Finance Committee Meeting

Cravath Lakefront room 2nd floor 312 West Whitewater Str, Whitewater, WI, 53190 *In Person and Virtual

Tuesday, July 28, 2026 - 5:00 PM

Citizens are welcome (and encouraged) to join our webinar via computer, smart phone, or telephone. Citizen participation is welcome during topic discussion periods.

Microsoft Teams meeting

Join: https://teams.microsoft.com/meet/231548865824371?p=mmDvCO5jAhWxG9zCQ7

Meeting ID: 231 548 865 824 371

Passcode: R5hb67P7

Dial in by phone

+1 929-229-5663,,934769990# United States, New York City

Phone conference ID: 934 769 990#

Please note that although every effort will be made to provide for virtual participation, unforeseen technical difficulties may prevent this, in which case the meeting may still proceed as long as there is a quorum. Should you wish to make a comment in this situation, you are welcome to call this number: (262) 473-0108.

AGENDA

CALL TO ORDER

ROLL CALL

CONSENT AGENDA

Items on the Consent Agenda will be approved together unless any committee member requests that an item be removed for individual consideration.

1. Finance Committee Meeting Minutes from June 23, 2026
2. June 2026 General Fund Financials

HEARING OF CITIZEN COMMENTS

No formal Committee action will be taken during this meeting although issues raised may become a part of a future agenda. Participants are allotted a three minute speaking period. Specific items listed on the agenda may not be discussed at this time; however, citizens are invited to speak to those specific issues at the time the Committee discusses that particular item.

To make a comment during this period, or during any agenda item: On a computer or handheld device, locate the controls on your computer to raise your hand. You may need to move your mouse to see these controls. On a traditional telephone, dial *6 to unmute your phone and dial *9 to raise your hand.

CONSIDERATIONS / DISCUSSIONS / REPORTS

3. Presentation of 2025 Annual Financial Statements and Audit by Johnson & Block
4. Discussion and Possible Action to Recommend Approval of the Lateral Transfer Language for Vacation to the Common Council
5. Discussion and Possible Action to Recommend Approval of the Vacation Payout Policy to Common Council
6. Review, Discussion, and Possible Action: Proposed Whitewater Downtown Activation Initiative
7. Discussion and Direction on the Capital Improvement Policy
8. Discussion and Direction Regarding the City's 2027 Appropriation for the Library
9. Discussion and possible action to recommend the authorization to order a replacement vehicle for Shared-Ride Taxi to Common Council
10. Discussion and Review of the Library's Capital Donations

FUTURE AGENDA ITEMS

ADJOURNMENT

A quorum of the Common Council may be present. This notice is given to inform the public that no formal action will be taken at this meeting.

Anyone requiring special arrangements is asked to call the Office of the City Manager / City Clerk (262-473-0102) at least 72 hours prior to the meeting.

Finance Committee Meetin

Cravath Lakefront room 2nd floor 312 West Whitewater Str, Whitewater, WI, 53190 *In Person and Virtual

Tuesday, June 23, 2026 - 5:00 PM

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AGENDA

CALL TO ORDER

The meeting was called to order at 5:00 p.m. by Brian Schanen.

ROLL CALL

Present: Brian Schanen, Patrick Singer and Gavin Kelleher.

Absent: None

Additional Attendees: Rachelle Blitch, Director of Finance; Kelly Freeman, Fire Chief; Kevin Boehm, Director of Parks & Recreation; Sara Marquardt, HR Manager; Steven Chesebro, City Attorney

CONSENT AGENDA

Items on the Consent Agenda will be approved together unless any committee member requests that an item be removed for individual consideration.

1. Finance Committee Meeting Minutes from May 26, 2026

Motion to approve the Consent agenda with the addition of items #11, #12, and #13 made by Patrick Singer, Seconded by Brian Schanen.

Voting Yes: Brian Schanen, Patrick Singer and Gavin Kelleher. Voting No: None.

HEARING OF CITIZEN COMMENTS

No formal Committee action will be taken during this meeting although issues raised may become a part of a future agenda. Participants are allotted a three minute speaking period. Specific items listed on the agenda may not be discussed at this time; however, citizens are invited to speak to those specific issues at the time the Committee discusses that particular item.

To make a comment during this period, or during any agenda item: On a computer or handheld device, locate the controls on your computer to raise your hand. You may need to move your mouse to see these controls. On a traditional telephone, dial *6 to unmute your phone and dial *9 to raise your hand.

CONSIDERATIONS / DISCUSSIONS / REPORTS

2. Notification of Temporary Fire/EMS Position
3. Discussion and possible action to recommend the authorization to order a replacement vehicle and place utility trailer on Wisconsin Surplus for auction to Common Council

Motion made to recommend the authorization to order a replacement vehicle and place utility trailer on Wisconsin Surplus for auction to Common Council made by Patrick Singer, Seconded by Brian Schanen.

Voting Yes: Brian Schanen, Patrick Singer and Gavin Kelleher. Voting No: None

4. Discussion and possible action to recommend citywide public tree inventory project and to apply for a Wisconsin Department of Natural Resources Urban Forestry grant to Common Council

Motion made to recommend citywide public tree inventory project and to apply for a Wisconsin Department of Natural Resources Urban Forestry grant to Common Council made by Patrick Singer, Seconded by Brian Schanen.

Voting Yes: Brian Schanen, Patrick Singer and Gavin Keller. Voting No: None

5. Discussion and Possible Action Regarding Funding and Consultant Selection for a Comprehensive Whitewater Aquatic and Fitness Center Facility Assessment

Motion made to recommend consultant selection for a comprehensive Whitewater Aquatic and Fitness Center Facility assessment to Common Council made by Gavin Kelleher, Seconded by Patrick Singer.

Voting Yes: Brian Schanen, Patrick Singer and Gavin Kelleher. Voting No: None.

6. Discussion and Possible Action Regarding Use of Building Repair Funds for White Memorial Building Fascia and Soffit Repairs

Motion made to recommend the use of building repair funds for the White Memorial building fascia and soffit repairs to Common Council by Patrick Singer, Seconded by Brian Schanen.

Voting Yes: Brian Schanen, Patrick Singer and Gavin Kelleher. Voting No: None.

7. Review and discussion of current vacation carryover practices
8. Discussion and Direction on the Capital Improvement Policy
9. Discussion on Treatment of Tax Increment District Net New Construction
10. Discussion and review of Library budget projections and future funding
11. Library May 2026 Financials

    This item was moved to the Consent agenda.
12. May 2026 Financials

This item was moved to the Consent agenda.

13. Aquatic Center May 2026 Financials

This item was moved to the Consent agenda.

FUTURE AGENDA ITEMS

14. New position creation procedure/policy

ADJOURNMENT

A motion to adjourn was made by Patrick Singer, Seconded by Brian Schanen.

Voting Yes: Brian Schanen, Patrick Singer and Gavin Kelleher. Voting No: None.

The meeting was adjourned at 6:12 p.m.

GENERAL FUND REVENUE SUMMARY

DESCRIPTION	2023 ACTUAL	2024 ACTUAL	2025 ACTUAL	2026 BUDGET	2026 YTD-JUNE	2026 ACT-EST	Change 25/ 26	%
TAXES	6,120,288	6,197,955	6,762,967	8,077,567	5,500,022	8,117,183	1,293,530	16.0%
SPECIAL ASSESSMENTS	138	2,725	4,870	500	842	1,142	(550)	(110.0%)
INTERGOVT REVENUES	4,250,383	4,760,085	5,287,630	5,547,402	683,794	5,550,719	523,441	9.4%
LICENSES & PERMITS	167,690	147,578	405,884	752,950	161,762	783,395	358,427	47.6%
FINES, FORFEIT PENALTIES	250,979	282,636	286,883	291,550	160,615	321,230	5,000	1.7%
PUBLIC CHARGES FOR SVCS	62,413	62,162	68,003	56,150	32,503	65,057	10,525	18.7%
MISC REVENUE	1,410,557	1,386,115	1,101,654	1,036,870	227,972	917,275	117,028	11.3%
OTHER FINANCING SOURCES	180,207	81,110	177,032	126,160	-	126,160	9,547	7.6%
TOTAL:	**12,442,655**	**12,920,367**	**14,094,922**	**15,889,148**	**6,767,510**	**15,882,161**	**2,316,947**	**14.6%**

GENERAL FUND EXPENSE SUMMARY

DESCRIPTION	2023 ACTUAL	2024 ACTUAL	2025 ACTUAL	2026 BUDGET	2026 YTD-JUNE	2026 ACT-EST		
ADMINISTRATION	1,758,920	1,819,346	2,079,949	2,083,053	990,946	2,102,370	245,466	11.8%
PUBLIC SAFETY	5,190,828	5,728,789	5,973,198	7,160,774	2,417,735	6,864,798	1,501,901	21.0%
PUBLIC WORKS	1,212,804	1,151,405	1,117,743	1,342,084	545,782	1,140,883	118,917	8.9%
PARKS AND RECREATION	682,036	861,057	889,765	822,346	266,591	922,994	152,232	18.5%
NEIGHBORHOOD SVC/PLANNING	355,387	388,073	541,164	851,065	230,090	847,321	284,685	33.5%
TRANSFERS	3,070,024	2,785,074	3,617,275	3,629,830	836,822	3,629,830	13,748	0.4%
CONTINGENCIES	41,800	126,092	35,850	0	8,124	16,247	-	-
TOTAL:	**12,311,799**	**12,859,836**	**14,254,944**	**15,889,151**	**5,296,089**	**15,524,443**	**2,316,949**	**14.6%**

City of WHITEWATER

GENERAL FUND REVENUES

	DESCRIPTION	2023 ACTUAL	2024 ACTUAL	2025 ACTUAL	2026 BUDGET	2026 YTD-JUNE	2026 ACT-EST	Budget Change	%
TAXES			-						
100-41110-00	LOCAL TAX LEVY	4,499,748	4,538,657	4,507,731	5,864,269	5,319,570	5,864,269	1,356,539	30.1%
100-41111-00	DEBT SERVICE TAX LEVY	1,257,105	1,313,705	1,952,572	1,879,330	-	1,879,330	(73,242)	(3.8%)
100-41112-00	OMITTED PROPERTY TAXES	-	-	-	-	-	-	-	-
100-41113-00	RESCINDED TAXES-REAL ESTATE	2,625	-	-	-	-	-	-	-
100-41114-00	USE VALUE PENALTY	-	1,654	-	-	-	-	-	-
100-41115-00	CHARGEBACK-SECTION 74.41	21,099	8,010	268	-	-	-	-	0.0%
100-41140-00	MOBILE HOME FEES	41,587	43,569	10,737	58,000	86,168	86,168	-	0.0%
100-41210-00	ROOM TAX-GROSS AMOUNT	237,932	224,246	246,192	240,000	47,685	240,000	10,000	4.1%
100-41220-00	STATE SALES TAX RETAINED			120					
100-41320-00	IN LIEU-UNIV GARDEN & WW MANOR	27,820	28,035	9,968	9,968	11,416	11,416	233	2.3%
100-41800-00	INTEREST ON TAXES	32,372	40,079	35,380	26,000	35,183	36,000	-	0.0%
	TOTAL TAXES	**6,120,288**	**6,197,955**	**6,762,967**	**8,077,567**	**5,500,022**	**8,117,183**	1,293,530	19.1%
SPECIAL ASSESSMENTS									
100-42010-00	INTEREST ON SP ASSESS.	-	-	-	-	-	-	-	-
100-42200-62	SEWER MAINS & LATERALS	-	-	-	-	-	-	-	-
100-42310-53	CURB & GUTTER	-	-	-	-	-	-	-	-
100-42320-53	SIDEWALKS	-	-	-	-	-	-	-	-
100-42400-53	SNOW REMOVAL	-	975	127	200	842	842	(600)	(472.0%)
100-42500-53	FAILURE TO MOW FINES	138	1,750	4,743	300	-	300	50	1.1%
	TOTAL SPECIAL ASSESSEMENTS	**138**	**2,725**	**4,870**	**500**	**842**	**1,142**	(550)	(11.3%)
INTERGOVERNMENTAL REVENUES									
100-43344-00	EXPENDITURE RESTRAINT PROGM	53,306	-	-	-	-	-	-	-
100-43410-00	SHARED REVENUE-UTILITY	395,596	386,462	444,079	385,834	-	385,834	(628)	(0.1%)
100-43420-00	SHARED REVENUE-BASE	2,836,844	3,534,954	3,558,129	3,738,985	-	3,738,985	204,031	5.7%
100-43507-52	POLICE-MISC SAFETY GRANTS	4,164	50,571	17,996	-	-	-	-	0.0%
100-43520-52	LAW ENFORCEMENT TRNG REIMBUR	8,103	-	5,760	-	3,234	3,234	-	0.0%
100-43522-63	STATE OF WI DNR GRANT	18,500	-	-	-	-	-	-	-
100-43530-53	TRANSPORTATION AIDS	572,087	585,637	598,704	617,481	308,568	617,481	37,002	6.2%
100-43531-52	STATE GRANT--PUBLIC SAFETY	38,060	-	-	225,000	-	225,000	225,000	-
100-43531-53	STATE GRANT-L-RIP-STREET	-	-	26,677					
100-43540-52	UNIVERSITY-LEASE-PARKING	-	45,000	-	45,000	-	45,000	-	-
100-43550-52	MOU-DISPATCH SERVICE	-	-	-	-	-	-	-	-
100-43610-52	MSP-STATE UNIVERSITY SVCS PYMT	192,781	7,304	325,614	305,615	305,735	305,735	39,682	12.2%
100-43663-52	2% FIRE DUES-ST OF WISC	-	-	-	-	-	-	-	-
100-43670-60	EXEMPT COMPUTER AID-FR STATE	16,330	16,330	16,330	16,330	-	16,330	-	0.0%
100-43670-61	PERSONAL PROPERTY AID	43,214	43,214	201,612	110,877	20,143	110,877	-	0.0%
100-43745.52	WUSD-JUVENILE OFFICIER	65,211	83,294	84,909	95,000	41,872	95,000	18,354	21.6%
100-43750-52	DRUG GRANT REIMBURSEMENT	94	-	-	-	-	-	-	-
100-43760-00	WEIGHTS & MEASURES RECOVERY	1,583	3,000	3,750	3,000	-	3,000	-	0.0%
100-43765-00	REIMB-HIST SOC-DEPOT-EL/GAS	2,029	1,839	1,590	1,800	1,763	1,763	-	0.0%
100-43767-52	REIMB-BADGERNET-FORT ATKINSON	2,480	2,480	2,480	2,480	2,480	2,480	-	0.0%
	TOTAL INTERGOVT REVENUES	**4,250,383**	**4,760,085**	**5,287,630**	**5,547,402**	**683,794**	**5,550,719**	523,441	9.9%

City of WHITEWATER

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GENERAL FUND REVENUES

	DESCRIPTION	2023 ACTUAL	2024 ACTUAL	2025 ACTUAL	2026 BUDGET	2026 YTD-JUNE	2026 ACT-EST	Budget Change	%
LICENSES & PERMITS									
100-44110-51	LIQUOR & BEER	18,858	19,720	19,210	21,000	37,545	38,965	1,290	6.7%
100-44120-51	CIGARETTE	1,300	733	907	1,000	1,070	1,360	267	29.4%
100-44122-51	BEVERAGE OPERATORS	3,515	3,668	3,825	4,500	2,018	3,100	500	13.1%
100-44200-51	MISC. LICENSES	2,873	1,159	1,808	3,000	1,984	3,100	1,000	55.3%
100-44300-53	BLDG/ZONING PERMITS	110,560	82,609	201,922	325,000	59,612	325,000	50,000	24.8%
100-44310-53	ELECTRICAL PERMITS	9,298	10,796	21,218	22,000	7,153	22,000	(13,115)	(61.8%)
100-44320-53	PLUMBING PERMITS	9,396	11,575	71,968	179,537	16,563	179,537	147,737	205.3%
100-44330-53	HVAC PERMITS	7,216	9,569	64,343	177,813	18,475	177,813	157,313	244.5%
100-44340-53	STREET OPENING PERMITS	200	50	300	400	150	400	350	116.7%
100-44350-53	SIGN PERMITS	1,310	2,280	3,140	2,800	3,165	3,165	1,250	39.8%
100-44370-51	WATERFOWL PERMITS	320	500	1,170	900	-	900	400	34.2%
100-44900-51	MISC PERMITS	2,845	4,921	16,073	15,000	14,028	28,055	11,435	71.1%
	TOTAL LICENSES & PERMITS	**167,690**	**147,578**	**405,884**	**752,950**	**161,762**	**783,395**	358,427	88.3%
FINES, FORFEITURES - PENALTIES									
100-45110-52	ORDINANCE VIOLATIONS	179,505	191,914	201,298	210,000	106,128	212,255	-	0.0%
100-45113-52	MISC COURT RESEARCH FEE	200	50	193	50	126	252	-	0.0%
100-45114-52	VIOLATIONS PAID-OTHER AGENCIES	520	151	(300)	-	150	300	-	0.0%
100-45130-52	PARKING VIOLATIONS	58,224	56,896	67,092	62,000	50,216	100,433	2,000	3.0%
100-45135-53	REFUSE/RECYCLING TOTER FINES	9,550	1,175	-	1,500	25	50	-	-
100-45145-53	RE-INSPECTION FINES	2,980	32,450	18,600	18,000	3,970	7,940	3,000	16.1%
	TOTAL FINES, FORTFEIT - PENALTIE	**250,979**	**282,636**	**286,883**	**291,550**	**160,615**	**321,230**	5,000	1.7%
PUBLIC CHARGES FOR SERVICES									
100-46110-51	CLERK	-	1,738	191	50	-	50	50	26.2%
100-46120-51	TREASURER	3,935	4,745	4,303	4,000	2,862	5,723	400	9.3%
100-46210-52	POLICE-DISPATCH-MOU-UNIV	-	-	-	-	-	-	-	-
100-46220-52	FALSE ALARM FINES	2,100	1,200	3,600	2,000	1,050	2,100	500	13.9%
100-46230-52	AMBULANCE	-	-	-	-	-	-	-	-
100-46240-52	CRASH CALLS	-	-	-	-	-	-	-	-
100-46310-53	DPW MISC REVENUE	30,298	19,585	26,157	20,000	6,981	13,962	8,000	30.6%
100-46311-53	SALE OF MATERIALS	2	-	193	100	483	966	100	51.7%
100-46312-51	MISC DEPT EARNINGS	-	405	434	-	-	-	-	0.0%
100-46320-53	SAND & SALT CHARGES	-	-	-	-	-	-	-	-
100-46350-51	CITY PLANNER-SERVICES	360	8,144	2,859	3,000	1,308	2,615	(6,000)	(209.9%)
100-46450-52	SPECIAL EVENTS-POLICE/DPW	-	-	-	-	-	-	-	-
100-46733-55	SR CITZ OFFSET	-	-	-	-	-	-	-	-
100-46736-55	ATTRACTION TICKETS	-	-	-	-	-	-	-	-
100-46743-51	FACILITY RENTALS	25,683	26,301	30,266	27,000	19,770	39,540	7,500	24.8%
100-46746-55	SPECIAL EVENT FEES	35	45	-	-	50	100	(25)	-
	TOTAL PUBLIC CHARGES FOR SVCS	**62,413**	**62,162**	**68,003**	**56,150**	**32,503**	**65,057**	10,525	15.5%

City of WHITEWATER

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GENERAL FUND REVENUES

	DESCRIPTION	2023 ACTUAL	2024 ACTUAL	2025 ACTUAL	2026 BUDGET	2026 YTD-JUNE	2026 ACT-EST	Budget Change	%
MISC. REVENUES									
100-48100-00	INTEREST INCOME	814,758	861,125	561,661	544,070	157,605	420,000	50,778	9.0%
100-48110-00	INTEREST REVENUE-LEASES	1,183	1,570	6,496	-	-	-	-	0.0%
100-48200-00	LONG TERM RENTALS	4,800	1,200	(800)	22,800	7,800	15,600	16,800	(2100.0%)
100-48210-55	RENTAL INCOME	1,000	1,000	1,000	1,000	-	1,000	1,000	100.0%
100-48220-55	DEPOSITS-FORFEITED	50	4,225	50	-	-	-	(50)	(100.0%)
100-48300-00	OTHER PROP/EASEMENT SALES	-	-	-	-	-	-	-	-
100-48400-00	INS./FEMA / CLAIM RECOVERY	1,313	-	750	-	-	-	-	0.0%
100-48410-00	WORKERS COMP-RETURN PREMIUM	13,514	3,934	11,351	-	3,384	3,384	-	0.0%
100-48415-00	RESTITUTION-DAMAGES	5,539	7,241	5,764	4,000	213	426	1,000	17.3%
100-48420-00	INSURANCE DIVIDEND	51,535	29,412	38,668	35,000	29,515	29,515	6,000	15.5%
100-48425-00	WORKERS COMP-REIMBURSEMENT	18,779	-	-	-	-	-	-	-
100-48430-00	INSURANCE-REIMBURSEMENT	1,000	-	51,530	-	-	-	-	0.0%
100-48500-52	DONATION-PUBLIC SAFETY	-	-	-	-	-	-	-	-
100-48500-55	DONATIONS-PARKS-DOG PARK	-	-	-	-	-	-	-	-
100-48520-55	DONATIONS-PARK & REC	-	-	1,600	-	-	-	-	0.0%
100-48535-00	P CARD REBATE REVENUE	28,971	37,054	34,737	40,000	13,880	27,760	5,000	14.4%
100-48545-00	DONATION-GENERAL	-	-	-	-	-	-	-	-
100-48546-55	MISC GRANT INCOME	87,043	46,010	2,500	5,000	-	5,000	(2,000)	(80.0%)
100-48600-00	MISC REVENUE-NON RECURRING	2,155	3,212	2,009	-	14,795	29,591	-	0.0%
100-48700-00	WATER UTILITY TAXES	346,697	362,935	353,500	385,000	-	385,000	38,500	10.9%
100-48900-00	LEASE REVENUE	32,220	27,198	30,838	-	-	-	-	0.0%
	TOTAL MISC REVENUE	**1,410,557**	**1,386,115**	**1,101,654**	**1,036,870**	**227,192**	**917,275**	117,028	10.6%
OTHER FINANCING SOURCES									
100-49260-00	TRANSFER FROM 610 WATER	8,500	8,500	8,500	8,500	-	8,500	-	0.0%
100-49261-00	TRANSFER FROM 620 WASTEWATER	12,500	12,500	12,500	12,500	-	12,500	-	0.0%
100-49265-00	TRANSFER FROM 630 STORMWATER	8,500	8,500	8,500	8,500	-	8,500	-	0.0%
100-49266-00	GIS TRANSFER-UTILITIES	18,974	16,260	16,410	16,260	-	16,260	(150)	(0.9%)
100-49267-00	TRANSFER FROM 208 PARKING	35,350	35,350	35,704	30,000	-	30,000	(5,704)	(16.0%)
100-49285-00	TRANSFER FROM 900 CDA	91,383	-	-	-	-	-	-	-
100-49290-00	TRANSFER IN FROM OTHER FUNDS	5,000	-	95,418	50,400	-	50,400	15,400	16.1%
100-49295-00	TRANSFER FROM 248 PARK & REC	-	-	-	-	-	-	-	-
100-49300-00	FUND BALANCE APPLIED	-	-	-	-	-	-	-	-
	TOTAL OTHER FINANCING SOURCES	**180,207**	**81,110**	**177,032**	**126,160**	**-**	**126,160**	9,547	5.4%
	TOTAL GEN FUND REVENUES	**12,442,655**	**12,920,367**	**14,094,922**	**15,889,148**	**6,766,730**	**15,882,161**	2,316,947	16.4%

Item 2.

GENERAL FUND EXPENSES

SEC #	DESCRIPTION	2023 ACTUAL	2024 ACTUAL	2025 ACTUAL	2026 BUDGET	2026 YTD-JUNE	2026 ACT-EST	#	Change	%
1	ADMINISTRATION	1,758,920	1,819,346	2,079,949	2,083,053	990,946	2,102,370	1	245,466	13.4%
2	PUBLIC SAFETY	5,190,828	5,728,789	5,973,198	7,160,774	2,417,735	6,864,798	2	1,501,901	26.5%
3	PUBLIC WORKS	1,212,804	1,151,405	1,117,743	1,342,084	545,782	1,140,883	3	118,917	9.7%
4	PARKS AND RECREATION	682,036	861,057	889,765	822,346	266,591	922,994	4	152,232	22.7%
5	NEIGHBORHOOD SVC/PLANNIN(	355,387	388,073	541,164	851,065	230,090	847,321	5	284,685	50.3%
6	TRANSFERS	3,070,024	2,785,074	3,617,275	3,629,830	836,822	3,629,830	6	13,748	0.4%
7	CONTINGENCIES	41,800	126,092	35,850	-	8,124	16,247	7	-	-
	TOTAL	12,311,799	12,859,836	14,254,944	15,889,151	5,296,089	15,524,443		2,316,949	17.1%
									% Budget Used	33.3%

SEC #	DESCRIPTION	2023 ACTUAL	2024 ACTUAL	2025 ACTUAL	2026 BUDGET	2026 YTD-JUNE	2026 ACT-EST	#	Change	%
51100	Total Legislative Support	269,611	251,696	271,509	269,869	66,348	263,019	1	6,180	2.3%
51110	Total Contingencies	41,800	126,092	35,850	-	8,124	16,247	7	-	-
51200	Total Court	85,807	97,799	99,720	113,993	48,939	103,699	1	27,086	31.2%
51300	Total Legal	83,516	86,571	154,905	169,956	74,522	159,696	1	79,521	87.9%
51400	Total General Administration	369,760	431,022	468,320	443,004	209,661	442,183	1	34,452	8.4%
51450	Total Information Technology	114,144	129,285	211,031	219,414	88,194	199,324	1	53,870	32.5%
51500	Total Financial Administration	229,735	247,840	237,362	259,166	132,130	258,214	1	14,462	5.9%
51540	Total Insurance/Risk Mgt.	83,981	84,195	87,935	97,169	95,507	95,507	1	(783)	(0.8%)
51600	Total Facilities Maintenance	467,311	436,472	490,795	442,874	224,990	478,521	1	21,050	5.0%
52100	Total Police Administration	799,470	844,980	875,757	906,220	430,361	923,752	2	53,072	6.2%
52110	Total Police Patrol	2,082,340	2,262,362	2,458,152	2,992,550	1,258,277	2,711,819	2	774,224	34.9%
52120	Total Police Investigation	524,244	572,276	610,681	782,494	367,439	789,267	2	220,712	39.3%
52140	Total Comm Service Program	33,068	40,014	61,889	46,549	30,478	65,508	2	2,400	5.4%
52400	Total Neighbor Svcs & Planning	355,387	388,073	541,164	851,065	230,090	847,321	5	284,685	50.3%
52500	Total Emergency Preparedness	9,490	13,455	12,188	19,731	3,023	6,317	2	9,368	90.4%
52600	Total Communications/Dispatch	483,601	592,909	584,418	750,308	328,158	705,212	2	149,315	24.8%
53100	Total Public Works Administration	48,109	55,002	46,139	71,775	24,292	51,010	3	18,715	35.3%
53230	Total Shop/Fleet Operations	235,267	190,469	241,849	203,755	111,510	235,662	3	22,778	12.6%
53270	Total Parks Maintenance	233,524	286,179	390,361	312,059	194,524	411,304	4	24,630	8.6%
53300	Total Street Maintenance	538,881	529,765	388,288	669,200	182,252	386,940	3	73,405	12.3%
53320	Total Snow & Ice	125,096	123,292	176,294	153,675	100,677	210,509	3	9,504	6.6%
53420	Total Street Lights	265,450	252,877	265,172	243,678	127,051	256,762	3	(5,483)	(2.2%)
55111	Total Young Library Building	55,057	54,466	58,373	67,608	50,655	102,207	1	9,628	16.6%
55200	Total Parks Administration	102,161	100,531	115,913	118,761	57,672	120,164	4	13,606	12.9%
55210	Total Recreation Administration	-	-	211	-	43	-	4	-	-
55300	Total Recreation Programs	1,055	-	-	-	-	-	4	-	-

55310	Total Senior Citizen's Program	-	-	-	-	-	-	**4**	-	-
55320	Total Community Events	15,538	14,073	25,859	17,000	14,352	17,000	**4**	6,000	54.5%
55330	Total Comm. Based-Coop Projects	329,759	460,275	357,421	374,526	-	374,526	**4**	107,996	40.5%
59220	Total Transfers to Other Funds	1,751,181	1,470,859	1,380,927	1,750,000	-	1,750,000	**6**	86,990	5.2%
59230	Total Transfer to Debt Service	1,318,343	1,313,714	1,953,765	1,879,330	836,822	1,879,330	**6**	(73,242)	(3.8%)
59240	Total Transfer to Fire Department	1,258,615	1,402,794	1,370,112	1,662,922	-	1,662,922	**2**	292,810	21.4%
59240	Total Transfers	500	500	282,583	500	-	500	**6**	-	0.0%
	Grand Totals	12,311,799	12,859,836	14,254,944	15,889,151	5,296,089	15,524,443		2,316,949	17.1%

DRAFT

Item 3.

City of WHITEWATER

AUDITED FINANCIAL STATEMENTS

For the Year Ended December 31, 2025

City of Whitewater

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INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Whitewater
Whitewater, Wisconsin

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Whitewater, Wisconsin, as of December 31, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Whitewater, Wisconsin, 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 of Whitewater, Wisconsin's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 of Whitewater, Wisconsin'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 of Whitewater, Wisconsin'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 management's discussion and analysis, the budgetary comparison information, the Wisconsin Retirement System schedules, and the Local Retiree Life Insurance Fund schedules as identified in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Whitewater, Wisconsin's basic financial statements. The accompanying combining and individual nonmajor and component unit fund financial statements and schedule of expenditures of federal awards, as required by Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor and component unit fund financial statements and schedule of expenditure of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated DATE XX, 2026 on our consideration of the City of Whitewater, Wisconsin'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 of Whitewater, Wisconsin'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 of Whitewater, Wisconsin's internal control over financial reporting and compliance.

Johnson Block & Company, Inc.
______________, 2026

CITY OF WHITEWATER

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2025

The management of the City of Whitewater ("City") offers all persons interested in the financial condition of the City to review this narrative overview and analysis of the City's financial performance during the fiscal year ending December 31, 2025. This section should be read in conjunction with the financial statements and the accompanying notes that follow. It should also be noted that the information contained here will focus primarily on the governmental operations of the City.

FINANCIAL HIGHLIGHTS

The City's total net position increased $7,624,531, or 9.7% from the prior year. The net position for governmental activities increased $5,304,293, while net position of the business-type activities increased by $2,320,238. The Community Development Authority's ("CDA"), a component unit of the City, net position decreased by $4,488,042.

The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources as of December 31, 2025 by $86,204,373 (net position). Of this amount, $8,646,446 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors. The breakout of the unrestricted net position is $4,046,931 and $4,599,515 for governmental and business-type activities, respectively.

As of December 31, 2025, the City's governmental funds reported combined ending fund balances of $7,721,329, a decrease of $5,910,983 in comparison with the prior year. Approximately 24% of this total, or $1,858,329 (unassigned fund balance), is available for spending at the government's discretion.

The City's Water Utility had an operating income in 2025 of $778,210. Unrestricted net position was $1,813,322. The Water Utility's total net position increased by $955,927 to $13,996,694.

The City's Wastewater Utility had an operating income in 2025 of $1,053,826. Unrestricted net position was $3,511,675. The Water Utility's total net position increased by $1,753,280 to $24,823,301.

This annual report consists of two parts: Management's Discussion and Analysis (this section) and the basic financial statements. The basic financial statements include two kinds of statements that present different views of the City:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the City's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements. The governmental fund statements tell how general government services like public safety and public works were financed in the short-term as well as what remains for future spending.

OVERVIEW OF THE FINANCIAL STATEMENTS

These financial statements also include notes that explain some of the information in the financial statements and provide more detail data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. The remainder of this overview section (Management's Discussion and Analysis) explains the structure and contents of each of the statements.

Government-Wide Statements

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and deferred outflows and liabilities and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City's net position and how they have changed. Net Position, the difference between the City's assets and deferred outflows and liabilities and deferred inflows of resources, is one way to measure the City's financial health, or position. Over time, increases or decreases in the City's net position are an indicator of whether its financial health is improving or deteriorating. To assess the overall health of the City you need to consider additional non-financial factors such as changes in the City's property tax base and the condition of the City's infrastructure.

The government-wide financial statements include not only the City of Whitewater itself (known as the primary government), but also the City of Whitewater Community Development Authority (component unit). The CDA does not issue separate financial statements.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows. Thus, revenue and expenses reported in this statement for some items will only result in cash flows in future fiscal periods.

Fund Financial Statements

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

Governmental Funds – Used to account for essentially the same functions reported as governmental activities in the government-wide financial statements.

However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Fund Financial Statements (Continued)

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

The City maintains 23 individual governmental funds. Several other funds are included with the General Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Debt Service Fund, Capital Projects Fund, and Fire and EMS Fund, which are considered to be major funds. Data from the other governmental funds are split between the nonmajor special revenue funds and the nonmajor capital project funds. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for all of its funds. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

Proprietary Funds – The City maintains 3 different types of proprietary funds. Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Proprietary Funds are the Water, Wastewater, and Stormwater Utilities. The Stormwater Utility was established in the 4th quarter of 2007.

Fiduciary Funds – Used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The City is a trustee, or fiduciary, for the collection of all property taxes within the City for all taxing jurisdictions including the Whitewater Unified School District, Walworth and Jefferson counties, Gateway and Madison Area Technical College, and the State of Wisconsin. The accounting used for fiduciary funds is much like that used for proprietary funds.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

An analysis of the City's financial position begins with a review of the Statement of Net Position and the Statement Activities. These two statements report the City's net position and changes therein. It should be noted that the financial position can also be affected by non-financial factors, including economic conditions, population growth and new regulations.

The largest portion of the City's (governmental and business-type activities) net position (approximately 88%) represents its investments in capital assets, less any debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide service to citizens; consequently, these assets are not available for future spending. Although the City's net investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

CITY OF WHITEWATER

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2025

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (Continued)

CITY OF WHITEWATER'S NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current and Other Assets	$ 19,008,462	$ 22,563,357	$ 9,561,273	$ 9,667,919	$ 28,569,735	$ 32,231,276
Capital Assets	52,016,557	42,425,022	68,255,749	65,772,438	120,272,306	108,197,460
Total Assets	$ 71,025,019	$ 64,988,379	$ 77,817,022	$ 75,440,357	$ 148,842,041	$ 140,428,736
Deferred Outflows of Resources	$ 4,241,579	$ 5,310,532	$ 573,049	$ 752,809	$ 4,814,628	$ 6,063,341
Non-Current Liabilities	$ 16,850,564	$ 18,298,660	$ 30,570,455	$ 31,995,310	$ 47,421,019	$ 50,293,970
Other Liabilities	3,430,225	3,220,443	3,715,513	3,389,467	7,145,738	6,609,910
Total Liabilities	$ 20,280,789	$ 21,519,103	$ 34,285,968	$ 35,384,777	$ 54,566,757	$ 56,903,880
Deferred Inflows of Resources	$ 11,432,582	$ 10,530,874	$ 1,452,957	$ 477,481	$ 12,885,539	$ 11,008,355
Net Position:						
Net Investment in Capital Assets	$ 35,612,165	$ 26,931,571	$ 35,048,010	$ 32,307,950	$ 70,660,175	$ 59,239,521
Restricted	3,894,131	5,670,734	3,003,621	2,917,737	6,897,752	8,588,471
Unrestricted	4,046,931	5,646,629	4,599,515	5,105,221	8,646,446	10,751,850
TOTAL NET POSITION	$ 43,553,227	$ 38,248,934	$ 42,651,146	$ 40,330,908	$ 86,204,373	$ 78,579,842
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, & NET POSITION	$ 75,266,598	$ 70,298,911	$ 78,390,071	$ 76,193,166	$ 153,656,669	$ 146,492,077

NET POSITION: The City's combined net position increased 9.7% between fiscal years 2024 and 2025 to $86,204,373. 49.5% of the 2025 net position are business-type activities of the City's Water, Wastewater, and Stormwater Utilities. The governmental activities had an increase in net position of $5,304,293 for the year, while the business-type activities experienced an increase of $2,320,238.

