



PUBLIC NOTICE

Common Council Regular Meeting

Tuesday, September 05, 2023 at 5:30 PM

City Hall Council Chambers, 100 E Fountain St,

Dodgeville, WI

AGENDA

I. CALL TO ORDER AND ROLL CALL

II. CONSENT AGENDA

- [1.](#) Approval of Minutes from August 15, 2023
- [2.](#) Approval of Claims from September 5, 2023

III. PUBLIC COMMENT *Citizen or delegation presentations, requests or comments and discussion of same, pursuant to Wis. Stat. Sec. 19.83 (2) and Sec. 19.84 (2). Ten minute limit except by consent of council. No action will be taken on any item that is not specifically listed on the agenda.*

IV. REPORTS/RECOMMENDATIONS

- [3.](#) 2022 Final Audit
- [4.](#) 2024 Proposed Budget Timeline

V. NEW BUSINESS

- [5.](#) Approval of a retainer agreement with Boardman Clark for 2024 legal services.
- 6. Bid selection for building demolition at 105 West Fountain Street.
- [7.](#) Resolution 2023-12: Resolution Authorizing the Issuance and Sale of up to \$2,208,649 Water System Revenue Bonds, Series 2023, and Providing for Other Details and Covenants with Respect Thereto, and Approval of Related \$2,454,055 Financial Assistance Agreement

VI. CLOSED SESSION

- 8. Adjourn to Closed Session pursuant to Wis. State. Stat. 19.85 (1) (e): deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session for the purposes of discussing: TID 3 Development

VII. OPEN SESSION

- 9. Reconvene to Open Session
- 10. Any Action Needed as a Result of Closed Session.

VIII. ANY OTHER BUSINESS AS ALLOWED BY LAW

IX. ADJOURN

- 11. Motion to Adjourn

Any person who has a qualifying disability, as defined by the Americans with Disabilities Act, that requires the meeting or material at the meeting to be in an accessible location or format, must contact the City Clerk at the address listed above or call 930-5228, prior to the meeting so that any necessary arrangements can be made to accommodate each request.

**PUBLIC NOTICE****Common Council Regular Meeting****Tuesday, August 15, 2023 at 5:30 PM****City Hall, 100 E Fountain St, Dodgeville, WI**

MINUTES**I. CALL TO ORDER AND ROLL CALL**

The meeting was called to order by Mayor Novak at 5:30 pm. PRESENT: Roxanne Reynolds-Lair, Shaun Sersch, Tom DeVoss, Jeff Weber, Dan Meuer, Jerry Johnson, Julie Johnson-Solberg, Larry Tremelling

II. CONSENT AGENDA

Motion by DeVoss, second by Johnson to approve the following consent agenda. Voice vote. Motion carried 8-0. Voting Yea: Reynolds-Lair, Sersch, DeVoss, Weber, Meuer, Johnson, Johnson-Solberg, Tremelling

1. Approval of Minutes from August 1, 2023
2. Approval of Claims from August 15, 2023
General -\$523,864.55, Water - \$20,663.48, Sewer - \$12,682.72 for a total of \$557,210.75.

III. PUBLIC COMMENT

None.

IV. REPORTS/RECOMMENDATIONS

The final audit is expected at the next Council meeting.

V. NEW BUSINESS

3. *Discussion and possible action to approve a contract with Reliant Fire Apparatus, Inc to refurbish a fire truck.* The fire truck rehab was already approved at a previous Council meeting. This is a formality to approve the contract which came in for a lower amount. Council members discussed if would be wiser to save the money and purchase a new truck or if there would be any resale value. The Mayor reminded the Council that the refurb was already approved, and this is just to approve the contract with the Company. Motion by Meuer, second by Sersch to approve a contract with Reliant Fire Apparatus Inc to refurbish fire

truck #5. Roll call vote. Motion carried 7-1. Voting Yea: Reynolds-Lair, Sersch, DeVoss, Meuer, Johnson, Johnson-Solberg, Tremelling Voting Nay: Weber

4. *Consider request for excessive household animals (3 dogs) from new residents, Travis and Jenny Smith.* The new residents moved into town with 3 dogs, not aware of the City's ordinance only allowing 2 dogs. Two of the dogs are senior aged. The request is to allow the 3rd dog until one of the older dogs passes away, at which time the Smith's would comply with the 2 dog limit. Attorney Hagen prepared a statement advising that this could create a precedent and that perhaps the City's ordinance should be reviewed.

Motion by Meuer, second by Reynolds-Lair to allow the Smith's to have 3 dogs until one passes away. Voice vote. Motion carried 8-0. Voting Yea: Reynolds-Lair, Sersch, DeVoss, Weber, Meuer, Johnson, Johnson-Solberg, Tremelling

5. *Discussion and possible action to approve Resolution 2023-11: Assigning Fund Balance of Unexpected Balances as of December 31, 2022 according to Government Accounting Standards Board Statement #54.* Approving 2022's carryovers are the final piece before receiving the final audit. Motion by Meuer, second by Reynolds-Lair to approve Resolution 2023-11. Roll call vote. Motion carried 8-0. Voting Yea: Reynolds-Lair, Sersch, DeVoss, Weber, Meuer, Johnson, Johnson-Solberg, Tremelling

VI. ANY OTHER BUSINESS AS ALLOWED BY LAW

None.

VII. ADJOURN

6. Motion to Adjourn
Motion by Weber, second by Johnson-Solberg to adjourn the meeting. Voice vote. Motion carried 8-0. Time: 5:52 pm. Voting Yea: Reynolds-Lair, Sersch, DeVoss, Weber, Meuer, Johnson, Johnson-Solberg, Tremelling

Report Criteria:

Report type: Summary
 Check.Type = {<-} "Adjustment"

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Check GL Account	Amount
09/23	09/05/2023	1039	1893	Paragon Development Systems	161-21000-000-000	10,596.95
08/23	08/28/2023	4251	825	RELIANT FIRE APPARATUS INC	160-21000-000-000	118,122.00
09/23	09/05/2023	4252	1894	Concrete Coverings LLC	160-21000-000-000	14,560.00
09/23	09/05/2023	4253	851	RULE CONSTRUCTION LTD	160-21000-000-000	210,756.15
09/23	09/05/2023	4254	1378	VIERBICHER ASSOCIATES	160-21000-000-000	25,702.50
08/23	08/24/2023	21342	1397	DEERE CREDIT INC	160-21000-000-000	1,783.01
08/23	08/28/2023	21343	977	THE DEPOSITORY TRUST & CLEARING CORP	140-21000-000-000	1,638.75
09/23	09/03/2023	21344	1397	DEERE CREDIT INC	160-21000-000-000	925.10
09/23	09/05/2023	21345	1896	Priority Payment Systems	100-21000-000-000	.20
08/23	08/17/2023	60458	938	SUPER 8/PARAM PROPERTY LLC	100-21000-000-000	234.26- V
08/23	08/29/2023	61227	1869	Jolene Crook	100-21000-000-000	20.00- V
08/23	08/16/2023	61350	408	GORDON FLESCH CO INC	100-21000-000-000	11.46
08/23	08/17/2023	61351	938	SUPER 8/PARAM PROPERTY LLC	100-21000-000-000	234.26
08/23	08/29/2023	61353	1869	Jolene Crook	100-21000-000-000	20.00
08/23	08/29/2023	61354	904	SNAPSPORTS OF WISCONSIN & IOWA	100-21000-000-000	22,067.40
08/23	08/31/2023	61355	1782	Evan Andrews	999-21000-000-000	54.07
09/23	09/05/2023	61356	1299	ABT MAILCOM	300-21000-000-000	1,734.84
09/23	09/05/2023	61357	13	ADP INC	100-21000-000-000	319.80
09/23	09/05/2023	61358	30	ALISA MCINTOSH	100-21000-000-000	130.18
09/23	09/05/2023	61359	34	ALLIANT ENERGY/WP&L (UTILITY PAYMENTS)	100-21000-000-000	18,282.68
09/23	09/05/2023	61360	1493	AMERICAN HEART ASSOCIATION INC	100-21000-000-000	1,095.34
09/23	09/05/2023	61361	65	AQUAFIX INC	300-21000-000-000	1,108.44
09/23	09/05/2023	61362	1596	ASSOCIATED APPRAISAL CONSULTANTS INC.	100-21000-000-000	1,461.58
09/23	09/05/2023	61363	1686	AT-SCENE LLC	100-21000-000-000	1,400.00
09/23	09/05/2023	61364	1776	Blain's Farm & Fleet	100-21000-000-000	871.04
09/23	09/05/2023	61365	120	BOARDMAN & CLARK LLP	100-21000-000-000	10,762.50
09/23	09/05/2023	61366	128	BOUND TREE MEDICAL LLC	100-21000-000-000	642.57
09/23	09/05/2023	61367	1645	CAPITAL ONE (WALMART)	100-21000-000-000	1,253.28
09/23	09/05/2023	61368	188	CINTAS CORPORATION #446	100-21000-000-000	39.73
09/23	09/05/2023	61369	211	COMELC SERVICES INC	100-21000-000-000	450.00
09/23	09/05/2023	61370	1781	Dodge-Point Iowa-Grant Gymnastics	100-21000-000-000	2,100.00
09/23	09/05/2023	61371	301	DODGEVILLE MONUMENT CO INC	100-21000-000-000	700.00
09/23	09/05/2023	61372	1823	Elan Financial Services	300-21000-000-000	2,470.39
09/23	09/05/2023	61373	332	ELECTION SYSTEMS & SOFTWARE LLC	100-21000-000-000	402.26
09/23	09/05/2023	61374	339	EMERGENCY MEDICAL PRODUCTS INC	100-21000-000-000	1,400.77
09/23	09/05/2023	61375	351	ERIC ROHOWETZ	300-21000-000-000	100.00
09/23	09/05/2023	61376	371	FIRE SAFETY USA INC	100-21000-000-000	570.00
09/23	09/05/2023	61377	1328	GFC LEASING - WI	200-21000-000-000	292.24
09/23	09/05/2023	61378	435	HAWKINS INC	200-21000-000-000	1,321.14
09/23	09/05/2023	61379	440	HENNESSEY IMPLEMENT INC	100-21000-000-000	171.89
09/23	09/05/2023	61380	458	IOWA COUNTY HIGHWAY DEPARTMENT	100-21000-000-000	1,765.26
09/23	09/05/2023	61381	468	J & R SUPPLY INC	200-21000-000-000	350.00
09/23	09/05/2023	61382	1779	JX Enterprises Inc	100-21000-000-000	61.60
09/23	09/05/2023	61383	1452	MACQUEEN EQUIPMENT	100-21000-000-000	235.00
09/23	09/05/2023	61384	640	MARKS AUTO REPAIR	100-21000-000-000	59.00
09/23	09/05/2023	61385	649	MAST WATER INC	100-21000-000-000	42.00
09/23	09/05/2023	61386	668	MHTC-MH	100-21000-000-000	823.59
09/23	09/05/2023	61387	685	MIDWEST METER INC	200-21000-000-000	3,803.50
09/23	09/05/2023	61388	686	MIDWEST POOL SUPPLY INC	100-21000-000-000	1,430.22
09/23	09/05/2023	61389	736	NORTHERN LAKE SERVICE INC	200-21000-000-000	685.00
09/23	09/05/2023	61390	746	OREILLY AUTO PARTS	100-21000-000-000	121.59
09/23	09/05/2023	61391	766	PEERLESS WELL & PUMPING	200-21000-000-000	600.00
09/23	09/05/2023	61392	772	PETTY CASH	100-21000-000-000	105.00

M = Manual Check, V = Void Check

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Check GL Account	Amount
09/23	09/05/2023	61393	778	PILLING ELECTRIC SERVICE LLC	100-21000-000-000	1,375.00
09/23	09/05/2023	61394	783	POMASL FIRE EQUIPMENT INC	100-21000-000-000	1,146.98
09/23	09/05/2023	61395	851	RULE CONSTRUCTION LTD	200-21000-000-000	840.47
09/23	09/05/2023	61396	926	STAPLES ADVANTAGE	100-21000-000-000	214.71
09/23	09/05/2023	61397	934	STREICHERS	100-21000-000-000	1,055.00
09/23	09/05/2023	61398	1851	Tanner Bockhop	100-21000-000-000	114.00
09/23	09/05/2023	61399	1895	Tarron Bockhop	100-21000-000-000	94.00
09/23	09/05/2023	61400	1393	TC NETWORKS INC	100-21000-000-000	45.80
09/23	09/05/2023	61401	964	TEAMSTERS LOCAL #695	100-21000-000-000	532.00
09/23	09/05/2023	61402	987	THE SHOE BOX LTD	100-21000-000-000	278.10
09/23	09/05/2023	61403	1881	True North Consultants Inc	100-21000-000-000	870.00
09/23	09/05/2023	61404	1033	UNION TECHNOLOGY COOPERATIVE	100-21000-000-000	2,137.49
09/23	09/05/2023	61405	1040	UPLAND HILLS HEALTH INC	100-21000-000-000	85.64
09/23	09/05/2023	61406	1046	USA BLUEBOOK	300-21000-000-000	703.52
09/23	09/05/2023	61407	1159	WILHELM, BRANDON	100-21000-000-000	119.54
09/23	09/05/2023	61408	1144	ZARNOTH BRUSH WORKS INC	100-21000-000-000	1,134.00
09/23	09/05/2023	61409	34	ALLIANT ENERGY/WP&L (UTILITY PAYMENTS)	150-21000-000-000	155.83
09/23	09/05/2023	61410	89	BAKER & TAYLOR LLC	150-21000-000-000	990.96
09/23	09/05/2023	61411	1776	Blain's Farm & Fleet	150-21000-000-000	4.48
09/23	09/05/2023	61412	195	CITY OF DODGEVILLE WATER UTILITY	150-21000-000-000	35.60
09/23	09/05/2023	61413	274	DEMCO	150-21000-000-000	299.10
09/23	09/05/2023	61414	1823	Elan Financial Services	150-21000-000-000	1,436.12
09/23	09/05/2023	61415	1328	GFC LEASING - WI	150-21000-000-000	243.85
09/23	09/05/2023	61416	668	MHTC-MH	150-21000-000-000	137.97
09/23	09/05/2023	61417	768	PENWORTHY COMPANY LLC	150-21000-000-000	843.84
09/23	09/05/2023	61418	1830	Playaway Products LLC	150-21000-000-000	238.96
09/23	09/05/2023	61419	980	THE LIBRARY STORE INC	150-21000-000-000	412.40
09/23	09/05/2023	61420	1044	US CELLULAR	150-21000-000-000	66.86
09/23	09/05/2023	61421	1897	Zoobean Inc	150-21000-000-000	560.00
Grand Totals:						481,552.24

Summary by General Ledger Account Number

GL Account	Debit	Credit	Proof
100-21000-000-000	362.12	67,845.34-	67,483.22-
100-21550-000-000	532.00	.00	532.00
100-24700-000-000	234.26	234.26-	.00
100-46740-000-000	20.00	20.00-	.00
100-51300-000-000	10,804.81	.00	10,804.81
100-51300-390-000	15.00	.00	15.00
100-51410-000-000	46.56	.00	46.56
100-51440-000-000	402.26	.00	402.26
100-51530-250-000	1,461.58	.00	1,461.58
100-51600-600-000	60.08	.00	60.08
100-51710-200-000	91.03	.00	91.03
100-51710-240-000	319.80	.00	319.80
100-51710-300-000	158.10	.00	158.10
100-51710-310-000	360.81	.00	360.81
100-52100-240-000	762.49	.00	762.49
100-52100-310-000	402.22	.00	402.22
100-52100-520-000	1,439.73	.00	1,439.73
100-52100-715-000	1,055.00	.00	1,055.00
100-52150-227-000	320.00	.00	320.00

M = Manual Check, V = Void Check

GL Account	Debit	Credit	Proof
100-52150-230-000	119.54	.00	119.54
100-52200-310-000	660.79	.00	660.79
100-52200-400-000	69.78	.00	69.78
100-52200-600-000	631.97	.00	631.97
100-52300-175-000	155.00	.00	155.00
100-52300-200-000	177.68	.00	177.68
100-52300-225-140	1,095.34	.00	1,095.34
100-52300-310-000	527.50	.00	527.50
100-52300-400-000	1,146.98	.00	1,146.98
100-52300-500-000	415.00	.00	415.00
100-52300-505-000	450.00	.00	450.00
100-52300-520-000	1,531.53	.00	1,531.53
100-52300-605-000	2,192.08	63.10-	2,128.98
100-52300-720-000	42.00	.00	42.00
100-52400-300-000	45.81	.00	45.81
100-53100-300-000	45.81	.00	45.81
100-53100-600-000	48.49	.00	48.49
100-53230-000-000	2,068.88	.00	2,068.88
100-53240-000-000	1,441.60	44.76-	1,396.84
100-53415-000-000	216.76	.00	216.76
100-53420-000-000	40.09	.00	40.09
100-54910-300-000	64.99	.00	64.99
100-54910-310-000	120.82	.00	120.82
100-54910-600-000	681.10	.00	681.10
100-54910-700-000	700.00	.00	700.00
100-55200-300-000	69.99	.00	69.99
100-55200-310-000	1,450.98	.00	1,450.98
100-55200-400-000	432.91	.00	432.91
100-55200-600-000	203.39	.00	203.39
100-55300-180-000	208.00	.00	208.00
100-55300-300-000	16.60	.00	16.60
100-55300-600-000	122.19	.00	122.19
100-55300-710-000	2,100.00	.00	2,100.00
100-55310-000-000	66.11	.00	66.11
100-55420-220-000	.20	.00	.20
100-55420-300-000	15.75	.00	15.75
100-55420-310-000	3,366.65	.00	3,366.65
100-55420-600-000	49.98	.00	49.98
100-55420-620-000	1,430.22	.00	1,430.22
100-55425-000-000	313.47	.00	313.47
100-55430-000-000	421.23	.00	421.23
100-56110-000-000	90.00	.00	90.00
100-56200-000-000	22,067.40	.00	22,067.40
100-56600-210-000	870.00	.00	870.00
100-57640-000-000	1,375.00	.00	1,375.00
140-21000-000-000	.00	1,638.75-	1,638.75-
140-58200-000-000	1,638.75	.00	1,638.75
150-21000-000-000	.00	5,823.32-	5,823.32-
150-55115-221-000	360.80	.00	360.80
150-55115-223-000	137.97	.00	137.97
150-55115-224-000	243.85	.00	243.85
150-55115-311-000	897.31	.00	897.31
150-55115-313-000	188.25	.00	188.25
150-55115-321-000	1,893.79	.00	1,893.79
150-55115-322-000	19.96	.00	19.96
150-55115-323-000	179.97	.00	179.97
150-55115-326-000	522.00	.00	522.00

M = Manual Check, V = Void Check

GL Account	Debit	Credit	Proof
150-55115-331-000	183.98	.00	183.98
150-55115-351-000	4.48	.00	4.48
150-55115-361-000	167.49	.00	167.49
150-55115-371-000	765.18	.00	765.18
150-55115-381-000	66.86	.00	66.86
150-55115-391-000	191.43	.00	191.43
160-21000-000-000	.00	371,848.76-	371,848.76-
160-57220-000-000	118,122.00	.00	118,122.00
160-57330-000-000	226,883.65	.00	226,883.65
160-57620-000-000	14,560.00	.00	14,560.00
160-57640-000-000	9,575.00	.00	9,575.00
160-58100-000-000	2,606.53	.00	2,606.53
160-58200-000-000	101.58	.00	101.58
161-21000-000-000	.00	10,596.95-	10,596.95-
161-51710-000-000	10,596.95	.00	10,596.95
200-18115-000-346	3,803.50	.00	3,803.50
200-21000-000-000	.00	15,888.46-	15,888.46-
200-53700-622-000	5,739.33	.00	5,739.33
200-53700-623-000	600.00	.00	600.00
200-53700-631-000	1,321.14	.00	1,321.14
200-53700-632-000	685.00	.00	685.00
200-53700-641-000	350.00	.00	350.00
200-53700-651-000	2,254.28	.00	2,254.28
200-53700-680-100	867.42	.00	867.42
200-53700-681-000	241.52	.00	241.52
200-53700-689-000	26.27	.00	26.27
300-21000-000-000	121.56	8,340.27-	8,218.71-
300-53600-000-821	4,762.49	.00	4,762.49
300-53600-000-826	1,230.00	121.56-	1,108.44
300-53600-000-827	14.22	.00	14.22
300-53600-000-828	12.60	.00	12.60
300-53600-000-834	1,157.37	.00	1,157.37
300-53600-000-840	867.42	.00	867.42
300-53600-000-851	196.17	.00	196.17
300-53600-000-852	100.00	.00	100.00
999-10005-000-000	54.07	.00	54.07
999-21000-000-000	.00	54.07-	54.07-
Grand Totals:	482,519.60	482,519.60-	.00

Dated: _____

Mayor: _____

City Council: _____

City Recorder: _____

Report Criteria:

Report type: Summary

Check.Type = {<>} "Adjustment"

CITY OF DODGEVILLE, WISCONSIN
REQUIRED AUDIT COMMUNICATIONS
TO THE MAYOR AND MEMBERS
OF THE CITY COUNCIL

Year Ended December 31, 2022

Johnson Block & Company, Inc.
Certified Public Accountants
2500 Business Park Road
Mineral Point, Wisconsin 53565
(608) 987-2206

CITY OF DODGEVILLE, WISCONSIN
Year Ended December 31, 2022

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COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE AT THE CONCLUSION OF THE AUDIT

To the City Council
City of Dodgeville, Wisconsin

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 Dodgeville, Wisconsin for the year ended December 31, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated January 18, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. As described in Note 1 to the financial statements, the Village implemented accounting policies and financial statement presentation changes by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 87, Leases, effective January 1, 2022. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

1. Management's estimate of the depreciable lives of fixed assets is based on how long the assets are expected to be in service.
2. Management's estimate of the right to use leased assets, lease liabilities, lease receivables, and deferred inflows of resources related to leases are based on applicable lease terms, projected future payments, and a discount rate.
3. Management's estimate of the vested compensated absences is based on the probability of employees meeting the requirement to be paid for sick leave at the time of retirement.
4. Management's estimate of the net pension asset or liability, deferred outflows of resources and deferred inflows of resources are based on various factors. These estimates were computed by the pension plan administrator.
5. The other postemployment benefit liabilities, deferred outflows and inflows of resources are based on various factors. The estimated liabilities were computed by actuarial studies using a valuation date of January 1, 2021 and December 31, 2021.

6. Management's estimate of the allowance for uncollectible accounts is based on management's knowledge of such matters.

We evaluated the key factors and assumptions used to develop the amounts in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent and clear.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Appendix 1 summarizes misstatements detected as a result of audit procedures were corrected by management. Appendix 2 summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

The uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even though, in our judgment, such uncorrected misstatements are immaterial to the financial statements under audit.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated August 21, 2023.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Matters

We applied certain limited procedures to the budgetary comparison information, the Wisconsin Retirement System schedules, the local retiree life insurance fund schedules, and the schedule of changes in the City's total OPEB liability and related ratios, which are required supplementary information (RSI) that supplement the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining and individual fund financial statements, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Attached are recommendations and informational points to management that are not material weaknesses or significant deficiencies.

Restriction on Use

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

Johnson Block & Company, Inc.

Johnson Block & Company, Inc.
August 21, 2023

COMMUNICATION OF SIGNIFICANT DEFICIENCIES AND MATERIAL WEAKNESSES

To the City Council
City of Dodgeville, Wisconsin

In planning and performing our audit of 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 Dodgeville, Wisconsin as of and for the year ended December 31, 2022, in accordance with auditing standards generally accepted in the United States of America, we considered the City of Dodgeville, Wisconsin's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

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

Segregation of Duties

The size of the office staff precludes a proper segregation of functions to assure adequate internal control. This is not unusual in organizations of your size, but management should be aware of this condition and realize that the concentration of duties and responsibilities in a limited number of individuals is not desirable from a control point of view. Under these conditions, the most effective controls lie in management's knowledge and monitoring of matters relating to the City's operations.

