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Reporting and insights from 2020 audit:

City of Stoughton

December 31, 2020

Executive summary

May 6, 2021

City Council
City of Stoughton
207 S Forrest St
Stoughton, WI 53589

We have completed our audit of the financial statements of the City of Stoughton (the "City") for the year ended December 31, 2020, and have issued our report thereon dated May 6, 2021. This letter presents communications required by our professional standards.

Your audit should provide you with confidence in your financial statements. The audit was performed based on information obtained from meetings with management, data from your systems, knowledge of your City's operating environment and our risk assessment procedures. We strive to provide you clear, concise communication throughout the audit process and of the final results of our audit.

Additionally, we have included information on key risk areas the City of Stoughton should be aware of in your strategic planning. We are available to discuss these risks as they relate to your organization's financial stability and future planning.

If you have questions at any point, please connect with us:

- Carla Gogin, Partner: carla.gogin@bakertilly.com or +1 (608) 240 2460
- Vasvi Joshi, Senior Manager: vasvi.joshi@bakertilly.com or +1 (608) 240 2453

Sincerely,

Baker Tilly US, LLP

Carla A. Gogin, CPA

Vasvi Joshi, CPA

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Responsibilities

Responsibilities

Our responsibilities

As your independent auditor, our responsibilities include:

- Planning and performing the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. Reasonable assurance is a high level of assurance.
- Assessing the risks of material misstatement of the financial statements, whether due to fraud or error. Included in that assessment is a consideration of the City's internal control over financial reporting.
- Performing appropriate procedures based upon our risk assessment.
- Evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management.
- Forming and expressing an opinion based on our audit about whether the financial statements prepared by management, with the oversight of the City Council:
  - Are free from material misstatement
  - Present fairly, in all material respects and in accordance with accounting principles generally accepted in the United States of America

We are also required to communicate significant matters related to our audit that are relevant to the responsibilities of the City Council, including:

- Qualitative aspects of City's accounting practice including policies, accounting estimates and financial statement disclosures
- Significant difficulties encountered
- Disagreements with management
- Corrected and uncorrected misstatements
- Internal control matters
- Significant estimates
- Other findings or issues arising from the audit

Management's responsibilities

Management	Auditor
Prepare and fairly present the financial statements	Our audit does not relieve management or the city council of their responsibilities
Establish and maintain effective internal control over financial reporting	An audit includes consideration of internal control over financial reporting, but not an expression of an opinion on those controls
Provide us with written representations at the conclusion of the audit	See Appendix B for a copy of management's representations

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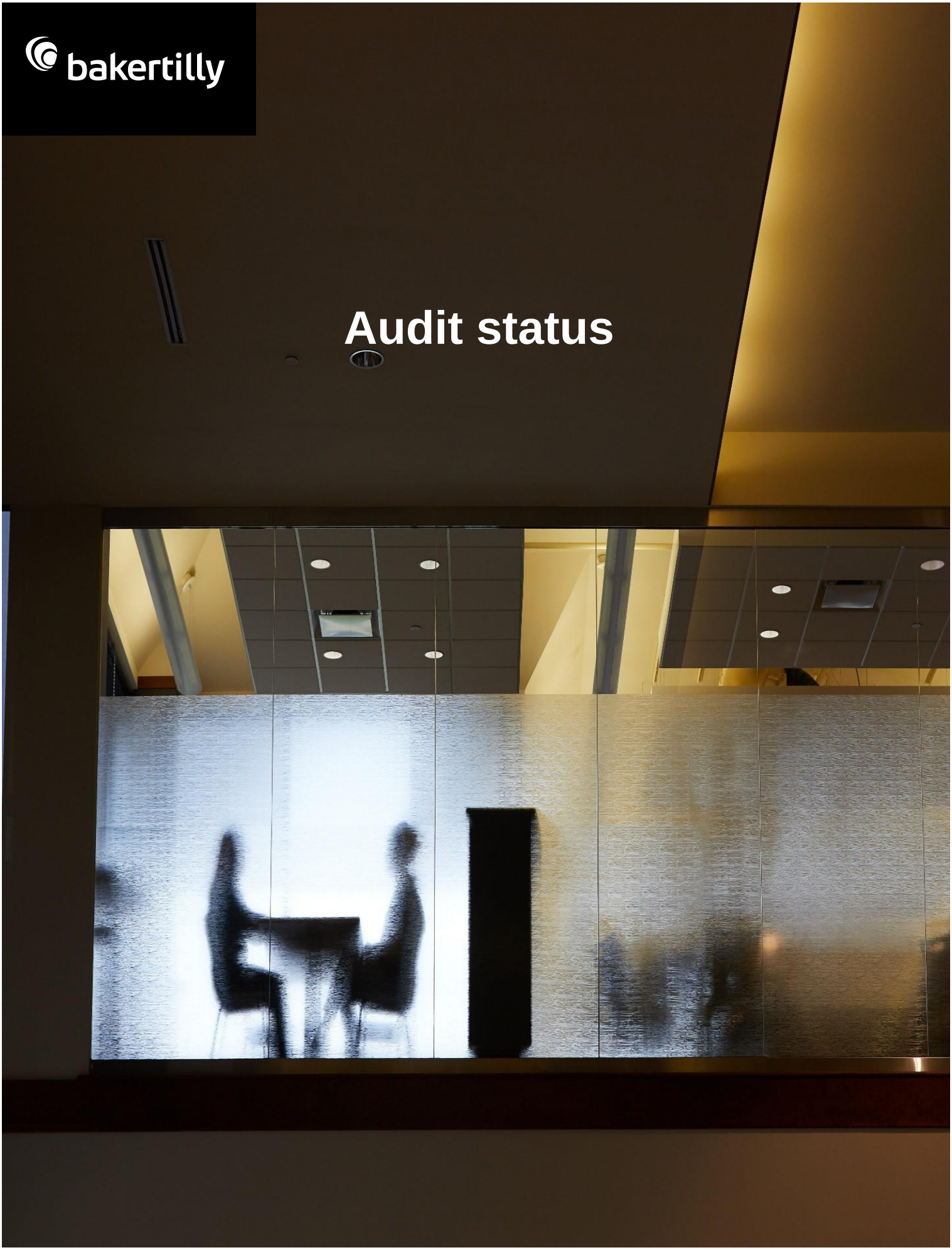
Audit status



Audit status

Significant changes to the audit plan

There were no significant changes made to either our planned audit strategy or to the significant risks and other areas of emphasis identified during the performance of our risk assessment procedures.

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Audit approach and results

Audit approach and results

Planned scope and timing

Audit focus

Based on our understanding of the City and environment in which you operate, we focused our audit on the following key areas:

- Key transaction cycles
- Areas with significant estimates
- Implementation of new accounting standards
- Areas of complexity and additional compliance requirement including TIF Districts

Our areas of audit focus were informed by, among other things, our assessment of materiality. Materiality in the context of our audit was determined based on specific qualitative and quantitative factors combined with our expectations about the City's current year results.

Key areas of focus and significant findings

Significant risks of material misstatement

A significant risk is an identified and assessed risk of material misstatement that, in the auditor's professional judgment, requires special audit consideration. Within our audit, we focused on the following areas below.

Significant risk areas	Testing approach	Conclusion
Management override of controls	Incorporate unpredictability into audit procedures, emphasize professional skepticism and utilize audit team with industry expertise	Procedures identified provided sufficient evidence for our audit opinion
Improper revenue recognition due to fraud	Confirmation or validation of certain revenues supplemented with detailed predictive analytics based on non-financial data and substantive testing of related receivables	Procedures identified provided sufficient evidence for our audit opinion

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Other key areas of emphasis

We also focused on other areas that did not meet the definition of a significant risk, but were determined to require specific awareness and a unique audit response.

Other key areas of emphasis	Testing approach	
Cash and investments	Revenues and receivables	General disbursements
Payroll	Pension and OPEB liabilities	Long-term debt
Capital assets including infrastructure	Net position calculations	Financial reporting and required disclosures

Internal control matters

We considered the City's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing an opinion on the financial statements. We are not expressing 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.

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 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 did not identify any deficiencies in internal control that we consider to be material weaknesses.

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Other comments and recommendations

Prior Year Point

- **Collateral for Bank Deposits (Per 12/31/08 Letter)**

Governmental Accounting Standards Board (GASB) Statement No. 40 requires disclosures about various risks associated with the city's deposits and investments. These disclosures can be found in Note IV.A of the financial statements.

One of the required disclosures is custodial credit risk. Custodial credit risk is the risk that in the event of a financial institution failure, the city's deposits may not be returned. To address this risk, the city has collateral agreements with its primary bank to cover deposits in excess of the FDIC limits. However, a portion of the city's deposits and investments was exposed to custodial credit risk because the collateral was insufficient to cover all city deposits. In addition, the current collateral agreement in place with the city's primary bank allows for the collateral to be held in the trust department of this bank. GASB No. 40 states that this type of custodial arrangement exposes the city to greater risk than if the collateral was held by an independent third party custodian.

We recommend that the city evaluate its current collateral situation to determine if adjustments are desired.

Status December 31, 2020

A total of $3,158,520 of deposits and investments were exposed to some level of custodial credit risk as of December 31, 2020.

Informational Points

- **Decentralized Cash Collections**

As part of our annual audit process, we focus our efforts on the primary accounting systems, internal controls, and procedures used by the city. This is in keeping with our goal to provide an audit opinion which states that the financial statements of the city are correct in all material respects.

In some cases, the primary system of accounting procedures and controls of the city are supported by smaller systems which are decentralized, and reside within a department or outside location. Specifically, for the City of Stoughton, there are departments that collect cash and periodically remit those collections to city hall. Examples include the recreation department and senior center, among others.

Generally, the more centralized a function is, the easier it is to design and implement accounting controls that provide some level of checks and balances. That is because you are able to divide certain tasks over the people available to achieve some segregation of duties. For those tasks that are decentralized, it is usually very difficult to provide for proper segregation of duties. Therefore, with one person being involved in most or all aspects of a transaction, you lose the ability to rely on the controls to achieve the safeguarding of assets and reliability of financial records.

As auditors, we are required to communicate with you on a variety of topics. We believe it is appropriate to make sure that you are informed about the risks that can occur with decentralized cash collections.

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- **Controls Over Information Technology**

As part of our audit, we evaluated the information technology controls as they relate to financially significant applications. Our procedures primarily focused on documenting and evaluating general computer controls, including:

- Logical access to data and applications
- Change and incident management
- Systems development and deployment
- Data backup and recovery

The following points contain suggestions for strengthening internal controls in these areas.

- Passwords should be changed every 90 days, require a minimum of 6 characters, require strong (complex) passwords, and password history should be remembered so users can't reuse recent (3-6) previous passwords. Additionally, users should lock after 3-5 failed login attempts.

We recommend that a designated employee review the risks and these potential controls and determine whether additional controls should be implemented. This determination should take into consideration a cost / benefit analysis.

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Required communications

Qualitative aspect of accounting practices

- Accounting policies: Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we have advised management about the appropriateness of accounting policies and their application. The significant accounting policies used by City are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing accounting policies was not changed during 2020. We noted no transactions entered into by the City during the year for which accounting policies are controversial or for which there is a lack of authoritative guidance or consensus or diversity in practice.

- Accounting estimates: Accounting estimates, including fair value estimates, are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements, the degree of subjectivity involved in their development and because of the possibility that future events affecting them may differ significantly from those expected. The following estimates are of most significance to the financial statements:

Estimate	Management's process to determine	Baker Tilly's conclusions regarding reasonableness
Net pension liability and related deferrals	Evaluation of information provided by the Wisconsin Retirement System	Reasonable in relation to the financial statements as a whole
Allowance for doubtful accounts	Evaluation of historical revenues and loss levels with the analysis on collectability of individual amounts	Reasonable in relation to the financial statements as a whole
Firemen's net pension liability and related deferrals	Key assumptions set by management with the assistance of a third party actuary	Reasonable in relation to the financial statements as a whole
Depreciation	Evaluate estimated useful life of the asset and original acquisition value	Reasonable in relation to the financial statements as a whole

  There have been no significant changes made by management to either the processes used to develop the particularly sensitive accounting estimates, or to the significant assumptions used to develop the estimates, noted above.

- Financial statement disclosures: The disclosures in the financial statements are neutral, consistent and clear.

Significant difficulties encountered during the audit

We encountered no significant difficulties in dealing with management and completing our audit

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Other audit findings or issues

We encountered no other audit findings or issues that require communication at this time.

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Disagreements with management

Professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Uncorrected misstatements and corrected misstatements

Professional standards require us to accumulate misstatements identified during the audit, other than those that are clearly trivial, and to communicate accumulated misstatements to management. The schedule within the Appendix summarizes the uncorrected misstatements that we presented to management, other than those that are clearly trivial, that, in our judgment, may not have been detected except through our auditing procedures. In our judgment, none of the uncorrected misstatements, either individually or in the aggregate, indicate matters that could have had a significant effect on the Company's financial reporting process.

Management has determined that the effects of the uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. The uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even though, in our judgment, such uncorrected misstatements are immaterial to the financial statements under audit.

Significant unusual transactions

There have been no significant transactions that are outside the normal course of business for the City or that otherwise appear to be unusual due to their timing, size or nature.

Other information in documents containing audited consolidated financial statements

The City's audited financial statements are "general purpose" financial statements. General purpose financial statements consist of the basic financial statements that can be used by a broad group of people for a broad range of activities. Once we have issued our audit report, we have no further obligation to update our report for events occurring subsequent to the date of our report. The City can use the audited financial statements in other client prepare documents, such as official statements related to the issuance of debt, without our acknowledgement. Unless we have been engaged to perform services in connection with any subsequent transaction requiring the inclusion of our audit report, as well as to issue an auditor's acknowledgment letter, we have neither read the document nor performed subsequent event procedures in order to determine whether or not our report remains appropriate.

Management's consultations with other accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing or accounting matters.

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Written communications between management and Baker Tilly

The Appendix includes copies of other material written communications, including a copy of the management representation letter.

Compliance with laws and regulations

We did not identify any non-compliance with laws and regulations during our audit.

Fraud

We did not identify any known or suspected fraud during our audit.

Going concern

Pursuant to professional standards, we are required to communicate to you, when applicable, certain matters relating to our evaluation of the City's ability to continue as a going concern for a reasonable period of time but no less than 12 months from the date the financial statements are issued or available to be issued, including the effects on the financial statements and the adequacy of the related disclosures, and the effects on the auditor's report. No such matters or conditions have come to our attention during our engagement.

Independence

We are not aware of any relationships between Baker Tilly and the City that, in our professional judgment, may reasonably be thought to bear on our independence.

Related parties

We did not have any significant findings or issues arise during the audit in connection with the City's related parties.

Other matters

We applied certain limited procedures to the required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the supplementary information which accompanies the financial statements but is not RSI. With respect to the supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with [accounting principles generally accepted in the United States of America or the modified cash basis of accounting], the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

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Nonattest services

The following nonattest services were provided by Baker Tilly:

- Financial statement preparation
- Compiled TIF financial statements
- Compiled regulatory reports
- Maintenance of capital asset records
- Impact fee services

In addition, we prepared GASB No. 34 conversion entries which are summarized in the “Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position” and the “Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities” in the financial statements.

None of these nonattest services constitute an audit under generally accepted auditing standards, including *Government Auditing Standards*.

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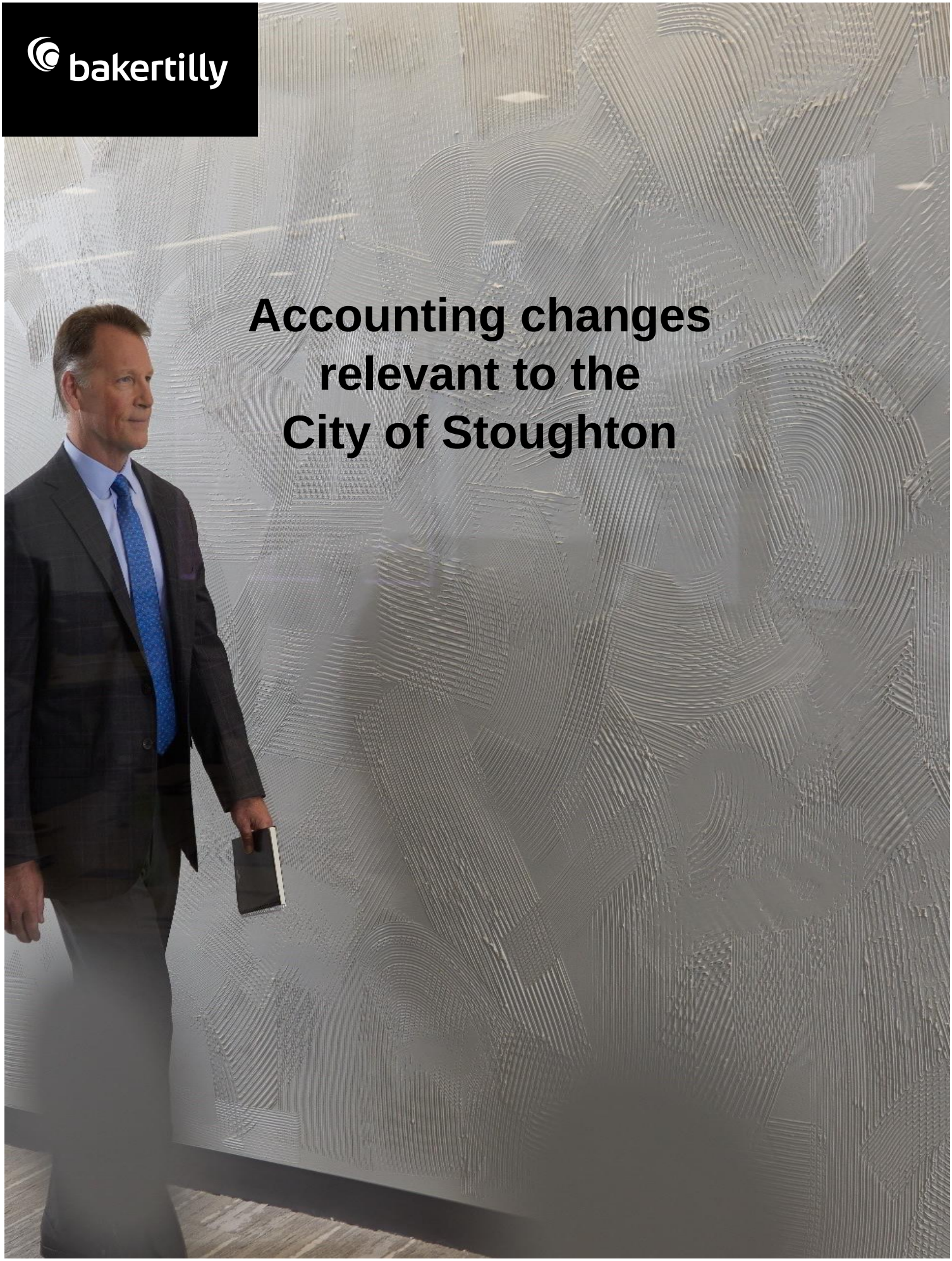
Accounting changes relevant to the City of Stoughton



Accounting changes relevant to the City of Stoughton

Future accounting standards update

GASB statement number	Description	Potentially impacts you	Effective date
87	Leases	✓	12/31/22*
91	Conduit Debt	✓	12/31/22*
92	Omnibus 2020	✓	12/31/22*
93	Replacement of Interfund Bank Offered Rates	✓	12/31/22*
94	Public-Private and Public-Public Partnerships and Availability Payment Arrangements	✓	12/31/23
96	Subscription-Based Information Technology Arrangements	✓	12/31/23
97	Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans	✓	12/31/22

*The statements listed above through Statement No. 93 had their required effective dates postponed by one year with the issuance of Statement No. 95, *Postponement of Effective Dates of Certain Authoritative Gui*dance, with the exception of Statement No. 87 which was postponed by one and a half years. The effective date reflected above is the required revised implementation date.

Further information on upcoming GASB pronouncements.

Preparing for the new lease standard

GASB's new single model for lease accounting will be effective soon. This standard will require governments to identify and evaluate contracts that convey control of the right to use another entity's nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction. Contracts meeting the criteria for control, term and other items within the standard will result in recognizing a right to use asset and lease liability or a receivable and deferred inflow of resources.

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We recommend the City review this standard and start planning now as to how this will affect your financial reporting. We recommend that you begin by completing an inventory of all contracts that might meet the definition of a lease. The contract listing should include key terms of the contracts such as:

- Description of contract
- Underlying asset
- Contract term
- Options for extensions and terminations
- Service components, if any
- Dollar amount of lease

In addition, the City should begin to establish a lease policy to address the treatment of common lease types, including a dollar threshold for each lease. We are available to discuss this further and help you develop an action plan.

Learn more about GASB 87.

Planning for the new conduit debt reporting

Conduit debt includes arrangements where there are three separate parties involved including a third party that is obligated for payment, a debt holder or lender and an issuing party which is often a government. This standard provides additional criteria for identifying and classifying conduit debt with the intent of providing consistency in how the debt is recorded and reported in governmental financial statements. The City should identify any existing debt arrangements involving third-party obligors and evaluate how those arrangements will be reported under the new standard in order to determine the potential impact of this standard on future financial reporting.

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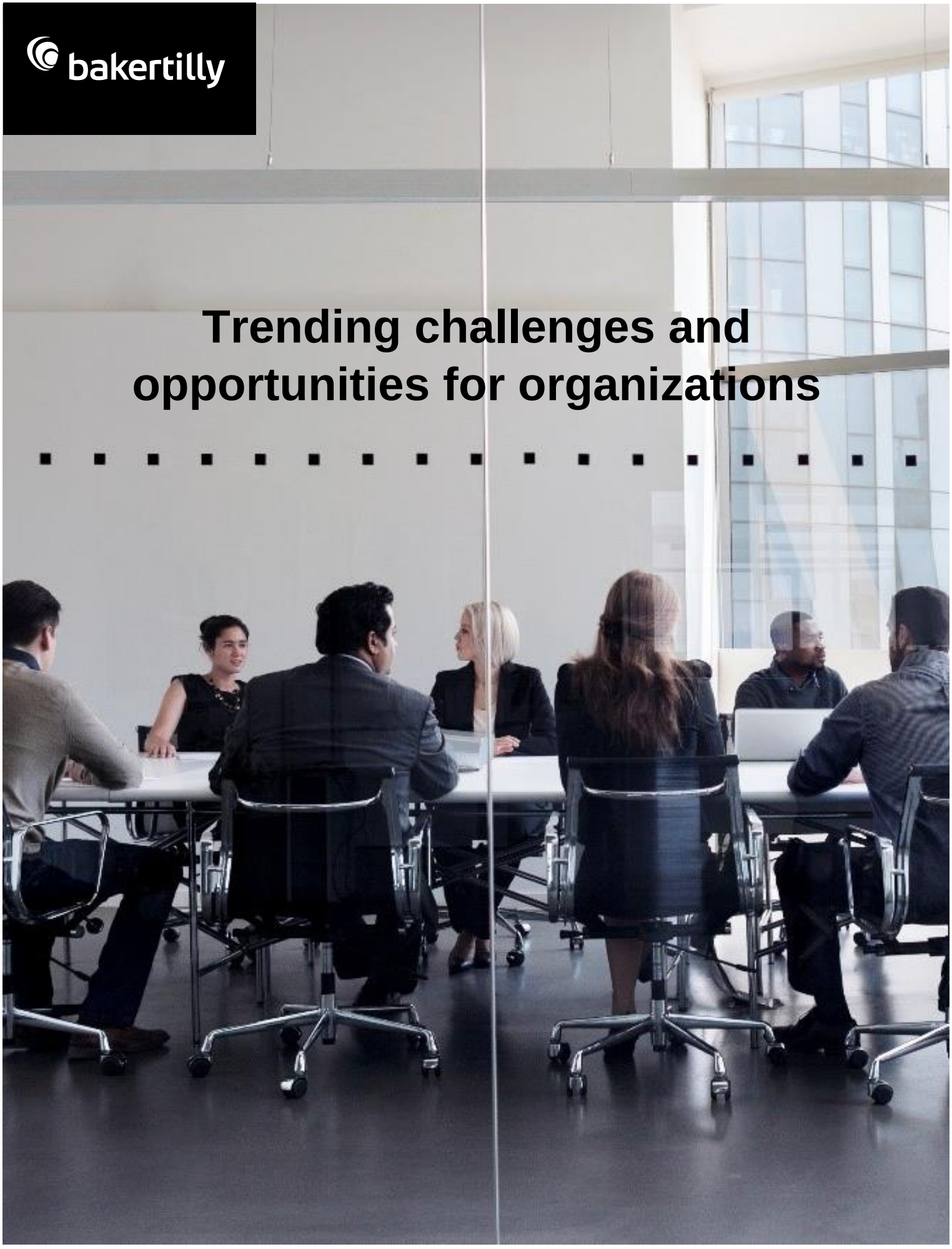
Trending challenges and opportunities for organizations



Trending challenges and opportunities for organizations

Management and governing bodies must keep the future in mind as they evaluate strategies to achieve future growth. Keeping a balance between risk and sustainability is key, and organizations need to think beyond their immediate needs to their long-term goals. Economic uncertainty, coupled with key risk areas and fast-paced technology change, make strategic planning complex. Begin the discussion with your management team to find your path to your future.

