

Comprehensive Annual Financial Report with Single Audit

Year ended December 31, 2020

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INTRODUCTORY SECTION



Website: www.fdl.wi.gov

City-County Government Center 160 S. Macy Street~P.O. Box 150~Fond du Lac, WI 54936-0150

July 31, 2021

City Council and Citizens of Fond du Lac City of Fond du Lac Fond du Lac, WI

We are pleased to present the Comprehensive Annual Financial Report of the City of Fond du Lac for the year ended December 31, 2020. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the Comprehensive Annual Financial Report is accurate in all material aspects, that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds, and that all disclosures necessary to enable the reader to gain maximum understanding of the City's financial affairs have been included.

Wisconsin State Statutes require an annual audit of the financial transactions and accounts of the City by an independent public accountant selected by the City Council. This requirement has been met with the inclusion of the auditor's opinion in this report.

CliftonLarsonAllen LLP, Certified Public Accountants, have issued an unmodified ("clean") opinion on the City of Fond du Lac's financial statements for the year ended December 31, 2020 which means that in the opinion of our independent auditor, the financial statements are fairly presented in conformity with generally accepted accounting principles. The independent auditor's report is located at the front of the financial section of this report.

The City is required to undergo an annual single audit to conform with the provisions of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Wisconsin State Single Audit Guidelines. Information related to this single audit, including the schedule of expenditures of federal and state awards, schedule of findings and questioned costs, and reports of the independent certified public accountants on the internal control structure and compliance with applicable laws and regulations, is included in the Single Audit Section of this report.

This letter of transmittal complements the Management's Discussion and Analysis (MD&A) and should be read in conjunction with it. The City of Fond du Lac's MD&A immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements.

Government Profile

The City of Fond du Lac was incorporated in 1852 and is located in Fond du Lac County at the southern shore of Lake Winnebago, the largest inland lake in Wisconsin at 220 square miles. Five major highways lead into the City, which is approximately one hour from each of the largest cities in the State; Milwaukee, Madison and Green Bay. The City encompasses just over 20 square miles and serves a population of 42,951.

Governance is provided by a Council-Manager form of government with seven council members comprising the governing body. The council members are elected at large on an alternating basis for a term of two years, not to exceed three consecutive terms. The City of Fond du Lac provides a full range of municipal services, including police and fire protection, ambulance, parks, public works operations, parking and transit services, water and sewer utilities, community development, and general administrative services.

Financial Information

Reporting Entity

The City uses the criteria set forth by the Governmental Accounting Standards Board to determine the scope of the City's reporting entity. The financial reporting entity includes all the funds of the primary government.

Accounting System and Internal Controls

The accounts of governmental entities such as the City are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. These accounting entities are separated for the purpose of carrying on specific activities or attaining certain objectives and are used to aid management in demonstrating compliance with legal and contractual requirements.

Management of the City is responsible for establishing and maintaining an internal control structure designed to provide reasonable assurance regarding: 1) the safeguarding of assets against loss from unauthorized use or disposition, and 2) the reliability of the financial records for preparing financial statements in conformity with generally accepted accounting principles. The concept of reasonable assurance requires that judgments of management rely on estimates in the evaluation of such controls as to costs and benefits derived. All internal control evaluations occur within that cost to benefit framework.

We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of the proper recording of financial transactions.

Budgetary Controls

The City charter provides that the City Council shall adopt the annual budget prepared by the City's management. This budget is reviewed by the City Council and is formally adopted by the passage of a budget resolution. The City Manager is authorized to transfer budgeted amounts between budget accounts within a department. The level of control over budget adjustments varies for legally adopted budgets as follows: General Fund at the General Government; Public Safety; Public Works; Parks, Culture, and Recreation; and Community Development levels, and Debt Service Fund and Special

Revenue Funds at the total fund level. Expenditures may not legally exceed appropriations at the above levels unless authorized by two-thirds vote of the City Council.

Local Economy

Due to the COVID-19 pandemic, the City of Fond du Lac unemployment rate increased from an average of 3.1% in 2019 to 6.5% in 2020. The average 2020 unemployment rate was 5.9% for Fond du Lac County and 6.3% for the State of Wisconsin.

In 2020, Fond du Lac continued to experience growth in residential, commercial and industrial development. However, this growth was understandably slower from the previous year due to the COVID-19 pandemic impacting contractor availability, material costs and material availability. There were 26 new housing units constructed, of which all were one- and two-family. No new multifamily developments started construction in 2020. Commercial and industrial growth continued in 2020 with \$73.5 million in construction of 8 new buildings and 185 additions and alterations.

Total equalized value (estimated fair market value) of real estate and personal property increased by 4.9% to \$3,149,182,700 in 2020 from 2019. Over the past 10 years, the City's equalized value has increased 19.1%.

The City added a new hotel with 68 rooms, the Fairfield Inn, on Rolling Meadows Drive, west of Interstate 41.

The McDonald's restaurant on West Johnson Street was razed and a new one was constructed.

Capelle & Diedrich, a local building contractor, renovated and expanded a vacant building for their new corporate offices.

Huberty & Associates constructed a new 7,800 square foot office building along the frontage road.

Badger Liquor added a 146,000 square foot warehouse building to their existing campus.

Excel Engineering broke ground on a 14,000 square foot building addition to their campus to accommodate an anticipated growth of 200 employees.

The Fond du Lac School District started significant renovation projects at all of their schools. Renovations are expected to take multiple years.

Six (6) new small businesses opened in the downtown during COVID-19.

The owners of Schreiner's Restaurant decided to retire and close the business. The site was purchased and will be developed as a Kwik Trip.

While some businesses did close during the COVID-19 pandemic, all closures were expected and known in advance of the pandemic. The City did not lose a single business due solely to COVID-19.

Long-term financial planning

Unassigned fund balance in the general fund (19.1% of the originally budgeted general fund expenditures) falls within the policy guidelines (i.e. a minimum of 15% of total General Fund expenditures for working capital purposes) set by the Council for budgetary and planning purposes.

The management of the City's capital improvements program is controlled using a long-range plan adopted by the City Council. The Capital Improvements Program projects the City's capital improvement needs for a five-year period and is reviewed and updated annually. The management and accounting of this plan are controlled using capital project funds. The primary sources of financing these improvements include general obligation debt, utility revenue debt, budgeted funds and revenue from Federal and State grants.

Relevant financial policies

The City's debt policy was successful in ensuring that long-term debt was utilized appropriately and in a fiscally prudent manner by limiting long-term borrowing to capital improvements or other long-term projects which cannot and, appropriately should not, be financed from current revenues and/or funds established for equipment replacement. The City's debt policy guidelines were met by further limiting general obligation debt to 60% or less of the statutory debt limit. (Not to exceed 3% of the equalized value).

In accordance with the capital improvement plan policy, the City prepared and the City Council approved a five-year capital improvement plan which provides comprehensive planning, budget stability and analysis of the long-term capital needs of the City. The plan describes each capital project, estimates the project costs, prioritizes projects, identifies funding, considers alternatives, and estimates the impact on the annual budget

The revenue policy ensures that one-time revenues shall not be used to fund continuous operating costs, except to manage a short-term spike in program costs, such as the phasing of a new or expanded program, making investments that have future payoffs, and to smooth out the impacts of significant state and/or federal funding reductions

Major Initiatives

The budget for 2020 included a 2.0% decrease in the property tax levy and no rate increases for residential garbage pickup or water and sewer utilities. The most significant issues facing the City for 2020 and beyond relate to the continuing effects of a very restrictive state-mandated property tax levy limit and increasing debt payments.

An on-going program of reconstructing the City's sanitary sewer system in an effort to eliminate the entrance of clear water into the sanitary sewer system continues to be funded and performed on an annual basis.

2011 Wisconsin Act 10 eliminated most collective bargaining rights for City employees except public safety and Transit employees and continues to affect City operations and its annual budget. As of 2016, the police local union, the police supervisory association, the Transit union as well as non-represented

employees, including decertified union employees, pay 50% of general Wisconsin State Retirement System (WRS) pension costs (the employee share) contributions. The Fire/Rescue local union and supervisory association contracts started a phase-in of employee share of WRS contributions in 2018. Newly hired Fire/Rescue employees are required to pay a share of their WRS costs, which is the same rate as paid by general employees upon employment. Each year this has a larger budget impact as turnover occurs.

Awards and Acknowledgement

Awards

The City of Fond du Lac will submit this Comprehensive Annual Financial Report to the Government Finance Officers Association (GFOA) for the Certificate of Achievement for Excellence in Financial Reporting.

To be awarded this honor, the financial reporting entity must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. This report satisfies both generally accepted accounting principles and applicable legal requirements.

This is the twenty-sixth consecutive year the City of Fond du Lac has prepared a Comprehensive Annual Financial Report. The City received the Certificate of Achievement from the GFOA for the 1995 through 2019 Comprehensive Annual Financial Reports.

Acknowledgment

The preparation of the Comprehensive Annual Financial Reports could not have been accomplished without the professional, efficient and dedicated staff of the City of Fond du Lac Comptroller's Division. We would like to express our thanks to them and to the members of the City Council for their continued interest and support in the financial operations of the City.

Respectfully submitted,

Joseph P. Moore City Manager

J.C.L

Tracy C. Salter Director of Administration

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Fond du Lac Wisconsin

For its Comprehensive Annual Financial Report For the Fiscal Year Ended

December 31, 2019

Christophen P. Morrill

Executive Director/CEO

Table of Organization

Fond	du Lac		City Council		Boards, Commission Committees	s &
Firs	st on the Lake		City Manager			
Community Development Director	Police Chief	Human Resources Director/ City Attorney	Public Works Director	Director of Information Technology Services	n Chief	Director of Administration
Community Development Inspections Senior Center Parking	Police	Human Resources City Attorney	Engineering Fleet Operations Construction & Maintenance Municipal Service Center Street Maintenance Snow/Ice Removal Stormwater Electrical Street Lighting Parks Tree Care Pools Solid Waste Recycling Harbor Fund Transit Water Utility Wastewater Utility	Information Technology		Comptroller Clerk Elections Central Collection Central Services Assessor

CITY OF FOND DU LAC

List of Principal Officials

December 31, 2020

Elected Officials

		Term Expires
Brian T. Kolstad	City Council President	April, 2021
Kay A. Miller	City Council Vice-President	April, 2022
Benjamin G. Giles	City Council Member	April, 2022
Arletta R. Allen	City Council Member	April, 2022
Donna H. Richards	City Council Member	April, 2022
Daniel J. Degner	City Council Member	April, 2021
Alicia S. Hans	City Council Member	April, 2021

Non-Elected Officials

Joseph P. Moore	City Manager
Tracy C. Salter	Director of Administration
Deborah S.R. Hoffmann	City Attorney/Director of Human Resources
Jordan J. Skiff	Director of Public Works
Dyann L. Benson	Director of Community Development
Kathryn A. Duveneck	IT Services Manger
William B. Lamb	Chief of Police
Peter O'Leary	Fire Chief
Jon Mark Bolthouse	Public Library Director
Paul C. DeVries	City Engineer
Margaret L. Hefter	City Clerk



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INDEPENDENT AUDITORS' REPORT

City Council City of Fond du Lac, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the businesstype activities, each major fund, and the aggregate remaining fund information of the City of Fond du Lac, Wisconsin (the City) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City'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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 auditors consider internal control relevant to the City'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'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.



CLA is an independent member of Nexia International, a leading, global network of independent accounting and consulting firms. See nexia.com/member-firm-disclaimer for details.

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 as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 1.C., the City adopted new accounting guidance, Statement No. 84, *Fiduciary Activities*. As a result, the City established a custodial fund for taxes and special charges collected for other governments. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 12 through 22 and the schedules relating to pensions and other postemployment benefits on pages 73 through 75 be presented to supplement the basic financial statements. Such information, although not 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, the financial information listed in the table of contents as supplementary information and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedules of expenditures of federal and state awards are presented for purposes of additional analysis, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration, are also not a required part of the basic financial statements.

The supplementary information and the schedules of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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, and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 30, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Clifton Larson Allen LLP

CliftonLarsonAllen LLP

Sheboygan, Wisconsin July 30, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2020

This section of the City of Fond du Lac's annual financial report presents our 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 letter of transmittal at the front of this report and the City's financial statements which follow this section.

Financial Highlights

- The City has strong general fund reserves and a moderate overall debt burden.
- A net positive budget variance for 2020 general fund operations was experienced through expenses.
- The assets and deferred outflows of the City exceeded the liabilities and deferred inflows of resources at December 31, 2020 by \$245.1 million. Of this amount, \$23.9 million is unrestricted net position and may be used to meet City obligations to citizens and creditors.
- The City reported a total net position increase of \$7.3 million over the January 1 net position. The business-type activities had a \$6.7 million increase while the governmental activities had a \$600,000 increase. The City incurred significant expenditures related to mitigating and dealing with the effects of the COVID-19 pandemic, which were reimbursed by CARES Act funding received by the State of Wisconsin. This, along with careful managing of expenditures resulted in the increase in net position for the governmental activities.
- The unrestricted net position of the governmental activities was \$5.2 million.
- The unrestricted net position of the business-type activities was \$18.7 million.
- The City's general fund balance increased by \$248,000, compared to the 2019 fund balance increase of \$472,000. While fund balance was budgeted to decrease \$856,000 in 2020, careful managing of expenditures during the COVID-19 pandemic led to an increase in fund balance. This increase will be helpful as the 2021 adopted budget anticipates using \$1.3 million in general fund balance.
- The debt service fund balance increased \$146,000, while in 2019 the fund balance increased \$14,000. The City refinanced five different bonds/notes in 2020, resulting in a \$1.6 million premium on debt issued with lead to the higher increase in fund balance when compared to 2019.
- The internal service fund for the self-funded City group health insurance benefits started 2020 with a net position of \$2.35 million and finished with a net position of \$3.0 million. Premium revenues increased slightly due to a change in the mix of single and family coverage participants enrolled in the health plan. Expenditures, primarily medical claims, came in lower than budget and are responsible for the decrease in net position for 2020. With the temporary changes made by the medical community during the COVID-19 pandemic, the City experienced a decline in participant usage of health benefits and the resulting claims.
- Other governmental funds had combined decreases in fund balances of \$767,000. All nonmajor governmental funds, with the exception of the solid waste and recycling fund and capital projects streets funds, had positive fund balances at December 31, 2020.
- During 2020, nonmajor capital project funds produced a net \$2.2 million decrease in fund balance. Capital project funds contain large capital purchases and construction projects which are often funded for and completed in different years. The General Capital Projects, Streets, Storm Sewer and Special Assessments Funds completed capital purchases and construction that were funded and started prior to 2020 which caused the net decrease in its fund balance. All other capital project funds had a net increase in fund balance due to the funding of projects that were not completed at year end.
- Nonmajor special revenue funds had an overall increase in fund balance of \$1.4 million.
 - The Transit Fund had an increase in fund balance of \$216,000. While the COVID-19 pandemic significantly affected ridership and revenues, expenditures were carefully managed to ensure a positive impact on the Transit fund balance.
 - The Community Development Block Grant loan repayments were lower than loan project expenditures which contributed to the net decrease in fund balance of \$48,000.
 - The Library Fund had an increase in fund balance of \$87,000 due to short-term staffing vacancies throughout the year.
 - The Solid Waste and Recycling fund had an increase in fund balance of \$125,000. In the Solid Waste portion of the fund, user fees and revenues exceeded expenditures by \$177,000. In the Recycling portion of the fund, expenditures for the Recycling program exceeding revenues by \$52,000.
 - The Residential Development Improvement Program Fund, experienced a \$75,000 decrease in fund balance due to loans being given to business owners and citizens to assist with financial difficulties during the COVID-19 pandemic.

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2020

- The Harbor and Boating Facilities fund experienced a \$114,000 increase in fund balance, due to a slight increase in boat slip fees, with less dock maintenance expenses than anticipated.
- The fourteen TIF Districts with activity in 2020 had a net fund balance increase of \$931,000. TID increments were sufficient to cover TID expenditures.

Overview of the Financial Statement

This annual report consists of four parts - management's discussion and analysis (this section), the basic financial statements, required supplementary information, and an optional section that presents combining statements for nonmajor governmental funds and internal service funds. 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 the City government and report the City's operations in more detail than the government-wide statements.
 - The governmental funds statements tell how general government services like public safety were financed in the short-term as well as what remains for future spending.
 - Proprietary fund statements provide short and long-term financial information about the activities the government operates similar to businesses, such as the water and sewer system.

The 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.

In addition to these required elements, we have included a section with combining statements that provide details about our nonmajor governmental funds, each of which are added together and presented in single columns in the basic financial statements.

Components of the Financial Section



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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2020

Both of the government-wide financial statements distinguish functions of the City of Fond du Lac that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Fond du Lac include general government, public safety, public works, culture and recreation, community development and interest on long-term debt. The business-type activities of the City of Fond du Lac include the Water Utility and Wastewater Collection and Treatment System.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Fond du Lac, 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 of Fond du Lac can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term 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. Data from the other twenty two governmental funds are combined into 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 of Fond du Lac adopts an annual appropriated budget for its general fund, debt service fund and certain special revenue funds. Budgetary comparison statements have been provided for these budgeted funds to demonstrate compliance with this budget.

Proprietary funds. The City of Fond du Lac maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Fond du Lac uses enterprise funds to account for its Water Utility and Wastewater Treatment and Resource Recovery Facility. The City of Fond du Lac uses internal service funds to account for the transactions of the City's self-funded employee health insurance program and the information technology fund. Because these activities predominantly benefits governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water Utility and Wastewater Treatment and Resource Recovery Facility, both of which are considered to be major funds of the City of Fond du Lac.

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2020

Government-wide Financial Analysis

Statement of Net Position

Net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Fond du Lac, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$245,122,341 at the close of 2020.

By far, the largest portion of the City of Fond du Lac's net position, 80 percent, reflects its investment in capital assets, net of depreciation, less the outstanding debt that was used to acquire those assets. The following table presents a summary of the Statements of Net Position.

		vernmenta Activities	1		Bus A		Total					
		2020		2019		2020		2019		2020		2019
Current and other assets	\$	72,994	\$	111,516	\$	30,362	\$	30,299	\$	103,356	\$	141,815
Capital assets		142,436		140,514		186,939		186,929		329,375		327,443
Total assets		215,430		252,030		217,301		217,228		432,731		469,258
Deferred outflows of resource	es											
Pension/OPEB		15,728		18,804		1,219		1,448		16,947		20,252
Non-current liabilities		77,083		86,420		44,738		52,832		121,821		139,252
Current and other liabilities		20,055		60,911		11,238		10,705		31,293		71,616
Total liabilities		97,138		147,331		55,976		63,537		153,114		210,868
Deferred inflows of resources	;											
Property taxes		30,889		30,551		-		-		30,889		30,551
Pension /OPEB		19,110		9,524		1,443		732		20,553		10,256
Total deferred inflows		49,999		40,075		1,443		732		51,442		40,807
Net position:												
Net investment in												
capital assets		62,109		62,681		134,214		127,223		196,323		189,904
Restricted		16,735		9,762		8,142		3,637		24,877		13,399
Unrestricted		5,177		10,985		18,745		23,547		23,922		34,532
Total net position	\$	84,021	\$	83,428	\$	161,101	\$	154,407	\$	245,122	\$	237,835

Net Position (in thousands)

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2020

Statement of Activities

The following table summarizes the changes in net position for the City of Fond du Lac for the fiscal year ended December, 31 2020.