Material Adjustments

Adjusting journal entries not prepared by the City before the audit are considered an internal control weakness. We prepared numerous adjusting journal entries to record and allocate grant proceeds, loan draws, project costs and work orders and to adjust other activity. We deem these entries to be material in relation to the financial statements. Since the City did not make these adjustments in its accounting system prior to the audit, a material weakness exists in the City's internal controls.



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

Johnson Block & Company, Inc.

Johnson Block & Company, Inc.
August 21, 2023



MANAGEMENT LETTER

To the City Council
City of Dodgeville, Wisconsin

In planning and performing our audit of the financial statements of the City of Dodgeville, Wisconsin for the year ended December 31, 2022, we considered the City's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control.

However, during our audit we became aware of matters that are opportunities for strengthening internal controls and operating efficiency. The following pages that accompany this letter summarize our comments and suggestions regarding those matters. This letter does not affect our report dated August 21, 2023, on the financial statements of the City.

We would like to take this opportunity to acknowledge the many courtesies extended to us by the City's personnel during the course of our work.

We shall be pleased to discuss any of the matters referred to in this letter. Should you desire assistance in implementing any of the following suggestions, we would welcome the opportunity of assisting you in these matters.

Johnson Block & Company, Inc.

Johnson Block & Company, Inc.
August 21, 2023

CITY OF DODGEVILLE, WISCONSIN**Year Ended December 31, 2022****ADJUSTING JOURNAL ENTRIES**

We are frequently requested by our clients to discuss the overall condition of their accounting records and what our role is as your audit firm. We believe that these matters should be discussed at each audit. The following section describes your accounting process in general terms and the ways in which we work with your staff.

The City of Dodgeville processes accounting transactions based on the type of transaction involved. Money coming in is processed using a cash receipt system. The payment of bills is done through an accounts payable system. Employees' salaries are paid using a payroll system. Customer billing and accounts receivable are processed through a billing system. Utility materials and labor are charged to projects through a work order system. These systems are responsible for recording and summarizing the vast majority of your financial statements.

Beyond the systems described in the preceding paragraph, another system is used to make corrections and to record non-cash transactions. This system involves preparing general journal entries. Journal entries provide the ability to make changes to the financial data entered in the other systems. As your auditor, our role is to substantiate year end financial balances and information presented by your accounting personnel, and compare it to supporting information and outside confirmations. When information in your records does not agree with audit evidence, an adjusting entry is necessary to correct your records. Sometimes these entries are identified by your staff as they get ready for the audit. Other adjustments are prepared by us as we discover that your general ledger balances need to be changed to reflect the correct balances.

For the 2022 audit, we proposed adjustments and reclassifications to your records. The effect of these journal entries was considered to be material to the financial statements of the City of Dodgeville, Wisconsin. The proposed entries were accepted by the City of Dodgeville's management. All of these changes are reflected properly in your audited financial statements.

Because we are providing assistance to your staff by proposing changes to correct your financial information, you should be aware of these processes. Many of our clients rely on us to make yearend adjustments as we have described. In many cases, we have the experience or expertise to compute, and identify, corrections to your records. We work with many clients on similar issues, so it may be more efficient for you to have us do some of the one-time adjustments, rather than your staff spending hours researching the proper adjustment.

Due to the technical nature of financial reporting and complying with financial reporting standards, most clients have their CPA firm prepare the year end financial statements and note disclosures. We have provided these services to the City of Dodgeville.

We are communicating this information to you to give you a better understanding of what we do and how the year end process works. Our job as auditors is to bring in an outside perspective and provide a level of comfort that your financial reporting system is materially correct and accurately reflects the financial activity for the year.

We hope that by providing this information on what we do, you will have a better understanding of our role, and the various ways that we work with your staff.

PASSED JOURNAL ENTRIES

Passed journal entries may occur due to transaction timing, industry practices or lack of overall significance. See Appendix 2 for passed journal entries.

OTHER COMMENTS ON OPERATIONS AND INTERNAL CONTROL

Subscription-Based Information Technology Arrangements

The Governmental Accounting Standards Board issued Statement No. 96 (GASB 96), Subscription-Based Information Technology Arrangements (SBITA). GASB 96 provides guidance on accounting for SBITA when a government contracts for the right to use another party's software. The standards for SBITAs are based on the standards established in GASB Statement No. 87, Leases. GASB 96 is effective for fiscal years beginning after June 15, 2022.

A SBITA is defined as a contract that conveys control of the right to use a vendor's software, alone or in combination with the underlying information technology (IT) assets, as specified in the contract for a period of time in an exchange or exchange-like transaction.

A SBITA can be for software as a service, infrastructure as a service, or a platform as a service arrangement. One important question to ask when determining if a SBITA exists is: will this software no longer work/will we no longer be able to log in once the contract term ends? If your answer is yes, it is likely that a SBITA exists.

The subscription term includes the period during which a government has a noncancelable right to use the underlying IT assets. The subscription term also includes periods covered by an option to extend or to terminate (if it is reasonably certain that the government or SBITA vendor will not exercise that option).

When applicable under GASB 96, a government will recognize a right to use subscription asset and a corresponding subscription liability.

GASB 96 provides an exception for short-term SBITAs. Short-term SBITAs have a maximum possible term under the SBITA contract of 12-months (or less), including any options to extend, regardless of their probability of being exercised. Subscription payments for short-term SBITAs should be recognized as outflows of resources (for example, expenditures).

We are here to help. Ongoing tracking and annual journal entries may be a large undertaking for our clients. To assist with GASB 96 compliance, many different accounting software packages are available for purchase. Instead of our clients potentially purchasing new software, we will be offering a new nonaudit service. This service will include tracking of SBITA in a software purchased by Johnson Block and Company, Inc. Our software will make the necessary calculations needed to record the annual GASB 96 journal entries.

Affordable Housing Fund

On March 17, 2020, the City approved extending the life of TIF District 2 to create an Affordable Housing Fund. This allowed the final TID 2 tax increment to be used to improve housing quality and affordability. No less than 75% of the fund is to be used for affordable multi-housing and single-family housing, and no more than 25% percent may be used to improve the housing stock through owner occupied rehabilitation and rented occupied rehabilitation.

As of December 31, 2022, \$92,724 is available to improve housing stock through owner occupied and renter occupied rehabilitation. \$228,142 must be used for affordable multi-housing and single-family housing.

OTHER COMMENTS ON OPERATIONS AND INTERNAL CONTROL (CONTINUED)

Collateralization and Insurance

The Federal Deposit Insurance Corporation (FDIC) protects deposits up to a certain limit. In addition, public deposits are protected against losses by the State Deposit Guarantee Fund in the amount of \$400,000 for any one public depositor in any individual depository. 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 principle losses may be significant to individual organizations.

As of December 31, 2021, the City had uninsured and uncollateralized deposits totaling \$1,008,490. Of this amount \$400,000 would be covered by the State Deposit Guarantee Fund.

CONCLUDING REMARKS

We would like to thank you for allowing us to serve you. We are committed to assisting you in the long-term financial success of the City of Dodgeville and our comments are intended to draw to your attention issues which need to be addressed by the City to meet its goals and responsibilities.

The comments and suggestions in this communication are not intended to reflect in any way on the integrity or ability of the personnel of the City of Dodgeville. They are made solely in the interest of establishing sound internal control practices required by changing professional standards. The City of Dodgeville's staff is deeply committed to maintaining the financial reporting system so that informed decisions can be made. They were receptive to our comments and suggestions.

We will review the status of these comments during each audit engagement.

If you have any questions or comments regarding this communication or the financial statements, do not hesitate to contact us.

Appendix 1 – Adjusting Journal Entries

**City of Dodgeville
For the Year Ended December 31, 2022**

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 1001			
Reverse December JE to move payment in lieu of taxes.			
100-41321-000-000	Aid In Lieu Of Taxes St. Fra	2,000.00	
100-12320-000-000	PERSONAL PROPERTY TAXE (DEL)		2,000.00
Total		2,000.00	2,000.00

Adjusting Journal Entries JE # 1002			
Close tax accounts after the August 2022 tax settlement and record the general fund tax levy.			
100-24310-000-000	COUNTY AND STATE TAXE	776,559.80	
100-24600-000-000	DUE TO SCHOOL DISTRICTS	1,191,685.21	
100-24610-000-000	DUE TO V.T.A.E. SCHOOL DIST.	142,576.14	
100-26100-000-000	DEFERRED TAX ROLL REVENUE	0.49	
100-26100-000-000	DEFERRED TAX ROLL REVENUE	26.89	
100-26100-000-000	DEFERRED TAX ROLL REVENUE	2,044,546.00	
100-51910-000-000	ILLEGAL TAXE & TAX REFUNDS	3,891.52	
100-11000-000-000	GENERAL FUND CASH		1,330,831.60
100-12101-000-000	TAXES RECEIVABLE-GENERAL		2,811.67
100-12310-000-000	REAL ETATE TAXE RECEIVABLE		780,702.04
100-12320-000-000	PERSONAL PROPERTY TAXE (DEL)		394.74
100-41110-000-000	General Property Taxes		2,044,546.00
Total		4,159,286.05	4,159,286.05

Adjusting Journal Entries JE # 1003			
Clear 2021 tax roll and record 2022 tax revenues per the 2022 budget.			
140-11000-000-000	DEBT SERVICE CASH	201,228.00	
140-26100-000-000	DEFERRED REVENUE - DEBT	201,228.00	
150-11000-000-000	SPEC.PURP.LIB. FUND CASH	333,620.00	
150-26100-000-000	DEFERRED REVENUE - LIBRARY	333,620.00	
160-11000-000-000	CAPITAL PROJECT FUND CASH	794,583.00	
160-26100-000-000	DEFERRED REVENUE - TAXE	794,583.00	
430-11000-000-000	TID 3 CASH	1,400.60	
430-26100-000-000	DEFERRED REVENUE - TID 3	1,400.60	
140-12100-000-000	TAXE RECEIVABLE - DEBT		201,228.00
140-41110-000-000	Local property taxes		201,228.00
150-12100-000-000	TAXE RECEIVABLE - LIBRARY		333,620.00
150-41110-000-000	Property Taxes		333,620.00
160-12100-000-000	TAXE RECEIVABLE		794,583.00
160-41110-000-000	General Property Taxes		794,583.00
430-12100-000-000	TAXE RECEIVABLE - TID 3		1,400.60
430-41111-000-000	TID 3 TAX INCREMENT		1,400.60
Total		2,661,663.20	2,661,663.20

**City of Dodgeville
For the Year Ended December 31, 2022**

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 1004			
Record 2022 statement of taxes using the 2023 budget and support for the statement of taxes.			
100-12310-000-000	REAL ETATE TAXE RECEIVABLE	10,051,112.55	
100-26100-000-000	DEFERRED TAX ROLL REVENUE	0.14	
140-12100-000-000	TAXE RECEIVABLE - DEBT	273,863.00	
150-12100-000-000	TAXE RECEIVABLE - LIBRARY	365,751.00	
160-12100-000-000	TAXE RECEIVABLE	415,411.00	
430-12100-000-000	TAXE RECEIVABLE - TID 3	24,556.37	
100-13300-000-000	GARBAGE ACCOUNTS RECEIVABLE		54.40
100-24310-000-000	COUNTY AND STATE TAXE		2,983,274.62
100-24600-000-000	DUE TO SCHOOL DISTRICTS		4,116,723.35
100-24610-000-000	DUE TO V.T.A.E. SCHOOL DIST.		521,857.39
100-26100-000-000	DEFERRED TAX ROLL REVENUE		5.44
100-26100-000-000	DEFERRED TAX ROLL REVENUE		2,428,805.00
100-48000-000-000	Miscellaneous Revenue		392.49
140-26100-000-000	DEFERRED REVENUE - DEBT		273,863.00
150-26100-000-000	DEFERRED REVENUE - LIBRARY		365,751.00
160-26100-000-000	DEFERRED REVENUE - TAXE		415,411.00
430-26100-000-000	DEFERRED REVENUE - TID 3		24,556.37
Total		11,130,694.06	11,130,694.06
Adjusting Journal Entries JE # 1005			
To reverse retainage recorded at 12/31/21.			
430-21000-000-000	DUE TO GENERAL FUND	62,590.07	
430-57330-000-000	TID 3 - HWY & ST CONSTR OUTLAY		62,590.07
Total		62,590.07	62,590.07
Adjusting Journal Entries JE # 1006			
Reverse accounts payable recorded at 12/31/21.			
160-21000-000-000	ACCOUNTS PAYABLE	925.10	
160-58100-000-000	CAPITAL LEASE PRINCIPAL		925.10
Total		925.10	925.10
Adjusting Journal Entries JE # 1007			
Reverse retainage recorded at 12/31/21 for 2021 street projects			
160-21000-000-000	ACCOUNTS PAYABLE	20,100.69	
160-57330-000-000	Street Construction Outlay		20,100.69
Total		20,100.69	20,100.69
Adjusting Journal Entries JE # 1008			
To reverse accounts payable entry from 2021 audit.			
200-21000-000-000	ACCOUNTS PAYABLE	2,388.84	
200-53700-653-000	Meter Maintenance		2,388.84
Total		2,388.84	2,388.84

**City of Dodgeville
For the Year Ended December 31, 2022**

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 1009			
To adjust a/p and cash based on AJE #1034 from PY			
100-21000-000-000	ACCOUNTS PAYABLE	37,354.82	
200-11000-000-000	WATER CASH	31,617.44	
300-11000-000-000	SEWER CASH	5,737.38	
100-11000-000-000	GENERAL FUND CASH		37,354.82
200-21000-000-000	ACCOUNTS PAYABLE		31,617.44
300-21000-000-000	ACCOUNTS PAYABLE		5,737.38
Total		74,709.64	74,709.64
Adjusting Journal Entries JE # 1010			
To move ARPA grant to unearned revenue.			
161-43300-000-000	FEDERAL GRANTS-AM RESCUE PLAN	245,709.43	
161-21900-000-000	UNEARNED REVENUE		245,709.43
Total		245,709.43	245,709.43
Adjusting Journal Entries JE # 1011			
To record additional payable for West North Street Reconstruction. (Reverse 1/1/23).			
160-57330-000-000	Street Construction Outlay	96,374.07	
160-21000-000-000	ACCOUNTS PAYABLE		96,374.07
Total		96,374.07	96,374.07
Adjusting Journal Entries JE # 1012			
To move transportation aid to revenue account.			
100-13800-000-000	OTHER ACCOUNTS RECEIVABLE	77,276.29	
100-43220-000-000	State Aid For Road Allotment		71,789.26
100-43221-000-000	State Aid For Connecting St.		5,487.03
Total		77,276.29	77,276.29
Adjusting Journal Entries JE # 1013			
To record additional payable for engineering services through 12/31/22. Reverse in 2023.			
160-57330-000-000	Street Construction Outlay	6,251.50	
160-21000-000-000	ACCOUNTS PAYABLE		6,251.50
Total		6,251.50	6,251.50
Adjusting Journal Entries JE # 1014			
Record change in unbilled revenue.			
200-13100-000-144	UNBILLED REVENUE	1,491.00	
300-18200-000-000	UNBILLED REVENUE	3,086.00	
200-46452-000-100	Residential		1,491.00
300-46411-000-100	Residential Revenue		3,086.00
Total		4,577.00	4,577.00

**City of Dodgeville
For the Year Ended December 31, 2022**

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 1015			
To clear out other accounts receivable.			
100-13100-000-000	UNAPPLIED ACCOUNTS RECEIVABLE	166.48	
100-13800-000-000	OTHER ACCOUNTS RECEIVABLE	78.39	
100-45110-000-000	Court Penalties & Costs		63.01
100-48000-000-000	Miscellaneous Revenue		13.49
100-48000-000-000	Miscellaneous Revenue		166.48
100-48202-000-000	CAMPBELL TRUST CEMETERY INT.		1.89
Total		<u>244.87</u>	<u>244.87</u>
Adjusting Journal Entries JE # 1016			
To record fire contracts for 2022.			
100-13104-000-000	ACCOUNTS RECEIVABLE	63,439.00	
100-46222-000-000	Fire Protection Contracts		63,439.00
Total		<u>63,439.00</u>	<u>63,439.00</u>
Adjusting Journal Entries JE # 1017			
To record additional payable for road salt. Reverse 1/1/23.			
100-53414-000-000	Snow & Ice Control	2,109.66	
100-21000-000-000	ACCOUNTS PAYABLE		2,109.66
Total		<u>2,109.66</u>	<u>2,109.66</u>
Adjusting Journal Entries JE # 1018			
To record additional accounts payable for fuel charges from Iowa County Highway (period of 12/1/22 - 12/31/22)			
100-53100-410-000	Pw Dir - Fuel	47.70	
100-53240-000-000	Machinery & Equipment	6,145.92	
100-54910-410-000	Cemetery- Fuel	86.73	
100-55200-410-000	Parks - Fuel	604.57	
200-53700-660-000	Transportation Expense	362.66	
300-53600-000-828	Transportation Expense	271.74	
100-21000-000-000	ACCOUNTS PAYABLE		6,884.92
200-21000-000-000	ACCOUNTS PAYABLE		362.66
300-21000-000-000	ACCOUNTS PAYABLE		271.74
Total		<u>7,519.32</u>	<u>7,519.32</u>
Adjusting Journal Entries JE # 1019			
To record 4th quarter room tax and 4th quarter franchise fees.			
100-13800-000-000	OTHER ACCOUNTS RECEIVABLE	30,707.31	
100-41210-000-000	Room Tax		18,763.23
100-44130-000-000	Television Franchise		11,944.08
Total		<u>30,707.31</u>	<u>30,707.31</u>

**City of Dodgeville
For the Year Ended December 31, 2022**

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 1020			
To record accounts receivable for local police services.			
100-13800-000-000	OTHER ACCOUNTS RECEIVABLE	25,352.08	
100-46202-000-000	Local Police Service		25,352.08
Total		25,352.08	25,352.08
Adjusting Journal Entries JE # 1021			
Adjust fire receivables to actual at 12/31/2022.			
100-13106-000-000	FIRE ACCOUNTS RECEIVABLE	10,631.00	
100-46210-000-000	Fire Department Fee		10,631.00
Total		10,631.00	10,631.00
Adjusting Journal Entries JE # 1022			
To move grants from non-state agenices.			
100-43525-000-000	POLICE DEPT GRANTS	3,709.95	
100-48500-000-300	POLICE DEPARTMENT DONATIONS		3,709.95
Total		3,709.95	3,709.95
Adjusting Journal Entries JE # 1023			
Adjust ambulance receivable and allowance to confirmation.			
100-13900-000-000	ET. UNCOLLECTIBLE AMBUL. REC.	61,484.94	
100-13105-000-000	AMBULANCE ACCOUNTS RECEIVABLE		27,004.05
100-46230-000-000	Ambulance Fee		34,480.89
Total		61,484.94	61,484.94
Adjusting Journal Entries JE # 1024			
To adjust AR to unpaid invoice report.			
100-51910-000-000	ILLEGAL TAXE & TAX REFUNDS	9,089.78	
100-13104-000-000	ACCOUNTS RECEIVABLE		9,089.78
Total		9,089.78	9,089.78
Adjusting Journal Entries JE # 1025			
To net mobile home tax payments to the school against revenue.			
100-41140-000-000	Mobile Home Fee	5,676.47	
100-24600-100-000	MOBILE HOME TAXE PAYABLE		5,676.47
Total		5,676.47	5,676.47
Adjusting Journal Entries JE # 1026			
Reflect room taxes paid to commission and motels per review of schedule and general ledger a/c 100-24700.			
100-56700-000-000	ECONOMIC DEVELOPMENT	48,847.95	
100-24700-000-000	ROOM TAXE PAYABLE		48,847.95
Total		48,847.95	48,847.95

**City of Dodgeville
For the Year Ended December 31, 2022**

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 1027			
Reflect 4th quarter room taxes paid to commission and motels.			
100-56700-000-000	ECONOMIC DEVELOPMENT	13,735.91	
100-24700-000-000	ROOM TAX PAYABLE		13,735.91
Total		<u>13,735.91</u>	<u>13,735.91</u>
Adjusting Journal Entries JE # 1028			
Move the collection of specials on the 2018 tax roll to the general fund. Amounts were removed from utility receivables in 2018 when placed on the tax roll.			
100-11000-000-000	GENERAL FUND CASH	32,821.37	
200-12400-000-000	SPECIAL ASSESSMENTS RECEIVABLE	27,780.29	
300-12400-000-000	SPECIAL ASSESSMENTS RECEIVABLE	5,041.08	
100-12321-000-000	DELINQUENT SPECIALS - IOWA CTY		23,121.05
100-41990-000-000	Interest & Penalties On Taxes		9,700.32
200-11000-000-000	WATER CASH		27,780.29
300-11000-000-000	SEWER CASH		5,041.08
Total		<u>65,642.74</u>	<u>65,642.74</u>
Adjusting Journal Entries JE # 1029			
Reflect revenue for 2022 cleanup related to K.E. zoning violation.			
100-56700-000-000	ECONOMIC DEVELOPMENT	11,600.00	
100-44400-000-000	Zoning And Variance		11,600.00
Total		<u>11,600.00</u>	<u>11,600.00</u>
Adjusting Journal Entries JE # 1030			
Recognize tax equivalent revenue and clear interfunds.			
100-11000-000-000	GENERAL FUND CASH	202,518.00	
100-29999-000-000	DEFERRED REVENUE	202,518.00	
200-21500-000-236	TAXE ACCRUED	202,518.00	
100-15110-000-000	RECEIVABLE FROM WATER		202,518.00
100-41310-000-000	Taxe From Regul. Munic. Util.		202,518.00
200-11000-000-000	WATER CASH		202,518.00
Total		<u>607,554.00</u>	<u>607,554.00</u>

**City of Dodgeville
For the Year Ended December 31, 2022**

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 1031			
To record accrued interest in the LGIP accounts to match the LGIP confirmations. (Interest was recorded twice in September)			
100-48100-000-000	Temporary Investment Interest	0.09	
100-48100-000-000	Temporary Investment Interest	61.33	
100-48100-000-000	Temporary Investment Interest	445.63	
150-48100-000-000	Temporary Investments Interest	4.63	
300-48100-000-419	Interest & Dividend Income	159.77	
100-11314-000-000	STATE POOL GENERAL BALLOON		0.09
100-11318-000-000	STATE POOL HARRIS PARK TRUST		61.33
100-11322-000-000	STATE POOL H & I HARRIS FUND		445.63
150-11300-000-000	TECH & EQUIP FUND - STATE PL		4.63
300-11500-000-100	STATE POOL WWT		159.77
Total		671.45	671.45
Adjusting Journal Entries JE # 1032			
To record retainage on North Street project			
160-57330-000-000	Street Construction Outlay	10,000.00	
160-21000-000-000	ACCOUNTS PAYABLE		10,000.00
Total		10,000.00	10,000.00
Adjusting Journal Entries JE # 1033			
To move utility costs for North Street reconstruction projects based on contract pay request.			
160-11000-000-000	CAPITAL PROJECT FUND CASH	1,189,826.00	
160-57345-000-000	STORM SEWER OUTLAY	430,892.03	
200-18115-000-343	TRANS. & DISTRIBUTION MAINS	611,218.10	
200-18115-000-345	SERVICE	111,165.37	
200-18115-000-348	HYDRANTS	54,756.09	
300-18212-000-312	SERVICE CONNECTIONS	82,939.12	
300-18212-000-313	COLLECTING MAINS & ACCESORIE	329,747.32	
160-57330-000-000	Street Construction Outlay		430,892.03
160-57330-000-000	Street Construction Outlay		1,189,826.00
200-11000-000-000	WATER CASH		777,139.56
300-11000-000-000	SEWER CASH		412,686.44
Total		2,810,544.03	2,810,544.03
Adjusting Journal Entries JE # 1034			
To record accrued interest for the general fund tax and agency account for December 2022.			
100-11110-000-000	FARMERS GENERAL - TAXE	2,256.17	
100-48100-000-000	Temporary Investment Interest		2,256.17
Total		2,256.17	2,256.17