Turning toward recovery and growth

Many organizations are focusing on the strategic restart and ramp up of their operations.

With great uncertainty about what recovery will look like–or how long it will take–it is essential for your organization to understand the scenarios you may face and plan your path back to growth.

We can help you chart a way forward that will enhance and maximize your value, minimize further disruption and keep your workforce safe.

Recommendation

Follow our road map to reopen, recover and reset.

Compliance with federal awards

Challenge

The COVID-19 crisis has had a significant effect on the nation, including recipients of federal awards resulting from various congressional acts. Federal funding adds an increased level of scrutiny and brings new challenges around compliance, reporting and administration.

Finance and spending departments are operating in unprecedented times as they manage and administer these funds while also remaining economically viable, maintaining operations and adapting to the “new normal.”

Recommendation

Learn more about compliance for federal funds obtained for pandemic response efforts.

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Recession proofing measures

Challenge

Ever aware of the need to balance the needs of diverse constituents against constrained revenue streams and conflicting priorities, public leaders strive to effectively deploy scarce resources while maintaining the highest levels of accountability and transparency.

In times of crisis, additional challenges emerge to maintain essential services, ensure citizen safety, protect their workforce and jumpstart programs to mitigate negative local economic impacts–all while focusing on planning for long-term effects of revenue shortages and the subsequent recovery.

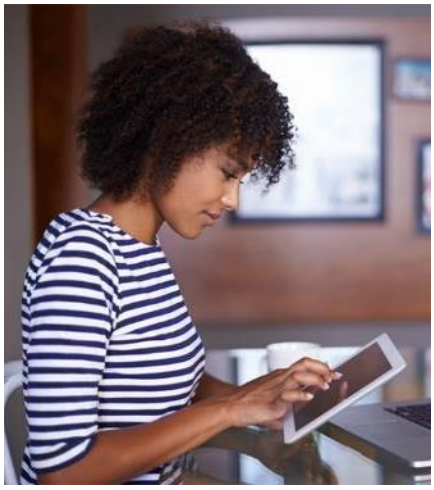
Developing strategic clarity, aligning resources with priorities, strengthening performance, optimizing processes and leveraging technology are imperative.

Recommendation

Learn about proactive measures to insulate your organization from financial hardship and to optimize your organization's performance.

Recruiting and hiring

Challenge



Public sector entities in need of key workforce personnel, such as city or county managers and administrators, city or county attorneys, fire chiefs, police chiefs and other departmental directors, may find themselves in an unenviable position during a pandemic.

Organizations need the talent, but a pandemic can disrupt essential business processes and cause apprehension about access to desirable candidates.

Hiring leaders should proactively discuss what-if scenarios, evaluate short-term and long-term hiring priorities, and plan for situations where immediate recruitment is imperative.

Recommendation

Learn the key considerations and actions for recruiting and hiring in a crisis.

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Risk assessment

Challenge

Organizations today manage ever-expanding priorities in a constantly evolving, disruptive risk environment. Undetected risks, insufficient internal controls and inefficient business processes may negatively impact not only the entity but also its workforce and the community at large.

Risk assessment and internal audit prove essential to identifying top risks and the appropriateness of response in order to:

- Manage risk and compliance
- Enhance governance and strategy
- Optimize operations
- Gain assurance around key functions and processes that contribute toward meeting organizational goals

Recommendation

Learn about the key considerations for the risk assessment process and internal audit planning.

Economic development

Challenge

In today's complex economic landscape, communities face the daunting challenge of rebuilding their local economies. Restoring the momentum of economic expansion and investment to enhance quality of life for residents and produce long-term financial gain for the community is at the forefront of concerns.

Whether attracting growth to maximize opportunity built around community strengths or accounting for the many unknowns caused by major disruptions, a robust economic development strategy is essential to recovery.

Recommendation

Learn about the advantages of creating an economic development strategic plan and the framework to follow.

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Harnessing data and analytics for strategic insight and decision-making

Challenge

In crisis and recovery, organizations are investing in advanced analytic solutions to help them not only make better decisions faster and more consistently, but also to improve operational efficiency and performance. Of all the business analytics available, advanced analytic solutions should be at the top of your priority list given the impact it can have on your business.

Recommendation

Learn more about data & analytics strategy and roadmaps, MDM and data process re-engineering, AI strategy, data visualization and other digital and analytic capabilities.

Information technology and cybersecurity

Challenge

While return-to-work scenarios are being developed, it is likely that remote workforces will remain a reality for many organizations in the short- to mid-term. Though many organizations have been able to adapt on a short-term basis, some will not be prepared for long-term operation on a remote and virtual basis. Organizations should increase monitoring of invasive cyber events, given the likely increase in hackers sending out fake emails, website links and ransomware attacks – and also consider:

- Adequacy of IT controls and security
- Performance of remote infrastructure supporting operations
- Improvements to remote applications for communication, collaboration and workflow
- Alternatives for data entry, work and information flow

Recommendation

Learn more about information technology and cybersecurity, including System & Organization Controls reporting.

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Appendix A: Client service team

Client service team

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Appendix B: Management representation letter

CITY OF STOUGHTON
207 S Forrest Street, Stoughton, WI 53589
(608) 873-6677 www.ci.stoughton.wi.us

May 6, 2021

Baker Tilly US, LLP
P.O.Box 7398
Madison, WI 73707-7398

Dear Baker Tilly US, LLP:

We are providing this letter in connection with your audit of the financial statements of the City of Stoughton as of December 31, 2020 and for the year then ended for the purpose of expressing opinions as to whether the financial statements 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 of Stoughton and the respective changes in financial position and cash flows, where applicable, in conformity with accounting principles generally accepted in the United States of America. We confirm that we are responsible for the fair presentation of the previously mentioned financial statements in conformity with accounting principles generally accepted in the United States of America. We are also responsible for adopting sound accounting policies, establishing and maintaining internal control over financial reporting, and preventing and detecting fraud.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audit.

Financial Statements

1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter.

2) The financial statements referred to above are fairly presented in conformity with accounting principles generally accepted in the United States of America. We have engaged you to advise us in fulfilling that responsibility. The financial statements include all properly classified funds of the primary government required by accounting principles generally accepted in the United States of America to be included in the financial reporting entity.

3) We acknowledge our responsibility 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.

4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

5) Significant assumptions we used in making accounting estimates, if any, are reasonable.

6) All events subsequent to the date of the financial statements and for which accounting principles generally accepted in the United States of America require adjustment or disclosure have been adjusted or disclosed. No other events, including instances of noncompliance, have occurred subsequent to the financial statement date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.

7) All material transactions have been recorded in the accounting records and are reflected in the financial statements.

8) We believe the effects of the uncorrected financial statement misstatements listed here are immaterial, both individually and in the aggregate, to the basic financial statements as a whole. The city chose not to record postemployment benefit liabilities and related deferred outflows of resources, deferred inflows of resources and expenses/expenditures for Governmental activities, Business-type activities, Water Utility, Wastewater Utility, Electric Utility, EMS and Storm sewer enterprise funds. The liabilities, deferred inflows of resources, deferred outflows of resources and expenses/expenditures are understated and net position is overstated for each opinion unit. Amounts are listed in attached summary.

9) There are no known or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements. There are no unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with accounting principles generally accepted in the United States of America.

10) Guarantees, whether written or oral, under which the City is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

11) We have provided you with:

    a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as financial records and related data, documentation, and other matters.

    b) Additional information that you have requested from us for the purpose of the audit.

    c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

    d) Minutes of the meetings of City Council or summaries of actions of recent meetings for which minutes have not yet been prepared.

12) We have not completed an assessment of the risk that the financial statements may be materially misstated as a result of fraud.

13) We have no knowledge of any fraud or suspected fraud that affects the entity and involves:

    a) Management,

    b) Employees who have significant roles in internal control, or

c) Others where the fraud could have a material effect on the financial statements.

14) We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, regulators, or others.

15) We have no knowledge of known instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.

16) There are no known related parties or related party relationships and transactions of which we are aware.

Other

17) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

18) We have a process to track the status of audit findings and recommendations.

19) We have identified to you any previous financial audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.

20) The City has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.

21) We are responsible for compliance with federal, state, and local laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits, debt contracts, and IRS arbitrage regulations; and we have identified and disclosed to you all federal, state, and local laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.

22) There are no:

a) Violations or possible violations of budget ordinances, federal, state, and local laws or regulations (including those pertaining to adopting, approving and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, or for reporting on noncompliance, except those already disclosed in the financial statement, if any.

b) Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by accounting principles generally accepted in the United States of America.

c) Nonspendable, restricted, committed, or assigned fund balances that were not properly authorized and approved.

d) Rates being charged to customers other than the rates as authorized by the applicable authoritative body.

e) Violations of restrictions placed on revenues as a result of bond resolution covenants such as revenue distribution or debt service funding.

23) In regards to the nonattest services performed by you listed below, we have 1) accepted all management responsibility; 2) designated an individual with suitable skill, knowledge, or experience to oversee the services; 3) evaluated the adequacy and results of the services performed, and 4) accepted responsibility for the results of the services.

    a) Financial statement preparation

    b) Compiled TIF financial statements

    c) Compiled regulatory reports

    d) Maintenance of capital asset records

    e) Impact fee services

    None of these nonattest services constitute an audit under generally accepted auditing standards, including *Government Auditing Standards*.

24) The City of Stoughton has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.

25) The City of Stoughton has complied with all aspects of contractual agreements that would have a material effect on the financial statement in the event of noncompliance.

26) There are no component units that should be disclosed in the financial statements. There are no joint ventures with an equity interest, and we have properly disclosed all other joint ventures and other related organizations.

27) The financial statements properly classify all funds and activities.

28) All funds that meet the quantitative criteria in GASB Statement No. 34 and No. 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.

29) Components of net position (net investment in capital assets; restricted; and unrestricted) and components of fund balance (nonspendable, restricted, committed, assigned and unassigned) are properly classified and, if applicable, approved.

30) The City of Stoughton has no derivative financial instruments such as contracts that could be assigned to someone else or net settled, interest rate swaps, collars or caps.

31) Provisions for uncollectible receivables, if any, have been properly identified and recorded.

32) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.

33) Revenues are appropriately classified in the statement of activities within program revenues and general revenues.

34) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.

35) Deposits and investments are properly classified, valued, and disclosed (including risk disclosures, collateralization agreements, valuation methods, and key inputs, as applicable).

36) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated/amortized. Any known impairments have been recorded and disclosed.

37) Tax-exempt bonds issued have retained their tax-exempt status.

38) We have appropriately disclosed the City of Stoughton's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available and have determined that net position were properly recognized under the policy. We have also disclosed our policy regarding which resources (that is, restricted, committed, assigned or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available.

39) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

40) With respect to the supplementary information, (SI):

    a) We acknowledge our responsibility for presenting the SI in accordance with accounting principles generally accepted in the United States of America, and we believe the SI, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the SI have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.

    b) If the SI is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.

41) We assume responsibility for, and agree with, the information provided by the Wisconsin Retirement System as audited by the Legislative Audit Bureau relating to the net pension asset/liability and related deferred outflows and deferred inflows and have adequately considered the reasonableness of the amounts and disclosures used in the financial statements and underlying accounting records. We also assume responsibility for the census data that has been reported to the plan.

42) We have implemented GASB Statement No. 84, *Fiduciary Activities*, and believe that all activities that meet the criteria for presentation as fiduciary activities have been identified and presented as such. In addition, we believe that all required disclosures and other accounting considerations have been identified and properly classified in the financial statements in compliance with the Standard.

43) We have implemented GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, and believe that all direct borrowings, direct placements, lines of credit or debt default clauses have been identified and properly disclosed in the financial statements in compliance with the Standard.

44) We have implemented GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, and believe that all required disclosures and accounting considerations have been identified and properly classified in the financial statements in compliance with the Standard.

45) We are responsible for the estimation methods and assumptions used in measuring assets and liabilities reported or disclosed at fair value, including information obtained from brokers, pricing services or third parties. Our valuation methodologies have been consistently applied from period to period. The fair value measurements reported or disclosed represent our best estimate of fair value as the measurement date in accordance with the requirements of GASB 72 – *Fair Value Measurement*. In addition our disclosures related to fair value measurements are consistent with the objectives outlined in GASB 72. We have evaluated the fair value information provided to us by brokers, pricing services or other parties that has been used in the financial statements and believe this information to be reliable and consistent with the requirements.

Sincerely,

City of Stoughton

Signed: _____ Date: May 6, 2021

Signed: _____ Date: May 6, 2021

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Appendix C: Uncorrected misstatements

Uncorrected misstatements

The city has one uncorrected financial statement misstatement as the result of not implementing GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.* Had this standard been implemented the following would have been recorded.

Financial statement effects – debit (credit) to financial statement total:

Opinion unit	Total assets/ deferred outflows	Total liabilities/ deferred inflows	Total net position/ fund balances	Total expense/ expenditures	Change in net position/ fund balances
Governmental activities	175,491	(948,860)	773,369	30,344	30,344
Business-type activities	61,390	(275,958)	214,568	20,759	20,759
Water	11,504	(50,214)	38,710	4,003	4,003
Wastewater	11,923	(52,041)	40,119	4,149	4,149
Electric	34,512	(150,643)	116,131	12,010	12,010
Remaining funds	3,452	(23,059)	19,607	597	597

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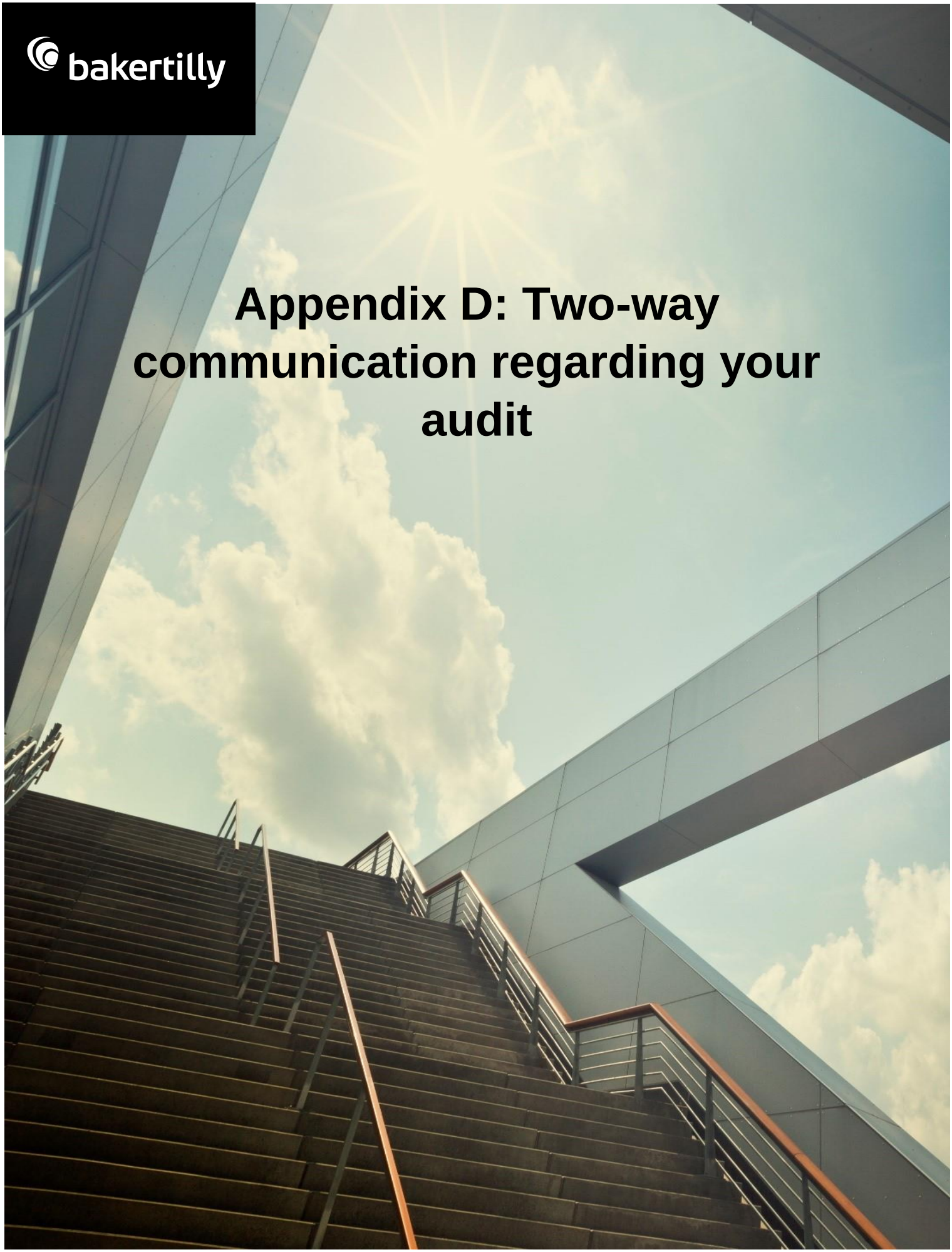
Appendix D: Two-way communication regarding your audit



As part of our audit of your financial statements, we are providing communications to you throughout the audit process. Auditing requirements provide for two-way communication and are important in assisting the auditor and you with more information relevant to the audit.

As this past audit is concluded, we use what we have learned to begin the planning process for next year's audit. It is important that you understand the following points about the scope and timing of our next audit:

a. We address the significant risks of material misstatement, whether due to fraud or error, through our detailed audit procedures.

b. We will obtain an understanding of the five components of internal control sufficient to assess the risk of material misstatement of the financial statements whether due to error or fraud, and to design the nature, timing and extent of further audit procedures. We will obtain a sufficient understanding by performing risk assessment procedures to evaluate the design of controls relevant to an audit of financial statements and to determine whether they have been implemented. We will use such knowledge to:

   - Identify types of potential misstatements.
   - Consider factors that affect the risks of material misstatement.
   - Design tests of controls, when applicable, and substantive procedures.

c. We will not express an opinion on the effectiveness of internal control over financial reporting or compliance with laws, regulations and provisions of contracts or grant programs.

d. The concept of materiality recognizes that some matters, either individually or in the aggregate, are important for fair presentation of financial statements in conformity with generally accepted accounting principles while other matters are not important. In performing the audit, we are concerned with matters that, either individually or in the aggregate, could be material to the financial statements. Our responsibility is to plan and perform the audit to obtain reasonable assurance that material misstatements, whether caused by errors or fraud, are detected.

Our audit will be performed in accordance with auditing standards generally accepted in the United States of America

We are very interested in your views regarding certain matters. Those matters are listed here:

a. We typically will communicate with your top level of management unless you tell us otherwise.

b. We understand that the governing board has the responsibility to oversee the strategic direction of your organization, as well as the overall accountability of the entity. Management has the responsibility for achieving the objectives of the entity.

c. We need to know your views about your organization's objectives and strategies, and the related business risks that may result in material misstatements.

d. We anticipate that the City will receive an unmodified opinion on its financial statements.

e. Which matters do you consider warrant particular attention during the audit, and are there any areas where you request additional procedures to be undertaken?

f. Have you had any significant communications with regulators or grantor agencies?

g. Are there other matters that you believe are relevant to the audit of the financial statements?

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Also, is there anything that we need to know about the attitudes, awareness and actions of the governing body concerning:

a. The entity's internal control and its importance in the entity, including how those charged with governance oversee the effectiveness of internal control?

b. The detection or the possibility of fraud?

We also need to know if you have taken actions in response to developments in financial reporting, laws, accounting standards, governance practices, or other related matters, or in response to previous communications with us.

With regard to the timing of our audit, here is some general information. If necessary, we may do preliminary financial audit work during the months of October-December, and sometimes early in January. Our final financial fieldwork is scheduled during the spring to best coincide with your readiness and report deadlines. After fieldwork, we wrap up our financial audit procedures at our office and may issue drafts of our report for your review. Final copies of our report and other communications are issued after approval by your staff. This is typically 6-12 weeks after final fieldwork, but may vary depending on a number of factors.

Keep in mind that while this communication may assist us with planning the scope and timing of the audit, it does not change the auditor's sole responsibility to determine the overall audit strategy and the audit plan, including the nature, timing and extent of procedures necessary to obtain sufficient appropriate audit evidence.

We realize that you may have questions on what this all means, or wish to provide other feedback. We welcome the opportunity to hear from you.

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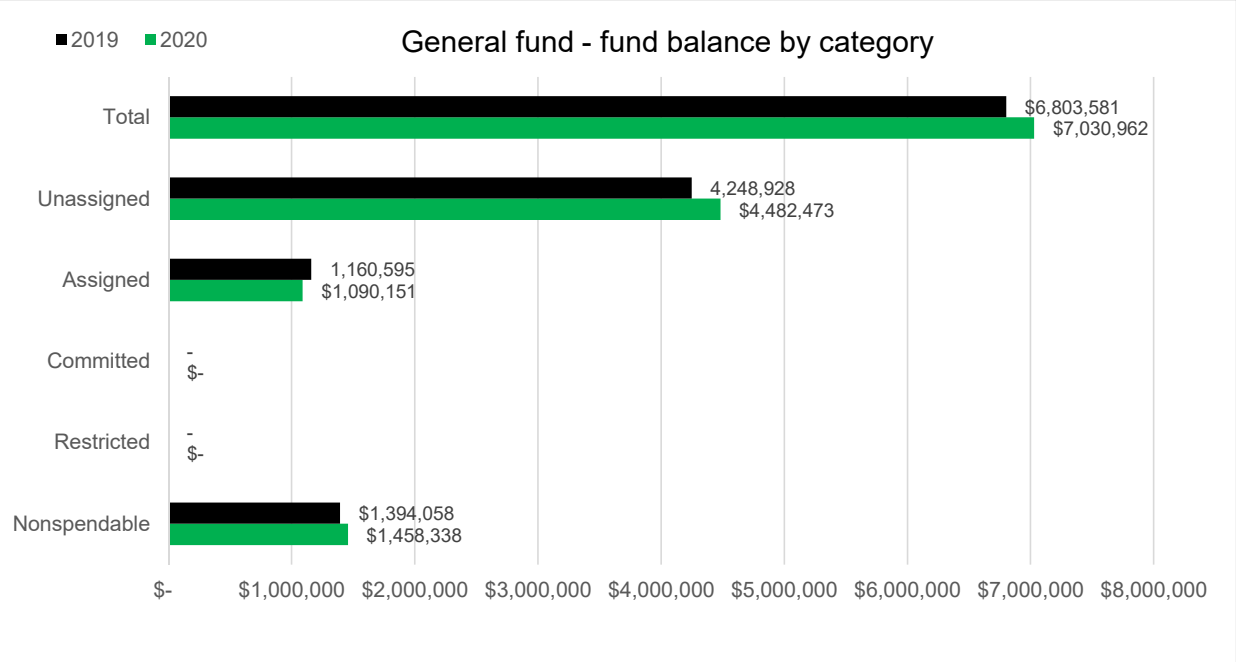
Appendix E: Audit results

City of Stoughton

General fund results



Summarized income statement

	Actual	Final budget	Variance
Revenues and other financing sources	$ 14,122,878	$ 14,156,164	$ (33,286)
Expenditures and other financing uses	13,895,497	14,162,314	266,817
Net change in fund balance	$ 227,381	$ (6,150)	$ 233,531

Fund balance category definitions

Nonspendable - amounts cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained in tact.