	C	nanges i	11 19									
	Governmental Activities					Busine Acti		Total			l	
		2020		2019		2020	2019		2020		2019	
Revenues:												
Program revenues:												
Charges for services	\$	6,392	\$	6,951	\$	24,541	\$ 24,887	\$	30,933	\$	31,838	
Operating grants and contributions		7,931		6,953		2	-		7,933		6,953	
Capital grants and contributions		456		419		628	-		1,084		419	
General revenues:												
Property taxes		30,116		29,982		-	-		30,116		29,982	
Other taxes		393		480		-	-		393		480	
Federal and State grants and other contributions not restricted to												
specific functions		7,392		7,423		4	3		7,396		7,426	
Interest and investment earnings		353		740		302	545		655		1,285	
Miscellaneous		226		156		-	-		226		156	
Gain on sale of asset		107		83		-	5		107		88	
Total revenues		53,366		53,187		25,477	25,440		78,843		78,627	
Expenses:												
General government		3,469		3,946		-	-		3,469		3,946	
Public safety		21,368		21,538		-	-		21,368		21,538	
Public works		17,674		19,672		-	-		17,674		19 <i>,</i> 672	
Culture and recreation		6,082		5 <i>,</i> 969		-	-		6,082		5 <i>,</i> 969	
Community and development		3,422		4,831		-	-		3,422		4,831	
Interest and fiscal charges		2,651		2,846		-	-		2,651		2,846	
Water		-		-		8,542	8,186		8,542		8,186	
Wastewater		-		-		8,346	10,217		8,346		10,217	
Total expenses		54,666		58,802		16,888	18,403		71,554		77,205	
Increase (decrease) in net												
position before transfers		(1,300)		(5,615)		8,589	7,037		7,289		1,422	
Transfers		1,894		1,942	_	(1,894)	 (1,942)		-		-	
Increase (decrease) in net position		594		(3,673)		6,695	5,095		7,289		1,422	
Net position - 1/1		83,428		87,101		154,407	149,312		237,835		236,413	
Net position - 12/31	\$	84,022	\$	83,428	\$	161,102	\$ 154,407	\$	245,124	\$	237,835	

Changes in Net Position (in thousands)

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2020

Governmental activities.

Revenues and transfers for the City's governmental activities were \$55.3 million. Property taxes are the largest source of governmental activity revenues at \$30 million, or 55 percent. The sources of revenues are shown in the pie graph below:



The bar graph below compares the activities and expenses by function. Public safety represents the largest expense at \$21.4 million or 39 percent. Public works is the next largest area of expense at \$17.7 million or 32 percent. The blue bars indicate the program revenues by function. The graph reflects that most of the expenses are not financed by program revenues, but rather by general property tax and other general revenues. Community Development includes the Inspections Division which collects significant revenues in the form of building permits. Public Safety includes ambulance services with fees billed to the patient. Public works program revenues includes state transportation aids for streets and highways, solid waste collection us er fees, state recycling grants, and state and federal transit aids and user fees.



MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2020

Business-type activities.

The business-type activities of the Water and Wastewater utilities increased the City's net position by \$6.7 million.

Water rate increases must be submitted to the Wisconsin Public Service Commission (PSCW) for approval. The last water rate increase was granted by the PSCW in 2015.

The last Wastewater Utility- rate increase was implemented in 2009.

REVENUES BY SOURCE



The bar graph below is typical of the activities of enterprise funds. The expenses are more than recovered by the program revenues.



Program Revenues & Expenses (thousands)

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2020

Financial Analysis of the Government's Funds

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

Governmental funds. The focus of the City of Fond du Lac'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 of Fond du Lac's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The general fund is the chief operating fund of the City of Fond du Lac. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. The City Council has adopted a general fund working capital designation of 15 percent of the annual budgeted general fund appropriations. Unassigned general fund balance as of December 31, 2020 represents 19.8 percent of total actual 2020 general fund expenditures, while total fund balance represents 25.8 percent of that same amount. The unassigned fund balance includes the working capital goal of 15 percent of the 2021 budgeted expenditures. Total general fund balance increased by \$248,000 in 2020, significantly better than the budgeted decrease of \$856,000 due to favorable budget variances for both revenues and expenditures.

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

The total net position increased \$6.7 million during 2020 while the unrestricted net position decreased \$4.8 million due largely to investment in capital assets from operations. Increases from large capital projects offset by annual depreciation costs has increased the net investment in capital assets \$7.0 million. Favorable experience with operating revenues has also contributed to the positive net position.

General Fund Budgetary Highlights

The total difference between the original budget and the final amended budget was a net decrease in fund balance of \$376,000. The changes between original budget and the final budget were the result of the roll-over of encumbrances from 2020. The encumbrance items were budgeted in previous years, but the purchase orders remained outstanding at the end of the year, so the funds remained in fund balance and were re-appropriated to the 2021 budget.

General fund revenue and expenditure budget variances-explanation.

During this year, the net increase in fund balance was \$1.1 million higher than budget. The primary reasons for this are:

- Revenues produced a net \$41,000 negative budget variance.
 - While revenues across the board were lower than budgeted due to the COVID-19 pandemic, Intergovernmental revenues increased by \$698,000 due to CARES Act funding received by the State of Wisconsin.
- Total expenditures provided for a net \$1.1 million favorable budget variance across all general fund divisions.
 - General government had an overall favorable variance of \$10,000 due to efficiencies implemented and delays in filling vacancies.
 - Public safety saw a favorable budget variance of \$563,000. Police wages and benefits were under budget by \$183,000, primarily due to a younger workforce choosing single health insurance coverage. Police also experienced \$191,000 lower than anticipated costs in information technology services, building maintenance supplies and services, and utilities. Lower fuel costs and vehicle usage resulted in a favorable budget variance of \$67,000 for Police and \$29,000 for Fire and Rescue. Due to the COVID-19 pandemic, most training opportunities were cancelled in 2020, which resulted in a \$38,000 favorable budget variance for Fire and Rescue. In Fire and Rescue, a \$40,000 vehicle was contracted to be purchased and a \$15,000 building improvement project was to be completed in 2020, but due to production issues and contractor availability, the contracts were carried over to 2021 and included in the encumbrance roll-overs.

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2020

- The department of public works had a net \$72,000 favorable variance. 0
 - Snow & Ice removal experienced a \$112,000 favorable variance due to less major snow events requiring plowing and salting of City streets. This positive variance offset negative variances in other public works areas.
 - Street Lights ended with a \$127,000 positive variance. Conduit & wiring replacements were budgeted to be completed in 2020, but due to unfavorable bid prices and contractor availability, the project was not undertaken. These unspent budget funds offset negative variances in other public works areas.
 - Unanticipated equipment and building repairs caused the municipal service center to experience an unfavorable budget variance of \$219,000. The remaining \$20,000 of unfavorable budget variances were spread among the other seven public works departments.
- Culture and recreation had a \$293,000 favorable variance.
 - Parks had a favorable budget variance of \$89,000 primarily due to the inability to hire interested longterm seasonal employees and the cancellation of concerts held in the parks due to COVID-19.
 - One of the City's two outdoor swimming pools did not open for the season due to COVID-19, which resulted in a net positive budget variance of \$154,000.
 - Due to COVID-19, the Senior Center was closed for 5 months, which resulted in a \$50,000 positive budget variance.
- Community and development had a \$110,000 favorable variance. 0
 - Community development had a favorable variance of \$16,000 due to savings in group health insurance costs and small savings in other operational accounts.
 - Parking facilities was under budget \$62,000. The majority of the variance was due to lower than anticipated maintenance project costs.
 - Economic development had a favorable variance of \$32,000, due to a decrease in funding requests for various downtown improvement projects.

Capital Asset and Debt Administration

Capital assets.

The City of Fond du Lac's investment in capital assets for its governmental and business-type activities as of December 31, 2020, amounts to \$329,374,778 (net of accumulated depreciation). This investment in capital assets includes land and construction in progress, infrastructure, buildings, improvements other than buildings, and equipment.

	(net of	de	preciation,	in t	housands))					
	Govern	me	ntal		Busine	ss-t	ype				
	Activ	vitie	s		Activ	s	Total				
	2020		2019 2020 2				2019	19 2020			2019
Land and construction in progress	\$ 15,273	\$	11,712	\$	3,003	\$	5,277	\$	18,276	\$	16,989
Infrastructure	101,832		104,285		-		-		101,832		104,285
Buildings and improvements	11,282		11,588		56,169		58,456		67,451		70,044
Land improvements	3,085		2,925		98,947		99 <i>,</i> 750		102,032		102,675
Machinery and equipment	10,964		10,004		28,820		23,446		39,784		33,450
Total	\$ 142,436	\$	140,514	\$	186,939	\$	186,929	\$	329,375	\$	327,443

Capital Assets

Capital assets net of depreciation increased by \$1.9 million, or .6 percent. The business-type activities had a net increase of \$10,000. Governmental capital assets, net of depreciation increased by \$1,922,000 million due largely to 2020 capital asset additions outpacing depreciation expense.

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2020

Major governmental capital activity included street and stormwater infrastructure of \$3.2 million. Construction in progress at the end of the year includes the Public Safety Training Center, North Main Street Reconstruction and building renovations to various facilities with combined costs incurred of \$8.3 million. Additions and retirements of large pieces of public works equipment and squad cars are on a normal replacement schedule with no major changes planned.

Major business-type capital asset additions in the Water Utility included \$2.8 million of utility street reconstruction. Significant Wastewater projects included \$1.4 million of utility street reconstruction, \$929,000 in plant and general equipment upgrades. Depreciation expense for 2020 was \$6.1 million which included \$3.0 million for water and \$3.1 million for wastewater.

Additional information on the City's capital assets can be found in Note 5 of the Notes to Basic Financial Statements.

Long-term debt.

At the end of the current fiscal year, the City of Fond du Lac had total general obligation, note anticipation note, and revenue bond debt outstanding of \$136,518,188.

Outstanding Debt - General Obligation Debt, Note Anticipation Note, and Revenue Bonds

	Govern Activ	 		Busine Activ		<i>.</i>	Total				
	2020	2019	2020 2019					2020		2019	
General obligation bonds	\$ 32,645	\$ 45,730	\$	-	\$	-	\$	32,645	\$	45,730	
General obligation notes	49,155	36,175		-		-		49,155		36,175	
Note anticipation notes	2,695	2,695		-		-		2,695		2,695	
Revenue bonds	 -	-		52,023		59,437		52,023		59,437	
Total	\$ 84,495	\$ 84,600	\$	52,023	\$	59,437	\$	136,518	\$	144,037	

(in thousands)

The total debt of the City of Fond du Lac decreased \$7.5 million, or 5.2 percent during 2020.

The City issued tax-exempt general obligation notes of \$19,630,000. \$8,555,000 was to finance the portion of the City's 2020 general capital improvement projects not funded by operating revenues or existing financial resources.
\$11,075,000 was to refinance 2009 and 2010 General Obligation Bonds, and 2011, 2012 and 2013 General Obligation Notes at a lower interest rate.

The City of Fond du Lac maintains an "AA-Stable" rating from Standard & Poor's for its general obligation debt. The revenue bonds of the water utility have been rated "A+/Stable" by Standard & Poor's.

State statutes limit the amount of general obligation debt a government entity may issue to 5 percent of its total equalized valuation. The current debt limitation for the City on December 31, 2020 was \$157,459,135, which was in excess of the net outstanding general obligation debt applicable to debt limitation of \$81,800,000. The available legal margin for new debt was \$75,659,135.

Additional information on the City's debt may be found in note 7 of the Notes to Basic Financial Statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2020

Economic Factors and Next Year's budgets and Rates

- The 2020 average unemployment rate for the City of Fond du Lac was 6.5 percent, which is up from an average of 3.1% a year ago. The May 2021 unemployment rate is 3.8 percent, down from a coronavirus pandemic induced 12.1 percent from last May.
- Population in the City of Fond du lac decreased slightly from 2019 to 2020.
- The City's total 2020 property tax levy to fund the 2021 budget is down 0.4 percent. The equalized tax rate decreased 4.5 percent.
- The Coronavirus Disease 2019 (COVID-19) has affected global markets, supply chains, employees of the organization, and local communities. Specific to the City, COVID-19 may impact various parts of its 2021 operations and financial results. Management believes the City is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown.

Rates for the City's business-type activities for 2020 are as follows:

- The water utility had a 6.8 percent rate increase in December, 2015, with no proposed rate increase for 2021. This increase will be used to pay for capital expenditures such as replacing water mains in conjunction with road rehabilitation, and replacing and upgrading water filtration plant pumps.
- The wastewater utility rates remained the same from 2009 to 2020 with no proposed increases.

These factors were considered in preparing the City of Fond du Lac's budget for 2021.

Requests for Information

This financial report is designed to provide a general overview of the City of Fond du Lac's finances and to demonstrate the City's accountability for the money it receives to our citizens, taxpayers, customers, and investors and creditors. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Administration, City of Fond du Lac, 160 South Macy Street, PO Box 150, Fond du Lac, WI 54936-0150.

BASIC FINANCIAL STATEMENTS

CITY OF FOND DU LAC, WISCONSIN STATEMENT OF NET POSITION DECEMBER 31, 2020

ASSETS Cash and Investments \$ 28,177,501 \$ 9,149,559 \$ Receivables:	37,327,060 29,577,138
Receivables	20 577 139
	20 577 129
Taxes and Special Charges 29,577,138 -	29,377,130
Delinquent Taxes 655,204 -	655,204
Accounts 1,286,359 6,057,330	7,343,689
Special Assessments 292,040 972,244	1,264,284
Loans 4,894,416 -	4,894,416
Other - 9	9
Internal Balances (515,450) 515,450	-
Due from Other Governments 1,469,817 4,852,993	6,322,810
Prepaid Supplies and Items 801,166 596,159	1,397,325
Other Noncurrent Assets - 76,138	76,138
Restricted Assets:	
Cash and Investments - 7,663,349	7,663,349
Net Pension Asset 6,356,389 479,010	6,835,399
Capital Assets, Nondepreciable 15,272,545 3,002,966	18,275,511
	311,099,267
Total Assets 215,430,418 217,301,181	432,731,599
DEFERRED OUTFLOWS OF RESOURCES	
Pension Related Amounts 14,867,499 1,101,784	15,969,283
Other Postemployment Related Amounts 860,809 117,382	978,191
Total Deferred Outflows of Resources 15,728,308 1,219,166	16,947,474
	10,347,474
LIABILITIES	
Accounts Payable 2,026,214 1,033,101	3,059,315
Accrued and Other Current Liabilities 1,476,168 1,963,280	3,439,448
Accrued Interest Payable 780,536 378,116	1,158,652
Special Deposits 759,088 1,600	760,688
Unearned Revenues 64,899 152,597	217,496
Long-Term Obligations:	
Due Within One Year 13,682,132 7,709,494	21,391,626
Due in More Than One Year:	
	119,367,780
Other Postemployment Benefits	250,000
Due within one year 220,000 30,000 Due in more than one year 1,938,701 264,368	250,000 2,203,069
	151,848,074
	131,040,074
DEFERRED INFLOWS OF RESOURCES	
Property Taxes Levied for Subsequent Year 32,155,514 -	32,155,514
Pension Related Amounts 19,055,664 1,436,013	20,491,677
Other Postemployment Related Amounts 54,091 7,376	61,467
Total Deferred Inflows of Resources 51,265,269 1,443,389	52,708,658
NET POSITION	
	196,322,669
Restricted for Debt Service - 4,155,677	4,155,677
Restricted for Equipment Replacement - 3,507,672	3,507,672
Restricted for Community Development and Loans 6,758,909 -	6,758,909
Restricted for Tax Incremental Districts 3,619,852 -	3,619,852
Restricted for Pension Assets 6,356,389 479,010	6,835,399
Unrestricted 5,177,466 18,744,697	23,922,163
	245,122,341

CITY OF FOND DU LAC, WISCONSIN STATEMENT OF ACTIVITIES YEAR ENDED DECEMBER 31, 2020

		Program Revenues			Net (Expense) Revenue and Change in Net Position				
PROGRAMS	Expenses	Charges for Services	G	perating rants and ntributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Totals	
Governmental Activities: General Government Public Safety:	\$ 3,468,986	\$ 1,113,696	\$	451,929	\$-	\$ (1,903,361)	\$-	\$ (1,903,3	361)
Police	11,682,058	203,160		899,669	-	(10,579,229)	-	(10,579,2	229)
Fire and Rescue	9,686,193	1,819,191		786,811	-	(7,080,191)	-	(7,080,1	191)
Public Works	17,674,112	1,751,622		4,047,536	454,398	(11,420,556)	-	(11,420,5	556)
Culture and Recreation	6,082,329	405,634		1,157,552	2,078	(4,517,065)	-	(4,517,0)65)
Community and Development	3,421,614	1,098,511		587,740	-	(1,735,363)	-	(1,735,3	363)
Interest and Fiscal Charges	2,650,519					(2,650,519)		(2,650,5	519)
Total Governmental Activities	54,665,811	6,391,814		7,931,237	456,476	(39,886,284)	-	(39,886,2	284)
Business-Type Activities:									
Water Utility	8,542,217	12,277,027		119	-	-	3,734,929	3,734,9	
Wastewater Utility	8,345,779	12,263,772		1,490	627,836		4,547,319	4,547,3	
Total Business-Type Activities	16,887,996	24,540,799		1,609	627,836		8,282,248	8,282,2	<u>248</u>
Total	\$ 71,553,807	\$ 30,932,613	\$	7,932,846	\$ 1,084,312	(39,886,284)	8,282,248	(31,604,0)36)
	GENERAL REV Taxes:	ENUES							
	Property Ta	xes				30,116,264	-	30,116,2	264
	Other Taxes					393,115	-	393,1	
		, tate Grants and 0	Other	Contribution	IS	000,110		000,1	
		ed to Specific Fun				7,392,272	3,578	7,395,8	350
	Interest and Investment Earnings					352,839	302,250	655,0	
		Miscellaneous					(925)	225,1	
	Gain on Sale	of Asset				226,070 106,578	-	106,5	
	TRANSFERS					1,893,636	(1,893,636)	, -	-
		eneral Revenues	and T	ransfers		40,480,774	(1,588,733)	38,892,0)41
	CHANGE IN NE	HANGE IN NET POSITION				594,490	6,693,515	7,288,0)05
	Net Position - Beginning of Year					83,427,099	154,407,237	237,834,3	336
	NET POSITION	- END OF YEAR				\$ 84,021,589	\$ 161,100,752	\$ 245,122,3	341

CITY OF FOND DU LAC, WISCONSIN BALANCE SHEET GOVERNMENTAL FUNDS DECEMBER 31, 2020

ASSETS	 General	D	ebt Service	G	Other overnmental Funds	 Totals
Cash and Investments	\$ 10,811,603	\$	183,493	\$	13,327,948	\$ 24,323,044
Receivables:						
Taxes and Special Charges	12,089,745		8,390,000		9,097,393	29,577,138
Delinquent Taxes	655,204		-		-	655,204
Accounts	1,235,573		-		21,019	1,256,592
Special Assessments	263,815		-		28,225	292,040
Loans			-		4,894,416	4,894,416
Due from Other Funds	104,998		-		-	104,998
Due from Other Governments	147,309		-		1,322,508	1,469,817
Prepaid Supplies and Items	 703,254		-		13,688	 716,942
Total Assets	\$ 26,011,501	\$	8,573,493	\$	28,705,197	\$ 63,290,191
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts Payable	\$ 447,898	\$	2,000	\$	970,961	\$ 1,420,859
Accrued and Other Current Liabilities	1,365,108		-		93,677	1,458,785
Due to Other Funds	-		-		104,998	104,998
Special Deposits	748,963		-		10,125	759,088
Unearned Revenues	52,713				12,186	 64,899
Total Liabilities	2,614,682		2,000		1,191,947	3,808,629
DEFERRED INFLOWS OF RESOURCES						
Property Taxes Levied for Subsequent Year	14,670,476		8,390,000		9,095,038	32,155,514
Loans Receivable	-		-		4,894,416	4,894,416
Special Assessments	 186,108		-		-	 186,108
Total Deferred Inflows of Resources	14,856,584		8,390,000		13,989,454	37,236,038
FUND BALANCES						
Nonspendable	703,254		-		13,688	716,942
Restricted	-		181,493		7,560,810	7,742,303
Committed	7,600		-		6,048,845	6,056,445
Assigned	1,283,018		-		-	1,283,018
Unassigned	6,546,363		-		(99,547)	 6,446,816
Total Fund Balances	 8,540,235		181,493		13,523,796	 22,245,524
Total Liabilities, Deferred Inflows						
of Resources, and Fund Balances	\$ 26,011,501	\$	8,573,493	\$	28,705,197	\$ 63,290,191

