

**CITY OF DE PERE, WISCONSIN**  
**FINANCIAL STATEMENTS AND**  
**SUPPLEMENTARY INFORMATION**  
**YEAR ENDED DECEMBER 31, 2022**



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**CITY OF DE PERE, WISCONSIN  
TABLE OF CONTENTS  
YEAR ENDED DECEMBER 31, 2022**

<b>INDEPENDENT AUDITORS' REPORT</b>	<b>1</b>
<b>BASIC FINANCIAL STATEMENTS</b>	
<b>GOVERNMENT-WIDE FINANCIAL STATEMENTS</b>	
<b>STATEMENT OF NET POSITION</b>	<b>6</b>
<b>STATEMENT OF ACTIVITIES</b>	<b>7</b>
<b>FUND FINANCIAL STATEMENTS</b>	
<b>BALANCE SHEET – GOVERNMENTAL FUNDS</b>	<b>9</b>
<b>STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND             BALANCES – GOVERNMENTAL FUNDS</b>	<b>12</b>
<b>STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND             BALANCES – BUDGET AND ACTUAL – GENERAL FUND</b>	<b>15</b>
<b>STATEMENT OF NET POSITION – PROPRIETARY FUNDS</b>	<b>16</b>
<b>STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET             POSITION – PROPRIETARY FUNDS</b>	<b>20</b>
<b>STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS</b>	<b>22</b>
<b>STATEMENT OF FIDUCIARY NET POSITION – TAX COLLECTION             CUSTODIAL FUNDS</b>	<b>26</b>
<b>STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – TAX             COLLECTION CUSTODIAL FUNDS</b>	<b>27</b>
<b>NOTES TO BASIC FINANCIAL STATEMENTS</b>	<b>28</b>
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
<b>SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION         LIABILITY (ASSET) – WISCONSIN RETIREMENT SYSTEM</b>	<b>78</b>
<b>SCHEDULE OF CONTRIBUTIONS – WISCONSIN RETIREMENT SYSTEM</b>	<b>78</b>
<b>SCHEDULE OF CHANGES IN OPEB LIABILITY AND RELATED RATIOS</b>	<b>79</b>

**CITY OF DE PERE, WISCONSIN  
TABLE OF CONTENTS  
YEAR ENDED DECEMBER 31, 2022**

<b>SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET) – LOCAL RETIREE LIFE INSURANCE PLAN</b>	<b>80</b>
<b>SCHEDULE OF CONTRIBUTIONS – LOCAL RETIREE LIFE INSURANCE PLAN</b>	<b>80</b>
<b>NOTES TO REQUIRED SUPPLEMENTARY INFORMATION</b>	<b>81</b>
<b>SUPPLEMENTARY INFORMATION</b>	
<b>GENERAL FUND</b>	
<b>DETAILED COMPARISON OF BUDGETED AND ACTUAL REVENUES</b>	<b>84</b>
<b>DETAILED COMPARISON OF BUDGETED AND ACTUAL     EXPENDITURES</b>	<b>86</b>
<b>COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS</b>	<b>88</b>
<b>COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS</b>	<b>93</b>
<b>COMBINING STATEMENT OF NET POSITION – INTERNAL SERVICE FUNDS</b>	<b>98</b>
<b>COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – INTERNAL SERVICE FUNDS</b>	<b>99</b>
<b>COMBINING STATEMENT OF CASH FLOWS – INTERNAL SERVICE FUNDS</b>	<b>100</b>
<b>SCHEDULE OF WATER UTILITY OPERATING REVENUES AND EXPENSES</b>	<b>101</b>
<b>ADDITIONAL INDEPENDENT AUDITORS' REPORT FOR BASIC FINANCIAL STATEMENTS</b>	
<b>INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i></b>	<b>103</b>
<b>SCHEDULE OF FINDINGS AND RESPONSES</b>	<b>105</b>



## INDEPENDENT AUDITORS' REPORT

City Council  
City of De Pere, Wisconsin

### Report on the Audit of the Financial Statements

#### ***Opinions***

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

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

#### ***Basis for Opinions***

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

#### ***Emphasis of Matter***

As discussed in Note 1.G to the financial statements, effective January 1, 2022, the City adopted new accounting guidance for leases. The guidance requires lessees to recognize a right-to-use asset and corresponding lease liability and lessors to recognize a lease receivable and corresponding deferred inflow of resources for all leases with lease terms greater than twelve months. Our opinions are not modified with respect to this matter.

#### ***Responsibilities of Management for the Financial Statements***

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

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

***Auditors' Responsibilities for the Audit of the Financial Statements***

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

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

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

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

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the schedules relating to pensions and other postemployment benefits on pages 78 through 80 be presented to supplement the basic financial statements. Such information is the responsibility of management, and although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.


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

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The financial information listed in the table of contents as supplementary information for the year ended December 31, 2022 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 28, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

**CliftonLarsonAllen LLP**

Green Bay, Wisconsin  
July 28, 2023

## **BASIC FINANCIAL STATEMENTS**



**CITY OF DE PERE, WISCONSIN  
STATEMENT OF NET POSITION  
DECEMBER 31, 2022**

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and Investments	\$ 32,193,953	\$ 1,477,687	\$ 33,671,640
Receivables:			
Taxes and Special Charges	11,860,778	-	11,860,778
Delinquent Taxes	8,214	-	8,214
Accounts	571,028	4,689,074	5,260,102
Special Assessments	981,905	-	981,905
Loans	182,816	-	182,816
Other	-	164,671	164,671
Leases	-	184,617	184,617
Internal Balances	(210,930)	210,930	-
Due from Other Governments	-	694,819	694,819
Inventories and Prepaid Items	196,321	26,343	222,664
Restricted Assets:			
Cash and Investments	2,799,370	150,000	2,949,370
Lease Receivable	97,452	667,181	764,633
Net Pension Asset	7,269,383	774,709	8,044,092
Capital Assets, Nondepreciable	15,848,323	121,348	15,969,671
Capital Assets, Depreciable	66,133,519	63,991,936	130,125,455
Total Assets	137,932,132	73,153,315	211,085,447
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension Related Amounts	14,244,966	1,516,509	15,761,475
Other Postemployment Related Amounts	687,660	72,506	760,166
Total Deferred Outflows of Resources	14,932,626	1,589,015	16,521,641
<b>LIABILITIES</b>			
Accounts Payable	2,497,800	2,029,184	4,526,984
Accrued And Other Current Liabilities	1,003,390	13,215	1,016,605
Due to Other Governments	1,668	-	1,668
Accrued Interest Payable	428,204	5,616	433,820
Special Deposits	266,671	-	266,671
Unearned Revenues	2,613,574	-	2,613,574
Short-Term Note Payable	350,000	-	350,000
Long-Term Obligations:			
Due Within One Year	6,433,611	210,400	6,644,011
Due in More Than One Year	47,670,789	934,530	48,605,319
Other Postemployment Benefits	2,139,341	207,055	2,346,396
Total Liabilities	63,405,048	3,400,000	66,805,048
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes Levied For Subsequent Year	17,777,983	-	17,777,983
Lease Related Amounts	97,452	851,798	949,250
Pension Related Amounts	17,125,624	1,825,102	18,950,726
Other Postemployment Related Amounts	420,589	25,022	445,611
Total Deferred Inflows of Resources	35,421,648	2,701,922	38,123,570
<b>NET POSITION</b>			
Net Investment in Capital Assets	32,260,509	63,073,583	95,334,092
Restricted:			
Debt Service	1,557,692	-	1,557,692
Pension Benefits	7,269,383	774,709	8,044,092
Capital Project - TIDs	5,338,896	-	5,338,896
Equipment Replacement	-	150,000	150,000
Property Tax Relief and Economic Development	139,783	-	139,783
Development Loans	920,038	-	920,038
Recreation Scholarship	35,841	-	35,841
Housing	1,968,527	-	1,968,527
Park Land Acquisition	157,456	-	157,456
Unrestricted	4,389,937	4,642,116	9,032,053
Total Net Position	\$ 54,038,062	\$ 68,640,408	\$ 122,678,470

See accompanying Notes to Basic Financial Statements.

**CITY OF DE PERE, WISCONSIN  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2022**

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$ 2,387,138	\$ 415,865	\$ -	\$ -
Public Safety	9,837,761	2,196,998	421,014	-
Public Works	4,900,625	946,641	1,670,904	2,001,450
Sanitation	703,431	-	212,879	-
Health and Human Services	685,325	1,679	66,789	-
Culture and Recreation	4,067,206	986,469	2,613	647,313
Conservation and Development	6,869,913	50,981	1,497,500	5,263
Interest and Fiscal Charges	896,312	-	-	-
Total Governmental Activities	<u>30,347,711</u>	<u>4,598,633</u>	<u>3,871,699</u>	<u>2,654,026</u>
Business-Type Activities:				
Water Utility	6,052,996	7,269,999	-	672,250
Wastewater Collection	8,187,160	10,420,840	-	500,548
Stormwater Utility	1,617,250	2,085,408	-	694,492
Total Business-Type Activities	<u>15,857,406</u>	<u>19,776,247</u>	<u>-</u>	<u>1,867,290</u>
Total	<u>\$ 46,205,117</u>	<u>\$ 24,374,880</u>	<u>\$ 3,871,699</u>	<u>\$ 4,521,316</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF DE PERE, WISCONSIN  
STATEMENT OF ACTIVITIES (CONTINUED)  
YEAR ENDED DECEMBER 31, 2022**

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
<b>FUNCTIONS/PROGRAMS</b>			
Governmental Activities:			
General Government	\$ (1,971,273)	\$ -	\$ (1,971,273)
Public Safety	(7,219,749)	-	(7,219,749)
Public Works	(281,630)	-	(281,630)
Sanitation	(490,552)	-	(490,552)
Health and Human Services	(616,857)	-	(616,857)
Culture and Recreation	(2,430,811)	-	(2,430,811)
Conservation and Development	(5,316,169)	-	(5,316,169)
Interest and Fiscal Charges	(896,312)	-	(896,312)
Total Governmental Activities	(19,223,353)	-	(19,223,353)
Business-Type Activities:			
Water Utility	-	1,889,253	1,889,253
Wastewater Collection	-	2,734,228	2,734,228
Stormwater Utility	-	1,162,650	1,162,650
Total Business-Type Activities	-	5,786,131	5,786,131
Total	(19,223,353)	5,786,131	(13,437,222)
<b>GENERAL REVENUES</b>			
Taxes:			
Property Taxes	14,406,636	-	14,406,636
Tax Increments	3,113,261	-	3,113,261
Sales Tax	261	-	261
Other Taxes	252,627	-	252,627
Federal and State Grants and Other Contributions not Restricted to Specific Functions	2,460,094	-	2,460,094
Interest and Investment Earnings	(36,966)	41,378	4,412
Miscellaneous	145,127	-	145,127
Transfers	669,466	(669,466)	-
Total General Revenues and Transfers	21,010,506	(628,088)	20,382,418
<b>CHANGE IN NET POSITION</b>	1,787,153	5,158,043	6,945,196
Net Position - Beginning of Year	52,250,909	63,482,365	115,733,274
<b>NET POSITION - END OF YEAR</b>	<u>\$ 54,038,062</u>	<u>\$ 68,640,408</u>	<u>\$ 122,678,470</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF DE PERE, WISCONSIN  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2022**

	General	Debt Service	Public Improvements
<b>ASSETS</b>			
Cash and Investments	\$ 16,775,432	\$ -	\$ 1,086,557
Restricted Cash and Investments	-	1,985,896	-
Receivables:			
Taxes and Special Charges	3,299,359	4,438,614	942,276
Delinquent Taxes	8,214	-	-
Accounts	553,080	-	-
Special Assessments	47,001	-	488,634
Loans	-	-	-
Leases	97,452	-	-
Due from Other Funds	1,271,788	-	-
Advance to Other Funds	90,287	-	-
Inventories and Prepaid Items	196,321	-	-
	<u>\$ 22,338,934</u>	<u>\$ 6,424,510</u>	<u>\$ 2,517,467</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
Liabilities:			
Accounts Payable	\$ 689,283	\$ -	\$ 1,424,784
Accrued and Other Current Liabilities	1,010,290	-	-
Due to Other Funds	-	-	-
Due to Other Governments	1,668	-	-
Special Deposits	259,671	-	-
Unearned Revenues	-	-	-
Short-Term Note Payable	350,000	-	-
Total Liabilities	<u>2,310,912</u>	<u>-</u>	<u>1,424,784</u>
Deferred Inflows Of Resources			
Property Taxes Levied for Subsequent Year	9,216,564	4,438,614	942,276
Loans Receivable	-	-	-
Special Assessments	-	-	488,634
Lease Related Amounts	97,452	-	-
Total Deferred Inflows of Resources	<u>9,314,016</u>	<u>4,438,614</u>	<u>1,430,910</u>
Fund Balances:			
Nonspendable	1,553,749	-	-
Restricted	175,624	1,985,896	-
Committed	1,465,833	-	-
Unassigned	7,518,800	-	(338,227)
Total Fund Balances	<u>10,714,006</u>	<u>1,985,896</u>	<u>(338,227)</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 22,338,934</u>	<u>\$ 6,424,510</u>	<u>\$ 2,517,467</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF DE PERE, WISCONSIN  
BALANCE SHEET  
GOVERNMENTAL FUNDS (CONTINUED)  
DECEMBER 31, 2022**

<b>ASSETS</b>	Other Governmental Funds	Total
Cash and Investments	\$ 12,237,692	\$ 30,099,681
Restricted Cash and Investments	813,474	2,799,370
Receivables:		
Taxes and Special Charges	3,180,529	11,860,778
Delinquent Taxes	-	8,214
Accounts	19,448	572,528
Special Assessments	446,270	981,905
Loans	182,816	182,816
Leases	-	97,452
Due from Other Funds	3,231,490	4,503,278
Advance to Other Funds	-	90,287
Inventories and Prepaid Items	-	196,321
	<u>                    </u>	<u>                    </u>
Total Assets	<u>\$ 20,111,719</u>	<u>\$ 51,392,630</u>
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>		
Liabilities:		
Accounts Payable	\$ 171,742	\$ 2,285,809
Accrued and Other Current Liabilities	24,925	1,035,215
Due to Other Funds	4,503,278	4,503,278
Due to Other Governments	-	1,668
Special Deposits	-	259,671
Unearned Revenues	2,613,574	2,613,574
Short-Term Note Payable	-	350,000
Total Liabilities	<u>7,313,519</u>	<u>11,049,215</u>
Deferred Inflows Of Resources		
Property Taxes Levied for Subsequent Year	3,180,529	17,777,983
Loans Receivable	182,816	182,816
Special Assessments	446,270	934,904
	<u>                    </u>	<u>                    </u>
Total Deferred Inflows of Resources	<u>3,809,615</u>	<u>18,993,155</u>
Fund Balances:		
Nonspendable	-	1,553,749
Restricted	12,114,388	14,275,908
Committed	1,361,609	2,827,442
Unassigned	(4,487,412)	2,693,161
Total Fund Balances	<u>8,988,585</u>	<u>21,350,260</u>
	<u>                    </u>	<u>                    </u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 20,111,719</u>	<u>\$ 51,392,630</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF DE PERE, WISCONSIN  
BALANCE SHEET  
GOVERNMENTAL FUNDS (CONTINUED)  
DECEMBER 31, 2022**

**RECONCILIATION TO THE STATEMENT OF NET POSITION**

Total Fund Balances as Shown on Previous Page	\$ 21,350,260
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.	81,981,842
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Other long-term assets are not available to pay current period expenditures and therefore are deferred in the funds.	1,117,720
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Net position of the internal service fund is reported in the Statement of Net Position as governmental activities	1,604,389
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Some deferred outflows and inflows of resources reflect changes in long-term liabilities and are not reported in the funds.