Restricted - amounts that can be spent only for the specific purposes stipulated by an external source.

Committed - amounts constrained for specific purposes that are internally imposed through formal action of the governing body.

Assigned - spendable amounts that are intended to be used for specific purposes that are not considered restricted or committed.

Unassigned - residual amounts that have not been classified within other categories above.

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Source: current and prior year financial statement information and other benchmark information as noted.

City of Stoughton

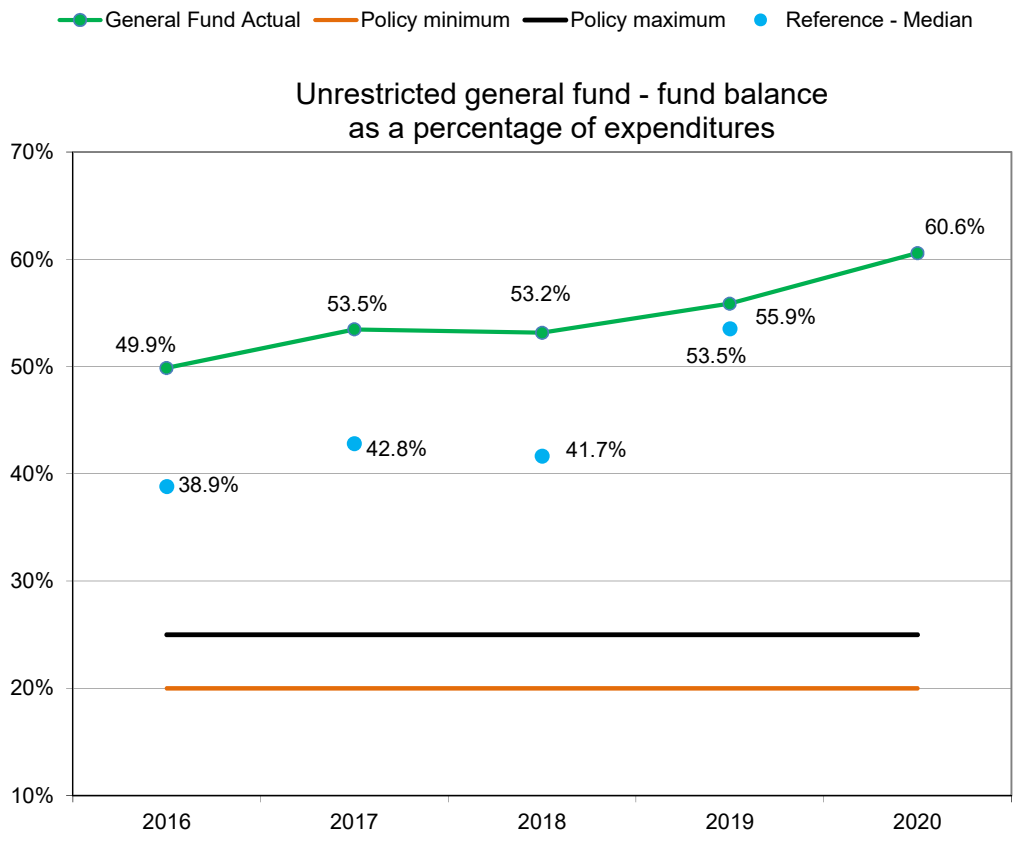
General fund - fund balance trends

Fund balance policy:

Maintain unassigned general fund balance within a range of 20-25% of general fund annual budgeted expenditures.

The unassigned balance at year end was $4,251,818 or 30.13% of 2020 general fund budgeted expenditures.

The includes deficit fund balances for Opera House ($228,519) and Landmarks ($2,136).



Other reference values

GFOA recommends a minimum of no less than 2 months (16.7%) of general fund expenditures.

Median reference value generated from 2016 - 2019 Baker Tilly municipal client data for population ranges from 10,000 to 17,500.

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Source: current and prior year financial statement information and other benchmark information as noted.

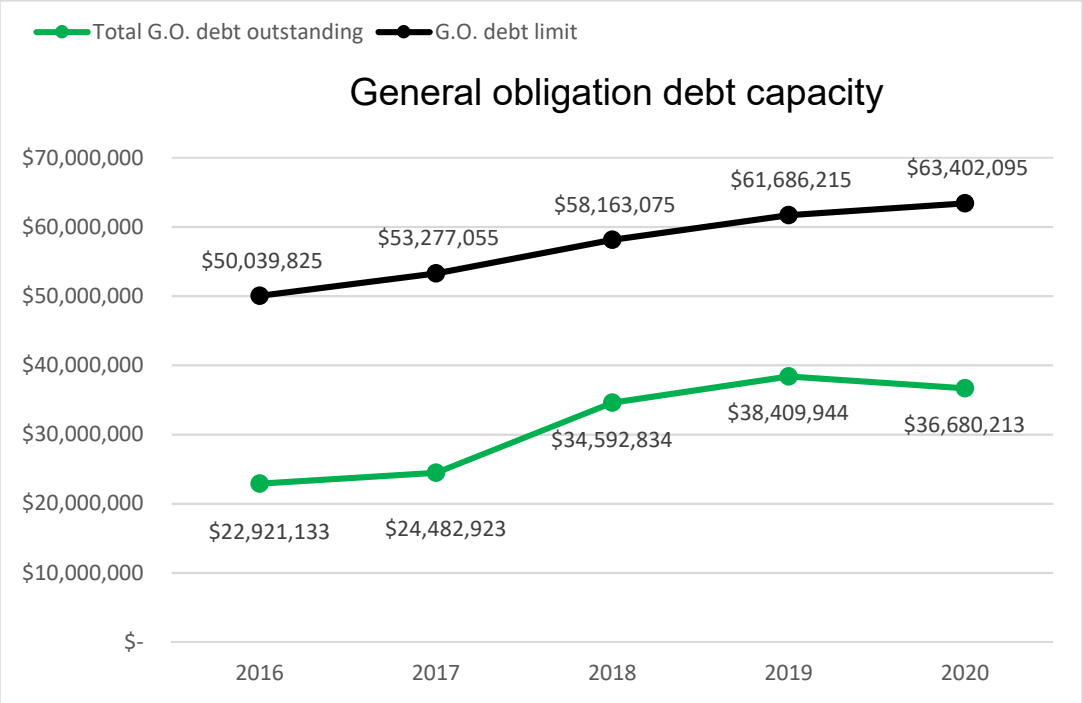
City of Stoughton

General obligation debt

Debt management policy:

The City has a debt policy to maintain total outstanding general obligation debt at 4% or less of equalized value. The City's outstanding general obligation debt was at 2.9%. Legal debt margin capacity (5% of the city's total equalized value).

Actual percentage of debt limit at 12/31/20: **58%**



Total debt outstanding by type at 12/31/2020

	General obligation	Revenue Debt	Total
City	$ 34,544,683	$ -	$ 34,544,683
Utility	2,135,530	10,601,472	$ 12,737,002
Total	$ 36,680,213	$ 10,601,472	$ 47,281,685

Comparative metrics available online through the Wisconsin Policy Forum.

https://wispolicyforum.org/research/municipal-datatool-examining-and-comparing-wisconsin-cities-and-villages/

Select "Debt" -- options for custom comparisons or comparisons by county

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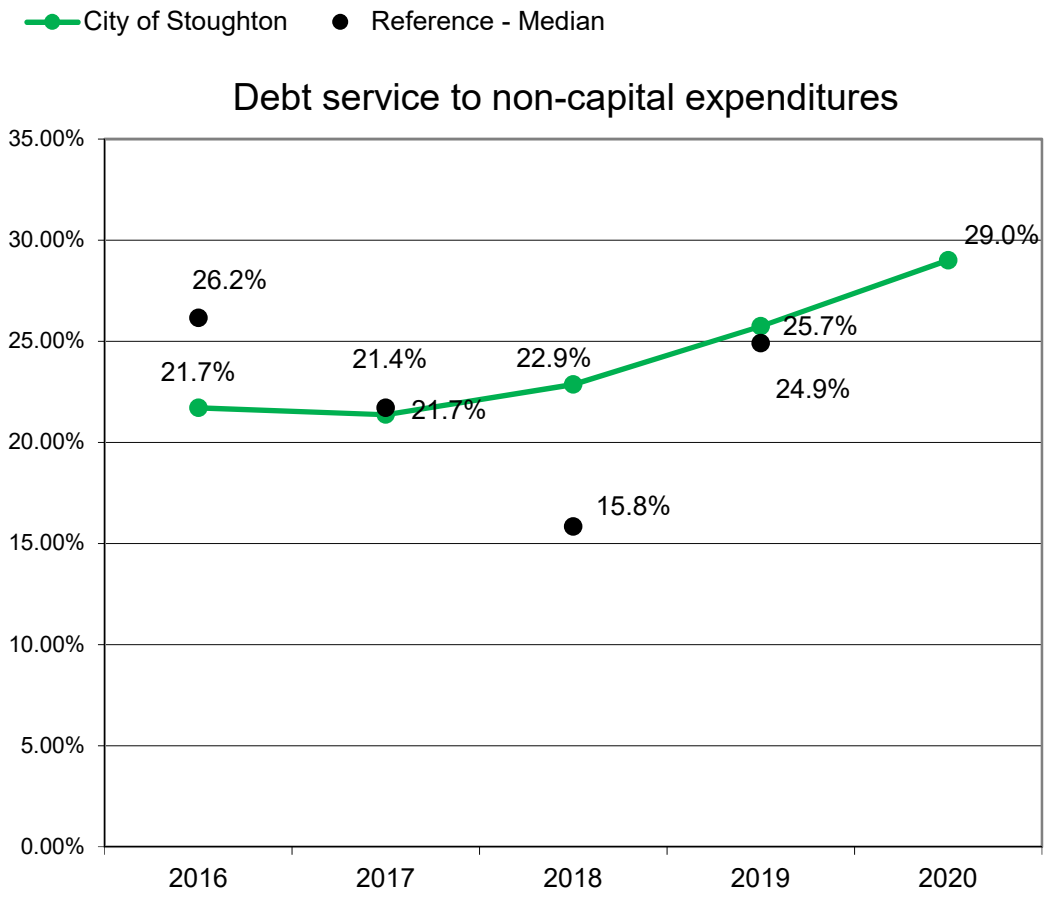
Source: current and prior year financial statement information and other benchmark information as noted.

City of Stoughton

Governmental funds - debt service



Current and prior year data

	2020	2019
Principal	$ 3,708,169	$ 3,215,601
Interest	1,106,258	1,015,259
Total	$ 4,814,427	$ 4,230,860
Noncapital expenditures	$ 16,596,609	$ 16,433,004

Other reference values

Median reference value generated from 2016 - 2019 Baker Tilly municipal client data for population ranges from 10,000 to 17,500.

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Source: current and prior year financial statement information and other benchmark information as noted.

City of Stoughton

Financial Statements and
Supplementary Information

December 31, 2020

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December 31, 2020

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Independent Auditors' Report

To the City Council of
City of Stoughton

Report on the Financial Statements

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 Stoughton, Wisconsin, as of and for the year ended December 31, 2020 and the related notes to the financial statements, which collectively comprise the City of Stoughton's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City of Stoughton's preparation and fair presentation of the financial statements 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 of Stoughton's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Stoughton, Wisconsin, as of December 31, 2020 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.

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Other Matters

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, 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 of Stoughton'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.

Baker Tilly US, LLP

Madison, Wisconsin
May 6, 2021

Management of the City of Stoughton offer readers of the City of Stoughton's (City) financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2020. We encourage readers to consider the information presented here in conjunction with the City's financial statements.

Financial Highlights

A successful city seeks out growth opportunities and prudently allocates its limited resources to provide the best goods and services to its residents. Prudent management of financial assets seeks to both maximize the value of current goods and services and future needs, wants and opportunities. Management presents this analysis with a view to the current period and the future.

- Net positon increased $4.5 million, or 4.9%, in 2020 to $95.5 million from $91.0 million in 2019. Governmental activities accounted for $2.3 million of the increase in net position with the remaining $2.2 million generated from business-type activities.

- Net investment in capital assets increased by $5.0 million, or 7.5%, in 2020 from 2019. Major 2020 capital projects include street reconstruction, storm water improvements, downtown parking lot and sidewalk improvements and utility infrastructure improvements.

- The City's governmental funds reported combined fund balances of $15.3 million at year-end. $3.4 million of the fund balance was unassigned and able to fund future City expenditures. The remainder of the fund balance was nonspendable, restricted, committed or assigned for various purposes.

- The unassigned general fund balance at year-end including deficits in funds potentially funded by the general fund was $4,251,818, or 30.1%, of 2020 general fund budgeted expenditures. This exceeds the City's policy of 20% to 25% of general fund annual budgeted expenditures.

- Long-term bonds and notes outstanding decreased in 2020 by $3.2 million to $47.3 million.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. These financial statements consist of two parts: Management's Discussion and Analysis (this section) and the basic financial statements. The basic financial statements include two kinds of statements that present different views of the City:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the City's overall financial status.

- The remaining statements are fund financial statements that focus on individual parts of City government, reporting the City's operations in more detail than the government-wide statements.

These financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets, deferred outflows of resources, liabilities and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City's net position and how they have changed. Net position – the City's assets plus deferred outflows of resources less liabilities and deferred inflows of resources – is one way to measure the City's financial health, or position. Over time, increases or decreases in the City's net position are an indicator of whether its financial health is improving or deteriorating. To assess the overall health of the City you need to consider additional nonfinancial factors such as changes in the City's property tax base, changes in the local, state and national economies and the condition of the City's roads and other infrastructure.

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 the cash flows. Thus, revenue and expenses reported in this statement for some items will only result in cash flows in future fiscal periods.

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, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary 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 thirty-seven 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, debt service fund and construction fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Proprietary Funds – The City maintains six different proprietary funds, five of which are enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Proprietary fund financial statements present the same type of information as the government-wide financial statements, only in more detail.

Internal Service Fund – The internal service fund is 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, on a cost-reimbursement basis.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

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.

Other Information – In addition to the basic financial statements and accompanying notes, required supplementary information presents a detailed budgetary comparison schedule for the general fund to demonstrate compliance with the budget, followed by the City's pension related information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information.

Financial Analysis of the City as a Whole

An analysis of the City's financial position begins with a review of the Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position. These two statements report the City's net position and changes therein. It should be noted that the financial position could also be affected by nonfinancial factors, including economic conditions, population growth and new regulations.

A summary of the City's Statement of Net Position is presented below.

Table 1
Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	$ 30,538,527	$ 32,681,577	$ 16,438,708	$ 15,289,239	$ 46,977,235	$ 47,970,816
Net pension assets	1,244,940	-	392,879	-	1,637,819	-
Capital assets	54,973,284	52,631,928	61,511,842	60,006,260	116,485,126	112,638,188
Total assets	86,756,751	85,313,505	78,343,429	75,295,499	165,100,180	160,609,004
Pension related amounts	3,029,971	3,686,053	932,797	1,173,998	3,962,768	4,860,051
Total deferred outflows of resources	3,029,971	3,686,053	932,797	1,173,998	3,962,768	4,860,051
Long-term liabilities	36,564,309	38,244,663	13,162,287	13,306,422	49,726,596	51,551,085
Net pension liability	1,067,144	2,200,216	-	443,159	1,067,144	2,643,375
Other liabilities	1,897,266	2,813,030	3,490,697	2,894,341	5,387,963	5,707,371
Total liabilities	39,528,719	43,257,909	16,652,984	16,643,922	56,181,703	59,901,831
Unearned revenue	12,060,684	11,569,786	-	-	12,060,684	11,569,786
Pension related amounts	4,143,920	2,381,062	1,216,201	617,148	5,360,121	2,998,210
Total deferred inflows of resources	16,204,604	13,950,848	1,216,201	617,148	17,420,805	14,567,996
Net investment in capital assets	22,184,250	19,667,802	48,786,175	46,473,103	70,970,425	66,140,905
Restricted	4,623,445	3,833,588	3,463,254	3,072,630	8,086,699	6,906,218
Unrestricted	7,245,704	8,289,411	9,157,612	9,662,694	16,403,316	17,952,105
Total net position	$ 34,053,399	$ 31,790,801	$ 61,407,041	$ 59,208,427	$ 95,460,440	$ 90,999,228

The largest portion of the City's net position (74.1%) reflects its investment in capital assets (e.g., land, buildings and improvements, machinery and equipment and infrastructure), less any debt used to acquire those assets that are still outstanding. 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 as the capital assets themselves cannot generally be liquidated to pay these liabilities. The investment in capital assets increased by $5.0 million, or 7.5%, in 2020 from 2019. An additional portion of the City's net position (8.5%) represents resources that are subject to external restrictions on how they may be used. These restricted balances increased by $1.18 million in 2020 from 2019. The remaining balance of unrestricted net position (17.4%) may be used to meet the government's ongoing obligations. The unrestricted net position decreased by $1.7 million in 2020 from 2019. The decrease in net position is primarily due to do the significant investment in capital assets in 2020.

A summary of the City's Statement of Activities is presented below.

Table 2
Condensed Statement of Revenues, Expenses and Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2020	**2019**	**2020**	**2019**	**2020**	**2019**
Revenues						
Program revenues:						
Charges for services	$ 2,401,419	$ 3,014,578	$ 20,646,050	$ 20,326,367	$ 23,047,469	$ 23,340,945
Operating grants and contributions	2,084,001	1,977,030	39,446	23,575	2,123,447	2,000,605
Capital grants and contributions	76,568	86,920	531,227	93,467	607,795	180,387
General revenues:						
Property taxes	10,681,114	10,239,339	-	-	10,681,114	10,239,339
Other taxes	94,727	130,559	-	-	94,727	130,559
Intergovernmental	1,404,140	932,109	-	-	1,404,140	932,109
Other	958,106	940,077	178,320	454,244	1,136,426	1,394,321
Total revenues	17,700,075	17,320,612	21,395,043	20,897,653	39,095,118	38,218,265
Expenses						
General government	3,231,833	2,230,352	-	-	3,231,833	2,230,352
Public safety	4,819,494	4,756,181	-	-	4,819,494	4,756,181
Public works	3,871,840	3,933,341	-	-	3,871,840	3,933,341
Culture/recreation/ education	3,008,077	4,061,644	-	-	3,008,077	4,061,644
Conservation and development	273,326	598,312	-	-	273,326	598,312
Water	-	-	1,631,375	1,664,278	1,631,375	1,664,278
Wastewater	-	-	1,953,613	1,992,498	1,953,613	1,992,498
Electric	-	-	13,648,917	14,070,250	13,648,917	14,070,250
EMS	-	-	638,636	653,890	638,636	653,890
Storm sewer	-	-	623,644	540,212	623,644	540,212
Interest and fiscal charges	933,151	1,031,519	-	-	933,151	1,031,519
Total expenses	16,137,721	16,611,349	18,496,185	18,921,128	34,633,906	35,532,477
Income before transfers	1,562,354	709,263	2,898,858	1,976,525	4,461,212	2,685,788
Transfers	700,244	(677,716)	(700,244)	677,716	-	-
Changes in net position	2,262,598	31,547	2,198,614	2,654,241	4,461,212	2,685,788
Beginning Net Position	31,790,801	31,759,254	59,208,427	56,554,186	90,999,228	88,313,440
Ending Net Position	$ 34,053,399	$ 31,790,801	$ 61,407,041	$ 59,208,427	$ 95,460,440	$ 90,999,228

As previously noted, the Statement of Net Position shows the change in financial position of net position. The specific nature or source of these changes then becomes more evident in the Statement of Revenues, Expenses and Changes in Net Position as shown above in Table 2.

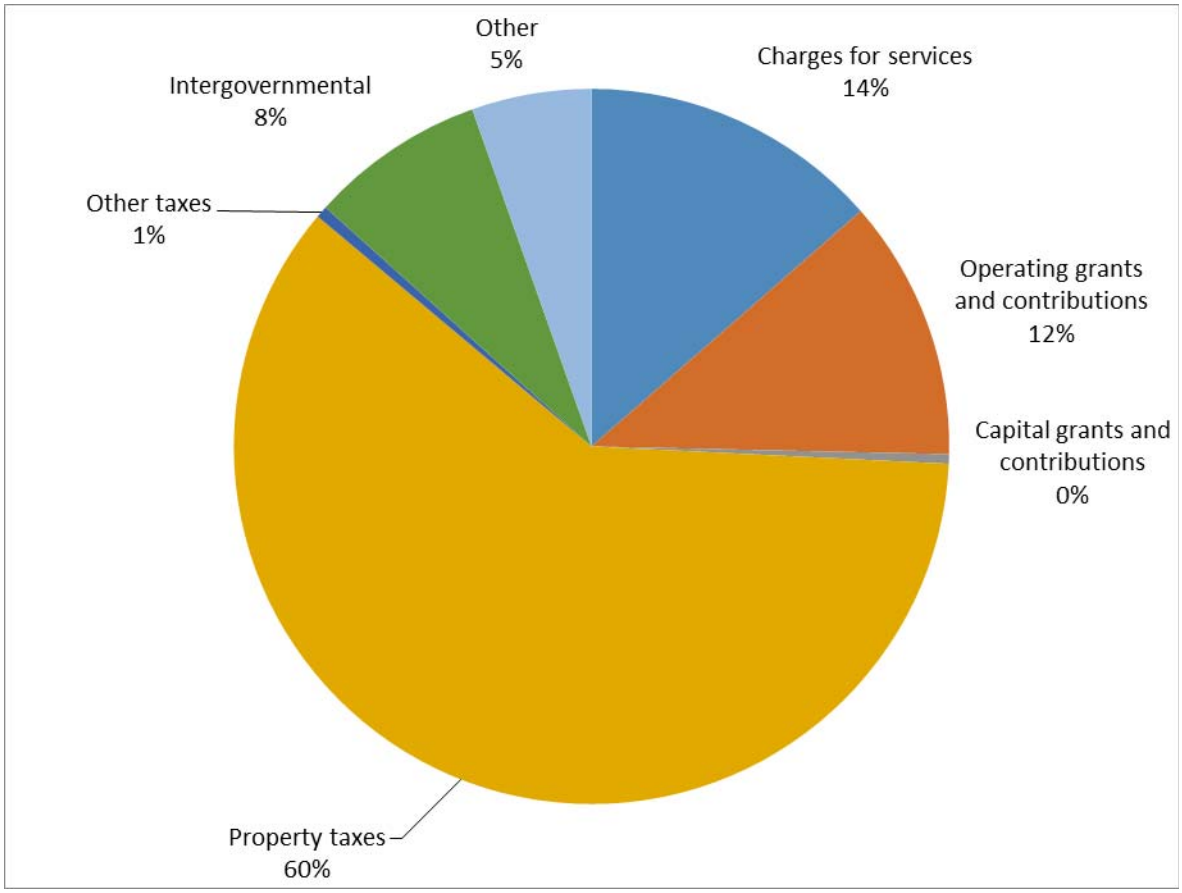
Governmental Activities – Revenues

Governmental activities increased the City's net position by $2,262,598, or 7.1%, in 2020. This is up sharply from an increase in the City's net position of $31,547 in 2019. 2020 had $1,351,563 less City contributions to the business-type activity funds compared to 2019. 2020 net position also increased $451,344 over 2019's net increase due to changes in net pension asset/liabilities and pension deferred outflows/inflows. The remainder cause of the increased change in net position from 2020 to 2019 can be contributed to operating activities, special assessments and a variety of other factors.