CITY OF FOND DU LAC, WISCONSIN RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE NET POSITION OF GOVERNMENTAL ACTIVITIES DECEMBER 31, 2020

Fund Balances - Total Governmental Funds	\$ 22,245,524
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.	142,435,838
Other long-term assets are not available to pay current period expenditures and therefore are deferred in the funds.	5,080,524
Net position of the internal service fund is reported in the statement of net position as governmental activities	3,332,111
Some deferred outflows and inflows of resources reflect changes in long-term liabilities and are not reported in the funds. Deferred Outflows Related to Pensions Deferred Inflows Related to Pensions Deferred Outflows Related to Other Postemployment Benefits Deferred Inflows Related to Other Postemployment Benefits	14,867,499 (19,055,664) 860,809 (54,091)
Internal service funds are used by management to charge the costs of insurance programs and information technology services to individual funds. The net expense of certain activities of internal service funds is reported with proprietary activities.	(515,450)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Bonds and Notes Payable Debt Premium Compensated Absences Net Pension Asset Other Postemployment Benefit Accrued Interest on Long-Term Obligations	 (84,495,000) (2,348,333) (1,749,330) 6,356,389 (2,158,701) (780,536)
Net Position of Governmental Activities	\$ 84,021,589

CITY OF FOND DU LAC, WISCONSIN STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS YEAR ENDED DECEMBER 31, 2020

			Other	
	General Fund	Debt Service Fund	Governmental Funds	Totals
REVENUES			T unus	10(d)3
Taxes	\$ 15,894,798	\$ 8,760,000	\$ 5,854,581	\$ 30,509,379
Special Assessments	154,398	-	-	154,398
Intergovernmental	11,089,080	-	4,051,588	15,140,668
Licenses and Permits	1,327,625	-	-	1,327,625
Fines and Forfeits	371,255	-	-	371,255
Public Charges for Services	2,424,428	-	1,810,789	4,235,217
Intergovernmental Charges for Services	3,125	-	-	3,125
Miscellaneous	594,114	-	1,182,542	1,776,656
Total Revenues	31,858,823	8,760,000	12,899,500	53,518,323
EXPENDITURES				
Current:				
General Government	3,060,949	-	396,546	3,457,495
Public Safety	20,342,274	-	136,479	20,478,753
Public Works	6,298,872	-	3,647,665	9,946,537
Culture and Recreation	1,820,091	-	3,250,807	5,070,898
Community and Development	1,393,225	-	959,955	2,353,180
Debt Service:				
Principal	-	7,470,000	-	7,470,000
Interest and Fiscal Charges	-	3,070,713	4,900	3,075,613
Capital Outlay	209,842	-	12,964,015	13,173,857
Total Expenditures	33,125,253	10,540,713	21,360,367	65,026,333
	(4.000,400)	(4 700 740)	(0,400,007)	(44 500 040)
OVER (UNDER) EXPENDITURES	(1,266,430)	(1,780,713)	(8,460,867)	(11,508,010)
OTHER FINANCING SOURCES (USES)				
Long-Term Debt Issued	-	11,075,000	8,555,000	19,630,000
Premium on Debt Issued	-	1,567,782	-	1,567,782
Payment to Current Noteholder	-	(12,265,000)	-	(12,265,000)
Proceeds from Sale of Capital Assets	7,681	-	96,339	104,020
Transfers In	1,893,637	1,548,531	2,420,977	5,863,145
Transfers Out	(386,715)		(3,378,460)	(3,765,175)
Total Other Financing Sources (Uses)	1,514,603	1,926,313	7,693,856	11,134,772
NET CHANGE IN FUND BALANCES	248,173	145,600	(767,011)	(373,238)
Fund Balances - Beginning of Year	8,292,062	35,893	14,290,807	22,618,762
FUND BALANCES - END OF YEAR	\$ 8,540,235	\$ 181,493	\$ 13,523,796	\$ 22,245,524

CITY OF FOND DU LAC, WISCONSIN RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES YEAR ENDED DECEMBER 31, 2020

Net Changes in Fund Balances - Total Governmental Funds	\$ (373,238)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital Assets Reported as Capital Outlay in Governmental Fund Statements Items Reported as Capital Outlay, But Not Capitalized Depreciation Expense Reported in the Statement of Activities	13,173,857 (2,613,140) (8,638,674)
Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the statement of activities when earned.	(234,503)
Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the the repayment reduces long-term liabilities in the statement of net position.	
Long-Term Debt Issued Premium on Debt Issued	(19,630,000) (1,567,782)
Principal Repaid	19,735,000
Some expenses reported 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:	
Accrued Interest on Long-Term Debt	115,567
Amortization of Premiums Compensated Absences	190,627 (103,975)
Net Pension Asset	6,356,389
Net Pension Liability Deferred Outflows of Resources Related to Pensions	6,854,729
Deferred Inflows of Resources Related to Pensions	(3,725,041) (9,592,045)
Other Postemployment Benefits	(532,122)
Deferred Outflows of Resources Related to Other Postemployment Benefits	649,464
Deferred Inflows of Resources Related to Other Postemployment Benefits	6,011
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.	523,366
Change in Net Position of Governmental Activities	\$ 594,490
CITY OF FOND DU LAC, WISCONSIN STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL – GENERAL FUND YEAR ENDED DECEMBER 31, 2020

		lget		Variance Final Budget - Positive
	Original	Final	Actual	(Negative)
REVENUES	¢ 45 000 407	¢ 45 000 407	¢ 45 004 700	¢ (44.000)
Taxes	\$ 15,909,137 200,000	\$ 15,909,137 200,000	\$ 15,894,798	\$ (14,339)
Special Assessments	,	,	154,398	(45,602)
Intergovernmental	10,390,790	10,390,790	11,089,080	698,290
Licenses and Permits	1,396,205	1,396,205	1,327,625	(68,580)
Fines and Forfeits	460,000	460,000	371,255	(88,745)
Public Charges for Services	2,718,175	2,718,175	2,424,428	(293,747)
Intergovernmental Charges for Services	0.000	0.000	2 405	(E 075)
	9,000	9,000	3,125	(5,875)
Miscellaneous	816,070	816,070	594,114	(221,956)
Total Revenues	31,899,377	31,899,377	31,858,823	(40,554)
EXPENDITURES				
Current:				
General Government	3,070,989	3,070,989	3,060,949	10,040
Public Safety	20,873,315	20,905,678	20,342,274	563,404
Public Works	6,183,915	6,371,021	6,298,872	72,149
Culture and Recreation	2,129,858	2,113,193	1,820,091	293,102
Community and Development	1,473,578	1,503,718	1,393,225	110,493
Capital Outlay	150,000	292,700	209,842	82,858
Total Expenditures	33,881,655	34,257,299	33,125,253	1,132,046
•		_ , _ ,		, , , ,
EXCESS OF REVENUES OVER				
(UNDER) EXPENDITURES	(1,982,278)	(2,357,922)	(1,266,430)	1,091,492
OTHER FINANCING SOURCES (USES)				
Proceeds from Sale of Capital Assets	2,500	2,500	7,681	5,181
Transfers In	1,955,000	1,955,000	1,893,637	(61,363)
Transfers Out	(455,653)	(455,653)	(386,715)	68,938
Total Other Financing Sources (Uses)	1,501,847	1,501,847	1,514,603	12,756
NET CHANGE IN FUND BALANCE	(480,431)	(856,075)	248,173	1,104,248
Fund Balance - Beginning of Year	8,292,062	8,292,062	8,292,062	
FUND BALANCE - END OF YEAR	\$ 7,811,631	\$ 7,435,987	\$ 8,540,235	\$ 1,104,248

See accompanying Notes to Basic Financial Statements.

CITY OF FOND DU LAC, WISCONSIN STATEMENT OF NET POSITION PROPRIETARY FUNDS DECEMBER 31, 2020

		Enterpris	se Fu	nds				
		Water	٧	Vastewater	•			nental Activities -
		Utility		Utility		Totals	Interna	Service Funds
ASSETS								
Current Assets:								
Cash and Investments	\$	1,022,060	\$	8,127,499	\$	9,149,559	\$	3,854,457
Receivables:								
Customer Accounts		3,283,910		2,773,420		6,057,330		29,767
Special Assessments		639,334		332,910		972,244		-
Other		-		9		9		-
Prepaid Supplies and Items		596,106		53		596,159		84,224
Total Current Assets		5,541,410		11,233,891		16,775,301		3,968,448
Noncurrent Assets:								
Restricted Assets:								
Cash and Investments		4,155,677		3,507,672		7,663,349		-
Due from Other Governments		-		4,852,993		4,852,993		-
Other Assets		76,138		-		76,138		-
Net Pension Asset		275,719		203,291		479,010		-
Total Noncurrent Assets		4,507,534		8,563,956		13,071,490		-
Capital Assets:								
Nondepreciable		387,830		2,615,136		3,002,966		-
Depreciable, Net		77,122,609		106,813,365		183,935,974		-
Total Capital Assets		77,510,439		109,428,501		186,938,940		-
Total Noncurrent Assets		82,017,973		117,992,457		200,010,430		-
Total Assets		87,559,383		129,226,348		216,785,731		3,968,448
DEFERRED OUTFLOWS OF RESOURCES								
Pension Related Amounts		592,798		508,986		1,101,784		-
Other Postemployment Related Amounts		58,691		58,691		117,382		-
Total Deferred Outflows of Resources		651,489		567,677		1,219,166		-
	-		-					

CITY OF FOND DU LAC, WISCONSIN STATEMENT OF NET POSITION (CONTINUED) PROPRIETARY FUNDS DECEMBER 31, 2020

	Enterprise Funds						
	Water		Wastewater	•		Governme	ntal Activities -
	 Utility		Utility		Totals	Internal S	ervice Funds
LIABILITIES							
Current Liabilities:							
Accounts Payable	\$ 202,723	\$	830,378	\$	1,033,101	\$	605,355
Accrued and Other Current Liabilities	1,890,384		72,896		1,963,280		17,383
Accrued Interest Payable	277,533		100,583		378,116		-
Special Deposits	1,600		-		1,600		-
Unearned Revenue	132,477		20,120		152,597		-
Compensated Absences	16,023		50,687		66,710		13,599
Current Portion of Long-Term Debt	3,756,385		3,886,399		7,642,784		-
Current portion of Other							
Postemployment Benefits	 15,000		15,000		30,000		-
Total Current Liabilities	 6,292,125		4,976,063		11,268,188		636,337
Long-Term Obligations, Less Current Portion:							
Revenue Bonds	25,914,574		18,489,547		44,404,121		-
Debt Premium	39,529		-		39,529		-
Other Postemployment Benefits	 132,184		132,184		264,368		-
Total Long-Term Liabilities	 26,086,287		18,621,731		44,708,018		-
Total Liabilities	32,378,412		23,597,794		55,976,206		636,337
DEFERRED INFLOWS OF RESOURCES							
Pension Related Amounts	826,570		609,443		1,436,013		-
Other Postemployment Related Amounts	3,688		3,688		7,376		-
Total Deferred Inflows of Resources	 830.258		613,131	• •	1,443,389		-
	 ,		,		.,,		
NET POSITION							
Net Investment in Capital Assets	47,761,397		86,452,299		134,213,696		-
Restricted for Debt Service	4,155,677		-		4,155,677		-
Restricted for Equipment Replacement	-		3,507,672		3,507,672		-
Restricted for Pension Assets	275,719		203,291		479,010		-
Unrestricted	2,809,409		15,419,838		18,229,247		3,332,111
Total Net Position	\$ 55,002,202	\$	105,583,100		160,585,302	\$	3,332,111
	 · ·		· · ·				<u> </u>
Adjustment to Reflect the Consolidation							
of Internal Service Fund Activities							
Related to Enterprise Funds					515,450	_	
Net Position of Business-Type						-	
Activities as Reported on the							
Statement of Net Position				\$	161,100,752	-	
				-			

CITY OF FOND DU LAC, WISCONSIN STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION PROPRIETARY FUNDS YEAR ENDED DECEMBER 31, 2020

	Enterprise Funds							
		Water Utility		Wastewater Utility	•	Totals		mental Activities - Il Service Funds
OPERATING REVENUES					•			
Charges for Services Other	\$	11,955,231 128,699	\$	12,158,471 110,369	\$	24,113,702 239,068	\$	7,208,090 465
Total Operating Revenues		12,083,930		12,268,840		24,352,770		7,208,555
OPERATING EXPENSES								
Personal Services		1,118,248		1,935,225		3.053.473		548.797
Contractual Services		739,700		2,185,934		2,925,634		762,566
Materials and Supplies		1,496,308		1,383,663		2,879,971		269,172
Utilities		435,461		469,327		904,788		8,519
Insurance Claims and Expenses		400,401		400,027		504,700		4,769,180
Depreciation		- 3,036,811		- 3,074,661		- 6,111,472		4,709,100
•		, ,		3,074,001				-
Taxes		110,043		-		110,043		-
Total Operating Expenses		6,936,571		9,048,810	•	15,985,381		6,358,234
OPERATING INCOME		5,147,359		3,220,030		8,367,389		850,321
NONOPERATING REVENUES (EXPENSES)								
Rent		185,621		-		185,621		-
Insurance Reimbursement				573,497		573,497		-
Interest Income		59,125		243,274		302,399		-
Gain on Disposal of Capital Assets				,		-		334
Interest and Fiscal Charges		(1,038,151)		(560,916)		(1,599,067)		
Merchandising and Jobbing		6,521		(500,510)		6,521		-
Total Nonoperating Revenues (Expenses)		(786,884)		255,855	·	(531,029)		334
Total Nonoperating Revenues (Expenses)		(700,004)		200,600	—	(551,029)		
INCOME BEFORE CONTRIBUTIONS								
AND TRANSFERS		4,360,475		3,475,885		7,836,360		850,655
		,, -		-, -,		,,		,
Capital Contributions		-		627,836		627,836		-
Transfers Out		(1,893,636)		-		(1,893,636)		(204,334)
						<u> </u>		
CHANGE IN NET POSITION		2,466,839		4,103,721		6,570,560		646,321
Net Position - Beginning of Year		52,535,363		101,479,379		154,014,742		2,685,790
NET POSITION - END OF YEAR	\$	55,002,202	\$	105,583,100	\$	160,585,302	\$	3,332,111
Change in Net Position, Per Above					\$	6,570,560		
Adjustment to Reflect the Consolidation of Internal						100.077		
Service Fund Activities Related to Enterprise Funds Change in Net Position of						122,955	•	
Business-Type Activities as Reported								
on the Statement of Activities					\$	6,693,515		
					_	0,000,010		

CITY OF FOND DU LAC, WISCONSIN STATEMENT OF CASH FLOWS PROPRIETARY FUNDS YEAR ENDED DECEMBER 31, 2020

	Enterprise Funds					
	Water	۷	Vastewater			nental Activities -
	 Utility		Utility	 Totals	Internal	Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash Received from Customers	\$ 12,262,625	\$	12,245,382	\$ 24,508,007	\$	7,273,679
Cash Received from Other	320,841		683,866	1,004,707		-
Cash Paid for Employee Wages and Benefits	(2,192,959)		(1,944,226)	(4,137,185)		(547,075)
Cash Paid to Suppliers	(1,776,899)		(3,986,447)	(5,763,346)		(6,129,945)
Net Cash Provided by Operating Activities	8,613,608		6,998,575	 15,612,183		596,659
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfer Out	(1,893,636)		-	(1,893,636)		(204,334)
Net Cash Used by Noncapital Financing Activities	 (1,893,636)		-	 (1,893,636)		(204,334)
CASH FLOWS FROM CAPITAL AND RELATED						
FINANCING ACTIVITIES						
Acquisition of Capital Assets	(2,886,349)		(2,896,998)	(5,783,347)		-
Special assessments levied	(94,325)		-	(94,325)		-
Capital Contributions	-		642,885	642,885		-
Sale of Capital Assets	-		-	-		334
Principal Paid on Long-Term Debt	(3,616,831)		(3,797,081)	(7,413,912)		-
Interest Paid on Long-Term Debt	(1,090,507)		(561,324)	(1,651,831)		-
Net Cash Provided (Used) by Capital	 ()			 () /		
and Related Financing Activities	(7,688,012)		(6,612,518)	(14,300,530)		334
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest Received	 59,125		243,274	 302,399		-
CHANGE IN CASH AND CASH EQUIVALENTS	(908,915)		629,331	(279,584)		392,659
Cash and Cash Equivalents - Beginning of Year	 6,086,652		11,005,840	 17,092,492		3,461,798
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 5,177,737	\$	11,635,171	\$ 16,812,908	\$	3,854,457

See accompanying Notes to Basic Financial Statements.

CITY OF FOND DU LAC, WISCONSIN STATEMENT OF CASH FLOWS (CONTINUED) PROPRIETARY FUNDS YEAR ENDED DECEMBER 31, 2020

		Enterprise Funds						
RECONCILIATION OF OPERATING INCOME TO		Water Utility		Vastewater Utility		Totals		mental Activities - Il Service Funds
NET CASH PROVIDED BY OPERATING ACTIVITIES		Ounty		Otility		10(813		
Operating Income	\$	5,147,359	\$	3,220,030	\$	8,367,389	\$	850,321
Adjustments to Reconcile Operating Income	Ŧ	-,,	+	-,,	Ŧ	-,,	Ŧ	,
to Net Cash Provided by Operating Activities:								
Depreciation		3,036,811		3,074,661		6,111,472		-
Depreciation Charged to Operating Accounts		300,954		-		300,954		-
Merchandising and Jobbing		6,521		-		6,521		-
Rent		185,621		-		185,621		-
Insurance Reimbursement		-		573,497		573,497		-
Effects of Changes in Operating Assets, Deferred				,				
Outflows, Liabilities, and Deferred Inflows:								
Accounts Receivables		192,502		(307,840)		(115,338)		65,124
Due from Other Governments		44,500		394,761		439,261		-
Prepaid Supplies and Items		14,832		54		14,886		(78,046)
Accounts Payable		(355,787)		52,423		(303,364)		(242,462)
Accrued and Other Current Liabilities		(37,585)		10,160		(27,425)		4,188
Unearned Revenue		70,392		(10)		70,382		-
Compensated Absences		(14,999)		(6,676)		(21,675)		(2,466)
Change in WRS Pension Asset / Liability		(498,666)		(504,382)		(1,003,048)		-
Change in WRS Pension Related								
Deferred Outflows of Resources		10,793		306,550		317,343		-
Change in WRS Pension Related								
Deferred Inflows of Resources		518,770		193,757		712,527		-
Change in Postemployment Benefits Liability		36,281		36,281		72,562		-
Change in Postemployment Benefits								
Deferred Outflows of Resources		(44,281)		(44,281)		(88,562)		-
Change in Postemployment Benefits								
Deferred Inflows of Resources		(410)		(410)		(820)		-
Net Cash Provided by Operating Activities	\$	8,613,608	\$	6,998,575	\$	15,612,183	\$	596,659
RECONCILIATION OF CASH AND CASH EQUIVALENTS								
TO THE STATEMENT OF NET POSITION								
Cash and Cash Equivalents in Current Assets	\$	1,022,060	\$	8,127,499	\$	9,149,559	\$	3,854,457
Cash and Cash Equivalents in Restricted Assets		4,155,677		3,507,672	·	7,663,349		
Total Cash and Cash Equivalents	\$	5,177,737	\$	11,635,171	\$	16,812,908	\$	3,854,457
Noncash Capital and Related Financing Activity								
Capital related accounts payable	\$	38,554	\$	600,256	\$	638,810	\$	-
· · · ·								

See accompanying Notes to Basic Financial Statements.