Deferred Outflows Related to Pensions	14,244,966
Deferred Inflows Related to Pensions	(17,125,624)
Deferred Outflows Related to Other Postemployment Benefits	687,660
Deferred Inflows Related to Other Postemployment Benefits	(420,589)

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

Bonds and Notes Payable	(49,865,000)
Lease Liability	(145,136)
Premium on Debt	(2,153,720)
Compensated Absences	(1,940,544)
Net Pension Liability (Asset)	7,269,383
Other Postemployment Benefit	(2,139,341)
Accrued Interest on Long-Term Obligations	<u>(428,204)</u>

Net Position of Governmental Activities as Reported on the Statement of Net Position	<u>\$ 54,038,062</u>
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**CITY OF DE PERE, WISCONSIN**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2022**

	General	Debt Service	Public Improvements
<b>REVENUES</b>			
Taxes	\$ 8,678,592	\$ 4,049,205	\$ 942,276
Special Assessments	-	-	2,633,623
Intergovernmental	4,214,969	-	273,625
Licenses and Permits	867,152	-	-
Fines and Forfeits	250,348	-	-
Public Charges for Services	2,093,917	-	-
Intergovernmental Charges for Services	1,440,016	-	-
Miscellaneous	415,020	-	-
Total Revenues	<u>17,960,014</u>	<u>4,049,205</u>	<u>3,849,524</u>
<b>EXPENDITURES</b>			
Current:			
General Government	2,278,932	-	-
Public Safety	10,385,631	-	-
Public Works	2,128,653	-	-
Sanitation	730,450	-	-
Health and Human Services	913,540	-	-
Culture and Recreation	2,894,795	-	-
Conservation and Development	424,538	-	-
Debt Service:			
Principal	-	5,135,000	-
Interest and Fiscal Charges	-	1,052,279	56,565
Capital Outlay	-	-	6,451,665
Total Expenditures	<u>19,756,539</u>	<u>6,187,279</u>	<u>6,508,230</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(1,796,525)	(2,138,074)	(2,658,706)
<b>OTHER FINANCING SOURCES (USES)</b>			
Long-Term Debt Issued	-	-	2,598,570
Lease Issued	145,136	-	-
Premium on Debt Issued	-	-	295,485
Proceeds from Sale of Capital Assets	-	-	-
Transfers in	1,954,395	2,705,324	-
Transfers out	(22,631)	(900,000)	(250,000)
Total Other Financing Sources (Uses)	<u>2,076,900</u>	<u>1,805,324</u>	<u>2,644,055</u>
<b>NET CHANGE IN FUND BALANCES</b>	280,375	(332,750)	(14,651)
Fund Balances - Beginning of Year	<u>10,433,631</u>	<u>2,318,646</u>	<u>(323,576)</u>
<b>FUND BALANCES - END OF YEAR</b>	<u><u>\$ 10,714,006</u></u>	<u><u>\$ 1,985,896</u></u>	<u><u>\$ (338,227)</u></u>

See accompanying Notes to Basic Financial Statements.

**CITY OF DE PERE, WISCONSIN**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS (CONTINUED)**  
**YEAR ENDED, DECEMBER 31, 2022**

	Other Governmental Funds	Total
<b>REVENUES</b>		
Taxes	\$ 3,913,261	\$ 17,583,334
Special Assessments	-	2,633,623
Intergovernmental	1,846,885	6,335,479
Licenses and Permits	75,778	942,930
Fines and Forfeits	-	250,348
Public Charges for Services	9,900	2,103,817
Intergovernmental Charges for Services	-	1,440,016
Miscellaneous	584,085	999,105
Total Revenues	<u>6,429,909</u>	<u>32,288,652</u>
<b>EXPENDITURES</b>		
Current:		
General Government	-	2,278,932
Public Safety	-	10,385,631
Public Works	-	2,128,653
Sanitation	-	730,450
Health and Human Services	-	913,540
Culture and Recreation	133,796	3,028,591
Conservation and Development	4,840,724	5,265,262
Debt Service:		
Principal	-	5,135,000
Interest and Fiscal Charges	103,611	1,212,455
Capital Outlay	3,891,688	10,343,353
Total Expenditures	<u>8,969,819</u>	<u>41,421,867</u>
<b>EXCESS OF REVENUES OVER (UNDER)</b>		
<b>EXPENDITURES</b>	(2,539,910)	(9,133,215)
<b>OTHER FINANCING SOURCES (USES)</b>		
Long-Term Debt Issued	8,386,430	10,985,000
Lease Issued	-	145,136
Premium on Debt Issued	429,632	725,117
Proceeds from Sale of Capital Assets	21,031	21,031
Transfers in	922,631	5,582,350
Transfers out	(3,740,253)	(4,912,884)
Total Other Financing Sources (Uses)	<u>6,019,471</u>	<u>12,545,750</u>
<b>NET CHANGE IN FUND BALANCES</b>	3,479,561	3,412,535
Fund Balances - Beginning of Year	<u>5,509,024</u>	<u>17,937,725</u>
<b>FUND BALANCES - END OF YEAR</b>	<u><u>\$ 8,988,585</u></u>	<u><u>\$ 21,350,260</u></u>

See accompanying Notes to Basic Financial Statements.



**CITY OF DE PERE, WISCONSIN**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS (CONTINUED)**  
**YEAR ENDED, DECEMBER 31, 2022**

**RECONCILIATION TO THE STATEMENT OF ACTIVITIES**

Net Change in Fund Balances as Shown on Previous Page \$ 3,412,535

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

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

Capital Assets Reported as Capital Outlay in Governmental Fund Statements	8,315,570
Depreciation/Amortization Expense Reported in the Statement of Activities	(3,866,542)
Net Book Value of Disposals	(54,159)

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.

(851,879)

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

Long-Term Debt Issued	(10,985,000)
Leases Issued	(145,136)
Premium on Debt Issued	(725,117)
G.O. Debt Principal Repaid	5,135,000

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

Accrued Interest on Long-Term Debt	(123,525)
Amortization of Debt Premium	436,897
Compensated Absences	(1,397)
Net Pension Asset	1,752,855
Deferred Outflows of Resources Related to Pensions	5,028,074
Deferred Inflows of Resources Related to Pensions	(5,040,718)
Other Postemployment Benefits	(201,801)
Deferred Outflows of Resources Related to Other Postemployment Benefits	(32,458)
Deferred Inflows of Resources Related to Other Postemployment Benefits	4,532

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

(270,578)

Change in Net Position of Governmental Activities as Reported in the Statement of Activities

\$ 1,787,153

*See accompanying Notes to Basic Financial Statements.*

**CITY OF DE PERE, WISCONSIN**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL – GENERAL FUND**  
**YEAR ENDED DECEMBER 31, 2022**

	Budget			Variance Final Budget - Positive (Negative)
	Original	Final	Actual	
<b>REVENUES</b>				
Taxes	\$ 8,706,441	\$ 8,706,441	\$ 8,678,592	\$ (27,849)
Intergovernmental	3,737,846	3,737,846	4,214,969	477,123
Licenses and Permits	965,849	965,849	867,152	(98,697)
Fines and Forfeits	428,750	428,750	250,348	(178,402)
Public Charges for Services	1,647,938	1,647,938	2,093,917	445,979
Intergovernmental Charges for Services	1,442,174	1,442,174	1,440,016	(2,158)
Miscellaneous	280,292	280,292	415,020	134,728
Total Revenues	17,209,290	17,209,290	17,960,014	750,724
<b>EXPENDITURES</b>				
Current:				
General Government	2,417,883	2,510,931	2,278,932	231,999
Public Safety	10,015,648	10,093,249	10,385,631	(292,382)
Public Works	2,296,369	2,296,369	2,128,653	167,716
Sanitation	784,491	784,491	730,450	54,041
Health and Human Services	584,564	584,564	913,540	(328,976)
Culture and Recreation	2,720,374	2,724,107	2,894,795	(170,688)
Conservation and Development	406,933	406,933	424,538	(17,605)
Total Expenditures	19,226,262	19,400,644	19,756,539	(355,895)
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(2,016,972)	(2,191,354)	(1,796,525)	394,829
<b>OTHER FINANCING SOURCES (USES)</b>				
Lease Issued	-	-	145,136	145,136
Transfers in	2,016,973	2,016,973	1,954,395	(62,578)
Transfers out	-	-	(22,631)	(22,631)
Total Other Financing Sources (Uses)	2,016,973	2,016,973	2,076,900	59,927
<b>NET CHANGE IN FUND BALANCE</b>	1	(174,381)	280,375	454,756
Fund Balance - Beginning of Year	10,433,631	10,433,631	10,433,631	-
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 10,433,632</u>	<u>\$ 10,259,250</u>	<u>\$ 10,714,006</u>	<u>\$ 454,756</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF DE PERE, WISCONSIN  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
DECEMBER 31, 2022**

	Enterprise Funds			
	Water Utility	Wastewater Treatment Plant Utility	Wastewater Utility	Stormwater Utility
<b>ASSETS</b>				
Current Assets:				
Cash and Investments	\$ -	\$ 396,435	\$ -	\$ 1,081,252
Receivables:				
Taxes and Special Charges	-	-	-	-
Customer Accounts	2,075,477	-	2,613,597	-
Leases	184,617	-	-	-
Other	164,671	-	-	-
Due from Other Funds	-	-	4,024,670	654,567
Due from Other Governments	-	694,819	-	-
Inventories and Prepaid Items	26,343	-	-	-
Total Current Assets	<u>2,451,108</u>	<u>1,091,254</u>	<u>6,638,267</u>	<u>1,735,819</u>
Noncurrent Assets:				
Restricted Assets:				
Cash and Investments	-	-	150,000	-
Other Assets:				
Net Pension Asset	116,780	-	234,963	238,349
Lease Receivables	851,798	-	-	-
Total Other Assets	<u>968,578</u>	<u>-</u>	<u>234,963</u>	<u>238,349</u>
Capital Assets:				
Nondepreciable	63,650	-	10,444	47,254
Depreciable	29,098,187	-	19,862,224	15,031,525
Total Capital Assets	<u>29,161,837</u>	<u>-</u>	<u>19,872,668</u>	<u>15,078,779</u>
Total Assets	32,581,523	1,091,254	26,895,898	17,052,947
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension Related Amounts	590,034	-	460,206	466,269
Other Postemployment Related Amounts	28,208	-	21,991	22,307
Total Deferred Outflows of Resources	618,242	-	482,197	488,576

See accompanying Notes to Basic Financial Statements.

**CITY OF DE PERE, WISCONSIN  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS (CONTINUED)  
DECEMBER 31, 2022**

	Total	Governmental Activities - Internal Service Funds
<b>ASSETS</b>		
Current Assets:		
Cash and Investments	\$ 1,477,687	\$ 2,094,272
Receivables:		
Taxes and Special Charges	-	-
Customer Accounts	4,689,074	-
Leases	184,617	-
Other	164,671	-
Due from Other Funds	4,679,237	-
Due from Other Governments	694,819	-
Inventories and Prepaid Items	26,343	-
Total Current Assets	11,916,448	2,094,272
Noncurrent Assets:		
Restricted Assets:		
Cash and Investments	150,000	-
Other Assets:		
Net Pension Asset	590,092	-
Leases	851,798	-
Total Other Assets	1,441,890	-
Capital Assets:		
Nondepreciable	121,348	-
Depreciable	63,991,936	-
Total Capital Assets	64,113,284	-
Total Assets	77,621,622	2,094,272
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension Related Amounts	1,516,509	-
Other Postemployment Related Amounts	72,506	-
Total Deferred Outflows of Resources	1,589,015	-

See accompanying Notes to Basic Financial Statements.

**CITY OF DE PERE, WISCONSIN  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS (CONTINUED)  
DECEMBER 31, 2022**

	Enterprise Funds			
	Water Utility	Wastewater Treatment Plant Utility	Wastewater Utility	Stormwater Utility
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable	\$ 760,580	\$ -	\$ 1,084,822	\$ 183,782
Accrued and Other Current Liabilities	5,565	-	4,187	3,463
Due to Other Funds	4,679,237	-	-	-
Current Portion of Long-Term Debt	105,200	-	105,200	-
Accrued Interest Payable	2,808	-	2,808	-
Total Current Liabilities	5,553,390	-	1,197,017	187,245
Long-Term Obligations, Less Current Portion:				
Advance from Other Funds	-	-	-	-
General Obligation Debt	324,673	-	324,673	-
Compensated Absences	95,201	-	91,852	98,131
Other Postemployment Benefits	80,554	-	62,798	63,703
Total Long-Term Liabilities	500,428	-	479,323	161,834
Total Liabilities	6,053,818	-	1,676,340	349,079
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Lease Related Amounts	851,798	-	-	-
Pension Related Amounts	710,048	-	553,539	561,515
Other Postemployment Related Amounts	9,735	-	7,589	7,698
Total Deferred Inflows of Resources	1,571,581	-	561,128	569,213
<b>NET POSITION</b>				
Net Investment in Capital Assets	28,688,580	-	19,424,201	14,960,802
Restricted	116,780	-	384,963	238,349
Unrestricted	(3,230,994)	1,091,254	5,331,463	1,424,080
Total Net Position	\$ 25,574,366	\$ 1,091,254	\$ 25,140,627	\$ 16,623,231

See accompanying Notes to Basic Financial Statements.

**CITY OF DE PERE, WISCONSIN  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS (CONTINUED)  
DECEMBER 31, 2022**

	Total	Governmental Activities - Internal Service Funds
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable	\$ 2,029,184	\$ 188,666
Accrued and Other Current Liabilities	13,215	-
Due to Other Funds	4,679,237	-
Current Portion of Long-Term Debt	210,400	-
Accrued Interest Payable	5,616	-
Total Current Liabilities	<u>6,937,652</u>	<u>188,666</u>
Long-Term Obligations, Less Current Portion:		
Advance from Other Funds	-	90,287
General Obligation Debt	649,346	-
Compensated Absences	285,184	-
Other Postemployment Benefits	207,055	-
Total Long-Term Liabilities	<u>1,141,585</u>	<u>90,287</u>
Total Liabilities	8,079,237	278,953
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Leases	851,798	-
Pension Related Amounts	1,825,102	-
Other Postemployment Related Amounts	25,022	-
Total Deferred Inflows of Resources	2,701,922	-
<b>NET POSITION</b>		
Net Investment in Capital Assets	63,073,583	-
Restricted	740,092	-
Unrestricted	4,615,803	1,815,319
Total Net Position	68,429,478	<u>\$ 1,815,319</u>
Adjustment to reflect the consolidation of internal Service Fund Activities Related to Enterprise Funds	<u>210,930</u>	
Net Position of Business-Type Activities as Reported on the Statement of Net Position	<u>\$ 68,640,408</u>	

See accompanying Notes to Basic Financial Statements.

**CITY OF DE PERE, WISCONSIN**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**YEAR ENDED DECEMBER 31, 2022**

	Enterprise Funds			
	Water Utility	Wastewater Treatment Plant Utility	Wastewater Utility	Stormwater Utility
<b>OPERATING REVENUES</b>				
Charges for Services	\$ 6,948,171	\$ -	\$ 7,606,943	\$ 2,085,408
Other	321,828	-	2,813,897	-
Total Operating Revenues	7,269,999	-	10,420,840	2,085,408
<b>OPERATING EXPENSES</b>				
Claims and Administrative Fees	-	-	-	-
Operation and Maintenance	5,200,095	-	7,494,436	1,077,056
Depreciation	770,604	-	679,765	526,202
Taxes	59,380	-	-	-
Total Operating Expenses	6,030,079	-	8,174,201	1,603,258
<b>OPERATING INCOME (LOSS)</b>	1,239,920	-	2,246,639	482,150
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest Income	649	40,729	-	-
Interest and Fiscal Charges	(7,516)	-	(889)	-
Total Nonoperating Revenues (Expenses)	(6,867)	40,729	(889)	-
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	1,233,053	40,729	2,245,750	482,150
Capital Contributions	672,250	-	500,548	694,492
Transfers Out	(412,373)	-	(257,093)	-
<b>CHANGE IN NET POSITION</b>	1,492,930	40,729	2,489,205	1,176,642
Net Position - Beginning of Year	24,081,436	1,050,525	22,651,422	15,446,589
<b>NET POSITION - END OF YEAR</b>	<u>\$ 25,574,366</u>	<u>\$ 1,091,254</u>	<u>\$ 25,140,627</u>	<u>\$ 16,623,231</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF DE PERE, WISCONSIN**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2022**

	Total	Governmental Activities - Internal Service Funds
<b>OPERATING REVENUES</b>		
Charges for Services	\$ 16,640,522	\$ 2,215,933
Other	3,135,725	-
Total Operating Revenues	<u>19,776,247</u>	<u>2,215,933</u>
<b>OPERATING EXPENSES</b>		
Claims and Administrative Fees	-	2,556,596
Operation and Maintenance	13,771,587	-
Depreciation	1,976,571	-
Taxes	59,380	-
Total Operating Expenses	<u>15,807,538</u>	<u>2,556,596</u>
<b>OPERATING INCOME (LOSS)</b>	3,968,709	(340,663)
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Interest Income	41,378	28,622
Interest and Fiscal Charges	(8,405)	-
Total Nonoperating Revenues (Expenses)	<u>32,973</u>	<u>28,622</u>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	4,001,682	(312,041)
Capital Contributions	1,867,290	-
Transfers Out	(669,466)	-
<b>CHANGE IN NET POSITION</b>	5,199,506	(312,041)
Net Position - Beginning of Year	<u>63,229,972</u>	<u>2,127,360</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ 68,429,478</u></u>	<u><u>\$ 1,815,319</u></u>
Change in Net Position, per Above	\$ 5,199,506	
Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds	<u>(41,463)</u>	
Change in Net Position of Business-Type Activities as Reported on the Statement of Activities	<u><u>\$ 5,158,043</u></u>	

See accompanying Notes to Basic Financial Statements.