Program revenues are those revenues that can be directly related to a particular activity, whereas general revenues represent revenues that are not directly related to one specific function. General revenues include property taxes, state aids and investment income. Charges for services are primarily made up of licenses, permits, public charges for services such as library, garbage, recycling, park and recreation fees. Operating grants are mainly from state resources received for highway maintenance, taxi service and recycling programs. Capital grants fluctuate annually and are received to assist the City in capital asset purchases.

Property taxes are the largest revenue source for the governmental activities accounting for 60% of total revenues.

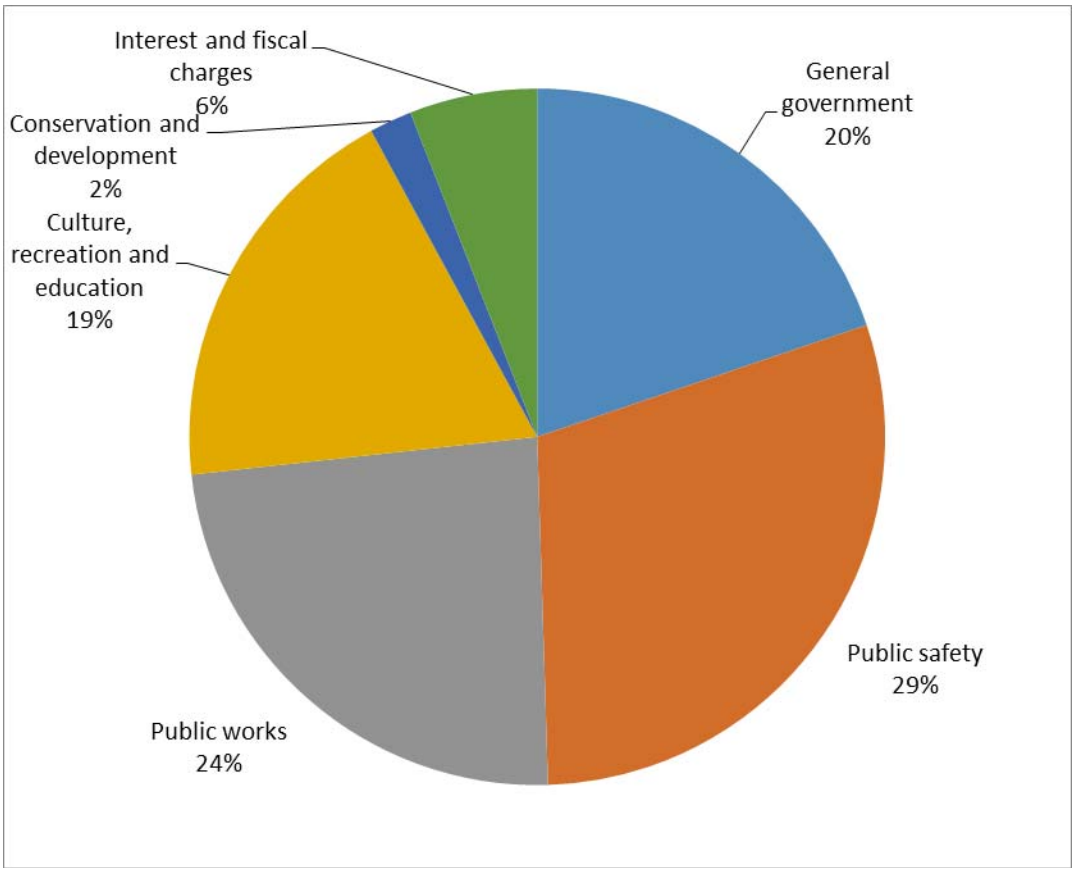
Governmental Activities by Revenue Source



Governmental Activities – Expenses

Governmental activities expenses are broken down into various functions. General government includes administrative type costs including Council, Clerk, Human Resources, Finance, Legal and Assessment services. Costs associated with the City's Police Department and Fire services are shown within the public safety function. The public works function includes expenses for street and sidewalk maintenance, winter and forestry operations and refuse and recycling efforts. Health and human services include the senior center, parks, recreation, cemetery and cable television. Conservation and development are the expenses of the planning department and TIF funds.

Governmental Activities Expenses Shown by Function



Business-Type Activities

Business-type activities increased the City of Stoughton's net position in 2020 by $2,198,614 to $61,407,041 from $59,208,427 in 2019. Table 3 below details the net position increase by fund.

Table 3
Net Position Enterprise Fund (Business-Type Activities)

	Water	Wastewater	Electric	Stormwater	EMS	Total
Net position, beginning	15,223,140	17,861,756	21,458,401	3,440,699	1,224,431	59,208,427
Net position, ending	15,528,074	18,229,531	22,285,449	3,979,858	1,384,129	61,407,041
Change in net position	304,934	367,775	827,048	539,159	159,698	2,198,614
Percent net position increase	2%	2%	4%	16%	13%	

The water fund experienced a modest 2% net position increase in 2020. A simplified rate case is pending in 2021 with the Wisconsin Public Service Commission to maintain the utility's financial strength and is expected to increase future regulatory operating revenues by 3% on an annual basis.

Wastewater also experienced a modest 2% net position increase in 2020. To maintain the wastewater fund's financial standing and to fund capital infrastructure improvements, the City implemented a 4.78% sewer rate increase that took effect on June 1, 2020. The rate increase was designed to raise approximately $95,000 on an annual basis.

Electric experienced a 4% net position increase in 2020. To maintain the electric fund's financial standing and to fund capital infrastructure improvements, the Public Service Commission of Wisconsin approved Stoughton Utilities' application for a rate increase, which took effect on July 1, 2020. The rate increase was designed to increase regulatory operating revenues by $338,480 on an annual basis.

Storm water experienced a significant 16% increase in net position. $418,657 of $539,159 of storm water's net position increase was related to contributions in aid of construction and capital contributions from the City's governmental funds.

The EMS fund's net position increase by $159,698, or 13%, in 2020. $25,000 of the net increase is from a transfer in from the general fund.

Governmental Funds

The focus of the City of Stoughton'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, unassigned fund balance may serve as a useful measure of the government's net resources available for spending at the end of the fiscal year.

As of December 31, 2020, the City's governmental funds reported combined fund balances of $15,299,973, down from $17,377,128 at the end of 2019. Approximately 22% of this amount, $3,430,054, constitutes the unassigned fund balance, which is available to meet the City's current and future needs. An additional $10,343,202 is included in the restricted, committed, or assigned category, which has been designated for specific projects or expenditures. The remaining $1,526,717 is nonspendable for prepaid expenditures, noncurrent assets, delinquent items and other investments.

General Fund

The City's general fund is the chief operating fund of the City. Total fund balance in the general fund increased $227,381, or 3.3%, from the prior year. The increase is primarily due to operating expenditures being below budget. See the following General Fund Budgetary Highlights section for further details.

The City has a formal minimum fund balance policy. That policy is to maintain an unassigned general fund balance within a range of 20% to 25% of general fund annual budgeted expenditures. The unassigned general fund balance at year-end including deficits in funds potentially funded by the General Fund was $4,251,818, or 30.1%, of 2020 general fund budgeted expenditures.

Debt Service Fund

The City's debt service fund accounts for the accumulation of resources for and payment of, general long-term debt principal, interest and related costs. The fund balance at the end of 2020 was $696,580, which was a decrease of $135,821 from the prior year. The decrease was a planned, budgeted spend down of fund balance.

Construction Capital Projects Fund

The City's construction capital projects fund accounts for the funds accumulated for the purpose of obtaining capital assets or for capital projects and other expenditures that are unique and are not normal operating or maintenance type expenditures reportable within the general fund or other governmental funds. The total fund balance as of December 31, 2020 was $2,005,994.

Nonmajor Governmental Funds

Fund balance of all other governmental funds is $5,566,437, a decrease of $1,771,593 from the prior year. The cause of the decrease in fund balance is related to capital outlays, including TIF #4 and TIF #6. There are 34 different nonmajor governmental funds, each with a different purpose.

Proprietary Funds

The City of Stoughton's proprietary fund financial statements provide the same type of information found in the government-wide financial statements but in more detail. Factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

Internal Service Fund

In December 2011, the City paid off its Wisconsin Retirement System Unfunded Actuarial Accrued Liability. The City borrowed money from the Electric Utility to pay off its portion of liability. This advance has been recorded in the Retirement Fund, which is an Internal Service Fund that the City created for this purpose. The internal service fund had a deficit of $206,435 as of December 31, 2020, which represents the amount to be paid to the Electric Utility and funded through future years' charges to governmental funds.

General Fund Budgetary Highlights

The General Fund budget had total appropriations, including those for transfers out, of $14,162,314. Actual expenditures and transfers out were $13,895,497 resulting in a $266,817 favorable variance. Total actual revenues and other sources were $14,122,878, which was $33,286 less than the budget. Further details can be found in the budget to actual section of this report and the City's year-end budget to actual report.

Capital Assets

At the end of 2020, the City had invested a total of $116.5 million in capital assets. This investment in capital assets includes land, buildings and improvements, machinery and equipment and infrastructure.

Table 4
Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land and other assets not being depreciated	$ 10,961,836	$ 11,424,738	$ 2,015,841	$ 2,112,866	$ 12,977,677	$ 13,537,604
Buildings and improvements	26,114,584	25,765,325	1,240,308	1,240,308	27,354,892	27,005,633
Machinery and equipment	10,955,620	9,089,162	941,588	941,588	11,897,208	10,750,750
Infrastructure	35,209,942	33,684,912	-	-	35,209,942	33,684,912
Utility plant	-	-	97,276,619	93,167,739	97,276,619	93,167,739
Total capital assets	83,241,982	80,684,137	101,474,356	97,462,501	184,716,338	178,146,638
Less accumulated depreciation	(28,268,698)	(28,052,209)	(39,962,514)	(37,456,241)	(68,231,212)	(65,508,450)
Net capital assets	$ 54,973,284	$ 52,631,928	$ 61,511,842	$ 60,006,260	$ 116,485,126	$ 112,638,188

Major capital asset events during the current fiscal year included the following:

Governmental Activities

- Over $1.4 million of street reconstruction projects.
- TIF District #4 had $916,195 of capital outlay expenditures to reconstruct a downtown City street and parking lot, replace sidewalks and make general downtown area improvements.
- TIF District #6 had $742,572 of capital outlay expenditures to finish construction of a new street.
- Various equipment purchases.

Business-Type Activities

- Capital assets increased due to regular additions and replacements of infrastructure and equipment.
- $689,244 of additional capital assets from contributions in aid of construction and contributions from the City, including the City's TIF districts.

Long-Term Debt

At December 31, 2020, the City had $47,281,685 of long-term bonds and notes outstanding, which is a $3,235,359 decrease from 2019. $10,601,472 of this is revenue debt and the rest relates to general obligation issues. 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, 2020 was $63,402,095. Total general obligation debt outstanding at year end was $36,680,213. Therefore, the City was at 58% of the legal debt limit.

The City has a debt policy to maintain total outstanding general obligation debt at 4% or less of the equalized value. The City's outstanding general obligation debt was at 2.9%.

Currently Known Facts/Economic Conditions

All currently known facts and economic conditions were considered in preparing the 2021 City budget. The City assumed limited COVID-19 closures and cancellations in 2021. As of April 21, 2021, the Stoughton Opera House was still closed with plans to reopen to still be determined. The City of Stoughton cannot at this time project how COVID-19 will impact the Opera House's revenues or how much associated expense can be reduced to cover loss revenues. The general fund has ample reserves to cover loss revenues, if necessary.

Requests for Information

The financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the City's finances. If you have questions about this report or need any additional information, contact the City of Stoughton Finance Director.

City of Stoughton

Statement of Net Position
December 31, 2020

	Governmental Activities	Business-Type Activities	Total
Assets and Deferred Outflows of Resources			
Assets			
Cash and investments	$ 14,638,477	$ 10,272,064	$ 24,910,541
Receivables (net)	13,383,088	2,836,385	16,219,473
Internal balances	929,469	(929,469)	-
Inventories and prepaid items	203,891	485,494	689,385
Investment in mutual insurance company	257,805	-	257,805
Restricted cash and investments	-	3,231,368	3,231,368
Restricted net pension asset	1,244,940	392,879	1,637,819
Other assets	-	542,866	542,866
Land held for resale	1,125,797	-	1,125,797
Capital assets:			
Capital assets not being depreciated	10,961,836	2,015,841	12,977,677
Capital assets net of depreciation	44,011,448	59,496,001	103,507,449
Total assets	86,756,751	78,343,429	165,100,180
Deferred Outflows of Resources			
Pension related amounts	3,029,971	932,797	3,962,768
Total deferred outflows of resources	3,029,971	932,797	3,962,768
Liabilities, Deferred inflows of Resources and Net Position			
Liabilities			
Accounts payable	910,240	1,700,895	2,611,135
Accrued liabilities and deposits	728,591	270,865	999,456
Other liabilities	258,435	21,554	279,989
Liabilities payable from restricted assets:			
Current portion of revenue bonds	-	1,446,722	1,446,722
Accrued interest	-	50,661	50,661
Noncurrent liabilities:			
Due within one year	3,150,105	320,916	3,471,021
Due in more than one year	33,414,204	12,841,371	46,255,575
Net fire pension liability	1,067,144	-	1,067,144
Total liabilities	39,528,719	16,652,984	56,181,703
Deferred Inflows of Resources			
Unearned revenue	12,060,684	-	12,060,684
Pension related amounts	4,143,920	1,216,201	5,360,121
Total deferred inflows of resources	16,204,604	1,216,201	17,420,805
Net Position			
Net investment in capital assets	22,184,250	48,786,175	70,738,295
Restricted for:			
Debt service	378,242	1,905,471	2,283,713
Firemen pension	877,271	-	877,271
Pension	1,244,940	392,879	1,637,819
Equipment replacement	-	1,164,904	1,164,904
TID activities	1,357,188	-	1,357,188
Library	279,950	-	279,950
Impact fees	485,854	-	485,854
Unrestricted	7,245,704	9,157,612	16,635,446
Total net position	$ 34,053,399	$ 61,407,041	$ 95,460,440

See notes to financial statements

City of Stoughton

Statement of Activities
Year Ended December 31, 2020

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Governmental Activities	Net (Expenses) Revenues and Changes in Net Position: Business-Type Activities	Net (Expenses) Revenues and Changes in Net Position: Total
Governmental activities:							
General government	$ 3,231,833	$ 200,529	$ 191,935	$ -	$ (2,839,369)	$ -	$ (2,839,369)
Public safety	4,819,494	603,968	132,707	76,568	(4,006,251)	-	(4,006,251)
Public works	3,871,840	1,259,713	960,788	-	(1,651,339)	-	(1,651,339)
Culture, recreation and education	3,008,077	272,288	795,934	-	(1,939,855)	-	(1,939,855)
Conservation and development	273,326	64,921	-	-	(208,405)	-	(208,405)
Interest and fiscal charges	933,151	-	2,637	-	(930,514)	-	(930,514)
Total governmental activities	16,137,721	2,401,419	2,084,001	76,568	(11,575,733)	-	(11,575,733)
Business-type activities:							
Water	1,631,375	2,332,630	-	21,866	-	723,121	723,121
Wastewater	1,953,613	2,200,458	-	95,923	-	342,768	342,768
Electric	13,648,917	14,637,461	-	152,798	-	1,141,342	1,141,342
EMS	638,636	732,781	39,446	-	-	133,591	133,591
Storm sewer	623,644	742,720	-	260,640	-	379,716	379,716
Total business-type activities	18,496,185	20,646,050	39,446	531,227	-	2,720,538	2,720,538
Total	$ 34,633,906	$ 23,047,469	$ 2,123,447	$ 607,795	(11,575,733)	2,720,538	(8,855,195)
General Revenues							
Taxes							
Property taxes, levied for general purposes					9,383,998	-	9,383,998
Property taxes, levied for TIF districts					1,297,116	-	1,297,116
Other taxes					94,727	-	94,727
Intergovernmental revenues not restricted to specific programs					1,404,140	-	1,404,140
Investment income					199,386	178,320	377,706
Miscellaneous					758,720	-	758,720
Total general revenues					13,138,087	178,320	13,316,407
Transfers					700,244	(700,244)	-
Change in net position					2,262,598	2,198,614	4,461,212
Net Position, Beginning					31,790,801	59,208,427	90,999,228
Net Position, Ending					$ 34,053,399	$ 61,407,041	$ 95,460,440

See notes to financial statements

City of Stoughton

Balance Sheet
Governmental Funds
December 31, 2020

	General	Debt Service	Construction Capital Projects
Assets			
Cash and investments	$ 5,048,583	$ 391,255	$ 2,175,945
Receivables (net):			
Taxes	9,521,625	-	-
Delinquent personal property taxes	5,585	-	-
Accounts	116,292	-	2,950
Accrued interest	5,429	-	-
Special assessments	-	-	-
Delinquent special assessments	13,413	-	-
Loans	-	-	-
Due from other funds	1,048,188	305,325	-
Advances to other funds	1,046,023	-	-
Other investments	257,805	-	-
Prepaid items	135,512	-	-
Total assets	$ 17,198,455	$ 696,580	$ 2,178,895
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities			
Accounts payable	$ 235,099	$ -	$ 170,644
Accrued liabilities	335,696	-	2,257
Deposits	46,554	-	-
Other liabilities	-	-	-
Due to other funds	87,731	-	-
Due to other governments	348	-	-
Advances from other funds	-	-	-
Total liabilities	705,428	-	172,901
Deferred Inflows of Resources			
Unearned revenues	9,462,065	-	-
Unavailable revenues	-	-	-
Total deferred inflows of resources	9,462,065	-	-
Fund Balances			
Nonspendable for prepaid items	135,512	-	-
Nonspendable for noncurrent interfunds	1,046,023	-	-
Nonspendable for delinquent items	18,998	-	-
Nonspendable for other investments	257,805	-	-
Restricted	-	696,580	-
Committed	-	-	-
Assigned	1,090,151	-	2,005,994
Unassigned (deficit)	4,482,473	-	-
Total fund balances (deficit)	7,030,962	696,580	2,005,994
Total liabilities and fund balance	$ 17,198,455	$ 696,580	$ 2,178,895

See notes to financial statements

Nonmajor Governmental Funds	Total
$ 7,022,694	$ 14,638,477
2,619,233	12,140,858
-	5,585
249,398	368,640
-	5,429
641,630	641,630
-	13,413
207,533	207,533
-	1,353,513
-	1,046,023
-	257,805
68,379	203,891
$ 10,808,867	$ 30,882,797
$ 504,497	$ 910,240
25,746	363,699
-	46,554
258,087	258,087
129,878	217,609
-	348
1,046,023	1,046,023
1,964,231	2,842,560
2,598,619	12,060,684
679,580	679,580
3,278,199	12,740,264
68,379	203,891
-	1,046,023
-	18,998
-	257,805
3,395,463	4,092,043
1,679,536	1,679,536
1,475,478	4,571,623
(1,052,419)	3,430,054
5,566,437	15,299,973
$ 10,808,867	$ 30,882,797

See notes to financial statements

Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
December 31, 2020

Total Fund Balances, Governmental Funds	$ 15,299,973
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:	
Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds. See Note 2.	54,973,284
Land held for resale.	1,125,797
Some receivables that are not currently available are reported as unavailable revenues in the fund financial statements but are recognized as revenue when earned in the government-wide statements.	679,580
The net pension asset and liability does not relate to current financial resources and is not reported in the governmental funds.	177,796
Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	3,029,971
Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	(4,143,920)
Internal service funds are reported in the statement of net position as governmental activities.	(206,435)
Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds. See Note 2.	(36,882,647)
Net Position of Governmental Activities	$ 34,053,399

See notes to financial statements

City of Stoughton

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
Year Ended December 31, 2020

	General	Debt Service	Construction Capital Projects
Revenues			
Taxes	$ 9,441,021	$ -	$ -
Intergovernmental	2,313,838	2,637	-
Licenses and permits	253,821	-	-
Fines, forfeitures and penalties	88,178	-	-
Public charges for services	485,898	-	-
Intergovernmental charges for services	45,665	73,975	-
Special assessments	12,770	-	-
Investment income	126,801	1,465	6,984
Miscellaneous revenues	427,855	-	-
Total revenues	13,195,847	78,077	6,984
Expenditures			
Current:			
General government	2,254,231	-	-
Public safety	4,193,736	-	-
Public works	1,536,944	-	-
Culture, recreation and education	1,213,599	-	-
Conservation and development	-	-	36,755
Capital outlay	-	-	2,023,709
Debt Service:			
Principal	-	3,708,169	-
Interest and fiscal charges	-	1,049,996	38,393
Total expenditures	9,198,510	4,758,165	2,098,857
Excess (deficiency) of revenues over expenditures	3,997,337	(4,680,088)	(2,091,873)
Other Financing Sources (Uses)			
Debt issued	-	-	1,368,195
Premium on debt	-	141,078	11,652
Sales of fixed assets	-	-	14,904
Transfers in	927,031	4,403,189	300,000
Transfers out	(4,696,987)	-	-
Total other financing sources (uses)	(3,769,956)	4,544,267	1,694,751
Net change in fund balances	227,381	(135,821)	(397,122)
Fund Balances, Beginning	6,803,581	832,401	2,403,116
Fund Balances, Ending	$ 7,030,962	$ 696,580	$ 2,005,994

See notes to financial statements

Nonmajor Governmental Funds	Total
$ 1,334,820	$ 10,775,841
571,168	2,887,643
-	253,821
-	88,178
1,041,640	1,527,538
73,858	193,498
229,285	242,055
64,136	199,386
603,400	1,031,255
3,918,307	17,199,215
180,231	2,434,462
11,869	4,205,605
789,114	2,326,058
1,506,082	2,719,681
59,621	96,376
3,909,974	5,933,683
-	3,708,169
17,869	1,106,258
6,474,760	22,530,292
(2,556,453)	(5,331,077)
636,805	2,005,000
5,423	158,153
217,604	232,508
1,368,827	6,999,047
(1,443,799)	(6,140,786)
784,860	3,253,922
(1,771,593)	(2,077,155)
7,338,030	17,377,128
$ 5,566,437	$ 15,299,973

See notes to financial statements

City of Stoughton

Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended December 31, 2020

Net Change in Fund Balances, Total Governmental Funds	$ (2,077,155)
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 net position the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities.	
Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements	5,933,683
Some items reported as capital outlay were not capitalized	(783,552)
Depreciation is reported in the government-wide financial statements	(2,281,083)
Net book value of assets retired	(369,664)
Capital assets contributed to business-type activities are reported as capital outlay in the fund financial statements.	(158,028)
Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.	
Special assessments	176,822
Revolving loan	37,950
Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Debt issued	(2,005,000)
Principal repaid	3,708,169
Governmental funds report debt premiums and discounts as other financing sources (uses) or financing sources or uses. However, in the statement of net position, these are reported as additions to or deductions from long-term debt. These are allocated over the period the debt is outstanding in the statement of activities and are reported as interest expense.	
Amortization	74,915
Premium on debt issued	(158,153)
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.	
Compensated absences	60,423
Net pension asset/liability	2,378,012
Deferred outflows of resources related to pensions	(656,082)
Deferred inflows of resources related to pensions	(1,762,858)
Accrued interest on debt	98,192
Internal service funds are used by management to charge self insurance costs to individual funds. The change in net position of the internal service fund reported with governmental activities	46,007
Change in Net Position of Governmental Activities	$ 2,262,598

