

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



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## INDEPENDENT AUDITORS' REPORT

City Council  
City of Durand  
Durand, 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 Durand, Wisconsin (City) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 – Change in Accounting Principle***

As discussed in Note 1.D.15 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 lease 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 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 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 budgetary comparison, pension and other postemployment benefit information as referenced in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

***Supplementary Information***

Our audit for the year ended December 31, 2022 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules 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 for the year ended December 31, 2022 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 combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended December 31, 2022 .

We also previously audited, in accordance with GAAS, the basic financial statements of the City for the year ended December 31, 2021 (not presented herein), and have issued our report thereon dated May 18, 2023, which contained unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information. The individual fund statements and schedules for the year ended December 31, 2021 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 related directly to the underlying accounting and other records used to prepare the 2021 financial statements. The individual fund statements and schedules have been subjected to the audit procedures applied in the audit of the 2021 basic financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the individual fund statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended December 31, 2021.



**CliftonLarsonAllen LLP**

Eau Claire, Wisconsin  
March 12, 2024



**CITY OF DURAND, WISCONSIN  
STATEMENT OF NET POSITION  
DECEMBER 31, 2022**

	Governmental Activities	Business-Type Activities	Totals
<b>ASSETS</b>			
Cash and Investments	\$ 2,870,230	\$ 592,805	\$ 3,463,035
Taxes Receivable	707,142	47,671	754,813
Accounts Receivable, Net	104,143	238,383	342,526
Lease Receivable	-	136,790	136,790
Prepayments	18,329	1,025	19,354
Inventories	-	16,498	16,498
Long-Term Receivables	847,271	-	847,271
Internal Balances	41,485	(41,485)	-
Restricted Assets:			
Cash and Investments	-	54,719	54,719
Wisconsin Retirement System Net Pension Asset	226,492	186,247	412,739
Capital Assets:			
Capital Assets Not Being Depreciated/Amortized	280,104	55,586	335,690
Capital Assets Being Depreciated/Amortized	13,121,831	14,223,497	27,345,328
Accumulated Depreciation/Amortization	(7,284,656)	(7,141,836)	(14,426,492)
Total Assets	<u>10,932,371</u>	<u>8,369,900</u>	<u>19,302,271</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
State Life Insurance Other Postemployment Benefits Related	41,890	34,396	76,286
Wisconsin Retirement System Pension Related Items	443,238	364,488	807,726
Total Deferred Outflows of Resources	<u>485,128</u>	<u>398,884</u>	<u>884,012</u>
<b>LIABILITIES</b>			
Vouchers and Accounts Payable	50,804	6,194	56,998
Accrued Interest Payable	13,887	19,913	33,800
Payroll Taxes and Withholdings	9,176	-	9,176
Unearned Revenue	-	31,440	31,440
Noncurrent Liabilities:			
Amounts Due Within One Year	281,110	219,889	500,999
Amounts Due in More than One Year	1,719,040	2,622,604	4,341,644
State Life Insurance Net Other Postemployment Benefits Liability	94,398	77,582	171,980
Total Liabilities	<u>2,168,415</u>	<u>2,977,622</u>	<u>5,146,037</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Succeeding Year's Property Taxes	858,794	-	858,794
Leases	-	133,109	133,109
State Life Insurance Other Postemployment Benefits Related	11,469	9,426	20,895
Wisconsin Retirement System Pension Related Items	534,298	439,357	973,655
Total Deferred Inflows of Resources	<u>1,404,561</u>	<u>581,892</u>	<u>1,986,453</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	4,214,352	4,327,410	8,541,762
Restricted for:			
Debt Service	-	43,404	43,404
Capital Projects and Plant Replacement	97,855	1,037	98,892
Wisconsin Retirement System Net Pension Asset	226,492	186,247	412,739
Housing/Business Loan Programs	821,386	-	821,386
Library	149,156	-	149,156
Unrestricted	<u>2,335,282</u>	<u>651,172</u>	<u>2,986,454</u>
Total Net Position	<u>\$ 7,844,523</u>	<u>\$ 5,209,270</u>	<u>\$ 13,053,793</u>

See accompanying Notes to Basic Financial Statements.

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

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Government Activities:							
General Government	\$ 182,651	\$ 13,520	\$ 94,202	\$ -	\$ (74,929)	\$ -	\$ (74,929)
Public Safety	711,685	70,829	5,677	-	(635,179)	-	(635,179)
Public Works	708,967	10,739	164,697	-	(533,531)	-	(533,531)
Health and Human Services	12,299	2,891	-	-	(9,408)	-	(9,408)
Culture, Recreation, and Education	143,635	35,464	157,486	-	49,315	-	49,315
Conservation and Development	51,271	-	-	-	(51,271)	-	(51,271)
Interest and Fiscal Charges	29,790	-	-	-	(29,790)	-	(29,790)
Total Governmental Activities	<u>1,840,298</u>	<u>133,443</u>	<u>422,062</u>	<u>-</u>	<u>(1,284,793)</u>	<u>-</u>	<u>(1,284,793)</u>
Business-Type Activities							
Water	410,344	474,766	-	-	-	64,422	64,422
Sewer	557,527	600,491	-	-	-	42,964	42,964
Storm Water	147,261	182,706	-	-	-	35,445	35,445
Ambulance	312,972	261,833	10,193	-	-	(40,946)	(40,946)
Total Business-Type Activities	<u>1,428,104</u>	<u>1,519,796</u>	<u>10,193</u>	<u>-</u>	<u>-</u>	<u>101,885</u>	<u>101,885</u>
Total Primary Government	<u>\$ 3,268,402</u>	<u>\$ 1,653,239</u>	<u>\$ 432,255</u>	<u>\$ -</u>	<u>(1,284,793)</u>	<u>101,885</u>	<u>(1,182,908)</u>
<b>GENERAL REVENUES</b>							
Taxes:							
Property Taxes, Levied for General Purposes					728,729	-	728,729
Property Taxes, Levied for TIF Districts					83,115	-	83,115
Other Taxes					19,700	-	19,700
Grants and Contributions not Restricted for a Particular Purpose					482,841	-	482,841
Interest and Investment Earnings					4,694	10,306	15,000
Miscellaneous					158,078	-	158,078
<b>TRANSFERS</b>					<u>58,844</u>	<u>(58,844)</u>	<u>-</u>
Total General Revenues and Transfers					<u>1,536,001</u>	<u>(48,538)</u>	<u>1,487,463</u>
<b>CHANGE IN NET POSITION</b>					251,208	53,347	304,555
Net Position - Beginning of Year					<u>7,593,315</u>	<u>5,155,923</u>	<u>12,749,238</u>
<b>NET POSITION - END OF YEAR</b>					<u>\$ 7,844,523</u>	<u>\$ 5,209,270</u>	<u>\$ 13,053,793</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF DURAND, WISCONSIN  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2022**

	Major Funds						Total Governmental Funds
	General Fund	CDBG Loan Fund	Debt Service Fund	Tax Incremental District #3 Fund	Library Fund	Capital Projects Funds	
<b>ASSETS</b>							
Treasurer's Cash and Investments	\$ 2,526,014	\$ 128,478	\$ -	\$ 45,974	\$ 169,764	\$ -	\$ 2,870,230
Taxes Receivable	308,308	-	205,325	116,205	77,304	-	707,142
Accounts Receivable	35,562	-	-	51,881	-	16,700	104,143
Due from Other Funds	220,891	-	-	-	-	-	220,891
Prepayments	18,329	-	-	-	-	-	18,329
Long-Term Receivables	154,363	692,908	-	-	-	-	847,271
<b>Total Assets</b>	<b>\$ 3,263,467</b>	<b>\$ 821,386</b>	<b>\$ 205,325</b>	<b>\$ 214,060</b>	<b>\$ 247,068</b>	<b>\$ 16,700</b>	<b>\$ 4,768,006</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>							
<b>LIABILITIES</b>							
Vouchers and Accounts Payable	\$ 30,196	\$ -	\$ -	\$ -	\$ 20,608	\$ -	\$ 50,804
Payroll Withholdings	9,176	-	-	-	-	-	9,176
Due to Other Funds	-	-	48,525	-	-	130,881	179,406
<b>Total Liabilities</b>	<b>39,372</b>	<b>-</b>	<b>48,525</b>	<b>-</b>	<b>20,608</b>	<b>130,881</b>	<b>239,386</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Succeeding Year's Property Taxes	459,960	-	205,325	116,205	77,304	-	858,794
Unavailable Revenue - Long-Term Receivables	-	692,908	-	-	-	16,700	709,608
<b>Total Deferred Inflows of Resources</b>	<b>459,960</b>	<b>692,908</b>	<b>205,325</b>	<b>116,205</b>	<b>77,304</b>	<b>16,700</b>	<b>1,568,402</b>
<b>FUND BALANCES</b>							
Nonspendable	183,103	-	-	-	-	-	183,103
Restricted	-	128,478	-	97,855	149,156	-	375,489
Assigned	875,000	-	-	-	-	-	875,000
Unassigned	1,706,032	-	(48,525)	-	-	(130,881)	1,526,626
<b>Total Fund Balances</b>	<b>2,764,135</b>	<b>128,478</b>	<b>(48,525)</b>	<b>97,855</b>	<b>149,156</b>	<b>(130,881)</b>	<b>2,960,218</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 3,263,467</b>	<b>\$ 821,386</b>	<b>\$ 205,325</b>	<b>\$ 214,060</b>	<b>\$ 247,068</b>	<b>\$ 16,700</b>	<b>\$ 4,768,006</b>

See accompanying Notes to Basic Financial Statements.

**CITY OF DURAND, WISCONSIN  
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES  
TO NET POSITION OF GOVERNMENTAL ACTIVITIES  
DECEMBER 31, 2022**

**TOTAL FUND BALANCES FOR GOVERNMENTAL FUNDS** \$ 2,960,218

Total net position reported for governmental activities in the Statement of Net Position is different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These assets consist of:

Land	\$	91,147	
Construction Work in Progress		188,957	
Land Improvements		431,080	
Buildings		1,775,096	
Equipment and Vehicles		2,207,534	
Infrastructure		8,654,277	
Right-to-Use Lease Asset - Buildings		53,844	
Accumulated Depreciation/Amortization		<u>(7,284,656)</u>	6,117,279

Some receivables, including special assessments, are reported as deferred inflows of resources in the fund financial statements but are recognized as revenue when earned in the government-wide statements.

709,608

Net Wisconsin Retirement System pension plan asset, liability and related deferred outflows and inflows are recorded only on the Statement of Net Position. Balances at year-end are:

Net Pension Plan Asset		226,492	
Deferred Outflows of Resources		443,238	
Deferred Inflows of Resources		<u>(534,298)</u>	135,432

Net State Life Insurance other postemployment plan asset, liability and related deferred outflows and inflows are recorded only on the Statement of Net Position. Balances at year-end are:

Net OPEB Plan Liability		(94,398)	
Deferred Outflows of Resources		41,890	
Deferred Inflows of Resources		<u>(11,469)</u>	(63,977)

Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds. These liabilities consist of:

General Obligation Bonds Payable		1,390,000	
General Obligation Notes Payable		399,000	
Unamortized Bond Premium		113,927	
Lease Liability		36,605	
Accrued Interest on Long-Term Debt		13,887	
Compensated Absences Payable		<u>60,618</u>	<u>(2,014,037)</u>

Total Net Position of Governmental Activities \$ 7,844,523

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

	Major Funds						Total Governmental Funds
	General Fund	CDBG Loan Fund	Debt Service Fund	Tax Incremental District #3 Fund	Library Fund	Capital Projects Funds	
<b>REVENUES</b>							
Taxes	\$ 471,240	\$ -	\$ 199,885	\$ 83,115	\$ 77,304	\$ -	\$ 831,544
Intergovernmental	676,291	-	-	5,299	57,486	65,883	804,959
Licenses and Permits	14,643	-	-	-	-	-	14,643
Fines and Forfeits	9,494	-	-	-	-	-	9,494
Public Charges for Services	158,599	-	-	-	-	-	158,599
Intergovernmental Charges for Services	50,707	-	-	-	-	-	50,707
Miscellaneous:							
Interest	4,585	108	-	-	-	-	4,693
Rent	23,650	-	-	-	-	-	23,650
Sale of Property	796	-	-	-	-	-	796
Donations	3,160	-	-	-	-	160,828	163,988
Loan Repayments	-	56,665	-	-	-	-	56,665
Other	66,292	-	-	-	1,078	-	67,370
Total Revenues	1,479,457	56,773	199,885	88,414	135,868	226,711	2,187,108
<b>EXPENDITURES</b>							
General Government	170,259	-	-	-	-	-	170,259
Public Safety	678,327	-	-	-	-	-	678,327
Public Works	320,105	-	-	-	-	218,409	538,514
Health and Human Services	11,759	-	-	-	-	-	11,759
Culture, Recreation, and Education	124,913	-	-	-	117,906	-	242,819
Conservation and Development	14,492	1,793	-	150	-	-	16,435
Debt Service:							
Principal	-	-	226,000	-	17,239	-	243,239
Interest and Fiscal Charges	-	-	49,599	-	1,361	-	50,960
Total Expenditures	1,319,855	1,793	275,599	150	136,506	218,409	1,952,312

See accompanying Notes to Basic Financial Statements.

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

	Major Funds						Total Governmental Funds
	General Fund	CDBG Loan Fund	Debt Service Fund	Tax Incremental District #3 Fund	Library Fund	Capital Projects Funds	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	\$ 159,602	\$ 54,980	\$ (75,714)	\$ 88,264	\$ (638)	\$ 8,302	\$ 234,796
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers In	58,844	-	75,714	-	-	-	134,558
Transfers Out	-	-	-	(75,714)	-	-	(75,714)
Total Other Financing Sources (Uses)	<u>58,844</u>	<u>-</u>	<u>75,714</u>	<u>(75,714)</u>	<u>-</u>	<u>-</u>	<u>58,844</u>
<b>NET CHANGE IN FUND BALANCES</b>	218,446	54,980	-	12,550	(638)	8,302	293,640
Fund Balances - Beginning of Year	<u>2,545,689</u>	<u>73,498</u>	<u>(48,525)</u>	<u>85,305</u>	<u>149,794</u>	<u>(139,183)</u>	<u>2,666,578</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 2,764,135</u>	<u>\$ 128,478</u>	<u>\$ (48,525)</u>	<u>\$ 97,855</u>	<u>\$ 149,156</u>	<u>\$ (130,881)</u>	<u>\$ 2,960,218</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF DURAND, WISCONSIN**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2022**

**NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS** \$ 293,640

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

Capital outlays are reported as expenditures in governmental funds. However, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives as depreciation/amortization expense.