**CITY OF DE PERE, WISCONSIN  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED DECEMBER 31, 2022**

	Enterprise Funds			
	Water Utility	Wastewater Treatment Plant Utility	Wastewater Utility	Stormwater Utility
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash Received from Customers	\$ 7,370,881	\$ -	\$ 10,439,733	\$ 2,085,408
Cash Received for Services Provided	-	-	-	-
Cash Paid for Employee Wages and Benefits	(883,102)	-	(702,241)	(720,299)
Cash Paid to Suppliers	(4,390,740)	-	(7,093,283)	(240,118)
Net Cash Provided (Used) by Operating Activities	2,097,039	-	2,644,209	1,124,991
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Due to/from Other Funds	(710,564)	235,950	(1,320,318)	825,083
Transfer in (out)	(412,373)	-	(257,093)	-
Net Cash Provided (Used) by Noncapital Financing Activities	(1,122,937)	235,950	(1,577,411)	825,083
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition of Capital Assets	(863,876)	-	(633,428)	(868,822)
Proceeds from Sale of Treatment Plant	-	119,756	-	-
Principal Paid on Long-Term Debt	(100,000)	-	(400,000)	-
Interest Paid on Long-Term Debt	(10,875)	-	(33,370)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(974,751)	119,756	(1,066,798)	(868,822)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest Received	649	40,729	-	-
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	-	396,435	-	1,081,252
Cash and Cash Equivalents - Beginning of Year	-	-	150,000	-
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ -</u>	<u>\$ 396,435</u>	<u>\$ 150,000</u>	<u>\$ 1,081,252</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF DE PERE, WISCONSIN  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2022**

	Total	Governmental Activities - Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash Received from Customers	\$ 19,896,022	\$ -
Cash Paid for Services Provided	-	2,215,933
Cash Paid for Employee Wages and Benefits	(2,305,642)	-
Cash Paid to Suppliers	(11,724,141)	(2,614,365)
Net Cash Provided (Used) by Operating Activities	5,866,239	(398,432)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Due to/from Other Funds	(969,849)	62,466
Transfer in (out)	(669,466)	-
Net Cash Provided (Used) by Noncapital Financing Activities	(1,639,315)	62,466
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition of Capital Assets	(2,366,126)	-
Proceeds from Sale of Treatment Plant	119,756	-
Principal Paid on Long-Term Debt	(500,000)	-
Interest Paid on Long-Term Debt	(44,245)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(2,790,615)	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest Received	41,378	28,622
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	1,477,687	(307,344)
Cash and Cash Equivalents - Beginning of Year	150,000	2,401,616
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 1,627,687</u>	<u>\$ 2,094,272</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF DE PERE, WISCONSIN  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2022**

	Enterprise Funds			
	Water Utility	Wastewater Treatment Plant Utility	Wastewater Utility	Stormwater Utility
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating Income (Loss)	\$ 1,239,920	\$ -	\$ 2,246,639	\$ 482,150
Adjustments to Reconcile Operating (Used) by Operating Activities:				
Depreciation	770,604	-	679,765	526,202
Depreciation Charged to Sewer Utility	25,954	-	(25,954)	-
Change in Liability (Asset) and Deferred Outflows and Inflows of Resources:				
Pension	(71,133)	-	(56,415)	(57,020)
Other Postemployment Benefits	9,196	-	7,542	8,303
Change in Operating Assets and Liabilities:				
Accounts Receivables	100,882	-	18,893	-
Inventories and Prepaid Items	158	-	-	-
Accounts Payable	27,618	-	(210,944)	159,882
Accrued and Other Current Liabilities	(120)	-	(134)	(514)
Compensated Absences	(6,040)	-	(15,183)	5,988
Net Cash Provided (Used) by Operating Activities	<u>\$ 2,097,039</u>	<u>\$ -</u>	<u>\$ 2,644,209</u>	<u>\$ 1,124,991</u>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION</b>				
Cash and Cash Equivalents in Current Assets	\$ -	\$ 396,435	\$ -	\$ 1,081,252
Cash and Cash Equivalents in Restricted Assets	-	-	150,000	-
Total Cash and Cash Equivalents	<u>\$ -</u>	<u>\$ 396,435</u>	<u>\$ 150,000</u>	<u>\$ 1,081,252</u>
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Capital Contributions	<u>\$ 672,250</u>	<u>\$ -</u>	<u>\$ 500,548</u>	<u>\$ 694,492</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF DE PERE, WISCONSIN  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2022**

	Total	Governmental Activities - Internal Service Funds
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Operating Income (Loss)	\$ 3,968,709	\$ (340,663)
Adjustments to Reconcile Operating (Used) by Operating Activities:		
Depreciation	1,976,571	-
Depreciation Charged to Sewer Utility	-	-
Change in Liability (Asset) and Deferred Outflows and Inflows of Resources:		
Pension	(184,568)	-
Other Postemployment Benefits	25,041	-
Change in Operating Assets and Liabilities:		
Accounts Receivables	119,775	-
Inventories and Prepaid Items	158	-
Accounts Payable	(23,444)	(57,769)
Accrued and Other Current Liabilities	(768)	-
Compensated Absences	(15,235)	-
Net Cash Provided (Used) by Operating Activities	<u>\$ 5,866,239</u>	<u>\$ (398,432)</u>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION</b>		
Cash and Cash Equivalents in Current Assets	\$ 1,477,687	\$ 2,094,272
Cash and Cash Equivalents in Restricted Assets	150,000	-
Total Cash and Cash Equivalents	<u>\$ 1,627,687</u>	<u>\$ 2,094,272</u>
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Capital Contributions	<u>\$ 1,867,290</u>	<u>-</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF DE PERE, WISCONSIN  
STATEMENT OF FIDUCIARY NET POSITION  
TAX COLLECTION CUSTODIAL FUND  
DECEMBER 31, 2022**

**ASSETS**

Current Assets:

Cash and Investments

\$ 9,838,480

Receivables:

Taxes

16,137,587

Total Assets

25,976,067

**DEFERRED INFLOWS OF RESOURCES**

Property Taxes Levied for Subsequent Year

25,976,067

**FIDUCIARY NET POSITION**

Restricted for Other Governments

\$ -

*See accompanying Notes to Basic Financial Statements.*

**CITY OF DE PERE, WISCONSIN  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
TAX COLLECTION CUSTODIAL FUND  
YEAR ENDED, DECEMBER 31, 2022**

**ADDITIONS**

Cash and Investments	\$ 20,572,879
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**DEDUCTIONS**

Payments to Other Taxing Entities	<u>20,572,879</u>
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**CHANGE IN NET POSITION**

-

Fiduciary Net Position - Beginning of Year

-

**FIDUCIARY NET POSITION - END OF YEAR**

\$ -

*See accompanying Notes to Basic Financial Statements.*

**CITY OF DE PERE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Reporting Entity**

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

**B. Related Organizations**

The City's officials are also responsible for appointing the members of the boards of other organizations, but the City's accountability for these organizations does not extend beyond making the appointments. Therefore, these organizations are not included in the City's reporting entity. The Mayor and the City Council appoints some or all of the members of the following related organization:

De Pere Housing Authority

**C. Government-Wide and Fund Financial Statements**

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

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

**CITY OF DE PERE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Government-Wide and Fund Financial Statements (Continued)**

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

The City reports the following major governmental funds:

General Fund

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

Debt Service Fund

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

Public Improvements Fund

This fund accounts for the acquisition or construction of major capital facilities other than those financed by proprietary fund types.

Water Utility Fund

This fund accounts for the operations of the City's water utility.

Wastewater Treatment Plant Utility Fund

This fund is used to account for the collection of the long-term receivable from the sale of the City's wastewater treatment plant utility.

Wastewater Utility Fund

This fund accounts for the operations of the City's wastewater utility.



**CITY OF DE PERE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Government-Wide and Fund Financial Statements (Continued)**

Stormwater Utility Fund

This fund accounts for the operations of the City's stormwater utility. Additionally, the City reports the following fund types:

- *Internal service fund* accounts for health insurance and dental insurances services provided to other departments or agencies of the City, or to other governments, on a cost reimbursement basis.
- The City accounts for property taxes collected on behalf of other governments in a custodial fund.

**D. Measurement Focus and Basis of Accounting**

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

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

**CITY OF DE PERE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Measurement Focus and Basis of Accounting (Continued)**

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

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

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

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

**1. Cash and Investments**

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

**2. Property Taxes and Special Charges/Receivable**

Property taxes and special charges consist of taxes on real estate and personal property and user charges assessed against City properties. They are levied during December of the prior year and become an enforceable lien on property the following January 1. Property taxes are payable in various options depending on the type and amount. Personal property taxes and special charges are payable on or before January 31 in full. Real estate taxes are payable in full by January 31 or in two equal installments on or before January 31 and July 31. Real estate taxes not paid by January 31 are purchased by the County as part of the February tax settlement. Delinquent personal property taxes remain the collection responsibility of the City. Special charges not paid by January 31 are held in trust by the County and remitted to the City, including interest, when collected by the County.

**CITY OF DE PERE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**2. Property Taxes and Special Charges/Receivable (Continued)**

In addition to its levy, the City also levies and collects taxes for the De Pere and West De Pere Schools, Brown County, and Northeast Wisconsin Technical College. Brown County currently collects the City's property taxes by agreement.

**3. Accounts Receivable**

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

**4. Special Assessments**

Assessments against property owners for public improvements are generally not subject to full settlement in the year levied. Special assessments are placed on tax rolls on an installment basis. Revenue from special assessments recorded in governmental funds is recognized as collections are made or as current installments are placed on tax rolls. Installments placed on the 2021 tax roll are recognized as revenue in 2022. Special assessments are subject to collection procedures.

**5. Loans Receivable**

The City has received federal and state grant funds for economic development and housing rehabilitation loan programs and has passed the funds to various businesses and individuals in the form of loans. The City records a loan receivable and expenditure when the loan has been made and the funds disbursed. No allowance for uncollectible accounts has been provided since it is believed that the amount of such allowance would not be material to the basic financial statements. In the governmental funds, the City records a deferred inflow of resources for the net amount of the receivable. As the loans are repaid, revenue is recognized. Any unspent loan proceeds are presented as restricted fund balance in the fund financial statements.

**6. Interfund Receivables and Payables**

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

**CITY OF DE PERE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**6. Interfund Receivables and Payables (Continued)**

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

**7. Inventories**

Inventories are recorded at cost, which approximates market, using the first-in, first-out method. Inventories consist of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are consumed rather than when purchased.

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

**8. Prepaid Items**

Payments made to vendors that will benefit periods beyond the end of the current fiscal year are recorded as prepaid items and are accounted for on the consumption method.

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

**9. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or higher and an estimated useful life in excess of a year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

**CITY OF DE PERE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**9. Capital Assets (Continued)**

Capital assets of the City are depreciated using the straight-line method over the following estimated useful lives:

Assets	Governmental Activities	Business-Type Activities
	Years	
Land Improvements	15 - 25	-
Buildings and Improvements	30 - 50	25 - 50
Machinery and Equipment	5 - 25	3 - 10
Infrastructure	25 - 100	25 - 100

**10. Compensated Absences**

It is the City's policy to permit employees to accumulate earned but unused vacation and sick leave benefits in accordance with employee handbook policies and/or bargaining unit agreements. All vacation and sick leave is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds in the fund financial statements only if they have matured, for example, as a result of employee resignations and retirements.

**11. Deferred Outflows/Inflows of Resources**

Deferred outflows of resources are a consumption of net position by the government that is applicable to a future reporting period. Deferred inflows of resources are an acquisition of net position by the government that is applicable to a future reporting period. The recognition of those outflows and inflows as expenses or expenditures and revenues are deferred until the future periods to which the outflows and inflows are applicable.

Governmental funds may report deferred inflows of resources for unavailable revenues. The City reports unavailable revenues for special assessments and loan receivables. These inflows are recognized as revenues in the government-wide financial statements.

**CITY OF DE PERE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**12. Long-Term Obligations**

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

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

**13. Leases**

Lessor

The City is a lessor for noncancellable leases of buildings and land. The City recognizes a lease receivable and a deferred inflow of resources in the applicable governmental activities or business-type activities in the government-wide and in the governmental and proprietary fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

**CITY OF DE PERE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**13. Leases (Continued)**

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

**14. Pensions**

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense (revenue), information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by 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.

**15. Other Postemployment Benefits Other Than Pensions (OPEB)**

Defined Benefit Plan

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

Local Retiree Life Insurance Fund

The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other postemployment benefits, OPEB expense (revenue), and 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 employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

CITY OF DE PERE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**16. Fund Equity**

Governmental Fund Financial Statements

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

- **Nonspendable fund balance.** Amounts that are not in spendable form (such as inventory, prepaid items, or long-term receivables) or are legally or contractually required to remain intact.
- **Restricted fund balance.** Amounts that are constrained for specific purposes by external parties (such as grantor or bondholders), through constitutional provisions, or by enabling legislation.
- **Committed fund balance.** Amounts that are constrained for specific purposes by action of the City Council. These constraints can only be removed or changed by the City Council using the same action that was used to create them.
- **Assigned fund balance.** Amounts that are constrained for specific purposes by action of City management. The City Council has not authorized any City official or committee to assign fund balance. Residual amounts in any governmental fund, other than the General Fund, are also reported as assigned.
- **Unassigned fund balance.** Amounts that are available for any purpose. Positive unassigned amounts are only reported in the General Fund.



**CITY OF DE PERE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**16. Fund Equity (Continued)**

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

Government-Wide and Proprietary Fund Statements

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

- **Net investment in capital assets.** Amount of capital assets, net of accumulated depreciation/amortization, and capital related deferred outflows of resources less outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets and any capital related deferred inflows of resources.
- **Restricted net position.** Amount of net position that is subject to restrictions that are imposed by 1) external groups, such as creditors, grantors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- **Unrestricted net position.** Net position that is neither classified as restricted nor as net investment in capital assets.

**F. Use of Estimates**

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

**G. Adoption of New Accounting Standards**

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

**CITY OF DE PERE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**G. Adoption of New Accounting Standards (Continued)**

The City adopted the requirements of the guidance effective January 1, 2022 and has elected to apply the provisions of this standard to the beginning of the period of adoption. As a result of the implementation of this standard, the City recorded right-to-use assets.

**NOTE 2 STEWARDSHIP AND COMPLIANCE**

**A. Budgets and Budgetary Accounting**

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

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

The City did not have any material violation of legal or contractual provisions for the fiscal year ended December 31, 2022.

**CITY OF DE PERE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 2 STEWARDSHIP AND COMPLIANCE (CONTINUED)**

**B. Excess of Expenditures Over Budget Appropriations**

The following expenditure accounts of the governmental funds had actual expenditures in excess of budget appropriations for the year ended December 31, 2022 as follows:

Funds	Excess Expenditures
General Government:	
Clerk/Treasurer	\$ 19,106
Elections	1,832
Elections Outlay	38,660
Accounting and Finance	26,788
Data Processing Outlay	8,358
Personnel And Insurance Outlay	114
Legal	16,558
Legal Outlay	412
City Hall	3,972
City Hall Outlay	438
Public Safety:	
Police Department Outlay	186,935
Fire/Ambulance Department	173,647
Fire/Ambulance Department Outlay	23,244
Building and Electrical	2,449
Public Works:	
Street Machinery Repair Outlay	1,296
Municipal Service Center	25,281
Municipal Service Center Outlay	8,002
Engineer Outlay	10
Street Maintenance Outlay	39,349
Brush Pickup	6,744
Weed Cutting	2,795
Street Lighting	16,312
Street Lighting Outlay	9,450
Sanitation:	
Garbage and Refuse Collection	18,788
Recycling	7,024
Health and Human Services:	
Nurse	329,056
Culture and Recreation:	
Community Center	40,030
Park and Recreation Administration	23,205
Swimming Pools	46,057
Parks - General	34,774
Parks Outlay	25,369
Parks Equipment Maintenance	10,340
Boat Ramps Outlay	8,034
Forestry	41,756

**CITY OF DE PERE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 2 STEWARDSHIP AND COMPLIANCE (CONTINUED)**

**C. Deficit Fund Equity**

The following funds had deficit fund balance as of December 31, 2022:

Funds	Deficit Fund Balance
Special Revenue Funds:	
De Pere Micro Fund Loan Program	\$ 15,392
Capital Projects Funds:	
Public Improvements	338,227
Pool Capital Projects	1,240,530
TID No. 7	1,687,917
TID No. 10	1,489,911
TID No. 16	53,662

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

**D. Property Tax Levy Limit**

Wisconsin state statutes provide for a limit on the property tax levies for all Wisconsin cities, villages, towns, and counties. For the 2022 and 2023 budget years, Wisconsin Statutes limit the increase in the maximum allowable tax levy to the change in the City's January 1 equalized value as a result of net new construction. The actual limit for the City for the 2022 budget was 1.68%. The actual limit for the City for the 2023 budget was 2.29%. Debt service for debt authorized after July 1, 2005 is exempt from the levy limit. In addition, Wisconsin statutes allow the limit to be adjusted for the increase in debt service authorized prior to July 1, 2005 and in certain other situations.