CITY OF FOND DU LAC, WISCONSIN STATEMENT OF FIDUCIARY NET POSITION CUSTODIAL FUND DECEMBER 31, 2020

ASSETS Cash and Investments Receivables:	\$ 4,811,475
Taxes and Special Charges Due from Other Governments	23,462,689 15,874,352
Total Assets	44,148,516
DEFERRED INFLOWS OF RESOURCES Property Taxes Levied for Subsequent Year	44,148,516
FIDUCIARY NET POSITION Restricted	<u>\$ </u>

CITY OF FOND DU LAC, WISCONSIN STATEMENT OF CHANGES IN FIDUCIARY NET POSITION CUSTODIAL FUND YEAR ENDED DECEMBER 31, 2020

ADDITIONS Property Tax Collections	\$ 43,605,924	
DEDUCTIONS Payments to Other Taxing Jurisdictions	 43,605,924	
CHANGE IN NET POSITION	-	
Net Position - Beginning of Year	 -	
NET POSITION - END OF YEAR	\$ 	

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City of Fond du Lac, Wisconsin (the City), have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the City are described below:

A. <u>Reporting Entity</u>

The City is a municipal corporation governed by an elected seven-member council. In accordance with U.S. GAAP, the basic financial statements are required to include the City and any separate component units that have a significant operational or financial relationship with the City. The City has not identified any component units that are required to be included in the basic financial statements in accordance with standards.

B. <u>Related Organization</u>

The City's officials are also responsible for appointing the members of the boards of another organization, but the City's accountability for this organization does not extend beyond making the appointments. Therefore, this organization is not included in the City's reporting entity. The City Council appoints all of the members of the following related organization:

<u>The Housing Authority of the City of Fond du Lac (the Authority)</u> – The Authority was established by the City to administer the low- and moderate-income housing program funded by federal grants and rental income. Although board members of the Authority are appointed by the City Council, there is no financial interdependency with the City nor does the City have any significant influence over the Authority's operations. The City does not provide funding for the Authority. Additionally, the City does not hold title to any of the Authority's assets, nor does it have any right to the Authority's surpluses. The City has no legal obligation to fund the Authority's programs should grant funding no longer be available.

C. Government-Wide and Fund Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *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. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Government-Wide and Fund Financial Statements (Continued)

Separate financial statements are provided for governmental funds and proprietary funds. Governmental funds include general, special revenue, debt service and capital projects funds. Proprietary funds include enterprise and internal service funds. 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

This is the City's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

Debt Service Fund

This fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of government funds.

The City reports the following major enterprise funds:

Water Utility Fund

This fund accounts for all activities necessary to provide water services to residential, commercial, and industrial customers within the City. Fund activities include administration, billing and collection, operations, construction, maintenance, financing, and related debt service.

Wastewater Utility Fund

This fund accounts for all activities necessary to provide sewer services to residential, commercial, and industrial customers of the City and various outlying sanitary districts. Fund activities include administration, operations, construction, and maintenance of the sewerage collection and treatment system, financing, and related debt service.

Additionally, the City reports the following fund type:

Internal Service Fund

This fund accounts for health self-insurance and information technology provided to other departments of the City on a cost reimbursement basis.

The City also reports the following fiduciary fund:

Custodial Fund

The fund accounts for property taxes and special charges collected on behalf of other governments. These amounts were recorded in the general fund in prior years. Due to the implementation of GASB 84, *Fiduciary Activities*, they are now recorded in a custodial fund.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers ambulance revenues to be available if they are collected within 150 days and all other revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Revenues susceptible to accruals include intergovernmental grants, intergovernmental charges for services, public charges for services and interest. Other revenues such as licenses and permits, fines, and forfeits and miscellaneous revenues are recognized when received in cash or when measurable and available.

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

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 City's proprietary funds are charges to customers for services. Operating expenses for proprietary funds include the costs of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. <u>Assets, Liabilities, Deferred Outflow/Inflows of Resources, and Net Position or</u> <u>Fund Balance</u>

1. Cash and Investments

Cash and investments are combined in the financial statements. Cash deposits consist of demand and time deposits with financial institutions and are carried at cost. Investments are stated at fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. For purposes of the statement of cash flows, all cash deposits and highly liquid investments (including restricted assets) with a maturity of three months or less from date of acquisition are considered to be cash equivalents.

2. Property Taxes and Special Charges/Receivable

Property taxes and special charges consist of taxes on real estate and personal property and user charges assessed against City properties. They are levied during December of the prior year and become an enforceable lien on property the following January 1. Property taxes are payable in various options depending on the type and amount. Personal property taxes and special charges are payable on or before January 31 in full. Real estate taxes are payable in full by January 31 or in two equal installments on or before January 31 and July 31. Real estate taxes not paid by January 31 are purchased by the County as part of the February tax settlement. Delinquent personal property taxes remain the collection responsibility of the City. Special charges not paid by January 31 are held in trust by the County and remitted to the City, including interest, when collected by the County.

In addition to its levy, the City also levies and collects taxes for the Fond du Lac School District, North Fond du Lac School District, Fond du Lac County, and Moraine Park Technical College. Tax settlements with each of the taxing units occurs fifteen day after each installment due date with the final settlement with the County on August 15.

3. Accounts Receivable

Accounts receivable are recorded at gross amounts with uncollectible amounts recognized under the direct write-off method. An allowance for uncollectible accounts has been provided in the basic financial statements.

4. Special Assessments

Assessments against property owners for public improvements are generally not subject to full settlement in the year levied. Special assessments are placed on tax rolls on an installment basis. Revenue from special assessments recorded in governmental funds is recognized as collections are made.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. <u>Assets, Liabilities, Deferred Outflow/Inflows of Resources, and Net Position or</u> <u>Fund Balance (Continued)</u>

5. Loans Receivable

The City has received federal and state grant funds for economic development and housing rehabilitation loan programs and has passed the funds to various businesses and individuals in the form of loans. The City records a loan receivable and expenditure when the loan has been made and the funds disbursed. No allowance for uncollectible accounts has been provided since it is believed that the amount of such allowance would not be material to the basic financial statements. In the governmental funds, the City records a deferred inflow of resources for the net amount of the receivable. As the loans are repaid, revenue is recognized. Any unspent loan proceeds are presented as restricted fund balance in the fund financial statements.

6. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" and "due to other funds."

The amount reported on the statement of net position for internal balances represents the residual balance outstanding between the governmental and business-type activities.

7. Prepaid Supplies and Items

Payments made to vendors that will benefit periods beyond the end of the current fiscal year are recorded as prepaid supplies and items and are expensed during the period benefitted.

Prepaid supplies and items of governmental funds in the fund financial statements are classified as nonspendable fund balance to indicate that they do not represent spendable available financial resources.

8. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or higher and an estimated useful life in excess of a year.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. <u>Assets, Liabilities, Deferred Outflow/Inflows of Resources, and Net Position or</u> <u>Fund Balance (Continued)</u>

8. Capital Assets (Continued)

Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the City are depreciated using the straight-line method over the following estimated useful lives:

	Governmental Activities	Business-Type Activities
Assets	Ye	ars
Land Improvements	15 - 20	15 - 20
Buildings	30 - 40	12 - 47
Machinery and Equipment	2 - 20	5 - 45
Improvements Other Than Buildings	-	25 - 77
Infrastructure	20 - 40	-

9. <u>Compensated Absences</u>

It is the City's policy to permit employees to accumulate earned but unused vacation and sick leave benefits in accordance with employee handbook policies and/or bargaining unit agreements. All vacation and sick leave is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds in the fund financial statements only if they have matured, for example, as a result of employee resignations and retirements.

10. Deferred Outflows/Inflows of Resources

Deferred outflows of resources are a consumption of net position by the government that is applicable to a future reporting period. Deferred inflows of resources are an acquisition of net position by the government that is applicable to a future reporting period. The recognition of those outflows and inflows as expenses or expenditures and revenues are deferred until the future periods to which the outflows and inflows are applicable.

Governmental funds may report deferred inflows of resources for unavailable revenues. The City reports unavailable revenues for special assessments, accounts receivable and loan receivables. These inflows are recognized as revenues in the government-wide financial statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. <u>Assets, Liabilities, Deferred Outflow/Inflows of Resources, and Net Position or</u> <u>Fund Balance (Continued)</u>

11. Long-Term Obligations

In the government-wide financial statements, and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

12. Pensions

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.

13. Other Postemployment Benefits Other Than Pensions (OPEB)

Single-Employer Defined Postemployment Benefit Plan

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's other postemployment benefit plan (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

14. Fund Equity

Governmental Fund Financial Statements

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. <u>Assets, Liabilities, Deferred Outflow/Inflows of Resources, and Net Position or</u> <u>Fund Balance (Continued)</u>

14. Fund Equity (Continued)

<u>Nonspendable Fund Balance:</u> Amounts that are not in spendable form (such as prepaid supplies and items, or long-term receivables) or are legally or contractually required to remain intact.

<u>Restricted Fund Balance:</u> Amounts that are constrained for specific purposes by external parties (such as grantor or bondholders), through constitutional provisions, or by enabling legislation.

<u>Committed Fund Balance:</u> Amounts that are constrained for specific purposes by action of the City Council (resolution). These constraints can only be removed or changed by the City Council using the same action that was used to create them.

<u>Assigned Fund Balance:</u> Amounts that are constrained for specific purposes by action of City Council, in accordance with the City's adopted fund balance policy. Residual amounts in any governmental fund, other than the General Fund, are also reported as assigned.

<u>Unassigned Fund Balance:</u> Amounts that are available for any purpose. Positive unassigned amounts are only reported in the General Fund.

The City has adopted a fund balance spend-down policy regarding the order in which fund balance will be utilized. Where applicable, the policy requires restricted funds to be spent first, followed by committed funds, and then assigned funds. Unassigned funds would be spent last.

Government-Wide and Proprietary Fund Statements

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

<u>Net Investment in Capital Assets:</u> Amount of capital assets, net of accumulated depreciation, and capital related deferred outflows of resources less outstanding balances of any bonds and related premiums, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets and any capital related deferred inflows of resources.

<u>Restricted Net Position:</u> Amount of net position that is subject to restrictions that are imposed 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.

<u>Unrestricted Net Position</u>: Net position that is neither classified as restricted nor as net investment in capital assets.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. <u>Use of Estimates</u>

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

NOTE 2 STEWARDSHIP AND COMPLIANCE

A. <u>Budgets and Budgetary Accounting</u>

The City follows these procedures in establishing the budgetary data reflected in the basic financial statements:

- On or about October 1, the City Manager submits to the City Council a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. After submission to the governing body, public hearings are held to obtain taxpayer comments. Following the public hearings, the proposed budget, including authorized additions and deletions, is legally enacted by City Council resolution.
- 2. Budgets are adopted on a basis consistent with U.S. GAAP for the general fund, debt service fund and special revenue funds, except for the Community Development Block Grant, Community Projects, Special Events, Property Insurance Deductible, Residential Development Improvement Program and Highway 45 Transfer Special Revenue Funds. Budget is defined as the originally approved budget plus or minus approved amendments. Individual amendments throughout the year were not material in relation to the original budget. Budget appropriations not expended during the year are closed to fund balance unless authorized by the governing body to be forwarded into the succeeding year's budget.
- 3. During the year, formal budgetary integration is employed as a management control device for all funds adopting a budget.
- 4. The budget as enacted includes total expenditures at the organization level. Expenditures cannot legally exceed appropriations at the function level. The governmental funds have legally adopted budgets.

The City did not have any material violation of legal or contractual provisions for the fiscal year ended December 31, 2020.

NOTE 2 STEWARDSHIP AND COMPLIANCE (CONTINUED)

B. Excess of Expenditures over Budget Appropriations

The following expenditure accounts of the governmental funds had actual expenditures in excess of budget appropriations for the year ended December 31, 2020 as follows:

Funda	Excess
Funds	penditures
Special Revenue:	
City Grant Programs:	
Public Safety	\$ 3,470
Solid Waste & Recycling:	
Public Works	168,474
Fuel Pump Maintenance:	
Public Works	68,616
TIF Districts:	
General Government	30,558
Capital Outlay	119,221
Debt Service:	
Principal	12,265,000
Interest and Fiscal Charges	370,290

The above excess expenditure variances were funded using favorable revenue variances and available fund balance in the various funds.

The following fund had deficit fund balance at December 31, 2020:

Funds	 ficit Fund Balance
Special Revenue: Solid Waste & Recycling	\$ 22,569
Capital Projects Street	46,829

The City expects to fund the deficit fund balance with future revenues of the funds.

C. Property Tax Levy Limit

Wisconsin state statutes provide for a limit on the property tax levies for all Wisconsin cities, villages, towns, and counties. For the 2020 and 2020 budget years, Wisconsin Statutes limit the increase in the maximum allowable tax levy to the change in the City's January 1 equalized value as a result of net new construction. The actual limit for the City for the 2020 budget was 1.46%. The actual limit for the City for the 2021 budget was 1.64%. Debt service for debt authorized after July 1, 2005 is exempt from the levy limit. In addition, Wisconsin statutes allow the limit to be adjusted for the increase in debt service authorized prior to July 1, 2005 and in certain other situations.

NOTE 3 CASH AND INVESTMENTS

The City maintains various cash and investment accounts, including pooled funds that are available for use by all funds. Each fund's portion of these accounts is displayed on the financial statements as "Cash and Investments."

Invested cash consists of deposits and investments that are restricted by Wisconsin Statutes to the following:

Time deposits; repurchase agreements; securities issued by federal, state, and local governmental entities; statutorily authorized commercial paper and corporate securities; and the Wisconsin local government investment pool.

The carrying amount of the City's cash and investments totaled \$49,801,884 on December 31, 2020 as summarized below:

Petty Cash and Cash On Hand Deposits with Financial Institutions Investments Total	\$ 14,925 21,874,050 27,912,909 49,801,884
Reconciliation to the basic financial statements:	
Government-Wide Statement of Net Position:	
Cash and Investments	\$ 37,327,060
Restricted Cash and Investments	7,663,349
Fiduciary Fund Statement of Net Position:	
Custodial Fund	4,811,475

Fair Value Measurements

Total

The City categorizes its fair value measurements within the fair value hierarchy established by U.S. GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

49,801,884

Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant observable inputs; Level 3 inputs are significant unobservable inputs. The City has the following fair value measurements as of December 31, 2020:

	Fair Value Measurements Using:								
	Level 1		Level 2	Level 3		Total			
Investments:									
U.S. Treasury securities	\$	-	\$ 12,342,393	\$	-	\$ 12,342,393			
Federal Farm Credit Bank		-	4,057,851		-	4,057,851			
Fond du Lac Area Foundation		-	-		108,287	108,287			
Federal Home Loan Bank		-	5,045,444		-	5,045,444			
Freddie Mac		-	3,065,426		-	3,065,426			
Fannie Mae		-	3,073,655		-	3,073,655			
Total	\$	-	\$27,584,769	\$	108,287	\$27,693,056			

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Fair Value Measurements (Continued)

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

Investment Type	Valuation Method
U.S. Treasury Securities	Institutional bond quotes - evaluations based on various
	market and industry inputs
Federal Farm Credit Bank	Institutional bond quotes - evaluations based on various market and industry inputs
Fond du Lac Area Foundation	Net asset value as provided by the foundation
Federal Home Loan Bank	Mortgage backed securities pricing - evaluations based on various market and industry inputs
Freddie Mac	Mortgage backed securities pricing - evaluations based on various market and industry inputs
Fannie Mae	Mortgage backed securities pricing - evaluations based on various market and industry inputs

Deposits and investments of the City are subject to various risks. Presented below is a discussion of the City's deposits and investments and the related risks.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. Wisconsin statutes require repurchase agreements to be fully collateralized by bonds or securities issued or guaranteed by the federal government or its instrumentalities. The City does not have an additional custodial credit policy.

Deposits with financial institutions within the state of Wisconsin are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 for the combined amount of all time and savings deposits and \$250,000 for interest-bearing and noninterest-bearing demand deposits per official custodian per insured depository institution. Deposits with financial institutions located outside the state of Wisconsin are insured by the FDIC in the amount of \$250,000 for the combined amount of all deposit accounts per official custodian per depository institution. Deposits with financial per depository institution. Deposits with credit unions are insured by the FDIC in the amount of \$250,000 for the combined amount of all deposit accounts per official custodian per depository institution. Deposits with credit unions are insured by the National Credit Union Share Insurance Fund (NCUSIF) in the amount of \$250,000 per credit union member. Also, the state of Wisconsin has a State Guarantee Fund which provides a maximum of \$400,000 per public depository above the amount provided by an agency of the U.S. government. However, due to the relatively small size of the State Guarantee Fund in relation to the Fund's total coverage, total recovery of insured losses may not be available. This coverage has been considered in determining custodial credit risk.

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Fair Value Measurements (Continued)

Custodial Credit Risk (Continued)

As of December 31, 2020, the City's bank balances related to deposits with financial institutions were in excess of federal and state depository limits by \$21,993,292. This entire balance was collateralized with securities held by the pledging financial institution in the City's name.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Wisconsin statutes limit investment in securities to the top two ratings assigned by nationally recognized statistical rating organizations. The City does not have an additional credit risk policy.

Presented below is the actual rating as of the year-end for each investment type.

		Exempt		
		from		Not
Investment Type	 Amount	 Disclosure	 AAA	 Rated
U.S. Treasury Securities	\$ 12,342,393	\$ 12,342,393	\$ -	\$ -
Federal Farm Credit Bank	4,057,851	-	4,057,851	-
Fond du Lac Area Foundation	108,287	-	-	108,287
Federal Home Loan Bank	5,045,444	-	5,045,444	-
Freddie Mac	3,065,426	-	3,065,426	-
Fannie Mae	3,073,655	-	3,073,655	-
Wisconsin Local Government				
Investment Pool	 219,853	 -	 -	 219,853
Totals	\$ 27,912,909	\$ 12,342,393	\$ 15,242,376	\$ 328,140

Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total City investments are as follows:

			Percent of
		Reported	Total
Issuer	Investment Type	Amount	Investments
Federal Farm Credit Bank	Bonds	\$ 4,057,851	15%
Federal Home Loan Bank	Bonds	5,045,444	18%
Freddie Mac	Bonds	3,065,426	11%
Fannie Mae	Bonds	3,073,655	11%

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Fair Value Measurements (Continued)

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City's investment policy follows Wisconsin Statutes, which limit investment maturities to seven years, as a means of managing its exposure to fair value losses arising from increasing interest rates.