**City of Dodgeville
For the Year Ended December 31, 2022**

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 1035			
Entry provided by client to move tower rent to the water utility.			
100-48210-000-000	Land Rent For Cell Tower	1,117.80	
200-11000-000-000	WATER CASH	1,117.80	
100-11000-000-000	GENERAL FUND CASH		1,117.80
200-46910-000-474	Other Water Revenue		1,117.80
Total		2,235.60	2,235.60
Adjusting Journal Entries JE # 1036			
To move check to correct bank account			
100-11000-000-000	GENERAL FUND CASH	3,259.75	
100-11350-000-000	AMBULANCE ACCOUNT (FARMERS		3,259.75
Total		3,259.75	3,259.75
Adjusting Journal Entries JE # 1037			
Clear out payroll liabilities.			
100-21554-000-000	ADDITIONAL INS./FORTIS	3,010.74	
100-21556-000-000	SUPPLEMENT LIFE INS.(FORTIS)	1,575.48	
100-21557-000-000	SPOUSE/DEPENDENT/FORTIS	667.54	
100-51910-000-000	ILLEGAL TAXE & TAX REFUNDS	138.74	
100-21540-000-000	HEALTH INSURANCE PAYABLE		155.98
100-21543-000-000	LIFE INS (POLICE) PAYABLE		2,393.87
100-21550-000-000	UNION DUE DEDUCT. PAYABLE		69.00
100-21552-000-000	LIFE INSURANCE (FORTIS)		2,650.74
100-21570-000-000	AFLAC INSURANCE PAYABLE		8.29
100-21590-000-000	OTHER DEDUCTIONS PAYABLE (SM C		7.85
100-21597-000-000	FLEX PLAN MEDICAL REIMBURSEMEN		106.77
Total		5,392.50	5,392.50
Adjusting Journal Entries JE # 1038			
Record change in compensated absenses for the water and sewer.			
200-99000-000-000	COMPENSATED ABSENCE EXPENSE	1,201.83	
300-89900-000-000	COMPENSATED ABSENCE EXPENDIT.	2,320.32	
200-28000-000-000	COMPENSATED ABSENCE		1,201.83
300-28000-000-000	COMPENSATED ABSENCE		2,320.32
Total		3,522.15	3,522.15
Adjusting Journal Entries JE # 1039			
To record check fee for ARPA fund cash			
161-51710-000-000	ARPA Expenditure	20.44	
161-11000-000-000	ARPA FUND CASH		20.44
Total		20.44	20.44

**City of Dodgeville
For the Year Ended December 31, 2022**

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 1040			
Record Bond issuance costs for \$770,000 TID 3 bond.			
430-56710-210-100	TID #3 BOND ISSUANCES COSTS	34,882.00	
430-49100-000-000	TID 3 PROCEEDS FROM LT DEBT		34,882.00
Total		<u>34,882.00</u>	<u>34,882.00</u>
Adjusting Journal Entries JE # 1041			
Allocate insurance to fire per Lauree.			
100-52200-710-000	Fire Depart- Insurance	24,268.00	
100-51930-000-000	Property & Liability Insurance		24,268.00
Total		<u>24,268.00</u>	<u>24,268.00</u>
Adjusting Journal Entries JE # 1042			
Allocate insurance to water and sewer.			
100-11000-000-000	GENERAL FUND CASH	36,549.80	
200-53700-684-000	Insurance Expense	13,888.92	
300-53600-000-853	Insurance Expense	22,660.88	
100-51930-000-000	Property & Liability Insurance		36,549.80
200-11000-000-000	WATER CASH		13,888.92
300-11000-000-000	SEWER CASH		22,660.88
Total		<u>73,099.60</u>	<u>73,099.60</u>
Adjusting Journal Entries JE # 1043			
To record water tower repair amortization.			
200-53700-650-000	Repairs Of Water Plant	88,029.00	
200-17000-000-186	MISCELLANEOUS DEFERRED DEBITS		88,029.00
Total		<u>88,029.00</u>	<u>88,029.00</u>
Adjusting Journal Entries JE # 1044			
To record capital contribution for amounts paid for by TID #3			
200-18115-000-343	TRANS. & DISTRIBUTION MAINS	39,923.42	
200-18115-000-348	HYDRANTS	1,060.47	
300-18212-000-312	SERVICE CONNECTIONS	1,283.17	
300-18212-000-313	COLLECTING MAINS & ACCESORIE	20,059.94	
200-48100-000-421	MISC. NONOPERATING INCOME		40,983.89
300-47500-000-000	RECEIPT OF CONTRIBUTED CAPITAL		21,343.11
Total		<u>62,327.00</u>	<u>62,327.00</u>

**City of Dodgeville
For the Year Ended December 31, 2022**

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 1045			
To move expense out of fixed asset accounts			
200-53700-640-000	Operation Labor	1,126.62	
300-53600-000-820	Other General Labor	306.96	
200-18115-000-343	TRANS. & DISTRIBUTION MAINS		990.14
200-18115-000-345	SERVICE		136.48
300-18212-000-313	COLLECTING MAINS & ACCESORIE		306.96
Total		<u>1,433.58</u>	<u>1,433.58</u>
Adjusting Journal Entries JE # 1046			
Reflect amortization of bond issue cost and debt discount.			
200-53700-000-428	Amortization Of Debt Discount	1,103.30	
300-53600-000-428	Amort. Of Debt Disc. & Expense	308.21	
200-17000-000-181	UNAMORTIZED DEBT DISCOUNT/EXP.		429.33
200-17000-000-183	OTHER DEFERRED DEBITS		673.97
300-17000-000-183	OTHER DEFERRED DEBITS		308.21
Total		<u>1,411.51</u>	<u>1,411.51</u>
Adjusting Journal Entries JE # 1047			
Record utility accrued interest at 12-31-22.			
200-21600-000-000	INTERET ACCRUED	270.00	
300-21600-000-000	INTERET ACCRUED	527.00	
200-53700-000-427	Interest On Long Term Debt		270.00
300-53600-000-427	Interest On Long Term Debt		527.00
Total		<u>797.00</u>	<u>797.00</u>
Adjusting Journal Entries JE # 1048			
To record sewer fixed asset additions.			
300-18213-000-323	ELECTRIC PUMPING EQUIPMENT	11,986.00	
300-18215-000-398	SCADA EQUIPMENT	28,212.00	
300-53600-000-833	MAINT. TREAT. & DISPOSAL EQUIP.		11,986.00
300-53600-000-834	Maint. Of General Plant		28,212.00
Total		<u>40,198.00</u>	<u>40,198.00</u>
Adjusting Journal Entries JE # 1049			
To record sewer fixed asset additions related to Diamond Oaks			
300-18212-000-312	SERVICE CONNECTIONS	21,802.50	
300-18212-000-313	COLLECTING MAINS & ACCESORIE	94,300.00	
300-47500-000-000	RECEIPT OF CONTRIBUTED CAPITAL		21,802.50
300-47500-000-000	RECEIPT OF CONTRIBUTED CAPITAL		94,300.00
Total		<u>116,102.50</u>	<u>116,102.50</u>

**City of Dodgeville
For the Year Ended December 31, 2022**

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 1050			
To move proceeds of sewer fixed assets to accumulated depreciation.			
300-47400-000-000	Other Sewer Revenue	42,966.00	
300-18900-000-110	REERVE FOR DEPRECIATION		42,966.00
Total		42,966.00	42,966.00
Adjusting Journal Entries JE # 1051			
Record Lease payment.			
160-58100-000-000	CAPITAL LEASE PRINCIPAL	925.10	
160-21000-000-000	ACCOUNTS PAYABLE		925.10
Total		925.10	925.10
Adjusting Journal Entries JE # 1053			
To record sewer removals.			
300-18900-000-110	REERVE FOR DEPRECIATION	251,500.60	
300-18212-000-312	SERVICE CONNECTIONS		10,341.00
300-18212-000-313	COLLECTING MAINS & ACCESORIE		41,317.00
300-18212-000-340	SERVICE CONNECTIONS CONTRIBUTE		659.00
300-18212-000-341	COLLECT. MAINS CONTRIBUTED		2,683.00
300-18215-000-373	TRANSPORTATION EQUIPMENT		172,500.60
300-18215-000-398	SCADA EQUIPMENT		24,000.00
Total		251,500.60	251,500.60
Adjusting Journal Entries JE # 1054			
Entry to reflect a portion of the withdrawal of investment cash from the sewer pershing account			
100-11123-000-000	TD AMERITRADE - GENERAL	169,807.36	
300-11500-000-000	WWT REPLACEMENT FUND	169,807.36	
100-11102-000-000	FARMERS GENERAL CASH		169,807.36
300-11123-000-000	TD AMERITRADE - WWTP REPL FUND		169,807.36
Total		339,614.72	339,614.72
Adjusting Journal Entries JE # 1055			
Entry to record gain/loss on Pershing account for 12.31.22			
100-11123-000-000	TD AMERITRADE - GENERAL	6,486.19	
300-11123-000-000	TD AMERITRADE - WWTP REPL FUND	1,678.48	
100-48110-100-000	Gain/Loss On Investments		6,486.19
300-48110-100-419	(GAIN)/LOSS ON INVESTMENTS		1,678.48
Total		8,164.67	8,164.67
Adjusting Journal Entries JE # 1056			
To record sewer deprecation expense.			
300-53600-000-403	Depreciation Expense	309,895.00	
300-18900-000-110	REERVE FOR DEPRECIATION		309,895.00
Total		309,895.00	309,895.00

**City of Dodgeville
For the Year Ended December 31, 2022**

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 1057			
To record contributed capital for Diamond Oaks.			
200-18115-000-350	MAINS - CONTRIBUTED	63,280.00	
200-18115-000-351	SERVICE - CONTRIBUTED	27,300.00	
200-18115-000-352	HYDRANTS - CONTRIBUTED	12,600.00	
200-48100-000-421	MISC. NONOPERATING INCOME		103,180.00
Total		103,180.00	103,180.00
Adjusting Journal Entries JE # 1058			
To record CWIP for SCADA project			
200-18116-000-397	CONSTRUCTION WORK IN PROGRESS	107,324.90	
200-53700-682-000	Outside Service Employed		107,324.90
Total		107,324.90	107,324.90
Adjusting Journal Entries JE # 1059			
Adjust principle and interest to confirmed balances.			
140-58100-000-000	Principal on long-term debt	207.44	
140-58200-000-000	Interest and fiscal charges		207.44
Total		207.44	207.44
Adjusting Journal Entries JE # 1060			
Adjust inventory to actual at 12/31/22.			
200-53700-602-000	Supplies And Expense	804.03	
200-16110-000-150	MATERIAL AND SUPPLIE		804.03
Total		804.03	804.03
Adjusting Journal Entries JE # 1061			
To record water fixed asset removals.			
200-18900-000-110	ACCUM. PROV. FOR DEPRECIATION	59,725.00	
200-18115-000-343	TRANS. & DISTRIBUTION MAINS		28,486.00
200-18115-000-345	SERVICE		4,359.00
200-18115-000-346	METERS		8,588.00
200-18115-000-348	HYDRANTS		3,287.00
200-18115-000-350	MAINS - CONTRIBUTED		12,209.00
200-18115-000-351	SERVICE - CONTRIBUTED		1,741.00
200-18115-000-352	HYDRANTS - CONTRIBUTED		963.00
200-18115-000-353	METERS - CONTRIBUTED		92.00
Total		59,725.00	59,725.00
Adjusting Journal Entries JE # 1062			
To record water depreciation.			
200-53700-000-403	Depreciation Expense	281,941.46	
200-18900-000-110	ACCUM. PROV. FOR DEPRECIATION		281,941.46
Total		281,941.46	281,941.46

**City of Dodgeville
For the Year Ended December 31, 2022**

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 1063			
Record shared meter cost allocation.			
200-11000-000-000	WATER CASH	39,271.41	
300-53600-000-835	Meter Maint. & Other Expense	39,271.41	
200-46910-000-474	Other Water Revenue		13,564.18
200-53700-000-403	Depreciation Expense		18,777.60
200-53700-000-408	Taxes		4,905.26
200-53700-600-000	Meter Reading Labor		2,024.37
300-11000-000-000	SEWER CASH		39,271.41
Total		78,542.82	78,542.82
Adjusting Journal Entries JE # 1064			
Record water utility tax equivalent.			
100-15110-000-000	RECEIVABLE FROM WATER	189,626.00	
200-53700-000-408	Taxes	189,626.00	
100-29999-000-000	DEFERRED REVENUE		189,626.00
200-21500-000-236	TAXE ACCRUED		189,626.00
Total		379,252.00	379,252.00
Adjusting Journal Entries JE # 1065			
To move PSC assessment to taxes account.			
200-53700-000-408	Taxes	1,054.03	
200-53700-000-409	PSC REGULATORY EXPENSE		1,054.03
Total		1,054.03	1,054.03
Adjusting Journal Entries JE # 1066			
Entry provided by client to make annual contribution to Sewer Replacement fund.			
300-11500-000-000	WWT REPLACEMENT FUND	97,221.00	
300-11103-000-000	SEWER POOLED CASH		97,221.00
Total		97,221.00	97,221.00
Adjusting Journal Entries JE # 1067			
To recongize ARPA revenue for amounts expended.			
161-21900-000-000	UNEARNED REVENUE	88,316.95	
161-43300-000-000	FEDERAL GRANTS-AM RESCUE PLAN		88,316.95
Total		88,316.95	88,316.95
Adjusting Journal Entries JE # 1068			
To adjust cutomers deposits list.			
100-23160-000-000	CUSTOMER DEPOSITS/SEC. DEPOSIT	700.00	
100-46722-000-000	Park Shelter Fee		700.00
Total		700.00	700.00

**City of Dodgeville
For the Year Ended December 31, 2022**

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 1069			
To move ATC easement payment to correct account per form C.			
100-48900-000-000	MISC DONATIONS	335,000.00	
100-45223-000-000	Easement settlement for transmission line		335,000.00
Total		<u>335,000.00</u>	<u>335,000.00</u>
Adjusting Journal Entries JE # 1070			
Adjust prepaid health insurance balance at 12/31/2022.			
100-18100-000-000	PREPAID EXPENSE	6,856.92	
100-52100-113-000	Police - Health Insur		6,856.92
Total		<u>6,856.92</u>	<u>6,856.92</u>
Adjusting Journal Entries JE # 1071			
Record change in pension for the water and sewer utility.			
200-10000-000-040	NET PENSION ASSET-WATER	14,980.00	
200-1000-000-031	Deferred Outflows WRS - Water	48,556.00	
300-10000-000-031	DEFERRED OUTFLOWS - WRS SEWER	51,067.00	
300-10000-000-040	NET PENSION ASSET-SEWER	17,620.00	
200-10000-000-999	PENSION CLEARING ACCOUNT - WAT		5,090.00
200-10000-000-999	PENSION CLEARING ACCOUNT - WAT		12,412.00
200-20000-000-031	DEFERRED INFLOWS-WRS -WATER		46,034.00
300-10000-000-999	PENSION CLEARING ACCOUNT - SEW		6,588.00
300-10000-000-999	PENSION CLEARING ACCOUNT - SEW		11,379.00
300-20000-000-031	DEFERRED INFLOWS - WRS SEWER		50,720.00
Total		<u>132,223.00</u>	<u>132,223.00</u>
Adjusting Journal Entries JE # 1072			
Clear out utility pension clearing account.			
200-10000-000-999	PENSION CLEARING ACCOUNT - WAT	17,502.00	
300-10000-000-999	PENSION CLEARING ACCOUNT - SEW	17,967.00	
200-53700-686-000	Employee Pension & Benefits		17,502.00
300-53600-000-854	Employee Pension & Benefits		17,967.00
Total		<u>35,469.00</u>	<u>35,469.00</u>
Adjusting Journal Entries JE # 1073			
To move capital lease payment to balance accounts.			
140-11000-000-000	DEBT SERVICE CASH	9.06	
160-58100-000-000	CAPITAL LEASE PRINCIPAL	9.06	
140-58100-000-000	Principal on long-term debt		9.06
160-11000-000-000	CAPITAL PROJECT FUND CASH		9.06
Total		<u>18.12</u>	<u>18.12</u>

City of Dodgeville
For the Year Ended December 31, 2022

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 1074			
To record accounting system purchased in 2019 and 2020 as a capital asset.			
200-18116-000-375	COMPUTERS	15,945.00	
200-53700-681-000	Office Supplies And Expense		15,945.00
Total		<u>15,945.00</u>	<u>15,945.00</u>
Adjusting Journal Entries JE # 1075			
To reclassify mains and services per PSC rate case.			
200-18115-000-350	MAINS - CONTRIBUTED	111,462.00	
200-18115-000-351	SERVICE - CONTRIBUTED	10,324.00	
200-18115-000-343	TRANS. & DISTRIBUTION MAINS		111,462.00
200-18115-000-345	SERVICE		10,324.00
Total		<u>121,786.00</u>	<u>121,786.00</u>
Adjusting Journal Entries JE # 1076			
To move nonpayroll expense to correct accounts			
200-53700-625-000	Maintenance Of Pumping	8,154.68	
200-53700-682-000	Outside Service Employed	399.00	
200-53700-682-000	Outside Service Employed	10,315.74	
200-53700-620-000	Pumping Expense/Oper. Labor		8,154.68
200-53700-640-000	Operation Labor		399.00
200-53700-680-100	Billing And Accounting		10,315.74
Total		<u>18,869.42</u>	<u>18,869.42</u>
Adjusting Journal Entries JE # 1077			
To record lease activity for cell tower land.			
100-14800-000-000	Lease Receivable	10,696.19	
100-28000-000-000	Deferred Inflow - Leases	4,936.68	
100-48210-000-000	Land Rent For Cell Tower	5,092.32	
100-14800-000-000	Lease Receivable		4,865.08
100-28000-000-000	Deferred Inflow - Leases		10,696.19
100-48100-000-000	Temporary Investment Interest		227.24
100-48210-000-000	Land Rent For Cell Tower		4,936.68
Total		<u>20,725.19</u>	<u>20,725.19</u>
Adjusting Journal Entries JE # 1078			
To record lease activity for farm land.			
100-14800-000-000	Lease Receivable	67,944.29	
100-28000-000-000	Deferred Inflow - Leases	3,996.72	
100-48210-000-000	Land Rent For Cell Tower	5,025.00	
100-14800-000-000	Lease Receivable		5,025.00
100-28000-000-000	Deferred Inflow - Leases		67,944.29
100-48210-000-000	Land Rent For Cell Tower		3,996.72
Total		<u>76,966.01</u>	<u>76,966.01</u>

**City of Dodgeville
For the Year Ended December 31, 2022**

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 1079			
To record lease activity for water tower space			
200-14800-000-000	Lease Receivable	3,255.39	
200-28800-000-000	Deferred Inflow - Lease	1,085.16	
200-46910-000-474	Other Water Revenue	1,117.80	
200-14800-000-000	Lease Receivable		1,117.80
200-28800-000-000	Deferred Inflow - Lease		3,255.39
200-46910-000-474	Other Water Revenue		1,085.16
Total		<u>5,458.35</u>	<u>5,458.35</u>
Adjusting Journal Entries JE # 1080			
To reflect transfers.			
100-56800-000-000	CAMPBELL TRUST-CEMETRY EXPENSE	233.42	
100-59000-000-000	TRANSFER TO GENERAL - T & A	14.44	
100-48100-000-000	Temporary Investment Interest		233.42
100-49000-000-000	TRANSFER FROM T & A GENERAL		14.44
Total		<u>247.86</u>	<u>247.86</u>
Adjusting Journal Entries JE # 1081			
Entry provided by client. Sewer utility used replacement fund cash for LW Allen equipment replacement.			
300-11103-000-000	SEWER POOLED CASH	47,744.89	
300-11500-000-000	WWT REPLACEMENT FUND		47,744.89
Total		<u>47,744.89</u>	<u>47,744.89</u>
Adjusting Journal Entries JE # 1082			
Record transfer to the capital projects fund for the approved 2022 carryover.			
100-59008-000-000	TRANSFER TO CAP. PROJECTS-GEN.	468,528.33	
160-11000-000-000	CAPITAL PROJECT FUND CASH	468,528.33	
100-11000-000-000	GENERAL FUND CASH		468,528.33
160-48900-000-000	TRANSFER FROM GENERAL FUND		468,528.33
Total		<u>937,056.66</u>	<u>937,056.66</u>

Appendix 2 – Passed Journal Entries

**City of Dodgeville
For the Year Ended December 31, 2022**

Account	Description	Debit	Credit
Proposed JE # 6001			
Accrue wages at 12-31-22.			
100-33000-000-000	FUND BALANCE	29,524.00	
100-51100-000-000	Council	6,680.00	
150-55115-110-000	Library - Wage Account	4,077.00	
200-32000-000-216	UNAPPROPRIATED EARNED SURPLUS	2,774.00	
200-53700-625-000	Maintenance Of Pumping	656.00	
300-32000-000-216	UNAPPROPRIATED EARNED SURPLUS	2,624.00	
300-53600-000-832	Pumping Equipment	447.00	
100-21100-000-000	ACCOUNTS (VOUCHERS) PAYABLE		36,204.00
150-21000-000-000	ACCOUNTS PAYABLE		4,077.00
200-21000-000-000	ACCOUNTS PAYABLE		3,430.00
300-21000-000-000	ACCOUNTS PAYABLE		3,071.00
Total		<u>46,782.00</u>	<u>46,782.00</u>
Proposed JE # 6002			
Record accrued vacation.			
100-51420-000-000	CLERK	11,994.00	
100-21100-000-000	ACCOUNTS (VOUCHERS) PAYABLE		11,994.00
Total		<u>11,994.00</u>	<u>11,994.00</u>
Proposed JE # 6003			
To adjust cash to actual			
100-51100-000-000	Council	7,516.47	
100-11000-000-000	GENERAL FUND CASH		7,516.47
Total		<u>7,516.47</u>	<u>7,516.47</u>
Proposed JE # 6004			
Adjust the estimate for the allowance of EMS receivables to the balance older than 90 days.			
100-46230-000-000	Ambulance Fee	45,622.00	
100-13900-000-000	ET. UNCOLLECTIBLE AMBUL. REC.		45,622.00
Total		<u>45,622.00</u>	<u>45,622.00</u>
Proposed JE # 6005			
Record prior period adjustment to reflect the purchase of accounting and billing software as a capital asset.			
200-53700-681-000	Office Supplies And Expense	15,945.00	
200-32000-000-216	UNAPPROPRIATED EARNED SURPLUS		15,945.00
Total		<u>15,945.00</u>	<u>15,945.00</u>

**City of Dodgeville
For the Year Ended December 31, 2022**

Account	Description	Debit	Credit
Proposed JE # 6006			
Capitalize door access controls at EMS and police department. Government-wide only.			
8-18000-000-000	Governmental Fixed Assets	15,981.00	
161-51710-000-000	ARPA Expenditure		15,981.00
Total		<u>15,981.00</u>	<u>15,981.00</u>
Proposed JE # 6007			
Record an estimate of the health OPEB liability in the utilities.			
200-53700-686-000	Employee Pension & Benefits	3,660.00	
300-53600-000-854	Employee Pension & Benefits	4,791.00	
8-1010-540	Net OPEB Asset (Liability) Health	8,451.00	
100-52100-113-000	Police - Health Insur		8,451.00
200-10000-000-040	NET PENSION ASSET-WATER		3,660.00
300-10000-000-040	NET PENSION ASSET-SEWER		4,791.00
Total		<u>16,902.00</u>	<u>16,902.00</u>

DODGEVILLE

At the heart of it all!