ASSETS: Governmental Activities: Taxes Receivable increased by $1,240,219. Accounts Receivables and Other Receivables increased by $48,942. Due from Other Governmental Units increased by $38,181. Net Capital Assets increased by $9,591,535 to a total of $52,016,557. Deferred outflows of resources decreased by $1,068,953 between years due to the reporting for employee pensions and other postemployment benefits.

LIABILITIES: Governmental Activities: Non-Current Liabilities decreased by $1,448,096 with the payment of debt. Deferred inflows of resources increased by $901,708 mainly due to a increase in tax apportionment.

CITY OF WHITEWATER

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2025

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (Continued)

CITY OF WHITEWATER
CONDENSED STATEMENT OF ACTIVITIES

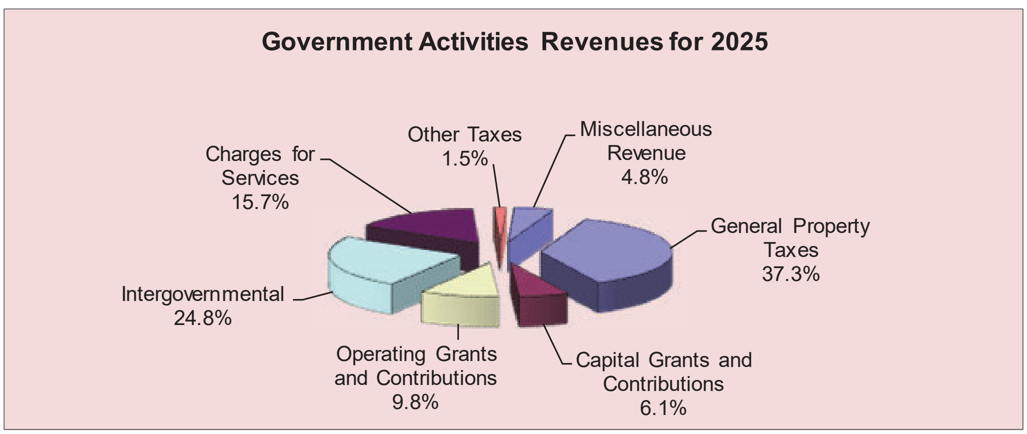
	Governmental Activities		Business-type Activities		Combined-Total	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program Revenues:						
Charges for Services	$ 2,872,917	$ 2,536,879	$ 7,616,112	$ 7,681,201	$ 10,489,029	$ 10,218,080
Operating grants and contributions	1,788,577	1,625,780	-	-	1,788,577	1,625,780
Capital grants and contributions	1,110,162	1,942,415	1,767,660	2,934,084	2,877,822	4,876,499
General Revenues:						
Property Taxes	6,834,668	6,737,184	-	-	6,834,668	6,737,184
Other Taxes	267,285	305,514	-	-	267,285	305,514
Intergovernmental	4,549,514	3,991,264	-	-	4,549,514	3,991,264
Investment Income	710,222	1,044,270	227,188	269,873	937,410	1,314,143
Miscellaneous	194,545	191,717	142,325	67,801	336,870	259,518
Total Revenues	$ 18,327,890	$ 18,375,023	$ 9,753,285	$ 10,952,959	$ 28,081,175	$ 29,327,982
Expenses:						
General government	$ 1,925,496	$ 2,230,006	$ -	$ -	$ 1,925,496	$ 2,230,006
Public Safety	7,864,956	6,994,743	-	-	7,864,956	6,994,743
Public Works	3,454,778	3,120,496	-	-	3,454,778	3,120,496
Leisure activities	3,178,284	2,914,542	-	-	3,178,284	2,914,542
Conservation and Development	598,289	200,975	-	-	598,289	200,975
Interest and fiscal charges	557,863	615,397	951,783	1,075,156	1,509,646	1,690,553
Water Utility	-	-	2,151,597	2,032,989	2,151,597	2,032,989
Sewer Utility	-	-	3,076,039	2,904,958	3,076,039	2,904,958
Stormwater Utility	-	-	842,412	615,118	842,412	615,118
Total Expenses	$ 17,579,666	$ 16,076,159	$ 7,021,831	$ 6,628,221	$ 24,601,497	$ 22,704,380
Increases in net position before transfers	$ 748,224	$ 2,298,864	$ 2,731,454	$ 4,324,738	$ 3,479,678	$ 6,623,602
Special items	(94,509)	(472,412)	-	-	(94,509)	(472,412)
Transfers	4,650,578	78,218	(411,216)	(258,218)	4,239,362	(180,000)
Increase in net position	$ 5,304,293	$ 1,904,670	$ 2,320,238	$ 4,066,520	$ 7,624,531	$ 5,971,190
Net Position - January 1	$ 38,248,934	$ 36,344,264	$ 40,330,908	$ 36,264,388	$ 78,579,842	$ 72,608,652
Net Position - December 31	$ 43,553,227	$ 38,248,934	$ 42,651,146	$ 40,330,908	$ 86,204,373	$ 78,579,842

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (Continued)

Governmental Activities

Change in Net Position: The City's 2025 revenues for both governmental and business-type activities total $28,081,175 and expenses total $24,601,497. These totals plus transfers and special items resulted in an increase in net position of $7,624,531. Net position increased by $5,304,293 for governmental activities. This growth in net position is driven by several factors. First, each year, funds are budgeted to be set aside in special revenue or sinking funds for large or infrequent needs. Secondly, revenues were less favorable compared to 2024 budget due mainly to lower interest income. Lastly, in 2025, capital assets originally transferred to the CDA were transferred back to the City and reclassified as assets in the governmental activities. This is reported as a transfer with the CDA on the financial statements.

Revenues for the City's governmental activities total $18,327,890 with intergovernmental revenues (largely state shared-revenues) accounting for 24.8% ($4,549,514) of total revenues. Taxes have been broken out into two categories, debt service property taxes and general property taxes. The tax collected for debt service property taxes, which is 10.7% ($1,952,572) of total revenues, were collected to pay for the principal and interest due in 2025. General property taxes accounted for 26.6% ($4,882,096) of governmental revenues in 2025. Charges for services contributed 15.7% ($2,872,917) and increased modestly in 2025; operating contributed 9.8% ($1,788,577) of the total revenues. Capital grants were $1,110,162 and decreased mainly because of a donation for the library expansion and from the Whitewater Fire Department, Inc. for fire equipment purchases that took place in 2024.

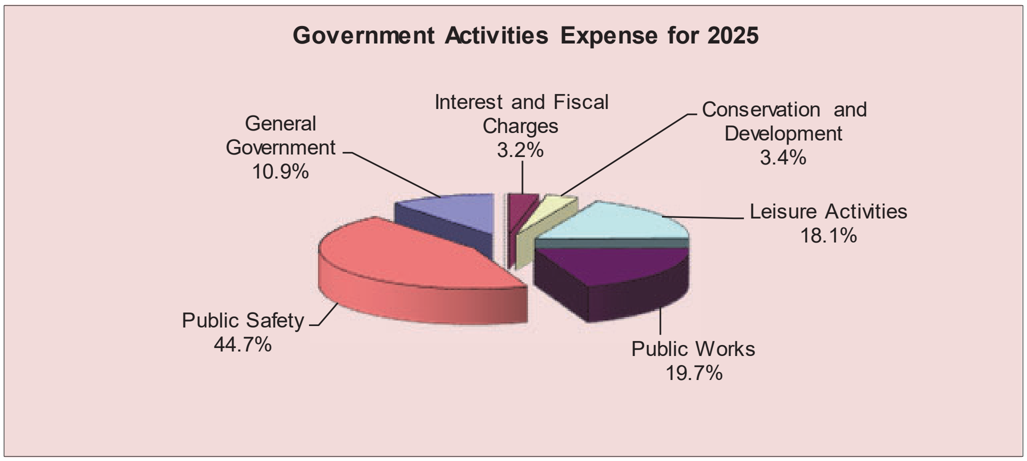


Total Revenues = $18,327,890

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (Continued)

Governmental Activities (Continued)

Governmental activities expenditures total $17,579,666. Public Safety activities amount for 44.7% ($7,864,956), or the largest single portion of expenditures. Public Safety includes Police, Fire, Rescue, Crash and Building Inspections. Public Works, General Government and Leisure activities account for 19.7% ($3,454,778), 10.9% ($1,925,496), and 18.1% ($3,178,284), respectively, of total expenditures for 2025. Conservation/Development—3.4% ($598,289); Interest/Fiscal Charges—3.2% ($557,863).



Total Expenses = $17,579,666

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (Continued)

Governmental Activities (Continued)

The following table presents the total cost of each of the City's activities as well as their net cost. The net costs are the total costs less fees generated by the activities plus operating and capital grants and contributions. The net cost shows the financial burden placed on City taxpayers or indirect revenue sources by each of these activities. The cost of all governmental activities during 2025 was $17,579,666. However, the amount paid through the City's property tax was only $6,834,668. Intergovernmental revenues make up most of the additional revenue sources along with investment earnings, transfers and other revenue.

	Cost of Services	Charges for Services, Operating & Capital Grants, Contributions	Net Cost of Services
General Government	$ 1,925,496	$ 483,558	$ 1,441,938
Public Safety	7,864,956	2,987,671	4,877,285
Public Works	3,454,778	813,752	2,641,026
Culture and Recreation	3,178,284	1,274,764	1,903,520
Conservation and Development	598,289	211,911	386,378
Interest and Fiscal Charges	557,863	-	557,863
Total	**$ 17,579,666**	**$ 5,771,656**	**$ 11,808,010**

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

General Fund – Is the primary operating fund of the City. The General Fund's fund balance decreased $906,456 to $4,865,582. Of that amount, $2,896,713, is unassigned, which represents 21.0% of the expenditures and transfers out for calendar/budget year 2025.

Debt Service Fund – Accounts for resources accumulated and payments made for principal and interest on long-term debt other than TID or enterprise debt.

Fire and EMS Fund – Accounts for revenues and expenditures related to the City's Fire and EMS department.

Capital Projects Fund – Accounts for revenues and expenditures related to the City's capital projects undertaken during the year.

CITY OF WHITEWATER

MANAGEMENT’S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2025

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS (Continued)

WATER, WASTEWATER, AND STORMWATER UTILITY

The **Water Utility** earned a 3.61% return on its rate base in 2025 compared to 5.00% in 2024. The Water Utility’s (GAAP Basis) operating revenues decreased by $47,895 to $2,929,807 and the operating expenses increased by $118,608 to $2,151,597.

The **Wastewater Utility** operating revenue decreased by $20,375 in 2025 to $4,129,865. Operating expenses increased by $171,081 to $3,076,039.

The **Stormwater Utility** operating revenues increased by $3,181 to $556,440. The operating loss was $285,972 in 2025. The monthly charge is $6.17 per ERU (Equivalent Runoff Unit). Most residential properties equal 1.0 ERU.

	Operating Revenues		Operating Expenses		Operating Income (Loss)	
	2025	2024	2025	2024	2025	2024
Water Utility	$ 2,929,807	2,977,702	$ 2,151,597	$ 2,032,989	$ 778,210	$ 944,713
Wastewater Utility	4,129,865	4,150,240	3,076,039	2,904,958	1,053,826	1,245,282
Stormwater Utility	556,440	553,259	842,412	615,118	(285,972)	(61,859)

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Governmental Activities	2025	2024	Total Change
Land/Right of Way/Improvements	$ 9,456,100	$ 9,456,100	$ -
Construction in Progress	6,398,542	3,519,382	2,879,160
Traffic and street lights	1,471,875	1,471,875	-
Buildings and Improvements	21,969,749	15,220,754	6,748,995
Machinery & Equipment	13,244,812	9,941,413	3,303,399
Streets/Sidewalks/Curb & Gutter	32,162,615	31,870,785	291,830
Accumulated depreciation	(32,687,136)	(29,055,287)	(3,631,849)
Capital Assets, Net of Depreciation	**$ 52,016,557**	**$ 42,425,022**	**$ 9,591,535**

CAPITAL ASSETS AND DEBT ADMINISTRATION (Continued)

Capital Assets (Continued)

In the governmental-wide financial statement, fixed assets are accounted for as capital assets. Capital assets are defined as assets with an initial cost of more than $5,000 for general assets and infrastructure assets. Prior to January 2003, infrastructure assets of the City's governmental activities were not capitalized. The City has retroactively reported significant infrastructure networks acquired by its governmental activities for streets (including curb and gutter) and sidewalks, lighting and easements. The dams were considered to be immaterial to the government-wide financial statements. Storm sewers have been retroactively reported in 2007.

The City (Primary Government) had capital assets of $52,016,557 in the governmental activities and $68,255,749 in the business-like activities for a total of $120,272,306 at the end of 2025. The largest investment in capital assets was infrastructure, including streets, curb & gutter, sidewalks, storm sewers, sewer mains, sewer laterals, water mains and hydrants. Of the total City of Whitewater capital assets, the governmental activities account for 43.2% and the business-type activities total 56.8%. The business-type activities represent the Water Utility with 33.5%, the Wastewater Utility having 56.2%, and the Stormwater Utility 10.3% of the capital assets.

BUSINESS-TYPE ACTIVITIES	2025	2024	Change
Water			
Land and Land Rights	$ 224,506	$ 224,506	$ -
Source of Supply	1,722,232	1,713,632	8,600
Pumping	1,171,485	1,171,485	-
Water Treatment	1,878,109	1,595,440	282,669
Transmission and Distribution	24,326,477	24,148,651	177,826
General	1,147,606	1,063,232	84,374
Construction in Progress	2,336,127	369,343	1,966,784
Less: Accumulated Depreciation	(9,918,872)	(9,483,190)	(435,682)
Net Assets-Water Utility Plant	**22,887,670**	**20,803,099**	**2,084,571**
Wastewater			
Land and Land Rights	4,498,925	4,498,925	-
Collection System	22,754,795	18,232,083	4,522,712
Treatment and Disposal	37,645,225	37,645,225	-
General	2,075,576	1,880,187	195,389
Construction in Progress	106,160	3,387,900	(3,281,740)
Less: Accumulated Depreciation	(28,693,340)	(27,578,100)	(1,115,240)
Net Assets-Wastewater Utility Plant	**38,387,341**	**38,066,220**	**321,121**
Stormwater			
Capital Assets	8,138,073	8,075,745	62,328
Construction in Progress	153,697	6,974	146,723
Less: Accumulated Depreciation	(1,311,032)	(1,179,600)	(131,432)
Net Assets-Stormwater Utility Plant	**6,980,738**	**6,903,119**	**77,619**
Total Utility's Capital Assets	**$ 68,255,749**	**$ 65,772,438**	**$ 2,483,311**

CITY OF WHITEWATER

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2025

CAPITAL ASSETS AND DEBT ADMINISTRATION (Continued)

Long-term Debt

All general obligation notes and bonds payable are backed by full faith and credit of the City. Notes and bonds payable by the governmental funds will be retired by future property tax levies or TID tax increments accumulated by the Debt Service Fund or from the utility portion of the State Shared Revenues. Business-type activities debt is payable by revenues from user fees of those funds. In accordance with Wisconsin Statutes, total general obligation indebtedness of the City may not exceed five percent of the equalized value of taxable property within the City's jurisdiction. The debt limit as of December 31, 2025 was $55,102,830. Total general obligation debt outstanding at year end was $24,126,030, which represents 46.4% of the allowable debt limit.

Comparison of Outstanding Debt by Activity

	Governmental Activities		Business-type Activities		TOTAL	
	2025	2024	2025	2024	2025	2024
General Obligation						
Bonds and Notes	$ 15,850,910	$ 17,112,315	$ 8,275,120	$ 8,449,000	$ 24,126,030	$ 25,561,315
Revenue Bond/Notes	-	-	24,174,726	25,300,627	24,174,726	25,300,627
Total Outstanding	**$ 15,850,910**	**$ 17,112,315**	**$ 32,449,846**	**$ 33,749,627**	**$ 48,300,756**	**$ 50,861,942**

The total outstanding general obligation debt of $24,126,030 is distributed:

City	$15,850,910
Utility (Water/Sewer/Storm)	$ 8,275,120

AMOUNTS DUE WITHIN ONE YEAR

	Governmental Activities	Business-type Activities	Amounts Due Within One Year
General Obligation			
Bonds and Notes	$ 1,333,568	$ 673,783	$ 2,007,351
Revenue Bonds	-	1,859,905	1,859,905
Totals	$ 1,333,568	$ 2,533,688	$ 3,867,256

CITY OF WHITEWATER

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2025

GENERAL FUND BUDGETARY HIGHLIGHTS

Budgets are adopted at the function level of expenditures. General Fund revenues were greater than the final budget by $455,302. Expenditures were $551,205 higher than the final budget of $8,313,021. General Government was over by $277,820; Public Safety was over by $241,345; Culture, Recreation and Education was over by $135,610. Public Works was under by $103,570. The actual change in Fund Balance was an decrease of $79,319 to a balance of $3,110,035. This includes only Fund 100 and none of the other assigned general fund balances.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City's strategic location between Milwaukee and Madison and the success of the business park, developed by the City of Whitewater under the direction of the Community Development Authority, has contributed to both growth in tax base and population. The City's tax base, currently $1,072 million, has shown steady growth over the past two decades. For 2025, the equalized value increased by $60 million.

All recreational fees, fines, licenses, and permits are reviewed on a yearly basis. Solid Waste/Recycling costs are paid by the General Fund and State of Wisconsin grants.

> For 2025, the monthly cost for one household is $13.94. The distribution of this cost is $9.47 for Solid Waste and $4.47 for Recycling. Solid Waste monthly household fee decreased $0.22 per month and recycling increased $0.20 per month in 2025.
>
> For 2026, the monthly cost for one household is $13.94. The distribution of this cost is $9.47 for Solid Waste and $4.47 for Recycling. Solid Waste monthly household fee increased $0.22 per month and recycling increased $0.20 per month in 2026.

There was no change in the S&P Global rating of "A+" for GO debt and "A-" for revenue debt in 2026.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money and resources it receives. If you have questions about this report or need additional information, please contact the City of Whitewater, Finance Director, P.O. Box 690, Whitewater, WI 53190.

BASIC FINANCIAL STATEMENTS

City of Whitewater
Whitewater, WI

Statement of Net Position
December 31, 2025

	Governmental Activities	Business-type Activities	Primary Government	Component Unit
ASSETS				
Current Assets:				
Cash and Cash Equivalents	$ 11,090,796	$ 4,139,882	$ 15,230,678	$ 1,052,702
Receivables				
Taxes and Special Assessments	5,946,969	-	5,946,969	-
Accounts, Net of Allowance	469,751	716,671	1,186,422	-
Other	439,783	225,786	665,569	1,988
Due from Other Governments	45,000	-	45,000	-
Leases-current portion	52,387	29,990	82,377	173,444
Internal Balances	710,048	(710,048)	-	-
Due From Tax Collection Fund	7,202	-	7,202	-
Due From Component Unit/City	13,787	-	13,787	-
Inventories	-	22,500	22,500	-
Prepaid Expenses	30,548	-	30,548	-
Total Current Assets	18,806,271	4,424,781	23,231,052	1,228,134
Noncurrent Assets:				
Restricted Assets				
Cash and Cash Equivalents	-	3,978,722	3,978,722	-
Other Assets				
Special Assessment Receivable	15,043	44,775	59,818	-
Loans Receivable	-	-	-	880,738
Lease Receivable- Long-Term	187,148	1,112,995	1,300,143	428,300
Capital Assets				
Land, Improvements, and Construction in Progress	15,854,642	7,319,414	23,174,056	565,797
Other Capital Assets, net of depreciation	36,161,915	60,936,335	97,098,250	-
Net Capital Assets	52,016,557	68,255,749	120,272,306	565,797
Total Noncurrent Assets	52,218,748	73,392,241	125,610,989	1,874,835
Total Assets	71,025,019	77,817,022	148,842,041	3,102,969
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Pension Outflows	4,163,419	573,049	4,736,468	39,243
Deferred Life Insurance OPEB Outflows	78,160	-	78,160	-
Total Deferred Outflows of Resources	4,241,579	573,049	4,814,628	39,243
Total Assets and Deferred Outflows of Resources	$ 75,266,598	$ 78,390,071	$ 153,656,669	$ 3,142,212

See accompanying notes to the basic financial statements

City of Whitewater
Whitewater, WI

Statement of Net Position
December 31, 2025

	Governmental Activities	Business-type Activities	Primary Government	Component Unit
LIABILITIES				
Current Liabilities:				
Accounts Payable and Accrued Expenses	$ 1,828,211	$ 977,467	$ 2,805,678	$ 41,422
Due to City	-	-	-	13,787
Accrued Interest	87,791	161,318	249,109	-
Current Portion of Long-Term Liabilities	1,514,223	2,576,728	4,090,951	-
Total Current Liabilities	3,430,225	3,715,513	7,145,738	55,209
Noncurrent Liabilities:				
Unamortized Debt Premium	553,482	453,204	1,006,686	-
Net OPEB Liability - Life Insurance	295,587	-	295,587	-
Net Pension Liability	691,367	95,159	786,526	6,516
Bonds and Direct Borrowings	14,517,342	29,916,158	44,433,500	-
Compensated Absences	792,786	105,934	898,720	-
Total Noncurrent Liabilities	16,850,564	30,570,455	47,421,019	6,516
Total Liabilities	20,280,789	34,285,968	54,566,757	61,725
DEFERRED INFLOWS OF RESOURCES				
Tax Apportionment	8,893,951	-	8,893,951	-
Deferred Pension Inflows	2,042,378	281,110	2,323,488	19,251
Deferred Life Insurance OPEB Inflows	238,668	-	238,668	-
Other Deferred Inflows	257,585	1,171,847	1,429,432	556,450
Total Deferred Inflows of Resources	11,432,582	1,452,957	12,885,539	575,701
NET POSITION				
Net Investment in Capital Assets	35,612,165	35,048,010	70,660,175	565,797
Restricted				
CDA Programs	-	-	-	1,939,130
Debt Service	-	154,992	154,992	-
Capital	2,065,242	2,848,629	4,913,871	-
Special Revenue Activity	1,828,889	-	1,828,889	-
Unrestricted (Deficit)	4,046,931	4,599,515	8,646,446	(141)
Total Net Position	43,553,227	42,651,146	86,204,373	2,504,786
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 75,266,598	$ 78,390,071	$ 153,656,669	$ 3,142,212

See accompanying notes to the basic financial statements

City of Whitewater
Whitewater, WI

Statement of Activities
For the Year Ended December 31, 2025

		Program Revenue			Net (Expense) Revenue and Changes in Net Position — Primary Government			
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**	**Business-type Activities**	**Primary Government**	**Component Unit**
Primary Government								
Governmental Activities								
General Government	$ 1,925,496	$ 483,558	$ -	$ -	$ (1,441,938)		$ (1,441,938)	
Public Safety	7,864,956	1,710,166	476,674	800,831	(4,877,285)		(4,877,285)	
Public Works	3,454,778	-	813,752	-	(2,641,026)		(2,641,026)	
Culture and Recreation	3,178,284	679,193	495,571	100,000	(1,903,520)		(1,903,520)	
Conservation and Development	598,289	-	2,580	209,331	(386,378)		(386,378)	
Interest on Long-Term Debt	557,863	-	-	-	(557,863)		(557,863)	
Total Governmental Activities	17,579,666	2,872,917	1,788,577	1,110,162	(11,808,010)		(11,808,010)	
Business-Type Activities								
Water	2,538,312	2,929,807	-	790,885	-	$ 1,182,380	1,182,380	
Wastewater	3,558,461	4,129,865	-	976,775	-	1,548,179	1,548,179	
Storm Sewer	925,058	556,440	-	-	-	(368,618)	(368,618)	
Total Business-Type Activities	7,021,831	7,616,112	-	1,767,660	-	2,361,941	2,361,941	
Total Primary Government	$ 24,601,497	$ 10,489,029	$ 1,788,577	$ 2,877,822	(11,808,010)	2,361,941	(9,446,069)	
Component Unit								
Community Development Authority	$ 638,594	$ 236,773	$ -	$ -				$ (401,821)
Total Component Units	$ 638,594	$ 236,773	$ -	$ -				(401,821)
General Revenues:								
Taxes:								
Property Taxes, Levied for General Purposes					4,882,096	-	4,882,096	-
Property Taxes, Levied for Debt Service					1,952,572	-	1,952,572	-
Other Taxes					267,285	-	267,285	-
Grants and Contributions Not Restricted to Specific Programs					4,549,514	-	4,549,514	-
Unrestricted Investment Earnings					710,222	227,188	937,410	145,616
Miscellaneous					194,545	142,325	336,870	7,524
Special Item - Gain (Loss) on Retirement of Asset(s)					(94,509)	-	(94,509)	1
Transfers to/from CDA					4,264,362	(25,000)	4,239,362	(4,239,362)
Transfers					386,216	(386,216)	-	-
Total General Revenues, Transfers, and Special Items					17,112,303	(41,703)	17,070,600	(4,086,221)
Change in Net Position					5,304,293	2,320,238	7,624,531	(4,488,042)
Net Position - Beginning of Year					38,248,934	40,330,908	78,579,842	6,992,828
Net Position - End of Year					$ 43,553,227	$ 42,651,146	$ 86,204,373	$ 2,504,786

See accompanying notes to the basic financial statements

City of Whitewater
Whitewater, WI

Balance Sheet
Governmental Funds
December 31, 2025

	General Fund	Capital Projects Fund	Fire and EMS Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	$ 6,529,298	$ 475,084	$ 708,512	$ 3,377,902	$ 11,090,796
Receivables:					
Taxes	5,124,898	-	-	776,948	5,901,846
Delinquent Personal Property Taxes	85	-	-	-	85
Special Assessments	60,079	-	-	-	60,079
Accounts, Net of Allowance	-	-	469,751	-	469,751
Leases	239,535	-	-	-	239,535
Other	93,355	48,995	-	342,433	484,783
Due from Other Funds	1,685,819	-	-	268	1,686,087
Due from CDA	13,787	-	-	-	13,787
Prepaid Expenses	30,548	-	-	-	30,548
Total Assets	$ 13,777,404	$ 524,079	$ 1,178,263	$ 4,497,551	$ 19,977,297
LIABILITIES					
Accounts Payable	$ 283,948	$ 703,900	$ 14,321	$ 61,423	$ 1,063,592
Accrued Liabilities	624,432	-	72,564	67,623	764,619
Due to Other Funds	1,990	535,025	-	431,554	968,569
Due to Other Governments	268	-	-	-	268
Total Liabilities	910,638	1,238,925	86,885	560,600	2,797,048
DEFERRED INFLOWS OF RESOURCES	8,001,184	-	303,559	1,154,177	9,458,920
FUND BALANCES					
Nonspendable	30,633	-	-	-	30,633
Restricted	-	-	787,819	3,106,312	3,894,131
Assigned	1,938,236	-	-	-	1,938,236
Unassigned (Deficit)	2,896,713	(714,846)	-	(323,538)	1,858,329
Total Fund Balances (Deficits)	4,865,582	(714,846)	787,819	2,782,774	7,721,329
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	$ 13,777,404	$ 524,079	$ 1,178,263	$ 4,497,551	$ 19,977,297

See accompanying notes to the basic financial statements

City of Whitewater
Whitewater, WI

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
December 31, 2025

Total fund balance, governmental funds		$ 7,721,329
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 this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.		52,016,557
The net pension asset (liability) is not a current financial resource and is, therefore, not reported in the fund statements.		(691,367)
The net OPEB asset (liability) is not a current financial obligation and is, therefore, not reported in the fund statements.		
Life Insurance		(295,587)
Pension and OPEB deferred outflows of resources and deferred inflows of resources are actuarially determined by the defined benefit pension and OPEB plans. These items are reflected in the Statement of Net Position and are being amortized with pension and OPEB expense in the Statement of Activities. The deferred outflows of resources and deferred inflows of resources are not financial resources or uses and therefore are not reported in the fund financial statements.		1,960,533
Deferred inflows of resources are reported in the fund financial statement but are already recognized as earned in the Statement of Position. This represents EMS revenues recognized on the Statement of Activities but not in the fund financials.		307,384
Some liabilities (such as General Obligation Debt, Long-Term Compensated Absences, and Leases Payable) are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.		
Long-term debt current portion	1,514,223	
Long-term debt non-current portion	14,517,342	
Unamortized premium on debt	553,482	
Compensated absences long-term portion	792,786	
Accrued interest	87,791	(17,465,624)
Rounding		2
Net Position of Governmental Activities in the Statement of Net Position		$ 43,553,227

See accompanying notes to the basic financial statements

City of Whitewater
Whitewater, WI

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2025

	General Fund	Debt Service	Capital Projects Fund	Fire and EMS Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Property Taxes	$ 4,507,731	$ 1,952,572	$ -	$ -	$ 374,366	$ 6,834,669
Other Taxes	302,665	-	-	-	-	302,665
Special Assessment Revenue	4,870	-	-	-	-	4,870
Intergovernmental	5,319,435	-	-	751,787	680,864	6,752,086
License and Permits	405,884	-	-	-	-	405,884
Fines, Forfeits and Penalties	286,883	-	-	-	-	286,883
Public Charges for Services	68,003	-	-	1,088,615	689,608	1,846,226
Interest Income	585,931	-	68,705	-	21,647	676,283
Miscellaneous Income	465,805	-	209,387	16,397	96,159	787,748
Total Revenues	11,947,207	1,952,572	278,092	1,856,799	1,862,644	17,897,314
EXPENDITURES						
Current:						
General Government	2,127,323	-	-	-	-	2,127,323
Public Safety	5,112,487	-	-	2,159,132	27,961	7,299,580
Public Works	1,766,788	-	-	-	234,867	2,001,655
Culture, Recreation and Education	591,118	-	-	-	2,327,468	2,918,586
Conservation and Development	-	-	-	-	634,196	634,196
Capital Outlay	1,620,701	-	5,114,006	50,490	303,010	7,088,207
Debt Service:						
Principal Repayment	-	1,261,405	-	-	-	1,261,405
Interest Expense	-	708,561	-	-	-	708,561
Total Expenditures	11,218,417	1,969,966	5,114,006	2,209,622	3,527,502	24,039,513
Excess (Deficiency) of Revenues Over Expenditures	728,790	(17,394)	(4,835,914)	(352,823)	(1,664,858)	(6,142,199)
OTHER FINANCING SOURCES (USES)						
Transfers In	882,908	17,394	500	1,370,112	1,218,398	3,489,312
Transfers Out	(2,488,154)	-	(100,000)	(385,000)	(129,942)	(3,103,096)
Transfers Out to CDA	(30,000)	-	-	-	(125,000)	(155,000)
Total Other Financing Sources (Uses)	(1,635,246)	17,394	(99,500)	985,112	963,456	231,216
Net Change in Fund Balances	(906,456)	-	(4,935,414)	632,289	(701,402)	(5,910,983)
Fund Balances - Beginning of Year	5,772,038	-	4,220,568	155,530	3,484,176	13,632,312
Fund Balances (Deficits) - End of Year	$ 4,865,582	$ -	$ (714,846)	$ 787,819	$ 2,782,774	$ 7,721,329

See accompanying notes to the basic financial statements

City of Whitewater
Whitewater, WI

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2025

Net change in fund balances - total governmental funds:	$ (5,910,983)
Amounts reported for Governmental Activities in the Statement of Activities are different because:	
Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.	
This is the amount by which capital additions $7,054,515 were greater than depreciation of $2,302,971 in the current period.	4,751,544
Governmental funds report the entire net sales price (proceeds) from sale of an asset as revenue because it provides current financial resources. In contrast, the Statement of Activities reports the gain or (loss) on the sale of the assets. Thus, the change in net position differs from the change in fund balance by the cost of the asset sold.	(159,157)
Capital contributions increase net position in the Statement of Activities but do not appear in the governmental funds because they are not financial resources.	579,786
Reclassification of net capital assets originally reported on the discrete component unit's Statement of Activities.	4,419,362
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. This represents revenues which were recorded on the government-wide financial statements in the current year but not yet recognized in the fund financial statements.	(84,561)
Governmental funds report bond proceeds as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of bond principal as an expenditure. In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities. The following is a summary of the debt activity for the year.	
Debt repayment - general obligation	1,261,405
Some expenses reported in the Statement of Activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:	
Adjustment for accrued interest not reflected on Governmental Funds	112,317
Adjustment for increase in compensated absences	(82,335)
Adjustment for premium amortization	38,379
Pension and OPEB expense reported in the governmental funds represents current year required contributions into the defined benefit pension and OPEB plans. Pension and OPEB expense in the Statement of Activities are actuarially determined by the defined benefit pension and OPEB plans as differences between net pension asset/net OPEB liability from the prior year to the current year, with some adjustments.	378,536
Change in net position of governmental activities	$ 5,304,293

See accompanying notes to the basic financial statements

City of Whitewater
Whitewater, WI

Statement of Net Position
Proprietary Funds
December 31, 2025

	Enterprise Funds			
	Water	**Wastewater**	**Stormwater**	**Total**
ASSETS				
Current Assets:				
Cash and Cash Equivalents	$ 928,694	$ 3,211,188	$ -	$ 4,139,882
Receivables				
Accounts	231,613	417,496	67,562	716,671
Interest	25,186	-	-	25,186
Leases- Current portion	29,990	-	-	29,990
Other	200,600	-	-	200,600
Due from Other Funds	1,990	-	-	1,990
Inventories	22,500	-	-	22,500
Total Current Assets	1,440,573	3,628,684	67,562	5,136,819
Restricted Assets:				
Restricted Cash	780,675	3,198,047	-	3,978,722
Total Restricted Assets	780,675	3,198,047	-	3,978,722
Capital Assets:				
Construction Work-In-Progress	2,336,126	106,160	153,697	2,595,983
Land	224,506	4,498,925	-	4,723,431
Utility Plant	30,245,910	62,475,596	8,138,073	100,859,579
Less Accumulated Depreciation	(9,918,872)	(28,693,340)	(1,311,032)	(39,923,244)
Net Capital Assets	22,887,670	38,387,341	6,980,738	68,255,749
Noncurrent Assets:				
Special Assessments	44,775	-	-	44,775
Long-Term Lease Receivable	1,112,995	-	-	1,112,995
Total Noncurrent Assets	1,157,770	-	-	1,157,770
Total Assets	26,266,688	45,214,072	7,048,300	78,529,060
DEFERRED OUTFLOWS OF RESOURCES	218,732	260,693	93,624	573,049
Total Assets and Deferred Outflows of Resources	$ 26,485,420	$ 45,474,765	$ 7,141,924	$ 79,102,109