Information about the sensitivity of the fair values of the City's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

		Remaining Maturity (in Months)					
		12 Months	13 to 24	25 to 60			
Investment Type	Amount	Amount or Less		or Less Months		Months	
U.S. Treasury Securities	\$ 12,342,394	\$ 7,102,808	\$ 4,181,055	\$ 1,058,531			
Federal Farm Credit Bank	4,057,851	1,023,588	2,035,558	998,705			
Fond du Lac Area Foundation	108,287	108,287	-	-			
Federal Home Loan Bank	5,045,443	2,055,228	1,991,808	998,407			
Freddie Mac	3,065,426	-	2,065,796	999,630			
Fannie Mae	3,073,655	2,022,708	-	1,050,947			
Wisconsin Local Government							
Investment Pool	219,853	219,853					
Total	\$ 27,912,909	\$ 12,532,472	\$ 10,274,217	\$ 5,106,220			

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The City's investments include the following investments that are highly sensitive to interest rate fluctuations (to a greater degree than already indicated in the information provided above):

	F	air Value	
	at Year End		
Federal Farm Credit Bank	\$	4,057,851	
Federal Home Loan Bank		5,045,443	
Freddie Mac		3,065,426	
Fannie Mae		3,073,655	

Wisconsin Local Government Investment Pool

The City has investments in the Wisconsin local government investment pool of \$219,853 at year-end. 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 carrying value.

NOTE 4 RESTRICTED ASSETS

Restricted assets on December 31, 2020 totaled \$7,663,349 and consisted of cash and investments held for the following purposes:

	Amount	Purpose
Enterprise: Water Utility:		
Bond Redemption	\$ 4,155,677	To meet debt service requirements
Wastewater Utility: Equipment Replacement	 3,507,672	For future equipment replacement needs
Total Enterprise Funds	\$ 7,663,349	

NOTE 5 CAPITAL ASSETS

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

	Beginning Balance Increases		Decreases	Ending Balance
GOVERNMENTAL ACTIVITIES				
Capital Assets, Nondepreciable:				
Land	\$ 6,662,884	\$-	\$-	\$ 6,662,884
Construction In Progress	5,049,046	8,326,762	4,766,147	8,609,661
Total Capital Assets, Nondepreciable	11,711,930	8,326,762	4,766,147	15,272,545
Capital Assets, Depreciable:				
Land Improvements	10,907,741	556,746	-	11,464,487
Buildings and Improvements	28,657,797	450,106	-	29,107,903
Machinery and Equipment	29,410,956	2,315,623	783,552	30,943,027
Infrastructure	213,985,423	3,677,627		217,663,050
Subtotals	282,961,917	7,000,102	783,552	289,178,467
Less Accumulated Depreciation For:				
Land Improvements	7,982,499	397,173	-	8,379,672
Buildings and Improvements	17,069,553	755,979	-	17,825,532
Machinery and Equipment	19,406,618	1,355,555	783,552	19,978,621
Infrastructure	109,701,382	6,129,967		115,831,349
Subtotals	154,160,052	8,638,674	783,552	162,015,174
Total Capital Assets, Depreciable, Net	128,801,865	(1,638,572)		127,163,293
Governmental Activities Capital Assets, Net	\$ 140,513,795	\$ 6,688,190	\$ 4,766,147	142,435,838
Less: Capital Related Debt				80,175,000
Add: Unspent Bond Proceeds				2,681,819
Less: Debt Premium				2,291,953
Less: Contracts Payable Related to Capital Assets				541,731
Net Investment in Capital Assets				\$ 62,108,973

NOTE 5 CAPITAL ASSETS (CONTINUED)

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

	Beginning Balance			Increases		Decreases		Ending Balance
BUSINESS-TYPE ACTIVITIES								
Capital Assets, Nondepreciable:								
Land	\$	387,830	\$	-	\$	-	\$	387,830
Construction In Progress		4,889,058		2,568,600	-	4,842,522		2,615,136
Total Capital Assets, Nondepreciable		5,276,888		2,568,600		4,842,522		3,002,966
Capital Assets, Depreciable:								
Buildings and Improvements		89,550,585		1,008		-		89,551,593
Machinery and Equipment		46,289,424		7,494,874		302,152		53,482,146
Improvements Other Than Buildings	1	33,099,541		1,078,336		19,296		134,158,581
Subtotals	2	268,939,550		8,574,218		321,448		277,192,320
Less Accumulated Depreciation For:								
Buildings and Improvements		31,094,762		2,287,613		-		33,382,375
Machinery and Equipment		22,843,349		2,227,981		408,837		24,662,493
Improvements Other Than Buildings		33,349,118		1,896,832		34,472		35,211,478
Subtotals		87,287,229		6,412,426		443,309		93,256,346
Total Capital Assets, Depreciable, Net	1	81,652,321		2,161,792		(121,861)		183,935,974
Business-Type Activities Capital Assets, Net	\$ 1	86,929,209	\$	4,730,392	\$ 4	4,720,661		186,938,940
Less: Capital Related Debt								52,023,188
Less: Debt Premium								63,246
Less: Capital related accounts payable								638,810
Net Investment in Capital Assets							\$	134,213,696

Depreciation expense was charged to functions of the City as follows:

Governmental Activities:	
General Government	\$ 388,300
Public Safety:	
Police	356,482
Fire and Rescue	679,801
Public Works	6,468,438
Culture and Recreation	438,688
Community Development	 306,965
Total Governmental Activities	\$ 8,638,674
Business-Type Activities:	
Water Utility	\$ 3,036,811
Water Utility Charged to Operating Accounts	300,954
Wastewater Utility	 3,074,661
Total Business-Type Activities	\$ 6,412,426

NOTE 6 INTERFUND RECEIVABLE, PAYABLES, AND TRANSFERS

Interfund receivables and payables as of December 31, 2020 were as follows:

	 Interfund Receivables		nterfund Payables
Temporary Cash Advances to Finance			
Operating Cash Deficits:			
Governmental Funds:			
General	\$ 104,998	\$	-
Nonmajor Governmental Funds:			
Disaster Recovery	-		19,251
Transit	-		85,747
Totals	\$ 104,998	\$	104,998

Interfund transfers for the year ended December 31, 2020 were as follows:

	Transfer In			ansfer Out
General Fund	\$	1,893,637	\$	386,715
Debt Service Fund		1,548,531		-
Nonmajor Governmental Funds:				
Community Projects		3,018		-
HazMat Agreement		7,500		-
Public Safety Training Fund		60,896		-
TIF Districts		34,201		1,255,198
Highway 45 Transfer		-		300,000
General Capital Projects		616,931		370,831
Streets		812,052		690,779
Storm Sewers		795,860		462,044
Parks		90,519		30,519
Special Assessments		-		269,089
Subtotal Nonmajor Governmental Funds		2,420,977		3,378,460
Enterprise Fund:				
Water Utility		-		1,893,636
Internal Service Fund:				
Information Technology		-		204,334
Total	\$	5,863,145	\$	5,863,145

Interfund transfers were made for the following purposes:

Tax Equivalent Payment Made by Water Utility	
to General Fund	\$ 1,893,636
Transfers to Debt Service for Debt Retirement	1,548,531
To Move Revenues from Funds that are Required to Collect	
Them to Fund that is Allowed to Expend Them	105,616
To Reimburse Capital Project Funds for Project Costs	2,315,362
Total	\$ 5,863,145

NOTE 7 LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations of the City for the year ended December 31, 2020:

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
Governmental Activities:					
General Obligation Debt:					
Bonds	\$ 45,730,000	\$-	\$ 13,085,000	\$ 32,645,000	\$ 4,620,000
Notes	36,175,000	19,630,000	6,650,000	49,155,000	6,985,000
Subtotal	81,905,000	19,630,000	19,735,000	81,800,000	11,605,000
Note Anticipation Note	2,695,000	-	-	2,695,000	-
Debt Premium	971,178	1,567,782	190,627	2,348,333	355,657
Compensated Absences	1,661,419	1,807,754	1,706,244	1,762,929	1,721,475
Total	\$ 87,232,597	\$ 23,005,536	\$ 21,631,871	\$ 88,606,262	\$ 13,682,132
Business-Type Activities:					
Revenue Bonds	\$ 16,550,000	\$-	\$ 1,850,000	\$ 14,700,000	\$ 1,925,000
Revenue Bonds - Direct					
Borrowings and Placements	42,887,100	-	5,563,912	37,323,188	5,694,067
Debt Premium	86,963	-	23,717	63,246	23,717
Compensated Absences	88,385	66,729	88,404	66,710	66,710
Total	\$ 59,612,448	\$ 66,729	\$ 7,526,033	\$ 52,153,144	\$ 7,709,494

Total interest paid during the year on long-term debt totaled \$4,727,444.

The City's outstanding notes from direct borrowings related to business type activities of \$37,323,188 contain the following provisions in the event of a default: 1) Wisconsin Department of Administration can deduct amounts due from any state payments due to the City or add the amounts due as a special charge to the property taxes apportioned; 2) may appoint a receiver for the program's benefit; 3) may declare the principal amount immediately due and payable; 4) may enforce any right or obligation under the financing agreement including the right to seek specific performance or mandamus; and 5) may increase the interest rate set forth in the financing agreement to the market interest rate.

Current Refunding

During 2020, the City currently refunded general obligation note issues from 2011, 2012 and 2013 as well as two general obligation bond issues from 2009 and 2010. The City issued general obligation promissory notes in the amount of \$11,075,000 to call the refunded debt. These current refundings were undertaken to reduce total debt service payments over the next ten years by \$1,241,655. The economic gain (difference between the present value of the debt service payments of the refunded and refunding debt) is \$1,061,384.

NOTE 7 LONG-TERM OBLIGATIONS (CONTINUED)

General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/20
2007 TIF #10 Refunding Notes	2/1/07	4/1/21	4.25%	\$ 1,730,000	\$ 155,000
2010 Capital Improvement Refunding Bonds	8/25/10	4/1/21	3.05%	2,700,000	650,000
2011 Capital Improvement Refunding Bonds	2/15/11	2/1/26	4.65%	5,700,000	3,525,000
2011 Capital Improvement Refunding Bonds	2/15/11	2/1/21	3.68%	5,375,000	625,000
2012 Refunding Bonds	5/23/12	9/1/32	3.72%	7,650,000	6,975,000
2012 Refunding Bonds	5/23/12	9/1/27	3.40%	5,475,000	3,975,000
2013 Refunding Bonds	2/27/13	4/1/24	2.67%	3,975,000	2,000,000
2013 Refunding Bonds	2/27/13	4/1/32	3.79%	1,800,000	1,275,000
2013 Refunding Bonds	2/27/13	3/1/23	2.39%	3,085,000	1,625,000
2014 Capital Improvement Project Notes	2/5/14	9/2/23	2.45%	2,000,000	1,000,000
2014 Taxable Bonds	7/9/14	6/1/28	4.04%	1,055,000	670,000
2014 TIF #18 Taxable Notes	7/9/14	6/1/24	3.75%	1,040,000	750,000
2015 Refunding Bonds	3/11/15	3/1/30	2.90%	7,275,000	6,300,000
2015 Capital Improvement Project Notes	3/11/15	3/1/25	2.53%	2,800,000	1,925,000
2016 Refunding Bonds	3/9/16	3/1/28	2.74%	2,275,000	1,925,000
2016 Capital Improvement Project Notes	3/9/16	3/1/26	2.32%	2,525,000	2,100,000
2016 TIF #10 Notes	3/9/16	3/1/26	2.60%	1,300,000	825,000
2017 G.O. Promissory Notes	3/22/17	3/1/27	2.00 - 3.00%	5,025,000	4,550,000
2017 Refunding Bonds	9/27/17	4/1/22	2.00%	7,050,000	3,100,000
2018 G.O. Promissory Notes	3/28/18	3/1/28	2.00-3.50%	9,025,000	8,125,000
2018 G.O. Promissory Notes	3/28/18	12/1/21	3.00%	3,800,000	3,800,000
2019 G.O Promissory Note	10/23/19	4/1/28	2.00-2.75%	6,295,000	6,295,000
2020 G.O Promissory Note	8/27/20	3/1/30	2.00%	19,630,000	19,630,000
Total Outstanding General					
Obligation Debt					\$ 81,800,000

Annual principal and interest maturities of the outstanding general obligation debt of \$81,800,000 on December 31, 2020 are detailed below:

	Governmental Activities					
Year Ended December 31,	Principal	Interest	Total			
2021	\$ 11,605,000	\$ 2,588,269	\$ 14,193,269			
2022	7,205,000	2,348,331	9,553,331			
2023	7,390,000	1,844,166	9,234,166			
2024	8,065,000	1,606,997	9,671,997			
2025	7,295,000	1,373,981	8,668,981			
2026 - 2030	37,990,000	3,305,834	41,295,834			
2031 - 2032	2,250,000	83,750	2,333,750			
Total	\$ 81,800,000	\$ 13,151,328	\$ 94,951,328			

For governmental activities, the other long-term liabilities are generally funded by the general fund.

NOTE 7 LONG-TERM OBLIGATIONS (CONTINUED)

Legal Margin for New Debt

The City's legal margin for creation of additional general obligation debt on December 31, 2020 was \$75,659,135 as follows:

Equalized Valuation of the City	\$ 3,149,182,700
Statutory Limitation Percentage	 (x) 5%
General Obligation Debt Limitation, Per Section 67.03 of the	
Wisconsin Statutes	157,459,135
Total Outstanding General Obligation Debt Applicable to Debt Limitation	 81,800,000
Legal Margin for New Debt	\$ 75,659,135

Note Anticipation Note

Note anticipation note outstanding on December 31, 2020 was comprised of the following issue:

	Date of Issue	Final Maturity			Balance 12/31/20
2019B Note Anticipation Note	10/23/19	4/1/22	3.50%	\$ 2,695,000	\$ 2,695,000

Annual principal and interest maturities of the outstanding anticipation note debt of \$2,695,000 on December 31, 2020 are detailed below:

		Governmental Activities						
Year Ended December 31,	Prin	Principal		nterest		Total		
2021	\$	-	\$	94,325	\$	94,325		
2022	2,	695,000		47,163		2,742,163		
Total	\$2,	695,000	\$	141,488	\$	2,836,488		

Revenue Bonds

Revenue bonds outstanding on December 31, 2020 totaled \$52,023,188 and were comprised of the following issues:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/20
2010 Waterworks System Revenue Bonds	2/10/10	9/1/29	4.21%	\$ 11,650,000	\$ 8,475,000
2011 Waterworks System Revenue Bonds	9/14/11	9/1/29	4.03%	6,025,000	3,200,000
2013 Waterworks System Revenue Bonds	10/1/13	9/1/23	3.05%	4,325,000	875,000
2014 Waterworks System Revenue Bonds	7/9/14	9/1/23	4.00%	5,275,000	2,150,000
Safe Drinking Water Loan	4/23/08	5/1/27	2.37%	21,753,247	9,177,745
Safe Drinking Water Loan	2/23/11	5/1/29	2.20%	10,990,743	5,769,498
Clean Water Fund Loan	12/14/05	5/1/25	2.37%	59,000,000	19,654,458
Clean Water Fund Loan	4/25/18	5/1/37	1.87%	3,131,186	2,721,487
Total Outstanding Revenue Bonds					\$ 52,023,188

NOTE 7 LONG-TERM OBLIGATIONS (CONTINUED)

Revenue Bonds (Continued)

Annual principal and interest maturities of the outstanding revenue bonds of \$52,023,188 on December 31, 2020 are detailed below:

	Business-Type Activities										
Year Ended		Bondeo	d De	ebt	Di	rect Borrowin	gs /	Placements	Tot	als	
December 31,		Principal		Interest		Principal		Interest	Principal		Interest
2021	\$	1,925,000	\$	660,606	\$	5,694,067	\$	794,083	\$ 7,619,067	\$	1,454,689
2022		1,975,000		583,606		5,827,270		659,319	7,802,270		1,242,925
2023		1,550,000		504,606		5,963,594		521,398	7,513,594		1,026,004
2024		1,350,000		440,794		6,103,113		380,245	7,453,113		821,039
2025		1,425,000		383,944		6,245,900		235,786	7,670,900		619,730
2026 - 2030		6,475,000		801,650		6,264,071		338,355	12,739,071		1,140,005
2031 - 2035		-		-		858,765		75,001	858,765		75,001
2036 - 2037		-		-		366,408		6,884	366,408		6,884
Total	\$	14,700,000	\$	3,375,206	\$	37,323,188	\$	3,011,071	\$ 52,023,188	\$	6,386,277

Utility Revenues Pledged

The City has pledged future water and wastewater customer charges for services revenues, net of specified operating expenses as identified in the debt resolutions, to repay the revenue bonds. Proceeds from the bonds provided financing for the construction or acquisition of capital assets used with the systems. The bonds are payable solely from water and wastewater customer net revenues and are payable through 2029 and 2037, respectively. The total principal and interest remaining to be paid on the water bonds is \$34,392,00. Principal and interest paid for the current year and total customer net revenues were \$4,707,338 and \$8,351,094, respectively. The total principal and interest paid for the current year and total customer net revenues were \$4,358,405 and \$6,804,660, respectively.

NOTE 8 CONDUIT DEBT OBLIGATIONS

From time to time, the City has issued industrial revenue bonds to provide financial assistance to private sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the state, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2020, there were 11 series of industrial revenue bonds outstanding. The aggregate principal amount payable was undetermined.

NOTE 9 PENSION PLAN

A. 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 1200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issues a standalone WRS Financial Report, which can be found at <u>http://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements</u>.

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.

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

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

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

The WRS also provides death and disability benefits for employees.

NOTE 9 PENSION PLAN (CONTINUED)

B. Postretirement Adjustments

The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the floor) set at retirement. The Core and Variable annuity adjustments granted during recent years are as follows:

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	-	(10.0)

C. Contributions

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

During the year ended December 31, 2020, the WRS recognized \$2,471,229 in contributions from the City.

Contribution rates for the reporting period are:

Employee Category	Employee	Employer
General (Including Teachers, Executives, and Elected Officials)	6.75 %	6.75 %
Protective with Social Security	6.75 %	11.65 %
Protective without Social Security	6.75 %	16.25 %

NOTE 9 PENSION PLAN (CONTINUED)

D. <u>Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and</u> <u>Deferred Inflows of Resources Related to Pensions</u>

At December 31, 2020, the City reported an asset of \$6,835,399 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 0.211986142%, which was an increase of 0.00458262% from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, the City recognized pension expense of \$2,584,345.

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

	Deferred Outf of Resource		 ferred Inflows f Resources
Differences Between Expected and Actual Experience	\$	12,975,152	\$ 6,493,195
Net Differences Between Projected and Actual			
Earnings on Pension Plan Investments		-	13,973,988
Changes in Assumptions		521,986	-
Changes in Proportion and Differences Between			
Employer Contributions and Proportionate Share			
of Contributions		916	24,494
Employer Contributions Subsequent to the			
Measurement Date		2,471,229	 -
Total	\$	15,969,283	\$ 20,491,677

\$2,471,229 reported as deferred outflows related to pension resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability 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,	Expense
2021	\$ (2,076,827)
2022	(1,548,374)
2023	237,737
2024	(3,606,159)
Total	\$ (6,993,623

NOTE 9 PENSION PLAN (CONTINUED)

E. Actuarial Assumptions

The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

Actuarial assumptions are based upon an experience study conducted in 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.