See notes to financial statements

City of Stoughton

Statement of Net Position
Proprietary Funds
December 31, 2020

	Business-Type Activities - Enterprise Funds		
	Water	Wastewater	Electric
Assets			
Current assets:			
Cash and investments	$ 1,249,524	$ 692,624	$ 6,762,610
Receivables (net):			
Other receivables	243,355	244,250	1,607,703
Interest receivable	9,605	8,379	13,747
Current portion of special assessments	29,026	19,905	-
Due from other funds	36,744	26,204	73,714
Current portion of advance to other funds	-	-	48,459
Inventories	41,039	-	443,455
Prepaid items	-	-	1,000
Restricted assets:			
Redemption account - current	303,450	242,432	525,535
Total current assets	1,912,743	1,233,794	9,476,223
Noncurrent assets:			
Restricted assets:			
Reserve account	340,710	-	460,722
Depreciation account	25,000	33,283	25,000
Equipment replacement	-	1,164,904	-
Construction account	110,332	-	-
Net pension asset	75,459	72,180	221,736
Capital assets:			
Land and land rights	430,131	-	344,364
Construction in progress	11,147	9,793	981,323
Plant in service	24,788,077	32,381,992	34,132,615
Property held for future use	-	-	229,097
Less Accumulated depreciation	(8,169,139)	(12,977,468)	(17,124,007)
Other assets:			
Special assessments	116,103	79,621	-
Other prepaid asset	-	41,595	-
Preliminary survey and investigation	22,505	-	-
Plant and maintenance reserve account	195,083	-	532,766
Sick leave reserve account	103,078	112,235	150,721
Advance to other funds	-	-	157,976
Investment in ATC	-	-	465,248
Nonutility property (net of amortization)	13,518	-	-
Total noncurrent assets	18,062,004	20,918,135	20,577,561
Total assets	19,974,747	22,151,929	30,053,784
Deferred Outflows of Resources			
Pension related amounts	179,243	183,065	516,144
Total deferred outflows of resources	179,243	183,065	516,144

See notes to financial statements

Business-Type Activities - Enterprise Funds		
Nonmajor Enterprise Funds	Total	Governmental Activities - Internal Service Fund
$ 473,423	$ 9,178,181	$ -
464,691	2,559,999	-
-	31,731	-
-	48,931	-
51,717	188,379	-
-	48,459	-
-	484,494	-
-	1,000	-
-	1,071,417	-
989,831	13,612,591	-
-	801,432	-
-	83,283	-
-	1,164,904	-
-	110,332	-
23,504	392,879	-
9,986	784,481	-
-	1,002,263	-
8,155,831	99,458,515	-
-	229,097	-
(1,691,900)	(39,962,514)	-
-	195,724	-
-	41,595	-
-	22,505	-
-	727,849	-
-	366,034	-
-	157,976	-
-	465,248	-
-	13,518	-
6,497,421	66,055,121	-
7,487,252	79,667,712	-
54,345	932,797	-
54,345	932,797	-

See notes to financial statements

City of Stoughton

Statement of Net Position
Proprietary Funds
December 31, 2020

	Business-Type Activities - Enterprise Funds		
	Water	Wastewater	Electric
Liabilities			
Current liabilities:			
Accounts payable	$ 86,419	$ 62,576	$ 1,502,706
Accrued liabilities	19,256	17,088	92,195
Public benefits	-	-	21,554
Deposits	1,829	-	107,639
Due to other funds	458,608	20,611	539,739
Current portion of general obligation debt	51,000	34,000	-
Liabilities Payable from Restricted Assets			
Current portion of revenue bonds	435,751	340,971	670,000
Accrued interest	13,051	15,128	22,482
Total current liabilities	1,065,914	490,374	2,956,315
Noncurrent liabilities:			
Long-term debt:			
Customer advances for construction	5,000	-	1,344,916
Revenue bonds payable	2,937,456	3,137,294	3,080,000
Unamortized debt premium	61,517	-	63,098
General obligation debt payable	219,000	146,000	-
Compensated absences	103,078	112,235	150,721
Advances from other funds	-	-	-
Total noncurrent liabilities	3,326,051	3,395,529	4,638,735
Total liabilities	4,391,965	3,885,903	7,595,050
Deferred Inflows of Resources			
Pension related amounts	233,951	219,560	689,429
Total deferred inflows of resources	233,951	219,560	689,429
Net Position			
Net investment in capital assets	13,465,824	15,756,052	14,750,294
Restricted for:			
Debt service	656,109	260,587	988,775
Equipment replacement	-	1,164,904	-
Pension	75,459	72,180	221,736
Unrestricted (deficit)	1,330,682	975,808	6,324,644
Total net position	$ 15,528,074	$ 18,229,531	$ 22,285,449

See notes to financial statements

Business-Type Activities - Enterprise Funds		
Nonmajor Enterprise Funds	Totals	Governmental Activities - Internal Service Funds
$ 49,194	$ 1,700,895	$ -
32,858	161,397	-
-	21,554	-
-	109,468	-
305,325	1,324,283	48,459
235,916	320,916	-
-	1,446,722	-
-	50,661	-
623,293	5,135,896	48,459
-	1,349,916	-
-	9,154,750	-
-	124,615	-
1,449,614	1,814,614	-
31,442	397,476	-
-	-	157,976
1,481,056	12,841,371	157,976
2,104,349	17,977,267	206,435
73,261	1,216,201	-
73,261	1,216,201	-
4,814,005	48,786,175	-
-	1,905,471	-
-	1,164,904	-
23,504	392,879	-
526,478	9,157,612	(206,435)
$ 5,363,987	$ 61,407,041	$ (206,435)

See notes to financial statements

City of Stoughton

Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
Year Ended December 31, 2020

	Business-Type Activities - Enterprise Funds		
	Water	**Wastewater**	**Electric**
Operating Revenues	$ 2,332,630	$ 2,200,458	$ 14,637,461
Operating Expenses			
Operation and maintenance	1,083,459	1,046,544	12,366,320
Depreciation	468,240	808,765	1,193,582
Total operating expenses	1,551,699	1,855,309	13,559,902
Operating income	780,931	345,149	1,077,559
Nonoperating Revenues (Expenses)			
Investment income	19,079	25,007	131,701
Interest and fiscal charges	(86,975)	(98,304)	(95,662)
Miscellaneous expenses	(4,280)	-	(6,541)
Intergovernmental	-	-	-
Interest subsidy	-	-	-
Amortization of premium	11,579	-	13,188
Total nonoperating revenues (expenses)	(60,597)	(73,297)	42,686
Income (loss) before contributions and transfers	720,334	271,852	1,120,245
Contributions and Transfers			
Contributions in aid of construction	21,866	95,923	152,798
Capital contributions - City	-	-	-
Transfers in	-	-	-
Transfers out	(437,266)	-	(445,995)
Total contributions and transfers	(415,400)	95,923	(293,197)
Change in net position	304,934	367,775	827,048
Net Position (Deficit), Beginning	15,223,140	17,861,756	21,458,401
Net Position (Deficit), Ending	$ 15,528,074	$ 18,229,531	$ 22,285,449

See notes to financial statements

Business-Type Activities - Enterprise Funds		
Nonmajor Enterprise Funds	Total	Governmental Activities - Internal Service Fund
$ 1,475,501	$ 20,646,050	$ 53,580
915,503	15,411,826	-
301,517	2,772,104	-
1,217,020	18,183,930	-
258,481	2,462,120	53,580
2,533	178,320	-
(45,260)	(326,201)	(7,573)
-	(10,821)	-
38,026	38,026	-
1,420	1,420	-
-	24,767	-
(3,281)	(94,489)	(7,573)
255,200	2,367,631	46,007
260,640	531,227	-
158,017	158,017	-
25,000	25,000	-
-	(883,261)	-
443,657	(169,017)	-
698,857	2,198,614	46,007
4,665,130	59,208,427	(252,442)
$ 5,363,987	$ 61,407,041	$ (206,435)

See notes to financial statements

City of Stoughton

Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2020

	Business-Type Activities - Enterprise Funds		
	Water	Wastewater	Electric
Cash Flows From Operating Activities			
Received from customers	$ 2,350,648	$ 2,182,857	$ 14,407,267
Received from municipality for services	-	-	-
Received for street lighting	-	-	90,036
Paid to suppliers for goods and services	(711,644)	(642,685)	(11,070,176)
Paid to employees for services	(393,911)	(387,225)	(781,167)
Net cash flows from operating activities	1,245,093	1,152,947	2,645,960
Cash Flows From Investing Activities			
Investments sold and matured	430,148	466,778	918,960
Investment income	19,725	36,405	66,433
Investments purchased	(199,503)	(204,171)	(248,535)
Dividends from ATC	-	-	(7,571)
Net cash flows from investing activities	250,370	299,012	729,287
Cash Flows From Noncapital Financing Activities			
Paid to municipality for tax equivalent	(431,034)	-	(452,940)
Received from municipality principal on Wisconsin Retirement UAAL advance	-	-	46,007
Received from municipality interest on Wisconsin Retirement UAAL advance	-	-	7,573
Transfers to/from other funds	-	-	-
Paid to utilities principal on Wisconsin Retirement UAAL advance	-	-	-
Paid to utilities interest on Wisconsin Retirement UAAL advance	-	-	-
Repayment of due to other funds	-	-	-
Net cash flows from noncapital financing activities	(431,034)	-	(399,360)
Cash Flows From Capital and Related Financing Activities			
Debt issued	-	-	-
Debt retired	(490,951)	(439,677)	(660,000)
Interest paid	(86,571)	(100,296)	(99,083)
Special assessments received	29,026	19,905	-
Acquisition and construction of capital assets	(626,559)	(920,301)	(1,767,798)
Capital contributions received	5,156	-	102,236
Customer advances for construction received	-	-	1,317,500
Net cash flows from capital and related financing activities	(1,169,899)	(1,440,369)	(1,107,145)
Net change in cash and cash equivalents	(105,470)	11,590	1,868,742
Cash and Cash Equivalents, Beginning	2,215,753	1,653,586	4,493,683
Cash and Cash Equivalents, Ending	$ 2,110,283	$ 1,665,176	$ 6,362,425

See notes to financial statements

Business-Type Activities - Enterprise Funds		
Nonmajor Enterprise Funds	Total	Governmental Activities - Internal Service Fund
$ 1,444,655	$ 20,385,427	$ -
-	-	53,580
-	90,036	-
(532,806)	(12,957,311)	-
(493,519)	(2,055,822)	-
418,330	5,462,330	53,580
-	1,815,886	-
2,533	125,096	-
-	(652,209)	-
-	(7,571)	-
2,533	1,281,202	-
-	(883,974)	-
-	46,007	-
-	7,573	-
25,000	25,000	-
-	-	(46,008)
-	-	(7,572)
(1,420)	(1,420)	-
23,580	(806,814)	(53,580)
410,000	410,000	-
(351,562)	(1,942,190)	-
(48,643)	(334,593)	-
-	48,931	-
(804,848)	(4,119,506)	-
-	107,392	-
-	1,317,500	-
(795,053)	(4,512,466)	-
(350,610)	1,424,252	-
824,033	9,187,055	-
$ 473,423	$ 10,611,307	$ -

See notes to financial statements

City of Stoughton

Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2020

	Business-Type Activities - Enterprise Funds		
	Water	Wastewater	Electric
Reconciliation of Operating Income to Net Cash Flows From Operating Activities			
Operating income	$ 780,931	$ 345,149	$ 1,077,559
Nonoperating revenue (expense)	-	-	(3,227)
Adjustments to reconcile operating income to net cash flows from operating activities:			
Depreciation	468,240	808,765	1,193,582
Depreciation charged to other funds	32,742	-	65,333
Changes in assets, deferred outflows of resources and liabilities and deferred inflows of resources:			
Customer accounts receivable	6,165	(24,716)	(188,166)
Other accounts receivable	(8,351)	12,019	124,188
Due from other funds	(6,207)	(4,904)	(59,620)
Due to other funds	(77,570)	(998)	44,138
Inventories	(1,440)	-	(256,244)
Prepaid items	7,184	6,656	13,404
Accounts payable	18,854	(10,659)	620,867
Accrued wages	5,002	-	-
Compensated absences	17,516	14,893	5,508
Customer deposits	1,829	-	(13,333)
Other current liabilities	-	2,822	10,352
Commitment to community	-	-	409
Pension related deferrals and liabilities	198	(7,964)	11,210
Other prepaid asset	-	11,884	-
Net cash flows from operating activities	$ 1,245,093	$ 1,152,947	$ 2,645,960
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position, Proprietary Funds			
Cash and investments	$ 1,249,524	$ 692,624	$ 6,762,610
Restricted cash and investments			
Redemption account	303,450	242,432	525,535
Reserve account	340,710	-	460,722
Depreciation account	25,000	33,283	25,000
Construction account	110,332	-	-
Plant and maintenance reserve account	195,083	-	532,766
Sick leave reserve account	103,078	112,235	150,721
Replacement account	-	1,164,904	-
Total cash and investments	2,327,177	2,245,478	8,457,354
Less noncash equivalents	(216,894)	(580,302)	(2,094,929)
Cash and cash equivalents	$ 2,110,283	$ 1,665,176	$ 6,362,425
Noncash Capital and Related Financing Activities			
Unrealized gain (loss) on investments	$ (902)	$ (4,172)	$ 47,623
Contributed capital assets	$ 21,866	$ 95,923	$ 7,527
ATC earnings allocated	$ -	$ -	$ 11,885

See notes to financial statements

Business-Type Activities - Enterprise Funds		
Nonmajor Enterprise Funds	Total	Governmental Activities - Internal Service Fund
$ 258,481	$ 2,462,120	$ 53,580
39,446	36,219	-
301,517	2,772,104	-
-	98,075	-
3,852	(202,865)	-
(69,629)	58,227	-
(4,515)	(75,246)	-
-	(34,430)	-
-	(257,684)	-
-	27,244	-
(108,490)	520,572	-
3,397	8,399	-
(6,501)	31,416	-
-	(11,504)	-
-	13,174	-
-	409	-
772	4,216	-
-	11,884	-
$ 418,330	$ 5,462,330	$ 53,580
$ 473,423	$ 9,178,181	$ -
		-
-	1,071,417	-
-	801,432	-
-	83,283	-
-	110,332	-
-	727,849	-
-	366,034	-
-	1,164,904	-
473,423	13,503,432	-
-	(2,892,125)	-
$ 473,423	$ 10,611,307	$ -
$ -		$ -
$ 158,017		$ -
$ -		$ -

See notes to financial statements

City of Stoughton

Statement of Fiduciary Net Position
Fiduciary Fund
December 31, 2020

	Custodial Fund
Assets	
Cash and Investments	$ 10,132,132
Tax roll receivable	6,807,186
Total assets	16,939,318
Liabilities	
Due to other taxing units	16,939,318
Total liabilities	16,939,318
Net Position	
Total net position	$ -

See notes to financial statements

City of Stoughton

Statement of Changes in Fiduciary Net Position
Fiduciary Fund
Year Ended December 31, 2020

	Custodial Fund
Additions	
Property taxes collected for other governments	$ 4,367,403
Total additions	4,367,403
Deductions	
Property taxes distributed to other governments	4,367,403
Total deductions	4,367,403
Change in fiduciary net position	-
Net Position, Beginning	-
Net Position, Ending	$ -

See notes to financial statements

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1. Summary of Significant Accounting Policies

The accounting policies of the City of Stoughton (City), Wisconsin 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 unit. 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 Units

The Stoughton Redevelopment Authority (RDA) serves all the citizens of the government and is governed by a board of seven Commissioners. The rates for user charges and bond issuance authorizations are approved by the government's council and the government is legally obligated to provide resources in case there are deficiencies in debt service payments and resources are not available from other remedies. The Authority is reported as a special revenue fund. The Authority does not issue separate financial statements.

Government-Wide and Fund Financial Statements

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 percent 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 percent test is at least 5 percent 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.

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.

Debt Service Fund

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 TID or enterprise debt.

Capital Projects Fund

Construction Capital Project 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.

Enterprise Funds

The City reports the following major enterprise funds:

Water Utility accounts for operations of the water system

Wastewater Utility accounts for operations of the wastewater system

Electric Utility accounts for operations of the electric system

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).

Library	Food Pantry
Ambulance	Landmarks
Opera House	Fire Department Special
Opera House Repair	Senior Center Wood Shop
Township Outreach	Senior Center Special
Tourism	Economic Development
Seniors in Need	Redevelopment Authority
CDBG	Special Assessments
Cemetery	K9 Unit
Revolving loan fund	Tree Commission
Firemen's Pension Fund	Refuse fund

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.

Fire Equipment	TIF District No. 3
Park Acquisition	TIF District No. 4
Equipment Replacement	TIF District No. 5
Building Maintenance	TIF District No. 6
Outlay	TIF District No. 7
Technology	TIF District No. 8

Enterprise Funds

Enterprise Funds are 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.

EMS

Storm Sewer

In addition, the City reports the following fund types:

Internal Service Funds

Internal Service Fund 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.

Retirement fund

Custodial Funds

Custodial Fund 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.

Tax Collections Fund

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 water, wastewater, and electric 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 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. Delinquent special assessments being held by the County are reported 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 fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note.

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 water, wastewater, storm sewer, electric utility funds and EMS fund 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.

The City has adopted an investment policy. That policy follows the state statute for allowable investments, and does not address the risks disclosed in Note 4.

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 4. 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, 2020, the fair value of the City 's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

PMA Financial Network, Inc. is the administrator for the Wisconsin Investment Series Cooperative (WISC). The investment manager for WISC is PMA Financial Network, Inc. The WISC is not registered with the Securities and Exchange Commission, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in WISC are valued at WISC’s share price, the price for which the investments could be sold. At December 31, 2020 the City's share of the WISC's assets was substantially equal to the amount reported in these statements.

See Note 4. 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 state and county governments 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 - 2020 tax roll:

Lien date and levy date	December 2020
Tax bills mailed	December 2020
Payment in full, or	January 31, 2021
First installment due	January 31, 2021
Second installment due	July 31, 2021
Personal property taxes in full	January 31, 2021
Tax sale - 2020 delinquent real estate taxes	October 2023

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 water, wastewater, and electric utilities 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.

It is the City's policy to record receivable when the initial loan is made. Interest received from loan repayments is recognized as revenue when received in cash. Any unspent loan repayments at year end are presented as committed 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.

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 Statements

Capital assets, which include property, plant and equipment, 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 capital assets and $15,000 for infrastructure assets and an estimated useful life in excess of one 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, overhead and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed fund proceeds. 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.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation 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	15-75	Years
Land Improvements	15-30	Years
Machinery and Equipment	3-15	Years
Utility System	5-100	Years
Infrastructure	30-75	Years

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.

Land Held for Resale

Land held for resale consists of land and improvements and is valued at cost of acquisition, demolition, and site improvement.

Other Assets

These accounts include costs related to the utility's investment in American Transmission Company (ATC) and nonutility property.

The electric utility is a member of ATC. ATC was formed by approximately 25 utilities to plan, construct, maintain, monitor and own electric transmission facilities in Wisconsin. The utility owns less than 1/2 of 1 percent of ATC. The investment earns dividends quarterly, some of which is paid in cash and some of which is required to be reinvested. From time to time, the utility has the option to contribute additional funds to maintain their proportionate share of ownership. The asset is valued at net asset value per share which is equal to original cost plus additional contributions and reinvested dividends and approximates fair value.

The water and electric utilities have plant and maintenance reserve accounts. Monthly deposits are made into this account and made available for routine capital projects and other large operating expenses.

The water, wastewater, and electric utilities have sick leave reserve accounts. Upon retirement, these funds are used for insurance coverage for utility employees.

Nonutility Property

Water utility non-utility property consists of a park shelter with a balance of $107,000 at December 31, 2020. The cost is being amortized on a straight-line basis over its useful life.

Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net position/fund balance 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 vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements.

All vested vacation and sick leave pay is accrued when incurred 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 balances at December 31, 2020 are determined on the basis of current salary rates and include salary related payments.

The City provides post-employment health insurance benefits for all eligible employees who chose to convert accumulated sick leave benefits to post-employment health insurance. The benefits are based on contractual agreements with employee groups, local ordinances, or employee benefit policies. Employees may convert 100% of accumulated sick leave to pay for health care premiums. The cost of those premiums is recognized as an expenditure as the premiums are paid. The entire cost is paid by the City. Funding for those costs is provided out of the general fund. Total expenditures for premiums during the year were $127,596. Four participants were eligible during 2020 to receive benefits. There is no amount outstanding at year-end to be paid in the future. The City does not incur an implicit rate subsidy on these benefits.

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 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.

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.

The City has a debt policy to maintain total outstanding general obligation debt of 4 percent or less of the equalized value of taxable property within the City's jurisdiction. The City's total outstanding general obligation debt was at 2.89 percent.

Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net position/fund balance 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 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.

The net position section includes an adjustment for capital assets owned by the business-type activities column, but financed by the debt of the governmental activities column. The amount is a reduction of net investment in capital assets and an increase in unrestricted net position, shown only in the total column. A reconciliation of this adjustment is as follows:

	Governmental Activities	Business-Type Activities	Adjustment	Total
Net investment in capital assets	$ 22,184,250	$ 48,786,175	$ (232,130)	$ 70,738,295
Unrestricted	7,245,704	9,157,612	232,130	16,635,446

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.

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 City Council has, by resolution, adopted a financial policy authorizing the finance director to assign amounts for a specific purpose. 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.

The City has a formal minimum fund balance policy. That policy is to maintain an unassigned general fund balance within a range of 20% to 25% of general fund annual budgeted expenditures. The unassigned general fund balance at year end was $4,251,818 or 30.13% of 2020 general fund budgeted expenditures. The unassigned balance for this calculation includes deficit fund balances for Opera House ($228,519), and Landmarks ($2,136).

See Note 4. for further information.

Pension

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

Basis for Existing Rates

Example Utility Fund

Current water rates were approved by the PSCW effective October 1, 2018.

Current electric rates were approved by the PSCW on July 1, 2020.

Current wastewater rates were approved by the utilities committee effective June 1, 2020.

2. Reconciliation of Government-Wide and Fund Financial Statements

Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Statement of Net Position

The governmental fund balance sheet includes a reconciliation between fund balance, total governmental funds and net position, governmental activities as reported in the government-wide statement of net position. The details of this reconciliation include the following items.

Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds.

Capital assets not being depreciated	$ 10,961,836
Capital assets, net of depreciation	44,011,448
Combined adjustment for capital assets	$ 54,973,284

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period, and accordingly, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities-both current and long-term-are reported in the statement of net position.

Bonds and notes payable	$ 34,544,683
Compensated absences	1,190,077
Accrued interest	318,338
Unamortized premium on debt	829,549
Combined adjustment for long-term liabilities	$ 36,882,647

3. Stewardship, Compliance and Accountability

Budgetary Information

A budget has been adopted for the all funds except Fire Equipment Fund. A budget has not been formally adopted for any other funds. Wisconsin Statute 65.90 requires that an annual budget be adopted for all funds.

