

City of Superior

Financial Statements and
Supplementary Information

December 31, 2024

City of Superior

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INDEPENDENT AUDITORS' REPORT

Independent Auditors' Report

To the City Council of
City of Superior

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 Superior, Wisconsin (the City), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City as of December 31, 2024 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 1, the City adopted the provisions of GASB Statement No. 100, effective January 1, 2024. As discussed in Note 3 to the financial statements, changes in the presentation of funds within the financial statements had occurred and adjustments were made to the reporting periods beginning fund balance. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 31, 2025 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Baker Tilly US, LLP

Eau Claire, Wisconsin
July 31, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

City of Superior, Wisconsin

Management's Discussion and Analysis
December 31, 2024
(Unaudited)

As management of the City of Superior, Wisconsin (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2024. All amounts within tables are expressed in thousands of dollars.

Financial Highlights

The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$155,145,691 (net position). Of this amount, \$35,587,109 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.

- The government's total net position increased by \$15,299,816.
- As of the close of the current fiscal year, the City's governmental activities reported combined ending net position of \$88,878,179, an increase of \$7,899,617 in comparison with the prior year. Approximately 24% of this total amount, \$21,009,573, is available for spending at the government's discretion (unrestricted net position).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$11,109,403, or 37% of total general fund expenditures.
- The City's total general obligation bonds and notes payable balance decreased by \$3,823,727, or 9%, during the current fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, protection of persons and property, highway and transportation, library, conservation and development, and parks and recreation. The business-type activities of the City include a wastewater utility, a landfill utility, a stormwater utility, broadband utility and a golf course.

The government-wide financial statements can be found on pages 1 - 3 of this report.

City of Superior, Wisconsin

Management's Discussion and Analysis
December 31, 2024
(Unaudited)

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

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The City maintains 74 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, ARPA grant fund, PIDP grant fund, capital improvement program fund, and debt service fund which are considered to be major funds. 31 debt service funds are consolidated and presented as one governmental fund. Data from the other 39 governmental funds are combined into a single, aggregated presentation.

The City adopts an annual appropriated budget for funds as required by state statute. Budgetary comparison statements have been provided for the general fund to demonstrate compliance with the adopted budget.

The basic governmental fund financial statements can be found on pages 4 - 7 of this report.

Proprietary Funds. The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Sewerage System, Landfill Utility, Stormwater Utility, Broadband Utility and Golf Course Fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for insurance activities. Because this service predominantly benefits governmental rather than business-type functions, the majority has been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statement, only in more detail. The proprietary fund financial statements provide separate information for the Sewerage System, Landfill Utility, Stormwater Utility, Broadband Utility and Golf Course Fund.

The basic proprietary fund financial statements can be found on pages 8 - 11 of this report.

Fiduciary Funds. The fiduciary fund is used to account for resources held for the benefit of parties outside the government. The fiduciary fund is not reflected in the government-wide financial statement because the resources of this fund are not available to support the City's own programs. The fiduciary fund maintained by the City is a custodial fund, which records the tax roll and tax collections for other taxing jurisdictions within the City and assets held as police evidence. The accounting used for the fiduciary fund is much like that used for governmental funds.

The basic fiduciary fund financial statement can be found on pages 12 - 13 of this report.

City of Superior, Wisconsin

Management's Discussion and Analysis

December 31, 2024

(Unaudited)

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 15-57 of this report.

Government-Wide Financial Analysis. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$88,878,179 at the close of the most recent fiscal year.

City of Superior Net Position						
All amounts in 1,000's						
	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 61,348	\$ 78,699	\$ 31,351	\$ 26,981	\$ 92,699	\$ 105,680
Capital assets	84,959	77,711	58,370	55,395	143,329	133,106
Total assets	146,307	156,410	89,721	82,376	236,028	238,786
Deferred outflows of resources	20,266	26,877	3,328	4,409	23,594	31,286
Other Liabilities	10,172	21,773	1,558	1,651	11,730	23,424
Long-term liabilities outstanding	38,517	48,331	23,109	23,630	61,626	71,961
Total liabilities	48,689	70,104	24,667	25,281	73,356	95,385
Deferred inflows of resources	29,006	32,204	2,115	2,637	31,121	34,841
Net position:						
Net investment in capital assets	56,901	48,308	49,449	46,933	106,350	95,241
Restricted	10,968	12,936	1,511	1,511	12,479	14,447
Unrestricted	21,009	19,735	15,307	10,423	36,316	30,158
Total net position	\$ 88,878	\$ 80,979	\$ 66,267	\$ 58,867	\$ 155,145	\$ 139,846

By far, the largest portion of the City's net position reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure), less any related debt used to acquire those assets that are still outstanding. The City used these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its governmental and activities.

City of Superior, Wisconsin

Management's Discussion and Analysis

December 31, 2024

(Unaudited)

	City of Superior Changes in Net Position					
	Governmental Activities		Business-type Activities		Total Activities	
	2024	2023	2024	2023	2024	2023
<u>Revenues:</u>						
Program Revenues:						
Charges for services	\$ 2,869	\$ 2,811	\$ 20,042	\$ 20,276	\$ 22,911	\$ 23,087
Operating grants and contributions	4,173	6,894	194	122	4,367	7,016
Capital grants and contributions	-	295	496	567	496	862
<u>General Revenues:</u>						
Property taxes	13,877	14,248			13,877	14,248
Other taxes	1,702	1,716			1,702	1,716
Intergovernmental revenues not restricted to specific programs	35,505	26,821			35,505	26,821
Investment income/(loss)	2,143	1,954	1,155	835	3,298	2,789
Miscellaneous	7,782	4,161	839	88	8,621	4,249
Total Revenues	\$ 68,051	\$ 58,900	\$ 22,726	\$ 21,888	\$ 90,777	\$ 80,788
<u>Expenses</u>						
General Government	4,160	3,460	-	-	4,160	3,460
Public Safety	16,760	18,875	-	-	16,760	18,875
Public Works	13,536	13,175	-	-	13,536	13,175
Health and Human Services	205	212	-	-	205	212
Culture, Recreation, and Education	5,097	4,825	-	-	5,097	4,825
Economic Development	17,905	14,919	-	-	17,905	14,919
Interest and fiscal charges	874	781	-	-	874	781
Sewerage System	-	-	7,032	7,452	7,032	7,452
Landfill Utility	-	-	5,558	7,013	5,558	7,013
Stormwater Utility	-	-	1,631	2,076	1,631	2,076
Broadband Utility	-	-	2	-	2	-
Golf Course	-	-	2,718	2,620	2,718	2,620
Total Expenses	\$ 58,537	\$ 56,247	\$ 16,941	\$ 19,161	\$ 75,478	\$ 75,408
Increase (decrease) in net position before transfers	9,514	2,653	5,785	2,727	15,299	5,380
Transfers	(1,615)	(18)	1,615	18	-	-
Increase (decrease) in net position	7,899	2,635	7,400	2,745	15,299	5,380
Net position - January 1 (as restated)	80,979	78,344	58,867	56,122	139,846	134,466
Net position - December 31	\$ 88,878	\$ 80,979	\$ 66,267	\$ 58,867	\$ 155,145	\$ 139,846

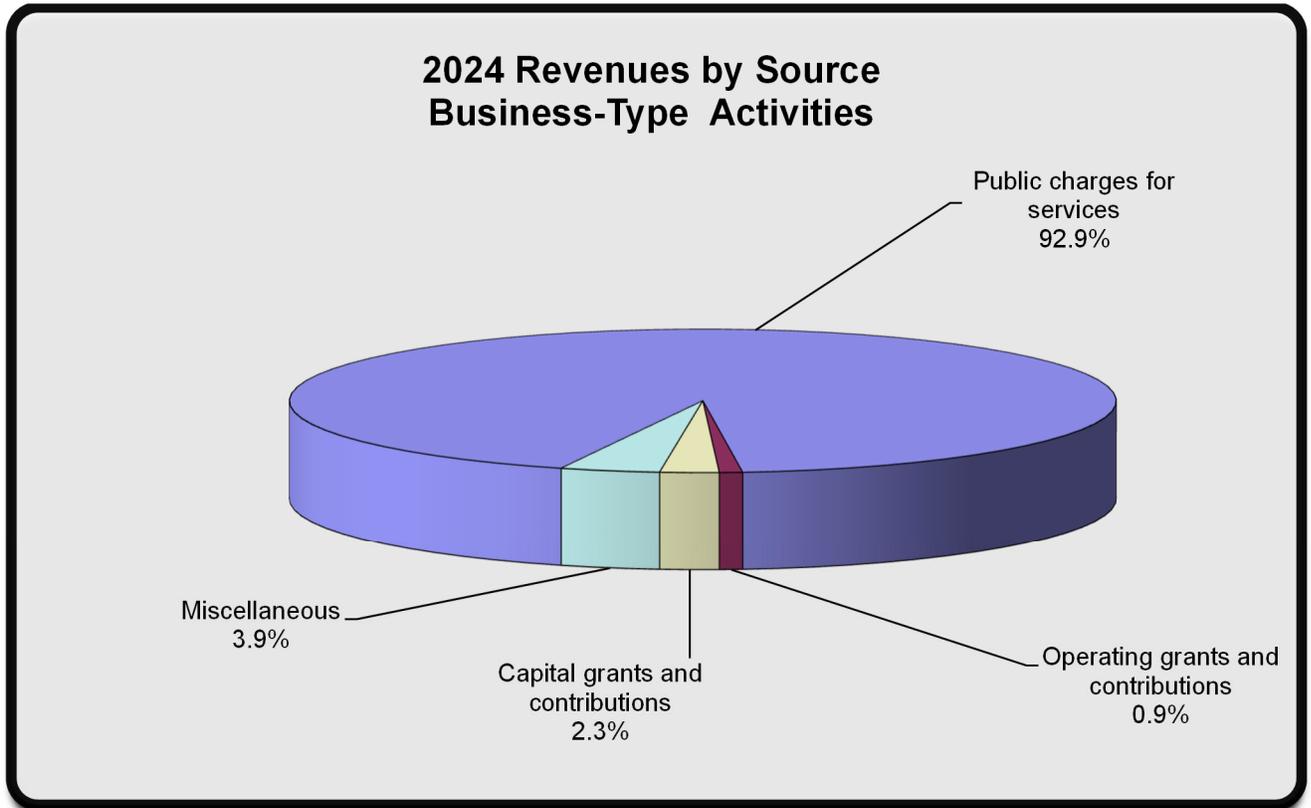
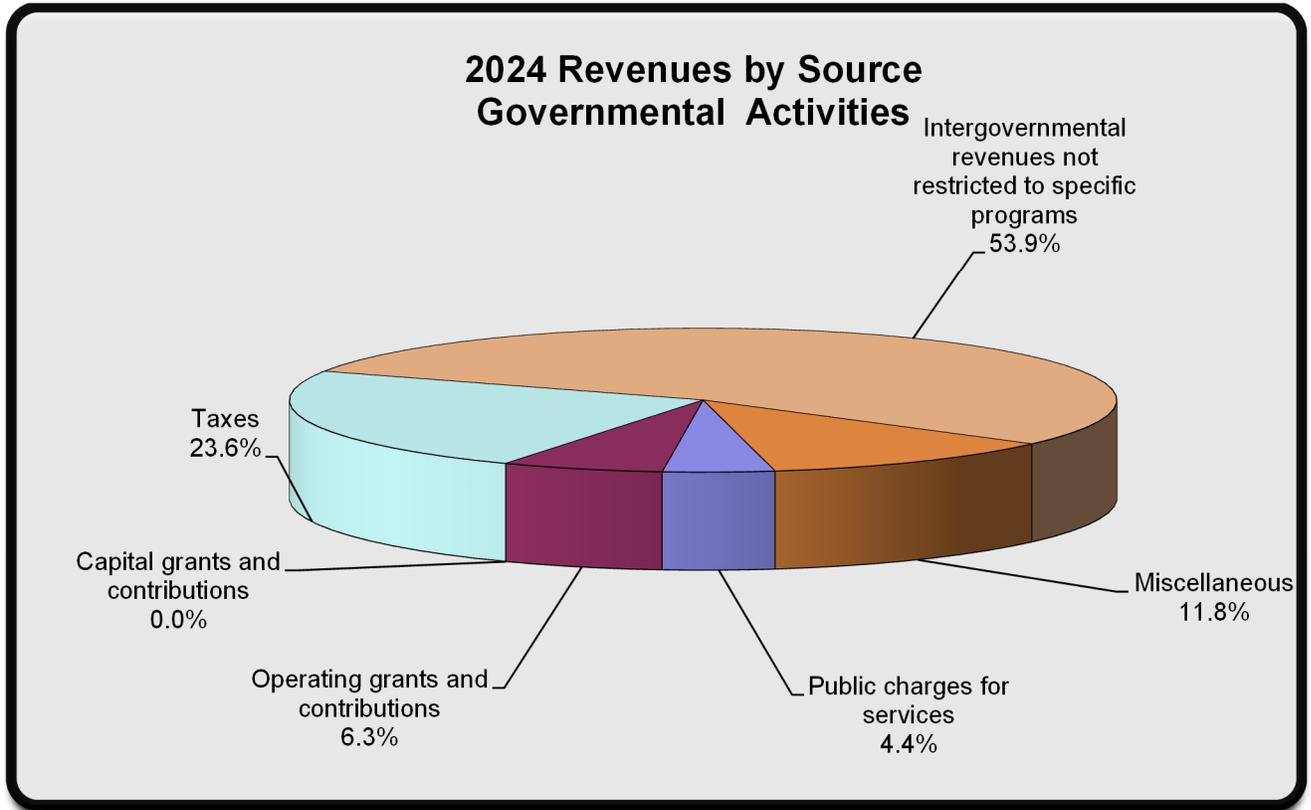
Governmental and Business-Type Activities. Governmental Activities increased the City's net position by \$7,899,617. Business-type activities increased the City's net position by \$7,400,199.

City of Superior, Wisconsin

Management's Discussion and Analysis

December 31, 2024

(Unaudited)



City of Superior, Wisconsin

Management's Discussion and Analysis

December 31, 2024

(Unaudited)

City of Superior Expenses and Program Revenues						
	Governmental Activities		Business-type Activities		Total Activities	
	2024	2023	2024	2023	2024	2023
<u>Expenses</u>						
General Government	\$ 4,160	\$ 3,460	\$ -	\$ -	\$ 4,160	\$ 3,460
Public Safety	16,760	18,875	-	-	16,760	18,875
Public Works	13,536	13,175	-	-	13,536	13,175
Health and Human Services	205	212	-	-	205	212
Culture, Recreation, and Education	5,097	4,825	-	-	5,097	4,825
Economic Development	17,905	14,919	-	-	17,905	14,919
Interest and fiscal charges	874	781	-	-	874	781
Sewerage System	-	-	7,032	7,452	7,032	7,452
Landfill Utility	-	-	5,558	7,013	5,558	7,013
Stormwater Utility	-	-	1,631	2,076	1,631	2,076
Broadband Utility	-	-	2	-	2	-
Golf Course	-	-	2,718	2,620	2,718	2,620
Total Expenses	\$ 58,537	\$ 56,247	\$ 16,941	\$ 19,161	\$ 75,478	\$ 75,408
<u>Program Revenues:</u>						
General Government	\$ 1,860	\$ 1,881	\$ -	\$ -	\$ 1,860	\$ 1,881
Public Safety	1,239	1,044	-	-	1,239	1,044
Public Works	307	277	-	-	307	277
Culture, Recreation, and Education	406	461	-	-	406	461
Economic Development	3,230	6,337	-	-	3,230	6,337
Sewerage System	-	-	8,068	8,552	8,068	8,552
Landfill Utility	-	-	7,240	7,200	7,240	7,200
Stormwater Utility	-	-	2,665	2,582	2,665	2,582
Broadband Utility	-	-	-	-	-	-
Golf Course	-	-	2,759	2,631	2,759	2,631
Total Program Revenues	\$ 7,042	\$ 10,000	\$ 20,732	\$ 20,965	\$ 27,774	\$ 30,965
<u>Net Cost of Service</u>						
General Government	\$ 2,300	\$ 1,579	\$ -	\$ -	\$ 2,300	\$ 1,579
Public Safety	15,521	17,831	-	-	15,521	17,831
Public Works	13,229	12,898	-	-	13,229	12,898
Health and Human Services	205	212	-	-	205	212
Culture, Recreation, and Education	4,691	4,364	-	-	4,691	4,364
Economic Development	14,675	8,582	-	-	14,675	8,582
Interest and fiscal charges	874	781	-	-	874	781
Sewerage System	-	-	(1,036)	(1,100)	(1,036)	(1,100)
Landfill Utility	-	-	(1,682)	(187)	(1,682)	(187)
Stormwater Utility	-	-	(1,034)	(506)	(1,034)	(506)
Broadband Utility	-	-	2	-	2	-
Golf Course	-	-	(41)	(11)	(41)	(11)
Total Net Cost of Service	\$ 51,495	\$ 46,247	\$ (3,791)	\$ (1,804)	\$ 47,704	\$ 44,443

City of Superior, Wisconsin

Management's Discussion and Analysis

December 31, 2024

(Unaudited)

Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, an unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The general fund is the chief operation fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$11,109,403, while total fund balance reached \$13,626,065. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Total unassigned fund balance represents 37% of total general fund expenditures, while total fund balance represents 45% of that same amount.

The fund balance of the City's general fund increased by \$1,674,294.

Expenditures in the general fund were \$2,769,548 less than budgeted due primarily to debt service being over budget although all other functions were over and under budget as well. The City did not amend the original budget.

Proprietary Funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Sewerage System Fund at the end of the year amounted to \$8,631,492, for the Landfill Utility Fund \$(390,140), the Stormwater Utility Fund \$4,496,367, the Golf Course Fund \$1,447,358, and the Broadband Utility \$923,111. The total increase in net position for the funds was \$2,106,573, \$2,642,704, \$1,351,127, \$390,252, and \$923,111, respectively.

Capital Assets and Debt Administration

Capital Assets. The City's investment in capital assets for its governmental and business-type activities as of December 31, 2024, amounts to \$143,328,908 (net of accumulated depreciation/amortization). This investment in capital assets includes land, land improvements, buildings, machinery and equipment, park facilities, roads, highways, and sidewalks.

City of Superior Bay Capital Assets (net of accumulated depreciation)							
	Governmental Activities		Business-type Activities		Total Activities		
	2024	2023	2024	2023	2024	2023	
Land and land improvements	\$ 24,258	\$ 26,205	\$ 18,363	\$ 18,588	\$ 42,621	\$ 44,793	
Buildings and improvements	17,375	17,060	4,115	4,321	21,490	21,381	
Machinery and equipment	6,682	5,971	5,332	3,812	12,014	9,783	
Leased assets	243	312	228	202	471	514	
Infrastructure	-	-	23,323	23,893	23,323	23,893	
Construction in progress	7,485	3,288	7,009	4,579	14,494	7,867	
Roads	22,903	18,638	-	-	22,903	18,638	
Sidewalks/Bikepaths	6,013	6,237	-	-	6,013	6,237	
Total	\$ 84,959	\$ 77,711	\$ 58,370	\$ 55,395	\$ 143,329	\$ 133,106	

Additional information on the City's capital assets can be found in Note 3 on pages 30 - 33 of this report.

City of Superior, Wisconsin

Management's Discussion and Analysis

December 31, 2024

(Unaudited)

Long-Term Debt. At the end of the current fiscal year, the City had total bonds and notes outstanding of \$28,083,070. The debt is backed by the full faith and credit of the government. The remainder, \$8,695,647, represents the City's bonds secured solely by specified revenue sources (i.e., revenue bonds).