NOTE 9 PENSION PLAN (CONTINUED)

E. Actuarial Assumptions (Continued)

Long-Term Expected Return on Plan Assets (Continued)

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

	Current Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Core Fund Asset Class:			
Global Equities	49.0 %	8.1 %	5.1 %
Fixed Income	24.5	4.9	2.1
Inflation Sensitive Assets	15.5	4.0	1.2
Real Estate	9.0	6.3	3.5
Private Equity/Debt	8.0	10.6	7.6
Multi-Asset	4.0	6.9	4.0
Cash	(10.0)	0.9	N/A
Total Core Fund	100.0 %	7.5	4.6
Variable Fund Asset Class:			
U.S. Equities	70.0 %	7.5	4.6
International Equities	30.0	8.2	5.3
Total Variable Fund	100.0 %	7.8	4.9

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.75%

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% 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% and a municipal bond rate of 2.75%. Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% 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 members 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.

NOTE 9 PENSION PLAN (CONTINUED)

E. Actuarial Assumptions (Continued)

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%, 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%) or 1-percentage-point higher (8.00%) than the current rate:

	1%	Decrease to		Current	19	% Increase to
	Di	scount Rate	Di	scount Rate	D	iscount Rate
		(6.00%)		(7.00%)		(8.00%)
City's Proportionate Share of the Net Pension Liability (Asset)	\$	17,602,378	\$	(6,835,399)	\$	(25,105,451)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <u>http://etf.wi.gov/publications/cafr.htm</u>.

F. Payables to the Pension Plan

At December 31, 2020, the City reported a payable of \$330,113 for the outstanding amount of contributions to the pension plan for the year ended December 31, 2020.

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The Plan is a single-employer defined benefit postemployment health plan that covers retired employees of the City up to the age of 65. Eligible retired employees contribute 100% of the premium for family coverage or 100% of the premium for single coverage.

Benefits Provided

The City provides specified amounts for good attendance bonuses and not using sick leave. The credits and amounts paid vary for different classes of employees. Amounts are deposited in either the employees PEHP or a health savings account to be used towards the cost of their medical premium as noted above.

Changes in benefit terms subsequent to the December 31, 2017 actuarial valuation have occurred. Spouses or participating retirees are no longer allowed to remain on the City's group plan once the retiree, or the spouse themselves, becomes eligible for Medicare. In addition, the City has fully funded certain benefits for active Police-Supervisory employees. As a result, this benefit is now considered to be accounted for as an actively-funded benefit and is no longer included in the December 31, 2019 actuarial valuation.

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Employees Covered by Benefit Terms

At December 31, 2020, the following employees were covered by the benefit terms:

Receiving Benefit Payments	14
Active Employees	313
Total	327

Total OPEB Liability

The City's total other postemployment benefit (OPEB) liability was determined by an actuarial valuation as of December 31, 2019 and includes a measurement date of December 31, 2019.

Actuarial Assumptions

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

Actuarial Cost Method:	Entry Age Normal (level percent of salary)
Inflation:	2.50%
Salary Increases:	3.00%
Discount Rate:	2.75%
Healthcare Cost Trend Rates:	6.40% decreasing by .10% per year
	down to 5.0%, and level thereafter
Mortality Assumptions:	Wisconsin 2018 Mortality Table

The actuarial assumptions used in the December 31, 2019 valuation were based on the "Wisconsin Retirement System 2015 – 2017 Experience Study". Based on the experience study, actuarial assumptions used to measure the total OPEB liability changed from the prior year, including the discount rate, mortality and separation rates and the healthcare cost trend rates.

Discount Rate

The discount rate used to measure the total OPEB liability was 2.75%, as opposed to a discount rate of 4.00% for the prior year. The 20-year tax-exempt AA Municipal bond rate or higher was used as of the measurement date for all years of benefit payments to determine the discount rate. The Plan is on a pay as you go basis and no assets have been accumulated in an irrevocable trust.
NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Changes in the Total OPEB Liability

	Total OPEB Liability		
Balance - December 31, 2018	\$	1,848,385	
Changes for the Year:			
Service Cost		133,879	
Interest		71,810	
Change of benefit terms		(275,384)	
Differences Between Expected and Actual Experience		221,884	
Changes of Assumptions or Other Input		692,660	
Benefit Payments		(240,165)	
Net Changes		604,684	
Balance - December 31, 2019	\$	2,453,069	

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

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.75%) or 1-percentage-point higher (3.75%) than the current rate:

	1%	Decrease to	Current		1%	Increase to
	Dis	count Rate	Dis	scount Rate	Dis	scount Rate
		(1.75%)	(2.75%)			(3.75%)
Total OPEB Liability	\$	2,622,915	\$	2,453,069	\$	2,291,694

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

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5.4% decreasing to 4.0%) or 1-percentage-point higher (7.4% decreasing to 6.0%) than the current healthcare cost trend rates:

			Hea	Ithcare Cost		
	19	1% Decrease Trend Rates 1% Incr				
	(5.4% decreasing		(6.4% decreasing		(7.4% decreasing	
		to 4.0%)	to 5.0%)			to 6.0%)
Total OPEB Liability	\$	2,201,721	\$	2,453,069	\$	2,751,150

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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

For the year ended December 31, 2020, the City recognized OPEB expense of \$6,615. At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
Differences Between Expected and Actual Experience	\$	201,713	\$	-		
Changes in Assumptions		629,691		61,467		
City Benefit Payments Made Subsequent to the						
Measurement Date		146,787		_		
Total	\$	978,191	\$	61,467		

\$146,787 reported as deferred outflows of resources related to OPEB resulting from City benefit payments made subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended December 31, 2019 and reported in the year ended December 31, 2020. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended December 31,</u>	E	Expense		
2021	\$	76,310		
2022		76,310		
2023		76,310		
2024		76,310		
2025		76,310		
Thereafter	_	388,387		
Total	\$	769,937		

NOTE 11 FUND EQUITY

Nonspendable Fund Balance

In the fund financial statements, portions of the governmental fund balances are amounts that cannot be spent because they are either 1) not in spendable form or 2) legally or contractually required to be maintained intact. At December 31, 2020, nonspendable fund balances were as follows:

General Fund:	
Prepaid Supplies and Items	\$ 703,254
Special Revenue Funds:	
Prepaid Supplies and Items	
Solid Waste and Recycling	13,586
Library	97
Transit	5
Total Nonspendable Fund Balance	\$ 716,942

Restricted Fund Balance

In the fund financial statements, portions of governmental fund balances are not available for appropriation or are legally restricted for use for a specific purpose. At December 31, 2020, restricted fund balance was as follows:

Special Revenue Funds: Restricted for: Community Development Block Grant:	
Community Development Projects and Loans TIF Districts:	\$ 1,864,493
Tax Incremental Districts	3,619,852
Debt Service Fund: Restricted for:	
Debt Service	181,493
Capital Projects Funds:	
Restricted for:	400.000
Capital Projects	460,092
Parks	1,529,367
Special Assessments	 87,006
Total Restricted Fund Balance	\$ 7,742,303

NOTE 11 FUND EQUITY (CONTINUED)

Committed Fund Balance

In the fund financial statements, portions of government fund balances are committed by City Council action. At December 31, 2020, governmental fund balance was committed as follows:

General Fund: Committed for:	
Public Site Fee	\$ 7,600
Special Revenue Funds:	
Committed for:	
Library	298,560
City Grant Programs	10,179
Harbor and Boating Facilities	499,516
Community Projects	277,996
Transit	336,233
HazMat Agreement	200,238
Fuel Pump Maintenance	128,815
Special Events	205,013
Property Insurance Deductible	3,712
Residential Development Improvement Program	78,375
Highway 45 Transfer	 26,336
Total Special Revenue Funds Committed	2,064,973
Capital Projects Funds: Committed for:	
General Capital Projects	2,776,596
Storm Sewers	716,803
Parks	343,851
Harbor Improvements	146,622
Total Capital Improvements Funds Committed	 3,983,872
Total Capital Improvements Funds Committee	 5,305,072
Total Committed Fund Balance	\$ 6,056,445

Assigned Fund Balance

Portions of governmental fund balances have been assigned to represent tentative management plans that are subject to change. At December 31, 2020, fund balance was assigned as follows:

General Fund:	
Assigned for Subsequent Years Budget	\$ 1,283,018

NOTE 11 FUND EQUITY (CONTINUED)

Minimum General Fund Balance Policy

The City has also adopted a minimum fund balance policy of 15% of subsequent year budgeted expenditures for the general fund. The minimum fund balance is maintained for cash flow and working capital purposes. The minimum fund balance amount is calculated as follows:

Budgeted 2021 General Fund Expenditures	\$ 33,813,398
Minimum Fund Balance %	(x) 15%
Minimum Fund Balance Amount	\$ 5,072,012

The City's unassigned general fund balance of \$6,546,363 is above the minimum fund balance amount.

NOTE 12 TAX INCREMENTAL FINANCING DISTRICTS

The City has established separate special revenue funds for its Tax Incremental Districts (TIDs) which were created by the City in accordance with Section 66.1105 of the Wisconsin Statutes. At the time the Districts were created, the property tax base within the Districts were "frozen" and increment taxes resulting from increases to the property tax base are used to finance District improvements, including principal and interest on long-term debt issued by the City to finance such improvements. The Statutes allow eligible project costs to be incurred up to five years prior to the maximum termination date. The City's Districts are still eligible to incur project costs.

The intent of the City is to recover the above amounts from future TID surplus funds, if any, prior to termination of the respective Districts. Unless terminated by the City prior thereto, each TID has a statutory termination year as follows:

	Termination
	Year
TID No. 10	2027
TID No. 12	2035
TID No. 13	2030
TID No. 14	2037
TID No. 15	2038
TID No. 16	2039
TID No. 17	2032
TID No. 18	2041
TID No. 19	2042
TID No. 20	2044
TID No. 21	2044
TID No. 22	2044
TID No. 23	2038
TID No. 24	2038

NOTE 13 TAX ABATEMENTS

The City has created tax incremental financing districts (the Districts) in accordance with Wisconsin State Statute 66.1105, *Tax Increment Law*. As part of the project plan for the Districts, the City entered into agreements with developers for a creation of tax base within the Districts. The agreements require the City to make annual repayments of property taxes collected within the Districts to the developers, based upon the terms of the agreements. As tax abatements, those developer payments and the related property tax revenues are not reported as revenues or expenditures in the financial statements.

For the year ended December 31, 2020, the City abated property taxes totaling \$429,484 under this program, including the following tax abatement agreements that each exceeded 10% of the total amount abated:

- Property tax abatements of \$114,322 to developers for residential apartment and housing projects within the Districts.
- A property tax abatement of \$171,646 to a developer for a residential apartment housing project within the District.
- Property tax abatements of \$143,516 to local business relate to development within the Districts.

NOTE 14 RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. The City completes an annual review of its insurance coverage to ensure adequate coverage.

The City is also exposed to various risks of loss related to medical claims. The City's risk management fund (an Internal Service Fund) is used to account for and finance its uninsured health risk of loss. Under this program, the risk management fund provides coverage for up to an annual maximum of \$175,000 for each individual's total claims with group claims limited to 125% of expected claims annually. The City purchases commercial stop loss insurance for health claims in excess of coverage provided by the fund. Settled claims have not exceeded this commercial insurance coverage since inception of the fund.

NOTE 14 RISK MANAGEMENT (CONTINUED)

All funds of the City participate in the health program and are charged amounts needed to pay prior and current year claims and to establish a reserve for future insurance costs. On December 31, 2020, that reserve was \$3,043,758. The accounts payable of \$497,448 reported in the fund at December 31, 2020 is based on requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probably that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the funds reported liability amount for 2020 and 2019 follow:

			С	urrent Year				
			C	Claims and				
		Liability	C	Changes in		Claims		Liability
	J	January 1 Esti		Estimates		Payments	De	cember 31
2020	\$	689,241	\$	4,769,180	\$	4,960,973	\$	497,448
2019		762,132		5,045,649		5,118,540		689,241

All other risks, which include comprehensive general liability, automobile, workers' compensation, law enforcement, property, crime, public officials, and storage tank pollution are covered by commercial insurance. There has been no reduction in insurance coverage from coverage in the prior year. Insurance settlements for claims resulting from the risks covered by commercial insurance have not exceeded the insurance coverage in any of the past three years.

NOTE 15 CONTINGENCIES

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 reimbursement to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

From time to time, the City is party to other various pending claims and legal proceedings. Although the outcome of such matters cannot be forecast 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.

NOTE 16 SELECT UPCOMING ACCOUNTING PRONOUNCEMENTS

Following is information related to select upcoming accounting pronouncements. A complete listing of all applicable GASB standards is available at <u>www.gasb.org</u>.

In June 2017, the GASB issued Statement No. 87, *Leases*. The Statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. This statement is effective for reporting periods beginning after June 15, 2021.

NOTE 17 RISKS AND UNCERTAINTIES

The Coronavirus Disease 2019 (COVID-19) has affected global markets, supply chains, employees of organizations, and local communities. Specific to the City, COVID-19 may impact parts of its 2021 operations and financial results. Management believes the City is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated at this time.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF FOND DU LAC, WISCONSIN SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) WISCONSIN RETIREMENT SYSTEM LAST 10 MEASUREMENT PERIODS

Plan Year Ending	Proportion of the Net Pension Liability (Asset)	S	roportionate hare of the let Pension ıbility (Asset)	Covered Payroll (Plan Year)	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 (Asset)
12/31/14 12/31/15 12/31/16 12/31/17 12/31/18 12/31/19	0.19595847 % 0.19530561 % 0.19611985 % 0.20136218 % 0.20740352 % 0.21198614 %	\$	(4,813,276) 3,173,677 1,616,496 (5,978,682) 7,378,767 (6,835,399)	\$ 20,528,426 21,180,641 21,155,154 21,892,897 22,751,027 23,067,146	23.45 % (14.98)% (7.64)% 27.31 % (32.43)% 29.63 %	102.74 % 98.20 % 99.12 % 102.93 % 96.45 % 102.96 %

CITY OF FOND DU LAC, WISCONSIN SCHEDULE OF CONTRIBUTIONS WISCONSIN RETIREMENT SYSTEM LAST 10 FISCAL YEARS

Fiscal Year Ending	I I		Contributions in Relation to the Contractually Required Contributions			Contribution Deficiency (Excess)		(Covered Payroll Fiscal Year)	Contributions as a Percentage of Covered Payroll		
12/31/15	\$	1,899,480	\$	1,899,480	\$	-	-	\$	21,180,641	8.97 %		
12/31/16		1,874,921		1,874,921		-	-		21,155,154	8.86 %		
12/31/17		2,298,229		2,298,229		-	-		21,892,897	10.50 %		
12/31/18		2,236,512		2,236,512		-	-		22,751,027	9.83 %		
12/31/19		2,225,922		2,225,922		-	-		23,067,146	9.65 %		
12/31/20		2,471,229		2,471,229		-	-		23,684,460	10.43 %		

CITY OF FOND DU LAC, WISCONSIN SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS LAST 10 MEASUREMENT PERIODS*

	2020	2019	2018
Total OPEB Liability:			•
Service Cost	\$ 133,8	. ,	. ,
Interest	71,8	,	74,256
Changes of Benefit Terms	(275,3	,	-
Differences Between Expected and Actual Experience	221,8	- 884	-
Changes of Assumptions	692,6	60 (75,127) -
Benefit Payments	(240,1	65) (399,620) (304,035)
Net Change in Total OPEB Liability	604,6	684 (265,411) (89,881)
Total OPEB Liability - Beginning	1,848,3	2,113,796	2,203,677
Total OPEB Liability - Ending	\$ 2,453,0	069 \$ 1,848,385	\$ 2,113,796
Covered-Employee Payroll	\$ 21,795,3	\$96 \$ 21,223,899	\$ 21,223,899
City's Total OPEB Liability as a Percentage of Covered-Employee Payroll	11.25	5 % 8.71 %	9.96 %

* Data is being accumulated annually to present 10 years of the reported information.

CITY OF FOND DU LAC, WISCONSIN NOTES TO REQUIRED SUPPLEMENTARY INFORMATION DECEMBER 31, 2020

NOTE 1 OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS

Single-Employer Defined Postemployment Benefit Plan

Changes in assumption and other inputs that affected the measurement of the total OPEB liability for the December 31, 2019 actuarial valuation include the following:

- Demographic assumptions have been updated based upon the most recent WRS experience study.
- Mortality assumptions have been updated based on the Wisconsin 2018 Mortality Table adjusted for future mortality improvements using the MP-2018 fully generated improvement scale.
- Medical care trend rates have been changed from a starting point of 7.5% down to 6.5% per the December 31, 2017 actuarial valuation to a starting point of 6.4% down to 5.0% per the December 31, 2019 actuarial valuation.
- Discount rate has changed from 4.0% per the December 31, 2017 actuarial valuation to 2.75% for the December 31, 2019 actuarial valuation.

Changes in benefit terms subsequent to the December 31, 2017 actuarial valuation have occurred. Spouses or participating retirees are no longer allowed to remain on the City's group plan once the retiree, or the spouse themselves, becomes eligible for Medicare. In addition, the City has fully funded certain benefits for active Police-Supervisory employees. As a result, this benefit is now considered to be accounted for as an actively-funded benefit and is no longer included in the December 31, 2019 actuarial valuation.

No assets have been accumulated in an irrevocable trust, so the Plan's discount rate applied to all periods is based on a 20-year, tax-exempt general obligation municipal bond index.