CITY OF DODGEVILLE, WISCONSIN

FINANCIAL STATEMENTS

Including Independent Auditor's Report

As of and for the year ended December 31, 2022

Johnson Block & Company, Inc.
Certified Public Accountants
2500 Business Park Road
Mineral Point, Wisconsin 53565
(608) 987-2206

CITY OF DODGEVILLE, WISCONSIN
December 31, 2022

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INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Dodgeville, Wisconsin

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Dodgeville, Wisconsin ("City"), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 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 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.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, effective January 1, 2022, the City adopted the provisions of GASB Statement No. 87, Leases. 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 budgetary comparison information, the Wisconsin Retirement System schedules, the Local Retiree Life Insurance Fund Schedules, and the schedule of changes in the City's total OPEB liability and related ratios be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining 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. Such 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Prior Year Summarized Comparative Information

The prior year summarized information has been derived from the City's 2021 financial statements, and, in our report dated May 31, 2022, we expressed unmodified opinions on the respective financial statements of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information.

Johnson Block & Company, Inc.

Johnson Block & Company, Inc.
August 21, 2023

BASIC FINANCIAL STATEMENTS

Exhibit A-1
City of Dodgeville, Wisconsin
Statement of Net Position
December 31, 2022
(With Summarized Financial Information as of December 31, 2021)

	Primary Government				Component Unit	
	Governmental Activities	Business-type Activities	Totals			
			2022	2021	2022	2021
ASSETS						
Current assets:						
Cash and investments	\$ 6,906,038	\$ 456,316	\$ 7,362,354	\$ 8,092,864	\$ 28,231	\$ 18,081
Cash and investments - restricted	364,169	1,356,812	1,720,981	2,364,655	54,279	60,022
Receivables:						
Taxes	2,015,190		2,015,190	1,943,889		
Customer	22,701	191,156	213,857	207,801		
Accounts receivable	160,287	3,798	164,085	69,542		
Ambulance receivable, less allowance for uncollectible accounts of \$5,366	87,183		87,183	49,582		
Leases	8,097	1,053	9,150			
Internal balances	697,098	(697,098)				
Prepaid insurance	55,696		55,696	48,839		
Unbilled revenue		99,198	99,198	94,621		
Materials and supplies		24,680	24,680	25,963		
Total current assets	10,316,459	1,435,915	11,752,374	12,897,756	82,510	78,103
Noncurrent assets:						
Other assets:						
Special assessments	21,566	371,206	392,772	392,772		
Lease receivable	60,653	1,085	61,738			
Net pension asset	969,887	155,533	1,125,420	838,563		
Total other assets	1,052,106	527,824	1,579,930	1,231,335		
Capital assets:						
Property, plant and equipment	33,171,862	32,874,990	66,046,852	62,720,291		
Less: accumulated depreciation	(16,467,503)	(8,238,052)	(24,705,555)	(23,691,824)		
Right to use leased assets, net of accumulated amortization	43,627		43,627			
Net book value of capital assets	16,747,986	24,636,938	41,384,924	39,028,467		
Total noncurrent assets	17,800,092	25,164,762	42,964,854	40,259,802		
Total assets	28,116,551	26,600,677	54,717,228	53,157,558	82,510	78,103
DEFERRED OUTFLOWS OF RESOURCES						
Unamortized major repair				88,029		
Pension outflows	1,913,800	306,901	2,220,701	1,413,900		
OPEB - group life insurance plan outflows	69,730		69,730	85,089		
Deferred amount on refunding	8,995	1,473	10,468	17,448		
Total deferred outflows of resources	1,992,525	308,374	2,300,899	1,604,466		
Total assets and deferred outflows of resources	\$ 30,109,076	\$ 26,909,051	\$ 57,018,127	\$ 54,762,024	\$ 82,510	\$ 78,103

Exhibit A-1 (Continued)
City of Dodgeville, Wisconsin
Statement of Net Position
December 31, 2022
(With Summarized Financial Information as of December 31, 2021)

	Primary Government				Component Unit	
	Governmental Activities	Business-type Activities	Totals			
			2022	2021	2022	2021
LIABILITIES						
Current liabilities:						
Accounts payable	\$ 239,089	\$ 28,247	\$ 267,336	\$ 306,405	\$ 3,338	\$ 5,470
Accrued payroll	70,303		70,303	39,201		
Accrued interest	34,160	8,734	42,894	20,319		
Deposits	2,300		2,300	2,000		
Unearned revenue	377,085		377,085	219,692		
Current portion of:						
General obligation bonds and notes	275,884	24,609	300,493	244,674		
Mortgage revenue bonds		155,958	155,958	152,960		
Lease liability	31,106		31,106	29,746		
Compensated absences	65,162		65,162	41,183		
Total current liabilities	1,095,089	217,548	1,312,637	1,056,180	3,338	5,470
Noncurrent liabilities:						
General obligation bonds and notes	3,917,718	46,322	3,964,040	3,538,524		
Less: unamortized debt discount	(1,648)	(644)	(2,292)	(3,819)		
Lease liability	47,265		47,265	77,011		
Mortgage revenue bonds		2,484,614	2,484,614	2,637,574		
Compensated absences	243,341	31,655	274,996	297,574		
OPEB - group life insurance plan	199,694		199,694	189,043		
OPEB - health insurance plan	189,587		189,587			
Less: current portion of long-term debt	(372,152)	(180,567)	(552,719)	(468,563)		
Total noncurrent liabilities	4,223,805	2,381,380	6,605,185	6,267,344		
Total liabilities	5,318,894	2,598,928	7,917,822	7,323,524	3,338	5,470
DEFERRED INFLOWS OF RESOURCES						
Pension inflows	2,283,360	366,164	2,649,524	1,837,725		
OPEB - group life insurance plan inflows	25,115		25,115	26,039		
Lease inflows	69,707	2,170	71,877			
Deferred revenue	3,508,391		3,508,391	3,375,405		
Total deferred inflows of resources	5,886,573	368,334	6,254,907	5,239,169		
NET POSITION						
Net investment in capital assets	12,978,646	22,108,119	35,086,765	33,983,547		
Restricted for:						
Net pension asset	969,887	155,533	1,125,420	838,563		
Debt service	144,337		144,337	210,961		
Donor restricted	232,116		232,116	223,176		
Perpetual care endowment	3,209		3,209	3,209		
Leisure and culture endowment	103,000		103,000	103,000		
Library activities	48,034		48,034	68,136		
Affordable housing	320,866		320,866	320,866		
Environmental projects	142,359		142,359			
Mortgage revenue bonds		46,492	46,492	46,492		
DNR replacement		1,257,882	1,257,882	1,257,882		
Housing assistance payments - component unit					2,684	4,578
WRRP - component unit					51,595	51,551
CARES Act - component unit						3,893
Unrestricted	3,961,155	373,763	4,334,918	5,143,499	24,893	12,611
Total net position	18,903,609	23,941,789	42,845,398	42,199,331	79,172	72,633
Total liabilities, deferred inflows of resources, and net position	\$ 30,109,076	\$ 26,909,051	\$ 57,018,127	\$ 54,762,024	\$ 82,510	\$ 78,103

Exhibit A-2
City of Dodgeville, Wisconsin
Statement of Activities
For the Year Ended December 31, 2022
(With Summarized Financial Information for the Year Ended December 31, 2021)

Section IV. Item #3.

FUNCTIONS/PROGRAMS	Program Revenues				Net (Expenses) Revenues and Changes in Net Position					
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Totals		Component Unit	
					Governmental Activities	Business-type Activities	2022	2021	2022	2021
Primary government:										
Governmental activities:										
General government	\$ 765,995	\$ 82,889	\$ 250,600	\$	\$ (432,506)	\$	\$ (432,506)	\$ (1,132,825)	\$	\$
Public safety	2,257,351	680,585	84,712	\$	(1,492,054)	\$	(1,492,054)	(1,371,250)	\$	\$
Public works	1,421,595	4,546	806,394	\$	(610,655)	\$	(610,655)	(1,398,509)	\$	\$
Sanitation	254,627	258,016	15,136	\$	18,525	\$	18,525	14,344	\$	\$
Health and social services	113,095	28,950	\$	\$	(84,145)	\$	(84,145)	(70,294)	\$	\$
Leisure activities	925,658	155,195	119,273	705	(650,485)	\$	(650,485)	(581,192)	\$	\$
Conservation & economic development	1,105,207	101,527	\$	\$	(1,003,680)	\$	(1,003,680)	(568,896)	\$	\$
Interest and fiscal charges	120,797	\$	\$	\$	(120,797)	\$	(120,797)	(119,012)	\$	\$
Total governmental activities	6,964,325	1,311,708	1,276,115	705	(4,375,797)	\$	(4,375,797)	(5,227,634)	\$	\$
Business-type activities:										
Water	838,711	1,100,213	\$	144,164	\$	405,666	405,666	745,523	\$	\$
Sewer	927,385	1,295,662	\$	137,446	\$	505,723	505,723	640,421	\$	\$
Total business-type activities	1,766,096	2,395,875	\$	281,610	\$	911,389	911,389	1,385,944	\$	\$
Total primary government	\$ 8,730,421	\$ 3,707,583	\$ 1,276,115	\$ 282,315	(4,375,797)	911,389	(3,464,408)	(3,841,690)	\$	\$
Component unit:										
Housing Authority	\$ 313,836	\$	\$ 320,326	\$	\$	\$	\$	6,490	\$	(3,978)
General revenues:										
Property taxes										
General purposes					2,044,546		2,044,546	1,906,763		
Capital projects					794,583		794,583	794,583		
Tax increments					1,401		1,401	470,896		
Debt service					201,228		201,228	182,972		
Library					333,620		333,620	304,586		
Other taxes					12,651		12,651	11,658		
Federal and state aid not restricted for specific purposes					681,303		681,303	634,259		
Interest and investment earnings					77,845	10,243	88,088	15,407	49	34
Unrealized gain on investments					6,486	1,678	8,164	(2,024)		
Gain (loss) on sale of fixed assets					(61,153)		(61,153)	(123,564)		
Debt premium								49,858		
Miscellaneous					6,044		6,044	3,013		
Transfers					189,626	(189,626)				
Total general revenues					4,288,180	(177,705)	4,110,475	4,248,407	49	34
Changes in net position					(87,617)	733,684	646,067	406,717	6,539	(3,944)
Net position - beginning					18,991,226	23,208,105	42,199,331	41,792,614	72,633	76,577
Net position - ending	\$ 18,903,609	\$ 23,941,789	\$ 42,845,398	\$ 42,199,331	\$ 79,172	\$ 72,633	\$	\$	\$	\$

Exhibit A-3
City of Dodgeville, Wisconsin
Balance Sheet
Governmental Funds
December 31, 2022

Section IV. Item #3.

(With Summarized Financial Information as of December 31, 2021)

	General	Capital Projects	Special Purpose Library	TIF District #3	Other Governmental Funds	Totals	
						2022	2021
ASSETS							
Cash and investments	\$ 3,464,496	\$ 2,510,450	\$ 50,964	\$	\$ 880,128	\$ 6,906,038	\$ 7,552,242
Cash and investments - restricted	257,960				106,209	364,169	1,060,281
Receivables:							
Taxes	946,329	415,411	365,751	13,836	273,863	2,015,190	1,943,889
Customer	22,701					22,701	22,133
Accounts receivable	160,287					160,287	66,291
Leases	68,750					68,750	
Special assessment receivable	21,566					21,566	21,566
Ambulance receivable, less allowance for uncollectible accounts of \$5,366	87,183					87,183	49,582
Due from other funds	999,352					999,352	202,518
Prepaid insurance	55,696					55,696	48,839
Total assets	\$ 6,084,320	\$ 2,925,861	\$ 416,715	\$ 13,836	\$ 1,260,200	\$ 10,700,932	\$ 10,967,341
LIABILITIES							
Accounts payable	\$ 114,444	\$ 113,551	\$ 2,930	\$ 4,484	\$ 3,680	\$ 239,089	\$ 264,842
Accrued payroll	70,303					70,303	39,201
Due to other funds				302,254		302,254	
Unearned revenue					377,085	377,085	219,692
Deposits	2,300					2,300	2,000
Total liabilities	187,047	113,551	2,930	306,738	380,765	991,031	525,735
DEFERRED INFLOWS OF RESOURCES							
Deferred property tax revenue	2,618,436	415,411	365,751	24,556	273,863	3,698,017	3,577,923
Deferred special assessment revenue	21,566					21,566	21,566
Deferred lease inflows	69,707					69,707	
Total deferred inflows of resources	2,709,709	415,411	365,751	24,556	273,863	3,789,290	3,599,489
FUND BALANCES							
Nonspendable	55,696				103,000	158,696	151,839
Restricted	374,475		48,034	(317,458)	502,572	607,623	1,731,564
Assigned	922,436	2,396,899				3,319,335	4,261,100
Unassigned (deficit)	1,834,957					1,834,957	697,614
Total fund balances	3,187,564	2,396,899	48,034	(317,458)	605,572	5,920,611	6,842,117
Total liabilities, deferred inflows of resources and fund balances	\$ 6,084,320	\$ 2,925,861	\$ 416,715	\$ 13,836	\$ 1,260,200	\$ 10,700,932	\$ 10,967,341

Exhibit A-4
City of Dodgeville, Wisconsin
Reconciliation of the Governmental Funds Balance Sheet
with the Statement of Net Position
December 31, 2022
(With Summarized Financial Information as of December 31, 2021)

	<u>2022</u>	<u>2021</u>
Total fund balances-governmental funds:	\$ 5,920,611	\$ 6,842,117
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets and right-to-use leased 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	33,273,657	31,286,973
Governmental accumulated depreciation	(16,569,298)	(15,777,349)
Right-to-use leased assets, net of accumulated amortization	<u>43,627</u>	<u> </u>
	16,747,986	15,509,624
The net pension asset is not a current financial resource and is, therefore, not reported in the fund statements.	969,887	715,630
Pension and OPEB deferred outflows of resources and deferred inflows of resources are actuarially determined by the defined benefit pension plan.		
These items are reflected in the statement of net position and are being amortized with pension 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	1,983,530	1,291,711
Deferred inflows of resources	(2,308,475)	(1,594,354)
Other long-term assets that are not available to pay for current-period expenditures and therefore are deferred inflows on the fund statements.		
Special assessments	21,566	21,566
Subsequent year tax equivalent from utility	189,626	202,518
Payments for bond discounts are reported in the funds statements when expended, but are amortized over the life of the bond in the statement of net position.	1,648	2,746
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 payable	(3,917,718)	(3,469,041)
Deferred amount on refunding	8,995	14,993
Accrued interest on general obligation debt	(34,160)	(10,788)
Lease liability	(47,265)	(77,011)
Net OPEB liability	(199,694)	(189,043)
Total OPEB liability	(189,587)	
Compensated absences	<u>(243,341)</u>	<u>(269,442)</u>
Total net position of governmental activities	<u>\$ 18,903,609</u>	<u>\$ 18,991,226</u>

Exhibit A-5
City of Dodgeville, Wisconsin
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2022
(With Summarized Financial Information for the Year Ended December 31, 2021)

Section IV. Item #3.

	General	Capital Projects	Special Purpose Library	TIF District #3	Other Governmental Funds	Totals	
						2022	2021
REVENUES							
Taxes	\$ 2,153,273	\$ 794,583	\$ 333,620	\$ 1,401	\$ 201,228	\$ 3,484,105	\$ 3,753,662
Special assessments							21,915
Intergovernmental	1,400,467		96,489		88,317	1,585,273	1,111,187
Licenses and permits	104,045					104,045	132,362
Fines and forfeits	359,071		361			359,432	22,863
Public charges for services	506,707		2,678			509,385	429,247
Intergovernmental charges for services	568,128					568,128	584,028
Interest	59,289	7,637	37	934	247	68,144	12,817
Miscellaneous	62,527		705			63,232	91,456
Total revenues	5,213,507	802,220	433,890	2,335	289,792	6,741,744	6,159,537
EXPENDITURES							
Current:							
General government	651,446			3,144	88,317	742,907	1,213,526
Public safety	2,033,702					2,033,702	1,933,248
Public works	710,000					710,000	642,917
Sanitation	254,800					254,800	254,107
Leisure activities	358,211		452,628			810,839	738,050
Conservation & economic development	359,004			744,306		1,103,310	522,424
Health & social services	97,994				233	98,227	92,994
Capital outlay:							
General government	1,553					1,553	46,158
Public safety	313,759	3,223				316,982	110,073
Public works		1,626,280		472,360		2,098,640	2,433,123
Leisure activities	12,477	62,817	1,364			76,658	31,363
Conservation & economic development							188,399
Debt service:							
Principal retirement		29,746			221,324	251,070	240,286
Interest and fiscal charges		2,760		64,411	23,156	90,327	112,593
Total expenditures	4,792,946	1,724,826	453,992	1,284,221	333,030	8,589,015	8,559,261
Excess (deficiency) of revenues over expenditures	420,561	(922,606)	(20,102)	(1,281,886)	(43,238)	(1,847,271)	(2,399,724)
OTHER FINANCING SOURCES (USES)							
Long-term debt proceeds		600,000				600,000	2,580,000
Other financing source - refunding bonds				770,000		770,000	
Current refunding of debt principal				(700,000)		(700,000)	
Lease proceeds							49,858
Transfers in	202,532	468,528				671,060	1,581,672
Transfers out	(468,528)				(14)	(468,542)	(1,385,626)
Unrealized gain (loss) on investments	6,486					6,486	(1,608)
Sale of capital assets	46,761					46,761	299,976
Total other financing sources (uses)	(212,749)	1,068,528		70,000	(14)	925,765	3,124,272
Net change in fund balances	207,812	145,922	(20,102)	(1,211,886)	(43,252)	(921,506)	724,548
Fund balances-beginning	2,979,752	2,250,977	68,136	894,428	648,824	6,842,117	6,117,569
Fund balances-ending	\$ 3,187,564	\$ 2,396,899	\$ 48,034	\$ (317,458)	\$ 605,572	\$ 5,920,611	\$ 6,842,117

Exhibit A-6
City of Dodgeville, 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, 2022
(With Summarized Financial Information for the Year Ended December 31, 2021)

	<u>2022</u>	<u>2021</u>
Net change in fund balances-total governmental funds	\$ (921,506)	\$ 724,548
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/lease outlay reported in governmental fund statements	3,076,302	2,024,367
Depreciation expenses reported in the statement of activities	(946,405)	(938,851)
Amortization expense reported in the statement of activities	<u>(29,084)</u>	<u> </u>
Amount by which capital outlays are greater (less) than depreciation in the current period.	2,100,813	1,085,516
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, donations and disposals) is to decrease net position:	(862,451)	(423,540)
Vested employee benefits and OPEB are reported in the governmental funds when amounts are paid. The statement of activities reports values of benefits earned during the year.		
Change in compensated absences	26,101	(4,193)
Change in OPEB - group life insurance plan liability and related deferred outflows and inflows	(25,086)	(23,761)
Change in OPEB - group health insurance plan liability and related deferred outflows and inflows	(189,587)	
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		
Principal payments on lease liabilities	29,746	
The amount of long-term debt principal payments in the current year is:	921,323	240,286
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.	(1,370,000)	(2,580,000)
In governmental funds, special assessment collections are reflected as revenue when received. In the statement of activities, revenue is recognized when assessed.		
Amount assessed		
Amount collected	<u> </u>	<u>(21,915)</u>
Governmental funds report the effect of debt discounts when the debt is issued. In the statement of activities, these amounts are deferred and amortized.		
The amount of debt discounts amortized in the current year	(7,096)	(7,096)
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 the governmental funds	(202,518)	(196,046)
Subsequent year utility tax equivalent recognized as a transfer for the statement of activities	<u>189,626</u>	<u>202,518</u>
	(12,892)	6,472
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	54,583	32,477
The amount of interest accrued during the current period	<u>(77,955)</u>	<u>(31,801)</u>
Interest paid is greater than interest expensed by	(23,372)	676
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 asset/liability from the prior year to the current year, with some adjustments.		
Difference between the required contributions into the defined benefit pension plan and the actuarially determined change in net pension asset/liability between years, with adjustments.	<u>246,390</u>	<u>225,479</u>
Change in net position-governmental activities	<u>\$ (87,617)</u>	<u>\$ (777,528)</u>

Exhibit A-7
City of Dodgeville, Wisconsin
Statement of Net Position
Proprietary Funds
December 31, 2022
(With Summarized Financial Information as of December 31, 2021)

	Enterprise Funds		Totals	
	Water Utility	Sewer Utility	2022	2021
ASSETS				
Current assets:				
Cash and investments	\$ 100	\$ 456,216	\$ 456,316	\$ 540,622
Cash and investments - restricted		1,356,812	1,356,812	1,304,374
Receivables:				
Customers	83,058	108,098	191,156	185,668
Leases	1,053		1,053	
Other	508	3,290	3,798	3,251
Inventories	23,182	1,498	24,680	25,963
Unbilled revenue	45,496	53,702	99,198	94,621
Total current assets	153,397	1,979,616	2,133,013	2,154,499
Noncurrent assets:				
Receivables:				
Lease	1,085		1,085	
Other assets:				
Net pension asset	81,142	74,391	155,533	122,933
Special assessments receivable	107,446	263,760	371,206	371,206
Capital assets:				
Property and plant	13,696,600	19,178,390	32,874,990	31,433,318
Less: accumulated provision for depreciation	(4,189,952)	(4,048,100)	(8,238,052)	(7,914,475)
Net book value of capital assets	9,506,648	15,130,290	24,636,938	23,518,843
Total noncurrent assets	9,696,321	15,468,441	25,164,762	24,012,982
Total assets	9,849,718	17,448,057	27,297,775	26,167,481
DEFERRED OUTFLOWS OF RESOURCES				
Unamortized major repair				88,029
Pension outflows	160,113	146,788	306,901	207,278
Deferred amount on refunding	1,011	462	1,473	2,455
Total deferred outflows of resources	161,124	147,250	308,374	297,762
Total assets and deferred outflows of resources	\$ 10,010,842	\$ 17,595,307	\$ 27,606,149	\$ 26,465,243

Exhibit A-7 (Continued)
 City of Dodgeville, Wisconsin
 Statement of Net Position
 Proprietary Funds
 December 31, 2022
 (With Summarized Financial Information as of December 31, 2020)

	Enterprise Funds		Totals	
	Water Utility	Sewer Utility	2022	2021
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 19,650	\$ 8,597	\$ 28,247	\$ 41,563
Due to other funds	697,098		697,098	202,518
Accrued interest	560	8,174	8,734	9,531
Current portion of:				
General obligation bonds and notes	22,315	2,294	24,609	23,161
Mortgage revenue bonds		155,958	155,958	152,960
Total current liabilities	739,623	175,023	914,646	429,733
Long-term liabilities:				
General obligation bonds and notes	42,004	4,318	46,322	69,483
Less: unamortized debt discount	(644)		(644)	(1,073)
Mortgage revenue bonds		2,484,614	2,484,614	2,637,574
Compensated absences	13,741	17,914	31,655	28,132
Less: current portion	(22,315)	(158,252)	(180,567)	(176,121)
Total long-term liabilities	32,786	2,348,594	2,381,380	2,557,995
Total liabilities	772,409	2,523,617	3,296,026	2,987,728
DEFERRED INFLOWS OF RESOURCES				
Pension inflows	191,031	175,133	366,164	269,410
Lease inflows	2,170		2,170	
Total deferred inflows of resources	193,201	175,133	368,334	269,410
NET POSITION				
Net investment in capital assets	9,466,299	12,641,820	22,108,119	20,815,314
Restricted for:				
Net pension asset	81,142	74,391	155,533	122,933
Mortgage revenue bonds		46,492	46,492	46,492
DNR replacement		1,257,882	1,257,882	1,257,882
Unrestricted	(502,209)	875,972	373,763	965,484
Total net position	9,045,232	14,896,557	23,941,789	23,208,105
Total liabilities, deferred inflows of resources, and net position	\$ 10,010,842	\$ 17,595,307	\$ 27,606,149	\$ 26,465,243

