



CITY COUNCIL MEETING

Monday, August 03, 2026 at 6:00 PM

Council Chambers - City Hall, 3rd Floor
1717 E. Park Street, Two Rivers, WI 54241

AGENDA

NOTICE: Arrangements for Addressing the City Council by Telephone, During Public Hearings or Input from the Public can be made by Contacting the City Manager's Office at 920-793-5532 or City Clerk's Office at 920-793-5526 by 4:00 p.m. on the day of the meeting

1. CALL TO ORDER

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL BY DEPUTY CITY CLERK

Councilmembers: Mark Bittner, Doug Brandt, Katherine Dahlke, Shannon Derby, Bill LeClair, Darla LeClair, Tim Petri, Scott Stechmesser, Adam Wachowski

4. CONSIDERATION OF ANY COUNCIL MEMBER REQUESTS TO PARTICIPATE IN THIS MEETING FROM A REMOTE LOCATION

5. INPUT FROM THE PUBLIC

Limited to 3 minutes per person - Resident addresses are requested but are not required to be given

6. COUNCIL COMMUNICATIONS

Letters and other communications from residents

7. COUNCIL REPORTS FROM BOARDS/COMMISSIONS/COMMITTEES

8. CONSENT AGENDA

These titles will be read by the Council President and approved by a single Voice Vote. Any item may be pulled from the Consent Agenda for discussion and separate vote by any City Council member.

A. 26-142 Presentation of Minutes

1. City Council Work Session, July 27, 2026

B. 26-143 Minutes of Meetings

1. Business Improvement District Board, July 21, 2026
2. Business and Industrial Development Committee, July 21, 2026
3. Personnel and Finance Committee, July 23, 2026

C. 26-144 Finance Reports, June 2026

1. Debt Service
2. General Fund
3. Lester Library
4. Utilities Report

RECOMMENDED ACTION FOR CONSENT AGENDA

Motion to approve the Consent Agenda as presented

9. CITY COUNCIL - FORMAL ITEMS

A. 26-145 Waiver of Noise Ordinance Request for Heroes Venture Arcade

Summary: Heroes Venture Arcade (2022 Washington Street) – Live music event on Saturday, August 22, 2026. The applicant requests a waiver to facilitate an electronic dance music event from 7:00 p.m. to 12:00 a.m. The property is in a Business-to-Residential transition area.

Recommended Action:

Motion to approve request at 75 decibels until 12:00 AM per recommendation of City staff

B. 26-146 Consider Appeal of Denial of 2-Year Operator's License for Applicant, Ashley Syrett

Summary: Consideration of an appeal of the denial of an Operator's License application for Ashley Syrett. Based on the applicant's failure to meet eligibility requirements established by the City's Municipal Code, the application was denied. The applicant appealed the decision, but the Police Department recommends that the denial be upheld.

Recommended Action:

Motion to deny the appeal, consistent with the recommendation of the Chief of Police

C. 26-147 Resolution Disallowing Claim by Mark Heller, Regarding Damages Sustained at 1910 20th Street

Summary: A resolution disallowing a Notice of Claim submitted on behalf of a property owner seeking reimbursement for damage to a private fence allegedly caused during the 2025–26 winter snow plowing season. Following staff and insurance review, the City finds no evidence that Public Works caused the damage and notes that available records indicate the fence had existing damage prior to the claimed incident. The proposed resolution formally denies the claim and authorizes the required statutory notice to the claimant.

Recommended Action:

Motion to adopt the resolution, as recommended by the City's insurance carrier, with a finding that the City was not negligent in this matter.

D. 26-148 Resolution Authorizing the Issuance and Sale of Up to \$1,781,953 Sewerage System Revenue Bonds, Series 2026B, and Providing for Other Details and Covenants With Respect Thereto, and Approval of Related Financial Assistance Agreement

Summary: This resolution authorizes the financing necessary to complete several planned sanitary sewer infrastructure improvements starting in 2026 and extending into 2027 through the issuance of Sewerage System Revenue Bonds. These bonds are not backed by General Fund property taxes but user fees in the City Wastewater Utility.

The largest component of the project is the City's annual cured-in-place pipe (CIPP) lining program, a cost-effective rehabilitation method that restores aging sanitary sewer mains from the inside without the need for extensive excavation. This approach extends the useful life of existing infrastructure, improves system reliability, and helps avoid the significantly higher costs associated with emergency repairs or full pipe replacement.

The financing will also fund the replacement of sanitary sewer laterals associated with the 2026 and 2027 Lead Service Line (LSL) replacement project. Completing this work concurrently with other utility improvements minimizes future disruption to residents and avoids the need to excavate the same areas multiple times.

Approval of this resolution authorizes the City to secure the financing needed to complete these planned infrastructure investments while continuing the long-term maintenance and modernization of the sanitary sewer system.

Recommended Action:

Motion to waive reading and adopt the resolution

E. 26-149 Resolution Authorizing the Issuance and Sale of Up to \$1,961,897 Water System Revenue Bonds, Series 2026, and Providing for Other Details and Covenants With Respect Thereto, and Approval of Related Financial Assistance Agreement

Summary: This resolution authorizes the issuance of up to \$1,961,897 in Water System Revenue Bonds to finance the City's 2026-2027 Lead Service Line (LSL) replacement program and the Lincoln Avenue water main replacement program. These bonds are not backed by General Fund property taxes but user fees in the City Water Utility.

The proposed financing will allow the City to replace approximately 500 lead service lines in 2027, roughly double the City's typical annual replacement pace. Accelerating this work into double-time takes advantage of the current funding opportunities available through the Wisconsin DNR, which include significant principal forgiveness that substantially reduces the long-term cost to the Water Utility and its customers. Because the availability and level of this financial assistance are uncertain in future years, staff recommends completing as much eligible work as possible while these funding opportunities remain available.

Replacing lead service lines improves water system reliability, reduces the presence of lead in the drinking water system, and advances the City's long-term goal of eliminating remaining lead service lines. Approval of this resolution authorizes the financing necessary to maximize available state assistance and continue this important infrastructure investment.

Recommended Action:

Motion to waive reading and adopt the resolution

E. 26-150 Presentation of the City of Two Rivers Independent Financial Audit for Fiscal Year 2025

Summary: Independent auditors from CliftonLarsonAllen LLP will present the results of the City's 2025 Annual Financial Audit. The audit found that the City's overall net position increased during 2025, driven primarily by grant funding and capital investments.

The City received a clean audit opinion, the highest level of assurance available from independent auditors. Auditors also reported no material weaknesses in the City's management or internal financial practices, indicating that the City's financial reporting and cash-handling procedures are prudent and well-managed.

The presentation will provide an overview of the City's financial statements, summarize the auditor's findings, and confirm the City's compliance with applicable accounting standards and financial reporting requirements.

Recommended Action:

Motion to accept the findings of the Fiscal Year 2025 audit results from CliftonLarsonAllen LLP.

10. CITY MANAGER'S REPORT

11. FOR INFORMATION ONLY

- **City Council Regular Meeting**, Monday, August 17, 2026, 6:00 PM
- **City Council Work Session**, Monday, August 31, 2026, 6:00 PM
- **Hamilton Concepts Listening Session**, Wednesday, August 5, 2026, 5:30 PM, Lester Public Library, Fireplace area

Upcoming Events

- **National Night Out**, Tuesday, August 4, 2026, 5:00 PM, Walsh Field
- **Rogers Street Days**, Friday & Saturday, August 7 & 8, 2026, Rogers Street Fishing Village
- **Brat Fry & Art Splash**, Wednesday, August 12, 2026, 12:00 PM-3:00 PM, Lester Public Library
- **Meet Your Neighbors**, Saturday, August 22, 2026, 10:30 AM, Lester Public Library
- **Bites on the Beach**, Saturday August 22, 2026, 12:00 PM-6:00 PM, Neshotah Beach
- **The Great Neshotah Beach Campout**, Saturday, August 29, 2026, Neshotah Beach

Visit exploretworivers.com for more information and events.

12. CLOSED SESSION

The City Council reserves the right to enter into Closed Session, per Wisc. Stats 19.85(1)(g) Conferring with legal counsel for the governmental body who is rendering oral or written advice concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved.

- Potential property tax litigation
- Potential public records litigation

13. RECONVENE IN OPEN SESSION

To consider possible actions in follow-up to closed session discussions

14. ADJOURNMENT

Motion to dispense with the reading of the minutes of this meeting and adjourn

In accordance with the requirements of Title II of the Americans with Disabilities Act (ADA), the City of Two Rivers will not discriminate against qualified individuals with disabilities on the basis of disability in its services, programs, or activities. If you need assistance or reasonable accommodations in participating in this meeting or event due to a disability as defined under the ADA, please call the City Clerk's office at 920-793-5526 or email clerk@two-rivers.org at least 48 hours prior to the scheduled meeting or event to request an accommodation. For additional assistance, individuals with hearing or speech disabilities can call 711 and be connected to a telephone relay system.

It is possible that members of and possibly a quorum of governmental bodies of the municipality may be in attendance at the above stated meeting to gather information; no other action will be taken by any governmental body at the above-stated meeting other than the governmental body specifically referred to above in this notice.



**TWO
RIVERS**
WISCONSIN

CITY COUNCIL WORK SESSION

Monday, July 27, 2026 at 6:00 PM

Council Chambers - City Hall, 3rd Floor
1717 E. Park Street, Two Rivers, WI 54241

MINUTES

1. CALL TO ORDER

President Stechmesser called the meeting to order at 6:00 PM.

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL BY DEPUTY CITY CLERK

Councilmembers: Mark Bittner, Doug Brandt, Katherine Dahlke, Shannon Derby, Bill LeClair (via phone), Darla LeClair (via phone), Tim Petri, Scott Stechmesser, Adam Wachowski

Also Present: Water Utility Director Andrew Sukowaty, Police Chief Ben Meinnert, Tech Manager Dave Dassey, City Manager Kyle Kordell, City Attorney Sean Griffin (via phone)

4. CONSIDERATION OF ANY COUNCIL MEMBER REQUESTS TO PARTICIPATE IN THIS MEETING FROM A REMOTE LOCATION

Motion made by Derby, seconded by Dahlke to allow Council Members B. LeClair and D. LeClair to participate from a remote location.

Motion carried with a roll call vote.

Voting Yea: Derby, Brandt, Petri, Dahlke, Stechmesser, Wachowski, Bittner

5. INPUT FROM THE PUBLIC

Limited to 3 minutes per person - Resident addresses are requested but are not required to be given

Pamela Stephens, a resident of Two Rivers, spoke in support of continuing water fluoridation. She shared that she grew up in Southern California with fluoridated water and, despite having limited access to dental care as a child, maintained good dental health. She stated that her first cavity occurred at age 21 and attributed her positive dental health to fluoridated drinking water. She urged the council to continue fluoridating the public water supply.

President Stechmesser read a statement from Connie Denor because she was unable to attend the meeting. Ms. Denor expressed opposition to water fluoridation, stating that she believes fluoride is harmful to children, that people receive sufficient fluoride through food, and that it may negatively affect individuals with thyroid conditions. She noted that she currently filters her household water and urged the council to remove fluoride from the public water supply.

6. DISCUSSION ITEMS

A. Review of City of Two Rivers Water Fluoridation Program

Summary: The City Council will hold a work session to review the City's long-standing community water fluoridation program. The City has fluoridated its water supply since 1952 and no City Council has discussed this practice in the 74 years since. The discussion will include an overview of current scientific research, public health guidance, operational considerations, associated costs, and information regarding how other communities have approached fluoridation in recent years. The purpose of the work session is to provide Council members an opportunity to review available information, ask questions, and discuss the topic before determining whether to consider future policy changes. No formal action will be taken during the work session.

Recommended Action:

No Council action is requested; this is presented for informational purposes only.

City Manager Kordell introduced the fluoride discussion as a policy review prompted by the upcoming budget process, noting that the City has fluoridated its water since 1952 and that the decision is a local policy choice rather than a state or federal mandate. Along with Water Utility Director Sukowaty, he presented information outlining both the potential benefits and concerns associated with fluoridation, including public health, employee safety, environmental considerations, costs, and recent research, followed by an informational video summarizing current scientific perspectives. Council members discussed the balance between cavity prevention, particularly for low-income residents, and concerns regarding individual choice and possible health impacts. Questions were raised about environmental effects, alternative methods of providing fluoride, and the experiences of communities that have discontinued fluoridation. No action was taken. Council directed staff to gather additional information, including feedback from other municipalities that have ended water fluoridation, before bringing the matter back for further discussion at a future work session.

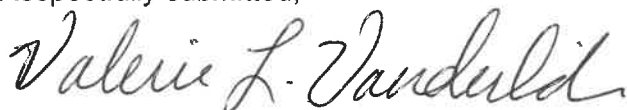
7. ADJOURNMENT

Motion to dispense with the reading of the minutes of this meeting and adjourn at 6:52 PM.

Motion made by Wachowski, seconded by Derby.

Motion carried with a voice vote. All in favor.

Respectfully submitted,



Valerie L. Vanderlinden
Deputy City Clerk



MINUTES

1. CALL TO ORDER

Board member Krahn called the meeting to order at 8:03 AM.

2. ROLL CALL

Present: Bill Kiel, Joanne Kouba, Gina Krahn, Theresa Kronforst, Melvin Mazariegos, Marv Moore, and Pam Wargin. All BID Board members are present. All BID Board members are current property or business owners located within the current BID boundaries.

3. SELECTION OF A CHAIR FOR THE BID BOARD

Kronforst made a motion to nominate Kiel as Chair, seconded by Moore.

ALL IN FAVOR: 7

ANY OPPOSED: 0

Motion passed.

4. SELECTION OF A VICE-CHAIR FOR THE BID BOARD

Moore made a motion to nominate Kronforst as Vice- Chair, seconded by Krahn.

ALL IN FAVOR: 7

ANY OPPOSED: 0

Motion passed.

5. APPROVAL OF MINUTES

Kronforst made a motion to approve the minutes of May 21, 2026, as presented, seconded by Krahn.

ALL IN FAVOR: 7

ANY OPPOSED: 0

Motion passed.

6. REVIEW OF BUSINESS IMPROVEMENT DISTRICT & RECOMMENDATION FROM TWO RIVERS MAIN STREET BOARD OF DIRECTORS FROM JUNE 10, 2026

Summary: The BID Board will review the formal recommendation adopted unanimously by the Two Rivers Main Street Board of Directors on June 10, 2026, regarding proposed amendments to the Business Improvement District boundaries. The discussion will provide Board members with an opportunity to consider the rationale for the recommended boundary changes and evaluate whether the proposal aligns with the BID's mission and future growth objectives before taking formal action on a recommendation.

- Main Street President Kristine Pigeon was in the audience and provided background and justification of the unanimous request from the Main Street Board received on June 10, 2026. Main Street Director Jason Ring was also present and provided more details on the reasons why changing the BID borders for the first time in 30 years is practical and prudent for a healthy downtown community. There was a general discussion on the pros and cons of expanding the boundaries and how this would impact businesses located in the BID.

7. ACTION AMENDING BUSINESS IMPROVEMENT DISTRICT BOUNDARIES WITH RECOMMENDATION TO PLAN COMMISSION & CITY COUNCIL

Summary: The BID Board will consider taking formal action on a recommendation to amend the boundaries of the Business Improvement District (BID). If approved, the Board's recommendation will be forwarded to the Plan Commission for consideration at its September 14, 2026, meeting, after which the proposed boundary changes would proceed to the City Council for final consideration. This action represents the next step in the statutory three-part approval process established under Wisconsin law for modifying BID boundaries.

Kronforst made a motion, seconded by Kouba, to accept the recommendation of the Main Street Board to amend the boundaries of the BID and forward the recommendation to the Two Rivers Plan Commission to schedule a Public Hearing at its September meeting.

ALL IN FAVOR: 7
ANY OPPOSED: 0
Motion passed.

8. ADJOURNMENT

Moore motioned to adjourn at 8:41 AM, seconded by Wargin.

ALL IN FAVOR: 7
ANY OPPOSED: 0
Motion passed.

Respectfully submitted,
Kyle Kordell
City Manager



**TWO
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WISCONSIN

BUSINESS AND INDUSTRIAL DEVELOPMENT COMMITTEE

Section 8, ItemB.

Tuesday, July 21, 2026 at 5:15 PM

City Hall, 3rd Floor - Committee Room
1717 E. Park Street, Two Rivers, WI 54241

MINUTES

1. CALL TO ORDER

Chair Greg Coenen called the meeting to order at 5:15 PM.

2. ROLL CALL

BIDC Members: Elizabeth Bittner (via phone), Thomas Christensen (arrived at 5:20 PM), Gregory Coenen, Tracey Koach, Keith Lyons, Corey Thuss, Doug Brandt, Katherine Dahlke

3. PUBLIC INPUT

None.

4. CLOSED EXECUTIVE SESSION

The Business and Industrial Development Committee and Community Development Authority reserve the right to enter into closed session per Wisc. Stats. 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

- Consideration of an application for funding through the City's Revolving Loan Fund

Motion made by Dahlke, seconded by Koach to enter closed session at 5:17 PM.
All in favor.

5. RECONVENE IN OPEN SESSION

Possible action on matters discussed in Closed Session

Motion made by Koach, seconded by Thuss to reconvene in open session at 5:28 PM.
All in favor.

6. NEXT SCHEDULED MEETING

- Tuesday, August 11, 2026, 5:15 PM

7. ADJOURNMENT

Motion made by Coenen, seconded by Dahlke to adjourn the meeting at 5:29 PM.
All in favor.

Respectfully submitted,
Kyle Kordell
City Manager



**TWO
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WISCONSIN

PERSONNEL AND FINANCE COMMITTEE MEETING

Thursday, July 23, 2026 at 5:30 PM

Committee Room - City Hall, 3rd Floor 1717
E. Park Street, Two Rivers, WI 54241

Section 8, ItemB.

MINUTES

1. Call to Order

The meeting was called to order by Committee Member Stechmesser at 5:30pm.

2. Roll Call

Committee Members Present: Mark Bittner (by phone), Scott Stechmesser

City Staff Present: Kyle Kordell, City Manager and Kassie Paider, Finance Director

3. Public Input

None

4. 2025 Audit Results

The City received a clean audit opinion, the highest level of assurance provided by the auditors. A full presentation of the audit results is scheduled for the August 3 Council meeting.

The General Fund ended 2025 with an operating deficit, resulting in a fund balance decrease of approximately \$339,000.

On a government-wide basis, total net position increased by approximately \$2.6 million, ending the year at \$66.3 million. Nearly all of the increase (\$2.4 million) resulted from capital contributions and grants received by the utilities rather than operational performance. Utility operations contributed approximately \$200,000 to the increase in net position.

In response to the 2025 operating results, management implemented spending controls, tighter overtime management, and new revenue initiatives during 2026.

5. Health insurance claims and cost trends review

The City's health insurance plan experienced a 117.84% loss ratio in 2025. Through May 2026, the loss ratio is 103.38%.

If the claims ratio remains above 100%, the City is anticipating double-digit premium increases at renewal.

Teladoc visits are now provided at no cost to employees under the health plan, and the insurance carrier is offering a gift card incentive to encourage enrollment.

6. YTD General Fund performance through June 30, 2026

At the midpoint of the fiscal year:

- Revenues were 38% of budget, which is lower than 50% but typical due to the timing of State Shared Revenue payments.
- Expenditures were 49% of budget.

The General Fund reported a mid-year operating deficit of approximately \$1.4 million, compared to \$1.8 million at the same point in 2025, representing an improvement of approximately \$370,000.

Department expenditures remain well managed:

- Police Department: 51.2% of budget
- Fire Department: 49.8% of budget
- Public Works Department: 44–45% of budget

Regarding the May 17 storm event, approximately \$20,000 has been charged to the General Fund to date, excluding labor costs. Most storm-related expenses have been recorded in other funds:

- Electric Utility: more than \$200,000
- Public Works: more than \$50,000
- Wastewater Utility: more than \$10,000
- Parks Department: approximately \$110,000

The insurance reimbursement process is underway.

Staff also reviewed the City's transition to AIT for information technology services. The IT budget is currently at 55%, with contractual services nearing 90% due to a one-time onboarding fee of approximately \$17,000.

The annual AIT contract is \$79,000 and is fixed for three years through March 2029. The transition is expected to save the City at least \$50,000 annually compared to maintaining a full-time IT employee.

7. **YTD overtime report through June 30, 2026**

Total overtime expenditures across all departments were 54% of the annual budget, slightly below the pace experienced at the same point last year.

Department highlights included:

- Fire Department: Overtime is on target at 49% of budget.
- Public Works Department: Overtime remains below expectations; however, several major projects are behind schedule due to staff being diverted for the March blizzard and May storm response for approximately three to four weeks. Delayed projects include stormwater catch basin maintenance, more than 50 lead service line patches, sidewalk replacements, the east side trail, concrete crosswalks, parking deck work, and street sweeping, which is currently being completed monthly rather than weekly. The department is now fully staffed.
- Parks and Recreation Department: Minimal overtime with no concerns noted.
- Police Patrol Division: Approximately 97% of the overtime budget has already been utilized, leaving roughly \$2,000 for the remainder of the year.

The Police Department's overtime was attributed to several factors, including backfilling shifts while an Officer attends the police academy, three emergency incidents requiring approximately 35 hours of overtime, increased vacation coverage in May, and approximately 60 hours of mutual aid provided during the AutoMotion Classic Car Show in Wisconsin Dells. Those mutual aid costs are fully reimbursable by the Village of Lake Delton but have not yet been reflected in the financial reports.

8. Consider date and time for next meeting

The next Personal Finance Committee meeting tentatively planned for the week of September 21, 2026, pending the budget calendar.

9. Adjournment

Motion by Bittner, seconded by Stechmesser, to adjourn at 6:12pm. Motion carried.

Respectfully Submitted,

A handwritten signature in cursive script, appearing to read "K Paider", is written in dark ink.

Kassie Paider, Finance Director

Debt Service Fund Summary Financial Report June 2026

A detailed report can be provided upon request.



**TWO
RIVERS**
WISCONSIN

CITY OF TWO RIVERS
2026 MONTHLY DEBT SERVICE FUND REPORT
JUNE 30, 2026 BUDGET

Section 8, Item C.

DEBT SERVICE F 300 REVENUE AND EXPENSE DETAIL

	PERIOD ACTUAL	2026 BUDGET	2026 YTD ACTUAL	OVER (UNDER) BUDGET	% OF BUDGET	PRIOR YTD ACTUAL
<u>DEBT SERVICE</u>						
REVENUES						
<u>REVENUES</u>						
300-41110 GENERAL PROPERTY TAX	0	2,636,603	2,636,603	0	100.00	2,551,538
300-48100 INTEREST ON INVESTMENTS	10,412	100,000	39,873	(60,127)	39.87	143,825
300-49110 PROCEEDS FROM DEBT	0	0	1,182	1,182	.00	2,503
300-49417 TRNSFR FROM OTHER FUNDS	0	278,142	290,105	11,963	104.30	192,313
TOTAL REVENUES	10,412	3,014,745	2,967,763	(46,983)	98.44	2,890,179
<u>EXPENDITURES</u>						
300-58100-2940 PAYMENT BOND ESCROW AGENT	0	0	325	325	.00	325
300-58100-2950 DEBT ISSUANCE COSTS	0	0	49,469	49,469	.00	61,007
300-58100-2960 DEBT PREMIUM	0	0	(131,198)	(131,198)	.00	(134,426)
300-58100-5970 TRANSFER TO OTHER FUNDS	0	26,845	0	(26,845)	.00	0
300-58100-6200 PRINCIPAL PAYMENTS	253	2,298,898	2,263,716	(35,182)	98.47	2,245,230
300-58100-6210 INTEREST PAYMENTS	0	609,708	359,339	(250,369)	58.94	342,477
300-58100-6230 CAPITAL LEASE PAYMENTS	0	212,750	81,580	(131,170)	38.35	85,518
300-58100-6240 INTEREST EXP ON CAPITAL LEASES	0	29,250	7,090	(22,160)	24.24	9,489
300-58100-6900 OTHER SERVICES	0	4,000	1,425	(2,575)	35.63	2,375
TOTAL EXPENDITURES	253	3,181,451	2,631,746	(549,705)	82.72	2,611,994
REVENUE OVER EXPENDITURES - YTD	10,159	(166,706)	336,017	502,723	201.56	278,184



**TWO
RIVERS**
WISCONSIN

June 2026

General Fund
Summary
Financial Report

A detailed report can be provided upon request.

CITY OF TWO RIVERS
FUND SUMMARY
FOR THE 6 MONTHS ENDING JUNE 30, 2026

Section 8, Item C.

GENERAL FUND

	PERIOD ACT	BUDGET	YTD ACTUAL	OVR (UND)	% OF BDGT	PR YTD ACT
<u>REVENUE</u>						
TAXES	68,283	3,225,560	2,820,660.75	(404,899)	87.45	2,721,920
SPECIAL ASSESSMENTS	2,945	280,000	115,333.26	(164,667)	41.19	101,001
INTERGOVERNMENTAL REVENUE	48,794	5,812,516	435,191.29	(5,377,324)	7.49	375,442
LICENSES & PERMITS	25,621	321,236	193,373.07	(127,863)	60.20	125,232
FINES & FORFEITURES	6,636	82,800	40,795.07	(42,005)	49.27	43,234
CHARGES FOR SERVICE	105,318	1,751,940	733,056.55	(1,018,883)	41.84	635,200
INTERDEPARTMENTAL REVENUE	40,333	542,000	128,427.83	(413,572)	23.70	130,965
MISCELLANEOUS REVENUE	24,840	653,000	239,713.33	(413,287)	36.71	162,263
OTHER FINANCING SOURCES	5,658	202,600	129,524.24	(73,076)	63.93	171,332
TOTAL FUND REVENUE	328,426	12,871,652	4,836,075.39	(8,035,576)	37.57	4,466,589
<u>EXPENDITURES</u>						
COUNCIL	935	16,147	5,406.27	(10,741)	33.48	7,939
JUDICIAL	4,698	61,704	31,312.16	(30,392)	50.75	30,428
LEGAL COUNSEL	5,087	64,438	25,610.17	(38,828)	39.74	28,707
CITY MANAGER	13,729	177,436	81,604.71	(95,831)	45.99	90,867
CLERK	11,027	96,824	48,635.35	(48,189)	50.23	44,647
ELECTION	1,715	30,958	7,944.75	(23,014)	25.66	11,207
INFORMATION SYSTEMS	10,425	137,830	75,350.54	(62,479)	54.67	69,258
FINANCE DEPARTMENT	13,394	160,857	78,167.22	(82,690)	48.59	87,160
ASSESSING	10,256	129,161	63,167.91	(65,993)	48.91	58,514
CITY HALL	7,305	103,651	47,372.57	(56,279)	45.70	45,082
GENERAL GOVERNMENT	277	27,840	16,402.28	(11,438)	58.92	14,552
INSURANCE	23,692	294,550	143,971.74	(150,578)	48.88	199,435
POLICE ADMINISTRATION	129,772	1,602,497	825,915.29	(776,582)	51.54	816,249
POLICE PATROL	222,308	2,329,428	1,189,917.20	(1,139,511)	51.08	1,119,803
POLICE CROSSING GUARDS	524	28,789	12,244.59	(16,544)	42.53	14,506
POLICE & FIRE COMMISSION	90	4,100	1,725.94	(2,374)	42.10	2,530
FIRE ADMINISTRATION	53,675	624,986	325,767.12	(299,219)	52.12	327,424
FIREFIGHTERS	171,874	1,978,092	994,448.61	(983,643)	50.27	937,619
AMBULANCE	35,027	478,355	212,849.57	(265,505)	44.50	219,630
INSPECTION	21,991	232,625	118,269.19	(114,356)	50.84	111,330
HIGHWAY ADMINISTRATION	14,550	203,341	91,653.26	(111,688)	45.07	87,593
PUBLIC WORKS SHOP	63,398	691,503	385,458.97	(306,044)	55.74	411,296
STREET MAINTENANCE	14,212	251,396	89,324.08	(162,072)	35.53	96,178
TRAFFIC CONTROL	8,289	64,204	32,075.32	(32,129)	49.96	42,498
SNOW & ICE	118	243,057	109,451.91	(133,606)	45.03	105,459
BRIDGE REPAIR/MAINTENANCE	789	44,258	7,437.27	(36,821)	16.80	16,382
TRANSIT	0	150,000	39,125.00	(110,875)	26.08	36,047
WORK DONE FOR OTHER DEPTS	20,923	166,019	72,863.74	(93,155)	43.89	86,688
SENIOR CENTER	17,315	217,916	110,153.94	(107,762)	50.55	105,503
CEMETERIES	24,488	222,193	108,298.84	(113,894)	48.74	106,528
COMMUNITY CENTER	34,358	492,272	228,421.85	(263,850)	46.40	213,560
PARKS	48,898	422,497	180,596.60	(241,900)	42.75	171,284
RECREATION	32,712	358,396	170,596.98	(187,799)	47.60	178,601
SPECIAL EVENTS	3,852	35,253	16,348.58	(18,904)	46.38	20,787
RECREATION FIELDS	20,942	124,416	57,738.10	(66,678)	46.41	55,268
TRAILS/MEDIAN MAINTENANCE	2,085	41,012	3,533.56	(37,479)	8.62	12,974
OTHER FINANCING USES	40,962	563,650	269,202.78	(294,447)	47.76	295,846

CITY OF TWO RIVERS
 FUND SUMMARY
 FOR THE 6 MONTHS ENDING JUNE 30, 2026

Section 8, Item C.

GENERAL FUND

	PERIOD ACT	BUDGET	YTD ACTUAL	OVR (UND)	% OF BDGT	PR YTD ACT
TOTAL FUND EXPENDITURES	1,085,694	12,871,652	6,278,363.96	(6,593,288)	48.78	6,279,378
REVENUE OVER (UNDER) EXPENSES	(757,267)	0	(1,442,288.57)	(1,442,289)	.00	(1,812,789)

CITY OF TWO RIVERS
REVENUES WITH COMPARISON TO BUDGET
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GENERAL FUND DETAIL

	PERIOD ACT	BUDGET	YTD ACTUAL	OV(UN)BUD	% OF BDGT	PR YTD ACT
<u>TAXES</u>						
100-41110 GENERAL PROPERTY TAX	0	2,413,045	2,413,045	0	100.00	2,288,033
100-41310 LOCAL UTILITY TAX EQUIV	66,667	800,000	400,002	(399,998)	50.00	422,832
100-41320 OTHER TAX EXEMPT ENTITIES	0	15	16	1	107.00	15
100-41800 INTEREST DELINQ. TAXES	1,616	12,500	7,598	(4,902)	60.78	11,039
TOTAL TAXES	68,283	3,225,560	2,820,661	(404,899)	87.45	2,721,920
<u>SPECIAL ASSESSMENTS</u>						
100-42300 STREET PAVING & CONSTRUCT	2,945	275,000	108,970	(166,030)	39.63	98,635
100-42401 OTHER SPECIAL ASSESSMENTS	0	5,000	6,363	1,363	127.26	2,367
TOTAL SPECIAL ASSESSMENTS	2,945	280,000	115,333	(164,667)	41.19	101,001
<u>INTERGOVERNMENTAL REVENUE</u>						
100-43410 STATE SHARED TAXES	0	4,903,848	0	(4,903,848)	.00	0
100-43411 EXPENDITURE RESTRAINT	0	103,960	0	(103,960)	.00	0
100-43412 EXEMPT COMPUTER STATE AID	0	20,753	0	(20,753)	.00	0
100-43413 PERSONAL PROPERTY AID	0	55,300	55,300	0	100.00	55,300
100-43415 VIDEO SERVICE PROVIDER AID	0	26,680	0	(26,680)	.00	0
100-43420 STATE FIRE INS TAX	47,743	38,000	47,743	9,743	125.64	0
100-43520 STATE AID/POLICE TRAINING	1,051	30,000	12,984	(17,016)	43.28	15,478
100-43529 STATE AID-OTH PUB SAFETY	0	0	0	0	.00	0
100-43580 GRANT PROCEEDS	0	0	0	0	.00	0
100-43610 PAYMENT MUN. SERVICES	0	4,300	4,474	174	104.05	4,293
100-43620 OTHER STATE AID	0	0	0	0	.00	0
100-43710 HIGHWAY AIDS-LOCAL	0	499,537	249,621	(249,916)	49.97	235,423
100-43711 CONNECTING STREETS	0	130,138	65,069	(65,069)	50.00	64,947
TOTAL INTERGOVERNMENTAL REVE	48,794	5,812,516	435,191	(5,377,324)	7.49	375,442

CITY OF TWO RIVERS
REVENUES WITH COMPARISON TO BUDGET
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GENERAL FUND DETAIL

	PERIOD ACT	BUDGET	YTD ACTUAL	OV(UN)BUD	% OF BDGT	PR YTD ACT
<u>LICENSES & PERMITS</u>						
100-44110 LIQUOR LICENSE	1,710	19,570	20,997	1,427	107.29	18,505
100-44120 BAR OPERATOR LICENSE	1,215	6,180	4,540	(1,640)	73.46	4,215
100-44125 CIGARETTE LICENSE	0	206	0	(206)	.00	100
100-44130 BUSINESS OR OCCUPATION	1,965	2,575	2,790	215	108.35	2,075
100-44140 CABLE TV FRANCHISE	0	85,000	18,682	(66,318)	21.98	21,285
100-44200 BICYCLE LIC/GOLF CART PERMIT	440	1,339	1,290	(49)	96.34	1,050
100-44210 DOG LICENSE	0	8,240	2,545	(5,695)	30.89	2,556
100-44300 BUILDING PERMITS	15,807	125,000	105,854	(19,146)	84.68	44,445
100-44310 ELECTRICAL PERMITS	2,250	18,540	12,731	(5,809)	68.67	11,286
100-44320 PLUMBING PERMITS	1,394	25,750	11,349	(14,401)	44.07	7,545
100-44330 SIGN PERMIT	50	1,751	530	(1,221)	30.27	750
100-44340 CONDITIONAL USE PERMIT	0	4,635	1,080	(3,555)	23.30	2,150
100-44800 SHORT TERM RENTAL PERMIT FEE	0	7,000	1,225	(5,775)	17.50	2,250
100-44900 OTHER PERMITS	790	15,450	9,760	(5,690)	63.17	7,021
TOTAL LICENSES & PERMITS	25,621	321,236	193,373	(127,863)	60.20	125,232
<u>FINES & FORFEITURES</u>						
100-45110 MUN. COURT FINES/COSTS	1,228	40,000	20,004	(19,996)	50.01	15,514
100-45115 POLICE DEPT TRIP PAYMENTS	4,357	30,000	14,086	(15,914)	46.95	18,506
100-45130 PARKING VIOLATIONS	930	12,000	6,250	(5,750)	52.08	9,317
100-45131 UNPAID TRAFFIC JUDGEMENTS	21	0	55	55	.00	(102)
100-45220 ANIMAL TRANSPORTS	100	800	400	(400)	50.00	0
TOTAL FINES & FORFEITURES	6,636	82,800	40,795	(42,005)	49.27	43,234
<u>CHARGES FOR SERVICE</u>						
100-46110 GENERAL GOVERNMENT FEES	956	28,750	12,211	(16,539)	42.47	10,065
100-46210 LAW ENFORCEMENT FEES	495	3,090	2,150	(940)	69.59	1,252
100-46220 FIRE DEPARTMENT FEES	1,700	40,000	10,379	(29,621)	25.95	10,295
100-46225 FIRE DEPT TRIP PAYMENTS	683	60,000	5,043	(54,957)	8.41	19,881
100-46230 AMBULANCE FEES	76,134	900,000	459,393	(440,607)	51.04	458,998
100-46240 POLICE LIAISON FEES	0	170,000	84,699	(85,301)	49.82	0
100-46310 PUBLIC WORKS FEES	564	275,000	13,390	(261,610)	4.87	5,811
100-46540 CEMETERY PLOTS	7,750	111,100	43,750	(67,350)	39.38	43,440
100-46720 RECREATION FEES	10,324	104,000	68,347	(35,653)	65.72	52,803
100-46743 COMMUNITY CENTER	5,587	45,000	24,658	(20,342)	54.79	21,535
100-46745 SENIOR CENTER	1,070	15,000	8,800	(6,200)	58.67	6,736
100-46840 MISC COMMUNITY GARDEN REVENU	55	0	235	235	.00	4,383
TOTAL CHARGES FOR SERVICE	105,318	1,751,940	733,057	(1,018,883)	41.84	635,200

CITY OF TWO RIVERS
REVENUES WITH COMPARISON TO BUDGET
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GENERAL FUND DETAIL

		PERIOD ACT	BUDGET	YTD ACTUAL	OV(UN)BUD	% OF BDGT	PR YTD ACT
	<u>INTERDEPARTMENTAL REVENUE</u>						
100-47430	PUBLIC WORKS CHARGES	40,333	525,000	128,428	(396,572)	24.46	130,323
100-47440	RECREATION CHARGES	0	17,000	0	(17,000)	.00	642
100-47450	ECONOMIC DEVELOPMENT CHRG	0	0	0	0	.00	0
	<u>TOTAL INTERDEPARTMENTAL REVEN</u>	<u>40,333</u>	<u>542,000</u>	<u>128,428</u>	<u>(413,572)</u>	<u>23.70</u>	<u>130,965</u>
	<u>MISCELLANEOUS REVENUE</u>						
100-48100	INTEREST ON INVESTMENTS	10,022	150,000	123,082	(26,918)	82.05	55,456
100-48120	INTEREST INCOME ON TIF ADVANCE	0	4,000	0	(4,000)	.00	0
100-48121	INT INC ON UTILITY ADVANCES	0	20,000	0	(20,000)	.00	0
100-48130	INTERST-SPECIAL ASSMTS	784	40,000	43,939	3,939	109.85	34,086
100-48200	RENT-CITY PROPERTY	2,780	354,000	58,296	(295,704)	16.47	57,150
100-48300	SALE OF PROP & EQUIP	11,252	25,000	11,252	(13,748)	45.01	13,515
100-48400	REFUND FOR PRIOR YEARS	0	35,000	0	(35,000)	.00	0
100-48500	DONATIONS	0	0	2,700	2,700	.00	0
100-48900	OTHER REVENUES	2	25,000	444	(24,556)	1.78	2,056
	<u>TOTAL MISCELLANEOUS REVENUE</u>	<u>24,840</u>	<u>653,000</u>	<u>239,713</u>	<u>(413,287)</u>	<u>36.71</u>	<u>162,263</u>
	<u>OTHER FINANCING SOURCES</u>						
100-49223	TRANS FROM OTHER FUNDS	5,658	202,600	129,524	(73,076)	63.93	171,332
	<u>TOTAL OTHER FINANCING SOURCES</u>	<u>5,658</u>	<u>202,600</u>	<u>129,524</u>	<u>(73,076)</u>	<u>63.93</u>	<u>171,332</u>
	<u>TOTAL FUND REVENUE</u>	<u>328,426</u>	<u>12,871,652</u>	<u>4,836,075</u>	<u>(8,035,576)</u>	<u>37.57</u>	<u>4,466,589</u>

CITY OF TWO RIVERS

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EXPENDITURES WITH COMPARISON TO BUDGET BY OBJECT CODE FOR THE 6 MONTHS ENDING JUNE 30, 2026

