



# Audit of City of Two Rivers, WI

Presented by Bryan Grunewald, CPA

WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor

#### Financial Statement Audit Results

#### **Audit Opinion**

• Unmodified ("Clean")

#### **Internal Control**

 Finding 2022-001 Preparation of the Annual Financial Report



## Required Communications

Significant Accounting Policies

Accounting Estimates

Financial Statement Disclosures

No Difficulties

No Disagreements with Management

Audit Adjustments

No Consultations with Other Accountants

Management Representation Letter



#### Fund Balance Comparison – General & Debt Service Funds

	<u> </u>	12/30/22	12/30/21	<u> 12/31/20</u>
Nonspendable Prepaid items Long term receivables Unassigned	\$	747,684 1,736,776 (138,576)	\$ 699,647 1,524,302 306,224	\$ 548,941 1,917,574 (185,844)
Total General Fund balance	\$	2,345,884	\$ 2,530,173	\$ 2,280,671
Debt Service Fund	\$	(18,271)	\$ 29,314	\$ 74,653



### Fund Balance Comparison – Special Revenue Funds

	12/30/22		12/30/21	
Special Revenue Funds				
Revolving loans	\$	172,001	\$	99,916
Library		18,004		7,681
Library gift fund		79,690		116,342
Community tourism		119,588		16,979
Special events donations		20,521		10,418
WDF administrative		200		200
Business improvement district		3,950		6,038
Docks and harbors		6,914		14,380
Urban forestry		5,813		10,970
Senior center		(14,347)		(40,218)
Tree planting		5,263		31,987
EMS Act 102 Grant		22,311		10,108
Business and Industrial Revolving Loans		1,325,334		305,853
Affordable Housing		141,477		91,830
Medical/Hospital Equipment		18,889		19,476
Community Development		45,054		(1,152)
ARPA		3,115		
Total Special Revenue Funds	\$	1,973,777	\$	700,808



### Fund Balance Comparison – Capital Project Funds

	12/30/22	12/30/21
Capital Projects Funds		
Street construction	\$ 633,006	\$ 137,938
Bridge construction	98,750	107,372
Park and cemetery construction	(57,887)	294,003
Fire equipment	(29,555)	191,871
Public works equipment	67,129	63,137
City Hall equipment	(8,095)	(9,600)
Management information	(18,732)	20,851
Police equipment	(75,064)	(28,245)
TIF District No. 4	-	26,363
TIF District No. 6	(176,176)	(192,928)
TIF District No. 7	1,022,898	994,767
TIF District No. 8	63,832	156,022
TIF District No. 9	153,655	137,238
TIF District No. 10	(162,899)	(143,939)
TIF District No. 11	4,378	4,527
TIF District No. 12	1,063	(68,735)
TIF District No. 13	(15,903)	(24,045)
TIF District No. 14	(2,681)	(1,030)
TIF District No. 15	(6,817)	(2,256)
TIF District No. 16	(5,571)	(1,030)
TIF District No. 17	(1,030)	-
Industrial park development	88,329	96,152
City landfill	96,640	27,506
Central Park	654,644	5,897
Bike trail	83,148	63,636
Harbor master plan	1,488,454	1,488,454
Library Buildings and Grounds	 24,237	36,279
Total Capital Projects Funds	\$ 3,919,753	\$ 3,380,205



# **Electric Utility**

	2022	2021	2020	
Operating revenues	\$ 10,239,104	\$ 9,423,667	\$ 8,819,371	
Operating expenses	9,388,176	8,576,250	8,155,623	
Operating income (loss)	850,928	847,417	663,748	
Nonoperating revenues (expenses)	(46,690)	(30,342)	(34,029)	
Income before contributions and transfers	804,238	817,075	629,719	
Capital contributions	23,774	4,282	14,566	
Transfers out	(232,428)	(271,339)	(279,695)	
Change in net position	\$ 595,584	\$ 550,018	\$ 364,590	
Rate of Return	6.6%	6.0%	2.7%	