See accompanying notes to the basic financial statements

City of Whitewater
Whitewater, WI

Statement of Net Position
Proprietary Funds
December 31, 2025

	Enterprise Funds			
	Water	**Wastewater**	**Stormwater**	**Total**
LIABILITIES				
Current Liabilities:				
Accounts Payable	$ 597,904	$ 264,693	$ 36,810	$ 899,407
Accrued Liabilities	30,408	36,036	11,616	78,060
Accrued Interest Payable	69,396	77,564	14,358	161,318
Due to Other Funds	-	-	712,038	712,038
Compensated Absences	13,801	19,083	10,156	43,040
Current Portion of Long-Term Debt	566,283	1,772,405	195,000	2,533,688
Total Current Liabilities	1,277,792	2,169,781	979,978	4,427,551
Non-Current Liabilities:				
Long-Term Debt				
Notes Payable	93,900	37,500	150,000	281,400
Bonds and Loans Payable	9,519,937	18,104,821	2,010,000	29,634,758
Unamortized Debt Premium	256,487	127,612	69,105	453,204
Total Long-Term Debt	9,870,324	18,269,933	2,229,105	30,369,362
Other Liabilities:				
Compensated Absences	25,141	40,577	40,216	105,934
Net Pension Liability	36,322	43,290	15,547	95,159
Total Other Liabilities	61,463	83,867	55,763	201,093
Total Non-Current Liabilities	9,931,787	18,353,800	2,284,868	30,570,455
Total Liabilities	11,209,579	20,523,581	3,264,846	34,998,006
DEFERRED INFLOWS OF RESOURCES				
Deferred Pension Inflows	107,300	127,883	45,927	281,110
Deferred Leases Inflows	1,171,847	-	-	1,171,847
Total Deferred Inflows of Resources	1,279,147	127,883	45,927	1,452,957
NET POSITION				
Net Investment in Capital Assets	12,160,456	18,330,921	4,556,633	35,048,010
Restricted				
Debt	22,916	132,076	-	154,992
Capital	-	2,848,629	-	2,848,629
Unrestricted (Deficit)	1,813,322	3,511,675	(725,482)	4,599,515
Total Net Position	13,996,694	24,823,301	3,831,151	42,651,146
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 26,485,420	$ 45,474,765	$ 7,141,924	$ 79,102,109

See accompanying notes to the basic financial statements

City of Whitewater
Whitewater, WI

Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2025

	Enterprise Funds			
	Water	**Wastewater**	**Stormwater**	**Total**
OPERATING REVENUES				
Charges for Services	$ 2,929,807	$ 4,129,865	$ 539,440	$ 7,599,112
Other Operating Revenues	-	-	17,000	17,000
Total Operating Revenues	2,929,807	4,129,865	556,440	7,616,112
OPERATING EXPENSES				
Operation and Maintenance	1,589,652	1,834,861	710,980	4,135,493
Depreciation	561,945	1,241,178	131,432	1,934,555
Total Operating Expenses	2,151,597	3,076,039	842,412	6,070,048
Operating Income (Loss)	778,210	1,053,826	(285,972)	1,546,064
NON-OPERATING REVENUES (EXPENSES)				
Interest and Investment Revenue	68,761	158,427	-	227,188
Miscellaneous Non-Operating Revenues	91,002	46,674	4,649	142,325
Intergovernmental Grants	-	203,800	-	203,800
Interest Expense	(386,715)	(482,422)	(82,646)	(951,783)
Total Non-Operating Revenue (Expenses)	(226,952)	(73,521)	(77,997)	(378,470)
Income (Loss) Before Contributions and Transfers	551,258	980,305	(363,969)	1,167,594
Capital Contributions and Grants	790,885	772,975	-	1,563,860
Transfers In	50,988	-	-	50,988
Transfers Out	(437,204)	-	(25,000)	(462,204)
Change in Net Position	955,927	1,753,280	(388,969)	2,320,238
Total Net Position - Beginning of Year	13,040,767	23,070,021	4,220,120	40,330,908
Total Net Position - End of Year	$ 13,996,694	$ 24,823,301	$ 3,831,151	$ 42,651,146

See accompanying notes to the basic financial statements

City of Whitewater
Whitewater, WI

Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2025

	Enterprise Funds			
	Water	Wastewater	Stormwater	Totals
Cash Flows From Operating Activities:				
Receipts from customers	$ 2,932,942	$ 4,085,755	$ 538,240	$ 7,556,937
Receipt from other funds	-	-	694,844	694,844
Payments to suppliers	(700,939)	(1,069,573)	(352,751)	(2,123,263)
Payments to employees	(761,848)	(1,003,086)	(346,139)	(2,111,073)
Taxes paid	(437,204)	-	-	(437,204)
Net cash provided (used) by operating activities	1,032,951	2,013,096	534,194	3,580,241
Cash Flows From Capital and Related Financing Activities:				
Acquisition and construction of plant assets	(2,137,560)	(1,338,393)	(209,051)	(3,685,004)
Proceeds of debt	454,920	659,887	-	1,114,807
Principal payments on long-term debt	(491,300)	(1,713,288)	(210,000)	(2,414,588)
Interest and debt issuance costs paid	(403,235)	(489,976)	(90,143)	(983,354)
Contributions from (to) other funds	50,988	-	(25,000)	25,988
Proceeds from capital grants	590,285	772,975	-	1,363,260
Net cash provided (used) by capital and related financing activities	(1,935,902)	(2,108,795)	(534,194)	(4,578,891)
Cash Flows From Investing Activities:				
Interest on investments	44,010	158,427	-	202,437
Net cash provided (used) by investing activities	44,010	158,427	-	202,437
Net increase (decrease) in cash and equivalents	(858,941)	62,728	-	(796,213)
Cash and equivalents - beginning of year	2,568,310	6,346,507	-	8,914,817
Cash and equivalents - end of year	$ 1,709,369	$ 6,409,235	$ -	$ 8,118,604

See accompanying notes to basic financial statements

City of Whitewater
Whitewater, WI

Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2025

	Enterprise Funds			
	Water	Wastewater	Stormwater	Totals
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	$ 778,210	$ 1,053,826	$ (285,972)	$ 1,546,064
Adjustments to Reconcile Operating Income (Loss):				
Depreciation	588,902	1,214,221	131,432	1,934,555
Leases	20,199	-	-	20,199
Pension expense	15,946	14,720	2,235	32,901
Tax equivalent	(437,204)	-	-	(437,204)
Other income (expense)	73,502	37,480	-	110,982
Cash Provided (Used) by Operating Activities:				
Changes in Assets and Liabilities:				
Customer accounts receivable	3,135	(44,110)	(18,200)	(59,175)
Other accounts receivable	14,925	-	-	14,925
Due from/to other funds	-	-	694,844	694,844
Accounts payable	(27,572)	(278,007)	927	(304,652)
Accrued liabilities	(4,906)	984	2,741	(1,181)
Compensated absences	7,814	13,982	6,187	27,983
Net cash provided (used) by operating activities	$ 1,032,951	$ 2,013,096	$ 534,194	$ 3,580,241
Noncash Activity				
Plant financed through accounts payable	$ 535,913	$ 196,949	$ -	$ 732,862
Reconciliation of cash and cash equivalents to statement of net position accounts				
Cash and cash equivalents	$ 928,694	$ 3,211,188	$ -	$ 4,139,882
Restricted cash	780,675	3,198,047	-	3,978,722
Total cash and cash equivalents	$ 1,709,369	$ 6,409,235	$ -	$ 8,118,604

See accompanying notes to basic financial statements

City of Whitewater
Whitewater, WI

Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2025

	Tax Custodial Fund
ASSETS	
Cash and Cash Equivalents	$ 4,632,735
Receivables:	
Taxes Receivable	6,363,186
Total Assets	$ 10,995,921
LIABILITIES	
Due to Other Funds	$ 7,202
Due to Other Governments	10,988,719
Total Liabilities	$ 10,995,921

See accompanying notes to the basic financial statements

City of Whitewater
Whitewater, WI

Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2025

	Tax Custodial Fund
ADDITIONS	
Property tax collections for other governments	$ 7,617,461
Total additions	7,617,461
DEDUCTIONS	
Payments of taxes to other governments	7,617,461
Total deductions	7,617,461
Net increase (decrease) in fiduciary net position	-
Net position - Beginning of Year	-
Net position - End of Year	$ -

See accompanying notes to the basic financial statements

1. Summary of Significant Accounting Policies

The accounting policies of the City of Whitewater, Wisconsin, conform to generally accepted accounting principles as applicable to governmental units.

A. Reporting Entity

This report includes all of the funds of the City of Whitewater (the "City"). The reporting entity for the City consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government.

A legally separate, tax exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; (3) the economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. Blended component units, although legally separate entities, are, in substance, part of the government's operations and are reported with similar funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the primary government.

Discretely Presented Component Unit

The government-wide financial statements include the City of Whitewater Community Development Authority ("CDA") as a component unit. The CDA is a legally separate organization. The board of the CDA is appointed by the city council. Wisconsin Statutes provide for circumstances whereby the City can impose their will on the CDA, and also create a potential financial benefit to or burden on the City. See Note 15. As a component unit, the CDA's financial statements have been presented as a discrete column in the financial statements. The information presented is for the fiscal year ended 2025. The CDA does not issue separate financial statements.

1. Summary of Significant Accounting Policies (Continued)

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

"Government-wide" financial statements are basic financial statements required for all governmental units. The statement of net position and the statement of activities are the two required statements. Both statements are prepared on the full accrual basis. The modified accrual basis of accounting continues to be the appropriate basis of accounting for governmental activity fund financial statements.

In addition, all funds in the government-wide financial statements are reported as business-type activities, governmental activities or fiduciary funds. The definitions for these types of activities are discussed in other portions of Note 1.

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

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

Fund Financial Statements

Fund financial statements of the reporting entity are organized into individual funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, net assets/fund equity, revenues, and expenditure/expenses.

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

Finally, all non-fiduciary funds are further classified as major or nonmajor funds. In reporting financial condition and results of operations for governmental units, the new standard concentrates on major funds versus nonmajor funds.

1. Summary of Significant Accounting Policies (Continued)

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

Fund Financial Statements (Continued)

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

1. Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type.

2. Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

3. In addition, any other governmental or proprietary fund that the City believes is particularly important to financial statement users may be reported as a major fund.

Major Governmental Funds

The City reports the following major governmental funds:

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

Debt Service Fund – Accounts for resources accumulated and payments made for principal and interest on long-term debt other than TID or enterprise debt.

Capital Projects Fund – Accounts for the acquisition or construction of major capital facilities and infrastructure.

Fire and EMS Fund – Accounts for revenues and expenditures related to the City's Fire and EMS department.

1. Summary of Significant Accounting Policies (Continued)

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

Fund Financial Statements (Continued)

Major and Nonmajor Enterprise Funds

The City reports the following major enterprise funds:

Enterprise Funds – Used to account for operations (1) that are financed and operated in a manner similar to private business enterprise – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (2) where the governing body has decided that periodic determination of revenues earned, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The following enterprise funds are included in these statements:

Water Utility – Accounts for the operations of the water system. (Major Fund)
Wastewater Utility – Accounts for the operations of the sewer system. (Major Fund)
Stormwater Utility – Accounts for the operations of the stormwater system (Major Fund)

Nonmajor Governmental Funds

The City reports the following nonmajor governmental funds:

Special Revenue Funds – Used to account for the proceeds of specific revenue sources (other than major capital projects) that is legally restricted to expenditures for specific purposes. Nonmajor special revenue funds included in these statements are the following:

Cable TV Fund
Library Special Revenue Fund
Taxicab Grant Program Fund
Parkland Acquisition Fund
Parkland Development Fund
Forestry Fund
Rescue Squad Equipment/Education Fund
Parking Permit Fund
Police Department Trust Fund
Parks and Recreation Fund
Field of Dreams Fund
Aquatic Center Fund
Aquatic Center Capital Fund

1. Summary of Significant Accounting Policies (Continued)

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

Fund Financial Statements (Continued)

Nonmajor Governmental Funds (Continued)

Capital Projects Funds – Used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds). Nonmajor capital projects funds included in these statements are the following:

Tax Incremental District No's. 10-14
Housing Fund

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

The City reports the following fiduciary funds:

Custodial Funds – Used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units. The City accounts for tax collections payable to overlying taxing jurisdictions in a custodial fund.

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

Measurement focus refers to what is being measured, basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

Government-Wide Financial Statements

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Deferred outflows of resources represent a consumption of resources that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred inflows of resources represent an acquisition of resources that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows of resources. Grants and similar items are recognized as revenue when earned.

1. Summary of Significant Accounting Policies (Continued)

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

Fund Financial Statements (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 charges between the City's Water, Wastewater, and Stormwater utilities and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund Financial Statements

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

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

Intergovernmental aids and grants are recognized as revenues in the period the City is entitled to the resources and the amounts are available. Amounts owed to the City, which are not available, are recorded as receivables and deferred inflows of resources. Amounts received prior to the entitlement period are also recorded as deferred inflows of resources.

Special assessments are recognized as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and deferred inflows of resources.

Delinquent special assessments being held for collection by the county are reported as receivables and nonspendable fund balance in the General Fund.

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

1. Summary of Significant Accounting Policies (Continued)

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

Fund Financial Statements (Continued)

The City reports deferred inflows of resources on its governmental funds balance sheet. Deferred inflows of resources arise from taxes levied in the current year, which are for subsequent year's operations. For governmental fund financial statements, deferred inflows of resources arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred inflows of resources also arise when resources are received before the City has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the deferred inflows of resources is removed from the balance sheet and revenue is recognized.

Proprietary and fiduciary fund financial statements (other than agency funds) are reported using the economic resources measurement focus and accrual basis of accounting, as described previously in this note. Agency funds follow the accrual basis of accounting and do not have a measurement focus.

The proprietary funds follow all pronouncements of the Governmental Accounting Standards Board ("GASB"). The proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water, Wastewater, and Stormwater utilities are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

1. Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, and Net Position or Equity

Cash and Cash Equivalents/Investments

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

(1) Deposits in any credit union, bank, savings bank, trust company or savings and loan association which is authorized to transact business in this State if the time deposits mature in not more than three years.
(2) Bonds or securities issued or guaranteed as to principal and interest by the federal government, or by a commission, board or other instrumentality of the federal government.
(3) Bonds or securities of any county, drainage district, technical college district, village, city, town, or school district of this State.
(4) Any security which matures or which may be tendered for purchase at the option of the holder within not more than seven years of the date on which it is acquired, if that security has a rating which is the highest or second highest rating category assigned by Standard & Poor's Corporation, Moody's Investor Service or other similar nationally recognized rating agency or if that security is senior to, or on a parity with, a security of the same issuer which has such a rating.
(5) Bonds or securities issued under the authority of the municipality.
(6) The local government pooled-investment fund as established under Section 25.50 of the Wisconsin Statutes.
(7) Agreements in which a public depository agrees to repay funds advanced to it by the City plus interest, if the agreement is secured by bonds or securities issued or guaranteed as to principal and interest by the federal government.
(8) Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
(9) Repurchase agreements with public depositories, with certain conditions.
(10) Bonds issued by the University of Wisconsin Hospital and Clinics Authority and the Wisconsin Aerospace Authority.

The City has adopted an investment policy. That policy follows the State statue for allowable investments, but does not specifically address the risk described in Note 2.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances. The difference between the bank balance and carrying value is due to outstanding checks and/or deposits in-transit. See Note 2 for additional information.

1. Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, and Net Position or Equity (Continued)

Proprietary Cash and Equivalents

For purposes of the proprietary fund statement of cash flows, the City considers all highly liquid investments, with a maturity of less than three months, when purchased, to be cash equivalents. This consists of current cash and investments.

Taxes Receivable

Property taxes are levied prior to the end of the calendar year and are due and collectible in the following year. Property taxes attach as an enforceable lien as of January 1. The City's portion of taxes is recorded as a receivable in the General Fund. The County acts as the collecting agency for all City taxes. Since City property taxes are not considered available until January 1 of the year following the levy, they are recorded as deferred inflows of resources in the funds budgeted therefore. Taxes are levied in December on the assessed value as of the prior January 1.

Property tax calendar – 2025 tax roll

Lien date and levy date	December, 2025
Tax Bills mailed	December, 2025
Payment in full, or	January 31, 2026
First installment due	January 31, 2026
Second installment due	July 31, 2026

Allowance for Uncollectible Accounts

General Fund accounts receivable have been adjusted for all known uncollectible accounts. No allowance is necessary at year-end. Accounts receivable related to Fire/EMS charges have been shown net of an allowance for uncollectible accounts of $350,697 in the Fire and EMS Fund.

Delinquent real estate taxes as of July 31 are paid in full by the county, which assumes the collection thereof. No provision for uncollectible accounts receivable has been made for delinquent Water and Wastewater billings because the utilities have the right by law to place delinquent bills on tax roll and other delinquent bills are not significant.

Leases as Lessor

The City’s lease receivables are measured at the present value of lease payments expected to be received during the lease term. A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

1. Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, and Net Position or Equity (Continued)

Interfund Transactions

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

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

Special Assessments

Assessments against property owners for public improvements are generally not subject to full settlement in the year levied. Deferred inflows of resources for 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. Special assessments of enterprise funds are recorded as non-operating revenue at the time of assessment, if subject to collection. Deferred inflows of resources for special assessments, those not subject to collection, are recorded as other liability until such time they are subject to collection.

Uncollected installments placed on prior year tax rolls are held for collection by the County and are remitted to the City upon collection by the County. These delinquent installments are financed by the General Fund.

Inventories and Prepaid Items

Governmental fund inventory items are charged to expenditure accounts when purchased. Year-end inventory was not significant. Proprietary fund inventories are generally used for construction, operation and maintenance work. They are not for resale. They are valued at cost based on weighted average, and charged to construction or operation and maintenance expense when used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Restricted Assets

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

1. Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, and Net Position or Equity (Continued)

Capital Assets

Government-Wide Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets are defined by the government as assets with an initial cost of more than $5,000 for general capital assets including infrastructure assets, and an estimated useful life in excess of 1 year. All capital assets are valued at historical cost or estimated historical cost if actual amounts are unavailable. Donated fixed assets are recorded at their estimated fair value at the date of donation.

Prior to January 2003, infrastructure assets of governmental funds were not capitalized. The City has retroactively reported all infrastructure acquired by its governmental fund types.

General Fixed Assets – Fixed assets acquired or constructed for general governmental services are recorded as expenditures in the fund from which the disbursements are made. Generally accepted accounting principles require that these fixed assets be capitalized at cost in the government-wide financial statements. Contributed fixed assets are to be recorded in the government-wide financial statements at acquisition value at the time received. Interest incurred during construction is not capitalized.

Depreciation on governmental fixed assets is calculated straight-line based on the estimated useful life of assets. The estimated useful life of assets is determined by industry standards as recommended by GASB.

Proprietary Fund Fixed Assets – Assets in the enterprise fund are capitalized at cost or fair value at date of contribution or acquisition. Normal repairs and maintenance that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining lives of the related assets.

Deferred charges are recorded in the enterprise fund for extraordinary repairs. Costs are amortized over the estimated life of repair.

Depreciation is charged over the estimated service life of the assets using the straight-line method. Annual depreciation charges are determined using the average utility plant in service and rates ranging from 8 to 77 years for the Water Utility and 4 to 100 years for the Wastewater Utility, depending on the various classes of property, in the respective utilities. The Stormwater Utility assets are depreciated straight-line over useful lives ranging from 65 to 85 years.

1. Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, and Net Position or Equity (Continued)

Capital Assets (Continued)

Fund Financial Statements

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

Debt Issuance Costs

Debt issuance costs are recognized in the current period for the government-wide, proprietary, and governmental fund statements.

Compensated Absences

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Benefits considered more likely than not to be used or settled at termination are recognized in the financial statements. The City applies a First-In, First-Out ("LIFO") flows assumption when estimating its compensated absences liability. Under this assumption, employees are considered to use leave earned in prior years before current-year accumulated leave.

Amounts of accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported as liabilities in the statement of net position. A liability is also recorded for accumulating rights to receive sick pay benefits for the portion more likely than not to be used by employees. Additionally, a liability is recognized for that portion of accumulating sick leave benefits that it is estimated will more likely than not be paid out by cash or non-cash means upon termination. The City accrues salary-related payments associated with payments of compensated absences.

Payments for leave benefits will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2025 are determined on the basis of current salary rates and include salary-related payments.

Long-Term Obligations/Conduit Debt

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

All short-term and long-term obligations expected to be financed from proprietary fund type operations are accounted for as those fund liabilities.

Proceeds of long-term debt issues not recorded as fund liabilities are reflected as "Other Financing Sources" in the operating statement of the recipient fund. Retirement of these issues is reported as an expenditure of the debt service fund in the year in which the debt matures or is repaid, whichever is earlier.

1. Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, and Net Position or Equity (Continued)

Long-Term Obligations/Conduit Debt (Continued)

For the government-wide statements and the proprietary fund statements, bond premiums and discounts amortized over the life of the issue using the straight-line method. Gains or losses on prior refunding are amortized over the remaining life of the old debt, or the life of the new debt, whichever is shorter. The balance at year-end for both premiums/discounts and gains/losses, as applicable, is shown in the deferred outflows of resources or inflows of resources sections of the balance sheet.

The City had approved the issuance of industrial revenue bonds ("IRB") for the benefit of private business enterprises. IRB's are secured by mortgages or revenue agreements on the associated projects, and do not constitute indebtedness of the City. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The total amount of IRB's outstanding at the end of the year is zero.

Claims and Judgments

Claims and judgments are recorded as liabilities if all the conditions of GASB pronouncements are met. Claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental funds. If they are not to be liquidated with expendable available financial resources, no liability is recognized in the governmental fund statements. The related expenditure is recognized when the liability is liquidated. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred. There were no significant claims or judgments at year-end requiring accrual.

Equity Classifications

Government-Wide Statements

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

1. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted – Consists of net assets with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
3. Unrestricted – All other net position that does not meet the definition of "restricted" or "net investment in capital assets".

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

1. Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, and Net Position or Equity (Continued)

Equity Classifications (Continued)

Fund Financial Statements

Government fund equity is classified as fund balance.

In the fund financial statements, governmental fund balance is presented in five possible categories:

1. Nonspendable – Resources which cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact.

2. Restricted – Resources with constraints placed on the use of resources are either (1) externally imposed by the creditors (such as through debt covenants), grantors, contributors, or law and regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.

3. Committed – Resources which are subject to limitations the government imposes upon itself through formal action of the City Council, and that remain binding unless removed in the same manner.

4. Assigned – Resources neither restricted nor committed for which a government has stated intended use for a specific purpose. This intent can be expressed through the City Council or through the City Council delegating this responsibility to the City Finance Director through the budgetary process.

5. Unassigned – Resources which cannot be properly classified in one of the other four categories. Unassigned balances also include negative balances in the governmental funds reporting resources restricted for specific programs.

The City's fund balance policy states the City will strive to maintain an unassigned fund balance of 20% of current year operating expenditures in the General Fund. Unassigned fund balance in excess of 20% may be used only for the funding of non-recurring expenditures.

When restricted and other fund balance resources are available for use, it is the City's policy to use restricted resources first, followed by committed, assigned, and unassigned amounts, respectively.

E. Utility Rates

Current water rates were approved by the City, as regulated by the Wisconsin Public Service Commission, effective April 28, 2023. Current wastewater rates were approved by the City Council on June 27, 2019 and stormwater rates were approved by the City Council on December 29, 2015.

1. Summary of Significant Accounting Policies (Continued)

F. Income Taxes

The City of Whitewater Water, Wastewater, and Stormwater Utilities are municipal utilities. Municipal utilities are exempt from income taxes and therefore no income tax liability is recorded.

G. Deficit Balances

Generally accepted accounting principles require disclosure of individual nonmajor funds that have deficit balances at year-end. As of December 31, 2025, the following individual funds held a deficit balance:

Taxicab Grant Program Fund	$	(98,543)
Forestry Fund		(10,673)
Aquatic Center Capital Fund		(45,484)
TIF 13		(6,872)
TIF 14		(161,966)

The TIF deficits are anticipated to be replenished with future increments. The other nonmajor funds deficit is financed internally and will be monitored over the next few years.

H. Tax Incremental Financing District

The City has 5 active Tax Incremental Districts (“TIF's”). TIFs 10-14 are in existence. TIF’s are authorized by Section 66.1105 of the Wisconsin Statutes. It is a method by which the City can recover its project costs in the designated district of the City. Those costs are recovered through tax increments, which are placed on the tax rolls.

I. Capital Contributions and Grants

Capital contributions represent the value of infrastructure contributed or paid by developers for plant. Capital grants represent funding provided by a higher level of government for the purpose to acquire, construct, or improve capital assets. They are recorded as additions to net position in the government-wide statements and proprietary fund statements. These amounts are not subject to repayment.

J. 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).

1. Summary of Significant Accounting Policies (Continued)

J. Pensions (Continued)

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

K. Other Post-Employment Benefits

Group Life Insurance Plan

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

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

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

L. Deferred Outflows of Resources and Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expenditure) until then. The City has two items that qualify for reporting in this category. The deferred outflows of resources are for the WRS pension system and the LRLIF.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statements element represents an acquisition of net position which applies to a future period and will not be recognized as an inflow of resources (revenue) until then. The City has items that qualify for reporting in the category. The deferred inflows of resources are related to the deferred property tax revenue to be received in 2026, and deferred inflows related to lease accounting, the WRS pension system, and the LRLIF.

The net position of the City is significantly impacted by the combined effect of deferred outflows and inflows of resources from the pension and OPEB plans.

1. Summary of Significant Accounting Policies (Continued)

M. Change in Accounting Principles

Effective January 1, 2025, the City adopted GASB Statement No. 102, *Certain Risk Disclosures.* GASB Statement No. 102 was issued to improve transparency by providing users of financial statements with information about risks that could significantly affect a government's ability to meet obligations and provide services. The City did not have any certain risks requiring disclosure in the financial statements.

2. Cash and Cash Equivalents

As previously discussed, cash for all City funds is pooled for investment purposes. At December 31, 2025, the cash and investments consist of the following:

	Carrying Value	Bank Balance	Associated Risk
Deposits in financial institutions - City	$ 19,273,451	$ 19,059,242	Custodial credit risk, interest rate risk
Deposits in financial institutions - CDA	929,401	929,401	Custodial credit risk, interest rate risk
LGIP	4,691,985	4,691,985	Credit risk, interest rate risk
Total Cash and Investments	$ 24,894,837	$ 24,680,628	

Reconciliation to Financial Statements	
Per Statement of Net Position	
Primary Government	
Cash and Cash Equivalents	$ 15,230,678
Restricted Cash and Cash Equivalents	3,978,722
Component Unit	1,052,702
Fiduciary Funds	
Tax Custodial Fund	4,632,735
Total Cash and Cash Equivalents	$ 24,894,837

2. Cash and Cash Equivalents/Investments (Continued)

A. 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. As of December 31, 2025, the Local Government Investment Pool ("LGIP") investments have an average maturity of 13 days and a fair value of $4,691,985.

B. 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. The City has no investment policy that would further limit its investments choices.

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

Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2025, the fair value of the City's share of the LGIP's assets was substantially equal to the amount reported above. Information on derivatives was not available to the City.

Investment allocation in the LGIP as of December 31, 2025 was: 97% in U.S. Government Securities and 3% in Certificates of Deposits, Commercial Paper, and Time Deposits. The Wisconsin State Treasurer updates the investment allocations on a monthly basis.

C. Custodial Credit Risk

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

Deposits in each local and area bank are insured by the FDIC in the amount of $250,000 for time and savings deposit accounts and $250,000 for demand deposit accounts. Deposits in credit unions are insured by the National Credit Union Administration in the amount of $250,000 for all share draft accounts, and $250,000 for all share certificate and regular share accounts.

2. Cash and Cash Equivalents/Investments (Continued)

C. Custodial Credit Risk (Continued)

Bank accounts, credit union accounts, and the local government investment pool are also insured by the State Deposit Guarantee Fund in the amount of $1,000,000. However, due to the relatively small size of the Guarantee Fund in relationship to the total deposits covered and other legal implications, recovery of material principal losses may be significant to individual municipalities. This has been considered when determining custodial credit risk.

The City's uninsured deposits in financial institutions are collateralized by various instruments. These include depository bonds and collateralized investments.

As of December 31, 2025, the City's deposits with financial institutions in excess of federal depository insurance limits that were exposed to custodial credit risk are listed below:

Uninsured and collateralized by the pledging financial institution's trust department or agent not in the City's name	$ 10,464,707

D. Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer.

3. Receivables

The following accounts receivable amounts are not expected to be collected within one year:

	General
Delinquent personal property taxes	$ 85
Delinquent special charges	6,374
Total	$ 6,459

3. Receivables (Continued)

The City has entered into lease agreements where the City leases office space and space on its water tower for telecommunication equipment. In the statement of activities, lease revenue for the year ended December 31, 2025 was as follows:

	For the Year Ended December 31, 2024			
Lease-related Revenue	Governmental Activities	Business-type Activities	Component Unit	Total
Lease Revenue				
Land and Equipment	$ 17,233	$ 50,919	$ -	$ 68,152
Office Space	13,605	-	184,074	197,679
Total Lease Revenue	30,838	50,919	184,074	265,831
Interest Revenue	6,496	34,514	27,034	68,044
Total	$ 37,334	$ 85,433	$ 211,108	$ 333,875

Aggregate future cash flows for the revenue generated by the lease receivables and interest for the City as of December 31, 2025 were as follows:

Year Ended	Governmental Activities		Business-type Activities		Component Unit		Total	
December 31,	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2026	$ 52,387	$ 9,113	$ 29,990	$ 51,181	$ 173,444	$ 20,658	$ 255,821	$ 80,952
2027	54,743	7,057	31,530	49,944	158,949	14,244	245,222	71,245
2028	56,882	4,918	24,544	48,645	83,750	9,250	165,176	62,813
2029	59,106	2,694	17,379	47,621	87,162	5,838	163,647	56,153
2030	16,417	383	28,513	46,862	90,714	2,286	135,644	49,531
2031-2035	-	-	174,584	214,413	7,725	25	182,309	214,438
2036-2040	-	-	281,427	166,995	-	-	281,427	166,995
2041-2045	-	-	355,549	94,250	-	-	355,549	94,250
2046-2050	-	-	199,469	24,784	-	-	199,469	24,784
Total	$ 239,535	$ 24,165	$ 1,142,985	$ 744,695	$ 601,744	$ 52,301	$ 1,984,264	$ 821,161

3. Receivables (Continued)

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At December 31, 2025, the various components of deferred inflows of resources and unearned revenue reported in the governmental funds were as follows:

	Unearned	Total
Property taxes for subsequent year	$ 8,893,951	$ 8,893,951
Tournament entry fees	3,825	3,825
Leases	257,585	257,585
Fire & EMS revenue	303,559	303,559
Total Deferred Inflows of Resources For Governmental Funds	$ 9,458,920	$ 9,458,920

4. Restricted Assets

The following represent the balances of the restricted cash and cash equivalents as of December 31, 2025:

	Water Utility	Wastewater Utility	Totals
Restricted Assets			
Redemption account	$ 47,580	$ 166,551	$ 214,131
Reserve account	733,095	182,867	915,962
Connection account	-	411,793	411,793
DNR Replacement account	-	2,436,836	2,436,836
Total Restricted Assets	$ 780,675	$ 3,198,047	$ 3,978,722

Long-Term Debt Accounts

Redemption – Used to segregate resources accumulated for debt service payments over the next twelve months.

Reserve – Used to report resources set aside to make up potential future deficiencies in the redemption account.

Equipment Replacement Account

The Wastewater Utility established an equipment replacement account to be used for significant mechanical equipment replacement as required by the Wisconsin Department of Natural Resources.

5. Capital Assets

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

	1/1/2025 Beginning Balance	Additions	Deletions	Reclassification	12/31/2025 Ending Balance
Governmental Activities					
Capital Assets Not Being Depreciated					
Construction in Progress	$ 3,519,382	$ 4,348,475	$ 1,469,315	$ -	$ 6,398,542
Land	2,735,526	-	-	-	2,735,526
Right of Way	1,879,406	-	-	-	1,879,406
Land Improvements	4,841,168	-	-	-	4,841,168
Total Capital Assets Not Being Depreciated	12,975,482	4,348,475	1,469,315	-	15,854,642
Capital Assets Being Depreciated					
Land Improvements	2,668,377	-	-	-	2,668,377
Buildings	12,552,377	620,451	-	6,128,544	19,301,372
Traffic and Street Lights	1,471,875	-	-	-	1,471,875
Machinery and Equipment	9,941,413	3,497,694	194,295	-	13,244,812
Streets	28,778,556	609,751	345,166	-	29,043,141
Sidewalks	1,800,578	-	-	-	1,800,578
Curb and Gutter	1,291,651	27,245	-	-	1,318,896
Total Capital Assets Being Depreciated	58,504,827	4,755,141	539,461	6,128,544	68,849,051
Accumulated Depreciation					
Total Accumulated Depreciation	29,055,287	2,302,971	380,304	1,709,182	32,687,136
Capital Assets, Net of Depreciation	$ 42,425,022	$ 6,800,645	$ 1,628,472	$ 4,419,362	$ 52,016,557

5. Capital Assets (Continued)

Depreciation expense for the governmental activities is as follows:

Government Activities	
General Government	$ 171,052
Public Safety	531,691
Public Works, which includes the depreciation of streets (including curb and gutter) and sidewalks	1,371,173
Culture, Recreation and Education	229,055
Total Governmental Activities Depreciation Expense	$ 2,302,971

Capital asset activity in the business-type activities for the year ended December 31, 2025, was as follows:

Water	1/1/2025 Beginning Balance	Additions	Deletions	12/31/2025 Ending Balance
Capital Assets Not Being Depreciated				
Construction in progress	$ 369,343	$ 2,170,396	$ 203,613	$ 2,336,126
Land and land rights	224,506	-	-	224,506
Total Capital Assets Not Being Depreciated	593,849	2,170,396	203,613	2,560,632
Capital Assets Being Depreciated				
Source of supply	1,713,632	8,600	-	1,722,232
Pumping	1,171,485	-	-	1,171,485
Water treatment	1,595,440	282,669	-	1,878,109
Transmission and distribution	24,148,651	317,847	140,020	24,326,478
Administrative and general assets	1,063,232	97,574	13,200	1,147,606
Total Capital Assets Being Depreciated	29,692,440	706,690	153,220	30,245,910
Total Capital Assets	30,286,289	2,877,086	356,833	32,806,542
Less: Accumulated depreciation	(9,483,190)	(588,902)	(153,220)	(9,918,872)
Net Capital Assets	$ 20,803,099	$ 2,288,184	$ 203,613	$ 22,887,670

5. Capital Assets (Continued)

	1/1/2025 Beginning Balance	Additions	Deletions	12/31/2025 Ending Balance
Wastewater				
Capital Assets Not Being Depreciated				
Construction in progress	$ 3,387,900	$ 99,186	$ 3,380,926	$ 106,160
Land and land rights	4,498,925	-	-	4,498,925
Total Capital Assets Not Being Depreciated	7,886,825	99,186	3,380,926	4,605,085
Capital Assets Being Depreciated				
Collection system	18,232,083	4,621,693	98,981	22,754,795
Treatment and disposal	37,645,225	-	-	37,645,225
General	1,880,187	195,389	-	2,075,576
Total Capital Assets Being Depreciated	57,757,495	4,817,082	98,981	62,475,596
Total Capital Assets	65,644,320	4,916,268	3,479,907	67,080,681
Less: Accumulated depreciation	(27,578,100)	(1,214,221)	(98,981)	(28,693,340)
Net Capital Assets	$ 38,066,220	$ 3,702,047	$ 3,380,926	$ 38,387,341

	1/1/2025 Beginning Balance	Additions	Deletions	12/31/2025 Ending Balance
Stormwater				
Capital Assets Not Being Depreciated				
Construction in progress	$ 6,974	$ 146,723	$ -	$ 153,697
Total Capital Assets Not Being Depreciated	6,974	146,723	-	153,697
Capital Assets Being Depreciated				
Infrastructure	8,075,746	62,327	-	8,138,073
Less: Accumulated depreciation	(1,179,600)	(131,432)	-	(1,311,032)
Net Capital Assets	$ 6,903,120	$ 77,618	$ -	$ 6,980,738

Listed below is the depreciation expense for the utilities.