FUND 100 - GENERAL FUND - GENERAL GOVERNMENT

	PERIOD ACTUAL	2026 YTD ACTUAL	2026 BUDGET	OVR (UND) BUDGET	% OF BUDGET	PRIOR YTD ACTUAL
GEN GOVT ADMINISTRATION						
CITY COUNCIL						
PERSONNEL SERVICES	1,130	6,782	13,940	(7,158)	48.65	6,782
CONTRACTUAL SERVICES	482	1,813	8,800	(6,987)	20.60	2,671
OPERATING SUPPLIES & EXPENSE	0	727	5,100	(4,373)	14.25	4,236
CAPITAL OUTLAY	0	0	0	0	.00	0
ALLOCATION	(677)	(3,915)	(11,693)	7,778	(33.48)	(5,749)
TOTAL CITY COUNCIL	935	5,406	16,147	(10,741)	33.48	7,939
JUDICIAL						
PERSONNEL SERVICES	4,649	27,515	55,253	(27,738)	49.80	26,854
CONTRACTUAL SERVICES	0	0	1,501	(1,501)	.00	3
OPERATING SUPPLIES & EXPENSE	49	1,397	2,550	(1,153)	54.78	1,171
FIXED CHARGES	0	0	0	0	.00	0
CAPITAL OUTLAY	0	2,400	2,400	0	100.00	2,400
TOTAL JUDICIAL	4,698	31,312	61,704	(30,392)	50.75	30,428
LEGAL DEPARTMENT						
PERSONNEL SERVICES	0	0	0	0	.00	0
CONTRACTUAL SERVICES	8,770	44,155	111,100	(66,945)	39.74	49,495
OPERATING SUPPLIES & EXPENSE	0	0	0	0	.00	0
CAPITAL OUTLAY	0	0	0	0	.00	0
ALLOCATION	(3,684)	(18,545)	(46,662)	28,117	(39.74)	(20,788)
TOTAL LEGAL DEPARTMENT	5,087	25,610	64,438	(38,828)	39.74	28,707
CITY MANAGER						
PERSONNEL SERVICES	22,640	132,112	271,280	(139,168)	48.70	121,688
CONTRACTUAL SERVICES	1,374	8,820	28,680	(19,860)	30.75	36,236
OPERATING SUPPLIES & EXPENSE	947	7,441	22,650	(15,209)	32.85	6,262
CAPITAL OUTLAY	0	0	0	0	.00	0
ALLOCATION	(11,233)	(66,768)	(145,175)	78,407	(45.99)	(73,319)
TOTAL CITY MANAGER	13,729	81,605	177,436	(95,831)	45.99	90,867

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EXPENDITURES WITH COMPARISON TO BUDGET BY OBJECT CODE FOR THE 6 MONTHS ENDING JUNE 30, 2026

FUND 100 - GENERAL FUND - GENERAL GOVERNMENT

	PERIOD ACTUAL	2026 YTD ACTUAL	2026 BUDGET	OVR (UND) BUDGET	% OF BUDGET	PRIOR YTD ACTUAL
CITY CLERK						
PERSONNEL SERVICES	9,927	58,090	117,986	(59,896)	49.24	56,044
CONTRACTUAL SERVICES	2,742	3,241	7,200	(3,959)	45.02	927
OPERATING SUPPLIES & EXPENSE	2,436	5,292	7,450	(2,158)	71.03	3,834
CAPITAL OUTLAY	0	0	0	0	.00	0
ALLOCATION	(4,078)	(17,988)	(35,812)	17,823	(50.23)	(16,159)
TOTAL CITY CLERK	11,027	48,635	96,824	(48,189)	50.23	44,647
ELECTIONS						
PERSONNEL SERVICES	1,141	4,774	18,258	(13,484)	26.15	8,852
CONTRACTUAL SERVICES	106	209	5,500	(5,291)	3.79	634
OPERATING SUPPLIES & EXPENSE	469	2,962	7,200	(4,238)	41.14	1,721
CAPITAL OUTLAY	0	0	0	0	.00	0
TOTAL ELECTIONS	1,715	7,945	30,958	(23,014)	25.66	11,207
INFORMATION SYSTEMS						
PERSONNEL SERVICES	7,797	95,902	233,520	(137,618)	41.07	111,125
CONTRACTUAL SERVICES	17,598	87,321	98,400	(11,079)	88.74	56,916
OPERATING SUPPLIES & EXPENSE	34	559	4,250	(3,691)	13.14	882
FIXED CHARGES	0	0	0	0	.00	0
CAPITAL OUTLAY	0	0	0	0	.00	0
ALLOCATION	(15,003)	(108,431)	(198,340)	89,909	(54.67)	(99,665)
TOTAL INFORMATION SYSTEMS	10,425	75,351	137,830	(62,479)	54.67	69,258
TOTAL GEN GOVT ADMIN	47,616	275,864	585,337	(309,473)	47.13	283,054

CITY OF TWO RIVERS

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EXPENDITURES WITH COMPARISON TO BUDGET BY OBJECT CODE FOR THE 6 MONTHS ENDING JUNE 30, 2026

FUND 100 - GENERAL FUND - GENERAL GOVERNMENT

	PERIOD ACTUAL	2026 YTD ACTUAL	2026 BUDGET	OVR (UND) BUDGET	% OF BUDGET	PRIOR YTD ACTUAL
***** SUMMARY OF GENERAL GOVERNMENT ADMINISTRATION EXPENSES *****						
PERSONNEL SERVICES	47,283	325,175	710,238	(385,062)	45.78	331,345
CONTRACTUAL SERVICES	31,072	145,559	261,181	(115,622)	55.73	146,881
OPERATING SUPPLIES & EXPENSE	3,936	18,377	49,200	(30,823)	37.35	18,106
FIXED CHARGES	0	0	0	0	.00	0
CAPITAL OUTLAY	0	2,400	2,400	0	100.00	
ALLOCATION	(34,674)	(215,647)	(437,681)	222,034	(49.27)	
TOTAL GEN GOVT ADMINISTRATION	47,616	275,864	585,337	(309,473)	47.13	283,054

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EXPENDITURES WITH COMPARISON TO BUDGET BY OBJECT CODE FOR THE 6 MONTHS ENDING JUNE 30, 2026

FUND 100 - GENERAL FUND - GENERAL GOVERNMENT

	PERIOD ACTUAL	2026 YTD ACTUAL	2026 BUDGET	OVR (UND) BUDGET	% OF BUDGET	PRIOR YTD ACTUAL
FINANCE ADMINISTRATION						
FINANCE						
PERSONNEL SERVICES	28,182	165,680	335,995	(170,316)	49.31	149,063
CONTRACTUAL SERVICES	12,602	53,987	104,324	(50,337)	51.75	76,776
OPERATING SUPPLIES & EXPENSE	368	3,848	10,400	(6,552)	37.00	2,777
CAPITAL OUTLAY	0	0	0	0	.00	0
ALLOCATION	(27,758)	(145,348)	(289,862)	144,514	(50.14)	(141,456)
TOTAL FINANCE	13,394	78,167	160,857	(82,690)	48.59	87,160
ASSESSOR						
PERSONNEL SERVICES	4,774	28,123	59,611	(31,488)	47.18	24,369
CONTRACTUAL SERVICES	5,359	34,616	67,600	(32,984)	51.21	33,985
OPERATING SUPPLIES & EXPENSE	123	429	1,950	(1,521)	22.00	161
CAPITAL OUTLAY	0	0	0	0	.00	0
TOTAL ASSESSOR	10,256	63,168	129,161	(65,993)	48.91	58,514
TOTAL FINANCE ADMINISTRATION	23,649	141,335	290,018	(148,683)	48.73	145,674

***** SUMMARY OF FINANCE ADMINISTRATION EXPENSES *****

PERSONNEL SERVICES	32,955	193,802	395,606	(201,804)	48.99	173,432
CONTRACTUAL SERVICES	17,960	88,603	171,924	(83,321)	51.54	110,760
OPERATING SUPPLIES & EXPENSE	492	4,277	12,350	(8,073)	34.63	2,938
CAPITAL OUTLAY	0	0	0	0	.00	
ALLOCATION	(27,758)	(145,348)	(289,862)	144,514	(50.14)	
TOTAL FINANCE ADMINISTRATION	23,649	141,335	290,018	(148,683)	48.73	145,674

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EXPENDITURES WITH COMPARISON TO BUDGET BY OBJECT CODE FOR THE 6 MONTHS ENDING JUNE 30, 2026

FUND 100 - GENERAL FUND - GENERAL GOVERNMENT

	PERIOD ACTUAL	2026 YTD ACTUAL	2026 BUDGET	OVR (UND) BUDGET	% OF BUDGET	PRIOR YTD ACTUAL
CITY HALL						
CITY HALL (BUILDING MAINTENANCE)						
PERSONNEL SERVICES	8,231	46,082	100,709	(54,627)	45.76	46,133
CONTRACTUAL SERVICES	2,723	24,309	51,500	(27,191)	47.20	20,584
OPERATING SUPPLIES & EXPENSE	1,640	11,286	26,500	(15,214)	42.59	11,011
CAPITAL OUTLAY	0	0	0	0	.00	0
ALLOCATION	(5,290)	(34,304)	(75,058)	40,753	(45.70)	(32,646)
TOTAL CITY HALL	7,305	47,373	103,651	(56,279)	45.70	45,082
OTHER GENERAL GOVERNMENT						
MISC GOVERNMENT						
CONTRACTUAL SERVICES	0	8,586	9,600	(1,014)	89.44	7,715
OPERATING SUPPLIES & EXPENSE	337	4,257	7,740	(3,483)	55.01	2,242
FIXED CHARGES	(60)	3,559	10,500	(6,941)	33.89	4,595
CAPITAL OUTLAY	0	0	0	0	.00	0
TOTAL MISC GOVERNMENT	277	16,402	27,840	(11,438)	58.92	14,552
GENERAL INSURANCE						
PERSONNEL SERVICES	0	0	0	0	.00	0
FIXED CHARGES	23,692	143,972	294,550	(150,578)	48.88	199,435
TOTAL GENERAL INSURANCE	23,692	143,972	294,550	(150,578)	48.88	199,435
TOTAL OTHER GEN GOVT	23,969	160,374	322,390	(162,016)	49.75	213,986

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EXPENDITURES WITH COMPARISON TO BUDGET BY OBJECT CODE FOR THE 6 MONTHS ENDING JUNE 30, 2026

FUND 100 - GENERAL FUND - GENERAL GOVERNMENT

	PERIOD ACTUAL	2026 YTD ACTUAL	2026 BUDGET	OVR (UND) BUDGET	% OF BUDGET	PRIOR YTD ACTUAL
***** SUMMARY OF OTHER GENERAL GOVERNMENT EXPENSES *****						
PERSONNEL SERVICES	0	0	0	0	.00	0
CONTRACTUAL SERVICES	0	8,586	9,600	(1,014)	89.44	7,715
OPERATING SUPPLIES & EXPENSE	337	4,257	7,740	(3,483)	55.01	2,242
FIXED CHARGES	23,632	147,530	305,050	(157,520)	48.36	204,030
CAPITAL OUTLAY	0	0	0	0	.00	
TOTAL OTHER GEN GOVT	23,969	160,374	322,390	(162,016)	49.75	213,986

***** SUMMARY OF ALL GENERAL GOVERNMENT EXPENSES *****						
PERSONNEL SERVICES	88,470	565,060	1,206,553	(641,493)	46.83	550,910
CONTRACTUAL SERVICES	51,755	267,058	494,205	(227,147)	54.04	285,941
OPERATING SUPPLIES & EXPENSE	6,405	38,197	95,790	(57,593)	39.88	34,297
FIXED CHARGES	23,632	147,530	305,050	(157,520)	48.36	204,030
CAPITAL OUTLAY	0	2,400	2,400	0	100.00	
ALLOCATION	(67,722)	(395,299)	(802,601)	407,302	(49.25)	
TOTAL GENERAL GOVERNMENT	102,539	624,946	1,301,396	(676,451)	48.02	687,796

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EXPENDITURES WITH COMPARISON TO BUDGET BY OBJECT CODE FOR THE 6 MONTHS ENDING JUNE 30, 2026

FUND 100 - GENERAL FUND - PUBLIC SAFETY

	PERIOD ACTUAL	2026 YTD ACTUAL	2026 BUDGET	OVR (UND) BUDGET	% OF BUDGET	PRIOR YTD ACTUAL
POLICE DEPARTMENT						
POLICE ADMINISTRATION						
PERSONNEL SERVICES	123,618	713,740	1,440,431	(726,691)	49.55	720,721
CONTRACTUAL SERVICES	1,598	80,604	87,866	(7,262)	91.74	62,526
OPERATING SUPPLIES & EXPENSE	1,373	11,816	32,200	(20,384)	36.70	8,961
FIXED CHARGES	3,183	19,755	42,000	(22,245)	47.04	24,040
CAPITAL OUTLAY	0	0	0	0	.00	0
TOTAL POLICE ADMINISTRATION	129,772	825,915	1,602,497	(776,582)	51.54	816,249
POLICE PATROL						
PERSONNEL SERVICES	209,151	1,132,200	2,193,513	(1,061,313)	51.62	1,070,050
CONTRACTUAL SERVICES	7,851	30,735	90,640	(59,905)	33.91	25,696
OPERATING SUPPLIES & EXPENSE	5,306	26,982	45,275	(18,293)	59.60	24,057
TOTAL POLICE PATROL	222,308	1,189,917	2,329,428	(1,139,511)	51.08	1,119,803
CROSSING GUARDS						
PERSONNEL SERVICES	524	12,245	28,489	(16,244)	42.98	14,284
OPERATING SUPPLIES & EXPENSE	0	0	300	(300)	.00	222
TOTAL CROSSING GUARDS	524	12,245	28,789	(16,544)	42.53	14,506
TOTAL POLICE DEPARTMENT	352,604	2,028,077	3,960,714	(1,932,637)	51.20	1,950,557

CITY OF TWO RIVERS

Section 8, Item C.

EXPENDITURES WITH COMPARISON TO BUDGET BY OBJECT CODE FOR THE 6 MONTHS ENDING JUNE 30, 2026

FUND 100 - GENERAL FUND - PUBLIC SAFETY

	PERIOD ACTUAL	2026 YTD ACTUAL	2026 BUDGET	OVR (UND) BUDGET	% OF BUDGET	PRIOR YTD ACTUAL
***** SUMMARY OF POLICE DEPARTMENT EXPENSES *****						
PERSONNEL SERVICES	333,293	1,858,185	3,662,433	(1,804,248)	50.74	1,805,055
CONTRACTUAL SERVICES	9,449	111,339	178,506	(67,167)	62.37	88,222
OPERATING SUPPLIES & EXPENSE	6,680	38,798	77,775	(38,977)	49.88	33,240
FIXED CHARGES	3,183	19,755	42,000	(22,245)	47.04	24,040
CAPITAL OUTLAY	0	0	0	0	.00	
TOTAL POLICE DEPARTMENT	352,604	2,028,077	3,960,714	(1,932,637)	51.20	1,950,557

CITY OF TWO RIVERS

Section 8, Item C.

EXPENDITURES WITH COMPARISON TO BUDGET BY OBJECT CODE FOR THE 6 MONTHS ENDING JUNE 30, 2026

FUND 100 - GENERAL FUND - PUBLIC SAFETY

	PERIOD ACTUAL	2026 YTD ACTUAL	2026 BUDGET	OVR (UND) BUDGET	% OF BUDGET	PRIOR YTD ACTUAL
POLICE & FIRE COMMISSION						
POLICE & FIRE COMMISSION						
PERSONNEL SERVICES	0	0	0	0	.00	0
CONTRACTUAL SERVICES	90	1,726	4,100	(2,374)	42.10	2,530
OPERATING SUPPLIES & EXPENSE	0	0	0	0	.00	0
TOTAL POLICE & FIRE COMMISSION	90	1,726	4,100	(2,374)	42.10	2,530
FIRE DEPARTMENT						
FIRE ADMINISTRATION						
PERSONNEL SERVICES	45,606	266,547	533,451	(266,904)	49.97	268,355
CONTRACTUAL SERVICES	3,729	40,800	62,035	(21,235)	65.77	41,624
OPERATING SUPPLIES & EXPENSE	4,292	18,137	28,900	(10,763)	62.76	16,898
FIXED CHARGES	47	282	600	(318)	47.04	547
CAPITAL OUTLAY	0	0	0	0	.00	0
TOTAL FIRE ADMINISTRATION	53,675	325,767	624,986	(299,219)	52.12	327,424
FIREFIGHTERS						
PERSONNEL SERVICES	169,925	980,746	1,943,092	(962,346)	50.47	918,137
CONTRACTUAL SERVICES	871	9,550	25,500	(15,950)	37.45	15,361
OPERATING SUPPLIES & EXPENSE	1,079	4,153	9,500	(5,347)	43.71	4,121
TOTAL FIREFIGHTERS	171,874	994,449	1,978,092	(983,643)	50.27	937,619
AMBULANCE SERVICES						
PERSONNEL SERVICES	29,495	182,483	415,355	(232,872)	43.93	196,046
CONTRACTUAL SERVICES	397	8,916	21,000	(12,084)	42.46	6,225
OPERATING SUPPLIES & EXPENSE	5,136	21,450	42,000	(20,550)	51.07	17,359
FIXED CHARGES	0	0	0	0	.00	0
CAPITAL OUTLAY	0	0	0	0	.00	0
TOTAL AMBULANCE SERVICES	35,027	212,850	478,355	(265,505)	44.50	219,630
TOTAL FIRE DEPARTMENT	260,577	1,533,065	3,081,433	(1,548,368)	49.75	1,484,673

CITY OF TWO RIVERS

Section 8, ItemC.

EXPENDITURES WITH COMPARISON TO BUDGET BY OBJECT CODE FOR THE 6 MONTHS ENDING JUNE 30, 2026

FUND 100 - GENERAL FUND - PUBLIC SAFETY

	PERIOD ACTUAL	2026 YTD ACTUAL	2026 BUDGET	OVR (UND) BUDGET	% OF BUDGET	PRIOR YTD ACTUAL
***** SUMMARY OF FIRE DEPARTMENT EXPENSES *****						
PERSONNEL SERVICES	245,025	1,429,777	2,891,898	(1,462,121)	49.44	1,382,538
CONTRACTUAL SERVICES	4,997	59,266	108,535	(49,269)	54.61	63,210
OPERATING SUPPLIES & EXPENSE	10,507	43,740	80,400	(36,660)	54.40	38,378
FIXED CHARGES	47	282	600	(318)	47.04	547
CAPITAL OUTLAY	0	0	0	0	.00	
TOTAL FIRE DEPARTMENT	260,577	1,533,065	3,081,433	(1,548,368)	49.75	1,484,673

INSPECTION SERVICES

BUILDING INSPECTIONS

PERSONNEL SERVICES	18,406	106,087	217,405	(111,318)	48.80	101,002
CONTRACTUAL SERVICES	3,390	10,976	10,990	(14)	99.87	8,812
OPERATING SUPPLIES & EXPENSE	196	1,207	4,230	(3,023)	28.53	1,516
CAPITAL OUTLAY	0	0	0	0	.00	0
TOTAL INSPECTION SERVICES	21,991	118,269	232,625	(114,356)	50.84	111,330

***** SUMMARY OF PUBLIC SAFETY EXPENSES *****

PERSONNEL SERVICES	596,724	3,394,048	6,771,736	(3,377,688)	50.12	3,288,596
CONTRACTUAL SERVICES	17,926	183,307	302,131	(118,824)	60.67	162,774
OPERATING SUPPLIES & EXPENSE	17,382	83,745	162,405	(78,660)	51.57	73,133
FIXED CHARGES	3,230	20,037	42,600	(22,563)	47.04	24,587
CAPITAL OUTLAY	0	0	0	0	.00	
TOTAL PUBLIC SAFETY	635,262	3,681,138	7,278,872	(3,597,734)	50.57	3,549,090

CITY OF TWO RIVERS

Section 8, Item C.

EXPENDITURES WITH COMPARISON TO BUDGET BY OBJECT CODE FOR THE 6 MONTHS ENDING JUNE 30, 2026

FUND 100 - GENERAL FUND - PUBLIC WORKS

	PERIOD ACTUAL	2026 YTD ACTUAL	2026 BUDGET	OVR (UND) BUDGET	% OF BUDGET	PRIOR YTD ACTUAL
PUBLIC WORKS						
HIGHWAY ADMINISTRATION						
PERSONNEL SERVICES	12,656	82,977	180,091	(97,115)	46.07	78,802
CONTRACTUAL SERVICES	1,570	5,635	10,100	(4,465)	55.79	4,895
OPERATING SUPPLIES & EXPENSE	325	3,041	13,150	(10,109)	23.13	3,896
CAPITAL OUTLAY	0	0	0	0	.00	0
TOTAL HIGHWAY ADMINISTRATION	14,550	91,653	203,341	(111,688)	45.07	87,593
PUBLIC WORKS SHOP						
PERSONNEL SERVICES	39,761	261,390	467,353	(205,962)	55.93	295,303
CONTRACTUAL SERVICES	18,818	81,368	108,900	(27,532)	74.72	67,563
OPERATING SUPPLIES & EXPENSE	4,776	42,255	113,750	(71,495)	37.15	47,891
FIXED CHARGES	43	445	1,500	(1,055)	29.69	540
CAPITAL OUTLAY	0	0	0	0	.00	0
TOTAL PUBLIC WORKS SHOP	63,398	385,459	691,503	(306,044)	55.74	411,296
STREET MAINTENANCE						
PERSONNEL SERVICES	3,841	13,090	78,396	(65,307)	16.70	13,598
CONTRACTUAL SERVICES	10,169	74,687	165,000	(90,313)	45.26	80,179
OPERATING SUPPLIES & EXPENSE	202	1,547	8,000	(6,453)	19.34	2,402
CAPITAL OUTLAY	0	0	0	0	.00	0
TOTAL STREET MAINTENANCE	14,212	89,324	251,396	(162,072)	35.53	96,178
TRAFFIC CONTROL						
PERSONNEL SERVICES	4,159	20,737	40,704	(19,967)	50.95	32,607
CONTRACTUAL SERVICES	3,218	5,507	8,000	(2,493)	68.84	2,686
OPERATING SUPPLIES & EXPENSE	0	2,324	3,000	(676)	77.48	55
CAPITAL OUTLAY	912	3,507	12,500	(8,993)	28.05	7,149
TOTAL TRAFFIC CONTROL	8,289	32,075	64,204	(32,129)	49.96	42,498

CITY OF TWO RIVERS

Section 8, Item C.

EXPENDITURES WITH COMPARISON TO BUDGET BY OBJECT CODE FOR THE 6 MONTHS ENDING JUNE 30, 2026

FUND 100 - GENERAL FUND - PUBLIC WORKS

	PERIOD ACTUAL	2026 YTD ACTUAL	2026 BUDGET	OVR (UND) BUDGET	% OF BUDGET	PRIOR YTD ACTUAL
SNOW & ICE REMOVAL						
PERSONNEL SERVICES	118	52,239	175,307	(123,068)	29.80	51,483
CONTRACTUAL SERVICES	0	873	2,750	(1,877)	31.75	920
OPERATING SUPPLIES & EXPENSE	0	56,340	65,000	(8,660)	86.68	53,056
TOTAL SNOW & ICE REMOVAL	118	109,452	243,057	(133,606)	45.03	105,459
BRIDGE REPAIR & MAINTENANCE						
PERSONNEL SERVICES	638	4,756	33,758	(29,002)	14.09	8,196
CONTRACTUAL SERVICES	151	2,681	8,500	(5,819)	31.54	8,132
OPERATING SUPPLIES & EXPENSE	0	0	2,000	(2,000)	.00	53
CAPITAL OUTLAY						
TOTAL BRIDGE REPAIR & MAINTENANCE	789	7,437	44,258	(36,821)	16.80	16,382
STORM SEWER						
PERSONNEL SERVICES	0	0	0	0	.00	0
CONTRACTUAL SERVICES	0	0	0	0	.00	0
OPERATING SUPPLIES & EXPENSE	0	0	0	0	.00	0
CAPITAL OUTLAY	0	0	0	0	.00	0
TOTAL STORM SEWER	0	0	0	0	.00	0
PUBLIC TRANSPORTATION						
CONTRACTUAL SERVICES	0	39,125	150,000	(110,875)	26.08	36,047
TOTAL PUBLIC TRANSPORTATION	0	39,125	150,000	(110,875)	26.08	36,047

CITY OF TWO RIVERS

Section 8, Item C.

EXPENDITURES WITH COMPARISON TO BUDGET BY OBJECT CODE FOR THE 6 MONTHS ENDING JUNE 30, 2026

FUND 100 - GENERAL FUND - PUBLIC WORKS

	PERIOD ACTUAL	2026 YTD ACTUAL	2026 BUDGET	OVR (UND) BUDGET	% OF BUDGET	PRIOR YTD ACTUAL
WORK FOR OTHER DEPARTMENTS						
PERSONNEL SERVICES	20,923	72,864	166,019	(93,155)	43.89	86,688
CONTRACTUAL SERVICES	0	0	0	0	.00	0
OPERATING SUPPLIES & EXPENSE	0	0	0	0	.00	0
FIXED CHARGES	0	0	0	0	.00	0
CAPITAL OUTLAY	0	0	0	0	.00	0
TOTAL WORK FOR OTHER DEPTS	20,923	72,864	166,019	(93,155)	43.89	86,688
TOTAL PUBLIC WORKS	122,280	827,390	1,813,779	(986,390)	45.62	882,142

***** SUMMARY OF PUBLIC WORKS EXPENSES *****

PERSONNEL SERVICES	82,095	508,053	1,141,629	(633,576)	44.50	566,677
CONTRACTUAL SERVICES	33,926	209,876	453,250	(243,374)	46.30	200,423
OPERATING SUPPLIES & EXPENSE	5,303	105,508	204,900	(99,392)	51.49	107,353
FIXED CHARGES	43	445	1,500	(1,055)	29.69	540
CAPITAL OUTLAY	912	3,507	12,500	(8,993)	28.05	
TOTAL PUBLIC WORKS	122,280	827,390	1,813,779	(986,390)	45.62	882,142

CITY OF TWO RIVERS

Section 8, Item C.

EXPENDITURES WITH COMPARISON TO BUDGET BY OBJECT CODE FOR THE 6 MONTHS ENDING JUNE 30, 2026

FUND 100 - GENERAL FUND - HEALTH & HUMAN SERVICES

	PERIOD ACTUAL	2026 YTD ACTUAL	2026 BUDGET	OVR (UND) BUDGET	% OF BUDGET	PRIOR YTD ACTUAL
HEALTH & HUMAN SERVICES						
SENIOR CENTER						
PERSONNEL SERVICES	16,364	97,451	190,706	(93,255)	51.10	92,812
CONTRACTUAL SERVICES	459	8,252	15,840	(7,588)	52.10	7,432
OPERATING SUPPLIES & EXPENSE	493	4,451	11,370	(6,919)	39.15	5,260
CAPITAL OUTLAY	0	0	0	0	.00	0
TOTAL SENIOR CENTER	17,315	110,154	217,916	(107,762)	50.55	105,503
CEMETERIES						
PERSONNEL SERVICES	16,548	69,432	159,058	(89,626)	43.65	71,705
CONTRACTUAL SERVICES	6,678	29,782	43,086	(13,303)	69.12	26,276
OPERATING SUPPLIES & EXPENSE	1,262	9,085	20,050	(10,965)	45.31	8,548
FIXED CHARGES	0	0	0	0	.00	0
CAPITAL OUTLAY	0	0	0	0	.00	0
TOTAL CEMETERIES	24,488	108,299	222,193	(113,894)	48.74	106,528
TOTAL HEALTH & HUMAN SERVICES	41,804	218,453	440,109	(221,656)	49.64	212,031

CITY OF TWO RIVERS

Section 8, ItemC.

EXPENDITURES WITH COMPARISON TO BUDGET BY OBJECT CODE FOR THE 6 MONTHS ENDING JUNE 30, 2026

FUND 100 - GENERAL FUND - CULTURE, RECREATION & EDUCATION

	PERIOD ACTUAL	2026 YTD ACTUAL	2026 BUDGET	OVR (UND) BUDGET	% OF BUDGET	PRIOR YTD ACTUAL
CULTURE, REC & EDUCATION						
COMMUNITY CENTER						
PERSONNEL SERVICES	29,787	179,652	391,854	(212,203)	45.85	168,181
CONTRACTUAL SERVICES	2,707	37,721	75,367	(37,646)	50.05	32,191
OPERATING SUPPLIES & EXPENSE	1,864	11,049	25,050	(14,001)	44.11	13,188
CAPITAL OUTLAY	0	0	0	0	.00	0
TOTAL COMMUNITY CENTER	34,358	228,422	492,272	(263,850)	46.40	213,560
PARKS						
PERSONNEL SERVICES	33,564	128,177	272,221	(144,045)	47.09	128,752
CONTRACTUAL SERVICES	8,723	34,277	109,075	(74,798)	31.43	27,689
OPERATING SUPPLIES & EXPENSE	6,611	18,143	41,200	(23,057)	44.04	14,843
CAPITAL OUTLAY	0	0	0	0	.00	0
TOTAL PARKS	48,898	180,597	422,497	(241,900)	42.75	171,284
RECREATION						
PERSONNEL SERVICES	28,488	135,371	296,606	(161,234)	45.64	142,880
CONTRACTUAL SERVICES	3,155	26,628	38,090	(11,462)	69.91	23,388
OPERATING SUPPLIES & EXPENSE	1,069	8,598	23,700	(15,102)	36.28	12,333
FIXED CHARGES	0	0	0	0	.00	0
TOTAL RECREATION	32,712	170,597	358,396	(187,799)	47.60	178,601
SPECIAL EVENTS						
PERSONNEL SERVICES	3,824	16,171	34,318	(18,147)	47.12	20,306
CONTRACTUAL SERVICES	28	178	635	(457)	28.00	481
OPERATING SUPPLIES & EXPENSE	0	0	300	(300)	.00	0
CAPITAL OUTLAY	0	0	0	0	.00	0
TOTAL SPECIAL EVENTS	3,852	16,349	35,253	(18,904)	46.38	20,787

CITY OF TWO RIVERS

Section 8, Item C.

EXPENDITURES WITH COMPARISON TO BUDGET BY OBJECT CODE FOR THE 6 MONTHS ENDING JUNE 30, 2026

FUND 100 - GENERAL FUND - CULTURE, RECREATION & EDUCATION

	PERIOD ACTUAL	2026 YTD ACTUAL	2026 BUDGET	OVR (UND) BUDGET	% OF BUDGET	PRIOR YTD ACTUAL
RECREATION FIELDS						
PERSONNEL SERVICES	4,757	28,053	63,475	(35,422)	44.20	27,864
CONTRACTUAL SERVICES	3,178	13,186	31,941	(18,755)	41.28	14,870
OPERATING SUPPLIES & EXPENSE	13,006	16,499	29,000	(12,501)	56.89	12,534
CAPITAL OUTLAY	0	0	0	0	.00	0
TOTAL RECREATION FIELDS	20,942	57,738	124,416	(66,678)	46.41	55,268
TRAILS & MEDIAN MAINTENANCE						
PERSONNEL SERVICES	1,374	2,442	17,762	(15,320)	13.75	2,114
CONTRACTUAL SERVICES	711	1,091	23,250	(22,159)	4.69	10,859
OPERATING SUPPLIES & EXPENSE						
CAPITAL OUTLAY						
TOTAL TRAIL & MEDIAN MAINTENANCE	2,085	3,534	41,012	(37,479)	8.62	12,974
TOTAL CULTURE, REC, EDUCATION	142,847	657,236	1,473,845	(816,609)	44.59	652,474

***** SUMMARY OF CULTURE, RECREATION & EDUCATION EXPENSES *****

PERSONNEL SERVICES	101,795	489,866	1,076,236	(586,370)	45.52	490,097
CONTRACTUAL SERVICES	18,502	113,081	278,359	(165,278)	40.62	109,479
OPERATING SUPPLIES & EXPENSE	22,550	54,288	119,250	(64,962)	45.52	52,898
FIXED CHARGES	0	0	0	0	.00	0
CAPITAL OUTLAY	0	0	0	0	.00	
TOTAL CULTURE, REC, EDUCATION	142,847	657,236	1,473,845	(816,609)	44.59	652,474

CITY OF TWO RIVERS

Section 8, Item C.

EXPENDITURES WITH COMPARISON TO BUDGET BY OBJECT CODE FOR THE 6 MONTHS ENDING JUNE 30, 2026

FUND 100 - GENERAL FUND - CONSERVATION & DEVELOPMENT

	PERIOD ACTUAL	2026 YTD ACTUAL	2026 BUDGET	OVR (UND) BUDGET	% OF BUDGET	PRIOR YTD ACTUAL
CONSERVATION & DEV						
PLANNING						
PERSONNEL SERVICES	0	0	0	0	.00	0
CONTRACTUAL SERVICES	0	0	0	0	.00	0
OPERATING SUPPLIES & EXPENSE	0	0	0	0	.00	0
CAPITAL OUTLAY	0	0	0	0	.00	0
TOTAL PLANNING	0	0	0	0	.00	0
ECONOMIC DEVELOPMENT						
PERSONNEL SERVICES	0	0	0	0	.00	0
CONTRACTUAL SERVICES	0	0	0	0	.00	0
OPERATING SUPPLIES & EXPENSE	0	0	0	0	.00	0
CAPITAL OUTLAY	0	0	0	0	.00	0
TOTAL ECONOMIC DEVELOPMENT	0	0	0	0	.00	0
***** SUMMARY OF CONSERVATION & DEVELOPMENT EXPENSES *****						
PERSONNEL SERVICES	0	0	0	0	.00	0
CONTRACTUAL SERVICES	0	0	0	0	.00	0
OPERATING SUPPLIES & EXPENSE	0	0	0	0	.00	0
CAPITAL OUTLAY	0	0	0	0	.00	0
TOTAL CONSERVATION & DEV	0	0	0	0	.00	0
TOTAL OTHER FINANCING USES	40,962	269,203	563,650	(294,447)	47.76	295,846

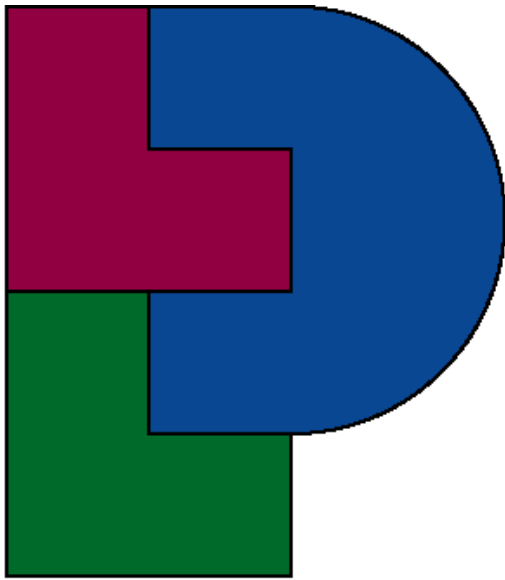
CITY OF TWO RIVERS

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EXPENDITURES WITH COMPARISON TO BUDGET BY OBJECT CODE FOR THE 6 MONTHS ENDING JUNE 30, 2026

FUND 100 - GENERAL FUND - SUMMARY TOTALS

	PERIOD ACTUAL	2026 YTD ACTUAL	2026 BUDGET	OVR (UND) BUDGET	% OF BUDGET	PRIOR YTD ACTUAL
***** SUMMARY OF GENERAL FUND EXPENSES *****						
PERSONNEL SERVICES	901,996	5,123,910	10,545,918	(5,422,008)	48.59	5,060,796
CONTRACTUAL SERVICES	129,245	811,357	1,586,870	(775,513)	51.13	792,324
OPERATING SUPPLIES & EXPENSE	53,395	295,274	613,765	(318,491)	48.11	281,488
FIXED CHARGES	67,866	437,216	912,800	(475,584)	47.90	525,003
CAPITAL OUTLAY	912	5,907	14,900	(8,993)	39.64	9,549
ALLOCATIONS	(67,722)	(395,299)	(802,601)	407,302	(49.25)	(389,780)
GRAND TOTAL	1,085,694	6,278,364	12,871,652	(6,593,288)	48.78	6,279,378



**TWO
RIVERS**
WISCONSIN

Lester Public Library

June 2026

Detail

Financial Report

CITY OF TWO RIVERS
REVENUES WITH COMPARISON TO BUDGET
FOR THE 6 MONTHS ENDING JUNE 30, 2026

Section 8, Item C.

LIBRARY FUND DETAIL

		PERIOD ACT	BUDGET	YTD ACTUAL	OV(UN)BUD	% OF BDGT	PR YTD ACT
	<u>TAXES</u>						
280-41110	GENERAL PROPERTY TAX	0	695,425	695,425	0	100.00	681,790
	TOTAL TAXES	0	695,425	695,425	0	100.00	681,790
	<u>INTERGOVERNMENTAL REVENUE</u>						
280-43720	COUNTY FUNDS	0	246,309	246,309	0	100.00	226,835
	TOTAL INTERGOVERNMENTAL REVE	0	246,309	246,309	0	100.00	226,835
	<u>FINES & FORFEITURES</u>						
280-45300	LIBRARY BOOK FINES	165	3,400	752	(2,648)	22.13	1,392
	TOTAL FINES & FORFEITURES	165	3,400	752	(2,648)	22.13	1,392
	<u>CHARGES FOR SERVICE</u>						
280-46712	COPIER SERVICE FEES	994	9,000	4,907	(4,093)	54.52	3,686
	TOTAL CHARGES FOR SERVICE	994	9,000	4,907	(4,093)	54.52	3,686
	<u>MISCELLANEOUS REVENUE</u>						
280-48300	SALE OF PROP & EQUIP	214	4,563	1,653	(2,910)	36.24	1,325
280-48500	DONATIONS	0	75,000	12	(74,988)	.02	17,688
280-48900	OTHER REVENUES	44	3,800	2,501	(1,299)	65.82	1,650
	TOTAL MISCELLANEOUS REVENUE	258	83,363	4,167	(79,196)	5.00	20,663
	<u>OTHER FINANCING SOURCES</u>						
280-49223	TRANS FROM OTHER FUNDS	0	0	0	0	.00	0
	TOTAL OTHER FINANCING SOURCES	0	0	0	0	.00	0
	TOTAL FUND REVENUE	1,417	1,037,497	951,560	(85,937)	91.72	934,366

CITY OF TWO RIVERS
2026 MONTHLY GENERAL FUND REPORT
JUNE 30, 2026 BUDGET

Section 8, ItemC.

LESTER LIBRARY F 280 EXPENSE DETAIL

	PERIOD ACTUAL	2026 BUDGET	2026 YTD ACTUAL	OVER (UNDER) BUDGET	% OF BUDGET	PRIOR YTD ACTUAL
<u>LESTER LIBRARY</u>						
LIBRARY ADMINISTRATION						
<u>PERSONNEL SERVICES</u>						
280-55110-1100	FULLTIME ADMINISTRATION	29,296	337,879	169,053 (168,826)	50.03	162,983
280-55110-1200	WAGES - FULLTIME	178	0	430	.00	950
280-55110-1220	WAGES - FULLTIME	3,704	43,491	21,584 (21,907)	49.63	13,780
280-55110-1230	WAGES - PART TIME	1,227	0	7,691	.00	2,742
280-55110-1270	WAGES - PART TIME	13,478	160,992	76,912 (84,080)	47.77	77,259
280-55110-1280	WAGES-LONGEVITY PAY	0	8,384	0 (8,384)	.00	0
280-55110-1290	WAGES-OVERTIME	0	502	0 (502)	.00	0
280-55110-1310	WI RETIREMENT	2,729	32,322	15,642 (16,680)	48.39	14,284
280-55110-1320	FICA	3,535	42,553	20,335 (22,218)	47.79	18,704
280-55110-1330	HEALTH INSURANCE	9,171	111,576	55,028 (56,548)	49.32	50,975
280-55110-1334	HEALTH INSURANCE OPT-OUT	385	5,000	2,500 (2,500)	50.00	2,500
280-55110-1340	LIFE INSURANCE	185	1,725	1,034 (691)	59.94	839
280-55110-1350	OTHER BENEFITS	0	0	0	.00	0
280-55110-1361	SICK LEAVE PAYOUT	0	1,300	2,233	171.79	1,320
TOTAL PERSONNEL SERVICES		63,887	745,724	372,443 (373,281)	49.94	346,337
<u>CONTRACTUAL SERVICES</u>						
280-55110-2100	PROF SERV - CITY SERVICES	4,453	59,750	29,905 (29,845)	50.05	29,750
280-55110-2130	PROFESSIONAL SERVICES	1,017	9,000	3,854 (5,146)	42.82	1,676
280-55110-2200	TELEPHONE EXPENSE	105	1,000	564 (436)	56.35	458
280-55110-2210	ELECTRICITY	1,562	25,000	9,859 (15,141)	39.44	9,269
280-55110-2220	NATURAL GAS/HEAT	0	13,500	9,415 (4,085)	69.74	5,753
280-55110-2230	WATER EXPENSE	179	2,160	1,063 (1,097)	49.21	1,072
280-55110-2240	SEWER EXPENSE	205	890	1,078	121.15	382
280-55110-2250	STORMWATER EXPENSE	80	960	480 (480)	49.96	480
280-55110-2410	MAINTENANCE EQUIPMENT/VEH	6,710	25,000	11,580 (13,420)	46.32	8,374
280-55110-2450	EQUIPMENT NEW	0	7,500	0 (7,500)	.00	5,800
280-55110-2910	PRINTING/ADVERTISING	0	350	50 (300)	14.29	137
280-55110-2930	TECHNOLOGY	494	16,000	7,619 (8,381)	47.62	9,506
280-55110-2950	DEBT ISSUANCE COSTS/PAYMENTS	0	0	0	.00	0
TOTAL CONTRACTUAL SERVICES		14,803	161,110	75,466 (85,644)	46.84	72,656
<u>OPERATING SUPPLIES/EXPENSES</u>						
280-55110-3100	OFFICE SUPPLIES	86	6,000	2,310 (3,690)	38.50	3,539
280-55110-3110	POSTAGE	68	450	304 (146)	67.50	211
280-55110-3300	TRAVEL	52	2,500	330 (2,170)	13.20	1,151
280-55110-3560	LANDSCAPING	1,220	19,000	5,378 (13,622)	28.30	5,954
TOTAL OP SUPPLIES/EXP		1,426	27,950	8,322 (19,628)	29.77	10,855

CITY OF TWO RIVERS
2026 MONTHLY GENERAL FUND REPORT
JUNE 30, 2026 BUDGET

Section 8, ItemC.