	City of Superior Outstanding Debt General Obligation and Revenue Bonds					
	Governmental Activities		Business-type Activities		Total Activities	
	2024	2023	2024	2023	2024	2023
General Obligation Bonds and Notes	\$ 28,083	\$ 31,907	\$ -	\$ -	\$ 28,083	\$ 31,907
Revenue Bonds	-	-	8,696	8,341	8,696	8,341
Total	\$ 28,083	\$ 31,907	\$ 8,696	\$ 8,341	\$ 36,779	\$ 40,248

The City's total bond and note payable debt decreased by \$3,823,727 or 9% during the current fiscal year. The City's bond rating has been maintained at AA from Standard & Poor's for its general obligation debt.

State statutes limit the amount of general obligation debt a governmental entity may issue to 5% of its total equalized valuation. The current debt limitation for the City is \$143,016,320, which is significantly in excess of the City's actual outstanding general obligation debt.

Additional information on the City's long-term debt can be found on pages 36 - 40 of this report.

Economic Factors

- The unemployment rate for Douglas County is currently 4.0%. This compares to the state's average unemployment rate of 3.1% and the national average rate of 4.1%.
- The equalized value has increased an average of 10.12% per year over the last five years. Equalized value increased 8.88% between 2023 and 2024.

Requests for Information. This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director.

BASIC FINANCIAL STATEMENTS

City of SuperiorStatement of Net Position
December 31, 2024

	Governmental Activities	Business- Type Activities	Total
Assets			
Cash and investments	\$ 39,638,887	\$ 15,658,448	\$ 55,297,335
Taxes receivable, net	15,124,226	-	15,124,226
Accounts receivable, net	3,558	3,516,597	3,520,155
Special assessments receivable	440,032	163,754	603,786
Loans receivable	1,060,203	-	1,060,203
Leases receivable	2,401,144	-	2,401,144
Other receivables	1,120,935	11,593	1,132,528
Due from other governments	1,481,986	-	1,481,986
Internal balances	(979,859)	979,859	-
Inventories and prepaid items	488,706	190,814	679,520
Restricted assets:			
Cash and investments	86,452	10,830,020	10,916,472
Property held for resale	482,138	-	482,138
Capital assets:			
Construction in progress	7,485,350	7,009,166	14,494,516
Land	14,875,995	1,630,722	16,506,717
Other capital assets, net of depreciation/amortization	62,597,496	49,730,179	112,327,675
Total assets	<u>146,307,249</u>	<u>89,721,152</u>	<u>236,028,401</u>
Deferred Outflows of Resources			
OPEB related amounts, City plan	2,767,059	402,590	3,169,649
OPEB related amounts, LRLIF	349,677	89,138	438,815
Pension related amounts	17,149,214	2,836,063	19,985,277
Total deferred outflows of resources	<u>20,265,950</u>	<u>3,327,791</u>	<u>23,593,741</u>
Liabilities			
Accounts payable	2,689,633	1,137,986	3,827,619
Accrued and other current liabilities	1,727,512	343,975	2,071,487
Due to other governments	53,777	-	53,777
Unearned revenues	5,701,055	75,830	5,776,885
Noncurrent liabilities:			
OPEB liability, City plan	5,560,956	809,089	6,370,045
OPEB liability, LRLIF	971,871	279,033	1,250,904
Net pension liability	1,937,322	295,575	2,232,897
Due within one year	2,782,246	909,678	3,691,924
Due in more than one year	27,264,962	20,815,747	48,080,709
Total liabilities	<u>48,689,334</u>	<u>24,666,913</u>	<u>73,356,247</u>
Deferred Inflows of Resources			
Property taxes levied for subsequent year	14,294,561	-	14,294,561
Unearned lease revenue	2,401,144	-	2,401,144
OPEB related amounts, City plan	1,553,792	226,069	1,779,861
OPEB related amounts, LRLIF	546,539	149,278	695,817
Pension related amounts	10,209,650	1,739,171	11,948,821
Total deferred inflows of resources	<u>29,005,686</u>	<u>2,114,518</u>	<u>31,120,204</u>
Current Liabilities			
Net investment in capital assets	56,900,598	50,179,009	107,079,607
Restricted for:			
Capital projects	3,380,485	-	3,380,485
Debt service	2,140,348	1,510,967	3,651,315
Library	592,121	-	592,121
Narcotics task force	29,510	-	29,510
Community improvement and development	1,276,969	-	1,276,969
Affordable housing	1,991,620	-	1,991,620
Hazardous materials grant	83,630	-	83,630
Housing loans	1,473,325	-	1,473,325
Unrestricted	21,009,573	14,577,536	35,587,109
Total net position	<u>\$ 88,878,179</u>	<u>\$ 66,267,512</u>	<u>\$ 155,145,691</u>

See notes to financial statements

City of Superior

Statement of Activities

Year Ended December 31, 2024

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental Activities				
General government	\$ 4,159,587	\$ 1,012,336	\$ 848,281	\$ -
Public safety	16,759,754	1,122,759	115,592	-
Public works	13,536,440	306,845	-	-
Health and human services	204,779	-	-	-
Culture and recreation	5,097,156	405,871	-	-
Conservation and development	17,904,623	21,157	3,209,490	-
Interest and fiscal charges	874,260	-	-	-
Total governmental activities	<u>58,536,599</u>	<u>2,868,968</u>	<u>4,173,363</u>	<u>-</u>
Business-Type Activities				
Sewerage System	7,032,171	7,573,288	-	495,594
Landfill Utility	5,557,841	7,139,222	100,527	-
Stormwater Utility	1,630,838	2,570,533	93,724	-
Broadband Utility	1,889	-	-	-
Golf Course	2,718,022	2,759,225	-	-
Total business-type activities	<u>16,940,761</u>	<u>20,042,268</u>	<u>194,251</u>	<u>495,594</u>
Total primary government	<u>\$ 75,477,360</u>	<u>\$ 22,911,236</u>	<u>\$ 4,367,614</u>	<u>\$ 495,594</u>

General Revenues

Taxes:

Property taxes, levied for general purposes

Property taxes, levied for debt service

Room taxes

Other taxes

Intergovernmental revenues not restricted to specific programs

Investment income

Miscellaneous

Total general revenues

Transfers

Change in net position

Net Position, Beginning**Net Position, Ending**

See notes to financial statements

**Net (Expenses) Revenues and
Changes in Net Position**

Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (2,298,970)	\$ -	\$ (2,298,970)
(15,521,403)	-	(15,521,403)
(13,229,595)	-	(13,229,595)
(204,779)	-	(204,779)
(4,691,285)	-	(4,691,285)
(14,673,976)	-	(14,673,976)
(874,260)	-	(874,260)
<u>(51,494,268)</u>	<u>-</u>	<u>(51,494,268)</u>
-	1,036,711	1,036,711
-	1,681,908	1,681,908
-	1,033,419	1,033,419
-	(1,889)	(1,889)
-	41,203	41,203
<u>-</u>	<u>3,791,352</u>	<u>3,791,352</u>
<u>(51,494,268)</u>	<u>3,791,352</u>	<u>(47,702,916)</u>
10,180,535	-	10,180,535
3,696,620	-	3,696,620
1,377,537	-	1,377,537
325,080	-	325,080
35,505,258	-	35,505,258
2,142,607	1,154,469	3,297,076
7,781,612	839,014	8,620,626
61,009,249	1,993,483	63,002,732
<u>(1,615,364)</u>	<u>1,615,364</u>	<u>-</u>
7,899,617	7,400,199	15,299,816
<u>80,978,562</u>	<u>58,867,313</u>	<u>139,845,875</u>
<u>\$ 88,878,179</u>	<u>\$ 66,267,512</u>	<u>\$ 155,145,691</u>

See notes to financial statements

City of Superior

Balance Sheet -
Governmental Funds
December 31, 2024

	General Fund	ARPA Grant	PIDP Grant	Capital Improvement Program	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
Assets							
Cash and investments	\$ 10,757,235	\$ 6,499,181	\$ -	\$ 2,979,964	\$ 2,537,213	\$ 8,871,399	\$ 31,644,992
Restricted cash and investments	-	-	-	-	-	86,452	86,452
Receivables:							
Taxes	11,246,409	-	-	-	3,832,674	-	15,079,083
Delinquent personal property taxes, net	45,143	-	-	-	-	-	45,143
Accounts, net	-	-	-	-	-	3,558	3,558
Special assessments	1,448	-	-	-	-	438,584	440,032
Loans	-	-	-	-	-	1,060,203	1,060,203
Leases	2,401,144	-	-	-	-	-	2,401,144
Other	177,241	-	702,044	750	-	198,938	1,078,973
Due from other governments	6,243	-	1,018,047	-	-	457,696	1,481,986
Due from other funds	1,707,268	-	-	-	-	-	1,707,268
Inventories and prepaid items	41,242	-	-	-	-	60,562	101,804
Property held for resale	-	482,138	-	-	-	-	482,138
Advances to other funds	2,475,420	-	-	-	-	-	2,475,420
Total assets	\$ 28,858,793	\$ 6,981,319	\$ 1,720,091	\$ 2,980,714	\$ 6,369,887	\$ 11,177,392	\$ 58,088,196
Liabilities, Deferred Inflows of Resources and Fund Balances							
Liabilities							
Accounts payable	\$ 472,863	\$ 1,064,313	\$ 218,490	\$ 395,806	\$ -	\$ 326,084	\$ 2,477,556
Accrued liabilities	1,082,307	-	-	-	-	80,537	1,162,844
Due to other funds	780,792	-	1,501,600	-	-	205,668	2,488,060
Due to other governments	7,737	-	-	-	-	-	7,737
Deposits	20,927	-	-	-	-	249,561	270,488
Unearned revenues	-	5,429,349	-	-	-	271,706	5,701,055
Advances from other funds	-	-	-	-	-	2,475,420	2,475,420
Total liabilities	2,364,626	6,493,662	1,720,090	395,806	-	3,608,976	14,583,160
Deferred Inflows of Resources							
Property taxes levied for subsequent year	10,461,887	-	-	-	3,832,674	-	14,294,561
Unearned lease revenue	2,401,144	-	-	-	-	-	2,401,144
Unavailable revenues	5,071	-	1,165,434	-	-	897,898	2,068,403
Total deferred inflows of resources	12,868,102	-	1,165,434	-	3,832,674	897,898	18,764,108
Fund Balances							
Nonspendable	2,516,662	-	-	-	-	60,562	2,577,224
Restricted	-	-	-	2,584,908	2,537,213	6,122,483	11,244,604
Assigned	-	487,657	-	-	-	3,029,853	3,517,510
Unassigned (deficit)	11,109,403	-	(1,165,433)	-	-	(2,542,380)	7,401,590
Total fund balances (deficit)	13,626,065	487,657	(1,165,433)	2,584,908	2,537,213	6,670,518	24,740,928
Total liabilities, deferred inflows of resources and fund balances	\$ 28,858,793	\$ 6,981,319	\$ 1,720,091	\$ 2,980,714	\$ 6,369,887	\$ 11,177,392	\$ 58,088,196

See notes to financial statements

City of Superior

Reconciliation of Total Governmental Fund Balances to

Net Position of Governmental Activities

December 31, 2024

Total Fund Balance, Governmental Funds \$ 24,740,928

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

Capital assets used in government activities are not financial resources and therefore are not reported in the fund statements. See Note 3. 84,958,841

Governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. These amounts are the net effect of these differences:
Premium on debt (864,373)

Special assessments, loans receivable, and various other receivables are reported as unavailable revenue in the fund financial statements and are recognized as revenue when earned in the government-wide financial statements. See Note 3. 2,068,403

Some deferred outflows of resources do not relate to current financial resources and are not reported in the governmental funds.
Deferred outflows, OPEB related amounts, City plan 932,250
Deferred outflows, OPEB related amounts, LRLIF 342,914
Deferred outflows, pension related amounts 16,892,040

Some deferred inflows of resources do not relate to current financial resources and are not reported in the governmental funds.
Deferred inflows, OPEB related amounts, City plan (523,489)
Deferred inflows, OPEB related amounts, LRLIF (526,039)
Deferred inflows, pension related amounts (10,069,752)

Internal service funds are used by management to charge the cost of self-insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position. 5,048,607

Long-term liabilities, including bonds and notes payable, are not due in the current period and therefore are not reported in the fund statements.

Long-term liabilities at year-end consist of:

General obligation debt	\$ (28,083,070)	
Financed purchases	(790,309)	
Lease liabilities	(242,221)	
Current Liabilities	(67,125)	
Net pension liability	(1,906,419)	
OPEB liabilities, City plan	(1,873,543)	
OPEB liabilities, LRLIF	(913,218)	
Accrued interest	(246,246)	(34,122,151)

Total Net Position, Governmental Activities \$ 88,878,179

City of Superior

Statement of Revenues, Expenditures and Changes in Fund Balances -
 Governmental Funds
 Year Ended December 31, 2024

	General Fund	ARPA Grant	PIDP Grant	(Previous Year Major Fund) HAP Grant	Capital Improvement Program	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
Revenues								
Taxes	\$ 10,496,908	\$ -	\$ -	\$ -	\$ -	\$ 3,696,620	\$ 1,376,246	\$ 15,569,774
Special assessments	4,919	-	-	-	-	-	240,941	245,860
Intergovernmental	19,097,340	7,827,531	7,903,788	-	4,466,414	-	4,500,524	43,795,597
Licenses and permits	834,061	-	-	-	16,350	-	-	850,411
Fines, forfeitures and penalties	189,845	-	-	-	-	-	10,481	200,326
Public charges for services	169,627	-	-	-	5,091	-	645,233	819,951
Intergovernmental charges for services	135,301	-	-	-	34,570	-	-	169,871
Investment income (loss)	1,095,954	-	-	-	270,190	93,640	260,260	1,720,044
Miscellaneous	600,927	-	6,906,259	-	65,703	125,263	352,080	8,050,232
Total revenues	32,624,882	7,827,531	14,810,047	-	4,858,318	3,915,523	7,385,765	71,422,066
Expenditures								
Current:								
General government	4,006,501	-	-	-	-	-	44,714	4,051,215
Public safety	16,185,567	101,466	-	-	-	-	705,345	16,992,378
Public works	7,255,856	-	-	-	-	-	374	7,256,230
Health and human services	204,779	-	-	-	-	-	-	204,779
Culture and recreation	2,150,350	66,912	-	-	7,037	-	1,678,938	3,903,237
Conservation and development	233,055	2,034,152	12,063,980	-	257,016	-	3,253,438	17,841,641
Capital outlay	-	4,530,311	-	-	10,831,595	-	988,224	16,350,130
Debt service:								
Principal retirement	-	-	3,025,847	-	120,017	2,298,959	2,858,194	8,303,017
Interest and fiscal charges	-	-	31,500	-	77,852	801,859	83,025	994,236
Total expenditures	30,036,108	6,732,841	15,121,327	-	11,293,517	3,100,818	9,612,252	75,896,863
Excess (deficiency) of revenues over expenditures	2,588,774	1,094,690	(311,280)	-	(6,435,199)	814,705	(2,226,487)	(4,474,797)
Other Financing Sources (Uses)								
Long-term debt issued	-	-	2,437,103	-	1,925,000	-	-	4,362,103
Premium on long-term debt issued	-	-	-	-	-	156,977	-	156,977
Proceeds from sale of capital assets	60,000	-	-	-	12,182	-	-	72,182
Transfers in	610,540	-	-	-	699,690	-	1,511,801	2,822,031
Transfers out	(1,585,020)	(1,094,690)	-	-	(1,545,000)	-	(555,904)	(4,780,614)
Total other financing sources (uses)	(914,480)	(1,094,690)	2,437,103	-	1,091,872	156,977	955,897	2,632,679
Net change in fund balances	1,674,294	-	2,125,823	-	(5,343,327)	971,682	(1,270,590)	(1,842,118)
Fund Balances (Deficit), Beginning, as Previously Reported	11,951,771	487,657	(3,291,256)	870,269	7,928,235	1,565,531	7,070,839	26,583,046
Accounting changes (see note disclosure)	-	-	-	(870,269)	-	-	870,269	-
Fund Balances (Deficit), Beginning, as Adjusted	11,951,771	487,657	(3,291,256)	-	7,928,235	1,565,531	7,941,108	26,583,046
Fund Balances (Deficit), Ending	\$ 13,626,065	\$ 487,657	\$ (1,165,433)	\$ -	\$ 2,584,908	\$ 2,537,213	\$ 6,670,518	\$ 24,740,928

See notes to financial statements

City of Superior

Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
Year Ended December 31, 2024

Net Change in Fund Balances, Total Governmental Funds \$ (1,842,118)

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

Governmental funds report capital outlays as expenditures. However, in the
Statement of Activities, the cost of these assets is allocated over their
estimated useful lives and reported as depreciation expense. This is the amount
by which capital outlays exceeded depreciation in the current period.

Capital outlay is capitalized in the government-wide statements	16,350,130
Some capital outlay is not capitalized in the government-wide statements	(2,344,319)
Some functional expenditures are capitalized	1,397,615
Depreciation/amortization is reported in the government-wide statements	(6,238,452)

In the Statement of Activities, the gain or loss on the disposal of capital assets is reported.
In the fund financial statements, proceeds from the sale of capital assets are reported
because the proceeds increase financial resources. This is the amount of net book
value of capital asset disposals.

(1,917,433)

Receivables not currently available are reported as unavailable revenue in the fund financial
statements but are recognized as revenue when earned in the government-wide financial
statements. This amount is the change in the following unavailable revenue categories:

Accounts receivable	213,539
Special assessments receivable	(235)
Loans receivable	(58,974)
Grants receivable	(5,203,134)

Repayment of debt principal is an expenditure in the governmental
funds, but the repayment reduces long-term liabilities in the statement of
net position. This is the amount of principal payments paid in the following categories:

Principal repaid	8,185,830
Financed purchases paid	120,017
Leases paid	69,521

Issuing debt provides current financial resources to governmental funds, but issuing
debt increases long-term liabilities in the Statement of Net Position. This is the amount
of debt issued during the year.

Debt issued (4,362,103)

Some expenses in the Statement of Activities do not require the use of
current financial resources and, therefore, are not reported as expenditures
in the governmental funds. This amount is the change in the following assets and liabilities:

Compensated absences	1,796,447
OPEB liability and related deferred outflows/inflows of resources - City plan	270,079
OPEB liability and related deferred outflows/inflows of resources - LRLIF	(38,066)
Current Liabilities	550,084

Interest on long-term debt in the Statement of Activities differs from the amount reported
in the fund financial statements because interest is recorded as an expenditure in the
funds when it is due, and thus requires the use of current financial resources. In the
Statement of Activities interest expense is recognized as the interest accrues regardless
of when it is due.