Excess Expenditures and Other Financing Uses Over Appropriations

Funds	Budgeted Expenditures	Actual Expenditures	Excess Expenditures Over Budget
Construction Capital Projects	$ 1,980,552	$ 2,098,857	$ 118,305
Township Outreach	7,750	7,922	172
Redevelopment Authority	8,950	19,172	10,222
Cemetery	200	4,089	3,889
Revolving Loan	4,000	6,000	2,000
TIF District No. 6	74,138	818,500	744,362
TIF District No. 7	338,975	344,425	5,450
Outlay	946,000	1,545,082	599,082

The City controls expenditures at the object level. Some individual line items experienced expenditures which exceeded appropriations. The detail of those items can be found in the City's year-end budget to actual report.

Deficit Balances

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

As of December 31, 2020, the following individual funds held a deficit balance:

Fund	Amount	Reason
Special revenue - Opera House	$ 228,519	Expenditures in excess of revenues
Special revenue - Landmarks	2,136	Expenditures in excess of revenues
Capital projects - TIF District No. 5	690,566	Expenditures in excess of revenues
Capital projects - TIF District No. 8	62,819	Expenditures in excess of revenues

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. Other fund deficits are anticipated to be funded with future contributions, general tax revenues, or long-term borrowing.

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 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.

4. Detailed Notes on All Funds

Deposits and Investments

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

	Carrying Value	Statement Balances	Associated Risks
Deposits	$ 8,456,239	$ 8,834,909	Custodial credit
U.S. agencies - explicitly guaranteed	93,520	93,520	Custodial credit, interest rate
U.S. agencies - implicitly guaranteed	128,220	128,220	Credit, custodial credit, concentration of credit, interest rate
LGIP	1,486,906	1,506,540	Credit
Certificates of deposit - non-negotiable	1,306,605	1,306,605	Custodial credit
State and local bonds	1,298,314	1,298,314	Credit, custodial credit, concentration of credit, interest rate
Wisconsin Investment Series Cooperative	20,790,019	21,011,285	Credit
Mutual funds - other than bonds	55,967	55,967	N/A
Certificates of deposit - negotiable	2,095,105	2,095,105	Credit, custodial credit, concentration of credit, interest rate
Cash on hand	2,563,146	-	N/A
Total deposits and investments	$ 38,274,041	$ 36,330,465	

Reconciliation to financial statements

Per statement of net position	
Unrestricted cash and investments	$ 24,910,541
Restricted cash and investments	3,231,368
Per statement of net position - fiduciary fund	
Custodial Fund	10,132,132
Total deposits and investments	$ 38,274,041

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 noninterest-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.Deposits in the credit union are insured by the National Credit Union Administration in the amount of $250,000 for all share draft accounts and $250,000 for all share certificate and regular share accounts.

Bank accounts and credit unions are also insured by the State Deposit Guarantee Fund in the amount of $400,000. However, due to the nature of this fund, recovery of material principal losses may not be significant to individual municipalities. This coverage has not 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 $100,000 may be in cash. $500,000 of the City's investments are covered by SIPC.

The City maintains collateral agreements with its banks. At December 31, 2020, the banks had pledged various government securities in the amount of $7,322,659 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:

- Market approach

	December 31, 2020			
Investment Type	**Level 1**	**Level 2**	**Level 3**	**Total**
U.S. agencies	$ -	$ 221,740	$ -	$ 221,740
State and local bonds	-	1,298,314	-	1,298,314
Certificates of deposit - negotiable	-	2,095,105	-	2,095,105
Total	$ -	$ 3,615,159	$ -	$ 3,615,159

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.

As of December 31, 2020, $1,025,317 of the City's total bank balances were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	$ 1,025,317
Total	$ 1,025,317

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.

U.S. Agencies	
Neither insured nor registered and held by counterparty	$ 221,740
State and Local Bonds	
Neither insured nor registered and held by counterparty	$ 1,022,795
Certificates of Deposit - Negotiable	
Neither insured nor registered and held by counterparty	$ 888,668

Credit Risk

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

As of December 31, 2020, the City's investments were rated as follows:

Investment Type	Standard & Poors	Moody's Investors Services
U.S. Agencies implicitly guaranteed	AAA	Aaa
Certificates of deposit - negotiable	AAA-A+	Aa1
State and local bonds	AA	Aa1
Wisconsin Investment Series Cooperative	AAAm	

The City also held investments in the following external pool which is not rated:

Local Government Investment Pool

There are also negotiable certificates of deposit in the amount of $1,206,437 that are not rated.

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, 2020, the City's investments were as follows:

		Maturity (In Years)		
Investment Type	Fair Value	Less than 1	1-3	3 or more
U.S. agencies explicitly guaranteed	$ 93,520	$ -	$ -	$ 93,520
U.S. agencies implicitly guaranteed	128,220	-	-	128,220
State and local bonds	1,298,314	-	1,298,314	-
Certificates of deposit - negotiable	2,095,105	1,071,560	1,023,545	-
Total	$ 3,615,159	$ 1,071,560	$ 2,321,859	$ 221,740

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

Receivables

All receivables, except $18,998 in general fund, $116,103 in water utility, $79,621 in wastewater utility and $849,163 in nonmajor funds are expected to be collected within one year.

Revenues of the are reported net of uncollectible amounts. Total uncollectible amounts related to revenues of the current period are as follows:

Uncollectibles related to ambulance receivables (nonmajor enterprise fund - EMS)	$ 148,421
Total uncollectibles of the current fiscal year	$ 148,421

Governmental funds report *unavailable* or *unearned revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *unavailable revenue* and *unearned revenue* reported in the governmental funds were as follows:

	Unearned	Unavailable
Property taxes receivable for subsequent year	$ 12,060,684	$ -
Special assessments not yet due	-	641,630
Grant receivable	-	37,950
Total unearned/unavailable revenue for governmental funds	$ 12,060,684	$ 679,580

Restricted Assets

The following represent the balances of the restricted assets:

Long-Term Debt Accounts

Redemption - Used to segregate resources accumulated for debt service payments over the next twelve months.

Reserve - Used to report resources set aside to make up potential future deficiencies in the redemption account.

Depreciation - Used to report resources set aside to fund plant renewals and replacement or make up potential future deficiencies in the redemption account.

Construction - Used to report proceeds of revenue bond issuances that are restricted for use in construction.

Equipment Replacement Account

The Wastewater utility established an equipment replacement account to be used for significant mechanical equipment replacement as required by the Wisconsin Department of Natural Resources.

Net Pension Asset

Restricted assets have been reported in connection with the net pension asset balance since this balance must be used to fund employee benefits.

Following is a list of restricted assets at December 31, 2020:

	Restricted Assets	Liabilities Payable from Restricted Assets	Restricted Net Position
Bond redemption account	$ 1,071,417	$ 50,661	$ 1,020,756
Bond reserve account	801,432	-	801,432
Bond depreciation account	83,283	-	83,283
Construction account	110,332	-	n/a
Equipment replacement account	1,164,904	-	1,164,904
Net pension asset - business-type activities	392,879	-	392,879
Net pension asset - governmental activities	1,244,940	-	1,244,940
Total	$ 4,869,187	$ 50,661	$ 4,708,194

Capital Assets

Capital asset activity for the year ended December 31, 2020, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated:				
Land	$ 9,298,987	$ -	$ 297,412	$ 9,001,575
Construction in progress	670,858	107,252	272,742	505,368
Inexhaustible portion of streets	1,454,893	-	-	1,454,893
Total capital assets not being depreciated	11,424,738	107,252	570,154	10,961,836
Capital assets being depreciated:				
Buildings and improvements	25,765,325	362,121	12,862	26,114,584
Machinery and equipment	9,809,162	1,606,212	459,754	10,955,620
Streets	20,991,132	2,975,024	1,503,280	22,462,876
Sidewalks	5,583,321	214,236	32,135	5,765,422
Street lighting	227,551	-	-	227,551
Bridges	845,989	-	-	845,989
Storm sewers	5,031,948	-	128,815	4,903,133
Traffic signals	411,974	-	-	411,974
Dams	592,997	-	-	592,997
Total capital assets being depreciated	69,259,399	5,157,593	2,136,846	72,280,146
Total capital assets	80,684,137	5,264,845	2,707,000	83,241,982

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Less accumulated depreciation for:				
Buildings and improvements	$ (7,453,341)	$ (474,202)	$ 643	$ (7,926,900)
Machinery and equipment	(5,404,002)	(749,742)	399,721	(5,754,023)
Streets	(9,004,815)	(748,014)	1,503,280	(8,249,549)
Sidewalks	(3,018,243)	(115,308)	32,135	(3,101,416)
Street lighting	(53,295)	(3,034)	-	(56,329)
Bridges	(233,166)	(11,280)	-	(244,446)
Storm sewers	(2,620,342)	(163,274)	128,815	(2,654,801)
Traffic signals	(199,775)	(10,299)	-	(210,074)
Dams	(65,230)	(5,930)	-	(71,160)
Total accumulated depreciation	(28,052,209)	(2,281,083)	2,064,594	(28,268,698)
Net capital assets being depreciated	41,207,190	2,876,510	72,252	44,011,448
Total governmental activities capital assets, net of accumulated depreciation	$ 52,631,928	$ 2,983,762	$ 642,406	$ 54,973,284

Depreciation expense was charged to functions as follows:

Governmental Activities	
General government	$ 156,136
Public Safety	450,973
Public works, which includes the depreciation of infrastructure	1,399,518
Culture, recreation and education	274,456
Total governmental activities Depreciation expense	$ 2,281,083

Business-Type Activities

	Beginning Balance	Additions	Deletions	Ending Balance
Water				
Capital assets not being depreciated:				
Land and land rights	$ 430,131	$ -	$ -	$ 430,131
Construction in progress	30	11,117	-	11,147
Total capital assets not being Depreciated	430,161	11,117	-	441,278
Capital assets being depreciated:				
Source of supply	595,730	-	-	595,730
Pumping	1,598,745	-	-	1,598,745
Treatment	90,763	-	-	90,763
Transmission and distribution	21,308,554	625,621	41,700	21,892,475
General	610,364	-	-	610,364
Total capital assets being depreciated	24,204,156	625,621	41,700	24,788,077
Total capital assets	24,634,317	636,738	41,700	25,229,355
Less accumulated depreciation for:				
Source of supply	(421,541)	(17,276)	-	(438,817)
Pumping	(1,357,135)	(57,449)	-	(1,414,584)
Treatment	(89,951)	(437)	-	(90,388)
Transmission and distribution	(5,063,800)	(399,839)	63,001	(5,400,638)
General	(798,731)	(25,981)	-	(824,712)
Total accumulated depreciation	(7,731,158)	(500,982)	63,001	(8,169,139)
Net capital assets being depreciated	16,472,998	124,639	(21,301)	16,618,938
Net water capital assets	$ 16,903,159	$ 135,756	$ (21,301)	$ 17,060,216

	Beginning Balance	Additions	Deletions	Ending Balance
Wastewater				
Capital assets not being depreciated:				
Construction in progress	$ -	$ 9,793	$ -	$ 9,793
Total capital assets not being depreciated	-	9,793	-	9,793
Capital assets being depreciated:				
Collection system	13,667,393	815,021	27,838	14,454,576
Collection system pumping	753,684	2,975	1,200	755,459
Treatment and disposal	15,664,654	19,234	11,580	15,672,308
Administrative and general assets	1,467,607	32,042	-	1,499,649
Total capital assets being depreciated	31,553,338	869,272	40,618	32,381,992
Total capital assets	31,553,338	879,065	40,618	32,391,785
Less accumulated depreciation for Wastewater	(12,237,929)	(808,765)	69,226	(12,977,468)
Total accumulated depreciation	(12,237,929)	(808,765)	69,226	(12,977,468)
Net capital assets being depreciated	19,315,409	60,507	(28,608)	19,404,524
Net wastewater capital assets	$ 19,315,409	$ 70,300	$ (28,608)	$ 19,414,317

	Beginning Balance	Additions	Deletions	Ending Balance
Electric				
Capital assets not being depreciated:				
Land and land rights	$ 344,364	$ -	$ -	$ 344,364
Construction in progress	123,908	857,415	-	981,323
Property held for future use	229,097	-	-	229,097
Total capital assets not being depreciated / amortized	697,369	857,415	-	1,554,784
Capital assets being depreciated:				
Transmission	15,019	-	-	15,019
Distribution	29,370,280	976,630	224,879	30,122,031
Administrative and general assets	3,989,226	9,815	3,476	3,995,565
Total capital assets being depreciated / amortized	33,374,525	986,445	228,355	34,132,615
Total capital assets	34,071,894	1,843,860	228,355	35,687,399
Less accumulated depreciation for:				
Transmission	(19,366)	-	-	(19,366)
Distribution	(13,646,535)	(1,080,855)	228,203	(14,499,187)
Administrative and general assets	(2,430,870)	(178,060)	3,476	(2,605,454)
Total accumulated depreciation / amortization	(16,096,771)	(1,258,915)	231,679	(17,124,007)
Net capital assets being depreciated / amortized	17,277,754	(272,470)	(3,324)	17,008,608
Net electric capital assets	$ 17,975,123	$ 584,945	$ (3,324)	$ 18,563,392
Stormwater				
Capital assets not being depreciated:				
Land	$ 9,986	$ -	$ -	$ 9,986
Construction in progress	975,350	-	975,350	-
Total capital assets not being depreciated	985,336	-	975,350	9,986
Capital assets being depreciated:				
Storm Sewer	4,035,720	1,938,215	-	5,973,935
Total capital assets being depreciated	4,035,720	1,938,215	-	5,973,935
Total capital assets	5,021,056	1,938,215	975,350	5,983,921
Less accumulated depreciation for:				
Storm Sewer	(441,617)	(208,233)	-	(649,850)
Total accumulated depreciation	(441,617)	(208,233)	-	(649,850)
Net capital assets being depreciated	3,594,103	1,729,982	-	5,324,085
Net other enterprise capital assets	$ 4,579,439	$ 1,729,982	$ 975,350	$ 5,334,071

	Beginning Balance	Additions	Deletions	Ending Balance
EMS				
Capital assets being depreciated:				
Buildings and improvements	$ 1,240,308	$ -	$ -	$ 1,240,308
Equipment	941,588	-	-	941,588
Total capital assets being depreciated	2,181,896	-	-	2,181,896
Less accumulated depreciation for:				
Buildings and improvements	(355,463)	(24,526)	-	(379,989)
Equipment	(593,303)	(68,758)	-	(662,061)
Total accumulated depreciation	(948,766)	(93,284)	-	(1,042,050)
Net capital assets being depreciated	1,233,130	(93,284)	-	1,139,846
Net EMS capital assets	$ 1,233,130	$ (93,284)	$ -	$ 1,139,846
Business-type capital assets, net of accumulated depreciation	$ 60,006,260	$ 2,427,699	$ 922,117	$ 61,511,842

Depreciation expense was charged to functions as follows:

Business-Type Activities	
Water	$ 468,240
Wastewater	808,765
Electric	1,193,582
Storm sewer	208,233
EMS	93,284
Total business-type activities depreciation expense	$ 2,772,104

Depreciation expense may be different from business-type activity capital asset additions because of joint metering, salvage, cost of removal, internal allocations, or cost associated with the disposal of assets.

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:

Receivable Fund	Payable Fund	Amount
General	Electric Utility	$ 488,022
General	Water Utility	458,608
General	Opera House	80,947
General	Wastewater Utility	20,611
Storm Sewer	Electric Utility	51,717
Debt Service	EMS	305,325
Electric Utility	General	73,714
Water Utility	General	7,718
Wastewater Utility	General	6,299
Water Utility	Special Assessments	29,026
Wastewater Utility	Special Assessments	19,905
Total, fund financial statements		1,541,892
Less fund eliminations		(132,664)
Less government-wide eliminations		(273,324)
Less interfund advances		(206,435)
Total internal balances, government-wide statement of net position		$ 929,469

Receivable Fund	Payable Fund	Amount
Governmental activities	Business-type activities	$ 1,272,566
Business-type activities	Governmental activities	(343,097)
Total government-wide financial statements		$ 929,469

The principal purpose of these interfunds is to fund ongoing operations. All remaining balances 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 the TIF District Nos. 5, 6 and 8 capital project funds. The amount advanced is determined by the deficiency of revenues over expenditures and other financing sources since the district's inception. A repayment schedule has not been established.

In December 2011, the Electric Utility provided an advance to the Internal Service Fund for the purpose of full payment of the Wisconsin Retirement System Unfunded Actuarial Accrued Liability. The Internal Service Fund will repay the Electric Utility over a period of fourteen years at 3%. A repayment schedule has been established.

The following is a schedule of interfund advances:

Receivable Fund	Payable Fund	Amount	Amount Not Due Within One Year
General Fund	TIF District No. 5	$ 761,320	$ 761,320
General Fund	TIF District No. 6	140,399	140,399
Electric Utility	Internal service fund	206,435	157,976
General Fund	TIF District No. 8	144,304	144,304
Total, fund financial statements		1,252,458	
Less fund eliminations		(1,046,023)	
Total, interfund advances		$ 206,435	

	Internal Service Fund Advance	
Years	Principal	Interest
2021	$ 48,459	$ 6,193
2022	51,006	4,739
2023	53,651	3,209
2024	47,388	1,600
2025	5,931	178
Total	$ 206,435	$ 15,919

For the statement of net position, interfund advances which are owed within the governmental activities or business-type activities are netted and eliminated.

Transfers

The following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount	Principal Purpose
General	Building maintenance	$ 40,000	Fund capital projects
Debt service	TIF District No. 5	102,521	Payments on TIF District debt
Debt service	TIF District No. 6	70,138	Payments on TIF District debt
General	Water utility	437,266	Payment in lieu of taxes and dividend
General	Electric utility	445,995	Payment in lieu of taxes and dividend
Debt service	General	3,344,613	Payments on non-TID debt
Debt service	TIF District No. 3	433,029	Payments on TIF District debt
Debt service	TIF District No. 4	101,625	Payments on TIF District debt
Debt Service	TIF District No. 7	333,975	Payments on TIF District debt
Redevelopment authority	General	79,618	Fund operations
Revolving loan	TIF District No. 4	135,000	Fund operations
General	Tourism	3,770	Roo tax revenue
EMS	General	25,000	Fund operations
Library	General	623,000	Fund annual operations
Landmarks	General	7,500	Fund operations
Opera house	General	182,000	Fund operations
Redevelopment authority	CDBG	6,453	Fund operations
Equipment replacement	General	220,000	Fund capital projects
Construction	General	100,000	Fund capital projects
Outlay	General	100,000	Fund capital projects
Economic Development	General	15,256	Fund Operations
Construction	Special assessments	200,000	Fund capital projects
Debt service	TIF District No. 8	17,288	Payments on TIF District debt
Total, fund financial statements		7,024,047	
Less fund eliminations		(6,115,786)	
Less government-wide eliminations		(50,000)	
Capital assets contributions from governmental activities to business-type activities		(158,017)	
Total transfers, government-wide statement of activities		$ 700,244	

Fund Transferred To	Fund Transferred From	Amount
Governmental activities	Business-type activities	$ 883,261
Business-type activities	Governmental activities	(183,017)
Total government-wide financial statements		$ 700,244

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.

Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2020, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and notes payable:					
General obligation debt	$ 35,242,908	$ 2,005,000	$ 3,458,438	$ 33,789,470	$ 3,114,084
General obligation debt from direct borrowings and direct placements	1,004,944	-	249,731	755,213	36,021
Unamortized premium on debt	746,311	158,153	74,915	829,549	-
Subtotal	36,994,163	2,163,153	3,783,084	35,374,232	3,150,105
Other liabilities:					
Compensated absences (Note 1)	1,250,500	410,121	470,544	1,190,077	-
Fire pension liability (Note 5)	868,177	235,184	36,217	1,067,144	-
Total other liabilities	2,118,677	645,305	506,761	2,257,221	-
Total governmental activities long-term liabilities	$ 39,112,840	$ 2,808,458	$ 4,289,845	$ 37,631,453	$ 3,150,105
Business-Type Activities					
Bonds and notes payable:					
General obligation debt	$ 2,162,092	$ 410,000	$ 436,562	$ 2,135,530	$ 320,916
Revenue bonds	7,885,000	-	1,070,000	6,815,000	1,075,000
Revenue debt from direct borrowings and direct placements	4,222,100	-	435,628	3,786,472	371,722
Unamortized premium on debt	149,382	-	24,767	124,615	-
Subtotal	14,418,574	410,000	1,966,957	12,861,617	1,767,638
Other liabilities:					
Vested compensated absences	366,060	119,036	87,620	397,476	-
Customer advances for construction	27,416	1,385,963	63,463	1,349,916	-
Total other liabilities	393,476	1,504,999	151,083	1,747,392	-
Total business-type activities long-term liabilities	$ 14,812,050	$ 1,914,999	$ 2,118,040	$ 14,609,009	$ 1,767,638

In accordance with Wisconsin Statutes, total general obligation indebtedness of the City may not exceed 5 percent of the equalized value of taxable property within the City's jurisdiction. The debt limit as of December 31, 2020, was $63,402,095. Total general obligation debt outstanding at year end was $36,680,213.

General Obligation Debt

All general obligation notes and bonds payable are backed by the full faith and credit of the City. Notes and bonds in the governmental funds will be retired by future property tax levies or tax increments accumulated by the debt service fund. Business-type activities debt is payable by revenues from user fees of those funds or, if the revenues are not sufficient, by future tax levies.

Governmental Activities General Obligation Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2020
2012 General Obligation Notes	4/15/12	3/1/22	0.40 - 2.00%	$ 2,759,000	$ 491,543
2014 General Obligation Notes	6/1/14	4/1/24	2.00 - 2.25	2,755,000	835,000
2015 General Obligation Notes	7/9/15	4/1/25	2.00 - 2.25	1,545,000	890,000
2016 General Obligation Notes	5/26/16	4/1/26	3.25 - 3.75	5,830,000	4,405,000
2016 State Trust Fund Loan*	12/28/16	3/15/36	3.5	850,000	755,213
2017 General Obligation Notes	6/8/17	4/1/27	2.00 - 3.00	7,085,000	5,915,000
2018 General Obligation Bonds	4/26/18	4/1/38	2.00 - 4.00	12,585,000	11,790,000
2018 General Obligation Notes	4/26/18	4/1/28	3.20 - 4.00	775,000	775,000
2019 General Obligation Notes	4/24/19	4/1/29	2.13 - 4.00	6,980,000	6,682,927
2020 General Obligation Notes	6/18/20	4/1/30	2.00 - 3.00	2,005,000	2,005,000
Total governmental activities, general obligation debt					$ 34,544,683

Business-Type Activities General Obligation Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2020
2012 General Obligation Notes	4/15/12	3/1/22	0.40 - 2.00%	$ 661,000	$ 163,457
2014 General Obligation Notes	6/1/14	4/1/24	2.00 - 2.25	280,000	120,000
2015 General Obligation Notes	7/9/15	4/1/25	2.00 - 2.25	1,180,000	610,000
2017 General Obligation Notes	6/8/17	4/1/27	2.00 - 3.00	575,000	415,000
2019 General Obligation Notes	4/24/19	4/1/29	2.13 - 4.00	450,000	417,073
2020 General Obligation Notes	6/18/20	4/1/30	2.00 - 3.00	410,000	410,000
Total business-type activities, general obligation debt					$ 2,135,530

* - Direct borrowing or direct placement.

