

CITY OF MAUSTON



Audit Presentation
to the
City Council

For the Year Ended
December 31, 2022

September 12, 2023

*Prepared by:
Johnson Block & Company, Inc.
Certified Public Accountants*

AUDIT OVERVIEW

- We have completed our audit of the City of Mauston for the year ended December 31, 2022, and have issued an unmodified opinion on the financial statements of the City. Our report and the audited financial statements are presented in a separate bound document.
- The scope of our audit included all funds and activities of the City.
- We have compiled and filed the regulatory reports for 2022 with the Wisconsin Public Service Commission and the MFR Form C that was filed with the Wisconsin Department of Revenue.
- A separate audit communications document designed for the City Council was also submitted and should be read in conjunction with the audited financial statements.
- We have commented on the following matters:
 - GASB No. 96 – Subscription-Based Information Technology Arrangements
 - Segregation of Duties – Material Weakness
 - Material Adjustments – Material Weakness
 - Federal Procedures Manual – Material Weakness

CITY OF MAUSTON

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS

	Major Funds				Nonmajor Governmental Funds	2022 Total Governmental Funds	2021 Totals (Memorandum Only)
	General Fund	TIF Districts	Capital Projects Fund	Equipment Replacement Fund			
REVENUES							
Property Taxes	\$ 1,776,818	\$ 1,507,832	\$ -	\$ -	\$ -	\$ 3,284,650	\$ 3,187,175
Other Taxes	439,561	7,755	-	-	-	447,316	521,576
Intergovernmental	1,977,656	24,593	1,103,526	257,887	289,161	3,652,823	2,465,812
License and Permits	88,517	-	-	-	-	88,517	134,424
Fines, Forfeits and Penalties	131,604	-	-	-	-	131,604	133,142
Public Charges for Services	665,891	-	-	-	116,687	782,578	742,794
Interest Income	18,383	589	4,098	5,072	14,488	42,630	49,309
Donations	48,346	-	-	-	3,383	51,729	26,971
Miscellaneous Income	178,559	-	8,429	212,037	11,770	410,795	396,304
Total Revenues	<u>5,325,335</u>	<u>1,540,769</u>	<u>1,116,053</u>	<u>474,996</u>	<u>435,489</u>	<u>8,892,642</u>	<u>7,657,507</u>
EXPENDITURES							
Current:							
General Government	495,663	-	-	-	-	495,663	485,141
Public Safety	1,743,230	-	-	-	-	1,743,230	1,604,937
Public Works	1,200,535	-	-	-	-	1,200,535	1,186,909
Health, Welfare and Sanitation	-	-	-	-	64,713	64,713	140,530
Culture, Recreation and Education	283,413	-	-	-	500,997	784,410	710,803
Conservation and Development	216,212	188,174	-	-	261,107	665,493	886,293
Capital Outlay	13,421	-	1,826,742	665,120	-	2,505,283	2,170,256
Debt Service:							
Principal Repayment	189,748	625,000	-	-	-	814,748	1,469,867
Interest and Fiscal Charges	201,584	14,410	-	-	-	215,994	244,950
Total Expenditures	<u>4,343,806</u>	<u>827,584</u>	<u>1,826,742</u>	<u>665,120</u>	<u>826,817</u>	<u>8,490,069</u>	<u>8,899,686</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>981,529</u>	<u>713,185</u>	<u>(710,689)</u>	<u>(190,124)</u>	<u>(391,328)</u>	<u>402,573</u>	<u>(1,242,179)</u>
OTHER FINANCING SOURCES (USES)							
Proceeds from Long-Term Debt	-	-	-	-	-	-	3,100,000
Proceeds of Refunding Bonds	-	-	-	-	-	-	235,000
Proceeds from Debt Premium	-	-	-	-	-	-	111,042
Payment of Refunded Debt	-	-	-	-	-	-	(235,000)
Transfers In	77,840	43,815	60,000	572,448	1,787,064	2,541,167	1,043,909
Transfers Out	(1,059,369)	(1,481,798)	-	-	-	(2,541,167)	(1,043,909)
Total Other Financing Sources (Uses)	<u>(981,529)</u>	<u>(1,437,983)</u>	<u>60,000</u>	<u>572,448</u>	<u>1,787,064</u>	<u>-</u>	<u>3,211,042</u>
Net Change in Fund Balances	-	(724,798)	(650,689)	382,324	1,395,736	402,573	1,968,863
Fund Balances (Deficit), Beginning	1,980,076	690,811	1,670,786	1,061,723	1,570,155	6,973,551	5,004,688
Fund Balances (Deficit), Ending	<u>\$ 1,980,076</u>	<u>\$ (33,987)</u>	<u>\$ 1,020,097</u>	<u>\$ 1,444,047</u>	<u>\$ 2,965,891</u>	<u>\$ 7,376,124</u>	<u>\$ 6,973,551</u>

CITY OF MAUSTON

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – 2022 BUDGET AND ACTUAL – GENERAL FUND

