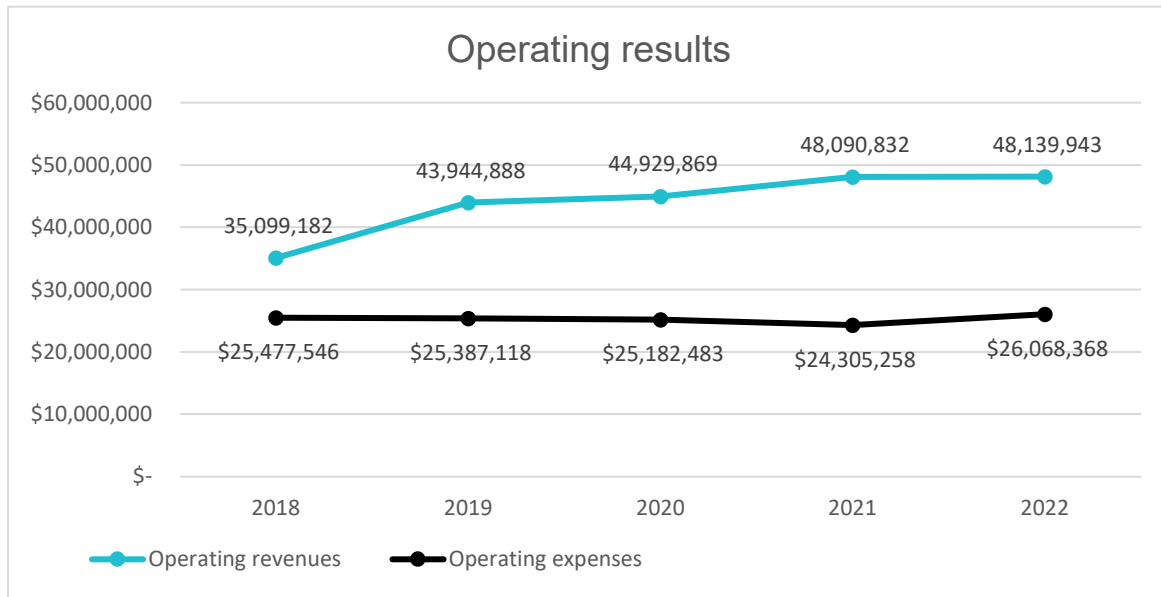


Madison Water Utility

Water Utility Results



Unrestricted Reserves

	2018	2019	2020	2021	2022
Year end balance	\$ 3,036,712	\$ 5,111,108	\$ 10,243,738	\$ 15,133,156	\$ 17,537,363
Months on hand	1.04	1.40	2.74	3.78	4.37

Debt Coverage

	2018	2019	2020	2021	2022
Actual	1.05	1.39	1.50	1.69	1.50
Required	1.25	1.25	1.25	1.25	1.25

Investment in Capital



Required Audit Communications

- > Auditors' opinion is a clean or unmodified opinion
 - Financial statements are managements' responsibility
 - Our responsibility is to obtain reasonable assurance that the statements are free from material misstatement
- > Material weaknesses – none noted
- > New accounting pronouncements
 - GASB 87 implemented in 2022 retroactively applied causing restatement in 2021
- > Prior year recommendations
 - Debt coverage requirements - Continue to be met in 2022
- > Key estimates include net pension liability/asset and related deferrals, accrued sick leave and net OPEB liability/asset and related deferrals
 - We have evaluated the methods and key assumptions used in these estimates and feel they are reasonable
- > Material adjusting journal entries - none noted
- > Uncorrected misstatements - none noted
- > Future GASB statements
 - GASB 94 – Public-Private and Public-Public Partnerships and Availability Payment Arrangements effective for 2023 audit
 - GASB 96 – Subscription-Based Information Technology Arrangements effective for 2023 audit
 - GASB 99 – Omnibus 2022 Arrangements effective for 2023 audit
 - GASB 100 - Accounting Changes and Error Corrections - an amendment of of GASB No. 62 Arrangements effective for 2024 audit
 - GASB 101 - Compensated Absences Arrangements effective for 2024 audit