In the current period, these amounts are:

Capital Outlays Reported in Governmental Fund Statements	\$ 259,171	
Depreciation/Amortization Expense Reported in the Statement of Activities	<u>(380,682)</u>	(121,511)

Receivables not currently available are reported as deferred inflows of resources in the fund financial statements, but are recognized as revenue when earned in the government-wide statements.		(191,329)
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Pension and other postemployment expenditures in the governmental funds are measured by current year employee contributions. Pension expenses on the Statement of Activities are measured by the change in net pension and other postemployment benefit asset, liability, and related deferred outflows and inflows of resources.		41,275
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Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. In the current year, these amounts consist of:

General Obligation Bonds Principal Retirement	160,000	
General Obligation Notes Principal Retirement	66,000	243,239
Lease Principal Retirement	<u>17,239</u>	

Some items reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These activities consist of:

Net Change in Accrued Interest Payable	837	
Amortization of Debt Premium	20,333	
Net Change in Compensated Absences Payable	<u>(35,276)</u>	<u>(14,106)</u>

Change in Net Position of Governmental Activities		<u>\$ 251,208</u>
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**CITY OF DURAND, WISCONSIN  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
DECEMBER 31, 2022**

ASSETS	Business-Type Activities - Enterprise Funds				Totals
	Water Utility	Sewer Utility	Storm Water Utility	Ambulance Fund	
<b>CURRENT ASSETS</b>					
Cash and Investments	\$ 225,744	\$ 60,015	\$ 300,483	\$ 6,563	\$ 592,805
Accounts Receivable:					
Customer/Patient	36,358	73,443	18,044	189,222	317,067
Allowance for Doubtful Accounts	-	-	-	(80,000)	(80,000)
Other Accounts Receivable	-	713	-	603	1,316
Lease Receivable	136,790	-	-	-	136,790
Accounts Receivable on Tax Roll	13,742	29,022	4,907	-	47,671
Prepayments	-	-	-	1,025	1,025
Prepaid Supplies	16,498	-	-	-	16,498
<b>Total Current Assets</b>	<b>429,132</b>	<b>163,193</b>	<b>323,434</b>	<b>117,413</b>	<b>1,033,172</b>
<b>RESTRICTED ASSETS</b>					
Equipment Replacement Fund Investments	-	1,037	-	-	1,037
Wisconsin Retirement System Net Pension Asset	75,663	88,913	21,671	-	186,247
Debt Redemption Fund Investments:					
Revenue Bonds	53,682	-	-	-	53,682
<b>Total Restricted Assets</b>	<b>129,345</b>	<b>89,950</b>	<b>21,671</b>	<b>-</b>	<b>240,966</b>
<b>CAPITAL ASSETS</b>					
Property and Plant in Service	4,714,205	6,072,685	2,889,088	591,660	14,267,638
Less: Accumulated Depreciation	2,097,546	3,334,648	1,390,961	318,682	7,141,837
<b>Net Capital Assets</b>	<b>2,616,659</b>	<b>2,738,037</b>	<b>1,498,127</b>	<b>272,978</b>	<b>7,125,801</b>
Construction Work in Progress	-	-	-	11,446	11,446
<b>Total Capital Assets</b>	<b>2,616,659</b>	<b>2,738,037</b>	<b>1,498,127</b>	<b>284,424</b>	<b>7,137,247</b>
<b>Total Assets</b>	<b>3,175,136</b>	<b>2,991,180</b>	<b>1,843,232</b>	<b>401,837</b>	<b>8,411,385</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
State Life Insurance Other Post-Employment Benefits Related	13,986	16,435	3,975	-	34,396
Wisconsin Retirement System Related Items	148,074	174,004	42,410	-	364,488
<b>Total Deferred Outflows of Resources</b>	<b>162,060</b>	<b>190,439</b>	<b>46,385</b>	<b>-</b>	<b>398,884</b>

See accompanying Notes to Basic Financial Statements.



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

LIABILITIES	Business-Type Activities - Enterprise Funds				Totals
	Water Utility	Sewer Utility	Storm Water Utility	Ambulance Fund	
<b>CURRENT LIABILITIES</b>					
Accounts Payable	\$ 1,823	\$ 3,169	\$ 330	\$ 872	\$ 6,194
Accrued Interest	10,278	7,877	1,758	-	19,913
Due to Other Funds	-	-	-	41,485	41,485
Unearned Revenue	-	-	-	31,440	31,440
Current Portion of Long-Term Debt:					
Revenue Bonds	49,346	35,654	-	-	85,000
General Obligation Bonds	20,000	90,000	10,000	-	120,000
Unamortized Debt Premium	567	3,040	199	-	3,806
Accrued Compensated Absences	4,148	4,831	1,452	652	11,083
Total Current Liabilities	86,162	144,571	13,739	74,449	318,921
<b>LONG-TERM LIABILITIES (NET OF CURRENT PORTION)</b>					
Revenue Bonds	800,232	634,768	-	-	1,435,000
General Obligation Bonds	575,000	355,000	195,000	-	1,125,000
Unamortized Debt Premium	12,423	27,094	1,514	-	41,031
Accrued Compensated Absences	8,508	9,702	2,591	772	21,573
State Life Insurance Net Other Post-Employment Benefits Liability	31,518	37,037	9,027	-	77,582
Total Long-Term Liabilities	1,427,681	1,063,601	208,132	772	2,700,186
Total Liabilities	1,513,843	1,208,172	221,871	75,221	3,019,107
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Leases	133,109	-	-	-	133,109
State Life Insurance Other Post-Employment Benefits Related	3,829	4,500	1,097	-	9,426
Wisconsin Retirement System Related Items	178,489	209,746	51,122	-	439,357
Total Deferred Inflows of Resources	315,427	214,246	52,219	-	581,892
<b>NET POSITION</b>					
Net Investment in Capital Assets	1,159,091	1,592,481	1,291,414	284,424	4,327,410
Restricted for Equipment Replacement	-	1,037	-	-	1,037
Restricted for Debt Service	43,404	-	-	-	43,404
Restricted for Wisconsin Retirement System Net Pension Asset	75,663	88,913	21,671	-	186,247
Unrestricted	229,768	76,770	302,442	42,192	651,172
Total Net Position	\$ 1,507,926	\$ 1,759,201	\$ 1,615,527	\$ 326,616	\$ 5,209,270

See accompanying Notes to Basic Financial Statements.

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

	Business-Type Activities - Enterprise Funds				Totals
	Water Utility	Sewer Utility	Storm Water Utility	Ambulance Fund	
<b>OPERATING REVENUES</b>					
Charges for Services	\$ 454,982	\$ 591,094	\$ 181,561	\$ 161,816	\$ 1,389,453
Intergovernmental:					
Grants	-	-	-	15,876	15,876
Contracts	-	-	-	63,986	63,986
Other Operating Revenues	19,784	9,397	1,145	20,155	50,481
Total Operating Revenues	<u>474,766</u>	<u>600,491</u>	<u>182,706</u>	<u>261,833</u>	<u>1,519,796</u>
<b>OPERATING EXPENSES</b>					
Operation and Maintenance	275,654	360,869	70,206	263,953	970,682
Depreciation	116,412	163,763	71,626	49,019	400,820
Total Operating Expenses	<u>392,066</u>	<u>524,632</u>	<u>141,832</u>	<u>312,972</u>	<u>1,371,502</u>
<b>OPERATING INCOME (LOSS)</b>	82,700	75,859	40,874	(51,139)	148,294
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Interest Revenue	4,471	2,854	-	2,981	10,306
Donations	-	-	-	10,193	10,193
Interest Expense	(45,546)	(37,377)	(5,637)	-	(88,560)
Amortization of Debt Premium	1,083	4,482	208	-	5,773
Other	26,185	-	-	-	26,185
Total Nonoperating Revenue (Expenses)	<u>(13,807)</u>	<u>(30,041)</u>	<u>(5,429)</u>	<u>13,174</u>	<u>(36,103)</u>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	68,893	45,818	35,445	(37,965)	112,191
<b>CAPITAL CONTRIBUTIONS AND TRANSFERS</b>					
Transfer to Governmental Funds - Property Tax Equivalent	(58,844)	-	-	-	(58,844)
<b>CHANGE IN NET POSITION</b>	10,049	45,818	35,445	(37,965)	53,347
Net Position - Beginning of Year	<u>1,497,877</u>	<u>1,713,383</u>	<u>1,580,082</u>	<u>364,581</u>	<u>5,155,923</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 1,507,926</u>	<u>\$ 1,759,201</u>	<u>\$ 1,615,527</u>	<u>\$ 326,616</u>	<u>\$ 5,209,270</u>

See accompanying Notes to Basic Financial Statements.

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

	Business-Type Activities - Enterprise Funds				Totals
	Water Utility	Sewer Utility	Storm Water Utility	Ambulance Fund	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash Received from Utility Customers	\$ 320,794	\$ 586,574	\$ 179,593	\$ 122,745	\$ 1,209,706
Cash Received for Public Fire Protection	134,897	-	-	-	134,897
Cash Received (Paid) for Meter Related Charges	10,457	(10,457)	-	-	-
Cash Received for Contracts and Grants	-	-	-	90,125	90,125
Cash Paid to Suppliers for Goods and Services	(113,533)	(181,781)	(24,264)	(57,220)	(376,798)
Cash Paid for Employee Services	(182,145)	(193,419)	(51,280)	(207,160)	(634,004)
Net Cash Provided (Used) by Operating Activities	<u>170,470</u>	<u>200,917</u>	<u>104,049</u>	<u>(51,510)</u>	<u>423,926</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Cash Donations Received	-	-	-	10,193	10,193
Working Capital Provided by (Repaid to) General Fund	-	-	(27,692)	-	(27,692)
Cash Payments for Tax Equivalent	(58,844)	-	-	-	(58,844)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(58,844)</u>	<u>-</u>	<u>(27,692)</u>	<u>10,193</u>	<u>(76,343)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Cash Payments for Capital Assets	(2,570)	(5,697)	-	(9,458)	(17,725)
Cash Received for Sale of Capital Assets	-	-	-	16,342	16,342
Cash Received from Governmental Funds	-	-	-	38,015	38,015
Principal Paid on Long-Term Debt	(70,430)	(125,654)	(10,000)	-	(206,084)
Interest Paid on Long-Term Debt	(44,342)	(38,075)	(5,529)	-	(87,946)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(117,342)</u>	<u>(169,426)</u>	<u>(15,529)</u>	<u>44,899</u>	<u>(257,398)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest on Investments	-	2,854	-	2,981	5,835
Lease Rental Payments Received	26,975	-	-	-	26,975
Net Cash Provided by Investing Activities	<u>26,975</u>	<u>2,854</u>	<u>-</u>	<u>2,981</u>	<u>32,810</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	21,259	34,345	60,828	6,563	122,995
Cash and Cash Equivalents - Beginning of Year	<u>258,167</u>	<u>26,707</u>	<u>239,655</u>	<u>-</u>	<u>524,529</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 279,426</u>	<u>\$ 61,052</u>	<u>\$ 300,483</u>	<u>\$ 6,563</u>	<u>\$ 647,524</u>

See accompanying Notes to Basic Financial Statements.

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

	Business-Type Activities - Enterprise Funds				Totals
	Water Utility	Sewer Utility	Storm Water Utility	Ambulance Fund	
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>					
Operating Income (Loss)	\$ 82,700	\$ 75,859	\$ 40,874	\$ (51,139)	\$ 148,294
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Depreciation	116,412	163,763	71,626	49,019	400,820
Net Change in WRS Net Pension Asset	(19,945)	(23,438)	(5,713)	-	(49,096)
Net Change in WRS Pension Deferred Outflows	(54,648)	(64,220)	(15,651)	-	(134,519)
Net Change in WRS Pension Deferred Inflows	56,302	66,162	16,126	-	138,590
Net Change in State Life Insurance Deferred Outflows	970	1,140	278	-	2,388
Net Change in State Life Insurance Liability	3,880	4,559	1,111	-	9,550
Net Change in State Life Insurance Deferred Inflows	(361)	(424)	(103)	-	(888)
(Increase) Decrease in Assets:					
Customer Accounts Receivable	(4,919)	(5,695)	(1,786)	(59,226)	(71,626)
Other Accounts Receivable	(3,699)	-	-	-	(3,699)
Accounts Receivable on Tax Roll	-	(8,222)	(1,327)	-	(9,549)
Inventories	603	-	-	-	603
Increase (Decrease) in Liabilities:					
Accounts Payable	(909)	(1,365)	184	349	(1,741)
Compensated Absences	(5,916)	(7,202)	(1,570)	(776)	(15,464)
Unearned Revenues	-	-	-	10,263	10,263
Net Cash Provided (Used) by Operating Activities	<u>\$ 170,470</u>	<u>\$ 200,917</u>	<u>\$ 104,049</u>	<u>\$ (51,510)</u>	<u>\$ 423,926</u>
<b>RECONCILIATION OF CASH AND INVESTMENTS TO CASH AND CASH EQUIVALENTS</b>					
Cash and Investments per Statement of Net Position:					
Cash and Investments	\$ 225,744	\$ 60,015	\$ 300,483	\$ 6,563	\$ 592,805
Cash and Investments - Restricted	53,682	1,037	-	-	54,719
Total Cash and Cash Equivalents	<u>\$ 279,426</u>	<u>\$ 61,052</u>	<u>\$ 300,483</u>	<u>\$ 6,563</u>	<u>\$ 647,524</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF DURAND, WISCONSIN  
STATEMENT OF NET POSITION  
FIDUCIARY FUNDS  
DECEMBER 31, 2022**

	Tax Collection Custodial Fund
<b>ASSETS</b>	
Cash and Investments	\$ 585,968
Taxes Receivable	1,077,102
Total Assets	1,663,070
 <b>DEFERRED INFLOWS OF RESOURCES</b>	
Succeeding Year's Property Taxes	1,663,070
 <b>NET POSITION</b>	
Restricted	\$ -

See accompanying Notes to Basic Financial Statements.