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 1,776,818	\$ 1,776,818	\$ 1,776,818	\$ -
Other Taxes	373,638	373,638	439,561	65,923
Intergovernmental	1,777,103	1,812,103	1,977,656	165,553
License and Permits	61,859	81,859	88,517	6,658
Fines, Forfeits and Penalties	125,981	125,981	131,604	5,623
Public Charges for Services	664,692	664,692	665,891	1,199
Interest Income	16,252	16,252	18,383	2,131
Donations	7,669	15,669	48,346	32,677
Miscellaneous Income	45,087	177,087	178,559	1,472
Total Revenues	<u>4,849,099</u>	<u>5,044,099</u>	<u>5,325,335</u>	<u>281,236</u>
EXPENDITURES				
Current:				
General Government	545,906	545,906	495,663	50,243
Public Safety	1,686,048	1,718,048	1,743,230	(25,182)
Public Works	1,004,100	1,178,100	1,200,535	(22,435)
Culture, Recreation and Education	206,845	210,345	283,413	(73,068)
Conservation and Development	229,473	229,473	216,212	13,261
Capital Outlay	39,275	39,275	13,421	25,854
Debt Service:				
Principal Repayment	197,964	197,964	189,748	8,216
Interest Expense	193,368	193,368	201,584	(8,216)
Total Expenditures	<u>4,102,979</u>	<u>4,312,479</u>	<u>4,343,806</u>	<u>(31,327)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>746,120</u>	<u>731,620</u>	<u>981,529</u>	<u>249,909</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	77,840	77,840
Transfers Out	(1,105,554)	(1,015,554)	(1,059,369)	(43,815)
Total Other Financing Sources (Uses)	<u>(1,105,554)</u>	<u>(1,015,554)</u>	<u>(981,529)</u>	<u>34,025</u>
Net Change in Fund Balance	(359,434)	(283,934)	-	283,934
Fund Balance - Beginning	1,980,076	1,980,076	1,980,076	-
Fund Balance - Ending	<u>\$ 1,620,642</u>	<u>\$ 1,696,142</u>	<u>\$ 1,980,076</u>	<u>\$ 283,934</u>