**CITY OF DE PERE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS**

**A. Cash and Investments**

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

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

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

The carrying amount of the City's cash and investments totaled \$46,459,490 on December 31, 2022 as summarized below:

Petty Cash and Cash on Hand	\$ 3,883
Deposits with Financial Institutions	22,162,682
Investments:	
U.S. Treasury Securities	3,992,611
Federal Agency Securities	2,234,558
Negotiable Certificate of Deposits	2,744,208
Corporate Bonds and Notes	223,694
Municipal Bonds	1,778,437
Money Market Mutual Funds	40,778
Wisconsin Local Government Investment Pool	13,278,639
Total	<u>\$ 46,459,490</u>

Reconciliation to the Basic Financial Statements:

Government-Wide Statement of Net Position:	
Cash and Investments	\$ 33,671,640
Restricted Cash and Investments	2,949,370
Fiduciary Fund Statement of Net Position:	
Cash and Investments	9,838,480
Total	<u>\$ 46,459,490</u>

**CITY OF DE PERE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Cash and Investments (Continued)**

Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant observable inputs; Level 3 inputs are significant unobservable inputs. The City has the following fair value measurements as of December 31, 2022:

	Fair Value Measurements Using:		
	Level 1	Level 2	Level 3
Investments:			
U.S. Treasury Securities	\$ -	\$ 3,992,611	\$ -
Federal Agency Securities	-	2,234,558	-
Corporate Bonds and Notes	-	223,694	-
Municipal Bonds	-	1,778,437	-
Money Market Mutual Funds	40,778	-	-
Negotiable Certificates of Deposit	-	2,744,208	-
Total	<u>\$ 40,778</u>	<u>\$ 10,973,508</u>	<u>\$ -</u>

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

Custodial Credit Risk

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

**CITY OF DE PERE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Cash and Investments (Continued)**

Custodial Credit Risk (Continued)

Deposits with financial institutions within the state of Wisconsin are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 for the combined amount of all time and savings deposits and \$250,000 for interest-bearing and noninterest-bearing demand deposits per official custodian per insured depository institution. Deposits with financial institutions located outside the state of Wisconsin are insured by the FDIC in the amount of \$250,000 for the combined amount of all deposit accounts per official custodian per depository institution. Also, the state of Wisconsin has a State Guarantee Fund which provides a maximum of \$400,000 per public depository above the amount provided by an agency of the U.S. Government. However, due to the relatively small size of the State Guarantee Fund in relation to the Fund's total coverage, total recovery of insured losses may not be available. This coverage has been considered in determining custodial credit risk.

As of December 31, 2022, \$22,035,841 of the City's deposits with financial institutions were in excess of federal and state depository insurance limits. \$22,035,841 was collateralized with securities held by the pledging financial institution or its trust department or agent but not in the City's name.

Credit Risk

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

Investment Type	Amount	Exempt from Disclosure	AAA	Aa	A	Not Rated
U.S. Treasury Securities	\$ 3,992,611	\$ 3,992,611	-	-	-	-
Federal Agency Securities	2,234,558	-	2,234,558	-	-	-
Negotiable Certificates of Deposit	2,744,208	-	2,744,208	-	-	-
Corporate Bonds and Notes	223,694	223,694	-	-	-	-
Municipal Bonds	1,778,437	375,287	982,724	826,079	137,854	-
Money Market Mutual Funds	40,778	40,778	-	-	-	-
Wisconsin Local Government Investment Pool	13,278,639	13,278,639	-	-	-	-
Totals	<u>\$ 24,292,925</u>	<u>\$ 17,911,009</u>	<u>\$ 5,961,490</u>	<u>\$ 826,079</u>	<u>\$ 137,854</u>	<u>\$ -</u>

**CITY OF DE PERE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Cash and Investments (Continued)**

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. As of June 30, 2022, the Wisconsin local government investment pool had a weighted average maturity of 74 days.

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

Investment Type	Amount	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
U.S. Treasury Securities	\$ 3,992,611	\$ 1,406,907	\$ 913,362	\$ 1,672,342	\$ -
Federal Agency Securities	2,234,558	123,750	389,280	1,721,528	-
Negotiable Certificates of Deposit	2,744,208	729,459	710,357	1,304,392	-
Corporate Bonds and Notes	223,694	-	-	223,694	-
Municipal Bonds	1,778,437	510,570	624,081	643,786	-
Money Market Mutual Funds	40,778	40,778	-	-	-
Wisconsin Local Government Investment Pool	13,278,639	13,278,639	-	-	-
Totals	<u>\$ 24,292,925</u>	<u>\$ 16,090,103</u>	<u>\$ 2,637,080</u>	<u>\$ 5,565,742</u>	<u>\$ -</u>

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The City's investments include the following investments that are highly sensitive to interest rate fluctuations (to a greater degree than already indicated in the information provided above):

Highly Sensitive Investments	Fair Value at Year-End
Mortgage backed securities. These securities are subject to early payment in a period of declining interest rates. The resultant reduction in expected total cash flows affects the fair value of these securities and makes the fair values of these securities highly sensitive to changes in interest rates.	\$ 2,234,558



**CITY OF DE PERE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Cash and Investments (Continued)**

Wisconsin Local Government Investment Pool

The City has investments in the Wisconsin Local Government Investment Pool of \$13,278,639 at year-end. The LGIP is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice.

**B. Restricted Assets**

Restricted assets on December 31, 2022 totaled \$2,949,370 and consisted of cash and investments held for the following purposes:

Funds	Amount	Purpose
Debt Service Fund:		
Debt Retirement	\$ 1,985,896	Resources available for debt retirement
Special Revenue Funds:		
Development Loans	<u>813,474</u>	Resources available for economic development loans
Total Governmental Funds	2,799,370	
Enterprise Funds:		
Wastewater Utility:		
Equipment Replacement	<u>150,000</u>	To be used for replacement of certain assets for DNR requirements
Total	<u><u>\$ 2,949,370</u></u>	

**CITY OF DE PERE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**C. Due from Other Governments**

In prior years, the City of De Pere sold its wastewater treatment facility to the Green Bay Metropolitan Sewerage District (GBMSD) with the sale price repaid to the City over a 20 year period. The notes receivable from GBMSD was discounted using a 5% interest rate. Annual principal and interest payments of \$160,485 are due annually through 2027, with a notes receivable balance of \$694,819 as of December 31, 2022 as summarized below.

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 125,744	\$ 34,741	\$ 160,485
2024	132,031	28,454	160,485
2025	138,633	21,852	160,485
2026	145,564	14,921	160,485
2027	152,847	7,638	160,485
Total	<u>\$ 694,819</u>	<u>\$ 107,606</u>	<u>\$ 802,425</u>

**D. Leases Receivable**

During the year ended December 31, 2022, the City recognized lease revenue and interest revenue in the governmental activities of \$40,325 and \$1,184, and in the business-type activities of \$168,674 and \$8,417, respectively, pursuant to these contracts.

A summary of the City's lease terms and interest rates is as follows:

Governmental Activities

Space lease. Monthly installments ranging from \$3,254 to \$3,520 including interest at 1%, termination date through 2025.

Business-Type Activities

Tower lease. Monthly installments ranging from \$9,685 to \$11,330 including interest at 1%, termination date through 2027.

Tower lease. Annual installments ranging from \$33,280 to \$37,435 including interest at 1%, termination date through 2026.

Tower lease. Quarterly installments ranging from \$10,068 to \$11,325 including interest at 1%, termination date through 2026.

**CITY OF DE PERE, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Capital Assets**

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

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities:</b>				
Capital Assets, Nondepreciable/Nonamortizable:				
Land	\$ 9,369,077	\$ -	\$ 25,868	\$ 9,343,209
Construction in Progress	-	6,505,114	-	6,505,114
Total Capital Assets, Nondepreciable/Nonamortizable	9,369,077	6,505,114	25,868	15,848,323
Capital Assets, Depreciable/Amortizable:				
Land Improvements	13,327,262	28,934	22,427	13,333,769
Buildings and Improvements	13,103,795	109,619	-	13,213,414
Machinery and Equipment	11,979,074	910,666	19,650	12,870,090
Infrastructure	86,636,595	1,887,066	138,448	88,385,213
Subtotals	125,046,726	2,936,285	180,525	127,802,486
Less Accumulated Depreciation/Amortization for:				
Land Improvements	2,989,608	618,432	14,858	3,593,182
Buildings and Improvements	8,391,511	339,723	-	8,731,234
Machinery and Equipment	8,371,444	696,925	19,650	9,048,719
Infrastructure	38,202,096	2,211,462	117,726	40,295,832
Subtotals	57,954,659	3,866,542	152,234	61,668,967
Total Capital Assets, Depreciable/Amortizable, Net	67,092,067	(930,257)	28,291	66,133,519
Governmental Activities Capital Assets, Net	<u>\$ 76,461,144</u>	<u>\$ 5,574,857</u>	<u>\$ 54,159</u>	81,981,842
Less: Capital Related Debt				50,011,435
Less: Lease Liability				186,935
Less: Debt Premium				2,153,720
Less: Capital Related Accounts Payable				1,098,714
Add: Unspent Proceeds				<u>3,729,471</u>
Net Investment in Capital Assets				<u>\$ 32,260,509</u>

**CITY OF DE PERE, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Capital Assets (Continued)**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-Type Activities:</b>				
Capital Assets, Nondepreciable:				
Land	\$ 53,207	\$ -	\$ -	\$ 53,207
Construction in Progress	-	68,141	-	68,141
Total Capital Assets, Nondepreciable	53,207	68,141	-	121,348
Capital Assets, Depreciable:				
Buildings and Improvements	892,181	-	-	892,181
Machinery and Equipment	6,842,008	66,567	1,300	6,907,275
Infrastructure	84,604,364	4,098,708	34,587	88,668,485
Subtotals	92,338,553	4,165,275	35,887	96,467,941
Less Accumulated Depreciation	30,535,321	1,976,571	35,887	32,476,005
Total Capital Assets, Depreciable, Net	61,803,232	2,188,704	-	63,991,936
Business-Type Activities Capital Assets, Net	<u>\$ 61,856,439</u>	<u>\$ 2,256,845</u>	<u>\$ -</u>	64,113,284
Less: Capital Related Debt				840,000
Less: Debt Premium				19,746
Less: Capital Related Accounts Payable				<u>179,955</u>
Net Investment in Capital Assets				<u>\$ 63,073,583</u>

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

<b>Governmental Activities:</b>	
General Government	\$ 120,266
Public Safety	339,344
Public Works	2,561,373
Culture and Recreation	<u>845,559</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 3,866,542</u>
<b>Business-Type Activities:</b>	
Water Utility	\$ 770,604
Wastewater Utility	679,765
Stormwater Utility	<u>526,202</u>
Total Depreciation/Amortization Expense - Business-Type Activities	<u>\$ 1,976,571</u>

**CITY OF DE PERE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**F. Interfund Receivable, Payables, and Transfers**

Interfund receivables and payables between individual funds of the City, as reported in the fund financial statements, as of December 31, 2022 are detailed below:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Temporary Cash Advances to Finance		
Operating Cash Deficits:		
Governmental Funds:		
General	\$ 1,271,788	\$ -
Cable Access	-	15,866
TID No. 6	2,931,512	-
TID No. 7	-	1,687,917
TID No. 8	299,978	-
TID No. 10	-	1,489,911
TID No. 16	-	53,662
De Pere Micro Loan Fund	-	15,392
Pool Capital Projects	-	1,240,530
Proprietary Fund:		
Wastewater Utility	4,024,670	-
Stormwater Utility	654,567	-
Water Utility	-	4,679,237
Subtotal	<u>9,182,515</u>	<u>9,182,515</u>
Long-Term Advances:		
General Fund	90,287	-
Internal Service Funds:		
Health Self Insurance	-	80,287
Dental Self Insurance	-	10,000
Subtotal	<u>90,287</u>	<u>90,287</u>
Totals	<u><u>\$ 9,272,802</u></u>	<u><u>\$ 9,272,802</u></u>

**CITY OF DE PERE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**F. Interfund Receivable, Payables, and Transfers (Continued)**

Interfund transfers for the year ended December 31, 2022 were as follows:

Funds	Transfer In	Transfer Out
General	\$ 1,954,395	\$ 22,631
Wastewater Collection Utility	-	257,093
Water Utility	-	412,373
Public Improvements	-	250,000
Capital Equipment	-	800,000
Pool Capital Projects	900,000	654,373
TID No. 6	-	324,560
TID No. 7	-	216,812
TID No. 8	-	274,754
TID No. 9	-	211,428
TID No. 10	-	516,872
TID No. 11	-	259,075
TID No. 12	-	89,046
TID No. 13	-	185,575
TID No. 14	-	152,750
TID No. 15	-	55,008
Cable Access	22,631	-
Debt Service	2,705,324	900,000
Total	<u>\$ 5,582,350</u>	<u>\$ 5,582,350</u>

Interfund transfers were made for the following purposes:

Transfer to Debt Service for Debt Payments	\$ 2,705,324
Transfer to General Fund for Equipment Purchases	1,534,929
Transfer to General Fund for Payment in Lieu of Taxes	419,466
Transfer to Cable Access for Deficit	22,631
Transfer to Fund Pool Projects	900,000
Total	<u>\$ 5,582,350</u>

**CITY OF DE PERE, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**G. Short-Term Obligations**

The City issued short-term promissory notes in advance of property tax collections. Short-term debt activity for the year ended December 31, 2022 was as follows:

	Outstanding 1/1/22	Issued	Retired	Outstanding 12/31/22
Note	<u>\$ 350,000</u>	<u>\$ 350,000</u>	<u>\$ 350,000</u>	<u>\$ 350,000</u>

Short-term notes payable at December 31, 2022 of \$350,000 consist of the following promissory notes:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/22
Note	12/21/21	2/24/23	7.25%	\$ 350,000	<u>\$ 350,000</u>

Total interest paid for the year on short-term debt totaled \$1,414.

**H. Long-Term Obligations**

The following is a summary of changes in long-term obligations of the City for the year ended December 31, 2022:

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
General Obligation Debt:					
Bonds	\$ 3,435,000	\$ -	\$ 615,000	\$ 2,820,000	\$ 620,000
Taxable bonds	295,000	-	145,000	150,000	150,000
Community Development Bonds	5,005,000	-	230,000	4,775,000	290,000
Notes	27,505,000	10,100,000	3,700,000	33,905,000	4,355,000
Taxable Notes	<u>7,775,000</u>	<u>885,000</u>	<u>445,000</u>	<u>8,215,000</u>	<u>460,000</u>
Total General Obligation Debt	44,015,000	10,985,000	5,135,000	49,865,000	5,875,000
Debt Premium	1,865,500	725,117	436,897	2,153,720	488,763
Lease Liability - Financed Purchased	-	145,136	-	145,136	69,848
Compensated Absences	<u>1,939,147</u>	<u>199,014</u>	<u>197,617</u>	<u>1,940,544</u>	<u>-</u>
Governmental Activities Long-Term Obligations	<u>\$ 47,819,647</u>	<u>\$ 12,054,267</u>	<u>\$ 5,769,514</u>	<u>\$ 54,104,400</u>	<u>\$ 6,433,611</u>
<b>Business-Type Activities:</b>					
General Obligation Debt:					
Notes	\$ 1,340,000	\$ -	\$ 500,000	\$ 840,000	\$ 205,000
Debt Premium	52,268	-	32,522	19,746	5,400
Compensated Absences	<u>300,419</u>	<u>33,548</u>	<u>48,783</u>	<u>285,184</u>	<u>-</u>
Business-Type Activities Long-Term Obligations	<u>\$ 1,692,687</u>	<u>\$ 33,548</u>	<u>\$ 581,305</u>	<u>\$ 1,144,930</u>	<u>\$ 210,400</u>

Total interest paid during the year on long-term debt totaled \$1,067,624.

**CITY OF DE PERE, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**H. Long-Term Obligations (Continued)**

General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/22
General Obligation Bonds:					
2013A	08/13/13	2028	3.00-3.625%	\$ 5,650,000	\$ 1,140,000
2014A	11/20/14	2029	2.00-3.00%	1,075,000	540,000
2014B	11/20/14	2023	2.00-3.00%	2,530,000	80,000
2017B	10/18/17	2027	2.75%	1,700,000	1,060,000
General Obligation Taxable Bonds:					
2013B	08/13/13	2023	2.00-3.50%	2,530,000	150,000
General Obligation Community Development Bonds:					
2018B	09/20/18	2033	3.25-5.00%	5,545,000	4,775,000
General Obligation Notes:					
2015A	09/24/15	2025	2.00-3.00%	8,285,000	1,020,000
2016A	10/19/16	2026	1.00-2.00%	7,915,000	3,070,000
2017A	10/18/17	2027	2.00-2.25%	2,015,000	885,000
2018A	09/20/18	2028	3.00-5.00%	2,600,000	1,540,000
2019A	10/21/19	2029	3.00-4.00%	8,715,000	5,805,000
2020A	10/14/20	2030	1.00-2.00%	8,340,000	6,630,000
2021A	10/15/21	2031	2.00%	6,375,000	5,695,000
2022A	09/07/22	2032	4.00%	10,100,000	10,100,000
General Obligation Taxable Notes:					
2016B	10/19/16	2026	2.00-2.25%	890,000	355,000
2019B	10/21/19	2029	2.25-2.70%	880,000	820,000
2020B	10/14/20	2030	0.35-1.40%	2,670,000	2,280,000
2021B	10/15/21	2031	0.35-1.80%	3,895,000	3,875,000
2022B	09/07/22	2032	0.35-1.80%	885,000	885,000
Total Outstanding General Obligation Debt					<u>\$ 50,705,000</u>



**CITY OF DE PERE, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**H. Long-Term Obligations (Continued)**

General Obligation Debt (Continued)

Annual principal and interest maturities of the outstanding general obligation debt of \$50,705,000 on December 31, 2022 are detailed below:

Year Ended December 31,	Governmental Activities		Business-Type Activities		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 5,875,000	\$ 1,363,855	\$ 205,000	\$ 16,800	\$ 6,080,000	\$ 1,380,655
2024	5,945,000	1,210,804	210,000	12,700	6,155,000	1,223,504
2025	6,005,000	1,049,156	210,000	8,500	6,215,000	1,057,656
2026	5,805,000	878,191	215,000	4,300	6,020,000	882,491
2027	5,420,000	712,471	-	-	5,420,000	712,471
2028-2032	20,360,000	1,650,634	-	-	20,360,000	1,650,634
2033	455,000	14,788	-	-	455,000	14,788
Total	<u>\$ 49,865,000</u>	<u>\$ 6,879,899</u>	<u>\$ 840,000</u>	<u>\$ 42,300</u>	<u>\$ 50,705,000</u>	<u>\$ 6,922,199</u>

For governmental activities, the other long-term liabilities are generally funded by the general fund.