Exhibit A-8
 City of Dodgeville, Wisconsin
 Statement of Revenues, Expenses and Changes in Net Position
 Proprietary Funds
 For the Year Ended December 31, 2022
 (With Summarized Financial Information for the Year Ended December 31, 2021)

	Enterprise Funds		Totals	
	Water Utility	Sewer Utility	2022	2021
OPERATING REVENUES				
Sales of water	\$ 1,068,550	\$	\$ 1,068,550	\$ 1,061,929
Measured sewer service		1,255,896	1,255,896	1,235,709
Penalties	3,221	4,163	7,384	5,325
Other	28,442	35,603	64,045	84,350
Total operating revenues	1,100,213	1,295,662	2,395,875	2,387,313
OPERATING EXPENSES				
Operation & maintenance	558,396	553,411	1,111,807	1,073,870
Depreciation	263,164	309,895	573,059	547,598
Taxes	14,234	13,886	28,120	23,727
Total operating expenses	835,794	877,192	1,712,986	1,645,195
Operating income	264,419	418,470	682,889	742,118
NONOPERATING REVENUES (EXPENSES)				
Interest on investments	2,403	7,840	10,243	1,235
Amortization of debt expense	(1,103)	(308)	(1,411)	(1,411)
Interest expense	(1,814)	(49,885)	(51,699)	(56,545)
Unrealized gain (loss) on investments		1,678	1,678	(416)
Total nonoperating revenues (expenses)	(514)	(40,675)	(41,189)	(57,137)
Income before contributions and transfers	263,905	377,795	641,700	684,981
Capital grants and contributions	144,164	137,446	281,610	701,782
Transfer of tax equivalent	(189,626)		(189,626)	(202,518)
Change in net position	218,443	515,241	733,684	1,184,245
Net position - beginning	8,826,789	14,381,316	23,208,105	22,023,860
Net position - ending	\$ 9,045,232	\$ 14,896,557	\$ 23,941,789	\$ 23,208,105

Exhibit A-9
 City of Dodgeville, Wisconsin
 Statement of Cash Flows
 Proprietary Funds
 For the Year Ended December 31, 2022
 (With Summarized Financial Information for the Year Ended December 31, 2021)

	Enterprise Funds		Totals	
	Water Utility	Sewer Utility	2022	2021
CASH FLOWS FROM (USED BY) OPERATING ACTIVITIES				
Receipts from customers	\$ 1,097,411	\$ 1,288,399	\$ 2,385,810	\$ 2,363,644
Payments to employees	(188,445)	(191,241)	(379,686)	(376,158)
Payments for employee benefits	(30,516)	(31,576)	(62,092)	(96,579)
Payments provided by other funds	494,580		494,580	6,472
Payments to suppliers	(265,533)	(370,304)	(635,837)	(499,858)
Net cash provided by operating activities	1,107,497	695,278	1,802,775	1,397,521
CASH FLOWS FROM (USED BY) NONCAPITAL FINANCING ACTIVITIES				
Paid to municipality for tax equivalent			(189,626)	(202,518)
CASH FLOWS FROM (USED BY) CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(928,403)	(542,884)	(1,471,287)	(650,532)
Special assessments received				92,526
Proceeds from the sale of fixed assets		42,966	42,966	
Debt retired	(21,002)	(155,119)	(176,121)	(346,465)
Interest paid	(2,084)	(50,412)	(52,496)	(58,694)
Net cash (used by) capital and related financing activities	(951,489)	(705,449)	(1,656,938)	(963,165)
CASH FLOWS FROM INVESTING ACTIVITIES				
Unrealized gain (loss) on investments		1,678	1,678	(416)
Marketable securities sold		242,295	242,295	331,315
Marketable securities purchased		(74,166)	(74,166)	(242,295)
Investment income	2,403	7,840	10,243	1,235
Net cash from investing activities	2,403	177,647	180,050	89,839
Net change in cash and cash equivalents	(31,215)	167,476	136,261	321,677
Cash and cash equivalents - beginning of the year	31,315	1,571,386	1,602,701	1,281,024
Cash and cash equivalents - end of the year	\$ 100	\$ 1,738,862	\$ 1,738,962	\$ 1,602,701
Reconciliation of cash and cash equivalents to statement of net position accounts				
Cash and investments	\$ 100	\$ 456,216	\$ 456,316	\$ 540,622
Restricted cash and investments		1,356,812	1,356,812	1,304,374
Subtotal	100	1,813,028	1,813,128	1,844,996
Less: long-term investments		(74,166)	(74,166)	(242,295)
Cash and cash equivalents	\$ 100	\$ 1,738,862	\$ 1,738,962	\$ 1,602,701

Exhibit A-9 (Continued)
 City of Dodgeville, Wisconsin
 Statement of Cash Flows
 Proprietary Funds
 For the Year Ended December 31, 2022
 (With Summarized Financial Information for the Year Ended December 31, 2021)

	Enterprise Funds		Totals	
	Water Utility	Sewer Utility	2022	2021
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ 264,419	\$ 418,470	\$ 682,889	\$ 742,118
Noncash items in operating income:				
Depreciation expense	281,941	309,895	591,836	565,616
Pension expense	(17,502)	(17,967)	(35,469)	(39,835)
Amortization of major repair	88,029		88,029	88,029
Changes in assets and liabilities:				
Customer accounts receivable	(1,311)	(4,177)	(5,488)	(11,433)
Other accounts receivable	865	(1,412)	(547)	78,929
Leases	32		32	
Unbilled revenue receivable	(1,491)	(3,086)	(4,577)	(12,236)
Material and supplies	1,283		1,283	258
Accounts payable	(4,550)	(8,766)	(13,316)	4,671
Due to other funds	494,580		494,580	6,472
Compensated absences	1,202	2,321	3,523	(25,068)
Net cash provided by operating activities	<u>\$ 1,107,497</u>	<u>\$ 695,278</u>	<u>\$ 1,802,775</u>	<u>\$ 1,397,521</u>
Noncash capital financing activities:				
Capital additions financed by developers	\$ 103,180	\$ 116,103	\$ 219,283	\$ 75,354
Capital additions financed by TID 3	40,984	21,343	62,327	\$ 626,428
Total noncash capital financing activities	<u>\$ 144,164</u>	<u>\$ 137,446</u>	<u>\$ 281,610</u>	<u>\$ 701,782</u>

Exhibit A-10
City of Dodgeville, Wisconsin
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2022

(With Summarized Financial Information as of December 31, 2021)

	Custodial Fund	
	Tax Collection Fund	
	2022	2021
ASSETS		
Cash and investments	\$ 3,327,371	\$ 3,239,800
Taxes receivable	4,294,484	4,104,211
Total assets	\$ 7,621,855	\$ 7,344,011
LIABILITIES		
Due to other taxing units	\$ 7,621,855	\$ 7,344,011
NET POSITION		
Restricted		
Total liabilities and net position	\$ 7,621,855	\$ 7,344,011

Exhibit A-11
 City of Dodgeville, Wisconsin
 Statement of Changes in Fiduciary Net Position
 Fiduciary Funds
 December 31, 2022
 (With Summarized Financial Information as of December 31, 2021)

	Custodial Fund	
	Tax Collection Fund	
	2022	2021
ADDITIONS		
Property tax collections for other governments	\$ 5,320,761	\$ 5,120,750
DEDUCTIONS		
Property tax collections paid or owed to other governments	5,320,761	5,120,750
Net increase (decrease) in fiduciary net position		
Net position - beginning of year		
Net position - end of year	\$	\$

NOTES TO BASIC FINANCIAL STATEMENTS

City of Dodgeville, Wisconsin
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December 31, 2022

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City of Dodgeville, Wisconsin
Notes to Basic Financial Statements
December 31, 2022

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Dodgeville, Wisconsin ("City") conform to U.S. generally accepted accounting principles (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Significant accounting policies of the City of Dodgeville are summarized below:

A. Reporting Entity

The report includes all funds and account groups of the City of Dodgeville, Wisconsin. The reporting entity for the City consists of the (a) 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. Financially accountable is defined to include the following considerations: financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, accountability for fiscal matters, the scope of an organization's public service, and/or special financing relationships.

Included in the Reporting Entity

The City has determined that the Dodgeville Housing Authority is a component unit of the City. The Dodgeville Housing Authority was created by the City of Dodgeville under the provisions of Section 66.40 to 66.404 of the Wisconsin Statutes. The central purpose of the Dodgeville Housing Authority is to provide the opportunity for the City of Dodgeville residents to live in decent, affordable and standard housing. The programs at the Dodgeville Housing Authority are created to enable Dodgeville families to improve their housing conditions. Its governing board is appointed by the City Council. The information presented is for the year ended December 31, 2022.

Financial statements of the Housing Authority can be obtained from its office in Dodgeville, Wisconsin.

Excluded From the Reporting Entity

There were no organizations that have been determined not to be part of the reporting entity based on the above criteria.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

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

City of Dodgeville, Wisconsin
Notes to Basic Financial Statements
December 31, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Government-Wide Financial Statements (Cont.)

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

Fund Financial Statements

Financial statements of the 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.

City of Dodgeville, Wisconsin
Notes to Basic Financial Statements
December 31, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Governmental Funds:

The City reports the following major governmental funds:

General Fund – The general fund is used to account for all financial resources not accounted for and reported for in another fund.

Capital Projects Fund – Accounts for all financial resources restricted, committed or assigned to expenditure for capital outlays.

Special Purpose Library – Special Revenue Fund – Accounts for the proceeds that are restricted or committed to expenditure for the City’s library program. This fund is designated as major by management.

TIF No. 3 – Accounts for the proceeds of tax incremental district No. 3, that are restricted or committed to expenditure for tax incremental district No. 3, including the payment of general long-term debt principal, interest and related costs.

The City reports the following nonmajor governmental funds:

Debt Service Fund – Accounts for all financial resources restricted, committed or assigned to expenditure for principal and interest.

Permanent Funds – Are used to account for resources restricted to the extent that only earnings, and not principal, may be used for purposes that support the City’s programs – that is, for the benefit of the City or citizens.

- Smith Trust
- Campbell Trust

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

- Affordable Housing
- Local Fiscal Recovery Fund

Enterprise Funds:

The City reports the following major enterprise funds:

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

City of Dodgeville, Wisconsin
Notes to Basic Financial Statements
December 31, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fiduciary Funds (Not included in Government-Wide Statements)

Fiduciary funds consists 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 Funds - 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 a custodial 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 Dodgeville, Wisconsin
Notes to Basic Financial Statements
December 31, 2022

J. Compensated Absences/Postemployment Benefits

Under terms of employment, employees are granted sick leave and vacation 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. 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, 2022 are determined on a basis of current salary rates and include salary related payments.

All full-time non-union management employees and full-time employees shall earn one-day sick leave with pay for each calendar month. Unused sick leave may accumulate without limit for the employee's personal use in the event of illness or injury only. For any other purpose unused sick leave may accumulate to a maximum of one hundred fifty (150) working days.

Upon the retirement or death of an eligible employee, the value of up to seventy-five days (600 hours) of accumulated sick leave at \$15.00/hour shall be deposited in the City's retirement HRA plan. The remaining current value, if any, of the employee's accumulated sick days/hours will be deposited in the City's 457 deferred compensation plan as a nonelective employer contribution up to the annual contribution limit or catch-up contribution limit, if applicable. In the event the contribution limit has been reached for an employee in the year of retirement, the remaining value will be paid to the employee in cash. An "eligible employee" under this section means an employee who meets the "rule of 72," i.e., an employee whose age and years of service with the City total at least 72 and who regularly works at least 20 hours per week. Expenditures for these benefits are recognized in the fund statements on a pay-as-you-go-basis.

K. Advances to Other Funds

Long-term interfund advances made by governmental funds are recorded as a receivable as reserved fund balance by the advancing fund. Repayments are credited to fund balance, and corresponding reductions are made in the receivable and the reserve.

L. Long-Term Obligations

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

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums and less any discounts) 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.

M. 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. There were no significant claims or judgments at year-end.

City of Dodgeville, Wisconsin
Notes to Basic Financial Statements
December 31, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. Use of Estimates (Continued)

Change in Accounting Estimate

As of December 31, 2021, the estimate for the other postemployment benefit (OPEB) liability related to the single employer health insurance plan was not material to the financial statements. For the reporting year ended December 31, 2022, the City obtained an actuarial valuation with current census data, discount rate, and other assumptions. As of December 31, 2022, the OPEB liability is material to the financial statements and is reported prospectively as a change in accounting estimate.

S. Pensions

For purposes of measuring the net pension liability (asset) and deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense (revenue), information about the fiduciary net position of the Wisconsin Retirement System (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.

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 periods and will not be recognized as an outflow of resources (expenditure) until then. The City has four items that qualify for reporting in this category. The deferred outflows of resources are for the WRS pension system, the Local Retiree Life Insurance Fund, deferred amount on refunding, and unamortized major repairs.

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 which applies to future periods and so will not be recognized as an inflow of resource (revenue) until then. The deferred inflows of resources are related to the WRS pension system, the Local Retiree Life Insurance Fund, and deferred property tax revenue.

U. 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 net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense (revenue), and information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIFs fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

City of Dodgeville, Wisconsin
Notes to Basic Financial Statements
December 31, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

U. Other Postemployment Benefits (Continued)

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 recognized benefit payments when due and payable in accordance with the benefit terms.

V. Change in Accounting Principle

Effective January 1, 2022, the City adopted GASB Statement No. 87, Leases. GASB 87 replaces previous lease accounting methodology and establishes a single model for lease accounting based on the foundation principle that leases are a financing right to use an underlying asset. GASB No. 87 requires recognition of certain lease assets and liabilities for lessee agreements and lease receivables and deferred inflow of resources for lessor agreements. The adoption of GASB 87 has no effect on the beginning balance on the statement of activities.

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 government-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.

City of Dodgeville, Wisconsin
Notes to Basic Financial Statements
December 31, 2022

NOTE 3

CASH AND INVESTMENTS

At December 31, 2022, cash and investments included the following:

Deposits with financial institutions	\$ 11,708,892
Wisconsin Local Government Investment Pool	341,662
U.S. Agencies - implicitly guaranteed	169,937
U.S. Treasury securities	189,615
Petty cash	600
Total cash and investments	<u>\$ 12,410,706</u>

Cash and investments as of December 31, 2022 are classified in the accompanying financial statements as follows:

Exhibit A-1:	
Cash and investments	\$ 7,362,354
Cash and investments-restricted	1,720,981
Exhibit A-10:	
Cash and investments	3,327,371
Total cash and investments	<u>\$ 12,410,706</u>

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.
- Bonds issued by a local exposition district.
- Bonds issued by a local professional baseball park district.
- Bonds issued by the University of Wisconsin Hospital and Clinics Authority.
- Bonds issued by a local football stadium district.
- Bonds issued by a local arts district.
- Bonds issued by the Wisconsin Aerospace Authority.

City of Dodgeville, Wisconsin
Notes to Basic Financial Statements
December 31, 2022

NOTE 3

CASH AND INVESTMENTS (CONTINUED)

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 has chosen to limit its investments to 1 to 3 years in bank Certificates of Deposit or U.S. Treasury obligations of core city funds.

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	Remaining Maturity	
		12 Months or Less	13 to 24 Months
Certificates of deposit	\$ 106,209	\$ 103,000	\$ 3,209
Local Government Investment Pool	341,662	341,662	
U.S. Agencies - implicitly guaranteed	169,937	169,937	
U.S. Treasury securities	189,615	189,615	
Totals	\$ 807,423	\$ 804,214	\$ 3,209

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 is empowered by statute to invest in the following types of investments:

1. Time deposits in an authorized bank, savings bank, trust company, credit union or savings and loan association which is authorized to transact business in this State if the time deposits mature in not more than 3 years.
2. Bonds or securities issued or guaranteed as to principal and interest by the federal government, or by a commission, board or other instrumentality of the federal government.
3. The State of Wisconsin Local Government Investment Pool.
4. The Wisconsin Investment Trust.
5. Mortgage backed securities, derivatives, and mutual funds are not permitted.

As of December 31, 2021, the City's investments were rated as follows:

Investment Type	Value	Standard & Poor's Credit Ratings	
		A-1+	Not Rated
Certificates of deposit	\$ 106,209	\$	\$ 106,209
Local Government Investment Pool	341,662		341,662
U.S. Agencies - implicitly guaranteed	169,937	169,937	
U.S. Treasury securities	189,615	189,615	

City of Dodgeville, Wisconsin
Notes to Basic Financial Statements
December 31, 2022

NOTE 3

CASH AND INVESTMENTS (CONTINUED)

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.

The City's investment policy states that the City shall maintain all cash and investments, which includes authorized investment vehicles that are insured or registered or which are collateralized by or evidenced by securities held by the City, in the City's name. Collateralization in some form shall cover those deposits in excess of \$500,000.

The policy also states that because of the State of Wisconsin and FDIC insurance limits on public deposits, the City of Dodgeville will require financial institutions to secure deposits and investments by pledging as collateral, U.S. Treasury bills, notes, bonds, U. S. Government Agencies or State of Wisconsin general obligation bonds or a bank deposit guaranty bond.

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 unlikely event of the failure of an insured bank.

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.

City of Dodgeville, Wisconsin
Notes to Basic Financial Statements
December 31, 2022

NOTE 3

CASH AND INVESTMENTS (CONTINUED)

As of December 31, 2022, \$9,702,662 of the City's deposits with financial institutions were in excess of federal depository insurance limits. \$8,694,172 was collateralized by securities pledged by financial institutions. The remaining deposits of \$1,008,490 are considered uninsured and uncollateralized. The State of Wisconsin Guarantee Fund would provide coverage up to \$400,000 for this amount, provided 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 being exposed to custodial credit risk.

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, 2022, 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 LGIP as of December 31, 2022 was: 88.0% in U.S. Government Securities, 2.0% in Bankers' Acceptances, and 10.0% in Corporate Notes. The Wisconsin State Treasurer updates the investment allocations on a monthly basis.

The Securities Investor Protection Corporation (SIPC), created by the Securities Investor Protection Act of 1970, is an independent government-sponsored corporation (not an agency of the U.S. government). TD Ameritrade's SIPC membership provides account protection up to a maximum of \$500,000 per customer.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer. The City places no limit on the amount the City may invest in any one issuer. As of December 31, 2022, the investment portfolio had no concentrations of investments greater than 5% of the total portfolio.

City of Dodgeville, Wisconsin
Notes to Basic Financial Statements
December 31, 2022

NOTE 3

CASH AND INVESTMENTS (CONTINUED)

Fair Value Measurement

Financial assets required to be measured on a recurring basis are classified under a three-tier hierarchy for fair value investments. Fair value is the amount that would be received to sell an asset, or paid to settle a liability, in an orderly transaction between market participants at the measurements date.

The City uses the following hierarchical disclosure framework:

Level 1 – Measurement based upon quoted prices for identical assets in an active market as of the reporting date.

Level 2 – Measurement based upon marketplace inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Measurement based on the City’s assumptions about a hypothetical marketplace because observable market inputs are not available as of the reporting date.

The City uses appropriate valuation techniques based on the available inputs to measure the fair values of its assets and liabilities. When available, the City measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs have the lowest priority.

	Assets at Fair Value as of December 31, 2022	
	Fair Value	Level 2
U.S. Agencies - implicitly guaranteed	\$ 169,937	\$ 169,937
U.S Treasury bills	189,615	189,615
Total	\$ 359,552	\$ 359,552

City of Dodgeville, Wisconsin
Notes to Basic Financial Statements
December 31, 2022

NOTE 4

CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2022 was as follows:

	Beginning Balance	Additions	Removals	Ending Balance
<u>Governmental activities</u>				
Capital assets not being depreciated:				
Construction work in progress	\$ 753,126	\$ 38,386	\$ (726,040)	\$ 65,472
Land	2,364,837		(110,006)	2,254,831
Total capital assets not being depreciated	3,117,963	38,386	(836,046)	2,320,303
Capital assets being depreciated:				
Land improvements	285,383			285,383
Buildings and improvements	3,585,000	88,381		3,673,381
Equipment	3,201,423	276,096	(114,244)	3,363,275
Vehicles	3,800,193		(95,701)	3,704,492
Furniture and fixtures	98,539			98,539
Infrastructure	17,053,050	2,673,439		19,726,489
Total capital assets being depreciated	28,023,588	3,037,916	(209,945)	30,851,559
Less accumulated depreciation for:				
Land improvements	63,049	14,733		77,782
Buildings and improvements	1,987,858	89,300		2,077,158
Equipment	2,198,772	218,076	(87,839)	2,329,009
Vehicles	2,711,335	140,622	(95,701)	2,756,256
Furniture and fixtures	98,539			98,539
Infrastructure	8,645,085	483,674		9,128,759
Total accumulated depreciation	15,704,638	946,405	(183,540)	16,467,503
Net capital assets being depreciated	12,318,950	2,091,511	(26,405)	14,384,056
Right-to-use leased assets being amortized				
Equipment	145,422			145,422
Less accumulated amortization:				
Equipment	72,711	29,084		101,795
Net right-to-use leased assets being amortized	72,711	(29,084)		43,627
Total net capital assets	\$ 15,509,624	\$ 2,100,813	\$ (862,451)	\$ 16,747,986

City of Dodgeville, Wisconsin
Notes to Basic Financial Statements
December 31, 2022

NOTE 4

CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions as follows:

Governmental activities

General government	\$ 36,236
Public safety	254,080
Public works, which includes the depreciation of infrastructure	543,052
Leisure activities	101,962
Health and human services	11,075
Total governmental activities depreciation expense	\$ 946,405

Amortization expense was charged to functions as follows:

Public works	\$ 29,084
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	Beginning Balance	Additions	Cost of Removal	Removals	Ending Balance
<u>Business-type activities:</u>					
Capital assets not being depreciated:					
Land and land rights:					
Sewer	\$ 35,255	\$	\$	\$	\$ 35,255
Water	17,799				17,799
Construction work in progress		107,325			107,325
Total capital assets not being depreciated	53,054	107,325			160,379
Capital assets being depreciated:					
Water:					
Source of supply	419,275				419,275
Pumping	1,244,954				1,244,954
Water treatment	23,073				23,073
Transmission and distribution	10,834,087	949,298		(59,725)	11,723,660
General	144,570	15,945			160,515
Sewer:					
Collecting system	8,234,936	550,132		(55,000)	8,730,068
Collecting system pumping plant	551,312	11,986			563,298
Treatment and disposal plant	8,823,798				8,823,798
General plant	1,104,259	118,211		(196,500)	1,025,970
Total capital assets being depreciated	31,380,264	1,645,572		(311,225)	32,714,611
Total accumulated depreciation	7,914,475	591,836	42,966	(311,225)	8,238,052
Net capital assets being depreciated	23,465,789	1,053,736	(42,966)		24,476,559
Total net capital assets	\$23,518,843	\$1,161,061	\$ (42,966)	\$	\$ 24,636,938

City of Dodgeville, Wisconsin
Notes to Basic Financial Statements
December 31, 2022

NOTE 4 CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions as follows:

Business-type activities:	
Sewer utility	\$ 309,895
Water utility	281,941
Total depreciation expense	591,836
Less: water depreciation expense allocated to sewer	(18,777)
Total depreciation expense per exhibit A-8	\$ 573,059

NOTE 5 LEASES

Lease Receivable

The City has entered into lease agreements where the City leases land for commercial and agricultural use and water tower space for wireless broadband communication services operations. In the statement of activities, lease revenue for the year ended December 31, 2022 was as follow:

	Year Ending December 31, 2022
Lease-related revenue	
Lease revenue:	
Land	\$ 8,934
Water tower space	1,085
Total lease revenue	10,019
Interest revenue	2,221
Total	\$ 12,240

Aggregate cash flows for the revenue generated by the lease receivable and interest at December 31, 2022 are as follows:

Years Ended December 31,	Governmental Activities		
	Principal	Interest	Total
2023	\$ 8,097	\$ 9,085	\$ 17,181
2024	4,051	5,103	9,154
2025	3,303	1,722	5,025
2026	3,404	1,621	5,025
2027	3,507	1,518	5,025
2028 - 2032	19,204	5,921	25,125
2033 - 2037	22,307	2,818	25,125
2038 - 2042	4,877	148	5,025
Totals	\$ 68,750	\$ 27,936	\$ 96,686

Years Ended December 31,	Business-Type Activities		
	Principal	Interest	Total
2023	\$ 1,053	\$ 65	\$ 1,118
2024	1,085	33	1,118
Totals	\$ 2,138	\$ 98	\$ 2,236

City of Dodgeville, Wisconsin
Notes to Basic Financial Statements
December 31, 2022

NOTE 6

LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2022 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due within One Year
<u>Governmental activities</u>					
Bonds and notes payable:					
Notes from direct borrowings and direct placements	\$ 1,143,525	\$ 600,000	\$ (774,485)	\$ 969,040	\$ 125,492
General obligation bonds	2,325,516	770,000	(146,838)	2,948,678	150,392
Less: deferred amount on refunding	(14,993)		5,998	(8,995)	
Less: unamortized debt discount	(2,746)		1,098	(1,648)	
Total bonds and notes payable	<u>3,451,302</u>	<u>1,370,000</u>	<u>(914,227)</u>	<u>3,907,075</u>	<u>275,884</u>
Other liabilities:					
Lease liability	77,011		(29,746)	47,265	31,106
Compensated absences	269,442	40,735	(66,836)	243,341	65,162
Total other liabilities	<u>346,453</u>	<u>40,735</u>	<u>(96,582)</u>	<u>290,606</u>	<u>96,268</u>
Total governmental activities long-term liabilities	<u>\$ 3,797,755</u>	<u>\$ 1,410,735</u>	<u>\$ (1,010,809)</u>	<u>\$ 4,197,681</u>	<u>\$ 372,152</u>
<u>Business-type activities</u>					
Bonds and notes payable:					
General obligation bonds	\$ 69,483	\$	\$ (23,161)	\$ 46,322	\$ 24,609
Less: deferred amount on refunding	(2,455)		983	(1,472)	
Less: unamortized debt discount	(1,073)		430	(643)	
Mortgage revenue bonds-direct	2,637,574		(152,960)	2,484,614	155,958
Total bonds and notes payable	<u>2,703,529</u>		<u>(174,708)</u>	<u>2,528,821</u>	<u>180,567</u>
Other liabilities:					
Compensated absences	28,132	3,523		31,655	
Total business-type activities long-term liabilities	<u>\$ 2,731,661</u>	<u>\$ 3,523</u>	<u>\$ (174,708)</u>	<u>\$ 2,560,476</u>	<u>\$ 180,567</u>

In addition to the City's governmental debt service fund, debt service payments are being made by the City's capital projects fund and TIF District #3.