17,251

Governmental funds report the effect of premiums, discounts, and similar items when debt
is first issued, whereas these amounts are deferred and amortized in the Statement of
Activities. These amounts are the net effect of these differences:

Premium on new debt	(156,977)
Amortization of premium and deferred charge on refunding	102,726

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

988,189

Change in Net Position of Governmental Activities \$ 7,899,617

See notes to financial statements

City of Superior

Statement of Net Position -
Proprietary Funds
December 31, 2024

	Business-Type Activities - Enterprise Funds						Internal Service Funds
	Sewerage System	Landfill Utility	Stormwater Utility	Golf Course	Nonmajor Enterprise Fund Broadband Utility	Total	
Assets and Deferred Outflows of Resources							
Current Assets							
Cash and investments	\$ 7,029,651	\$ 2,596,819	\$ 3,726,001	\$ 1,382,866	\$ 923,111	\$ 15,658,448	\$ 7,993,895
Receivables:							
Customer accounts	2,037,536	788,566	690,495	-	-	3,516,597	-
Special assessments	86,602	34,260	42,892	-	-	163,754	-
Other	1,634	-	-	9,959	-	11,593	41,962
Due from other funds	498,409	174,357	108,026	-	-	780,792	-
Inventories and prepaid items	3,700	-	-	187,114	-	190,814	386,902
Total current assets	9,657,532	3,594,002	4,567,414	1,579,939	923,111	20,321,998	8,422,759
Noncurrent Assets							
Restricted assets:							
Cash and investments	1,510,967	9,319,053	-	-	-	10,830,020	-
Capital assets:							
Construction in progress	6,390,148	-	571,852	47,166	-	7,009,166	-
Land	28,860	61,240	246,622	1,294,000	-	1,630,722	-
Capital assets	60,411,033	23,708,836	17,983,333	4,064,489	-	106,167,691	-
Less accumulated depreciation/amortization	(31,908,780)	(17,006,351)	(4,601,391)	(2,920,990)	-	(56,437,512)	-
Total capital assets (net of accumulated depreciation/amortization)	34,921,261	6,763,725	14,200,416	2,484,665	-	58,370,067	-
Total noncurrent assets	36,432,228	16,082,778	14,200,416	2,484,665	-	69,200,087	-
Total assets	46,089,760	19,676,780	18,767,830	4,064,604	923,111	89,522,085	8,422,759
Deferred Outflows of Resources							
OPEB related amounts, City plan	253,058	77,066	72,466	-	-	402,590	1,834,809
OPEB related amounts, LRLIF	48,930	40,208	-	-	-	89,138	6,763
Pension related amounts	1,655,936	657,529	522,598	-	-	2,836,063	257,174
Total deferred outflows of resources	1,957,924	774,803	595,064	-	-	3,327,791	2,098,746

See notes to financial statements

City of Superior

Statement of Net Position -
Proprietary Funds
December 31, 2024

Business-Type Activities - Enterprise Funds							
	Sewerage System	Landfill Utility	Stormwater Utility	Golf Course	Nonmajor Enterprise Fund Broadband Utility	Total	Internal Service Funds
Liabilities, Deferred Inflows of Resources and Net Position							
Current Liabilities							
Accounts payable	\$ 738,421	\$ 349,962	\$ 35,568	\$ 14,035	\$ -	\$ 1,137,986	\$ 212,077
Accrued liabilities	180,291	61,931	59,037	42,716	-	343,975	47,934
Due to other governments	-	-	-	-	-	-	46,040
Unearned revenue	-	-	-	75,830	-	75,830	-
Current portion of compensated absences	258	122	41	-	-	421	19
Current portion of revenue bonds	652,442	-	212,336	-	-	864,778	-
Current portion of leases	-	-	-	44,479	-	44,479	-
Total current liabilities	1,571,412	412,015	306,982	177,060	-	2,467,469	306,070
Noncurrent Liabilities							
Compensated absences	1,261	594	200	-	-	2,055	91
Revenue bonds	6,912,430	-	918,439	-	-	7,830,869	-
Leases	-	-	-	180,651	-	180,651	-
OPEB liability, City plan	508,572	154,882	145,635	-	-	809,089	3,687,413
OPEB liability, LRLIF	155,258	123,775	-	-	-	279,033	58,653
Net pension liability	168,024	69,160	58,391	-	-	295,575	30,903
Landfill closure and postclosure liability	-	12,802,172	-	-	-	12,802,172	-
Total noncurrent liabilities	7,745,545	13,150,583	1,122,665	180,651	-	22,199,444	3,777,060
Total liabilities	9,316,957	13,562,598	1,429,647	357,711	-	24,666,913	4,083,130
Deferred Inflows of Resources							
OPEB related amounts, City plan	142,100	43,277	40,692	-	-	226,069	1,030,303
OPEB related amounts, LRLIF	81,634	67,644	-	-	-	149,278	20,500
Pension related amounts	1,008,145	404,479	326,547	-	-	1,739,171	139,898
Total deferred inflows of resources	1,231,879	515,400	367,239	-	-	2,114,518	1,190,701
Net Position							
Net investment in capital assets	28,086,108	6,763,725	13,069,641	2,259,535	-	50,179,009	-
Restricted for:							
Debt service	1,510,967	-	-	-	-	1,510,967	-
Unrestricted (deficit)	7,901,773	(390,140)	4,496,367	1,447,358	923,111	14,378,469	5,247,674
Total net position	\$ 37,498,848	\$ 6,373,585	\$ 17,566,008	\$ 3,706,893	\$ 923,111	66,068,445	\$ 5,247,674
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds						199,067	
Net position of business-type activities						\$ 66,267,512	

See notes to financial statements

City of Superior

Statement of Revenues, Expenses and Changes in Net Position -
Proprietary Funds
Year Ended December 31, 2024

	Business-Type Activities - Enterprise Funds						
	Sewerage System	Landfill Utility	Stormwater Utility	Golf Course	Nonmajor Enterprise Fund Broadband Utility	Total	Internal Service Funds
Operating Revenues							
Charges for services	\$ 7,458,609	\$ 7,088,028	\$ 2,570,533	\$ 2,757,135	\$ -	\$ 19,874,305	\$ 8,901,822
Other	114,679	51,194	-	2,090	-	167,963	1,831,840
Total operating revenues	7,573,288	7,139,222	2,570,533	2,759,225	-	20,042,268	10,733,662
Operating Expenses							
Operation and maintenance	5,443,536	4,986,936	1,172,429	2,438,825	1,889	14,043,615	4,245,767
Depreciation and amortization	1,411,275	565,221	421,056	261,551	-	2,659,103	-
Insurance claims and premiums	-	-	-	-	-	-	6,276,155
Total operating expenses	6,854,811	5,552,157	1,593,485	2,700,376	1,889	16,702,718	10,521,922
Operating income (loss)	718,477	1,587,065	977,048	58,849	(1,889)	3,339,550	211,740
Nonoperating Revenues (Expenses)							
Noncapital grants	-	100,527	93,724	-	-	194,251	-
Investment income	516,929	347,421	290,119	-	-	1,154,469	422,561
Net gain on disposal of capital assets	1,541	773,584	-	-	-	775,125	-
Interest and fiscal charges	(167,640)	-	(38,238)	(18,597)	-	(224,475)	(2,900)
Other miscellaneous revenue	-	35,415	28,474	-	-	63,889	-
Total nonoperating revenues (expenses)	350,830	1,256,947	374,079	(18,597)	-	1,963,259	419,661
Income (loss) before contributions and transfers	1,069,307	2,844,012	1,351,127	40,252	(1,889)	5,302,809	631,401
Capital Contributions	495,594	-	-	-	-	495,594	-
Transfers In	600,000	-	-	350,000	925,000	1,875,000	343,219
Transfers Out	(58,328)	(201,308)	-	-	-	(259,636)	-
Change in net position	2,106,573	2,642,704	1,351,127	390,252	923,111	7,413,767	974,620
Net Position, Beginning	35,392,275	3,730,881	16,214,881	3,316,641	-	-	4,273,054
Net Position, Ending	\$ 37,498,848	\$ 6,373,585	\$ 17,566,008	\$ 3,706,893	\$ 923,111	-	\$ 5,247,674
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds						(13,568)	
Change in net position of business-type activities						\$ 7,400,199	

See notes to financial statements

City of Superior
Statement of Cash Flows -
Proprietary Funds
Year Ended December 31, 2024

	Business-Type Activities - Enterprise Funds						Internal Service Funds
	Sewerage System	Landfill Utility	Stormwater Utility	Golf Course	Nonmajor Enterprise Fund Broadband Utility	Total	
Cash Flows From Operating Activities							
Cash received from services provided	\$ 7,910,857	\$ 7,289,956	\$ 2,726,785	\$ 2,764,787	\$ -	\$ 20,692,385	\$ 10,777,964
Cash paid to suppliers for goods and services	(3,528,685)	(4,149,725)	(784,584)	(1,403,986)	(1,889)	(9,868,869)	(10,038,833)
Cash paid to employees for services	(2,207,041)	(896,481)	(615,031)	(1,001,677)	-	(4,720,230)	(527,206)
Net cash flows from operating activities	2,175,131	2,243,750	1,327,170	359,124	(1,889)	6,103,286	211,925
Cash Flows From Noncapital Financing Activities							
Transfers from other funds	600,000	-	-	350,000	925,000	1,875,000	343,219
Transfers to other funds	(58,328)	(201,308)	-	-	-	(259,636)	-
Net cash flows from noncapital financing activities	541,672	(201,308)	-	350,000	925,000	1,615,364	343,219
Cash Flows From Investing Activities							
Investment income	516,929	347,421	290,119	-	-	1,154,469	422,561
Net cash flows from investing activities	516,929	347,421	290,119	-	-	1,154,469	422,561
Cash Flows From Capital and Related Financing Activities							
Debt issued	1,150,898	-	-	-	-	1,150,898	-
Debt retired	(590,551)	-	(205,847)	(149,062)	-	(945,460)	-
Special assessments received	53,522	11,807	16,791	-	-	82,120	-
Interest and fiscal charges paid	(167,640)	(5,842)	(38,238)	(20,005)	-	(231,725)	(2,901)
Insurance recoveries	-	1,027,467	-	-	-	1,027,467	-
Acquisition and construction of capital assets	(2,444,517)	(2,375,222)	(577,244)	(185,614)	-	(5,582,597)	-
Capital contributions received	495,594	-	-	-	-	495,594	-
Net cash flows from capital and related financing activities	(1,502,694)	(1,341,790)	(804,538)	(354,681)	-	(4,003,703)	(2,901)
Net change in cash and cash equivalents	1,731,038	1,048,073	812,751	354,443	923,111	4,869,416	974,804
Cash and Cash Equivalents, Beginning	6,809,580	10,867,799	2,913,250	1,028,423	-	21,619,052	7,019,091
Cash and Cash Equivalents, Ending	\$ 8,540,618	\$ 11,915,872	\$ 3,726,001	\$ 1,382,866	\$ 923,111	\$ 26,488,468	\$ 7,993,895
Reconciliation of Cash and Cash Equivalents							
Cash and investments per Statement of Net Position	\$ 7,029,651	\$ 2,596,819	\$ 3,726,001	\$ 1,382,866	\$ 923,111	\$ 15,658,448	\$ 7,993,895
Restricted cash and investments	1,510,967	9,319,053	-	-	-	10,830,020	-
Cash and Cash Equivalents per Statement of Cash Flows	\$ 8,540,618	\$ 11,915,872	\$ 3,726,001	\$ 1,382,866	\$ 923,111	\$ 26,488,468	\$ 7,993,895
Reconciliation of Operating Income (Loss) to Net Cash Flows From Operating Activities							
Operating income (loss)	\$ 718,477	\$ 1,587,065	\$ 977,048	\$ 58,849	\$ (1,889)	\$ 3,341,439	\$ 211,740
Adjustments to reconcile operating income to net cash flows from operating activities:							
Nonoperating Income	-	135,942	122,198	-	-	258,140	-
Noncash items included in income:							
Depreciation	1,411,275	565,221	421,056	261,551	-	2,659,103	-
Change in assets, deferred outflows, liabilities and deferred inflows:							
Accounts receivable	240,180	25,912	16,710	(8,991)	-	273,811	44,302
Due from other funds	97,389	(11,120)	17,344	-	-	103,613	-
Inventories and prepaid items	-	-	-	25,970	-	25,970	(6,464)
Accounts payable	78,955	(284,574)	4,118	(31,240)	-	(232,741)	(234,774)
Due to other funds	-	-	-	-	-	-	38,587
Other current liabilities	28,300	390,937	7,236	38,432	-	464,905	25,794
Compensated absences	(229,957)	(133,919)	(199,393)	-	-	(563,269)	(27,927)
OPEB related deferrals and liability	(76,569)	(6,299)	(23,339)	14,553	-	(91,654)	166,335
Pension related deferrals and asset/liability	(92,919)	(25,415)	(15,808)	-	-	(134,142)	(5,668)
Net cash flows from operating activities	\$ 2,175,131	\$ 2,243,750	\$ 1,327,170	\$ 359,124	\$ (1,889)	\$ 6,103,286	\$ 211,925
Noncash Capital, Investing and Financing Activities							
Capital related accounts payable	\$ 181,698	\$ -	\$ 14,123	\$ -	\$ -	\$ -	\$ -
Equipment acquired through issuance of lease	\$ -	\$ -	\$ -	\$ 252,643	\$ -	\$ -	\$ -

See notes to financial statements

City of Superior

Statement of Fiduciary Net Position -

Custodial Funds

December 31, 2024

	<u>Custodial Funds</u>
Assets	
Cash and investments	\$ 1,849,986
Taxes receivable	<u>26,929,083</u>
Total assets	<u>28,779,069</u>
Liabilities	
Due to other governments	<u>28,245,724</u>
Total liabilities	<u>28,245,724</u>
Net Position	
Total net position	<u>\$ 533,345</u>

See notes to financial statements

City of Superior

Statement of Changes in Fiduciary Net Position -
Custodial Funds
Year Ended December 31, 2024

	<u>Custodial Funds</u>
Additions	
Taxes collected for other governments	\$ 15,767,038
Deposits received	30,037
Miscellaneous revenue	<u>12,018</u>
Total additions	<u>15,809,093</u>
Deductions	
Taxes distributed to other governments	15,767,038
Refund of deposits	30,037
Other payments	<u>2,939</u>
Total deductions	<u>15,800,014</u>
Change in fiduciary net position	9,079
Net Position, Beginning	<u>524,266</u>
Net Position, Ending	<u>\$ 533,345</u>

See notes to financial statements

City of Superior

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December 31, 2024

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City of Superior

Notes to Financial Statements
December 31, 2024

1. Summary of Significant Accounting Policies

The accounting policies of the City of Superior, Wisconsin (the City) conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

Reporting Entity

This report includes all of the funds of the City. The reporting entity for the City consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if (1) it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization, (2) it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government, (3) the organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. Certain legally separate, tax exempt organizations should also be reported as a component unit if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units or its constituents; (2) the primary government or its component units, is entitled to, or has the ability to access, a majority of the economic resources received or held by the separate organization; and (3) the economic resources received or held by an individual organization that the primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to the primary government.

Component units are reported using one of three methods, discrete presentation, blended or fiduciary. Generally, component units should be discretely presented in a separate column in the financial statements. A component unit should be reported as part of the primary government using the blending method if it meets any one of the following criteria: (1) the primary government and the component unit have substantively the same governing body and a financial benefit or burden relationship exists, (2) the primary government and the component unit have substantively the same governing body and management of the primary government has operational responsibility for the component unit, (3) the component unit serves or benefits, exclusively or almost exclusively, the primary government rather than its citizens or (4) the total debt of the component unit will be paid entirely or almost entirely from resources of the primary government.

Blended Component Unit

The Redevelopment Authority (the Authority) of the City of Superior is an authority organized by the City under the laws of the state of Wisconsin. The Authority promotes urban renewal projects and the alleviation of the conditions of urban blight. It is governed by a seven-member Board appointed by the City. Because the funds of the Authority are spent on urban development for the benefit of the City, the Authority is reported as if it were a part of the primary government. The Authority does not prepare separate financial statements.

Government-Wide and Fund Financial Statements

In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections*. This Statement establishes accounting and financial reporting requirements for (a) accounting changes and (b) the correction of an error in previously issued financial statements (error correction). This standard was implemented January 1, 2024.

City of Superior

Notes to Financial Statements
December 31, 2024

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. This Statement requires that liabilities for compensated absences be recognized in financial statements prepared using the economic resources measurement focus for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This standard was implemented January 1, 2024. The impact of implementation was not material.

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

Fund Financial Statements

Financial statements of the City 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 balance, revenues and expenditures/expenses.

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

- a. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental or enterprise fund that met the 10% test is at least 5% of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or enterprise fund that the City believes is particularly important to financial statement users may be reported as a major fund.

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.

City of Superior

Notes to Financial Statements
December 31, 2024

The City reports the following major governmental funds:

General Fund

General Fund accounts for the City's primary operating activities. It is used to account for and report all financial resources except those accounted for and reported in another fund.

Special Revenue Fund

ARPA Grant Fund is used to account for restricted revenue resources from federal agencies used for American Rescue Plan Act programs.

Debt Service Funds

Debt Service Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for the payment of general long-term debt principal, interest and related costs, other than enterprise debt.

Capital Projects Funds

Capital Improvement Program Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets for the City's Capital Improvement Program.

PIDP Grant Fund is used to account for and report financial resources that are restricted, committed or assigned to Port Infrastructure Development program expenditures.

Enterprise Funds

The City reports the following major enterprise funds:

Sewerage system accounts for operations of the sewer system.

Landfill Utility fund accounts for operations of the waste collection operations.

Stormwater Utility accounts for operations of the stormwater system.

Golf Course fund accounts for operations of the golf course.

City of Superior

Notes to Financial Statements
December 31, 2024

The City reports the following nonmajor governmental and enterprise funds:

Special Revenue Funds

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes (other than debt service or capital projects).

Crime Prevention	Police Grant & Liaison
Fire Department Grant	Loan Fund
Urban Tree	Parks and Recreation Boat Ramp Fees
Haz Mat Grant	Library
HUD CDBG	Home SF Grant 2006-2008
Neighborhood Improvement	Affordable Housing
Fire Department PPP	Economic Development
CDBG Revolving Loan Fund	Municipal Forest
Superior Business Center	Illegal Tax
Special Assessment	Narcotics
Business Improvement District	Tourism Commission
Hotel/Motel Tax	Revolving Grant 2020

Capital Projects Funds

Capital Projects Funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Hallet Dock Rehabilitation Project	July 2016 Rain Event
Tax Increment District No. 7	Tax Increment District No. 9
Tax Increment District No. 11	Tax Increment District No. 12
Tax Increment District No. 13	Tax Increment District No. 14
Tax Increment District No. 15	Tax Increment District No. 16
Tax Increment District No. 17	Tax Increment District No. 18
Redevelopment Authority	HAP Grant Project

Enterprise Fund

Enterprise Fund is used to account for and report any activity for which a fee is charged to external uses for goods or services, and must be used for activities which meet certain debt or cost recovery criteria.

Broadband Utility

In addition, the City reports the following fund types:

Internal Service Funds

Internal Service Funds are used to account for and report the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governmental units, on a cost-reimbursement basis.

Custodial Funds

Custodial Funds are used to account for and report assets controlled by the City and the assets are for the benefit of individuals, private organizations and/or other governmental units.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-Wide Financial Statements

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. 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. 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 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 City's sewer and stormwater utilities and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

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

Intergovernmental aids and grants are recognized as revenues in the period the City is entitled to the resources and the amounts are available. Amounts owed to the City which are not available are recorded as receivables and unavailable revenues. Amounts received before eligibility requirements (excluding time requirements) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

Special assessments are recorded as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and unavailable revenues.

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

Proprietary and Fiduciary Funds

Proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note.

City of Superior

Notes to Financial Statements
December 31, 2024

The proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Sewerage System, Landfill Utility, Stormwater Utility, Golf Course and Broadband Utility funds are charges to customers for sales and services. Special assessments are recorded as receivables and contribution revenue when levied. 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.

All Financial Statements

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

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity

Deposits and Investments

For purposes of the statement of cash flows, the City considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

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

- a. Time deposits in any credit union, bank, savings bank or trust company.
- b. 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, the University of Wisconsin Hospitals and Clinics Authority or the Wisconsin Aerospace Authority.
- c. Bonds or securities issued or guaranteed by the federal government.
- d. The local government investment pool.
- e. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- f. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- g. Repurchase agreements with public depositories, with certain conditions.

Investment of most trust funds including cemetery perpetual care 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.

The City has adopted an investment policy. That policy follows the state statute for allowable investments.

City of Superior

Notes to Financial Statements
December 31, 2024

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on methods and inputs as outlined in Note 3. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances. The difference between the bank statement balance and carrying value is due to outstanding checks and/or deposits in transit.