LESTER LIBRARY F 280 EXPENSE DETAIL

	PERIOD ACTUAL	2026 BUDGET	2026 YTD ACTUAL	OVER (UNDER) BUDGET	% OF BUDGET	PRIOR YTD ACTUAL
<u>FIXED CHARGES</u>						
280-55110-5200 INSURANCES	1,322	17,000	7,935	(9,065)	46.68	8,699
280-55110-5950 TRANSFER TO CAP PROJ FNDS	0	3,300	3,300	0	100.00	3,300
TOTAL FIXED CHARGES	1,322	20,300	11,235	(9,065)	55.34	11,999
TOTAL LIBRARY ADMINISTRATION	81,439	955,084	467,465	(487,619)	48.94	441,847
ADULT SERVICES						
<u>OPERATING SUPPLIES/EXPENSES</u>						
280-55111-3230 PERIODICALS	1,045	2,900	3,176	276	109.50	2,952
280-55111-3400 NON-FICTION BOOKS	427	14,000	5,149	(8,851)	36.78	7,358
280-55111-3420 FICTION BOOKS	879	14,000	6,353	(7,647)	45.38	6,747
280-55111-3430 LARGE PRINT BOOKS	4,848	10,000	6,011	(3,989)	60.11	4,557
280-55111-3450 MOVIES	302	1,900	1,338	(562)	70.40	1,461
280-55111-3470 AUDIOBOOKS	0	3,200	1,018	(2,182)	31.81	1,182
280-55111-3510 PROGRAMS	86	2,000	882	(1,118)	44.12	611
TOTAL OP SUPPLIES/EXP	7,587	48,000	23,928	(24,072)	49.85	24,867
TOTAL ADULT SERVICES	7,587	48,000	23,928	(24,072)	49.85	24,867

CITY OF TWO RIVERS
2026 MONTHLY GENERAL FUND REPORT
JUNE 30, 2026 BUDGET

Section 8, Item C.

LESTER LIBRARY F 280 EXPENSE DETAIL

	PERIOD ACTUAL	2026 BUDGET	2026 YTD ACTUAL	OVER (UNDER) BUDGET	% OF BUDGET	PRIOR YTD ACTUAL
CHILDREN'S SERVICES						
<u>OPERATING SUPPLIES/EXPENSES</u>						
280-55112-3230 PERIODICALS	0	300	318	18	106.01	214
280-55112-3400 NON-FICTION BOOKS	143	6,000	2,730	(3,270)	45.50	3,225
280-55112-3420 FICTION BOOKS	74	3,500	1,687	(1,813)	48.20	2,995
280-55112-3440 PAPERBACKS	0	700	0	(700)	.00	401
280-55112-3450 MOVIES	46	600	111	(489)	18.43	197
280-55112-3470 AUDIOBOOKS	0	700	0	(700)	.00	11
280-55112-3510 PROGRAMS	851	9,500	2,422	(7,078)	25.50	5,754
280-55112-3530 JE BOOKS	328	6,000	1,533	(4,467)	25.55	2,107
TOTAL OP SUPPLIES/EXP	1,442	27,300	8,801	(18,499)	32.24	14,904
TOTAL CHILDREN'S SERVICES	1,442	27,300	8,801	(18,499)	32.24	14,904
REFERENCE						
<u>OPERATING SUPPLIES/EXPENSES</u>						
280-55114-3400 NON-FICTION BOOKS	0	0	0	0	.00	0
280-55114-3490 MICROFILM	0	1,875	1,988	113	106.00	1,875
TOTAL OP SUPPLIES/EXP	0	1,875	1,988	113	106.00	1,875
TOTAL REFERENCE	0	1,875	1,988	113	106.00	1,875

CITY OF TWO RIVERS
2026 MONTHLY GENERAL FUND REPORT
JUNE 30, 2026 BUDGET

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LESTER LIBRARY F 280 EXPENSE DETAIL

	PERIOD ACTUAL	2026 BUDGET	2026 YTD ACTUAL	OVER (UNDER) BUDGET	% OF BUDGET	PRIOR YTD ACTUAL
YOUNG ADULT SERVICES						
<u>OPERATING SUPPLIES/EXPENSES</u>						
280-55115-3230 PERIODICALS	0	200	0	(200)	.00	0
280-55115-3420 FICTION BOOKS	284	4,538	2,093	(2,445)	46.12	1,745
280-55115-3470 AUDIOBOOKS	0	500	0	(500)	.00	0
TOTAL OP SUPPLIES/EXP	284	5,238	2,093	(3,145)	39.96	1,745
TOTAL YOUNG ADULT SERVICES	284	5,238	2,093	(3,145)	39.96	1,745
TOTAL LESTER LIBRARY EXP	90,752	1,037,497	504,275	(533,222)	48.60	485,238
NET REV OVER EXP	(89,335)	0	447,285	447,285	.00	449,128



**TWO
RIVERS**
WISCONSIN

June 2026 Utilities Financial Report

Fund 640 - Solid Waste Utility
Fund 650- Water Utility
Fund 660 - Electric Utility
Fund 670 - Telecommunications Utility
Fund 680 - Stormwater Utility
Fund 690 - Sewer (Wastewater) Utility

CITY OF TWO RIVERS
INCOME STATEMENT
FOR THE 6 MONTHS ENDING JUNE 30, 2026

Section 8, Item C.

SOLID WASTE DISTRIBUTION DETAIL - FUND 640

	CURR MONTH	YTD ACTUAL	BUDGET	OVR (UN) BUD	% OF BUD	PRIOR YEAR	PR YTD ACT
UTILITY OPERATING INCOME							
OPERATING REVENUES							
OPERATING REVENUES							
43000 INTERGOVERNMENTAL REVENUE	6,947	41,947	81,900	(39,953)	51%	6,954	41,954
46000 CHARGES FOR SERVICE	49,695	277,824	586,000	(308,176)	47%	53,048	274,602
48000 MISCELLANEOUS REVENUE	19,684	118,325	236,000	(117,675)	50%	19,707	117,822
49000 OTHER FINANCING SOURCES	149	1,033	1,900	(867)	54%	114	953
TOTAL OPERATING REVENUES	76,475	439,128	905,800	(466,672)	48%	79,824	435,331

CITY OF TWO RIVERS
INCOME STATEMENT
FOR THE 6 MONTHS ENDING JUNE 30, 2026

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SOLID WASTE DISTRIBUTION DETAIL - FUND 640

	CURR MONTH	YTD ACTUAL	BUDGET	OVR (UN) BUD	% OF BUD	PRIOR YEAR	PR YTD ACT
OPERATING EXPENSES							
OPERATION & MAINTENANCE EXPENSES							
OPERATIONS EXPENSES							
51450 INFORMATION SYSTEMS							
53200 WATER & SEWER EXPENSES							
53310 STREET CLEANING	0	0	0	0	%	330	497
53620 PW SOLID WASTE REFUSE	24,329	191,276	432,035	(240,759)	44%	33,800	180,167
53625 PW SOLID WASTE RECYCLING	47,558	227,037	500,285	(273,248)	45%	26,650	170,646
TOTAL OPERATIONS EXPENSES	71,886	418,313	932,320	(514,007)	45%	60,781	351,310
CUSTOMER ACCOUNTS EXPENSE							
59904 UNCOLLECTIBLE ACCOUNTS	0	28	300	(272)	9%	0	25
59923 OUTSIDE SERVICES EMPLOYEED							
59427 INTEREST ON LONG-TERM DEBT	7	53	158	(105)	34%	722	4,591
59999 GASB PENSION EXPENSE							
TOTAL CUSTOMER ACCOUNTS EXPENSE	7	81	458	(377)	18%	722	4,617
TOTAL OPS & MAINT EXPENSES	71,893	418,394	932,778	(514,384)	45%	61,502	355,926
TOTAL OPERATING EXPENSES	71,893	418,394	932,778	(514,384)	45%	61,502	355,926
NET OPERATING INCOME (LOSS)	4,581	20,735	(26,978)	47,712	77%	18,321	79,404
EARNED SURPLUS							
34100 UNRESERVED FUND BALANCE (BEGINNING OF YEAR)	196,959	196,959				158,599	158,599
BALANCE TRANSFERRED FROM INCOME	4,581	20,735				18,321	79,404

CITY OF TWO RIVERS
 INCOME STATEMENT
 FOR THE 6 MONTHS ENDING JUNE 30, 2026

Section 8, ItemC.

SOLID WASTE DISTRIBUTION DETAIL - FUND 640

	CURR MONTH	YTD ACTUAL	BUDGET	OVR (UN) BUD	% OF BUD	PRIOR YEAR	PR YTD ACT
TOTAL UNAPPROPRIATED EARNED SURPLUS END OF YEAR	201,540	217,693				176,920	238,003

CITY OF TWO RIVERS
INCOME STATEMENT
FOR THE 6 MONTHS ENDING JUNE 30, 2026

Section 8, ItemC.

WATER DISTRIBUTION DETAIL - FUND 650

	CURR MONTH	YTD ACTUAL	BUDGET	OVR (UN) BUD	% OF BUD	CURR MONTH PRIOR YEAR	PR YTD ACT
UTILITY OPERATING INCOME							
OPERATING REVENUES							
SALES OF WATER							
49461 RESIDENTAL SERVICE	153,814	845,013	1,761,300	(916,287)	48%	153,258	848,631
49461 COMMERCIAL SERVICE	25,182	137,133	329,400	(192,267)	42%	27,159	147,586
49461 INDUSTRIAL SERVICE	6,753	47,695	76,300	(28,605)	63%	6,545	37,384
49461 MULTIFAMILY SERVICE	7,899	46,502	100,600	(54,098)	46%	8,006	46,950
49461 IRRIGATION SERVICE							
49461 OTHER SERVICES	0	2,548	0	2,548	%	100	551
49464 MUNICIPAL SERVICE	7,380	21,531	41,900	(20,369)	51%	4,249	19,516
49466 SALES FOR RESALE							
49467 INTERDEPARTMENTAL SALES	1,035	10,315	23,800	(13,485)	43%	1,957	14,362
49462 PRIVATE FIRE PROTECTION	2,090	12,523	26,100	(13,577)	48%	2,090	12,940
49463 PUBLIC FIRE PROTECTION	63,691	382,392	732,800	(350,408)	52%	63,881	383,111
TOTAL SALES OF WATER	267,845	1,505,652	3,092,200	(1,586,548)	49%	267,244	1,511,031
OTHER OPERATING REVENUES							
49470 FORFEITED DISCOUNTS	833	5,804	9,500	(3,696)	61%	635	5,386
49471 MISCELLANEOUS SERVICE REVENUES	200	600	1,200	(600)	50%	200	1,080
49472 RENTS FROM WATER PROPERTY							
49474 OTHER WATER REVENUE	2,126	12,755	56,000	(43,245)	23%	1,928	11,571
TOTAL OTHER OPERATING REVENUES	3,159	19,159	66,700	(47,541)	29%	2,763	18,036
TOTAL OPERATING REVENUES	271,004	1,524,811	3,158,900	(1,634,089)	48%	270,008	1,529,067

CITY OF TWO RIVERS
INCOME STATEMENT
FOR THE 6 MONTHS ENDING JUNE 30, 2026

Section 8, ItemC.

WATER DISTRIBUTION DETAIL - FUND 650

	CURR MONTH	YTD ACTUAL	BUDGET	OVR (UN) BUD	% OF BUD	CURR MONTH PRIOR YEAR	PR YTD ACT
OPERATING EXPENSES							
OPERATION & MAINTENANCE EXPENSES							
SOURCE OF SUPPLY EXPENSES							
56500 OTHER EARNINGS							
59600 OPERATIONS & SUPERVISION							
59601 OPERATIONS LABOR EXPENSE							
59602 PURCHASED WATER	836	4,180	10,000	(5,820)	42%	836	5,240
59603 MISCELLANEOUS OPERATING EXPENSE	1,036	1,036	1,500	(465)	69%	0	0
59613 MAINT OF LAKE INTAKE	14	1,131	6,585	(5,454)	17%	0	0
TOTAL SOURCE OF SUPPLY EXPENSES	1,885	6,346	18,085	(11,739)	35%	836	5,240
PUMPING EXPENSES							
59620 OPERATION, SUPERVISION & ENGINEERING	4,999	29,176	58,700	(29,524)	50%	4,697	28,436
59623 FUEL PURCHASED FOR PUMPING	3,050	19,720	40,000	(20,280)	49%	2,631	16,556
59624 PUMPING LABOR & EXPENSES	1,701	8,403	23,700	(15,297)	35%	1,768	7,991
59626 MISCELLANEOUS EXPENSE	370	2,522	4,800	(2,278)	53%	243	2,341
59631 MAINT OF STRUCTURES							
59633 MAINT OF PUMPING EQUIPMENT							
TOTAL PUMPING EXPENSES	10,119	59,821	127,200	(67,379)	47%	9,339	55,324
WATER TREATMENT EXPENSE							
59640 OPERATION, SUPERVISION & ENGINEERING	4,999	29,176	58,700	(29,524)	50%	4,697	28,436
59641 CHEMICALS	2,298	20,258	55,000	(34,742)	37%	7,904	22,829
59642 OPERATIONS LABOR & EXPENSE	14,377	91,259	215,650	(124,391)	42%	14,715	90,254
59643 MISCELLANEOUS EXPENSE	8,713	65,152	188,300	(123,148)	35%	24,106	79,779
59644 OPERATING RENTS							
59650 MAINT SUPERVISION & ENG							
59651 MAINT OF STRUCTURES & IMPROVEMENTS	230	3,411	3,600	(189)	95%	68	3,038
59652 MAINT OF WATER TREATMENT EQUIPMENT	2,254	15,522	41,300	(25,778)	38%	1,999	15,704
TOTAL WATER TREATMENT EXPENSE	32,871	224,778	562,550	(337,772)	40%	53,490	240,040

CITY OF TWO RIVERS
INCOME STATEMENT
FOR THE 6 MONTHS ENDING JUNE 30, 2026

Section 8, ItemC.

WATER DISTRIBUTION DETAIL - FUND 650

	CURR MONTH	YTD ACTUAL	BUDGET	OVR (UN) BUD	% OF BUD	CURR MONTH PRIOR YEAR	PR YTD ACT
TRANSMISSION & DISTRIBUTION EXPENSE							
59660 OPERATION SUPERVISION & ENGINEERING							
59661 OPERATION STORAGE FACILITY	2,338	16,929	38,550	(21,621)	44%	2,489	22,200
59662 OPERATION MAINS	3,693	28,252	70,100	(41,848)	40%	2,668	16,729
59663 METER EXPENSE	591	6,379	24,100	(17,721)	26%	344	4,802
59664 CUSTOMER INSTALLATION EXPENSE	2,105	13,212	22,700	(9,488)	58%	2,217	12,237
59665 MISCELLANEOUS EXPENSES	3,000	28,952	66,400	(37,448)	44%	3,146	25,530
59666 OPERATION RENTS							
59670 MAINT OF SUPERVISION & ENG							
59671 MAINT OF STRUCTURES & IMPROVEMENTS							
59672 MAINT OF RESEVOIR & STANDPIPE	211	747	3,700	(2,953)	20%	1,831	10,734
59673 MAINT OF MAINS	4,893	36,243	95,100	(58,857)	38%	1,772	52,116
59675 MAINT OF SERVICES	5,894	38,088	79,600	(41,512)	48%	12,791	63,964
59676 MAINT OF METERS	38	1,645	11,600	(9,955)	14%	1,607	2,286
59677 MAINT OF HYDRANTS	106	12,134	43,600	(31,466)	28%	1,760	4,320
59678 MAINT OF MISC PLANT	216	6,677	15,000	(8,323)	45%	332	2,041
TOTAL TRANSMISSION & DISTRIBUTION EXPENSE	23,085	189,259	470,450	(281,191)	40%	30,957	216,959
CUSTOMER ACCOUNTS EXPENSE							
59901 SUPERVISION	1,807	10,536	21,400	(10,864)	49%	1,697	10,236
59902 METER READING	1,878	10,548	26,750	(16,202)	39%	1,573	10,175
59903 CUSTOMER ACCTG & COLLECTION	6,227	34,029	75,150	(41,121)	45%	5,558	33,204
59904 UNCOLLECTIBLE ACCOUNTS	0	218	2,500	(2,282)	9%	0	37
59906 CUSTOMER SERVICE & INFORMATION	0	0	750	(750)	%	0	0
59910 SALES EXPENSE							
TOTAL CUSTOMER ACCOUNTS EXPENSE	9,912	55,331	126,550	(71,219)	44%	8,828	53,652
ADMINISTRATIVE & GENERAL EXPENSES							
59920 ADMINISTRATIVE & GENERAL SALARIES	8,627	56,300	145,000	(88,700)	39%	9,313	54,746
59921 OFFICE SUPPLIES & EXPENSES	266	2,142	3,300	(1,158)	65%	1,247	2,529
59923 OUTSIDE SERVICES EMPLOYED	8,352	55,598	107,350	(51,752)	52%	12,054	61,283
59924 PROPERTY INSURANCE	3,322	19,935	40,380	(20,445)	49%	3,800	22,800
59925 INJURIES & DAMAGES	1,204	7,223	14,630	(7,408)	49%	1,438	8,629
59926 EMPLOYEE PENSIONS & BENEFITS	15,222	95,515	213,700	(118,185)	45%	13,482	78,499

CITY OF TWO RIVERS
INCOME STATEMENT
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WATER DISTRIBUTION DETAIL - FUND 650

	CURR MONTH	YTD ACTUAL	BUDGET	OVR (UN) BUD	% OF BUD	CURR MONTH PRIOR YEAR	PR YTD ACT
59928 REGULATORY COMMISSION EXPENSE	0	0	500	(500)	%	0	0
59930 MISCELLANEOUS GENERAL EXPENSES	1,681	17,165	36,750	(19,585)	47%	2,562	18,554
59931 OPERATION RENTS							
59932 MAINT OFFICE & COMMUNICATION							
TOTAL ADMINISTRATIVE & GENERAL EXPENSES	38,674	253,876	561,610	(307,734)	45%	43,896	247,039
TOTAL OPS & MAINT EXPENSES	116,546	789,411	1,866,445	(1,077,034)	42%	147,345	818,254
OTHER OPERATING EXPENSES							
49403 DEPRECIATION EXPENSE	57,069	342,458	560,000	(217,542)	61%	50,307	302,705
49425 AMORTIZATION							
49408 TAXES	28,868	174,317	404,920	(230,603)	43%	30,608	184,033
TOTAL OTHER OPERATING EXPENSES	85,937	516,775	964,920	(448,145)	54%	80,915	486,737
TOTAL OPERATING EXPENSES	202,483	1,306,186	2,831,365	(1,525,179)	46%	228,260	1,304,991
NET OPERATING INCOME (LOSS)	68,521	218,625	327,535	(108,910)	67%	41,748	224,076
OTHER INCOME							
49415 REVENUES FROM MERCHANDISING, JOBBING & CONTRACT W	0	322	7,000	(6,678)	5%	100	1,995
49416 COST FROM MERCHANDISING, JOBBING & CONTRACT WORK	(40)	(827)	(7,000)	6,173	(12%)	(35)	(665)
49419 INTEREST & DIVIDEND INCOME							
49210 TRANSFERS IN	79,349	79,349	100,000	(20,651)	79%	0	88,387
43000 GRANT REVENUE	124,587	124,587	0	124,587	%	16,548	36,129
49421 MISCELLANEOUS NON-OPERATING INCOME	1,940	2,160	200,000	(197,840)	1%	30	30
TOTAL OTHER INCOME	205,837	205,591	300,000	(94,409)	69%	16,642	125,876
TOTAL INCOME (LOSS) BEFORE INTEREST CHRGS	274,358	424,216	627,535	(203,319)	68%	58,390	349,952

CITY OF TWO RIVERS
INCOME STATEMENT
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WATER DISTRIBUTION DETAIL - FUND 650

	CURR MONTH	YTD ACTUAL	BUDGET	OVR (UN) BUD	% OF BUD	CURR MONTH PRIOR YEAR	PR YTD ACT
INTEREST & OTHER CHARGES							
49427 INTEREST ON LONG-TERM DEBT	8,750	59,614	135,000	(75,386)	44%	9,296	61,042
49428 AMORTIZATION OF DEBT DISCOUNT & EXPENSE							
49435 MISC DEBITS TO SURPLUS							
59999 GASB 68 PENSION EXPENSE							
TOTAL INTEREST CHARGES	8,750	59,614	135,000	(75,386)	44%	9,296	61,042
NET INCOME (LOSS)	265,608	364,601	492,535	(127,934)	74%	49,094	288,910
EARNED SURPLUS							
34100 UNRESERVED FUND BALANCE (BEGINNING OF YEAR)	11,353,973	11,353,973				9,495,116	9,495,116
BALANCE TRANSFERRED FROM INCOME	265,608	364,601				49,289	290,081
TOTAL UNAPPROPRIATED EARNED SURPLUS END OF YEAR	11,619,580	11,718,574				9,544,405	9,785,197

Section 8, ItemC.

		CURR MONTH	YTD ACTUAL	BUDGET	OVR (UN) BUD	% OF BUD	CURR MONTH PRIOR YEAR	PR YTD ACT
UTILITY OPERATING INCOME								
OPERATING REVENUES								
SALES OF ELECTRICITY								
49440	URBAN RESIDENTIAL SALES	316,839	2,036,366	4,566,800	(2,530,434)	45%	318,995	1,977,844
49441	RURAL SALES	1,898	12,638	27,000	(14,362)	47%	1,839	12,623
49442	COMMERCIAL SALES-CS1	79,198	529,431	1,130,700	(601,269)	47%	80,435	510,910
49443	SMALL COMMERCIAL & INDUSTRIAL SALES-CP1	91,073	539,258	1,152,900	(613,642)	47%	89,976	512,820
49443	LARGE COMMERCIAL & INDUSTRIAL SALES-CP2	186,411	953,956	2,132,600	(1,178,644)	45%	183,582	933,613
49443	INDUSTRIAL SALES-CP3	44,010	240,967	494,900	(253,933)	49%	40,625	221,488
49445	COMMERCIAL LIGHTING							
49444	URBAN PRIVATE LIGHTING	349	1,440	0	1,440	%	0	0
49444	PUBLIC STREET LIGHTING	11,001	73,568	175,000	(101,432)	42%	13,890	83,475
49448	INTERDEPARTMENTAL SALES	1,636	13,908	32,600	(18,692)	43%	1,793	18,234
TOTAL SALES OF ELECTRICITY		732,417	4,401,531	9,712,500	(5,310,969)	45%	731,135	4,271,006
OTHER OPERATING REVENUES								
49450	FORFEITED DISCOUNTS	2,182	15,608	18,500	(2,892)	84%	2,232	17,480
49451	MISCELLANEOUS SERVICE REVENUES	0	0	5,000	(5,000)	%	0	0
49454	RENT FROM ELECTRIC PROPERTY	0	3,376	116,000	(112,624)	3%	0	2,975
49455	INTERDEPARTMENTAL RENTS							
49456	OTHER ELECTRIC REVENUE	17,361	17,707	18,500	(793)	96%	36,727	37,154
TOTAL OTHER OPERATING REVENUES		19,543	36,691	158,000	(121,309)	23%	38,959	57,610
TOTAL OPERATING REVENUES		751,960	4,438,222	9,870,500	(5,432,278)	45%	770,094	4,328,616

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INCOME STATEMENT
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ELECTRIC DISTRIBUTION DETAIL - FUND 660

	CURR MONTH	YTD ACTUAL	BUDGET	OVR (UN) BUD	% OF BUD	CURR MONTH PRIOR YEAR	PR YTD ACT
OPERATING EXPENSES							
OPERATION & MAINTENANCE EXPENSES							
POWER PRODUCTION EXPENSES							
59555 PURCHASED POWER	623,905	3,317,654	7,158,100	(3,840,446)	46%	610,086	3,086,057
TOTAL POWER PRODUCTION EXPENSES	623,905	3,317,654	7,158,100	(3,840,446)	46%	610,086	3,086,057

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ELECTRIC DISTRIBUTION DETAIL - FUND 660

	CURR MONTH	YTD ACTUAL	BUDGET	OVR (UN) BUD	% OF BUD	CURR MONTH PRIOR YEAR	PR YTD ACT
DISTRIBUTION EXPENSES							
59580 OPERATION, SUPERVISION & ENGINEERING							
59582 STATION EXPENSES	2,034	7,136	29,500	(22,364)	24%	2,210	19,600
59583 OVERHEAD LINE EXPENSES	0	0	6,750	(6,750)	%	0	0
59584 UNDERGROUND LINE EXPENSE	10,158	52,532	58,500	(5,968)	90%	5,875	32,855
59585 STREET LIGHTING EXPENSES	0	0	500	(500)	%	0	0
59586 METER EXPENSES	5,003	31,676	70,300	(38,624)	45%	5,028	23,400
59587 CUSTOMER INSTALLATION EXPENSES	3,341	12,151	24,400	(12,249)	50%	2,937	16,741
59588 OPERATION MISC DISTRIBUTION	14,904	129,428	285,475	(156,047)	45%	19,192	125,989
59589 DISTRIBUTION LINE RIGHTS							
59590 MAINTENANCE SUPERVISION & ENGINEERING							
59592 MAINTENANCE OF STATION EQUIP	20,067	24,884	40,300	(15,416)	62%	36,569	78,486
59593 MAINTENANCE OF OVERHEAD LINES	35,554	221,094	316,800	(95,706)	70%	18,957	153,763
59594 MAINTENANCE OF UNDERGROUND LINES	855	4,408	10,000	(5,592)	44%	870	5,010
59595 MAINTENANCE OF LINE TRANSFORMERS	(3)	53	4,100	(4,047)	1%	143	1,833
59596 MAINTENANCE OF STREET LIGHTING	1,492	6,262	8,100	(1,838)	77%	435	1,076
59597 MAINT OF ELECTRIC METERS							
59598 MAINT OF MISC DISTRIBUTION PLANT	0	4,513	15,000	(10,487)	30%	988	5,473
59828 TRANSPORTATION EXPENSES							
TOTAL DISTRIBUTION EXPENSES	93,405	494,137	869,725	(375,588)	57%	93,204	464,225
CUSTOMER ACCOUNTS EXPENSE							
59901 SUPERVISION	2,215	12,915	26,200	(13,285)	49%	2,081	12,547
59902 METER READING EXPENSES	3,547	19,597	38,900	(19,303)	50%	2,783	17,298
59903 CUSTOMER ACCTG & COLLECTION EXPENSES	7,949	47,421	105,800	(58,379)	45%	9,294	49,202
59904 UNCOLLECTIBLE ACCOUNTS	0	86	10,000	(9,914)	1%	(46)	3,769
TOTAL CUSTOMER ACCOUNTS EXPENSE	13,711	80,019	180,900	(100,881)	44%	14,112	82,816
SALES EXPENSE							
59913 ADVERTISING EXPENSE	0	0	500	(500)	%	0	0
TOTAL SALES EXPENSES	0	0	500	(500)	%	0	0

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ELECTRIC DISTRIBUTION DETAIL - FUND 660

	CURR MONTH	YTD ACTUAL	BUDGET	OVR (UN) BUD	% OF BUD	CURR MONTH PRIOR YEAR	PR YTD ACT
ADMINISTRATIVE & GENERAL EXPENSES							
59920 ADMINISTRATIVE & GENERAL SALARIES	25,066	149,185	291,600	(142,415)	51%	23,382	142,182
59921 OFFICE SUPPLIES & EXPENSES	(176)	8,581	16,850	(8,269)	51%	442	5,676
59923 OUTSIDE SERVICES EMPLOYED	9,152	62,950	123,450	(60,500)	51%	12,576	78,180
59924 PROPERTY INSURANCE	2,312	13,874	28,110	(14,236)	49%	3,193	19,160
59925 INJURIES & DAMAGES	893	5,357	10,850	(5,494)	49%	1,099	6,591
59926 EMPLOYEE PENSIONS & BENEFITS	23,866	169,142	344,100	(174,958)	49%	25,719	162,998
59928 REGULATORY COMMISSION EXPENSE	0	0	2,000	(2,000)	%	0	0
59930 MISCELLANEOUS GENERAL EXPENSES	14,257	74,496	116,800	(42,304)	64%	5,996	76,961
59932 MAINT OFFICE & COMMUNICATIONS	556	1,931	8,200	(6,269)	24%	355	2,792
TOTAL ADMINISTRATIVE & GENERAL EXPENSES	75,926	485,515	941,960	(456,445)	52%	72,762	494,540
TOTAL OPS & MAINT EXPENSES	806,947	4,377,324	9,151,185	(4,773,861)	48%	790,164	4,127,639
OTHER OPERATING EXPENSES							
59403 DEPRECIATION & AMORTIZATION EXPENSE	45,574	272,431	460,000	(187,569)	59%	41,444	214,154
59408 TAXES	24,958	151,241	365,400	(214,159)	41%	26,361	159,893
TOTAL OTHER OPERATING EXPENSES	70,531	423,672	825,400	(401,728)	51%	67,805	374,047
TOTAL OPERATING EXPENSES	877,478	4,800,996	9,976,585	(5,175,589)	48%	857,969	4,501,686
NET OPERATING INCOME (LOSS)	(125,519)	(362,774)	(106,085)	(256,689)	(342%)	(87,874)	(173,070)

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INCOME STATEMENT
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ELECTRIC DISTRIBUTION DETAIL - FUND 660

	CURR MONTH	YTD ACTUAL	BUDGET	OVR (UN) BUD	% OF BUD	CURR MONTH PRIOR YEAR	PR YTD ACT
OTHER INCOME							
49415 REVENUE FROM MDSE & JOBBING	2,056	14,429	15,000	(571)	96%	2,809	59,934
49416 MERCHANDISING & JOBBING COST	0	0	(15,000)	15,000	%	0	0
49421 MISCELLANEOUS NONOPERATING INCOME	440	552	2,000	(1,448)	28%	0	80
49419 INTEREST & DIVIDEND INCOME							
49439 APPROP OF INCOME TO MUNICIPAL	(298)	(8,845)	(18,000)	9,155	(49%)	(2,033)	(9,835)
TOTAL OTHER INCOME	2,198	6,136	(16,000)	22,136	38%	775	50,179
TOTAL INCOME (LOSS) BEFORE INTEREST CHRGS	(123,321)	(356,637)	(122,085)	(234,552)	(292%)	(87,099)	(122,891)
OTHER INCOME DEDUCTIONS							
49426 OTHER INCOME DEDUCTIONS	0	2,554	2,500	54	102%	(2,048)	267
TOTAL MISCELLANEOUS INCOME DEDUCTIONS	0	2,554	2,500	54	102%	(2,048)	267
INTEREST CHARGES							
49427 INTEREST ON LONG-TERM DEBT	129	1,717	5,300	(3,583)	32%	439	2,985
49428 AMORTIZATION OF DEBT DISCOUNT & EXPENSE							
49430 INTEREST ON ADVANCES FROM MUNICIPALITY							
TOTAL INTEREST CHARGES	129	1,717	5,300	(3,583)	32%	439	2,985
NET INCOME (LOSS)	(123,450)	(360,908)	(129,885)	(231,023)	(278%)	(85,491)	(126,143)
EARNED SURPLUS							
29216 UNRESERVED FUND BALANCE (BEGINNING OF YEAR)	11,195,551	11,195,551				10,811,408	10,811,408
BALANCE TRANSFERRED FROM INCOME	(123,450)	(360,908)				(85,491)	(126,143)
TOTAL UNAPPROPRIATED EARNED SURPLUS END OF YEAR	11,072,102	10,834,644				10,725,917	10,685,265

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TELECOMM DISTRIBUTION DETAIL - FUND 670

	CURR MONTH	YTD ACTUAL	BUDGET	OVR (UN) BUD	% OF BUD	PRIOR YR	PR YTD ACT
UTILITY OPERATING INCOME							
OPERATING REVENUES							
OPERATING REVENUES							
49000 OPERATING REVENUE	0	0	0	0	%	0	0
49540 RENT FROM CLEC PROPERTY	1,324	7,943	15,885	(7,943)	50%	1,324	7,943
TOTAL OPERATING REVENUES	1,324	7,943	15,885	(7,943)	50%	1,324	7,943

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TELECOMM DISTRIBUTION DETAIL - FUND 670

	CURR MONTH	YTD ACTUAL	BUDGET	OVR (UN) BUD	% OF BUD	PRIOR YR	PR YTD ACT
OPERATING EXPENSES							
OPERATION & MAINTENANCE EXPENSES							
DISTRIBUTION EXPENSES							
59580 SUPERVISION & ENGINEERING	0	0	0	0	%	0	0
59583 OVERHEAD LINES	0	0	0	0	%	0	0
59584 UNDERGROUND LINES	0	0	0	0	%	0	0
59587 CUSTOMER INSTALLATION	0	0	0	0	%	0	0
59588 MISC DISTRIBUTION	0	0	0	0	%	0	0
59589 DISTRIBUTION LINE RIGHTS	0	0	0	0	%	0	0
59590 MAINT SUPERVISION & ENGINEERING	0	0	0	0	%	0	0
59593 MAINT OF POLES & OVERHEAD LINES	0	0	1,500	(1,500)	%	0	0
59594 MAINT OF UNDERGROUND FACILITIES	0	0	750	(750)	%	0	0
59598 MAINT MISC DISTRIBUTION PLANT	0	0	0	0	%	0	0
59820 OPERATION PLANT & LIFT STATION	0	0	0	0	%	0	0
TOTAL DISTRIBUTION EXPENSES	0	0	2,250	(2,250)	%	0	0
CUSTOMER ACCOUNTS EXPENSE							
59901 SUPERVISION	0	0	0	0	%	0	0
59903 CUSTOMER ACCTG & COLLECTION	0	0	0	0	%	0	0
59904 UNCOLLECTIBLE ACCOUNTS	0	0	0	0	%	0	0
59905 MISC CUSTOMER ACCOUNTS	0	0	0	0	%	0	0
59913 ADVERTISING EXPENSE	0	0	0	0	%	0	0
TOTAL CUSTOMER ACCOUNTS EXPENSE	0	0	0	0	%	0	0

CITY OF TWO RIVERS
INCOME STATEMENT
FOR THE 6 MONTHS ENDING JUNE 30, 2026

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TELECOMM DISTRIBUTION DETAIL - FUND 670

	CURR MONTH	YTD ACTUAL	BUDGET	OVR (UN) BUD	% OF BUD	PRIOR YR	PR YTD ACT
ADMINISTRATIVE & GENERAL EXPENSES							
59920 ADMINISTRATIVE & GENERAL SALARIES	0	0	0	0	%	0	0
59921 OFFICE SUPPLIES & EXPENSES	0	0	0	0	%	0	0
59922 OVERHEAD CONSTRUCTION LABOR	0	0	0	0	%	0	0
59923 OUTSIDE SERVICES EMPLOYED	0	0	0	0	%	0	0
59924 PROPERTY INSURANCE	0	0	0	0	%	0	0
59925 INJURIES & DAMAGES	0	0	0	0	%	0	0
59926 EMPLOYEE PENSIONS & BENEFITS	0	0	600	(600)	%	0	0
59928 REGULATORY COMMISSION EXPENSE	0	0	0	0	%	0	0
59929 DUPLICATE CHARGES	0	0	0	0	%	0	0
59930 MISCELLANEOUS GENERAL EXPENSES	249	1,494	5,995	(4,501)	25%	547	1,792
59931 OPERATION RENTS	0	0	0	0	%	0	0
59932 MAINT OFFICE & COMMUNICATION	0	0	0	0	%	0	0
TOTAL ADMINISTRATIVE & GENERAL EXPENSES	249	1,494	6,595	(5,101)	23%	547	1,792
TOTAL OPS & MAINT EXPENSES	249	1,494	8,845	(7,351)	17%	547	1,792
OTHER OPERATING EXPENSES							
49030 DEPRECIATION EXPENSE	661	3,968	18,000	(14,032)	22%	1,500	9,001
49060 AMORTIZATION	0	0	0	0	%	0	0
49080 TAXES	0	0	0	0	%	0	0
TOTAL OTHER OPERATING EXPENSES	661	3,968	18,000	(14,032)	22%	1,500	9,001
TOTAL OPERATING EXPENSES	910	5,462	26,845	(21,383)	20%	2,047	10,793
NET OPERATING INCOME (LOSS)	413	2,480	(10,960)	13,440	23%	(723)	(2,850)

CITY OF TWO RIVERS
INCOME STATEMENT
FOR THE 6 MONTHS ENDING JUNE 30, 2026

Section 8, Item C.