Legal Margin for New Debt

The City's legal margin for creation of additional general obligation debt on December 31, 2022 was \$93,660,475 as follows:

Equalized Valuation of the City	\$ 2,887,309,500
Statutory Limitation Percentage	(x) 5%
General Obligation Debt Limitation, Per Section 67.03 of the Wisconsin Statutes	144,365,475
Total Outstanding General Obligation Debt Applicable to Debt Limitation	50,705,000
Legal Margin for New Debt	<u>\$ 93,660,475</u>

**I. Leases Liability: Finance Purchases**

The City is required to make various monthly principal and interest payments. This lease has an interest rate of 7.79%. The equipment has an estimated useful life of three years. The financed purchase lease expires in 2024.

This lease agreement qualifies as a financed purchase for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception. The asset acquired through a financed purchase lease is as follows:

Year Ended December 31,	Principal	Interest	Total
2023	\$ 69,847	\$ 11,306	\$ 81,153
2024	75,289	5,865	81,154
Total	<u>\$ 145,136</u>	<u>\$ 18,586</u>	<u>\$ 162,307</u>

**CITY OF DE PERE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**J. Pension Plan**

**1. Plan Description**

The Wisconsin Retirement System (WRS) is a cost-sharing, multiple-employer, defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible state of Wisconsin, local government, and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, expected to work at least 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 issued a standalone Annual Comprehensive (ACFR), which can be found at <https://etf.wi.gov/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.

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.

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

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

**CITY OF DE PERE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**J. Pension Plan (Continued)**

**1. Plan Description (Continued)**

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

The WRS also provides death and disability benefits for employees.

**2. Postretirement Adjustments**

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

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2012	-7.0%	-7%
2013	-9.6%	9%
2014	4.7%	25%
2015	2.9%	2%
2016	0.5%	-5%
2017	2.0%	4%
2018	2.4%	17%
2019	0.0%	-10%
2020	1.7%	21%
2021	5.1%	13%

**CITY OF DE PERE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**J. Pension Plan (Continued)**

**3. Contributions**

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

During the year ending December 31, 2022, the WRS recognized \$1,234,602 in contributions from the City.

Contribution rates for the reporting period are (per WRS Employer Rates website for 2022):

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

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

At December 31, 2022, the City reported an asset of \$8,044,092 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020 rolled forward to December 31, 2021. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2021, the City's proportion was 0.09980036% which was an increase of 0.00198848% from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022, the City recognized pension revenue of \$693,612.

**CITY OF DE PERE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**J. Pension Plan (Continued)**

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

At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 12,994,824	\$ 937,066
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	-	17,995,303
Changes in Assumptions	1,500,751	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	31,298	18,357
Employer Contributions Subsequent to the Measurement Date	1,234,602	-
Total	<u>\$ 15,761,475</u>	<u>\$ 18,950,726</u>

\$1,234,602 reported as deferred outflows related to pension resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>(Revenue) Expense</u>
2023	\$ (369,417)
2024	(2,173,967)
2025	(957,420)
2026	(923,049)
Total	<u>\$ (4,423,853)</u>

**CITY OF DE PERE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**J. Pension Plan (Continued)**

**5. Actuarial Assumptions**

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

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

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

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. Based on this experience study, actuarial assumptions used to measure the total pension liability charged form prior year, including the discount rate, long-term expected rate of return, postretirement adjustment, price inflation, mortality and separation rates. The total pension liability for December 31, 2021 is based upon a roll-forward of the liability calculated from the December 31, 2020 actuarial valuation.

**CITY OF DE PERE, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**J. Pension Plan (Continued)**

**5. Actuarial Assumptions (Continued)**

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

	Current Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
<u>Core Fund Asset Class</u>			
Global Equities	52%	6.8%	4.2%
Fixed Income	25%	4.3%	1.8%
Inflation Sensitive Assets	19%	2.7%	0.2%
Real Estate	7%	5.6%	3.0%
Private Equity/Debt	12%	9.7%	7.0%
Total Core Fund	100%	6.6%	4.0%
<u>Variable Fund Asset Class</u>			
U.S. Equities	70%	6.3%	3.7%
International Equities	30%	7.2%	4.6%
Total Variable Fund	100%	6.8%	4.2%

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

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

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

**CITY OF DE PERE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**J. Pension Plan (Continued)**

**5. Actuarial Assumptions (Continued)**

**Single Discount Rate.** A single discount rate of 6.80% was used to measure the Total Pension Liability, as opposed to a discount rate of 7.00% for the prior year. This single discount rate is based on the expected rate of return on pension plan investments of 6.80% and a municipal bond rate of 1.84% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2021. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 6.80% 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 long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease to Discount Rate (5.80%)	Current Discount Rate (6.80%)	1% Increase to Discount Rate (7.80%)
City's Proportionate Share of the Net Pension Liability (Asset)	\$ 5,707,854	\$ (8,044,092)	\$ (17,942,935)

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>.



**CITY OF DE PERE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**K. OTHER POSTEMPLOYMENT BENEFITS**

The City reports OPEB related balances at December 31, 2022 as summarized below:

	OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
Single-Employer Defined OPEB Plan	\$ 196,464	\$ 7,310	\$ 185,795	\$ 3,933
Local Retiree Life Insurance Fund (LRLIF)	2,149,932	752,856	259,816	271,945
Total	<u>\$ 2,346,396</u>	<u>\$ 760,166</u>	<u>\$ 445,611</u>	<u>\$ 275,878</u>

**1. Single-Employer Defined OPEB Plan**

Plan Description

The Plan is a single-employer defined benefit postemployment health plan that covers retired employees of the City. Eligible retired employees have access to group medical coverage through the City's group plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75. City paid medical benefits are paid for as indicated below. All employees of the City are eligible for the Plan if they meet the following age and service requirements below.

Benefits Provided

The City provides medical (including prescription drugs) and dental coverage for retired employees through the City's self-insured plans.

Employees Covered by Benefit Terms

At December 31, 2022, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving	
Benefit Payments	2
Active Employees	119
Total	<u>121</u>

Contributions

Certain retired plan members and beneficiaries currently receiving benefits are required to contribute specified amounts monthly towards the cost of insurance premiums based on the employee group and their retirement date. City paid medical and dental benefits are paid until the retiree or surviving spouse becomes eligible for Medicare.

**CITY OF DE PERE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**K. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

**1. Single-Employer Defined OPEB Plan (Continued)**

Total OPEB Liability

The City's total OPEB liability was determined by an actuarial valuation as of December 31, 2021 and rolled forward to December 31, 2022.

**Actuarial Assumptions.** The total OPEB liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Valuation Date:	December 31, 2020
Measurement Date of Net OPEB Liability (Asset):	December 31, 2022
Actuarial Cost Method:	Entry Age Normal
Health Care Trend:	Actual first year trend, then 6.40% decreasing by .10% per year down to 5.0%, and level thereafter
Discount Rate:	4.25%
Municipal Bond Rate Source	S&P Municipal 20 Year High Grade Index
Assumed rate of Inflation	2.50%
Mortality:	Wisconsin 2018 Mortality Table adjusted for future mortality using the MP-2018 generated improvement scale

The projection of cash flows used to determine the single discount rate assumed that plan would continue to be funded on a pay as you go basis. Based on these assumptions, the 20-year AA municipal bond rate was applied to all periods of projected benefits payment to determine the total OPEB liability.

The discount rate was changed to the 20-year AA municipal bond rate (2.00%) as of the measurement date. All other assumptions and methods remained unchanged from the valuation performed as of December 31, 2020.

**Discount Rate.** The discount rate used to measure the total OPEB liability was based on the 20-year AA municipal bond note.

**CITY OF DE PERE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**K. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

**1. Single-Employer Defined OPEB Plan (Continued)**

Changes in the Total OPEB Liability

	<u>Increase (Decrease)</u>
	<u>Total OPEB</u>
	<u>Liability</u>
Balance at December 31, 2021	\$ 219,327
Changes for the Year:	
Service Cost	18,510
Interest	4,505
Differences Between Expected and Actual Experience	-
Changes of Assumptions	(39,218)
Benefit Payments	(6,660)
Net Changes	<u>(22,863)</u>
Balance at December 31, 2022	<u>\$ 196,464</u>

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

	1% Decrease to Discount Rate (3.25%)	Current Discount Rate (4.25%)	1% Increase to Discount Rate (5.25%)
Total OPEB Liability	\$ 213,081	\$ 196,464	\$ 181,127

**Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.** The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.4% decreasing to 4.0%) or 1-percentage-point higher (7.4% decreasing to 6.0%) than the current healthcare cost trend rates:

	1% Decrease (5.4% Decreasing to 4.0%)	Healthcare Cost Trend Rates (6.4% Decreasing to 5.0%)	1% Increase (7.4% Decreasing to 6.0%)
Total OPEB Liability	\$ 174,802	\$ 194,464	\$ 221,943

**CITY OF DE PERE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**K. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

**1. Single-Employer Defined OPEB Plan (Continued)**

OPEB Expense and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2022, the City recognized OPEB expense of \$3,933. At December 31, 2022, the City reported deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ -	\$ 129,955
Changes in Assumptions	7,310	55,840
Total	<u>\$ 7,310</u>	<u>\$ 185,795</u>

The amounts above reported as deferred inflows of resources related to OPEB will be recognized in other postemployment benefit expense as follows:

<u>Year Ended December 31,</u>	<u>(Revenue)/Expense</u>
2023	\$ (26,086)
2024	(26,086)
2025	(26,086)
2026	(26,086)
2027	(26,086)
Thereafter	(48,055)
Total	<u>\$ (178,485)</u>

**2. Local Retiree Life Insurance Fund**

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 Wisconsin Department of Employee Trust Funds (ETF) and the Group Insurance Board have statutory authority for program administration and oversight. The plan provides postemployment life insurance benefits for all eligible employees.

**CITY OF DE PERE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**K. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

**2. Local Retiree Life Insurance Fund (Continued)**

OPEB Plan Fiduciary Net Position

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

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

Benefits Provided

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

Contributions

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

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

Contribution rates as of December 31, 2022 are:

<u>Coverage Type</u>	<u>Employer Contribution</u>
50% Postretirement Coverage	40% of Employee Contribution
25% Postretirement Coverage	20% of Employee Contribution

**CITY OF DE PERE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**K. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

**2. Local Retiree Life Insurance Fund (Continued)**

Contributions (Continued)

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

Life Insurance Employee Contribution Rates For the Year Ended December 31, 2021		
Attained Age	Basic	Supplemental
Under 30	\$0.05	\$0.05
30 - 34	0.06	0.06
35 - 39	0.07	0.07
40 - 44	0.08	0.08
45 - 49	0.12	0.12
50 - 54	0.22	0.22
55 - 59	0.39	0.39
60 - 64	0.49	0.49
65 - 69	0.57	0.57

During the year ended December 31, 2022, the LRLIF recognized \$7,445 in contributions from the employer.

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

At December 31, 2022, the City reported a liability of \$2,149,932 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2021 rolled forward to December 31, 2021. No material changes in assumptions or benefits terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net OPEB liability was based on the City's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2021, the City's proportion was 0.36375600%, which was an increase of 0.01798700% from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022, the City recognized OPEB expense of \$271,945.

**CITY OF DE PERE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**K. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

**2. Local Retiree Life Insurance Fund (Continued)**

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

At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 109,366
Net Differences Between Projected and Actual Earnings on OPEB Plan Investments	27,972	-
Changes in Assumptions	649,568	104,208
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	75,316	46,242
Total	<u>\$ 752,856</u>	<u>\$ 259,816</u>

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

<u>Year Ended December 31,</u>	<u>Expense</u>
2023	\$ 110,086
2024	106,841
2025	95,520
2026	115,152
2027	55,818
Thereafter	9,623
Total	<u>\$ 493,040</u>

**CITY OF DE PERE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**K. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

**2. Local Retiree Life Insurance Fund (Continued)**

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

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

Actuarial Valuation Date:	January 1, 2021
Measurement Date of Net OPEB Liability (Asset):	December 31, 2021
Experience Study:	January 1, 2018 - December 31, 2020 Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield:	2.06%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	2.17%
Salary Increases:	
Wage Inflation	3.00%
Seniority/Merit	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table

Actuarial assumptions are based upon an experience study conducted in 2020 that covered a three-year period from January 1, 2018 to December 31, 2020. Based on this experience study, actuarial assumptions used to measure the total pension liability charged form prior year, including the discount rate, long-term expected rate of return, postretirement adjustment, price inflation, mortality and separation rates. The total OPEB liability for December 31, 2021 is based upon a roll-forward of the liability calculated from the December 31, 2021 actuarial valuation.

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



**CITY OF DE PERE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**K. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

**2. Local Retiree Life Insurance Fund (Continued)**

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

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return %
U.S. Intermediate Credit Bonds	Bloomberg U.S. Intermediate Credit	45%	1.68%
U.S. Long Credit Bonds	Bloomberg U.S. Long Credit	5%	1.82%
U.S. Mortgages	Bloomberg U.S. MBS	50%	1.94%
Inflation			2.30%
Long-Term Expected Rate of Return			4.25%

The long-term expected rate of return remained unchanged from the prior year at 4.25%. The long-term expected rate of return is determined by adding expected inflation to expected long-term returns and reflecting expected volatility and correlation. The expected inflation rate increased from 2.20% as of December 31, 2020 to 2.30% as of December 31, 2021.

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

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

**CITY OF DE PERE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**K. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

**2. Local Retiree Life Insurance Fund (Continued)**

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

**Sensitivity of the City's proportionate share of net OPEB liability to changes in the discount rate.** The following presents the City's proportionate share of the net OPEB liability calculated using the discount rate of 2.17%, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.17%) or 1-percentage-point higher (3.17%) than the current rate:

	1% Decrease to Discount Rate (1.17%)	Current Discount Rate (2.17%)	1% Increase to Discount Rate (3.17%)
City's Proportionate Share of the Net OPEB Liability (Asset)	\$ 2,916,683	\$ 2,149,932	\$ 1,572,984

Payable to the OPEB Plan

At December 31, 2022, the City reported no payable for the outstanding amount of contribution to the Plan required for the year ended December 31, 2022.