The lease liability attributed to governmental activities is typically being liquidated by the capital projects fund. The compensated absences liability attributed to governmental activities are typically being liquidated in the general fund.

City of Dodgeville, Wisconsin
Notes to Basic Financial Statements
December 31, 2022

NOTE 6

LONG-TERM OBLIGATIONS (CONTINUED)

General Obligation Debt

All general obligation notes and bonds payable are backed by the full faith and credit of the City. Notes and bonds in the governmental funds will be retired by future property tax levies 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 five percent of the equalized value of taxable property within the City's jurisdiction. The debt limit as of December 31, 2022 was \$25,556,810. Total general obligation debt outstanding at year-end was \$3,964,040.

	Date of Issue	Final Maturity	Interest Rates	Original Amount	Balance 12/31/22
<u>Governmental activities</u>					
General obligation debt:					
General obligation bonds	7/1/10	3/1/24	3.85-4.00%	\$ 2,760,233	\$ 113,678
General obligation refunding bond	4/26/12	3/1/24	3.30-3.45%	975,000	185,000
General obligation notes	9/30/16	9/29/26	1.79%	250,000	105,403
General obligation notes	6/30/17	6/29/27	2.20%	500,000	263,637
General obligation notes	11/16/21	1/4/23	1.50%	700,000	600,000
General obligation bonds	12/16/21	3/1/41	0.8-2.0%	1,880,000	1,880,000
General obligation refunding bond	3/17/22	3/1/41	2.75%	770,000	770,000
Total governmental activities - general obligation debt					\$ 3,917,718
<u>Business-type activities</u>					
General obligation debt:					
General obligation bonds	7/1/10	3/1/24	3.85-4.00%	\$ 1,124,767	\$ 46,322

City of Dodgeville, Wisconsin
Notes to Basic Financial Statements
December 31, 2022

NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)

General Obligation Debt (Continued)

Debt service requirements to maturity are as follows for governmental activities:

Years	Governmental Activities					
	Notes from Direct Borrowings and Direct Placements			General Obligation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 125,492	\$ 7,688	\$ 133,180	\$ 150,392	\$ 75,023	\$ 225,415
2024	129,125	6,113	135,238	198,286	59,536	257,822
2025	133,010	4,505	137,515	50,000	55,944	105,944
2026	136,898	2,862	139,760	100,000	54,856	154,856
2027	112,984	2,223	115,207	125,000	52,869	177,869
2028-2032	331,531		331,531	680,000	222,681	902,681
2033-2037				840,000	140,375	980,375
2038-2042				805,000	37,606	842,606
Totals	\$ 969,040	\$ 23,391	\$ 992,431	\$ 2,948,678	\$ 698,890	\$ 3,647,568

Debt service requirements to maturity are as follows for business-type activities:

Years	Business-Type Activities		
	General Obligation Bonds		
	Principal	Interest	Total
2023	\$ 24,609	\$ 1,361	\$ 25,970
2024	21,713	434	22,147
Totals	\$ 46,322	\$ 1,795	\$ 48,117

Revenue Debt

Revenue bonds are payable only from revenues derived from the operation of the utility.

Revenue debt payable at December 31, 2022 consists of the following:

	Date of Issue	Final Maturity	Interest Rate	Original Amount	Balance 12/31/22
<u>Business-type activities</u>					
Revenue debt					
Revenue bonds	12/28/16	5/1/36	1.96%	\$3,221,580	\$ 2,484,614

City of Dodgeville, Wisconsin
Notes to Basic Financial Statements
December 31, 2022

NOTE 6

LONG-TERM OBLIGATIONS (CONTINUED)

Revenue Debt (Continued)

Debt service requirements to maturity are as follows:

Years	Business-type Activities Revenue Debt		
	Principal	Interest	Total
2023	\$ 155,958	\$ 47,170	\$ 203,128
2024	159,015	44,083	203,098
2025	162,132	40,936	203,068
2026	165,310	37,727	203,037
2027	168,550	34,455	203,005
2028-2032	893,616	120,910	1,014,526
2033-2037	780,033	30,948	810,981
Totals	\$ 2,484,614	\$ 356,229	\$ 2,840,843

Lease Liability

The City has entered into lease agreements that allow the right-to-use equipment over the terms of the leases.

Aggregate cash flow requirements for the retirement of the lease liability and interest at December 31, 2022 were as follows:

Years	Lease Liability		
	Principal	Interest	Total
2023	\$ 31,106	\$ 1,392	\$ 32,498
2024	16,159	157	16,316
Totals	\$ 47,265	\$ 1,549	\$ 48,814

Other Liabilities Information

Estimated payments of compensated absences are not included in the debt service requirement schedules.

City of Dodgeville, Wisconsin
Notes to Basic Financial Statements
December 31, 2022

NOTE 7

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.

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:

City of Dodgeville, Wisconsin
Notes to Basic Financial Statements
December 31, 2022

NOTE 7

DEFINED BENEFIT PENSION PLAN (CONTINUED)

Year	Core Fund Adjustment (%)	Variable Fund Adjustment (%)
2012	(7.0)	(7.0)
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

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 \$172,150 in contributions from the employer. Contribution rates as of December 31, 2022 are:

Employee Category	Employee	Employer
General (including teachers, executives and elected officials)	6.50%	6.50%
Protective with Social Security	6.50%	12.00%
Protective without Social Security	6.50%	16.40%

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

At December 31, 2022, the City reported a liability (asset) of (\$1,125,420) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2020 rolled forward to December 31, 2021. 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, 2021, the City's proportion was 0.01396271%, which was an increase of 0.00053095% from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022, the City recognized pension expense (revenue) of (\$96,059).

City of Dodgeville, Wisconsin
Notes to Basic Financial Statements
December 31, 2022

NOTE 7

DEFINED BENEFIT PENSION PLAN (CONTINUED)

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.

At December 31, 2022, 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	\$ 1,818,059	\$ (131,101)
Net differences between projected and actual earnings on pension plan investments		(2,517,658)
Changes in assumptions	209,964	
Changes in proportion and differences between employer contributions and proportionate share of contributions	5,843	(765)
Employer contributions subsequent to the measurement date	186,835	
Total	\$ 2,220,701	\$ (2,649,524)

\$186,835 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, 2023. 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
2023	\$ (50,584)
2024	(303,494)
2025	(132,901)
2026	(128,679)
Total	\$ (615,658)

City of Dodgeville, Wisconsin
Notes to Basic Financial Statements
December 31, 2022

NOTE 7

DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

Actuarial Valuation Date:	December 31, 2020
Measurement Date of Net Pension Liability (Asset):	December 31, 2021
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. Based on this experience study, actuarial assumptions used to measure the total pension liability changed from prior year, including the discount rate, long-term expected rate of return, post-retirement adjustment, price inflation, mortality and separation rates. The total pension liability for December 31, 2021 is based upon a roll-forward of the liability calculated from the December 31, 2020 actuarial valuation.

City of Dodgeville, Wisconsin
Notes to Basic Financial Statements
December 31, 2022

NOTE 7

DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

Asset Allocation Targets and Expected Returns ¹			
As of December 31, 2021			
Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return % ²
Global Equities	52	6.8	4.2
Fixed Income	25	4.3	1.8
Inflation Sensitive Assets	19	2.7	0.2
Real Estate	7	5.6	3.0
Private Equity/Debt	12	9.7	7.0
Multi-Asset	4	5.8	3.3
Total Core Fund ³	115	6.6	4.0
<u>Variable Fund Asset Class</u>			
U.S. Equities	70	6.3	3.7
International Equities	30	7.2	4.6
Total Variable Fund	100	6.8	4.2

¹ Asset Allocations are managed within 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 of up to 20%.

City of Dodgeville, Wisconsin
Notes to Basic Financial Statements
December 31, 2022

NOTE 7

DEFINED BENEFIT PENSION PLAN (CONTINUED)

Single Discount rate. A single discount rate of 6.8% was used to measure the Total Pension Liability, as opposed to a discount rate of 7.0% for the prior year. This single discount rate is based on the expected rate of return on pension plan investments of 6.80% and a municipal bond rate of 1.84% (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, 2021. 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.

Sensitivity of the City of Dodgeville’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)	\$ 798,565	\$ (1,125,420)	\$ (2,510,331)

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 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 employees and pre-65 retirees who pay for their coverage.

City of Dodgeville, Wisconsin
Notes to Basic Financial Statements
December 31, 2022

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

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, 2022 are:

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

Member contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating employees must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The employee contribution rates in effect for the year ended December 31, 2021 are as listed below:

Life Insurance Employee Contribution Rates* For the year ended December 31, 2021		
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 \$691 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, 2022, the LRLIF Employer reported a liability (asset) of \$199,694 for its proportionate share of the net OPEB liability (asset). The net OPEB liability (asset) was measured as of December 31, 2021, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of January 1, 2019 rolled forward to December 31, 2021. 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, 2021, the City’s proportion was 0.03378700%, which was a decrease of 0.00058% from its proportion measured as of December 31, 2020.

City of Dodgeville, Wisconsin
Notes to Basic Financial Statements
December 31, 2022

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

For the year ended December 31, 2022, the City recognized OPEB expense of \$25,786.

At December 31, 2022, 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	\$	\$ (10,158)
Net differences between projected and actual earnings on plan investments	2,597	
Changes in actuarial assumptions	60,334	(9,679)
Changes in proportion and differences between employer contributions and proportionate share of contributions	6,096	(5,278)
Employer contributions subsequent to the measurement date	703	
Totals	\$ 69,730	\$ (25,115)

\$703 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, 2023. 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
2023	\$ 10,753
2024	10,451
2025	9,363
2026	9,929
2027	3,747
Thereafter	(331)
Total	\$ 43,912

City of Dodgeville, Wisconsin
Notes to Basic Financial Statements
December 31, 2022

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

Actuarial assumptions. The total OPEB liability in the January 1, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2021
Measurement Date of Net OPEB Liability (Asset)	December 31, 2021
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:	2.06%
Long-Term Expected Rated of Return:	4.25%
Discount Rate:	2.17%
Salary Increases	
Wage Inflation:	3.00%
Seniority/Merit:	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. Based on this experience study, actuarial assumptions used to measure the Total OPEB Liability changed from the prior year, including the price inflation, mortality and separation rates. The Total OPEB Liability for December 31, 2021 is based upon a roll-forward of the liability calculated from the January 1, 2021 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.

Local OPEB Life Insurance Asset Allocation Targets and Expected Returns As of December 31, 2021			
Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
US Intermediate Credit Bonds	Bloomberg US Interm Credit	45%	1.68%
US Long Credit Bonds	Bloomberg US Long Credit	5%	1.82%
US Mortgages	Bloomberg US MBS	50%	1.94%
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 increased from 2.20% as of December 31, 2020 to 2.30% as of December 31, 2021.

City of Dodgeville, Wisconsin
Notes to Basic Financial Statements
December 31, 2022

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

Single Discount rate. A single discount rate of 2.17% was used to measure the Total OPEB Liability for the current year, as opposed to a discount rate of 2.25% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 2.12% as of December 31, 2020 to 2.06% as of December 31, 2021. The Plan’s fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive members. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan’s fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan’s fiduciary net position is projected to be insufficient. The plan’s fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

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

Sensitivity of the City’s proportionate share of the net OPEB liability (asset) to changes in the discount rate. The following presents the City’s proportionate share of the net OPEB liability (asset) calculated using the discount rate of 2.17 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 (1.17 percent) or 1-percentage-point higher (3.17 percent) than the current rate:

	1% Decrease to Discount Rate (1.17%)	Current Discount Rate (2.17%)	1% Increase to Discount Rate (3.17%)
City's proportionate share of the net OPEB liability (asset)	\$ 270,912	\$ 199,694	\$ 146,105

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 indefinitely provided they self-pay the full (100%) amount of all required premiums.

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	3
Inactive employees entitled to but not yet receiving benefit payments	
Active employees	40
	43

City of Dodgeville, Wisconsin
Notes to Basic Financial Statements
December 31, 2022

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

Total OPEB Liability – The City’s total OPEB liability of \$189,587 was measured at December 31, 2021, and was determined by an actuarial valuation as of December 31, 2021.

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

Inflation	2.0 percent
Salary increases	3.0 percent, average, including inflation
Discount rate	2.25 percent
Healthcare cost trend rates	6.50% decreasing by 0.10% per year down to 5%.
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 2.00% assumed rate of inflation.

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

The actuarial assumptions used in the December 31, 2021 valuation were based on a study conducted in 2018 using the Wisconsin Retirement System (WRS) experience from 2015-2017.

Changes in the Total OPEB Liability:

	Total OPEB Liability
Balance at 12/31/20	\$ 164,131
Changes for the year:	
Service cost	25,282
Interest	3,935
Changes of benefit terms	
Differences between expected and actual experience	
Changes in assumptions or other inputs	
Benefit payments	(3,761)
Net Changes	25,456
Balance at 12/31/2021	\$ 189,587

There were no changes of benefit terms, differences between expected and actual results, or changes in assumptions or other inputs.

City of Dodgeville, Wisconsin
Notes to Basic Financial Statements
December 31, 2022

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

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 (1.25 percent) or 1-percentage-point higher (3.25 percent) than the current discount rate:

		1% Decrease 1.25%	Current Discount Rate 2.25%	1% Increase 3.25%
Total OPEB Liability	12/31/2021	\$ 206,212	\$ 189,587	\$ 174,219

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 (6.5 percent) or 1-percentage-point higher (8.5 percent decreasing to 6.0 percent) than the current healthcare cost trend rates:

		1% Decrease (5.5% decreasing to 4.0%)	Healthcare Cost Trend Rates (6.5% decreasing to 5.0%)	1% Increase (7.5% decreasing to 6.0%)
Total OPEB Liability	12/31/2021	\$ 167,287	\$ 189,587	\$ 216,630

OPEB Expense

For the year ended December 31, 2022, the City recognized OPEB expense of \$29,217.

NOTE 10 INTERFUND ACCOUNTS

Interfund receivables and payables as of December 31, 2022 were as follows:

	<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Governmental Funds:			
General		Water utility	\$ 697,098
General		TIF District #3	302,254
Total			\$ 999,352

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

City of Dodgeville, Wisconsin
Notes to Basic Financial Statements
December 31, 2022

NOTE 10 INTERFUND ACCOUNTS (CONTINUED)

The following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount
Governmental Funds:		
General	Water utility-tax equivalent	\$ 202,518
General	Smith trust	14
	Total	<u>\$ 671,060</u>
Proprietary Funds:		
General	Water utility-tax equivalent	<u>\$ 189,626</u>

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 authorization and (3) move fund balances whose designated purpose has been removed.

NOTE 11 RESTRICTED CASH

General, Smith Trust, and Campbell Trust funds report \$257,960, \$3,209, and \$103,000, respectively, of restricted cash which will be used for Harris Park, perpetual care, and permanent fund.

Mortgage Revenue Bond Funds: Certain proceeds of the sewer utility’s revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. The following mortgage revenue bond funds are required:

- Operation and Maintenance Fund - Used for the payment of current expenses.
- Debt Service Fund - Used to segregate resources accumulated for debt service payments as they become due.
- Surplus Fund - Any amount remaining after the requirements above have been completed.

Sewer Replacement Fund: 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 sewer utility maintains its fund to replace equipment for the utility as needs arise.

At December 31, 2022, enterprise fund restricted cash was as follows:

	Restricted Cash
Mortgage revenue bond funds	\$ 46,492
DNR replacement fund	1,310,320
Total	<u>\$ 1,356,812</u>

City of Dodgeville, Wisconsin
Notes to Basic Financial Statements
December 31, 2022

NOTE 12

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 inflow recognition in connection with resources that have been received, but not yet earned. At December 31, 2022 the various components of deferred inflows of resources were as follows:

Property tax receivable	\$ 3,483,830
Tax increment receivable	24,556
Special assessments not yet due	21,566
Garbage and recycling penalties	5
2022 tax equivalent from water utility	189,626
Leases	69,707
Total	\$ 3,789,290

Postponed special assessments are generally collectible in annual installments over five years while others have been deferred until the property is sold or placed in service.

NOTE 13

GOVERNMENTAL FUND BALANCES

GOVERNMENTAL FUND BALANCES

Governmental fund balances reported on the fund financial statements at December 31, 2022 includes the following:

Major Funds:	
General Fund:	
Nonspendable:	
Prepaid expenditures	\$ 55,696
Restricted for:	
Harris Park donation	\$ 232,116
Environmental projects	142,359
Total restricted	\$ 374,475
Assigned for:	
Elections	\$ 10,000
Police donations	24,860
Criminal justice scholarship	1,435
Snow and ice	95,205
Historic preservation walking tour	3,925
Love Dodgeville	14
Assessor outlay	50,000
Police outlay - contingency	147,315
Fire outlay - contingency	190,875
Sick leave - general fund	398,807
Total assigned	\$ 922,436

City of Dodgeville, Wisconsin
Notes to Basic Financial Statements
December 31, 2022

NOTE 13

GOVERNMENTAL FUND BALANCES (CONTINUED)

Capital Improvements Fund:

Assigned for:

Building fund outlay	\$ 326,868
Police outlay	200,000
Fire outlay - vehicle	299,136
Fire outlay - building	50,000
Emergency warning system	13,493
Ambulance outlay - vehicle	308,845
Street machinery outlay	148,801
Street construction outlay	215,481
Street lighting outlay	27,601
Cemetery outlay	230,552
Pool outlay	155,685
Parks outlay	420,437
Total assigned	<u><u>\$ 2,396,899</u></u>

Special Purpose Library:

Restricted for:

Library - building project	\$ 4,480
Library - other	43,554
Total restricted	<u><u>\$ 48,034</u></u>

Non-major Funds:

Campbell Trust:

Nonspendable:

Permanent	<u><u>\$ 103,000</u></u>
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Smith Trust:

Restricted for:

Perpetual care	<u><u>\$ 3,209</u></u>
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Debt Service:

Restricted for:

Debt service	<u><u>\$ 178,497</u></u>
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Affordable Housing:

Restricted for:

Affordable housing expenditures	<u><u>\$ 320,866</u></u>
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City of Dodgeville, Wisconsin
Notes to Basic Financial Statements
December 31, 2022

NOTE 14

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 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 such as garbage collection, fire protection, snow plowing, and street sweeping (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.

NOTE 15

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, through its TID #3, has entered into tax abatement agreements in the form of developer incentives to stimulate economic development. The abatements are authorized through the TID #3 project plan. For the year ended December 31, 2022, the City abated property taxes totaling \$700,000 related to TID #3 developer agreements.

City of Dodgeville, Wisconsin
Notes to Basic Financial Statements
December 31, 2022

NOTE 16

TAX INCREMENTAL FINANCING DISTRICT

The City of Dodgeville, Wisconsin Tax Incremental Financing Districts (TID) 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.

Project costs may not be incurred up to five years before the District’s mandatory termination date. Statutes allow the municipality to collect tax increments until the net project cost has been fully recovered, or for a maximum number of years. An industrial and mixed-use TID has the option to extend the maximum life by 5 years. Project costs uncollected at the dissolution date are absorbed by the municipality.

	<u>Creation Date</u>	<u>Last Date to Incur Project Costs</u>	<u>Final Dissolution Date</u>
District #3	7/21/2020	7/21/2035	7/21/2040

TID #2 terminated in 2021 and all excess increments were refunded to overlying taxing jurisdictions.

Following is the cumulative status of the City’s active TID as of December 31, 2022:

	<u>TID #3</u>
Revenues	
Taxes	\$ 1,401
Interest	1,119
Debt premium	49,858
Total revenues	52,378
Expenditures	
Construction	1,930,042
Professional services	55,968
Developer incentives	888,399
DOR fees	1,300
Interest and fiscal charges	144,127
Total expenditures	3,019,836
Amount to be recovered through future increments	\$ 2,967,458
Cash	\$ 312,974
Accounts payable	4,484
Long-term debt outstanding	2,650,000
Amount to be recovered through future increments	\$ 2,967,458

The amount to be recovered shown above will be increased by interest payments made in the future.

City of Dodgeville, Wisconsin
Notes to Basic Financial Statements
December 31, 2022

NOTE 17 EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT FINANCIAL STATEMENTS

The Government Accounting Standards Board (GASB) has adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, effective for periods beginning after June 15, 2022. When this becomes effective, application of this standard may restate portions of these financial statements.