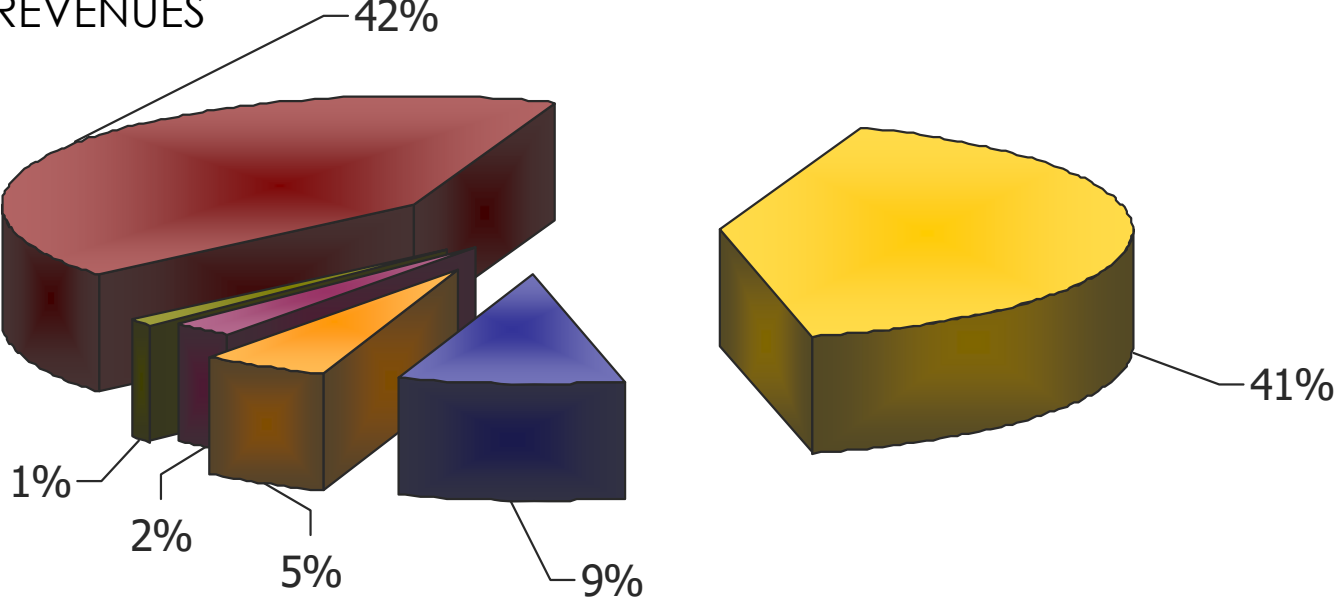
CITY OF MAUSTON

GOVERNMENTAL FUND BALANCES

	<u>2022</u>	<u>2021</u>
Nonspendable		
General Fund:		
Delinquent Personal Property Taxes	\$ 942	\$ 28
Capital Projects Fund - Property Held for Sale	145,682	-
Equipment Replacement Fund:		
Prepaid Expenses	705,300	-
Total nonspendable	<u>851,924</u>	<u>28</u>
Restricted		
General Fund:		
Parkland Dedication and Park	40,236	40,155
Boat Launch	4,123	2,268
Jaws of Life	13,986	13,986
Undercover Fund and Fed Equity Police	18,778	11,105
County and Local Streets	14,000	12,000
Tourism	160,556	107,745
Fire Department Fundraising	60,197	63,442
Capital Projects Fund	858,606	1,640,221
TIF District No. 3	-	705,142
Nonmajor Funds:		
Community Development Block Grant	457,810	458,711
Library Fund	958,212	922,884
Shared Ride Taxi Fund	19,296	44,257
Affordable Housing Fund	1,394,518	-
Total restricted	<u>4,000,318</u>	<u>4,021,916</u>
Assigned		
General Fund:		
K-9	37,234	3,690
Tourism	624,644	554,135
Property Maintenance	24,520	30,179
Capital Projects Fund	15,809	30,565
Equipment Replacement Fund	738,747	1,061,723
Nonmajor Fund - Cemetery Fund	136,055	144,303
Total assigned	<u>1,577,009</u>	<u>1,824,595</u>
Unassigned (deficit)		
General Fund	980,860	1,141,343
TIF District No. 2 (deficit)	-	(14,331)
TIF District No. 4 (deficit)	(18,494)	-
TIF District No. 5 (deficit)	(15,493)	-
Total unassigned (deficit)	<u>946,873</u>	<u>1,127,012</u>
Total governmental fund balances	<u>\$ 7,376,124</u>	<u>\$ 6,973,551</u>

CITY OF MAUSTON

GOVERNMENTAL FUNDS 2022 REVENUES



■	Property Taxes and Other Local Sources (\$3,731,966)
■	Intergovernmental (\$3,652,823)
■	Public Charges for Services (\$782,578)
■	Miscellaneous Revenue, Donations (\$462,524)
■	Licenses & Permits, Fines, Forfeitures & Penalties (\$220,121)
■	Interest Income (\$42,630)

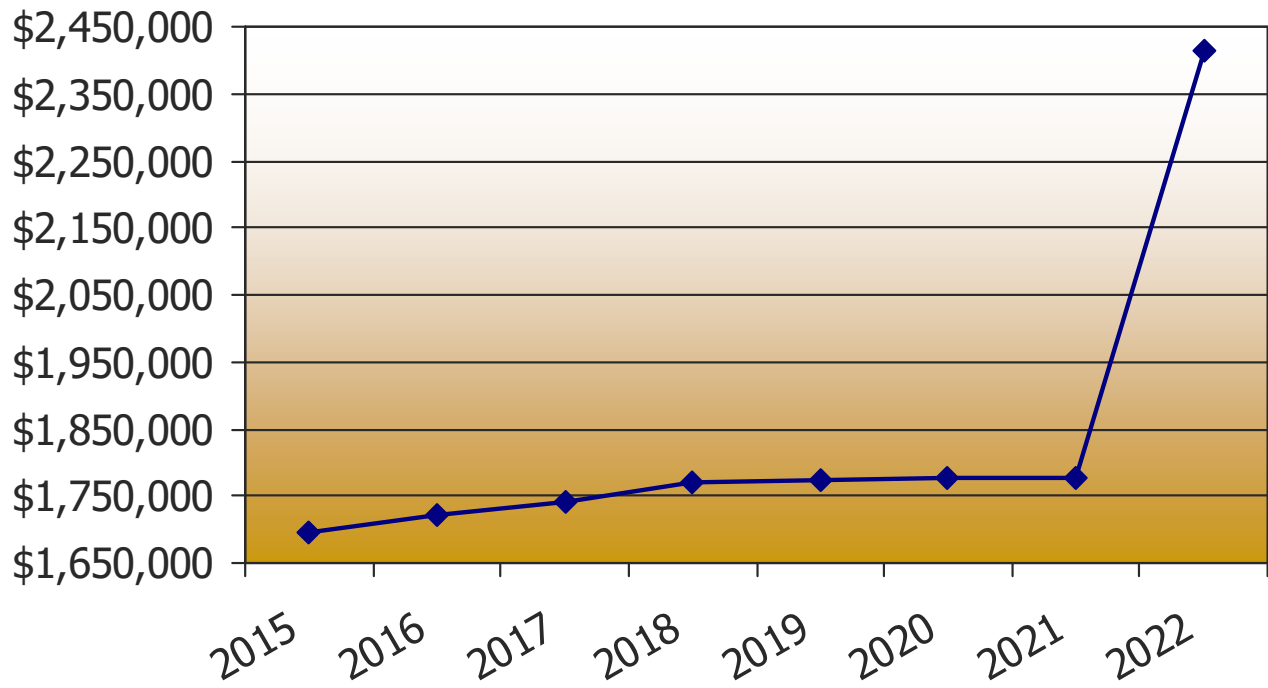
OBSERVATIONS AND COMMENTS:

- Property taxes are collected in January and August.
- The most significant recurring intergovernmental revenues are:

General transportation aids	\$ 394,567
Shared taxes	\$ 1,158,031

CITY OF MAUSTON

TREND IN PROPERTY TAX LEVY (EXCLUDING TIF)



Property Tax Levy (Excludes TIF Increment)