**L. Fund Equity**

Nonspendable Fund Balance

In the fund financial statements, portions of the governmental fund balances are amounts that cannot be spent because they are either 1) not in spendable form or 2) legally or contractually required to be maintained intact. At December 31, 2022, nonspendable fund balance was as follows:

General Fund:

Nonspendable:

Inventories and Prepaid Items	\$ 196,321
Special Assessments	26,611
Advances to Other Funds	1,330,817
Total Nonspendable Fund Balance	<u>\$ 1,553,749</u>

**CITY OF DE PERE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**L. Fund Equity (Continued)**

Restricted Fund Balance

In the fund financial statements, portions of governmental fund balances are not available for appropriation or are legally restricted for use for a specific purpose. At December 31, 2022, restricted fund balance was as follows:

General Fund:

Restricted for:

Property Tax Relief and Economic Development	\$ 139,783
Fire UTV Fund	629
Recreation Scholarship	35,212
Total General Fund Restricted Fund Balance	<u>175,624</u>

Debt Service Fund	1,985,896
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Special Revenue Funds:

Restricted for:

Development Loans	920,038
Public Land Acquisition	157,456
Affordable Housing	1,968,527
Total Special Revenue Funds Balance	<u>3,046,021</u>

Capital Projects Funds:

Restricted for:

Capital Projects

TID No. 6	2,931,512
TID No. 8	1,769,531
TID No. 9	542,289
TID No. 11	591,889
TID No. 12	1,893,168
TID No. 13	367,519
TID No. 14	414,190
TID No. 15	381,402
TID No. 17	<u>176,867</u>

Total Tax incremental Financing District Expenditures	<u>9,068,367</u>
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Total Restricted Fund Balance	<u><u>\$ 14,275,908</u></u>
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**CITY OF DE PERE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**L. Fund Equity (Continued)**

Committed Fund Balance

In the fund financial statements, portions of government fund balances are committed by City Council action. At December 31, 2022, General Fund balance was committed as follows:

General Fund:		
Committed for:		
Nonlapsing Funds	\$	1,465,833
Special Revenue Funds:		
Committed for:		
Riverwalk Pier		580,740
Dog Park		13,390
Park Equipment		84,131
Total Special Revenue Fund Committed		<u>678,261</u>
Fund Balance		678,261
Capital Project Funds:		
Committed for:		
Capital Equipment		678,512
Community Center		1,904
Police/Fire Expansion		2,932
Total Capital Project Funds		<u>683,348</u>
Total Committed Fund Balance	\$	<u>2,827,442</u>

Minimum General Fund Balance Policy

The City has also adopted a minimum fund balance policy of 25% of subsequent year budgeted expenditures for the general fund. The minimum fund balance is maintained for cash flow and working capital purposes. The minimum fund balance amount is calculated as follows:

Budgeted 2023 General Fund Expenditures	\$	20,591,971
Minimum Fund Balance %		(x) 25%
Minimum Fund Balance Amount	\$	<u>5,147,993</u>

The City's unassigned general fund balance of \$7,518,800 is above the minimum fund balance amount.

**CITY OF DE PERE, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 3 OTHER INFORMATION**

**A. Tax Incremental Financing**

The City has established separate capital projects funds for twelve Tax Incremental City (TID) which were created by the City in accordance with Section 66.1105 of the Wisconsin Statutes. At the time the City was created, the property tax base within the City was “frozen” and increment taxes resulting from increases to the property tax base are used to finance City improvements, including principal and interest on long-term debt issued by the City to finance such improvements. The Statutes allow eligible project costs to be incurred up to five years prior to the maximum termination date. The City’s City is still eligible to incur project costs.

Since creation of the TID’s, the City has provided various financing sources to the TID. The foregoing amounts are not recorded as liabilities in the TID capital project fund but can be recovered by the City from any future excess tax increment revenues. As of December 31, 2022, the City can recover \$16,080,080 from future excess tax increment revenues of the following. Furthermore, the intent of the City is to recover the above amounts from future TID surplus funds, if any, prior to termination of the respective Cities. Unless terminated by the City prior thereto, each TID has a statutory termination year as follows:

	<u>TID No. 6</u>	<u>TID No. 7</u>	<u>TID No. 8</u>	<u>TID No. 9</u>
Creation Date	3/3/1998	10/17/2006	8/21/2007	8/7/2012
Termination Date	2/17/2022	10/17/2033	8/21/2027	8/7/2039
Tax Increment Property Tax Revenues for 2022	\$ -	\$ 87,717	\$ 271,469	\$ 33,249
Net Unreimbursed Project Costs Due City	\$ (8,078,842)	\$ 4,322,171	\$ 418,122	\$ 2,405,968

	<u>TID No. 10</u>	<u>TID No. 11</u>	<u>TID No. 12</u>	<u>TID No. 13</u>
Creation Date	8/7/2012	9/1/2015	9/1/2015	7/18/2017
Termination Date	8/7/2032	9/1/2035	9/1/2035	7/18/2037
Tax Increment Property Tax Revenues for 2022	\$ 120,688	\$ 219,256	\$ 224,990	\$ 149,089
Net Unreimbursed Project Costs Due City	\$ 4,931,536	\$ 1,358,111	\$ 1,621,832	\$ 2,637,481

	<u>TID No. 14</u>	<u>TID No. 15</u>	<u>TID No. 16</u>	<u>TID No. 17</u>
Creation Date	9/19/2018	2/15/2020	2/21/2020	3/16/2021
Termination Date	12/31/2038	2/18/2040	2/21/2040	3/16/2042
Tax Increment Property Tax Revenues for 2022	\$ 38,281	\$ -	\$ -	\$ -
Net Unreimbursed Project Costs Due City	\$ 940,809	\$ 3,981,097	\$ 53,662	\$ 1,488,133

**CITY OF DE PERE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**B. Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. The City completes an annual review of its insurance coverage to ensure adequate coverage. Settled claims have not exceeded coverage in each of the past three years.

In addition to the above, the City has established separate internal service funds for the following risk management programs:

Health Self-Insurance Fund

City employees, retirees and employee dependents are eligible for medical benefits from a health self-insurance fund. Funding is provided by charges to City departments, employees, and retirees. The program is supplemented by stop loss protection, which limits the City's annual liability. Fund expenses consist of payments to a third-party administrator for medical claims, stop loss insurance premiums and administrative fees. On December 31, 2022, the fund had a balance of \$1,739,257.

The claims liability of \$186,095 reported in the fund at December 31, 2022 is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the fund's claims liability amount are as follows:

	Liability January 1	Current Year Claims and Changes in Estimates	Claims Payments	Liability December 31
2022	\$ 240,492	\$ 1,679,556	\$ 2,106,143	\$ 186,095
2021	132,294	1,649,790	2,022,576	240,492

Dental Self-Insurance Fund

City employees, retirees and employee dependents are eligible for dental benefits from a dental self-insurance fund. Funding is provided by charges to City departments, employees and retirees. The program is supplemented by stop loss protection, which limits the City's annual liability. Fund expenses consist of payments to a third-party administrator for dental claims, stop loss insurance premiums and administrative fees. On December 31, 2022, the fund had a balance of \$76,062.

**CITY OF DE PERE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**B. Risk Management (Continued)**

Dental Self-Insurance Fund (Continued)

The claims liability of \$2,571 reported in the fund at December 31, 2022, is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the fund's claims liability amount are as follows:

	Liability January 1	Current Year Claims and Changes in Estimates	Claims Payments	Liability December 31
2022	\$ 5,943	\$ 133,174	\$ 136,546	\$ 2,571
2021	3,797	140,973	138,827	5,943

**C. Contingencies**

From time to time, the City is party to other various pending claims and legal proceedings. Although the outcome of such matters cannot be forecast with certainty, it is the opinion of management and the City 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.

**D. Water Purchase Contract with Central Brown County Water Authority**

The City of De Pere is a Charter member of the Central Brown County Water Authority with five other Brown County communities. The Authority was formed under Wisconsin Statutes in 1998 to provide a long-term solution to water quantity and quality concerns. In 2004, the Authority entered into a contract to purchase Lake Michigan water from the City of Manitowoc. In 2007 the Authority completed construction of a 30 mile water transmission main from the City of Manitowoc and a 35 mile long spoke transmission system to distribute the water to its individual members. To provide funds to complete construction projects, the Authority issued \$136,625,000 of revenue bonds in June of 2005.

Each Charter Member has entered into a water purchase contract under which they agree to purchase wholesale water from the Authority. Rates charged to each member are billed monthly and are based on (1) operation and maintenance costs, (2) fixed costs, including debt service on the revenue bond and (3) required Security Fund deposits. During 2022, the City paid the Authority \$3,642,175 in accordance with the water purchase contract.

## **REQUIRED SUPPLEMENTARY INFORMATION**



**CITY OF DE PERE, WISCONSIN**  
**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)**  
**WISCONSIN RETIREMENT SYSTEM**  
**LAST 10 MEASUREMENT PERIODS**

Measurement Period Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
12/31/14	0.08664090%	\$ (2,128,138)	\$ 9,073,681	23.45%	102.74%
12/31/15	0.08721909%	1,417,293	9,424,305	15.04%	98.20%
12/31/16	0.08851511%	729,575	9,577,125	7.62%	99.12%
12/31/17	0.09092334%	(2,699,621)	9,670,368	27.92%	102.93%
12/31/18	0.09310308%	3,312,315	10,029,996	33.02%	96.45%
12/31/19	0.09492159%	(3,060,705)	10,457,329	-29.27%	102.96%
12/31/20	0.09781188%	(6,106,531)	11,200,080	-54.52%	105.26%
12/31/21	0.09980036%	(8,044,092)	11,354,060	-70.85%	106.02%

**SCHEDULE OF CONTRIBUTIONS**  
**WISCONSIN RETIREMENT SYSTEM**  
**LAST 10 FISCAL YEARS**

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll (fiscal year)	Contributions as a Percentage of Covered Payroll
12/31/15	\$ 853,538	\$ 853,538	\$ -	\$ 9,424,305	9.06%
12/31/16	862,667	862,667	-	9,577,125	9.01%
12/31/17	947,840	947,840	-	9,670,368	9.80%
12/31/18	976,960	976,960	-	10,029,996	9.74%
12/31/19	1,006,862	1,006,862	-	10,457,329	9.63%
12/31/20	1,156,889	1,156,889	-	11,200,080	10.33%
12/31/21	1,180,293	1,180,293	-	11,354,060	10.40%
12/31/22	1,234,602	1,234,602	-	12,055,709	10.24%

See accompanying Notes to Required Supplementary Information.

**CITY OF DE PERE, WISCONSIN**  
**SCHEDULE OF CHANGES IN OPEB LIABILITY AND RELATED RATIOS**  
**LAST 10 MEASUREMENT PERIODS**

	2022	2021	2020	2019	2018	2017
Total OPEB Liability:						
Service Cost	\$ 18,510	\$ 20,168	\$ 18,239	\$ 20,928	\$ 22,795	\$ 22,795
Interest	4,505	5,929	6,523	15,145	13,298	12,862
Differences Between Expected and Actual Experience	-	(44,531)	-	(157,218)	-	-
Changes of Assumptions	(39,218)	(11,767)	10,442	(6,038)	(13,769)	(5,254)
Benefit Payments	(6,660)	(7,758)	(12,016)	(13,749)	(31,655)	(14,784)
Net Change in Total OPEB Liability	(22,863)	(37,959)	23,188	(140,932)	(9,331)	15,619
Total OPEB Liability - Beginning	219,327	257,286	234,098	375,030	384,361	368,742
Total OPEB Liability - Ending	<u>\$ 196,464</u>	<u>\$ 219,327</u>	<u>\$ 257,286</u>	<u>\$ 234,098</u>	<u>\$ 375,030</u>	<u>\$ 384,361</u>
Covered-Employee Payroll	\$ 10,509,539	\$ 10,509,539	\$ 9,732,159	\$ 9,732,159	\$ 7,447,066	\$ 7,447,066
City's Total OPEB Liability as a Percentage of Covered-Employee Payroll	1.87%	2.09%	2.64%	2.41%	5.04%	5.16%

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

See accompanying Notes to Required Supplementary Information.

**CITY OF DE PERE, WISCONSIN**  
**SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)**  
**LOCAL RETIREE LIFE INSURANCE FUND**  
**LAST 10 MEASUREMENT PERIODS**

Measurement Period Ending	Proportion of the Net OPEB Liability (Asset)	Proportionate Share of the Net OPEB Liability (Asset)	Covered-employee Payroll	Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Covered-employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
12/31/17	0.36553200%	\$ 1,099,732	\$ 9,670,368	11.37%	44.81%
12/31/18	0.37112800%	957,635	9,292,000	10.31%	48.69%
12/31/19	0.35037200%	1,491,952	9,509,000	15.69%	37.58%
12/31/20	0.34576900%	1,901,979	10,418,000	18.26%	31.36%
12/31/21	0.36375600%	2,149,932	10,514,000	20.45%	29.57%

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

Fiscal Year Ending	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
12/31/17	\$ 6,917	\$ 6,917	\$ -	\$ 9,670,368	0.07%
12/31/18	7,150	7,150	-	9,292,000	0.08%
12/31/19	6,915	6,915	-	10,457,330	0.07%
12/31/20	6,829	6,829	-	10,418,000	0.07%
12/31/21	7,358	7,358	-	11,354,060	0.06%
12/31/22	7,445	7,445	-	10,514,000	0.07%

See accompanying Notes to Required Supplementary Information.

**CITY OF DE PERE, WISCONSIN  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2022**

**NOTE 1 WISCONSIN RETIREMENT SYSTEM**

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

*Changes of assumptions.*

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

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

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

- Lowering the long-term expected rate of return from 7.2% to 7.0%
- Lowering the discount rate from 7.2% to 7.0%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Lowering the postretirement adjustments from 2.1% to 1.9%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table.

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

**CITY OF DE PERE, WISCONSIN  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2022**

**NOTE 2 OTHER POSTEMPLOYMENT BENEFITS**

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

**Single-Employer Defined Postemployment Benefit Plan**

The discount rate was changed to the 20-year AA municipal bond rate (2.00%) for the measurement date of December 31, 2022. All other assumptions and methods remained unchanged from the valuation performed as of December 31, 2019. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

**Local Retiree Life Insurance Fund (LRLIF)**

Assumptions: The ETF 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 update 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 update trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table.

## **SUPPLEMENTARY INFORMATION**

**CITY OF DE PERE, WISCONSIN  
GENERAL FUND  
DETAILED COMPARISON OF BUDGETED AND ACTUAL REVENUES  
YEAR ENDED DECEMBER 31, 2022**

	Budget			Variance Final Budget - Positive (Negative)
	Original	Final	Actual	
<b>Taxes:</b>				
General Property	\$ 8,615,156	\$ 8,615,156	\$ 8,615,155	\$ (1)
Mobile Home	6,600	6,600	5,315	(1,285)
Excess Stadium District Sales Tax	120	120	381	261
Room Tax	9,500	9,500	10,626	1,126
Payments in Lieu of Taxes	21,665	21,665	1,395	(20,270)
Housing Authority	32,000	32,000	33,922	1,922
Interest and Penalties:				
Taxes	1,400	1,400	1,018	(382)
Special Assessments	20,000	20,000	10,780	(9,220)
Total Taxes	8,706,441	8,706,441	8,678,592	(27,849)
<b>Intergovernmental:</b>				
Law Enforcement Training	125,803	125,803	121,686	(4,117)
State Shared Taxes	1,488,436	1,488,436	1,488,148	(288)
Exempt Computer Aid	77,852	77,852	80,185	2,333
Fire Insurance	97,800	97,800	103,800	6,000
Rescue Squad	15,000	15,000	76,240	61,240
Transportation	1,399,991	1,399,991	1,396,114	(3,877)
Mass Transit	274,790	274,790	274,790	-
Public Health	60,199	60,199	66,789	6,590
Recycling	97,975	97,975	97,691	(284)
Other	100,000	100,000	509,526	409,526
Total Intergovernmental	3,737,846	3,737,846	4,214,969	477,123
<b>Licenses and Permits:</b>				
<b>Licenses:</b>				
Liquor and Malt Beverage	37,800	37,800	29,295	(8,505)
Operators	32,550	32,550	25,604	(6,946)
Cigarette	2,205	2,205	2,248	43
Food and Beverage	86,415	86,415	91,958	5,543
Cable Television	110,000	110,000	113,673	3,673
Trailer Park	100	100	-	(100)
Dog	3,780	3,780	4,363	583
Other Licenses/Permits	11,550	11,550	11,799	249
<b>Permits:</b>				
Construction	10,657	10,657	8,750	(1,907)
Electrical, Mechanical, and Plumbing	241,500	241,500	218,556	(22,944)
Sanitary Sewer	14,385	14,385	9,400	(4,985)
Zoning	414,907	414,907	351,506	(63,401)
Total Licenses and Permits	965,849	965,849	867,152	(98,697)

**CITY OF DE PERE, WISCONSIN  
GENERAL FUND  
DETAILED COMPARISON OF BUDGETED AND ACTUAL REVENUES (CONTINUED)  
YEAR ENDED DECEMBER 31, 2022**

	Budget		Actual	Variance Final Budget - Positive (Negative)
	Original	Final		
Fines and Forfeits:				
Court Forfeitures and Costs	\$ 393,750	\$ 393,750	\$ 212,145	\$ (181,605)
Parking Violations	35,000	35,000	38,203	3,203
Total Fines and Forfeits	428,750	428,750	250,348	(178,402)
Public Charges for Services:				
General Government	39,585	39,585	34,749	(4,836)
Police	1,890	1,890	2,104	214
Alarm Monitoring Fees	5,250	5,250	11,100	5,850
Ambulance	791,590	791,590	1,028,163	236,573
Streets	58,800	58,800	80,958	22,158
Snow Removal	6,930	6,930	4,842	(2,088)
Weed Cutting	4,200	4,200	8,085	3,885
Recycling	16,800	16,800	3,687	(13,113)
Public Health	525	525	1,379	854
Community Center	39,127	39,127	65,899	26,772
Swimming Pools	206,115	206,115	255,548	49,433
Parks	14,595	14,595	32,381	17,786
Recreation	421,859	421,859	514,284	92,425
Concession Sales	40,672	40,672	50,738	10,066
Total Public Charges for Services	1,647,938	1,647,938	2,093,917	445,979
Intergovernmental Charges for Services:				
General Government	182,945	182,945	172,135	(10,810)
Public Safety	527,707	527,707	536,360	8,653
Public Works	731,522	731,522	731,521	(1)
Total intergovernmental charges for services	1,442,174	1,442,174	1,440,016	(2,158)
Miscellaneous:				
Investment Income	100,000	100,000	(65,590)	(165,590)
Donations	7,500	7,500	324,892	317,392
Sale of City Property	16,500	16,500	5,214	(11,286)
Rental Income	146,525	146,525	44,944	(101,581)
Department Revenue	9,189	9,189	105,560	96,371
Other	578	578	-	(578)
Total Miscellaneous	280,292	280,292	415,020	134,728
Total Revenues	<u>\$ 17,209,290</u>	<u>\$ 17,209,290</u>	<u>\$ 17,960,014</u>	<u>\$ 750,724</u>