NOTE 18 PURCHASE COMMITMENTS/SUBSEQUENT EVENTS

The City has the following purchase commitments:

- 2022 street reconstruction costs remaining \$91,653
- EMS command vehicle \$64,723
- Police radios \$49,000
- Well #6 \$2,177,562
- Sewer truck \$44,768
- 2023 street reconstruction \$1,961,898
- Generator for EMS \$46,200
- Pickleball courts \$111,000
- Refurbish fire truck \$247,148

On April 18, 2023, the City approved the issuance of \$1,961,898 general obligation notes to pay for 2023 street reconstruction costs. The notes are dated April 20, 2023 with an interest rate of 3.69%. Debt requirements are as follows:

Years	Notes from Direct Borrowings and Direct Placements					
	Governmental Activities			Business-type Activities		
	Principal	Interest	Totals	Principal	Interest	Totals
2023	\$	\$	\$	\$	\$	\$
2024	701	42,049	42,750	69,759	30,345	100,104
2025	109,448	42,023	151,471	72,333	27,771	100,104
2026	113,487	37,985	151,472	75,002	25,102	100,104
2027	117,674	33,797	151,471	77,770	22,334	100,104
2028-2032	656,798	100,558	757,356	434,073	66,447	500,520
2033	141,436	5,219	146,655	93,417	3,447	96,864
	\$ 1,139,544	\$ 261,631	\$ 1,401,175	\$ 822,354	\$ 175,446	\$ 997,800

City of Dodgeville, Wisconsin
Notes to Basic Financial Statements
December 31, 2022

NOTE 19

COMPONENT UNIT

A. Cash and Investments

At December 31, 2022, the cash and investments included the following:

Deposits with financial institutions	<u>\$ 82,510</u>
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Cash and investments as of December 31, 2022 are classified in the accompanying financial statements as follows:

Exhibit A-1:	
Cash and investments	\$ 28,231
Cash and investments - restricted	<u>54,279</u>
Total	<u>\$ 82,510</u>

Investments Authorized by Wisconsin State Statutes

See Note 3 for list of authorized investments.

Interest Rate Risk

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

The Housing Authority does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

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 Housing Authority has no investment policy that would further limit its investment choices.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Housing Authority 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 Housing Authority would not be able to recover the value of its investment of collateral securities that are in possession of another party. The Housing Authority does not have an investment policy for custodial credit risk.

City of Dodgeville, Wisconsin
Notes to Basic Financial Statements
December 31, 2022

NOTE 19

COMPONENT UNIT (CONTINUED)

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 unlikely event of the failure of an insured bank.

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.

At December 31, 2022, all deposits were covered by FDIC insurance.

Concentration of Credit Risk

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

Required Supplementary Information

Exhibit B-1
 Required Supplementary Information
 City of Dodgeville, Wisconsin
 Budgetary Comparison Schedule for the General Fund
 For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variances- Positive (Negative)	
	Original	Final		Original to Actual	Final to Actual
REVENUES					
Taxes	\$ 2,131,396	\$ 2,131,396	\$ 2,153,273	\$ 21,877	\$ 21,877
Intergovernmental	969,967	969,967	1,400,467	430,500	430,500
Licenses and permits	91,300	91,300	104,045	12,745	12,745
Fines and forfeitures	20,500	20,500	359,071	338,571	338,571
Public charges for services	431,050	431,050	506,707	75,657	75,657
Intergovernmental charges for services	520,000	520,000	568,128	48,128	48,128
Interest income	9,600	9,600	59,289	49,689	49,689
Miscellaneous	58,350	58,350	62,527	4,177	4,177
Total revenues	4,232,163	4,232,163	5,213,507	981,344	981,344
EXPENDITURES					
Current:					
General government	883,872	883,872	651,446	232,426	232,426
Public safety	2,717,622	2,717,622	2,033,702	683,920	683,920
Public works	973,530	973,530	710,000	263,530	263,530
Sanitation	263,000	263,000	254,800	8,200	8,200
Leisure activities	784,177	784,177	358,211	425,966	425,966
Conservation & economic development	70,000	70,000	359,004	(289,004)	(289,004)
Health & social services	189,226	189,226	97,994	91,232	91,232
Capital outlay	626,359	626,359	327,789	298,570	298,570
Total expenditures	6,507,786	6,507,786	4,792,946	1,714,840	1,714,840
Excess (deficiency) of revenues over over expenditures	(2,275,623)	(2,275,623)	420,561	2,696,184	2,696,184
OTHER FINANCING SOURCES (USES)					
Transfers in	210,500	210,500	202,532	(7,968)	(7,968)
Transfers out			(468,528)	(468,528)	(468,528)
Unrealized gain (loss) on investments	15,000	15,000	6,486	(8,514)	(8,514)
Sale of capital assets	40,000	40,000	46,761	6,761	6,761
Total other financing sources	265,500	265,500	(212,749)	(478,249)	(478,249)
Net change in fund balance	(2,010,123)	(2,010,123)	207,812	2,217,935	2,217,935
Fund balances-beginning	2,979,752	2,979,752	2,979,752		
Fund balances-ending	\$ 969,629	\$ 969,629	\$ 3,187,564	\$ 2,217,935	\$ 2,217,935

Section IV. Item #3.

Exhibit B-2
 Required Supplementary Information
 City of Dodgeville, Wisconsin
 Budgetary Comparison Schedule for the Special Purpose Library Fund
 For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variances- Positive (Negative)	
	Original	Final		Original to Actual	Final to Actual
REVENUES					
Taxes	\$ 333,620	\$ 333,620	\$ 333,620	\$	\$
Intergovernmental	90,010	90,010	96,489	6,479	6,479
Fines and forfeits			361	361	361
Public charges for services	3,000	3,000	2,678	(322)	(322)
Interest income	50	50	37	(13)	(13)
Miscellaneous	3,347	3,347	705	(2,642)	(2,642)
Total revenues	430,027	430,027	433,890	3,863	3,863
EXPENDITURES					
Current:					
Leisure activities	430,027	430,027	452,628	(22,601)	(22,601)
Capital outlay:					
Leisure activities			1,364	(1,364)	(1,364)
Total expenditures	430,027	430,027	453,992	(23,965)	(23,965)
Excess (deficiency) of revenues over expenditures			(20,102)	(20,102)	(20,102)
Fund balances-beginning	68,136	68,136	68,136		
Fund balances-ending	\$ 68,136	\$ 68,136	\$ 48,034	\$ (20,102)	\$ (20,102)

See accompanying notes to the required supplementary information.

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Exhibit B-3
 City of Dodgeville, Wisconsin
 Wisconsin Retirement System Schedules
 December 31, 2022

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	Proportionate share of the 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)
2021	0.01396271%	\$ (1,125,420)	\$ 1,969,807	(57.13%)	106.02%
2020	0.01298842%	(838,563)	1,866,323	(44.93%)	105.26%
2019	0.01295890%	(418,805)	1,670,185	(25.08%)	102.96%
2018	0.01288908%	461,037	1,666,681	27.66%	96.45%
2017	0.01267260%	(382,692)	1,618,689	(23.64%)	102.93%
2016	0.01259840%	104,452	1,597,156	6.54%	99.12%
2015	0.01259840%	204,722	1,638,089	12.50%	98.20%
2014	0.01223579%	(300,462)	1,515,979	(19.82%)	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
2022	\$ 186,835	\$ (186,835)	\$	\$ 2,094,566	8.92%
2021	173,435	(173,435)		1,969,872	8.80%
2020	159,774	(159,774)		1,866,323	8.56%
2019	138,952	(138,952)		1,670,185	8.32%
2018	136,821	(136,821)		1,666,681	8.21%
2017	132,303	(132,303)		1,618,689	8.17%
2016	120,945	(120,945)		1,597,156	7.57%
2015	126,698	(126,698)		1,638,029	7.73%

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

Exhibit B-4
 City of Dodgeville, Wisconsin
 Local Retiree Life Insurance Fund Schedules
 December 31, 2022

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	Proportionate share of the 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)
2021	0.03378700%	\$ 199,694	\$ 1,566,000	12.75%	29.57%
2020	0.03436700%	189,043	1,289,000	14.67%	31.36%
2019	0.03526200%	150,152	1,370,000	10.96%	37.58%
2018	0.03598600%	92,856	1,341,000	6.92%	48.69%

*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
2022	\$ 703	\$ (703)	\$	\$ 1,604,000	0.04%
2021	694	(694)		1,566,000	0.04%
2020	668	(668)		1,289,000	0.05%
2019	698	(698)		1,370,000	0.05%

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

Exhibit B-5
 City of Dodgeville, Wisconsin
 Schedule of Changes in the City’s Total OPEB Liability and Related Ratios
 December 31, 2022

	2021
Total OPEB Liability	
Service cost	\$ 25,282
Interest	3,935
Changes in benefit terms	
Differences between expected and actual experience	
Changes of assumptions or other inputs	
Benefit payments	(3,761)
Net change in total OPEB	\$ 25,456
Total OPEB Liability- Beginning	164,131
Total OPEB Liability- Ending	\$ 189,587
Covered Employee Payroll	\$ 2,324,352
Total OPEB liability as a percentage of of covered-employee payroll	8.16%

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.

City of Dodgeville, Wisconsin
Notes to the Required Supplementary Information
December 31, 2022

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 to the financial statements.

The City budget is adopted in accordance with state law. Budget amounts in the financial statements include appropriations authorized in the original budget resolution and designated carryovers from the prior year. Revisions to the original budget 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. Revisions require a majority vote of the Common Council. Appropriations for the general fund lapse at year end unless specifically carried forward by council action. A formal budget is not required for TIF district No. 2. Control for the TIF district fund is maintained by comparison to the project plan.

The City does not utilize encumbrances in its budget process but does take into consideration certain appropriations, which do not lapse on an annual basis.

NOTE 2

EXCESS EXPENDITURES OVER APPROPRIATIONS

The following expenditures exceeded budget appropriations in the general fund for the year ended December 31, 2022:

<u>Expenditures</u>	<u>Excess</u>
General fund:	
Conservation & economic development	\$ 289,004
Special purpose library	
Leisure activities	22,601
Capital outlay	1,364

NOTE 3

WISCONSIN RETIREMENT SYSTEM SCHEDULES

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

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

Changes of assumptions:

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

- Lowering the long-term expected rate of return from 7.0% to 6.8%
- Lowering the discount rate from 7.0% to 6.8%
- Lowering the 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 Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table.

City of Dodgeville, Wisconsin
Notes to the Required Supplementary Information
December 31, 2022

NOTE 3

WISCONSIN RETIREMENT SYSTEM SCHEDULES (CONTINUED)

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

	2021	2020	2019	2018	2017
Valuation Date:	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method:	Level Percent of Payroll-Closed	Level Percent of Payroll-Closed	Level Percent of Payroll-Closed	Level Percent of Payroll-Closed	Level Percent of Payroll-Closed
Amortization Period:	Amortization Period 30 Year closed from date of participation in WRS	Amortization Period 30 Year closed from date of participation in WRS	Amortization Period 30 Year closed from date of participation in WRS	Amortization Period 30 Year closed from date of participation in WRS	Amortization Period 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					
Net Investment Rate of Return:	5.40%	5.40%	5.50%	5.50%	5.50%
Weighted based on assumed rate for:					
Pre-retirement:	7.00%	7.00%	7.20%	7.20%	7.20%
Post-retirement:	5.00%	5.00%	5.00%	5.00%	5.00%
Salary Increases					
Wage Inflation:	3.00%	3.00%	3.20%	3.20%	3.20%
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*:	1.90%	1.90%	2.10%	2.10%	2.10%
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 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 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 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 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%).	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 Dodgeville, Wisconsin
Notes to the Required Supplementary Information
December 31, 2022

NOTE 3

WISCONSIN RETIREMENT SYSTEM SCHEDULES (CONTINUED)

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Valuation Date:	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
Amortization Method:	Level Percent of Payroll- Closed Amortization Period	Level Percent of Payroll- Closed Amortization Period	Level Percent of Payroll- Closed Amortization Period	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
Asset Valuation Method:	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)
Actuarial Assumptions				
Net Investment Rate of Return:	5.50%	5.50%	5.50%	5.50%
Weighted based on assumed rate for:				
Pre-retirement:	7.20%	7.20%	7.20%	7.20%
Post-retirement:	5.00%	5.00%	5.00%	5.00%
Salary Increases				
Wage Inflation:	3.20%	3.20%	3.20%	3.20%
Seniority/Merit:	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%
Post-retirement Benefit Adjustments*:	2.10%	2.10%	2.10%	2.10%
Retirement Age:	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 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 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 Projected Experience Table - 2005 for women and 90% of the Wisconsin Projected Experience Table - 2005 for men.

*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.

NOTE 4

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 5 OTHER POSTEMPLOYMENT BENEFITS PLAN – SINGLE EMPLOYER 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 5 preceding years.

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

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 Dodgeville, Wisconsin
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2022

	Permanent Funds		Debt Service	Special Revenue		Total
	Smith Trust	Campbell Trust		Affordable Housing	Local Fiscal Recovery Fund	
ASSETS						
Cash and investments	\$	\$	\$ 178,497	\$ 320,866	\$ 380,765	\$ 880,128
Cash and investments - restricted	3,209	103,000				106,209
Taxes receivable			273,863			273,863
Total assets	\$ 3,209	\$ 103,000	\$ 452,360	\$ 320,866	\$ 380,765	\$ 1,260,200
LIABILITIES						
Accounts payable	\$	\$	\$	\$	\$ 3,680	\$ 3,680
Unearned revenue					377,085	377,085
Total liabilities					380,765	\$ 380,765
DEFERRED INFLOWS OF RESOURCES						
Deferred property tax revenue			273,863			273,863
FUND BALANCES						
Nonspendable		103,000				103,000
Restricted	3,209		178,497	320,866		502,572
Total fund balances	3,209	103,000	178,497	320,866		605,572
Total liabilities, deferred inflows of resources and fund balances	\$ 3,209	\$ 103,000	\$ 452,360	\$ 320,866	\$ 380,765	\$ 1,260,200

Exhibit C-2
City of Dodgeville, Wisconsin
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2022

	Permanent Funds		Debt Service	Special Revenue		Total
	Smith Trust	Campbell Trust		Affordable Housing	Local Fiscal Recovery Fund	
REVENUES						
Taxes	\$	\$	\$ 201,228	\$	\$	\$ 201,228
Intergovernmental					88,317	88,317
Interest income	14	233				247
Total revenues	14	233	201,228		88,317	289,792
EXPENDITURES						
Current:						
General government					88,317	88,317
Cemetery expenditures		233				233
Debt service:						
Principal retirement			221,324			221,324
Interest and fiscal charges			23,156			23,156
Total expenditures		233	244,480		88,317	333,030
Excess (deficiency) of revenues over expenditures	14		(43,252)			(43,238)
OTHER FINANCING SOURCES (USES)						
Transfers out	(14)					(14)
Total other financing sources (uses)	(14)					(14)
Net change in fund balances			(43,252)			(43,252)
Fund balances-beginning	3,209	103,000	221,749	320,866		648,824
Fund balances-ending	\$ 3,209	\$ 103,000	\$ 178,497	\$ 320,866	\$	\$ 605,572

2024 BUDGET TIMELINE

Item	Date
Budget Sheets Out to Departments	Week of Sept 4th
ETF Insurance Rates Out	Week of Sept 11th
Admin/Personnel Meeting (Health & Cost of Living)	Sept 18th
Council approval of Cost of Living Increases	Sept 19th
Council approval of Health Insurance Rates	Sept 19th
Open Enrollment for Health Insurance	Sept 25th - Oct 20th
Dept Budgets Due Back to City Clerk	Friday, Sept 29th
Employee Benefit Sign Ups	Week of Oct 9th
Council approval of 2024 Street Project	Oct 3rd
Council approval of Dept Capital Project Requests	Oct 17th
Council approval of 2024 Preliminary Budget	Oct 17th
Preliminary Budget to Paper	Oct 24th
Council approval of Final Budget	Nov 21st

RETAINER AGREEMENT

The City of Dodgeville, Iowa County, Wisconsin, agrees to retain the firm of Boardman & Clark, LLP, to perform routine legal services as described in this agreement. It is understood and agreed that Eric Hagen will be designated as the City Attorney who will have primary responsibility for handling and providing the legal services described in this agreement but that he may, from time to time, delegate other attorneys in the firm to perform legal services for the City.

The routine legal affairs of the City will be handled on a flat fee compensation basis in the amount of \$20,000.00 per calendar quarter. Routine legal affairs shall include the following services:

1. Consulting with City officials concerning the City's legal affairs and business, and drafting legal opinions thereon when requested.
2. Attending regular or special City Board meetings, committee meetings, Plan Commission, Board of Zoning Appeals meetings and collective bargaining negotiations or mediation sessions on an as needed basis.
3. Performing legal work in connection with real estate transactions in which the City is interested, including the closing of streets and alleys, but excluding transactions involving the exercise of the right of eminent domain.
4. Prosecuting all cases brought into Iowa County Circuit Court for violations of City ordinances (the "municipal court" for purposes of this contract).
5. Prosecuting all actions for the collection of personal property taxes of the City.
6. Drafting ordinances and resolutions excluding: (a) borrowing resolutions and supporting documentation; (b) comprehensive revisions or amendments to the City Code; and (c) comprehensive ordinances or regulations required to be adopted by the City by federal or state authorities.
7. Responding to routine auditor's requests for information on behalf of the City and its Utilities.
8. Reviewing or preparing contracts in which the City has an interest.
9. Consulting with City officials concerning collective bargaining agreement negotiations and interpretation.
10. Assisting City officials in the handling of personnel matters, including disciplinary issues, except for grievance arbitration.
11. Maintaining office hours on a regular basis consistent with other scheduled obligations (e.g. court appearances, meetings). The City Attorney shall advise the

City Clerk of scheduled office hours or changes thereto at least 24 hours in advance.

12. Other miscellaneous, routine and recurring legal work as arises from time to time.

Compensation shall be paid quarterly on March 31, June 30, September 30 and December 31.

The City shall reimburse the attorney for out-of-pocket costs and expenses incurred in representing the City's interests, such as long distance telephone charges, recording and court filing fees, fees for service of process and witness fees, abstracting or title insurance fees and extraordinary mailing or photocopying costs (i.e. for mailing an item which costs \$1.50 or more or for photocopying a document which exceeds 50 pages). The attorney will not bill mileage or other travel-related expenses unless overnight or out of county travel is required (exclusive of travel to/from the City).

The following items are excluded from routine legal services:

1. Interest and grievance arbitration, including discharge matters.
2. Quo warranto proceedings and legal representation which would be provided under any contract of insurance, liability or otherwise, in effect for the City.
3. Litigation of matters outside of small claims or municipal court procedural rules, including certiorari and mandamus proceedings.
4. Appeals or review of zoning matters in Circuit Court, other than prosecution of zoning ordinance violations and appeals or reviews of municipal court determinations.
5. Matters related to municipal finance including the issuance of municipal obligations, TIF districting and obtaining grants from federal or state authorities or agencies.
6. Matters arising under the City's power of eminent domain.
7. Election matters including referenda, recounts and recall elections.
8. Defense of administrative or forfeiture actions brought against the City or its officials by state or federal authorities.
9. Other extraordinary legal matters requiring extensive time and attention upon prior notice to City.

Legal fees for services excluded from routine legal work shall be charged at our hourly rates multiplied by the hours worked, plus reimbursement for out-of-pocket expenses as described above. The attorney shall provide an itemized statement for all such fees and expenses. Hourly rates for services excluded from routine legal work will range from \$135 to \$350. This includes the rates of attorneys, paralegals, legal assistants and clerks who may be assigned to work on matters that are

excluded from routine legal work. The hourly rates of others will vary depending upon the individual involved and the nature of the legal services being provided. Our fees for professional services will take into account additional factors, including the time and labor required, the novelty and difficulty of the issues involved, and the skill required to perform the legal services. The hourly rate for Eric Hagen, the attorney who will be primarily handling this representation is \$235.00 per hour.

This agreement shall be effective for a period of one year commencing January 1, 2024. The City has the right to terminate this agreement at any time. The attorney has the right to terminate this agreement at any time consistent with the requirements of Rule 20:1:16 of the Rules of Professional Conduct for Attorneys.

Dated as of this ____ day of _____ 2023.

CITY OF DODGEVILLE

BOARDMAN & CLARK, LLP

By: _____
TODD D. NOVAK, Mayor

By: _____
ERIC HAGEN

Countersigned: _____
LAUREE AULIK, Clerk-Treasurer

This contract was approved by the City Council at a meeting held _____, 2023.

RESOLUTION NO. 2023-13

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF UP TO \$2,208,649 WATER SYSTEM REVENUE BONDS, SERIES 2023, AND PROVIDING FOR OTHER DETAILS AND COVENANTS WITH RESPECT THERETO

WHEREAS, the City of Dodgeville, Iowa County, Wisconsin (the "Municipality") owns and operates a water system (the "System") which is operated for a public purpose as a public utility by the Municipality; and

WHEREAS, certain improvements to the System are necessary to meet the needs of the Municipality and the residents thereof, consisting of the construction of a project (the "Project") assigned Safe Drinking Water Loan Program Project No. 4795-09 by the Department of Natural Resources, and as described in the Department of Natural Resources approval letter for the plans and specifications of the Project, or portions thereof, issued under Section 281.41, Wisconsin Statutes, assigned No. W-2022-0674 and dated November 8, 2022 by the DNR; and

WHEREAS, under the provisions of Chapter 66, Wisconsin Statutes any municipality may, by action of its governing body, provide for purchasing, acquiring, constructing, extending, adding to, improving, operating and managing a public utility from the proceeds of bonds, which bonds are to be payable only from the revenues received from any source by such utility, including all rentals and fees; and

WHEREAS, the Municipality deems it to be necessary, desirable and in its best interest to authorize and sell water system revenue bonds of the Municipality payable solely from the revenues of the System, pursuant to the provisions of Section 66.0621, Wisconsin Statutes, to pay the cost of the Project; and

WHEREAS, no bonds or obligations payable from the revenues of the System are now outstanding.

NOW, THEREFORE, be it resolved by the Governing Body of the Municipality that:

Section 1. Definitions. The following terms shall have the following meanings in this Resolution unless the text expressly or by implication requires otherwise:

- (a) "Act" means Section 66.0621, Wisconsin Statutes;
- (b) "Bond Registrar" means the Municipal Treasurer which shall act as Paying Agent for the Bonds;
- (c) "Bonds" means the \$2,208,649 Water System Revenue Bonds, Series 2023, of the Municipality dated their date of issuance, authorized to be issued by this Resolution;
- (d) "Bond Year" means the twelve-month period ending on each May 1;

(e) "Current Expenses" means the reasonable and necessary costs of operating, maintaining, administering and repairing the System, including salaries, wages, costs of materials and supplies, insurance and audits, but shall exclude depreciation, debt service, tax equivalents and capital expenditures;

(f) "Debt Service Fund" means the Debt Service Fund of the Municipality, which shall be the "special redemption fund" as such term is defined in the Act;

(g) "Financial Assistance Agreement" means the Financial Assistance Agreement by and between the State of Wisconsin by the Department of Natural Resources and the Department of Administration and the Municipality pursuant to which the Bonds are to be issued and sold to the State, substantially in the form attached hereto and incorporated herein by this reference;

(h) "Fiscal Year" means the twelve-month period ending on each December 31;

(i) "Governing Body" means the Common Council, or such other body as may hereafter be the chief legislative body of the Municipality;

(j) "Gross Earnings" means the gross earnings of the System, including earnings of the System derived from water charges imposed by the Municipality, all payments to the Municipality under any service agreements between the Municipality and any contract users of the System, and any other monies received from any source including all rentals and fees, any tax incremental district revenues appropriated by the Governing Body to the System, and any special assessments levied and collected in connection with the Project;

(k) "Municipal Treasurer" means the Treasurer of the Municipality who shall act as Bond Registrar and Paying Agent;

(l) "Municipality" means the City of Dodgeville, Iowa County, Wisconsin;

(m) "Net Revenues" means the Gross Earnings of the System after deduction of Current Expenses;

(n) "Parity Bonds" means bonds payable from the revenues of the System other than the Bonds but issued on a parity and equality with the Bonds pursuant to the restrictive provisions of Section 11 of this Resolution;

(o) "Project" means the Project described in the preamble to this Resolution. All elements of the Project are to be owned and operated by the Municipality as part of the System as described in the preamble hereto;

(p) "Record Date" means the close of business on the fifteenth day of the calendar month next preceding any principal or interest payment date; and

(q) "System" means the entire water system of the Municipality specifically including that portion of the Project owned by the Municipality and including all property of every nature now or hereafter owned by the Municipality for the extraction, collection, treatment, storage and distribution of water, including all improvements and extensions thereto made by the

Municipality while any of the Bonds and Parity Bonds remain outstanding, including all real and personal property of every nature comprising part of or used or useful in connection with such water system and including all appurtenances, contracts, leases, franchises, and other intangibles.