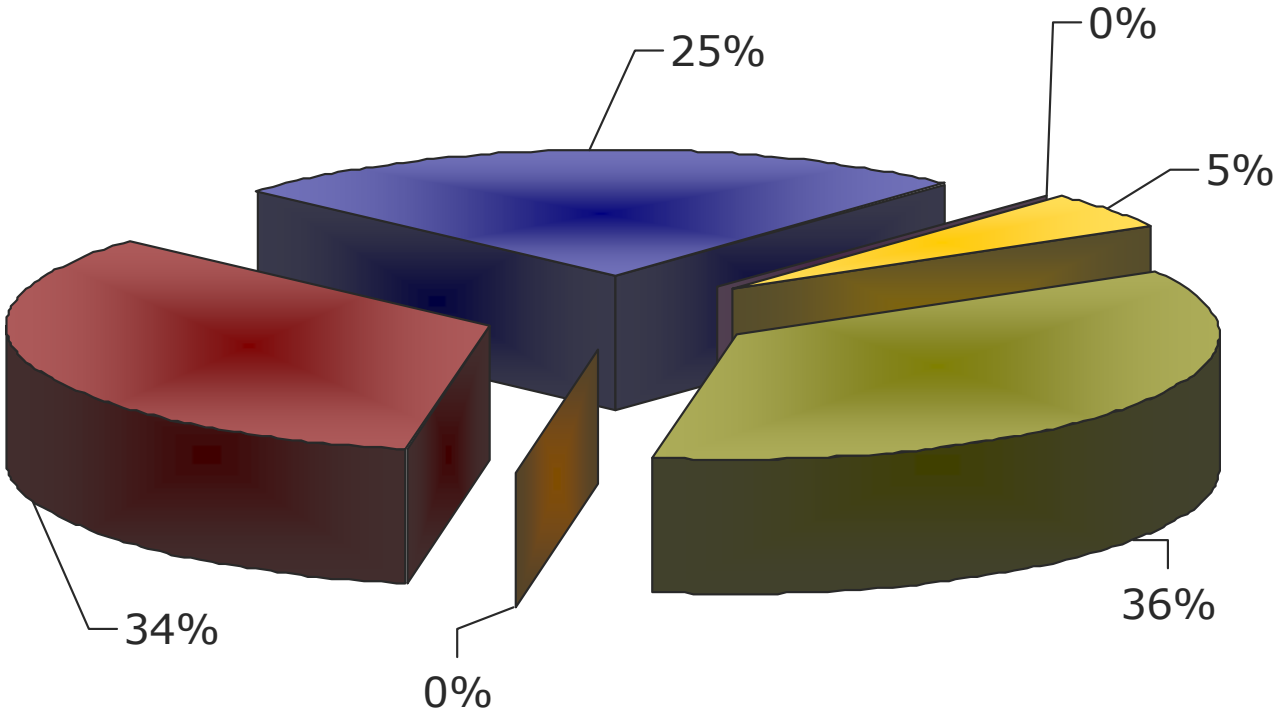
2015	\$ 1,696,678	2019	\$ 1,772,900
2016	\$ 1,720,771	2020	\$ 1,776,818
2017	\$ 1,741,987	2021	\$ 1,776,818
2018	\$ 1,770,846	2022	\$ 2,415,747

OBSERVATIONS AND COMMENTS:

- In the eight years presented, the non-TIF tax levy has increased approximately 42% overall.

CITY OF MAUSTON

PROPERTY TAX ROLL 2022 TAX LEVY COLLECTED IN 2023

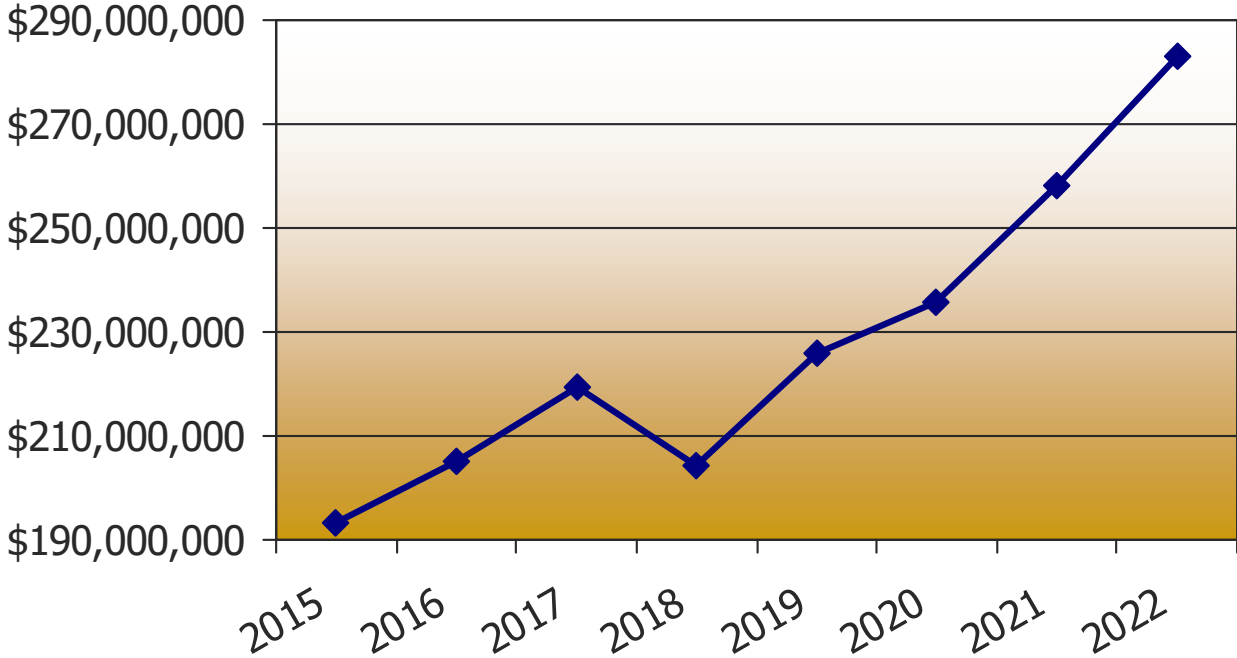


Local School	(\$2,264,541)
County	(\$1,687,562)
State	(\$0)
VTAE	(\$316,907)
City	(\$2,415,747)
TIF	(\$0)