**CITY OF DURAND, WISCONSIN  
STATEMENT OF CHANGES IN NET POSITION  
FIDUCIARY FUNDS  
YEAR ENDED DECEMBER 31, 2022**

	Tax Collection Custodial Fund
<b>ADDITIONS</b>	
Tax Collections for Other Governments	\$ 1,635,664
<b>DEDUCTIONS</b>	
Payments of Taxes to Other Governments	<u>1,635,664</u>
<b>CHANGE IN NET POSITION</b>	-
Net Position - Beginning of Year	<u>-</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ -</u></u>

See accompanying Notes to Basic Financial Statements.

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

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the City of Durand (the City) have been prepared in conformity with U.S. generally accepted accounting principles (U.S. GAAP) as applied to governmental 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 of Durand was incorporated on April 12, 1887 under the provisions of the state of Wisconsin. The City is governed by a mayor/council form of government. The council consists of six members and the mayor.

The financial reporting of the City is defined by the GASB to consist of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that the exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The basic financial statements of the City consist of the primary government. No other organizations were identified for inclusion in the financial reporting entity of the City.

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

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds) as described below:

Government-Wide Statements

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

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

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

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

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

Fund Financial Statements

Financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, fund equity, revenues, and expenditures/expenses.

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

The City reports the following major governmental funds:

**General Fund** – The General Fund is the operating fund of the City. It is used to account for all financial resources of the City, except those accounted for in another fund.

**CDBG Loan Fund** – The CDBG Housing Loan Fund, a special revenue fund, accounts for the housing rehabilitation loans and the repayments received that are restricted for the purpose of financing rehabilitation loans.

**Debt Service Fund** – The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs of governmental funds.

**Tax Incremental District #3 Fund** – The Tax Incremental District #3 Fund, a capital projects fund, is used to account for revenues and expenditures of the City's Tax Incremental District #3 (TID #3). Transactions of TID #3 are further discussed in Note 2.G.

**Library Fund** – The Library Fund is a special revenue fund, is used to account for revenues and expenditures of the operating of the City library.

**Capital Projects Fund** – The Capital Projects Fund is used to account for revenues and expenditures of capital projects.



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

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

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

Fund Financial Statements

The City reports the following major proprietary funds:

**Water Utility** – This fund accounts for the operations of the water system. Utility operations are subject to regulation by the Wisconsin Public Service Commission.

**Sewer Utility** – This fund accounts for the operations of the wastewater collection system and treatment facilities.

**Storm Water Utility** – This fund accounts for the operations of the storm water collection system and related activities.

**Ambulance Fund** – This fund accounts for the operations of the municipal ambulance department.

Additionally, the City reports the following fiduciary fund:

**Custodial Fund** – This fund is used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations and/or other governmental units. The custodial fund is primarily used to account for the collection of property taxes for other government entities.

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

The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Nonexchange transactions, in which the City gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements and donations. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows of resources. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables, if any, are recorded as revenues when services are provided.

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

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

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

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

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. The City considers all revenues to be available if they are collected within 60 days after the end of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, compensated absences, and claims and judgments, which are recognized as expenditures to the extent that they have matured. Proceeds of general long-term debt are reported as other financing sources.

Property taxes, miscellaneous taxes, public charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues in the current fiscal period.

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

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity**

**1. Deposits and Investments**

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from date of acquisition. Cash and investment balances for individual funds are pooled unless maintained in segregated accounts.

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

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

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

**1. Deposits and Investments (Continued)**

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

- a) Time deposits in any credit union, bank, savings bank or trust company maturing in three years or less.
- b) Bonds or securities issued or guaranteed by the federal government.
- c) Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, or by the University of Wisconsin Hospitals and Clinics Authority.
- d) Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- e) Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- f) Bonds or securities issued under the authority of the municipality.
- g) The local government investment pool.
- h) Repurchase agreements with public depositories, with certain conditions.

Additional restrictions may arise from local charters, ordinances, resolutions and grant resolutions.

Investment of most trust funds is regulated by Chapter 881 of the Wisconsin Statutes. Investment of library trust funds is regulated by Chapter 112. Those sections give broad authority to use such funds to acquire various kinds of investments including stocks, bonds and debentures. Investments of the City are stated at fair value.

**CITY OF DURAND, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
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**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**2. Receivables and Payables**

**Property Taxes.** Property taxes are levied prior to the end of the calendar year and are due and collectible in the following year. Property taxes attach an enforceable lien as of January 1. Since City property taxes are not considered available until January 1 of the year following the levy, they are recorded as deferred inflows of resources in the funds budgeted therefore, real property taxes are payable in full on or before January 31 or, alternatively, if over \$100, can be paid in two equal installments with the first installment payable on or before January 31 and the second installment payable on or before July 31. Personal property taxes and special assessments, special charges (including delinquent utility billings) and special taxes placed on the tax roll are payable in full on or before January 31. All uncollected items on the current tax roll, except delinquent personal property taxes, are turned over to the Pepin County Treasurer for collection in February. Pepin County subsequently settles in full with the City in August of the same year, including settlement for uncollected delinquent special assessments and special charges. (The County has the option to settle in full for delinquent special assessments and special charges or to remit them to the City as collections are received.) Delinquent personal property taxes are retained by the City for collection. A portion of the general fund balance is classified as nonspendable for the City's investment in delinquent taxes.

**Special Assessments.** Assessments against property owners for public improvements are generally not subject to full settlement in the year levied. 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 2022 tax roll are recognized as revenue in 2023). Special assessments recorded in proprietary funds are recorded as revenue at the time the assessments are subject to collection procedures.

**Accounts Receivable.** All accounts receivable are shown at gross amounts with uncollectible accounts recognized under the allowance method. An allowance in the amount of \$80,000 is reported in the Ambulance Fund.

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

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

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

**2. Receivables and Payables (Continued)**

**Loans Receivable.** The City has received federal and state grant funds for economic development and housing rehabilitation loan programs to various businesses and individuals. The City records a loan receivable when the loan has been made and funds have been disbursed. The amounts recorded as economic development and housing rehabilitation loans receivable have not been reduced by an allowance for uncollectible accounts. It is the City's policy to record deferred inflows of resources for the net amount of the receivable balance. As loans are repaid, revenue is recognized. When new loans are made from the repayments, expenditures are recorded. Interest received from loan repayments is recognized as revenue when received in cash. Any unspent loan repayments at year-end are presented as restricted fund balance in the fund financial statements.

Interfund Balances. Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statement as "internal balances". Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

**3. Inventories and Prepaid Items**

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds, if material, are recorded as expenditures when consumed rather than when purchased.

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

**4. Restricted Assets**

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties.

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

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

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

**5. Capital Assets**

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), 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 initial, individual costs as shown below and an estimated useful life of more than one 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 assets lives are not capitalized. Items meeting the preceding definition and exceeding a cost of \$5,000 are capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The City's policy is to prospectively report infrastructure acquired after adoption of GASB Statement No. 34.

Depreciation/amortization methods and estimated useful lives of capital assets reported in the government-wide statements are as follows:

Assets	Depreciation/ Amortization Method	Estimated Useful Life
Land	N/A	N/A
Land Improvements	Straight-Line	10 to 50 Years
Buildings and Improvements	Straight-Line	10 to 50 Years
Machinery and Equipment	Straight-Line	3 to 15 Years
Right-to-Use Lease Asset - Building	Straight-Line	2 Years
Infrastructure	Straight-Line	20 to 50 Years
Utility Systems	Straight-Line	4 to 100 Years

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

**6. Deferred Outflows of Resources**

The City reports decreases in net position or fund equity that relate to future periods as deferred outflows of resources in a separate section of its government-wide and proprietary funds statements of net position. A deferred outflow of resources is reported in these financial statements for pension and other postemployment benefit related items.

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

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

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

**7. Deferred Inflows of Resources**

The City reports increases in net position or fund equity that relate to future periods as deferred inflows of resources in a separate section of its government-wide and proprietary funds statements of net position. A deferred inflow of resources is reported in these financial statements for pension and other postemployment benefit related items and leases.

The City also has one other type of deferred inflows of resource, which only arises under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item *unavailable revenue* is reported only in the governmental funds balance sheet. The City has two types of items which occur related to revenue recognition. The first occurs because property tax receivables are recorded in the current year, but the revenue will be recorded in the subsequent year. The second type of deferred inflow of resources occurs because governmental fund revenues are not recognized until available (collected more than 60 days after the end of the City's year) under the modified accrual basis of accounting.

**8. Wisconsin Retirement System Pension Plan Benefits**

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS's fiduciary net position have been determined on the same basis as they are reported by WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

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

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

**9. Other Postemployment Benefits (OPEB) – Multiple Employer Plan**

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

**10. Compensated Absences**

Employees are granted sick and vacations leave under terms of employment. In the government-wide and proprietary fund financial statements, vested vacation and sick leave pay is accrued when incurred. A liability for these amounts is reported in governmental funds only if they have matured (i.e. signed employee retirement agreements).

**11. Long-Term Obligations**

In the government-wide financial statements and proprietary 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 type statement of net position. In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.



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

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

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

**12. Defining Operating Revenues and Expenses**

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

**13. Use of Restricted Resources**

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.

**14. Equity Classifications**

Fund equity, representing the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources, is classified as follows in the City's financial statements:

**Government-Wide and Proprietary Fund Statements.** Fund equity is classified as net position in the government-wide, proprietary, and fiduciary fund financial statements and is displayed in three components. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement for those assets. Net positions are reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is displayed as unrestricted.

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

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

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

**14. Equity Classifications (Continued)**

**Fund Financial Statements.** In the fund financial statements, governmental funds report components of fund balance to provide information about fund balance availability for appropriation. Nonspendable fund balance represents amounts that are inherently nonspendable or assets that will never be converted to cash or will not be converted to cash soon enough to affect the current period. Restricted fund balance represents amounts available for appropriation but intended for a specific use and is legally restricted by outside parties. Committed fund balance represents constraints on spending that the government imposes upon itself by high-level formal action prior to the close of the fiscal period. Assigned fund balance represents resources intended for spending for a purpose set by the government body itself or by some person or body delegated to exercise such authority in accordance with policy established by the Council.

Unassigned fund balance is the residual classification for the City's general fund and includes all spendable amounts not contained in the other classifications. It is the City's policy that at the end of each fiscal year, the City's unassigned portion of fund balance should be at a level between 30% and 50% of general fund expenditures.

Committed fund balance is required to be established, modified, or rescinded by resolution of the Finance Committee prior to each year-end. Based on resolution of the Finance Committee, the City Administrator will have the authority to establish or modify assigned fund balance. When restricted and unrestricted fund balance is available for expenditure, it is the City's policy to first use restricted fund balance. When committed, assigned, and unassigned fund balance is available for expenditure, it is the City's policy to use committed, assigned and finally unassigned fund balance.

**15. 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.

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.

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

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

Generally accepted accounting principles require the disclosure of individual funds that have deficit balances at year-end. At December 31, 2022, certain funds had deficit balances as shown below:

Debt Service Fund	\$ (48,525)
Capital Projects Fund	\$ (130,881)

In the general fund, at December 31, 2022, the expenditures exceeded the budgeted amount for expenditures as shown below:

<b>EXPENDITURES</b>	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Public Safety	\$ 582,500	\$ 582,500	\$ 678,327	\$ (95,827)
Culture, Recreation, and Education	105,200	105,200	124,913	(19,713)

**NOTE 2 DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

The City's cash and investments balances at December 31, 2022 as shown in the financial statements as follows:

Governmental Funds	\$ 2,870,230
Proprietary Funds	647,524
Fiduciary Funds	585,968
Total	\$ 4,103,722

The above cash and investments balances consisted of the following:

Deposits at Financial Institutions	\$ 3,928,626
Investments in Local Governmental Investment Pool	175,006
Petty Cash	90
Total	\$ 4,103,722

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

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

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

Deposits at Financial Institutions

The City's balances at individual financial institutions were subject to coverage under federal depository insurance and amounts appropriated by Sections 20.144(1)(a) and 34.08 of the Wisconsin Statutes (State Guarantee Fund). Federal depository insurance provides for coverage for governmental entities of up to \$250,000 for time and savings deposits and an additional \$250,000 for demand deposits. In addition, funds held for others (such as trust funds) are subject to coverage under the name of the party for whom the funds are held. Coverage under the State Guarantee Fund may not exceed \$400,000 above the amount of coverage under federal depository insurance at any institution and is limited by the availability of the appropriations authorized therein. (Due to the relatively small size of the State Guarantee Fund in relation to the total coverage, total recovery of losses may not be available.) Also, Section 34.07 of the Wisconsin Statutes authorizes the City to collateralize its deposits that exceed the amount of coverage provided by federal depository insurance and the State Guarantee Fund.

Custodial credit risk for deposits is the risk that in the event of bank failure, the City's deposits may not be returned. At December 31, 2022, the City's deposits at financial institutions were fully covered by federal and state depository coverage as well as collateral agreements with financial institutions.

Investments

The City's investments at December 31, 2022 consisted of deposits in the following external investment pool:

**Deposits in State Local Government Pooled-Investment Fund.** The state of Wisconsin offers a Local Government Investment Pool (LGIP) to local government units to enable them to voluntarily invest idle funds in State Investment Fund. Local funds are pooled with state funds and invested by the State Investment Board. There is no minimum or maximum amount that can be invested by a local governmental unit. Interest is earned on a daily basis and withdrawals are generally available on day of request. Deposits in the LGIP are not covered by federal depository insurance but are subject to coverage under the State Guarantee Fund. Also, the State of Wisconsin Investment Board has obtained a surety bond to protect deposits in the LGIP against defaults in principal payments on the LGIP's investments (subject to certain limitations). The average monthly weighted average maturity of the State Investment Fund's investments for 2022 was 26 days.

