,466	(1,466)		3,820,000	0.04%
2018	1,666	(1,666)		3,904,000	0.04%

**The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year. The tables will be built prospectively as the information becomes available.

Exhibit B-3
 City of Platteville, Wisconsin
 Schedule of Changes in the City's Total OPEB Liability and Related Ratios
 December 31, 2023

	2022	2021	2020
Total OPEB Liability			
Service cost	\$ 62,171	\$ 72,780	\$ 65,445
Interest	12,763	19,219	21,320
Changes in benefit terms			
Differences between expected and actual experience	(2,401)	(308,050)	
Changes of assumptions or other inputs	(92,550)	(30,971)	30,009
Benefit payments	(24,937)	(44,282)	(38,791)
Net change in total OPEB	\$ (44,954)	\$ (291,304)	\$ 77,983
Total OPEB liability- beginning	548,641	839,945	761,962
Total OPEB liability- ending	\$ 503,687	\$ 548,641	\$ 839,945
Covered Employee Payroll	\$ 4,140,135	\$ 4,140,135	\$ 4,040,655
Total OPEB liability as a percentage of covered employee payroll	12.17%	13.25%	20.79%
	2019	2018	2017
Total OPEB Liability			
Service cost	\$ 53,091	\$ 57,334	\$ 57,334
Interest	30,779	26,537	24,773
Changes in benefit terms			
Differences between expected and actual experience	(101,345)	(24,426)	
Changes of assumptions or other inputs	59,529	(46,061)	(17,427)
Benefit payments	(46,061)	(46,008)	
Net change in total OPEB	\$ (4,007)	\$ 13,437	\$ 64,680
Total OPEB liability- beginning	765,969	752,532	687,852
Total OPEB liability- ending	\$ 761,962	\$ 765,969	\$ 752,532
Covered Employee Payroll	\$ 4,040,655	\$ 3,718,609	\$ 3,718,609
Total OPEB liability as a percentage of covered employee payroll	18.86%	20.60%	20.24%

This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is only presented for the years for which the required supplementary information is available.

Exhibit B-4
 City of Platteville, Wisconsin
 Wisconsin Retirement System Schedules
 December 31, 2023

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
Last 10 Calendar Years*

Year ended December 31,	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered- employee payroll	Collective net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability (asset)
2022	0.03103512%	\$ 1,644,148	\$ 4,392,159	37.43%	95.72%
2021	(0.03095443%)	(2,494,484)	4,269,084	(58.43%)	106.02%
2020	(0.03113892%)	(1,944,045)	4,396,225	(44.22%)	105.26%
2019	(0.03111714%)	(1,003,358)	4,122,588	(24.34%)	102.96%
2018	0.03150589%	1,120,880	4,040,929	27.74%	96.45%
2017	(0.03203475%)	(951,149)	4,148,866	(22.93%)	102.93%
2016	0.03215436%	265,028	4,094,108	6.47%	99.12%
2015	0.03277933%	532,658	4,139,057	12.87%	98.20%
2014	(0.03337575%)	(819,574)	4,080,595	(20.08%)	102.74%

*The proportionate share of the net pension liability (asset) and other amounts presented above for each year were determined as of the calendar year-end that occurred 12 months prior to the financial reporting period.

SCHEDULE OF CONTRIBUTIONS
Last 10 Calendar Years**

Year ended December 31,	Contractually required contributions	Contributions in relation to the contractually required contributions	Contribution deficiency (excess)	Covered-employee payroll	Contributions as a percentage of covered- employee payroll
2023	\$ 411,211	\$ (411,211)		\$ 4,664,226	8.82%
2022	362,189	(362,189)		4,392,159	8.25%
2021	352,050	(352,050)		4,269,084	8.25%
2020	363,395	(363,395)		4,396,225	8.27%
2019	318,551	(318,551)		4,122,588	7.73%
2018	318,909	(318,909)		4,040,929	7.89%
2017	328,551	(328,551)		4,148,866	7.92%
2016	301,725	(301,725)		4,094,108	7.37%
2015	313,084	(313,084)		4,139,057	7.56%

**The contribution and other amounts presented above for each calendar year are based on information that occurred during that calendar year.