SOURCE: 2022 STATEMENT OF TAXES – JUNEAU COUNTY
FILED WITH WISCONSIN DEPARTMENT OF REVENUE

CITY OF MAUSTON

TREND IN EQUALIZED VALUE OF PROPERTY



Total Equalized Value (Includes TIF Increment)

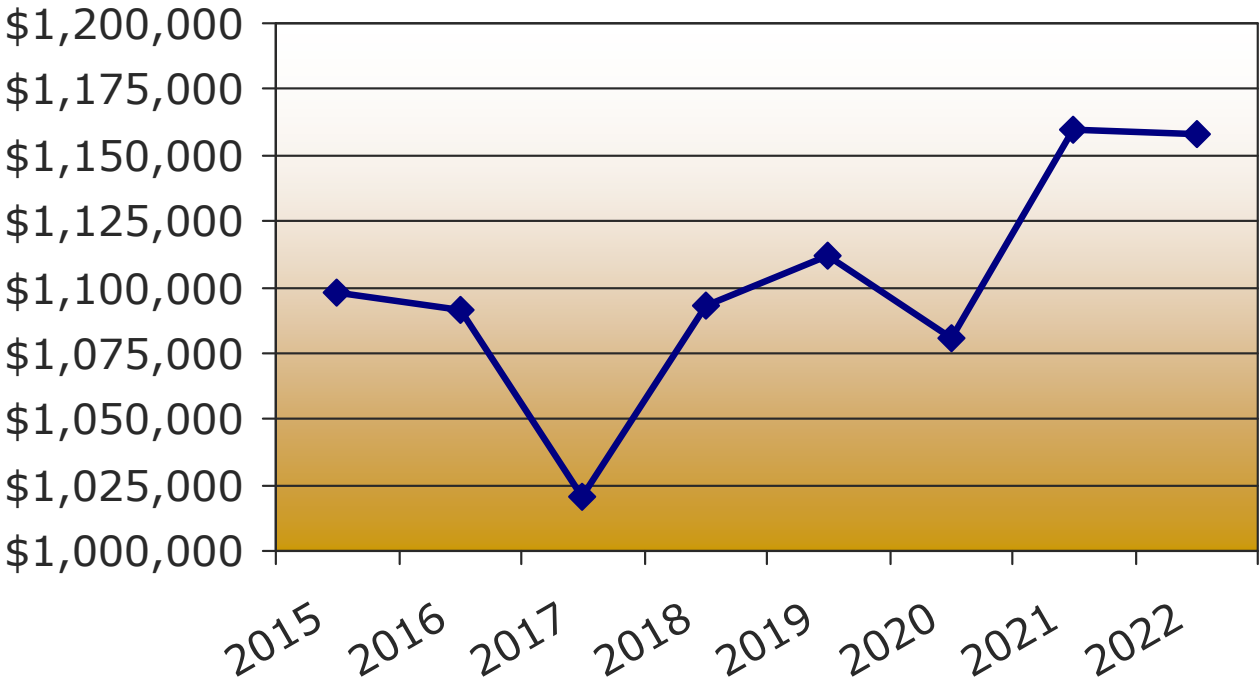
2015	\$ 193,109,900	2019	\$ 226,013,600
2016	\$ 205,067,900	2020	\$ 235,803,700
2017	\$ 219,247,600	2021	\$ 258,297,300
2018	\$ 204,482,000	2022	\$ 283,140,300

OBSERVATIONS AND COMMENTS:

- The equalized property values have increased by approximately 10% from 2021 to 2022.