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

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

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

Investments (Continued)

Credit risk for investments is the risk that an issuer or other counterparty to an investment will not fulfill its obligation to the holder of the investment. The City's policy is to invest its funds in accordance with provisions of the Wisconsin Statutes previously discussed in Note 1.D.1. The City's investment in the LGIP is not rated.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the fair values of investments with maturity dates farther into the future are more sensitive to changes in market interest rates. The short weighted average maturities of the investments in the above external investment pool mitigates this risk to the City.

**B. Loans Receivable**

Community Development Block Grant Loans Receivable. At December 31, 2022, the City had outstanding installment loans under the CDBG program totaling \$692,908. These loans are being repaid to the City under terms established through the program. These notes become due and payable in the event that the maker:

- a. no longer continues to occupy the premises securing this note as a full time residence,
- b. or transfers any legal or equitable interest in the mortgaged premises to anyone for any reason.

Receivables have been recorded in the special revenue fund in the amount of the outstanding balances of these loans and are equally offset by deferred inflows of resources recorded therein. Revenue is recognized in the special revenue fund as collections are received on these loans. Proceeds from the collection of the above loans are restricted for financing similar rehabilitation projects.

**Economic Development Loan Receivable** – At December 31, 2022, the City had outstanding installment loans under an economic development loan fund program totaling \$154,363. These loans are being repaid to the City under terms established through the program. Proceeds from the collection of the above loans are restricted for financing similar economic development projects.

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

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

**Other Receivables**

Lease Receivable

The City, acting as lessor, leases the water tower under a long-term noncancelable lease agreement. During the year ended, December 31, 2022, the City recognized \$26,185 and \$4,471 in lease revenue and interest revenue, respectively, pursuant to the contracts.

Total future minimum lease payments to be received under the lease agreement are follows:

	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 23,873	\$ 3,777	\$ 27,650
2024	25,300	3,042	28,342
2025	26,787	2,262	29,049
2026	28,338	1,437	29,775
2027	29,955	565	30,520
2028	2,537	6	2,543
Total	<u>\$ 136,790</u>	<u>\$ 11,089</u>	<u>\$ 147,879</u>

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

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

**C. Capital Assets**

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

Governmental Activities

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Not Being Depreciated/Amortized:				
Land	\$ 91,147	\$ -	\$ -	\$ 91,147
Construction Work in Progress	1,183,169	184,594	1,178,806	188,957
Total Capital Assets Not Being Depreciated/Amortized	1,274,316	184,594	1,178,806	280,104
Capital Assets Being Depreciated/Amortized:				
Land Improvements	431,080	-	-	431,080
Buildings	1,775,096	-	-	1,775,096
Equipment and Vehicles	2,142,957	64,577	-	2,207,534
Infrastructure	7,465,471	1,188,806	-	8,654,277
*Right-to-Use Lease Asset - Buildings	53,844	-	-	53,844
Total Capital Assets Being Depreciated/Amortized	11,868,448	1,253,383	-	13,121,831
Total Capital Assets	13,142,764	1,437,977	1,178,806	13,401,935
Accumulated Depreciation/Amortization:				
Land Improvements	146,015	12,615	-	158,630
Buildings	1,361,411	39,353	-	1,400,764
Equipment and Vehicles	1,456,604	90,312	-	1,546,916
Infrastructure	3,939,944	211,480	-	4,151,424
Right-to-Use Lease Asset - Buildings	-	26,922	-	26,922
Total Accumulated Depreciation/Amortization	6,903,974	380,682	-	7,284,656
Net Capital Assets - Governmental Activities	<u>\$ 6,238,790</u>	<u>\$ 1,057,295</u>	<u>\$ 1,178,806</u>	<u>\$ 6,117,279</u>

\*This includes restated amounts due to the implementation of GASB Statement No. 87.

Depreciation/amortization was charged to governmental functions as follows:

General Government	\$ 4,544
Public Safety	72,399
Public Works	225,413
Culture, Recreation, and Education	78,326
Total Depreciation/Amortization - Governmental Activities	<u>\$ 380,682</u>

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

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

**C. Capital Assets (Continued)**

Business-Type Activities

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Water Utility</b>				
Capital Assets Not Being Depreciated:				
Land and Land Rights	\$ 16,563	\$ -	\$ -	\$ 16,563
Capital Assets Being Depreciated:				
Source of Supply	165,411	-	-	165,411
Pumping Plant	344,184	-	-	344,184
Water Treatment	455,423	-	-	455,423
Transmission and Distribution	3,601,776	2,569	200	3,604,145
General Plant	128,477	-	-	128,477
Total Capital Assets Being Depreciated	4,695,271	2,569	200	4,697,640
Total Capital Assets	4,711,834	2,569	200	4,714,203
Less: Accumulated Depreciation	1,981,333	116,411	200	2,097,544
Net Capital Assets - Water Utility	2,730,501	(113,842)	-	2,616,659
<b>Sewer Utility</b>				
Capital Assets Not Being Depreciated:				
Land and Land Rights	27,577	-	-	27,577
Total Capital Assets Not Being Depreciated	27,577	-	-	27,577
Capital Assets Being Depreciated:				
Collection System	1,652,832	5,697	-	1,658,529
Pumping System	260,183	-	-	260,183
Treatment and Disposal Plant	3,856,667	-	-	3,856,667
General Plant	269,729	-	-	269,729
Total Capital Assets Being Depreciated	6,039,411	5,697	-	6,045,108
Total Capital Assets	6,066,988	5,697	-	6,072,685
Less: Accumulated Depreciation	3,170,885	163,763	-	3,334,648
Net Capital Assets - Sewer Utility	2,896,103	(158,066)	-	2,738,037
<b>Storm Water Utility</b>				
Capital Assets Being Depreciated:				
Storm Water System	2,684,229	-	-	2,684,229
General Plant	204,859	-	-	204,859
Total Capital Assets Being Depreciated	2,889,088	-	-	2,889,088
Total Capital Assets	2,889,088	-	-	2,889,088
Less: Accumulated Depreciation	1,319,335	71,626	-	1,390,961
Net Capital Assets - Storm Water Utility	1,569,753	(71,626)	-	1,498,127



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

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

**C. Capital Assets (Continued)**

Business-Type Activities (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Ambulance Fund</b>				
Capital Assets Not Being Depreciated:				
Construction Work in Progress	\$ 11,446	\$ -	\$ -	\$ 11,446
Capital Assets Being Depreciated:				
Vehicles	407,410	-	-	407,410
Other Equipment	174,793	9,458	-	184,251
Total Capital Assets Being Depreciated	582,203	9,458	-	591,661
Total Capital Assets	593,649	9,458	-	603,107
Less: Accumulated Depreciation	269,664	49,019	-	318,683
Net Capital Assets - Ambulance Fund	323,985	(39,561)	-	284,424
Net Capital Assets - Business-Type Activities	<u>\$ 7,520,342</u>	<u>\$ (383,095)</u>	<u>\$ -</u>	<u>\$ 7,137,247</u>

Depreciation was charged to business-type activities as follows:

Water	\$ 116,411
Sewer	163,763
Storm Water	71,626
Ambulance	49,019
Total Depreciation - Business-Type Activities	<u>\$ 400,819</u>

**D. Interfund Receivables, Payables, and Transfers**

The composition of interfund balances as of December 31, 2022 was as follows:

Due to/from Other Funds

Receivable Fund	Payable Fund	Amount	Purpose
General Fund	Debt Service Fund	\$ 48,525	Cash Flows
General Fund	Capital Projects Fund	130,881	Cash Flows
General Fund	Ambulance Fund	41,485	Cash Flows
Total		<u>\$ 220,891</u>	

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

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

**D. Interfund Receivables, Payables, and Transfers (Continued)**

Interfund Transfers

The following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount	Purpose
General Fund	Water Utility	\$ 58,844	Property Tax Equivalent
Debt Service Fund	Tax Incremental District #3 Fund	75,714	Finance Current Year Maturities
Total		<u>\$ 134,558</u>	

Interfund balances that are owed within the governmental activities and business-type activities are eliminated in the statement of net position.

**E. Long-Term Obligations**

Changes in Long-Term Obligations

Changes in the long-term obligations of the City for the year ended December 31, 2022 were as follows:

	Balance 1/1/22	Issued	Retired	Balance 12/31/22	Amounts Due Within One Year
<b>Governmental Activities</b>					
General Obligation Bonds, dated 08/24/21	\$ 1,550,000	\$ -	\$ 160,000	\$ 1,390,000	\$ 165,000
General Obligation Notes, dated 08/04/21, from Direct Borrowings	465,000	-	66,000	399,000	63,000
*Lease Liability	53,844	-	17,239	36,605	18,074
Bond Premium	134,260	-	20,333	113,927	17,741
Compensated Absences	25,342	35,276	-	60,618	17,295
Governmental Activities - Long-Term Liabilities	<u>\$ 2,228,446</u>	<u>\$ 35,276</u>	<u>\$ 263,572</u>	<u>\$ 2,000,150</u>	<u>\$ 281,110</u>

\*This includes restated amounts due to the implementation of GASB Statement No. 87.

	Balance 1/1/22	Issued	Retired	Balance 12/31/22	Amounts Due Within One Year
<b>Business-Type Activities</b>					
General Obligation Bonds, dated 08/24/21	\$ 1,365,000	\$ -	\$ 120,000	\$ 1,245,000	\$ 120,000
Bond Premiums	50,611	-	5,774	44,837	3,806
Total Bonds Payable	1,415,611	-	125,774	1,289,837	123,806
Revenue Bonds	1,605,000	-	85,000	1,520,000	85,000
Compensated Absences	48,120	-	15,464	32,656	11,083
Business-Type Activities - Long-Term Liabilities	<u>\$ 3,068,731</u>	<u>\$ -</u>	<u>\$ 226,238</u>	<u>\$ 2,842,493</u>	<u>\$ 219,889</u>

**CITY OF DURAND, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
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**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

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

Changes in Long-Term Obligations (Continued)

**Security and Default.** The outstanding long-term debt obligations of the City contain the following provisions:

The water and sewer system revenue bonds are payable only from and secured by a pledge of the income and revenues to be derived from the operation of the water and sewerage systems. Principal and interest paid for the current year and total customer net revenues were \$80,387 and \$474,766, respectively, in the water utility. Principal and interest paid for the current year and total customer net revenues were \$60,295 and \$600,491, respectively, in the sewer utility.

All general obligation bonds, notes and other long-term obligations are backed by the full faith and credit of the City. General obligation long-term debt will be retired by future tax levies accumulated by the debt service fund. The City's outstanding bonds from direct borrowings and direct placements related to governmental activities and business type activities of \$2,635,000 contain provisions that in the event of default, outstanding amounts become immediately due if the City is unable to make payment.

The City's outstanding notes from direct borrowings related to governmental activities of \$399,000 contain provisions that in the event of default, outstanding amounts become immediately due if the City is unable to make payment.

**General Obligation Debt.** All general obligation bonds and notes payable are backed by the full faith and credit of the City. Bonds and notes payable will be retired by future property tax levies or tax increments accumulated by the debt service fund.

The purpose of the governmental activities general obligation debt is to finance various capital improvements and tax incremental City planned projects.

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

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

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

Changes in Long-Term Obligations (Continued)

Individual general obligation long-term debt issues outstanding at December 31, 2022 are as follows:

	Issue Date	Final Maturity Date	Interest Rate	Original Issue	Amount Outstanding
<b>Governmental Activities:</b>					
General Obligation Bonds:					
Bonds					
Corporate Purpose Bonds					
Series 2021A	8/24/21	2/1/41	1.5-4.0%	\$ 2,915,000	\$ 1,390,000
General Obligation Notes:					
Promissory Note	8/4/21	3/15/28	2.14%	465,000	399,000
<b>Business-Type Activities:</b>					
General Obligation Bonds:					
Corporate Purpose Bonds					
Series 2021A	8/24/21	2/1/41	1.5-4.0%	2,915,000	1,245,000
Total					<u>\$ 3,034,000</u>

**Annual Requirements for Retirement** – The annual requirements for retirement of the above issues, together with the expected funding sources, are shown below:

Year	Governmental Activities					Funding Sources		
	Bonded Debt		Notes from Direct Borrowings			General	TID #3	
	Principal	Interest	Principal	Interest	Total	Fund	Fund	Total
2023	\$ 165,000	\$ 36,325	\$ 63,000	\$ 8,539	\$ 272,864	\$ 201,325	\$ 71,539	\$ 272,864
2024	170,000	29,625	64,000	7,190	270,815	199,625	71,190	270,815
2025	65,000	24,925	66,000	5,821	161,746	89,925	71,821	161,746
2026	65,000	22,325	67,000	4,408	158,733	87,325	71,408	158,733
2027	70,000	19,625	69,000	2,975	161,600	89,625	71,975	161,600
2028-2032	380,000	63,325	70,000	1,498	514,823	443,325	71,498	514,823
2033-2037	300,000	30,850	-	-	330,850	330,850	-	330,850
2038-2042	175,000	6,550	-	-	181,550	181,550	-	181,550
Total	<u>\$ 1,390,000</u>	<u>\$ 233,550</u>	<u>\$ 399,000</u>	<u>\$ 30,431</u>	<u>\$ 2,052,981</u>	<u>\$ 1,623,550</u>	<u>\$ 429,431</u>	<u>\$ 2,052,981</u>

Year	Business-Type Activities			Funding Sources			
	Bonded Debt		Total	Water	Sewer	Storm	Total
	Principal	Interest		Utility	Utility	Utility	
2023	\$ 120,000	\$ 30,550	\$ 150,550	\$ 34,600	\$ 100,875	\$ 15,075	\$ 150,550
2024	80,000	26,550	106,550	38,700	53,175	14,675	106,550
2025	50,000	23,950	73,950	37,700	21,975	14,275	73,950
2026	55,000	21,850	76,850	41,600	21,375	13,875	76,850
2027	55,000	19,650	74,650	40,400	20,775	13,475	74,650
2028-2032	285,000	71,288	356,288	187,375	106,413	62,500	356,288
2033-2037	325,000	43,425	368,425	197,763	112,775	57,888	368,426
2038-2042	275,000	11,150	286,150	145,600	83,200	57,350	286,150
Total	<u>\$ 1,245,000</u>	<u>\$ 248,413</u>	<u>\$ 1,493,413</u>	<u>\$ 723,738</u>	<u>\$ 520,563</u>	<u>\$ 249,113</u>	<u>\$ 1,493,414</u>

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

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

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

Changes in Long-Term Obligations (Continued)

**General Obligation Debt Limitation.** Section 67.03 of the Wisconsin Statutes restricts general obligation debt to 5% of the equalized value of all property in the City. At December 31, 2022, the City's debt limit amounted to \$6,238,095 and long-term indebtedness subject to the limitation totaled \$3,034,000.