**CITY OF DE PERE, WISCONSIN  
GENERAL FUND  
DETAILED COMPARISON OF BUDGETED AND ACTUAL EXPENDITURES  
YEAR ENDED DECEMBER 31, 2022**

	Budget		Actual	Variance Final Budget - Positive (Negative)
	Original	Final		
General Government:				
Council	\$ 80,846	\$ 80,846	\$ 76,269	\$ 4,577
Municipal Court	116,410	116,410	116,018	392
Mayor	36,881	39,144	37,033	2,111
Administrator	162,313	162,313	157,402	4,911
Administrator Outlay	200	200	-	200
Clerk/Treasurer	242,893	242,893	261,999	(19,106)
Elections	55,350	55,350	57,182	(1,832)
Elections Outlay	2,500	2,500	41,160	(38,660)
Assessment of Property	97,492	97,492	97,341	151
Accounting and Finance	142,881	147,631	174,419	(26,788)
Accounting and Finance Outlay	500	500	195	305
Data Processing	205,841	205,841	197,526	8,315
Data Processing Outlay	10,000	10,000	18,358	(8,358)
Personnel and Insurance	411,864	411,864	389,159	22,705
Personnel and Insurance Outlay	500	6,781	6,895	(114)
Legal	292,061	349,311	365,869	(16,558)
Legal Outlay	1,000	1,000	1,412	(412)
City Hall	125,397	125,397	129,369	(3,972)
City Hall Outlay	18,000	23,938	24,376	(438)
Other General Government	414,954	431,520	126,950	304,570
Total General Government	2,417,883	2,510,931	2,278,932	231,999
Public Safety:				
Police Department	5,384,344	5,387,327	5,324,165	63,162
Police Department Outlay	-	38,800	225,735	(186,935)
Traffic Control	94,556	94,556	67,435	27,121
Fire/Ambulance Department	4,236,484	4,267,084	4,440,731	(173,647)
Fire/Ambulance Department Outlay	6,500	11,718	34,962	(23,244)
Building and Electrical	287,514	287,514	289,963	(2,449)
Jail	6,250	6,250	2,640	3,610
Total Public Safety	10,015,648	10,093,249	10,385,631	(292,382)
Public Works:				
Street Machinery Repair	111,708	111,708	111,697	11
Street Machinery Repair Outlay	1,592	1,592	2,888	(1,296)
Municipal Service Center	76,962	76,962	102,243	(25,281)
Municipal Service Center Outlay	3,300	3,300	11,302	(8,002)
Mechanics	156,467	156,467	134,659	21,808
Administration	125,087	125,087	124,671	416
Engineer	253,399	253,399	238,814	14,585
Engineer Outlay	2,000	2,000	2,010	(10)
Street Maintenance	138,437	138,437	121,246	17,191

**CITY OF DE PERE, WISCONSIN  
GENERAL FUND  
DETAILED COMPARISON OF BUDGETED AND ACTUAL EXPENDITURES (CONTINUED)  
YEAR ENDED DECEMBER 31, 2022**

	Budget			Variance Final Budget - Positive (Negative)
	Original	Final	Actual	
Public Works (Continued):				
Street Maintenance Outlay	\$ -	\$ -	\$ 39,349	\$ (39,349)
Brush Pickup	102,525	102,525	109,269	(6,744)
Weed Cutting	14,479	14,479	17,274	(2,795)
Snow and Ice Control	275,108	275,108	171,253	103,855
Traffic Signs and Markings	163,202	163,202	134,420	28,782
Traffic Signs and Markings Outlay	2,500	2,500	2,080	420
Traffic Lights	41,000	41,000	34,135	6,865
Street Lighting	403,940	403,940	420,252	(16,312)
Street Lighting Outlay	-	-	9,450	(9,450)
Transit Systems	424,663	424,663	341,641	83,022
Total Public Works	<u>2,296,369</u>	<u>2,296,369</u>	<u>2,128,653</u>	<u>167,716</u>
Sanitation:				
Garbage and Refuse Collection	339,125	339,125	357,913	(18,788)
Landfill Waste Disposal	320,000	320,000	240,147	79,853
Recycling	125,366	125,366	132,390	(7,024)
Total Sanitation	<u>784,491</u>	<u>784,491</u>	<u>730,450</u>	<u>54,041</u>
Health and Human Services:				
Nurse	584,464	584,464	913,520	(329,056)
Board of Health	100	100	20	80
Total Health and Human Services	<u>584,564</u>	<u>584,564</u>	<u>913,540</u>	<u>(328,976)</u>
Culture and Recreation:				
Community Center	340,967	340,967	380,997	(40,030)
Special Events and Celebrations	35,213	35,213	10,106	25,107
Park and Recreation Administration	264,934	264,934	288,139	(23,205)
Recreation	585,287	585,287	558,108	27,179
Swimming Pools	483,127	483,127	529,184	(46,057)
Swimming Pools Outlay	-	750	750	-
Parks - General	542,734	545,717	580,491	(34,774)
Parks Outlay	-	-	25,369	(25,369)
Parks Equipment Maintenance	90,781	90,781	101,121	(10,340)
Boat Ramps	24,591	24,591	23,859	732
Boat Ramps Outlay	-	-	8,034	(8,034)
Forestry	329,180	329,180	370,936	(41,756)
Historical Society	23,560	23,560	17,701	5,859
Total Culture and Recreation	<u>2,720,374</u>	<u>2,724,107</u>	<u>2,894,795</u>	<u>(170,688)</u>
Conservation and Development:				
Economic Development	<u>406,933</u>	<u>406,933</u>	<u>424,538</u>	<u>(17,605)</u>
Total Expenditures	<u>\$ 19,226,262</u>	<u>\$ 19,400,644</u>	<u>\$ 19,756,539</u>	<u>\$ (355,895)</u>

**CITY OF DE PERE, WISCONSIN  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2022**

	Special Revenue				
	Development Loan Program	Public Land Acquisition	Riverwalk Pier	Cable Access	Dog Park
<b>ASSETS</b>					
Cash and Investments	\$ 106,564	\$ 157,456	\$ 580,740	\$ -	\$ 13,390
Restricted Cash and Investments	813,474	-	-	-	-
Receivables:					
Taxes and Special Charges	-	-	-	-	-
Accounts	-	-	-	19,448	-
Special Assessments	-	-	-	-	-
Loans	82,416	-	-	-	-
Due from Other Funds	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 1,002,454</b>	<b>\$ 157,456</b>	<b>\$ 580,740</b>	<b>\$ 19,448</b>	<b>\$ 13,390</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
Liabilities:					
Accounts Payable	\$ -	\$ -	\$ -	\$ 2,978	\$ -
Accrued and Other Current Liabilities	-	-	-	604	-
Due to Other Funds	-	-	-	15,866	-
Unearned Revenues	-	-	-	-	-
Total Liabilities	-	-	-	19,448	-
Deferred Inflows of Resources:					
Property Taxes Levied for Subsequent Year	-	-	-	-	-
Loans Receivable	82,416	-	-	-	-
Special Assessments	-	-	-	-	-
Total Deferred Inflows of Resources	82,416	-	-	-	-
Fund Balances:					
Restricted	920,038	157,456	-	-	-
Committed	-	-	580,740	-	13,390
Unassigned (Deficit)	-	-	-	-	-
Total Fund Balances	920,038	157,456	580,740	-	13,390
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 1,002,454</b>	<b>\$ 157,456</b>	<b>\$ 580,740</b>	<b>\$ 19,448</b>	<b>\$ 13,390</b>

**CITY OF DE PERE, WISCONSIN  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
DECEMBER 31, 2022**

	Special Revenue				Capital Projects	
	Southwest Park Equipment	De Pere Micro Fund Loan	Local Fiscal Recovery Funds	Affordable Housing	Capital Equipment	Community Center
<b>ASSETS</b>						
Cash and Investments	\$ 84,131	\$ -	\$ 2,613,574	\$ 1,968,527	\$ 700,112	\$ 12,122
Restricted Cash and Investments	-	-	-	-	-	-
Receivables:						
Taxes and Special Charges	-	-	-	-	800,000	-
Accounts	-	-	-	-	-	-
Special Assessments	-	-	-	-	-	-
Loans	-	100,400	-	-	-	-
Due from Other Funds	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 84,131</b>	<b>\$ 100,400</b>	<b>\$ 2,613,574</b>	<b>\$ 1,968,527</b>	<b>\$ 1,500,112</b>	<b>\$ 12,122</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>						
Liabilities:						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ 21,600	\$ 10,218
Accrued and Other Current Liabilities	-	-	-	-	-	-
Due to Other Funds	-	15,392	-	-	-	-
Unearned Revenues	-	-	2,613,574	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>15,392</b>	<b>2,613,574</b>	<b>-</b>	<b>21,600</b>	<b>10,218</b>
Deferred Inflows of Resources:						
Property Taxes Levied for Subsequent Year	-	-	-	-	800,000	-
Loans Receivable	-	100,400	-	-	-	-
Special Assessments	-	-	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>100,400</b>	<b>-</b>	<b>-</b>	<b>800,000</b>	<b>-</b>
Fund Balances:						
Restricted	-	-	-	1,968,527	-	-
Committed	84,131	-	-	-	678,512	1,904
Unassigned (Deficit)	-	(15,392)	-	-	-	-
<b>Total Fund Balances</b>	<b>84,131</b>	<b>(15,392)</b>	<b>-</b>	<b>1,968,527</b>	<b>678,512</b>	<b>1,904</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 84,131</b>	<b>\$ 100,400</b>	<b>\$ 2,613,574</b>	<b>\$ 1,968,527</b>	<b>\$ 1,500,112</b>	<b>\$ 12,122</b>

**CITY OF DE PERE, WISCONSIN  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
DECEMBER 31, 2022**

	Capital Projects				
	Police/Fire Expansion	Pool Capital Projects	TID No. 6	TID No. 7	TID No. 8
<b>ASSETS</b>					
Cash and Investments	\$ 2,932	\$ -	\$ -	\$ -	\$ 1,492,522
Restricted Cash and Investments	-	-	-	-	-
Receivables:					
Taxes and Special Charges	-	-	-	86,546	390,355
Accounts	-	-	-	-	-
Special Assessments	-	-	-	-	-
Loans	-	-	-	-	-
Due from Other Funds	-	-	2,931,512	-	299,978
<b>Total Assets</b>	<b>\$ 2,932</b>	<b>\$ -</b>	<b>\$ 2,931,512</b>	<b>\$ 86,546</b>	<b>\$ 2,182,855</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
Liabilities:					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ 22,837
Accrued and Other Current Liabilities	-	-	-	-	132
Due to Other Funds	-	1,240,530	-	1,687,917	-
Unearned Revenues	-	-	-	-	-
Total Liabilities	-	1,240,530	-	1,687,917	22,969
Deferred Inflows of Resources:					
Property Taxes Levied for Subsequent Year	-	-	-	86,546	390,355
Loans Receivable	-	-	-	-	-
Special Assessments	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	86,546	390,355
Fund Balances:					
Restricted	-	-	2,931,512	-	1,769,531
Committed	2,932	-	-	-	-
Unassigned (Deficit)	-	(1,240,530)	-	(1,687,917)	-
Total Fund Balances	2,932	(1,240,530)	2,931,512	(1,687,917)	1,769,531
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 2,932</b>	<b>\$ -</b>	<b>\$ 2,931,512</b>	<b>\$ 86,546</b>	<b>\$ 2,182,855</b>

**CITY OF DE PERE, WISCONSIN  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
DECEMBER 31, 2022**

	Capital Projects				
	TID No. 9	TID No. 10	TID No. 11	TID No. 12	TID No. 13
<b>ASSETS</b>					
Cash and Investments	\$ 542,289	\$ -	\$ 592,290	\$ 1,943,970	\$ 368,128
Restricted Cash and Investments	-	-	-	-	-
Receivables:					
Taxes and Special Charges	44,894	170,348	330,579	699,346	167,515
Accounts	-	-	-	-	-
Special Assessments	-	-	-	446,270	-
Loans	-	-	-	-	-
Due from Other Funds	-	-	-	-	-
Total Assets	<u>\$ 587,183</u>	<u>\$ 170,348</u>	<u>\$ 922,869</u>	<u>\$ 3,089,586</u>	<u>\$ 535,643</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
Liabilities:					
Accounts Payable	\$ -	\$ -	\$ 229	\$ 50,660	\$ -
Accrued and Other Current Liabilities	-	-	172	142	609
Due to Other Funds	-	1,489,911	-	-	-
Unearned Revenues	-	-	-	-	-
Total Liabilities	-	1,489,911	401	50,802	609
Deferred Inflows of Resources:					
Property Taxes Levied for Subsequent Year	44,894	170,348	330,579	699,346	167,515
Loans Receivable	-	-	-	-	-
Special Assessments	-	-	-	446,270	-
Total Deferred Inflows of Resources	44,894	170,348	330,579	1,145,616	167,515
Fund Balances:					
Restricted	542,289	-	591,889	1,893,168	367,519
Committed	-	-	-	-	-
Unassigned (Deficit)	-	(1,489,911)	-	-	-
Total Fund Balances	<u>542,289</u>	<u>(1,489,911)</u>	<u>591,889</u>	<u>1,893,168</u>	<u>367,519</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 587,183</u>	<u>\$ 170,348</u>	<u>\$ 922,869</u>	<u>\$ 3,089,586</u>	<u>\$ 535,643</u>

**CITY OF DE PERE, WISCONSIN  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
DECEMBER 31, 2022**

	Capital Projects				
	TID No. 14	TID No. 15	TID No. 16	TID No. 17	Totals
<b>ASSETS</b>					
Cash and Investments	\$ 414,690	\$ 404,668	\$ -	\$ 239,587	\$ 12,237,692
Restricted Cash and Investments	-	-	-	-	813,474
Receivables:					
Taxes and Special Charges	26,938	464,008	-	-	3,180,529
Accounts	-	-	-	-	19,448
Special Assessments	-	-	-	-	446,270
Loans	-	-	-	-	182,816
Due from Other Funds	-	-	-	-	3,231,490
<b>Total Assets</b>	<b>\$ 441,628</b>	<b>\$ 868,676</b>	<b>\$ -</b>	<b>\$ 239,587</b>	<b>\$ 20,111,719</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
Liabilities:					
Accounts Payable	\$ 500	\$ -	\$ -	\$ 62,720	\$ 171,742
Accrued and Other Current Liabilities	-	23,266	-	-	24,925
Due to Other Funds	-	-	53,662	-	4,503,278
Unearned Revenues	-	-	-	-	2,613,574
Total Liabilities	500	23,266	53,662	62,720	7,313,519
Deferred Inflows of Resources:					
Property Taxes Levied for Subsequent Year	26,938	464,008	-	-	3,180,529
Loans Receivable	-	-	-	-	182,816
Special Assessments	-	-	-	-	446,270
Total Deferred Inflows of Resources	26,938	464,008	-	-	3,809,615
Fund Balances:					
Restricted	414,190	381,402	-	176,867	12,114,388
Committed	-	-	-	-	1,361,609
Unassigned (Deficit)	-	-	(53,662)	-	(4,487,412)
Total Fund Balances	414,190	381,402	(53,662)	176,867	8,988,585
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 441,628</b>	<b>\$ 868,676</b>	<b>\$ -</b>	<b>\$ 239,587</b>	<b>\$ 20,111,719</b>

**CITY OF DE PERE, WISCONSIN**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2022**

	Special Revenue				
	Development Loan Program	Public Land Acquisition	Riverwalk Pier	Cable Access	Dog Park
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	47,422	-
Licenses and Permits	-	-	-	75,778	-
Public Charges for Services	-	9,900	-	-	-
Miscellaneous	113,202	-	350,000	948	514
<b>Total Revenues</b>	113,202	9,900	350,000	124,148	514
<b>EXPENDITURES</b>					
Current:					
General Government	-	-	-	-	-
Culture and Recreation	-	-	-	133,796	-
Conservation and Development	-	-	-	-	-
Debt Service:					
Interest and Fiscal Charges	-	-	-	-	-
Capital Outlay	-	-	-	12,983	-
<b>Total Expenditures</b>	-	-	-	146,779	-
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	113,202	9,900	350,000	(22,631)	514
<b>OTHER FINANCING SOURCES (USES)</b>					
Long-Term Debt Issued	-	-	-	-	-
Premium on Debt Issued	-	-	-	-	-
Proceeds from Sale of Capital Assets	-	-	-	-	-
Transfers in	-	-	-	22,631	-
Transfers out	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	-	-	-	22,631	-
<b>NET CHANGE IN FUND BALANCES</b>	113,202	9,900	350,000	-	514
Fund Balances (Deficit) - Beginning of Year	806,836	147,556	230,740	-	12,876
<b>FUND BALANCES (DEFICIT) - END OF YEAR</b>	<u>\$ 920,038</u>	<u>\$ 157,456</u>	<u>\$ 580,740</u>	<u>\$ -</u>	<u>\$ 13,390</u>