Section 2. Authorization of the Bonds and the Financial Assistance Agreement. For the purpose of paying the cost of the Project (including legal, fiscal, engineering and other expenses), there shall be borrowed on the credit of the income and revenue of the System up to the sum of \$2,208,649; and fully registered revenue bonds of the Municipality are authorized to be issued in evidence thereof and sold to the State of Wisconsin Safe Drinking Water Loan Program in accordance with the terms and conditions of the Financial Assistance Agreement, which is incorporated herein by this reference and the Mayor and City Clerk of the Municipality are hereby authorized, by and on behalf of the Municipality, to execute the Financial Assistance Agreement.

Section 3. Terms of the Bonds. The Bonds shall be designated "Water System Revenue Bonds, Series 2023" (the "Bonds"); shall be dated their date of issuance; shall be numbered one and upward; shall bear interest at the rate of 2.145% per annum; shall be issued in denominations of \$0.01 or any integral multiple thereof; and shall mature on the dates and in the amounts as set forth in Exhibit B of the Financial Assistance Agreement and in the Bond form attached hereto as Exhibit A as it is from time to time adjusted by the State of Wisconsin based upon the actual draws made by the Municipality. Interest on the Bonds shall be payable commencing on May 1, 2024 and semiannually thereafter on May 1 and November 1 of each year. The Bonds shall not be subject to redemption prior to maturity except as provided in the Financial Assistance Agreement.

The schedule of maturities of the Bonds is found to be such that the amount of annual debt service payments is reasonable in accordance with prudent municipal utility practices.

Section 4. Form, Execution, Registration and Payment of the Bonds. The Bonds shall be issued as registered obligations in substantially the form attached hereto as Exhibit A and incorporated herein by this reference.

The Bonds shall be executed in the name of the Municipality by the manual signatures of the Mayor and City Clerk, and shall be sealed with its official or corporate seal, if any.

The principal of, premium, if any, and interest on the Bonds shall be paid by the Municipal Treasurer, who is hereby appointed as the Municipality's Bond Registrar.

Both the principal of and interest on the Bonds shall be payable in lawful money of the United States of America by the Bond Registrar. Payment of principal of the final maturity on the Bond will be payable upon presentation and surrender of the Bond to the Bond Registrar. Payment of principal on the Bond (except the final maturity) and each installment of interest shall be made to the registered owner of each Bond who shall appear on the registration books of the Municipality, maintained by the Bond Registrar, on the Record Date and shall be paid by electronic transfer or by check or draft of the Municipality and mailed to such registered owner at his or its address as it appears on such registration books or at such other address may be furnished in writing by such registered owner to the Bond Registrar.

Section 5. Security for the Bonds. The Bonds, together with interest thereon, shall not constitute an indebtedness of the Municipality nor a charge against its general credit or taxing power. The Bonds, together with interest thereon, shall be payable only out of the Debt Service Fund hereinafter created and established, and shall be a valid claim of the registered owner or owners thereof only against such Debt Service Fund and the revenues of the System pledged to such fund. Sufficient revenues are hereby pledged to said Debt Service Fund, and shall be used for no other purpose than to pay the principal of, premium, if any, and interest on the Bonds and any Parity Bonds as the same becomes due.

Section 6. Funds and Accounts. In accordance with the Act, for the purpose of the application and proper allocation of the revenues of the System, and to secure the payment of the principal of and interest on the Bonds and Parity Bonds, certain funds of the System are hereby created and established which shall be used solely for the following respective purposes:

- (a) Revenue Fund, into which shall be deposited as received the Gross Earnings of the System, which money shall then be divided among the Operation and Maintenance Fund, the Debt Service Fund and the Surplus Fund in the amounts and in the manner set forth in Section 7 hereof and used for the purposes described below.
- (b) Operation and Maintenance Fund, which shall be used for the payment of Current Expenses.
- (c) Debt Service Fund, which shall be used for the payment of the principal of, premium, if any, and interest on the Bonds and Parity Bonds as the same becomes due, and which may contain a Reserve Account established by a future resolution authorizing the issuance of Parity Bonds to secure such Parity Bonds.
- (d) Surplus Fund, which shall first be used whenever necessary to pay principal of, premium, if any, or interest on the Bonds and Parity Bonds when the Debt Service Fund shall be insufficient for such purpose, and thereafter shall be disbursed as follows: (i) at any time, to remedy any deficiency in any of the Funds provided in this Section 6 hereof; and (ii) money thereafter remaining in the Surplus Fund at the end of any Fiscal Year may be transferred to any of the funds or accounts created herein or to reimburse the general fund of the Municipality for advances made by the Municipality to the System.

Section 7. Application of Revenues. After the delivery of the Bonds, the Gross Earnings of the System shall be deposited as collected in the Revenue Fund and shall be transferred monthly to the funds listed below in the following order of priority and in the manner set forth below:

- (a) to the Operation and Maintenance Fund, in an amount equal to the estimated Current Expenses for such month and for the following month (after giving effect to available amounts in said Fund from prior deposits);
- (b) to the Debt Service Fund, an amount equal to one-sixth (1/6) of the next installment of interest coming due on the Bonds and any Parity Bonds then

outstanding and an amount equal to one-twelfth (1/12) of the installment of principal of the Bonds and any Parity Bonds coming due during such Bond Year (after giving effect to available amounts in said Fund from accrued interest, any premium or any other source), and any amount required by a future resolution authorizing the issuance of Parity Bonds to fund a Reserve Account established therein; and

- (c) to the Surplus Fund, any amount remaining in the Revenue Fund after the monthly transfers required above have been completed.

Transfers from the Revenue Fund to the Operation and Maintenance Fund, the Debt Service Fund and the Surplus Fund shall be made monthly not later than the tenth day of each month, and such transfer shall be applicable to monies on deposit in the Revenue Fund as of the last day of the month preceding. Any other transfers and deposits to any fund required or permitted by subsection (a) through (c) of this Section, except transfers or deposits which are required to be made immediately or annually, shall be made on or before the tenth day of the month. Any transfer or deposit required to be made at the end of any Fiscal Year shall be made within sixty (60) days after the close of such Fiscal Year. If the tenth day of any month shall fall on a day other than a business day, such transfer or deposit shall be made on the next succeeding business day.

It is the express intent and determination of the Governing Body that the amounts transferred from the Revenue Fund and deposited in the Debt Service Fund shall be sufficient in any event to pay the interest on the Bonds and any Parity Bonds as the same accrues and the principal thereof as the same matures, and to fund the Reserve Account as required in connection with future Parity Bonds.

Section 8. Deposits and Investments. The Debt Service Fund shall be kept apart from monies in the other funds and accounts of the Municipality and the same shall be used for no purpose other than the prompt payment of principal of and interest on the Bonds and any Parity Bonds as the same becomes due and payable. All monies therein shall be deposited in special and segregated accounts in a public depository selected under Chapter 34, Wisconsin Statutes and may be temporarily invested until needed in legal investments subject to the provisions of Section 66.0603(1m), Wisconsin Statutes. The other funds herein created (except the Water System SDWLP Project Fund) may be combined in a single account in a public depository selected in the manner set forth above and may be temporarily invested until needed in legal investments subject to the provisions of Section 66.0603(1m), Wisconsin Statutes.

Section 9. Service to the Municipality. The reasonable cost and value of services rendered to the Municipality by the System by furnishing water services for public purposes shall be charged against the Municipality and shall be paid in monthly installments as the service accrues, out of the current revenues of the Municipality collected or in the process of collection, exclusive of the revenues derived from the System; that is to say, out of the tax levy of the Municipality made by it to raise money to meet its necessary current expenses. The reasonable cost and value of such service to the Municipality in each year shall be equal to an amount which, together with other revenues of the System, will produce in each Fiscal Year Net Revenues equivalent to not less than the annual principal and interest requirements on the Bonds,

any Parity Bonds and any other obligations payable from the revenues of the System then outstanding, times the greater of (i) 110% or (ii) the highest debt service coverage ratio required with respect to any obligations payable from revenues of the System then outstanding. However, such payment out of the tax levy shall be subject to (a) approval of the Public Service Commission, or successors to its function, if applicable, (b) yearly appropriations therefor, and (c) applicable levy limitations, if any; and neither this Resolution nor such payment shall be construed as constituting an obligation of the Municipality to make any such appropriation over and above the reasonable cost and value of the services rendered to the Municipality and its inhabitants or to make any subsequent payment over and above such reasonable cost and value.

Section 10. Operation of System; Municipality Covenants. It is covenanted and agreed by the Municipality with the owner or owners of the Bonds, and each of them, that the Municipality will perform all of the obligations of the Municipality as set forth in the Financial Assistance Agreement.

Section 11. Additional Bonds. No bonds or obligations payable out of the revenues of the System may be issued in such manner as to enjoy priority over the Bonds. Additional obligations may be issued if the lien and pledge is junior and subordinate to that of the Bonds. Parity Bonds may be issued only under the following circumstances:

(a) Additional Parity Bonds may be issued for the purpose of completing the Project and for the purpose of financing costs of the Project which are ineligible for payment under the State of Wisconsin Safe Drinking Water Loan Program. However, such additional Parity Bonds shall be in an aggregate amount not to exceed 20% of the face amount of the Bonds; or

(b) Additional Parity Bonds may also be issued if all of the following conditions are met:

(1) The Net Revenues of the System for the Fiscal Year immediately preceding the issuance of such additional bonds must have been in an amount at least equal to the maximum annual interest and principal requirements on all bonds outstanding payable from the revenues of the System, and on the bonds then to be issued, times the greater of (i) 1.10 or (ii) the highest debt service coverage ratio to be required with respect to the Additional Parity Bonds to be issued or any other obligations payable from the revenues of the System then outstanding. Should an increase in permanent rates and charges, including those made to the Municipality, be properly ordered and made effective during the Fiscal Year immediately prior to the issuance of such additional bonds or during that part of the Fiscal Year of issuance prior to such issuance, then Net Revenues for purposes of such computation shall include such additional revenues as a registered municipal advisor, an independent certified public accountant, consulting professional engineer or the Wisconsin Public Service Commission may calculate would have accrued during the prior Fiscal Year had the new rates been in effect during that entire immediately prior Fiscal Year.

(2) The payments required to be made into the funds enumerated in Section 6 of this Resolution must have been made in full.

(3) The additional bonds must have principal maturing on May 1 of each year and interest falling due on May 1 and November 1 of each year.

(4) The proceeds of the additional bonds must be used only for the purpose of providing extensions or improvements to the System, or to refund obligations issued for such purpose.

Section 12. Sale of Bonds. The sale of the Bonds to the State of Wisconsin Safe Drinking Water Loan Program for the purchase price of up to \$2,208,649 and at par, is ratified and confirmed; and the officers of the Municipality are authorized and directed to do any and all acts, including executing the Financial Assistance Agreement and the Bonds as hereinabove provided, necessary to conclude delivery of the Bonds to said purchaser, as soon after adoption of this Resolution as is convenient. The purchase price for the Bonds shall be paid upon requisition therefor as provided in the Financial Assistance Agreement, and the officers of the Municipality are authorized to prepare and submit to the State requisitions and disbursement requests in anticipation of the execution of the Financial Assistance Agreement and the issuance of the Bonds.

Section 13. Application of Bond Proceeds. The proceeds of the sale of the Bonds shall be deposited by the Municipality into a special fund designated as "Water System SDWLP Project Fund." The Water System SDWLP Project Fund shall be used solely for the purpose of paying the costs of the Project as more fully described in the preamble hereof and in the Financial Assistance Agreement. Moneys in the Water System SDWLP Project Fund shall be disbursed within three (3) business days of their receipt from the State of Wisconsin and shall not be invested in any interest-bearing account.

Section 14. Amendment to Resolution. After the issuance of any of the Bonds, no change or alteration of any kind in the provisions of this Resolution may be made until all of the Bonds have been paid in full as to both principal and interest, or discharged as herein provided, except: (a) the Municipality may, from time to time, amend this Resolution without the consent of any of the owners of the Bonds, but only to cure any ambiguity, administrative conflict, formal defect, or omission or procedural inconsistency of this Resolution; and (b) this Resolution may be amended, in any respect, with a written consent of the owners of not less than two-thirds (2/3) of the principal amount of the Bonds then outstanding, exclusive of Bonds held by the Municipality; provided, however, that no amendment shall permit any change in the pledge of revenues derived from the System or the maturity of any Bond issued hereunder, or a reduction in the rate of interest on any Bond, or in the amount of the principal obligation thereof, or in the amount of the redemption premium payable in the case of redemption thereof, or change the terms upon which the Bonds may be redeemed or make any other modification in the terms of the payment of such principal or interest without the written consent of the owner of each such Bond to which the change is applicable.

Section 15. Defeasance. When all Bonds have been discharged, all pledges, covenants and other rights granted to the owners thereof by this Resolution shall cease. The Municipality

may discharge all Bonds due on any date by irrevocably depositing in escrow with a suitable bank or trust company a sum of cash and/or bonds or securities issued or guaranteed as to principal and interest of the U.S. Government, or of a commission, board or other instrumentality of the U.S. Government, maturing on the dates and bearing interest at the rates required to provide funds sufficient to pay when due the interest to accrue on each of said Bonds to its maturity or, at the Municipality's option, if said Bond is prepayable to any prior date upon which it may be called for redemption, and to pay and redeem the principal amount of each such Bond at maturity, or at the Municipality's option, if said Bond is prepayable, at its earliest redemption date, with the premium required for such redemption, if any, provided that notice of the redemption of all prepayable Bonds on such date has been duly given or provided for.

Section 16. Rebate Fund. Unless the Bonds are exempt from the rebate requirements of the Internal Revenue Code of 1986, as amended (the "Code"), the Municipality shall establish and maintain, so long as the Bonds and any Parity Bonds are outstanding, a separate account to be known as the "Rebate Fund." The sole purpose of the Rebate Fund is to provide for the payment of any rebate liability with respect to the Bonds under the relevant provisions of the Code and the Treasury Regulations promulgated thereunder (the "Regulations"). The Rebate Fund shall be maintained by the Municipality until all required rebate payments with respect to the Bonds have been made in accordance with the relevant provisions of the Code and the Regulations.

The Municipality hereby covenants and agrees that it shall pay to the United States from the Rebate Fund, at the times and in the amounts and manner required by the Code and the Regulations, the portion of the "rebate amount" (as defined in Section 1.148-3(b) of the Regulations) that is due as of each "computation date" (within the meaning of Section 1.148-3(e) of the Regulations). As of the date of this Resolution, the provisions of the Regulations specifying the required amounts of rebate installment payments and the time and manner of such payments are contained in Sections 1.148-3(f) and (g) of the Regulations, respectively. Amounts held in the Rebate Fund and the investment income therefrom are not pledged as security for the Bonds or any Parity Bonds and may only be used for the payment of any rebate liability with respect to the Bonds.

The Municipality may engage the services of accountants, attorneys or other consultants necessary to assist it in determining the rebate payments, if any, owed to the United States with respect to the Bonds. The Municipality shall maintain or cause to be maintained records of determinations of rebate liability with respect to the Bonds for each computation date until six (6) years after the retirement of the last of the Bonds. The Municipality shall make such records available to the State of Wisconsin upon reasonable request therefor.

Section 17. Resolution a Contract. The provisions of this Resolution shall constitute a contract between the Municipality and the owner or owners of the Bonds, and after issuance of any of the Bonds no change or alteration of any kind in the provisions of this Resolution may be made, except as provided in Section 14, until all of the Bonds have been paid in full as to both principal and interest. The owner or owners of any of the Bonds shall have the right in addition to all other rights, by mandamus or other suit or action in any court of competent jurisdiction, to enforce such owner's or owners' rights against the Municipality, the Governing Body thereof, and any and all officers and agents thereof including, but without limitation, the right to require the

Municipality, its Governing Body and any other authorized body, to fix and collect rates and charges fully adequate to carry out all of the provisions and agreements contained in this Resolution.

Section 18. Continuing Disclosure. The officers of the Municipality are hereby authorized and directed, if requested by the State of Wisconsin, to provide to the State of Wisconsin Safe Drinking Water Loan Program and to such other persons or entities as directed by the State of Wisconsin such ongoing disclosure regarding the Municipality's financial condition and other matters, at such times and in such manner as the Safe Drinking Water Loan Program may require, in order that securities issued by the Municipality and the State of Wisconsin satisfy rules and regulations promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended and as it may be amended from time to time, imposed on brokers and dealers of municipal securities before the brokers and dealers may buy, sell, or recommend the purchase of such securities.

Section 19. Conflicting Resolutions. All ordinances, resolutions, or orders, or parts thereof heretofore enacted, adopted or entered, in conflict with the provisions of this Resolution, are hereby repealed and this Resolution shall be in effect from and after its passage.

Passed: September 5, 2023

Approved: September 5, 2023

Todd D. Novak
Mayor

Attest:

Lauree Aulik
City Clerk

EXHIBIT A

(Form of Municipal Obligation)

REGISTERED
NO. _____

UNITED STATES OF AMERICA
STATE OF WISCONSIN
IOWA COUNTY
CITY OF DODGEVILLE

REGISTERED
\$ _____

WATER SYSTEM REVENUE BOND, SERIES 2023

Final
Maturity Date

May 1, 2043

Date of
Original Issue

_____, 20__

REGISTERED OWNER: STATE OF WISCONSIN SAFE DRINKING WATER LOAN PROGRAM

FOR VALUE RECEIVED the City of Dodgeville, Iowa County, Wisconsin (the "Municipality") hereby acknowledges itself to owe and promises to pay to the registered owner shown above, or registered assigns, solely from the fund hereinafter specified, the principal sum of an amount not to exceed _____ DOLLARS (\$ _____) (but only so much as shall have been drawn hereunder, as provided below) on May 1 of each year commencing May 1, 2025 until the final maturity date written above, together with interest thereon (but only on amounts as shall have been drawn hereunder, as provided below) from the dates the amounts are drawn hereunder or the most recent payment date to which interest has been paid, at the rate of 2.145% per annum, calculated on the basis of a 360-day year made up of twelve 30-day months, such interest being payable on the first days of May and November of each year, with the first interest being payable on May 1, 2024.

The principal amount evidenced by this Bond may be drawn upon by the Municipality in accordance with the Financial Assistance Agreement entered by and between the Municipality and the State of Wisconsin by the Department of Natural Resources and the Department of Administration including capitalized interest transferred (if any). The principal amounts so drawn shall be repaid in installments on May 1 of each year commencing on May 1, 2025 in an amount equal to an amount which when amortized over the remaining term of this Bond plus current payments of interest (but only on amounts drawn hereunder) at Two and 145/1000ths percent (2.145%) per annum shall result in equal annual payments of the total of principal and the semiannual payments of interest. The State of Wisconsin Department of Administration shall record such draws and corresponding principal repayment schedule on a cumulative basis in the format shown on the attached Schedule A.

Both principal and interest hereon are hereby made payable to the registered owner in lawful money of the United States of America. On the final maturity date, principal of this Bond shall be payable only upon presentation and surrender of this Bond at the office of the Municipal Treasurer. Principal hereof (except the final maturity) and interest hereon shall be payable by electronic transfer or by check or draft dated on or before the applicable payment date and mailed from the office of the Municipal Treasurer to the person in whose name this Bond is registered at the close of business on the fifteenth day of the calendar month next preceding such interest payment date.

This Bond shall not be redeemable prior to its maturity, except with the consent of the registered owner.

This Bond is transferable only upon the books of the Municipality kept for that purpose at the office of the Municipal Treasurer, by the registered owner in person or its duly authorized attorney, upon surrender of this Bond, together with a written instrument of transfer (which may be endorsed hereon) satisfactory to the Municipal Treasurer, duly executed by the registered owner or its duly authorized attorney. Thereupon a replacement Bond shall be issued to the transferee in exchange therefor. The Municipality may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of or on account of the principal or interest hereof and for all other purposes. This Bond is issuable solely as a negotiable, fully-registered bond, without coupons, and in denominations of \$0.01 or any integral multiple thereof.

This Bond is issued for the purpose of providing for the payment of the cost of constructing improvements to the Water System of the Municipality, pursuant to Article XI, Section 3, of the Wisconsin Constitution, Section 66.0621, Wisconsin Statutes, and a resolution adopted September 5, 2023, and entitled: "Resolution Authorizing the Issuance and Sale of Up to \$2,208,649 Water System Revenue Bonds, Series 2023, and Providing for Other Details and Covenants With Respect Thereto" and is payable only from the income and revenues of the Water System of the Municipality (the "Utility"). This Bond does not constitute an indebtedness of said Municipality within the meaning of any constitutional or statutory debt limitation or provision.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen, and be performed precedent to and in the issuance of this Bond have existed, have happened and have been performed in due time, form and manner as required by law; and that sufficient of the income and revenue to be received by said Municipality from the operation of its Utility has been pledged to and will be set aside into a special fund for the payment of the principal of and interest on this Bond.

IN WITNESS WHEREOF, the Municipality has caused this Bond to be signed by the signatures of its Mayor and City Clerk, and its corporate seal to be impressed hereon, all as of the date of original issue specified above.

CITY OF DODGEVILLE,
WISCONSIN

(SEAL)

By: _____
Todd D. Novak
Mayor

By: _____
Lauree Aulik
City Clerk

COPY

(Form of Assignment)

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

(Please print or typewrite name and address, including zip code, of Assignee)

Please insert Social Security or other identifying number of Assignee

the within Bond and all rights thereunder, hereby irrevocably constituting and appointing

Attorney to transfer said Bond on the books kept for the registration thereof with full power of substitution in the premises.

Dated: _____

NOTICE: The signature of this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

Signature(s) guaranteed by

SCHEDULE A

\$2,208,649

CITY OF DODGEVILLE, WISCONSIN
WATER SYSTEM REVENUE BONDS, SERIES 2023

<u>Amount of Disbursement</u>	<u>Date of Disbursement</u>	<u>Series of Bonds</u>	<u>Principal Repaid</u>	<u>Principal Balance</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____



SCHEDULE A (continued)
PRINCIPAL REPAYMENT SCHEDULE

<u>Date</u>	<u>Principal Amount</u>
May 1, 2025	\$95,386.92
May 1, 2026	97,432.97
May 1, 2027	99,522.90
May 1, 2028	101,657.67
May 1, 2029	103,838.23
May 1, 2030	106,065.56
May 1, 2031	108,340.66
May 1, 2032	110,664.57
May 1, 2033	113,038.33
May 1, 2034	115,463.00
May 1, 2035	117,939.68
May 1, 2036	120,469.49
May 1, 2037	123,053.56
May 1, 2038	125,693.05
May 1, 2039	128,389.17
May 1, 2040	131,143.12
May 1, 2041	133,956.14
May 1, 2042	136,829.49
May 1, 2043	139,764.49