Mortgage Revenue Bonds

Sewer and Water system mortgage revenue bonds totaling \$1,185,000 were issued in 2014 to finance the Sewer and water utility system improvements. Future maturities of principal and interest on the bonds at December 31, 2022 are scheduled as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 85,000	\$ 52,970	\$ 137,970
2024	85,000	50,258	135,258
2025	100,000	47,545	147,545
2026	100,000	43,995	143,995
2027	105,000	40,445	145,445
2028-2032	555,000	148,178	703,178
2033-2037	430,000	49,790	479,790
2038-2039	60,000	2,220	62,220
Total	<u>\$ 1,520,000</u>	<u>\$ 435,401</u>	<u>\$ 1,955,401</u>

Lease Liability

The City entered into one agreement with Durand-Arkansaw School District for the use of space for the library department. A lease liability was recorded in the amount of \$53,844 during the current fiscal year for this lease. The City used the incremental borrowing rate for the lease since the interest rate was not provided in the lease agreement.

The future minimum lease payments under the lease agreement is as follows:

<u>Fiscal Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 18,074	\$ 926	\$ 19,000
2024	18,531	469	19,000
Total	<u>\$ 36,605</u>	<u>\$ 1,395</u>	<u>\$ 38,000</u>

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

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

**F. Governmental Fund Balances**

The governmental fund balances reported on the fund financial statements at December 31, 2022 consisted of the following:

	Total	Nonspendable	Restricted	Assigned	Unassigned
<b>Major Funds:</b>					
General Fund:					
Interfund Advances	\$ -	\$ -	\$ -	\$ -	\$ -
Delinquent Taxes	10,411	10,411	-	-	-
Prepaid Items	18,329	18,329	-	-	-
Long-Term Receivables	154,363	154,363	-	-	-
Community Swimming Pool					
Replacement	775,000	-	-	775,000	-
Public Works Loader	100,000	-	-	100,000	-
Unassigned	1,706,032	-	-	-	1,706,032
Subtotal General Fund	2,764,135	183,103	-	875,000	1,706,032
CDBG Loan Fund	128,478	-	128,478	-	-
Debt Service Fund	(48,525)	-	-	-	(48,525)
Tax Incremental District #3	97,855	-	97,855	-	-
Special Revenue Funds:					
Library Fund	149,156	-	149,156	-	-
<b>Nonmajor Funds:</b>					
3rd Ave Reconstruction Project					
CDBG Fund	(130,881)	-	-	-	(130,881)
Total Governmental Fund Balances at December 31, 2022					
	<u>\$ 2,960,218</u>	<u>\$ 183,103</u>	<u>\$ 375,489</u>	<u>\$ 875,000</u>	<u>\$ 1,526,626</u>

**G. Tax Incremental Districts**

The City has created three tax incremental financing districts (TIF districts or TIDs) in accordance with Section 66.1105 of the *Wisconsin Statutes*. One TID (TID #3) was in existence during 2022. The purpose of that section is to allow a municipality to recover development and improvements costs in a designated area from the property taxes generated on the increased value of the property after creation of the district. The tax on the increased value is called a tax increment.

The resolution creating Tax Incremental District #3 (TID #3) was dated May 2, 2007. The project plans, on file in the City's Administrative offices, detail the proposed projects, the estimated years of construction or site acquisition and the estimated costs of the individual project components. The City has established a separate fund to account for transactions of the district.

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

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

**G. Tax Incremental Districts (Continued)**

Accumulated project costs and revenues from inception to December 31, 2022 are shown below:

	TID #3
Accumulated Project Costs:	
Project Expenditures	\$ 1,038,540
Debt Expenditures:	
Interest Charges	379,854
Total Project Costs	1,418,394
Accumulated Project Revenues:	
Tax Increments	949,200
Intergovernmental Grants and Aids	28,386
Sale of City Property	78,932
Other	75,426
Total Project Revenues	1,131,944
Future Project Revenues Necessary to Recover Project Costs to Date	\$ 286,450

The preceding summary of transactions is reconcilable to the fund balance in the TID #3 capital projects fund at December 31, 2022 as follows:

	TID #3
Outstanding Long-Term Debt Payable from TID Funds at December 31, 2022	\$ 399,000
Less Unrecovered Costs Above	(286,450)
Fund Balance at December 31, 2022	\$ 112,550

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

**NOTE 3 OTHER INFORMATION**

**A. Wisconsin Retirement System Pension Plan Benefits**

General Information about the Pension Plan

**Plan Description.** The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible state of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, expected to work at least 1,200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS. ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <http://etf.wi.gov/publications/cafr.htm>.

**Vesting.** For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

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

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

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

The WRS also provides death and disability benefits for employees.



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

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**A. Wisconsin Retirement System Pension Plan Benefits (Continued)**

General Information about the Pension Plan (Continued)

**Contributions.** Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and Executives and Elected Officials. 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 fiscal reporting period January 1, 2022 through December 31, 2022, the WRS recognized \$60,853 in contributions from the employer.

Contribution rates for 2022 are:

	<u>Employee</u>	<u>Employer</u>
General (including Teachers)	6.50 %	6.50 %
Executives and Elected Officials	6.50	6.50
Protective with Social Security	6.50	12.04
Protective without Social Security	6.50	16.44

**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)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0
2021	5.1	13.0

**CITY OF DURAND, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
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**NOTE 4 OTHER INFORMATION (CONTINUED)**

**A. Wisconsin Retirement System Pension Plan Benefits (Continued)**

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

At December 31, 2022, the City reported an asset of \$412,739 for its proportionate share of the net pension asset. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2020 rolled forward to December 31, 2021. The City's proportion of the net pension asset was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers. At December 31, 2021, the City's proportion was 0.00512072%, which was an increase of 0.00025329% from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022, the City recognized pension revenue of \$35,207. At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 666,757	\$ 48,080
Changes of Assumptions	77,002	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	923,331
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	2,913	2,244
City Contributions Subsequent to the Measurement Date	61,066	-
Total	<u>\$ 807,738</u>	<u>\$ 973,655</u>

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

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**A. Wisconsin Retirement System Pension Plan Benefits (Continued)**

Pension Assets, Liability, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

\$61,066 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	Pension Expense Amount
2023	\$ (18,839)
2024	(111,264)
2025	(49,359)
2026	(47,518)
2027	-
Thereafter	-

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

Actuarial Valuation Date	December 31, 2020
Measurement Date of Net Pension Liability (Asset)	December 31, 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:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality	2020 WRS Experience Mortality Table
Postretirement Adjustments	1.7%

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

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**A. Wisconsin Retirement System Pension Plan Benefits (Continued)**

Pension Assets, Liability, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

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. 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.

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 arithmetic real rates of return for each major asset class are summarized in the following table:

Core Fund Asset Class	Core Asset Allocation		Variable Asset Allocation	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Global Equities	52 %	4.2 %	N/A	N/A
U.S. Equities	N/A	N/A	70 %	3.7 %
International Equities	N/A	N/A	30	4.6
Fixed Income	25	1.8	N/A	N/A
Inflation Sensitive Assets	19	0.2	N/A	N/A
Real Estate	7	3.0	N/A	N/A
Private Equity/Debt	12	7.0	N/A	N/A
Cash	(15)	0.9	N/A	N/A
Total	100 %		100 %	

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

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**A. Wisconsin Retirement System Pension Plan Benefits (Continued)**

Pension Assets, Liability, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

**Discount Rate.** A single discount rate of 6.80% was used to measure the total pension liability, as opposed to a discount rate of 7.0% for the prior year. This single discount rate is based on the expected rate of return on pension plan investments of 6.80% and a municipal bond rate of 1.84% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index’s “20-year Municipal GO AA Index” as of December 31, 2021. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 6.80% 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.

**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 (5.80%)	Current Discount Rate (6.80%)	1% Increase (7.80%)
City's Proportionate Share of the Net Pension Liability (Asset)	\$ 292,867	\$ (412,739)	\$ (920,645)

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

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**B. Other Postemployment Benefits – Multiple Employer Plan**

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

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

**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 employee premiums until age 65 in order to be eligible for the benefit after age 65.

Contribution rates as of December 31, 2022 are:

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

**CITY OF DURAND, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
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**NOTE 4 OTHER INFORMATION (CONTINUED)**

**B. Other Postemployment Benefits – Multiple Employer Plan (Continued)**

Employee contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating employees must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The employee contribution rates in effect for the year ended December 31, 2022 are:

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

During the City’s fiscal year the LRLIF recognized \$484 in contributions from the City.

OPEB Liabilities/Assets, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs

At December 31, 2022, the City reported a liability of \$171,980 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 and rolled forward to December 31, 2021. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net OPEB liability 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 0.02909800%, which was an increase of 0.001695 from its proportion measured as of December 31, 2020.

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

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**B. Other Postemployment Benefits – Multiple Employer Plan (Continued)**

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

For the year ended June 30, 2022, the City recognized OPEB expense of \$25,148. At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 8,749
Changes of Assumptions or Other Input	51,962	8,336
Net Difference Between Projected and Actual Earnings on OPEB Investments	2,238	-
Change in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	21,522	3,810
District Contributions Subsequent to the Measurement Date	595	-
Total	<u>\$ 76,317</u>	<u>\$ 20,895</u>

\$595 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction to the net OPEB liability in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEBs will be recognized in OPEB expense as follows:

<u>Year Ending December 31,</u>	<u>OPEB Expense Amount</u>
2023	\$ 12,200
2024	11,940
2025	11,862
2026	12,150
2027	5,720
Thereafter	955



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

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**B. Other Postemployment Benefits – Multiple Employer Plan (Continued)**

OPEB Liabilities/Assets, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs (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:

Valuation Date	January 1, 2021
Measurement Date of Net OPEB Liability (Asset)	December 31, 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:	
Inflation	3.00%
Seniority/Merit	0.1% - 5.6%
Mortality	2020 WRS Experience Mortality Table

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

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
U.S. Intermediate Credit Bonds	Barclays US Interim Credit	45.00 %	1.68 %
U.S. Long Credit Bonds	Barclays US Long Credit	5.00	1.82
U.S. Mortgages	Barclays US MBS	50.00	1.94
Inflation			2.30
Long-Term Expected Rate of Return			4.25

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

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**B. Other Postemployment Benefits – Multiple Employer Plan (Continued)**

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

**Single Discount Rate.** A single discount rate of 2.17% was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 2.25% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 2.12% as of December 31, 2022 to 2.06% as of December 31, 2021. The plan’s fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive 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.

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

		1% Decrease (1.17%)	Current Discount Rate (2.17%)	1% Increase (3.17%)
Proportionate Share of the Net OPEB Liability (Asset)	12/31/22	<u>\$ 233,315</u>	<u>\$ 171,980</u>	<u>\$ 125,828</u>

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

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**C. Vacation and Sick Leave Liability**

Under terms of employment, the City employees may accrue sick leave of up to 120 days to be paid out at 50% of the pay rate in existence at the time of separation as determined based on current salary rates and salary related payments. Vacation may be accrued to an amount up to 80 hours. Only benefits considered to be vested are disclosed in these statements. Accumulated sick leave and accumulated vacation is \$93,274. The estimated liability for unused sick leave and vacation leave payable from governmental activities at December 31, 2022, was \$60,618. The estimated liability for the compensated absences for the business-type activities was \$32,656.

**D. Risk Management**

The City is exposed to various risks of loss related to torts; thefts of, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the City. There were no significant reductions in insurance from the previous year or settlements in excess of insurance coverage for any of the past three years.

The City routinely receives several claims for damages relating to various matters. These matters are turned over to the City's insurer, where appropriate. The City is not aware of any matters pending at year-end that could be material to its financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF DURAND, WISCONSIN  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED DECEMBER 31, 2022**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 461,540	\$ 461,540	\$ 471,240	\$ 9,700
Intergovernmental	610,800	610,800	676,291	65,491
Licenses and Permits	14,340	14,340	14,643	303
Fines and Forfeits	11,000	11,000	9,494	(1,506)
Public Charges for Services	70,700	70,700	158,599	87,899
Intergovernmental Charges for Services	-	-	50,707	50,707
Miscellaneous:				
Interest	21,000	21,000	4,585	(16,415)
Rent	21,200	21,200	23,650	2,450
Sale of Property	2,000	2,000	796	(1,204)
Donations	3,000	3,000	3,160	160
Other	9,000	9,000	66,292	57,292
Total Revenues	<u>1,224,580</u>	<u>1,224,580</u>	<u>1,479,457</u>	<u>254,877</u>
<b>EXPENDITURES</b>				
General Government	209,570	209,570	170,259	39,311
Public Safety	582,500	582,500	678,327	(95,827)
Public Works	321,050	321,050	320,105	945
Health and Human Services	14,260	14,260	11,759	2,501
Culture, Recreation, and Education	105,200	105,200	124,913	(19,713)
Conservation and Development	27,000	27,000	14,492	12,508
Total Expenditures	<u>1,259,580</u>	<u>1,259,580</u>	<u>1,319,855</u>	<u>(60,275)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(35,000)	(35,000)	159,602	194,602
<b>OTHER FINANCING SOURCES</b>				
Transfers In	35,000	35,000	58,844	23,844
<b>NET CHANGE IN FUND BALANCE</b>	-	-	218,446	218,446
Fund Balance - Beginning of Year	<u>2,545,689</u>	<u>2,545,689</u>	<u>2,545,689</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 2,545,689</u>	<u>\$ 2,545,689</u>	<u>\$ 2,764,135</u>	<u>\$ 218,446</u>

See accompanying Notes to Required Supplementary Information.