Business Type Activities	
Water Utility	$ 561,945
Wastewater Utility	1,241,178
Stormwater Utility	131,432
Total Business-Type Activities Depreciation Expense	$ 1,934,555

6. Interfund Receivables/Payables and Transfers

Interfund Receivables/Payables

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

Receivable Fund	Payable Fund	Amount
General Fund	Capital Project	$ 535,025
General Fund	Cable TV	3,268
General Fund	Taxicab Grant Program Fund	200,949
General Fund	Forestry Fund	12,116
General Fund	Police Dept. Trust Fund	899
General Fund	Aquatic Center Capital Fund	45,484
General Fund	TIFs 13 and 14	168,838
General Fund	Tax Custodial Fund	7,202
General Fund	Stormwater Utility	712,038
Subtotal - General Fund		1,685,819
Rescue Squad Equipment/Educ. Fund	General Fund	268
Subtotal - Other Funds		268
Water Utility	General Fund	1,990
Subtotal - Proprietary Funds		1,990
Subtotal - Fund Financial Statements		1,688,077
Less: Fund Eliminations		(978,029)
Total - Government-Wide Statements		$ 710,048

Receivable Fund	Payable Fund	Amount
Governmental Activities	Tax Collection Fund	$ 7,202
Governmental Activities	Component Unit Activities	13,787
Governmental Activities	Business-Type Activities	710,048
	Total	$ 731,037

The principal purpose of these interfunds is due to commingled cash. All remaining balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. All amounts are due within one year.

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

6. Interfund Receivables/Payables and Transfers (Continued)

The following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount	Principal Purpose
General Fund	Parking Permit Fund	$ 35,704	Administrative
General Fund	Fire and EMS Fund	385,000	Administrative
General Fund	Water and Wastewater	437,204	Tax equivalent
General Fund	Stormwater Utility	25,000	Capital equipment
Subtotal - General Fund		882,908	
Capital Projects Funds	General Fund	500	Appropriation
Fire and EMS Fund	General Fund	1,370,112	Appropriation
Debt Service Fund	TIF 12	13,200	Debt service payment
Debt Service Fund	General Fund	4,194	Debt service payment
Subtotal - Debt Service Fund		17,394	
Cable TV Fund	General Fund	32,315	Appropriation
Taxicab Grant Program Fund	General Fund	5,000	Appropriation
Aquatic Center Fund	General Fund	266,530	Appropriation
Aquatic Center Fund	Capital Projects Funds	90,891	Appropriation
Aquatic Center Capital Fund	Capital Projects Funds	100,000	Capital improvements
Parks and Recreation Fund	General Fund	249,242	Appropriation
Parks and Recreation Fund	Field of Dreams Fund	5,050	Appropriation
Library Special Revenue Fund	General Fund	469,370	Appropriation
Subtotal - Nonmajor Funds		1,218,398	
Water Utility	TIFs 10, 11, and 13	50,988	Debt Service Payments
Subtotal - Enterprise Funds		50,988	
Sub-Total – Fund Financial Statements		3,523,406	
Less: Fund Eliminations		(3,137,190)	
Total – Government-Wide Statement of Activities - Primary Government		$ 386,216	
CDA	Housing	$ 50,000	Economic development
CDA	TIFs 10, 11, and 12	75,000	Economic development
CDA	General Fund	30,000	Economic development
CDA	Stormwater	25,000	Economic development
Subtotal - CDA		180,000	
Governmental Activities	CDA	4,419,362	Reclassification of capital assets
Total – Government-Wide Statement of Activities - Component Unit		$ (4,239,362)	

6. Interfund Receivables/Payables and Transfers (Continued)

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

7. Long-Term Obligations

The following is a summary of long-term debt transactions of the City for the year ended December 31, 2025.

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
GOVERNMENTAL ACTIVITIES					
Bonds and Notes Payable					
General Obligation Notes and Bonds	$ 16,620,000	$ -	$ (1,150,000)	$ 15,470,000	$ 1,220,000
Notes from Direct Borrowings	492,315	-	(111,405)	380,910	113,568
Total Bonds and Notes Payable	17,112,315	-	(1,261,405)	15,850,910	1,333,568
Other Liabilities					
Unamortized Debt Premium	591,861	-	(38,379)	553,482	-
Compensated Absences	891,106	82,335	-	973,441	180,655
Total Other Liabilities	1,482,967	82,335	(38,379)	1,526,923	180,655
Total Governmental Activities Long-Term Liabilities	$ 18,595,282	$ 82,335	$ (1,299,784)	$ 17,377,833	$ 1,514,223
BUSINESS-TYPE ACTIVITIES					
Bonds and Notes Payable					
General Obligation Notes and Bonds	$ 8,230,000	$ -	$ (585,000)	$ 7,645,000	$ 585,000
Bonds from Direct Borrowings	16,634,627	1,114,807	(1,454,588)	16,294,846	1,558,688
Revenue Bonds	8,885,000	-	(375,000)	8,510,000	390,000
Total Bonds and Notes Payable	33,749,627	1,114,807	(2,414,588)	32,449,846	2,533,688
Other Liabilities					
Unamortized Debt Premium	484,547	-	(31,343)	453,204	-
Compensated Absences	120,991	27,983	-	148,974	43,040
Total Other Liabilities	605,538	27,983	(31,343)	602,178	43,040
Total Business-type Activities Long-Term Liabilities	$ 34,355,165	$ 1,142,790	$ (2,445,931)	$ 33,052,024	$ 2,576,728

7. Long-Term Obligations (Continued)

A. Governmental Activities – General Obligation Debt

All general obligation notes and bonds payable are backed by the full faith and credit of the municipality. Notes and bonds will be retired by future property tax levies. Proprietary fund debt is payable by revenues from user fees of those funds, or if the revenues are not sufficient, by future tax levies.

The City's general obligation debt limit is equal to 5% of the City's total equalized value. The City's debt limit as of December 31, 2025, is $55,102,830. Debt subject to the limit is $24,126,030.

The following table outlines the governmental debt:

	Date Of Issue	Maturity	Rates	Indebtedness	12/31/25	Portion
Governmental Activities						
2012 GO Refunding Bonds	5/17/2012	9/1/2031	.85-3.25%	$ 5,020,000	$ 1,925,000	$ 300,000
2014 GO Bonds	6/10/2014	9/1/2029	0.5-3.0%	$ 2,645,000	1,105,000	385,000
2018 GO Bonds	4/11/2018	9/1/2037	2.0-5.0%	$ 2,535,000	2,115,000	-
2019 GO Promissory Notes	7/23/2019	7/23/2029	2.49%	$ 703,500	231,000	57,750
2020 GO Bonds	7/8/2020	6/1/2040	2.0-2.1%	$ 1,450,000	695,000	40,000
2022 GO Bonds	3/30/2022	6/1/2041	3.0-4.0%	$ 4,165,000	3,935,000	95,000
2022 GO Promissory Notes	12/9/2022	12/15/2032	3.99%	$ 304,500	149,910	55,818
2024 GO Promissory Notes	7/17/2024	6/1/2044	4.0-5.0%	$ 6,000,000	5,695,000	400,000
Total Governmental Activities -- General Obligation Debt					$ 15,850,910	$ 1,333,568

7. Long-Term Obligations (Continued)

A. Governmental Activities – General Obligation Debt (Continued)

Debt service requirements to maturity are as follows:

	Governmental Activities			
	General Obligation Bonds and Notes		Notes from Direct Borrowings	
Years	Principal	Interest	Principal	Interest
2026	$ 1,220,000	$ 550,383	$ 113,568	$ 11,180
2027	985,000	515,005	115,817	7,493
2028	1,085,000	481,990	64,526	4,258
2029	1,165,000	443,565	64,803	2,535
2030	1,230,000	396,452	7,338	813
2031-2035	4,775,000	1,349,385	14,858	727
2036-2040	3,465,000	590,973	-	-
2041-2044	1,545,000	105,347	-	-
Totals	$ 15,470,000	$ 4,433,100	$ 380,910	$ 27,006

B. Business-Type Debt

The following is business-type debt outstanding:

Business-type Activities Debt

	Date of Issuance	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/25	Current Portion
Water Utility						
2022 Mortgage Revenue Bonds	6/9/2022	5/1/2042	4.0-5.0%	$ 4,625,000	$ 5,555,000	$ 235,000
2024 Revenue Bonds	7/17/2024	5/1/2044	4.0-5.0%	$ 1,275,000	1,250,000	40,000
					6,805,000	275,000
2014 GO Bonds	6/10/2014	9/1/2029	0.5-3.0%	$ 510,000	160,000	40,000
2018 GO Bonds	4/11/2018	9/1/2037	2.0-5.0%	$ 1,850,000	1,275,000	95,000
2019 GO Promissory Notes	7/23/2019	7/23/2029	2.49%	$ 313,000	125,200	31,300
2020 GO Bonds	7/8/2020	6/1/2040	2.0-2.1%	$ 1,730,000	1,360,000	80,000
2025 GO Promissory Notes	8/27/2025	5/1/2035	0.25%	$ 454,920	454,920	44,983
Total Water Utility G.O. Debt					3,375,120	291,283
Total Water Utility Long-Term Debt					10,180,120	566,283

7. Long-Term Obligations (Continued)

B. Business-Type Debt (Continued)

	Date of Issuance	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/25	Current Portion
Wastewater Utility						
2009 Clean Water Fund Loan	12/9/2009	5/1/2029	2.91%	$ 2,766,890	$ 729,353	$ 174,569
2011 Clean Water Fund Loan	7/27/2011	5/1/2031	2.40%	$ 614,198	223,659	35,102
2016 Clean Water Fund Loan	4/13/2016	5/1/2035	2.10%	$ 20,799,553	13,123,489	1,193,054
2022 Mortgage Revenue Bonds	6/9/2022	5/1/2042	4.0-5.0%	$ 3,565,000	1,620,000	110,000
2024 Clean Water Fund Loan	8/14/2024	5/1/2044	2.365%	$ 1,626,586	1,588,225	67,180
2024 Revenue Bonds	7/17/2024	5/1/2034	4.0-5.0%	$ 90,000	85,000	5,000
Total Wastewater Utility Revenue Bonds					17,369,726	1,584,905
2014 GO Bonds	6/10/2014	9/1/2029	0.5-3.0%	$ 220,000	65,000	15,000
2018 GO Bonds	4/11/2018	9/1/2037	2.0-5.0%	$ 1,355,000	1,020,000	75,000
2019 GO Promissory Notes	7/23/2019	7/23/2029	2.49%	$ 133,500	50,000	12,500
2020 GO Bonds	7/8/2020	6/1/2040	2.0-2.1%	$ 1,795,000	1,410,000	85,000
Total Wastewater Utility G.O. Debt					2,545,000	187,500
Total Wastewater Utility Long-Term Debt					19,914,726	1,772,405
Stormwater Utility						
2012 GO Refunding Bonds	5/17/2012	9/1/2031	.85-3.25%	$ 455,000	180,000	30,000
2014 GO Bonds	6/10/2014	9/1/2029	0.5-3.0%	$ 905,000	280,000	65,000
2018 GO Bonds	4/11/2018	9/1/2037	2.0-5.0%	$ 800,000	560,000	35,000
2020 GO Bonds	7/8/2020	6/1/2040	2.0-2.1%	$ 220,000	170,000	10,000
2022 GO Bonds	3/30/2022	6/1/2041	3.0-4.0%	$ 965,000	840,000	45,000
2024 GO Promissory Notes	7/17/2024	6/1/2044	4.0-5.0%	$ 350,000	325,000	10,000
Total Stormwater Utility G.O. Debt					2,355,000	195,000
Total Business-type Activities Long-Term Debt					$ 32,449,846	$ 2,533,688

7. Long-Term Obligations (Continued)

B. Business-Type Debt (Continued)

Debt service requirements on business-type debt to maturity are as follows:

	Business-Type Activities					
	General Obligation Bonds and Notes		Bonds from Direct Borrowings		Revenue Bonds	
Years	Principal	Interest	Principal	Interest	Principal	Interest
2026	$ 585,000	$ 213,747	$ 1,558,688	$ 328,908	$ 390,000	$ 360,169
2027	605,000	194,047	1,591,365	294,774	325,000	342,294
2028	620,001	177,482	1,624,775	259,905	260,000	327,669
2029	630,000	160,401	1,658,934	224,266	285,000	314,044
2030	515,000	142,586	1,454,265	190,708	355,000	298,044
2031-2035	2,599,999	488,303	7,566,594	493,503	2,285,000	1,194,812
2036-2040	1,930,001	147,837	444,904	73,543	3,040,000	650,328
2041-2044	159,999	18,331	395,321	18,972	1,570,000	81,056
Totals	$ 7,645,000	$ 1,542,734	$ 16,294,846	$ 1,884,579	$ 8,510,000	$ 3,568,416

C. Other Debt

Estimated payments of compensated absences are not included in the debt service requirement schedules. The compensated absences liability attributed to governmental activities will be liquidated primarily by the sick leave payout fund.

A statutory mortgage lien upon the utility's system and any additions, improvements and extensions thereto is created by Section 66.066 of the Wisconsin Statutes as provided for in the ordinances creating the revenue bond issue. The City's system and the earnings of the system remain subject to the lien until payment in full of the principal and interest on the bonds.

There are a number of limitations and restrictions contained in the various bond indentures and loan agreements. The City believes it is in compliance with all significant limitations and restrictions, including federal arbitrage regulations.

D. Bond Covenant Disclosures

The information on the following page is provided in compliance with the resolution creating the City's revenue bonds and Clean Water Fund loans.

7. Long-Term Obligations (Continued)

D. Bond Covenant Disclosures (Continued)

Insurance
The utilities are exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets, errors and omissions, workers compensation, and health care of its employees. These risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded coverage in any of the last three years. There were no significant reductions in coverage compared to the prior year.

Debt Coverage
Under terms of the resolution providing for the issue of revenue bonds, revenue less operating expenses excluding depreciation (defined net earnings) must exceed 1.10 or 1.20 times the highest annual debt service of the bonds. The coverage only include revenue debt and does not include general obligation or other debt. The debt coverage requirements on the revenue bonds and Clean Water Fund loans are associated with the water utility only. The coverage requirements were met in 2025 as follows:

	Water Revenue Bonds	Sewer Clean Water Fund Loan and Revenue Bonds
Operating revenues	$ 2,929,807	$ 4,129,865
Investment income	68,761	158,427
Less: Operation and maintenance expenses	(1,589,652)	(1,834,861)
Net Earnings	$ 1,408,916	$ 2,453,431
Minimum Required Earnings per Resolution:		
Highest annual debt service revenue bonds	$ 600,297	$ 1,984,070
Coverage factor	1.20	1.20
Minimum Required Earnings	$ 720,356	$ 2,380,884

8. Commitments

Construction

The City has committed up to $3 million for a library expansion. The total costs anticipated are $5.057 million. As of December 31, 2025, library renovations totaling $6,218,620 were completed and are reported as construction work-in-progress on the Statement of Financial Position.

9. Fund Balances

Fund balances as of December 31, 2025, include the items in the following tables:

Major Funds

General Fund	Nonspendable	Restricted	Assigned	Unassigned
Delinquent personal property tax	$ 85	$ -	$ -	$ -
Prepaid expenses	30,548	-	-	-
Fire Department Equipment	-	-	995,620	-
DPW Equipment Revolving Fund	-	-	239,325	-
Police Vehicle Revolving Fund (deficit)	-	-	-	(182,310)
Building Repair Fund	-	-	51,216	-
Skate Park Fund	-	-	5,433	-
Solid Waste/Recycling Fund	-	-	7,935	-
Sick Leave Severance Fund	-	-	53,721	-
Lakes Improvements Fund (deficit)	-	-	-	(379)
Street Repair Revolving Fund	-	-	290,397	-
Insurance Fund	-	-	85,072	-
Elections Fund	-	-	22,852	-
Health Insurance Fund	-	-	186,665	-
Unassigned	-	-	-	3,079,402
Total General Fund	$ 30,633	$ -	$ 1,938,236	$ 2,896,713

Fire and EMS	Nonspendable	Restricted	Assigned	Unassigned
Fund balance		$ 787,819		

Capital Projects	Nonspendable	Restricted	Assigned	Unassigned
Fund deficit				$ (714,846)

9. Fund Balances (Continued)

Non-Major Funds	Nonspendable	Restricted	Assigned	Unassigned
Special Revenue Funds				
Cable TV Fund	$ -	$ 28,901	$ -	$ -
Library Special Revenue Fund	-	547,261	-	-
Taxicab Grant Program Fund (deficit)	-	-	-	(98,543)
Parkland Acquisition Fund	-	85,983	-	-
Parkland Development Fund	-	11,416	-	-
Forestry Fund (deficit)	-	-	-	(10,673)
Rescue Squad Equipment/Education Fund	-	120,279	-	-
Parking Permit Fund	-	68,217	-	-
Police Dept. Trust Fund	-	88,341	-	-
Parks and Recreation Fund	-	34,691	-	-
Field of Dreams Fund	-	55,981	-	-
Aquatic Center Capital Fund (deficit)	-	-	-	(45,484)
Capital Projects Funds				
TIF 10	-	126,222	-	-
TIF 11	-	25,086	-	-
TIF 12	-	33,129	-	-
TIF 13 (deficit)	-	-	-	(6,872)
TIF 14 (deficit)	-	-	-	(161,966)
Housing	-	1,880,805	-	-
Total Non-Major Funds	$ -	$ 3,106,312	$ -	$ (323,538)

See Note 1. G. for an explanation of fund deficits.

10. Defined Benefit Pension Plan

A. Plan Description

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

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

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

B. 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.

C. Benefits Provided

Employees who retire at or after age 65 (54 for protective occupations and 62 for elected officials and executive service retirement plan participants, if hired on or before 12/31/2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

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

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

The WRS also provides death and disability benefits for employees.

10. Defined Benefit Pension Plan (Continued)

D. Post-Retirement Adjustments

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

Year	Core Fund Adjustment (%)	Variable Fund Adjustment (%)
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0
2021	5.1	13.0
2022	7.4	15.0
2023	1.6	(21.0)
2024	3.6	15.0

E. 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, the WRS recognized $763,967 in contributions from the municipality.

Contribution rates as of December 31, 2025, are:

Employee Category	Employee	Employer
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%

10. Defined Benefit Pension Plan (Continued)

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

At December 31, 2025, the City reported a liability (asset) of $793,042 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2024, and the total pension liability used to calculate the net pension asset 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 (asset) was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2024, the City's proportion was 0.04826307%, which was an increase of 0.00400449% from its proportion measured as of December 31, 2023.

For the year ended December 31, 2025, the City recognized pension expense of $1,059,913.

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

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	$ 2,462,829	$ (2,314,287)
Net differences between projected and actual earnings on pension plan investments	1,205,069	-
Changes in assumptions	235,310	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	3,758	(28,452)
Employer contributions subsequent to the measurement date	868,745	-
Total	$ 4,775,711	$ (2,342,739)

10. Defined Benefit Pension Plan (Continued)

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

$868,745 reported as deferred outflows of resources related to pension resulting from the WRS Member's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 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:

Year Ended December 31:	Net Deferred Outflows (Inflows) of Resources
2026	$ 471,866
2027	1,637,302
2028	(414,542)
2029	(130,399)
Total	$ 1,564,227

G. Actuarial Assumptions

The total pension liability in the December 31, 2024, 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 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
Post-Retirement Adjustments*	1.7%

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

10. Defined Benefit Pension Plan (Continued)

G. 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 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.

H. Long-Term Expected Return on Plan Assets

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

Asset Allocation Targets and Expected Returns[1]
As of December 31, 2024

Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %[2]
Public Equity	38	7.0	4.3
Public Fixed Income	27	6.1	3.4
Private Equity/Debt	20	9.5	6.7
Inflation Sensitive	19	4.8	2.1
Real Estate	8	6.5	3.8
Leverage[3]	(12)	3.7	1.1
Total Core Fund	100	7.5	4.8
Variable Fund Asset Class			
U.S. Equities	70	6.5	3.8
International Equities	30	7.4	4.7
Total Variable Fund	100	6.9	4.2

[1]Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations.
[2]New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.6%.
[3]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%.

10. Defined Benefit Pension Plan (Continued)

I. Single Discount Rate

A single discount rate of 6.8% was used to measure the Total Pension Liability for the current year 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 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease to Discount Rate (5.80%)	Current Discount Rate (6.80%)	1% Increase to Discount Rate (7.80%)
City's proportionate share of the net pension liability (asset)	$ 7,439,770	$ 793,042	$ (3,929,267)

K. Pension Plan Fiduciary Net Position

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

L. Allocation of Pension Plan

Pension amounts are allocated between the General Fund, Proprietary Funds and CDA based upon the required contributions of each fund to the whole.

11. Other Post-Employment Benefits Plan – Multiple Employer Life Insurance Plan

A. Plan Description

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

B. OPEB Plan Fiduciary Net Position

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

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

C. 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.

D. Contributions

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

Employers are required to pay the following contributions based on 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% Post Retirement Coverage	40% of Member Contribution

11. Other Post-Employment Benefits Plan – Multiple Employer Life Insurance Plan (Continued)

D. 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 employee contribution rates in effect for the year ended December 31, 2023 are as listed below:

Life Insurance
Member Contribution Rates*
For the year ended December 31, 2024

Attained Age	Basic	Supplemental
Under 30	$0.05	$0.05
30-34	0.06	0.06
35-39	0.07	0.07
40-44	0.08	0.08
45-49	0.12	0.12
50-54	0.22	0.22
55-59	0.39	0.39
60-64	0.49	0.49
65-69	0.57	0.57

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

During the reporting period, the LRLIF recognized $1,589 in contributions from the employer.

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

At December 31, 2025, the City reported a liability (asset) of $295,587 for its proportionate share of the net OPEB liability (asset). The net OPEB liability (asset) was measured as of December 31, 2024 and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of January 1, 2024, 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 OPEB liability (asset) was based on the City's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2024, the City's proportion was 0.075554%, which was a decrease of 0.004119% from its proportion measured as of December 31, 2024.

For the year ended December 31, 2025, the City recognized OPEB expense of $2,698.

11. Other Post-Employment Benefits Plan – Multiple Employer Life Insurance Plan (Continued)

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ (30,751)
Net differences between projected and actual earnings on plan investments	4,059	-
Changes in actuarial assumptions	72,528	(165,788)
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	(42,129)
Employer contributions subsequent to the measurement date	1,573	-
Totals	$ 78,160	$ (238,668)

$1,573 reported as deferred outflows related to OPEB resulting from the City employer's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the year ended December 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense(revenue) as follows:

Year Ended December 31:	Net Deferred Outflows (Inflows) of Resources
2026	$ (20,902)
2027	(34,382)
2028	(42,787)
2029	(38,847)
2030	(12,365)
Thereafter	(12,798)
Total	$ (162,081)

11. Other Post-Employment Benefits Plan – Multiple Employer Life Insurance Plan (Continued)

F. Actuarial Assumptions

The total OPEB liability in the January 1, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2024
Measurement Date of Net OPEB Liability (Asset)	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 Rated 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 Buyer 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, 2025 is based upon a roll-forward of the liability calculated from the January 1, 2024 actuarial valuation.

G. 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.

11. Other Post-Employment Benefits Plan – Multiple Employer Life Insurance Plan (Continued)

G. Long-Term Expected Return on Plan Assets (Continued)

Local OPEB Life Insurance
Asset Allocation Targets and Expected Returns
As of December 31, 2024

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
US Intermediate Credit Bonds	Bloomberg US Interim Credit	40%	2.41%
US Mortgages	Bloomberg US MBS	60%	2.71%
Inflation			2.30%
Long-Term Expected Rate of Return			4.25%

H. 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.

11. Other Post-Employment Benefits Plan – Multiple Employer Life Insurance Plan (Continued)

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

The following presents the City's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 4.09 percent, as well as what the City's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (3.09 percent) or 1-percentage-point higher (5.09 percent) 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)	$ 395,093	$ 295,587	$ 218,908

12. Self-Insured Health Insurance Plan

A. Self-Insured Health Insurance Program

The City is exposed to various risks of loss related to employee benefits, including health care claims for active employees. Starting in 2025, the City is self-insured for employee health insurance. Under this program, the City retains the risk of loss for claims up to specified limits and purchases stop-loss insurance to limit exposure on individual and aggregate claims.

The health insurance program is administered by a third-party administrator ("TPA"), which processes claims, maintains participant records, and provides periodic claims reports to management. The City is responsible for funding claims as they are incurred.

B. Stop-Loss Coverage

The City maintains stop-loss insurance to reduce its exposure to significant claims. For the year ended December 31, 2025, stop-loss coverage provided reimbursement for monthly aggregate claims in excess of $44,839 ($329 for individual and $758 for family per enrolled employee per month) depending on enrollment in the month. Stop-loss coverage does not relieve the City from its primary obligation for claims up to the deductible limits.

C. Claims Liability

At December 31, 2025, the City did not report a liability for reported and unreported claims which were incurred on or before December 31, 2025, but not paid by the City as of that date. This was the result of the City's monthly payments to the TPA exceeding the actual claims paid or to be paid for 2025.

12. Self-Insured Health Insurance Plan (Continued)

C. Claims Liability (Continued)

Currently, activity of the self-insured health insurance program is accounted for and allocated across funds of the City. Charges to departments and employees are based on estimates of the amounts needed to fund current-year claims and establish appropriate reserves for incurred claims. Excess fund net position is retained to provide for future claims.

The following table reports the change in the claims liability for the self-insured health insurance program for the year ended December 31, 2025:

	Accrued Balance at Beginning of Year	Current Claims and Changes in Estimates	Claim Payments	Accrued Balance at End of Year
12/31/2025	$ -	$ 1,202,995	$ (1,202,995)	$ -

13. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. All risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial coverage in any of the past three years.

14. Aquatic Center Lease and Operating Agreement

The City and the Whitewater Unified School District (the “District”) have a lease and operating agreement for the Aquatic Center (the “Center”). The Center is owned by the District and leased by the City for $1 annually. The agreement provides for the City of Whitewater Park Board to assume responsibility for the operation and management of the Center. The effective date is July 1, 2016 for an initial five-year term expiring June 30, 2021. In May 2024, a new agreement was enacted between the City and the District.

The City budgets and accounts for this activity separately in the Aquatic Center Fund (Fund 247) and is included as a Nonmajor Special Revenue Fund within this document.

Under the agreement, the parties will split all Center expenses equally to the extent they are not covered by revenues generated by the Park Board. The City contributed $357,421 toward the Center costs in 2025 and the District contributed $183,339 in 2025 for Center costs.

15. Component Unit

This report contains the CDA which is included as a component unit. Financial information is presented as a discrete column in the statement of net position and the statement of activities.

In addition to the basic financial statements and the preceding notes to financial statements which apply, the following additional disclosures are considered necessary for a fair presentation.

A. Basis of Accounting/Measurement Focus

The CDA follows the full accrual basis of accounting and the flow of economic resources measurement focus.

B. Deposits and Investments

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

	Carrying Value	Bank Balance	Associated Risk
Demand deposits	$ 929,401	$ 929,401	Custodial credit risk, Interest rate risk

Balances above do not include the CDA's allocated portions of the City's pooled general checking account ($123,301).

Deposits in each local and area bank are insured by the FDIC in the amount of $250,000 for demand deposit accounts and $250,000 for time and savings deposit accounts.

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of $1,000,000. However, due to the relatively small size of the Guarantee Fund in relationship to the total deposits covered and other legal implications, recovery of material principal losses may not be significant to individual municipalities.

Custodial Credit Risk

Deposits – Custodial credit risk is the risk that in the event of a financial institution failure, the CDA's deposits may not be returned to the CDA. As of December 31, 2025, the CDA did not have any total bank balances exposed to custodial credit as outlined in Note 2.

15. Component Unit (Continued)

C. Economic Development and Housing Rehabilitation Loans Receivable

The CDA has received federal and state grant funds for economic development and housing rehabilitation loan programs to various businesses and individuals. The CDA records a loan receivable when the loan has been made and funds have been disbursed. It is the CDA's policy to record revenue when the initial loan is made from the federal and state grant funds. Interest received from loan repayments is recognized as revenue when received in cash. The following receivable amounts are not expected to be collected within one year:

Loan receivable, net	$880,738

D. Capital Assets

	Beginning Balance	Additions	Deletions	Reclassification	Ending Balance	Useful Lives (Years)
Land	$ 565,797	$ -	$ -	$ -	$ 565,797	N/A
Buildings	6,128,544	-	-	(6,128,544)	-	35-40
Accumulated Depreciation						
Buildings	(1,709,182)	-	-	1,709,182	-	
Totals	$ 4,985,159	$ -	$ -	$ (4,419,362)	$ 565,797	

E. Employee Retirement System

All eligible authority employees participate in the WRS, a cost-sharing defined benefit multiple-employer public employee retirement system ("PERS"). Activity related to the CDA's involvement in the system is included with the City in Note 10.

F. Transfers In

The CDA recorded net transfers recorded from the City of $180,000.

G. Due to and from City

The CDA Program fund owes the City $13,787.

H. Leases Receivable

The CDA is a lessor for building space. As of December 31, 2025, the CDA had leases receivable of $601,744. A schedule of lease repayments to the CDA is on the following page 33. See Note 3 for additional information.

15. Component Unit (Continued)

H. Leases Receivable (Continued)

Year Ending December 31,	Component Unit Principal	Component Unit Interest
2026	$ 173,444	$ 20,658
2027	158,949	14,244
2028	83,750	9,250
2029	87,162	5,838
2030	90,714	2,286
2031	7,725	25
Total	$ 601,744	$ 52,301

16. Developer Commitments

The City has developer incentive commitments of $5,630,100 as of December 31, 2025. This amount represents City commitments provided that either or both of construction conditions and tax base incentives are met. These conditions and incentives have not been met as of December 31, 2025.

17. Economic Dependency

One of the City's Water Utility customers provides approximately 18% of the water revenue. Another provides 11% of water revenue and 22% of wastewater revenue.

18. 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 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.

19. Effect of New Accounting Standards on Current Period Financial Statements

The Governmental Accounting Standards Board (GASB) has adopted GASB Statement No. 103, *Financial Reporting Model Improvements,* effective for periods beginning June 15, 2025, GASB Statement No. 104, *Disclosure of Certain Capital Assets,* effective for periods beginning after June 15, 2025, and GASB Statement No. 105, *Subsequent Events,* effective for periods beginning after June 15, 2026. When these become effective, application of these standards may restate portions of these financial statements.

20. Subsequent Events

REQUIRED SUPPLEMENTARY INFORMATION

City of Whitewater
Whitewater, WI
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (with Budget to GAAP Differences)
General Fund
For the year ended December 31, 2025

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Budget to GAAP Differences	Actual Amounts, GAAP Basis	Variance with Final Budget-Positive (Negative)
	Original	Final				
REVENUES						
Taxes	$ 4,507,730	$ 4,507,730	$ 4,507,731	$ -	$ 4,507,731	$ 1
Other Taxes	323,735	323,735	302,665	-	302,665	(21,070)
Special Assessment Revenue	1,050	1,050	4,870	-	4,870	3,820
Intergovernmental	5,023,961	5,023,961	5,287,630	31,805	5,319,435	263,669
License and Permits	394,523	394,523	405,884	-	405,884	11,361
Fines, Forfeits and Penalties	286,550	286,550	286,883	-	286,883	333
Public Charges for Services	45,625	45,625	68,003	-	68,003	22,378
Interest Income	493,292	493,292	568,157	17,774	585,931	74,865
Miscellaneous Income	80,050	80,050	179,995	285,810	465,805	99,945
Total Revenues	11,156,516	11,156,516	11,611,818	335,389	11,947,207	455,302
EXPENDITURES						
Current:						
General Government	1,779,606	1,779,606	2,057,426	69,897	2,127,323	(277,820)
Public Safety	4,871,142	4,871,142	5,112,487	-	5,112,487	(241,345)
Public Works	1,207,166	1,207,166	1,103,596	663,192	1,766,788	103,570
Culture, Recreation and Education	455,107	455,107	590,717	401	591,118	(135,610)
Capital Outlay	-	-	-	1,620,701	1,620,701	-
Total Expenditures	8,313,021	8,313,021	8,864,226	2,354,191	11,218,417	(551,205)
Excess (Deficiency) of Revenues Over Expenditures	2,843,495	2,843,495	2,747,592	(2,018,802)	728,790	(95,903)
OTHER FINANCING SOURCES (USES)						
Transfers Out to CDA	(30,000)	(30,000)	(30,000)	-	(30,000)	-
Transfers In	463,114	463,114	568,326	314,582	882,908	105,212
Transfers Out	(3,270,152)	(3,270,152)	(3,365,237)	877,083	(2,488,154)	(95,085)
Total Other Financing Sources (Uses)	(2,837,038)	(2,837,038)	(2,826,911)	1,191,665	(1,635,246)	10,127
Net Change in Fund Balances	6,457	6,457	(79,319)	(827,137)	(906,456)	(85,776)
Fund Balances - Beginning of Year	3,189,354	3,189,354	3,189,354	2,582,684	5,772,038	3,189,354
Fund Balances - End of Year	$ 3,195,811	$ 3,195,811	$ 3,110,035	$ 1,755,547	$ 4,865,582	$ 3,103,578

See accompanying notes to the required supplementary information

City of Whitewater
Whitewater, WI
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (with Variances)
Fire and EMS Fund
For the year ended December 31, 2025

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	$ 623,882	$ 623,882	$ 751,787	$ 127,905
Public Charges for Services	716,414	716,414	1,088,615	372,201
Miscellaneous Income	200	200	16,397	16,197
Total Revenues	1,340,496	1,340,496	1,856,799	516,303
EXPENDITURES				
Current:				
Public Safety	2,325,608	2,325,608	2,159,132	166,476
Capital Outlay	-	-	50,490	(50,490)
Total Expenditures	2,325,608	2,325,608	2,209,622	115,986
Excess (Deficiency) of Revenues Over Expenditures	(985,112)	(985,112)	(352,823)	632,289
OTHER FINANCING SOURCES (USES)				
Transfers In	1,370,112	1,370,112	1,370,112	-
Transfers Out	(385,000)	(385,000)	(385,000)	-
Total Other Financing Sources (Uses)	985,112	985,112	985,112	-
Net Change in Fund Balance	-	-	632,289	632,289
Fund Balance (Deficit) - Beginning of Year	155,530	155,530	155,530	-
Fund Balance (Deficit) - End of Year	$ 155,530	$ 155,530	$ 787,819	$ 632,289

See accompanying notes to the required supplementary information

CITY OF WHITEWATER
WISCONSIN RETIREMENT SYSTEM SCHEDULES
December 31, 2025

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) AS OF THE MEASUREMENT DATE

Year ended December 31,	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered-employee payroll	Collective net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability (asset)
2024	0.04826307%	$ 793,042	$ 7,518,195	10.55%	98.79%
2023	0.04425858%	658,039	6,853,505	9.60%	98.85%
2022	0.04112726%	2,178,800	5,835,664	37.34%	97.72%
2021	(0.04093644%)	(3,299,552)	5,614,968	(58.76%)	106.02%
2020	(0.04139238%)	(2,584,182)	5,494,004	(47.04%)	105.26%
2019	(0.04136795%)	(1,333,891)	5,512,700	(24.20%)	102.96%
2018	0.04079730%	1,451,440	5,370,806	27.02%	96.45%
2017	(0.04050154%)	(1,202,538)	5,085,067	(23.65%)	102.93%
2016	0.04009691%	330,494	5,007,766	6.60%	99.12%
2015	0.04036951%	655,997	5,156,137	12.72%	98.20%

SCHEDULE OF CITY'S CONTRIBUTIONS FOR THE YEAR ENDED

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
2025	$ 868,745	$ (868,745)	$ -	$ 8,204,684	10.59%
2024	763,967	(763,967)	-	7,518,195	10.16%
2023	655,682	(655,682)	-	6,853,505	9.57%
2022	494,319	(494,319)	-	5,835,664	8.47%
2021	474,842	(474,842)	-	5,614,968	8.46%
2020	460,645	(460,645)	-	5,494,004	8.38%
2019	434,659	(434,659)	-	5,512,700	7.88%
2018	431,432	(431,432)	-	5,370,806	8.03%
2017	421,690	(421,690)	-	5,085,067	8.29%
2016	385,047	(385,047)	-	5,007,766	7.69%

See accompanying notes to the required supplementary information

CITY OF WHITEWATER
LOCAL RETIREE LIFE INSURANCE FUND SCHEDULES
December 31, 2025

SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET) AS OF THE MEASUREMENT DATE

Year ended December 31,	Proportion of the net OPEB liability (asset)	Proportionate share of the net OPEB liability (asset)	Covered-employee payroll	Collective net OPEB liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total OPEB liability (asset)
2024	0.07555400%	$ 295,587	$ 5,206,000	5.68%	37.20%
2023	0.07967300%	366,548	4,707,000	7.79%	33.90%
2022	0.08147400%	310,402	4,294,000	7.23%	38.81%
2021	0.08354300%	493,770	4,379,000	11.28%	29.57%
2020	0.08753900%	481,528	4,394,000	10.96%	31.36%
2019	0.09230900%	393,070	4,303,000	9.13%	37.58%
2018	0.09298000%	238,418	4,172,000	5.71%	48.69%
2017	0.09906500%	298,045	4,165,967	7.15%	44.81%

SCHEDULE OF CONTRIBUTIONS FOR THE YEAR ENDED

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
2025	$ 1,573	$ (1,573)	$ -	$ 6,035,872	0.03%
2024	1,589	(1,589)	-	5,206,000	0.03%
2023	1,623	(1,623)	-	4,707,000	0.03%
2022	1,634	(1,634)	-	4,294,000	0.04%
2021	1,663	(1,663)	-	4,379,000	0.04%
2020	1,736	(1,736)	-	4,394,000	0.04%
2019	1,668	(1,668)	-	4,303,000	0.04%

See accompanying notes to the required supplementary information

CITY OF WHITEWATER
Notes to the Required Supplementary Information
December 31, 2025

1. Budgetary Information

Budgets

A budget has been adopted for all funds of the City. The City's budget is adopted in accordance with Chapter 65 of the Wisconsin Statutes. Changes to appropriations authorized in the adopted budget generally require a vote of two-thirds of the entire membership of the governing body. Budgetary expenditure control is exercised at the department level. The budgetary comparison schedule is presented for the General Fund and the Fire and EMS Fund, since it is considered a major special revenue fund. In the General Fund, the debt service levy and transfer out to debt service of $1,949,572 were eliminated on the fund statements.