**CITY OF DE PERE, WISCONSIN**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2022**

	Special Revenue				Capital Projects	
	Southwest Park Equipment	De Pere Micro Fund Loan	Local Fiscal Recovery Funds	Affordable Housing	Capital Equipment	Community Center
<b>REVENUES</b>						
Taxes	\$ -	\$ -	\$ -	\$ 1,968,527	\$ 800,000	\$ -
Intergovernmental	-	-	-	-	4,056	-
Licenses and Permits	-	-	-	-	-	-
Public Charges for Services	-	-	-	-	-	-
Miscellaneous	26,202	91,120	-	-	-	2,099
<b>Total Revenues</b>	26,202	91,120	-	1,968,527	804,056	2,099
<b>EXPENDITURES</b>						
Current:						
General Government	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Conservation and Development	-	416	-	-	-	-
Debt Service:						
Interest and Fiscal Charges	-	-	-	-	-	-
Capital Outlay	-	-	-	-	1,567,901	10,218
<b>Total Expenditures</b>	-	416	-	-	1,567,901	10,218
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	26,202	90,704	-	1,968,527	(763,845)	(8,119)
<b>OTHER FINANCING SOURCES (USES)</b>						
Long-Term Debt Issued	-	-	-	-	1,516,430	-
Premium on Debt Issued	-	-	-	-	-	-
Proceeds from Sale of Capital Assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	(800,000)	-
<b>Total Other Financing Sources (Uses)</b>	-	-	-	-	716,430	-
<b>NET CHANGE IN FUND BALANCES</b>	26,202	90,704	-	1,968,527	(47,415)	(8,119)
Fund Balances (Deficit) - Beginning of Year	57,929	(106,096)	-	-	725,927	10,023
<b>FUND BALANCES (DEFICIT) - END OF YEAR</b>	<u>\$ 84,131</u>	<u>\$ (15,392)</u>	<u>\$ -</u>	<u>\$ 1,968,527</u>	<u>\$ 678,512</u>	<u>\$ 1,904</u>

**CITY OF DE PERE, WISCONSIN**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2022**

	Capital Projects				
	Police/Fire Expansion	Pool Capital Projects	TID No. 6	TID No. 7	TID No. 8
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ 87,717	\$ 271,469
Intergovernmental	-	-	32,563	6,998	230,172
Licenses and Permits	-	-	-	-	-
Public Charges for Services	-	-	-	-	-
Miscellaneous	-	-	-	-	-
<b>Total Revenues</b>	-	-	32,563	94,715	501,641
<b>EXPENDITURES</b>					
Current:					
General Government	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Conservation and Development	-	-	3,764	56,979	59,256
Debt Service:					
Interest and Fiscal Charges	-	2,771	-	819	2,679
Capital Outlay	-	10,671	-	20,030	-
<b>Total Expenditures</b>	-	13,442	3,764	77,828	61,935
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	(13,442)	28,799	16,887	439,706
<b>OTHER FINANCING SOURCES (USES)</b>					
Long-Term Debt Issued	-	-	-	60,000	195,000
Premium on Debt Issued	-	-	-	4,278	13,995
Proceeds from Sale of Capital Assets	-	-	-	-	-
Transfers in	-	900,000	-	-	-
Transfers out	-	(654,373)	(324,560)	(216,812)	(274,754)
<b>Total Other Financing Sources (Uses)</b>	-	245,627	(324,560)	(152,534)	(65,759)
<b>NET CHANGE IN FUND BALANCES</b>	-	232,185	(295,761)	(135,647)	373,947
Fund Balances (Deficit) - Beginning of Year	2,932	(1,472,715)	3,227,273	(1,552,270)	1,395,584
<b>FUND BALANCES (DEFICIT) - END OF YEAR</b>	<u>\$ 2,932</u>	<u>\$ (1,240,530)</u>	<u>\$ 2,931,512</u>	<u>\$ (1,687,917)</u>	<u>\$ 1,769,531</u>

**CITY OF DE PERE, WISCONSIN**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2022**

	Capital Projects				
	TID No. 9	TID No. 10	TID No. 11	TID No. 12	TID No. 13
<b>REVENUES</b>					
Taxes	\$ 33,244	\$ 120,688	\$ 219,256	\$ 224,990	\$ 149,089
Intergovernmental	8,005	20,109	60	-	1,497,500
Licenses and Permits	-	-	-	-	-
Public Charges for Services	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Revenues	41,249	140,797	219,316	224,990	1,646,589
<b>EXPENDITURES</b>					
Current:					
General Government	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Conservation and Development	46,473	33,153	47,337	2,914,717	1,556,722
Debt Service:					
Interest and Fiscal Charges	30,130	-	2,332	39,311	-
Capital Outlay	707,327	-	2,975	3,066	2
Total Expenditures	783,930	33,153	52,644	2,957,094	1,556,724
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(742,681)	107,644	166,672	(2,732,104)	89,865
<b>OTHER FINANCING SOURCES (USES)</b>					
Long-Term Debt Issued	1,725,000	-	170,000	2,860,000	-
Premium on Debt Issued	60,257	-	12,182	205,353	-
Proceeds from Sale of Capital Assets	-	1	-	21,030	-
Transfers in	-	-	-	-	-
Transfers out	(211,428)	(516,872)	(259,075)	(89,046)	(185,575)
Total Other Financing Sources (Uses)	1,573,829	(516,871)	(76,893)	2,997,337	(185,575)
<b>NET CHANGE IN FUND BALANCES</b>	831,148	(409,227)	89,779	265,233	(95,710)
Fund Balances (Deficit) - Beginning of Year	(288,859)	(1,080,684)	502,110	1,627,935	463,229
<b>FUND BALANCES (DEFICIT) - END OF YEAR</b>	\$ 542,289	\$ (1,489,911)	\$ 591,889	\$ 1,893,168	\$ 367,519

**CITY OF DE PERE, WISCONSIN**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2022**

	Capital Projects				
	TID No. 14	TID No. 15	TID No. 16	TID No. 17	Totals
<b>REVENUES</b>					
Taxes	\$ 38,281	\$ -	\$ -	\$ -	\$ 3,913,261
Intergovernmental	-	-	-	-	1,846,885
Licenses and Permits	-	-	-	-	75,778
Public Charges for Services	-	-	-	-	9,900
Miscellaneous	-	-	-	-	584,085
Total Revenues	38,281	-	-	-	6,429,909
<b>EXPENDITURES</b>					
Current:					
General Government	-	-	-	-	-
Culture and Recreation	-	-	-	-	133,796
Conservation and Development	13,831	75,127	12,640	20,309	4,840,724
Debt Service:					
Interest and Fiscal Charges	-	2,679	-	22,890	103,611
Capital Outlay	-	-	-	1,556,515	3,891,688
Total Expenditures	13,831	77,806	12,640	1,599,714	8,969,819
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	24,450	(77,806)	(12,640)	(1,599,714)	(2,539,910)
<b>OTHER FINANCING SOURCES (USES)</b>					
Long-Term Debt Issued	-	195,000	-	1,665,000	8,386,430
Premium on Debt Issued	-	13,995	-	119,572	429,632
Proceeds from Sale of Capital Assets	-	-	-	-	21,031
Transfers in	-	-	-	-	922,631
Transfers out	(152,750)	(55,008)	-	-	(3,740,253)
Total Other Financing Sources (Uses)	(152,750)	153,987	-	1,784,572	6,019,471
<b>NET CHANGE IN FUND BALANCES</b>	(128,300)	76,181	(12,640)	184,858	3,479,561
Fund Balances (Deficit) - Beginning of Year	542,490	305,221	(41,022)	(7,991)	5,509,024
<b>FUND BALANCES (DEFICIT) - END OF YEAR</b>	\$ 414,190	\$ 381,402	\$ (53,662)	\$ 176,867	\$ 8,988,585

**CITY OF DE PERE, WISCONSIN  
COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
DECEMBER 31, 2022**

	<u>Health Self Insurance</u>	<u>Dental Self Insurance</u>	<u>Total</u>
<b>ASSETS</b>			
Current Assets:			
Cash and Investments	\$ 2,005,639	\$ 88,633	\$ 2,094,272
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts and Claims Payable	186,095	2,571	188,666
Advance from Other Funds	<u>80,287</u>	<u>10,000</u>	<u>90,287</u>
Total Liabilities	<u>266,382</u>	<u>12,571</u>	<u>278,953</u>
<b>NET POSITION</b>			
Unrestricted	<u><u>\$ 1,739,257</u></u>	<u><u>\$ 76,062</u></u>	<u><u>\$ 1,815,319</u></u>

**CITY OF DE PERE, WISCONSIN**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**YEAR ENDED DECEMBER 31, 2022**

	Health Self Insurance	Dental Self Insurance	Total
<b>OPERATING REVENUES</b>			
Charges for Services	\$ 2,081,152	\$ 134,781	\$ 2,215,933
<b>OPERATING EXPENSES</b>			
Claims and Administrative Fees	<u>2,414,978</u>	<u>141,618</u>	<u>2,556,596</u>
<b>OPERATING INCOME (LOSS)</b>	(333,826)	(6,837)	(340,663)
<b>NONOPERATING REVENUES</b>			
Interest Income	<u>2,259</u>	<u>26,363</u>	<u>28,622</u>
<b>CHANGE IN NET POSITION</b>	(331,567)	19,526	(312,041)
Net Position - Beginning of Year	<u>2,070,824</u>	<u>56,536</u>	<u>2,127,360</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ 1,739,257</u></u>	<u><u>\$ 76,062</u></u>	<u><u>\$ 1,815,319</u></u>

**CITY OF DE PERE, WISCONSIN  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
YEAR ENDED DECEMBER 31, 2022**

	Health Self Insurance	Dental Self Insurance	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash Received from Interfund Services	\$ 2,081,152	\$ 134,781	\$ 2,215,933
Cash Paid to Suppliers	<u>(2,469,375)</u>	<u>(144,990)</u>	<u>(2,614,365)</u>
Net Cash Provided (Used) by Operating Activities	(388,223)	(10,209)	(398,432)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Interfund Advance Received	62,466	-	62,466
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest Received	<u>2,259</u>	<u>26,363</u>	<u>28,622</u>
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	(323,498)	16,154	(307,344)
Cash and Cash Equivalents - Beginning of Year	<u>2,329,137</u>	<u>72,479</u>	<u>2,401,616</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u><u>\$ 2,005,639</u></u>	<u><u>\$ 88,633</u></u>	<u><u>\$ 2,094,272</u></u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating Income (Loss)	\$ (333,826)	\$ (6,837)	\$ (340,663)
Change in Operating Assets and Liabilities			
Accounts and Claims Payable	<u>(54,397)</u>	<u>(3,372)</u>	<u>(57,769)</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ (388,223)</u></u>	<u><u>\$ (10,209)</u></u>	<u><u>\$ (398,432)</u></u>
Noncash Capital and Related Financing Activities			
None			

**CITY OF DE PERE, WISCONSIN  
SCHEDULE OF WATER UTILITY OPERATING REVENUES AND EXPENSES  
YEAR ENDED DECEMBER 31, 2022**

**OPERATING REVENUES**

Charges for Services:

Residential	\$ 3,418,121
Commercial	1,242,815
Industrial	669,670
Public Authority	186,213
Private Fire Protection	131,842
Public Fire Protection	<u>1,299,510</u>
Total Charges for Services	6,948,171

Other Revenues:

Forfeited Discounts	40,675
Other Water Revenues	<u>281,153</u>
Total Other Revenues	<u>321,828</u>

Total Operating Revenues 7,269,999

**OPERATING EXPENSES**

Operation and Maintenance:

Source of Supply	3,688,837
Pumping	122,571
Water Treatment	38,121
Transmission and Distribution	569,183
Customer Accounts	407,276
Administrative and General	<u>374,107</u>
Total Operation and Maintenance	5,200,095

Depreciation 770,604

Taxes 59,380

Total Operating Expenses 6,030,079

Operating Income \$ 1,239,920



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



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

City Council  
City of De Pere, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of De Pere, Wisconsin (the City) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated July 28, 2023.

**Report on Internal Control Over Financial Reporting**

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

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

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. We consider the deficiency described in the accompanying schedule of findings and responses as item 2022-002 to be a material weakness.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2022-001 and 2022-003 to be significant deficiencies.

### **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 De Pere, 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 responses. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **Purpose of this Report**

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



**CliftonLarsonAllen LLP**

Green Bay, Wisconsin  
July 28, 2023

**CITY OF DE PERE, WISCONSIN  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED DECEMBER 31, 2022**

**Section I – Summary of Auditors’ Results**

Type of auditors’ report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	Yes
Significant deficiency(ies) identified?	Yes
Noncompliance material to basic financial statements noted?	No

**Section II – Internal Control Over Financial Reporting**

<b>FINDING NO.</b>	<b>FINANCIAL STATEMENT FINDINGS</b>
2022-001	<b>Preparation of Annual Financial Report</b> Repeat of Finding 2021-001
Type of Finding:	Significant deficiency in internal control over financial reporting.
Condition:	Current City staff maintains accounting records which reflect the City’s financial transactions; however, preparing the City’s annual financial report, including note disclosures, involves the selection and application of specific accounting principles which would require additional experience and knowledge. The City contracts with us and our knowledge of applicable accounting principles, financial statement format, and note disclosures to assist in the preparation of the annual financial report in an efficient manner. Management reviews, approves, and takes responsibility for the fair presentation of the financial statements. However, as independent auditors, CLA cannot be considered part of the City’s internal control system. As part of its internal control over preparation of its financial statements, including disclosures, the City had implemented a comprehensive review procedure to ensure that the financial statements, including note disclosures, are complete and accurate.
Criteria or Specific Requirement:	The preparation and review of the annual financial report by staff with expertise in financial reporting is an internal control intended to prevent, detect, and correct a potential omission or misstatement in the financial statements or notes or other required State Financial reports.
Cause:	City management has determined that the additional costs associated with training staff to become experienced in applicable accounting principles and note disclosures outweigh the derived benefits.
Effect:	Without our involvement, the City may not be able to completely prepare an annual financial report in accordance with accounting principles generally accepted in the United States of America.
Recommendation:	We recommend the City continue reviewing the annual financial report. Such review procedures should be performed by an individual possessing a thorough understanding accounting principles generally accepted in the United States of America and knowledge of the City’s activities and operations. While it may not be cost beneficial to train additional staff to completely prepare the report, a thorough review of this information by appropriate staff of the City is necessary to obtain a complete and adequate understanding of the City’s annual financial report.
View of Responsible Officials:	There is no disagreement with the audit finding.

**CITY OF DE PERE, WISCONSIN  
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)  
YEAR ENDED DECEMBER 31, 2022**

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**Section II – Internal Control Over Financial Reporting (Continued)**

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<b>FINDING NO.</b>	<b>FINANCIAL STATEMENT FINDINGS</b>
2022-002	<b>Adjustments to the City's Financial Records</b>
	Repeat of Finding 2021-002
Type of Finding:	Material weakness in internal control over financial reporting.
Condition:	As part of our audit, we proposed adjusting journal entries that were material to the City's financial statements.
Criteria or Specific Requirement:	Material adjusting journal entries proposed by the auditors are considered to be an internal control deficiency.
Cause:	While City staff maintains financial records which accurately report revenues and expenditures throughout the year, preparing year-end adjusting and closing entries requires additional expertise that would entail additional training and staff time to develop.
Effect:	Year-end financial records prepared by the City may contain material misstatements.
Recommendation:	We recommend the City designate an individual to obtain additional training in order to prepare the adjusting and closing entries. We are available to assist the individual in obtaining the understanding to prepare these entries.
View of Responsible officials:	There is no disagreement with the audit finding.

<b>FINDING NO.</b>	<b>FINANCIAL STATEMENT FINDINGS</b>
2022-003	<b>Journal Entry Documentation</b>
Type of Finding:	Significant Deficiency in internal control over financial reporting.
Condition:	The City was unable to provide supporting documentation to support certain transactions recorded in the general ledger.
Criteria or Specific Requirement:	Maintaining adequate supporting documentation is an important process to document the purpose of a transaction but also to justify why the transaction was necessary and to document how the transaction was calculated.
Cause:	The City Finance Director retired and the information could not be found after departure.
Effect:	The City is unable to provide support to demonstrate how certain transactions were calculated or why they were recorded.
Recommendation:	We recommend the City review its policies regarding record retention and journal entry procedures.
View of Responsible officials:	