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF) and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2024, the fair value of the City's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

See Note 3 for further information.

Receivables

Property taxes are levied in December on the assessed value as of the prior January 1. In addition to property taxes for the City, taxes are collected for and remitted to the county government as well as the local school district and technical college district. Taxes for all state and local governmental units billed in the current year for the succeeding year are reflected as receivables and due to other taxing units on the accompanying statement of fiduciary net position.

Property tax calendar - 2024 tax roll:

Lien date and levy date	December 2024
Tax bills mailed	December 2024
Payment in full, or	January 31, 2025
First installment due	January 31, 2025
Second installment due	July 31, 2025
Tax sale - 2024 delinquent real estate taxes	October 2027

Accounts receivable have been shown net of an allowance for uncollectible accounts. Delinquent real estate taxes as of July 31 are paid in full by the County, which assumes the collection thereof. No provision for uncollectible accounts receivable has been made for the sewerage system because they have the right by law to place substantially all delinquent bills on the tax roll and other delinquent bills are generally not significant.

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

In the governmental fund financial statements, advances to other funds are offset equally by a nonspendable fund balance account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation or by a restricted fund balance account, if the funds will ultimately be restricted when the advance is repaid.

City of Superior

Notes to Financial Statements
December 31, 2024

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 amount recorded as economic development and housing rehabilitation loans receivable has been reduced by an allowance for uncollectible accounts of \$574,500.

It is the City's policy to record unavailable revenue 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.

Inventories and Prepaid Items

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

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Restricted Assets

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

Capital Assets

Government-Wide Financial Statements

Capital assets, which include property, plant and equipment (including right-to-use lease assets), are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$5,000 for general and infrastructure assets and an estimated useful life in excess of 1 year. All capital assets are valued at historical cost or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor and overhead. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

City of Superior

Notes to Financial Statements
December 31, 2024

Depreciation and amortization of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation and amortization reflected in the statement of net position. Depreciation and amortization is provided over the assets' estimated useful lives using the straight-line method. The range of estimated useful lives by type of asset is as follows:

Buildings	20-50 Years
Land improvements	20-50 Years
Machinery and equipment	5-15 Years
Infrastructure	20-50 Years

Lease assets are typically amortized over the lease term.

Fund Financial Statements

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

Other Assets

Property held for resale consists of buildings and improvements and is valued at cost of acquisition and improvements.

Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

Compensated Absences

Under terms of employment, employees are granted sick leave and vacation in varying amounts.

Vacation and sick leave pay is accrued in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, and are payable with expendable resources.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2024, are determined on the basis of current salary rates and include salary related payments.

Long-Term Obligations

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

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) are reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

City of Superior

Notes to Financial Statements
December 31, 2024

For the government-wide statements and proprietary fund statements, bond premiums and discounts are amortized over the life of the issue using the straight-line method. The balance at year end is shown as an increase or decrease in the liability section of the statement of net position.

Leases

The City is a lessor because it leases capital assets to other entities. As a lessor, the City reports a lease receivable and corresponding deferred inflow of resources in both the fund financial statements and government-wide financial statements. The City continues to report and depreciate the capital assets being leased as capital assets of the primary government.

The City is a lessee because it leases capital assets from other entities. As a lessee, the City reports a lease liability and an intangible right-to-use capital asset (known as the lease asset) on the government-wide financial statements and proprietary fund statements. In the governmental fund financial statements, the City recognizes lease proceeds and capital outlay at initiation of the lease, and the outflow of resources for the lease liability as a debt service payment.

Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net assets that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

Equity Classifications

Government-Wide Statements

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

- a. **Net Investment in Capital Assets** - Consists of capital assets including restricted capital assets, net of accumulated depreciation/amortization and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. **Restricted Net Position** - Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. **Unrestricted Net Position** - All other net positions that do not meet the definitions of "restricted" or "net investment in capital assets."

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

Fund Statements

Governmental fund balances are displayed as follows:

- a. **Nonspendable** - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.

City of Superior

Notes to Financial Statements
December 31, 2024

- b. **Restricted** - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. **Committed** - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the City Council. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the City Council that originally created the commitment.
- d. **Assigned** - Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. The Council may take official action to assign amounts. Assignments may take place after the end of the reporting period.
- e. **Unassigned** - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those purposes.

Proprietary fund equity is classified the same as in the government-wide statements.

The City considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents / contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the City would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

See Note 3 for further information.

Pension

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

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

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

City of Superior

Notes to Financial Statements
December 31, 2024

Postemployment Benefits Other Than Pensions (OPEB)

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 following:

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

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

For purposes of measuring the total OPEB liability and OPEB expense, the City's single-employer defined benefit retiree healthcare plan recognizes benefit payments when due and payable in accordance with the benefit terms.

2. Stewardship, Compliance and Accountability

Budgetary Information

A budget has been adopted for the all funds except the ARPA grant fund. A budget has not been formally adopted for the ARPA grant fund. Wisconsin Statute 65.90 requires that an annual budget be adopted for all funds.

Deficit Balances

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year end.

As of December 31, 2024, the following individual funds held a deficit balance:

<u>Fund</u>	<u>Amount</u>	<u>Reason</u>
PIDP Grant	\$ 1,165,433	Insufficient revenues to cover expenditures
Tax Increment District No. 12	6,484	Insufficient tax increment generated
Tax Increment District No. 13	497,599	Insufficient tax increment generated
Tax Increment District No. 14	255,064	Insufficient tax increment generated
Tax Increment District No. 15	493,301	Insufficient tax increment generated
Tax Increment District No. 16	90,484	Insufficient tax increment generated
Tax Increment District No. 17	1,074,438	Insufficient tax increment generated
Tax Increment District No. 18	42,748	Insufficient tax increment generated
Crime Prevention	27,506	Insufficient revenues to cover expenditures
Police Grant & Liaison	21,162	Insufficient revenues to cover expenditures
Park and Recreation Boat Ramp Fees	8,090	Insufficient revenues to cover expenditures
Fire Department PPP	25,504	Insufficient revenues to cover expenditures

City of Superior

Notes to Financial Statements
December 31, 2024

TIF district deficits are anticipated to be funded with future incremental taxes levied over the life of the districts, which is 27 years for the districts created before October 1, 1995, and 23 years for districts created thereafter through September 30, 2004. Beginning October 1, 2004, the life of new districts varies by type of district (20-27 years) and may be extended in some cases.

Limitations on the City's Tax Levy

Wisconsin law limits the City's future tax levies. Generally the City is limited to its prior tax levy dollar amount (excluding TIF Districts), increased by the greater of the percentage change in the City's equalized value due to net new construction or zero percent. Changes in debt service from one year to the next are generally exempt from this limit with certain exceptions. The City is required to reduce its allowable levy by the estimated amount of fee revenue it collects for certain services, if those services were funded in 2013 by the property tax levy. Levies can be increased above the allowable limits if the amount is approved by referendum.

3. Detailed Notes on All Funds

Deposits and Investments

The City's deposits and investments at year end were comprised of the following:

	<u>Carrying Value</u>	<u>Statement Balances</u>	<u>Associated Risks</u>
Deposits	\$ 13,923,875	\$ 14,192,479	Custodial credit
U.S. agencies, implicitly guaranteed	7,911,130	7,911,130	Custodial credit, credit, concentration of credit, interest rate
U.S. treasuries	5,977,042	5,977,042	Custodial credit, interest rate
Negotiable CDs	40,198,749	40,198,749	Custodial credit, credit, concentration of credit, interest rate
LGIP	9,045	9,045	Credit
Petty cash	43,952	-	N/A
	<u>\$ 68,063,793</u>	<u>\$ 68,288,445</u>	
Reconciliation to financial statements			
Per statement of net position:			
Unrestricted cash and investments	\$ 55,297,335		
Restricted cash and investments	10,916,472		
Per statement of net position, fiduciary funds:			
Custodial fund	<u>1,849,986</u>		
	<u>\$ 68,063,793</u>		

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit accounts (interest-bearing and non-interest-bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts.

City of Superior

Notes to Financial Statements
December 31, 2024

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$1,000,000. However, due to the nature of this fund, recovery of material principal losses may not be significant to individual municipalities. This coverage has been considered in computing custodial credit risk.

The Securities Investor Protection Corporation (SIPC), created by the Securities Investor Protection Act of 1970, is an independent government-sponsored corporation (not an agency of the U.S. government).

SIPC membership provides account protection up to a maximum of \$500,000 per customer, of which \$250,000 may be in cash. \$46,406,912 of the City's investments are covered by SIPC. Additionally, through RBC Capital Markets, LLC, accounts have additional securities coverage of \$99.5 million per customer, subject to a \$400 million aggregate firm limit.

The City maintains collateral agreements with its banks. At December 31, 2024, the banks had pledged various government securities in the amount of \$18,753,413 to secure the City's deposits.

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

The valuation methods for recurring fair value measurements are as follows:

- Matrix pricing model

Investment Type	December 31, 2024			
	Level 1	Level 2	Level 3	Total
U.S. agencies, implicitly guaranteed	\$ -	\$ 7,911,130	\$ -	\$ 7,911,130
U.S. treasuries	-	5,977,042	-	5,977,042
Negotiable CDs	-	40,198,749	-	40,198,749
Total	\$ -	\$ 54,086,921	\$ -	\$ 54,086,921

Custodial Credit Risk

Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the City's deposits may not be returned to the City.

The City does not have any deposits exposed to custodial credit risk.

Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The City does not have any investments exposed to custodial credit risk.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

City of Superior

Notes to Financial Statements
December 31, 2024

As of December 31, 2024, the City's investments were rated as follows:

Investment Type	Standard & Poors	Moody's Investors Services
U.S. agencies, implicitly guaranteed	AA+	AAA

The City's negotiable CDs are not rated.

The City also held investments in the following external pools which are not rated:

LGIP

Concentration of Credit Risk

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

At December 31, 2024, the City's investment portfolio was concentrated as follows:

Issuer	Investment Type	Percentage of Net Position
Federal Home Loan Bank	U.S. agencies, implicitly guaranteed	6.93 %
Federal Farm Credit Bank	U.S. agencies, implicitly guaranteed	5.71

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment.

As of December 31, 2024, the City's investments were as follows:

Investment Type	Fair Value	Maturity (in Months)		
		Less Than 1 Year	1-5 Years	6-10 Years
U.S. agencies, implicitly guaranteed	\$ 7,911,130	\$ 2,023,538	\$ 5,475,167	\$ 412,425
U.S. treasuries	5,977,042	592,878	4,082,165	1,301,999
Certificates of deposit, negotiable	40,198,749	9,914,592	29,117,521	1,166,636
Total	<u>\$ 54,086,921</u>	<u>\$ 12,531,008</u>	<u>\$ 38,674,853</u>	<u>\$ 2,881,060</u>

See Note 1 for further information on deposit and investment policies.

Receivables

All of the receivables on the balance sheet are expected to be collected within one year except delinquent personal property taxes of \$45,143 and leases receivable of \$2,222,471 in the general fund and loans of \$1,038,956 in the nonmajor governmental funds.

City of Superior

Notes to Financial Statements
December 31, 2024

Capital Assets

Capital asset activity for the year ended December 31, 2024, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets not being depreciated / amortized:				
Land	\$ 16,793,428	\$ -	\$ 1,917,433	\$ 14,875,995
Construction in progress	<u>3,288,335</u>	<u>5,341,131</u>	<u>1,144,116</u>	<u>7,485,350</u>
Total capital assets not being depreciated / amortized	<u>20,081,763</u>	<u>5,341,131</u>	<u>3,061,549</u>	<u>22,361,345</u>
Capital assets being depreciated / amortized:				
Land improvements	17,001,339	737,906	15,200	17,724,045
Buildings and improvements	28,553,468	1,383,349	-	29,936,817
Machinery and equipment	23,768,990	2,249,896	1,113,149	24,905,737
Roads	65,500,195	6,611,573	13,819,442	58,292,326
Sidewalks/bikepaths	15,755,645	223,687	76,795	15,902,537
Leased assets, buildings	<u>375,654</u>	<u>-</u>	<u>-</u>	<u>375,654</u>
Total capital assets being depreciated / amortized	<u>150,955,291</u>	<u>11,206,411</u>	<u>15,024,586</u>	<u>147,137,116</u>
Total capital assets	<u>171,037,054</u>	<u>16,547,542</u>	<u>18,086,135</u>	<u>169,498,461</u>
Less accumulated depreciation / amortization for:				
Land improvements	(7,589,696)	(767,091)	15,200	(8,341,587)
Buildings and improvements	(11,493,356)	(1,068,842)	-	(12,562,198)
Machinery and equipment	(17,798,334)	(1,538,948)	1,113,149	(18,224,133)
Roads	(46,861,666)	(2,346,834)	13,819,442	(35,389,058)
Sidewalks/bikepaths	(9,518,790)	(447,216)	76,795	(9,889,211)
Leased assets, buildings	<u>(63,912)</u>	<u>(69,521)</u>	<u>-</u>	<u>(133,433)</u>
Total accumulated depreciation / amortization	<u>(93,325,754)</u>	<u>(6,238,452)</u>	<u>15,024,586</u>	<u>(84,539,620)</u>
Net capital assets being depreciated / amortized	<u>57,629,537</u>	<u>4,967,959</u>	<u>-</u>	<u>62,597,496</u>
Total governmental activities capital assets, excluding lease assets	<u>\$ 77,711,300</u>	<u>\$ 10,309,090</u>	<u>\$ 3,061,549</u>	<u>\$ 84,958,841</u>
Total governmental activities capital assets, net as reported in the statement of net position				<u>\$ 84,958,841</u>

Depreciation / amortization expense was charged to functions as follows:

Governmental Activities

General government	\$ 151,465
Public safety	1,249,567
Public works	3,621,728
Culture, recreation and education	<u>1,215,692</u>

Total governmental activities depreciation / amortization expense \$ 6,238,452

City of Superior

Notes to Financial Statements
December 31, 2024

Business-Type Activities

	Beginning Balance	Additions	Deletions	Ending Balance
Sewer				
Capital assets not being depreciated:				
Land	\$ -	\$ 28,860	\$ -	\$ 28,860
Construction in progress	4,509,802	2,104,164	223,818	6,390,148
Total capital assets not being depreciated	4,509,802	2,133,024	223,818	6,419,008
Capital assets being depreciated:				
Buildings and improvements	18,077,819	194,133	-	18,271,952
Machinery and equipment	7,000,584	117,436	-	7,118,020
Infrastructure	34,756,214	264,847	-	35,021,061
Total capital assets being depreciated	59,834,617	576,416	-	60,411,033
Total capital assets	64,344,419	2,709,440	223,818	66,830,041
Less accumulated depreciation for:				
Buildings and improvements	(13,966,952)	(382,549)	-	(14,349,501)
Machinery and equipment	(5,667,182)	(193,868)	-	(5,861,050)
Infrastructure	(10,863,371)	(834,858)	-	(11,698,229)
Total accumulated depreciation	(30,497,505)	(1,411,275)	-	(31,908,780)
Net capital assets being depreciated	29,337,112	(834,859)	-	28,502,253
Net sewer capital assets	<u>\$ 33,846,914</u>	<u>\$ 1,298,165</u>	<u>\$ 223,818</u>	<u>\$ 34,921,261</u>
	Beginning Balance	Additions	Deletions	Ending Balance
Landfill Utility				
Capital assets not being depreciated:				
Land	\$ 61,240	\$ -	\$ -	\$ 61,240
Total capital assets not being depreciated	61,240	-	-	61,240
Capital assets being :				
Land improvements	17,922,472	209,897	-	18,132,369
Buildings and improvements	178,714	-	-	178,714
Machinery and equipment	4,766,030	2,165,325	1,533,602	5,397,753
Total capital assets being depreciated	22,867,216	2,375,222	1,533,602	23,708,836
Total capital assets	22,928,456	2,375,222	1,533,602	23,770,076
Less accumulated depreciation for:				
Land improvements	(14,466,253)	(148,209)	-	(14,614,462)
Buildings and improvements	(178,715)	-	-	(178,715)
Machinery and equipment	(3,075,881)	(417,012)	1,279,719	(2,213,174)
Total accumulated depreciation	(17,720,849)	(565,221)	1,279,719	(17,006,351)
Net capital assets being depreciated	5,146,367	1,810,001	253,883	6,702,485
Net landfill utility capital assets	<u>\$ 5,207,607</u>	<u>\$ 1,810,001</u>	<u>\$ 253,883</u>	<u>\$ 6,763,725</u>

City of Superior

Notes to Financial Statements
December 31, 2024

	Beginning Balance	Additions	Deletions	Ending Balance	
Stormwater					
Capital assets not being depreciated:					
Land	\$ 246,622	\$ -	\$ -	\$ 246,622	
Construction in progress	58,317	572,376	58,841	571,852	
Total capital assets not being depreciated	304,939	572,376	58,841	818,474	
Capital assets being depreciated:					
Land Improvements	17,073,187	58,841	-	17,132,028	
Machinery and equipment	835,230	16,075	-	851,305	
Total capital assets being depreciated	17,908,417	74,916	-	17,983,333	
Total capital assets	18,213,356	647,292	58,841	18,801,807	
Less accumulated depreciation for:					
Land Improvements	(3,645,857)	(352,533)	-	(3,998,390)	
Machinery and equipment	(534,478)	(68,523)	-	(603,001)	
Total accumulated depreciation	(4,180,335)	(421,056)	-	(4,601,391)	
Net capital assets being depreciated	13,728,082	(346,140)	-	13,381,942	
Net stormwater capital assets	<u>\$ 14,033,021</u>	<u>\$ 226,236</u>	<u>\$ 58,841</u>	<u>\$ 14,200,416</u>	
	Beginning Balance	Adjustments	Additions	Deletions	Ending Balance
Golf Course					
Capital assets not being depreciated / amortized:					
Land	\$ 1,294,000	\$ -	\$ -	\$ -	\$ 1,294,000
Construction in progress	10,750	-	36,416	-	47,166
Total capital assets not being depreciated	1,304,750	-	36,416	-	1,341,166
Capital assets being depreciated / amortized:					
Land improvements	1,736,816	-	-	-	1,736,816
Buildings and improvements	774,348	-	-	-	774,348
Machinery and equipment	739,886	411,598	149,198	-	1,300,682
Leased assets, equipment	411,598	(411,598)	252,643	-	252,643
Total capital assets being depreciated / amortized	3,662,648	-	401,841	-	4,064,489
Total capital assets	<u>4,967,398</u>	<u>-</u>	<u>438,257</u>	<u>-</u>	<u>5,405,655</u>

City of Superior

Notes to Financial Statements
December 31, 2024

	<u>Beginning Balance</u>	<u>Adjustments</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Less accumulated depreciation / amortization for:					
Land improvements	\$ (1,634,212)	\$ -	\$ (22,830)	\$ -	\$ (1,657,042)
Buildings and improvements	(564,264)	-	(16,640)	-	(580,904)
Machinery and equipment	(251,591)	(209,373)	(196,817)	-	(657,781)
Leased assets, equipment	<u>(209,372)</u>	<u>209,373</u>	<u>(25,264)</u>	-	<u>(25,263)</u>
Total accumulated depreciation / amortization	<u>(2,659,439)</u>	<u>-</u>	<u>(261,551)</u>	<u>-</u>	<u>(2,920,990)</u>
Net capital assets being depreciated / amortized	<u>1,003,209</u>	<u>-</u>	<u>140,290</u>	<u>-</u>	<u>1,143,499</u>
Net golf course capital assets	<u>\$ 2,307,959</u>	<u>\$ -</u>	<u>\$ 176,706</u>	<u>\$ -</u>	<u>\$ 2,484,665</u>
Business-type activities capital assets, net as reported in the statement of net position		<u>\$ 55,395,501</u>	<u>\$ 3,511,108</u>	<u>\$ 536,542</u>	<u>\$ 58,370,067</u>

Depreciation / amortization expense was charged to functions as follows:

Business-Type Activities

Sewerage	\$ 1,411,275
Landfill	565,221
Stormwater	421,056
Golf course	<u>261,551</u>

Total business-type activities , net as reported in the statement of net position expense	<u>\$ 2,659,103</u>
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City of Superior

Notes to Financial Statements
December 31, 2024

Interfund Receivables/Payables, Advances and Transfers

Interfund Receivables/Payables

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General fund	HUD CDBG	\$ 47,021
Sewerage system	General fund	498,409
Landfill utility	General fund	174,357
Stormwater utility	General fund	108,026
General fund	PIDP grant	1,501,600
General fund	Police grant & liaison	155,707
General fund	HAP grant project	<u>2,940</u>
	Total, fund financial statements	2,488,060
	Less fund eliminations	(1,707,268)
	Add interfund receivables created with internal service fund eliminations	<u>199,067</u>
	Total internal balances, government-wide statement of net position	<u><u>\$ 979,859</u></u>

All amounts are due within one year.