Budget amounts include appropriations authorized in the original budget, any council approved amendments, appropriations of restricted resources received for funding specific expenditures and designated portions of the beginning balance of expected to finance expenditures of the current fiscal year. Unused appropriations lapse at year-end unless specifically carried over for financing subsequent year expenditures. The final budget includes an other financing source for anticipated fund balance increase which is not a revenue source under modified accrual accounting. Accordingly there is no actual revenue.

Excess Expenditures over Appropriations

Budgetary expenditure control is exercised at the department level. Some individual departments experienced expenditures which exceeded appropriations. The detail of those items can be found in the City’s year-end budget to actual report.

The City’s General Fund and Fire and EMS Fund had expenditures in excess of budget as follows:

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final budget
	Original	Final		
General Fund				
General Government	$ 1,779,606	$ 1,779,606	$ 2,057,426	$ (277,820)
Public Safety	4,871,142	4,871,142	5,112,487	(241,345)
Culture, Recreation and Education	455,107	455,107	590,717	(135,610)
Fire and EMS Fund				
Capital Outlay	-	-	50,490	(50,490)

Revenues were sufficient to cover the expenditures.

2. Wisconsin Retirement System Schedules

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

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

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

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

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

CITY OF WHITEWATER
Notes to the Required Supplementary Information
December 31, 2025

2. Wisconsin Retirement System Schedules (Continued)

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

	2024	**2023**	**2022**	**2021**	**2020**
Valuation Date:	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method:	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period
Amortization Period:	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS
Asset Valuation Method:	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)
Actuarial Assumptions					
Net Investment Rate of Return:	5.4%	5.4%	5.4%	5.4%	5.4%
Weighted based on assumed rate for:					
Pre-retirement:	6.8%	6.8%	7.0%	7.0%	7.0%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increases					
Wage Inflation:	3.0%	3.0%	3.0%	3.0%	3.0%
Seniority/Merit:	0.1%-5.7%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%
Post-retirement Benefit Adjustments*:	1.7%	1.7%	1.9%	1.9%	1.9%
Retirement Age:	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2021 valuation pursuant to an experience study of the period 2018-2020.	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2021 valuation pursuant to an experience study of the period 2018-2020.	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017.	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017.	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015 - 2017.
Mortality:	2020 WRS Experience Tables. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2021 fully generational improvement scale from a base year of 2010.	2020 WRS Experience Tables. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2021 fully generational improvement scale from a base year of 2010.	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).

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

2. Wisconsin Retirement System Schedules (Continued)

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

	2019	2018	2017	2016	2015
Valuation Date:	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014	December 31, 2013
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method:	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period
Amortization Period:	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS
Asset Valuation Method:	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)
Actuarial Assumptions					
Net Investment Rate of Return:	5.5%	5.5%	5.5%	5.5%	5.5%
Weighted based on assumed rate for:					
Pre-retirement:	7.2%	7.2%	7.2%	7.2%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increases					
Wage Inflation:	3.2%	3.2%	3.2%	3.2%	3.2%
Seniority/Merit:	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%
Post-retirement Benefit Adjustments*:	2.1%	2.1%	2.1%	2.1%	2.1%
Retirement Age:	Experience -based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.
Mortality:	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality

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

3. Local Retiree Life Insurance Fund Schedules

Governmental Accounting Standards Board Statement No. 75 requirements have been implemented prospectively, therefore, the illustrations do not present similar information for the 3 preceding years.

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

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

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

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

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

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

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

OTHER SUPPLEMENTARY INFORMATION

City of Whitewater
Whitewater, WI

Balance Sheet
Combining General Fund
December 31, 2025

	General Fund	Fire Dept. Equipment Fund	DPW Equipment Revolving Fund	Police Vehicle Revolving Fund	Building Repair Fund	Skate Park Fund	Solid Waste Recycling Fund	Sick Leave Severance Fund	Lakes Improvement Fund	Street Repair Rev. Fund	Insurance Reserve	Elections Fund	Health Insurance Savings	Total General Fund
ASSETS														
Cash and Cash Equivalents	$ 4,712,639	$ 997,323	$ 239,325	$ (128,369)	$ 51,216	$ 5,433	$ 8,553	$ 53,721	$ (379)	$ 295,247	$ 85,072	$ 22,852	$ 186,665	$ 6,529,298
Receivables:														
Taxes	5,124,898	-	-	-	-	-	-	-	-	-	-	-	-	5,124,898
Delinquent Personal Property Taxes	85	-	-	-	-	-	-	-	-	-	-	-	-	85
Special Assessments	60,079	-	-	-	-	-	-	-	-	-	-	-	-	60,079
Leases	239,535	-	-	-	-	-	-	-	-	-	-	-	-	239,535
Other	93,355	-	-	-	-	-	-	-	-	-	-	-	-	93,355
Due from CDA	13,787	-	-	-	-	-	-	-	-	-	-	-	-	13,787
Due from Other Funds	1,685,819	-	-	-	-	-	-	-	-	-	-	-	-	1,685,819
Prepaid Expenses	30,548	-	-	-	-	-	-	-	-	-	-	-	-	30,548
Total Assets	$ 11,960,745	$ 997,323	$ 239,325	$ (128,369)	$ 51,216	$ 5,433	$ 8,553	$ 53,721	$ (379)	$ 295,247	$ 85,072	$ 22,852	$ 186,665	$ 13,777,404
LIABILITIES														
Accounts Payable	$ 222,836	$ 1,703	$ -	$ 53,941	$ -	$ -	$ 618	$ -	$ -	$ 4,850	$ -	$ -	$ -	$ 283,948
Accrued Liabilities	624,432	-	-	-	-	-	-	-	-	-	-	-	-	624,432
Due to Other Funds	1,990	-	-	-	-	-	-	-	-	-	-	-	-	1,990
Payable to Other Governments	268	-	-	-	-	-	-	-	-	-	-	-	-	268
Total Liabilities	849,526	1,703	-	53,941	-	-	618	-	-	4,850	-	-	-	910,638
DEFERRED INFLOWS OF RESOURCES	8,001,184	-	-	-	-	-	-	-	-	-	-	-	-	8,001,184
FUND BALANCES														
Nonspendable	30,633	-	-	-	-	-	-	-	-	-	-	-	-	30,633
Assigned	-	995,620	239,325	-	51,216	5,433	7,935	53,721	-	290,397	85,072	22,852	186,665	1,938,236
Unassigned (Deficit)	3,079,402	-	-	(182,310)	-	-	-	-	(379)	-	-	-	-	2,896,713
Total Fund Balances	3,110,035	995,620	239,325	(182,310)	51,216	5,433	7,935	53,721	(379)	290,397	85,072	22,852	186,665	4,865,582
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 11,960,745	$ 997,323	$ 239,325	$ (128,369)	$ 51,216	$ 5,433	$ 8,553	$ 53,721	$ (379)	$ 295,247	$ 85,072	$ 22,852	$ 186,665	$ 13,777,404

City of Whitewater
Whitewater, WI

Statement of Revenues, Expenditures and Changes in Fund Balances
Combining General Fund
For the Year Ended December 31, 2025

	General Fund	Fire Dept. Equipment Fund	DPW Equipment Revolving Fund	Police Vehicle Revolving Fund	Building Repair Fund	Skate Park Fund	Solid Waste Recycling Fund	Sick Leave Severance Fund	Lakes Improvement Fund	Street Repair Rev. Fund	Insurance Reserve	Elections Fund	Health Insurance Savings	Total General Fund
REVENUES														
Property Taxes	$ 4,507,731	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 4,507,731
Other Taxes	302,665	-	-	-	-	-	-	-	-	-	-	-	-	302,665
Special Assessment Revenue	4,870	-	-	-	-	-	-	-	-	-	-	-	-	4,870
Intergovernmental	5,287,630	-	-	-	-	-	31,805	-	-	-	-	-	-	5,319,435
License and Permits	405,884	-	-	-	-	-	-	-	-	-	-	-	-	405,884
Fines, Forfeits and Penalties	286,883	-	-	-	-	-	-	-	-	-	-	-	-	286,883
Public Charges for Services	68,003	-	-	-	-	-	-	-	-	-	-	-	-	68,003
Interest Income	568,157	2,417	1,211	-	-	-	-	-	-	14,146	-	-	-	585,931
Miscellaneous Income	179,995	257,666	8,951	19,076	-	-	-	-	-	-	-	117	-	465,805
Total Revenues	11,611,818	260,083	10,162	19,076	-	-	31,805	-	-	14,146	-	117	-	11,947,207
EXPENDITURES														
Current:														
General Government	2,057,426	-	-	-	-	-	-	34,971	-	-	11,609	23,317	-	2,127,323
Public Safety	5,112,487	-	-	-	-	-	-	-	-	-	-	-	-	5,112,487
Public Works	1,103,596	-	-	-	-	-	538,630	-	-	124,562	-	-	-	1,766,788
Culture, Recreation and Education	590,717	-	-	-	-	-	-	-	401	-	-	-	-	591,118
Capital Outlay	-	1,241,139	135,517	234,109	9,936	-	-	-	-	-	-	-	-	1,620,701
Total Expenditures	8,864,226	1,241,139	135,517	234,109	9,936	-	538,630	34,971	401	124,562	11,609	23,317	-	11,218,417
Excess (Deficiency) of Revenues Over Expenditures	2,747,592	(981,056)	(125,355)	(215,033)	(9,936)	-	(506,825)	(34,971)	(401)	(110,416)	(11,609)	(23,200)	-	728,790
OTHER FINANCING SOURCES (USES)														
Transfers Out to CDA	(30,000)	-	-	-	-	-	-	-	-	-	-	-	-	(30,000)
Transfers In	568,326	385,000	25,000	-	-	-	-	-	-	-	-	-	(95,418)	882,908
Transfers Out	(3,365,237)	-	-	-	15,000	-	500,000	50,000	-	-	-	30,000	282,083	(2,488,154)
Total Other Financing Sources (Uses)	(2,826,911)	385,000	25,000	-	15,000	-	500,000	50,000	-	-	-	30,000	186,665	(1,635,246)
Net Change in Fund Balances	(79,319)	(596,056)	(100,355)	(215,033)	5,064	-	(6,825)	15,029	(401)	(110,416)	(11,609)	6,800	186,665	(906,456)
Fund Balances - Beginning of Year	3,189,354	1,591,676	339,680	32,723	46,152	5,433	14,760	38,692	22	400,813	96,681	16,052	-	5,772,038
Fund Balances (Deficit) - End of Year	$ 3,110,035	$ 995,620	$ 239,325	$ (182,310)	$ 51,216	$ 5,433	$ 7,935	$ 53,721	$ (379)	$ 290,397	$ 85,072	$ 22,852	$ 186,665	$ 4,865,582

City of Whitewater
Whitewater, WI

Balance Sheet
Nonmajor Governmental Funds
December 31, 2025

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Governmental Funds
ASSETS			
Cash and Cash Equivalents	$ 1,159,625	$ 2,218,277	$ 3,377,902
Receivables:			
Taxes	-	776,948	776,948
Other	117,433	225,000	342,433
Due from Other Funds	268	-	268
Total Assets	$ 1,277,326	$ 3,220,225	$ 4,497,551
LIABILITIES			
Accounts Payable	$ 56,792	$ 4,631	$ 61,423
Accrued Liabilities	67,623	-	67,623
Due to Other Funds	262,716	168,838	431,554
Total Liabilities	387,131	173,469	560,600
DEFERRED INFLOWS OF RESOURCES	3,825	1,150,352	1,154,177
FUND BALANCES			
Restricted	1,041,070	2,065,242	3,106,312
Unassigned (Deficit)	(154,700)	(168,838)	(323,538)
Total Fund Balances	886,370	1,896,404	2,782,774
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 1,277,326	$ 3,220,225	$ 4,497,551

City of Whitewater
Whitewater, WI

Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2025

	Nonmajor Special Revenue Funds	Nonmajor Capital Project Funds	Nonmajor Governmental Funds
REVENUES			
Property Taxes	$ -	$ 374,366	$ 374,366
Intergovernmental	680,864	-	680,864
Public Charges for Services	689,608	-	689,608
Interest Income	21,647	-	21,647
Miscellaneous Income	96,159	-	96,159
Total Revenues	1,488,278	374,366	1,862,644
EXPENDITURES			
Current:			
Public Safety	27,961	-	27,961
Public Works	234,867	-	234,867
Culture, Recreation and Education	2,327,468	-	2,327,468
Conservation and Development	15,875	618,321	634,196
Capital Outlay	303,010	-	303,010
Total Expenditures	2,909,181	618,321	3,527,502
Excess (Deficiency) of Revenues Over Expenditures	(1,420,903)	(243,955)	(1,664,858)
OTHER FINANCING SOURCES (USES)			
Transfers In	1,218,398	-	1,218,398
Transfers Out	(40,754)	(89,188)	(129,942)
Transfers Out to CDA	-	(125,000)	(125,000)
Total Other Financing Sources (Uses)	1,177,644	(214,188)	963,456
Net Change in Fund Balances	(243,259)	(458,143)	(701,402)
Fund Balances - Beginning of Year	1,129,629	2,354,547	3,484,176
Fund Balances - End of Year	$ 886,370	$ 1,896,404	$ 2,782,774

City of Whitewater
Whitewater, WI

Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2025

	Cable TV Fund	Library Special Revenue Fund	Taxicab Grant Program Fund	Parkland Acquisition Fund	Parkland Development Fund	Foresty Fund	Rescue Squad Equipment/ Educ. Fund
ASSETS							
Cash and Cash Equivalents	$ 36,383	$ 589,693	$ -	$ 85,983	$ 11,416	$ 1,443	$ 120,011
Other Receivables	-	-	117,433	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	268
Total Assets	$ 36,383	$ 589,693	$ 117,433	$ 85,983	$ 11,416	$ 1,443	$ 120,279
LIABILITIES							
Accounts Payable	$ 119	$ 15,161	$ 15,027	$ -	$ -	$ -	$ -
Accrued Liabilities	4,095	27,271	-	-	-	-	-
Due to Other Funds	3,268	-	200,949	-	-	12,116	-
Total Liabilities	7,482	42,432	215,976	-	-	12,116	-
DEFERRED INFLOWS OF RESOURCES	-	-	-	-	-	-	-
FUND BALANCES (DEFICIT)							
Restricted	28,901	547,261	-	85,983	11,416	-	120,279
Unassigned (Deficit)	-	-	(98,543)	-	-	(10,673)	-
Total Fund Balances (Deficit)	28,901	547,261	(98,543)	85,983	11,416	(10,673)	120,279
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficit)	$ 36,383	$ 589,693	$ 117,433	$ 85,983	$ 11,416	$ 1,443	$ 120,279

City of Whitewater
Whitewater, WI

Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2025

	Parking Permit Fund	Police Dept. Trust Fund	Parks and Recreation Fund	Field of Dreams Fund	Aquatic Center Fund	Aquatic Center Capital Fund	Nonmajor Special Revenue Funds
ASSETS							
Cash and Cash Equivalents	$ 68,467	$ 89,240	$ 48,088	$ 59,806	$ 49,095	$ -	$ 1,159,625
Other Receivables	-	-	-	-	-	-	117,433
Due from Other Funds	-	-	-	-	-	-	268
Total Assets	$ 68,467	$ 89,240	$ 48,088	$ 59,806	$ 49,095	$ -	$ 1,277,326
LIABILITIES							
Accounts Payable	$ 250	$ -	$ 1,283	$ -	$ 24,952	$ -	$ 56,792
Accrued Liabilities	-	-	12,114	-	24,143	-	67,623
Due to Other Funds	-	899	-	-	-	45,484	262,716
Total Liabilities	250	899	13,397	-	49,095	45,484	387,131
DEFERRED INFLOWS OF RESOURCES	-	-	-	3,825	-	-	3,825
FUND BALANCES (DEFICIT)							
Restricted	68,217	88,341	34,691	55,981	-	-	1,041,070
Unassigned (Deficit)	-	-	-	-	-	(45,484)	(154,700)
Total Fund Balances (Deficits)	68,217	88,341	34,691	55,981	-	(45,484)	886,370
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	$ 68,467	$ 89,240	$ 48,088	$ 59,806	$ 49,095	$ -	$ 1,277,326

City of Whitewater
Whitewater, WI

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2025

	Cable TV Fund	Library Special Revenue Fund	Taxicab Grant Program Fund	Parkland Acquisition Fund	Parkland Development Fund	Foresty Fund	Rescue Squad Equipment/ Educ. Fund
REVENUES							
Intergovernmental	$ 18,119	$ 227,710	$ 151,696	$ -	$ -	$ -	$ -
Public Charges for Services	70,899	3,378	-	-	-	-	-
Interest Income	1,445	15,293	-	-	-	57	3,566
Miscellaneous Income	-	39,560	-	24,750	13,692	935	268
Total Revenues	90,463	285,941	151,696	24,750	13,692	992	3,834
EXPENDITURES							
Current:							
Public Safety	-	-	-	-	-	-	13,058
Public Works	-	-	234,867	-	-	-	-
Culture, Recreation and Education	130,980	794,508	-	-	21,782	-	-
Conservation and Development	-	-	-	-	-	15,875	-
Capital Outlay	-	7,786	-	-	-	-	-
Total Expenditures	130,980	802,294	234,867	-	21,782	15,875	13,058
Excess (Deficiency) of Revenues Over Expenditures	(40,517)	(516,353)	(83,171)	24,750	(8,090)	(14,883)	(9,224)
OTHER FINANCING SOURCES (USES)							
Transfers In	32,315	469,370	5,000	-	-	-	-
Net Change in Fund Balances	(8,202)	(46,983)	(78,171)	24,750	(8,090)	(14,883)	(9,224)
Fund Balances (Deficit) - Beginning of Year	37,103	594,244	(20,372)	61,233	19,506	4,210	129,503
Fund Balances (Deficit) - End of Year	$ 28,901	$ 547,261	$ (98,543)	$ 85,983	$ 11,416	$ (10,673)	$ 120,279

City of Whitewater
Whitewater, WI

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2025

	Parking Permit Fund	Police Dept. Trust Fund	Parks and Recreation Fund	Field of Dreams Fund	Aquatic Center Fund	Aquatic Center Capital Fund	Nonmajor Special Revenue Funds
REVENUES							
Intergovernmental	$ -	$ -	$ -	$ -	$ 183,339	$ 100,000	$ 680,864
Public Charges for Services	37,929	-	135,774	45,820	395,808	-	689,608
Interest Income	1,244	42	-	-	-	-	21,647
Miscellaneous Income	-	16,869	-	-	85	-	96,159
Total Revenues	39,173	16,911	135,774	45,820	579,232	100,000	1,488,278
EXPENDITURES							
Current:							
Public Safety	4,384	10,519	-	-	-	-	27,961
Public Works	-	-	-	-	-	-	234,867
Culture, Recreation and Education	-	-	406,722	36,823	936,653	-	2,327,468
Conservation and Development	-	-	-	-	-	-	15,875
Capital Outlay	-	-	-	-	-	295,224	303,010
Total Expenditures	4,384	10,519	406,722	36,823	936,653	295,224	2,909,181
Excess (Deficiency) of Revenues Over Expenditures	34,789	6,392	(270,948)	8,997	(357,421)	(195,224)	(1,420,903)
OTHER FINANCING SOURCES (USES)							
Transfers In	-	-	254,292	-	357,421	100,000	1,218,398
Transfers Out	(35,704)	-	-	(5,050)	-	-	(40,754)
Total Other Financing Sources (Uses)	(35,704)	-	254,292	(5,050)	357,421	100,000	1,177,644
Net Change in Fund Balances	(915)	6,392	(16,656)	3,947	-	(95,224)	(243,259)
Fund Balances - Beginning of Year	69,132	81,949	51,347	52,034	-	49,740	1,129,629
Fund Balances (Deficits) - End of Year	$ 68,217	$ 88,341	$ 34,691	$ 55,981	$ -	$ (45,484)	$ 886,370

City of Whitewater
Whitewater, WI

Combining Balance Sheet
Nonmajor Capital Project Funds
December 31, 2025

	Housing	TIF 10	TIF 11	TIF 12	TIF 13	TIF 14	Nonmajor Capital Project Funds
ASSETS							
Cash and Cash Equivalents	$ 1,655,805	$ 220,652	$ 52,625	$ 77,995	$ 29,433	$ 181,767	$ 2,218,277
Receivables:							
Taxes	-	186,845	57,301	93,353	61,241	378,208	776,948
Other	225,000	-	-	-	-	-	225,000
Total Assets	$ 1,880,805	$ 407,497	$ 109,926	$ 171,348	$ 90,674	$ 559,975	$ 3,220,225
LIABILITIES							
Accounts Payable	$ -	$ 4,631	$ -	$ -	$ -	$ -	$ 4,631
Due to Other Funds	-	-	-	-	6,872	161,966	168,838
Total Liabilities	-	4,631	-	-	6,872	161,966	173,469
DEFERRED INFLOWS OF RESOURCES	-	276,644	84,840	138,219	90,674	559,975	1,150,352
FUND BALANCES (DEFICIT)							
Restricted	1,880,805	126,222	25,086	33,129	-	-	2,065,242
Unassigned (Deficit)	-	-	-	-	(6,872)	(161,966)	(168,838)
Total Fund Balances (Deficit)	1,880,805	126,222	25,086	33,129	(6,872)	(161,966)	1,896,404
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficit)	$ 1,880,805	$ 407,497	$ 109,926	$ 171,348	$ 90,674	$ 559,975	$ 3,220,225

City of Whitewater
Whitewater, WI

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2025

	Housing	TIF 10	TIF 11	TIF 12	TIF 13	TIF 14	Nonmajor Capital Projects Funds
REVENUES							
Property Taxes	$ -	$ 110,160	$ 45,387	$ 31,694	$ 28,991	$ 158,134	$ 374,366
EXPENDITURES							
Current:							
Conservation and Development	-	61,944	150	151	5,050	551,026	618,321
Excess (Deficiency) of Revenues Over Expenditures	-	48,216	45,237	31,543	23,941	(392,892)	(243,955)
OTHER FINANCING SOURCES (USES)							
Transfers Out	-	(10,494)	(10,494)	(38,200)	(30,000)	-	(89,188)
Transfers Out to CDA	(50,000)	(50,000)	(25,000)	-	-	-	(125,000)
Total Other Financing Sources (Uses)	(50,000)	(60,494)	(35,494)	(38,200)	(30,000)	-	(214,188)
Net Change in Fund Balances	(50,000)	(12,278)	9,743	(6,657)	(6,059)	(392,892)	(458,143)
Fund Balances (Deficit) - Beginning of Year	1,930,805	138,500	15,343	39,786	(813)	230,926	2,354,547
Fund Balances (Deficit) - End of Year	$ 1,880,805	$ 126,222	$ 25,086	$ 33,129	$ (6,872)	$ (161,966)	$ 1,896,404

City of Whitewater
Whitewater, WI

Combining Statement of Net Position
Component Unit
December 31, 2025

	Community Development Authority (Operating)	Community Development Authority (Program)	Innovation Center	Total
ASSETS				
Current Assets:				
Cash and Investments	$ 13,125	$ 919,916	$ 119,661	$ 1,052,702
Receivables				
Lease-current portion	-	-	173,444	173,444
Other	-	-	1,988	1,988
Total Current Assets	13,125	919,916	295,093	1,228,134
Noncurrent Assets:				
Lease Receivable - Long-term	-	-	428,300	428,300
Loans Receivable	-	880,738	-	880,738
Capital Assets:				
Land, Improvements and Construction in Progress	-	565,797	-	565,797
Total Capital Assets	-	565,797	-	565,797
Total Noncurrent Assets	-	1,446,535	428,300	1,874,835
Total Assets	13,125	2,366,451	723,393	3,102,969
DEFERRED OUTFLOWS OF RESOURCES	27,329	-	11,914	39,243
Total Assets and Deferred Outflows of Resources	$ 40,454	$ 2,366,451	$ 735,307	$ 3,142,212
LIABILITIES				
Current Liabilities:				
Accounts Payable and Accrued Expenses	$ 22,649	$ -	$ 18,773	$ 41,422
Due to City General Fund	-	13,787	-	13,787
Total Current Liabilities	22,649	13,787	18,773	55,209
Non-Current Liabilities:				
Net Pension Liability	4,539	-	1,977	6,516
Total Non-Current Liabilities	4,539	-	1,977	6,516
Total Liabilities	27,188	13,787	20,750	61,725
DEFERRED INFLOWS OF RESOURCES				
Deferred Pension Inflows	13,407	-	5,844	19,251
Deferred Lease Inflows	-	-	556,450	556,450
Total Deferred Inflows of Resources	13,407	-	562,294	575,701
NET POSITION				
Net Investment in Capital Assets	-	565,797	-	565,797
Restricted	-	1,786,867	152,263	1,939,130
Unrestricted (Deficit)	(141)	-	-	(141)
Total Net Position	(141)	2,352,664	152,263	2,504,786
Total Liabilities, Deferred Inflows of Resources, and Net Position (Deficit)	$ 40,454	$ 2,366,451	$ 735,307	$ 3,142,212
	-	-	-	-

City of Whitewater
Whitewater, WI

Combining Statement of Revenues, Expenses and Changes in Net Position
Component Unit
For the Year Ended December 31, 2025

	Community Development Authority (Operating)	Community Development Authority (Program)	Innovation Center	Total
Operating Revenues	$ -	$ 11,973	$ 224,800	$ 236,773
Operating Expenses	209,664	224,615	204,315	638,594
Operating Income (Loss)	(209,664)	(212,642)	20,485	(401,821)
Non-Operating Revenues (Expenses)				
Interest and Investment Income	-	118,208	27,408	145,616
Miscellaneous	700	6,824	-	7,524
Total Non Operating Revenues	700	125,032	27,408	153,140
Income (Loss) Before Transfers and Gains	(208,964)	(87,610)	47,893	(248,681)
Transfer In from City	180,000	-	-	180,000
Transfer Out to City	-	(4,419,362)	-	(4,419,362)
Gain on Land Sale	-	1	-	1
Change in Net Position	(28,964)	(4,506,971)	47,893	(4,488,042)
Total Net Position - Beginning of Year	28,823	6,859,635	104,370	6,992,828
Total Net Position (Deficit) - End of Year	$ (141)	$ 2,352,664	$ 152,263	$ 2,504,786

INDEPENDENT AUDITOR'S 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*

To the City Council
City of Whitewater
Whitewater, 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 (*Government Auditing Standards*), the financial statements of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Whitewater, 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 Date XX, 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.

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 City's financial statements will not be prevented, or detected and corrected on a timely basis. 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.

Our consideration of internal control was for limited purpose described in the first paragraph of this section 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. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item #2025-001 that we consider to be a material weakness.

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 Whitewater, Wisconsin's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. 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.

Johnson Block & Company, Inc.
Date XX, 2026

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

To the City Council
City of Whitewater
Whitewater, Wisconsin

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Whitewater, Wisconsin (the "City")'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement*, that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2024. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. 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, *Government Auditing Standards,* and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we considered to be a material weakness.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over comp*liance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item #2025-001 to be a material weakness.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Johnson Block & Company, Inc.
DATE XX, 2026

City of Whitewater
Whitewater, WI

Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2025

Federal Grantor Pass-Through Grantor Program of Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
Environmental Protection Agency			
Pass-Through Program From:			
Wisconsin Department of Administration			
Capitalization Grants for Drinking Water			
State Revolving Fund - Grants	66.468	5650-02	$ 790,885
Capitalization Grants for Drinking Water			
State Revolving Fund - Loans	66.468	5650-02	786,833
Total Environmental Protection Agency			1,577,718
U.S. Department of the Transportation			
Pass-Through Program From:			
Wisconsin Department of Transportation			
Federal Formula Grant Program			
for Rural Areas	20.509	0000034472	117,434
Total U.S. Department of Transportation			117,434
U.S. Department of the Treasury			
Pass-Through Program From:			
Wisconsin Department of Revenue			
COVID-19 - Coronavirus State and Local			
Fiscal Recovery Funds	21.027	Not Available	203,800
Total U.S. Department of the Treasury			203,800
Total Expenditures of Federal Awards			$ 1,898,952

See accompanying notes to the schedule of expenditures of federal awards

CITY OF WHITEWATER
Notes to the Schedule of Expenditures of Federal Awards
December 31, 2025

1. Reporting Entity

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Whitewater, Wisconsin.

2. Basis of Presentation

The accounting records for the grant programs are maintained on the modified accrual basis of accounting. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in preparation of the financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

3. Federal Loan Program Activity

In accordance with the Uniform Guidance, the determination of when federal awards are expended for loan programs is based on the requirements of 2 CFR 200.502(b). Under this provision, the value of federal awards expended for loan and loan guarantee programs includes:

- The value of new loans made or received during the audit period,
- The beginning-of-period loan balance for loans from prior years for which the Federal Government imposes continuing compliance requirements, and
- Any interest subsidy, cash, or administrative cost allowance received during the fiscal year.

For the year ended December 31, 2025, the following amounts were included in the schedule of expenditures of federal awards for the Capitalization Grants for Drinking Water State Revolving Loan Fund, Assistance Listing Number #66.468:

- New Loans Received During the Year: $454,920
- Beginning Loan Balance Subject to Federal Compliance Requirements: No balance
- Interest Subsidies / Administrative Cost Allowances Received: None

The total federal awards expended for this loan program, as included on the schedule of expenditures of federal awards, were therefore $454,920, representing the sum of the components listed above. Additionally, $331,913 in federal expenditures were incurred and accrued as of December 31, 2025, which are also included on the schedule of expenditures of federal awards. However, loan proceeds related to these additional expenditures were not received until after year-end.

For loan programs where the entity does not originate loans—such as certain student loan programs at institutions of higher education—only the value of loans made during the audit period is reported as federal awards expended, and prior-year loan balances are not included in accordance with 2 CFR 200.502(c).

The City was approved by the Environmental Protection Agency, the Wisconsin Department of Natural Resources, and the Wisconsin Department of Administration to receive a loan totaling $1,506,107 to replace lead service lines through the Safe Drinking Water Loan Program. The amount listed above ($454,920) for this loan includes the proceeds used during the year. The outstanding loan balance as of December 31, 2025 was $454,920.

4. Subrecipients

No amounts were passed through to subrecipients.

5. De Minimis Cost Rate

The City does not use an indirect cost rate.

CITY OF WHITEWATER
Schedule of Findings and Questioned Costs
December 31, 2025

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
* Material weakness identified?	Yes
* Significant deficiency(ies) identified?	None Reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
* Material weakness identified?	Yes
* Significant deficiency(ies) identified?	None Reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

Identification of major federal programs:

Assistance Listing Number	Name of Program or Cluster
66.468	Capitalization Grants for Drinking Water State Revolving Fund

Dollar threshold for distinguishing Types A and B programs:	$1,000,000
Auditee qualified as low-risk auditee?	No

CITY OF WHITEWATER
Schedule of Findings and Questioned Costs
December 31, 2025

Section II – Financial Statement Findings

Finding #2025-001 – Material Audit Adjustments

Criteria:	Proper financial closing and year-end reconciliation procedures should be in place to identify and adjust the financial records to ensure the financial statements are fairly stated.
Condition:	The auditors proposed audit adjustments that, if not made, would have resulted in the financial statements being materially misstated.
Cause:	Financial information was not recorded in a timely manner and material adjustments were needed in order to correct various transactions.
Effect:	The City's system of internal control may not prevent, detect, or correct misstatements in the financial statements. Financial reports generated by the accounting system may not provide an accurate reflection of the City's financial position or activities. Not reconciling accounts on a timely basis could lead to errors or other problems not being recognized and resolved.
Recommendation:	The auditors recommend that policies and procedures should be implemented to ensure account balances are properly recorded and reconciled in a timely manner.
Response:	The City acknowledges their responsibility for the financial statements and recording of the current year activity. Going forward, the City will work toward verifying that all activity is completely and accurately recorded in the financial records and reflected on the financial statements.

Section III – Federal Awards Findings and Questioned Costs

Finding #2025-001 noted in Section II also applies to internal control procedures over this major federal program:

Assistance Listing Number/Program Title: #66.468/Capitalization Grants for Drinking Water State Revolving Loan Fund

Federal Agency/Pass-Through Entity: Environmental Protection Agency/Wisconsin Department of Administration

Award Number/Year: 5650-02/2025

Section IV – Other Issues

1.	Does the auditor have substantial doubt as to the auditee's ability to continue as a going concern?	No
2.	Was a Management Letter or other document conveying audit comments issued as a result of this audit?	Yes
3.	Name and signature of partner	Kevin Krysinski, CPA
4.	Date of report:	DATE XX, 2026

CITY OF WHITEWATER
Schedule of Prior Year Findings and Questioned Costs
December 31, 2025

An audit in accordance with Government Auditing Standards and a single audit in accordance with Uniform Guidance were not required to be performed in the prior year.