Debt service requirements to maturity are as follows:

Years	Governmental Activities General Obligation Debt Principal	Governmental Activities General Obligation Debt Interest	Business-Type Activities General Obligation Debt Principal	Business-Type Activities General Obligation Debt Interest
2021	$ 3,114,084	$ 906,326	$ 320,916	$ 47,951
2022	3,479,643	817,200	312,813	38,257
2023	3,436,596	731,381	315,948	30,779
2024	3,475,100	662,911	284,900	23,245
2025	3,538,603	540,441	261,397	16,517
2026-2030	11,235,444	1,519,291	639,556	29,791
2031-2035	3,770,000	573,475	-	-
2036-2038	1,740,000	88,000	-	-
Total	$ 33,789,470	$ 5,839,025	$ 2,135,530	$ 186,540

Years	Governmental Activities Notes from Direct Borrowings and Direct Placements Principal	Governmental Activities Notes from Direct Borrowings and Direct Placements Interest
2021	$ 36,021	$ 26,432
2022	37,282	25,172
2023	38,587	23,867
2024	39,876	22,578
2025	41,333	21,121
2026-2030	229,356	118,608
2031-2035	272,421	39,846
2036	60,337	2,116
Total	$ 755,213	$ 279,740

The City's outstanding debt from direct borrowing and placements related to governmental activities of $755,213 contain a provision that in an event of default, any delinquent payment amount is subject to a penalty of one percent per month.

Revenue Debt

Business-type activities revenue bonds are payable only from revenues derived from the operation of the water, wastewater and electric utilities.

The utilities has pledged future revenues to repay revenue bonds issued in between 2000-2019. Proceeds from the bonds provided financing for the utility construction, improvements, and additions. The bonds are payable solely from utility revenues and are payable through 2036. Annual principal and interest payments on the bonds are expected to require 2%, 12%, and 13% respectively of electric, water, and wastewater gross revenues. The total principal and interest remaining to be paid on the bonds is $12,296,594. Principal and interest paid for the current year and total customer gross revenues were $1,778,740 and $19,346,336, respectively.

Revenue debt payable at December 31, 2020, consists of the following:

Business-Type Activities Revenue Debt

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2020
Water Utility					
2010 Water Utility Revenue Bonds*	1/27/10	5/1/29	2.67%	$ 575,018	$ 308,207
2016 Water Utility Revenue Bonds	5/26/16	5/1/26	1.00 - 2.75	2,520,000	1,340,000
2019 Water Utility Revenue Bonds	11/14/19	5/1/34	2.00 - 3.00	1,825,000	1,725,000
				Total Water Utility	3,373,207

* - Direct borrowing or direct placement

Wastewater Utility					
2003 Wastewater Utility Clean Water Fund Loan*	9/10/03	5/1/23	2.766%	1,670,624	314,224
2007 Wastewater Utility Clean Water Fund Loan*	6/27/07	5/1/27	2.475	1,539,762	677,175
2014 Wastewater Utility Clean Water Fund Loan*	11/1/14	5/1/34	2.625	3,305,713	2,486,866
				Total Wastewater Utility	3,478,265

* - Direct borrowing or direct placement

Electric Utility					
2013 Electric Utility Revenue Bonds	4/1/13	4/1/23	2.00 - 2.25%	3,170,000	2,765,000
2016 Electric Utility Revenue Bonds	5/26/16	4/1/36	2.00 - 3.00	4,005,000	985,000
				Total Electric Utility	3,750,000
Total business-type activities, revenue debt					$ 10,601,472

Debt service requirements to maturity are as follows:

Years	Business-Type Activities Revenue Debt Principal	Business-Type Activities Revenue Debt Interest
2021	$ 1,075,000	$ 149,113
2022	1,080,000	127,238
2023	1,110,000	104,644
2024	355,000	89,106
2025	365,000	80,450
2026-2030	1,395,000	284,328
2031-2035	1,280,000	106,591
2036	155,000	157,325
Total	$ 6,815,000	$ 1,098,795

Years	Business-Type Activities Revenue Debt from Direct Borrowings and Direct Placements Principal	Business-Type Activities Revenue Debt from Direct Borrowings and Direct Placements Interest
2021	$ 371,722	$ 94,065
2022	381,501	84,156
2023	391,540	73,986
2024	291,253	65,077
2025	298,768	57,466
2026-2030	1,246,929	178,643
2031-2034	804,759	42,934
Total	$ 3,786,472	$ 596,327

The City's outstanding debt from direct borrowings and placements related to business-type activities of $3,786,472 contain a provision that in an event of default, outstanding amounts become immediately due and payable.

Other Debt Information

Estimated payments of compensated absences and the fire pension liability are not included in the debt service requirement schedules. The compensated absences liability and the fire pension liability attributable to governmental activities will be liquidated primarily by the general fund.

A statutory mortgage lien upon the City's system and any additions, improvements and extensions thereto is created by Section 66.0621 of the Wisconsin Statutes as provided for in the ordinances creating the revenue bond issue. The City's system and the earnings of the system remain subject to the lien until payment in full of the principal and interest on the bonds.

The water and electric mortgage revenue bond ordinances require segregation of the proceeds of the bond issues and the creation and continual funding of several funds from operating revenues. The City was in compliance with funding requirements in all material respects at December 31, 2020.

Net Position/Fund Balances

Net position reported on the government-wide statement of net position at December 31, 2020, includes the following:

Governmental Activities

Net investment in capital assets:	
Land	$ 9,001,575
Construction in progress	505,368
Inexhaustible portion of streets	1,454,893
Other capital assets, net of accumulated depreciation	44,011,448
Less: Related long-term debt outstanding (excluding unspent capital related debt proceeds)	(34,149,483)
Plus noncapital debt outstanding	2,189,998
Less unamortized debt premium	(829,549)
Total net investment in capital assets	$ 22,184,250

Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2020, include the following:

	General Fund	Debt Service	Construction	Nonmajor Funds	Total
Fund Balances					
Nonspendable:					
Prepaid items	$ 135,512	$ -	$ -	$ 68,379	$ 203,891
Delinquent items	18,998	-	-	-	18,998
Noncurrent interfunds	1,046,023	-	-	-	1,046,023
CVMIC equity	257,805	-	-	-	257,805
Subtotal	1,458,338	-	-	68,379	1,526,717
Restricted for:					
Debt service	-	696,580	-	-	696,580
Library	-	-	-	279,950	279,950
Parks	-	-	-	485,854	485,854
TID activities	-	-	-	1,752,388	1,752,388
Firemen Pension	-	-	-	877,271	877,271
Subtotal	-	696,580	-	3,395,463	4,092,043
Committed to:					
Senior center wood shop	-	-	-	8,689	8,689
Food pantry	-	-	-	296,408	296,408
Fire department special	-	-	-	39,596	39,596
Ambulance	-	-	-	18,258	18,258
Opera house repair	-	-	-	6,778	6,778
Township outreach	-	-	-	12,426	12,426
Tourism	-	-	-	25,926	25,926
Seniors in need	-	-	-	51,885	51,885
Senior center special	-	-	-	512,887	512,887
Capital projects	-	-	-	404,996	404,996
K9 unit	-	-	-	13,688	13,688
Tree commission	-	-	-	4,982	4,982
Cemetery	-	-	-	24,300	24,300
Revolving loans	-	-	-	254,331	254,331
Refuse	-	-	-	4,386	4,386
Subtotal	-	-	-	1,679,536	1,679,536

	General Fund	Debt Service	Construction	Nonmajor Funds	Totals
Assigned to:					
Safety camp	$ 28,836	$ -	$ -	$ -	$ 28,836
Youth gift	19,871	-	-	-	19,871
Bryant grant	102,760	-	-	-	102,760
Pool sinking fund	15,233	-	-	-	15,233
Shop with a cop	6,728	-	-	-	6,728
Tree plantings developer	21,184	-	-	-	21,184
Police federal grants	5,176	-	-	-	5,176
Paul Kraby memorial	3,032	-	-	-	3,032
Utility payment in lieu of taxes	883,261	-	-	-	883,261
Virgin lake boardwalk	148	-	-	-	148
Buddy bags	46	-	-	-	46
Arts council	3,251	-	-	-	3,251
Buddy benches	625	-	-	-	625
Fire equipments	-	-	-	16,609	16,609
Equipment replacement	-	-	-	251,874	251,874
Capital projects	-	-	2,005,994	533,557	2,539,551
Outlay	-	-	-	578,292	578,292
Technology	-	-	-	95,146	95,146
Subtotal	1,090,151	-	2,005,994	1,475,478	4,571,623
Unassigned (deficit):	4,482,473	-	-	(1,052,419)	3,430,054
Total fund balances (deficit)	$ 7,030,962	$ 696,580	$ 2,005,994	$ 5,566,437	$ 15,299,973

Business-Type Activities

Net investment in capital assets:	
Land	$ 784,481
Construction in progress	1,002,263
Other capital assets, net of depreciation	59,496,001
Less long-term debt outstanding (excluding unspent capital related debt proceeds)	(12,371,955)
Less unamortized debt premium	(124,615)
Total net investment in capital assets	$ 48,786,175

5. 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, and expected to work at least 1,200 hours a year (880 hours 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 Comprehensive Annual Financial Report, which can be found at http://etf.wi.gov/publications/cafr.htm.

Vesting

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

Benefits Provided

Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and executive service retirement participants, if hired on or before 12/31/2016) are entitled to retirement benefit based on a formula factor, their 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.

Post-Retirement 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:

Year	Core Fund Adjustment	Variable Fund Adjustment
2010	(1.3)%	22.0%
2011	(1.2)	11.0
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)

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 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 $531,189 in contributions from the City.

Contribution rates for the plan year reported as of December 31, 2020 are:

Employee Category	Employee	Employer
General (Executives & Elected Officials)	6.55 %	6.55 %
Protective with Social Security	6.55 %	10.55 %
Protective without Social Security	6.55 %	14.95 %

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

At December 31, 2020, the City reported an asset of $1,637,819 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2019, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2018 rolled forward to December 31, 2019. 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 asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2019, the City's proportion was 0.05079366 percent, which was an increase of 0.00089611 percent from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, the City recognized pension expense of $608,770.

At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 3,108,955	$ 1,555,824
Changes in assumptions	127,629	-
Net differences between projected and actual earnings on pension plan investments	-	3,348,285
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	14,107
Employer contributions subsequent to the measurement date	529,789	-
Total	$ 3,766,373	$ 4,918,216

$529,789 reported as deferred outflows 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 ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31:	Deferred Outflows of Resources and Deferred Inflows of Resources (net)
2021	$ (504,579)
2022	(373,284)
2023	57,564
2024	(861,333)

Actuarial Assumptions

The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2018
Measurement Date of Net Pension Liability (Asset):	December 31, 2019
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table
Post-Retirement Adjustments*:	1.9%

** No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.9 percent is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.*

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The Total Pension Liability for December 31, 2019 is based upon a roll-forward of the liability calculated from the December 31, 2018 actuarial valuation.

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:

Core Fund Asset Class	Current Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Global Equities	49 %	8.0 %	5.1 %
Fixed Income	24.5	4.9	2.1
Inflation Sensitive Assets	15.5	4.0	1.2
Real Estate	9	6.3	3.5
Private Equity/Debt	8	10.6	7.6
Multi-Asset	4	6.9	4.0
Total Core Fund	110	7.5	4.6
Variable Fund Asset Class			
U.S Equities	70	7.5	4.6
International Equities	30	8.2	5.3
Total Variable Fund	100	7.8	4.9

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.75 percent
Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations

Single Discount Rate

A single discount rate of 7.00 percent was used to measure the total pension liability for the current and prior year. This single discount rate was based on the expected rate of return on pension plan investments of 7.00 percent and a long term bond rate of 2.75 percent. (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, 2019. 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 7.00 percent expected rate of return implies that a dividend of approximately 1.9 percent 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 long term expected 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 to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease to Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase to Discount Rate (8.00%)
City's proportionate share of the net pension liability(asset)	$ 4,217,677	$ (1,637,819)	$ (6,015,477)

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.

At December 31, 2020, the City reported a payable to the pension plan which represents contractually required contributions outstanding as of the end of the year.

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 participates in a public entity risk pool called CVMIC to provide coverage for losses from theft of, damage to, or destruction of assets and workers compensation. 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.

Public Entity Risk Pool

Wisconsin Municipal Insurance Commission (WMIC)
Cities and Villages Mutual Insurance Company (CVMIC)

The WMIC is an intergovernmental cooperation commission created by contract under Section 66.30 of the Wisconsin Statutes. It was created in August, 1987 for the purpose of facilitating the organization, establishment and capitalization of the CVMIC, and has numerous cities and villages as members.

The CVMIC is a municipal mutual insurance company established on September 14, 1987 under Section 611.23 of the Wisconsin Statutes. The CVMIC provides liability insurance coverage to the cities and villages which make up the membership of the WMIC.

The CVMIC is self-insured up to a maximum of $2,000,000 of each insurance risk. Losses paid by CVMIC plus administrative expenses will be recovered through premiums to the participating pool of municipalities. The City's share of such losses is approximately 1 percent.

Management of each organization consists of a board of directors or officers comprised of representatives elected by each of three classes of participants based on population. The City does not exercise any control over the activities of the agencies beyond the election of the officers and board.

Financial statements of WMIC and CVMIC can be obtained directly from CVMIC's offices.

The initial investment in WMIC is refundable upon withdrawal from the commission and has been reported at the original amount of $257,805 in the general fund.

The City pays an annual premium to CVMIC for its general liability insurance, which provides coverage up to $5,000,000 per occurrence, less the City's retained liability. The City's retained liability is limited to $25,000 per occurrence and an annual aggregate limit of $100,000. An actuarially determined estimate has been recorded for this liability, as well as for claims incurred but not reported at December 31, 2020.

Commitments and Contingencies

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability band 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.

From time to time, the City is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the City attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the City's financial position or results of operations.

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, 2020. Work that has been completed on these projects but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures.

Long-Term Contracts, WPPI Energy

The electric utility is one of 51 WPPI Energy member municipalities located throughout the States of Wisconsin, Michigan and Iowa. On December 1, 1989, each initial WPPI Energy member commenced purchasing electric service from WPPI Energy under a long-term Power Supply Contract for Participating Members (long-term contract). Under the long-term contract, WPPI Energy is obligated to provide and sell, and each member is obligated to take and pay for, the electric power and energy required for the operation of each member's electric utility.

The long-term contract requires all WPPI Energy members to pay for power and energy requirements supplied or made available by WPPI Energy at rates sufficient to cover WPPI Energy's revenue requirement including power supply costs, administrative expenses and debt service. WPPI Energy's subsequent year's operating budget and rates are approved annually by its Board of Directors, consisting of representatives from each member. The members have agreed to charge rates to retail customers sufficient to meet their WPPI Energy obligations. The long-term contract provides that all payments to WPPI Energy constitute operating expenses of the utility payable from any operating and maintenance fund established for that system.

Fifty members, representing approximately 99.8 percent of WPPI Energy's existing load, have long-term contracts through December 31, 2055. The remaining member has a long-term contract through December 31, 2037.

WPPI Energy's outstanding debt service obligation to be paid by its members through their wholesale power charges through the remainder of the long-term contract was $305 million as of December 31, 2020.

Municipal Revenue Obligation

In 2020, the City issued a municipal revenue obligation as part of a development agreement. The amount of the obligation was $3,000,000, and is payable to the developer solely from tax increments collected from a specific portion of the development in TIF No. 7.

Payments are scheduled through the year 2035, and carry an interest rate of 6 percent. The obligation does not constitute a charge upon any funds of the City. In the event that future tax increments are not sufficient to pay off the obligation, the obligation terminates with no further liability to the City. Since the amount of future payments is contingent on the collection of future TIF increments, the obligation is not reported as a liability in the accompanying financial statements. The balance of the commitment outstanding at year end was $3,000,000.

Subsequent Events

The Public Service Commission of Wisconsin has approved a water rate increase effective June 1, 2021.

City of Stoughton has been proactive in dealing with the effects of the nationwide COVID-19 pandemic, where effects continue into 2021. The federal government passed the American Rescue Plan Act (ARPA) on March 11, 2021. City's estimated award is $1.29 million, which will be used to combat the negative effects of the pandemic in the local economy. The City is expected to receive 50% of the funds in May 2021, with the remaining funds expected a year later.

Effect of New Accounting Standards on Current-Period Financial Statements

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

- Statement No. 87, *Leases*
- Statement No. 90, *Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61*
- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*
- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*
- Statement No. 96, *Subscription-Based Information Technology Arrangements*
- Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*

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

Firemen's Pension Plan

Plan description. The City reports a single-employer defined benefit pension plan for fire department employees (the Plan). Management of the Plan is vested in the Firemen's Pension Board. No assets have been accumulated in a trust for payment of these benefits.

Benefits provided. The plan is administered by the Firemen's Pension Board and provides pension benefits to fire department employees. The amount paid to retirees each year is based on the years of service at the time of retirement and the position the retiree held while a member of the department.

Plan membership. At December 31, 2019, the plan's membership consisted of:

Retirees and beneficiaries	26
Inactive, nonretired members	-
Active members	30
Total	56

The City paid $36,217 for pension benefits as they came due during the reporting period. The City has accumulated assets to pay for these benefits; however, the arrangement does not meet the definition of a trust under GASB Statement No. 73. The specific criteria that are not met include:

- Contributions from employers and nonemployer contributing entities to the pension plan and earnings on those contributions are irrevocable.
- Pension plan assets are legally protected from the creditors of employers, nonemployer contributing entities, the pension plan administrator and plan members

Changes in total pension liability. The City's change in total pension liability for the year ended December 31, 2020 was as follows:

	Total Pension Liability
Beginning of Year Balance	$ 868,177
Service cost	20,856
Interest on total pension liability	35,715
Changes of assumptions	178,613
Benefit payments	(36,217)
End of Year Balance	$ 1,067,144

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

Measurement Date:	December 31, 2019
Actuarial Valuation Date:	December 31, 2018
Inflation:	2.3%
Salary Changes:	2.3%
Discount Rate:	2.74%
Source of Discount Rate:	Bond Buyer GO 20-Year Municipal Bond Index
Source of Mortality Assumptions:	Wisconsin 2018 Mortality table
Dates of Experience Studies:	Experience study conducted using WRS experience from 2015-2017

Sensitivity of the total pension liability to changes in the discount rate. The following is a sensitivity analysis of the total pension liability to changes in the discount rate. The table below presents the pension liability of the District calculated using the current discount rate of 2.74 percent as well as what the total pension liability would be if it were to be calculated using a discount rate that is 1 percentage point lower (1.74 percent) or 1 percentage point higher (3.74 percent) that the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Total pension liability	$ 1,237,816	$ 1,067,144	$ 930,840

Pension expense, deferred outflows of resources and deferred inflows of resources related to pensions. For the year ended December 31, 2020, the City recognized pension expense of $6,438.

At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 250,796
Changes in assumptions	196,395	191,109
Total	$ 196,395	$ 441,905

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

Year Ended December 31:	Deferred Outflows and Deferred Inflows of Resources (Net)
2021	$ (50,133)
2022	(50,133)
2023	(50,133)
2024	(45,718)
2025	(51,842)
Thereafter	2,449

REQUIRED SUPPLEMENTARY INFORMATION

City of Stoughton

Detailed Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - General Fund
Year Ended December 31, 2020

	Original and Final Budget	Actual	Variance with Final Budget
Revenues			
Taxes			
Taxes	$ 9,444,414	$ 9,441,021	$ (3,393)
Intergovernmental Revenues			
Intergovernmental	2,118,695	2,313,838	195,143
Licenses and Permits			
Business and occupational licenses	38,575	37,098	(1,477)
Dog and cat licenses	3,500	1,524	(1,976)
Building permits	152,000	215,199	63,199
Total licenses and permits	194,075	253,821	59,746
Fines, Forfeitures and Penalties			
Fines, forfeitures and penalties	155,000	88,178	(66,822)
Public Charges for Services			
Public charges for services	666,363	485,898	(180,465)
Intergovernmental Charges			
Intergovernmental charges for services	64,000	45,665	(18,335)
Special Assessments			
Special assessments	11,500	12,770	1,270
Investment Income			
Investment income	100,030	126,801	26,771
Miscellaneous			
Miscellaneous revenues	439,967	427,855	(12,112)
Total revenues	13,194,044	13,195,847	1,803
Expenditures			
General Government			
Council/Board	$ 46,500	$ 47,280	$ (780)
Legislative support	101,238	99,207	2,031
Judicial	61,770	59,563	2,207
Administrator	241,497	247,572	(6,075)
Information technology	331,810	301,229	30,581
Treasury	916,064	802,227	113,837
Legal	140,000	127,927	12,073
Personnel	191,288	186,344	4,944
General buildings/plant/hall	61,804	51,266	10,538
Assessment of property	47,900	48,190	(290)
Other general government	197,000	283,426	(86,426)
Total general government	2,336,871	2,254,231	82,640
Public Safety			
Police	3,253,448	3,240,308	13,140
Fire protection	550,549	558,065	(7,516)
Inspection	362,580	395,363	(32,783)
Total public safety	4,166,577	4,193,736	(27,159)

See notes to required supplementary information

Detailed Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - General Fund
Year Ended December 31, 2020

	Original and Final Budget	Actual	Variance with Final Budget
Public Works			
Highway and street maintenance and construction	$ 121,469	$ 112,577	$ 8,892
Highway and street maintenance for local	1,196,067	1,199,861	(3,794)
Snow and ice control	68,000	65,968	2,032
Buildings and grounds operations	229,323	158,538	70,785
Total public works	1,614,859	1,536,944	77,915
Culture, Recreation and Education			
Parks	244,480	201,382	43,098
Senior center	575,749	572,086	3,663
Community center	169,394	144,663	24,731
Recreation	342,411	220,880	121,531
Cemetery	36,000	33,323	2,677
Cable television	43,860	41,265	2,595
Total culture, recreation and education	1,411,894	1,213,599	198,295
Total expenditures	9,530,201	9,198,510	331,691
Excess of revenues over expenditures	3,663,843	3,997,337	333,494
Other Financing Sources (Uses)			
Transfers in	962,120	927,031	(35,089)
Transfers out	(4,632,113)	(4,696,987)	(64,874)
Total other financing sources (uses)	(3,669,993)	(3,769,956)	(99,963)
Net change in fund balance	(6,150)	227,381	233,531
Fund Balance, Beginning	6,803,581	6,803,581	-
Fund Balance, Ending	$ 6,797,431	$ 7,030,962	$ 233,531

See notes to required supplementary information

Schedule of Proportionate Share of the Net Pension Liability (Asset) -
Wisconsin Retirement System
Year Ended December 31, 2020

WRS Fiscal Year Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/15	0.04486493%	$ (1,102,005)	$ 5,696,627	19.34%	102.74%
12/31/16	0.04597674%	747,113	6,169,077	12.11%	98.20%
12/31/17	0.04705035%	387,807	6,266,372	6.23%	99.12%
12/31/18	0.04873732%	(1,447,068)	6,542,867	22.12%	102.93%
12/31/19	0.04989755%	1,775,198	6,864,771	25.86%	96.45%
12/31/20	0.05079366%	(1,637,819)	7,034,407	23.28%	102.96%

Schedule of Employer Contributions - Wisconsin Retirement System
Year Ended December 31, 2020

City Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/15	$ 465,913	$ 465,913	$ -	$ 6,169,077	7.55%
12/31/16	461,771	461,771	-	7,032,737	6.57%
12/31/17	511,909	511,909	-	7,308,112	7.00%
12/31/18	533,009	533,009	-	6,864,764	7.76%
12/31/19	533,847	533,847	-	7,034,407	7.59%
12/31/20	529,789	529,789	-	7,015,788	7.55%

See notes to the required supplementary information

Schedule of Changes in the Total Pension Liability
Firemen's Pension Plan
Year Ended December 31, 2020

Fiscal Year Ending	Beginning Balance	Service Cost	Interest on Total Pension Liability	Changes in Benefit Terms	Difference Between Expected and Actual Experience	Changes of Assumptions	Benefit Payments	Ending Balance
12/31/20	$ 868,177	$ 20,856	$ 35,715	$ -	$ -	$ 178,613	$ (36,217)	$ 1,067,144
12/31/19	1,392,161	47,261	48,829	-	-	(579,792)	(40,282)	868,177
12/31/18	1,268,731	41,400	48,805	-	-	71,580	(38,355)	1,392,161
12/31/17	1,259,717	42,477	45,829	-	-	(42,041)	(37,251)	1,268,731

Schedule of Covered Payroll
Firemen's Pension Plan
Year Ended December 31, 2020

Fiscal Year Ending	Total Pension Liability	Covered Payroll	Total Pension Liability as a Percentage of Covered Payroll
12/31/20	$ 1,067,144	$ 87,401	1221%
12/31/19	868,177	92,307	941%
12/31/18	1,392,161	102,773	1355%
12/31/17	1,268,731	93,830	1352%

See notes to the required supplementary information

Budgetary Information

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note 1.