TELECOMM DISTRIBUTION DETAIL - FUND 670

	CURR MONTH	YTD ACTUAL	BUDGET	OVR (UN) BUD	% OF BUD	PRIOR YR	PR YTD ACT
OTHER INCOME							
49034 DEBIT/CREDIT TO SURPLUS	0	0	0	0	%	0	0
49160 REVENUES FROM MERCHANDISING, JOBBING & CONTRACT W	0	0	0	0	%	0	0
49190 INTEREST & DIVIDEND INCOME	0	0	0	0	%	0	0
49170 MISCELLANEOUS NON-OPERATING INCOME	0	0	0	0	%	0	0
49210 TRANSFERS FROM GENERAL FUND	0	0	0	0	%	0	0
49320 INTEREST CONSTRUCTION	0	0	0	0	%	0	0
49330 BALANCE TRANS FROM INCOME	0	0	0	0	%	0	0
TOTAL OTHER INCOME	0	0	0	0	%	0	0
TOTAL INCOME (LOSS) BEFORE INTEREST CHRGS	413	2,480	(10,960)	13,440	23%	(723)	(2,850)
INTEREST CHARGES							
49270 INTEREST ON LONG-TERM DEBT	0	0	0	0	%	0	0
49430 INTEREST ON LONG-TERM DEBT	0	0	0	0	%	0	0
49280 AMORTIZATION OF DEBT DISCOUNT & EXPENSE	0	0	0	0	%	0	0
49390 APPROPRIATIONS-MUNICIPAL	0	0	0	0	%	0	0
48900 OTHER REVENUES	0	0	0	0	%	0	0
TOTAL INTEREST CHARGES	0	0	0	0	%	0	0
NET INCOME (LOSS)	413	2,480	(10,960)	13,440	23%	(723)	(2,850)
EARNED SURPLUS							
34100 UNRESERVED FUND BALANCE (BEGINNING OF YEAR)	(234,498)	(234,498)				(228,847)	(228,847)
BALANCE TRANSFERRED FROM INCOME	413	2,480				(723)	(2,850)
TOTAL UNAPPROPRIATED EARNED SURPLUS							
END OF YEAR	(234,085)	(232,018)				(229,570)	(231,697)

CITY OF TWO RIVERS
INCOME STATEMENT
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STORMWATER UTILITY - FUND 680

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	CURR MONTH	YTD ACTUAL	BUDGET	OVR (UN) BUD	% OF BUD	CURR MONTH PRIOR YEAR	PR YTD ACT
UTILITY OPERATING INCOME							
OPERATING REVENUES							
USER FEES							
46010 RESIDENTIAL SERVICE	26,798	160,758	357,000	(196,242)	45%	29,758	178,394
46020 RESIDENTIAL TWO FAMILY	0	0	0	0	%	0	0
46030 RESIDENTIAL MULTI FAMILY	36	214	400	(186)	53%	36	214
46040 NON RESIDENTIAL	24,337	146,048	262,000	(115,952)	56%	21,280	127,601
46050 INTERDEPARTMENTAL	3,229	19,376	38,700	(19,324)	50%	3,235	19,410
TOTAL USER FEES	54,400	326,395	658,100	(331,705)	50%	54,308	325,619
OTHER OPERATING REVENUES							
49470 FORFEITED DISCOUNTS	183	1,000	1,500	(500)	67%	137	1,008
49010 PERMIT FEES	0	0	100	(100)	%	66	136
48600 CONTRIBUTIONS IN AID/GRANT REVENUE	0	0	45,000	(45,000)	%	0	0
48100 INTEREST INCOME	0	0	2,800	(2,800)	%	0	0
48900 MISCELLANEOUS INCOME	0	0	0	0	%	0	0
49210 TRANSFERS FROM OTHER FUNDS	0	0	0	0	%	0	0
TOTAL OTHER OPERATING REVENUES	183	1,000	49,400	(48,400)	2%	203	1,144
TOTAL OPERATING REVENUES	54,583	327,395	707,500	(380,105)	46%	54,511	326,763

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STORMWATER UTILITY - FUND 680

	CURR MONTH	YTD ACTUAL	BUDGET	OVR (UN) BUD	% OF BUD	CURR MONTH PRIOR YEAR	PR YTD ACT
OPERATION & MAINTENANCE EXPENSES							
59710 STREET DEBRIS MANAGEMENT	4,031	30,632	98,018	(67,386)	31%	5,847	27,228
59720 VEHICLE & EQUIPMENT MAINTENANCE	0	0	0	0	%	0	0
59730 MAINTENANCE OF COLLECTION SYSTEM	1,238	10,258	119,806	(109,548)	9%	1,522	32,320
59740 MAINTENANCE OF OPEN CHANNEL DRAINAGE	0	0	18,137	(18,137)	%	0	0
59750 MAINTENANCE OF STORMWATER PONDS	0	0	35,452	(35,452)	%	0	0
59760 WWTP PHOSPHOROUS REGULATIONS	0	0	0	0	%	0	0
59770 REGULATORY COMPLIANCE	5,599	30,332	155,830	(125,498)	19%	5,987	30,844
59790 ADMINISTRATIVE CHARGES	2,434	13,378	26,650	(13,272)	50%	2,731	12,945
59795 EMPLOYEE PENSIONS & BENEFITS	1,705	10,619	53,068	(42,450)	20%	1,811	11,715
TOTAL OPERATING EXPENSES	15,008	95,218	506,961	(411,743)	19%	17,897	115,053
OTHER OPERATING EXPENSES							
59403 DEPRECIATION EXPENSE	12,797	76,782	136,000	(59,218)	56%	11,326	64,833
59408 TAXES	575	3,400	16,589	(13,189)	20%	688	4,049
59427 INTEREST ON LONG-TERM DEBT	4,108	29,868	80,700	(50,832)	37%	5,761	31,517
TOTAL OTHER OPERATING EXPENSES	32,489	205,268	740,250	(534,982)	28%	35,672	215,452
TOTAL OPERATING EXPENSES	32,489	205,268	740,250	(534,982)	28%	35,672	215,452
NET OPERATING INCOME (LOSS)	22,094	122,127	(32,750)	154,877	373%	18,839	111,311
EARNED SURPLUS							
34100 UNRESERVED FUND BALANCE (BEGINNING OF YEAR)	4,808,764	4,808,764				4,658,890	4,658,890
BALANCE TRANSFERRED FROM INCOME	22,094	122,127				18,839	111,311
TOTAL UNAPPROPRIATED EARNED SURPLUS END OF YEAR	4,830,859	4,930,891				4,677,729	4,770,201

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FOR THE 6 MONTHS ENDING JUNE 30, 2026

Section 8, Item C.

SEWER DISTRIBUTION DETAIL - FUND 690

	CURR MONTH	YTD ACTUAL	BUDGET	OVR (UN) BUD	% OF BUD	CURR MONTH PRIOR YEAR	PR YTD ACT
UTILITY OPERATING INCOME							
OPERATING REVENUES							
SALES OF SEWER							
49221 RESIDENTAL SERVICE	186,885	1,153,260	2,316,000	(1,162,740)	50%	180,443	1,091,658
49222 COMMERCIAL SERVICE	60,732	362,880	584,200	(221,320)	62%	48,447	280,408
49224 GOVERNMENT SERVICE	9,036	49,348	94,600	(45,252)	52%	8,531	45,362
49626 INTERDEPARTMENTAL SERVICE	10,476	58,318	106,560	(48,242)	55%	8,866	49,623
49263 INDUSTRIAL SERVICE	15,573	94,971	111,300	(16,329)	85%	8,820	52,607
TOTAL SALES OF SEWER	282,701	1,718,777	3,212,660	(1,493,883)	54%	255,108	1,519,658
OTHER OPERATING REVENUES							
49350 MISCELLANEOUS OPERATING REVENUES	500	10,543	90,000	(79,457)	12%	394	72,972
49450 CUSTOMER FORFIETED DISCOUNTS	1,066	6,784	7,800	(1,016)	87%	632	5,579
TOTAL OTHER OPERATING REVENUES	1,566	17,327	97,800	(80,473)	18%	1,026	78,551
TOTAL OPERATING REVENUES	284,267	1,736,104	3,310,460	(1,574,356)	52%	256,133	1,598,209

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SEWER DISTRIBUTION DETAIL - FUND 690

	CURR MONTH	YTD ACTUAL	BUDGET	OVR (UN) BUD	% OF BUD	CURR MONTH PRIOR YEAR	PR YTD ACT
OPERATING EXPENSES							
OPERATION & MAINTENANCE EXPENSES							
OPERATIONS EXPENSES							
59820 OPERATION PLANT & LIFT STATION	43,150	276,225	538,932	(262,708)	51%	44,652	250,837
59823 CHLORINE	0	0	4,000	(4,000)	%	1,274	2,106
59824 PHOSPHORUS REMOVAL CHEMICALS	12,339	35,310	89,000	(53,690)	40%	11,448	45,312
59825 SLUDGE CONDITIONING CHEMICALS	12,459	24,733	65,000	(40,267)	38%	12,459	48,686
59827 OTHER OPERATING SUPPLIES	2,042	27,329	32,000	(4,671)	85%	1,086	17,819
59828 TRANSPORTATION EXPENSES	1,077	8,136	28,000	(19,864)	29%	5,699	12,710
TOTAL OPERATIONS EXPENSES	71,066	371,732	756,932	(385,200)	49%	76,618	377,470
MAINTENANCE EXPENSE							
59831 MAINT OF SEWER COLLECTION SYSTEMS	5,623	43,635	223,976	(180,341)	19%	3,470	28,525
59832 MAINT OF COLLECTION SYSTEMS PUMP EQUIP	0	10,091	15,200	(5,109)	66%	23	288
59833 MAINT OF TREATMENT DIST PLANT EQUIP	8,552	39,211	145,866	(106,655)	27%	20,488	69,991
59834 MAINT OF GENERAL PLANT STRUCTURES & EQUIP	89	6,738	32,000	(25,262)	21%	4,477	11,549
TOTAL MAINTENANCE EXPENSE	14,264	99,675	417,042	(317,367)	24%	28,459	110,352
CUSTOMER ACCOUNTS EXPENSE							
59840 BILLING, COLLECTING & ACCOUNTING	7,829	44,124	93,637	(49,513)	47%	7,139	43,070
59842 METER READING	1,840	10,261	25,751	(15,490)	40%	1,543	9,983
59843 UNCOLLECTIBLE ACCOUNTS	0	251	2,000	(1,749)	13%	0	0
TOTAL CUSTOMER ACCOUNTS EXPENSE	9,670	54,635	121,388	(66,753)	45%	8,683	53,053

CITY OF TWO RIVERS
INCOME STATEMENT
FOR THE 6 MONTHS ENDING JUNE 30, 2026

Section 8, Item C.

SEWER DISTRIBUTION DETAIL - FUND 690

	CURR MONTH	YTD ACTUAL	BUDGET	OVR (UN) BUD	% OF BUD	CURR MONTH PRIOR YEAR	PR YTD ACT
ADMINISTRATIVE & GENERAL EXPENSES							
59850 ADMINISTRATIVE & GENERAL SALARIES	13,805	91,147	212,709	(121,562)	43%	15,628	93,612
59851 OFFICE SUPPLIES & EXPENSE	125	650	1,220	(570)	53%	32	250
59852 OUTSIDE SERVICES EMPLOYED	7,965	52,581	97,598	(45,018)	54%	11,383	54,588
59853 INSURANCE EXPENSE	5,176	31,056	63,755	(32,699)	49%	5,260	31,559
59854 EMPLOYEE PENSION & BENEFITS	13,492	85,622	177,871	(92,249)	48%	13,109	78,712
59855 REGULATORY COMMISSION EXPENSE	10,203	10,203	18,000	(7,797)	57%	11,703	11,703
59856 MISC GENERAL EXPENSES	0	297	4,000	(3,703)	7%	0	590
59857 RENTS	7,739	51,788	95,000	(43,212)	55%	10,095	45,238
TOTAL ADMINISTRATIVE & GENERAL EXPENSES	58,504	323,344	670,154	(346,809)	48%	67,210	316,252
TOTAL OPS & MAINT EXPENSES	153,503	849,386	1,965,515	(1,116,129)	43%	180,969	857,127
OTHER OPERATING EXPENSES							
59403 DEPRECIATION EXPENSE	71,059	426,351	800,000	(373,649)	53%	60,011	360,763
59408 TAX EXPENSE	28,610	173,504	351,808	(178,304)	49%	28,631	171,682
TOTAL OTHER OPERATING EXPENSES	99,669	599,855	1,151,808	(551,953)	52%	88,642	532,445
TOTAL OPERATING EXPENSES	253,172	1,449,242	3,117,324	(1,668,082)	46%	269,611	1,389,572
NET OPERATING INCOME (LOSS)	31,095	286,862	193,136	93,726	149%	(13,478)	208,637

CITY OF TWO RIVERS
INCOME STATEMENT
FOR THE 6 MONTHS ENDING JUNE 30, 2026

Section 8, Item C.

SEWER DISTRIBUTION DETAIL - FUND 690

	CURR MONTH	YTD ACTUAL	BUDGET	OVR (UN) BUD	% OF BUD	CURR MONTH PRIOR YEAR	PR YTD ACT
OTHER INCOME							
48600 CONTRIBUTION IN AID	0	50,364	0	50,364	%	0	0
43000 GRANT REVENUE	142,676	218,738	0	218,738	%	0	0
49210 TRANSFERS IN	65,339	65,339	72,692 (	7,353)	90%	0	72,692
TOTAL OTHER INCOME	208,015	334,441	72,692	261,749	460%	0	72,692
TOTAL INCOME (LOSS) BEFORE INTEREST CHGS	239,111	621,303	265,828	355,475	234%	(13,478)	281,329
INTEREST CHARGES							
49427 INTEREST ON LONG-TERM DEBT	(17,353)	(108,021)	(185,000)	76,979	(58%)	(16,366)	(101,380)
59999 GASB PENSION & OPEB EXPENSE							
49430 INTEREST ON DEBT TO MUNICIPALITY							
TOTAL INTEREST CHARGES	(17,353)	(108,021)	(185,000)	76,979	(58%)	(16,366)	(101,380)
NET INCOME (LOSS)	221,757	513,282	80,828	432,453	635%	(29,844)	179,949
EARNED SURPLUS							
34100 UNRESERVED FUND BALANCE (BEGINNING OF YEAR)	6,472,979	6,472,979				6,293,916	6,293,916
BALANCE TRANSFERRED FROM INCOME	221,757	513,282				(29,844)	179,949
TOTAL UNAPPROPRIATED EARNED SURPLUS END OF YEAR	6,694,737	6,986,261				6,264,073	6,473,865

Subject: Request for Noise Ordinance Waiver – Jimothy Raves
Saturday, August 22, 2026 | 7:00 PM – 12:00 AM

Section 9, ItemA.

Dear City Manager Kyle and Members of the Two Rivers City Council,

I am writing on behalf of Heroes Arcade and Heroes Music Venue to respectfully request a noise ordinance waiver for **Jimothy Raves**, taking place on **Saturday, August 22, 2026**, from **7:00 PM until 12:00 AM**.

Jimothy Raves is an **18+ electronic dance music event** featuring local and regional DJs. The event will be held at **Heroes Arcade, 2022 Washington Street, Two Rivers, Wisconsin**.

To help minimize the impact on neighboring businesses and residents, the event will be held **inside the arcade**, where the building naturally helps contain and reduce sound levels. The **front and side doors will remain open throughout the event for ventilation and guest comfort**; however, all music and performances will remain indoors. We will continuously monitor sound levels throughout the evening and make adjustments as necessary to remain respectful of the surrounding area.

To further ensure a safe and well-managed event:

- Music will conclude promptly at **12:00 AM**.
- Event staff will monitor both the venue and surrounding property throughout the evening.
- Guests will be encouraged to leave the property quietly and respectfully at the conclusion of the event.
- We remain committed to working cooperatively with the City of Two Rivers and maintaining a positive relationship with our neighbors.

Heroes Arcade and Heroes Music Venue strive to provide unique entertainment experiences that support local artists, musicians, and our community while operating responsibly and respectfully. We appreciate your consideration of this request and thank you for your continued support of local events.

If you have any questions or need additional information, please do not hesitate to contact me.

Sincerely,

Michael Cleveland
Heroes Arcade & Heroes Music Venue
2022 Washington Street
Two Rivers, WI 54241

--
Kyle Kordell
Two Rivers City Manager

CITY OF TWO RIVERS

RESOLUTION
DISALLOWING CLAIM OF MARK HELLER

WHEREAS documents entitled “Notice of Claim” signed by Nathan Kronforst, White Cap Insurance Company, on behalf of property owner Mark Heller were served on the City Finance Department and forwarded for Staff review on June, 23, 2026; and

WHEREAS in that Notice of Claim Mr. Heller claimed that the private fence located at 1910 20th Street was damaged during the 2025-26 winter snow plowing season and makes claim against the City of Two Rivers in the amount of \$678.20 for the estimated fence repair value; and

WHEREAS the City of Two Rivers, Public Works Department was not aware of causing damage to said private fence during the 2025-26 winter snow plowing season; and

WHEREAS reviewing a Google Map street view dated November 2024, revealed that the fence was previously damaged prior to the 2024-25 winter snow plowing season; and

WHEREAS the private fence claimed to be damaged during snow plowing operations by the City’s Public Works Department is leaning towards the street;

WHEREAS that if somehow is proven that a City Public Works snowplow inadvertently struck the claimant’s fence while plowing snow which rested against the fence, there is no evidence that the City failed to adhere to any ministerial duties – or mandates – with their snow plowing; and absent ministerial duty, Wis. Stat. 893.80 affords the City discretionary immunity for their ‘governmental’ acts or decisions about clearing snow from the roadway for the public good;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Two Rivers, Wisconsin as follows:

1.

That any claim made by Nathan Kronforst on behalf of Mark Heller, or Mark Heller himself against the City of Two Rivers in the Notice of Claim described herein or otherwise for the private fence located at 1910 20th Street described herein is disallowed; and
2.

The City Clerk is directed to serve notice of the disallowance of the claim upon Mr. Kronforst or Mr. Heller by registered or certified mail as provided in Wis. Stat. Sec. 893.80(1g), and that such notice shall state that no legal action may be brought against the City of Two Rivers or any officer, official or employee of the City more than 6 months the date on which he is served with that notice of disallowance.

Passed and adopted by the City Council of the City of Two Rivers, WI on the 3rd day of August 2026.

Scott Stechmesser, Council President

Kyle Kordell, City Manager

RESOLUTION NO. 26-148

RESOLUTION AUTHORIZING THE ISSUANCE AND
SALE OF UP TO \$1,781,953 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2026B,
AND PROVIDING FOR OTHER DETAILS AND
COVENANTS WITH RESPECT THERETO, AND APPROVAL OF
RELATED FINANCIAL ASSISTANCE AGREEMENT

WHEREAS, the City of Two Rivers, Manitowoc County, Wisconsin (the "Municipality") owns and operates a sewerage system (the "System") which is operated for a public purpose as a public utility by the Municipality; and

WHEREAS, pursuant to a resolution adopted by the Governing Body on March 17, 2008 (the "2008 Resolution"), the Municipality has heretofore issued its Sewerage System Revenue Bonds, Series 2008, dated March 26, 2008 (the "2008 Bonds"), which 2008 Bonds are payable from the income and revenues of the System; and

WHEREAS, pursuant to a resolution adopted by the Governing Body on December 15, 2014 (the "2014 Resolution"), the Municipality has heretofore issued its Sewerage System Revenue Bonds, Series 2014, dated December 23, 2014 (the "2014 Bonds"), which 2014 Bonds are payable from the income and revenues of the System; and

WHEREAS, pursuant to a resolution adopted by the Governing Body on February 5, 2018 (the "2018 Resolution"), the Municipality has heretofore issued its Sewerage System Revenue Bonds, Series 2018, dated February 28, 2018 (the "2018 Bonds"), which 2018 Bonds are payable from the income and revenues of the System; and

WHEREAS, pursuant to a resolution adopted by the Governing Body on October 1, 2018 (the "2018B Resolution"), the Municipality has heretofore issued its Sewerage System Revenue Bonds, Series 2018B, dated October 24, 2018 (the "2018B Bonds"), which 2018B Bonds are payable from the income and revenues of the System; and

WHEREAS, pursuant to a resolution adopted by the Governing Body on November 18, 2019 (the "2019 Resolution"), the Municipality has heretofore issued its Sewerage System Revenue Bonds, Series 2019, dated November 27, 2019 (the "2019 Bonds"), which 2019 Bonds are payable from the income and revenues of the System; and

WHEREAS, pursuant to a resolution adopted by the Governing Body on November 1, 2021 (the "2021 Resolution"), the Municipality has heretofore issued its Sewerage System Revenue Bonds, Series 2021, dated November 10, 2021 (the "2021 Bonds"), which 2021 Bonds are payable from the income and revenues of the System; and

WHEREAS, pursuant to a resolution adopted by the Governing Body on December 5, 2022 (the "2022 Resolution"), the Municipality has heretofore issued its Sewerage System Revenue Bonds, Series 2022, dated December 14, 2022 (the "2022 Bonds"), which 2022 Bonds are payable from the income and revenues of the System; and

WHEREAS, pursuant to a resolution adopted by the Governing Body on September 18, 2023 (the "2023 Resolution"), the Municipality has heretofore issued its Sewerage System Revenue Bonds, Series 2023, dated October 11, 2023 (the "2023 Bonds"), which 2023 Bonds are payable from the income and revenues of the System; and

WHEREAS, pursuant to a resolution adopted by the Governing Body on October 21, 2024 (the "2024 Resolution"), the Municipality has heretofore issued its Sewerage System Revenue Bonds, Series 2024, dated November 13, 2024 (the "2024 Bonds"), which 2024 Bonds are payable from the income and revenues of the System; and

WHEREAS, pursuant to a resolution adopted by the Governing Body on February 2, 2026 (the "2026 Resolution"), the Municipality has heretofore issued its Sewerage System Revenue Bonds, Series 2026, dated February 25, 2026 (the "2026 Bonds"), which 2026 Bonds are payable from the income and revenues of the System; and

WHEREAS, the 2008 Bonds, the 2014 Bonds, the 2018 Bonds, the 2018B Bonds, the 2019 Bonds, the 2021 Bonds, the 2022 Bonds, the 2023 Bonds, the 2024 Bonds and the 2026 Bonds shall collectively be referred to as the "Prior Bonds"; and

WHEREAS, the 2008 Resolution, the 2014 Resolution, the 2018 Resolution, the 2018B Resolution, the 2019 Resolution, the 2021 Resolution, the 2022 Resolution, the 2023 Resolution, the 2024 Resolution and the 2026 Resolution shall collectively be referred to as the "Prior Resolutions"; 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 Clean Water Fund Program Project No. 4107-65 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. S-2025-0838 and dated November 18, 2025 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 sewerage 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, the Prior Resolutions permit the issuance of additional bonds on a parity with the Prior Bonds upon certain conditions, and those conditions have been met; and

WHEREAS, other than the Prior Bonds, 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 \$1,781,953 Sewerage System Revenue Bonds, Series 2026B, 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 City 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 sewerage charges imposed by the Municipality, all payments to the Municipality under any wastewater treatment 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 or other revenues of the Municipality appropriated by the Governing Body to the System pursuant to Section 9, 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 Two Rivers, Manitowoc 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) "Prior Bonds" means the 2008 Bonds, the 2014 Bonds, the 2018 Bonds, the 2018B Bonds, the 2019 Bonds, the 2021 Bonds, the 2022 Bonds, the 2023 Bonds, the 2024 Bonds and the 2026 Bonds, collectively;

(p) "Prior Resolutions" means the 2008 Resolution, the 2014 Resolution, the 2018 Resolution, the 2018B Resolution, the 2019 Resolution, the 2021 Resolution, the 2022 Resolution, the 2023 Resolution, the 2024 Resolution and the 2026 Resolution, collectively;

(q) "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;

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

(s) "System" means the entire sewerage 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 collection, transmission, treatment and disposal of domestic and industrial sewerage and waste, 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 sewerage system and including all appurtenances, contracts, leases, franchises, and other intangibles;

(t) "2008 Bonds" means the Municipality's Sewerage System Revenue Bonds, Series 2008, dated March 26, 2008;

(u) "2008 Resolution" means a resolution adopted by the Governing Body on March 17, 2008 authorizing the issuance of the 2008 Bonds;

(v) "2014 Bonds" means the Municipality's Sewerage System Revenue Bonds, Series 2014, dated December 23, 2014;

(w) "2014 Resolution" means a resolution adopted by the Governing Body on December 15, 2014 authorizing the issuance of the 2014 Bonds;

(x) "2018 Bonds" means the Municipality's Sewerage System Revenue Bonds, Series 2018, dated February 28, 2018;

(y) "2018 Resolution" means a resolution adopted by the Governing Body on February 5, 2018 authorizing the issuance of the 2018 Bonds;

(z) "2018B Bonds" means the Municipality's Sewerage System Revenue Bonds, Series 2018B, dated October 24, 2018;

(aa) "2018B Resolution" means a resolution adopted by the Governing Body on October 1, 2018 authorizing the issuance of the 2018B Bonds;

(bb) "2019 Bonds" means the Municipality's Sewerage System Revenue Bonds, Series 2019, dated November 27, 2019;

(cc) "2019 Resolution" means a resolution adopted by the Governing Body on November 18, 2019 authorizing the issuance of the 2019 Bonds;

(dd) "2021 Bonds" means the Municipality's Sewerage System Revenue Bonds, Series 2021, dated November 10, 2021;

(ee) "2021 Resolution" means a resolution adopted by the Governing Body on November 1, 2021 authorizing the issuance of the 2021 Bonds;

(ff) "2022 Bonds" means the Municipality's Sewerage System Revenue Bonds, Series 2022, dated December 14, 2022;

(gg) "2022 Resolution" means a resolution adopted by the Governing Body on December 5, 2022 authorizing the issuance of the 2022 Bonds;

(hh) "2023 Bonds" means the Municipality's Sewerage System Revenue Bonds, Series 2023, dated October 11, 2023;

(ii) "2023 Resolution" means a resolution adopted by the Governing Body on September 18, 2023 authorizing the issuance of the 2023 Bonds;

(jj) "2024 Bonds" means the Municipality's Sewerage System Revenue Bonds, Series 2024, dated November 13, 2024;

(kk) "2024 Resolution" means a resolution adopted by the Governing Body on October 21, 2024 authorizing the issuance of the 2024 Bonds;

(ll) "2026 Bonds" means the Municipality's Sewerage System Revenue Bonds, Series 2026, dated February 25, 2026; and

(mm) "2026 Resolution" means a resolution adopted by the Governing Body on February 2, 2026 authorizing the issuance of the 2026 Bonds.

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 \$1,781,953; and fully registered revenue bonds of the Municipality are authorized to be issued in evidence thereof and sold to the State of Wisconsin Clean Water Fund Program in accordance with the terms and conditions of the Financial Assistance Agreement, which is incorporated herein by this reference and the City Manager 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 "Sewerage System Revenue Bonds, Series 2026B" (the "Bonds"); shall be dated their date of issuance; shall be numbered one and upward; shall bear interest at the rate of 2.365% 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 November 1, 2026 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 City Manager 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 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 (as directed by the registered owner) and if by check or draft, 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 continued, 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, on a parity with the pledge granted to the holders of the Prior Bonds. 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 Prior Bonds, 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 Prior Bonds, the Bonds and Parity Bonds, certain funds of the System which were created and established by a resolution adopted December 6, 1993 are hereby continued and 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 Prior Bonds, 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 Prior Bonds, 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 or continued in this section 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 Prior Bonds, the Bonds and any Parity Bonds then outstanding and an amount equal to one-twelfth (1/12) of the installment of principal of the Prior Bonds, 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 Prior Bonds, 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 Prior Bonds, 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 or continued (except the Sewerage System CFWP 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 sewerage 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 Prior Bonds, 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. The Bonds are issued on a parity with the Prior Bonds as to the pledge of revenues of the System. 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 Clean Water Fund 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 Clean Water Fund Program for the purchase price of up to \$1,781,953 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 "Sewerage System CWFP Project Fund." The Sewerage System CWFP 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 Sewerage System CWFP 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 Clean Water Fund 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 Clean Water Fund 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 (other than the Prior 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. In case of any conflict between this Resolution and the Prior Resolutions, the Prior Resolutions shall control as long as any of the respective Prior Bonds are outstanding.

Passed: August 3, 2026

Approved: August 3, 2026

Kyle Kordell
City Manager

Attest:

Amanda Baryenbruch
City Clerk

EXHIBIT A

(Form of Municipal Obligation)

REGISTERED
NO. _____

UNITED STATES OF AMERICA
STATE OF WISCONSIN
MANITOWOC COUNTY
CITY OF TWO RIVERS

REGISTERED
\$ _____

SEWERAGE SYSTEM REVENUE BOND, SERIES 2026B

Final
Maturity Date

May 1, 2046

Date of
Original Issue

_____, 20__

REGISTERED OWNER: STATE OF WISCONSIN CLEAN WATER FUND PROGRAM

FOR VALUE RECEIVED the City of Two Rivers, Manitowoc 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, 2028 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 2.365% 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 November 1, 2026.

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, 2028 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 365/1000ths percent (2.365%) 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 and interest hereon shall be payable by electronic transfer or by check or draft dated on or before the applicable payment date (as directed by the registered owner) and if by check or draft, 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 Sewerage System of the Municipality, pursuant to Article XI, Section 3, of the Wisconsin Constitution, Section 66.0621, Wisconsin Statutes, and a resolution adopted August 3, 2026, and entitled: "Resolution Authorizing the Issuance and Sale of Up to \$1,781,953 Sewerage System Revenue Bonds, Series 2026B, and Providing for Other Details and Covenants With Respect Thereto, and Approval of Related Financial Assistance Agreement" (the "Resolution") and is payable only from the income and revenues of the Sewerage System of the Municipality (the "Utility"). Such revenues have been set aside and pledged as a special fund for that purpose and identified as "Special Redemption Fund," created by a resolution adopted by the Governing Body on December 6, 1993, and continued by the Resolution. The Bonds are issued on a parity with the Municipality's Sewerage System Revenue Bonds, Series 2008, dated March 26, 2008, Sewerage System Revenue Bonds, Series 2014, dated December 23, 2014, Sewerage System Revenue Bonds, Series 2018, dated February 28, 2018, Sewerage System Revenue Bonds, Series 2018B, dated October 24, 2018, Sewerage System Revenue Bonds, Series 2019, dated November 27, 2019, Sewerage System Revenue Bonds, Series 2021, dated November 10, 2021, Sewerage System Revenue Bonds, Series 2022, dated December 14, 2022, Sewerage System Revenue Bonds, Series 2023, dated October 11, 2023, Sewerage System Revenue Bonds, Series 2024, dated November 13, 2024 and Sewerage System Revenue Bonds, Series 2026, dated February 25, 2026, as to the pledge of income and revenues of 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 City Manager and City Clerk, and its corporate seal to be impressed hereon, all as of the date of original issue specified above.

(SEAL)

CITY OF TWO RIVERS,
WISCONSIN

By: _____
Kyle Kordell
City Manager

By: _____
Amanda Baryenbruch
City Clerk

(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

\$1,781,953

CITY OF TWO RIVERS, WISCONSIN
SEWERAGE SYSTEM REVENUE BONDS, SERIES 2026B

<u>Amount of Disburse- ment</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, 2028	\$ 75,374.73
May 1, 2029	77,157.34
May 1, 2030	78,982.11
May 1, 2031	80,850.04
May 1, 2032	82,762.14
May 1, 2033	84,719.47
May 1, 2034	86,723.08
May 1, 2035	88,774.08
May 1, 2036	90,873.59
May 1, 2037	93,022.75
May 1, 2038	95,222.74
May 1, 2039	97,474.76
May 1, 2040	99,780.03
May 1, 2041	102,139.83
May 1, 2042	104,555.44
May 1, 2043	107,028.18
May 1, 2044	109,559.39
May 1, 2045	112,150.47
May 1, 2046	114,802.83

RESOLUTION NO. 26-149

RESOLUTION AUTHORIZING THE ISSUANCE AND
SALE OF UP TO \$1,961,897 WATER SYSTEM REVENUE BONDS, SERIES 2026,
AND PROVIDING FOR OTHER DETAILS AND
COVENANTS WITH RESPECT THERETO, AND APPROVAL OF
RELATED FINANCIAL ASSISTANCE AGREEMENT

WHEREAS, the City of Two Rivers, Manitowoc 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, pursuant to a resolution adopted by the Governing Body on June 16, 2014 (the "2014 Resolution"), the Municipality has heretofore issued its Water System Revenue Bonds, Series 2014, dated June 25, 2014 (the "2014 Bonds"), which are payable from the income and revenues of the System; and

WHEREAS, pursuant to a resolution adopted by the Governing Body on October 20, 2014 (the "2014B Resolution"), the Municipality has heretofore issued its Water System Revenue Bonds, Series 2014B, dated November 12, 2014 (the "2014B Bonds"), which are payable from the income and revenues of the System; and

WHEREAS, pursuant to a resolution adopted by the Governing Body on June 5, 2017 (the "2017 Resolution"), the Municipality has heretofore issued its Water System Revenue Bonds, Series 2017, dated June 28, 2017 (the "2017 Bonds"), which are payable from the income and revenues of the System; and

WHEREAS, pursuant to a resolution adopted by the Governing Body on May 21, 2018 (the "2018 Resolution"), the Municipality has heretofore issued its Water System Revenue Bonds, Series 2018, dated June 13, 2018 (the "2018 Bonds"), which are payable from the income and revenues of the System; and

WHEREAS, pursuant to a resolution adopted by the Governing Body on June 3, 2019 (the "2019 Resolution"), the Municipality has heretofore issued its Water System Revenue Bonds, Series 2019, dated June 26, 2019 (the "2019 Bonds"), which are payable from the income and revenues of the System; and

WHEREAS, pursuant to a resolution adopted by the Governing Body on June 7, 2021 (the "2021 Resolution"), the Municipality has heretofore issued its Water System Revenue Bonds, Series 2021, dated June 23, 2021 (the "2021 Bonds"), which are payable from the income and revenues of the System; and

WHEREAS, pursuant to a resolution adopted by the Governing Body on September 19, 2022 (the "2022 Resolution"), the Municipality has heretofore issued its Water System Revenue Bonds, Series 2022, dated September 28, 2022 (the "2022 Bonds"), which are payable from the income and revenues of the System; and

WHEREAS, pursuant to a resolution adopted by the Governing Body on September 5, 2023 (the "2023 Resolution"), the Municipality has heretofore issued its Water System Revenue Bonds, Series 2023, dated September 27, 2023 (the "2023 Bonds"), which are payable from the income and revenues of the System; and

WHEREAS, pursuant to a resolution adopted by the Governing Body on September 11, 2024 (the "2024 Resolution"), the Municipality has heretofore issued its Water System Revenue Bonds, Series 2024, dated September 25, 2024 (the "2024 Bonds"), which are payable from the income and revenues of the System; and

WHEREAS, pursuant to a resolution adopted by the Governing Body on September 2, 2025 (the "2025A Resolution"), the Municipality has heretofore issued its Water System Revenue Bonds, Series 2025A, dated September 24, 2025 (the "2025A Bonds"), which are payable from the income and revenues of the System; and

WHEREAS, pursuant to a resolution adopted by the Governing Body on September 2, 2025 (the "2025B Resolution"), the Municipality has heretofore issued its Water System Revenue Bonds, Series 2025B, dated September 24, 2025 (the "2025B Bonds"), which are payable from the income and revenues of the System; and

WHEREAS, the 2014 Bonds, the 2014B Bonds, the 2017 Bonds, the 2018 Bonds, the 2019 Bonds, the 2021 Bonds, the 2022 Bonds, the 2023 Bonds, the 2024 Bonds, the 2025A Bonds and the 2025B Bonds shall collectively be referred to as the "Prior Bonds"; and

WHEREAS, the 2014 Resolution, the 2014B Resolution, the 2017 Resolution, the 2018 Resolution, the 2019 Resolution, the 2021 Resolution, the 2022 Resolution, the 2023 Resolution the 2024 Resolution, the 2025A Resolution and the 2025B Resolution shall collectively be referred to as the "Prior Resolutions"; 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. 4920-56 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-2025-0638 and dated July 15, 2025 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, the Prior Resolutions permit the issuance of additional bonds on a parity with the Prior Bonds upon certain conditions, and those conditions have been met; and

WHEREAS, other than the Prior Bonds, 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 \$1,961,897 Water System Revenue Bonds, Series 2026, 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 City 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 or other revenues of the Municipality appropriated by the Governing Body to the System pursuant to Section 9, 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 Two Rivers, Manitowoc 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) "Prior Bonds" means the 2014 Bonds, the 2014B Bonds, the 2017 Bonds, the 2018 Bonds, the 2019 Bonds, the 2021 Bonds, the 2022 Bonds, the 2023 Bonds, the 2024 Bonds, the 2025A Bonds and the 2025B Bonds, collectively;

(p) "Prior Resolutions" means the 2014 Resolution, the 2014B Resolution, the 2017 Resolution, the 2018 Resolution, the 2019 Resolution, the 2021 Resolution, the 2022 Resolution, the 2023 Resolution, the 2024 Resolution, the 2025A Resolution and the 2025B Resolution, collectively;

(q) "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;

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

(s) "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;

(t) "2014 Bonds" means the Municipality's Water System Revenue Bonds, Series 2014, dated June 25, 2014;

(u) "2014 Resolution" means a resolution adopted by the Governing Body on June 16, 2014 authorizing the issuance of the 2014 Bonds;

(v) "2014B Bonds" means the Municipality's Water System Revenue Bonds, Series 2014B, dated November 12, 2014;

(w) "2014B Resolution" means a resolution adopted by the Governing Body on October 20, 2014 authorizing the issuance of the 2014B Bonds;

(x) "2017 Bonds" means the Municipality's Water System Revenue Bonds, Series 2017, dated June 28, 2017;

(y) "2017 Resolution" means a resolution adopted by the Governing Body on June 5, 2017 authorizing the issuance of the 2017 Bonds;

(z) "2018 Bonds" means the Municipality's Water System Revenue Bonds, Series 2018, dated June 13, 2018;

(aa) "2018 Resolution" means a resolution adopted by the Governing Body on May 21, 2018 authorizing the issuance of the 2018 Bonds;

(bb) "2019 Bonds" means the Municipality's Water System Revenue Bonds, Series 2019, dated June 26, 2019;

(cc) "2019 Resolution" means a resolution adopted by the Governing Body on June 3, 2019 authorizing the issuance of the 2019 Bonds;

(dd) "2021 Bonds" means the Municipality's Water System Revenue Bonds, Series 2021, dated June 23, 2021;

(ee) "2021 Resolution" means a resolution adopted by the Governing Body on June 7, 2021 authorizing the issuance of the 2021 Bonds;

(ff) "2022 Bonds" means the Municipality's Water System Revenue Bonds, Series 2022, dated September 28, 2022;

(gg) "2022 Resolution" means a resolution adopted by the Governing Body on September 19, 2022 authorizing the issuance of the 2022 Bonds;

(hh) "2023 Bonds" means the Municipality's Water System Revenue Bonds, Series 2023, dated September 27, 2023;

(ii) "2023 Resolution" means a resolution adopted by the Governing Body on September 5, 2023 authorizing the issuance of the 2023 Bonds;

(jj) "2024 Bonds" means the Municipality's Water System Revenue Bonds, Series 2024, dated September 25, 2024;

(kk) "2024 Resolution" means a resolution adopted by the Governing Body on September 11, 2024 authorizing the issuance of the 2024 Bonds;

(ll) "2025A Bonds" means the Municipality's Water System Revenue Bonds, Series 2025A, dated September 24, 2025;

(mm) "2025A Resolution" means a resolution adopted by the Governing Body on September 2, 2025 authorizing the issuance of the 2025A Bonds;

(nn) "2025B Bonds" means the Municipality's Water System Revenue Bonds, Series 2025B, dated September 24, 2025; and

(oo) "2025B Resolution" means a resolution adopted by the Governing Body on September 2, 2025 authorizing the issuance of the 2025B Bonds.

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 \$1,961,897; 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 City Manager 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 2026" (the "Bonds"); shall be dated their date of issuance; shall be numbered one and upward; shall bear interest at the rate of 2.365% 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 November 1, 2026 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 City Manager 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 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 (as directed by the registered owner) and if by check or draft, 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 continued, 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, on a parity with the pledge granted to the holders of the Prior Bonds. 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 Prior Bonds, 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 Prior Bonds, the Bonds and Parity Bonds, certain funds of the System which were created and established by a resolution adopted on March 15, 2004 are hereby continued and 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, the Depreciation 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 Prior Bonds, 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) Depreciation Fund, which may be expended for repairs, replacements, new construction, extensions, or additions to the System. Any money on deposit in the Depreciation Fund not required during the current Fiscal Year for purposes of the Depreciation Fund, may be transferred to the Surplus Fund.
- (e) Surplus Fund, which shall first be used whenever necessary to pay principal of, premium, if any, or interest on the Prior Bonds, 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 or continued in this section or to reimburse the general

fund of the Municipality for advances made by the Municipality to the System or for any other lawful purpose.