City of Platteville, Wisconsin
Notes to the Required Supplementary Information
December 31, 2023

NOTE 1

BUDGET SCHEDULE

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

The City budget is adopted in accordance with state law. Budget amounts in the financial statements include appropriations authorized in the original budget resolution, assigned carryovers from prior years, and subsequent revisions authorized by the City Council. Such revisions are required by a statutory provision which states that no expenditure can be made from an expired appropriation. The statutes also require publication of these budget revisions. Changes to the overall budget must be approved by a two-thirds vote of the Common Council.

Control for the TIF district funds (capital projects funds) are maintained by comparison to the project plan. Budgetary comparisons are not required for proprietary funds.

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

NOTE 2

WISCONSIN RETIREMENT SYSTEM SCHEDULES

Changes in Benefit Terms and Assumptions related to Pension Liabilities (Assets)

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

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

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

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

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

City of Platteville, Wisconsin
Notes to the Required Supplementary Information
December 31, 2023

NOTE 2

WISCONSIN RETIREMENT SYSTEM SCHEDULES (CONTINUED)

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

	2022	2021	2020	2019	2018
Valuation Date:	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016
Actuarial Cost Method:	Frozen Entry Age				
Amortization Method:	Level Percent of Payroll-Closed Amortization Period				
Amortization Period:	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS
Asset Valuation Method:	Five Year Smoothed Market (Closed)				
Actuarial Assumptions					
Net Investment Rate of Return:	5.4%	5.4%	5.4%	5.5%	5.5%
Weighted based on assumed rate for:					
Pre-retirement:	7.0%	7.0%	7.0%	7.2%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increases					
Wage Inflation:	3.0%	3.0%	3.0%	3.2%	3.2%
Seniority/Merit:	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%
Post-retirement Benefit Adjustments*:	1.9%	1.9%	1.9%	2.1%	2.1%
Retirement Age:	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017.	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017.	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015 - 2017.	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2015 - 2014.	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.
Mortality:	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).

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

City of Platteville, Wisconsin
Notes to the Required Supplementary Information
December 31, 2023

NOTE 2

WISCONSIN RETIREMENT SYSTEM SCHEDULES (CONTINUED)

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

	2017	2016	2015	2014	2013
Valuation Date:	December 31, 2015	December 31, 2014	December 31, 2013	December 31, 2012	December 31, 2011
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method:	Level Percent of Payroll-	Level Percent of Payroll-	Level Percent of Payroll-	Level Percent of Payroll-	Level Percent of Payroll-
Amortization Period:	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS
Asset Valuation Method:	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)
Actuarial Assumptions					
Return:	5.5%	5.5%	5.5%	5.5%	5.5%
Weighted based on assumed rate for:		7.2%	7.2%	7.2%	7.2%
Pre-retirement:	7.2%				
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increases					
Wage Inflation:	3.2%	3.2%	3.2%	3.2%	3.2%
Seniority/Merit:	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%
Adjustments*:	2.1%	2.1%	2.1%	2.1%	2.1%
Retirement Age:	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2012 - 2011.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2006 - 2008.
Mortality:	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality

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

City of Platteville, Wisconsin
Notes to the Required Supplementary Information
December 31, 2023

NOTE 3

LOCAL RETIREE LIFE INSURANCE SCHEDULES

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

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

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

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

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

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

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

NOTE 4

OTHER POSTEMPLOYMENT BENEFITS PLAN – CITY HEALTH INSURANCE PLAN

Governmental Accounting Standards Board Statement No. 75 requirements have been implemented prospectively; therefore, the illustrations do not present similar information for the 4 preceding years.

Changes of benefit terms. There were no changes of benefit terms during the year.

Changes of assumptions. The discount rate was updated based on the S&P Municipal Bond 20 Year High Grade Index as of the week of the measurement date (4.25%) in compliance with GASB 75. All other assumptions and methods remained unchanged from the actuarial valuation performed as of December 31, 2021.