**CITY OF DURAND, WISCONSIN  
BUDGETARY COMPARISON SCHEDULE  
CDBG FUND  
YEAR ENDED DECEMBER 31, 2022**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Miscellaneous:				
Interest	\$ -	\$ -	\$ 108	\$ 108
Loan Repayments	15,000	15,000	56,665	41,665
Other	5,000	5,000	-	(5,000)
Total Revenues	<u>20,000</u>	<u>20,000</u>	<u>56,773</u>	<u>36,773</u>
<b>EXPENDITURES</b>				
Conservation and Development	<u>20,000</u>	<u>20,000</u>	<u>1,793</u>	<u>18,207</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	54,980	54,980
Fund Balance - Beginning of Year	<u>73,498</u>	<u>73,498</u>	<u>73,498</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><u>\$ 73,498</u></u>	<u><u>\$ 73,498</u></u>	<u><u>\$ 128,478</u></u>	<u><u>\$ 54,980</u></u>

See accompanying Notes to Required Supplementary Information.

**CITY OF DURAND, WISCONSIN  
BUDGETARY COMPARISON SCHEDULE  
LIBRARY FUND  
YEAR ENDED DECEMBER 31, 2022**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 77,304	\$ 77,304	\$ 77,304	\$ -
Intergovernmental	65,126	57,491	57,486	5
Miscellaneous:	-	-	-	-
Other	-	-	1,078	(1,078)
Total Revenues	<u>142,430</u>	<u>134,795</u>	<u>135,868</u>	<u>(1,073)</u>
<b>EXPENDITURES</b>				
Culture, Recreation, and Education	142,430	148,426	117,905	30,521
Debt Service:				
Principal	-	-	17,238	(17,238)
Interest and Fiscal Charges	-	-	1,362	(1,362)
Total Expenditures	<u>142,430</u>	<u>148,426</u>	<u>136,505</u>	<u>11,921</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	(13,631)	(637)	10,848
Fund Balance - Beginning of Year	<u>149,793</u>	<u>149,793</u>	<u>149,793</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 149,793</u>	<u>\$ 136,162</u>	<u>\$ 149,156</u>	<u>\$ 10,848</u>

See accompanying Notes to Required Supplementary Information.

**CITY OF DURAND, WISCONSIN  
SCHEDULE OF PROPORTIONATE SHARE OF  
WISCONSIN RETIREMENT SYSTEM NET PENSION PLAN (ASSET) LIABILITY  
LAST TEN MEASUREMENT PERIODS**

Measurement Date: December 31,

	2014	2015	2016	2017	2018	2019	2020	2021
City's Proportion of the Net Pension Liability (Asset)	0.004251111%	0.00407723%	0.00430428%	0.00422305%	0.00447214%	0.00455232%	0.00486743%	0.00512072%
City's Proportionate Share of the Net Pension Liability (Asset)	\$ (104,418)	\$ 66,254	\$ 35,478	\$ (125,350)	\$ 159,105	\$ (146,787)	\$ (303,880)	\$ (412,739)
City's Covered Payroll	\$ 549,681	\$ 493,893	\$ 615,606	\$ 543,760	\$ 595,419	\$ 661,402	\$ 685,088	\$ 700,130
City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	-19.00%	13.41%	5.76%	-23.05%	26.72%	-22.19%	-44.36%	-58.95%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	102.74%	98.20%	99.12%	102.93%	96.45%	102.96%	105.26%	106.02%

The amounts presented for each fiscal year were determined as of December 31 that occurred within the fiscal year.

See accompanying Notes to Required Supplementary Information.



**CITY OF DURAND, WISCONSIN  
SCHEDULE OF CONTRIBUTIONS TO  
WISCONSIN RETIREMENT SYSTEM PENSION PLAN  
LAST TEN FISCAL YEARS**

Fiscal Year-Ended: December 31,	2015	2016	2017	2018	2019	2020	2021	2022
Contractually Required Contribution	\$ 36,919	\$ 36,645	\$ 45,184	\$ 41,906	\$ 52,255	\$ 57,546	\$ 58,381	\$ 61,066
Contributions in Relation to the Contractually Required Contributions	<u>(36,919)</u>	<u>(36,645)</u>	<u>(45,184)</u>	<u>(41,906)</u>	<u>(52,255)</u>	<u>(57,546)</u>	<u>(58,381)</u>	<u>(61,066)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll	\$ 493,893	\$ 615,606	\$ 543,760	\$ 595,419	\$ 661,402	\$ 685,088	\$ 700,131	\$ 723,503
Contributions as a Percentage of Covered Payroll	7.48%	5.95%	8.31%	7.04%	7.90%	8.40%	8.34%	8.44%

The amounts presented for each fiscal year were determined December 31 that occurred within the fiscal year.

**Changes of Benefit Terms**

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

**Changes of Assumptions**

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

- Lowering the long-term expected rate of return from 7.0% to 6.8%
- Lowering the discount rate from 7.0% to 6.8%
- Lowering the price inflation rate from 2.5% to 2.4%
- Lowering the 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.

See accompanying Notes to Required Supplementary Information.

**CITY OF DURAND, WISCONSIN  
SCHEDULE OF CONTRIBUTIONS TO  
WISCONSIN RETIREMENT SYSTEM PENSION PLAN (CONTINUED)  
LAST TEN FISCAL YEARS**

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

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

The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year. 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 DURAND, WISCONSIN**  
**SCHEDULE OF CITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY WISCONSIN**  
**LOCAL RETIREE LIFE INSURANCE FUND MULTIEMPLOYER OPEB PLAN**  
**LAST TEN MEASUREMENT PERIODS**  
**(SCHEDULE IS PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)**

Measurement Date: December 31,	2017	2018	2019	2020	2021
City's Proportion of the Net OPEB Liability (Asset)	0.01661400%	0.02391200%	0.02565800%	0.02740300%	0.02909800%
City's Proportionate Share of the Net OPEB Liability (Asset)	\$ 49,970	\$ 61,701	\$ 109,250	\$ 150,736	\$ 171,980
City's Covered-Employee Payroll	\$ 698,666	\$ 773,375	\$ 582,000	\$ 671,000	\$ 690,000
City's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of it's Covered-Employee Payroll	7.15%	7.98%	18.77%	22.46%	24.92%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	44.81%	48.69%	37.58%	31.36%	29.57%

*See accompanying Notes to Required Supplementary Information.*

**CITY OF DURAND, WISCONSIN**  
**SCHEDULE OF CITY'S CONTRIBUTIONS TO WISCONSIN LOCAL RETIREE**  
**LIFE INSURANCE FUND MULTIEMPLOYER OPEB PLAN**  
**LAST TEN FISCAL YEARS**  
**(SCHEDULE IS PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)**

Fiscal Year-Ended: December 31,	2018	2019	2020	2021	2022
Contractually Required Contributions	\$ 477	\$ 612	\$ 463	\$ 595	\$ 495
Contributions in Relation to the Contractually Required Contributions	(477)	(612)	(463)	(595)	(495)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered-Employee Payroll	\$ 773,375	\$ 582,000	\$ 671,000	\$ 690,000	\$ 697,000
Contributions as a Percentage of Covered Payroll	0.06%	0.11%	0.07%	0.07%	0.07%

**Changes of Benefit Terms**

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

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

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

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

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

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

The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year. 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 DURAND, WISCONSIN**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**DECEMBER 31, 2022**

**NOTE 1 BUDGETARY INFORMATION**

GASB Statement No. 34 requires the presentation of budgetary comparison schedules for the general fund and for each major special revenue fund. Budgetary information is derived from the City's annual operating budget.

The City's budget is adopted in accordance with Chapter 65 of the *Wisconsin Statutes* and on a basis consistent with generally accepted accounting principles. Changes to appropriations authorized in the adopted budget generally require a vote of two-thirds of the entire membership of the governing body. The City's legal budget is adopted at the major function level in the general fund (i.e., general government) and at the fund level in all other funds.

Budget amounts in the financial statements include both the original adopted budget and the final budget. Changes to the budget during the year, if any, generally include amendments authorized by the governing body, additions of approved carryover amounts and appropriations of revenues and other sources for specified expenditures/uses. Appropriated budget amounts lapse at the end of the year unless specifically carried over for financing subsequent year expenditures.

**NOTE 2 EXCESS OF EXPENDITURES OVER BUDGET**

Comparisons of actual revenues and expenditures to budgeted amounts for the City's general fund and each major special revenue fund are presented as required supplementary information following the basic financial statements. Expenditures in excess of budgeted amounts at the legally adopted levels for each of these funds are shown in those schedules.

## **SUPPLEMENTARY INFORMATION**

**INDIVIDUAL FUND STATEMENTS AND SCHEDULES**

**CITY OF DURAND, WISCONSIN  
GENERAL FUND  
DETAILED BALANCE SHEET  
DECEMBER 31, 2022  
(WITH COMPARATIVE AMOUNTS FOR DECEMBER 31, 2021)**

	2022	2021
<b>ASSETS</b>		
Treasurer's Cash and Investments	\$ 2,526,014	\$ 2,229,051
Taxes Receivable:		
Current Tax Roll	297,897	349,465
Delinquent Personal Property Taxes Held by City	10,411	8,548
Accounts Receivable	35,562	216,444
Due from Other Funds	220,891	267,443
Prepayments	18,329	10,351
Advances to Other Funds	-	27,692
Long-Term Receivables	154,363	173,498
	\$ 3,263,467	\$ 3,282,492
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>		
<b>LIABILITIES</b>		
Vouchers and Accounts Payable	\$ 30,196	\$ 265,042
Payroll Withholdings	9,176	20,221
Total Liabilities	39,372	285,263
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Tax Roll Items:		
General Property Taxes	459,960	451,540
Total Deferred Inflows of Resources	459,960	451,540
<b>FUND BALANCES</b>		
Nonspendable	183,103	220,089
Assigned	875,000	675,000
Unassigned	1,706,032	1,650,600
Total Fund Balances	2,764,135	2,545,689
	\$ 3,263,467	\$ 3,282,492
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 3,263,467	\$ 3,282,492



**CITY OF DURAND, WISCONSIN  
 WATER UTILITY ENTERPRISE FUND  
 STATEMENT OF NET POSITION  
 DECEMBER 31, 2022  
 (WITH COMPARATIVE AMOUNTS FOR DECEMBER 31, 2021)**

<b>ASSETS</b>	<u>2022</u>	<u>2021</u>
<b>CURRENT ASSETS</b>		
Cash and Investments	\$ 225,744	\$ 204,485
Customer Accounts Receivable	36,358	31,439
Lease Receivable	136,790	-
Accounts Receivable on Tax Roll	13,742	10,043
Prepaid Supplies	16,498	17,101
Total Current Assets	<u>429,132</u>	<u>263,068</u>
<b>RESTRICTED ASSETS</b>		
Debt Redemption Fund Investments:		
Revenue Bonds	53,682	53,682
Wisconsin Retirement System Net Pension Asset	75,663	55,718
Total Restricted Assets	<u>129,345</u>	<u>109,400</u>
<b>CAPITAL ASSETS</b>		
Utility Plant in Service	4,714,205	4,711,835
Less: Accumulated Depreciation	<u>2,097,546</u>	<u>1,981,334</u>
Net Capital Assets	<u>2,616,659</u>	<u>2,730,501</u>
Total Assets	3,175,136	3,102,969
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
State Life Insurance Other Postemployment Benefits	13,986	14,956
WRS Pension Items	<u>148,074</u>	<u>93,426</u>
Total Deferred Outflows of Resources	<u>162,060</u>	<u>108,382</u>

**CITY OF DURAND, WISCONSIN  
WATER UTILITY ENTERPRISE FUND  
STATEMENT OF NET POSITION (CONTINUED)  
DECEMBER 31, 2022  
(WITH COMPARATIVE AMOUNTS FOR DECEMBER 31, 2021)**

	2022	2021
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 1,823	\$ 2,732
Accrued Interest Payable	10,278	10,157
Current Portion of Long-Term Debt:		
Revenue Bonds	49,346	49,346
General Obligation Bonds	20,000	20,000
Unamortized Debt Premium	567	579
Accrued Compensated Absences	4,148	4,685
Total Current Liabilities	86,162	87,499
<b>LONG-TERM LIABILITIES (NET OF CURRENT PORTION)</b>		
Revenue Bonds	800,232	849,578
General Obligation Bonds	575,000	595,000
Unamortized Debt Premium	12,423	13,495
Accrued Compensated Absences	8,508	13,887
State Life Insurance Other Postemployment Benefits Liability	31,518	27,638
Total Long-Term Liabilities	1,427,681	1,499,598
Total Liabilities	1,513,843	1,587,097
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Leases	133,109	-
State Life Insurance Other Postemployment Benefits	3,829	4,190
WRS Pension Items	178,489	122,187
Total Deferred Inflows of Resources	315,427	126,377
<b>NET POSITION</b>		
Net Investment in Capital Assets	1,159,091	1,202,503
Restricted for Debt Service	43,404	43,525
Restricted for Wisconsin Retirement System Net Pension Asset	75,663	55,718
Unrestricted	229,768	196,131
Total Net Position	\$ 1,507,926	\$ 1,497,877

**CITY OF DURAND, WISCONSIN**  
**WATER UTILITY ENTERPRISE FUND**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**YEAR ENDED DECEMBER 31, 2022**  
(WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2021)