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

NOTE 2 WISCONSIN RETIREMENT SYSTEM

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

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

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

SUPPLEMENTARY INFORMATION

CITY OF FOND DU LAC, WISCONSIN COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS DECEMBER 31, 2020

							Spec	cial Revenue						
		Library		City Grant Programs		Community evelopment lock Grant		Harbor & Boating Facilities		ommunity Projects	Solid Waste and Recycling			Transit
ASSETS Cash and Investments	\$	418,234	\$	10,179	\$	1,196,256	\$	487,633	\$	282,108	\$	47,248	\$	
Receivables:	Φ	410,234	φ	10,179	Ф	1,190,250	Φ	407,033	Φ	202,100	Ф	47,240	Ф	-
Taxes and Special Charges		1,968,052		-		-		_		-		1.868.469		210.120
Accounts		912		-		-		-		3,715		4,049		431
Special Assessments				-		-		-		-		28,225		-
Loans		-		-		4,894,416		-		-		-		-
Due from Other Governments		-		-		670,431		21,414		11,501		-		491,916
Prepaid Supplies and Items		97		-				-				13,586		5
Total Assets	\$	2,387,295	\$	10,179	\$	6,761,103	\$	509,047	\$	297,324	\$	1,961,577	\$	702,472
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES														
LIABILITIES														
Accounts Payable	\$	57,492	\$	-	\$	2,194	\$	5,914	\$	9,203	\$	107,546	\$	41,701
Accrued and Other Current Liabilities		63,094		-		-		-		-		10,486		20,097
Due to Other Funds		-		-		-		-		-		-		85,747
Special Deposits		-		-		-		-		10,125		-		-
Unearned Revenues Total Liabilities		- 120,586				2,194		<u>3,617</u> 9,531		- 19,328		- 118,032		8,569 156,114
Total Liabilities		120,586		-		2,194		9,531		19,328		118,032		150,114
DEFERRED INFLOWS OF RESOURCES														
Property Taxes Levied for Subsequent Year		1,968,052		-		-		-		-		1,866,114		210,120
Loans Receivable		-		-		4,894,416		-				-		-
Total Deferred Inflows of Resources		1,968,052		-		4,894,416		-		-		1,866,114		210,120
FUND BALANCES														
Nonspendable		97		-		-		-		-		13,586		5
Restricted		-		-		1,864,493		-		-		-		-
Committed		298,560		10,179		-		499,516		277,996		-		336,233
Unassigned Total Fund Balances		- 298,657		10,179		- 1,864,493		499,516		277,996		<u>(36,155)</u> (22,569)		336,238
		230,007		10,179		1,004,433		433,310		211,330		(22,309)		000,200
Total Liabilities, Deferred Inflows of	*	0.007.005	*	40.470	<u>^</u>	0 704 400	۴	F00 0 1 7	¢	007.00/	*	4 004 575	¢	700 170
Resources, and Fund Balances	\$	2,387,295	\$	10,179	\$	6,761,103	\$	509,047	\$	297,324	\$	1,961,577	\$	702,472

CITY OF FOND DU LAC, WISCONSIN COMBINING BALANCE SHEET (CONTINUED) NONMAJOR GOVERNMENTAL FUNDS DECEMBER 31, 2020

	Special Revenue											
ASSETS	HazMat Agreement	Fuel Pump Maintenance	Special Events	TIF Districts	Property Insurance Deductible	Residential Development Improvement Program	Public Safety Training Center	Disaster Recovery				
ASSETS Cash and Investments	\$ 199,379	\$ 198,713	\$ 205,013	\$ 3,649,103	\$ 3,712	\$ 78,375	\$ 27,339	\$-				
Receivables:	ф 199,379	\$ 190,713	φ 205,015	\$ 3,049,103	φ 3,712	φ 10,315	φ 21,339	φ -				
Taxes and Special Charges	-	-	_	3,077,987	_	-	_	_				
Accounts	900	-	-	-	-	-	-	-				
Special Assessments	-	-	-	-	-	-	-	-				
Loans	-	-	-	-	-	-	-	-				
Due from Other Governments	-	-	-	-	-	-	-	29,401				
Prepaid Supplies and Items		-					-					
Total Assets	\$ 200,279	\$ 198,713	\$ 205.013	\$ 6,727,090	<u>\$ 3,712</u>	<u>\$ 78,375</u>	<u>\$ 27.339</u>	\$ 29,401				
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES												
LIABILITIES												
Accounts Payable	\$ 41	\$ 69,898	\$-	\$ 29,251	\$-	\$-	\$ 1,003	\$ 10,150				
Accrued and Other Current Liabilities	-	-	-	-	-	-	-	-				
Due to Other Funds	-	-	-	-	-	-	-	19,251				
Special Deposits	-	-	-	-	-	-	-	-				
Unearned Revenues	-	-	-	-	-	-	-	-				
Total Liabilities	41	69,898	-	29,251	-	-	1,003	29,401				
DEFERRED INFLOWS OF RESOURCES												
Property Taxes Levied for Subsequent Year	-	-	-	3,077,987	-	-	-	-				
Loans Receivable				-								
Total Deferred Inflows of Resources	-	-	-	3,077,987	-	-	-	-				
FUND BALANCES												
Nonspendable	-	-	-	-	-	-	-	-				
Restricted	-	-	-	3,619,852	-	-	-	-				
Committed	200,238	128,815	205,013	-	3,712	78,375	26,336	-				
Unassigned	-	-	-	-	-	-	-					
Total Fund Balances	200,238	128,815	205,013	3,619,852	3,712	78,375	26,336					
Total Liabilities, Deferred Inflows of												
Resources, and Fund Balances	<u>\$ 200,279</u>	\$ 198,713	\$ 205,013	\$ 6,727,090	\$ 3,712	\$ 78,375	\$ 27,339	<u>\$ 29,401</u>				

CITY OF FOND DU LAC, WISCONSIN COMBINING BALANCE SHEET (CONTINUED) NONMAJOR GOVERNMENTAL FUNDS DECEMBER 31, 2020

		Capital Projects										
	General Capital Projects		Streets	Storm Sewers		Parks		Special Assessments		Harbor Improvements		Totals
ASSETS Cash and Investments	¢ 0.070.000	¢	222.020	۴	007 740	۴	0.004.000	۴	70.440	۴	140.000	\$ 13,327,948
Receivables:	\$ 3,272,623	\$	332,626	\$	667,740	\$	2,034,602	\$	70,443	\$	146,622	φ 13,327,940
Taxes and Special Charges	1,074,765		800,000		98,000		-		-		-	9,097,393
Accounts	-		11,012		-		-		-		-	21,019
Special Assessments	-		-		-		-		-		-	28,225
Loans	-		-		-		-		-		-	4,894,416
Due from Other Governments	-		-		97,845		-		-		-	1,322,508
Prepaid Supplies and Items			-		-		-		-		-	13,688
Total Assets	\$ 4,347,388	\$	1,143,638	\$	863,585	\$	2,034,602	\$	70,443	\$	146,622	\$ 28,705,197
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES												
LIABILITIES												
Accounts Payable	\$ 35,935	\$	390,467	\$	48,782	\$	161,384	\$	-	\$	-	\$ 970,961
Accrued and Other Current Liabilities	-		-		-		-		-		-	93,677
Due to Other Funds	-		-		-		-		-		-	104,998 10,125
Special Deposits Unearned Revenues	-		-		-		-		-		-	10,125
Total Liabilities	35,935		390,467		48,782		- 161,384		-		-	1,191,947
DEFERRED INFLOWS OF RESOURCES	4 074 705		000 000		00.000							9,095,038
Property Taxes Levied for Subsequent Year Loans Receivable	1,074,765		800,000		98,000		-		-		-	9,095,038 4,894,416
Total Deferred Inflows of Resources	1,074,765		800,000		98,000		-		-			13,989,454
FUND BALANCES												13,688
Nonspendable Restricted	- 460,092		-		-		- 1,529,367		- 87,006		-	7,560,810
Committed	2,776,596		-		- 716,803		343,851		- 000,000		- 146,622	6,048,845
Unassigned	2,770,000		(46,829)		- 10,000		-		(16,563)			(99,547)
Total Fund Balances	3,236,688		(46,829)		716,803		1,873,218		70,443		146,622	13,523,796
Total Liabilities, Deferred Inflows of												
Resources, and Fund Balances	\$ 4,347,388	\$	1,143,638	\$	863,585	\$	2,034,602	\$	70,443	\$	146,622	\$ 28,705,197

CITY OF FOND DU LAC, WISCONSIN COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS YEAR ENDED DECEMBER 31, 2020 (WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2019)

	Special Revenue											
	Library		/ Grant ograms	Community Development Block Grant	Harbor & Boating Facilities	Community Projects	Solid Waste and Recycling	Transit	HazMat Agreement			
REVENUES												
Taxes	\$ 1,934,203	\$	-	\$ -	\$-	\$ -	\$ 500,000	\$ 285,120	\$-			
Intergovernmental	914,210		7,940	587,635	-	37,218	156,655	1,384,673	33,998			
Public Charges for Services	30,828		-	-	243,895	-	1,399,856	131,410	775			
Miscellaneous	214,115		-	437,589	4,437	302,413	17,175	37,943				
Total Revenues	3,093,356		7,940	1,025,224	248,332	339,631	2,073,686	1,839,146	34,773			
EXPENDITURES												
Current:												
General Government	-		-	-	-	-	-	-	-			
Public Safety	-		9,470	-	-	79,540	-	-	12,909			
Public Works	-		-	-	-	-	1,949,062	1,623,601	-			
Culture and Recreation	3,006,502		-	-	124,198	111,328	-	-	-			
Conservation and Development	-		-	875,924	-	9,031	-	-	-			
Debt Service:												
Interest and Fiscal Charges	-		-	-	-	-	-	-	-			
Capital Outlay	-		-	197,098	10,000	59,367	-	-	-			
Total Expenditures	3,006,502		9,470	1,073,022	134,198	259,266	1,949,062	1,623,601	12,909			
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	86,854		(1,530)	(47,798)	114,134	80,365	124,624	215,545	21,864			
OTHER FINANCING SOURCES (USES)												
Long-Term Debt Issued	-		-	-	-	-	-	-	-			
Proceeds from Sale of Capital Assets	-		-	-	-	-	-	234	-			
Transfers In	-		-	-	-	3,018	-	-	7,500			
Transfers Out	-		-	-	-	-	-	-	-			
Total Other Financing Sources (Uses)	-		-	-	-	3,018	-	234	7,500			
NET CHANGE IN FUND BALANCES	86,854		(1,530)	(47,798)	114,134	83,383	124,624	215,779	29,364			
Fund Balances - Beginning of Year	211,803		11,709	1,912,291	385,382	194,613	(147,193)	120,459	170,874			
FUND BALANCES - END OF YEAR	\$ 298,657	\$	10,179	\$ 1,864,493	\$ 499,516	\$ 277,996	\$ (22,569)	\$ 336,238	\$ 200,238			

CITY OF FOND DU LAC, WISCONSIN COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED) YEAR ENDED DECEMBER 31, 2020 (WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2019)

	Special Revenue													
	Fuel P Mainten	•		Special Events	TIF Districts	In	Property Insurance Deductible		sidential elopment rovement rogram	Highway 45 Transfer	Public Safety Training Center		Disaster Recovery	
REVENUES Taxes	\$		\$	36,178	\$ 2,189,080	\$		\$		\$-	\$		\$ -	
Intergovernmental	Φ	-	Φ	30,170	\$ 2,169,060 125,562	φ	-	Ф	-	ъ - 300,000	φ	-	ə - 270,554	
Public Charges for Services		-		-	125,502		-		-	300,000		-	270,334	
Miscellaneous	15	- ,331		-	-		- 77,066		-	-		-	-	
Total Revenues		,331 ,331		36,178	2,314,642		77,066		-	300,000	·	-	270,554	
EXPENDITURES														
Current:														
General Government		-		-	38,508		87,484		-	-		-	270,554	
Public Safety		-		-	-				-	-		34,560	-	
Public Works	75	,002		-	-		-		-	-		-	-	
Culture and Recreation		-		8,779	-		-		-	-		-	-	
Conservation and Development		-		-	-		-		75,000	-		-	-	
Debt Service:														
Interest and Fiscal Charges		-		-	4,900		-		-	-		-	-	
Capital Outlay		-		-	119,221		-		-	-		-	-	
Total Expenditures	75	,002		8,779	162,629		87,484		75,000	-		34,560	270,554	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(59	,671)		27,399	2,152,013		(10,418)		(75,000)	300,000		(34,560)	-	
OTHER FINANCING SOURCES (USES)														
Long-Term Debt Issued		-		-	-		-		-	-		-	-	
Proceeds from Sale of Capital Assets		-		-	-		-		-	-		-	-	
Transfers In		-		-	34,201		-		-	-		60,896	-	
Transfers Out		-		-	(1,255,198)		-		-	(300,000)		-		
Total Other Financing Sources (Uses)		-		-	(1,220,997)		-		-	(300,000)		60,896		
NET CHANGE IN FUND BALANCES	(59	,671)		27,399	931,016		(10,418)		(75,000)	-		26,336	-	
Fund Balances - Beginning of Year	188	,486		177,614	2,688,836		14,130		153,375		. <u> </u>			
FUND BALANCES - END OF YEAR	\$ 128	,815	\$	205,013	\$ 3,619,852	\$	3,712	\$	78,375	\$-	\$	26,336	\$-	

CITY OF FOND DU LAC, WISCONSIN COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED) YEAR ENDED DECEMBER 31, 2020 (WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2019)

	General Capital Projects	Streets	Storm Sewers	Parks	Special Assessments	Harbor Improvements	Totals
REVENUES							
Taxes	\$ 160,000	\$ 750,000	\$ -	\$ -	\$-	\$ -	\$ 5,854,581
Intergovernmental	42,880	67,168	97,845	25,250	-	-	4,051,588
Public Charges for Services	-	-	4,025	-	-	-	1,810,789
Miscellaneous	23,120	-	-	53,353	-		1,182,542
Total Revenues	226,000	817,168	101,870	78,603	-	-	12,899,500
EXPENDITURES							
Current:							
General Government	-	-	-	-	-	-	396,546
Public Safety	-	-	-	-	-	-	136,479
Public Works	-	-	-	-	-	-	3,647,665
Culture and Recreation	-	-	-	-	-	-	3,250,807
Conservation and Development	-	-	-	-	-	-	959,955
Debt Service:							
Interest and Fiscal Charges	-	-	-	-	-	-	4,900
Capital Outlay	3,705,540	6,591,295	1,339,878	758,621	182,995		12,964,015
Total Expenditures	3,705,540	6,591,295	1,339,878	758,621	182,995		21,360,367
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(3,479,540)	(5,774,127)	(1,238,008)	(680,018)	(182,995)	-	(8,460,867)
OTHER FINANCING SOURCES (USES)							
Long-Term Debt Issued	2,945,000	2,625,000	625,000	2,090,000	270,000	-	8,555,000
Proceeds from Sale of Capital Assets	96,105	-	-	-	-	-	96,339
Transfers In	616,931	812,052	795,860	90,519	-	-	2,420,977
Transfers Out	(370,831)	(690,779)	(462,044)	(30,519)	(269,089)	-	(3,378,460)
Total Other Financing Sources (Uses)	3,287,205	2,746,273	958,816	2,150,000	911	-	7,693,856
NET CHANGE IN FUND BALANCES	(192,335)	(3,027,854)	(279,192)	1,469,982	(182,084)	-	(767,011)
Fund Balances - Beginning of Year	3,429,023	2,981,025	995,995	403,236	252,527	146,622	14,290,807
FUND BALANCES - END OF YEAR	\$ 3,236,688	\$ (46,829)	\$ 716,803	\$ 1,873,218	\$ 70,443	\$ 146,622	\$ 13,523,796

CITY OF FOND DU LAC, WISCONSIN SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL LIBRARY SPECIAL REVENUE FUND YEAR ENDED DECEMBER 31, 2020

	Budgeted Original	l Amounts Final	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Taxes	\$ 1,934,203	\$ 1,934,203	\$ 1,934,203	\$-
Intergovernmental	881,985	881,985	914,210	32,225
Public Charges for Services	64,000	64,000	30,828	(33,172)
Miscellaneous	184,487	184,487	214,115	29,628
Total Revenues	3,064,675	3,064,675	3,093,356	28,681
EXPENDITURES Current:				
Culture and Recreation	3,064,675	3,064,675	3,006,502	58,173
NET CHANGE IN FUND BALANCE	-	-	86,854	86,854
Fund Balance - Beginning of Year	211,803	211,803	211,803	
FUND BALANCE - END OF YEAR	\$ 211,803	\$ 211,803	\$ 298,657	\$ 86,854

CITY OF FOND DU LAC, WISCONSIN SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL CITY GRANT PROGRAMS SPECIAL REVENUE FUND YEAR ENDED DECEMBER 31, 2020

	 Budgeted Driginal	Αmoι	unts Final		Actual	Fina F	iance with I Budget - Positive legative)
REVENUES						`	<u> </u>
Intergovernmental	\$ 19,000	\$	19,000	\$	7,940	\$	(11,060)
EXPENDITURES							
Current:							
Public Safety	6,000		6,000		9,470		(3,470)
Culture and Recreation	 10,000		10,000		-		10,000
Total Expenditures	 16,000		16,000		9,470		6,530
NET CHANGE IN FUND BALANCE	3,000		3,000		(1,530)		(4,530)
Fund Balance - Beginning of Year	 11,709		11,709		11,709		-
FUND BALANCE - END OF YEAR	\$ 14,709	\$	14,709	\$	10,179	\$	(4,530)

CITY OF FOND DU LAC, WISCONSIN SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL HARBOR AND BOATING FACILITIES SPECIAL REVENUE FUND YEAR ENDED DECEMBER 31, 2020

		Budgeted	l Amo	unts			Final	ance with Budget - ositive
	(Original	Final		Actual		(N	egative)
REVENUES								
Public Charges for Services	\$	237,500	\$	237,500	\$	243,895	\$	6,395
Miscellaneous		2,500		2,500		4,437		1,937
Total Revenues		240,000		240,000		248,332		8,332
EXPENDITURES Current:								
Culture and Recreation		148,477		148,477		124,198		24,279
Capital Outlay		10,000		10,000		10,000		
Total Expenditures		158,477		158,477		134,198		24,279
NET CHANGE IN FUND BALANCE		81,523		81,523		114,134		32,611
Fund Balance - Beginning of Year		385,382		385,382		385,382		_
FUND BALANCE - END OF YEAR	\$	466,905	\$	466,905	\$	499,516	\$	32,611

CITY OF FOND DU LAC, WISCONSIN SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL SOLID WASTE AND RECYCLING SPECIAL REVENUE FUND YEAR ENDED DECEMBER 31, 2020

		I Amounts		Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
REVENUES		•	• - •• •••	•
Taxes	\$ 500,000	\$ 500,000	\$ 500,000	\$-
Intergovernmental	156,662	156,662	156,655	(7)
Public Charges for Services	1,321,741	1,321,741	1,399,856	78,115
Miscellaneous	5,000	5,000	17,175	12,175
Total Revenues	1,983,403	1,983,403	2,073,686	90,283
EXPENDITURES Current: Public Works	1,780,588	1,780,588	1,949,062	(168,474)
EXCESS OF REVENUES OVER EXPENDITURES	202,815	202,815	124,624	(78,191)
OTHER FINANCING USES Transfers Out	(100,000)	(100,000)		100,000
NET CHANGE IN FUND BALANCE	102,815	102,815	124,624	21,809
Fund Balance - Beginning of Year	(147,193)	(147,193)	(147,193)	
FUND BALANCE - END OF YEAR	\$ (44,378)	\$ (44,378)	\$ (22,569)	\$ 21,809

CITY OF FOND DU LAC, WISCONSIN SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL TRANSIT SPECIAL REVENUE FUND YEAR ENDED DECEMBER 31, 2020

	Budgetec	I Amounts		Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
REVENUES				
Taxes	\$ 285,120	\$ 285,120	\$ 285,120	\$ -
Intergovernmental	1,406,338	1,406,338	1,384,673	(21,665)
Public Charges for Services	294,400	294,400	131,410	(162,990)
Miscellaneous	35,000	35,000	37,943	2,943
Total Revenues	2,020,858	2,020,858	1,839,146	(181,712)
EXPENDITURES				
Current:				
Public Works	1,943,598	1,943,598	1,623,601	319,997
EXCESS OF REVENUES OVER EXPENDITURES	77,260	77,260	215,545	138,285
OTHER FINANCING SOURCES Proceeds from Sale of Capital Assets		<u>-</u>	234	234
NET CHANGE IN FUND BALANCE	77,260	77,260	215,779	138,519
Fund Balance - Beginning of Year	120,459	120,459	120,459	
FUND BALANCE - END OF YEAR	\$ 197,719	\$ 197,719	\$ 336,238	\$ 138,519

CITY OF FOND DU LAC, WISCONSIN SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL HAZMAT AGREEMENT SPECIAL REVENUE FUND YEAR ENDED DECEMBER 31, 2020

		Duductod	A			Final	ance with Budget -
		Budgeted	Amo				ositive
	(Driginal		Final	 Actual	(Ne	egative)
REVENUES							
Intergovernmental	\$	31,514	\$	31,514	\$ 33,998	\$	2,484
Public Charges for Services		-		-	775		775
Total Revenues		31,514		31,514	 34,773		3,259
EXPENDITURES							
Current:							
Public Safety		50,121		50,121	 12,909		37,212
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES		(18,607)		(18,607)	21,864		40,471
OTHER FINANCING SOURCES							
Transfers In		7,500		7,500	7,500		-
NET CHANGE IN FUND BALANCE		(11,107)		(11,107)	29,364		40,471
Fund Balance - Beginning of Year		170,874		170,874	 170,874		-
FUND BALANCE - END OF YEAR	\$	159,767	\$	159,767	\$ 200,238	\$	40,471