Assets. There are no assets accumulated in a trust that meet the criteria in governmental accounting standards to pay related benefits.

Supplementary Information

Exhibit C-1
City of Platteville, Wisconsin
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2023

Special Revenue Funds										
	Community	Redevelopment	Housing	Library	Zeigert	Boll	Taxi/Bus	Affordable		
	Airport	Block Grant	Authority							
ASSETS										
Cash and investments	\$ 494,300	\$ 108,575	\$ 80,778	\$ 13,864	\$ 5,135	\$ 166,880	\$ 147,000	\$ 105,293	\$ 70,229	
Restricted cash and investments										
Receivables:										
Taxes										
Other accounts		16,651			1,402					
Other governments										199,766
Mortgages			1,362,228			71,813				
Loans				312,438						
Inventory		29,186								
Due from other funds		30,000								
Total assets	\$ 570,137	\$ 1,470,803	\$ 394,618	\$ 85,677	\$ 5,135	\$ 166,880	\$ 147,000	\$ 305,059	\$ 70,229	
LIABILITIES										
Accounts payable	\$ 214,032	\$	\$	\$	\$	\$	\$	\$	\$ 56,522	\$
Accrued payroll									100	
Due to other funds										
Advances from other funds										
Unearned revenue		2,044								
Total liabilities	216,076								56,622	
DEFERRED INFLOWS OF RESOURCES										
Deferred revenue		1,362,228	312,438	71,813						
FUND BALANCES										
Nonspendable	29,186									
Restricted	324,875	108,575	82,180	13,864	5,135	166,880	147,000	248,437	70,229	
Unassigned (deficit)										
Total fund balances	354,061	108,575	82,180	13,864	5,135	166,880	147,000	248,437	70,229	
Total liabilities, deferred inflows of resources, and fund balances	\$ 570,137	\$ 1,470,803	\$ 394,618	\$ 85,677	\$ 5,135	\$ 166,880	\$ 147,000	\$ 305,059	\$ 70,229	

Exhibit C-1 (Continued)
 City of Platteville, Wisconsin
 Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2023

	Special Revenue Funds			Capital Projects Funds				Permanent Fund		Total	
	Local Fiscal		Fire Facility	TIF No. 5	TIF No. 6	TIF No. 7	TIF No. 9	Debt Service	Cemetery	Perpetual	Nonmajor
	Broske Center	Recovery Fund							Care	Perpetual Care	
ASSETS											
Cash and investments	\$ 26,494	\$ 260,949			\$ 264,873	\$ 17,594	\$ 173,884	\$ 221,787	\$ 241,637	\$ 2,399,272	
Restricted cash and investments							\$ 45,867				45,867
Receivables:											
Taxes						792,117					1,772,721
Other accounts							494,452				18,053
Other governments											199,766
Mortgages											1,434,041
Loans											312,438
Inventory											29,186
Due from other funds											30,000
Total assets	\$ 26,494	\$ 260,949			\$ 1,056,990	\$ 512,046	\$ 705,903	\$ 221,787	\$ 241,637	\$ 6,241,344	
LIABILITIES											
Accounts payable	\$ 1,473	\$ 36,309			\$ 77,700	\$ 120,132	\$ 444,276	\$ 199,306	\$ 12,874	\$ 221,787	\$ 386,036
Accrued payroll											100
Due to other funds											120,132
Advances from other funds											656,456
Unearned revenue	16,195	260,949									279,188
Total liabilities	17,668	260,949	156,441		521,976	199,306	12,874				1,441,912
DEFERRED INFLOWS OF RESOURCES											
Deferred revenue					1,056,990	659,753	648,668				4,111,890
FUND BALANCES											
Nonspendable											29,186
Restricted	8,826						45,867				1,685,292
Unassigned (deficit)		(156,441)			(669,683)	(187,938)	(12,874)				(1,026,936)
Total fund balances	8,826	(156,441)			(669,683)	(142,071)	(12,874)	221,787	241,637	687,542	
Total liabilities, deferred inflows of resources, and fund balances	\$ 26,494	\$ 260,949			\$ 1,056,990	\$ 512,046	\$ 705,903	\$ 221,787	\$ 241,637	\$ 6,241,344	