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 Prior Bonds, the Bonds and any Parity Bonds then outstanding and an amount equal to one-twelfth (1/12) of the installment of principal of the Prior Bonds, 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;
- (c) to the Depreciation Fund, an amount determined by the Governing Body to be sufficient to provide a proper and adequate depreciation account for the System; and
- (d) 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, the Depreciation 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 (d) 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 Prior Bonds, 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 Prior Bonds, 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 or continued (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 Prior Bonds, 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. The Bonds are issued on a parity with the Prior Bonds as to the pledge of revenues of the System. 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 \$1,961,897 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 (other than the Prior 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. In case of any conflict between this Resolution and the Prior Resolutions, the Prior Resolutions shall control as long as any of the respective Prior Bonds are outstanding.

Passed: August 3, 2026

Approved: August 3, 2026

Kyle Kordell
City Manager

Attest:

Amanda Baryenbruch
City Clerk

EXHIBIT A

(Form of Municipal Obligation)

REGISTERED NO. _____	UNITED STATES OF AMERICA STATE OF WISCONSIN MANITOWOC COUNTY CITY OF TWO RIVERS	REGISTERED \$ _____
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WATER SYSTEM REVENUE BOND, SERIES 2026

Final <u>Maturity Date</u>	Date of <u>Original Issue</u>
May 1, 2046	_____, 20__

REGISTERED OWNER: STATE OF WISCONSIN SAFE DRINKING WATER LOAN PROGRAM

FOR VALUE RECEIVED the City of Two Rivers, Manitowoc 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, 2028 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 2.365% 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 November 1, 2026.

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, 2028 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 365/1000ths percent (2.365%) 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 and interest hereon shall be payable by electronic transfer or by check or draft dated on or before the applicable payment date (as directed by the registered owner) and if by check or draft, 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 August 3, 2026, and entitled: "Resolution Authorizing the Issuance and Sale of Up to \$1,961,897 Water System Revenue Bonds, Series 2026, and Providing for Other Details and Covenants With Respect Thereto, and Approval of Related Financial Assistance Agreement" (the "Resolution") and is payable only from the income and revenues of the Water System of the Municipality (the "Utility"). Such revenues have been set aside and pledged as a special fund for that purpose and identified as "Special Redemption Fund," created by a resolution adopted by the Governing Body on March 15, 2004, and continued by the Resolution. The Bonds are issued on a parity with the Municipality's Water System Revenue Bonds, Series 2014, dated June 25, 2014, Water System Revenue Bonds, Series 2014B, dated November 12, 2014, Water System Revenue Bonds, Series 2017, dated June 28, 2017, Water System Revenue Bonds, Series 2018, dated June 13, 2018, Water System Revenue Bonds, Series 2019, dated June 26, 2019, Water System Revenue Bonds, Series 2021, dated June 23, 2021, Water System Revenue Bonds, Series 2022, dated September 28, 2022, Water System Revenue Bonds, Series 2023, dated September 27, 2023, Water System Revenue Bonds, Series 2024, dated September 25, 2024, Water System Revenue Bonds, Series 2025A, dated September 24, 2025 and Water System Revenue Bonds, Series 2025B, dated September 24, 2025, as to the pledge of income and revenues of 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 City Manager and City Clerk, and its corporate seal to be impressed hereon, all as of the date of original issue specified above.

(SEAL)

CITY OF TWO RIVERS,
WISCONSIN

By: _____
Kyle Kordell
City Manager

By: _____
Amanda Baryenbruch
City Clerk

(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

\$1,961,897

CITY OF TWO RIVERS, WISCONSIN
WATER SYSTEM REVENUE BONDS, SERIES 2026

<u>Amount of Disburse- ment</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, 2028	\$82,986.17
May 1, 2029	84,948.79
May 1, 2030	86,957.83
May 1, 2031	89,014.38
May 1, 2032	91,119.57
May 1, 2033	93,274.55
May 1, 2034	95,480.50
May 1, 2035	97,738.61
May 1, 2036	100,050.13
May 1, 2037	102,416.31
May 1, 2038	104,838.46
May 1, 2039	107,317.89
May 1, 2040	109,855.96
May 1, 2041	112,454.05
May 1, 2042	115,113.59
May 1, 2043	117,836.02
May 1, 2044	120,622.84
May 1, 2045	123,475.58
May 1, 2046	126,395.77

CITY OF TWO RIVERS, WISCONSIN
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2025



CPAs | CONSULTANTS | WEALTH ADVISORS

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INDEPENDENT AUDITORS' REPORT

City Manager and City Council
City of Two Rivers, Wisconsin
Two Rivers, Wisconsin

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Two Rivers, Wisconsin (the City), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2025, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund and the Housing Revolving Loans Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

Exercise professional judgment and maintain professional skepticism throughout the audit.

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

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

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

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

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

Required Supplementary Information

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

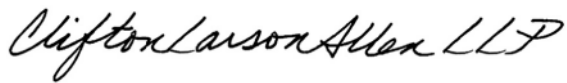
Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be present to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required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

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2026, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Sheboygan, Wisconsin
June 25, 2026

BASIC FINANCIAL STATEMENTS

**CITY OF TWO RIVERS, WISCONSIN
STATEMENT OF NET POSITION
DECEMBER 31, 2025**

Section 9, Item F.

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	\$ 8,748,747	\$ 950,095	\$ 9,698,842
Receivables:			
Taxes	3,805,185	122,795	3,927,980
Accounts	165,976	2,310,933	2,476,909
Special Assessments	613,593	248,848	862,441
Loans	2,894,965	-	2,894,965
Other	-	108,189	108,189
Leases	101,080	-	101,080
Internal Balances	1,759,270	(1,759,270)	-
Due from Other Governments	139,419	437,866	577,285
Prepaid Items	990,178	409,289	1,399,467
Restricted Assets:			
Cash and Investments	-	1,333,533	1,333,533
Capital Assets, Nondepreciable/Nonamortizable	2,463,759	2,042,891	4,506,650
Capital Assets, Depreciable/Amortizable, Net	32,765,551	54,554,934	87,320,485
Total Assets	54,447,723	60,760,103	115,207,826
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related Amounts	6,095,568	1,066,101	7,161,669
Other Postemployment Benefit Related Amounts	1,429,425	241,912	1,671,337
Total Deferred Outflows of Resources	7,524,993	1,308,013	8,833,006

See accompanying Notes to Basic Financial Statements.

CITY OF TWO RIVERS, WISCONSIN
STATEMENT OF NET POSITION (CONTINUED)
DECEMBER 31, 2025

Section 9, Item F.

	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Accounts Payable	\$ 756,654	\$ 847,706	\$ 1,604,360
Accrued and Other Current Liabilities	520,906	92,070	612,976
Due to Other Governments	24,237	-	24,237
Accrued Interest Payable	239,784	103,661	343,445
Special Deposits	52,213	115,348	167,561
Unearned Revenues	74,500	-	74,500
Long-Term Obligations:			
Due within One Year	2,513,927	1,756,043	4,269,970
Due in More than One Year	14,275,805	16,826,256	31,102,061
Other Postemployment Benefits:			
Due within One Year	603,969	35,648	639,617
Due in More than One Year	5,067,781	921,823	5,989,604
Net Pension Liability	1,031,362	181,972	1,213,334
Total Liabilities	25,161,138	20,880,527	46,041,665
DEFERRED INFLOWS OF RESOURCES			
Property Taxes Levied for Subsequent Year	6,883,085	-	6,883,085
Lease Related	101,080	-	101,080
Pension Related Amounts	3,013,373	531,674	3,545,047
Other Postemployment Benefit Related Amounts	1,035,661	179,282	1,214,943
Total Deferred Inflows of Resources	11,033,199	710,956	11,744,155
NET POSITION			
Net Investment in Capital Assets	19,794,752	38,056,152	57,850,904
Restricted:			
Housing and Business Loans	4,019,748	-	4,019,748
Library Operations and Donations	97,060	-	97,060
WDF Administrative	200	-	200
EMS Act 102 Grant	51,086	-	51,086
Affordable Housing	141,477	-	141,477
Medical/Hospital Equipment	25,931	-	25,931
Tax Incremental Districts	1,621,734	-	1,621,734
Debt Service	99,406	136,000	235,406
Capital Assets	-	1,197,533	1,197,533
Unrestricted	(73,015)	1,086,948	1,013,933
Total Net Position	\$ 25,778,379	\$ 40,476,633	\$ 66,255,012

See accompanying Notes to Basic Financial Statements.

**CITY OF TWO RIVERS, WISCONSIN
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025**

Section 9, Item F.

FUNCTIONS/PROGRAMS	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Governmental Activities:			
General Government	\$ 1,931,626	\$ 75,909	\$ 1,931
Public Safety	8,005,271	1,393,211	226,091
Public Works	2,812,057	360,942	701,987
Health and Human Services	611,877	183,817	222,457
Culture and Recreation	3,340,706	277,738	356,155
Conservation and Development	1,707,903	128,934	-
Interest and Fiscal Charges	583,984	-	-
Total Governmental Activities	<u>18,993,424</u>	<u>2,420,551</u>	<u>1,508,621</u>
Business-Type Activities:			
Electric Utility	9,303,878	9,731,337	-
Water Utility	2,895,744	3,147,495	-
Sewer Utility	2,997,117	3,089,377	-
Telecommunications Utility	21,537	15,885	-
Solid Waste	851,805	811,733	82,325
Stormwater Utility	549,505	653,603	-
Total Business-Type Activities	<u>16,619,586</u>	<u>17,449,430</u>	<u>82,325</u>
Total Functions/Programs	<u>\$ 35,613,010</u>	<u>\$ 19,869,981</u>	<u>\$ 1,590,946</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF TWO RIVERS, WISCONSIN
STATEMENT OF ACTIVITIES (CONTINUED)
YEAR ENDED DECEMBER 31, 2025**

Section 9, Item F.

	Program Revenues	Net Revenue (Expense) and Changes in Net Position		
	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
FUNCTIONS/PROGRAMS				
Governmental Activities:				
General Government	\$ -	\$ (1,853,786)	\$ -	\$ (1,853,786)
Public Safety	2,500	(6,383,469)	-	(6,383,469)
Public Works	218,599	(1,530,529)	-	(1,530,529)
Health and Human Services	-	(205,603)	-	(205,603)
Culture and Recreation	134,518	(2,572,295)	-	(2,572,295)
Conservation and Development	-	(1,578,969)	-	(1,578,969)
Interest and Fiscal Charges	-	(583,984)	-	(583,984)
Total Governmental Activities	355,617	(14,708,635)	-	(14,708,635)
Business-Type Activities:				
Electric Utility	172,960	-	600,419	600,419
Water Utility	1,799,982	-	2,051,733	2,051,733
Sewer Utility	312,788	-	405,048	405,048
Telecommunications Utility	-	-	(5,652)	(5,652)
Solid Waste	-	-	42,253	42,253
Stormwater Utility	74,475	-	178,573	178,573
Total Business-Type Activities	2,360,205	-	3,272,374	3,272,374
Total Functions/Programs	<u>\$ 2,715,822</u>	(14,708,635)	3,272,374	(11,436,261)
GENERAL REVENUES AND TRANSFERS				
Taxes:				
Property Taxes		6,098,117	-	6,098,117
Other Taxes		305,161	-	305,161
Federal and State Grants and Other Contributions				
Not Restricted to Specific Functions		5,872,801	-	5,872,801
Interest and Investment Earnings		526,881	705	527,586
Miscellaneous		658,118	2,676	660,794
Gain on Sale of Asset		559,741	-	559,741
Transfers		671,081	(671,081)	-
Total General Revenues and Transfers		<u>14,691,900</u>	<u>(667,700)</u>	<u>14,024,200</u>
CHANGE IN NET POSITION		(16,735)	2,604,674	2,587,939
Net Position - Beginning of Year		<u>25,795,114</u>	<u>37,871,959</u>	<u>63,667,073</u>
NET POSITION - END OF YEAR		<u>\$ 25,778,379</u>	<u>\$ 40,476,633</u>	<u>\$ 66,255,012</u>

See accompanying Notes to Basic Financial Statements.

CITY OF TWO RIVERS, WISCONSIN
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2025

Section 9, Item F.

	General	Debt Service	Housing Revolving Loans	Nonmajor Governmental Funds	Total
ASSETS					
Cash and Investments	\$ 594,835	\$ 1,527,544	\$ 121,377	\$ 6,501,813	\$ 8,745,569
Receivables:					
Taxes	1,447,658	1,448,249	-	893,765	3,789,672
Delinquent Taxes	15,513	-	-	-	15,513
Accounts	157,883	-	-	8,093	165,976
Special Assessments	613,593	-	-	-	613,593
Loans	-	-	2,162,448	732,517	2,894,965
Leases	101,080	-	-	-	101,080
Due from Other Funds	2,239,118	-	-	256,237	2,495,355
Due from Other Governments	-	-	-	139,419	139,419
Prepaid Items	766,491	-	-	223,687	990,178
Total Assets	<u>\$ 5,936,171</u>	<u>\$ 2,975,793</u>	<u>\$ 2,283,825</u>	<u>\$ 8,755,531</u>	<u>\$ 19,951,320</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 137,719	\$ -	\$ 1,037	\$ 617,898	\$ 756,654
Accrued and Other Current Liabilities	492,971	-	-	27,935	520,906
Due to Other Funds	-	-	-	736,085	736,085
Due to Other Governments	24,202	-	-	35	24,237
Special Deposits	47,059	-	-	5,154	52,213
Unearned Revenues	74,500	-	-	-	74,500
Total Liabilities	<u>776,451</u>	<u>-</u>	<u>1,037</u>	<u>1,387,107</u>	<u>2,164,595</u>
DEFERRED INFLOWS OF RESOURCES					
Property Taxes Levied for Subsequent Year	2,647,280	2,636,603	-	1,599,202	6,883,085
Loans Receivable	-	-	2,162,448	732,517	2,894,965
Lease Related	101,080	-	-	-	101,080
Special Assessments	532,539	-	-	-	532,539
Total Deferred Inflows of Resources	<u>3,280,899</u>	<u>2,636,603</u>	<u>2,162,448</u>	<u>2,331,719</u>	<u>10,411,669</u>
FUND BALANCES					
Nonspendable	2,743,888	-	-	223,687	2,967,575
Restricted	-	339,190	120,340	3,331,993	3,791,523
Committed	-	-	-	2,159,601	2,159,601
Unassigned	(865,067)	-	-	(678,576)	(1,543,643)
Total Fund Balances	<u>1,878,821</u>	<u>339,190</u>	<u>120,340</u>	<u>5,036,705</u>	<u>7,375,056</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 5,936,171</u>	<u>\$ 2,975,793</u>	<u>\$ 2,283,825</u>	<u>\$ 8,755,531</u>	<u>\$ 19,951,320</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF TWO RIVERS, WISCONSIN
BALANCE SHEET – GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2025**

Section 9, Item F.

RECONCILIATION TO THE STATEMENT OF NET POSITION

Total Fund Balances as Shown on Previous Page \$ 7,375,056

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds. 35,229,310

Other long-term assets are not available to pay current period expenditures and, therefore, are deferred in the funds. 3,427,504

Net position of the internal service fund is reported in the Statement of Net Position as governmental activities. 3,178

Some deferred outflows and inflows of resources reflect changes in long-term liabilities and are not reported in the funds:

Deferred Outflows Related to Pensions	6,095,568
Deferred Inflows Related to Pensions	(3,013,373)
Deferred Outflows Related to Other Postemployment Benefits	1,429,425
Deferred Inflows Related to Other Postemployment Benefits	(1,035,661)

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:

Bonds and Notes Payable	(15,740,178)
Premium on Debt	(584,355)
Lease Liability	(335,282)
Compensated Absences	(129,917)
Net Pension Liability	(1,031,362)
Other Postemployment Benefits Liability	(5,671,750)
Accrued Interest on Long-Term Obligations	(239,784)

Net Position of Governmental Activities as Reported on the Statement of Net Position \$ 25,778,379

CITY OF TWO RIVERS, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2025

	General	Debt Service	Housing Revolving Loans	Nonmajor Governmental Funds	Total
REVENUES					
Taxes	\$ 2,304,352	\$ 2,551,538	\$ -	\$ 1,563,692	\$ 6,419,582
Special Assessments	235,671	-	-	52,423	288,094
Intergovernmental	5,684,048	-	-	1,319,491	7,003,539
Licenses and Permits	271,398	-	-	-	271,398
Fines and Forfeits	73,378	-	-	-	73,378
Public Charges for Services	1,552,280	-	-	178,997	1,731,277
Intergovernmental Charges for Services	94,764	-	-	-	94,764
Interdepartmental Charges for Services	467,243	-	-	-	467,243
Miscellaneous	600,568	214,710	119,855	1,126,872	2,062,005
Total Revenues	11,283,702	2,766,248	119,855	4,241,475	18,411,280
EXPENDITURES					
Current:					
General Government	1,294,614	-	-	-	1,294,614
Public Safety	7,198,869	-	-	179,565	7,378,434
Public Works	1,759,740	-	-	339,142	2,098,882
Health and Human Services	444,952	-	-	109,415	554,367
Culture and Recreation	1,433,373	-	-	1,114,412	2,547,785
Conservation and Development	-	-	179,819	1,930,809	2,110,628
Capital Outlay	76,831	-	-	2,890,664	2,967,495
Debt Service:					
Principal	-	2,433,694	-	-	2,433,694
Interest and Fiscal Charges	-	747,007	-	10,661	757,668
Total Expenditures	12,208,379	3,180,701	179,819	6,574,668	22,143,567
DEFICIT OF REVENUES OVER (UNDER) EXPENDITURES	(924,677)	(414,453)	(59,964)	(2,333,193)	(3,732,287)
OTHER FINANCING SOURCES (USES)					
Long-Term Debt Issued	-	2,503	-	2,432,497	2,435,000
Lease Proceeds	76,831	-	-	-	76,831
Premium on Debt Issued	-	160,217	-	-	160,217
Proceeds from Sale of Capital Assets	36,368	-	-	536,473	572,841
Transfers In	1,017,624	229,453	-	661,163	1,908,240
Transfers Out	(544,940)	-	-	(1,204,676)	(1,749,616)
Total Other Financing Sources (Uses)	585,883	392,173	-	2,425,457	3,403,513
NET CHANGE IN FUND BALANCES	(338,794)	(22,280)	(59,964)	92,264	(328,774)
Fund Balances - Beginning of Year	2,217,615	361,470	180,304	4,944,441	7,703,830
FUND BALANCES - END OF YEAR	<u>\$ 1,878,821</u>	<u>\$ 339,190</u>	<u>\$ 120,340</u>	<u>\$ 5,036,705</u>	<u>\$ 7,375,056</u>

See accompanying Notes to Basic Financial Statements.

CITY OF TWO RIVERS, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

Section 9, Item F.

RECONCILIATION TO THE STATEMENT OF ACTIVITIES

Net Change in Fund Balances as Shown on Previous Page \$ (328,774)

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital Assets Reported as Expenditures in Governmental Fund Statements	3,178,880
Depreciation and Amortization Expense Reported in the Statement of Activities	(1,893,770)
Net Book Value of Disposals	(42,854)

Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the Statement of Activities when earned: (602,552)

Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position:

Long-Term Debt Issued	(2,435,000)
Lease Liability Issued	(76,831)
Premium on Debt Issued	(160,217)
Principal Repaid	2,291,747
Lease Liability Principal Repaid	141,947

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:

Accrued Interest on Long-Term Debt	16,930
Amortization of Premiums	156,754
Compensated Absences	38,928
Net Pension Liability	(112,267)
Deferred Outflows of Resources Related to Pensions	(2,156,091)
Deferred Inflows of Resources Related to Pensions	1,901,653
Other Postemployment Benefits Liability	314,460
Deferred Outflows of Resources Related to Other Postemployment Benefits	(245,500)
Deferred Inflows of Resources Related to Other Postemployment Benefits	28,130

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities. (32,308)

Change in Net Position of Governmental Activities as Reported in the Statement of Activities \$ (16,735)

See accompanying Notes to Basic Financial Statements.

CITY OF TWO RIVERS, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – GENERAL FUND
YEAR ENDED DECEMBER 31, 2025

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 2,300,533	\$ 2,300,533	\$ 2,304,352	\$ 3,819
Special Assessments	280,000	280,000	235,671	(44,329)
Intergovernmental	5,706,124	5,706,124	5,684,048	(22,076)
Licenses and Permits	312,200	322,200	271,398	(50,802)
Fines and Forfeits	82,800	82,800	73,378	(9,422)
Public Charges for Services	1,480,000	1,535,000	1,552,280	17,280
Intergovernmental Charges for Services	170,000	170,000	94,764	(75,236)
Interdepartmental Charges for Services	587,000	557,000	467,243	(89,757)
Miscellaneous	389,000	289,000	600,568	311,568
Total Revenues	11,307,657	11,242,657	11,283,702	41,045
EXPENDITURES				
Current:				
General Government	1,442,945	1,351,920	1,294,614	57,306
Public Safety	6,942,541	7,017,541	7,198,869	(181,328)
Public Works	1,768,927	1,768,927	1,759,740	9,187
Health and Human Services	425,899	421,808	444,952	(23,144)
Culture and Recreation	1,423,266	1,423,266	1,433,373	(10,107)
Capital Outlay	-	-	76,831	(76,831)
Total Expenditures	12,003,578	11,983,462	12,208,379	(224,917)
DEFICIT OF REVENUES UNDER EXPENDITURES	(695,921)	(740,805)	(924,677)	(183,872)
OTHER FINANCING SOURCES (USES)				
Lease Proceeds	-	-	76,831	76,831
Proceeds From Sale of Capital Assets	25,000	25,000	36,368	11,368
Transfers In	1,178,000	1,223,000	1,017,624	(205,376)
Transfers Out	(507,079)	(507,079)	(544,940)	(37,861)
Total Other Financing Sources (Uses)	695,921	740,921	585,883	(155,038)
NET CHANGE IN FUND BALANCE	-	116	(338,794)	(338,910)
Fund Balance - Beginning of Year	2,217,615	2,217,615	2,217,615	-
FUND BALANCE - END OF YEAR	<u>\$ 2,217,615</u>	<u>\$ 2,217,731</u>	<u>\$ 1,878,821</u>	<u>\$ (338,910)</u>

See accompanying Notes to Basic Financial Statements.

CITY OF TWO RIVERS, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – HOUSING REVOLVING LOANS SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2025

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Miscellaneous	\$ 80,000	\$ 80,000	\$ 119,855	\$ 39,855
EXPENDITURES				
Current:				
Conservation and Development	93,000	93,000	179,819	(86,819)
NET CHANGE IN FUND BALANCE	(13,000)	(13,000)	(59,964)	(46,964)
Fund Balance - Beginning of Year	180,304	180,304	180,304	-
FUND BALANCE - END OF YEAR	<u>\$ 167,304</u>	<u>\$ 167,304</u>	<u>\$ 120,340</u>	<u>\$ (46,964)</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF TWO RIVERS, WISCONSIN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2025**

Section 9, Item F.

	Enterprise Funds		
	Electric Utility	Water Utility	Sewer Utility
ASSETS			
Current Assets:			
Cash and Investments	\$ 259,023	\$ -	\$ -
Receivables:			
Taxes and Special Charges	-	9,921	76,722
Customer Accounts	1,360,550	424,311	438,402
Special Assessments	-	14,458	74,267
Other	45,602	-	-
Due from Other Funds	-	-	-
Due from Other Governments	-	-	437,866
Prepaid Items	277,566	131,723	-
Total Current Assets	1,942,741	580,413	1,027,257
Restricted Assets:			
Cash and Investments	-	136,000	1,176,392
Capital Assets:			
Nondepreciable/Nonamortizable	23,983	1,113,254	480,965
Depreciable/Amortizable, Net	10,108,287	17,729,432	19,247,856
Total Capital Assets	10,132,270	18,842,686	19,728,821
Total Assets	12,075,011	19,559,099	21,932,470
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related Amounts	477,427	269,821	253,660
Other Postemployment Benefit Related Amounts	108,217	60,642	56,279
Total Deferred Outflows of Resources	585,644	330,463	309,939

See accompanying Notes to Basic Financial Statements.

**CITY OF TWO RIVERS, WISCONSIN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS (CONTINUED)
DECEMBER 31, 2025**

Section 9, Item F.

	Enterprise Funds			Governmental Activities - Internal Service Fund
	Stormwater Utility	Nonmajor Funds	Total	Health Insurance
ASSETS				
Current Assets:				
Cash and Investments	\$ 429,803	\$ 261,269	\$ 950,095	\$ 3,178
Receivables:				
Taxes and Special Charges	34,241	1,911	122,795	-
Customer Accounts	87,670	-	2,310,933	-
Special Assessments	160,123	-	248,848	-
Other	-	62,587	108,189	-
Due from Other Funds	120,000	-	120,000	-
Due from Other Governments	-	-	437,866	-
Prepaid Items	-	-	409,289	-
Total Current Assets	831,837	325,767	4,708,015	3,178
Restricted Assets:				
Cash and Investments	21,141	-	1,333,533	-
Capital Assets:				
Nondepreciable/Nonamortizable	424,689	-	2,042,891	-
Depreciable/Amortizable, Net	7,460,144	9,215	54,554,934	-
Total Capital Assets	7,884,833	9,215	56,597,825	-
Total Assets	8,737,811	334,982	62,639,373	3,178
DEFERRED OUTFLOWS OF RESOURCES				
Pension Related Amounts	31,470	33,723	1,066,101	-
Other Postemployment Benefit Related Amounts	8,687	8,087	241,912	-
Total Deferred Outflows of Resources	40,157	41,810	1,308,013	-

See accompanying Notes to Basic Financial Statements.

**CITY OF TWO RIVERS, WISCONSIN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS (CONTINUED)
DECEMBER 31, 2025**

Section 9, Item F.

	Enterprise Funds		
	Electric Utility	Water Utility	Sewer Utility
LIABILITIES			
Current Liabilities:			
Accounts Payable	\$ 581,418	\$ 118,607	\$ 136,814
Accrued and Other Current Liabilities	43,669	23,238	30,342
Due to Other Funds	-	1,148,865	730,405
Accrued Interest Payable	10,792	22,392	38,445
Special Deposits	115,348	-	-
Current Portion of Long-Term Debt	37,259	472,686	89,645
Current Portion of Lease Liability	15,524	19,297	-
Current Portion of Compensated Absences	2,023	1,116	651
Current Portion of Other Postemployment Benefits	35,609	39	-
Payable from Restricted Assets:			
Current Portion of Long-Term Debt	-	-	945,875
Total Current Liabilities	<u>841,642</u>	<u>1,806,240</u>	<u>1,972,177</u>
Long-Term Liabilities, Less Current Portion:			
General Obligation Debt	-	1,559,290	405,000
Revenue Bonds	38,750	4,421,531	8,829,464
Debt Premium	-	10,956	8,595
Lease Liability	14,883	21,231	-
Compensated Absences	18,210	10,045	5,858
Net Pension Liability	81,449	46,177	43,500
Other Postemployment Benefits	393,166	239,606	222,510
Total Long-Term Liabilities	<u>546,458</u>	<u>6,308,836</u>	<u>9,514,927</u>
Total Liabilities	1,388,100	8,115,076	11,487,104
DEFERRED INFLOWS OF RESOURCES			
Pension Related Amounts	237,972	134,917	127,095
Other Postemployment Benefit Related Amounts	79,431	45,567	42,106
Total Deferred Inflows of Resources	<u>317,403</u>	<u>180,484</u>	<u>169,201</u>
NET POSITION			
Net Investment in Capital Assets	10,101,863	12,253,872	9,407,958
Restricted:			
Capital Assets	-	-	1,176,392
Debt Service	-	136,000	-
Unrestricted	<u>853,289</u>	<u>(795,870)</u>	<u>1,754</u>
Total Net Position	<u>\$ 10,955,152</u>	<u>\$ 11,594,002</u>	<u>\$ 10,586,104</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF TWO RIVERS, WISCONSIN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS (CONTINUED)
DECEMBER 31, 2025**

Section 9, Item F.

	Enterprise Funds			Governmental Activities - Internal Service Fund
	Stormwater Utility	Nonmajor Funds	Total	Health Insurance
LIABILITIES				
Current Liabilities:				
Accounts Payable	\$ 550	\$ 1,234	\$ 838,623	\$ -
Accrued and Other Current Liabilities	2,461	1,443	101,153	-
Due to Other Funds	-	-	1,879,270	-
Accrued Interest Payable	31,900	132	103,661	-
Special Deposits	-	-	115,348	-
Current Portion of Long-Term Debt	170,030	1,937	771,557	-
Current Portion of Lease Liability	-	-	34,821	-
Current Portion of Compensated Absences	-	-	3,790	-
Current Portion of Other Postemployment Benefits	-	-	35,648	-
Payable from Restricted Assets:				
Current Portion of Long-Term Debt	-	-	945,875	-
Total Current Liabilities	204,941	4,746	4,829,746	-
Long-Term Liabilities, Less Current Portion:				
General Obligation Debt	950,222	-	2,914,512	-
Revenue Bonds	481,337	2,015	13,773,097	-
Debt Premium	48,869	-	68,420	-
Lease Liability	-	-	36,114	-
Compensated Absences	-	-	34,113	-
Net Pension Liability	4,970	5,876	181,972	-
Other Postemployment Benefits	35,695	30,846	921,823	-
Total Long-Term Liabilities	1,521,093	38,737	17,930,051	-
Total Liabilities	1,726,034	43,483	22,759,797	-
DEFERRED INFLOWS OF RESOURCES				
Pension Related Amounts	14,521	17,169	531,674	-
Other Postemployment Benefit Related Amounts	4,238	7,940	179,282	-
Total Deferred Inflows of Resources	18,759	25,109	710,956	-
NET POSITION				
Net Investment in Capital Assets	6,283,244	9,215	38,056,152	-
Restricted:				
Capital Assets	21,141	-	1,197,533	-
Debt Service	-	-	136,000	-
Unrestricted	728,790	298,985	1,086,948	3,178
Total Net Position	\$ 7,033,175	\$ 308,200	\$ 40,476,633	\$ 3,178

See accompanying Notes to Basic Financial Statements.

CITY OF TWO RIVERS, WISCONSIN
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2025

Section 9, Item F.

	Enterprise Funds		
	Electric Utility	Water Utility	Sewer Utility
OPERATING REVENUES			
Charges for Services	\$ 9,580,798	\$ 3,111,008	\$ 3,071,253
Other	150,539	36,487	18,124
Total Operating Revenues	9,731,337	3,147,495	3,089,377
OPERATING EXPENSES			
Operation and Maintenance	8,673,591	2,049,876	1,854,733
Depreciation	499,813	647,147	883,930
Taxes	96,493	58,397	41,588
Total Operating Expenses	9,269,897	2,755,420	2,780,251
OPERATING INCOME (LOSS)	461,440	392,075	309,126
NONOPERATING REVENUES (EXPENSES)			
Interest Income	-	-	-
Nonoperating Grants	-	464,521	-
Interest and Fiscal Charges	(15,021)	(140,324)	(216,866)
Other Nonoperating Revenues (Expenses)	(18,960)	2,676	-
Total Nonoperating Revenues (Expenses)	(33,981)	326,873	(216,866)
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	427,459	718,948	92,260
Capital Contributions	172,960	1,335,461	312,788
Transfers In	-	97,425	80,045
Transfers Out	(216,251)	(292,976)	(306,029)
CHANGE IN NET POSITION	384,168	1,858,858	179,064
Net Position - Beginning of Year	10,570,984	9,735,144	10,407,040
NET POSITION - END OF YEAR	<u>\$ 10,955,152</u>	<u>\$ 11,594,002</u>	<u>\$ 10,586,104</u>

See accompanying Notes to Basic Financial Statements.

CITY OF TWO RIVERS, WISCONSIN
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

Section 9, Item F.

	Enterprise Funds			Governmental Activities - Internal Service Fund
	Stormwater Utility	Nonmajor Funds	Totals	Health Insurance
OPERATING REVENUES				
Charges for Services	\$ 653,603	\$ 573,948	\$ 16,990,610	\$ 339,228
Other	-	237,785	442,935	-
Total Operating Revenues	653,603	811,733	17,433,545	339,228
OPERATING EXPENSES				
Operation and Maintenance	339,432	862,295	13,779,927	883,993
Depreciation	140,620	18,002	2,189,512	-
Taxes	-	-	196,478	-
Total Operating Expenses	480,052	880,297	16,165,917	883,993
OPERATING INCOME (LOSS)	173,551	(68,564)	1,267,628	(544,765)
NONOPERATING REVENUES (EXPENSES)				
Interest Income	705	-	705	-
Nonoperating Grants	-	82,325	546,846	-
Interest and Fiscal Charges	(69,453)	6,955	(434,709)	-
Other Nonoperating Revenues (Expenses)	-	15,885	(399)	-
Total Nonoperating Revenues (Expenses)	(68,748)	105,165	112,443	-
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	104,803	36,601	1,380,071	(544,765)
Capital Contributions	74,475	-	1,895,684	-
Transfers In	14,624	-	192,094	512,457
Transfers Out	(44,025)	(3,894)	(863,175)	-
CHANGE IN NET POSITION	149,877	32,707	2,604,674	(32,308)
Net Position - Beginning of Year	6,883,298	275,493	37,871,959	35,486
NET POSITION - END OF YEAR	<u>\$ 7,033,175</u>	<u>\$ 308,200</u>	<u>\$ 40,476,633</u>	<u>\$ 3,178</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF TWO RIVERS, WISCONSIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2025**

Section 9, Item F.

	Enterprise Funds		
	Electric Utility	Water Utility	Sewer Utility
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers	\$ 9,772,082	\$ 3,151,230	\$ 3,132,043
Cash Received from Other Departments	-	-	-
Cash Received from Rent	-	-	-
Cash Paid for Employee Wages And Benefits	(1,086,334)	(799,018)	(1,082,840)
Cash Paid to Suppliers	(7,533,036)	(1,248,685)	(752,261)
Net Cash Provided (Used) by Operating Activities	1,152,712	1,103,527	1,296,942
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Nonoperating Grants	-	-	-
Due to/from Other Funds	-	(142,322)	440,587
Transfer In (Out)	(216,251)	(195,551)	(225,984)
Net Cash Provided (Used) by Noncapital Financing Activities	(216,251)	(337,873)	214,603
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of Capital Assets	(1,179,192)	(1,835,679)	(1,446,899)
Cost of Removal of Capital Assets	(45,769)	-	-
Capital Contributions	-	-	-
Special Assessments	-	1,913	(4,224)
Sale of Capital Assets	7,630	-	-
Long-Term Debt Issued	-	1,766,683	1,082,300
Premium on Long-Term Debt	-	-	-
Principal Paid on Long-Term Debt	(35,826)	(388,100)	(921,273)
Interest Paid on Long-Term Debt	(14,601)	(152,307)	(220,166)
Principal Paid on Lease Liability and Financed Purchase	(21,247)	(22,164)	(1,283)
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,289,005)	(629,654)	(1,511,545)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received	-	-	-
CHANGE IN CASH AND INVESTMENTS	(352,544)	136,000	-
Cash and Investments - Beginning of Year	611,567	-	1,176,392
CASH AND INVESTMENTS - END OF YEAR	<u>\$ 259,023</u>	<u>\$ 136,000</u>	<u>\$ 1,176,392</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF TWO RIVERS, WISCONSIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2025**

Section 9, Item F.

	Enterprise Funds			Governmental Activities - Internal Service Fund
	Stormwater Utility	Nonmajor Funds	Total	Health Insurance
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers	\$ 649,637	\$ 812,617	\$ 17,517,609	\$ -
Cash Received from Other Departments	-	-	-	339,228
Cash Received from Rent	-	15,885	15,885	-
Cash Paid for Employee Wages And Benefits	(46,381)	(95,817)	(3,110,390)	-
Cash Paid to Suppliers	(263,010)	(774,550)	(10,571,542)	(884,268)
Net Cash Provided (Used) by Operating Activities	340,246	(41,865)	3,851,562	(545,040)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Nonoperating Grants	-	82,325	82,325	-
Due to/from Other Funds	(104,001)	-	194,264	-
Transfer In (Out)	(29,401)	(3,894)	(671,081)	512,457
Net Cash Provided (Used) by Noncapital Financing Activities	(133,402)	78,431	(394,492)	512,457
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of Capital Assets	(671,131)	-	(5,132,901)	-
Cost of Removal of Capital Assets	-	-	(45,769)	-
Capital Contributions	-	-	-	-
Special Assessments	92,752	-	90,441	-
Sale of Capital Assets	-	-	7,630	-
Long-Term Debt Issued	760,000	-	3,608,983	-
Premium on Long-Term Debt	48,869	-	48,869	-
Principal Paid on Long-Term Debt	(955,106)	(1,862)	(2,302,167)	-
Interest Paid on Long-Term Debt	(82,662)	(232)	(469,968)	-
Principal Paid on Lease Liability and Financed Purchase	-	-	(44,694)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(807,278)	(2,094)	(4,239,576)	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received	705	-	705	-
CHANGE IN CASH AND INVESTMENTS	(599,729)	34,472	(781,801)	(32,583)
Cash and Investments - Beginning of Year	1,050,673	226,797	3,065,429	35,761
CASH AND INVESTMENTS - END OF YEAR	<u>\$ 450,944</u>	<u>\$ 261,269</u>	<u>\$ 2,283,628</u>	<u>\$ 3,178</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF TWO RIVERS, WISCONSIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2025**

Section 9, Item F.

	Enterprise Funds		
	Electric Utility	Water Utility	Sewer Utility
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$ 461,440	\$ 392,075	\$ 309,126
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation	499,813	647,147	883,930
Depreciation Charged to Operating Accounts	124,352	37,955	-
Other	(18,960)	2,676	-
Change in (Asset) Liability and Deferred Outflows and Inflows of Resources:			
Deferred Outflows - Pension Related	196,378	123,417	109,868
Net Pension Liability	5,654	1,925	2,512
Deferred Inflows - Pension Related	(167,357)	(101,728)	(92,094)
Deferred Outflows - OPEB Related	19,931	13,682	22,043
Other Postemployment Benefits	(27,009)	(24,930)	(57,136)
Deferred Inflows - OPEB Related	(3,778)	(2,502)	(7,867)
Change in Operating Assets and Liabilities:			
Accounts Receivable	34,320	1,059	(61,267)
Due from Other Governments	-	-	103,933
Prepaid Items	49,706	4,188	-
Accounts Payable	(17,883)	7,620	72,281
Accrued and Other Current Liabilities	8,282	4,591	12,802
Special Deposits	6,425	-	-
Compensated Absences	(18,602)	(3,648)	(1,189)
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,152,712</u>	<u>\$ 1,103,527</u>	<u>\$ 1,296,942</u>
RECONCILIATION OF CASH AND INVESTMENTS TO THE STATEMENT OF NET POSITION			
Cash and Investments in Current Assets	\$ 259,023	\$ -	\$ -
Cash and Investments in Restricted Assets	-	136,000	1,176,392
Total Cash and Cash Equivalents	<u>\$ 259,023</u>	<u>\$ 136,000</u>	<u>\$ 1,176,392</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital Assets Contributed	<u>\$ 172,960</u>	<u>\$ 1,799,982</u>	<u>\$ 312,788</u>
Capital Related Accounts Payable	<u>\$ -</u>	<u>\$ 83,823</u>	<u>\$ 55,301</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF TWO RIVERS, WISCONSIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2025**

Section 9, Item F.