## Water Utility

	2022	2021	2020
Operating revenues	\$ 2,916,773	\$ 2,862,121	\$ 2,851,213
Operating expenses	2,262,174	2,169,324	2,071,152
Operating income	654,599	692,797	780,061
Nonoperating revenues (expenses)	145,544	185,666	61,577
Income before contributions and transfers	800,143	878,463	841,638
Capital contributions Transfers in (out)	313,148 (166,436)	(102,884)	92,594 (342,362)
Change in net position	\$ 946,855	\$ 775,579	\$ 591,870
Rate of Return Water	3.2%	4.9%	2.4%



## Sewer Utility

	2022	2021	2020
Operating revenues	\$ 2,914,568	\$ 2,767,414	\$ 2,781,408
Operating expenses	2,458,287	2,334,362	2,459,305
Operating income	456,281	433,052	322,103
Nonoperating revenues (expenses)	22,263	40,247	304,195
Income before contributions and transfers	478,544	473,299	626,298
Capital contributions Transfers in (out)	179,695 (304,794)	487,032 (271,504)	5,178 (350,567)
Change in net position	\$ 353,445	\$ 688,827	\$ 280,909



#### Current and Future Environment

# COVID 19 / Grant Funding

 American Rescue Plan Act (ARPA)

# New Accounting Standards

- GASB Statement No.
   96 "Subscription Based IT Arrangements"
- Statement on Auditing
   Standards 143 145





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- 9. City Manager's Report
- D. Status Update/Reports
- 1. Staffing updates
- Ongoing Recruitments:
- Building Inspector:
- Apprentice Line Worker

#### **Recent Hires:**

- Police Secretary Evidence Custodian: Rhonda Deehr
- Part Time Community House Receptionist: AJ Lorrigan
- Recreation Clerk: Laura Hooper





#### HIRING POSITION

- Apprentice Line Worker
  - \$31.81 \$38.15 depending on experience
- Visit www.two-rivers.org/jobs for an application







- 9. CITY MANAGER'S REPORT
- D. STATUS UPDATE/REPORTS
- 2. LEAF COLLECTION CONTINUES THROUGH NOVEMBER







City Council Meeting - November 6, 2023

- 9. City Manager's Report
- D. Status Update/Reports
- 3. Participation in 2023 Spring Tree Grant Program





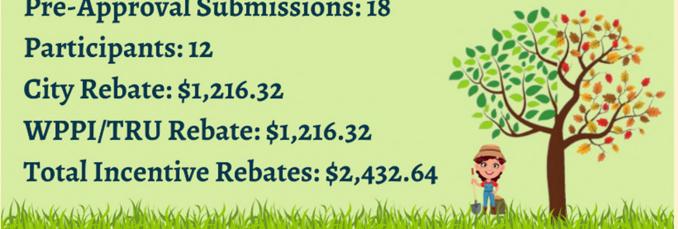
Pre-Approval Submissions: 18

Participants: 12

City Rebate: \$1,216.32

**WPPI/TRU** Rebate: \$1,216.32

Total Incentive Rebates: \$2,432.64



- 9. CITY MANAGER'S REPORT
- D. STATUS UPDATE/REPORTS
- 4. UPCOMING EVENTS:
- A. FOOD DRIVE, NOVEMBER 6-10

Donate food for Two Rivers Ecumenical Pantry (TREP). Those who contribute three or more non-perishable, unexpired food items can select a string of Christmas lights, a flood bulb, or light bulb (while supplies last). Must be a Two Rivers Utilities customer.

Donations can also be dropped off at Two Rivers Electric Department (1415 Lake St) from 7 a.m.-2:30 p.m. the same week.





City Council Meeting - November 6, 2023



two-rivers.org • (920) 793-5550

At Two Rivers Utilities, we join forces with other local, not-for-profit utilities through WPPI Energy to share resources and lower costs.

SHARED STRENGTH THROUGH @ WPPI ENERGY

- 9. CITY MANAGER'S REPORT
- D. STATUS UPDATE/REPORTS
- 4. UPCOMING EVENTS:
- B. WASHINGTON HOUSE IS EXTENDING ITS SEASON, THE MUSEUM AND VISITOR CENTER IS OPEN NOON-5:00 PM, FRIDAYS-SUNDAYS THROUGH DECEMBER 16







- 9. CITY MANAGER'S REPORT
- D. STATUS UPDATE/REPORTS
- 4. UPCOMING EVENTS:
- C. CREEPY CRAWLY TYPEY LETTERPRESS, NOVEMBER 17-18, 9 AM 4 PM, HAMILTON WOOD TYPE & PRINTING MUSEUM

A fun-filled letterpress and animation workshop. Use Hamilton's collection of wood type and ornaments to make fantastical "letterbugs."