CITY OF MAUSTON

TREND IN SHARED REVENUES

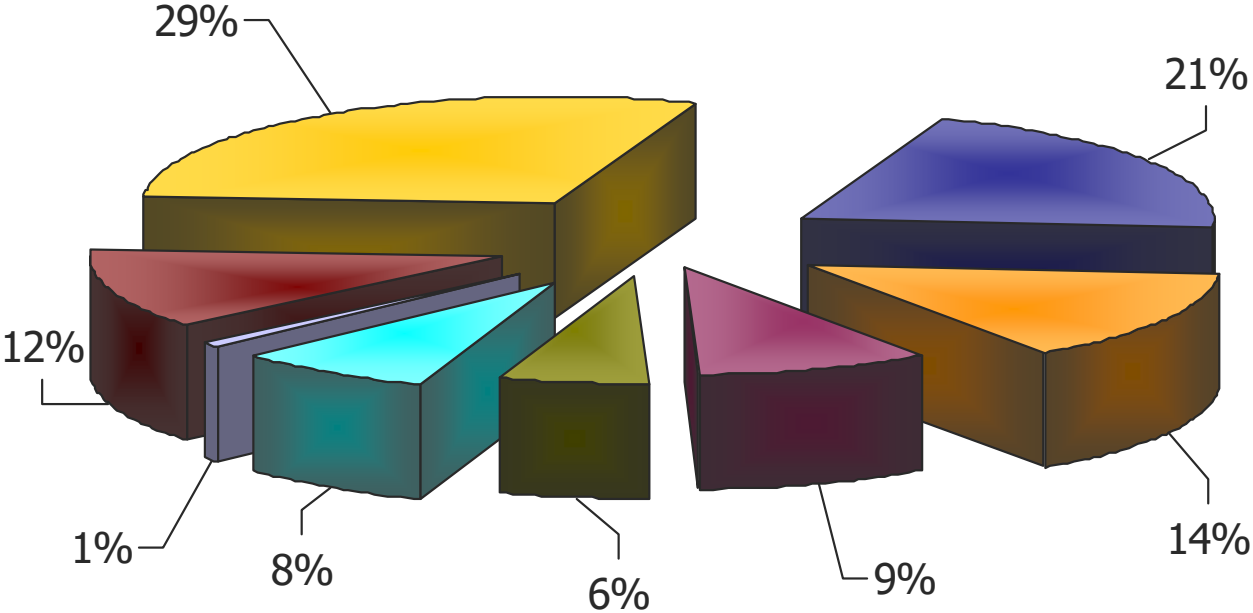


Shared Revenues

2015	\$ 1,097,698	2019	\$ 1,112,294
2016	\$ 1,091,226	2020	\$ 1,080,580
2017	\$ 1,020,745	2021	\$ 1,159,969
2018	\$ 1,092,899	2022	\$ 1,158,031

CITY OF MAUSTON

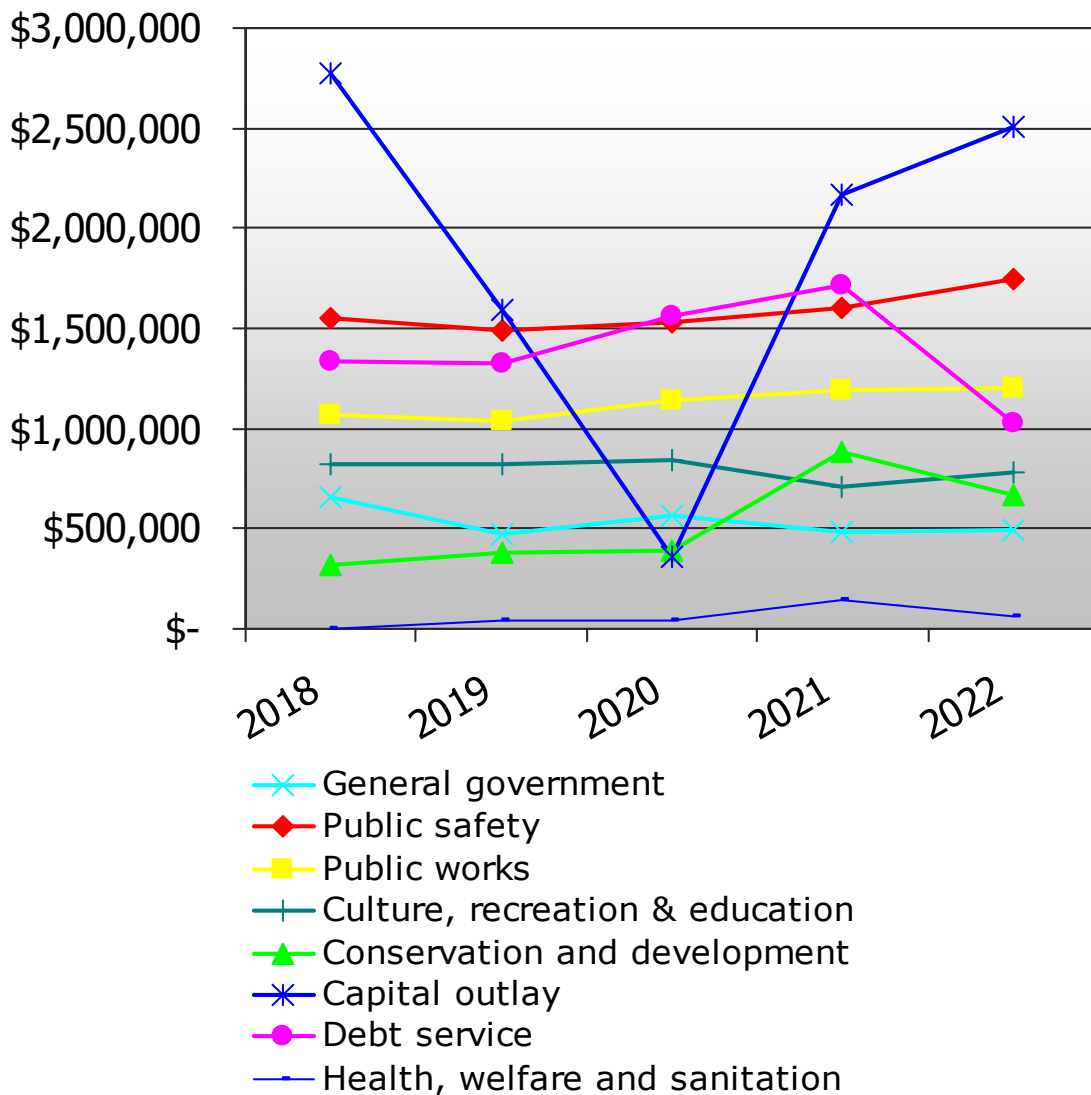
GOVERNMENTAL FUNDS 2022 EXPENDITURES



■ Debt Service (\$1,030,742)
■ Capital Outlay (\$2,505,283)
■ Public Safety (\$1,743,230)
■ Public Works (\$1,200,535)
■ Culture, Recreation & Education (\$784,410)
■ General Government (\$495,663)
■ Conservation & Development (\$665,493)
■ Health, Welfare & Sanitation (\$64,713)