Department heads submit budget requests by mid-August. The mayor and finance director produce the executive budget, which is reviewed with the finance committee in mid-September. The City Council then reviews the budget and holds a public hearing. Council adoption of the budget follows the public hearing, usually in November.. Department heads have the authority to make budget transfers within their own department, except for wage accounts and capital outlay items. Council action is required for adjustments to wage and outlay accounts, and to change a department's total budget.

Appropriations lapse at year-end unless specifically carried over. There were no carryovers to the following year. Budgets are adopted at the department level of expenditure.

Wisconsin Retirement System

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 Wisconsin Retirement System.

Changes in assumptions. No significant change in assumptions were noted from the prior year.

Firemen's Pension Plan

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

Changes in assumptions. Discount rate changed from 4.10 percent to 2.74 percent.

SUPPLEMENTARY INFORMATION

City of Stoughton

Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2020

	Special Revenue Funds				
	Library	Ambulance	Opera House	Opera House Repair	Township Outreach
Assets					
Cash and investments	$ 303,609	$ 18,258	$ -	$ 6,778	$ 10,698
Receivables (net):					
Taxes	-	-	-	-	-
Accounts	-	-	136,354	-	2,000
Special assessments	-	-	-	-	-
Loans	-	-	-	-	-
Prepaid items	-	-	67,850	-	-
Total assets	$ 303,609	$ 18,258	$ 204,204	$ 6,778	$ 12,698
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable	$ 4,180	$ -	$ 87,773	$ -	$ -
Accrued liabilities	19,479	-	5,916	-	272
Other liabilities	-	-	258,087	-	-
Due to other funds	-	-	80,947	-	-
Advances from other funds	-	-	-	-	-
Total liabilities	23,659	-	432,723	-	272
Deferred Inflows of Resources					
Unearned revenues	-	-	-	-	-
Unavailable revenues	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
Fund Balances (Deficit)					
Nonspendable	-	-	67,850	-	-
Restricted	279,950	-	-	-	-
Committed	-	18,258	-	6,778	12,426
Assigned	-	-	-	-	-
Unassigned (deficit)	-	-	(296,369)	-	-
Total fund balances (deficit)	279,950	18,258	(228,519)	6,778	12,426
Total liabilities, deferred inflows of resources and fund balances	$ 303,609	$ 18,258	$ 204,204	$ 6,778	$ 12,698

Special Revenue Funds						
Tourism	Seniors in Need	Food Pantry	Landmarks	Fire Department Special	Senior Center Wood Shop	Senior Center Special
$ 24,780	$ 51,885	$ 303,120	$ 1,413	$ 39,596	$ 8,689	$ 512,887
-	-	-	-	-	-	-
11,457	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
$ 36,237	$ 51,885	$ 303,120	$ 1,413	$ 39,596	$ 8,689	$ 512,887
$ 10,311	$ -	$ 6,712	$ 3,549	$ -	$ -	$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
10,311	-	6,712	3,549	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
25,926	51,885	296,408	-	39,596	8,689	512,887
-	-	-	-	-	-	-
-	-	-	(2,136)	-	-	-
25,926	51,885	296,408	(2,136)	39,596	8,689	512,887
$ 36,237	$ 51,885	$ 303,120	$ 1,413	$ 39,596	$ 8,689	$ 512,887

City of Stoughton

Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2020

	Special Revenue Funds				
	Economic Development	Redevelop-ment Authority	Special Assessments	CDBG	K9 Unit
Assets					
Cash and investments	$ -	$ 3,302	$ 347,133	$ -	$ 13,688
Receivables (net):					
Taxes	-	-	120,945	-	-
Accounts	-	-	334	-	-
Special assessments	-	-	641,630	-	-
Loans	-	-	-	-	-
Prepaid items	-	-	-	-	-
Total assets	$ -	$ 3,302	$ 1,110,042	$ -	$ 13,688
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable	$ -	$ 3,302	$ 14,485	$ -	$ -
Accrued liabilities	-	-	-	-	-
Other liabilities	-	-	-	-	-
Due to other funds	-	-	48,931	-	-
Advances from other funds	-	-	-	-	-
Total liabilities	-	3,302	63,416	-	-
Deferred Inflows of Resources					
Unearned revenues	-	-	-	-	-
Unavailable revenues	-	-	641,630	-	-
Total deferred inflows of resources	-	-	641,630	-	-
Fund Balances (Deficit)					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	404,996	-	13,688
Assigned	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-
Total fund balances (deficit)	-	-	404,996	-	13,688
Total liabilities, deferred inflows of resources and fund balances	$ -	$ 3,302	$ 1,110,042	$ -	$ 13,688

Special Revenue Funds					Capital Projects Funds	
Tree Commission	Cemetery	Revolving Loan Fund	Firemen's Pension Fund	Refuse Fund	Fire Equipment	Park Acquisition
$ 4,982	$ 24,300	$ 37,933	$ 877,271	$ 69,855	$ 16,609	$ 485,449
-	-	-	-	819,710	-	-
-	-	10,865	-	-	-	405
-	-	-	-	-	-	-
-	-	207,533	-	-	-	-
-	-	-	-	-	-	-
$ 4,982	$ 24,300	$ 256,331	$ 877,271	$ 889,565	$ 16,609	$ 485,854
$ -	$ -	$ 2,000	$ -	$ 65,390	$ -	$ -
-	-	-	-	79	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	2,000	-	65,469	-	-
-	-	-	-	819,710	-	-
-	-	-	-	-	-	-
-	-	-	-	819,710	-	-
-	-	-	-	-	-	-
-	-	-	877,271	-	-	485,854
4,982	24,300	254,331	-	4,386	-	-
-	-	-	-	-	16,609	-
-	-	-	-	-	-	-
4,982	24,300	254,331	877,271	4,386	16,609	485,854
$ 4,982	$ 24,300	$ 256,331	$ 877,271	$ 889,565	$ 16,609	$ 485,854

City of Stoughton

Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2020

	Capital Projects Funds				
	TIF District No. 3	TIF District No. 4	TIF District No. 5	TIF District No. 6	TIF District No. 7
Assets					
Cash and investments	$ 368,038	$ 267,376	$ 70,754	$ 682,981	$ 653,977
Receivables (net):					
Taxes	512,638	174,190	49,621	149,306	762,486
Accounts	-	-	-	-	41,106
Special assessments	-	-	-	-	-
Loans	-	-	-	-	-
Prepaid items	-	-	-	-	-
Total assets	$ 880,676	$ 441,566	$ 120,375	$ 832,287	$ 1,457,569
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable	$ -	$ 64,975	$ -	$ 36,329	$ 3,545
Accrued liabilities	-	-	-	-	-
Other liabilities	-	-	-	-	-
Due to other funds	-	-	-	-	-
Advances from other funds	-	-	761,320	140,399	-
Total liabilities	-	64,975	761,320	176,728	3,545
Deferred Inflows of Resources					
Unearned revenues	512,638	174,190	49,621	149,306	778,328
Unavailable revenues	-	-	-	-	-
Total deferred inflows of resources	512,638	174,190	49,621	149,306	778,328
Fund Balances (Deficit)					
Nonspendable	-	-	-	-	-
Restricted	368,038	202,401	-	506,253	675,696
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned (deficit)	-	-	(690,566)	-	-
Total fund balances (deficit)	368,038	202,401	(690,566)	506,253	675,696
Total liabilities, deferred inflows of resources and fund balances	$ 880,676	$ 441,566	$ 120,375	$ 832,287	$ 1,457,569

Capital Projects Funds					
TIF District No. 8	Equipment Replacement	Building Maintenance	Outlay	Technology	Total Nonmajor Governmental Funds
$ 187,496	$ 276,260	$ 524,710	$ 733,721	$ 95,146	$ 7,022,694
30,337	-	-	-	-	2,619,233
37,950	-	8,927	-	-	249,398
-	-	-	-	-	641,630
-	-	-	-	-	207,533
529	-	-	-	-	68,379
$ 256,312	$ 276,260	$ 533,637	$ 733,721	$ 95,146	$ 10,808,867
$ 22,051	$ 24,386	$ 80	$ 155,429	$ -	$ 504,497
-	-	-	-	-	25,746
-	-	-	-	-	258,087
-	-	-	-	-	129,878
144,304	-	-	-	-	1,046,023
166,355	24,386	80	155,429	-	1,964,231
114,826	-	-	-	-	2,598,619
37,950	-	-	-	-	679,580
152,776	-	-	-	-	3,278,199
529	-	-	-	-	68,379
-	-	-	-	-	3,395,463
-	-	-	-	-	1,679,536
-	251,874	533,557	578,292	95,146	1,475,478
(63,348)	-	-	-	-	(1,052,419)
(62,819)	251,874	533,557	578,292	95,146	5,566,437
$ 256,312	$ 276,260	$ 533,637	$ 733,721	$ 95,146	$ 10,808,867

City of Stoughton

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2020

	Special Revenue Funds				
	Library	Ambulance	Opera House	Opera House Repair	Township Outreach
Revenues					
Taxes	$ -	$ -	$ -	$ -	$ -
Intergovernmental	244,652	-	136,555	-	7,237
Public charges for services	7,158	-	204,366	-	-
Intergovernmental charges for services	-	-	-	-	-
Special assessments	-	-	-	-	-
Investment income	1,228	42	16	33	24
Miscellaneous revenues	28,981	4,412	7,182	-	2,500
Total revenues	282,019	4,454	348,119	33	9,761
Expenditures					
Current:					
General government	-	-	-	-	-
Public safety	-	4,017	-	-	-
Public works	-	-	-	-	-
Culture, recreation and education	880,161	-	480,214	-	7,922
Conservation and development	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Debt service:					
Interest and fiscal charges	-	-	-	-	-
Total expenditures	880,161	4,017	480,214	-	7,922
Excess (deficiency) of revenues over expenditures	(598,142)	437	(132,095)	33	1,839
Other Financing Sources (Uses)					
Debt issued	-	-	-	-	-
Premium on debt	-	-	-	-	-
Sales of fixed assets	-	-	-	-	-
Transfers in	623,000	-	182,000	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	623,000	-	182,000	-	-
Net change in fund balances	24,858	437	49,905	33	1,839
Fund Balances, Beginning	255,092	17,821	(278,424)	6,745	10,587
Fund Balances, Ending	$ 279,950	$ 18,258	$ (228,519)	$ 6,778	$ 12,426

Special Revenue Funds						
Tourism	Seniors in Need	Food Pantry	Landmarks	Fire Department Special	Senior Center Wood Shop	Senior Center Special
$ 37,704	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
64	199	603	8	180	16	11,837
-	12,360	177,275	-	2,590	2,090	26,115
37,768	12,559	177,878	8	2,770	2,106	37,952
-	-	-	-	-	-	-
-	-	-	-	1,173	-	-
-	-	-	-	-	-	-
33,934	18,565	53,583	7,810	-	85	2,107
-	-	-	-	-	-	-
-	-	-	-	25,407	-	-
-	-	-	-	-	-	-
33,934	18,565	53,583	7,810	26,580	85	2,107
3,834	(6,006)	124,295	(7,802)	(23,810)	2,021	35,845
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	7,500	-	-	-
(3,770)	-	-	-	-	-	-
(3,770)	-	-	7,500	-	-	-
64	(6,006)	124,295	(302)	(23,810)	2,021	35,845
25,862	57,891	172,113	(1,834)	63,406	6,668	477,042
$ 25,926	$ 51,885	$ 296,408	$ (2,136)	$ 39,596	$ 8,689	$ 512,887

City of Stoughton

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2020

	Special Revenue Funds				
	Economic Development	Redevelopment Authority	Special Assessments	CDBG	K9 Unit
Revenues					
Taxes	$ -	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	-	-
Public charges for services	-	-	-	-	-
Intergovernmental charges for services	-	-	-	-	-
Special assessments	-	-	229,285	-	-
Investment income	18	17	13,583	-	42
Miscellaneous revenues	-	-	-	-	2,593
Total revenues	18	17	242,868	-	2,635
Expenditures					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	6,679
Public works	-	-	-	-	-
Culture, recreation and education	-	-	-	-	-
Conservation and development	15,274	19,172	-	-	-
Capital Outlay	-	-	-	-	-
Debt service:					
Interest and fiscal charges	-	-	-	-	-
Total expenditures	15,274	19,172	-	-	6,679
Excess (deficiency) of revenues over expenditures	(15,256)	(19,155)	242,868	-	(4,044)
Other Financing Sources (Uses)					
Debt issued	-	-	-	-	-
Premium on debt	-	-	-	-	-
Sales of fixed assets	-	-	-	-	-
Transfers in	15,256	86,071	-	-	-
Transfers out	-	-	(200,000)	(6,453)	-
Total other financing sources (uses)	15,256	86,071	(200,000)	(6,453)	-
Net change in fund balances	-	66,916	42,868	(6,453)	(4,044)
Fund Balances, Beginning	-	(66,916)	362,128	6,453	17,732
Fund Balances, Ending	$ -	$ -	$ 404,996	$ -	$ 13,688

Capital Projects Funds					Capital Projects Funds	
Tree Commission	Cemetery	Revolving Loan Fund	Firemen's Pension Fund	Refuse Fund	Fire Equipment	Park Acquisition
$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-	-
-	-	-	-	792,968	-	37,148
-	-	-	-	-	-	-
-	-	-	-	-	-	-
10	146	4,973	5,356	532	72	1,867
741	-	-	23,723	-	-	6,362
751	146	4,973	29,079	793,500	72	45,377
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	789,114	-	-
-	4,089	-	-	-	-	17,612
235	-	6,000	-	-	-	-
-	-	-	-	-	4,246	-
-	-	-	-	-	-	-
235	4,089	6,000	-	789,114	4,246	17,612
516	(3,943)	(1,027)	29,079	4,386	(4,174)	27,765
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	135,000	-	-	-	-
-	-	-	-	-	-	-
-	-	135,000	-	-	-	-
516	(3,943)	133,973	29,079	4,386	(4,174)	27,765
4,466	28,243	120,358	848,192	-	20,783	458,089
$ 4,982	$ 24,300	$ 254,331	$ 877,271	$ 4,386	$ 16,609	$ 485,854

City of Stoughton

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2020

	Capital Projects Funds				
	TIF District No. 3	TIF District No. 4	TIF District No. 5	TIF District No. 6	TIF District No. 7
Revenues					
Taxes	$ 494,843	$ 180,369	$ 50,678	$ 24,831	$ 546,395
Intergovernmental	12,773	11,644	39,592	-	-
Public charges for services	-	-	-	-	-
Intergovernmental charges for services	-	-	-	-	-
Special assessments	-	-	-	-	-
Investment income	1,665	5,460	229	8,488	2,405
Miscellaneous revenues	-	39,000	-	51,694	32,914
Total revenues	509,281	236,473	90,499	85,013	581,714
Expenditures					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Culture, recreation and education	-	-	-	-	-
Conservation and development	-	-	-	5,790	10,450
Capital Outlay	950	916,195	950	742,572	-
Debt service:					
Interest and fiscal charges	-	-	-	-	-
Total expenditures	950	916,195	950	748,362	10,450
Excess (deficiency) of revenues over expenditures	508,331	(679,722)	89,549	(663,349)	571,264
Other Financing Sources (Uses)					
Debt issued	-	-	-	-	-
Premium on debt	-	-	-	-	-
Sales of fixed assets	-	-	-	173,230	-
Transfers in	-	-	-	-	-
Transfers out	(433,029)	(236,625)	(102,521)	(70,138)	(333,975)
Total other financing sources (uses)	(433,029)	(236,625)	(102,521)	103,092	(333,975)
Net change in fund balances	75,302	(916,347)	(12,972)	(560,257)	237,289
Fund Balances, Beginning	292,736	1,118,748	(677,594)	1,066,510	438,407
Fund Balances, Ending	$ 368,038	$ 202,401	$ (690,566)	$ 506,253	$ 675,696

Capital Projects Funds					
TIF District No. 8	Equipment Replacement	Building Maintenance	Outlay	Technology	Total Nonmajor Governmental Funds
$ -	$ -	$ -	$ -	$ -	$ 1,334,820
95,500	-	-	23,215	-	571,168
-	-	-	-	-	1,041,640
-	73,858	-	-	-	73,858
-	-	-	-	-	229,285
289	750	459	3,525	-	64,136
-	-	180,368	2,500	-	603,400
95,789	74,608	180,827	29,240	-	3,918,307
-	-	174,983	-	5,248	180,231
-	-	-	-	-	11,869
-	-	-	-	-	789,114
-	-	-	-	-	1,506,082
2,700	-	-	-	-	59,621
121,939	570,502	-	1,527,213	-	3,909,974
-	-	-	17,869	-	17,869
124,639	570,502	174,983	1,545,082	5,248	6,474,760
(28,850)	(495,894)	5,844	(1,515,842)	(5,248)	(2,556,453)
-	-	-	636,805	-	636,805
-	-	-	5,423	-	5,423
-	-	-	44,374	-	217,604
-	220,000	-	100,000	-	1,368,827
(17,288)	-	(40,000)	-	-	(1,443,799)
(17,288)	220,000	(40,000)	786,602	-	784,860
(46,138)	(275,894)	(34,156)	(729,240)	(5,248)	(1,771,593)
(16,681)	527,768	567,713	1,307,532	100,394	7,338,030
$ (62,819)	$ 251,874	$ 533,557	$ 578,292	$ 95,146	$ 5,566,437

City of Stoughton

Combining Statement of Net Position
Nonmajor Enterprise Funds
December 31, 2020

	Storm Sewer	EMS	Total Nonmajor Enterprise Funds
Assets			
Current assets:			
Cash and investments	$ 64,153	$ 409,270	$ 473,423
Receivables	262,134	202,557	464,691
Due from other funds	51,717	-	51,717
Total current assets	378,004	611,827	989,831
Noncurrent assets:			
Capital assets:			
Land	9,986	-	9,986
Property and equipment	5,973,935	2,181,896	8,155,831
Less Accumulated depreciation	(649,850)	(1,042,050)	(1,691,900)
Restricted assets:			
Net pension asset	-	23,504	23,504
Total noncurrent assets	5,334,071	1,163,350	6,497,421
Total assets	5,712,075	1,775,177	7,487,252
Deferred Outflows of Resources			
Pension related amounts	-	54,345	54,345
Total deferred outflows of resources	-	54,345	54,345
Liabilities			
Current liabilities:			
Accounts payable	28,418	20,776	49,194
Accrued liabilities	18,269	14,589	32,858
Due to other funds	-	305,325	305,325
Current portion of general obligation debt	235,916	-	235,916
Total current liabilities	282,603	340,690	623,293
Noncurrent liabilities:			
Long-term debt:			
General obligation debt payable	1,449,614	-	1,449,614
Compensated absences	-	31,442	31,442
:			
Total noncurrent liabilities	1,449,614	31,442	1,481,056
Total liabilities	1,732,217	372,132	2,104,349
Deferred Inflows of Resources			
Pension related amounts	-	73,261	73,261
Total deferred inflows of resources	-	73,261	73,261
Net Position			
Net investment in capital assets	3,674,159	1,139,846	4,814,005
Pension	-	23,504	23,504
Unrestricted	305,699	220,779	526,478
Total net position	$ 3,979,858	$ 1,384,129	$ 5,363,987

City of Stoughton

Combining Statement of Revenues, Expenses and
Changes in Fund Net Position
Nonmajor Enterprise Funds
Year Ended December 31, 2020

	Storm Sewer	EMS	Total Nonmajor Enterprise Funds
Operating Revenues			
Charges for services	$ 742,720	$ 732,781	$ 1,475,501
Total operating revenues	742,720	732,781	1,475,501
Operating Expenses			
Operation and maintenance	371,141	544,362	915,503
Depreciation expense	208,233	93,284	301,517
Total operating expenses	579,374	637,646	1,217,020
Operating income	163,346	95,135	258,481
Nonoperating Revenues (Expenses)			
Investment income	1,426	1,107	2,533
Interest and fiscal charges	(44,270)	(990)	(45,260)
Interest subsidy	-	1,420	1,420
Intergovernmental grants	-	38,026	38,026
Total nonoperating revenues (expenses)	(42,844)	39,563	(3,281)
Net Income Before Contributions and Transfers	120,502	134,698	255,200
Contributions and Transfers			
Contributions in aid of construction	260,640	-	260,640
Capital contributions - city	158,017	-	158,017
Transfers in	-	25,000	25,000
Total contributions and transfers	418,657	25,000	443,657
Change in net position	539,159	159,698	698,857
Net Position, Beginning	3,440,699	1,224,431	4,665,130
Net Position, Ending	$ 3,979,858	$ 1,384,129	$ 5,363,987

City of Stoughton

Combining Statement of Cash Flows
Nonmajor Enterprise Funds
Year Ended December 31, 2020

	Storm Sewer	EMS	Total
Cash Flows From Operating Activities			
Received from customers	$ 742,057	$ 702,598	$ 1,444,655
Paid to suppliers for goods and services	(315,743)	(217,063)	(532,806)
Paid to employees for services	(173,906)	(319,613)	(493,519)
Net cash flows from operating activities	252,408	165,922	418,330
Cash Flows From Investing Activities			
Investment income	1,426	1,107	2,533
Net cash flows from investing activities	1,426	1,107	2,533
Cash Flows From Noncapital Financing Activities			
Transfers	-	25,000	25,000
Repayment of due to other funds	-	(1,420)	(1,420)
Net cash flows from noncapital financing activities	-	23,580	23,580
Cash Flows From Capital and Related Financing Activities			
Debt issued	410,000	-	410,000
Debt retired	(216,562)	(135,000)	(351,562)
Interest paid	(45,673)	(2,970)	(48,643)
Acquisition and construction of capital assets	(804,848)	-	(804,848)
Net cash flows from capital and related financing activities	(657,083)	(137,970)	(795,053)
Net change in cash and cash equivalents	(403,249)	52,639	(350,610)
Cash and Cash Equivalents, Beginning	467,402	356,631	824,033
Cash and Cash Equivalents, Ending	$ 64,153	$ 409,270	$ 473,423

City of Stoughton

Combining Statement of Cash Flows
Nonmajor Enterprise Funds
Year Ended December 31, 2020

	Storm Sewer	EMS	Total
Reconciliation of Operating Income to Net Cash Flows from Operating Activities			
Operating income	$ 163,346	$ 95,135	$ 258,481
Nonoperation revenue	-	39,446	39,446
Adjustments to reconcile operating income to net cash flows from operating activities:			
Depreciation	208,233	93,284	301,517
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:			
Customer accounts receivable	3,852	-	3,852
Other accounts receivable	-	(69,629)	(69,629)
Due from other funds	(4,515)	-	(4,515)
Compensated absences	-	(6,501)	(6,501)
Accounts payable	(119,853)	11,363	(108,490)
Other current liabilities	1,345	2,052	3,397
Pension related deferrals and liabilities	-	772	772
Net cash flows from operating activities	$ 252,408	$ 165,922	$ 418,330
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position			
Cash and investments	$ 64,153	$ 409,270	$ 473,423
Cash and cash equivalents	$ 64,153	$ 409,270	$ 473,423
Noncash Capital and Related Financing Activities			
Contributed assets	$ 158,017	$ -	