These interfunds resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made.

Advances

The general fund is advancing funds to Tax Increment District Nos. 12, 13, 14, 15, 16, 17 and 18. The amount advanced is determined by the deficiency of revenues over expenditures and other financing sources since the district's inception. No repayment schedule has been established.

City of Superior

Notes to Financial Statements
December 31, 2024

Transfers

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>
General fund	Sewerage system	\$ 58,328
General fund	Landfill utility	201,308
General fund	Nonmajor governmental funds	350,904
Capital improvement program	Nonmajor governmental funds	205,000
Nonmajor governmental funds	General fund	1,511,801
Sewerage system	ARPA	600,000
Internal service funds	General fund	73,219
Golf course	Capital improvement program	350,000
Internal service funds	Capital improvement program	270,000
Broadband fund	Capital improvement program	925,000
Capital improvement program	ARPA	<u>494,690</u>
Total, fund financial statements		5,040,250
Less fund eliminations		<u>(3,424,886)</u>
Total transfers, government-wide statement of activities		<u>\$ 1,615,364</u>

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

City of Superior

Notes to Financial Statements
December 31, 2024

Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2024, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and notes payable:					
General obligation debt	\$ 28,090,000	\$ 1,925,000	\$ 2,150,000	\$ 27,865,000	\$ 2,370,000
General obligation notes from direct borrowings and direct placements (Discounts)/Premiums:	3,816,797	2,437,103	6,035,830	218,070	202,470
Bond premium	<u>810,122</u>	<u>156,977</u>	<u>102,726</u>	<u>864,373</u>	<u>-</u>
Total bonds and notes payable	<u>32,716,919</u>	<u>4,519,080</u>	<u>8,288,556</u>	<u>28,947,443</u>	<u>2,572,470</u>
Other liabilities:					
Compensated absences*	1,891,609	-	1,824,374	67,235	11,430
Financed purchases	<u>910,326</u>	<u>-</u>	<u>120,017</u>	<u>790,309</u>	<u>123,215</u>
Total other liabilities	<u>2,801,935</u>	<u>-</u>	<u>1,944,391</u>	<u>857,544</u>	<u>134,645</u>
Total governmental activities long-term liabilities, excluding lease liabilities	<u>\$ 35,518,854</u>	<u>\$ 4,519,080</u>	<u>\$ 10,232,947</u>	<u>\$ 29,804,987</u>	<u>\$ 2,707,115</u>
Lease liabilities (Note 3)				<u>\$ 242,221</u>	<u>\$ 75,131</u>
Total governmental activities long-term liabilities				<u>\$ 30,047,208</u>	<u>\$ 2,782,246</u>
Business-Type Activities					
Bonds and notes payable:					
Revenue bonds from direct borrowings and direct placements	<u>\$ 8,341,147</u>	<u>\$ 1,150,898</u>	<u>\$ 796,398</u>	<u>\$ 8,695,647</u>	<u>\$ 864,778</u>
Total bonds and notes payable	<u>8,341,147</u>	<u>1,150,898</u>	<u>796,398</u>	<u>8,695,647</u>	<u>864,778</u>
Other liabilities:					
Compensated absences*	565,745	-	563,269	2,476	421
Landfill closure and postclosure liability	<u>12,418,510</u>	<u>383,662</u>	<u>-</u>	<u>12,802,172</u>	<u>-</u>
Total other liabilities	<u>12,984,255</u>	<u>383,662</u>	<u>563,269</u>	<u>12,804,648</u>	<u>421</u>
Total business-type activities long-term liabilities, excluding lease liabilities	<u>\$ 21,325,402</u>	<u>\$ 1,534,560</u>	<u>\$ 1,359,667</u>	<u>\$ 21,500,295</u>	<u>\$ 865,199</u>
Lease liabilities (Note 3)				<u>\$ 225,130</u>	<u>\$ 44,479</u>
Total business-type activities long-term liabilities				<u>\$ 21,725,425</u>	<u>\$ 909,678</u>

*The change in the compensated absences liability is presented as a net change.

In accordance with Wisconsin Statutes, total general obligation indebtedness of the City may not exceed 5% of the equalized value of taxable property within the City's jurisdiction. The debt limit as of December 31, 2024, was \$143,016,320. Total general obligation debt outstanding at year end was \$28,083,070.

City of Superior

Notes to Financial Statements
December 31, 2024

General Obligation Debt

All general obligation debt payable is backed by the full faith and credit of the City. Debt in the governmental funds will be retired by future property tax levies or tax increments accumulated by the debt service fund.

<u>Governmental Activities</u>					<u>Balance</u>
<u>General Obligation Debt</u>	<u>Date of</u>	<u>Final</u>	<u>Interest</u>	<u>Original</u>	<u>December 31,</u>
	<u>Issue</u>	<u>Maturity</u>	<u>Rates</u>	<u>Indebtedness</u>	<u>2024</u>
2006A State Trust Fund Loan *	01/2006	03/2025	4.5%	\$ 483,077	\$ 36,923
2006B State Trust Fund Loan *	07/2006	03/2026	4.5	214,991	30,528
2014A Corporate Purpose Bonds	08/2014	06/2034	2.0-4.0	6,375,000	1,670,000
2015A Street Improvement Bonds	02/2015	02/2031	2.75-3.0	3,870,000	2,420,000
2016 A Corporate Purpose Bonds	06/2016	12/2036	2.0-3.0	2,065,000	1,385,000
2016B Promissory Note	06/2016	12/2026	1.5-2.5	770,000	170,000
2017B Street Improvement Bonds	04/2017	12/2037	3.0-4.0	5,380,000	4,260,000
2017C Refunding Bonds	09/2017	12/2025	2.0-5.0	3,240,000	440,000
2018A Corporate Purpose Bonds	04/2018	04/2038	3.0-3.5	5,400,000	4,400,000
2018C Community Development Bonds	08/2018	12/2035	3.0-3.7	1,415,000	1,105,000
2019A Community Development Bonds	12/2019	03/2031	2.0-2.5	1,345,000	975,000
2020B Corporate Purpose Bonds	04/2020	12/2040	2.0-4.0	3,750,000	3,615,000
2021A Corporate Purpose Bonds	04/2021	10/2041	1.1-3.0	3,090,000	3,015,000
2021B Refunding Bonds	08/2021	10/2031	1.0-2.0	3,595,000	2,485,000
2023A Taxable Grant Anticipation Note *	09/2023	09/2025	6.0	3,000,000	150,619
2024B GO Note	05/2024	11/2039	4.0-5.0	1,925,000	<u>1,925,000</u>
Total governmental activities, general obligation debt					<u>\$ 28,083,070</u>

* = considered direct placement or direct borrowing

City of Superior

Notes to Financial Statements
December 31, 2024

Debt service requirements to maturity are as follows:

<u>Years</u>	Governmental Activities General Obligation Debt	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 2,370,000	\$ 703,314
2026	2,120,000	717,492
2027	2,090,000	662,258
2028	2,160,000	600,182
2029	2,220,000	539,620
2030-2034	10,070,000	1,842,689
2035-2039	6,135,000	533,571
2040-2041	700,000	13,560
Total	<u>\$ 27,865,000</u>	<u>\$ 5,612,686</u>

<u>Years</u>	Governmental Activities General Obligation Notes From Direct Borrowings and Direct Placements	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 202,470	\$ 11,508
2026	15,600	702
Total	<u>\$ 218,070</u>	<u>\$ 12,210</u>

Revenue Debt

Business-type activities revenue bonds are payable only from revenues derived from the operation of the .

The City has pledged future sewerage system revenues, net of specified operating expenses, to repay revenue bonds issued in 2012, 2017, 2018, 2020, 2022 and 2024. Proceeds from the bonds provided financing for the sewerage system improvements. The bonds are payable solely from the sewerage system revenues and are payable through 2043. Annual principal and interest payments on the bonds are expected to require 17.5% of net revenues. The total principal and interest remaining to be paid on the bonds is \$8,601,948. Principal and interest paid for the current year and total customer net revenues were \$745,531 and \$2,589,893, respectively.

The City has pledged future stormwater utility revenues, net of specified operating expenses, to repay revenue bonds issued in 2010. Proceeds from the bonds provided financing for the stormwater utility capital projects. The bonds are payable solely from the stormwater system revenues and are payable through 2029. Annual principal and interest payments on the bonds are expected to require 11.30% of net revenues. The total principal and interest remaining to be paid on the bonds is \$1,222,122. Principal and interest paid for the current year and total customer net revenues were \$244,745 and \$1,810,421, respectively.

City of Superior

Notes to Financial Statements
December 31, 2024

Revenue debt payable at December 31, 2024, consists of the following:

Business-Type Activities Revenue Debt

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2024</u>
Sewer System					
2012B Clean Water Fund Revenue Bonds *	02/2012	05/2031	2.4%	\$ 3,348,738	\$ 1,430,581
2017A Clean Water Fund Revenue Bonds *	02/2017	05/2036	2.4	1,640,000	1,121,239
2018B Sewer System Revenue Bonds *	07/2018	05/2028	1.9	1,439,290	610,966
2020B Clean Water Fund Revenue Bonds *	02/2020	05/2039	1.7	2,823,890	2,424,452 (1)
2022B Clean Water Fund Revenue Bonds *	06/2022	05/2042	2.0	738,215	826,736 (2)
2024A Clean Water Fund Revenue Bonds *	01/2024	05/2043	2.145	1,880,617	<u>1,150,898</u> (3)
				Total sewer system	<u>7,564,872</u>

(1) - During 2020, the utility was authorized to issue \$3,217,370 of sewerage system Clean Water Fund revenue bonds. The original amount reported above has been issued as of December 31, 2024. The repayment schedule is for the amount issued.

(2) - During 2022, the utility was authorized to issue \$1,059,522 of sewerage system Clean Water Fund revenue bonds. The original amount reported above has been issued as of December 31, 2024. The repayment schedule is for the amount issued.

(3) - During 2024, the utility was authorized to issue \$1,880,617 of sewerage system Clean Water Fund revenue bonds. The original amount reported above has been issued as of December 31, 2024. The repayment schedule is for the amount issued.

Stormwater Utility

2010 Storm Water Revenue Bonds *	01/2010	05/2029	3.2	3,398,121	<u>1,130,775</u>
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* = considered direct placement or direct borrowing

Total business-type activities, revenue debt \$ 8,695,647

City of Superior

Notes to Financial Statements
December 31, 2024

Debt service requirements to maturity are as follows:

<u>Years</u>	Business-Type Activities Revenue Debt	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 864,778	\$ 179,510
2026	884,983	159,057
2027	905,684	138,101
2028	926,895	116,628
2029	788,682	96,123
2030-2034	2,232,384	303,577
2035-2039	1,650,561	118,247
2040-2043	441,680	17,180
Total	<u>\$ 8,695,647</u>	<u>\$ 1,128,423</u>

Financed Purchases

Financed purchases are payable from the Capital Improvement Program fund.

Financed purchases at December 31, 2024 consist of the following:

<u>Governmental Activities</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2024</u>
Financed Purchases					
Platform Truck	09/10/2020	01/15/2030	2.66%	\$ 1,273,400	<u>\$ 790,309</u>
Total governmental activities financed purchases					<u>\$ 790,309</u>

Debt service requirements to maturity are as follows:

<u>Years</u>	Governmental Activities Financed Purchases	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 123,215	\$ 21,054
2026	126,497	17,771
2027	129,867	14,402
2028	133,327	10,942
2029	136,878	7,390
2030	140,525	3,744
Total	<u>\$ 790,309</u>	<u>\$ 75,303</u>

Lease Liabilities

Refer to Note 3, Lease Disclosures.

Other Debt Information

The City's outstanding State Trust Fund Loans from direct borrowing related to governmental activities of \$67,451 contain clauses that any delinquent payments are subject to a penalty of one percent per month and shall be deducted from any state payments that are due to the City.

City of Superior

Notes to Financial Statements
December 31, 2024

The City's outstanding debt from direct borrowings or direct placements related to the sewerage system and stormwater utility of \$8,695,647 contain provisions that (1) any delinquent payments can be deducted from any state payments that are due to the City or a special charge may be added to the taxes apportioned to and levied upon the County in which the City is located and (2) in an event of default, outstanding amounts become immediately due and payable or the interest rate may be increased to the market interest rate and (3) any delinquent payments may be intercepted from the revenue of the sewerage system and stormwater utility.

Lease Disclosures

Lessee - Lease Liabilities

Governmental Activities

<u>Lease Liabilities</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Office space	\$ 311,742	\$ -	\$ 69,521	\$ 242,221	\$ 75,131
Total	<u>\$ 311,742</u>	<u>\$ -</u>	<u>\$ 69,521</u>	<u>\$ 242,221</u>	<u>\$ 75,131</u>

Future minimum lease payments are as follows:

<u>Years</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 75,131	\$ 16,828
2026	80,740	11,219
2027	86,350	5,609
Total	<u>\$ 242,221</u>	<u>\$ 33,656</u>

Business-Type Activities

<u>Lease Liabilities</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Golf carts	\$ 94,712	\$ 252,643	\$ 122,225	\$ 225,130	\$ 44,479
Golf equipment	26,837	-	26,837	-	-
Total	<u>\$ 121,549</u>	<u>\$ 252,643</u>	<u>\$ 149,062</u>	<u>\$ 225,130</u>	<u>\$ 44,479</u>

Future minimum lease payments are as follows:

<u>Years</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 44,479	\$ 18,449
2026	48,649	14,279
2027	53,211	9,717
2028	58,201	4,727
2029	20,590	387
Total	<u>\$ 225,130</u>	<u>\$ 47,559</u>

City of Superior

Notes to Financial Statements
December 31, 2024

Lessor - Lease Receivables

Governmental Activities

<u>Lease Receivables Description</u>	<u>Date of Inception</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Receivable Balance December 31, 2024</u>
Building lease	01/1/2012	12/31/2041	3%	\$ 28,606
Montreal Pier	01/1/2021	12/31/2030	3	63,800
Marina land lease	05/1/2005	04/30/2036	3	2,255,000
Land lease	8/29/1997	08/28/2024	3	<u>53,738</u>
Total governmental activities				<u>\$ 2,401,144</u>

The City recognized \$170,664 of lease revenue during the fiscal year.

The City recognized \$94,768 of interest revenue during the fiscal year.

Closure and Postclosure Care Cost

State and federal laws and regulations require the City to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$12,802,172 reported as landfill closure and postclosure care liability at December 31, 2024, represents the cumulative amount. Actual cost may be higher due to inflation, changes in technology or changes in regulations.

The City is required by state and federal laws and regulations to make annual contributions to a trust to finance closure and postclosure care. The City is in compliance with these requirements, and, at December 31, 2024, investments of \$9,319,053 are held for these purposes. These are reported as restricted assets on the statement of net position. The City expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional postclosure care requirements are determined (due to changes in technology or applicable laws or regulations, for example) these costs may need to be covered by charges to future landfill users or from future tax revenue.

Net Position/Fund Balances

Net position reported on the government-wide statement of net position at December 31, 2024, includes the following:

Governmental Activities

Invested in capital assets:

Land	\$ 14,875,995
Construction in progress	7,485,350
Other capital assets, net of accumulated depreciation/amortization	62,597,496
Less capital long-term debt outstanding (excluding unspent capital related debt proceeds)	(26,161,340)
Less lease liabilities and financed purchase	(1,032,530)
Less unamortized debt premium	<u>(864,373)</u>

Total invested in capital assets \$ 56,900,598

City of Superior

Notes to Financial Statements
December 31, 2024

Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2024, include the following:

	General Fund	ARPA Grant	PIDP Grant	Capital Improvement Program	Debt Service	Nonmajor Funds	Total
Fund Balances							
Nonspendable:							
Inventories and prepaid items	\$ 41,242	\$ -	\$ -	\$ -	\$ -	\$ 60,562	\$ 101,804
Advances	2,475,420	-	-	-	-	-	2,475,420
Subtotal	2,516,662	-	-	-	-	60,562	2,577,224
Restricted for:							
Capital projects	-	-	-	2,584,908	-	1,166,265	3,751,173
Debt service	-	-	-	-	2,537,213	-	2,537,213
Library expenditures	-	-	-	-	-	592,121	592,121
Narcotics task force	-	-	-	-	-	29,510	29,510
Community improvement and development projects	-	-	-	-	-	123,447	123,447
Hazardous materials grant	-	-	-	-	-	83,630	83,630
Superior business center	-	-	-	-	-	154,070	154,070
Tourism	-	-	-	-	-	999,451	999,451
Housing loans	-	-	-	-	-	982,369	982,369
Affordable housing	-	-	-	-	-	1,991,620	1,991,620
Subtotal	-	-	-	2,584,908	2,537,213	6,122,483	11,244,604
Assigned to:							
Future projects	-	487,657	-	-	-	-	487,657
Municipal forest fund	-	-	-	-	-	58,853	58,853
Special assessment fund	-	-	-	-	-	28,996	28,996
Urban Tree	-	-	-	-	-	42,981	42,981
Economic development fund	-	-	-	-	-	1,646,629	1,646,629
Business improvement fund	-	-	-	-	-	194,443	194,443
Neighborhood improvement fund	-	-	-	-	-	164,181	164,181
Fire department	-	-	-	-	-	46,518	46,518
Correct property assessment errors	-	-	-	-	-	45,947	45,947
Revolving grant fund	-	-	-	-	-	801,305	801,305
Subtotal	-	487,657	-	-	-	3,029,853	3,517,510
Unassigned (Deficit):	11,109,403	-	(1,165,433)	-	-	(2,542,380)	7,401,590
Total fund balances (deficit)	<u>\$ 13,626,065</u>	<u>\$ 487,657</u>	<u>\$ (1,165,433)</u>	<u>\$ 2,584,908</u>	<u>\$ 2,537,213</u>	<u>\$ 6,670,518</u>	<u>\$ 24,740,928</u>

City of Superior

Notes to Financial Statements
December 31, 2024

Business-Type Activities

Net investment in capital assets:	
Land	\$ 1,630,722
Construction in progress	7,009,166
Other capital assets, net of accumulated depreciation/amortization	49,730,179
Less long-term debt outstanding (excluding unspent capital related debt proceeds)	(7,965,928)
Less lease liabilities	<u>(225,130)</u>
Total net investment in capital assets	<u>\$ 50,179,009</u>

Accounting Changes

Changes to or Within the Financial Reporting Entity (See Adjustments Below)

The HAP Grant Project capital projects fund, previously reported as a major fund, is reported as a nonmajor fund for 2024. During fiscal year 2024, changes to or within the financial reporting entity resulted in adjustments to beginning fund balance, as follows:

	December 31, 2023 As Previously Reported	Change to or Within the Financial Reporting Entity	December 31, 2023 As Adjusted
Governmental funds:			
Major funds:			
HAP Grant Project	\$ 870,269	\$ (870,269)	\$ -
Nonmajor funds	7,070,839	870,269	7,941,108

4. Other Information

Employees' Retirement System

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 <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

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

City of Superior

Notes to Financial Statements
December 31, 2024

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 occupation employees, 62 for elected officials and executive service retirement 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 period. 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 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.