CITY OF MAUSTON

FIVE-YEAR COMPARISON OF GOVERNMENTAL EXPENDITURES



Expenditures:	2018		2019		2020		2021		2022	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total
General government	\$ 656,679	8%	\$ 468,326	7%	\$ 568,065	9%	\$ 485,141	5%	\$ 495,663	6%
Public safety	1,555,845	18%	1,487,259	21%	1,533,216	23%	1,604,937	18%	1,743,230	21%
Public works	1,063,853	12%	1,041,743	15%	1,145,530	18%	1,186,909	13%	1,200,535	14%
Health, welfare and sanitation	-	0%	39,776	1%	43,716	1%	140,530	2%	64,713	1%
Culture, recreation and education	818,977	10%	823,272	12%	839,181	13%	710,803	8%	784,410	9%
Conservation and development	314,624	4%	379,467	5%	395,243	6%	886,293	10%	665,493	8%
Capital outlay	2,770,373	32%	1,588,417	21%	357,102	6%	2,170,256	25%	2,505,283	29%
Debt service	1,336,942	16%	1,321,050	18%	1,563,588	24%	1,714,817	19%	1,030,742	12%
	\$ 8,517,293	100%	\$ 7,149,310	100%	\$ 6,445,641	100%	\$ 8,899,686	100%	\$ 8,490,069	100%

CITY OF MAUSTON

COMBINING BALANCE SHEET – TIF DISTRICTS

	TIF District No. 4	TIF District No. 5	2022 Totals	2021 Totals (Memorandum Only)
ASSETS				
Cash and Cash Equivalents	\$ 81,506	\$ 84,507	\$ 166,013	\$ 1,209,110
Receivables:				
Taxes	-	-	-	1,168,220
Special Assessments	-	-	-	51,570
Total Assets	<u>\$ 81,506</u>	<u>\$ 84,507</u>	<u>\$ 166,013</u>	<u>\$ 2,428,900</u>
LIABILITIES				
Advances Due to Other Funds	\$ 100,000	\$ 100,000	\$ 200,000	\$ 178,687
Total Liabilities	<u>100,000</u>	<u>100,000</u>	<u>200,000</u>	<u>178,687</u>
DEFERRED INFLOWS OF RESOURCES				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,559,402</u>
FUND BALANCES				
Restricted	-	-	-	705,142
Unassigned (Deficit)	<u>(18,494)</u>	<u>(15,493)</u>	<u>(33,987)</u>	<u>(14,331)</u>
Total Fund Balances (Deficit)	<u>(18,494)</u>	<u>(15,493)</u>	<u>(33,987)</u>	<u>690,811</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 81,506</u>	<u>\$ 84,507</u>	<u>\$ 166,013</u>	<u>\$ 2,428,900</u>

CITY OF MAUSTON

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – TIF DISTRICTS

	TIF District No. 2	TIF District No. 3	TIF District No. 4	TIF District No. 5	2022 Totals	2021 Totals (Memorandum Only)
REVENUES						
Property Taxes	\$ 531,661	\$ 976,171	\$ -	\$ -	\$ 1,507,832	\$ 1,410,357
Other Taxes	-	7,755	-	-	7,755	112,324
Intergovernmental	835	23,758	-	-	24,593	37,931
Interest Income	218	371	-	-	589	2,695
Total Revenues	<u>532,714</u>	<u>1,008,055</u>	<u>-</u>	<u>-</u>	<u>1,540,769</u>	<u>1,563,307</u>
EXPENDITURES						
Current:						
Conservation and Development	7,600	146,587	18,494	15,493	188,174	6,931
Debt Service:						
Principal Repayment	70,000	555,000	-	-	625,000	795,000
Interest Expense	8,860	5,550	-	-	14,410	40,274
Total Expenditures	<u>86,460</u>	<u>707,137</u>	<u>18,494</u>	<u>15,493</u>	<u>827,584</u>	<u>842,205</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>446,254</u>	<u>300,918</u>	<u>(18,494)</u>	<u>(15,493)</u>	<u>713,185</u>	<u>721,102</u>
OTHER FINANCING SOURCES (USES)						
Transfers In	-	43,815	-	-	43,815	-
Transfers Out	<u>(431,923)</u>	<u>(1,049,875)</u>	<u>-</u>	<u>-</u>	<u>(1,481,798)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(431,923)</u>	<u>(1,006,060)</u>	<u>-</u>	<u>-</u>	<u>(1,437,983)</u>	<u>-</u>
Net Change in Fund Balances	14,331	(705,142)	(18,494)	(15,493)	(724,798)	721,102
Fund Balance (Deficit), Beginning	(14,331)	705,142	-	-	690,811	(30,291)
Fund Balance (Deficit), Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (18,494)</u>	<u>\$ (15,493)</u>	<u>\$ (33,987)</u>	<u>\$ 690,811</u>

CITY OF MAUSTON

SUMMARY OF TAX INCREMENTAL FINANCING DISTRICTS

➤ Current equalized property valuations associated with the TIF Districts as of December 31, 2022, are as follows:

	<u>TID No. 4</u>	<u>TID No. 5</u>
Valuations:		
Current value	\$ -	\$ -
Base	21,105,000	16,827,200
Increment	<u>\$ (21,105,000)</u>	<u>\$ (16,827,200)</u>

➤ An advance of \$200,000 has been recorded in the Sewer Utility to reflect costs advanced for \$100,000 on behalf of TID No. 4 and \$100,000 on behalf of TID No. 5.