	<u>2022</u>	<u>2021</u>
<b>OPERATING REVENUES</b>		
Sales of Water:		
Residential	\$ 201,233	\$ 204,943
Commercial	58,115	57,434
Industrial	12,051	7,708
Public Authorities	42,842	43,702
Private Fire Protection	5,844	5,903
Public Fire Protection	134,897	134,897
Total Sales of Water	<u>454,982</u>	<u>454,587</u>
Other Operating Revenues:		
Forfeited Discounts	2,042	1,300
Meter Use Charge to Sewer Utility	10,457	10,488
Miscellaneous Operating Revenues	7,285	30,872
Total Other Operating Revenues	<u>19,784</u>	<u>42,660</u>
 Total Operating Revenues	 474,766	 497,247
<b>OPERATING EXPENSES</b>		
Operation and Maintenance:		
Operation	136,170	135,780
Maintenance	32,803	14,150
Administrative and General	106,681	127,108
Total Operation and Maintenance	<u>275,654</u>	<u>277,038</u>
Depreciation	116,412	109,505
Total Operating Expenses	<u>392,066</u>	<u>386,543</u>
 <b>OPERATING INCOME</b>	 82,700	 110,704
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Interest Revenue	4,471	-
Interest Expense	(45,546)	(36,640)
Debt Issuance Costs	-	(18,014)
Amortization of Debt Premium	1,083	640
Lease Revenue	26,185	-
Total Nonoperating Revenues (Expenses)	<u>(13,807)</u>	<u>(54,014)</u>
 <b>INCOME BEFORE CONTRIBUTIONS AND TRANSFERS</b>	 68,893	 56,690
<b>CAPITAL CONTRIBUTIONS AND TRANSFERS</b>		
Capital Grants	-	245,490
Transfer to General Fund - Property Tax Equivalent	(58,844)	(55,999)
Total Contributions and Transfers	<u>(58,844)</u>	<u>189,491</u>
 <b>CHANGE IN NET POSITION</b>	 10,049	 246,181
Net Position - Beginning of Year	<u>1,497,877</u>	<u>1,251,696</u>
 <b>NET POSITION - END OF YEAR</b>	 <u>\$ 1,507,926</u>	 <u>\$ 1,497,877</u>

**CITY OF DURAND, WISCONSIN  
WATER UTILITY ENTERPRISE FUND  
STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2022  
(WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2021)**

	<u>2022</u>	<u>2021</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash Received from Utility Customers	\$ 320,794	\$ 353,061
Cash Received for Public Fire Protection	134,897	134,897
Cash Received for Sewer Share of Meter Related Expenses	10,457	10,488
Cash Payments to Suppliers for Goods and Services	(113,533)	(105,037)
Cash Payments for Employee Services	(182,145)	(183,836)
Net Cash Provided by Operating Activities	<u>170,470</u>	<u>209,573</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Transfers Out - Tax Equivalent	(58,844)	(55,999)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Cash Payments for Capital Assets	(2,570)	(887,073)
Cash Received from Grants	-	245,490
Cash Received from Issuance of Debt	-	615,000
Cash Received from Debt Premium	-	4,995
Principal Paid on Long-Term Debt	(70,430)	(46,224)
Interest Paid on Long-Term Debt	(44,342)	(31,632)
Cash Payment for Debt Issuance Costs	-	(18,014)
Net Cash Used by Capital and Related Financing Activities	<u>(117,342)</u>	<u>(117,458)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Lease Rental Payments Received	<u>26,975</u>	<u>-</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	21,259	36,116
Cash and Cash Equivalents - Beginning of Year	<u>258,167</u>	<u>222,051</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 279,426</u>	<u>\$ 258,167</u>

**CITY OF DURAND, WISCONSIN  
WATER UTILITY ENTERPRISE FUND  
STATEMENT OF CASH FLOWS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2022  
(WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2021)**

	<u>2022</u>	<u>2021</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Operating Income	\$ 82,700	\$ 110,704
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	116,412	109,505
Net Change in Wisconsin Retirement System Net Pension Asset	(19,945)	(28,804)
Net Change in Wisconsin Retirement System Pension Deferred Outflows	(54,648)	(29,041)
Net Change in Wisconsin Retirement System Pension Deferred Inflows	56,302	41,192
Net Change in State Life Insurance OPEB Deferred Outflows	970	(3,662)
Net Change in State Life Insurance OPEB Liability	3,880	7,608
Net Change in State Life Insurance OPEB Deferred Inflows	(361)	(54)
(Increase) Decrease in Assets:		
Customer Accounts Receivable	(4,919)	4
Other Accounts Receivable	(3,699)	1,195
Inventories	603	(2,960)
Increase (Decrease) in Liabilities:		
Accounts Payable	(909)	1,968
Accrued Compensated Absences	(5,916)	1,918
Net Cash Provided by Operating Activities	<u>\$ 170,470</u>	<u>\$ 209,573</u>
<b>RECONCILIATION OF CASH AND INVESTMENTS TO CASH AND CASH EQUIVALENTS</b>		
Cash and Investments per Statement of Net Position:		
Cash and Investments	\$ 225,744	\$ 204,485
Cash and Investments - Restricted	53,682	53,682
Cash and Cash Equivalents	<u>\$ 279,426</u>	<u>\$ 258,167</u>

**CITY OF DURAND, WISCONSIN  
 WATER UTILITY ENTERPRISE FUND  
 SCHEDULE OF OPERATION AND MAINTENANCE EXPENSES  
 YEAR ENDED DECEMBER 31, 2022  
 (WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2021)**

	<u>2022</u>	<u>2021</u>
<b>OPERATION</b>		
Salaries and Wages	\$ 74,117	\$ 78,444
Fuel or Power Purchased for Pumping	33,783	30,506
Chemicals	2,506	3,489
Supplies and Expenses	22,612	20,973
Transportation Expenses	3,152	2,368
Total Operation	<u>136,170</u>	<u>135,780</u>
 <b>MAINTENANCE</b>		
Repairs of Water Plant	32,803	14,150
 <b>ADMINISTRATIVE AND GENERAL</b>		
Administrative and General Salaries	41,187	39,663
Office Supplies and Expenses	8,379	9,262
Outside Services Employed	6,560	13,789
Insurance Expenses	1,855	7,859
Employee Pensions and Benefits	47,123	54,886
Other General Expenses	1,577	1,649
Total Administrative and General	<u>106,681</u>	<u>127,108</u>
 Total Operation and Maintenance Expenses	<u>\$ 275,654</u>	<u>\$ 277,038</u>

**CITY OF DURAND, WISCONSIN  
SEWER UTILITY ENTERPRISE FUND  
STATEMENT OF NET POSITION  
DECEMBER 31, 2022  
(WITH COMPARATIVE AMOUNTS FOR DECEMBER 31, 2021)**

<b>ASSETS</b>	2022	2021
<b>CURRENT ASSETS</b>		
Cash and Investments	\$ 60,015	\$ 25,687
Customer Accounts Receivable	73,443	67,748
Other Accounts Receivable	713	713
Accounts Receivable on Tax Roll	29,022	20,800
Total Current Assets	163,193	114,948
<b>RESTRICTED ASSETS</b>		
Equipment Replacement Fund Investments	1,037	1,020
Wisconsin Retirement System Net Pension Asset	88,913	65,475
Total Restricted Assets	89,950	66,495
<b>CAPITAL ASSETS</b>		
Utility Plant in Service	6,072,685	6,066,988
Less Accumulated Depreciation	3,334,648	3,170,885
Net Capital Assets	2,738,037	2,896,103
Total Assets	2,991,180	3,077,546
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
State Life Insurance Other Postemployment Benefits	16,435	17,575
Wisconsin Retirement System Pension Related	174,004	109,784
Total Deferred Outflows of Resources	190,439	127,359

**CITY OF DURAND, WISCONSIN  
SEWER UTILITY ENTERPRISE FUND  
STATEMENT OF NET POSITION (CONTINUED)  
DECEMBER 31, 2022  
(WITH COMPARATIVE AMOUNTS FOR DECEMBER 31, 2021)**

	2022	2021
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 3,169	\$ 4,534
Accrued Interest	7,877	8,575
Current Portion of Long-Term Liabilities:		
Revenue Bonds	35,654	33,776
General Obligation Bonds	90,000	90,000
Unamortized Debt Premium	3,040	3,978
Accrued Compensated Absences	4,831	5,573
Total Current Liabilities	144,571	146,436
<b>LONG-TERM LIABILITIES (NET OF CURRENT PORTION)</b>		
Revenue Bonds	634,768	672,300
General Obligation Bonds	355,000	445,000
Unamortized Debt Premium	27,094	30,638
Accrued Compensated Absences	9,702	16,162
State Life Insurance Other Postemployment Benefits Liability	37,037	32,478
Total Long-Term Liabilities	1,063,601	1,196,578
Total Liabilities	1,208,172	1,343,014
<b>DEFERRED INFLOWS OF RESOURCES</b>		
State Life Insurance Other Postemployment Benefits	4,500	4,924
Wisconsin Retirement System Pension Related	209,746	143,584
Total Deferred Inflows of Resources	214,246	148,508
<b>NET POSITION</b>		
Net Investment in Capital Assets	1,592,481	1,620,411
Restricted for Equipment Replacement	1,037	1,020
Restricted for Wisconsin Retirement System Net Pension Asset	88,913	65,475
Unrestricted	76,770	26,477
Total Net Position	\$ 1,759,201	\$ 1,713,383



**CITY OF DURAND, WISCONSIN**  
**SEWER UTILITY ENTERPRISE FUND**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**YEAR ENDED DECEMBER 31, 2022**  
(WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2021)

	<u>2022</u>	<u>2021</u>
<b>OPERATING REVENUES</b>		
Sewerage Revenues:		
Residential	\$ 386,480	\$ 386,865
Commercial	113,595	114,790
Industrial	35,979	19,324
Public Authorities	55,040	54,821
Total Sewerage Revenues	<u>591,094</u>	<u>575,800</u>
Other Operating Revenues:		
Forfeited Discounts	5,949	4,238
Miscellaneous Operating Revenues	3,448	2,462
Total Other Operating Revenues	<u>9,397</u>	<u>6,700</u>
 Total Operating Revenues	 600,491	 582,500
<b>OPERATING EXPENSES</b>		
Operation and Maintenance:		
Operation	213,059	234,585
Maintenance	27,186	23,733
Administrative and General	120,624	134,108
Total Operation and Maintenance	<u>360,869</u>	<u>392,426</u>
Depreciation	163,763	147,018
Total Operating Expenses	<u>524,632</u>	<u>539,444</u>
 <b>OPERATING INCOME</b>	 75,859	 43,056
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Interest Revenue	2,854	100
Interest Expense	(37,377)	(34,850)
Debt Issuance Costs	-	(15,671)
Amortization of Debt Premium	4,482	1,581
Total Nonoperating Revenues (Expenses)	<u>(30,041)</u>	<u>(48,840)</u>
 <b>INCOME (LOSS) BEFORE CONTRIBUTIONS</b>	 45,818	 (5,784)
<b>CAPITAL CONTRIBUTIONS</b>		
Capital Grants	<u>-</u>	<u>105,210</u>
 <b>CHANGE IN NET POSITION</b>	 45,818	 99,426
Net Position - Beginning of Year	<u>1,713,383</u>	<u>1,613,957</u>
 <b>NET POSITION - END OF YEAR</b>	 <u>\$ 1,759,201</u>	 <u>\$ 1,713,383</u>

**CITY OF DURAND, WISCONSIN  
SEWER UTILITY ENTERPRISE FUND  
STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2022  
(WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2021)**

	<u>2022</u>	<u>2021</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash Received from Utility Customers	\$ 586,574	\$ 572,636
Cash Paid for Sewer Share of Meter Related Expenses	(10,457)	(10,488)
Cash Payments to Suppliers for Goods and Services	(181,781)	(168,313)
Cash Payments for Employee Services	(193,419)	(213,549)
Net Cash Provided by Operating Activities	<u>200,917</u>	<u>180,286</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Cash Payments for Capital Assets	(5,697)	(583,750)
Cash Received from Customer Contributions and Grants	-	107,672
Cash Received from Issuance of Debt	-	255,000
Cash Received from Debt Premium	-	25,537
Principal Paid on Long-Term Debt	(125,654)	(33,776)
Interest Paid on Long-Term Debt	(38,075)	(30,220)
Cash Payment for Debt Issuance Costs	<u>-</u>	<u>(15,671)</u>
Net Cash Used by Capital and Related Financing Activities	(169,426)	(275,208)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest on Investments	<u>2,854</u>	<u>100</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	34,345	(94,822)
Cash and Cash Equivalents - Beginning of Year	<u>26,707</u>	<u>121,529</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u><u>\$ 61,052</u></u>	<u><u>\$ 26,707</u></u>

**CITY OF DURAND, WISCONSIN**  
**SEWER UTILITY ENTERPRISE FUND**  
**STATEMENT OF CASH FLOWS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2022**  
(WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2021)

	2022	2021
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Operating Income	\$ 75,859	\$ 40,594
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	163,763	147,018
Net Change in Wisconsin Retirement System Net Pension Asset	(23,438)	(33,848)
Net Change in Wisconsin Retirement System Pension Deferred Outflows	(64,220)	(34,121)
Net Change in Wisconsin Retirement System Pension Deferred Inflows	66,162	48,405
Net Change in State Life Insurance OPEB Deferred Outflows	1,140	(4,404)
Net Change in State Life Insurance OPEB Liability	4,559	8,940
Net Change in State Life Insurance OPEB Deferred Outflows	(424)	(63)
(Increase) Decrease in Assets:		
Customer Accounts Receivable	(5,695)	(8,167)
Accounts Receivable on Tax Roll	(8,222)	765
Increase (Decrease) in Liabilities:		
Accounts Payable	(1,365)	(1,726)
Accrued Compensated Absences	(7,202)	16,893
Net Cash Provided by Operating Activities	\$ 200,917	\$ 180,286
<b>RECONCILIATION OF CASH AND INVESTMENTS TO CASH AND CASH EQUIVALENTS</b>		
Cash and Investments per Statement of Net Position:		
Cash and Investments	\$ 60,015	\$ 25,687
Cash and Investments - Restricted	1,037	1,020
Total Cash and Cash Equivalents	\$ 61,052	\$ 26,707
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</b>		
Refunding Proceeds Paid Directly to Bond Escrow Agent	\$ -	\$ 280,000

**CITY OF DURAND, WISCONSIN  
SEWER UTILITY ENTERPRISE FUND  
SCHEDULE OF OPERATION AND MAINTENANCE EXPENSES  
YEAR ENDED DECEMBER 31, 2022  
(WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2021)**