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>
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
2022	7.4	15.0
2023	1.6	(21.0)

City of Superior

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December 31, 2024

Contributions

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

During the reporting period, the WRS recognized \$2,000,544 in contributions from the City.

Contribution rates for the plan year reported as of December 31, 2024 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (Executives & Elected Officials)	6.80 %	6.80 %
Protective with Social Security	6.80	13.20
Protective without Social Security	6.80	18.10

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

At December 31, 2024, the City reported a liability of \$2,232,897 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022 rolled forward to December 31, 2023. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2023, the City's proportion was 0.15018080%, which was an increase of 0.00167003% from its proportion measured as of December 31, 2022.

For the year ended December 31, 2024, the City recognized pension expense (revenue) of \$1,303,665.

At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between projected and actual experience	\$ 9,003,019	\$ 11,924,554
Changes in assumptions	973,255	-
Net differences between projected and actual earnings on pension plan investments	7,781,283	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	11,906	24,267
Employer contributions subsequent to the measurement date	<u>2,215,814</u>	<u>-</u>
Total	<u>\$ 19,985,277</u>	<u>\$ 11,948,821</u>

City of Superior

Notes to Financial Statements
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\$2,215,814 reported as deferred outflows of resources related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ending December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Years Ending December 31:</u>	<u>Deferred Outflows of Resources and Deferred Inflows of Resources (Net)</u>
2025	\$ 1,190,106
2026	1,252,632
2027	4,879,298
2028	(1,501,394)

Actuarial Assumptions

The total pension liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2022
Measurement Date of Net Pension Liability (Asset):	December 31, 2023
Experience Study:	January 1, 2018-December 31, 2020 Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.8%
Discount Rate:	6.8%
Salary Increases:	
Wage Inflation	3.0%
Seniority/Merit	0.1%-5.6%
Mortality:	2020 WRS Experience Mortality Table
Postretirement Adjustments*:	1.7%

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

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The Total Pension Liability for December 31, 2023 is based upon a roll-forward of the liability calculated from the December 31, 2022 actuarial valuation.

City of Superior

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Long-Term Expected Return on Plan Assets

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

Asset Allocation Targets and Expected Returns* as of December 31, 2023			
Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %**
Public Equity	40	7.3	4.5
Public Fixed Income	27	5.8	3.0
Inflation Sensitive	19	4.4	1.7
Real Estate	8	5.8	3.0
Private Equity/Debt	18	9.6	6.7
Leverage***	(12)	3.7	1.0
Total Core Fund	100	7.4	4.6
Variable Fund Asset			
U.S. Equities	70	6.8	4.0
International Equities	30	7.6	4.8
Total Variable Fund	100	7.3	4.5

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

** *New England Pension Consultants' Long-Term U.S. CPI (Inflation) Forecast: 2.7%*

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

City of Superior

Notes to Financial Statements
December 31, 2024

Single Discount Rate

A single discount rate of 6.8% was used to measure the total pension liability for the current and prior year. This discount rate is based on the expected rate of return on pension plan investments of 6.8% and a municipal bond rate of 3.77% (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, 2023. 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 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the investment rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

	<u>1% Decrease to Discount Rate (5.8%)</u>	<u>Current Discount Rate (6.8%)</u>	<u>1% Increase to Discount Rate (7.8%)</u>
City's proportionate share of the net pension liability (asset)	\$ 21,582,029	\$ 2,232,897	\$ (11,306,509)

Pension Plan Fiduciary Net Position

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

Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; workers compensation; and health care of its employees. The City purchases commercial insurance to provide coverage for losses from (torts; theft of, damage to or destruction of assets; errors and omission; workers compensation; and health care of its employees). However, other risks, such as (torts; theft of, damage to or destruction of assets; errors and omission; workers compensation; and health care of its employees) are accounted for and financed by the City in the general fund and internal service fund.

Self Insurance

For health and dental claims, the uninsured risk of loss is \$150,000 per incident and \$6,485,637 in the aggregate for a policy year. The City has purchased commercial insurance for claims in excess of those amounts. Settled claims have not exceeded the commercial coverage in any of the past three years.

City of Superior

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All funds of the City participate in the risk management program. Funding is provided by charges to City departments, employees and retirees. Retirees use accumulated sick leave at retirement or are billed monthly premiums for health benefits based on actual costs of providing such benefits. The program is supplemented by stop-loss protection, which limits the City's annual liability. \$2,471,938 was assigned for that reserve at year end, and is included in unrestricted net position of the internal service fund.

A liability for a claim is established if information indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss is reasonably estimable. Liabilities include an amount for claims that have been incurred but not reported. The City does not allocate overhead costs or other nonincremental costs to the claims liability.

Claims Liability

	<u>Prior Year</u>	<u>Current Year</u>
Unpaid Claims, Beginning	\$ 309,072	\$ 414,772
Current year claims and changes in estimates	5,802,090	5,607,187
Claim payments	<u>(5,696,390)</u>	<u>(5,835,077)</u>
Unpaid Claims, Ending	<u>\$ 414,772</u>	<u>\$ 186,882</u>

Commitments and Contingencies

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred.

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

The City has active construction projects as of December 31, 2024. Work that has been completed on these projects but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures.

Other Postemployment Benefits

General Information About the OPEB Plan

Plan Description

The City administers a single-employer defined benefit OPEB plan that provides medical benefits to eligible retirees and their spouses through the City's group medical insurance plan, which covers both active and retired members. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided

The City Council has the authority to establish and amend the types of benefits provided through the City OPEB plan. If eligible, the retiree may receive medical insurance benefits until they are eligible for Medicare. Benefits provided are as follows:

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Notes to Financial Statements
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Non-Union Employees - In return for two days banked unused paid leave, the retiree will receive one month of prepaid medical coverage upon their retirement.

Union Employees - Banked unused sick and vacation days via the City's Vantage Care plan may be used for continued medical coverage on the City's plan upon retirement.

All City employees may choose to remain on the City's group medical plan and self-pay the full (100%) required premium amounts when their Vantage Care Credit and/or banked months have been depleted.

Employees Covered by Benefit Terms

At December 31, 2024, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	35
Active plan members	<u>232</u>
Total	<u><u>267</u></u>

Total OPEB Liability

The City's total OPEB liability of \$6,370,045 was measured as of January 1, 2024, and was determined by an actuarial valuation as of January 1, 2024.

Actuarial Assumptions and Other Inputs

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

Inflation	3.0%
Salary increases	4.0%
Healthcare cost trend rates	7.0% decreasing in various increments down to 4.5% by 2039

The discount rate was based on S&P Municipal Bond 20 Year High-Grade Rate Index as of December 31, 2024.

Mortality rates were based rates from the Wisconsin Retirement System December 31, 2023 Actuarial Valuation Report (Mortality Improvement using Scale MP-2020 applied).

The actuarial assumptions used in the January 1, 2024 valuation were based on the results of an actuarial experience study the most recent WRS tables as of December 31, 2023.

City of Superior

Notes to Financial Statements
December 31, 2024

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balances at December 31, 2023	\$ 5,720,313
Changes for the year:	
Service cost	278,666
Interest	210,300
Differences between expected and actual experience	2,288,580
Changes in assumptions or other inputs	(1,202,195)
Benefit payments	<u>(925,619)</u>
Net changes	<u>649,732</u>
Balances at December 31, 2024	<u>\$ 6,370,045</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 4.00% to 4.28%.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.28%) or 1-percentage-point higher (5.28%) than the current discount rate:

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
Total OPEB liability	\$ 6,090,349	\$ 6,370,045	\$ 6,670,887

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

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

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Total OPEB liability	\$ 6,767,270	\$ 6,370,045	\$ 6,017,361

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

For the year ended December 31, 2024, the City recognized OPEB expense of \$686,876. At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 2,360,140	\$ 102,690
Changes of assumptions or other inputs	<u>809,509</u>	<u>1,677,171</u>
Total	<u>\$ 3,169,649</u>	<u>\$ 1,779,861</u>

City of Superior

Notes to Financial Statements
December 31, 2024

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

<u>Years Ending December 31:</u>	<u>Amount</u>
2025	\$ 197,911
2026	208,025
2027	251,632
2028	190,160
2029	135,720
Thereafter	<u>406,340</u>
Total	<u>\$ 1,389,788</u>

Local Retiree Life Insurance Fund (LRLIF)

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 (ACFR), which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

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

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

City of Superior

Notes to Financial Statements
December 31, 2024

Contribution rates for the plan year reported as of December 31, 2024 are:

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

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

<u>Life Insurance Member Contribution Rates* for the Plan Year</u>		
<u>Attained Age</u>	<u>Basic</u>	<u>Supplemental</u>
Under 30	\$0.05	\$0.05
30-34	0.06	0.06
35-39	0.07	0.07
40-44	0.08	0.08
45-49	0.12	0.12
50-54	0.22	0.22
55-59	0.39	0.39
60-64	0.49	0.49
65-69	0.57	0.57

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

During the reporting period, the LRLIF recognized \$5,540 in contributions from the employer.

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

At December 31, 2024, the City reported a liability of \$1,250,904 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2023 rolled forward to December 31, 2023. 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, 2023, the City's proportion was 0.27189700%, which was a decrease of 0.01566000% from its proportion measured as of December 31, 2022.

For the year ended December 31, 2024, the City recognized OPEB expense (revenue) of \$75,859.

City of Superior

Notes to Financial Statements
December 31, 2024

At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 110,708
Net differences between projected and actual earnings on plan investments	16,900	-
Changes in actuarial assumptions	391,294	492,579
Changes in proportion and differences between employer contributions and proportionate share of contributions	24,742	92,530
Employer contributions subsequent to the measurement date	<u>5,879</u>	<u>-</u>
Total	<u>\$ 438,815</u>	<u>\$ 695,817</u>

\$5,879 reported as deferred outflows of resources related to OPEB resulting from the LRLIF Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the year ending December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Years Ending December 31:</u>	<u>Deferred Outflows of Resources and Deferred Inflows of Resources (Net)</u>
2025	\$ (25,308)
2026	(3,294)
2027	(57,086)
2028	(92,293)
2029	(89,503)
Thereafter	4,603

City of Superior

Notes to Financial Statements
December 31, 2024

Actuarial Assumptions

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

Actuarial Valuation Date:	January 1, 2023
Measurement Date of Net OPEB Liability (Asset)	December 31, 2023
Experience Study:	January 1, 2018-December 31, 2020. Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield*	3.26%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	3.32%
Salary Increases:	
Wage Inflation	3.00%
Seniority/Merit	0.10%-5.6%
Mortality:	2020 WRS Experience Mortality Table

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

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The Total OPEB Liability for December 31, 2023 is based upon a roll-forward of the liability calculated from the January 1, 2023 actuarial valuation.

Long-Term Expected Return on Plan Assets

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

**State OPEB Life Insurance
Asset Allocation Targets and Expected Returns
As of December 31, 2023**

<u>Asset Class</u>	<u>Index</u>	<u>Target Allocation</u>	<u>Long-Term Expected Geometric Real Rate of Return</u>
U.S. Intermediate Credit Bonds	Bloomberg U.S. Interm Credit	40.00%	2.32%
U.S. Mortgages	Bloomberg U.S. MBS	60.00	2.52
Inflation			2.30
Long-Term Expected Rate of Return			4.25

Single Discount Rate

A single discount rate of 3.32% was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 3.76% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 3.72% as of December 31, 2022 to 3.26% as of December 31, 2023. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive members. Therefore, the discount rate for calculating the total OPEB liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

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

City of Superior

Notes to Financial Statements
December 31, 2024

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 3.32%, 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 (2.32%) or 1-percentage-point higher (4.32%) than the current rate:

	<u>1% Decrease to Discount Rate (2.32%)</u>	<u>Current Discount Rate (3.32%)</u>	<u>1% Increase to Discount Rate (4.32%)</u>
City's proportionate share of the net OPEB liability (asset)	\$ 1,680,764	\$ 1,250,904	\$ 922,782

Subsequent Events

On April 9, 2025 the City issued stormwater system revenue bonds in the amount of \$1,360,344 with an interest rate of 2.2%. This amount will be used for constructing stormwater system improvements.

On April 9, 2025 the City issued sewerage system revenue bonds in the amount of \$836,253 with an interest rate of 2.2%. This amount will be used for constructing sewerage system improvements.

Effect of New Accounting Standards on Current-Period Financial Statements

The Governmental Accounting Standards Board (GASB) has approved the following:

- Statement No. 102, *Certain Risk Disclosures*
- Statement No. 103, *Financial Reporting Model Improvements*
- Statement No. 104, *Disclosure of Certain Capital Assets*

When they become effective, application of these standards may restate portions of these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

City of Superior

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual General Fund Year Ended December 31, 2024

	<u>Budgeted</u>		
	<u>Original and Final</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues			
Taxes	\$ 13,355,038	\$ 10,496,908	\$ (2,858,130)
Special assessments	15,000	4,919	(10,081)
Intergovernmental	19,837,850	19,097,340	(740,510)
Licenses and permits	728,450	834,061	105,611
Fines, forfeitures and penalties	190,000	189,845	(155)
Public charges for services	170,400	169,627	(773)
Intergovernmental charges for services	91,280	135,301	44,021
Investment income	150,000	1,095,954	945,954
Miscellaneous	610,250	600,927	(9,323)
	<u>35,148,268</u>	<u>32,624,882</u>	<u>(2,523,386)</u>
Total revenues			
Expenditures			
Current:			
General government	3,473,259	4,006,501	(533,242)
Public safety	15,776,295	16,185,567	(409,272)
Public works	8,172,043	7,255,856	916,187
Health and human services	216,000	204,779	11,221
Culture and recreation	2,248,754	2,150,350	98,404
Conservation and development	197,676	233,055	(35,379)
Debt service:			
Principal	2,015,602	-	2,015,602
Interest	706,027	-	706,027
	<u>32,805,656</u>	<u>30,036,108</u>	<u>2,769,548</u>
Total expenditures			
Excess of revenues over expenditures	<u>2,342,612</u>	<u>2,588,774</u>	<u>246,162</u>
Other Financing Sources (Uses)			
Proceeds from sale of capital assets	-	60,000	60,000
Transfers in	481,868	610,540	128,672
Transfers out	<u>(2,807,747)</u>	<u>(1,585,020)</u>	<u>1,222,727</u>
Total other financing sources (uses)	<u>(2,325,879)</u>	<u>(914,480)</u>	<u>1,411,399</u>
Net change in fund balances	16,733	1,674,294	1,657,561
Fund Balance, Beginning	<u>11,951,771</u>	<u>11,951,771</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 11,968,504</u>	<u>\$ 13,626,065</u>	<u>\$ 1,657,561</u>

See notes to required supplementary information

City of Superior

Schedule of Employer's Proportionate Share of the Net Pension Liability (Asset) -
 Wisconsin Retirement System (WRS)
 Year Ended December 31, 2024

WRS Fiscal Year End Date (Measurement Date)	City's Proportion of the Net Pension Asset/Liability	City's Proportionate Share of the Net Pension (Asset) Liability	City's Covered Payroll	City's Proportionate Share of the Net Pension Asset/Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/23	0.15018080 %	\$ 2,232,897	\$ 19,408,004	11.51 %	98.85 %
12/31/22	0.14851077 %	7,867,660	18,598,546	42.30 %	95.72 %
12/31/21	0.14816534 %	(11,942,399)	18,075,418	66.07 %	106.02 %
12/31/20	0.14824350 %	(9,255,047)	17,386,894	53.23 %	105.26 %
12/31/19	0.14976429 %	(4,829,084)	17,524,968	27.56 %	102.96 %
12/31/18	0.14720350 %	5,237,040	16,873,160	31.04 %	96.45 %
12/31/17	0.14392796 %	(4,273,391)	16,579,798	25.77 %	102.93 %
12/31/16	0.13821135 %	1,139,191	15,905,280	7.16 %	99.12 %
12/31/15	0.13531225 %	2,198,797	15,623,130	14.07 %	98.20 %
12/31/14	0.13314931 %	(3,270,512)	14,543,573	22.49 %	102.74 %

Schedule of Employer Contributions -
 Wisconsin Retirement System
 Year Ended December 31, 2024

City's Year End Date	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/24	\$ 2,215,814	\$ 2,215,814	\$ -	\$ 20,543,824	10.79 %
12/31/23	1,993,559	1,993,559	-	19,132,948	10.42 %
12/31/22	1,765,521	1,765,521	-	18,598,547	9.49 %
12/31/21	1,732,029	1,732,029	-	18,075,418	9.58 %
12/31/20	1,649,481	1,649,481	-	17,386,894	9.49 %
12/31/19	1,566,952	1,566,952	-	17,524,968	8.94 %
12/31/18	1,535,356	1,535,356	-	16,873,160	9.10 %
12/31/17	1,522,716	1,522,716	-	16,579,798	9.18 %
12/31/16	1,349,137	1,349,137	-	15,905,280	8.48 %
12/31/15	1,345,223	1,345,223	-	15,623,130	8.61 %

See notes to required supplementary information

City of Superior

Schedule of Employer's Proportionate Share of the Net OPEB Liability -
Local Retiree Life Insurance Fund (LRLIF)
Year Ended December 31, 2024

Plan Fiscal Year End Date (Measurement Date)	City's Proportion of the Net OPEB Liability	City's Proportionate Share of the Net OPEB Liability	City's Covered Payroll	City's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
12/31/23	0.27189700 %	\$ 1,250,904	\$ 16,274,000	7.69 %	33.90 %
12/31/22	0.28755700 %	1,095,542	15,800,000	6.93 %	38.81 %
12/31/21	0.28965300 %	1,711,956	15,770,000	10.86 %	29.57 %
12/31/20	0.28384200 %	1,561,336	15,259,000	10.23 %	31.36 %
12/31/19	0.29187900 %	1,242,878	15,907,597	7.81 %	37.58 %
12/31/18	0.27934600 %	720,807	15,337,065	4.70 %	48.69 %
12/31/17	0.29643500 %	891,848	14,858,204	6.00 %	44.81 %

Schedule of Employer Contributions -
Local Retiree Life Insurance Fund (LRLIF)
Year Ended December 31, 2024

City's Year End Date	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/24	\$ 5,880	\$ 5,880	\$ -	20,543,824	0.03 %
12/31/23	5,800	5,800	-	19,132,948	0.03 %
12/31/22	5,800	5,800	-	18,598,547	0.03 %
12/31/21	5,660	5,660	-	15,770,000	0.04 %
12/31/20	5,276	5,276	-	15,259,000	0.03 %
12/31/19	5,679	5,679	-	15,907,597	0.04 %
12/31/18	5,629	5,629	-	15,337,065	0.04 %

See notes to required supplementary information

City of Superior

Schedule of Changes in the Total OPEB Liability and Related Ratios -

City OPEB Plan

Year Ended December 31, 2024

	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service cost	\$ 278,666	\$ 219,849	\$ 284,907	\$ 372,616	\$ 297,810	\$ 386,682	\$ 456,412
Interest	210,300	239,572	129,907	118,390	174,718	193,684	196,034
Differences between expected and actual experience	2,288,580	-	355,876	-	123,364	-	(497,319)
Assumption changes	(1,202,195)	77,314	(236,583)	(115,365)	887,985	87,012	(168,679)
Other changes	-	-	-	-	-	961	166,105
Benefit payments	(925,619)	(749,882)	(748,576)	(723,807)	(694,475)	(565,272)	(801,353)
Net change in total OPEB liability	649,732	(213,147)	(214,469)	(348,166)	789,402	103,067	(648,800)
Total OPEB Liability, Beginning	5,720,313	5,933,460	6,147,929	6,496,095	5,706,693	5,603,626	6,252,426
Total OPEB Liability, Ending	\$ 6,370,045	\$ 5,720,313	\$ 5,933,460	\$ 6,147,929	\$ 6,496,095	\$ 5,706,693	\$ 5,603,626
Covered-Employee Payroll	\$ 17,339,463	\$ 16,508,836	\$ 15,871,693	\$ 16,225,730	\$ 15,602,743	\$ 16,337,862	\$ 16,176,605
Total OPEB liability as a percentage of covered-employee payroll	36.74 %	34.65 %	37.38 %	37.89 %	41.63 %	34.93 %	34.64 %

See notes to required supplementary information

City of Superior

Notes to the Required Supplementary Information
Year Ended December 31, 2024

Budgetary Information

The City's budget is adopted in accordance with state law. Budget amounts in the basic financial statements include appropriations authorized in the original budget resolution and subsequent revisions authorized by the City. Budgets are formally adopted for the General Fund, some special revenue funds, some capital projects funds, the debt service fund and the enterprise funds. Reported budget amounts represent the originally adopted budget as amended. Amendments to the originally adopted budget require a two-thirds vote by the City Council.