Exhibit C-2
City of Platteville, Wisconsin
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2023

	Special Revenue Funds								
	Community		Housing						
	Development	Redevelopment	Conservation	Library	Zeigert	Boll	Affordable		
	Airport	Block Grant	Authority	Program	(Littlefield)	Trust	Cemetery	Taxi/Bus	Housing
REVENUES									
Taxes	\$	\$	\$	\$	\$	\$	\$	\$	\$
Intergovernmental									
Fines and forfeitures				1,402					
Public charges for services	446,607								
Interest income	10,693	3,887		409	1,105	2,572	7,026		224,237
Loan repayments		2,129		33,264					
Miscellaneous		1,822							
Total revenues	459,122	6,016	34,666	409	1,105	2,572	7,026	848,725	16,216
EXPENDITURES									
Current:									
Public works		332,425						832,819	
Leisure activities						1,552			
Conservation and development		29,293							69,188
Capital outlay	241,294			52,590					
Debt service:									
Principal retirement				6,760					
Interest and fiscal charges				3,691					
Debt issuance costs									
Total expenditures	573,719	29,293	63,041		1,552			832,819	69,188
Excess (deficiency) of revenues over expenditures	(114,597)	(23,277)	(28,375)	409	(447)	2,572	7,026	15,906	(52,972)
OTHER FINANCING SOURCES (USES)									
Long-term debt proceeds									
Debt premium									
Proceeds from sale of capital assets							550		
Transfer to other funds									
Transfer from other funds		30,000							
Total other financing sources (uses)	30,000						550		
Net change in fund balances	(84,597)	(23,277)	(28,375)	409	(447)	2,572	7,026	16,456	(52,972)
Fund balance - beginning, as previously stated	438,658	131,852	110,555	13,455	5,582	164,308	139,974	231,981	123,201
Prior period adjustment									
Fund balance - beginning of year, restated	438,658	131,852	110,555	13,455	5,582	164,308	139,974	231,981	123,201
Fund balance - end of year	\$ 354,061	\$ 108,575	\$ 82,180	\$ 13,864	\$ 5,135	\$ 166,880	\$ 147,000	\$ 248,437	\$ 70,229

Exhibit C-2 (Continued)
 City of Platteville, Wisconsin
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended December 31, 2023

	Special Revenue Funds				Capital Projects Funds				Debt Service	Permanent Fund Cemetery Perpetual Care	Total Nonmajor Governmental Funds	
	Broske Center	Local Fiscal Recovery Fund	Fire Facility	CDI Grant	TIF No. 5	TIF No. 6	TIF No. 7	TIF No. 9				
REVENUES												
Taxes	\$	\$	\$	\$	\$ 791,547	\$ 570,047	\$ 419,632	\$	\$ 1,650,566	\$	\$ 3,431,792	
Intergovernmental					591,859	11,468	3,329	10,334			1,491,478	
Fines and forfeitures											1,402	
Public charges for services		32,585						53,720			760,962	
Interest Income								2,243			63,108	
Loan repayments											35,393	
Miscellaneous											18,038	
Total revenues	32,585	591,859		250,000	803,015	573,376	485,929		1,685,739		3,813	5,802,173
EXPENDITURES												
Current:												
Public works											1,165,244	
Leisure activities		26,648									28,200	
Conservation and development											642,505	
Capital outlay	4,624	17,725	123,322	250,000	61,039	231,624	280,414	12,874			778,964	
Debt service:												
Principal retirement											2,810,317	
Interest and fiscal charges					181,782	581,775	655,000				536,043	
Debt issuance costs					2,257	102,971	121,671				17,887	
Total expenditures	31,272	17,725	123,322	250,000	264,190	944,740	1,057,085	12,874	1,708,340			5,979,160
Excess (deficiency) of revenues over expenditures	1,313	574,134	(123,322)		538,825	(371,364)	(571,156)	(12,874)	(22,601)		3,813	(176,987)
OTHER FINANCING SOURCES (USES)												
Long-term debt proceeds						275,000					275,000	
Debt premiums											89,295	
Proceeds from sale of capital assets											550	
Transfer to other funds			(574,134)		(538,825)						(1,112,959)	
Transfer from other funds							538,825				568,825	
Total other financing sources (uses)		(574,134)			(538,825)	275,000	538,825		89,295			(179,289)
Net change in fund balances	1,313		(123,322)			(96,364)	(32,331)	(12,874)	66,694		3,813	(356,276)
Fund balance - beginning, as previously stated	7,513		32,886			(573,319)	(109,740)		155,093		237,824	1,109,823
Prior period adjustment			(66,005)									(66,005)
Fund balance - beginning of year, restated	7,513		(33,119)			(573,319)	(109,740)		155,093		237,824	1,043,818
Fund balance - end of year	\$ 8,826	\$ (156,441)	\$		\$ (669,683)	\$ (142,071)	\$ (12,874)	\$ 221,787	\$ 241,637	\$	687,542	