CITY OF WHITEWATER
WHITEWATER, WISCONSIN

REQUIRED AUDIT COMMUNICATIONS
TO THE CITY COUNCIL

Year Ended December 31, 2025

Johnson Block & Company, Inc.
Certified Public Accountants
9701 Brader Way, Suite 202
Middleton, Wisconsin 53562
(608) 274-2002

CITY OF WHITEWATER
WHITEWATER, WISCONSIN

Year Ended December 31, 2025

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AUDIT MATTERS REQUIRING COMMUNICATION
TO THE GOVERNING BODY

To the City Council
City of Whitewater
Whitewater, Wisconsin

We have audited the financial statements of the City of Whitewater as of and for the year ended December 31, 2025, and have issued our report thereon dated __________, 2026. Professional standards also require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated February 21, 2026, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are presented fairly in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of the system of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the system of internal control of the City of Whitewater solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our findings regarding significant control deficiencies over financial reporting and a material weakness, and other matters noted during our audit in a separate letter to you dated __________, 2026.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the City of Whitewater is included in Note 1 to the financial statements. As described in Note 1 to the financial statements, during the year, the City of Whitewater adopted GASB Statement No. 102, Certain Risk Disclosures. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are:

- Management's estimate of the WRS pension liability and deferred outflows and inflows of resources are based on various factors. These estimates are computed by the pension plan administrator.

- Management's estimates of the other postemployment benefits are based on various factors. The estimated liabilities were computed by an actuarial study.

We evaluated the factors and assumptions used to develop the estimates and determined that they are reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. The attached schedule in the appendix summarizes uncorrected financial statement misstatements whose effects in the current and prior periods, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures: See appendix.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the City of Whitewater's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated __________, 2026.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the City of Whitewater, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the City of Whitewater's auditors.

This report is intended solely for the information and use of the City Council and management of the City of Whitewater and is not intended to be and should not be used by anyone other than those specified parties.

Johnson Block & Company, Inc.
_______________, 2026

MANAGEMENT LETTER

To the City Council
City of Whitewater
Whitewater, Wisconsin

In planning and performing our audit of the financial statements of the City of Whitewater for the year ended December 31, 2025, we considered the City of Whitewater's internal control in order to determine our auditing procedures for the purpose of expressing opinions on the financial statements and not to provide assurance on internal control.

However, during our audit we became aware of other matters that are opportunities for strengthening internal controls and operating efficiency. The following pages that accompany this letter summarize our comments and suggestions regarding those matters. This letter does not affect our report dated __________, 2026, on the financial statements of the City of Whitewater.

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

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

Johnson Block & Company, Inc.
__________, 2026

CITY OF WHITEWATER
WHITEWATER, WISCONSIN
Year Ended December 31, 2025

ADJUSTING JOURNAL ENTRIES

As your auditor, our role is to substantiate year-end financial balances and information presented by your accounting personnel, and compare it to supporting information and outside confirmations. When information in your records does not agree with audit evidence, an adjusting entry is necessary to correct your records. Sometimes these entries are identified by your staff as they get ready for the audit. Other adjustments are prepared by us as we discover that your general ledger balances need to be changed to reflect the correct balances.

The proposed entries were accepted by the City of Whitewater's management. All of these changes are reflected properly in your audited financial statements. A copy of the adjusting entries has been provided to your staff and they have been posted to your 2025 general ledger.

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

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

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

PASSED JOURNAL ENTRIES

Passed journal entries may occur due to transaction timing, industry practices or lack of overall significance. There were multiple passed journal entries in 2025. See listing in appendix.

ADDITIONAL COMMENTS

Aquatic Center Revenue Projections

While formulating the budget for the Aquatic Center, we recommend that the City of Whitewater address the operating deficit in the Aquatic Center.

Current Year comment – The City has worked on getting projections in its budget process. Although the Aquatic Center had an even fund balance as of December 31, 2025, this was the result of the general fund increasing its subsidies in 2025. Prior to the general fund's transfers, the Aquatic Center's expenditures exceeded its revenues by $357,421. The City is in the process of negotiations with the School District and formalizing a plan for long-term stability.

Journal Entry Review

During our audit, we noted that journal entries posted to the general ledger are not consistently reviewed and approved by an individual independent of the preparer prior to posting. While management may review financial results periodically, there is no documented evidence that journal entries, particularly manual or nonrecurring entries, are subject to a formal review and approval process. We recommend that management establish and document a formal journal entry review process. All journal entries should be reviewed and approved by an individual with appropriate accounting knowledge who is independent of the preparation process. Evidence of the review should be retained, such as electronic approval within the accounting system, initials and dates on supporting documentation, or a documented approval workflow.

CITY OF WHITEWATER
WHITEWATER, WISCONSIN
Year Ended December 31, 2025

CONCLUDING REMARKS

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

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

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

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

APPENDIX

Client: ***WHITEWATER - City of Whitewater***
Engagement: ***2025 AUDIT - Whitewater***
Period Ending: ***12/31/2025***
Trial Balance: ***TB***
Workpaper: ***3700.01 - Adjusting Journal Entries Report***

Account	Description	Debit	Credit
Adjusting Journal Entries			
Adjusting Journal Entries JE # 1001			
To reverse double-booking of August settlement (2024 tax roll) reversal			
800-12100	TAXES RECEIVABLE - CURRENT Y	2,008,291.67	
800-12610	SPECIAL ASSESSMENTS/CURRENT	69,067.46	
800-25100	DUE TO GENERAL FUND		4,213.62
800-25101	DUE TO GENERAL FUND-TAXES		1,956,677.74
800-25401	LEVIES DUE TO TIF DISTRICTS		116,467.77
Total		**2,077,359.13**	**2,077,359.13**
Adjusting Journal Entries JE # 1002			
To move 2024 CWFL loan proceeds to liability account			
620-42217-62	BOND PROCEEDS	659,887.11	
620-21377	2024 CWF LOAN 4558-09		659,887.11
Total		**659,887.11**	**659,887.11**
Adjusting Journal Entries JE # 1003			
To move grant proceeds portion of 2025 SWDFL to revenue account			
610-23128	2025 CWLF LOAN 5650-02	590,285.05	
610-47481-61	MISC GRANT REVENUE		590,285.05
Total		**590,285.05**	**590,285.05**
Adjusting Journal Entries JE # 1004			
To reverse recognition of Johns Disposal special assessment payment - Recognized as revenue in 2024			
610-47421-61	DEVELOPER CONTRIBUTION	14,924.98	
610-25250	DEFERRED REVENUE		14,924.98
Total		**14,924.98**	**14,924.98**
Adjusting Journal Entries JE # 1005			
To record interfund on CDA for year-end expenses paid for by General Fund			
910-56500-408	RENTAL & PROPERTY EXPENSES	3,372.15	
910-25100	DUE TO GENERAL FUND		3,372.15
Total		**3,372.15**	**3,372.15**
Adjusting Journal Entries JE # 1006			
To adjust GASB 68 WRS activity			
610-19999	GASB 68-PENSION CLEARING ACCT	15,946.00	
610-29011	GASB 68-WRS DIR	67,394.00	
620-19999	GASB 68-PENSION CLEARING ACCT	14,720.00	
620-29011	GASB 68-WRS DIR	72,100.00	
630-19999	GASB 68-PENSION CLEARING ACCT	2,235.00	
630-29011	GASB 68-WRS DIR	20,039.00	
900-19000	GASB 68-WRS NET PENSION ASSETS	2,782.00	
900-19999	GASB 68-PENSION CLEARING ACCT	10,999.00	
900-29011	GASB 68-WRS DIR	25,699.00	
920-19021	GASB 68-WRS DOR	4,805.00	
610-19000	GASB 68-WRS NET PENSION ASSETS		3,620.00
610-19021	GASB 68-WRS DOR		79,720.00
620-19000	GASB 68-WRS NET PENSION ASSETS		5,855.00
620-19021	GASB 68-WRS DOR		80,965.00
630-19000	GASB 68-WRS NET PENSION ASSETS		3,199.00
630-19021	GASB 68-WRS DOR		19,075.00
900-19021	GASB 68-WRS DOR		39,480.00
920-19000	GASB 68-WRS NET PENSION ASSETS		1,198.00
920-19999	GASB 68-PENSION CLEARING ACCT		1,924.00
920-29011	GASB 68-WRS DIR		1,683.00
Total		**236,719.00**	**236,719.00**

Adjusting Journal Entries JE # 1007
To record loan loss reserve for Fine Food Arts loan

910-56500-525	ACTION GRANTS-BUSINESS DEV	30,000.00	
910-13999	ACTION LOAN-LOAN LOSS RESERVE		30,000.00
Total		**30,000.00**	**30,000.00**

Adjusting Journal Entries JE # 1008
To record additional accounts payable found in subsequent search (DO NOT POST $25,580.01 FUND 216, FUND 450, OR FUND 610 PORTIONS OF ENTRY - CITY ALREADY RECORDED IN CIVIC)

100-51100-715	TOURISM COMMITTEE-ROOM TAX	44,288.97	
216-52200-810	EQUIPMENT-VECHCLE	25,580.01	
450-58000-830	LIBRARY BUILDING IMPVTS	540,269.98	
610-61936-810	CAPITAL EQUIPMENT	13,804.95	
100-21100	ACCOUNTS PAYABLE		44,288.97
216-21100	ACCOUNTS PAYABLE		25,580.01
450-21100	ACCOUNTS PAYABLE		540,269.98
610-21100	ACCOUNTS PAYABLE		13,804.95
Total		**623,943.91**	**623,943.91**

Adjusting Journal Entries JE # 1009
To record receivable for Federal taxicab grant reimbursements received in January/February 2026 for 2025 expenditures (DO NOT POST - CITY HAS ALREADY RECORDED IN CIVIC)

235-13100	ACCOUNTS RECEIVABLE	117,433.34	
235-43510-51	FEDERAL GRANTS		117,433.34
Total		**117,433.34**	**117,433.34**

Adjusting Journal Entries JE # 1010
To record stormwater AR for EnerCon invoice billed out to John's disposal, work performed in December 2025

630-14250	ACCOUNTS REC.-MISC/SERVICE	17,000.00	
630-41116-63	OTHER REVENUES		17,000.00
Total		**17,000.00**	**17,000.00**

Adjusting Journal Entries JE # 1011
To adjust GASB 87 lessor leases in CDA

920-19200	SHORT TERM LEASE RECEIVABLE	38,386.44	
920-29500	DEF INFLOW OF RESOURCES LEASES	47,421.56	
920-48631-56	RENT-CESA #2	90,000.00	
920-48632-56	RENT-JEDI	12,050.22	
920-48633-56	RENT-BLACKTHORNE CAPITAL LLC	7,242.69	
920-48636-56	RENT-I-BUTTON	47,331.47	
920-48640-56	RENT-REIMER SYSTEMS	2,100.00	
920-48680-56	RENT-NYLEN & PARTNERS	2,100.00	
920-48683-56	RENT-PAQUETTE CENTER	33,480.00	
920-48684-56	RENT-US FORESTRY SVC	9,507.00	
920-48687-56	RENT-REGENCY RARE COINS	2,932.00	
920-17100	INTEREST RECEIVABLE		133.38
920-19250	LONG TERM LEASE RECEIVABLE		81,309.83
920-48490-56	Interest Revenue - Leases		27,034.14
920-48900-56	Lease Revenue		184,074.03
Total		**292,551.38**	**292,551.38**

Adjusting Journal Entries JE # 1012
To adjust GASB 87 lessor leases in general fund

100-13300	INTEREST REC-LEASES GASB 87	304.12	
100-13310	ST LEASE RECEIVABLE GASB 87	43,630.11	
100-13350	LT LEASE RECEIVABLE GASB 87	111,953.97	
100-43540-52	UNIVERSITY-LEASE-PARKING	45,000.00	
100-48200-00	LONG TERM RENTALS	12,400.00	
100-26500	DEF INFLOW OF RESOURCES LEASES		175,954.46
100-48110-00	Interest Revenue - Leases		6,495.92
100-48900-00	Lease Revenue		30,837.82
Total		**213,288.20**	**213,288.20**

Adjusting Journal Entries JE # 1013
To adjust GASB 87 lessor leases in water utility fund

610-17100	INTEREST RECEIVABLE	24,751.55	
610-19200	SHORT TERM LEASE RECEIVABLE	23,764.32	
610-19250	LONG TERM LEASE RECEIVABLE	1,091,046.74	
610-47460-61	OTR REV/TOWER/SERVICE	80,880.00	
610-29500	DEF INFLOW OF RESOURCES LEASES		1,135,009.13
610-47420-61	Interest Revenue - Leases		34,514.98
610-47483-61	LEASE REVENUE		50,918.50
Total		**1,220,442.61**	**1,220,442.61**

Adjusting Journal Entries JE # 1014
To adjust allowance and deferral related to EMS billings

249-25500	DEFFERED REVENUE - FIRE	105,111.09	
249-13999	ALLOWANCE FOR DOUBTFUL ACCTS		73,075.13
249-48507-52	RESCUE CALL REVENUE		32,035.96
Total		**105,111.09**	**105,111.09**

Adjusting Journal Entries JE # 1015
To recognize remaining ARPA funding as revenue in 2025

620-26730	OTHER DEFERRED REVENUE	203,800.00	
620-42218-62	GRANT PROCEEDS		203,800.00
Total		**203,800.00**	**203,800.00**

Adjusting Journal Entries JE # 1016
To reclass water's portion of Vanderlip project from CIAC to utility-financed plant

610-11343	MAINS	94,759.00	
610-11345	SERVICES	17,163.93	
610-11348	HYDRANTS	7,525.00	
610-12343	CIAC-MAINS		94,759.00
610-12345	CIAC-SERVICES		17,163.93
610-12348	CIAC-HYDRANTS		7,525.00
Total		**119,447.93**	**119,447.93**

Adjusting Journal Entries JE # 1017
To adjust water tax equivalent to actual

100-11100	CASH	83,704.00	
610-61930-590	TAXES	83,704.00	
100-48700-00	WATER UTILITY TAXES		83,704.00
610-11100	CASH-COMBINED		83,704.00
Total		**167,408.00**	**167,408.00**

Adjusting Journal Entries JE # 1018
To reverse double-booking of meter disposals

610-11346	METERS	74,400.00	
610-19500	ACCUM PROV/DEPR/UTILITY PLT		74,400.00
Total		**74,400.00**	**74,400.00**

Adjusting Journal Entries JE # 1019
To adjust joint meter allocation entries to actual

610-11100	CASH-COMBINED	15,145.36	
620-62810-356	JOINT METER EXPENSE	342.15	
620-62810-356	JOINT METER EXPENSE	13,780.21	
620-62810-550	DEPRECIATION EXPENSE	1,023.00	
610-47476-61	NET RETURN ON INVEST-METERS		13,780.21
610-61930-550	DEPRECIATION EXPENSE		1,023.00
610-61930-590	TAXES		342.15
620-11100	CASH-COMBINED CASH		15,145.36
Total		**30,290.72**	**30,290.72**

Adjusting Journal Entries JE # 1020
To adjust Fund 249 deferred inflows of resources to actual

249-48507-52	RESCUE CALL REVENUE	30,075.40	
249-25500	DEFFERED REVENUE - FIRE		30,075.40
Total		**30,075.40**	**30,075.40**

Adjusting Journal Entries JE # 1021
To eliminate deficit in debt service fund

100-59230-990	TRANS TO FD 300 DEBT SERVICE	3,000.00	
300-11100	CASH	3,000.00	
100-11100	CASH		3,000.00
300-49290-00	TRANSFER FROM GENERAL FUND		3,000.00
Total		**6,000.00**	**6,000.00**

Adjusting Journal Entries JE # 1022
To transfer Innovation Center from CDA to City

910-22000	ACCUM DEPREC-BUILDING	1,709,182.14	
910-56500-650	TRANSFER-FD 900-ADMIN	4,419,361.86	
910-18360	REAL ESTATE		6,128,544.00
Total		**6,128,544.00**	**6,128,544.00**

Adjusting Journal Entries JE # 1023
To accrue pay request #2, including retainage, for lead service line replacement project for services performed through September 2025, and grant portion of SWDFL reimbursement

610-14250	ACCOUNTS REC.-MISC/SERVICE	200,599.61	
610-15500	CONST WORK IN PROGRESS	487,789.90	
610-21100	ACCOUNTS PAYABLE		487,789.90
610-47481-61	MISC GRANT REVENUE		200,599.61
Total		**688,389.51**	**688,389.51**

Client: ***WHITEWATER - City of Whitewater***
Engagement: ***2025 AUDIT - Whitewater***
Period Ending: ***12/31/2025***
Trial Balance: ***TB***
Workpaper: ***3700.20 - Proposed Journal Entries Report***

Account	Description	Debit	Credit
Proposed Journal Entries			
Proposed Journal Entries JE # 4001			
To adjust sewer accrued interest			
620-62810-620	INTEREST ON DEBT	6,225.67	
620-21010	ACCRUED INTEREST PAYABLE		6,225.67
Total		**6,225.67**	**6,225.67**
Proposed Journal Entries JE # 4002			
To adjust accrued sick leave			
630-63300-120	EMPLOYEE BENEFITS-TOTAL	1,598.82	
630-23810	ACCRUED SICK LEAVE		1,598.82
Total		**1,598.82**	**1,598.82**
Proposed Journal Entries JE # 4003			
To allocate GASB 75 Life Insurance to Utilities			
610-19300	GASB 75-HEALTH DOR	3,483.62	
610-39160	UNAPPROP EARNED SURPLUS	20,277.23	
610-61926-150	EMPLOYEE FRINGE BENEFITS	51.07	
620-19300	GASB 75-HEALTH DOR	4,095.36	
620-34300	SURPLUS/FUND BALANCE	23,838.05	
620-62820-120	EMPLOYEE BENEFITS	60.05	
630-19300	GASB 75-HEALTH DOR	11,064.64	
630-39160	SURPLUS/FUND BALANCE	64,404.37	
630-63300-120	EMPLOYEE BENEFITS-TOTAL	162.23	
GASB 18000 LRLIF	Net OPEB Asset (Liability) LRLIF	70,506.80	
GASB 24400 LRLIF	Deferred Inflows - LRLIF	56,929.82	
610-29040	GASB 75-HEALTH LIABILITY		13,174.41
610-29050	GASB 75-HEALTH DIR		10,637.51
620-29040	GASB 75-HEALTH LIABILITY		15,487.93
620-29050	GASB 75-HEALTH DIR		12,505.53
630-29040	GASB 75-HEALTH LIABILITY		41,844.46
630-29050	GASB 75-HEALTH DIR		33,786.78
GASB 18600 LRLIF	Deferred Outflows - LRLIF		18,643.62
GASB 38000	Unrestricted fund balance		108,519.65
GASB 58130	Expenditures - Public Works		273.35
Total		**254,873.24**	**254,873.24**
Proposed Journal Entries JE # 4004			
To remove duplicate items from AP			
920-21100	ACCOUNTS PAYABLE	2,530.46	
920-56500-245	BUILDING MAINTENANCE		2,530.46
Total		**2,530.46**	**2,530.46**
Proposed Journal Entries JE # 4005			
To record government wide GASB 87 copier lease			
GASB 15200	GASB 87 - LEASE ASSET	62,897.56	
GASB 59110	Depreciation Expense - General Government	12,579.51	
GASB 15210	GASB 87 - ACCUMULATED DEPR		24,669.82
GASB 21600	GASB 87 - LEASE LIABILITY		39,224.98
GASB GG	General Government		11,582.27
Total		**75,477.07**	**75,477.07**

Proposed Journal Entries JE # 4006
To record GASB 96 activity for cybersecurity software subscription

GASB 15100	GASB 96 SBITA	41,650.00	
GASB 59110	Depreciation Expense - General Government	14,280.00	
GASB 15910	GASB 96 Accumulated Amortization		30,940.00
GASB 38000	Unrestricted fund balance		24,990.00
Total		**55,930.00**	**55,930.00**

Proposed Journal Entries JE # 4007
To record unpaid health insurance claims liability related to self-funded health insurance plan (would get allocated across expendture accounts if recorded)

100-51100-153	HEALTH INSURANCE	40,687.79	
100-16100	PREPAID HEALTH INSURANCE PREM		40,687.79
Total		**40,687.79**	**40,687.79**
	Total Proposed Journal Entries	**437,323.05**	**437,323.05**
	Total All Journal Entries	**437,323.05**	**437,323.05**

DO NOT RECORD THESE ENTRIES IN CIVIC.

City of WHITEWATER	Finance Committee Agenda Item
Meeting Date:	July 28, 2026
Agenda Item:	Vacation – Lateral Transfers
Staff Contact (name, email, phone):	Sara Marquardt, smarquardt@whitewater-wi.gov, 262-473-1387

BACKGROUND
(Enter the who, what when, where, why)

The current Employee Handbook does not address how vacation benefits are determined when an employee is hired into the City through a lateral transfer from another employer or at a higher negotiated benefit.

Historically, employees who were granted vacation service credit at the time of hire were required to complete the actual number of years of City service associated with each vacation accrual level before becoming eligible for the next increase. The proposed policy clarifies that employees granted vacation service credit will continue to progress through the vacation schedule based on their total recognized years of service, consisting of the approved service credit granted at hire plus completed years of City service.

The proposed policy establishes a formal process allowing the City to recognize prior years of relevant public or private sector service by granting vacation service credit at the time of hire when approved as part of an employment offer. The intent is to strengthen the City's ability to recruit experienced professionals in a competitive labor market while maintaining consistency in the administration of vacation benefits.

PREVIOUS ACTIONS – COMMITTEE RECOMMENDATIONS
(Dates, committees, action taken)

None

FINANCIAL IMPACT
(If none, state N/A)

The proposal may result in modest increases in vacation accruals for a limited number of employees and may provide additional flexibility during future recruitment efforts.

Because approval of vacation service credit would occur only as part of an approved employment offer, the financial impact is expected to be minimal and would be evaluated on a case-by-case basis.

STAFF COMMENTS

The City continues to compete with both public and private employers for experienced employees. Recognizing prior service for vacation purposes has become an increasingly common recruitment tool and allows the City to remain competitive without increasing base wages or creating long-term salary obligations.

ATTACHMENT(S) INCLUDED
(If none, state N/A)

Proposed Employee Handbook Wording

Employee Handbook
Vacation – Lateral Transfer Language:

Employees who are granted vacation service credit at the time of hire as part of an approved employment offer shall receive vacation benefits based on their total recognized years of service, which equals the credited years granted at hire plus completed years of service with the City. Vacation accrual levels and future benefit increases shall be determined using total recognized years of service rather than actual years of City service alone.

Example: If the City's vacation schedule provides for an increased accrual beginning at 10 years of service, an employee hired with 6 years of approved vacation service credit would become eligible for the 10-year vacation accrual after completing 4 years of employment with the City. For vacation purposes, the employee would have 10 total recognized years of service (6 years of credited service + 4 years of City service), even though they have only worked for the City for four years.

City of WHITEWATER	Common Council Agenda Item
Meeting Date:	July 28, 2026
Agenda Item:	Vacation – Cash Out Policy
Staff Contact (name, email, phone):	Sara Marquardt, smarquardt@whitewater-wi.gov, 262-473-1387

BACKGROUND

(Enter the who, what when, where, why)

The City currently provides employees with vacation leave to encourage rest, work-life balance, and employee wellness. Over time, some employees can accumulate vacation balances above normal operational needs, resulting in an increasing financial liability for the City.

The proposed Vacation Cash-Out Program establishes a limited annual opportunity for eligible employees to voluntarily convert a portion of accrued vacation leave into taxable wages while continuing to encourage employees to utilize vacation leave.

The proposed policy includes several safeguards designed to ensure vacation continues to be used for its intended purpose while providing flexibility to employees with larger accumulated balances. Key provisions include:

- Employees must have completed one year of City employment.
- Employees must use at least forty (40) hours of vacation during the calendar year.
- Employees must have a minimum accrued vacation balance of one hundred twenty (120) hours before becoming eligible.
- Employees may cash out up to forty (40) hours annually.
- Employees must retain a minimum balance of eighty (80) hours after the cash-out.
- Elections would occur once annually, with payment processed on the first payroll in December.

The proposed program was developed after reviewing practices utilized by the State of Wisconsin, the Universities of Wisconsin, and other public-sector employers. The policy focuses on reducing accrued vacation liability while maintaining the City's philosophy that vacation should be used for rest and wellness rather than routinely converted to compensation.

PREVIOUS ACTIONS – COMMITTEE RECOMMENDATIONS

(Dates, committees, action taken)

None

FINANCIAL IMPACT

(If none, state N/A)

The proposal does not increase employees' annual vacation entitlement.

Instead, it allows the City to reduce its accrued vacation liability by converting a limited amount of earned leave into current payroll expense. Because payments are made from existing accrued liabilities rather than creating new benefits, the program is expected to have minimal long-term financial impact while improving liability management.

STAFF COMMENTS

The proposed policy balances employee flexibility with responsible fiscal management. Eligibility requirements are intentionally limited to employees with larger accumulated vacation balances, ensuring that the program serves as a liability management tool rather than an alternative form of compensation.

The annual election period, minimum usage requirement, and minimum remaining balance also help reinforce the City's expectation that employees regularly use vacation leave while providing a structured mechanism to reduce unusually large accrued balances.

ATTACHMENT(S) INCLUDED (If none, state N/A)
Proposed Vacation Cash-Out Policy

City of WHITEWATER			Vacation Cash-Out Policy		
Owner:	HR	Approving Position:	Common Council	Pages:	9
Issue Date:		Revision Date:		Review Date:	
Special Instructions:					

I. Purpose

The City of Whitewater recognizes that vacation leave is intended to provide employees with an opportunity to rest, recharge, and maintain a healthy work-life balance. Employees are encouraged to use vacation leave annually for its intended purpose. At the same time, the City recognizes that employees may occasionally accumulate vacation balances beyond their anticipated needs.

The Vacation Cash-Out Program is intended to provide eligible employees with a limited annual opportunity to convert a portion of accrued vacation leave into taxable wages while continuing to encourage employees to use vacation leave regularly. This policy establishes uniform eligibility requirements, administration procedures, and payment provisions to ensure consistency, fiscal responsibility, and compliance with applicable laws and Wisconsin Retirement System (WRS) reporting requirements.

II. Eligibility

An employee may participate in the Vacation Cash-Out Program if all of the following requirements are satisfied:

A. The employee is a regular full-time or regular part-time employee.

B. The employee has completed at least one (1) year of continuous City employment.

Exception: The City Manager may waive the one-year employment requirement when vacation service credit was specifically negotiated and approved as part of an employment offer for recruitment purposes.

C. The employee is actively employed and receiving pay on:

1. the final day of the election period; and
2. the payroll processing date.

Employees who are on unpaid leave, long-term disability, or who have submitted a resignation effective before the payment date are not eligible.

D. The employee has used at least forty (40) hours of vacation during the current calendar year. This requirement shall be prorated for regular part-time employees.

E. The employee has sufficient accrued vacation to satisfy both:
1. the requested cash-out; and
2. the required minimum remaining balance.

F. The employee is not otherwise prohibited from participating by an employment agreement or collective bargaining agreement.

III. Vacation Service Credit
Employees who are granted vacation service credit at the time of hire as part of an approved employment offer shall receive vacation benefits based upon their total recognized years of service, which equals:

Years of Service Credit Granted at Hire
PLUS
Completed Years of Service with the City

Vacation accrual schedules, future vacation increases, and eligibility for higher accrual levels shall be based upon total recognized years of service.

Example
A newly hired employee receives six (6) years of vacation service credit as part of an approved employment offer.

After completing four (4) years of employment with the City, the employee has ten (10) years of recognized service for vacation purposes.

If the City's vacation schedule increases vacation accruals beginning at ten years of service, the employee becomes eligible for the higher accrual after completing four years of actual City employment.

Vacation service credit affects vacation accruals only and does not alter seniority, longevity, retirement benefits, or any other employment benefit unless specifically authorized elsewhere.

IV. Annual Election
Vacation cash-outs shall occur once each calendar year.

The annual election period shall be:
November 1 through November 30

Employees wishing to participate shall submit a Vacation Cash-Out Election Form to Human Resources during the election period.

After November 30, elections become final and may not be withdrawn or changed except to correct an administrative error.

Employees who fail to submit a timely election shall not be eligible to participate during that calendar year.

V. Amount Available for Cash-Out
The Vacation Cash-Out Program is intended to assist in managing excessive vacation accruals and is not intended to replace the regular use of vacation leave.

An eligible employee may elect to receive payment for up to forty (40) hours of accrued vacation leave during a calendar year.

To participate, an employee must have a minimum accrued vacation balance of one hundred twenty (120) hours immediately prior to the cash-out.

Following the cash-out, the employee must retain a minimum accrued vacation balance of eighty (80) hours.

Regular part-time employees shall be subject to prorated eligibility thresholds and cash-out limits based upon their authorized full-time equivalent (FTE).

Only vacation leave that has been earned and credited to the employee's vacation balance may be cashed out. Vacation anticipated to be earned in the future is not eligible.

No employee may cash out more vacation than has actually been accrued or more than forty (40) hours during any calendar year.

Example: An employee with an accrued vacation balance of 132 hours may elect to cash out up to 40 hours; however, because the employee must retain a minimum balance of 80 hours after the cash-out, the maximum allowable cash-out would be 40 hours, leaving a remaining balance of 92 hours.

An employee with a balance of 120 hours may elect to cash out a maximum of 40 hours, leaving the required minimum balance of 80 hours. An employee with a balance of 100 hours would not be eligible to participate because the employee does not meet the minimum participation threshold of 120 hours.

VI. Payment
Approved vacation cash-outs shall be processed with the first regular payroll in December.

Vacation shall be paid at the employee's regular base hourly rate in effect on the payment date.

The following shall **not** be included in determining the hourly rate:

1. overtime compensation;
2. shift differential;
3. longevity pay;
4. acting pay;
5. stipends;
6. bonuses;
7. incentive pay; or
8. any other premium compensation.

Cash-out payments shall be subject to all required payroll taxes and deductions.

Vacation hours paid under this policy shall immediately be deducted from the employee's accrued vacation balance.

VII. Administration

Human Resources shall:

1. receive election forms;
2. verify eligibility;
3. verify vacation usage;
4. verify accrued balances;
5. verify compliance with this policy.

Finance shall process approved payments through payroll.

The City Manager may suspend the Vacation Cash-Out Program for a future year because of budgetary, operational, or other legitimate governmental reasons. Any suspension shall apply uniformly to all similarly situated employees.

Once an employee has timely submitted an election and Human Resources has approved eligibility, payment shall not be denied solely because of subsequent departmental staffing or budget issues.

Notwithstanding any provision of this policy, any request involving the City Manager shall require approval by the Common Council.

VIII. Effect on Other Benefits

Participation in this program does not:

1. increase annual vacation accruals;
2. increase carryover limits;
3. modify vacation scheduling procedures;
4. change vacation payout at retirement or separation;
5. create additional leave benefits;

6. affect seniority;
7. affect Wisconsin Retirement System service credit.

Vacation hours paid under this policy shall be treated as vacation used and permanently removed from the employee's leave balance.

IX. Tax and Wisconsin Retirement System Compliance
The City intends this program to provide a limited annual conversion of already accrued vacation leave into taxable wages.

To ensure compliance with applicable Internal Revenue Service guidance and Wisconsin Retirement System reporting requirements:

1. Only accrued vacation may be converted to cash.
2. Vacation not yet earned may never be cashed out.
3. Elections shall occur only once each calendar year.
4. Payment shall occur on a single payroll each year.
5. The program shall be administered uniformly for all similarly situated employees.

Cash-out payments shall be reported in accordance with all applicable federal and state laws and Wisconsin Retirement System reporting requirements.

X. No Vested Right
Participation in the Vacation Cash-Out Program is a discretionary benefit.

Nothing contained in this policy creates a contractual right or guarantee that the program will continue in future years.

The City reserves the right to amend, suspend, or discontinue this policy prospectively, subject to applicable law, collective bargaining obligations, employment agreements, and Common Council approval where required.

XI. Interpretation

Questions regarding eligibility or administration of this policy shall be determined by Human Resources.

The City Manager shall have final authority to interpret this policy and resolve questions arising under its provisions. The City Manager may approve administrative procedures and forms necessary to implement this policy, provided such procedures are consistent with this policy.

XII. Job Aids

Vacation Cash-Out Request Form

CITY OF WHITEWATER
Vacation Cash-Out Election Form
Employee Information

Employee: ____
Department: _________________________

Cash-Out Election
I request to voluntarily cash out _______ hours of accrued vacation (maximum 40 hours) in accordance with the City's Vacation Cash-Out Policy.

I understand that:

- My eligibility will be verified by Human Resources.
- Applicable taxes and other required deductions will apply.
- Once approved and submitted for payroll processing, this election cannot be revoked.

Employee Signature: _____________________________ Date: ___________

Human Resources Verification
☐ Employee meets the eligibility requirements.
Current Vacation Balance: _________ hours
Vacation Used This Calendar Year: __________ hours
Hours Approved for Cash-Out: __________ hours
HR Signature: _________________________________ Date: ___________

City Manager Approval
☐ Approved ☐ Denied
Comments (if applicable):

City Manager Signature: ___________________________ Date: ___________

Payroll Processing
Payroll Processed By: ___________________________ Date: ___________

Submit completed form to Human Resources no later than November 30. Approved cash-outs will be paid on the first payroll in December.