	Enterprise Funds			Governmental Activities - Internal Service Fund
	Stormwater Utility	Nonmajor Funds	Total	Health Insurance
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ 173,551	\$ (68,564)	\$ 1,267,628	\$ (544,765)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	140,620	18,002	2,189,512	-
Depreciation Charged to Operating Accounts	-	-	162,307	-
Other	-	15,885	(399)	-
Change in (Asset) Liability and Deferred Outflows and Inflows of Resources:				
Deferred Outflows - Pension Related	(6,429)	18,310	441,544	-
Net Pension Liability	2,621	(27)	12,685	-
Deferred Inflows - Pension Related	1,961	(14,400)	(373,618)	-
Deferred Outflows - OPEB Related	(8,687)	2,578	49,547	-
Other Postemployment Benefits	35,695	(5,470)	(78,850)	-
Deferred Inflows - OPEB Related	4,238	(310)	(10,219)	-
Change in Operating Assets and Liabilities:				
Accounts Receivable	(3,966)	884	(28,970)	-
Due from Other Governments	-	-	103,933	-
Prepaid Items	-	-	53,894	-
Accounts Payable	354	(8,922)	53,450	(275)
Accrued and Other Current Liabilities	288	169	26,132	-
Special Deposits	-	-	6,425	-
Compensated Absences	-	-	(23,439)	-
Net Cash Provided (Used) by Operating Activities	<u>\$ 340,246</u>	<u>\$ (41,865)</u>	<u>\$ 3,851,562</u>	<u>\$ (545,040)</u>
RECONCILIATION OF CASH AND INVESTMENTS TO THE STATEMENT OF NET POSITION				
Cash and Investments in Current Assets	\$ 429,803	\$ 261,269	\$ 950,095	\$ 3,178
Cash and Investments in Restricted Assets	21,141	-	1,333,533	-
Total Cash and Cash Equivalents	<u>\$ 450,944</u>	<u>\$ 261,269</u>	<u>\$ 2,283,628</u>	<u>\$ 3,178</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital Assets Contributed	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,285,730</u>	<u>\$ -</u>
Capital Related Accounts Payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 139,124</u>	<u>\$ -</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF TWO RIVERS, WISCONSIN
STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2025**

Section 9, Item F.

	<u>Custodial Funds</u>
ASSETS	
Cash and Investments	\$ 4,981,388
Receivables:	
Taxes	<u>5,846,465</u>
Total Assets	<u>10,827,853</u>
 DEFERRED INFLOWS OF RESOURCES	
Property Taxes Levied for Subsequent Year	<u>10,643,758</u>
 NET POSITION	
Restricted	<u><u>\$ 184,095</u></u>

See accompanying Notes to Basic Financial Statements.

CITY OF TWO RIVERS, WISCONSIN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED DECEMBER 31, 2025

Section 9, Item F.

	<u>Custodial Funds</u>
ADDITIONS	
Interest on Investments	\$ 9,730
Taxes and Special Charges Collected	<u>10,191,840</u>
Total Additions	<u>10,201,570</u>
DEDUCTIONS	
Payments to Others	10,197,082
Benefits	<u>2,031</u>
Total Deductions	<u>10,199,113</u>
CHANGE IN NET POSITION	2,457
Net Position - Beginning of Year	<u>181,638</u>
NET POSITION - END OF YEAR	<u><u>\$ 184,095</u></u>

See accompanying Notes to Basic Financial Statements.

**CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

Section 9, Item F.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

B. Government-Wide and Fund Financial Statements

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

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Governmental funds include general, special revenue, debt service and capital projects funds. Proprietary funds include enterprise and internal service funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

Section 9, Item F.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The City reports the following major governmental funds:

General Fund

This is the City's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

Debt Service Fund

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

Housing Revolving Loans Fund

This special revenue fund accounts for loans made for housing programs. Additional loans are made as previous loans are repaid.

The City reports the following major enterprise funds:

Electric Utility Enterprise Fund

The electric utility enterprise fund accounts for the provision of electric service to City residents, businesses, and public authorities.

Water Utility Enterprise Fund

The water utility enterprise fund accounts for the provision of water service to City residents, businesses, and public authorities.

Sewer Utility Enterprise Fund

The sewer utility enterprise fund accounts for the provision of wastewater collection and treatment for City residents, businesses, and public authorities.

Stormwater Utility Enterprise Fund

The stormwater utility enterprise fund accounts for the provision of stormwater collection and management for City residents, businesses, and public authorities.

The City also reports the following fiduciary funds which are all custodial funds that hold assets on behalf of individuals or other government agencies:

Property Tax Collection

The tax collection custodial fund accounts for property taxes and special charges collected on behalf of other governments.

Smongeski Health

The fund is used to account for resources held for assisting low-income individuals in paying for the cost of eyeglasses.

**CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

Section 9, Item F.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Crime Prevention

The fund is used to account for resources held for others which have been dedicated to crime prevention.

TRIAD Committee

The fund is used to account for resources held for others which have been dedicated to policing initiatives between seniors, law enforcement, and service providers of the community to increase safety through education and crime prevention.

Additionally, the City reports the following fund type:

Internal Service Fund – accounts for health insurance services provided to other departments of the City on a cost reimbursement basis.

C. Measurement Focus and Basis of Accounting

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers grant revenues to be available if they are collected within 180 days of the end of the current fiscal period. The City considers all other revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service principal and interest expenditures on general long-term debt, including lease liabilities, as well as expenditures related to compensated absences, and claims and judgments and postemployment benefits are recognized based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions, including entering into contracts giving the City the right to use assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

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

**CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

Section 9, Item F.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

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

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

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

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

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

1. Cash and Investments

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

**CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

Section 9, Item F.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

2. Property Taxes

Property taxes consist of taxes on real estate and personal property. They are levied during December of the prior year and become an enforceable lien on property the following January 1. Property taxes are payable in various options depending on the type and amount. Personal property taxes are payable on or before January 31 in full. Real estate taxes are payable in full by January 31 or in three equal installments on or before January 31, March 31, and July 31. Real estate taxes not paid by July 31 are purchased by the county as part of the August tax settlement. Delinquent personal property taxes remain the collection responsibility of the City.

The City bills and collects its own property taxes and also levies and collects taxes for the Two Rivers School District, Manitowoc School District, Manitowoc County, and Lakeshore Technical College. Collections and remittances of taxes for other entities are accounted for in the general fund.

3. Accounts Receivable

Accounts receivable are recorded at gross amounts with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that the amount of such allowance would not be material to the basic financial statements.

4. Special Assessments

Assessments against property owners for public improvements are generally not subject to full settlement in the year levied. Special assessments are placed on tax rolls on an installment basis. Revenue from special assessments recorded in governmental funds is recognized as collections are made or as current installments are placed on tax rolls. (Installments placed on the 2024 tax roll are recognized as revenue in 2025.)

5. Loans Receivable

The housing, business, and industrial revolving loans represent various loans to City homeowners and local businesses that were originally financed from economic development grants received by the City from the Wisconsin Department of Administration. The housing revolving loans will be repaid to the City when the property is no longer the loan recipient's principal place of residence, while business and industrial revolving loans are being repaid to the City in installments at various rates.

**CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

Section 9, Item F.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

5. Loans Receivable (Continued)

Principal and interest repayments are used to finance additional development loans. The industrial park loans receivable represents various sales of industrial park land that are being paid to the City, including interest, on the installment basis.

6. Interfund Receivables and Payables

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

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

7. Prepaid Items

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

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

8. Capital Assets

Capital assets are tangible and intangible assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or higher and an estimated useful life in excess of a year.

Capital assets are capitalized and reported at cost or estimated historical cost (except for right-to-use lease assets). The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Donated capital assets are recorded at estimated acquisition value at the date of donation.

**CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

Section 9, Item F.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

8. Capital Assets (Continued)

Land and construction in progress are not depreciated. The other tangible and intangible property, plant, equipment, infrastructure assets, and right-to-use lease assets are depreciated/amortized using the straight-line method over the following estimated useful lives:

	Governmental Activities	Business-Type Activities
Buildings	7 to 75 Years	25 to 50 Years
Improvements Other than Buildings	10 to 75 Years	25 to 100 Years
Machinery and Equipment	3 to 25 Years	3 to 10 Years
Infrastructure	35 to 75 Years	-
Right-to-Use Lease Assets	3 to 10 Years	3 to 10 Years

Right-to-use lease assets are initially measured at the present value of payments expected to be made during the lease term, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

9. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The category of deferred outflow of resources reported in the statement of net position is related to pensions and other postemployment benefits. Deferred outflows on pension and other postemployment benefits are more fully discussed in Note 3.F and Note 3.G.

**CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

Section 9, Item F.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

9. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of net position and the governmental funds balance sheet includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. In the government-wide financial statements, the City's deferred inflows of resources reported on the statement of net position relate to pension and other postemployment benefits, which are more fully discussed in Note 3.F and 3.G. The statement of net position and the governmental funds balance sheet also report a deferred inflow of resources related to leases. The lease related deferred inflow of resources is recorded in an amount equal to the corresponding lease receivable plus any payments received at or before the start of the lease term that relates to future periods, less any lease incentives paid to, or on behalf of the lessee at or before the commencement of the lease term. The inflow of resources is recognized in a systematic and rational manner over the term of the lease.

10. Unearned Revenue

Unearned revenues are reported in connection with resources that have been received but not yet earned.

11. Long-Term Obligations

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

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

**CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

Section 9, Item F.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

12. Compensated Absences

The liability for compensated absences reported in the government-wide and proprietary fund statements consists of leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability also includes amounts for leave that has been used for time off but has not yet been paid in cash or settled through noncash means and certain other types of leave.

13. Pensions

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

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

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

14. Other Postemployment Benefits Other than Pensions (OPEB)

Local Retiree Life Insurance Fund

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

Net OPEB Liability (Asset),
Deferred Outflows of Resources and Deferred Inflows of Resources
Related to OPEBs,
OPEB Expense (Revenue).

**CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

Section 9, Item F.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

14. Other Postemployment Benefits Other than Pensions (OPEB) (Continued)

Local Retiree Life Insurance Fund (Continued)

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

Single-Employer Defined Postemployment Benefit Plan

The City's OPEB Plan is a single employer defined benefit plan that provides eligible retirees access to group medical and dental benefits. For purposes of measuring the OPEB liability, related deferred outflows and inflows, and OPEB expense, the City has used values provided by their actuary.

15. Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with the Internal Revenue Code Section 457. The Plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Contributions to this plan are entirely from employee voluntary contributions. The City makes no employer contributions to this plan.

16. Fund Balance

Governmental Fund Financial Statements

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

Nonspendable Fund Balance – amounts that are not in spendable form (such as prepaid items or long-term receivables) or are legally or contractually required to remain intact.

Restricted Fund Balance – amounts that are constrained for specific purposes by external parties (such as grantor or bondholders), through constitutional provisions, or by enabling legislation.

**CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

Section 9, Item F.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

16. Fund Balance (Continued)

Governmental Fund Financial Statements (Continued)

Committed Fund Balance – amounts that are constrained for specific purposes by action of the City Council. These constraints can only be removed or changed by the City Council using the same action that was used to create them.

Assigned Fund Balance – amounts that are constrained for specific purposes by action of City management. The City Council has authorized the City Manager and the Finance Director to assign fund balance. Residual amounts in any governmental fund, other than the General Fund, are also reported as assigned.

Unassigned Fund Balance – amounts that are available for any purpose. Positive unassigned amounts are only reported in the General Fund.

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

17. Net Position

Government-Wide and Proprietary Fund Statements

Net Position is comprised of three components:

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

Restricted Net Position – amount of net position that is subject to restrictions that are imposed by: (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) law through constitutional provisions or enabling legislation.

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

**CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

Section 9, Item F.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Use of Estimates

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

NOTE 2 STEWARDSHIP AND COMPLIANCE

A. Budgets and Budgetary Accounting

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

1. During November, City management submits to the City Council a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. After submission to the governing body, public hearings are held to obtain taxpayer comments. Following the public hearings, the proposed budget, including authorized additions and deletions, is legally enacted by City Council action.
2. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the general fund, certain special revenue funds, and the debt service fund. Budget is defined as the originally approved budget plus or minus approved amendments. Individual amendments throughout the year were not material in relation to the original budget. Budget appropriations not expended during the year are closed to fund balance unless authorized by the governing body to be forwarded into the succeeding year's budget.
3. During the year, formal budgetary integration is employed as a management control device for the general fund, certain special revenue funds and the debt service fund. Management control for the capital projects funds is achieved through project authorizations included in debt issue resolutions.
4. Expenditures may not exceed appropriations provided in detailed budget accounts maintained for each activity or department of the City. Amendments to the budget during the year require initial approval by management and are subsequently authorized by the City Council.
5. Encumbrance accounting is not used by the City to record commitments related to unperformed contracts for goods or services. All outstanding encumbrances lapse at year-end.

**CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

Section 9, Item F.

NOTE 2 STEWARDSHIP AND COMPLIANCE (CONTINUED)

B. Excess of Expenditures Over Budget Appropriations

The following expenditure accounts of the governmental funds had actual expenditures in excess of budget appropriations for the year ended December 31, 2025, as follows:

	<u>Excess Expenditures</u>
General Fund:	
General Government:	
Council	\$ 127
CityManager	389
CityHall	2,653
Accounting	5,619
Public Safety:	
Police Department	151,005
Fire Department	1,019
Ambulance	7,512
Inspection	24,126
Public Works:	
Public Works Shop	109,320
Traffic Control	1,688
Work Done for Others	39,049
Health and Human Services:	
Cemetery	14,726
Senior Center	8,418
Culture and Recreation:	
Parks	24,415
Recreation	13,979
Special Events	6,614
Recreation Fields	5,440
Capital Outlay:	
Equipment	76,831
Housing and Revolving Loans:	
Conservation and Development	86,819

**CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

Section 9, Item F.

NOTE 2 STEWARDSHIP AND COMPLIANCE (CONTINUED)

C. Deficit Fund Balance

The following funds had deficit fund balance as of December 31, 2025:

	Deficit Fund Balance
Library	\$ 1,907
Urban Forestry	29,033
Community Development	18,260
Fire Equipment	28,727
Management Information	26,865
Police Equipment	42,944
TIF District No. 6	132,868
TIF District No. 10	142,390
TIF District No. 15	9,100
TIF District No. 16	7,446
TIF District No. 17	5,988
Industrial Park Development	47,450
Central Park Renovation	18,577
Resilient Shoreline Planning	84,494

The City anticipates funding the above deficits from future revenues of the funds.

D. Property Tax Levy Limit

Wisconsin state statutes provide for a limit on the property tax levies for all Wisconsin cities, villages, towns, and counties. For the 2025 and 2026 budget years, Wisconsin Statutes limit the increase in the maximum allowable tax levy to the change in the City's January 1 equalized value as a result of net new construction. The actual limit for the City for the 2025 budget was 0.804%. The actual limit for the City for the 2026 budget was 0.510%. Debt service for debt authorized after July 1, 2005, is exempt from the levy limit. In addition, Wisconsin statutes allow the limit to be adjusted for the increase in debt service authorized prior to July 1, 2005, and in certain other situations.

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

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

**CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

Section 9, Item F.

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

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

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

The carrying amount of the City's cash and investments totaled \$16,013,763 on December 31, 2025, as summarized below:

Petty Cash and Cash on Hand	\$ 2,120
Deposits with Financial Institutions	10,255,889
Investments:	
Wisconsin Local Government Investment Pool	5,662,354
Mutual Funds	82,176
Exchange Traded Funds	11,224
Total	<u>\$ 16,013,763</u>

Reconciliation to the basic financial statements:

Government-Wide Statement of Net Position:	
Cash and Investments	\$ 9,698,842
Restricted Cash and Investments	1,333,533
Fiduciary Fund Statement of Net Position:	
Cash and Investments	4,981,388
Total	<u>\$ 16,013,763</u>

Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant observable inputs; Level 3 inputs are significant unobservable inputs. The City has the following fair value measurements as of December 31, 2025:

	Fair Value Measurements Using:		
	Level 1	Level 2	Level 3
Mutual Funds	\$ -	\$ 82,176	\$ -
Exchange Traded Funds	-	11,224	-
	<u>\$ -</u>	<u>\$ 93,400</u>	<u>\$ -</u>

**CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

Section 9, Item F.

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

Fair Value Measurements (Continued)

The valuation method for the fair value measurements of the mutual funds is based on institutional quotes with evaluations based on various market and industry inputs.

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

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Wisconsin statutes require repurchase agreements to be fully collateralized by bonds or securities issued or guaranteed by the federal government or its instrumentalities. The City does not have an additional custodial credit policy.

Deposits with financial institutions within the state of Wisconsin are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 for the combined amount of all time and savings deposits and \$250,000 for interest-bearing and noninterest-bearing demand deposits per official custodian per insured depository institution. Deposits with financial institutions located outside the state of Wisconsin are insured by the FDIC in the amount of \$250,000 for the combined amount of all deposit accounts per official custodian per depository institution. Also, the state of Wisconsin has a State Guarantee Fund which provides a maximum of \$1,000,000 per public depository above the amount provided by an agency of the U.S. government. However, due to the relatively small size of the State Guarantee Fund in relation to the Fund's total coverage, total recovery of insured losses may not be available. This coverage has been considered in determining custodial credit risk.

As of December 31, 2025, \$7,523,322 of the City's deposits with financial institutions were in excess of federal and state depository insurance limits. No amounts were collateralized.

**CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
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Section 9, Item F.

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

Credit Risk

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

Investment Type	Amount	Exempt from Disclosure	AAA	Aa	Not Rated
Mutual Funds	\$ 82,176	\$ -	\$ -	\$ -	82,176
Wisconsin Local Government Investment Pool	5,662,354	-	-	-	5,662,354
Totals	<u>\$ 5,744,530</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,744,530</u>

Interest Rate Risk

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

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

Investment Type	Amount	Remaining Maturity			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More than 60 Months
Mutual Funds	\$ 82,176	\$ 82,176	\$ -	\$ -	\$ -
Wisconsin Local Government Investment Pool	5,662,354	5,662,354	-	-	-
Totals	<u>\$ 5,744,530</u>	<u>\$ 5,744,530</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
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Section 9, Item F.

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

Investment in Wisconsin Local Government Investment Pool

The City has investments in the Wisconsin Local Government Investment Pool (LGIP) of \$5,662,354 at year-end. The LGIP is part of the State Investment Fund (SIF), and is managed by the state of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2025, the fair value of the City's share of the LGIP's assets was substantially equal to the carrying value. As of December 31, 2025 the LGIP had a weighted average maturity of thirteen days.

B. Restricted Assets

Restricted assets on December 31, 2025, totaled \$1,333,533 and consisted of cash and investments held for the following purposes:

<u>Funds</u>	<u>Amount</u>	<u>Purpose</u>
Enterprise Fund		
Water Utility	\$ 136,000	Debt Reserve Fund
Sewer Utility	1,176,392	Equipment Replacement Fund of the Sewer Utility in Accordance with Wisconsin Department of Natural Resources Requirements
Stormwater Utility	<u>21,141</u>	Stormwater Pond Maintenance
Total	<u>\$ 1,333,533</u>	

CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

Section 9, Item F.

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets

Capital asset activity for the year ended December 31, 2025, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Nondepreciable/Nonamortizable:				
Land	\$ 982,257	\$ 28,536	\$ -	\$ 1,010,793
Construction in Progress	1,880,558	929,406	1,356,998	1,452,966
Total Capital Assets, Nondepreciable/ Nonamortizable	2,862,815	957,942	1,356,998	2,463,759
Capital Assets, Being Depreciated and Amortized:				
Buildings	15,484,213	119,008	-	15,603,221
Improvements Other than Buildings	5,255,142	-	-	5,255,142
Machinery and Equipment	13,092,134	744,459	293,649	13,542,944
Infrastructure	39,146,253	2,637,638	236,503	41,547,388
Right-to-Use Lease Assets - Machinery and Equipment	656,874	76,831	42,511	691,194
Subtotals	73,634,616	3,577,936	572,663	76,639,889
Less Accumulated Depreciation and Amortization for:				
Buildings	8,035,750	333,574	-	8,369,324
Improvements Other than Buildings	874,203	133,154	-	1,007,357
Machinery and Equipment	7,953,408	714,362	250,795	8,416,975
Infrastructure	25,366,530	578,999	236,503	25,709,026
Right-to-Use Leases Assets - Machinery and Equipment	280,486	133,681	42,511	371,656
Subtotals	42,510,377	1,893,770	529,809	43,874,338
Total Capital Assets, Depreciable / Amortizable, Net	31,124,239	1,684,166	42,854	32,765,551
Governmental Activities Capital Assets, Net	\$ 33,987,054	\$ 2,642,108	\$ 1,399,852	35,229,310
Less: Capital Related Debt				14,853,996
Add: Unspent Debt Proceeds				390,062
Less: Debt Premium				584,355
Less: Capital Related Accounts Payable				386,269
Net Investment in Capital Assets				\$ 19,794,752

CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

Section 9, Item F.

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital Assets, Nondepreciable/Nonamortizable:				
Land	\$ 36,944	\$ -	\$ -	\$ 36,944
Construction in Progress	2,523,653	4,979,067	5,496,773	2,005,947
Total Capital Assets, Nondepreciable/Amortizable	2,560,597	4,979,067	5,496,773	2,042,891
Capital Assets, Being Depreciated and Amortized:				
Buildings	8,469,001	204,710	15,658	8,658,053
Improvements Other than Buildings	51,326,594	7,155,032	875,970	57,605,656
Machinery and Equipment	22,135,369	428,836	88,712	22,475,493
Right-to-Use Lease Assets - Machinery and Equipment	205,343	-	9,676	195,667
Subtotals	82,136,307	7,788,578	990,016	88,934,869
Less:				
Accumulated Depreciation and Amortization	33,056,271	2,350,414	1,026,750	34,379,935
Total Capital Assets, Depreciable/Amortizable, Net	49,080,036	5,438,164	(36,734)	54,554,934
Business-Type Activities Capital Assets, Net	<u>\$ 51,640,633</u>	<u>\$ 10,417,231</u>	<u>\$ 5,460,039</u>	56,597,825
Less: Capital Related Debt				18,323,488
Less: Debt Premium				79,061
Less: Capital Related Accounts Payable				<u>139,124</u>
Net Investment in Capital Assets				<u>\$ 38,056,152</u>

**CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
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Section 9, Item F.

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets (Continued)

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

Governmental Activities:

General Government	\$ 129,608
Public Safety	368,548
Public Works	890,404
Health and Human Services	54,412
Culture and Recreation	<u>450,798</u>
Total Depreciation and Amortization Expense - Governmental Activities	<u><u>\$ 1,893,770</u></u>

Business-Type Activities:

Electric Utility	\$ 499,813
Water Utility	647,147
Sewer Utility	883,930
Telecommunication Utility	140,620
Stormwater Utility	<u>18,002</u>
Total Depreciation and Amortization Expense	2,189,512
Depreciation Charged to Operating Accounts	<u>160,902</u>
Total Increase in Accumulated Depreciation and Amortization - Business-Type Activities	<u><u>\$ 2,350,414</u></u>

**CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

Section 9, Item F.

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Interfund Receivable, Payables, and Transfers

Interfund receivables and payables between individual funds of the City, as reported in the fund financial statements, as of December 31, 2025, are detailed below:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Governmental Funds:		
General	\$ 2,239,118	\$ -
Nonmajor Governmental Funds:		
Urban Forestry	-	21,783
Community Development	-	14,243
ARPA	-	139,419
Fire Equipment	-	29,240
Management Information	-	26,865
Police Equipment	-	120,000
TIF District No. 6	-	111,541
TIF District No. 7	256,237	-
TIF District No. 10	-	105,899
TIF District No. 15	-	8,677
TIF District No. 16	-	7,416
TIF District No. 17	-	4,962
Industrial Park Development	-	42,969
Central Park Renovation	-	18,577
Resilient Shoreline Planning	-	84,494
Subtotal - Nonmajor Governmental Funds	<u>256,237</u>	<u>736,085</u>
Proprietary Funds:		
Water Utility	-	1,148,865
Sewer Utility	-	730,405
Stormwater Utility	120,000	-
Subtotal - Proprietary Funds	<u>120,000</u>	<u>1,879,270</u>
Totals	<u>\$ 2,615,355</u>	<u>\$ 2,615,355</u>

The outstanding balances between funds result mainly from the time lag between the dates that (a) interfund goods and services are provided or reimbursable expenditures occur, (b) transactions are recorded in the accounting system, and (c) payments between funds are made.

**CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

Section 9, Item F.

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

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

Interfund transfers for the year ended December 31, 2025, were as follows:

Fund	Transfer In	Transfer Out
Governmental Funds:		
General	\$ 1,017,624	\$ 544,940
Debt Service	229,453	-
Nonmajor Governmental Funds:		
Library	-	3,894
Community Tourism	213,667	350,239
Special Events Donations	10,745	-
Urban Forestry	59,500	-
Tree Planting	-	19,500
Business and Industrial Revolving Loans	9,612	37,500
Sandy Bay Highlands	-	62,031
Community Development	37,500	40,000
ARPA	4,576	-
Recreation Concession	-	10,745
Park and Cemetery Construction	35,000	-
City Hall Equipment	125,000	-
Management Information	64,900	9,900
Police Equipment	15,663	-
TIF District No. 7	-	112,017
TIF District No. 8	-	97,723
TIF District No. 10	-	21,050
TIF District No. 12	-	204,199
TIF District No. 14	-	12,764
Industrial Park Development	-	140,000
Central Park Renovation	25,000	-
City Landfill	-	23,114
South Shore Waterfront Park	-	60,000
Resilient Shoreline Planning	60,000	-
Subtotal - Nonmajor Governmental Funds	661,163	1,204,676
Proprietary Funds:		
Electric Utility	-	216,251
Water Utility	97,425	292,976
Sewer Utility	80,045	306,029
Stormwater Utility	14,624	44,025
Nonmajor Proprietary Fund:		
Solid Waste	-	3,894
Internal Service Fund - Health Insurance	512,457	-
Government-Wide		
Total	<u>\$ 2,612,791</u>	<u>\$ 2,612,791</u>

CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

Section 9, Item F.

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

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

Transfers are used to: (a) move unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; (b) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; and (c) move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service funds as debt service payments become due.

E. Long-Term Obligations

The following is a summary of changes in long-term obligations of the City for the year ended December 31, 2025:

	Balance Beginning of Year	Issued	Retired	Ending Balance	Due Within One Year
Governmental Activities:					
General Obligation Debt:					
Bonds	\$ 4,010,000	\$ -	\$ 470,000	\$ 3,540,000	\$ 490,000
Notes	10,965,000	2,435,000	1,715,000	11,685,000	1,690,000
Direct Borrowings	621,925	-	106,747	515,178	109,222
Total General					
Obligation Debt	15,596,925	2,435,000	2,291,747	15,740,178	2,289,222
Debt Premium	580,892	160,217	156,754	584,355	77,483
Lease Liability	400,398	76,831	141,947	335,282	134,230
Compensated Absences	168,845	-	38,928	129,917	12,992
Governmental					
Activities Long-					
Term Obligations	<u>\$ 16,747,060</u>	<u>\$ 2,672,048</u>	<u>\$ 2,629,376</u>	<u>\$ 16,789,732</u>	<u>\$ 2,513,927</u>
Business-Type Activities:					
General Obligation Debt:					
Bonds	\$ 1,165,000	\$ -	\$ 185,000	\$ 980,000	\$ 195,000
Notes	30,000	860,000	15,000	875,000	70,000
Direct Borrowings	558,204	1,073,952	105,030	1,527,126	163,498
Total General					
Obligation Debt	1,753,204	1,933,952	305,030	3,382,126	428,498
Revenue Bonds	15,334,380	1,675,031	1,997,137	15,012,274	1,266,050
Debt Premium	42,996	48,869	12,804	79,061	22,884
Lease Liability	115,629	-	44,694	70,935	34,821
Compensated Absences	61,342	-	23,439	37,903	3,790
Business-Type					
Activities Long-					
Term Obligations	<u>\$ 17,307,551</u>	<u>\$ 3,657,852</u>	<u>\$ 2,383,104</u>	<u>\$ 18,582,299</u>	<u>\$ 1,756,043</u>

The change in compensated absences liability is shown as a net change.

Total interest paid during the year on long-term debt totaled \$989,848.

State Trust Fund Loan

The City's outstanding notes from direct borrowings related to the governmental activities of \$513,155 are subject to a statutory provision that in an event of late or nonpayment, a 1% per month penalty will be charged and the payment will be collected through a reduction in payments from the state of Wisconsin.

**CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
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Section 9, Item F.

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

Clean Water Fund Loan Programs

The City's outstanding notes from direct borrowings related to business type activities of \$1,527,126 contain the following provisions in the event of a default: (1) Wisconsin Department of Administration can deduct amounts due from any state payments due to the City or add the amounts due as a special charge to the property taxes apportioned; (2) may appoint a receiver for the program's benefit; (3) may declare the principal amount immediately due and payable; (4) may enforce any right or obligation under the financing agreement including the right to see specific performance or mandamus; and (5) may increase the interest rate set forth in the financing agreement to the market interest rate.

WPPI Loan

The City's outstanding notes from direct borrowings related to the governmental activities of \$2,023 contain a provision that in an event of default, outstanding amounts become immediately due if the City is unable to make payment.

General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance at December 31, 2025
Bonds:					
General Obligation Bond	07/08/19	2030	3.00% to 4.00%	\$ 1,610,000	\$ 815,000
General Obligation Bond	08/30/19	2034	3.00% to 4.00%	3,210,000	1,980,000
General Obligation Bond	04/20/20	2030	2.55%	2,085,000	1,040,000
General Obligation Bond	06/07/21	2039	2.40% to 3.25%	775,000	685,000
Notes:					
General Obligation Note	07/08/19	2029	3.00% to 4.00%	1,785,000	870,000
General Obligation Note	04/20/20	2030	3.00%	6,125,000	1,600,000
General Obligation Note	06/07/21	2031	2.00% to 3.00%	1,915,000	1,310,000
General Obligation Note	02/23/22	2041	3.00% to 4.00%	2,305,000	1,740,000
General Obligation Note	04/03/23	2033	4.00% to 5.00%	1,165,000	930,000
General Obligation Note	04/01/24	2034	4.00% to 5.00%	3,020,000	2,815,000
General Obligation Note	04/07/25	2035	4.00% to 5.00%	3,295,000	3,295,000
Direct Placement:					
Safe Drinking Water Bond	11/13/13	2029	3.15%	487,054	135,196
Safe Drinking Water Bond	11/13/13	2029	3.15%	824,459	225,057
WPPI Energy Note	08/01/16	2026	0.00%	30,350	2,023
Safe Drinking Water Bond	12/31/16	2029	2.67%	361,269	92,921
State Trust Fund Bond	07/23/19	2029	3.75%	500,000	219,464
State Trust Fund Bond	04/16/20	2030	3.00%	550,000	293,691
Clean Water Fund Loan	11/13/24	2044	0.25%	1,073,952	1,073,952
Total Outstanding					
General Obligation					
Debt					<u>\$ 19,122,304</u>

**CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

Section 9, Item F.

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

General Obligation Debt (Continued)

Annual principal and interest maturities of the outstanding general obligation debt of \$19,122,304 on December 31, 2025, are detailed below:

Year Ending December 31,	Governmental Activities					
	Bonds and Notes		Direct Placement		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 2,180,000	\$ 602,148	\$ 109,222	\$ 17,041	\$ 2,289,222	\$ 619,189
2027	2,015,000	468,548	110,803	13,436	2,125,803	481,984
2028	2,075,000	388,695	114,505	9,734	2,189,505	398,429
2029	1,745,000	310,826	118,385	5,854	1,863,385	316,680
2030	1,815,000	242,286	62,263	1,868	1,877,265	244,154
2031 - 2035	5,165,000	445,770	-	-	5,165,000	445,770
2036 - 2039	230,000	15,275	-	-	230,000	15,275
Total	<u>\$ 15,225,000</u>	<u>\$ 2,473,548</u>	<u>\$ 515,178</u>	<u>\$ 47,933</u>	<u>\$ 15,740,178</u>	<u>\$ 2,521,481</u>

Year Ending December 31,	Business-Type Activities					
	Bonds and Notes		Direct Placement		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 265,000	\$ 94,966	\$ 163,498	\$ 10,004	\$ 428,498	\$ 104,970
2027	275,000	63,874	166,940	9,900	441,940	73,774
2028	280,000	52,018	170,484	6,892	450,484	58,910
2029	290,000	39,722	174,133	3,825	464,133	43,547
2030	260,000	27,825	55,817	2,200	315,817	30,025
2031 - 2035	485,000	54,150	281,187	8,901	766,187	63,051
2036 - 2040	-	-	284,719	5,373	284,719	5,373
2041 - 2044	-	-	230,348	1,801	230,348	1,801
Total	<u>\$ 1,855,000</u>	<u>\$ 332,555</u>	<u>\$ 1,527,126</u>	<u>\$ 48,896</u>	<u>\$ 3,382,126</u>	<u>\$ 381,451</u>

For governmental activities, the other long-term liabilities are generally funded by the General Fund.

Legal Margin for New Debt

The City's legal margin for creation of additional general obligation debt on December 31, 2025, was \$34,318,046 as follows:

Equalized Valuation of the City	\$ 1,068,807,000
Statutory Limitation Percentage	× 5%
General Obligation Debt Limitation, per Section 67.03 of the Wisconsin Statutes	53,440,350
Net Outstanding General Obligation Debt Applicable to Debt Limitation	19,122,304
Legal Margin for New Debt	<u>\$ 34,318,046</u>

Current Refunding

The City currently refunded a 2020 Stormwater State Trust Fund Loan dated April 16, 2020. The City issued \$760,000 of general obligation promissory notes to call the refunded debt. The current refunding was undertaken to obtain more favorable interest rates and reduce the total debt service interest payments. The general obligation bond results in a savings over the next 10 years of \$21,712. The economic gain (difference between the present value of the debt service payments of the refunded and refunding debt) is \$25,023.

**CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

Section 9, Item F.

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

Revenue Bonds

Revenue bonds outstanding on December 31, 2025, totaled \$15,012,274 and were comprised of the following issues:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2025
Sewer Utility	3/26/2008	2027	2.39	\$ 6,297,058	\$ 805,490
Water Utility	6/25/2014	2034	1.93	400,432	199,154
Sewer Utility	12/23/2014	2034	2.63	698,698	362,691
Water Utility	11/12/2014	2034	1.93	301,465	150,435
Water Utility	6/28/2017	2037	1.87	805,787	530,677
Electric, Sewer, and Solid Waste Utilities	3/20/2017	2027	4.00	400,000	92,977
Water Utility	6/13/2018	2038	1.87	709,297	498,239
Sewer Utility	2/28/2018	2037	1.76	794,500	534,835
Sewer Utility	10/24/2018	2038	1.87	4,059,972	2,855,214
Water Utility	6/26/2019	2039	1.98	504,014	404,680
Sewer Utility	11/27/2019	2039	1.65	1,710,844	1,319,581
Water Utility	6/23/2021	2041	1.49	791,889	652,937
Sewer Utility	11/10/2021	2041	1.49	857,168	727,517
Stormwater Utility	2/23/2022	2041	1.49	553,061	481,337
Sewer Utility	9/28/2022	2041	2.15	315,877	278,471
Sewer Utility	12/14/2022	2041	2.15	1,220,172	1,116,931
Water Utility	9/27/2023	2043	2.15	465,670	450,094
Sewer Utility	12/14/2022	2041	2.15	261,831	260,605
Water Utility	9/25/2024	2044	2.37	852,029	860,139
Sewer Utility	11/13/2024	2044	2.20	1,779,458	1,779,458
Water Utility	9/24/2025	2045	0.25	360,689	360,689
Water Utility	9/24/2025	2045	0.25	290,123	290,123
Total Outstanding Revenue Bonds					<u>\$ 15,012,274</u>

Annual principal and interest maturities of the outstanding revenue bonds of \$15,012,274 on December 31, 2025, are detailed below:

<u>Year Ending December 31,</u>	<u>Business-Type Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 1,266,050	\$ 275,433	\$ 1,541,483
2027	1,311,809	248,670	1,560,479
2028	873,113	227,465	1,100,578
2029	889,642	210,814	1,100,456
2030	906,497	193,835	1,100,332
2031 - 2035	4,708,698	703,572	5,412,270
2036 - 2040	3,762,218	282,167	4,044,385
2041 - 2045	1,294,247	45,285	1,339,532
Total	<u>\$ 15,012,274</u>	<u>\$ 2,187,241</u>	<u>\$ 17,199,515</u>

CITY OF TWO RIVERS, WISCONSIN
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Section 9, Item F.

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

Utility Revenues Pledged

The City has pledged future electric, water and sewer, and solid waste customer revenues, net of specified operating expenses, to repay the revenue bonds. Proceeds from the bonds provided financing for the construction or acquisition of capital assets used by the utilities. The bonds are payable solely from customer net revenues and are payable through 2045. Net customer revenues, 2025 principal and interest paid, and outstanding debt service of revenue bonds are as follows:

	Electric Utility	Water Utility	Sewer Utility	Stormwater Utility
Net Customer Revenues:				
Charges for Services	\$ 9,580,798	\$ 3,111,008	\$ 3,071,253	\$ 653,603
Other Income	150,539	36,487	18,124	-
Total Operating Revenues	9,731,337	3,147,495	3,089,377	653,603
Less: Operating Expenses *	8,770,084	2,108,273	1,896,321	339,432
Net Customer Revenues	<u>\$ 961,253</u>	<u>\$ 1,039,222</u>	<u>\$ 1,193,056</u>	<u>\$ 314,171</u>
Debt Service:				
Principal	\$ 35,826	\$ 236,358	\$ 851,272	\$111,818**
Interest	3,040	81,385	183,047	47,598
Total Debt Service	<u>\$ 38,866</u>	<u>\$ 317,743</u>	<u>\$ 1,034,319</u>	<u>\$ 47,598</u>
Remaining Principal and Interest	<u>\$ 77,559</u>	<u>\$ 5,405,971</u>	<u>\$ 11,173,271</u>	<u>\$ 537,905</u>
Debt Service Coverage Requirement	125%	110%	110%	125%
Excess Coverage	<u>\$ 912,671</u>	<u>\$ 689,705</u>	<u>\$ 55,305</u>	<u>\$ 254,674</u>

* Excludes Depreciation Expense

** Principal as presented represents regularly scheduled principal payments and excludes a one time debt refinancing of \$760,000

As seen above, the City is in compliance with the required debt service coverage requirement.

Lease Liabilities

The City leases vehicles under long-term, noncancelable lease agreements. The leases have interest rates ranging from 4% to 5%. The leases expire at various dates through 2030.

The right-to-use assets and the related accumulated amortization are detailed in Note 3.C.

**CITY OF TWO RIVERS, WISCONSIN
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NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

Lease Liabilities (Continued)

Principal and interest requirements to maturity under lease agreements are as follows:

Year Ending December 31,	Governmental Activities		Business-Type Activities		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 134,230	\$ 12,454	\$ 34,821	\$ 2,379	\$ 169,051	\$ 14,833
2027	108,236	6,787	25,119	1,054	133,355	7,841
2028	58,624	2,496	10,995	162	69,619	2,658
2029	21,116	1,068	-	-	21,116	1,068
2030	13,076	256	-	-	13,076	256
Total	<u>\$ 335,282</u>	<u>\$ 23,061</u>	<u>\$ 70,935</u>	<u>\$ 3,595</u>	<u>\$ 406,217</u>	<u>\$ 26,656</u>

F. Pension Plan

1. Plan Description

The Wisconsin Retirement System (WRS) is a cost-sharing, multiemployer defined benefit pension plan. WRS benefits and other Plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible state of Wisconsin, local government, and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, expected to work at least 1,200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

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

Additionally, ETF issue 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.

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NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Pension Plan (Continued)

1. Plan Description (Continued)

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 December 31, 2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

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

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

The WRS also provides death and disability benefits for employees.

2. Postretirement Adjustments

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

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NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Pension Plan (Continued)

2. Postretirement Adjustments (Continued)

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2015	2.9%	2%
2016	0.5%	-5%
2017	2.0%	4%
2018	2.4%	17%
2019	0.0%	-10%
2020	1.7%	21%
2021	5.1%	13%
2022	7.4%	15%
2023	1.6%	-21%
2024	3.6%	15%

3. Contributions

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

During the reporting period ending December 31, 2025, the WRS recognized \$1,183,650 in contributions from the City.