Unexpended budgeted amounts lapse at the end of the year. Spending control for the General Fund is established by the amount of expenditures budgeted for major departments within the fund, but management control is exercised at budgetary line item levels.

Wisconsin Retirement System

The amounts determined for each fiscal year were determined as of the calendar year-end and occurred within the fiscal year.

Changes in benefit terms. There were no changes of benefit terms for any participating employer in the Wisconsin Retirement System.

Changes in 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

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

- Lowering the long-term expected rate of return from 7.2% to 7.0%
- Lowering the discount rate from 7.2% to 7.0%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Lowering the 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

City of Superior

Notes to the Required Supplementary Information
Year Ended December 31, 2024

Local Retiree Life Insurance Fund

The amounts determined for each fiscal year were determined as of the calendar year-end and occurred within the fiscal year.

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

Changes in benefit terms. There were no changes of benefit terms for any participating employer in the Local Retiree Life Insurance Fund.

Changes in 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 OPEB liability beginning with the year-end December 31, 2021, including the following:

- Lowering the discount rate from 2.25% to 2.17%
- Price inflation, separation rates and mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table

City OPEB Plan

The City implemented GASB Statement No. 75 in fiscal year 2018. Information prior to fiscal year 2018 is not available.

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

Accumulation of assets. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement No. 75.

Changes in benefit terms There were no changes of benefit terms.

Changes in assumptions. Assumptions related to the termination rate, retirement rate, disability rate and salary scale have been updated to follow the most recent Wisconsin Retirement System actuarial valuation as of December 31, 2024. The discount rate changed from 4.00% in 2023 to 4.28% in 2024.

SUPPLEMENTARY INFORMATION

City of Superior

Detailed Schedule of Revenues and Other Financing Sources -

Budget and Actual -

General Fund

Year Ended December 31, 2024

	<u>Budgeted</u>		
	<u>Original and Final</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues			
Taxes			
General property	\$ 12,905,945	\$ 10,180,770	\$ (2,725,175)
Occupational	254,093	254,093	-
Mobile home fees	61,000	52,203	(8,797)
Other taxes	134,000	9,842	(124,158)
Special assessments	15,000	4,919	(10,081)
	<u>13,370,038</u>	<u>10,501,827</u>	<u>(2,868,211)</u>
Total taxes and special assessments			
Intergovernmental			
Federal aid	500,000	-	(500,000)
State aid:			
Shared revenues	9,846,580	9,858,650	12,070
Shared revenues, terminal taxes	6,676,824	6,212,668	(464,156)
Municipal services payment	259,085	266,095	7,010
Fire insurance	84,343	115,592	31,249
General transportation aids	366,282	248,518	(117,764)
Connecting highway aids	300,377	422,050	121,673
Local streets and roads	1,804,359	1,914,586	110,227
Other	-	59,181	59,181
	<u>19,837,850</u>	<u>19,097,340</u>	<u>(740,510)</u>
Total intergovernmental			
Licenses and Permits			
Liquor and malt beverage licenses	57,000	56,122	(878)
Other licenses	59,400	69,376	9,976
Building, plumbing, electric permits	323,000	495,511	172,511
Other permits	47,050	43,986	(3,064)
Franchise fees	242,000	169,066	(72,934)
	<u>728,450</u>	<u>834,061</u>	<u>105,611</u>
Total licenses and permits			
Fines, Forfeitures and Penalties			
Parking violations	80,000	83,444	3,444
Ordinance violations	110,000	106,401	(3,599)
	<u>190,000</u>	<u>189,845</u>	<u>(155)</u>
Total fines, forfeitures and penalties			

City of Superior

Detailed Schedule of Revenues and Other Financing Sources -

Budget and Actual -

General Fund

Year Ended December 31, 2024

	Budgeted		
	Original and Final	Actual	Variance With Final Budget
Public Charges for Services			
Police department	\$ 6,700	\$ 7,792	\$ 1,092
Fire department	100,000	95,866	(4,134)
Airport	56,000	60,985	4,985
Culture, recreation and education	7,700	4,984	(2,716)
Total public charges for services	170,400	169,627	(773)
Intergovernmental Charges for Services			
Police	91,280	135,301	44,021
Total intergovernmental charges for services	91,280	135,301	44,021
Investment Income			
Interest and market value adjustments	150,000	1,095,954	945,954
Total investment income	150,000	1,095,954	945,954
Miscellaneous			
Rent	595,250	591,168	(4,082)
Insurance recoveries	10,000	455	(9,545)
Other	5,000	9,304	4,304
Total miscellaneous	610,250	600,927	(9,323)
Total revenues	35,148,268	32,624,882	(2,523,386)
Other Financing Sources			
Transfers in	481,868	610,540	128,672
Proceeds from sale of capital assets	-	60,000	60,000
Total other financing sources	481,868	670,540	188,672
Total revenues and other financing sources	\$ 35,630,136	\$ 33,295,422	\$ (2,334,714)

City of Superior

Detailed Schedule of Expenditures and Other Financing Uses -

Budget and Actual -

General Fund

Year Ended December 31, 2024

	<u>Budgeted</u>		
	<u>Original and Final</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Expenditures			
General Government			
City council	\$ 94,266	\$ 138,036	\$ (43,770)
Mayor	249,682	297,017	(47,335)
Finance	764,446	856,453	(92,007)
City clerk	304,934	364,736	(59,802)
Assessor	411,979	480,317	(68,338)
Elections	118,151	107,031	11,120
City attorney	263,660	296,168	(32,508)
Human resources	371,923	408,981	(37,058)
Buildings and grounds	745,218	866,089	(120,871)
Miscellaneous	149,000	191,673	(42,673)
Total general government	<u>3,473,259</u>	<u>4,006,501</u>	<u>(533,242)</u>
Public Safety			
Police department	9,059,647	9,553,004	(493,357)
Fire department	5,938,077	5,798,791	139,286
Inspection	778,571	833,772	(55,201)
Total public safety	<u>15,776,295</u>	<u>16,185,567</u>	<u>(409,272)</u>
Public Works			
Mass transit	1,802,661	1,117,539	685,122
Administration and engineering	461,687	649,604	(187,917)
Buildings and grounds	-	11,922	(11,922)
Street division	3,646,572	3,309,795	336,777
Airport	109,298	113,665	(4,367)
Traffic	518,971	417,396	101,575
Operations	1,632,854	1,635,935	(3,081)
Total public works	<u>8,172,043</u>	<u>7,255,856</u>	<u>916,187</u>
Health and Human Services			
Humane officer	166,000	155,079	10,921
Other	50,000	49,700	300
Total health and human services	<u>216,000</u>	<u>204,779</u>	<u>11,221</u>
Culture and Recreation			
Museum	155,000	155,000	-
Park department	2,093,754	1,995,350	98,404
Total culture and recreation	<u>2,248,754</u>	<u>2,150,350</u>	<u>98,404</u>
Conservation and Development			
Planning and development	197,676	233,055	(35,379)
Total conservation and development	<u>197,676</u>	<u>233,055</u>	<u>(35,379)</u>
Debt Service			
Principal	2,015,602	-	2,015,602
Interest	706,027	-	706,027
Total debt service	<u>2,721,629</u>	<u>-</u>	<u>2,721,629</u>
Total expenditures	<u>32,805,656</u>	<u>30,036,108</u>	<u>2,769,548</u>
Other Financing Uses			
Transfers out	2,807,747	1,585,020	1,222,727
Total other financing uses	<u>2,807,747</u>	<u>1,585,020</u>	<u>1,222,727</u>
Total expenditures and other financing uses	<u>\$ 35,613,403</u>	<u>\$ 31,621,128</u>	<u>\$ 3,992,275</u>

City of Superior

Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2024

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total
Assets			
Cash and investments	\$ 7,685,752	\$ 1,185,647	\$ 8,871,399
Restricted cash and investments	86,452	-	86,452
Receivables:			
Accounts, net	-	3,558	3,558
Special assessments	438,584	-	438,584
Loans	975,215	84,988	1,060,203
Other	198,938	-	198,938
Due from other governments	307,696	150,000	457,696
Inventories and prepaid items	60,562	-	60,562
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 9,753,199</u>	<u>\$ 1,424,193</u>	<u>\$ 11,177,392</u>
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities			
Accounts payable	\$ 322,880	\$ 3,204	\$ 326,084
Accrued liabilities	80,537	-	80,537
Due to other funds	202,728	2,940	205,668
Deposits	219,561	30,000	249,561
Unearned revenues	271,706	-	271,706
Advances from other funds	28,506	2,446,914	2,475,420
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>1,125,918</u>	<u>2,483,058</u>	<u>3,608,976</u>
Deferred Inflows of Resources			
Unavailable revenues	662,910	234,988	897,898
	<u> </u>	<u> </u>	<u> </u>
Total deferred inflows of resources	<u>662,910</u>	<u>234,988</u>	<u>897,898</u>
Fund Balances (Deficit)			
Nonspendable	60,562	-	60,562
Restricted	4,956,218	1,166,265	6,122,483
Assigned	3,029,853	-	3,029,853
Unassigned (deficit)	(82,262)	(2,460,118)	(2,542,380)
	<u> </u>	<u> </u>	<u> </u>
Total fund balances (deficit)	<u>7,964,371</u>	<u>(1,293,853)</u>	<u>6,670,518</u>
	<u> </u>	<u> </u>	<u> </u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 9,753,199</u>	<u>\$ 1,424,193</u>	<u>\$ 11,177,392</u>

City of Superior

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

Year Ended December 31, 2024

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total
Revenues			
Taxes	\$ 1,376,246	\$ -	\$ 1,376,246
Special assessments	240,941	-	240,941
Intergovernmental	2,520,793	1,979,731	4,500,524
Fines, forfeitures and penalties	10,481	-	10,481
Public charges for services	645,233	-	645,233
Investment income	260,260	-	260,260
Miscellaneous	248,030	104,050	352,080
	<u>5,301,984</u>	<u>2,083,781</u>	<u>7,385,765</u>
Total revenues			
Expenditures			
Current:			
General government	44,714	-	44,714
Public safety	705,345	-	705,345
Public works	374	-	374
Culture and recreation	1,678,938	-	1,678,938
Conservation and development	2,601,082	652,356	3,253,438
Capital outlay	979,859	8,365	988,224
Debt service:			
Principal retirement	8,813	2,849,381	2,858,194
Interest and fiscal charges	221	82,804	83,025
	<u>6,019,346</u>	<u>3,592,906</u>	<u>9,612,252</u>
Total expenditures			
Excess (deficiency) of revenues over expenditures	<u>(717,362)</u>	<u>(1,509,125)</u>	<u>(2,226,487)</u>
Other Financing Sources (Uses)			
Transfers in	1,511,801	-	1,511,801
Transfers out	(555,904)	-	(555,904)
	<u>955,897</u>	<u>-</u>	<u>955,897</u>
Total other financing sources (uses)			
Net change in fund balances	<u>238,535</u>	<u>(1,509,125)</u>	<u>(1,270,590)</u>
Fund Balances (Deficit), Beginning, as previously reported	7,725,836	(654,997)	7,070,839
Accounting changes (see note disclosure)	<u>-</u>	<u>870,269</u>	<u>870,269</u>
Fund Balances, Beginning, as adjusted	<u>7,725,836</u>	<u>215,272</u>	<u>7,941,108</u>
Fund Balances (Deficit), Ending	<u>\$ 7,964,371</u>	<u>\$ (1,293,853)</u>	<u>\$ 6,670,518</u>

City of Superior

Combining Balance Sheet
 Nonmajor Special Revenue Funds
 December 31, 2024

	<u>Crime Prevention</u>	<u>Police Grant & Liaison</u>	<u>Fire Department Grant</u>	<u>Loan</u>	<u>Urban Tree</u>	<u>Parks and Recreation Boat Ramp Fees</u>
Assets						
Cash and investments	\$ -	\$ -	\$ 44,318	\$ 386,464	\$ 42,981	\$ -
Restricted cash and investments	-	-	-	-	-	-
Receivables:						
Special assessments	-	-	-	-	-	-
Loans	-	-	-	325,765	-	-
Other	906	39,710	2,200	-	-	-
Due from other governments	-	108,782	-	-	-	-
Inventories and prepaid items	-	-	-	-	-	-
Total assets	<u>\$ 906</u>	<u>\$ 148,492</u>	<u>\$ 46,518</u>	<u>\$ 712,229</u>	<u>\$ 42,981</u>	<u>\$ -</u>
Liabilities, Deferred Inflows of Resources and Fund Balances						
Liabilities						
Accounts payable	\$ 7,798	\$ 3,208	\$ -	\$ -	\$ -	\$ 198
Accrued liabilities	-	10,033	-	-	-	-
Due to other funds	-	155,707	-	-	-	-
Deposits	-	706	-	-	-	-
Unearned revenues	-	-	-	-	-	-
Advances from other funds	20,614	-	-	-	-	7,892
Total liabilities	<u>28,412</u>	<u>169,654</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,090</u>
Deferred Inflows of Resources						
Unavailable revenues	-	-	-	325,765	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>325,765</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit)						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	386,464	-	-
Assigned	-	-	46,518	-	42,981	-
Unassigned (deficit)	(27,506)	(21,162)	-	-	-	(8,090)
Total fund balances (deficit)	<u>(27,506)</u>	<u>(21,162)</u>	<u>46,518</u>	<u>386,464</u>	<u>42,981</u>	<u>(8,090)</u>
Total liabilities, deferred inflows of resources and fund balances (deficit)	<u>\$ 906</u>	<u>\$ 148,492</u>	<u>\$ 46,518</u>	<u>\$ 712,229</u>	<u>\$ 42,981</u>	<u>\$ -</u>

<u>Haz Mat Grant</u>	<u>Library</u>	<u>HUD CDBG</u>	<u>Home SF Grant 2006-2008</u>	<u>Neighborhood Improvement</u>	<u>Affordable Housing</u>	<u>Fire Department PPP</u>
\$ 87,792	\$ 578,377	\$ -	\$ 181,925	\$ 207,561	\$ 1,997,952	\$ 11,693
-	86,452	-	-	-	-	-
-	-	-	-	-	-	-
-	-	384,259	165,191	-	-	-
-	-	1,038	-	-	-	-
-	-	17,592	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 87,792</u>	<u>\$ 664,829</u>	<u>\$ 402,889</u>	<u>\$ 347,116</u>	<u>\$ 207,561</u>	<u>\$ 1,997,952</u>	<u>\$ 11,693</u>
\$ 482	\$ 17,195	\$ 19,082	\$ -	\$ 17,245	\$ 5,232	\$ 7,977
-	55,513	5,267	-	-	-	-
-	-	47,021	-	-	-	-
-	-	-	-	26,135	1,100	29,220
3,680	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>4,162</u>	<u>72,708</u>	<u>71,370</u>	<u>-</u>	<u>43,380</u>	<u>6,332</u>	<u>37,197</u>
-	-	-	165,191	-	-	-
-	-	-	165,191	-	-	-
-	-	-	-	-	-	-
83,630	592,121	331,519	181,925	-	1,991,620	-
-	-	-	-	164,181	-	-
-	-	-	-	-	-	(25,504)
<u>83,630</u>	<u>592,121</u>	<u>331,519</u>	<u>181,925</u>	<u>164,181</u>	<u>1,991,620</u>	<u>(25,504)</u>
<u>\$ 87,792</u>	<u>\$ 664,829</u>	<u>\$ 402,889</u>	<u>\$ 347,116</u>	<u>\$ 207,561</u>	<u>\$ 1,997,952</u>	<u>\$ 11,693</u>

City of Superior

Combining Balance Sheet
 Nonmajor Special Revenue Funds
 December 31, 2024

	<u>Economic Development</u>	<u>CDBG Revolving Loan</u>	<u>Superior Business Center</u>	<u>Municipal Forest</u>	<u>Special Assessment</u>
Assets					
Cash and investments	\$ 1,647,550	\$ 82,461	\$ 154,070	\$ 59,177	\$ 26,548
Restricted cash and investments	-	-	-	-	-
Receivables:					
Special assessments	-	-	-	-	174,672
Loans	100,000	-	-	-	-
Other	-	-	-	-	-
Due from other governments	181,322	-	-	-	-
Inventories and prepaid items	-	-	-	-	-
Total assets	<u>\$ 1,928,872</u>	<u>\$ 82,461</u>	<u>\$ 154,070</u>	<u>\$ 59,177</u>	<u>\$ 201,220</u>
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable	\$ 110,119	\$ -	\$ -	\$ 324	\$ 270
Accrued liabilities	9,724	-	-	-	-
Due to other funds	-	-	-	-	-
Deposits	162,400	-	-	-	-
Unearned revenues	-	-	-	-	-
Advances from other funds	-	-	-	-	-
Total liabilities	<u>282,243</u>	<u>-</u>	<u>-</u>	<u>324</u>	<u>270</u>
Deferred Inflows of Resources					
Unavailable revenues	-	-	-	-	171,954
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>171,954</u>
Fund Balances					
Nonspendable	-	-	-	-	-
Restricted	-	82,461	154,070	-	-
Assigned	1,646,629	-	-	58,853	28,996
Unassigned (deficit)	-	-	-	-	-
Total fund balances	<u>1,646,629</u>	<u>82,461</u>	<u>154,070</u>	<u>58,853</u>	<u>28,996</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,928,872</u>	<u>\$ 82,461</u>	<u>\$ 154,070</u>	<u>\$ 59,177</u>	<u>\$ 201,220</u>