	<u>2022</u>	<u>2021</u>
<b>OPERATION</b>		
Supervision and Labor	\$ 70,207	\$ 113,925
Power and Fuel for Pumping	36,830	29,163
Chemicals	43,194	33,171
Supplies and Expenses	53,426	52,705
Transportation Expenses	9,402	5,621
Total Operation	<u>213,059</u>	<u>234,585</u>
 <b>MAINTENANCE</b>		
Repairs of Sewer Plant	27,186	23,733
 <b>ADMINISTRATIVE AND GENERAL</b>		
Administrative and General Salaries	40,586	39,858
Office Supplies and Expenses	3,661	2,812
Outside Services Employed	5,136	380
Insurance Expenses	3,711	15,717
Employee Pensions and Benefits	54,067	61,188
Meter Use Charge from Water Utility	10,457	10,488
Other General Expenses	3,006	3,665
Total Administrative and General	<u>120,624</u>	<u>134,108</u>
 Total Operation and Maintenance Expenses	<u>\$ 360,869</u>	<u>\$ 392,426</u>

**CITY OF DURAND, WISCONSIN  
STORM WATER UTILITY ENTERPRISE FUND  
STATEMENT OF NET POSITION  
DECEMBER 31, 2022  
(WITH COMPARATIVE AMOUNTS FOR DECEMBER 31, 2021)**

	2022	2021
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Investments	\$ 300,483	\$ 239,655
Customer Accounts Receivable	18,044	16,258
Accounts Receivable on Tax Roll	4,907	3,580
Total Current Assets	323,434	259,493
<b>RESTRICTED ASSETS</b>		
Wisconsin Retirement System Net Pension Asset	21,671	15,958
<b>CAPITAL ASSETS</b>		
Utility Plant in Service	2,889,088	2,889,088
Less: Accumulated Depreciation	1,390,961	1,319,335
Total Capital Assets	1,498,127	1,569,753
Total Assets	1,843,232	1,845,204
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
State Life Insurance Other Postemployment Benefits Liability	3,975	4,253
Wisconsin Retirement System Pension Related	42,410	26,759
Total Deferred Outflows	46,385	31,012
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	330	146
Accrued Interest	1,758	1,650
Current Portion of Liabilities:		
General Obligation Bonds	10,000	10,000
Unamortized Debt Premium	199	208
Accrued Compensated Absences	1,452	1,468
Total Current Liabilities	13,739	13,472
<b>LONG-TERM LIABILITIES (NET OF CURRENT PORTION)</b>		
General Obligation Bonds	195,000	205,000
Unamortized Debt Premium	1,514	1,713
Accrued Compensated Absences	2,591	4,145
State Life Insurance Other Postemployment Benefits Liability	9,027	7,916
Advances from Other Funds	-	27,692
Total Long-Term Liabilities	208,132	246,466
Total Liabilities	221,871	259,938
<b>DEFERRED INFLOWS OF RESOURCES</b>		
State Life Insurance Other Postemployment Benefits	1,097	1,200
Wisconsin Retirement System Pension Related	51,122	34,996
Total Deferred Inflows of Resources	52,219	36,196
<b>NET POSITION</b>		
Net Investment in Capital Assets	1,291,414	1,352,832
Restricted for Wisconsin Retirement System Net Pension Asset	21,671	15,958
Unrestricted	302,442	211,292
Total Net Position	\$ 1,615,527	\$ 1,580,082

**CITY OF DURAND, WISCONSIN**  
**STORM WATER UTILITY ENTERPRISE FUND**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**YEAR ENDED DECEMBER 31, 2022**  
(WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2021)

	<u>2022</u>	<u>2021</u>
<b>OPERATING REVENUES</b>		
Storm Water Revenues:		
Residential	\$ 76,152	\$ 66,306
Commercial	70,356	61,644
Industrial	2,242	1,959
Public Authorities	32,811	28,560
Total Storm Water Revenues	<u>181,561</u>	<u>158,469</u>
Other Operating Revenues:		
Miscellaneous Operating Revenues	1,145	16,862
Total Operating Revenues	<u>182,706</u>	<u>175,331</u>
<b>OPERATING EXPENSES</b>		
Operation and Maintenance:		
Operation	33,936	22,826
Maintenance	6,187	2,906
Administrative and General	30,083	35,038
Total Operation and Maintenance	<u>70,206</u>	<u>60,770</u>
Depreciation	71,626	64,674
Total Operating Expenses	<u>141,832</u>	<u>125,444</u>
<b>OPERATING INCOME</b>	40,874	49,887
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Interest Expense	(5,637)	(2,612)
Debt Issuance Costs	-	(6,298)
Amortization of Debt Premium	208	49
Total Nonoperating Revenues (Expenses)	<u>(5,429)</u>	<u>(8,861)</u>
<b>INCOME BEFORE CONTRIBUTIONS</b>	35,445	41,026
<b>CAPITAL CONTRIBUTIONS</b>		
Capital Grants	-	110,381
<b>CHANGE IN NET POSITION</b>	35,445	151,407
Net Position - Beginning of Year	<u>1,580,082</u>	<u>1,428,675</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 1,615,527</u>	<u>\$ 1,580,082</u>

**CITY OF DURAND, WISCONSIN  
STORM WATER UTILITY ENTERPRISE FUND  
STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2022  
(WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2021)**

	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash Received from Utility Customers	\$ 179,593	\$ 172,994
Cash Payments to Suppliers for Goods and Services	(24,264)	(14,556)
Cash Payments for Employee Services	(51,280)	(63,734)
Net Cash Provided by Operating Activities	104,049	94,704
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Working Capital Repaid to General Fund	(27,692)	(27,145)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Cash Payments for Capital Assets	-	(303,891)
Cash Received from Long-Term Debt	-	215,000
Cash Received from Debt Premium	-	1,921
Cash Received from Grants	-	110,381
Principal Paid on Long-Term Debt	(10,000)	-
Interest Paid on Long-Term Debt	(5,529)	(913)
Cash Payment for Debt Issuance Costs	-	(6,298)
Net Cash Provided by Capital and Related Financing Activities	(15,529)	16,200
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	60,828	83,759
Cash and Cash Equivalents - Beginning of Year	239,655	155,896
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 300,483	\$ 239,655
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Operating Income	\$ 40,874	\$ 49,887
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	71,626	64,674
Net Change in Wisconsin Retirement System Net Pension Asset	(5,713)	(8,249)
Net Change in Wisconsin Retirement System Pension Deferred Outflow	(15,651)	(8,318)
Net Change in Wisconsin Retirement System Pension Deferred Inflow	16,126	11,796
Net Change in State Life Insurance OPEB Deferred Outflow	278	(984)
Net Change in State Life Insurance OPEB Liability	1,111	2,179
Net Change in State Life Insurance OPEB Deferred Inflow	(103)	(74)
(Increase) Decrease in Assets:		
Customer Accounts Receivable	(1,786)	(2,138)
Accounts Receivable on Tax Roll	(1,327)	(199)
Increase (Decrease) in Liabilities:		
Accounts Payable	184	14
Accrued Compensated Absences	(1,570)	(13,884)
Net Cash Provided by Operating Activities	\$ 104,049	\$ 94,704
<b>RECONCILIATION OF CASH AND INVESTMENTS TO CASH AND CASH EQUIVALENTS</b>		
Cash and Investments per Statement of Net Position:		
Cash and Investments	\$ 300,483	\$ 155,896

**CITY OF DURAND, WISCONSIN**  
**STORM WATER UTILITY ENTERPRISE FUND**  
**SCHEDULE OF OPERATION AND MAINTENANCE EXPENSES**  
**YEAR ENDED DECEMBER 31, 2022**  
(WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2021)

	<u>2022</u>	<u>2021</u>
<b>OPERATION</b>		
Salaries and Wages	\$ 19,533	\$ 17,840
Supplies and Expenses	<u>14,403</u>	<u>4,986</u>
Total Operation	33,936	22,826
 <b>MAINTENANCE</b>		
Repairs of Water Plant	6,187	2,906
 <b>ADMINISTRATIVE AND GENERAL</b>		
Administrative and General Salaries	11,048	14,580
Office Supplies and Expenses	2,930	2,749
Insurance Expenses	928	3,929
Employee Pensions and Benefits	17,555	15,070
Net Wisconsin Retirement System Pension Expense	(3,953)	(3,650)
Other General Expenses	<u>1,575</u>	<u>2,360</u>
Total Administrative and General	<u>30,083</u>	<u>35,038</u>
 Total Operation and Maintenance Expenses	<u>\$ 70,206</u>	<u>\$ 60,770</u>



**CITY OF DURAND, WISCONSIN  
AMBULANCE SERVICE ENTERPRISE FUND  
STATEMENT OF NET POSITION  
DECEMBER 31, 2022  
(WITH COMPARATIVE AMOUNTS FOR DECEMBER 31, 2021)**

	2022	2021
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Investments	\$ 6,563	\$ -
Accounts Receivable:		
Customer/Patient	189,222	129,959
Accumulated Allowance for Doubtful Accounts	(80,000)	(80,000)
Other	603	640
Due from Other Governmental Units	-	16,342
Prepayments	1,025	1,025
Total Current Assets	117,413	67,966
<b>CAPITAL ASSETS</b>		
Ambulance Equipment in Service	591,660	582,202
Less Accumulated Depreciation	318,682	269,663
Net Capital Assets	272,978	312,539
Construction Work in Progress	11,446	11,446
Total Capital Assets	284,424	323,985
 Total Assets	 401,837	 391,951
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	872	523
Due to Other Funds	41,485	3,470
Unearned Revenue	31,440	21,177
Current Portion of Long-Term Liabilities:		
Accrued Employee Benefits	652	938
Total Current Liabilities	74,449	26,108
<b>LONG-TERM LIABILITIES (NET OF CURRENT PORTION)</b>		
Accrued Employee Benefits	772	1,262
Total Long-Term Liabilities	772	1,262
 Total Liabilities	 75,221	 27,370
<b>NET POSITION</b>		
Net Investment in Capital Assets	284,424	323,985
Unrestricted	42,192	40,596
 Total Net Position	 \$ 326,616	 \$ 364,581

**CITY OF DURAND, WISCONSIN  
 AMBULANCE SERVICE ENTERPRISE FUND  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 YEAR ENDED DECEMBER 31, 2022  
 (WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2021)**

	2022	2021
<b>OPERATING REVENUES</b>		
Patient Revenue:		
Charges	\$ 161,816	\$ 102,925
Intergovernmental:		
Grants	15,876	8,509
Contracts	63,986	50,111
Miscellaneous Operating Revenues	20,155	1,266
Total Operating Revenues	261,833	162,811
 <b>OPERATING EXPENSES</b>		
Operation and Maintenance:		
Operation	245,548	259,563
Maintenance	5,044	1,501
Administrative and General	13,361	19,134
Total Operation and Maintenance	263,953	280,198
Depreciation	49,019	52,268
Total Operating Expenses	312,972	332,466
 <b>OPERATING LOSS</b>	(51,139)	(169,655)
 <b>NONOPERATING REVENUES</b>		
Interest Revenue	2,981	1,402
Donations	10,193	5,413
Total Nonoperating Revenues	13,174	6,815
 <b>CHANGE IN NET POSITION</b>	(37,965)	(162,840)
Net Position - Beginning of Year	364,581	527,421
 <b>NET POSITION - END OF YEAR</b>	\$ 326,616	\$ 364,581

**CITY OF DURAND, WISCONSIN  
 AMBULANCE SERVICE ENTERPRISE FUND  
 STATEMENT OF CASH FLOWS  
 YEAR ENDED DECEMBER 31, 2022  
 (WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2021)**

	<u>2022</u>	<u>2021</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash Received from Customers/Patients	\$ 122,745	\$ 127,320
Cash Received for Contracts and Grants	90,125	47,037
Cash Payments to Suppliers for Goods and Services	(57,220)	(61,332)
Cash Payments for Employee Services	(207,160)	(220,930)
Net Cash Used by Operating Activities	<u>(51,510)</u>	<u>(107,905)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Cash Donations Received	10,193	5,413
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Cash Payments for Capital Assets	(9,458)	(8,451)
Cash Received from Governmental Funds	38,015	3,470
Cash Received from Sale of Capital Assets	16,342	16,158
Net Cash Provided by Capital and Related Financing Activities	<u>44,899</u>	<u>11,177</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest on Investments	<u>2,981</u>	<u>1,402</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	6,563	(89,913)
Cash and Cash Equivalents - Beginning of Year	<u>-</u>	<u>89,913</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 6,563</u>	<u>\$ -</u>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES</b>		
Operating Loss	\$ (51,139)	\$ (169,655)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:		
Depreciation	49,019	52,268
(Increase) Decrease in Assets:		
Customer Accounts Receivable	(59,226)	23,129
Increase (Decrease) in Liabilities:		
Accounts Payable	349	(2,352)
Accrued Compensated Absences	(776)	288
Unearned Revenues	10,263	(11,583)
Net Cash Used by Operating Activities	<u>\$ (51,510)</u>	<u>\$ (107,905)</u>
<b>RECONCILIATION OF CASH AND INVESTMENTS TO CASH AND CASH EQUIVALENTS</b>		
Cash and Investments per Statement of Net Position:		
Cash and Investments - Unrestricted	<u>\$ 6,563</u>	<u>\$ 89,913</u>

**CITY OF DURAND, WISCONSIN  
 AMBULANCE SERVICE ENTERPRISE FUND  
 SCHEDULE OF OPERATIONS AND MAINTENANCE EXPENSES  
 YEAR ENDED DECEMBER 31, 2022  
 (WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2021)**

	<u>2022</u>	<u>2021</u>
<b>OPERATION OF PLANT</b>		
Salaries and Wages	\$ 165,128	\$ 180,043
Employee Benefits	36,437	40,013
Training	4,819	1,162
Supplies and Expenses	16,413	17,486
Transportation Expenses	3,876	2,509
Rent	18,875	18,350
Total Operation of Plant	<u>245,548</u>	<u>259,563</u>
 <b>MAINTENANCE OF PLANT</b>		
Repairs of Vehicles and Equipment	5,044	1,501
 <b>ADMINISTRATIVE AND GENERAL</b>		
Office Supplies and Expenses	2,620	1,656
Outside Services Employed	-	1,628
Insurance Expenses	1,855	7,859
Other General Expenses	8,886	7,991
Total Administrative and General	<u>13,361</u>	<u>19,134</u>
 Total Operation and Maintenance Expenses	<u><u>\$ 263,953</u></u>	<u><u>\$ 280,198</u></u>



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