Schedule 1
City of Platteville, Wisconsin
Schedule of Insurance
December 31, 2023

Company	Type	Coverage	Term
Employers	Workers Compensation	\$500,000/Accident 500,000/Disease/Employee 500,000/Disease/Policy Limit	1/1/23-12/31/23
Employers	Inland Marine	\$2,437,060 Contractor's Equipment 893,994 Fine Arts 75,000 Miscellaneous Property	1/1/23-12/31/23
Employers	Linebacker	\$1,000,000/Loss/Aggregate 7,500 Deductible	1/1/23-12/31/23
Employers	Umbrella Liability	\$6,000,000/Occurrence 12,000,000/Aggregate	1/1/23-12/31/23
Employers	General Liability	\$2,000,000 - Aggregate Property Damage and Bodily Injury 1,000,000/Occurrence/Personal/Advertising Injury 300,000/Damage to rented premises	1/1/23-12/31/23
Employers	Automobile	\$1,000,000 - Liability 10,000 - Medical 500,000 - Uninsured Motorists 500,000 - Underinsured Motorists \$1,000 - Comprehensive, Collision- ACV Hired Autos; Non-Ownership Liability	1/1/23-12/31/23
Employers	Multi-Peril	\$50,442,889 Building 17,219,416 Personal Property 55,000 Blanket Personal Property	1/1/23-12/31/23
Employers	Commercial Crime	\$25,000/Theft of money inside 25,000/Outside 250,000 Computer Fraud 250,000 Employee Theft	1/1/23-12/31/23
Liberty Mutual	Fidelity Bond	\$10,000/Chief of Police 10,000/City Clerk 250,000/Comptroller/Treasurer	6/1/23-6/1/25
Employers	Employee Benefits Liability	\$1,000,000/Claim 2,000,000/Aggregate	1/1/23-12/31/23
Employers	Law Enforcement Liability	\$1,000,000/Occurrence 1,000,000/Aggregate	1/1/23-12/31/23
Employers	Cybersolutions	\$250,000/Response Expense 250,000/Defense and Liability 25,000/Identity Recovery 250,000/Computer Attack 250,000/Network Security Defense & Liability 250,000/Electronic Media Liability	1/1/23-12/31/23

Schedule 2
Platteville Water and Sewer Utility
Other Information
December 31, 2023

1. The number of customers at the end of the year was as follows:

	2023	2022
Residential	3,129	3,120
Commercial	316	319
Multifamily residential	69	69
Public authority	73	71
Industrial	8	8
Interdepartmental	3	3
Total	<u>3,598</u>	<u>3,590</u>

2. Volume of water used as a basis for computing the sewer service charge was as follows:

	Gallons	
	2023	2022
	<u>298,166,000</u>	<u>299,292,000</u>