➤ The intent of the City is to recover these amounts from future TID surplus funds, if any, prior to termination of the districts.

CITY OF MAUSTON

FINANCIAL HIGHLIGHTS PROPRIETARY FUNDS

	Major Funds		2022 Totals	2021 Totals (Memorandum Only)
	Water Utility	Sewer Utility		
OPERATING REVENUES				
Charges for Services	\$ 1,099,326	\$ 1,052,287	\$ 2,151,613	\$ 2,194,298
Other Operating Revenues	24,514	50,325	74,839	87,947
Total Operating Revenues	<u>1,123,840</u>	<u>1,102,612</u>	<u>2,226,452</u>	<u>2,282,245</u>
OPERATING EXPENSES				
Operation and Maintenance	544,649	587,499	1,132,148	1,098,687
Depreciation	277,319	391,106	668,425	799,818
Taxes	11,500	18,963	30,463	28,628
Total Operating Expenses	<u>833,468</u>	<u>997,568</u>	<u>1,831,036</u>	<u>1,927,133</u>
Operating Income (Loss)	<u>290,372</u>	<u>105,044</u>	<u>395,416</u>	<u>355,112</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest and Investment Revenue	18,339	23,547	41,886	36,023
Interest Expense	(101,592)	(122,383)	(223,975)	(241,877)
Amortization of Lease Receivable	13,921	-	13,921	-
Miscellaneous Non-Operating Revenue	25,313	3,200	28,513	15,296
Total Non-Operating Revenues (Expenses)	<u>(44,019)</u>	<u>(95,636)</u>	<u>(139,655)</u>	<u>(190,558)</u>
Income (Loss) Before Transfers and Capital Contributions	246,353	9,408	255,761	164,554
Capital Contributions	21,850	-	21,850	283,330
Transfers Out - Tax Equivalent	(105,715)	-	(105,715)	(105,715)
Change in Net Position	162,488	9,408	171,896	342,169
Total Net Position - Beginning	<u>8,928,982</u>	<u>10,388,380</u>	<u>19,317,362</u>	<u>18,975,193</u>
Total Net Position - Ending	<u><u>\$ 9,091,470</u></u>	<u><u>\$ 10,397,788</u></u>	<u><u>\$ 19,489,258</u></u>	<u><u>\$ 19,317,362</u></u>

CITY OF MAUSTON

CHANGES IN LONG-TERM OBLIGATIONS

➤ The following is a summary of long-term obligations:

	Balance 1/1/2022	Increases	Decreases	Balance 12/31/2022	Amounts Due Within One Year
Governmental Activities					
Bonds and notes payable:					
Notes and bonds from direct borrowings and direct placements	\$ 569,748	\$ -	\$ 569,748	\$ -	\$ -
General obligation bonds	6,590,000	-	175,000	6,415,000	310,000
Mauston RDA bonds	70,000	-	70,000	-	-
Add/subtract amounts for:					
Premiums/ discount on debt	201,646	-	10,415	191,231	-
Total bonds and notes payable	<u>7,431,394</u>	<u>-</u>	<u>825,163</u>	<u>6,606,231</u>	<u>310,000</u>
Other liabilities:					
Vested employee benefits	161,834	30,488	-	192,322	63,636
Total other liabilities	<u>161,834</u>	<u>30,488</u>	<u>-</u>	<u>192,322</u>	<u>63,636</u>
Total governmental activities - long-term liabilities	<u>\$ 7,593,228</u>	<u>\$ 30,488</u>	<u>\$ 825,163</u>	<u>\$ 6,798,553</u>	<u>\$ 373,636</u>
Business-Type Activities					
Bonds and notes payable:					
Notes and bonds from direct borrowings and direct placements	\$ 8,537,189	\$ -	\$ 704,279	\$ 7,832,910	\$ 479,650
General obligation debt	200,000	-	40,000	160,000	50,000
Total bonds and notes payable	<u>8,737,189</u>	<u>-</u>	<u>744,279</u>	<u>7,992,910</u>	<u>529,650</u>
Other liabilities:					
Vested employee benefits	40,956	-	5,025	35,931	15,814
Total other liabilities	<u>40,956</u>	<u>-</u>	<u>5,025</u>	<u>35,931</u>	<u>15,814</u>
Total business-type activities - long-term liabilities	<u>\$ 8,778,145</u>	<u>\$ -</u>	<u>\$ 749,304</u>	<u>\$ 8,028,841</u>	<u>\$ 545,464</u>

OBSERVATIONS AND COMMENTS:

➤ General obligation debt limitation totals \$14,157,015; debt subject to limitation totals \$6,575,000. The City has approximately 54% of its debt capacity remaining.