Name	Hourly Rate	Grand Total Vac Total	Less Guaranteed 40hr carry over	Payout Amount Less 40 carry ovr	Social Security	Medicare	Workers Comp	Added WRS Liab	Total Payout Costs	Gross Vac Payout-Ttl Hrs	Social Security	Medicare	Workers Comp	Added WRS Liab	Total Payout Costs
WEIDL, JOHN S	73.88	240.00	200	14,775.58	916.09	214.25	22.16	1,063.84	16,991.92	17,730.70	1,099.30	265.96	26.60	1,276.61	20,399.17
BLITCH, RACHELLE A	52.79	46.00	6	316.72	19.64	4.59	0.48	22.80	364.23	2,428.18	150.55	36.42	3.64	174.83	2,793.63
ALBRIGHT, TIFFANY M	23.77	67.50	27.5	653.63	40.52	9.48	0.98	47.06	751.67	1,604.36	99.47	24.07	2.41	115.51	1,845.82
BOEHM, KEVIN A	47.43	40.00	0	-	-	-	-	-	-	1,897.01	117.61	28.46	2.85	136.58	2,182.51
BOEHM, HEATHER M	36.18	-	0	-	-	-	-	-	-	-	-	-	-	-	-
MAGESTRO, REBECCA L	32.68	52.00	12	392.13	24.31	5.69	0.59	28.23	450.95	1,699.23	105.35	25.49	2.55	122.34	1,954.96
CHESEBRO, STEVEN T	67.31	16.00	0	-	-	-	-	-	-	1,076.92	66.77	16.15	1.62	77.54	1,239.00
BECKER, MASON T	49.76	19.00	0	-	-	-	-	-	-	945.43	58.62	14.18	1.42	68.07	1,087.72
JIMENEZ, ERIC	50.96	43.00	3	152.88	9.48	2.22	0.23	11.01	175.82	2,191.34	135.86	32.87	3.29	157.78	2,521.14
RAO, ASHWINI P	33.65	24.00	0	-	-	-	-	-	-	807.69	50.08	12.12	1.21	58.15	929.25
ARANDA, BEATRIZ	25.04	11.75	0	-	-	-	-	-	-	294.20	18.24	4.41	0.44	21.18	338.47
HIMSEL, DAVID W	34.43	34.00	0	-	-	-	-	-	-	1,170.58	72.58	17.56	25.40	84.28	1,370.40
BUCKINGHAM, TODD E	34.43	43.00	3	103.29	6.40	1.50	2.24	7.44	120.87	1,480.44	91.79	22.21	32.13	106.59	1,733.15
BABCOCK, RICK A	35.07	0.25	0	-	-	-	-	-	-	8.77	0.54	0.13	0.19	0.63	10.26
BECKMAN, ANDREW CARL	35.05	13.00	0	-	-	-	-	-	-	455.70	28.25	6.84	9.89	32.81	533.49
CHAPMAN, BENJAMIN J	29.54	40.00	0	-	-	-	-	-	-	1,181.50	73.25	17.72	25.64	85.07	1,383.18
JAQUITH, JAMES T	31.34	18.00	0	-	-	-	-	-	-	564.18	34.98	8.46	12.24	40.62	660.48
CUSHMAN, THOMAS R	31.00	55.00	15	464.97	28.83	6.74	10.09	33.48	544.11	1,704.90	105.70	25.57	37.00	122.75	1,995.92
SEAVER, MATTHEW J	30.10	38.50	0	-	-	-	-	-	-	1,158.85	71.85	17.38	25.15	83.44	1,356.67
MORA, ARIEL M	29.10	44.00	4	116.40	7.22	1.69	2.53	8.38	136.22	1,280.45	79.39	19.21	27.79	92.19	1,499.02
NEUMEISTER, BRIAN R	43.08	45.00	5	215.38	13.35	3.12	0.32	15.51	247.69	1,938.45	120.18	29.08	2.91	139.57	2,230.18
MARQUARDT, BRADLEY J	58.89	16.00	0	-	-	-	-	-	-	942.18	58.42	14.13	1.41	67.84	1,083.98
MIELKE, BENJAMIN R	45.04	9.00	0	-	-	-	-	-	-	405.40	25.13	6.08	0.61	29.19	466.41
HYNDMAN, JOSHUA W	48.10	28.50	0	-	-	-	-	-	-	1,370.81	84.99	20.56	2.06	98.70	1,577.12
THOMAS, JEREMIAH	44.81	76.00	36	1,613.33	100.03	23.39	2.42	116.16	1,855.33	3,405.92	211.17	51.09	5.11	245.23	3,918.52
LINSE, MARC L	25.77	45.00	5	128.84	7.99	1.87	0.19	9.28	148.17	1,159.57	71.89	17.39	1.74	83.49	1,334.08
BAUSCHKE, DESTINE L	28.85	5.50	0	-	-	-	-	-	-	158.68	9.84	2.38	0.24	11.42	182.56
FREEMAN, KELLY E	54.55	80.00	40	2,182.16	135.29	31.64	60.45	325.14	2,734.68	4,364.32	270.59	65.46	120.89	650.28	5,471.55
DION, RYAN P	46.03	48.00	8	368.20	22.83	5.34	10.20	54.86	461.43	2,209.20	136.97	33.14	61.19	329.17	2,769.67
MAAS, JACOB J	28.85	46.00	6	173.08	10.73	2.51	4.79	25.79	216.90	1,326.92	82.27	19.90	36.76	197.71	1,663.55
STRAIT, CARL A	22.67	48.00	8	181.32	11.24	2.63	5.02	27.02	227.23	1,087.92	67.45	16.32	30.14	162.10	1,363.93
ROHDE, ALEXANDER M	22.67	-	0	-	-	-	-	-	-	-	-	-	-	-	-
STARK, TANNER L	22.67	24.00	0	-	-	-	-	-	-	543.96	33.73	8.16	15.07	81.05	681.96
GRIFFIN, CRYSTAL	22.67	-	0	-	-	-	-	-	-	-	-	-	-	-	-
FEHL, MIKAYLA J	22.67	48.00	8	181.32	11.24	2.63	5.02	27.02	227.23	1,087.92	67.45	16.32	30.14	162.10	1,363.93
O'FLANAGAN-QUADE, SEAN J	20.61	72.00	32	659.36	40.88	9.56	18.26	98.24	826.31	1,483.56	91.98	22.25	41.09	221.05	1,859.94
ROLLINS, MATTHEW B	20.61	48.00	8	164.84	10.22	2.39	4.57	24.56	206.58	989.04	61.32	14.84	27.40	147.37	1,239.96
TURNER, ABEL J	17.52	2.00	0	-	-	-	-	-	-	35.04	2.17	0.53	0.97	5.22	43.93
KRAUSE, ETHAN J	22.67	96.00	56	1,269.24	78.69	18.40	35.16	189.12	1,590.61	2,175.84	134.90	32.64	60.27	324.20	2,727.85
GIRARD, TIMOTHY	20.61	-	0	-	-	-	-	-	-	-	-	-	-	-	-
WOLF, CONNOR W	17.52	-	0	-	-	-	-	-	-	-	-	-	-	-	-
MARQUARDT, SARA L	46.89	16.00	0	-	-	-	-	-	-	750.18	46.51	11.25	1.13	54.01	863.09
LETSON, KRISTINA L	25.66	18.00	0	-	-	-	-	-	-	461.88	28.64	6.93	0.69	33.26	531.39
SWARTZ, ANDREW M	27.94	6.50	0	-	-	-	-	-	-	181.61	11.26	2.72	0.27	13.08	208.94
CRANE, CHRISTOPHER B	32.42	19.00	0	-	-	-	-	-	-	615.91	38.19	9.24	0.92	44.35	708.61
JURGILANIS, SAMUEL R	16.25	11.00	0	-	-	-	-	-	-	178.75	11.08	2.68	0.27	12.87	205.65
BOLDT, DANIEL	29.00	37.00	0	-	-	-	-	-	-	1,073.00	66.53	16.10	1.61	77.26	1,234.49
WILLMANN, SUSAN A	22.82	9.50	0	-	-	-	-	-	-	216.75	13.44	3.25	0.33	15.61	249.38
STANFORD, NANCY L	24.40	10.15	0	-	-	-	-	-	-	247.66	15.35	3.71	0.37	17.83	284.93
HASELOW, SUZANNE R	22.69	38.52	0	-	-	-	-	-	-	873.91	54.18	13.11	1.31	62.92	1,005.44
JAROCH, JANIE DIANE	41.22	16.00	0	-	-	-	-	-	-	659.49	40.89	9.89	0.99	47.48	758.75
WILLKOMM, CORINNE M	21.29	9.95	0	-	-	-	-	-	-	211.80	13.13	3.18	0.32	15.25	243.68

ESPARZA, KAREN	18.55	2.00	0	-	-	-	-	-	-	37.10	2.30	0.56	0.06	2.67	42.68
ROLFSMEYER, DEANA J	28.18	-	0	-	-	-	-	-	-	-	-	-	-	-	-
SCHMID, JESSICA L	23.00	-	0	-	-	-	-	-	-	-	-	-	-	-	-
KACHEL, KRISTYN M	18.55	0.10	0	-	-	-	-	-	-	1.86	0.12	0.03	0.00	0.13	2.13
FRENCH, SARAH E	31.95	39.50	0	-	-	-	-	-	-	1,261.90	78.24	18.93	1.89	90.86	1,451.82
LORVICK, AURELIA C	18.55	-	0	-	-	-	-	-	-	-	-	-	-	-	-
KRIEGEL, HOPE ENGELHART	18.82	2.20	0	-	-	-	-	-	-	41.41	2.57	0.62	0.06	2.98	47.64
SWANSON, HUNTER	26.44	19.00	0	-	-	-	-	-	-	502.40	31.15	7.54	0.75	36.17	578.02
DOSTIE, LLANA-MARIE G	25.82	41.25	1.25	32.27	2.00	0.47	0.05	2.32	37.11	1,064.97	66.03	15.97	1.60	76.68	1,225.25
VANDER STEEG, ADAM C	53.60	62.00	22	1,179.18	73.11	17.10	21.93	175.70	1,467.01	3,323.13	206.03	49.85	61.81	495.15	4,135.97
OJIBWAY, SABRINA	43.60	80.00	40	1,744.18	108.14	25.29	32.44	125.58	2,035.63	3,488.36	216.28	52.33	64.88	251.16	4,073.01
SWARTZ, CATHLEEN A	29.78	-	0	-	-	-	-	-	-	-	-	-	-	-	-
SAHR, ANGELA M	29.78	16.00	0	-	-	-	-	-	-	476.48	29.54	7.15	8.86	34.31	556.34
MEYER, DANIEL A	60.43	16.00	0	-	-	-	-	-	-	966.83	59.94	14.50	17.98	144.06	1,203.31
TAFT, RYAN M	52.51	40.00	0	-	-	-	-	-	-	2,100.22	130.21	31.50	39.06	312.93	2,613.94
HOUGH, JAMIE L	21.84	4.00	0	-	-	-	-	-	-	87.36	5.42	1.31	1.62	6.29	102.01
GEMPLER, HEIDI A	33.67	-	0	-	-	-	-	-	-	-	-	-	-	-	-
GONZALEZ, JEANNETTE L	26.93	16.00	0	-	-	-	-	-	-	430.81	26.71	6.46	0.65	31.02	495.65
SHROCK, MARY L	26.53	8.00	0	-	-	-	-	-	-	212.22	13.16	3.18	0.32	15.28	244.16
BISHOP, KIRSTEN A	24.73	-	0	-	-	-	-	-	-	-	-	-	-	-	-
SHROCK, KENNA L	23.53	24.00	0	-	-	-	-	-	-	564.71	35.01	8.47	0.85	40.66	649.70
GIRLING, EMMA N	23.16	-	0	-	-	-	-	-	-	-	-	-	-	-	-
BROCK, JUSTIN C	41.02	-	0	-	-	-	-	-	-	-	-	-	-	-	-
ELLIS, RICHARD J	41.02	-	0	-	-	-	-	-	-	-	-	-	-	-	-
HEILBERGER, ANTHONY D	46.34	12.75	0	-	-	-	-	-	-	590.84	36.63	8.86	10.99	88.03	735.35
GOWAN, KEVIN M	41.02	30.25	0	-	-	-	-	-	-	1,240.86	76.93	18.61	23.08	184.89	1,544.37
MONSON, OLIVIA J	41.02	-	0	-	-	-	-	-	-	-	-	-	-	-	-
VALADEZ, SAUL J	39.07	13.75	0	-	-	-	-	-	-	537.21	33.31	8.06	9.99	80.04	668.61
SWARTZ, TIMOTHY D	38.30	2.75	0	-	-	-	-	-	-	105.33	6.53	1.58	1.96	15.69	131.09
BEECROFT, HAYDON J	39.07	17.75	0	-	-	-	-	-	-	693.49	43.00	10.40	12.90	103.33	863.12
KRAHN, TAYLOR S	46.34	-	0	-	-	-	-	-	-	-	-	-	-	-	-
DORMAN, BLAKE A	46.34	-	0	-	-	-	-	-	-	-	-	-	-	-	-
TAYLOR, BRANDON L	45.48	38.25	0	-	-	-	-	-	-	1,739.61	107.86	26.09	32.36	259.20	2,165.12
JOHNSON, DEREK L	36.22	62.00	22	796.84	49.40	11.55	14.82	118.73	991.35	2,245.64	139.23	33.68	41.77	334.60	2,794.92
JACOBS, BENJAMIN K	38.11	15.75	0	-	-	-	-	-	-	600.23	37.21	9.00	11.16	89.43	747.05
BRADLEY, PAUL B	35.68	27.50	0	-	-	-	-	-	-	981.20	60.83	14.72	18.25	146.20	1,221.20
ALDRICH, RYAN J	45.48	27.00	0	-	-	-	-	-	-	1,227.96	76.13	18.42	22.84	182.97	1,528.32
GARCIA JR, JAMES P	39.07	-	0	-	-	-	-	-	-	-	-	-	-	-	-
RUSSELL, CAILEY J	34.41	27.00	0	-	-	-	-	-	-	929.07	57.60	13.94	17.28	138.43	1,156.32
MARTIN, HUNTER J	36.22	40.00	0	-	-	-	-	-	-	1,448.80	89.83	21.73	26.95	215.87	1,803.18
KOZLOWSKI, RYAN D	34.41	32.25	0	-	-	-	-	-	-	1,109.72	68.80	16.65	20.64	165.35	1,381.16
SCHENKER, CODY B	34.41	2.50	0	-	-	-	-	-	-	86.03	5.33	1.29	1.60	12.82	107.07
MOORE, ADAM M	32.48	2.75	0	-	-	-	-	-	-	89.32	5.54	1.34	1.66	13.31	111.17
KUCHENBECKER, MELISSA J	32.00	-	0	-	-	-	-	-	-	-	-	-	-	-	-
ALEXANDER, JEREMY W	32.48	14.00	0	-	-	-	-	-	-	454.72	28.19	6.82	8.46	67.75	565.94
BRIDLEMAN, JACK	32.48	8.00	0	-	-	-	-	-	-	259.84	16.11	3.90	4.83	38.72	323.40
DUJARDIN, MICHELLE L	37.81	32.50	0	-	-	-	-	-	-	1,228.78	76.18	18.43	1.84	88.47	1,413.71
JACKSON, JENNIFER E	29.81	12.75	0	-	-	-	-	-	-	380.05	23.56	5.70	0.57	27.36	437.25
BUCKINGHAM, DANIEL W	32.84	40.00	0	-	-	-	-	-	-	1,313.66	81.45	19.70	1.97	94.58	1,511.37
HAKE, DYLAN T	23.22	5.00	0	-	-	-	-	-	-	116.12	7.20	1.74	0.17	8.36	133.60
MAAS, MICHAEL C	25.37	56.00	16	405.92	25.17	5.89	0.61	29.23	466.81	1,420.72	88.08	21.31	2.13	102.29	1,634.54
LOWERY, JAMIE L	32.45	10.00	0	-	-	-	-	-	-	324.52	20.12	4.87	0.49	23.37	373.36
STOLL, ALISON A	26.97	28.00	0	-	-	-	-	-	-	755.12	46.82	11.33	16.39	54.37	884.02
SCHROEDL, RYAN A	39.75	38.50	0	-	-	-	-	-	-	1,530.37	94.88	22.96	33.21	110.19	1,791.60

DREW, NICHOLAS J	33.41	40.00	0	-	-	-	-	-	-	1,336.59	82.87	20.05	29.00	96.23	1,564.75
CUEVAS, IGNACIO	29.97	15.00	0	-	-	-	-	-	-	449.53	27.87	6.74	9.75	32.37	526.27
NELSON, RICHARD D	30.76	49.00	9	276.83	17.16	4.01	6.01	19.93	323.95	1,507.19	93.45	22.61	32.71	108.52	1,764.46
KRAUS, RYAN W	29.97	6.00	0	-	-	-	-	-	-	179.81	11.15	2.70	3.90	12.95	210.51
BABCOCK, ROSS A	38.74	30.00	0	-	-	-	-	-	-	1,162.20	72.06	17.43	26.15	83.68	1,361.52
KELLEY, JASON R	34.79	0.25	0	-	-	-	-	-	-	8.70	0.54	0.13	0.20	0.63	10.19
WALENTON, BLAINE A	33.61	9.00	0	-	-	-	-	-	-	302.49	18.75	4.54	6.81	21.78	354.37
ARANDA, ANTONIO	32.79	13.00	0	-	-	-	-	-	-	426.27	26.43	6.39	9.59	30.69	499.38
			Totals:	28,547.90	1,769.97	413.94	261.56	2,606.42	33,599.80	111,177.86	6,893.03	1,667.67	1,329.63	10,779.41	131,847.59
									TOTAL UNFUNDED LIABILITY						**TOTAL UNFUNDED LIABILITY**

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Community Development Department
312 W. Whitewater St.
Whitewater, WI 53190

To: City of Whitewater Finance Committee
From: Community Development Department
Date: July 28, 2026
Re: Memo re: Downtown Activation Initiative Program Proposal

This memo provides the Finance Committee with a high-level overview of the proposed Downtown Activation Initiative, a one-time $135,000 program developed by the Community Development Department. The initiative is designed to respond directly to community feedback and to the direction the Common Council provided during its recent Visioning Session. Funding sources for the program will be addressed separately in a memo from the Finance Director; this memo focuses on the program's purpose, structure, and proposed uses of funds.

Background & Direction

- **Council direction:** The Common Council identified downtown revitalization as a priority during its recent Visioning Session.
- **Community feedback:** Residents, students, and downtown stakeholders have consistently raised concerns about downtown's appearance and the underuse of key public spaces, along with a desire for more regular activity and events.
- **Realistic scope:** Meaningful downtown transformation is realistically a 2- to 3-year effort followed by ongoing programming and maintenance — not a single one-year project — and staff capacity to administer new programming is finite.
- **Complementary, not duplicative:** Existing Community Development Authority (CDA) programs and other resources already address many business and property needs, so this initiative was designed to complement those efforts rather than duplicate them.

Proposed Approach

After reviewing the City Manager's initial draft proposal, the Community Development Department created a revised approach geared toward three outcomes:

- Improving perceptions of downtown immediately.
- Activating key public spaces, particularly First Street.
- Creating recurring programming that drives foot traffic and supports downtown businesses.

Program Overview – Proposed Uses of $135,000

The initiative is organized into five priorities. A summary budget is provided below, followed by a brief description of each priority.

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#	Focus Area	Amount
1	Downtown Appearance & Maintenance	$25,000
2	First Street Activation & Tactical Placemaking	$45,000
3	Downtown Programming Series	$35,000
4	Business Participation & Window Activation	$20,000
5	Strategic Reserve	$10,000
	TOTAL	**$135,000**

Priority 1 – Downtown Appearance & Maintenance ($25,000): Funds a seasonal maintenance worker for sidewalk power washing, sidewalk weed removal, graffiti removal, and general upkeep; adds trash receptacles and other fixtures; and reissues a downtown power-washing RFP for future years. This is expected to be the most immediate and visible improvement residents will notice.

Priority 2 – First Street Activation & Tactical Placemaking ($45,000): Funds a phased approach: inventorying existing public assets, piloting tactical improvements (movable seating, lighting, wayfinding, temporary art, and a possible seasonal street closure), and incorporating recommendations from the UW–Madison Design Studio (pending approval of recently submitted application) and Whitewater Forward. Staff will also explore a limited, temporary Downtown Outdoor Refreshment Area (DORA) ordinance which would come for separate review and approvals in the future.

Priority 3 – Downtown Programming Series ($35,000): Supports a recurring series of events, such as live music, open mic nights, pop-up markets, and similar activities, concentrated in the summer months and around the academic calendar. City funding would cover production costs, equipment, and marketing, while programming would be delivered primarily through partners organizations, pending their agreement to participate.

Priority 4 – Business Participation & Window Activation ($20,000): Combines a Window Activation Program ($10,000 in small grants for window art, murals, and temporary displays) with a Downtown Event Activation Partner pilot ($10,000 in performance-based grants of up to $500 per event and up to $2,000 per business annually) for businesses that host new downtown activation events.

Priority 5 – Strategic Reserve ($10,000): Preserves flexibility for opportunities that arise during implementation, such as matching funds for private investment, sponsorships, or small placemaking enhancements identified through the First Street process.

Program Administration

- **Roles:** The Community Development Department would administer the program day to day (project management, grant administration, procurement, and coordination), while partner organizations would ideally assist with event production, volunteer recruitment, programming, and business outreach. No new City staff positions are proposed beyond one temporary, seasonal maintenance worker.

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- **Budget flexibility:** To allow for adjustments as the program operates, staff propose that the Community Development Department be authorized to administratively reallocate up to 10% of any budget line to another line, provided total expenditures do not exceed $135,000. Any such changes would be communicated to the Common Council and the Community Development Authority through a staff memo.

Success Metrics & Reporting

Staff will report back to the Council after Year 1 on:

- Number of downtown events conducted.
- Estimated event attendance.
- Number of participating businesses.
- Number of activated storefront windows.
- Downtown vacancy rate trend.
- Recommendations for potential Phase II investment.

Program Sunset

Staff propose that the program sunset by December 31, 2027, so that it does not become an ongoing funding obligation for the City. Any unspent funds could be reallocated at that time, and the Common Council may revisit future downtown planning or collaborative initiatives at that point.

Alignment with Council Direction & Community Feedback

This proposal was shaped directly by the Common Council's Visioning Session priorities and by community feedback regarding downtown appearance and level of activity. It intentionally prioritizes visible, achievable outcomes while avoiding new long-term operating obligations or commitments that exceed current staff capacity: positioning the City to test ideas, demonstrate momentum, and inform larger downtown investment decisions over the next 2–3 years.

Requested Action

Staff request the Finance Committee review and discuss this proposed program overview. The Finance Committee may decide to recommend to the full Common Council for approval. As noted above, the associated funding recommendations will be presented separately by the Finance Director.

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Downtown Activation Initiative v 1.00
Proposed Approach

Identified Parameters and Restrictions

1. $135,000 is a one-time allocation, not an ongoing program.
2. Existing Community Development Authority (CDA) programs and other resources already address some business and property needs.
3. The Common Council has identified this as a priority in recent Visioning Session and is looking for visible results within 6–12 months.
4. Staff capacity is finite.
5. Downtown transformation is realistically a 2-to-3-year effort, and then continual ongoing programming/maintenance, not simply a one-year project.

After review of City Manager's initial draft proposal, the Community Development Department believes that the strongest proposal is a hybrid "Downtown Activation Initiative" that focuses on three outcomes:

- Improving perceptions of downtown immediately.
- Activating key spaces, particularly First Street.
- Creating recurring programming activity that drives foot traffic and supports downtown businesses.

This approach aligns closely with the City Manager's conclusion that a hybrid is viable while incorporating staff concerns about implementation capacity.

Downtown Activation Initiative
Proposed Uses of $135,000 Allocation

Purpose

The Downtown Activation Initiative is a one-time investment designed to create visible, measurable improvements in the downtown experience over the next 6-12 months while laying the groundwork for longer-term revitalization efforts already underway through the Tax Increment District #12, CDA programs, and private investment.

The initiative focuses on:

1. Clean and welcoming public spaces.
2. Activation of First Street as a prioritized gathering space, already identified in Whitewater Forward.
3. Increased downtown activity and business participation.

4. Improved perception of downtown among residents, students, visitors, and prospective investors.

Priority 1: Downtown Appearance & Maintenance
$25,000

Goal: Improve first impressions and address one of the most frequently cited concerns regarding downtown.

Actions

- Hire seasonal downtown maintenance worker (part-time or temporary).
    - Conduct sidewalk power washing.
    - Graffiti removal and minor cleanup efforts.
- Place additional trash receptacles, any other fixtures.
- Reissue downtown power washing RFP in the fall for future years.
- This position would likely be supervised by the Public Works Department.

Why: This is the most immediate and visible improvement residents will notice and requires minimal program administration.

Priority 2: First Street Activation & Tactical Placemaking
$45,000

Goal: Create a recognizable downtown gathering space and test long-term concepts before committing significant capital investment.

Actions

Phase 1
Complete inventory of:

- Benches
- Planters
- Barricades
- Tables/chairs
- Vacant storefronts
- Publicly owned assets

Phase 2
Implement tactical improvements:

- Semi-permanent or seasonal First Street closure pilot.
- Movable seating and gathering spaces.
- Decorative planters.
- String lighting or programmable lighting.
- Wayfinding elements.

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- Temporary portas
- Shade implementation
- Temporary public art installations.
- Staff will also investigate the feasibility of a limited or temporary DORA (Downtown Outdoor Refreshment Area) ordinance, modeled after those passed in Janesville, Oshkosh, and other communities.

Phase 3
Incorporate recommendations from:
- UW-Madison Design Studio
- Whitewater Forward concepts
- Future stakeholder and business input

Why: Rather than investing immediately in permanent infrastructure, this approach creates visible change quickly while allowing the City to test concepts before larger capital commitments.

Priority 3: Downtown Programming Series
$35,000

Goal: Increase foot traffic during periods of lower activity by establishing consistent reasons to visit downtown.

Actions

Develop a recurring event series focused on:
- Summer months
- Beginning and end of academic semesters
- Weekend afternoons and evenings

Potential activities:
- Small live music events
- Open mic nights
- Outdoor movies
- Arts events
- Pop-up markets
- Student/community collaborative events

Delivery Model

City funding would support:
- Event production costs
- Equipment
- Marketing

Programming should be delivered primarily through partnerships with:

- Downtown Whitewater
- Whitewater Area Chamber
- UW-Whitewater
- Whitewater Arts Alliance
- Private businesses

Why: Staff should not become event producers. The City should act as a funding and facilitation partner rather than the primary organizer.

Priority 4: Business Participation & Window Activation
$20,000

Goal: Address vacancies and encourage businesses to participate in activation efforts without duplicating CDA programs through a two-prong strategy.

Window Activation Program
$10,000

Small grants ($1,000–$2,500):

- Window art
- Murals
- Temporary displays
- "Coming Soon" branding

Preferred partners:

- UW-Whitewater Department of Art and Design
- Whitewater Arts Alliance
- Whitewater Unified School District
- Downtown Whitewater

Downtown Event Activation Partner Pilot
$10,000

Performance-based incentives for businesses that host new one-time downtown activation events such as:

- Live music
- Sidewalk sales
- Special promotions
- Outside art displays
- Collaborative programming (e.g. cross-promotion sales, classes, etc)

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This would be structured as a $500 grant per event, and no more than $2,000 per business per year. This would be structured as a temporary pilot with a defined sunset.

Why: This addresses downtown vibrancy without creating a new permanent subsidy program or competing with existing CDA incentives.

Priority 5: Strategic Reserve
$10,000

Goal: Maintain flexibility for opportunities that arise during implementation.

Potential uses:
- Matching funds for private investment.
- Sponsorship opportunities.
- Small placemaking enhancements.
- Pilot projects identified through the First Street activation process.

Whitewater Activation Initiative Budget Summary

Category	**Amount**
Appearance & Maintenance	$25,000
First Street Activation & Tactical Placemaking	$45,000
Programming & Events	$35,000
Window Activation & Event Activation Pilot	$20,000
Strategic Reserve	$10,000
TOTAL	**$135,000**

Governance & Administration

Regarding the above budget summary, staff propose that the Community Development Department be allowed to administratively reallocate up to 10% of any above budget line to another budget line, to allow for adjustments as the program operates. This will still be with the requirement that total expenditures do not exceed $135,000. Any changes to the above will be communicated in staff memos to the Common Council and Community Development Authority.

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To address staff capacity concerns:

City Role
- Project management.
- Grant administration.
- Procurement.
- Coordination.

Partners Role
- Event production.
- Volunteer recruitment.
- Programming.
- Business outreach.

Potential Partners
- Downtown Whitewater, Inc
- Whitewater Area Chamber of Commerce
- UW-Whitewater
- Whitewater Arts Alliance
- Whitewater Unified School District

No new City staff positions are proposed as part of this initial program beyond one temporary seasonal worker.

Success Metrics

Report back to Council after Year 1 with:
- Number of downtown events conducted.
- Event attendance estimates (this may require use of third-party subscription software or other methodology).
- Number of participating businesses.
- Number of activated storefront windows.
- Downtown vacancy rate trend.
- Stakeholder survey results.
- Recommendations for Phase II investments.

Program Sunset
Staff further propose that program sunset by December 31, 2027. This will ensure this program does not become a permanent continuing funding obligation for the City. Any unspent funds could be reallocated at that point. If desired, the Common Council can review future planning or collaborative initiatives at that time.

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Key Message for the Common Council

This proposal intentionally prioritizes visible and achievable wins within 12 months while avoiding long-term operating obligations or programs that exceed staff capacity. It positions the City to test ideas, demonstrate momentum, and inform larger downtown investments over the next 2–3 years rather than attempting to fully solve downtown revitalization with a one-time $135,000 allocation.

City of WHITEWATER Finance Department

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Fax: 262-222-5903

Office of Finance
312 W. Whitewater St.
Whitewater, WI 53190

Date: July 28, 2026

To: Finance Committee

From: Rachelle Blitch, Director of Financial and Administrative Services

Re: Budget Amendment – Reallocation of Unspent Funds to Downtown Revitalization Project

This memo provides an update and a request regarding the projected unspent funds in the current fiscal year. After reviewing departmental spending, we've identified budgeted dollars that are not expected to be fully used. Rather than letting those funds lapse, staff recommends reallocating them to the Downtown Revitalization Project that is being proposed. This project remains a key community priority, and shifting these funds will help strengthen its overall impact.

Because this reallocation represents a meaningful change to the adopted budget, it will require a formal budget amendment, as required by state statute and City policy. The proposed changes are attached for your review. The total request is $135,000, though only $110,000 will need to be reallocated. Priority 1 includes a seasonal maintenance worker, and that cost can be absorbed within the existing budget. If the Committee is supportive, staff will move forward with preparing the amendment for Council consideration.

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Whitewater, WI 53190

Transfer from	Account Name	Transfer Amount	Department
100-51450-111	SALARIES/PERMANENT	12,320.00	IT
100-51450-153	HEALTH INSURANCE	5,980.00	IT
100-51450-154	HRA-LIFE STYLE ACCT EXPENSE	700.00	IT
100-52110-111	SALARIES/PERMANENT	70,000.00	Patrol
100-52110-153	HEALTH INSURANCE	21,000.00	Patrol
		110,000.00	

Transfer to	Account Name	Transfer Amount	
100-55320-***	Downtown Program Events	35,000.00	Priority 3
100-55330-***	Downtown Business Event Grants	20,000.00	Priority 4
100-55330-***	Downtown Activation Project	45,000.00	Priority 2
100-511110-910	Contingencies	10,000.00	Priority 5
		110,000.00	

Purpose
The Downtown Activation initiative is a one-time investment designed to create visible, measurable improvements in the downtown experience over the next 6-12 months while laying the groundwork for longer-term revitalization efforts already underway through TID 12, CDA Programs and private investment.

City of Whitewater Finance Department
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Office of Finance
312 W. Whitewater St.
Whitewater, WI 53190

Date: July 28, 2026

To: Finance Committee

From: Rachelle Blitch, Director of Financial and Administrative Services

Re: Capital Improvement Policy Update

At the April 28 meeting, the Finance Committee reviewed the introductory memo outlining the foundational elements for updating the City's Capital Improvement Policy. The intent was to address three components each month until the full update is completed.

Accordingly, the following items will be the focus of the Committee's discussion at the meeting:

1. **Annual CIP Process and Council's Role** Clarifying the Committee's and Council's role in reviewing, modifying, and approving the CIP each year.
2. **Public Engagement Expectations** Determining whether and how public input should be incorporated into the CIP process.
3. **Reporting and Monitoring Requirements** Establishing expectations for how staff should report on project status, cost changes, and schedule updates.

Staff prepared a rough draft of these three sections for the Committee's review. The draft is intended as a starting point, and any revisions, additions, or refinements can be worked through during the meeting as needed.

City of WHITEWATER	Policy 501.04.02 Capital Improvements Program				
Owner:	Finance Director	Approving Position:	Common Council	Pages:	2
Issue Date:	10/16/2001	Revision Date:		Review Date:	
Special Instructions:					

PURPOSE

The purpose of the Capital Improvement Plan (CIP) Policy is to establish a clear, consistent framework for planning, prioritizing, financing, and managing the City's capital assets in a manner that supports long-term service delivery, financial sustainability, and responsible stewardship of public resources. This policy ensures that capital investment decisions are aligned with the City's strategic goals, informed by reliable data, and developed through a transparent and collaborative process. The CIP Policy provides guidance for evaluating capital needs, determining funding strategies, and maintaining the City's infrastructure in accordance with Government Finance Officers Association (GFOA) best practices.

A capital project is a major, non-recurring investment in a physical asset that supports the delivery of public services and has a useful life of ***at least five years***. Capital projects typically involve the acquisition, construction, expansion, renovation, or major repair of City infrastructure, buildings, equipment, technology systems, or other long-term assets.

To qualify as a capital project under this policy, an expenditure should generally:

- Exceed the City's established capital cost threshold (commonly $5,000–$25,000 depending on local policy)
- Create a new asset, extend the useful life of an existing asset, or significantly enhance its capacity or functionality
- Require planning, design, or engineering, or involve multiple phases or funding years
- Be included in the City's multi-year Capital Improvement Plan (CIP)

Examples include street reconstruction, facility construction or renovation, major park improvements, fleet replacement cycles, utility system upgrades, and large-scale technology replacements.

Funding Philosophy

The City will use a balanced and strategic approach to financing capital projects that supports long-term financial sustainability, maintains stable tax and utility rates, and aligns with Government

Finance Officers Association (GFOA) best practices. Funding decisions will consider project type, useful life, cost, urgency, and the City's overall financial capacity.

Use of Sinking Funds (Pay-As-You-Go Financing)

Sinking funds will be used to finance capital projects that are lower in cost, recurring in nature, or have a shorter useful life. Pay-as-you-go funding reduces reliance on debt, minimizes interest costs, and promotes long-term financial discipline. Projects are generally appropriate for sinking fund financing when they meet one or more of the following criteria:

- The project has a useful life of less than the term of typical debt (generally under 10 years).
- The project is recurring or ongoing, such as equipment replacement cycles, technology upgrades, or routine infrastructure maintenance.
- The project cost is modest and can be reasonably absorbed within annual budget capacity or planned reserve contributions.
- The City seeks to avoid interest costs or maintain flexibility in future debt capacity.
- The project can be anticipated and saved for in advance through annual sinking fund contributions.

This approach aligns with GFOA's recommendation to use pay-as-you-go financing for shorter-lived assets and to maintain reserves for predictable capital needs.

Use of Bonding (Debt Financing)

Bonding will be used for major capital projects that provide long-term community benefit and have a useful life that extends well beyond the term of the debt. Debt financing spreads the cost of large investments over the generations of taxpayers who will benefit from the asset. Projects are generally appropriate for bonding when they meet one or more of the following criteria:

- The project has a long useful life (typically 10–30 years).
- The project represents a significant, non-recurring investment, such as new facilities, major infrastructure reconstruction, or system expansions.
- The project cost exceeds the City's ability to fund through annual revenues or reserves without causing rate or tax instability.
- The project is urgent or time-sensitive, and delaying it to accumulate sinking funds would increase costs or create service risks.
- The project supports intergenerational equity, ensuring that future users share in the cost of long-term assets.

This approach aligns with GFOA's guidance to match the financing term to the asset's useful life and to use debt strategically for large, long-lived capital investments.

Balancing Pay-As-You-Go and Debt Financing

The City will maintain a balanced capital financing strategy that:

- Preserves debt capacity for major infrastructure needs

- Uses sinking funds to reduce long-term borrowing costs
- Avoids deferring maintenance that leads to higher future expenses
- Promotes predictable and stable tax and utility rates
- Ensures that capital planning supports long-term financial sustainability

The City will regularly evaluate its mix of pay-as-you-go and debt financing as part of the annual CIP and budget process, consistent with GFOA best practices.

CIP Time Horizon

The City will maintain a rolling multiyear Capital Improvement Plan covering a minimum of five years, consistent with GFOA best practices for long-range capital planning. The CIP will identify anticipated capital needs, planned project schedules, and projected funding sources over the planning horizon. While the first year of the CIP will represent the capital budget to be formally adopted by the Common Council, the remaining years will serve as a long-term planning tool and will be updated annually to reflect evolving priorities, financial capacity, and asset condition data.

The CIP time horizon will:

- Provide a forward-looking view of infrastructure needs to support long-term service delivery
- Allow for coordinated planning across departments and utilities
- Support forecasting of debt levels, sinking fund requirements, and operating impacts
- Ensure that major projects are evaluated in the context of the City’s long-term financial sustainability

Departments will review and update their capital needs annually, and the Finance Director will coordinate the development of the full CIP for Council consideration.

Project Priority Criteria

To ensure that capital investments are aligned with community needs, financial capacity, and strategic goals, the City will evaluate and prioritize projects using a consistent set of criteria. Projects that have completed necessary planning, design, permitting, or land acquisition and can be implemented within the CIP timeframe. Projects will be ranked based on their relative importance, urgency, and impact. Priority criteria include, but are not limited to:

1. Legal or Regulatory Mandates
Projects required to comply with federal, state, or local laws, court orders, safety regulations, or environmental standards.
2. Asset Preservation and Risk Mitigation
Projects that address failing infrastructure, safety hazards, or risks that could lead to service disruption, liability exposure, or higher future costs if deferred.
3. Financial Impact and Cost-Effectiveness

Projects that reduce long-term operating costs, leverage grants or external funding, or demonstrate strong lifecycle value.