City Council Meeting - November 6, 2023

- 9. CITY MANAGER'S REPORT
- D. STATUS UPDATE/REPORTS
- 4. UPCOMING EVENTS
- D. COMMUNITY THANKSGIVING MEAL THURSDAY, NOVEMBER 23, 11:30 AM 2:30 PM

Community
Thanksgiving Meal
at the
Two Rivers
Senior Center





- 9. CITY MANAGER'S REPORT
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- 4. UPCOMING EVENTS
- E. MAIN STREET SHOP HOMETOWN DOWNTOWN TWO RIVERS, SATURDAY, NOVEMBER 25



Visit our Shop Hometown Two Rivers Headquarters, located at 1608 Washington Street starting at 9am on Saturday, November 25. The 1st 200 visitors will get a Shop Hometown Two Rivers goody bag. Some of those bags will contain Cool City Cash certificates that can be spent at dozens of Two Rivers businesses, or other gift certificates.

Register when you pick up your bag and you could win more Cool City Cash!

#### Sponsored by Shoreline Credit Union.

Shop downtown Two Rivers...and win! Once you pick up your bag, you're free to Shop Local in downtown Two Rivers while you wait for the call that tells you "You're A Winner!"





City Council Meeting - November 6, 2023

- 9. CITY MANAGER'S REPORT
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- 4. UPCOMING EVENTS
- F. MAIN STREET SHOP HOMETOWN DOWNTOWN TWO RIVERS, SATURDAY, NOVEMBER 25

The parade begins at 5:30 and travels down Washington Street from 22nd Street to 16th Street. And Santa himself will be there, of course.

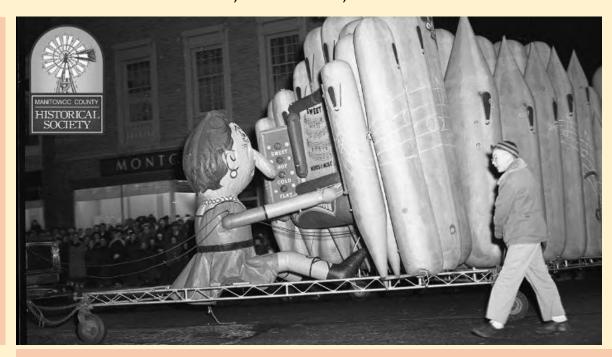
New this year: compete for trophies! Categories are:

- Best use of lights
- •Best band
- •Judges' choice

For more information, call Main Street at (920)794-1482 or

email director@tworiversmainstreet.com.

Businesses, schools, groups and organizations are invited to participate! Apply by Nov. 10.



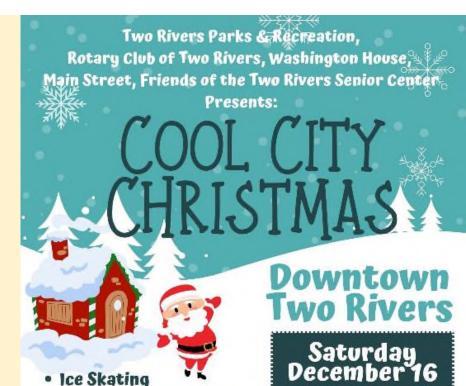
Balloon float from the Two Rivers Balloon Parade in 1951. From the Manitowoc County Historical Society's Herald Times Reporter collection.



- 9. CITY MANAGER'S REPORT
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- 4. UPCOMING EVENTS:
- G. COOL CITY CHRISTMAS, SATURDAY, DECEMBER 16







- · Ice Skating
- · Holiday Craft Making
- · Downtown Shopping & Dining
- Pictures with Santa, His Elves and Reindeer
- **Candy Cane Hunt**
- Vendor Fair
- · Concessions
- Music & Carolers



12pm - 6pm

For more information visit www.exploretworivers.com or call 920-793-5532