<u>Illegal Tax</u>	<u>Business Improvement District</u>	<u>Narcotics</u>	<u>Hotel/Motel Tax</u>	<u>Tourism Commission</u>	<u>Revolving Grant 2020</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 45,947	\$ 218,824	\$ 29,510	\$ 130,113	\$ 951,184	\$ 801,305	\$ 7,685,752
-	-	-	-	-	-	86,452
-	263,912	-	-	-	-	438,584
-	-	-	-	-	-	975,215
-	-	-	43,788	111,296	-	198,938
-	-	-	-	-	-	307,696
-	-	-	-	60,562	-	60,562
<u>\$ 45,947</u>	<u>\$ 482,736</u>	<u>\$ 29,510</u>	<u>\$ 173,901</u>	<u>\$ 1,123,042</u>	<u>\$ 801,305</u>	<u>\$ 9,753,199</u>
\$ -	\$ 20,267	\$ -	\$ 50,454	\$ 63,029	\$ -	\$ 322,880
-	-	-	-	-	-	80,537
-	-	-	-	-	-	202,728
-	-	-	-	-	-	219,561
-	268,026	-	-	-	-	271,706
-	-	-	-	-	-	28,506
-	<u>288,293</u>	-	<u>50,454</u>	<u>63,029</u>	-	<u>1,125,918</u>
-	-	-	-	-	-	662,910
-	-	-	-	-	-	662,910
-	-	-	-	60,562	-	60,562
-	-	29,510	123,447	999,451	-	4,956,218
45,947	194,443	-	-	-	801,305	3,029,853
-	-	-	-	-	-	(82,262)
<u>45,947</u>	<u>194,443</u>	<u>29,510</u>	<u>123,447</u>	<u>1,060,013</u>	<u>801,305</u>	<u>7,964,371</u>
<u>\$ 45,947</u>	<u>\$ 482,736</u>	<u>\$ 29,510</u>	<u>\$ 173,901</u>	<u>\$ 1,123,042</u>	<u>\$ 801,305</u>	<u>\$ 9,753,199</u>

City of Superior

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Special Revenue Funds
 Year Ended December 31, 2024

	<u>Crime Prevention</u>	<u>Police Grant & Liaison</u>	<u>Fire Department Grant</u>	<u>Loan</u>	<u>Urban Tree</u>	<u>Parks and Recreation Boat Ramp Fees</u>
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Intergovernmental	-	165,309	72,188	-	-	-
Fines, forfeitures and penalties	10,481	-	-	-	-	-
Public charges for services	-	155,561	-	31,974	-	7,539
Investment income	-	-	-	4,609	-	-
Miscellaneous	-	66,282	900	-	5,631	-
	<u>-</u>	<u>66,282</u>	<u>900</u>	<u>-</u>	<u>5,631</u>	<u>-</u>
Total revenues	<u>10,481</u>	<u>387,152</u>	<u>73,088</u>	<u>36,583</u>	<u>5,631</u>	<u>7,539</u>
Expenditures						
Current:						
General government	-	-	-	-	-	-
Public safety	47,019	387,035	83,728	-	-	-
Public works	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	19,873
Conservation and development	-	-	-	-	-	-
Capital outlay	45,026	172,005	-	-	-	-
Debt service:						
Principal retirement	-	1,265	-	-	-	-
Interest and fiscal charges	-	32	-	-	-	-
	<u>-</u>	<u>32</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>92,045</u>	<u>560,337</u>	<u>83,728</u>	<u>-</u>	<u>-</u>	<u>19,873</u>
Excess (deficiency) of revenues over expenditures	<u>(81,564)</u>	<u>(173,185)</u>	<u>(10,640)</u>	<u>36,583</u>	<u>5,631</u>	<u>(12,334)</u>
Other Financing Sources (Uses)						
Transfers in	-	65,000	-	-	32,617	-
Transfers out	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>65,000</u>	<u>-</u>	<u>-</u>	<u>32,617</u>	<u>-</u>
Net change in fund balances	<u>(81,564)</u>	<u>(108,185)</u>	<u>(10,640)</u>	<u>36,583</u>	<u>38,248</u>	<u>(12,334)</u>
Fund Balances (Deficit), Beginning	<u>54,058</u>	<u>87,023</u>	<u>57,158</u>	<u>349,881</u>	<u>4,733</u>	<u>4,244</u>
Fund Balances (Deficit), Ending	<u>\$ (27,506)</u>	<u>\$ (21,162)</u>	<u>\$ 46,518</u>	<u>\$ 386,464</u>	<u>\$ 42,981</u>	<u>\$ (8,090)</u>

<u>Haz Mat Grant</u>	<u>Library</u>	<u>HUD CDBG</u>	<u>Home SF Grant 2006-2008</u>	<u>Neighborhood Improvement</u>	<u>Affordable Housing</u>	<u>Fire Department PPP</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
149,166	-	666,028	-	-	-	-
-	-	-	-	-	-	-
307	389,587	19,766	4,750	-	-	32,095
-	19,009	-	3,772	-	134,854	-
-	95,512	5,738	-	-	47,309	-
<u>149,473</u>	<u>504,108</u>	<u>691,532</u>	<u>8,522</u>	<u>-</u>	<u>182,163</u>	<u>32,095</u>
-	-	-	-	-	-	-
96,068	-	-	-	34,604	-	56,891
-	1,652,934	-	-	-	-	-
-	-	721,867	-	-	106,455	-
-	8,950	-	-	-	-	-
333	5,328	644	-	-	-	200
8	134	16	-	-	-	5
<u>96,409</u>	<u>1,667,346</u>	<u>722,527</u>	<u>-</u>	<u>34,604</u>	<u>106,455</u>	<u>57,096</u>
<u>53,064</u>	<u>(1,163,238)</u>	<u>(30,995)</u>	<u>8,522</u>	<u>(34,604)</u>	<u>75,708</u>	<u>(25,001)</u>
-	1,414,184	-	-	-	-	-
-	(155,000)	-	-	-	-	-
-	1,259,184	-	-	-	-	-
53,064	95,946	(30,995)	8,522	(34,604)	75,708	(25,001)
<u>30,566</u>	<u>496,175</u>	<u>362,514</u>	<u>173,403</u>	<u>198,785</u>	<u>1,915,912</u>	<u>(503)</u>
<u>\$ 83,630</u>	<u>\$ 592,121</u>	<u>\$ 331,519</u>	<u>\$ 181,925</u>	<u>\$ 164,181</u>	<u>\$ 1,991,620</u>	<u>\$ (25,504)</u>

City of Superior

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Special Revenue Funds
 Year Ended December 31, 2024

	<u>Economic Development</u>	<u>CDBG Revolving Loan</u>	<u>Superior Business Center</u>	<u>Municipal Forest</u>	<u>Special Assessment</u>
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	50,873
Intergovernmental	1,128,102	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-	-
Public charges for services	-	-	-	3,654	-
Investment income	96,282	-	-	-	115
Miscellaneous	13,312	-	-	-	-
Total revenues	<u>1,237,696</u>	<u>-</u>	<u>-</u>	<u>3,654</u>	<u>50,988</u>
Expenditures					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	374
Culture and recreation	-	-	-	6,131	-
Conservation and development	495,518	-	-	-	-
Capital outlay	753,878	-	-	-	-
Debt service:					
Principal retirement	1,043	-	-	-	-
Interest and fiscal charges	26	-	-	-	-
Total expenditures	<u>1,250,465</u>	<u>-</u>	<u>-</u>	<u>6,131</u>	<u>374</u>
Excess (deficiency) of revenues over expenditures	<u>(12,769)</u>	<u>-</u>	<u>-</u>	<u>(2,477)</u>	<u>50,614</u>
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	(50,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(50,000)</u>
Net change in fund balances	(12,769)	-	-	(2,477)	614
Fund Balances (Deficit), Beginning	<u>1,659,398</u>	<u>82,461</u>	<u>154,070</u>	<u>61,330</u>	<u>28,382</u>
Fund Balances (Deficit), Ending	<u>\$ 1,646,629</u>	<u>\$ 82,461</u>	<u>\$ 154,070</u>	<u>\$ 58,853</u>	<u>\$ 28,996</u>

<u>Illegal Tax</u>	<u>Business Improvement District</u>	<u>Narcotics</u>	<u>Hotel/Motel Tax</u>	<u>Tourism Commission</u>	<u>Revolving Grant 2020</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ -	\$ -	\$ -	\$ 411,970	\$ 964,276	\$ -	\$ 1,376,246
-	190,068	-	-	-	-	240,941
-	-	-	-	-	340,000	2,520,793
-	-	-	-	-	-	10,481
-	-	-	-	-	-	645,233
-	1,619	-	-	-	-	260,260
<u>5,247</u>	<u>6,972</u>	<u>-</u>	<u>1,094</u>	<u>33</u>	<u>-</u>	<u>248,030</u>
<u>5,247</u>	<u>198,659</u>	<u>-</u>	<u>413,064</u>	<u>964,309</u>	<u>340,000</u>	<u>5,301,984</u>
44,714	-	-	-	-	-	44,714
-	-	-	-	-	-	705,345
-	-	-	-	-	-	374
-	-	-	-	-	-	1,678,938
-	174,266	-	231,602	654,655	216,719	2,601,082
-	-	-	-	-	-	979,859
-	-	-	-	-	-	8,813
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>221</u>
<u>44,714</u>	<u>174,266</u>	<u>-</u>	<u>231,602</u>	<u>654,655</u>	<u>216,719</u>	<u>6,019,346</u>
<u>(39,467)</u>	<u>24,393</u>	<u>-</u>	<u>181,462</u>	<u>309,654</u>	<u>123,281</u>	<u>(717,362)</u>
-	-	-	-	-	-	1,511,801
<u>-</u>	<u>-</u>	<u>-</u>	<u>(350,904)</u>	<u>-</u>	<u>-</u>	<u>(555,904)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(350,904)</u>	<u>-</u>	<u>-</u>	<u>955,897</u>
<u>(39,467)</u>	<u>24,393</u>	<u>-</u>	<u>(169,442)</u>	<u>309,654</u>	<u>123,281</u>	<u>238,535</u>
<u>85,414</u>	<u>170,050</u>	<u>29,510</u>	<u>292,889</u>	<u>750,359</u>	<u>678,024</u>	<u>7,725,836</u>
<u>\$ 45,947</u>	<u>\$ 194,443</u>	<u>\$ 29,510</u>	<u>\$ 123,447</u>	<u>\$ 1,060,013</u>	<u>\$ 801,305</u>	<u>\$ 7,964,371</u>

City of Superior

Combining Balance Sheet
 Nonmajor Capital Projects Funds
 December 31, 2024

	<u>Hallet Dock Capital Project</u>	<u>July 2016 Rain Event Project</u>	<u>HAP Grant Project</u>	<u>Tax Incremental District No. 7</u>	<u>Tax Incremental District No. 9</u>	<u>Tax Incremental District No. 11</u>	<u>Tax Incremental District No. 12</u>
Assets							
Cash and investments	\$ 10,427	\$ 98,505	\$ -	\$ -	\$ 326,327	\$ -	\$ -
Receivables:							
Accounts, net	-	-	3,558	-	-	-	-
Loans	-	-	-	-	-	-	-
Due from other governments	-	-	150,000	-	-	-	-
Total assets	\$ 10,427	\$ 98,505	\$ 153,558	\$ -	\$ 326,327	\$ -	\$ -
Liabilities, Deferred Inflows of Resources and Fund Balances							
Liabilities							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	2,940	-	-	-	-
Deposits	-	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-	6,484
Total liabilities	-	-	2,940	-	-	-	6,484
Deferred Inflows of Resources							
Unavailable revenues	-	-	150,000	-	-	-	-
Total deferred inflows of resources	-	-	150,000	-	-	-	-
Fund Balances (Deficit)							
Restricted	10,427	98,505	618	-	326,327	-	-
Unassigned (deficit)	-	-	-	-	-	-	(6,484)
Total fund balances (deficit)	10,427	98,505	618	-	326,327	-	(6,484)
Total liabilities, deferred inflows of resources and fund balances	\$ 10,427	\$ 98,505	\$ 153,558	\$ -	\$ 326,327	\$ -	\$ -

Tax Incremental District No. 13	Tax Incremental District No. 14	Tax Incremental District No. 15	Tax Incremental District No. 16	Tax Incremental District No. 17	Tax Incremental District No. 18	Redevelopment Authority	Total Nonmajor Capital Project Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 750,388	\$ 1,185,647
-	-	-	-	-	-	-	3,558
-	-	-	-	-	-	84,988	84,988
-	-	-	-	-	-	-	150,000
<u>\$ -</u>	<u>\$ 835,376</u>	<u>\$ 1,424,193</u>					
\$ -	\$ -	\$ -	\$ 3,204	\$ -	\$ -	\$ -	\$ 3,204
-	-	-	-	-	-	-	2,940
10,000	-	-	-	-	-	20,000	30,000
<u>487,599</u>	<u>255,064</u>	<u>493,301</u>	<u>87,280</u>	<u>1,074,438</u>	<u>42,748</u>	<u>-</u>	<u>2,446,914</u>
<u>497,599</u>	<u>255,064</u>	<u>493,301</u>	<u>90,484</u>	<u>1,074,438</u>	<u>42,748</u>	<u>20,000</u>	<u>2,483,058</u>
-	-	-	-	-	-	84,988	234,988
-	-	-	-	-	-	84,988	234,988
-	-	-	-	-	-	730,388	1,166,265
<u>(497,599)</u>	<u>(255,064)</u>	<u>(493,301)</u>	<u>(90,484)</u>	<u>(1,074,438)</u>	<u>(42,748)</u>	<u>-</u>	<u>(2,460,118)</u>
<u>(497,599)</u>	<u>(255,064)</u>	<u>(493,301)</u>	<u>(90,484)</u>	<u>(1,074,438)</u>	<u>(42,748)</u>	<u>730,388</u>	<u>(1,293,853)</u>
<u>\$ -</u>	<u>\$ 835,376</u>	<u>\$ 1,424,193</u>					

City of Superior

Combining Statement of Revenues, Expenditures and Changes
in Fund Balances
Nonmajor Capital Projects Funds
Year Ended December 31, 2024

	Hallet Dock Capital Project	July 2016 Rain Event Project	HAP Grant	Tax Incremental District No. 7	Tax Incremental District No. 9	Tax Incremental District No. 11	Tax Incremental District No. 12
Revenues							
Intergovernmental	\$ -	\$ -	\$ 1,979,731	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	82,803	-	-	-	-
Total revenues	-	-	2,062,534	-	-	-	-
Expenditures							
Current:							
Conservation and development	-	-	-	9,241	-	9,221	-
Capital outlay	-	-	-	-	-	-	-
Debt service:							
Principal retirement	-	-	2,849,381	-	-	-	-
Interest and fiscal charges	-	-	82,804	-	-	-	-
Total expenditures	-	-	2,932,185	9,241	-	9,221	-
Excess (deficiency) of revenues over expenditures	-	-	(869,651)	(9,241)	-	(9,221)	-
Net change in fund balances	-	-	(869,651)	(9,241)	-	(9,221)	-
Fund Balances (Deficit), Beginning, as previously reported	10,427	98,505	-	9,241	326,327	9,221	(6,484)
Accounting changes (see note disclosure)	-	-	870,269	-	-	-	-
Fund Balances (Deficit), Beginning, as adjusted	10,427	98,505	870,269	9,241	326,327	9,221	(6,484)
Fund Balances (Deficit), Ending	\$ 10,427	\$ 98,505	\$ 618	\$ -	\$ 326,327	\$ -	\$ (6,484)

Tax Incremental District No. 13	Tax Incremental District No. 14	Tax Incremental District No. 15	Tax Incremental District No. 16	Tax Incremental District No. 17	Tax Incremental District No. 18	Redevelopment Authority	Total Nonmajor Capital Project Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,979,731
-	-	-	-	-	-	21,247	104,050
-	-	-	-	-	-	21,247	2,083,781
83,078	80,855	224,615	59,891	182,742	2,713	-	652,356
-	-	-	-	8,365	-	-	8,365
-	-	-	-	-	-	-	2,849,381
-	-	-	-	-	-	-	82,804
83,078	80,855	224,615	59,891	191,107	2,713	-	3,592,906
(83,078)	(80,855)	(224,615)	(59,891)	(191,107)	(2,713)	21,247	(1,509,125)
(83,078)	(80,855)	(224,615)	(59,891)	(191,107)	(2,713)	21,247	(1,509,125)
(414,521)	(174,209)	(268,686)	(30,593)	(883,331)	(40,035)	709,141	(654,997)
-	-	-	-	-	-	-	870,269
(414,521)	(174,209)	(268,686)	(30,593)	(883,331)	(40,035)	709,141	215,272
\$ (497,599)	\$ (255,064)	\$ (493,301)	\$ (90,484)	\$ (1,074,438)	\$ (42,748)	\$ 730,388	\$ (1,293,853)

OTHER REPORTS

**Report on Internal Control
Over Financial Reporting and on Compliance
and Other Matters Based on an Audit of
Financial Statements Performed in Accordance
With *Government Auditing Standards***

Independent Auditors' Report

To the City Council of
City of Superior

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Superior (the City), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated July 31, 2025.

Report on Internal Control Over Financial Reporting

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

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2024-001 and 2024-002 to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and responses as item 2024-003 to be a significant deficiency.

Report on Compliance and Other Matters

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

The City's Response to Findings

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

Purpose of This Report

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

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

Eau Claire, Wisconsin
July 31, 2025

City of Superior

Schedule of Findings and Responses
Year Ended December 31, 2024

Financial Statement Findings Required to Be Reported in Accordance With Government Auditing Standards

Finding 2024-001: Internal Control Over Financial Reporting

Criteria: A system of internal control should be in place that provides reasonable assurance that year-end financial statements are complete and accurate.

Condition: There is a lack of controls over the year-end financial reporting process. Material journal entries were discovered during the course of the audit and we, as your auditors, prepared the City of Superior's (City) financial statements and schedule of expenditures of federal and state awards.

Cause: The City has chosen to have the auditors prepare its annual financial statements.

Effect: The City's financial records may be materially misstated before the annual audit is completed. In addition, the annual financial statements and schedule of expenditures of federal and state awards are not available to the City until they are completed by the auditors.

Recommendation: The City should develop a plan to ensure that all material year-end adjustments are recorded by City staff prior to audit fieldwork. Many small governments operate with only enough staff to process monthly transactions and reports and will continue to rely on outside consultants to handle year-end financial reporting. Management and the City Council should continue to make a reasonable effort to be knowledgeable about the City's financial condition and financial reporting requirements.

Management's Response/Planned Corrective Action: The City does not have the resources and staff to prepare financial statements but will continue to oversee the auditor's services and review and approve the financial statements. The City will work to establish policies and procedures to reduce the number of adjusting journal entries proposed by the auditor.

Finding 2024-002: Internal Control Environment

Criteria: A system of internal controls should be in place to achieve a higher level of reliability that errors or irregularities in your processes would be discovered by your staff and to provide reasonable assurance that individuals have access to only one phase of the accounting process.

Condition: There is a lack of controls over the payroll transaction cycles, primarily due to a lack of segregation of duties in the accounting functions.

Cause: The City has not assigned duties to have the appropriate controls in place.

Effect: Because of the lack of internal controls, it is less likely that errors or irregularities would be discovered internally. Because of the lack of segregation of duties, the accounting records may be misstated.

Recommendation: We recommend that a designated employee review these potential controls and determine whether additional controls related to payroll should be implemented.

Management's Response/Planned Corrective Action: The City does not have the resources available to increase staff size and address this internal control deficiency. The City Council and management are aware of the incompatible duties and will continue to provide oversight and monitor the City's operations.

Finding 2024-003: Internal Control Environment

Criteria: A system of internal controls should be in place to achieve a higher level of reliability that errors or irregularities in your processes would be discovered by your staff and to provide reasonable assurance that individuals have access to only one phase of the accounting process.

Condition: There is a lack of controls over the accounts payable/disbursements, landfill billing and period close transaction cycles, primarily due to a lack of segregation of duties in the accounting functions.

Cause: The City has not assigned duties to have the appropriate controls in place.

Effect: Because of the lack of internal controls, it is less likely that errors or irregularities would be discovered internally. Because of the lack of segregation of duties, the accounting records may be misstated.

Recommendation: We recommend that a designated employee review these potential controls and determine whether additional controls related to payroll should be implemented.

Management's Response/Planned Corrective Action: The City does not have the resources available to increase staff size and address this internal control deficiency. The City Council and management are aware of the incompatible duties and will continue to provide oversight and monitor the City's operations.