4. Community Benefit and Equity
Projects that improve quality of life, support underserved areas, or advance equitable access to City services and infrastructure.

5. Service Level Improvement or Capacity Expansion
Projects that enhance service delivery, improve operational efficiency, or expand capacity to meet growing community needs.

The City may use a scoring matrix or tiered ranking system to support transparent and consistent prioritization.

Priority		Purpose	
1	Mandated/Immediate	1	Safety & Compliance
2	Critical need/obligated within 12 months	2	Existing equipment/Facility is obsolete
3	Preventative need/Public benefit/1-2 years	3	Replace end of life equipment
4	Improvement benefit/Desired want/2-3 years	4	Creates efficiencies/Operational cost savings
5	Maintain/Public Want/ 3+ years	5	Improve policies/procedures
		6	Expanded/New Program or service

Financial Guardrails

To maintain long-term financial stability and ensure responsible stewardship of public resources, the City will adhere to the following financial guardrails when developing and implementing the CIP:

1. Debt Capacity Limits
The City will monitor and manage its debt levels to remain within established policy limits, including ratios related to debt service as a percentage of expenditures, statutory debt limits, and credit rating agency benchmarks.

2. Pay-As-You-Go Funding Targets
The City will maintain adequate sinking funds and annual contributions to support recurring capital needs and reduce reliance on debt for short-lived assets.

3. Operating Budget Impact Analysis
All capital projects will include an assessment of future operating and maintenance costs. Projects will not be advanced unless the City can reasonably support the ongoing financial impact.

4. Lifecycle Cost Consideration
Project evaluation will incorporate total cost of ownership, including design, construction, operations, maintenance, and eventual replacement or decommissioning.

5. Use of One-Time Revenues
One-time revenues (e.g., fund balance, land sale proceeds, grants) will be used for one-time capital investments and not for ongoing operating costs.

6. Preservation of Reserves

The City will maintain adequate general fund and utility reserves to protect against economic volatility and unforeseen capital needs. CIP decisions will not compromise required reserve levels.

7. Grant and External Funding Management

Projects relying on grants or external funding must have confirmed or reasonably expected funding commitments before inclusion in the adopted CIP. If a project included in the borrowing plan is contingent upon grant funding and that grant is not awarded, the budgeted borrowing authority will be reallocated to the highest-ranked eligible project for which the available funding is sufficient.

8. Avoidance of Deferred Maintenance

The City will prioritize maintenance and replacement of existing assets to avoid higher long-term costs and service degradation.

Annual CIP Process and Committee/Council Role

The City shall maintain a formal annual Capital Improvement Plan (CIP) process to guide long-term planning, prioritization, and financing of capital projects. The CIP will cover a minimum five-year planning horizon and will be updated each year as part of the budget process.

Departments are responsible for submitting complete project proposals, including scope, justification, cost estimates, operating impacts, and potential funding sources.

The **Finance Committee** plays a central role in the CIP process by:

- Reviewing the proposed CIP and ensuring alignment with strategic goals, comprehensive plans, and financial policies.
- Evaluating project prioritization, funding strategies, and long-term affordability.
- Holding public meetings to consider staff recommendations and community input.
- Recommend the adoption of the CIP to Common Council, which authorizes the planning framework but does not constitute a funding commitment.

The **Common Council** plays a central role in the CIP process by:

- Adopting the CIP by way of a budget resolution, and
- Approving annual appropriations and any associated borrowing required to implement the first year of the CIP.

Adoption of the CIP serves as a policy guide for future capital planning and financial decision-making.

Public Engagement Expectations

The City is committed to ensuring that the CIP process is transparent, accessible, and responsive to community needs. Public engagement shall be incorporated into the CIP process in the following ways:

- **Public Notice and Access:** The draft CIP shall be made available to the public in advance of Council deliberations through the City's website and other communication channels.
- **Public Meetings:** The City shall provide opportunities for public comment during Council and committee meetings where the CIP is discussed.
- **Community Input:** Departments are encouraged to seek community feedback on major capital projects, particularly those with significant neighborhood, environmental, or financial impacts.
- **Clear Communication:** CIP documents shall be written in a clear, understandable format, including project descriptions, timelines, funding sources, and anticipated operating impacts.
- **Equity Consideration:** Public engagement efforts should strive to include diverse community voices and ensure equitable access to information.

Public input will be considered in project prioritization and funding decisions but does not guarantee project inclusion.

Reporting and Monitoring Requirements

To ensure accountability, transparency, and effective project delivery, the City shall maintain ongoing reporting and monitoring of CIP projects:

- **Quarterly Reporting:** Staff shall provide quarterly updates to the Common Council summarizing project status, expenditures, schedule changes, and any emerging issues.
- **Annual CIP Review:** As part of the annual budget process, staff shall present a comprehensive review of the prior year's CIP performance, including completed projects, cost variances, and lessons learned.
- **Financial Monitoring:** The Finance Department shall track capital project budgets, funding sources, and remaining balances, ensuring compliance with adopted appropriations and financial policies.
- **Project Management Oversight:** Departments are responsible for monitoring project progress, managing contracts, and reporting delays or scope changes. Significant deviations from the approved plan must be reported to the City Manager and Council.
- **Public Transparency:** Updated project information, including timelines and financial summaries, shall be made available to the public through the City's website or other communication platforms.
- **Post-Project Evaluation:** Upon completion of major projects, staff may prepare a close-out report summarizing final costs, schedule performance, and operational impacts.

These reporting requirements ensure that the CIP remains a living document and that the City maintains strong stewardship of public resources.

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Office of Finance
312 W. Whitewater St.
Whitewater, WI 53190

Date: July 23, 2026

To: Finance Committee

From: Rachelle Blitch, Director of Financial and Administrative Services

Re: Recommended 2027 Funding Approach for the Library

This memo provides an update on the Library's ongoing budget challenges and outlines a recommended approach for addressing funding needs in the 2027 budget.

Background

The Finance Department completed a historical analysis along with future budget projections for the Library and additionally, an operational study was commissioned by the City Manager's office in response to a request for additional staffing from the Library. The analysis shows that since 2021, the Library has relied on its fund balance each year to close its budget gap. This trend is not sustainable, and the City recognizes that the Library's general fund appropriation has remained relatively flat for roughly a decade. An adjustment—at minimum to account for inflation—is warranted.

Statutory Funding Requirements

Under Wisconsin Law a municipality is not obligated to fund a library. However, if minimum funding is not provided to the level required by a county then the city residents are taxed for the maintaining of a library through the County. This minimum county tax is established by Wis. Stat. Sec. 43.64 and in 2026 was $152,621.

Any funds in excess of that amount are completely at the discretion of a municipality and could have additional conditions attached to the funding of the library. This would be similar to state or federal governments' requirements for grants to the City. In order to do this, however, the funds could not be allocated to the library in the original budget. They would instead need to be a contingency with instructions to be provided to the library in the event certain goals or targets are reached. The reason for this is that the library board maintains exclusive control of any funds appropriated to the library under Wis. Stat. Sec. 43.58(1).

It should also be noted that while some conditions can be placed on the funds in excess of the county minimums there are restrictions on conditional funding. The Supreme Court has recognized that the government cannot deny a benefit to a person on a basis that infringes on their constitutionally protected freedom of speech even if the person is not entitled to the benefit. While the court has allowed content filtering software mandated as a condition of libraries receiving federal internet subsidies that is because the government in establishing a program is entitled to define the program's limits.

Steps Taken

City staff have been working closely with Library administration to help them better understand their financial position and to identify options for stabilizing future budgets. This includes providing financial

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education to Library administration and exploring strategies to either reduce expenses, increase revenues, or use a combination of both to achieve long-term balance.

Determining the Inflationary Factor

To determine an appropriate inflationary factor for the Library's 2027 funding, staff conducted a historical analysis beginning with 2015. Several inflation measures were reviewed, including:

- CPI-U
- Expenditure Restraint Program factors
- Annual operational levy increases (excluding referendum-related increases)
- The Library's share of the operational levy

Before applying any inflation factor, staff needed to establish the baseline year—the point at which the Library began relying on fund balance to cover operating costs. This identifies when the general fund transfer stopped fully meeting operational needs.

The analysis shows the Library began drawing on fund balance in 2021. Therefore, inflationary adjustments should be applied beginning with that year to reflect the gap that has grown since then. This method provides a clearer picture of what the Library's appropriation would look like today had it been adjusted for inflation when the structural imbalance first appeared.

What are the Options?

The Committee and Council have several options for 2027:

- Fund only the statutory minimum, estimated at approximately **$160,000**
- Fully fund the Library's request, which would require roughly **$250,000** in additional funding
- Apply an inflationary adjustment to the appropriation and consider an additional one-time transfer, contingent on the Library meeting agreed-upon goals related to long-term budget stabilization

Recommendations

We understand that the Library's structural budget issues cannot be fully resolved before adoption of the 2027 budget, staff recommends:

1. Applying an inflationary increase to the Library's general fund transfer for 2027
2. Providing supplemental funding in 2027, contingent on the Library continuing to work with the Finance Department to identify and implement revenue enhancements, cost reductions, or both
3. Setting the expectation of a balanced Library budget for 2028

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This approach prevents the Library from needing to use its remaining fund balance for operations in 2027 while supporting a path toward long-term financial stability.

Account	Description	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	ESTIMATE 2026	Average
220-43720-55	CONTRACT REVENUE	247,002	256,347	249,251	230,358	216,702	218,099	233,020	213,740	229,240	219,770	227,710	230,000	
220-49290-55	TRANSFER IN-GENERAL FUND	486,968	497,068	502,576	484,182	469,657	470,000	470,000	485,000	470,000	627,558	469,370	475,000	492,282
220-34300	Fund Balance	627,158	663,163	660,737	662,200	671,719	686,859	609,146	536,438	952,131	594,243	547,261	365,729	
Net Increase/(Decrease)		78,878	36,005	(2,425)	1,463	9,518	15,141	(77,713)	(72,708)	415,693	(357,887)	(46,983)	(181,532)	
		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	
LIBRARY-SPECIAL FUND		**ACTUAL**	**ACTUAL**	**ACTUAL**	**ACTUAL**	**ACTUAL**	**ACTUAL**	**ACTUAL**	**ACTUAL**	**ACTUAL**	**ACTUAL**	**ACTUAL**	**BUDGET**	
100	Personnel & Benefits	578,754	587,542	613,309	596,471	574,810	580,515	613,960	645,458	687,641	641,428	669,645	784,020	
200	Professional Svcs	43,571	36,447	33,808	35,707	31,249	30,398	32,079	30,498	42,338	11,708	13,878	26,787	
300	Commodities & Other Exp	137,737	125,754	134,529	123,694	108,281	100,015	102,597	111,578	165,349	106,321	111,052	108,625	
500	Library Board	20,780	7,535	10,805	1,799	(35)	1,445	85,953	25,354	-	30	5	-	
		780,842	757,278	792,450	757,671	714,306	712,373	834,589	812,888	895,328	759,487	794,580	919,432	
100- LIBRARY GENERAL FUND BUILDING														2026 EST
100	Personnel & Benefits	12,885	7,492	6,918				10,269	10,736	11,496	14,364	12,205	14,658	11,747
200	Professional Svcs							40,358	42,228	40,368	35,843	40,345	50,950	92,991
300	Commodities & Other Exp							7,173	2,904	3,192	4,259	5,711	2,000	7,905
								57,800	55,868	55,056	54,466	58,261	67,608	112,643
TOTAL MUNICIPAL CONTRIBUTION								**527,800**	**540,868**	**525,056**	**682,024**	**527,631**	**542,608**	**587,643**
	(General Fund Transfer + GF Building Expenses)													
								Increase to salaries/benefits	31,498	42,183	(46,213)	28,217	114,375	
	FTE Count	10.90	10.90	11.20	10.70	9.70	9.70	10.40	10.50	10.50	10.50	10.50		

Inflationary Factors

		2021	2022	2023	2024	2025	2026
Expenditure Restraint Program		3.25%	8.20%	5.90%	3.50%	3.40%	3.00%
	Impact	485,275	525,068	556,047	575,508	595,075	612,928
Percentage of tax levy excluding referendums		15.00%	15.37%	13.67%	18.25%	13.77%	13.73%
	Impact					*Average of 15%	518,785
% Increase in operational tax levy excluding referendums		1.28%	0.70%	7.76%	1.14%	-0.90%	1.49%
	Impact	476,016	479,348	516,546	522,434	522,434	530,218

**Only includes the general fund transfer. Building costs have been excluded since they are paid out of the general fund.

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Office of Finance
312 W. Whitewater St.
Whitewater, WI 53190

Date: July 28, 2026

To: Finance Committee

From: Rachelle Blitch, Director of Financial and Administrative Services

Re: Authorization to Order Replacement Vehicle for Shared-Ride Taxi Program

Overview

In spring 2025, the City completed a federal audit of the Shared Ride Taxi program. As part of that audit, staff developed a vehicle replacement schedule, which identified the **2016 E350 Bus** as nearing the end of its useful life and recommended replacement during the next grant cycle.

This month, the City received a WisDOT grant award covering **80% of the replacement cost**, up to **$69,760**. The proposed replacement vehicle is a **side-load ramp minivan**, consistent with current program needs and accessibility requirements.

Pricing and Timing Considerations

Attached is the **2025 Human Service Vehicle Price Sheet**, which notes:

- Current pricing **expires July 31, 2026**
- Prices will **increase by 3.3%** beginning August 2026

This purchase was not included in the approved **2026 Capital Improvement Plan**. If the Committee chooses to order the vehicle this year, the **local share**—estimated at **$16,819**—would be funded through year-end fund balance.

Alternatively, because the grant expenditure period runs through December 31, 2027, the Committee may direct staff to include the purchase in the 2027 Capital Improvement Plan, with funding determined through that process.

Disposition of Existing Vehicle

Staff also requests authorization to place the **2016 E350 Bus** on Wisconsin Surplus for auction once the replacement vehicle is received and placed into service.

Federal rules require the following:

- If the sale exceeds **$10,000**, the City may retain **$5,000**, and the remaining proceeds must be returned to the **FTA**
- If the sale is **below $10,000**, the City may retain all proceeds

Requested Action

Staff is requesting direction from the Committee on when the new vehicle should be ordered, considering grant timelines, and available funding options.

Human Service Vehicle Price Sheet
August 1, 2025 to July 31, 2026

Item 9.

#	Accessible Vehicle Types	Vendor	Model	Seat Layouts (Amb. / WC)	Last Years Price	Price	Vendor Contact	Email	Phone
Bid #510467 - Minivans and Bariatric Rear (Year 4)									
1	Minivan, Side Load Ramp	A&J Commercial	Chrysler Voyager LX	3/2	$77,604	**$81,407**	Corey Kupsh	coreyk@ajmobility.com	920-775-9333
2	Minivan, Rear Load Ramp	TESCO	Chrysler Voyager LX	3/2	$74,574	**$78,228**	Cathy Hanley	chanley@tescobus.com	847-302-3641
Bid #510515 Human Service Vehicles - Transit Bariatric Vehicles (Year 3)									
3	Medium Roof Transit Bariatric Rear Load Lift	A&J Commercial	Transit 350 XL	7/0 - 3/1 - 3/2	$78,990	**$82,861**	Corey Kupsh	coreyk@ajmobility.com	920-775-9333
4	Medium Roof Transit Bariatric Side Load Lift	A&J Commercial	Transit 350 XL	7/1 - 5/2 - 5/1	$79,181	**$83,061**	Corey Kupsh	coreyk@ajmobility.com	920-775-9333
5	High Roof Transit Bariatric Rear Load Lift	A&J Commercial	Transit 350 XL	7/0 - 3/1 - 3/2	$80,212	**$84,143**	Corey Kupsh	coreyk@ajmobility.com	920-775-9333
6	High Roof Transit Bariatric Side Load Lift	A&J Commercial	Transit 350 XL	7/1 - 5/2 - 5/1	$80,403	**$84,343**	Corey Kupsh	coreyk@ajmobility.com	920-775-9333
Bid #510600 Human Service Vehicles - Medium Buses (Year 1)									
9	Med. Bus, Side Load Lift	Midwest Transit Equipment, Inc.	Allstar (Ford 450)	12/1 - 10/2 - 8/3	$143,340	**$122,091**	Thomas Boldwin	tom.boldwin@midwesttransit.com	800-933-2412
10	Med. Bus, Honeycomb Fiberglass, Side Load Lift	A&J Commercial	VIP 2500 (Ford 450)	12/1 - 10/2 - 8/3	$147,483	**$130,318**	Corey Kupsh	coreyk@ajmobility.com	920-775-9333
11	Med. Lg. Bus, Side Load Lift	Midwest Transit Equipment, Inc.	Allstar (Ford 450)	13/1 - 11/2 - 9/3	$146,034	**$123,342**	Thomas Boldwin	tom.boldwin@midwesttransit.com	800-933-2412
12	Med. Lg. Bus, Honeycomb Fiberglass, Side Load Lift	A&J Commercial	VIP 2500 (Ford 450)	13/1 - 11/2 - 9/3	$147,891	**$131,797**	Corey Kupsh	coreyk@ajmobility.com	920-775-9333

Prices for August 1, 2025 to July 31, 2026 were calculated by adjusting original awarded unit prices using PPI Line 1413 (Truck and Bus Bodies) which was 4.9%.

Please note lines 9 - 12 are new contracts that begun 8/1/2025.

Updated: 9/2/2025

Grant Agreement

PARTIES TO THE AGREEMENT

This Grant Agreement ("Agreement") is made by and between the State of Wisconsin Department of Transportation ("Department") and the City of Whitewater ("Recipient").

FEDERAL LAW AND STATE STATUTE CITATION

Consistent with its authority under Section 85.20, Wisconsin Statutes; the provisions of 49 USC 5311; and rules set forth in chapters Trans 4 and Trans 6, Wisconsin Administrative Code, the Department hereby agrees to provide the Recipient with Section 5311 program funds in accordance with the terms and conditions of this Agreement, including those contained in attachments to this Agreement and documents incorporated by reference.

PERIOD OF PERFORMANCE

July 01, 2026 through December 31, 2027

AWARD MAXIMUM

Per Attachment A to this Agreement, the Department agrees to pay the Recipient Section 5311 funds not to exceed **$69,760**.

This Agreement shall become effective upon its complete execution by the Recipient and the Department.

RECIPIENT

DocuSigned by:
Signature: Rachelle Blitch
25A3026A7FE744F...

Name: Rachelle Blitch

Title: Director of Financial and Administrative Services

Date:
07/07/2026

STATE OF WISCONSIN
DEPARTMENT OF TRANSPORTATION

Signed by:
Signature: Ian Ritz
620330D322A8411...

Ian Ritz, Chief

Public & Specialized Transportation Section
Division of Transportation Investment Management

Date:
07/07/2026

Grant Agreement

ARTICLE 1. TERMS OF PAYMENT

A. The Department shall make payment to the Recipient on a reimbursement basis, to offset expenses that the Recipient incurs in acquiring capital equipment, including rolling stock and facilities ("Project"), funded under this Agreement.

B. The Department shall make payment to the Recipient upon its receipt and review of reimbursement documentation that is complete, accurate, and fully satisfies Department specifications. Such documentation shall include, but not be limited to, all applicable manufacturer or dealer invoices showing actual unit and total costs of purchased equipment or, for construction projects, all applicable invoices the Recipient receives in accordance with the payment schedule as specified in an associated construction contract. Progress payments on capital equipment may be made only at the discretion of the Department, with the Department's written approval, and in compliance with all applicable federal requirements.

C. The Department shall pay the Recipient Section 5311 funds totaling the lesser of:

1. the Award Maximum specified in this Agreement.

2. 80% of the Recipient's eligible acquisition expenses for the capital equipment and attendant quantities specified in Attachment A.

Capital item quantities are limited to those specified in Attachment A.

D. The Department may withhold any and all payments due to the Recipient if the Recipient has not submitted any report(s) or other documentation required under another active transit funding grant agreement between the Recipient and Department, until such time as the Recipient submits it as prescribed by the Department.

E. The Department may reduce reimbursements under this Agreement to avoid overpayment of federal capital assistance funds, consistent with the provisions of Article 1, Clause C.

ARTICLE 2. RECIPIENT REQUIREMENTS

A. The Recipient shall complete all capital acquisitions funded under this Agreement during the specified Period of Performance (see page 1). If the Recipient fails to complete a Project within the Period of Performance, the Department shall take necessary actions to withdraw any uncommitted funds under the Agreement at that time. The Department retains the right to reassign uncommitted funds to other Section 5311 grant recipients.

B. The Recipient may not use funds paid under this Agreement for expenses incurred outside the Period of Performance, nor for any equipment or services not specified in Attachment A, unless the Recipient has sought prior written approval from the Department and has received such approval.

C. For all rolling stock purchased under this Agreement, the Recipient shall submit required post-delivery and reimbursement documentation to the Department within seven (7) days of vehicle acquisition, in the manner specified by the Department. The Recipient shall not place into revenue service any new vehicle for which the Department has not received and approved all required post-delivery documentation.

Post-delivery and reimbursement documentation shall be sent to one or both Department Contacts identified in Attachment C.

D. The Recipient shall submit all invoices and other required documents in the manner and form that the Department prescribes.

E. The Recipient shall inspect all equipment purchased using funds provided under this Agreement immediately upon receipt from a vendor or manufacturer. Inspections to include a check of specifications and, in the case of a vehicle purchase, a road test.

F. The Recipient may not use funds paid under this Agreement to purchase service or capital items from, or make sub-grants to, any third party without an attendant written contract, agreement, or purchase order.

G. The Recipient may neither issue nor execute a contract, agreement, or purchase-of-service order without first completing a procurement that follows Department procedures and that satisfies applicable federal and State procurement requirements. Third-party contracts, agreements, or purchase orders shall be available for inspection by Department officials, employees, or designees upon request.

H. Before initiating a procurement to purchase any capital item from a third party using funds provided under this Agreement, the Recipient shall:

   1. consult the Department to review the process for conducting the procurement consistent with federal and State of Wisconsin procurement requirements.

   2. notify the Department in writing of its intention to purchase the item. Such notification shall include the source of funds with which the Recipient will make the purchase (by Federal Award Identification Number, shown in Attachment A) and an assurance that the procurement will follow all applicable rules and procedures.

I. Upon completing a procurement to purchase capital items from a third party using funds provided under this Agreement, the Recipient shall provide the Department with complete written documentation of the procurement process. If, based on this documentation, the Department determines that the Recipient’s procurement has satisfied all applicable rules and procedures, the Department shall issue written approval to the Recipient to make an award.

J. The Recipient shall send to the Department all contracts between the Recipient and any third party receiving funds under this Agreement.

K. The Recipient shall ensure that all Project equipment is managed and used only for the provision of public transportation services, consistent with the Recipient’s 2026 Public Transit Assistance Program application (“Application”), including the associated Transit Management Plan (“Management Plan”) and all other attachments thereto, as approved by the Department.. Project equipment shall be operated only within the transit service area described in the Application. Project rolling stock shall be clearly marked for public use.

L. The Recipient shall maintain, in an amount and form satisfactory to the Department, such insurance or self-insurance (including property, personal injury and collision coverage) as will be adequate to cover the current value of Project equipment and rolling stock throughout the period of required use.

M. Project equipment shall be titled in the Recipient’s name, subject to restrictions on equipment use and disposition set forth herein. For any vehicle acquired with Project funds, the Recipient or its vendor must submit an application for title and registration that identifies the Department as the sole secured party.

N. The Recipient may not execute any transfer of title, lease, lien, pledge mortgage, encumbrance, contract, grant anticipation note, alienation, or other obligation that in any way affects the federal interest in any Project real property or equipment; nor may the Recipient obligate itself, in any other manner, to any third party with respect to Project real property or equipment, unless such transfer of title, lease, lien, pledge, mortgage, encumbrance, contract, grant anticipation note, alienation, or other obligation is expressly authorized in writing by the Department; nor may the Recipient, by any act or omission, adversely affect the federal interest or impair the Recipient's continuing control over the use of Project real property or equipment.

O. The Department may require the Recipient to restore equipment and rolling stock or pay for damages to the equipment and rolling stock as a result of abuse or misuse of such equipment and rolling stock with the Recipient's knowledge and consent.

P. The Recipient shall develop a written maintenance plan in accordance with Department requirements and shall perform preventive maintenance consistent with the plan on all equipment, facilities, and rolling stock acquired using Section 5311 funds at levels no less than manufacturers’ recommended specifications. The Recipient shall ensure that all such assets are properly maintained at all times, and shall maintain records of preventive maintenance activities performed on all such assets. The Recipient shall adhere at all times to Department rules and guidelines regarding satisfactory continuing control for equipment, rolling stock, and facilities acquired using Section 5311 funds.

Q. The Recipient shall maintain such records regarding use of Project equipment as the Department specifies or federal law requires, shall submit them to the Department upon request. If during its useful life, any Project equipment is withdrawn from public transportation service, the Recipient shall immediately notify the Department and request disposition instructions.

R. The Department shall have the right to conduct periodic capital equipment inspections and maintenance record reviews for the purpose of confirming that proper maintenance policies and procedures are being followed. The Recipient shall make available to the Department upon request all Project equipment and/or attendant maintenance and usage records.

S. The Recipient shall immediately notify the Department in all cases where Project equipment or rolling stock is used in a manner substantially different from that described in the Application.

T. The Recipient shall obtain prior written concurrence from the Department for any proposed sale of equipment or rolling stock, title transfer, or lease to another agency. The Recipient shall complete the Department's procedures for disposal of all Project equipment before selling it or using it for a purpose other than that specified in the Recipient's Application.

U. All materials, equipment, and supplies that the Recipient acquire under this Agreement shall comply fully with all applicable OSHA standards and safety requirements as set forth in State law or rule.

V. The Recipient shall comply with the terms and conditions of the Special Section 5333(b) Warranty for Application (formerly known as Section 13(c)) to the Small Urban and Rural Program as promulgated by the U.S. Department of Labor. The Recipient hereby assumes all legal and financial responsibility relative to compliance with the terms and conditions of the Warranty.

W. The Recipient shall comply with all applicable federal statutes relating to Civil Rights and nondiscrimination. The Recipient shall create, maintain, and comply with a Title VI Plan that the Department has approved.

X. The Recipient shall comply with all applicable federal and State statutes relating to Equal Employment Opportunity.

Y. The Recipient shall comply with and participate in compliance site reviews conducted by the Department or its authorized contractor.

Z. The Recipient shall include the following notification language of federal participation in all its requests for proposals, solicitations, contracts, press releases, brochures, web site(s), or other publications, etc., funded under this grant, based on the source of funding:

"This project is funded in part by the Federal Transit Administration (FTA) as authorized under 49 U.S.C. § 5311 Formula Grants for Rural Areas (CFDA 20.509)."

ARTICLE 3. ACCOUNTING, RECORDS, AUDITS AND INDEMNIFICATION

A. The Recipient shall have a single, organization-wide financial and compliance audit performed by a qualified independent auditor, if so required under federal law. This audit shall be performed in accordance with federal Office of Management and Budget (OMB) Super Circular 2 CFR Part 200 and single audit guidelines issued by the Wisconsin Department of Administration. Upon notice of any findings from this audit that involve the use of program funds, the Recipient shall inform the Department.

B. All expenses that the Recipient incurs under this Agreement shall be supported by properly executed payrolls, time records, invoices, contracts, or vouchers indicating the purpose of the expense. The Recipient, any other Recipients, contractors, subcontractors, and their affiliates shall maintain all documents and evidence pertaining to revenues, expenses, and cost allocations related to this Agreement. The Recipient shall be responsible for ensuring the compliance of all Recipients, contractors, subcontractors, and affiliates with this provision.

C. The Recipient shall retain all accounts and records as required above for a minimum of three (3) years after receipt of final payment under this Agreement. The Recipient shall provide all such accounts and records to the Department or its designee upon request for inspection and audit purposes.

D. The Recipient shall allow access the Department or its designee to inspect all vehicles, facilities, and equipment that are acquired with funds provided under this Agreement; all transportation services rendered by the Recipient through the use of such vehicles, facilities, and equipment; and all relevant project data, documents, and records.

E. If a Department audit establishes that payment to the Recipient under the terms of this Agreement has exceeded the allowable maximum under this Agreement, the Recipient shall refund to the Department upon demand a sum sufficient to reduce the payment to the maximum allowed in this Agreement.

F. The Department shall have the right, upon reasonable notice but not less than forty-eight hours' notice, except in an emergency as determined by the Department, to audit, inspect, and/or obtain copies of Recipient's records, books, documents, and other materials, in whatever form maintained, as reasonably necessary to verify Recipient's compliance with the terms of this Grant Agreement including all applicable federal, state, and local laws, rules, regulations and lawful Executive orders or policies ("Applicable Laws"). Recipient shall cooperate fully with such audits and shall make available to the Department all relevant records, personnel, and facilities.

G. If any audit or inspection reveals non-compliance, Recipient shall promptly take corrective action at its sole expense. Failure to take corrective action within thirty (30) days of the notice may result in the Department's withdrawal of funding.

H. Recipient shall indemnify, defend, and hold harmless the Department, its affiliates, officers, directors, employees, and agents from and against any and all claims, demands, liabilities, losses, damages, costs, and expenses (including reasonable attorneys' fees) arising from: (i) Recipient's failure to comply with Applicable Laws, including federal provisions or Executive Orders; or (ii) any claim, investigation, or proceeding by a governmental authority or third party arising out of Recipient's non-compliance.

I. The obligations set forth in this Section shall survive termination or expiration of this Grant Agreement.

ARTICLE 4. TERMINATION OF AGREEMENT

A. The Department may terminate this Agreement at any time that the Department Secretary determines that the Recipient, lessee, or any third-party contractor has failed to perform in the manner called for in the Agreement or has failed to fulfill contract obligations. Failure of the Recipient or any third-party contractor to comply with the terms and conditions of this Agreement shall be considered cause for termination.

B. The Recipient may terminate this Agreement upon providing the Department with a written request at least thirty (30) calendar days prior to the proposed termination date.

C. In the event this Agreement is terminated, the Department shall be liable only for federal grant payments for eligible capital equipment acquired and paid for before the termination effective date, not to exceed 80% of the Recipient's total eligible expenses.

D. Upon termination of this Agreement, the Department shall determine whether the Recipient must dispose of any Project equipment and shall so notify the Recipient. Upon Department notification, the Recipient shall dispose of any designated Project equipment as instructed by the Department.

ARTICLE 5. WHOLE AGREEMENT

A. All attachments to, and all documents explicitly incorporated by reference into, this Agreement are herein made part of this Agreement by annexation. The Recipient shall review all attachments to this Agreement and documents incorporated into it by reference under this Article, and shall adhere to all applicable requirements therein.

B. Attachments to this Agreement are:

1. Attachment A: Grant Award Details

2. Attachment B: Department Contacts

C. This Agreement incorporates by reference:

1. the entirety of the Recipient's Application, including the Management Plan and other documents attached thereto.

2. the Department's 2026 Application instructions.

3. the Department's Public Transit Grantee Guide (February 2022).

4. Federal Transit Administration Master Agreement, FTA MA (34) November 26, 2025.

5. Federal Certifications and Assurances for WisDOT 5311 Grant Agreements Calendar Year 2026 (October 09, 2025).

These documents are posted on the Department's web-based Transit Management System (TMS) located at www.wisdot.us-1.smartsimple.com. The Recipient may also obtain copies from a Department Contact upon request.

Attachment A: Grant Award Details

Section 5311 Grant Program

Award Summary

STIP ID	Activity Line Item	Project Description	Qty	Cost Item	Amount
5311S26-CRS21 March 2026	11.12.15	Purchase Replacement Van	1	Project Cost	$87,200
				Federal Share	$69,760
				Local Share	$17,440
				Total Project Cost	$87,200
				Total Section 5311 (Federal) Share	$69,760

Funding Details

This grant is funded by the Federal Transit Administration (FTA) as authorized under 49 USC 5311 (Formula Grants for Rural Areas, CFDA 20.509).

Federal Award Agency USDOT Federal Transit Administration

Passthrough Entity Wisconsin Department of Transportation

Division of Transportation Investment Management

Federal Award Identification Number (FAIN): WI-2023-030-03

Federal Award Date: August 28, 2024

The Department shall commit the Recipient's full obligated award amounts upon receipt of this signed Agreement.

Attachment B: Department Contacts

Section 5311 – Formula Grants for Rural Areas

Kevin Lange
Public Transit Program Manager
4822 Madison Yards Way, 6 th Floor South
P.O. Box 7913
Madison, WI 53707-7913
(608) 266-2365 | kevin.lange@dot.wi.gov

Ariana Dieter
Public Transit Program Manager
4822 Madison Yards Way, 6 th Floor South
P.O. Box 7913
Madison, WI 53707-7913
(608) 261-8120 | arianam.dieter@dot.wi.gov

Five-Year Vehicle Replacement Schedule (FY 25-29)								
Fleet Number	**Model Year**	**Manufacturer**	**Vehicle Type**	**Seating Capacity**	**Wheelchair Stations**	**Mileage December 2024**	**Replacement Year**	**Projected Replacement Cost**
306	2016	Ford	E350 Bus			113,972	2026	$77,604
308	2019	Dodge	Caravan	7		102,022	2027	$79,932
307	2020	Dodge	Caravan	7		88,535	2028	$82,330
Total Projected Vehicle Replacement Cost: (FY 25-29)								**$**

Pledge Balance	2026 Projected	2027 Projected
$360.00	$180.00	$180.00
$200.00		$200.00
$200.00		$200.00
$784.07	$392.03	$392.04
$298.99	$89.30	$209.69
$200.00		$200.00
$600.00	$300.00	$300.00
$305.00	$155.00	$150.00
$400.00	$200.00	$200.00
$314.35	$71.44	$242.91
$400.00	$200.00	$200.00
$169.90		$169.90
$200.00		$200.00
$600.00	$300.00	$300.00
$400.00	$200.00	$200.00
$817.29	$408.65	$408.64
$384.95	$192.48	$192.47
$600.00	$300.00	$300.00
$129.71	$89.30	$40.41
$184.95	$184.95	
$858.37	$89.30	$769.07
$315.60	$89.30	$226.30
$263.27	$89.30	$173.97
$228.00		$228.00
$282.38	$71.44	$210.94
$400.00	$200.00	$200.00
$200.00		$200.00
$279.88	$71.44	$208.44
$457.23	$228.61	$228.62
$200.00		$200.00

		$169.90		$169.90
		$314.35	$71.44	$242.91
		$314.35	$71.44	$242.91
		$816.63	$408.31	$408.32
		$279.88		$279.88
		$800.00	$400.00	$400.00
		$169.90		$169.90
		$533.30	$266.65	$266.65
		$615.47	$307.74	$307.73
		$200.00		$200.00
		$354.85	$215.05	$139.80
		$569.90	$284.95	$284.95
		$200.00	$200.00	
		$3,000.00	$1,500.00	$1,500.00
		$2,000.00	$1,000.00	$1,000.00
		$4,000.00	$2,000.00	$2,000.00
		$3,333.34		$3,333.34
		$15,000.00	$7,500.00	$7,500.00
		$9,000.00	$4,500.00	$4,500.00
		$15,000.00	$7,500.00	$7,500.00
		$35,000.06	$17,500.03	$17,500.03
		$20,000.00		$20,000.00
		$66,666.67	$66,666.67	
		$66,666.67	$66,666.67	
		$66,666.67	$66,666.67	
Balance 2/14/2026	**$372,219.01**			
Balance 7/21/2026		**$322,705.88**	**$247,828.16**	**$74,877.72**
Payments 2/14-7/21/2026	**$49,513.13**			