Contribution rates for the reporting period are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (including Teachers, Executives, and Elected Officials)	6.95 %	6.95 %
Protective with Social Security	6.95	14.95
Protective without Social Security	6.95	18.95

**CITY OF TWO RIVERS, WISCONSIN
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NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Pension Plan (Continued)

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

At December 31, 2025, the City reported a liability of \$1,213,334 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023, rolled forward to December 31, 2024. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension liability was based on the City's share of contributions to the Pension Plan relative to the contributions of all participating employers. At December 31, 2024, the City's proportion was 0.07384125%, which was an increase of 0.00063856% from its proportion measured as of December 31, 2023.

For the year ended December 31, 2025, the City recognized pension expense of \$1,632,878.

At December 31, 2025, 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	\$ 3,768,066	\$ 3,540,800
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	1,843,725	-
Changes in Assumptions	360,020	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	6,208	4,247
Employer Contributions Subsequent to the Measurement Date	1,183,650	-
Total	<u>\$ 7,161,669</u>	<u>\$ 3,545,047</u>

**CITY OF TWO RIVERS, WISCONSIN
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Section 9, Item F.

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Pension Plan (Continued)

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

\$1,183,650 reported as deferred outflows related to pension resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ending December 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Expense</u>
2026	\$ 730,424
2027	2,517,095
2028	(621,028)
2029	(193,519)
Total	<u>\$ 2,432,972</u>

5. Actuarial Assumptions

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

Actuarial Valuation Date:	December 31, 2023
Measurement Date of Net Pension Liability(Asset):	December 31, 2024
Experience Study:	January 1, 2021 - December 31, 2023 Published November 19, 2024
Actuarial Valuation Date:	December 31, 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% - 5.7%
Mortality	2020 WRS Experience Mortality Table
Postretirement Adjustments*	1.7%

* No postretirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.7% is the assumed annual adjustment based on the investment return assumption and the postretirement discount rate. Includes the impact of known Market Recognition Account deferred gains/losses on the liability for dividend payments.

**CITY OF TWO RIVERS, WISCONSIN
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NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Pension Plan (Continued)

5. Actuarial Assumptions (Continued)

Actuarial assumptions are based upon an experience study conducted in 2024 that covered a three-year period from January 1, 2021, to December 31, 2023. Based on this experience study, actuarial assumptions used to measure the total pension liability changed from the prior year, including seniority (merit) and separation rates. The total pension liability for December 31, 2024 is based upon a roll-forward of the liability calculated from the December 31, 2023 actuarial valuation.

Long-Term Expected Return on Plan Assets

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

	Current Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Core Fund Asset Class:			
Public Equity	38.0 %	7.0 %	4.3 %
Public Fixed Income	27.0	6.1	3.4
Private Equity/Debt	20.0	9.5	6.7
Inflation Sensitive	19.0	4.8	2.1
Real Estate	8.0	6.5	3.8
Leverage	(12.0)	3.7	1.1
Total Core Fund	<u>100.0 %</u>	7.5 %	4.8 %
Variable Fund Asset Class:			
U.S. Equities	70.0 %	6.5 %	3.8 %
International Equities	30.0	7.4	4.7
Total Variable Fund	<u>100.0 %</u>	6.9 %	4.2 %

New England Pension Consultants Long Term U.S. CPI (Inflation) Forecast: 2.6%

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

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NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Pension Plan (Continued)

5. Actuarial Assumptions (Continued)

Long-Term Expected Return on Plan Assets (Continued)

The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. Currently, an asset allocation target of 12% policy leverage is used, subject to an allowable range of up to 20%.

Single Discount Rate

A single discount rate of 6.80% was used to measure the total pension liability for the current and prior year. The discount rate is based on the expected rate of return on Pension Plan investments of 6.80% and a municipal bond rate of 4.08% (Source: "20-Bond GO Index" is the Bond Buyer Index, general obligation, 20 years to maturity, mixed quality as of December 31, 2024. In describing this index, the Bond Buyer notes that the bonds' average quality is roughly equivalent to Moody's investors Service's Aa2 rating and Standard and Poor's Corp.'s AA.). Because of the unique structure of WRS, the 6.80% expected rate of return implies that a dividend of approximately 1.70% will always be paid after reflecting known changes in the Market Recognition Account. 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 long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

	1% Decrease to Discount Rate (5.80%)	Current Discount Rate (6.80%)	1% Increase to Discount Rate (7.80%)
City's Proportionate Share of the Net Pension Liability (Asset)	\$ 11,382,657	\$ 1,213,334	\$ (6,011,678)

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NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Pension Plan (Continued)

6. Payables to the Pension Plan

The City reported a payable of \$162,427 for the outstanding amount of contributions to the Pension Plan for the year ended December 31, 2025.

G. Other Postemployment Benefits

The City reports OPEB related balances at December 31, 2025, as summarized below:

	<u>OPEB Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Local Retiree Life Insurance Fund (LRLIF)	\$ 637,944	\$ 213,296	\$ 503,542
Single-Employer Defined OPEB Plan	<u>5,991,277</u>	<u>1,458,041</u>	<u>711,401</u>
Total OPEB Liability	<u>\$ 6,629,221</u>	<u>\$ 1,671,337</u>	<u>\$ 1,214,943</u>

1. Single-Employer Defined Postemployment Benefit Plan

Plan Description

The Plan is a single employer defined benefit postemployment health plan that covers retired employees of the City. Eligible retired employees have access to group medical coverage through the City's group plan. Depending on employee classification and years of service, the City pays up to a maximum of 85% of the premium, not to exceed Medicare age eligibility. There are no Plan assets that have been accumulated in a trust. There are no separate Plan financial statements issued.

Benefits Provided

The City provides health care for retired employees through the City's group plans.

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NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Other Postemployment Benefits (Continued)

1. Single-Employer Defined Postemployment Benefit Plan (Continued)

Employees Covered by Benefit Terms

At December 31, 2025, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries	
Currently Receiving Benefit Payments	25
Active Employees	123
Total	<u>148</u>

Total OPEB Liability

The City's total OPEB liability was measured as of December 31, 2024 and was determined by an actuarial valuation date of December 31, 2023.

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

Inflation:	2.50%
Investment Rate of Return:	4.28%
Healthcare Cost Trend Rates:	7.00% decreasing to 6.50%, then decreasing by .10% per year down to 4.50%, and level thereafter

Mortality rates are the same as those used in the 2020 WRS Experience tables.

The actuarial assumptions used in the valuation were based on the *Wisconsin Retirement System 2021 - 2023 Experience Study*.

The current yield for 20-year tax-exempt municipal bond rate as of the measurement date was used for all years of benefit payments.

Discount Rate. The discount rate used to measure the total OPEB liability was 4.28%. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates.

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NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Other Postemployment Benefits (Continued)

1. Single-Employer Defined Postemployment Benefit Plan (Continued)

Changes in the Total OPEB Liability

	Increase (Decrease) Total OPEB Liability
Balance at December 31, 2023	\$ 6,279,442
Changes for the Year:	
Service Cost	109,985
Interest	241,660
Difference Between Expected and Actual Experience	39,968
Changes of Assumptions	(93,903)
Benefit Payments	(585,875)
Net Changes	(288,165)
Balance at December 31, 2024	\$ 5,991,277

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% lower (3.28%) or 1% higher (5.28%) than the current rate:

	1% Decrease to Discount Rate 3.28%	Current Discount Rate 4.28%	1% Increase to Discount Rate 5.28%
Total OPEB Liability	\$ 6,332,918	\$ 5,991,277	\$ 5,667,804

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

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

	1% Decrease (6.0% Decreasing to 3.5%)	Healthcare Cost Trend Rates (7.0% Decreasing to 4.5%)	1% Increase (8.0% Decreasing to 5.5%)
Total OPEB Liability	\$ 5,557,753	\$ 5,991,277	\$ 6,470,055

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NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Other Postemployment Benefits (Continued)

1. Single-Employer Defined Postemployment Benefit Plan (Continued)

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

For the year ended December 31, 2025, the City recognized OPEB expense of \$477,986. At December 31, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 436,019	\$ 167,654
Changes in Assumptions	382,405	543,747
City Contributions Subsequent to the Measurement Date	639,617	-
Total	<u>\$ 1,458,041</u>	<u>\$ 711,401</u>

\$639,617 reported as deferred outflows related to OPEB resulting from the City's contribution subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended December 31, 2026. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending December 31,</u>	<u>Expense</u>
2026	\$ 153,190
2027	2,103
2028	(28,885)
2029	(28,880)
2030	17,200
Thereafter	(7,705)
Total	<u>\$ 107,023</u>

Payable to the OPEB Plan

The City reported a payable of \$-0- for the outstanding amount of contribution to the Plan required for the year ended December 31, 2025.

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NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Other Postemployment Benefits (Continued)

2. Local Retiree Life Insurance Fund (LRLIF)

Plan Description

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

OPEB Plan Fiduciary Net Position

ETF issues a standalone Annual Comprehensive Financial Report, which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>. Additionally, ETF issued a standalone Retiree Life Insurance Financial Report, which can also be found using the link above.

Benefits Provided

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

Contributions

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

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

Contribution rates as of December 31, 2025 are:

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

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NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Other Postemployment Benefits (Continued)

2. Local Retiree Life Insurance Fund (Continued)

Contributions (Continued)

Member contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating members must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The members contribution rates in effect for the year ended December 31, 2024 are listed below:

Life Insurance Member Contribution Rates for the Year Ended December 31, 2024		
<u>Attained Age</u>	<u>Basic</u>	<u>Supplemental</u>
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

During the reporting period, the LRLIF recognized \$3,484 in contributions from the employer.

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

At December 31, 2025, the City reported a liability of \$637,944 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2024, rolled forward to December 31, 2024. No material changes in assumptions or benefits terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net OPEB liability was based on the City's share of contributions to the OPEB Plan relative to the contributions of all participating employers. At December 31, 2024, the City's proportion was 0.16306300%, which was an increase of 0.00154500% from its proportion measured as of December 31, 2023.

For the year ended December 31, 2025, the City recognized OPEB expense of \$28,450.

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NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Other Postemployment Benefits (Continued)

2. Local Retiree Life Insurance Fund (Continued)

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

At December 31, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 66,369
Net Differences Between Projected and Actual Earnings on OPEB Plan Investments	8,760	-
Changes in Assumptions	156,533	357,809
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	48,003	79,364
Total	<u>\$ 213,296</u>	<u>\$ 503,542</u>

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

<u>Year Ending December 31,</u>	<u>Expense</u>
2026	\$ (29,039)
2027	(58,863)
2028	(77,806)
2029	(86,301)
2030	(17,428)
Thereafter	(20,809)
Total	<u>\$ (290,246)</u>

**CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

Section 9, Item F.

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Other Postemployment Benefits (Continued)

2. Local Retiree Life Insurance Fund (Continued)

Actuarial Assumptions

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

Actuarial Valuation Date:	January 1, 2024
Measurement Date of Net OPEB Liability:	December 31, 2024
Experience Study:	January 1, 2021 - December 31, 2023 Published November 19, 2024
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield*:	4.08%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	4.09%
Salary Increases:	
Wage Inflation	3.00%
Seniority/Merit	0.1% - 5.7%
Mortality:	2020 WRS Experience Mortality Table

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

Actuarial assumptions are based upon an experience study conducted in 2024 that covered a three-year period from January 1, 2021, to December 31, 2023. The total OPEB liability for December 31, 2024 is based upon a roll-forward of the liability calculated from the January 1, 2024 actuarial valuation.

**CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

Section 9, Item F.

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Other Postemployment Benefits (Continued)

2. Local Retiree Life Insurance Fund (Continued)

Long-Term Expected Return on Plan Assets

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

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return %
U.S. Intermediate Credit Bonds	Bloomberg US Interim Credit	40.00%	2.41
U.S. Mortgages	Bloomberg US MBS	60.00%	2.71
Inflation			2.30
Long-Term Expected Rate of Return			4.25

**CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

Section 9, Item F.

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Other Postemployment Benefits (Continued)

2. Local Retiree Life Insurance Fund (Continued)

Single Discount Rate

A single discount rate of 4.09% was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 3.32% for the prior year. The change in the discount rate was primarily caused by the increase in the municipal bond rate from 3.26% as of December 31, 2023 to 4.08% as of December 31, 2024. 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, 2037.

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

Sensitivity of the City's Proportionate Share of Net OPEB Liability to Changes in the Discount Rate

The following presents the City's proportionate share of the net OPEB liability calculated using the discount rate of 4.09%, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1% lower (3.09%) or 1% higher (5.09%) than the current rate:

	1% Decrease to Discount Rate (3.09%)	Current Discount Rate (4.09%)	1% Increase to Discount Rate (5.09%)
City's Proportionate Share of the Net OPEB Liability (Asset)	\$ 852,702	\$ 637,944	\$ 472,454

Payable to the OPEB Plan

The City reported a payable of \$-0- for the outstanding amount of contribution to the Plan required for the year ended December 31, 2025.

**CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

Section 9, Item F.

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Fund Balance

Nonspendable Fund Balance

In the fund financial statements, portions of the governmental fund balances are amounts that cannot be spent because they are either: (1) not in spendable form, or (2) legally or contractually required to be maintained intact. At December 31, 2025, nonspendable fund balance was as follows:

General Fund:

Nonspendable:

Prepaid Items	\$ 766,491
Long-Term Receivables	<u>1,977,397</u>
Total Nonspendable Fund Balance	<u>2,743,888</u>

Nonmajor Special Revenue Funds:

Nonspendable:

Prepays and Inventories	<u>223,687</u>
Total Nonspendable Fund Balance	<u><u>\$ 2,967,575</u></u>

**CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

Section 9, Item F.

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Fund Balance (Continued)

Restricted Fund Balance

In the fund financial statements, portions of governmental fund balances are not available for appropriation or are legally restricted for use for a specific purpose. At December 31, 2025, restricted fund balance was as follows:

Special Revenue Funds:

Restricted for:

Housing Revolving Loans	\$ 120,340
Library Gift Fund	97,060
WDF Administrative	200
EMS Act 102 Grant	51,086
Business and Industrial Revolving Loans	1,004,443
Affordable Housing	141,477
Medical/Hospital Equipment	25,931

Debt Service Fund:

Restricted for Debt Service	339,190
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Capital Projects Funds:

Restricted for:

Bridge Construction	51,481
Public Works Equipment	256,054
Police Equipment	82,527
TIF District No. 7	990,873
TIF District No. 8	13,118
TIF District No. 9	116,658
TIF District No. 11	51,482
TIF District No. 12	298,848
TIF District No. 13	66,776
TIF District No. 14	83,979

Total Restricted Fund Balance	<u><u>\$ 3,791,523</u></u>
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**CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

Section 9, Item F.

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Fund Balance (Continued)

Committed Fund Balance

In the fund financial statements, portions of government fund balances are committed by City Council action. At December 31, 2025, governmental fund balance was committed as follows:

Special Revenue Funds:

Committed for:

Community Tourism	\$ 53,596
Special Events Donations	33,562
Business Improvement District	8,093
Docks and Harbors	8,812
Senior Center	8,011
Golf Simulator	5,915
Tree Planting	8,125
Sandy Bay Highlands	417,777
K-9 Fund	87,629

Capital Projects Funds:

Committed for:

Street Construction	226,069
Bridge Construction	4,470
Park and Cemetery Construction	171,224
Public Works Equipment	407,739
City Hall Equipment	15,253
City Landfill	190,019
High School Bike Trail	43,799
Harbor Master Plan	458,483
Library Building and Grounds	<u>11,025</u>

Total Committed Fund Balance	<u><u>\$ 2,159,601</u></u>
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**CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

Section 9, Item F.

NOTE 4 OTHER INFORMATION

A. WPPI Energy Contract (WPPI)

The City of Two Rivers, Wisconsin electric utility purchases its electric requirements from WPPI Energy (WPPI). WPPI is a municipal electric company and political subdivision of the state of Wisconsin created by contract by its members on September 5, 1980, pursuant to the Municipal Electric Company Act, Sec. 66.073 of the Wisconsin Statutes (the Act). WPPI's purposes include providing an adequate, economical, and reliable supply of electric energy to its members.

The City of Two Rivers, Wisconsin is one of 51 members of WPPI located throughout the states of Wisconsin, Michigan, and Iowa. On December 31, 1989, each of WPPI's original members, including the City of Two Rivers, Wisconsin, commenced purchasing electric service from WPPI under a Long-Term Power Supply Contract for Participating Members (the Long-Term Contract) under which WPPI has agreed to sell and deliver to each member, and each member has agreed to take and pay for, the electric power and energy requirements of the members for an initial 35-year term. The contract has been amended to extend the term of the contract through 2037. A subsequent amendment has extended the contract through 2055.

Under the Long-Term Contract, the City of Two Rivers, Wisconsin and the other members of WPPI are required to pay for all power and energy requirements supplied or made available by WPPI at rates sufficient to cover all of WPPI's revenue requirement which includes power supply costs, administrative expenses, and debt service on outstanding bonds. WPPI's subsequent year's rates and operating budget are approved annually by its board of directors, which consists of representatives from each member municipality.

The City of Two Rivers, Wisconsin has agreed to charge rates to the retail rate payers of its electric system sufficient to meet its obligations to WPPI. The Long-Term Contract provides that all payments to WPPI under the Contract constitute operating expenses of the City of Two Rivers, Wisconsin electric system payable from any operating and maintenance fund established by the City of Two Rivers, Wisconsin electric utility.

The Long-Term Contract may be terminated by either party upon five years prior written notice effective at the end of the initial 35-year term, or at any other time thereafter, provided that no WPPI bonds are outstanding at the time of the proposed termination and certain other contract provisions are met.

The electric operation purchases power through WPPI Energy, for distribution to its customers. Total purchases under this arrangement amounted to approximately \$6.9 million in 2025.

**CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

Section 9, Item F.

NOTE 4 OTHER INFORMATION (CONTINUED)

B. Tax Incremental Financing Districts

The City has established separate capital projects funds for Tax Incremental District (TID) Nos. 6 through 17. The TIDs were created by the City in accordance with Section 66.1105 of the Wisconsin Statutes. At the time the TIDs were created, the property tax base within each TID was “frozen” and increment taxes resulting from increases to the property tax base are used to finance TID improvements, including principal and interest on long-term debt issued by the City to finance such improvements. Except for certain exceptions under Section 66.1105(6)(am)(1), the Statutes allow up to five years from the date of termination for a tax incremental district to incur project costs eligible for financing from tax increments.

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

	<u>Termination Year</u>
TID No. 6	07/17/27
TID No. 7	08/20/28
TID No. 8	08/05/29
TID No. 9	07/28/26
TID No. 10	08/25/41
TID No. 11	09/06/43
TID No. 12	09/04/45
TID No. 13	02/03/41
TID No. 14	05/17/44
TID No. 15	07/19/48
TID No. 16	09/27/48
TID No. 17	09/06/49

C. Tax Abatements

The City has created Tax Increment Financing Districts (the Districts) in accordance with Wisconsin State Statute 66.1105, Tax Increment Law. As part of the project plan for the Districts, the City entered into agreements with developers for creation of tax base within the Districts. The agreements require the City to make annual repayments of property taxes collected within the Districts to the developers, based upon the terms of the agreements. As tax abatements, those developer payments and the related property tax revenues are not reported as revenues or expenditures in the financial statements. For the year ended December 31, 2025, the City abated property taxes totaling \$163,121 to a developer within District No. 9 and \$17,087 to a developer within District No. 14.

**CITY OF TWO RIVERS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

Section 9, Item F.

NOTE 4 OTHER INFORMATION (CONTINUED)

D. Contingencies

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

E. Risk Management

The City is exposed to various risk of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. The City completes an annual review of its insurance coverage to ensure adequate coverage. The amount of actual settlements has not exceeded the insurance coverage amounts in any of the three most recent years.

F. Subsequent Events

On February 25, 2026, the City has been approved for financial assistance with principal forgiveness. This allows the City to draw on a loan totaling \$2,294,474 with potential principal forgiveness of up to \$458,895. This will be disbursed to the City as part of the Clean Water Fund Program described previously in Note 3.E.

On April 8, 2026, the City issued general obligation promissory notes in the amount of \$2,565,000 to be used for various equipment and capital improvement projects.

On April 28, 2026, the City issued a WPPI loan in the amount of \$496,676 to be used for various utility projects.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF TWO RIVERS, WISCONSIN
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)
WISCONSIN RETIREMENT SYSTEM
LAST 10 MEASUREMENT PERIODS

Measurement Period Ending December 31,	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
2015	0.06634313%	\$ 1,078,063	\$ 7,423,143	14.52 %	98.20 %
2016	0.06736854	555,278	7,680,109	7.23	99.12
2017	0.06946263	(2,062,427)	7,920,634	26.04	102.93
2018	0.07174643	2,552,513	8,182,118	31.20	96.45
2019	0.07286082	(2,349,365)	8,387,804	28.01	102.96
2020	0.07376752	(4,605,408)	8,722,182	52.80	105.26
2021	0.07368305	(5,938,989)	8,638,338	68.75	106.02
2022	0.07395085	3,917,696	8,943,746	43.80	95.72
2023	0.07320269	1,088,382	9,287,600	11.72	98.85
2024	0.07384125	1,213,334	9,906,394	12.25	98.79

SCHEDULE OF CONTRIBUTIONS
WISCONSIN RETIREMENT SYSTEM
LAST 10 FISCAL YEARS

Fiscal Year Ended December 31,	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll (Fiscal Year)	Contributions as a Percentage of Covered Payroll
2016	\$ 661,683	\$ 661,683	\$ -	\$ 7,680,109	8.62 %
2017	734,795	734,795	-	7,920,634	9.28
2018	751,207	751,207	-	8,182,118	9.18
2019	761,553	761,553	-	8,387,804	9.08
2020	849,147	849,147	-	8,722,182	9.74
2021	848,073	848,073	-	8,638,338	9.82
2022	868,733	868,733	-	8,943,746	9.71
2023	975,675	975,675	-	9,287,600	10.51
2024	1,092,984	1,092,984	-	9,906,394	11.03
2025	1,183,650	1,183,650	-	10,234,801	11.56

See accompanying Notes to Required Supplementary Information.

CITY OF TWO RIVERS, WISCONSIN
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
LOCAL RETIREE LIFE INSURANCE FUND
LAST 10 MEASUREMENT PERIODS*

Plan Fiscal Year Ended December 31,	Proportion of the Net OPEB Liability	Proportionate Share of the Net OPEB Liability	Covered- Employee Payroll	Proportionate Share of the Net OPEB Liability as a Percentage of Covered- Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2017	0.16989100 %	\$ 511,131	\$ 7,920,634	6.45 %	44.81 %
2018	0.17386000	448,617	8,182,118	5.48	48.69
2019	0.17281800	735,893	8,168,000	9.01	37.58
2020	0.16272900	895,127	8,178,000	10.95	31.36
2021	0.18717400	1,106,268	8,413,000	13.15	29.57
2022	0.16357800	623,204	8,652,000	7.20	38.81
2023	0.16151800	743,089	8,951,000	8.30	33.90
2024	0.16306300	637,944	9,073,000	7.03	37.20

* Amounts for prior years were not available.

SCHEDULE OF CONTRIBUTIONS
LOCAL RETIREE LIFE INSURANCE FUND
LAST 10 FISCAL YEARS

Fiscal 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
2018	\$ 3,349	\$ 3,349	\$ -	\$ 8,182,118	0.04 %
2019	3,440	3,440	-	8,168,000	0.04
2020	3,124	3,124	-	8,178,000	0.04
2021	3,420	3,420	-	8,413,000	0.04
2022	3,268	3,268	-	8,652,000	0.04
2023	3,316	3,316	-	8,951,000	0.04
2024	3,471	3,471	-	9,073,000	0.04
2025	3,484	3,484	-	9,106,981	0.04

* Amounts for prior years were not available.

See accompanying Notes to Required Supplementary Information.

CITY OF TWO RIVERS, WISCONSIN
SCHEDULE OF CHANGES IN OPEB LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS*

	2025	2024	2023	2022	2021	2020	2019	2018
TOTAL OPEB LIABILITY								
Service Cost	\$ 109,985	\$ 104,736	\$ 145,849	\$ 180,326	\$ 161,329	\$ 169,825	\$ 178,228	\$ 178,228
Interest	241,660	230,547	141,566	155,810	135,026	227,897	207,851	209,119
Differences Between Expected and Actual Experience	-	-	-	-	-	832,095	-	-
Changes of Assumptions	(93,903)	396,050	(694,662)	(58,196)	216,916	225,508	(187,924)	-
Effect of Liability Gains or Losses	39,968	403,495	(19,850)	(523,658)	-	-	-	-
Benefit Payments	(585,875)	(455,307)	(383,730)	(356,544)	(395,645)	(444,924)	(425,292)	(421,890)
NET CHANGE IN TOTAL OPEB LIABILITY	(288,165)	679,521	(810,827)	(602,262)	167,626	1,010,401	(227,137)	(34,543)
Total OPEB Liability - Beginning of Year	6,279,442	5,599,921	6,410,748	7,013,010	6,845,384	5,834,983	6,062,120	6,096,663
TOTAL OPEB LIABILITY - END OF YEAR	<u>\$ 5,991,277</u>	<u>\$ 6,279,442</u>	<u>\$ 5,599,921</u>	<u>\$ 6,410,748</u>	<u>\$ 7,013,010</u>	<u>\$ 6,845,384</u>	<u>\$ 5,834,983</u>	<u>\$ 6,062,120</u>
Covered-Employee Payroll	\$ 8,803,927	\$ 8,803,927	\$ 7,766,532	\$ 7,766,532	\$ 7,319,913	\$ 7,319,913	\$ 6,875,838	\$ 6,875,838
City's Total OPEB Liability as a Percentage of Covered-Employee Payroll	68.05%	71.33%	72.10%	82.54%	95.81%	93.52%	84.86%	88.17%

* The amounts presented for each fiscal year were determined as of the prior fiscal year-end. Amounts for prior years were not available.

CITY OF TWO RIVERS, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2025

Section 9, Item F.

NOTE 1 WISCONSIN RETIREMENT SYSTEM

Changes of Benefits Terms:

There were no changes of benefits terms for any participating employers in the WRS.

Changes of Assumptions:

Based on a three-year experience study conducted in 2024 covering January 1, 2021 through December 31, 2023, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year ended December 31, 2024, including the following:

Raising the seniority/merit inflation rate from 0.1%-5.6% to 0.1%-5.7%

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-end December 31, 2018, including the following:

Lowering the long-term expected rate of return from 7.2% to 7.0%

Lowering the discount rate from 7.2% to 7.0%

Lowering the wage inflation rate from 3.2% to 3.0%

Lowering the price inflation rate from 2.7% to 2.5%

Lowering the post-retirement adjustments from 2.1% to 1.9%

Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table

**CITY OF TWO RIVERS, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2025**

Section 9, Item F.

NOTE 2 OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS

The City maintains the following two OPEB plans:

Single-Employer Defined Postemployment Benefit Plan

Demographic assumptions have been updated based upon the most recent Wisconsin Retirement System (WRS) experience study. No assets have been accumulated in an irrevocable trust, so the Plan's discount rate applied to all periods is based on a 20-year, tax-exempt general obligation municipal bond index.

Local Retiree Life Insurance Fund (LRLIF)

Changes of Benefits Terms:

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

Changes of Assumptions:

In addition to the rate changes, 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

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

SUPPLEMENTARY INFORMATION

**CITY OF TWO RIVERS, WISCONSIN
GENERAL FUND**

Section 9, Item F.

**DETAILED COMPARISON OF BUDGETED AND ACTUAL REVENUES
YEAR ENDED DECEMBER 31, 2025**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Taxes:				
General Property	\$ 2,288,033	\$ 2,288,033	\$ 2,288,033	\$ -
Interest and Taxes	12,500	12,500	16,319	3,819
Total Taxes	2,300,533	2,300,533	2,304,352	3,819
Special Assessments:				
Street Paving and Construction	275,000	275,000	233,349	(41,651)
Other Special Assessments	5,000	5,000	2,322	(2,678)
Total Special Assessments	280,000	280,000	235,671	(44,329)
Intergovernmental:				
State Shared Taxes	4,825,603	4,825,603	4,825,434	(169)
Exempt Computer Aid	20,753	20,753	20,753	-
Fire Insurance Tax	36,000	36,000	42,168	6,168
Law Enforcement Training	30,000	30,000	29,448	(552)
Expenditure Restraint	161,197	161,197	161,197	-
Other Public Safety	26,000	26,000	-	(26,000)
Municipal Services Payment	5,400	5,400	4,293	(1,107)
Local Highway Aid	471,257	471,257	470,846	(411)
Connecting Streets	129,894	129,894	129,894	-
DNR Payment in Lieu of Taxes	20	20	15	(5)
Total Intergovernmental	5,706,124	5,706,124	5,684,048	(22,076)
Licenses and Permits:				
Licenses:				
Liquor and Malt Beverage	19,000	19,000	19,121	121
Bar Operators	6,000	6,000	5,655	(345)
Cigarette	200	200	100	(100)
Dog	8,000	8,000	5,981	(2,019)
Business and Occupational	2,500	2,500	2,425	(75)
Bicycle	1,300	1,300	1,600	300
Permits:				
Building	105,000	115,000	87,970	(27,030)
Electrical	18,000	18,000	23,146	5,146
Plumbing	25,000	25,000	20,137	(4,863)
Sign	1,700	1,700	2,010	310
Conditional Use	4,500	4,500	3,200	(1,300)
Other Permits	21,000	21,000	19,616	(1,384)
Cable Franchise Fees	100,000	100,000	80,437	(19,563)
Total Licenses and Permits	312,200	322,200	271,398	(50,802)

**CITY OF TWO RIVERS, WISCONSIN
GENERAL FUND**

Section 9, Item F.

**DETAILED COMPARISON OF BUDGETED AND ACTUAL REVENUES (CONTINUED)
YEAR ENDED DECEMBER 31, 2025**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Fines and Forfeits:				
Court Penalties and Costs	\$ 70,000	\$ 70,000	\$ 59,926	\$ (10,074)
Animal Control	800	800	-	(800)
Parking Fines	12,000	12,000	13,452	1,452
Total Fines and Forfeits	82,800	82,800	73,378	(9,422)
Public Charges for Services:				
Community Center	40,000	40,000	41,645	1,645
Senior Center	15,000	15,000	13,066	(1,934)
General Government	25,000	25,000	20,125	(4,875)
Public Works	275,000	275,000	215,881	(59,119)
Cemetery Plots and Burials	110,000	110,000	100,845	(9,155)
Law Enforcement	3,000	3,000	2,357	(643)
Ambulance	840,000	895,000	959,108	64,108
Recreation	90,000	90,000	135,573	45,573
Fire Department	82,000	82,000	63,680	(18,320)
Total Public Charges for Services	1,480,000	1,535,000	1,552,280	17,280
Intergovernmental Charges for Services:				
Police Liaison	170,000	170,000	94,764	(75,236)
Interdepartmental Charges for Services:				
Public Works	525,000	525,000	462,891	(62,109)
Recreation	32,000	32,000	2,352	(29,648)
Economic Development	30,000	-	2,000	2,000
Total Interdepartmental Charges for Services	587,000	557,000	467,243	(89,757)
Miscellaneous:				
Interest on Investments	200,000	100,000	112,285	12,285
Interest on Advances	24,000	24,000	49,607	25,607
Interest on Special Assessments	40,000	40,000	38,122	(1,878)
Rental Income	70,000	70,000	363,229	293,229
Refunds for Prior Years	35,000	35,000	33,297	(1,703)
Other	20,000	20,000	4,028	(15,972)
Total Miscellaneous	389,000	289,000	600,568	311,568
Total Revenues	\$ 11,307,657	\$ 11,242,657	\$ 11,283,702	\$ 41,045

**CITY OF TWO RIVERS, WISCONSIN
GENERAL FUND**

Section 9, Item F.

**DETAILED COMPARISON OF BUDGETED AND ACTUAL EXPENDITURES
YEAR ENDED DECEMBER 31, 2025**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
General Government:				
Council	\$ 16,147	\$ 16,147	\$ 16,274	\$ (127)
Judicial	64,876	64,876	58,131	6,745
Clerk	92,892	92,892	89,779	3,113
Assessor	128,425	128,425	119,902	8,523
Elections	25,275	25,275	18,663	6,612
City Manager	214,706	123,681	124,070	(389)
City Hall	95,714	95,714	98,367	(2,653)
Information Systems	128,873	128,873	125,126	3,747
Other General Government	26,500	26,500	25,380	1,120
Insurance and Bonds	415,264	415,264	387,608	27,656
Legal	63,481	63,481	60,894	2,587
Accounting	160,792	160,792	166,411	(5,619)
Uncollectible Taxes and Refunds	10,000	10,000	4,009	5,991
Total General Government	1,442,945	1,351,920	1,294,614	57,306
Public Safety:				
Police and Fire Commission	5,500	5,500	3,166	2,334
Police Department	3,837,419	3,837,419	3,988,424	(151,005)
Fire Department	2,535,030	2,535,030	2,536,049	(1,019)
Ambulance	438,592	438,592	446,104	(7,512)
Inspection	126,000	201,000	225,126	(24,126)
Total Public Safety	6,942,541	7,017,541	7,198,869	(181,328)
Public Works:				
Public Works Shop	680,223	680,223	789,543	(109,320)
Highway Administration	187,257	187,257	185,025	2,232
Bridge Repairs and Maintenance	46,130	46,130	27,362	18,768
Street and Highway Maintenance	250,297	250,297	186,719	63,578
Snow and Ice Removal	234,695	234,695	160,840	73,855
Traffic Control	65,646	65,646	67,334	(1,688)
Transit	145,000	145,000	144,189	811
Work Done for Others	159,679	159,679	198,728	(39,049)
Total Public Works	1,768,927	1,768,927	1,759,740	9,187
Health and Human Services:				
Cemetery	220,822	216,731	231,457	(14,726)
Senior Center	205,077	205,077	213,495	(8,418)
Total Health and Human Services	425,899	421,808	444,952	(23,144)
Culture and Recreation:				
Community Center	482,420	482,420	442,079	40,341
Parks	397,104	397,104	421,519	(24,415)
Recreation	340,199	340,199	354,178	(13,979)
Special Events	43,115	43,115	49,729	(6,614)
Recreation Fields	160,428	160,428	165,868	(5,440)
Total Culture and Recreation	1,423,266	1,423,266	1,433,373	(10,107)
Capital Outlay:				
Equipment	-	-	76,831	(76,831)
Total Expenditures	\$ 12,003,578	\$ 11,983,462	\$ 12,208,379	\$ (224,917)

CITY OF TWO RIVERS, WISCONSIN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – DEBT SERVICE FUND
YEAR ENDED DECEMBER 31, 2025

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 2,551,538	\$ 2,551,538	\$ 2,551,538	\$ -
Miscellaneous	153,500	153,500	214,710	61,210
Total Revenues	<u>2,705,038</u>	<u>2,705,038</u>	<u>2,766,248</u>	<u>61,210</u>
EXPENDITURES				
Debt Service:				
Principal	2,410,967	2,410,967	2,433,694	(22,727)
Interest and Fiscal Charges	606,348	606,348	747,007	(140,659)
Total Expenditures	<u>3,017,315</u>	<u>3,017,315</u>	<u>3,180,701</u>	<u>(163,386)</u>
DEFICIT OF REVENUES UNDER EXPENDITURES	(312,277)	(312,277)	(414,453)	(102,176)
OTHER FINANCING SOURCES (USES)				
Long-Term Debt Issued	-	-	2,503	2,503
Premium on Debt Issued	-	-	160,217	160,217
Transfers In	202,213	202,213	229,453	27,240
Transfers Out	(50,534)	(50,534)	-	50,534
Total Other Financing Sources (Uses)	<u>151,679</u>	<u>151,679</u>	<u>392,173</u>	<u>240,494</u>
NET CHANGE IN FUND BALANCE	(160,598)	(160,598)	(22,280)	138,318
Fund Balance - Beginning of Year	<u>361,470</u>	<u>361,470</u>	<u>361,470</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 200,872</u>	<u>\$ 200,872</u>	<u>\$ 339,190</u>	<u>\$ 138,318</u>

**CITY OF TWO RIVERS, WISCONSIN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2025**

Section 9, Item F.

	Special Revenue				
	Library	Library Gift	Community Tourism	Special Events Donations	WDF Administrative
ASSETS					
Cash and Investments	\$ 333,397	\$ 97,060	\$ 56,294	\$ 34,113	\$ 200
Receivables:					
Taxes and Special Charges	381,987	-	-	-	-
Accounts	-	-	-	-	-
Loans	-	-	-	-	-
Due from Other Funds	-	-	-	-	-
Due from Other Governments	-	-	-	-	-
Inventories and Prepaid Items	-	-	-	-	-
Total Assets	<u>\$ 715,384</u>	<u>\$ 97,060</u>	<u>\$ 56,294</u>	<u>\$ 34,113</u>	<u>\$ 200</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 626	\$ -	\$ 9	\$ 551	\$ -
Accrued and Other Current Liabilities	21,012	-	2,689	-	-
Due to Other Funds	-	-	-	-	-
Due to Other Governments	35	-	-	-	-
Special Deposits	193	-	-	-	-
Total Liabilities	<u>21,866</u>	<u>-</u>	<u>2,698</u>	<u>551</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Property Taxes Levied for Subsequent Year	695,425	-	-	-	-
Loans Receivable	-	-	-	-	-
Total Deferred Inflows of Resources	<u>695,425</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	-	97,060	-	-	200
Committed	-	-	53,596	33,562	-
Unassigned	(1,907)	-	-	-	-
Total Fund Balances	<u>(1,907)</u>	<u>97,060</u>	<u>53,596</u>	<u>33,562</u>	<u>200</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 715,384</u>	<u>\$ 97,060</u>	<u>\$ 56,294</u>	<u>\$ 34,113</u>	<u>\$ 200</u>

CITY OF TWO RIVERS, WISCONSIN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2025

	Special Revenue				
	Business Improvement District	Docks and Harbors	Urban Forestry	Senior Center	Golf Simulator
ASSETS					
Cash and Investments	\$ 8,477	\$ 8,844	\$ -	\$ 12,579	\$ 5,915
Receivables:					
Taxes and Special Charges	44,384	-	-	-	-
Accounts	8,093	-	-	-	-
Loans	-	-	-	-	-
Due from Other Funds	-	-	-	-	-
Due from Other Governments	-	-	-	-	-
Inventories and Prepaid Items	-	-	-	-	-
Total Assets	<u>\$ 60,954</u>	<u>\$ 8,844</u>	<u>\$ -</u>	<u>\$ 12,579</u>	<u>\$ 5,915</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ -	\$ 32	\$ 7,125	\$ 3,222	\$ -
Accrued and Other Current Liabilities	-	-	125	866	-
Due to Other Funds	-	-	21,783	-	-
Due to Other Governments	-	-	-	-	-
Special Deposits	-	-	-	480	-
Total Liabilities	<u>-</u>	<u>32</u>	<u>29,033</u>	<u>4,568</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Property Taxes Levied for					
Subsequent Year	52,861	-	-	-	-
Loans Receivable	-	-	-	-	-
Total Deferred Inflows of Resources	<u>52,861</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	8,093	8,812	-	8,011	5,915
Unassigned	-	-	(29,033)	-	-
Total Fund Balances	<u>8,093</u>	<u>8,812</u>	<u>(29,033)</u>	<u>8,011</u>	<u>5,915</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 60,954</u>	<u>\$ 8,844</u>	<u>\$ -</u>	<u>\$ 12,579</u>	<u>\$ 5,915</u>

**CITY OF TWO RIVERS, WISCONSIN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2025**

	Special Revenue				
	Tree Planting	EMS Act 102 Grant	Business and Industrial Revolving Loans	Sandy Bay Highlands	Affordable Housing
ASSETS					
Cash and Investments	\$ 8,125	\$ 62,753	\$ 1,204,443	\$ 417,777	\$ 141,477
Receivables:					
Taxes and Special Charges	-	-	-	-	-
Accounts	-	-	-	-	-
Loans	-	-	728,392	-	-
Due from Other Funds	-	-	-	-	-
Due from Other Governments	-	-	-	-	-
Inventories and Prepaid Items	-	-	-	-	-
Total Assets	<u>\$ 8,125</u>	<u>\$ 62,753</u>	<u>\$ 1,932,835</u>	<u>\$ 417,777</u>	<u>\$ 141,477</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ -	\$ 11,667	\$ 200,000	\$ -	\$ -
Accrued and Other Current Liabilities	-	-	-	-	-
Due to Other Funds	-	-	-	-	-
Due to Other Governments	-	-	-	-	-
Special Deposits	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>11,667</u>	<u>200,000</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Property Taxes Levied for					
Subsequent Year	-	-	-	-	-
Loans Receivable	-	-	728,392	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>728,392</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	-	51,086	1,004,443	-	141,477
Committed	8,125	-	-	417,777	-
Unassigned	-	-	-	-	-
Total Fund Balances	<u>8,125</u>	<u>51,086</u>	<u>1,004,443</u>	<u>417,777</u>	<u>141,477</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 8,125</u>	<u>\$ 62,753</u>	<u>\$ 1,932,835</u>	<u>\$ 417,777</u>	<u>\$ 141,477</u>

CITY OF TWO RIVERS, WISCONSIN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2025

	Special Revenue				
	K-9 Fund	Medical/ Hospital Equipment	Community Development	ARPA Fund	Recreation Concession
ASSETS					
Cash and Investments	\$ 87,629	\$ 25,931	\$ -	\$ -	\$ -
Receivables:					
Taxes and Special Charges	-	-	-	-	-
Accounts	-	-	-	-	-
Loans	-	-	-	-	-
Due from Other Funds	-	-	-	-	-
Due from Other Governments	-	-	-	139,419	-
Inventories and Prepaid Items	-	-	-	-	-
Total Assets	<u>\$ 87,629</u>	<u>\$ 25,931</u>	<u>\$ -</u>	<u>\$ 139,419</u>	<u>\$ -</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ 774	\$ -	\$ -
Accrued and Other Current Liabilities	-	-	3,243	-	-
Due to Other Funds	-	-	14,243	139,419	-
Due to Other Governments	-	-	-	-	-
Special Deposits	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>18,260</u>	<u>139,419</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Property Taxes Levied for					
Subsequent Year	-	-	-	-	-
Loans Receivable	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	-	25,931	-	-	-
Committed	87,629	-	-	-	-
Unassigned	-	-	(18,260)	-	-
Total Fund Balances	<u>87,629</u>	<u>25,931</u>	<u>(18,260)</u>	<u>-</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 87,629</u>	<u>\$ 25,931</u>	<u>\$ -</u>	<u>\$ 139,419</u>	<u>\$ -</u>

**CITY OF TWO RIVERS, WISCONSIN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2025**

	Capital Projects				
	Street Construction	Bridge Construction	Park and Cemetery Construction	Fire Equipment	Public Works Equipment
ASSETS					
Cash and Investments	\$ 538,291	\$ 55,951	\$ 197,783	\$ -	\$ 685,827
Receivables:					
Taxes and Special Charges	-	-	-	-	-
Accounts	-	-	-	-	-
Loans	-	-	-	-	-
Due from Other Funds	-	-	-	-	-
Due from Other Governments	-	-	-	-	-
Inventories and Prepaid Items	-	-	-	-	223,687
Total Assets	<u>\$ 538,291</u>	<u>\$ 55,951</u>	<u>\$ 197,783</u>	<u>\$ -</u>	<u>\$ 909,514</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 312,222	\$ -	\$ 26,559	\$ (513)	\$ 22,034
Accrued and Other Current Liabilities	-	-	-	-	-
Due to Other Funds	-	-	-	29,240	-
Due to Other Governments	-	-	-	-	-
Special Deposits	-	-	-	-	-
Total Liabilities	<u>312,222</u>	<u>-</u>	<u>26,559</u>	<u>28,727</u>	<u>22,034</u>
DEFERRED INFLOWS OF RESOURCES					
Property Taxes Levied for					
Subsequent Year	-	-	-	-	-
Loans Receivable	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	-	-	223,687
Restricted	-	51,481	-	-	256,054
Committed	226,069	4,470	171,224	-	407,739
Unassigned	-	-	-	(28,727)	-
Total Fund Balances	<u>226,069</u>	<u>55,951</u>	<u>171,224</u>	<u>(28,727)</u>	<u>887,480</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 538,291</u>	<u>\$ 55,951</u>	<u>\$ 197,783</u>	<u>\$ -</u>	<u>\$ 909,514</u>

CITY OF TWO RIVERS, WISCONSIN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2025

	Capital Projects				
	City Hall Equipment	Management Information	Police Equipment	TIF District No. 6	TIF District No. 7
ASSETS					
Cash and Investments	\$ 15,253	\$ -	\$ 106,022	\$ -	\$ 765,811
Receivables:					
Taxes and Special Charges	-	-	-	25,991	37,993
Accounts	-	-	-	-	-
Loans	-	-	-	-	-
Due from Other Funds	-	-	-	-	256,237
Due from Other Governments	-	-	-	-	-
Inventories and Prepaid Items	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 15,253</u>	<u>\$ -</u>	<u>\$ 106,022</u>	<u>\$ 25,991</u>	<u>\$ 1,060,041</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ 28,966	\$ -	\$ -
Accrued and Other Current Liabilities	-	-	-	-	-
Due to Other Funds	-	26,865	120,000	111,541	-
Due to Other Governments	-	-	-	-	-
Special Deposits	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>26,865</u>	<u>148,966</u>	<u>111,541</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Property Taxes Levied for					
Subsequent Year	-	-	-	47,318	69,168
Loans Receivable	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,318</u>	<u>69,168</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	-	-	82,527	-	990,873
Committed	15,253	-	-	-	-
Unassigned	-	(26,865)	(125,471)	(132,868)	-
Total Fund Balances	<u>15,253</u>	<u>(26,865)</u>	<u>(42,944)</u>	<u>(132,868)</u>	<u>990,873</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 15,253</u>	<u>\$ -</u>	<u>\$ 106,022</u>	<u>\$ 25,991</u>	<u>\$ 1,060,041</u>

**CITY OF TWO RIVERS, WISCONSIN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2025**

	Capital Projects				
	TIF District No. 8	TIF District No. 9	TIF District No. 10	TIF District No. 11	TIF District No. 12
ASSETS					
Cash and Investments	\$ 114,160	\$ 193,116	\$ -	\$ 69,810	\$ 338,766
Receivables:					
Taxes and Special Charges	123,140	93,178	44,471	22,336	48,648
Accounts	-	-	-	-	-
Loans	-	-	-	-	-
Due from Other Funds	-	-	-	-	-
Due from Other Governments	-	-	-	-	-
Inventories and Prepaid Items	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 237,300</u>	<u>\$ 286,294</u>	<u>\$ 44,471</u>	<u>\$ 92,146</u>	<u>\$ 387,414</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued and Other Current Liabilities	-	-	-	-	-
Due to Other Funds	-	-	105,899	-	-
Due to Other Governments	-	-	-	-	-
Special Deposits	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>105,899</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Property Taxes Levied for					
Subsequent Year	224,182	169,636	80,962	40,664	88,566
Loans Receivable	-	-	-	-	-
Total Deferred Inflows of Resources	<u>224,182</u>	<u>169,636</u>	<u>80,962</u>	<u>40,664</u>	<u>88,566</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	13,118	116,658	-	51,482	298,848
Committed	-	-	-	-	-
Unassigned	-	-	(142,390)	-	-
Total Fund Balances	<u>13,118</u>	<u>116,658</u>	<u>(142,390)</u>	<u>51,482</u>	<u>298,848</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 237,300</u>	<u>\$ 286,294</u>	<u>\$ 44,471</u>	<u>\$ 92,146</u>	<u>\$ 387,414</u>

**CITY OF TWO RIVERS, WISCONSIN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2025**

	Capital Projects				
	TIF District No. 13	TIF District No. 14	TIF District No. 15	TIF District No. 16	TIF District No. 17
ASSETS					
Cash and Investments	\$ 92,487	\$ 115,572	\$ -	\$ -	\$ -
Receivables:					
Taxes and Special Charges	31,333	38,502	516	36	1,250
Accounts	-	-	-	-	-
Loans	-	-	-	-	-
Due from Other Funds	-	-	-	-	-
Due from Other Governments	-	-	-	-	-
Inventories and Prepaid Items	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 123,820</u>	<u>\$ 154,074</u>	<u>\$ 516</u>	<u>\$ 36</u>	<u>\$ 1,250</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued and Other Current Liabilities	-	-	-	-	-
Due to Other Funds	-	-	8,677	7,416	4,962
Due to Other Governments	-	-	-	-	-
Special Deposits	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>8,677</u>	<u>7,416</u>	<u>4,962</u>
DEFERRED INFLOWS OF RESOURCES					
Property Taxes Levied for					
Subsequent Year	57,044	70,095	939	66	2,276
Loans Receivable	-	-	-	-	-
Total Deferred Inflows of Resources	<u>57,044</u>	<u>70,095</u>	<u>939</u>	<u>66</u>	<u>2,276</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	66,776	83,979	-	-	-
Committed	-	-	-	-	-
Unassigned	-	-	(9,100)	(7,446)	(5,988)
Total Fund Balances	<u>66,776</u>	<u>83,979</u>	<u>(9,100)</u>	<u>(7,446)</u>	<u>(5,988)</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 123,820</u>	<u>\$ 154,074</u>	<u>\$ 516</u>	<u>\$ 36</u>	<u>\$ 1,250</u>

**CITY OF TWO RIVERS, WISCONSIN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2025**

	Capital Projects				
	Industrial Park Development	City Landfill	Central Park Renovation	High School Bike Trail	Harbor Master Plan
ASSETS					
Cash and Investments	\$ -	\$ 194,643	\$ -	\$ 43,799	\$ 458,483
Receivables:					
Taxes and Special Charges	-	-	-	-	-
Accounts	-	-	-	-	-
Loans	4,125	-	-	-	-
Due from Other Funds	-	-	-	-	-
Due from Other Governments	-	-	-	-	-
Inventories and Prepaid Items	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 4,125</u>	<u>\$ 194,643</u>	<u>\$ -</u>	<u>\$ 43,799</u>	<u>\$ 458,483</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ -	\$ 4,624	\$ -	\$ -	\$ -
Accrued and Other Current Liabilities	-	-	-	-	-
Due to Other Funds	42,969	-	18,577	-	-
Due to Other Governments	-	-	-	-	-
Special Deposits	4,481	-	-	-	-
Total Liabilities	<u>47,450</u>	<u>4,624</u>	<u>18,577</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Property Taxes Levied for Subsequent Year	-	-	-	-	-
Loans Receivable	<u>4,125</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>4,125</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	190,019	-	43,799	458,483
Unassigned	<u>(47,450)</u>	<u>-</u>	<u>(18,577)</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>(47,450)</u>	<u>190,019</u>	<u>(18,577)</u>	<u>43,799</u>	<u>458,483</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 4,125</u>	<u>\$ 194,643</u>	<u>\$ -</u>	<u>\$ 43,799</u>	<u>\$ 458,483</u>

**CITY OF TWO RIVERS, WISCONSIN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2025**

	Capital Projects			Totals
	Library Building and Grounds	South Shore Waterfront Park	Resilient Shoreline Planning	
ASSETS				
Cash and Investments	\$ 11,025	\$ -	\$ -	\$ 6,501,813
Receivables:				
Taxes and Special Charges	-	-	-	893,765
Accounts	-	-	-	8,093
Loans	-	-	-	732,517
Due from Other Funds	-	-	-	256,237
Due from Other Governments	-	-	-	139,419
Inventories and Prepaid Items	-	-	-	223,687
Total Assets	<u>\$ 11,025</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,755,531</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ 617,898
Accrued and Other Current Liabilities	-	-	-	27,935
Due to Other Funds	-	-	84,494	736,085
Due to Other Governments	-	-	-	35
Special Deposits	-	-	-	5,154
Total Liabilities	<u>-</u>	<u>-</u>	<u>84,494</u>	<u>1,387,107</u>
DEFERRED INFLOWS OF RESOURCES				
Property Taxes Levied for				
Subsequent Year	-	-	-	1,599,202
Loans Receivable	-	-	-	732,517
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,331,719</u>
FUND BALANCES				
Nonspendable	-	-	-	223,687
Restricted	-	-	-	3,331,993
Committed	11,025	-	-	2,159,601
Unassigned	-	-	(84,494)	(678,576)
Total Fund Balances	<u>11,025</u>	<u>-</u>	<u>(84,494)</u>	<u>5,036,705</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 11,025</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,755,531</u>

**CITY OF TWO RIVERS, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2025**

	Special Revenue				
	Library	Library Gift	Community Tourism	Special Events Donations	WDF Administrative
REVENUES					
Taxes	\$ 681,790	\$ -	\$ 305,146	\$ -	\$ -
Special Assessments	-	-	-	-	-
Intergovernmental	226,860	-	-	-	-
Public Charges for Services	9,627	-	17,257	-	-
Miscellaneous	81,224	22,972	3,101	53,991	-
Total Revenues	999,501	22,972	325,504	53,991	-
EXPENDITURES					
Current:					
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Health and Human Services	-	-	-	-	-
Culture and Recreation	999,757	8,052	-	61,099	-
Conservation and Development	-	-	240,581	-	-
Capital Outlay:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Conservation and Development	-	-	-	-	-
Debt Service:					
Interest and Fiscal Charges	-	-	-	-	-
Total Expenditures	999,757	8,052	240,581	61,099	-
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	(256)	14,920	84,923	(7,108)	-
OTHER FINANCING SOURCES (USES)					
Long-Term Debt Issued	-	-	-	-	-
Proceeds from Sale of Capital Assets	2,463	-	-	-	-
Transfers In	-	-	213,667	10,745	-
Transfers Out	(3,894)	-	(350,239)	-	-
Total Other Financing Sources (Uses)	(1,431)	-	(136,572)	10,745	-
NET CHANGE IN FUND BALANCES	(1,687)	14,920	(51,649)	3,637	-
Fund Balances - Beginning of Year	(220)	82,140	105,245	29,925	200
FUND BALANCES - END OF YEAR	<u>\$ (1,907)</u>	<u>\$ 97,060</u>	<u>\$ 53,596</u>	<u>\$ 33,562</u>	<u>\$ 200</u>

CITY OF TWO RIVERS, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

	Special Revenue				
	Business Improvement District	Docks and Harbors	Urban Forestry	Senior Center	Golf Simulator
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	52,423	-	-	-	-
Intergovernmental	-	-	25,000	10,800	-
Public Charges for Services	-	9,554	-	82,422	11,021
Miscellaneous	-	25	118	16,567	-
Total Revenues	52,423	9,579	25,118	109,789	11,021
EXPENDITURES					
Current:					
Public Safety	-	-	-	-	-
Public Works	-	5,304	-	-	-
Health and Human Services	-	-	-	109,415	-
Culture and Recreation	-	-	-	2,815	4,318
Conservation and Development	50,013	-	91,225	-	-
Capital Outlay:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Conservation and Development	-	-	-	-	-
Debt Service:					
Interest and Fiscal Charges	-	-	-	-	-
Total Expenditures	50,013	5,304	91,225	112,230	4,318
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	2,410	4,275	(66,107)	(2,441)	6,703
OTHER FINANCING SOURCES (USES)					
Long-Term Debt Issued	-	-	-	-	-
Proceeds from Sale of Capital Assets	-	-	-	-	-
Transfers In	-	-	59,500	-	-
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	59,500	-	-
NET CHANGE IN FUND BALANCES	2,410	4,275	(6,607)	(2,441)	6,703
Fund Balances - Beginning of Year	5,683	4,537	(22,426)	10,452	(788)
FUND BALANCES - END OF YEAR	\$ 8,093	\$ 8,812	\$ (29,033)	\$ 8,011	\$ 5,915

CITY OF TWO RIVERS, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

	Special Revenue				
			Business		
	Tree Planting	EMS Act 102 Grant	and Industrial Revolving Loans	Sandy Bay Highlands	Affordable Housing
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-
Intergovernmental	-	90,549	-	-	-
Public Charges for Services	-	-	-	-	-
Miscellaneous	42,309	-	74,372	-	-
Total Revenues	42,309	90,549	74,372	-	-
EXPENDITURES					
Current:					
Public Safety	-	51,509	-	-	-
Public Works	-	-	-	-	-
Health and Human Services	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Conservation and Development	15,811	-	288,816	17	-
Capital Outlay:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Conservation and Development	-	-	-	49,144	-
Debt Service:					
Interest and Fiscal Charges	-	-	-	-	-
Total Expenditures	15,811	51,509	288,816	49,161	-
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	26,498	39,040	(214,444)	(49,161)	-
OTHER FINANCING SOURCES (USES)					
Long-Term Debt Issued	-	-	-	-	-
Proceeds from Sale of Capital Assets	-	-	-	534,010	-
Transfers In	-	-	9,612	-	-
Transfers Out	(19,500)	-	(37,500)	(62,031)	-
Total Other Financing Sources (Uses)	(19,500)	-	(27,888)	471,979	-
NET CHANGE IN FUND BALANCES	6,998	39,040	(242,332)	422,818	-
Fund Balances - Beginning of Year	1,127	12,046	1,246,775	(5,041)	141,477
FUND BALANCES - END OF YEAR	<u>\$ 8,125</u>	<u>\$ 51,086</u>	<u>\$ 1,004,443</u>	<u>\$ 417,777</u>	<u>\$ 141,477</u>

CITY OF TWO RIVERS, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

	Special Revenue				
	K-9 Fund	Medical/ Hospital Equipment	Community Development	ARPA Fund	Recreation Concession
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-
Intergovernmental	-	-	-	777,428	-
Public Charges for Services	-	-	-	-	49,116
Miscellaneous	29,770	112,572	-	24,831	-
Total Revenues	29,770	112,572	-	802,259	49,116
EXPENDITURES					
Current:					
Public Safety	6,455	107,405	-	-	-
Public Works	-	-	-	-	-
Health and Human Services	-	-	-	-	-
Culture and Recreation	-	-	-	-	38,371
Conservation and Development	-	-	110,560	894,808	-
Capital Outlay:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Conservation and Development	-	-	-	-	-
Debt Service:					
Interest and Fiscal Charges	-	-	-	-	-
Total Expenditures	6,455	107,405	110,560	894,808	38,371
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	23,315	5,167	(110,560)	(92,549)	10,745
OTHER FINANCING SOURCES (USES)					
Long-Term Debt Issued	-	-	-	-	-
Proceeds from Sale of Capital Assets	-	-	-	-	-
Transfers In	-	-	37,500	4,576	-
Transfers Out	-	-	(40,000)	-	(10,745)
Total Other Financing Sources (Uses)	-	-	(2,500)	4,576	(10,745)
NET CHANGE IN FUND BALANCES	23,315	5,167	(113,060)	(87,973)	-
Fund Balances - Beginning of Year	64,314	20,764	94,800	87,973	-
FUND BALANCES - END OF YEAR	\$ 87,629	\$ 25,931	\$ (18,260)	\$ -	\$ -

CITY OF TWO RIVERS, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

	Capital Projects				
	Street Construction	Bridge Construction	Park and Cemetery Construction	Fire Equipment	Public Works Equipment
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-
Intergovernmental	-	-	130,158	-	-
Public Charges for Services	-	-	-	-	-
Miscellaneous	-	-	200,000	37,307	39,608
Total Revenues	-	-	330,158	37,307	39,608
EXPENDITURES					
Current:					
Public Safety	-	-	-	13,078	-
Public Works	-	-	-	-	-
Health and Human Services	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Conservation and Development	-	-	-	-	-
Capital Outlay:					
General Government	-	-	-	-	-
Public Safety	-	-	-	275,570	-
Public Works	1,192,859	12,836	-	-	194,961
Culture and Recreation	-	-	671,310	-	-
Conservation and Development	-	-	-	-	-
Debt Service:					
Interest and Fiscal Charges	-	-	-	-	-
Total Expenditures	1,192,859	12,836	671,310	288,648	194,961
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	(1,192,859)	(12,836)	(341,152)	(251,341)	(155,353)
OTHER FINANCING SOURCES (USES)					
Long-Term Debt Issued	1,265,263	-	466,000	112,500	427,234
Proceeds from Sale of Capital Assets	-	-	-	-	-
Transfers In	-	-	35,000	-	-
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	1,265,263	-	501,000	112,500	427,234
NET CHANGE IN FUND BALANCES	72,404	(12,836)	159,848	(138,841)	271,881
Fund Balances - Beginning of Year	153,665	68,787	11,376	110,114	615,599
FUND BALANCES - END OF YEAR	<u>\$ 226,069</u>	<u>\$ 55,951</u>	<u>\$ 171,224</u>	<u>\$ (28,727)</u>	<u>\$ 887,480</u>

**CITY OF TWO RIVERS, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2025**

	Capital Projects				
	City Hall Equipment	Management Information	Police Equipment	TIF District No. 6	TIF District No. 7
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ 16,811	\$ 62,721
Special Assessments	-	-	-	-	-
Intergovernmental	-	-	-	87	2,052
Public Charges for Services	-	-	-	-	-
Miscellaneous	-	-	2,500	-	13,483
Total Revenues	-	-	2,500	16,898	78,256
EXPENDITURES					
Current:					
Public Safety	-	-	1,118	-	-
Public Works	-	-	-	-	-
Health and Human Services	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Conservation and Development	-	-	-	1,400	2,807
Capital Outlay:					
General Government	61,151	38,172	-	-	-
Public Safety	-	-	81,821	-	-
Public Works	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Conservation and Development	-	-	-	-	-
Debt Service:					
Interest and Fiscal Charges	-	-	-	4,741	-
Total Expenditures	61,151	38,172	82,939	6,141	2,807
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	(61,151)	(38,172)	(80,439)	10,757	75,449
OTHER FINANCING SOURCES (USES)					
Long-Term Debt Issued	25,000	-	136,500	-	-
Proceeds from Sale of Capital Assets	-	-	-	-	-
Transfers In	125,000	64,900	15,663	-	-
Transfers Out	-	(9,900)	-	-	(112,017)
Total Other Financing Sources (Uses)	150,000	55,000	152,163	-	(112,017)
NET CHANGE IN FUND BALANCES	88,849	16,828	71,724	10,757	(36,568)
Fund Balances - Beginning of Year	(73,596)	(43,693)	(114,668)	(143,625)	1,027,441
FUND BALANCES - END OF YEAR	\$ 15,253	\$ (26,865)	\$ (42,944)	\$ (132,868)	\$ 990,873

CITY OF TWO RIVERS, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

	Capital Projects				
	TIF District No. 8	TIF District No. 9	TIF District No. 10	TIF District No. 11	TIF District No. 12
REVENUES					
Taxes	\$ 238,202	\$ 11,381	\$ 106,914	\$ 30,719	\$ 53,224
Special Assessments	-	-	-	-	-
Intergovernmental	393	8,149	1,763	18,024	19,153
Public Charges for Services	-	-	-	-	-
Miscellaneous	-	-	27,500	-	-
Total Revenues	238,595	19,530	136,177	48,743	72,377
EXPENDITURES					
Current:					
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Health and Human Services	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Conservation and Development	16,489	82,245	25,525	1,400	3,144
Capital Outlay:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Conservation and Development	94,882	-	-	-	-
Debt Service:					
Interest and Fiscal Charges	-	-	4,014	-	-
Total Expenditures	111,371	82,245	29,539	1,400	3,144
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	127,224	(62,715)	106,638	47,343	69,233
OTHER FINANCING SOURCES (USES)					
Long-Term Debt Issued	-	-	-	-	-
Proceeds from Sale of Capital Assets	-	-	-	-	-
Transfers In	-	-	-	-	-
Transfers Out	(97,723)	-	(21,050)	-	(204,199)
Total Other Financing Sources (Uses)	(97,723)	-	(21,050)	-	(204,199)
NET CHANGE IN FUND BALANCES	29,501	(62,715)	85,588	47,343	(134,966)
Fund Balances - Beginning of Year	(16,383)	179,373	(227,978)	4,139	433,814
FUND BALANCES - END OF YEAR	<u>\$ 13,118</u>	<u>\$ 116,658</u>	<u>\$ (142,390)</u>	<u>\$ 51,482</u>	<u>\$ 298,848</u>

CITY OF TWO RIVERS, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

	Capital Projects				
	TIF District No. 13	TIF District No. 14	TIF District No. 15	TIF District No. 16	TIF District No. 17
REVENUES					
Taxes	\$ 44,284	\$ 12,423	\$ 2	\$ 5	\$ 70
Special Assessments	-	-	-	-	-
Intergovernmental	2,449	6,626	-	-	-
Public Charges for Services	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Revenues	46,733	19,049	2	5	70
EXPENDITURES					
Current:					
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Health and Human Services	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Conservation and Development	32,806	66,936	1,401	1,400	1,400
Capital Outlay:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Conservation and Development	-	-	-	-	-
Debt Service:					
Interest and Fiscal Charges	-	-	264	216	174
Total Expenditures	32,806	66,936	1,665	1,616	1,574
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	13,927	(47,887)	(1,663)	(1,611)	(1,504)
OTHER FINANCING SOURCES (USES)					
Long-Term Debt Issued	-	-	-	-	-
Proceeds from Sale of Capital Assets	-	-	-	-	-
Transfers In	-	-	-	-	-
Transfers Out	-	(12,764)	-	-	-
Total Other Financing Sources (Uses)	-	(12,764)	-	-	-
NET CHANGE IN FUND BALANCES	13,927	(60,651)	(1,663)	(1,611)	(1,504)
Fund Balances - Beginning of Year	52,849	144,630	(7,437)	(5,835)	(4,484)
FUND BALANCES - END OF YEAR	<u>\$ 66,776</u>	<u>\$ 83,979</u>	<u>\$ (9,100)</u>	<u>\$ (7,446)</u>	<u>\$ (5,988)</u>

CITY OF TWO RIVERS, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

	Capital Projects				
	Industrial Park Development	City Landfill	Central Park Renovation	Bike Trail	Harbor Master Plan
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Public Charges for Services	-	-	-	-	-
Miscellaneous	96,383	145,061	-	-	-
Total Revenues	96,383	145,061	-	-	-
EXPENDITURES					
Current:					
Public Safety	-	-	-	-	-
Public Works	-	88,097	-	-	-
Health and Human Services	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Conservation and Development	2,025	-	-	-	-
Capital Outlay:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	190,650	-	-	-
Culture and Recreation	-	-	-	10,319	-
Conservation and Development	16,989	-	-	-	-
Debt Service:					
Interest and Fiscal Charges	1,252	-	-	-	-
Total Expenditures	20,266	278,747	-	10,319	-
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	76,117	(133,686)	-	(10,319)	-
OTHER FINANCING SOURCES (USES)					
Long-Term Debt Issued	-	-	-	-	-
Proceeds from Sale of Capital Assets	-	-	-	-	-
Transfers In	-	-	25,000	-	-
Transfers Out	(140,000)	(23,114)	-	-	-
Total Other Financing Sources (Uses)	(140,000)	(23,114)	25,000	-	-
NET CHANGE IN FUND BALANCES	(63,883)	(156,800)	25,000	(10,319)	-
Fund Balances - Beginning of Year	16,433	346,819	(43,577)	54,118	458,483
FUND BALANCES - END OF YEAR	<u>\$ (47,450)</u>	<u>\$ 190,019</u>	<u>\$ (18,577)</u>	<u>\$ 43,799</u>	<u>\$ 458,483</u>

**CITY OF TWO RIVERS, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2025**

	Capital Projects			Totals
	Library Building and Grounds	South Shore Waterfront Park	Resilient Shoreline Planning	
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 1,563,692
Special Assessments	-	-	-	52,423
Intergovernmental	-	-	-	1,319,491
Public Charges for Services	-	-	-	178,997
Miscellaneous	1,931	-	101,247	1,126,872
Total Revenues	1,931	-	101,247	4,241,475
EXPENDITURES				
Current:				
Public Safety	-	-	-	179,565
Public Works	-	-	245,741	339,142
Health and Human Services	-	-	-	109,415
Culture and Recreation	-	-	-	1,114,412
Conservation and Development	-	-	-	1,930,809
Capital Outlay:				
General Government	-	-	-	99,323
Public Safety	-	-	-	357,391
Public Works	-	-	-	1,591,306
Culture and Recreation	-	-	-	681,629
Conservation and Development	-	-	-	161,015
Debt Service:				
Interest and Fiscal Charges	-	-	-	10,661
Total Expenditures	-	-	245,741	6,574,668
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	1,931	-	(144,494)	(2,333,193)
OTHER FINANCING SOURCES (USES)				
Long-Term Debt Issued	-	-	-	2,432,497
Proceeds from Sale of Capital Assets	-	-	-	536,473
Transfers In	-	-	60,000	661,163
Transfers Out	-	(60,000)	-	(1,204,676)
Total Other Financing Sources (Uses)	-	(60,000)	60,000	2,425,457
NET CHANGE IN FUND BALANCES	1,931	(60,000)	(84,494)	92,264
Fund Balances - Beginning of Year	9,094	60,000	-	4,944,441
FUND BALANCES - END OF YEAR	\$ 11,025	\$ -	\$ (84,494)	\$ 5,036,705

**CITY OF TWO RIVERS, WISCONSIN
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2025**

Section 9, Item F.

	Telecommunication Utility	Solid Waste	Total
ASSETS			
Current Assets:			
Cash and Investments	\$ 94,622	\$ 166,647	\$ 261,269
Receivables			
Taxes and Special Charges	-	1,911	1,911
Other	-	62,587	62,587
Total Current Assets	94,622	231,145	325,767
Capital Assets:			
Depreciable, Net	9,215	-	9,215
Total Assets	103,837	231,145	334,982
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related Amounts	-	33,723	33,723
Other Postemployment Related Amounts	-	8,087	8,087
Total Deferred Outflows of Resources	-	41,810	41,810
LIABILITIES			
Current Liabilities:			
Accounts Payable	-	1,234	1,234
Accrued and Other Current Liabilities	-	1,443	1,443
Accrued Interest Payable	-	132	132
Current Portion of Long-Term Debt	-	1,937	1,937
Total Current Liabilities	-	4,746	4,746
Long-Term Obligations, Less Current Portion:			
Revenue Bonds	-	2,015	2,015
Net Pension Liability	-	5,876	5,876
Other Postemployment Benefits	-	30,846	30,846
Total Long-Term Obligations, Less Current Portion	-	38,737	38,737
Total Liabilities	-	43,483	43,483
DEFERRED INFLOWS OF RESOURCES			
Pension Related Amounts	-	17,169	17,169
Other Postemployment Related Amounts	-	7,940	7,940
Total Deferred Inflows of Resources	-	25,109	25,109
NET POSITION			
Net Investment in Capital Assets	9,215	-	9,215
Unrestricted	94,622	204,363	298,985
Total Net Position	\$ 103,837	\$ 204,363	\$ 308,200

CITY OF TWO RIVERS, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
YEAR ENDED DECEMBER 31, 2025

	Telecommunication Utility	Solid Waste	Total
OPERATING REVENUES			
Charges for Services	\$ -	\$ 573,948	\$ 573,948
Other	-	237,785	237,785
Total Operating Revenues	-	811,733	811,733
OPERATING EXPENSES			
Operation and Maintenance	3,535	858,760	862,295
Depreciation	18,002	-	18,002
Total Operating Expenses	21,537	858,760	880,297
OPERATING LOSS	(21,537)	(47,027)	(68,564)
NONOPERATING REVENUES (EXPENSES)			
Nonoperating Grants	-	82,325	82,325
Interest and Fiscal Charges	-	6,955	6,955
Other Nonoperating Revenues	15,885	-	15,885
Total Nonoperating Revenues (Expenses)	15,885	89,280	105,165
INCOME (LOSS) BEFORE TRANSFERS	(5,652)	42,253	36,601
TRANSFERS OUT	-	(3,894)	(3,894)
CHANGE IN NET POSITION	(5,652)	38,359	32,707
Net Position - Beginning of Year	109,489	166,004	275,493
NET POSITION - END OF YEAR	<u>\$ 103,837</u>	<u>\$ 204,363</u>	<u>\$ 308,200</u>

**CITY OF TWO RIVERS, WISCONSIN
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
YEAR ENDED DECEMBER 31, 2025**

Section 9, Item F.

	Telecommunication Utility	Solid Waste	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers	\$ -	\$ 812,617	\$ 812,617
Cash Received from Rent	15,885	-	15,885
Cash Paid for Employee Wages and Benefits	-	(95,817)	(95,817)
Cash Paid to Suppliers	(3,535)	(771,015)	(774,550)
Net Cash Provided (Used) by Operating Activities	12,350	(54,215)	(41,865)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Nonoperating Grants	-	82,325	82,325
Transfer Out	-	(3,894)	(3,894)
Net Cash Provided by Noncapital Financing Activities	-	78,431	78,431
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal Paid on Long-Term Debt	-	(1,862)	(1,862)
Interest Paid on Long-Term Debt	-	(232)	(232)
Net Cash Provided (Used) by Capital and Related Financing Activities	-	(2,094)	(2,094)
CHANGE IN CASH AND INVESTMENTS	12,350	22,122	34,472
Cash and Investments - Beginning of Year	82,272	144,525	226,797
CASH AND INVESTMENTS - END OF YEAR	<u>\$ 94,622</u>	<u>\$ 166,647</u>	<u>\$ 261,269</u>

**CITY OF TWO RIVERS, WISCONSIN
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2025**

Section 9, Item F.

	Telecommunication Utility	Solid Waste	Total
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Loss	\$ (21,537)	\$ (47,027)	\$ (68,564)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation	18,002	-	18,002
Rental Income	15,885	-	15,885
Change in Asset, Liability, and Deferred Outflows and Inflows of Resources:			
Deferred Outflows - Pension Related	-	18,310	18,310
Net Pension Liability	-	(27)	(27)
Deferred Inflows - Pension Related	-	(14,400)	(14,400)
Deferred Outflows - OPEB Related	-	2,578	2,578
OPEB Liability	-	(5,470)	(5,470)
Deferred Inflows - OPEB Related	-	(310)	(310)
Change in Operating Assets and Liabilities:			
Accounts Receivable	-	884	884
Accounts Payable	-	(8,922)	(8,922)
Accrued and Other Current Liabilities	-	169	169
Net Cash Provided (Used) by Operating Activities	<u>\$ 12,350</u>	<u>\$ (54,215)</u>	<u>\$ (41,865)</u>

**CITY OF TWO RIVERS, WISCONSIN
COMBINING STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2025**

Section 9, Item F.

	Custodial Funds				Total
	Property Tax Collection	Smongeski Health	Crime Prevention	TRIAD Committee	
ASSETS					
Cash and Investments	\$ 4,797,293	\$ 180,816	\$ 1,010	\$ 2,269	\$ 4,981,388
Receivables:					
Taxes	5,846,465	-	-	-	5,846,465
Total Assets	10,643,758	180,816	1,010	2,269	10,827,853
DEFERRED INFLOWS OF RESOURCES					
Property Taxes Levied for Subsequent Year	10,643,758	-	-	-	10,643,758
NET POSITION					
Restricted	\$ -	\$ 180,816	\$ 1,010	\$ 2,269	\$ 184,095

CITY OF TWO RIVERS, WISCONSIN
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED DECEMBER 31, 2025

Section 9, Item F.

	Custodial Funds				Total
	Property Tax Collection	Smongeski Health	Crime Prevention	TRIAD Committee	
ADDITIONS					
Interest on Investments	\$ -	\$ 3,853	\$ 969	\$ 4,908	\$ 9,730
Taxes and Special Charges Collected	10,191,840	-	-	-	10,191,840
Total Additions	10,191,840	3,853	969	4,908	10,201,570
DEDUCTIONS					
Payments to Others	10,191,840	-	887	4,355	10,197,082
Benefits	-	2,031	-	-	2,031
Total Deductions	10,191,840	2,031	887	4,355	10,199,113
CHANGE IN NET POSITION	-	1,822	82	553	2,457
Net Position - Beginning of Year	-	178,994	928	1,716	181,638
NET POSITION - END OF YEAR	<u>\$ -</u>	<u>\$ 180,816</u>	<u>\$ 1,010</u>	<u>\$ 2,269</u>	<u>\$ 184,095</u>

**ADDITIONAL INDEPENDENT AUDITORS' REPORT
FOR BASIC FINANCIAL STATEMENTS**



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

City Manager and City Council
City of Two Rivers, Wisconsin
Two Rivers, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Two Rivers, Wisconsin (the City), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 25, 2026.

Report on Internal Control over Financial Reporting

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying schedule of findings and responses as item 2025-002 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and responses as item 2025-001 to be a significant deficiency.

Report on Compliance and Other Matters

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

City of Two Rivers, Wisconsin's Response to the Finding

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

Purpose of This Report

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



CliftonLarsonAllen LLP

Sheboygan, Wisconsin
June 25, 2026

**CITY OF TWO RIVERS, WISCONSIN
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2025**

Section 9, Item F.

Section I – Internal Control Over Financial Reporting

FINDING NO.	CONTROL DEFICIENCIES
2025-001	Preparation of Annual Financial Report Repeat of Finding 2024-001
Type of Finding:	Significant Deficiency in Internal Control over Financial Reporting
Condition:	Current City staff maintains accounting records which reflect the City's financial transactions; however, preparing the City's annual financial report, including note disclosures, involves the selection and application of specific accounting principles which would require additional experience and knowledge. The City contracts with us and relies on our knowledge of applicable accounting principles, financial statement format, and note disclosures to assist in the preparation of the annual financial report in an efficient manner. However, as independent auditors, CliftonLarsonAllen LLP (CLA) cannot be considered part of the City's internal control system. As part of its internal control over preparation of its financial statements, including disclosures, the City had implemented a comprehensive review procedure to ensure that the financial statements, including note disclosures, are complete and accurate.
Criteria or Specific Requirement:	The preparation and review of the annual financial report by staff with expertise in financial reporting is an internal control intended to prevent, detect and correct a potential omission or misstatement in the financial statements or notes.
Cause:	City management has determined that the additional costs associated with training staff to become experienced in applicable accounting principles and note disclosures outweigh the derived benefits.
Effect:	Without our involvement, the City may not be able to completely prepare an annual financial report in accordance with accounting principles generally accepted in the United States of America.
Recommendation:	We recommend the City continue reviewing the annual financial report. Such review procedures should be performed by an individual possessing a thorough understand of accounting principles generally accepted in the United States of America and knowledge of the City's activities and operations. While it may not be cost beneficial to train additional staff to completely prepare the report, a thorough review of this information by appropriate staff of the City is necessary to obtain a complete and adequate understanding of the City's annual financial report.
Management's Response:	There is no disagreement with this finding.

**CITY OF TWO RIVERS, WISCONSIN
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
YEAR ENDED DECEMBER 31, 2025**

Section 9, Item F.

Section I – Internal Control Over Financial Reporting (Continued)

FINDING NO.	CONTROL DEFICIENCIES
2025-001	Preparation of Annual Financial Report (Continued) Repeat of Finding 2024-001
Management's Response:	Management believes the cost for additional staff time and training to prepare year-end closing entries and reports outweigh the benefits to be received. Management has reviewed and approved the annual financial report prior to issuance.
FINDING NO.	CONTROL DEFICIENCIES
2025-002	Adjustments to the City's Financial Records
Type of Finding:	Material Weakness in Internal Control over Financial Reporting
Condition:	As part of our audit, we proposed adjusting journal entries that were material to the City's financial statements.
Criteria or Specific Requirement:	Material adjusting journal entries proposed by the auditors are considered to be an internal control deficiency.
Cause:	While City staff maintain financial records which accurately report revenues and expenditures throughout the year, preparing year-end adjusting and closing entries requires additional expertise that would entail additional training and staff time to develop.
Effect:	Year-end financial records prepared by the City may contain material misstatements.
Recommendation:	Management will thoroughly review the year-end adjusting and closing entries and will work with CLA to identify opportunities to reduce the number and significance of year-end adjusting and closing entries.
Management's Response:	There is no disagreement with this finding.