CITY OF FOND DU LAC, WISCONSIN SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL FUEL PUMP MAINTENANCE SPECIAL REVENUE FUND YEAR ENDED DECEMBER 31, 2020

	Budgeted Amounts Original Final Actua					Actual	Variance with Final Budget - Positive (Negative)	
REVENUES		Onginal		1 iiidi		Actual		legative)
Miscellaneous	\$	22,000	\$	18,000	\$	15,331	\$	(2,669)
EXPENDITURES Current:								
Public Works		6,386		6,386		75,002		(68,616)
NET CHANGE IN FUND BALANCE		15,614		11,614		(59,671)		(71,285)
Fund Balance - Beginning of Year		188,486		188,486		188,486		
FUND BALANCE - END OF YEAR	\$	204,100	\$	200,100	\$	128,815	\$	(71,285)

CITY OF FOND DU LAC, WISCONSIN SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL TIF DISTRICTS SPECIAL REVENUE FUND YEAR ENDED DECEMBER 31, 2020

	Budgeted Original	Amounts Final	Actual	Variance with Final Budget - Positive (Negative)		
REVENUES						
Taxes	\$ 2,422,122	\$ 2,422,122	\$ 2,189,080	\$ (233,042)		
Intergovernmental	88,963	88,963	125,562	36,599		
Total Revenues	2,511,085	2,511,085	2,314,642	(196,443)		
EXPENDITURES						
Current:						
General Government	7,950	7,950	38,508	(30,558)		
Conservation and Development	398,327	398,327	-	398,327		
Debt Service:						
Interest and Fiscal Charges	4,900	4,900	4,900	-		
Capital Outlay			119,221	(119,221)		
Total Expenditures	411,177	411,177	162,629	248,548		
EXCESS OF REVENUES OVER						
EXPENDITURES	2,099,908	2,099,908	2,152,013	52,105		
OTHER FINANCING SOURCES (USES)						
Transfers In	178,634	178,634	34,201	(144,433)		
Transfers Out	(1,229,520)	(1,229,520)	(1,255,198)	(25,678)		
Total Other Financing Sources (Uses)	(1,050,886)	(1,050,886)	(1,220,997)	(170,111)		
NET CHANGE IN FUND BALANCE	1,049,022	1,049,022	931,016	(118,006)		
Fund Balance - Beginning of Year	2,688,836	2,688,836	2,688,836			
FUND BALANCE - END OF YEAR	\$ 3,737,858	\$ 3,737,858	\$ 3,619,852	\$ (118,006)		

CITY OF FOND DU LAC, WISCONSIN SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL DEBT SERVICE FUND YEAR ENDED DECEMBER 31, 2020

	Budgeted	Amounts		Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
REVENUES				
Taxes	\$ 8,760,000	\$ 8,760,000	\$ 8,760,000	\$-
EXPENDITURES				
Current:				
Principal	7,470,000	7,470,000	7,470,000	-
Interest and Fiscal Charges	2,700,423	2,700,423	3,070,713	(370,290)
Total Expenditures	10,170,423	10,170,423	10,540,713	(370,290)
EXCESS OF REVENUES UNDER				
EXPENDITURES	(1,410,423)	(1,410,423)	(1,780,713)	(370,290)
OTHER FINANCING SOURCES				
Long-Term Debt Issued	-	-	11,075,000	11,075,000
Premium on Debt Issued	-	-	1,567,782	1,567,782
Payment to Current Noteholder	-	-	(12,265,000)	(12,265,000)
Transfers In	1,522,854	1,636,854	1,548,531	(88,323)
Total Other Financing Sources	1,522,854	1,636,854	1,926,313	289,459
NET CHANGE IN FUND BALANCE	112,431	226,431	145,600	(80,831)
Fund Balance - Beginning of Year	35,893	35,893	35,893	
FUND BALANCE - END OF YEAR	\$ 148,324	\$ 262,324	\$ 181,493	\$ (80,831)

CITY OF FOND DU LAC, WISCONSIN COMBINING STATEMENT OF NET POSITION INTERNAL SERVICE FUNDS DECEMBER 31, 2020

	Health Insurance	Information Technology	Total
ASSETS			
Current Assets:			
Cash and Investments	\$ 3,511,439	\$ 343,018	\$ 3,854,457
Receivables:			
Accounts	29,767	-	29,767
Prepaid supplies and items	-	84,224	84,224
Total Assets	3,541,206	427,242	3,968,448
LIABILITIES Current Liabilities:			
Accounts Payable	497,448	107,907	605,355
Accrued and Other Current Liabilities	-	17,383	17,383
Compensated Absences	-	13,599	13,599
Total Current Liabilities	497,448	138,889	636,337
NET POSITION			
Unrestricted	\$ 3,043,758	<u>\$ 288,353</u>	<u>\$ 3,332,111</u>

CITY OF FOND DU LAC, WISCONSIN COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION INTERNAL SERVICE FUNDS YEAR ENDED DECEMBER 31, 2020

	Health Insurance	Information Technology	Total
OPERATING REVENUES			
Charges for Services	\$ 5,462,953	\$ 1,745,137	\$ 7,208,090
Other	-	465	465
Total Operating Revenues	5,462,953	1,745,602	7,208,555
OPERATING EXPENSES			
Personal Services	-	548,797	548,797
Contractual Services	-	762,566	762,566
Materials and Supplies	-	269,172	269,172
Utilities	-	8,519	8,519
Insurance Claims and Expenses	4,769,180	-	4,769,180
Total Operating Expenses	4,769,180	1,589,054	6,358,234
OPERATING INCOME	693,773	156,548	850,321
NONOPERATING REVENUES Gain on Disposal of Capital Assets	<u> </u>	334	334
INCOME BEFORE TRANSFERS	693,773	156,882	850,655
Transfers Out		(204,334)	(204,334)
CHANGE IN NET POSITION	693,773	(47,452)	646,321
Net Position - Beginning of Year	2,349,985	335,805	2,685,790
NET POSITION - END OF YEAR	\$ 3,043,758	\$ 288,353	\$ 3,332,111

CITY OF FOND DU LAC, WISCONSIN COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS YEAR ENDED DECEMBER 31, 2020

	Health Insurance		
CASH FLOWS FROM OPERATING ACTIVITIES Cash Received from Customers Cash Paid for Employee Wages and Benefits Cash Paid to Suppliers Net Cash Provided by Operating Activities	\$ 5,522,077 - (4,960,973) 561,104	\$ 1,751,602 (547,075) <u>(1,168,972)</u> 35,555	\$ 7,273,679 (547,075) (6,129,945) 596,659
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES Transfer Out	-	(204,334)	(204,334)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES Sale of Capital Assets		334	334
CHANGE IN CASH AND CASH EQUIVALENTS	561,104	(168,445)	392,659
Cash and Cash Equivalents - Beginning of Year	2,950,335	511,463	3,461,798
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 3,511,439	\$ 343,018	\$ 3,854,457

CITY OF FOND DU LAC, WISCONSIN COMBINING STATEMENT OF CASH FLOWS (CONTINUED) INTERNAL SERVICE FUNDS YEAR ENDED DECEMBER 31, 2020

	Health Insurance		Information Technology		Total	
RECONCILIATION OF OPERATING INCOME TO NET CASH						
PROVIDED BY OPERATING ACTIVITIES						
Operating Income	\$	693,773	\$	156,548	\$	850,321
Adjustments to Reconcile Operating Income to Net Cash						
Provided by Operating Activities:						
Effect of Changes in Operating Assets and Liabilities:						
Accounts Receivable		59,124		6,000		65,124
Prepaid Supplies and Items		-		(78,046)		(78,046)
Accounts Payable		(191,793)		(50,669)		(242,462)
Accrued and Other Current Liabilities		-		4,188		4,188
Compensated Absences		-		(2,466)		(2,466)
Net Cash Provided by Operating Activities	\$	561,104	\$	35,555	\$	596,659
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION						
Cash and Cash Equivalents in Current Assets	\$	3,511,439	\$	343,018	\$	3,854,457
Cuch and Cuch Equivalence in Ouront 10000	—	0,011,400	Ψ	010,010	—	0,001,407

CITY OF FOND DU LAC, WISCONSIN SCHEDULE OF GOVERNMENTAL CAPITAL ASSETS BY SOURCE DECEMBER 31, 2020

Governmental Capital Assets:	
Land	\$ 6,662,884
Buildings and Improvements	29,107,903
Land Improvements	11,464,487
Machinery and Equipment	30,943,027
Infrastructure	217,663,050
Construction In Progress	8,609,661
Total Governmental Capital Assets	\$ 304,451,012
Investments in Governmental Capital Assets	
Capital Projects Funds - General Obligation Bonds/Notes	\$ 257,951,090
General Fund Revenues	26,818,780
Gifts	605,091
Private Development	3,458,365
City Owned	67,750
Noncash Transactions	86,922
Special Revenue Funds	9,256,601
Federal Grants	5,637,314
State Grants	569,099
Total Investments in Governmental Capital Assets	\$ 304,451,012

CITY OF FOND DU LAC, WISCONSIN SCHEDULE OF GOVERNMENTAL CAPITAL ASSETS BY FUNCTION AND ACTIVITY DECEMBER 31, 2020

	Land	Buildings and Improvements	Land Improvements	Machinery and Equipment	Infrastructure	Construction in Progress	Total
General Government	\$ 1,761,262	\$ 3,210,881	\$ 511,684	\$ 3,745,991	\$-	\$ 64,300	\$ 9,294,118
Public Safety: Police Protection Fire Protection Ambulance	377,000 712,056 -	3,049,446 3,420,879 -	116,469 195,243 -	2,756,320 6,287,986 1,877,908	- - -	180,874 4,108,599 -	6,480,109 14,724,763 1,877,908
Public Works	223,605	6,233,668	386,763	11,393,842	217,663,050	3,643,938	239,544,866
Culture and Recreation	1,576,750	2,375,637	9,209,474	1,515,231	-	611,950	15,289,042
Library	19,200	5,516,439	-	325,017	-	-	5,860,656
Transit	-	485,272	127,483	2,941,977	-	-	3,554,732
Parking	1,993,011	4,815,681	917,371	98,755			7,824,818
Total Governmental Capital Assets	\$ 6,662,884	\$ 29,107,903	\$ 11,464,487	\$ 30,943,027	\$ 217,663,050	\$ 8,609,661	\$ 304,451,012

CITY OF FOND DU LAC, WISCONSIN SCHEDULE OF CHANGES IN GOVERNMENTAL CAPITAL ASSETS BY FUNCTION AND ACTIVITY YEAR ENDED DECEMBER 31, 2020

	Balance December 31, 2019	Additions and Transfers	Deductions and Transfers	Balance December 31, 2020
General Government	\$ 9,245,972	\$ 80,296	\$ 32,150	\$ 9,294,118
Public Safety: Police Protection Fire Protection Ambulance	6,183,687 13,426,953 1,757,457	334,350 5,416,622 120,451	37,928 4,118,812 -	6,480,109 14,724,763 1,877,908
Public Works	231,772,260	8,915,886	1,143,280	239,544,866
Culture and Recreation	15,020,032	358,449	89,439	15,289,042
Library	5,860,656	-	-	5,860,656
Transit	3,600,285	66,457	112,010	3,554,732
Parking	7,806,545	34,353	16,080	7,824,818
Total Governmental Capital Assets	\$ 294,673,847	\$ 15,326,864	\$ 5,549,699	\$ 304,451,012

STATISTICAL SECTION
STATISTICAL SECTION

This part of the City of Fond du Lac's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, required supplementary information, and supplementary information says about the City's overall financial health.

Category	<u>Pages</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	98 - 102
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	103 - 106
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	107 - 112
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	113 - 114
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	115 - 117

NET POSITION BY COMPONENT

Last Ten Fiscal Years

	 2011	 2012	 2013	 2014	 2015	 2016	 2017	 2018	 2019	 2020
Governmental activities Net investment in capital assets Restricted Unrestricted	\$ 95,930,395 2,217,656 5,647,742	\$ 81,618,359 2,245,643 13,780,102	\$ 76,912,015 2,334,699 15,423,935	\$ 71,413,644 3,835,073 14,897,454	\$ 66,751,968 12,475,493 16,521,071	\$ 64,124,339 4,335,365 22,862,213	\$ 62,208,570 22,174,776 20,629,218	\$ 62,628,518 13,718,879 8,935,168	\$ 62,680,554 9,761,365 10,985,180	\$ 62,108,973 16,735,150 5,177,466
Total government activities net assets	\$ 103,795,793	\$ 97,644,104	\$ 94,670,649	\$ 90,146,171	\$ 95,748,532	\$ 91,321,917	\$ 105,012,564	\$ 85,282,565	\$ 83,427,099	\$ 84,021,589
Business-type activities Net investment in capital assets Restricted Unrestricted	\$ 67,300,385 10,376,924 35,301,494	\$ 80,275,705 8,393,145 29,752,670	\$ 90,430,362 6,452,250 25,931,756	\$ 98,116,652 6,230,592 22,650,707	\$ 103,316,344 7,056,462 21,916,243	\$ 109,793,752 5,979,656 20,568,256	\$ 115,427,437 6,233,897 20,667,978	\$ 121,667,593 3,468,983 24,175,806	\$ 127,222,768 3,637,262 23,547,207	\$ 134,213,696 8,142,359 18,744,697
Total business-type activities net assets	\$ 112,978,803	\$ 118,421,520	\$ 122,814,368	\$ 126,997,951	\$ 132,289,049	\$ 136,341,664	\$ 142,329,312	\$ 149,312,382	\$ 154,407,237	\$ 161,100,752
Primary government Net investment in capital assets Restricted Unrestricted	\$ 163,230,780 12,594,580 40,949,236	\$ 161,894,064 10,638,788 43,532,772	\$ 167,342,377 8,786,949 41,355,691	\$ 169,530,296 10,065,665 37,548,161	\$ 170,068,312 19,531,955 38,437,314	\$ 173,918,091 10,315,021 43,430,469	\$ 177,636,007 28,408,673 41,297,196	\$ 184,296,111 17,187,862 33,110,974	\$ 189,903,322 13,398,627 34,532,387	\$ 196,322,669 24,877,509 23,922,163
Total primary government	\$ 216,774,596	\$ 216,065,624	\$ 217,485,017	\$ 217,144,122	\$ 228,037,581	\$ 227,663,581	\$ 247,341,876	\$ 234,594,947	\$ 237,834,336	\$ 245,122,341

CHANGES IN NET POSITION Last Ten Fiscal Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental activities										
General government	\$ 3,016,950	\$ 2,660,933	\$ 2,419,911	\$ 2,563,667	\$ 4,034,444	\$ 4,949,836	\$ 4,457,171	\$ 3,732,198	\$ 3,946,183	\$ 3,468,986
Public safety	. , ,	. , ,	. , ,	. , ,	. , ,	. , ,	. , ,	. , ,	. , ,	. , ,
Police	10,039,871	10,333,412	9,326,591	9,144,237	9,629,937	10,270,290	10,961,595	11,413,736	11,568,063	11,682,058
Fire/Rescue	9,837,885	9,578,925	8,226,046	8,291,861	8,701,785	10,286,387	10,333,308	10,231,849	9,969,649	9,686,193
Public works	12,905,660	15,441,486	16,542,771	17,214,323	15,748,791	16,618,135	17,515,777	16,314,987	19,672,209	17,674,112
Culture and recreation	5,640,176	5,376,808	6,006,310	6,402,639	6,091,789	5,623,319	5,829,457	5,725,394	5,968,960	6,082,329
Community and development	10,715,615	5,242,287	2,095,011	3,289,740	2,727,994	2,298,011	3,002,089	4,547,770	4,500,545	3,421,614
Interest and fiscal charges	3,729,586	3,357,936	3,218,799	3,123,404	2,674,934	2,900,767	2,793,449	2,618,981	2,847,029	2,650,519
Total governmental activities expenses	55,885,743	51,991,787	47,835,439	50,029,871	49,609,674	52,946,745	54,892,846	54,584,915	58,472,638	54,665,811
Business-type activities										
Water Utility	8,585,366	8,977,193	8,452,508	8,734,239	8,394,123	8,450,320	9,119,285	8,167,128	8,186,352	8,542,217
Wastewater Utility	9,176,950	9,102,462	9,379,421	9,762,358	9,279,524	9,957,259	8,394,201	9,034,623	10,217,055	8,345,779
Total business-type activities	17,762,316	18,079,655	17,831,929	18,496,597	17,673,647	18,407,579	17,513,486	17,201,751	18,403,407	16,887,996
Total primary government expenses	\$ 73,648,059	\$ 70,071,442	\$ 65,667,368	\$ 68,526,468	\$ 67,283,321	\$ 71,354,324	\$ 72,406,332	\$ 71,786,666	\$ 76,876,045	\$ 71,553,807
Program Revenues Governmental activities: Charges for services:										
General government Public safety	\$ 1,069,724	\$ 994,003	\$ 1,288,711	\$ 1,192,847	\$ 2,221,332	\$ 2,495,323	\$ 2,304,418	\$ 2,680,806	\$ 2,377,348	\$ 1,113,696
Police	141,226	109,655	126,566	92,561	161,408	178,203	180,661	220,665	197,685	203,160
Fire/Resuce	2,601,349	2,793,488	1,655,958	1,559,347	1.696.421	1.666.188	1.941.549	1,957,224	2,120,596	1.819.191
Public works	168,178	419,502	1,802,173	1,697,518	1,294,954	1,708,605	1,900,004	1,953,057	1,429,898	1,751,622
Culture and recreation	468,079	531,292	478,373	459,396	547,380	579,350	540.277	554,945	565,293	405,634
Community and development	1,406,663	1,272,075	1,327,924	1,894,294	922,074	266,434	387,496	215,478	260,202	1,098,511
Interest and fiscal charges	-	-	-	-			133.849		,	-
Operating grants and contributions	6,171,946	5,567,122	609,096	5,726,793	6,159,199	6,484,854	6,297,493	6,608,228	6,952,887	7,931,237
Capital grants and contributions	4,793,415	3,505,575	1,003,855	968,788	105,428	665,058	469,051	308,237	419,226	456,476
Total governmental activities program revenue	16,820,580	15,192,712	8,292,656	13,591,544	13,108,196	14,044,015	14,154,798	14,498,640	14,323,136	14,779,527
Business-type activities Charges for services:										
Water Utility	12,690,230	12,395,916	12,084,957	12,315,152	12,119,334	12,611,440	12,690,954	12,882,550	12,891,819	12,277,027
Wastewater Utility	11,058,697	12,036,787	11,544,534	11,704,905	11,716,802	11,412,924	12,396,642	12,265,217	11,995,418	12,263,772
Operating grants and contributions	-	-	-	-	-	-	-	-	-	1,609
Capital grants and contributions	20,588	8,283				1,030		551,056		627,836
Total business-type activities program revenue	23,769,515	24,440,986	23,629,491	24,020,057	23,836,136	24,025,394	25,087,596	25,698,823	24,887,237	25,170,244
Total primary government program revenue	\$ 40,590,095	\$ 39,633,698	\$ 31,922,147	\$ 37,611,601	\$ 36,944,332	\$ 38,069,409	\$ 39,242,394	\$ 40,197,463	\$ 39,210,373	\$ 39,949,771

CHANGES IN NET POSITION Last Ten Fiscal Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net (Expense)/Revenue										
Govenmental activities	\$ (39,065,163)	\$ (36,799,075)	,	\$ (36,438,327)	\$ (36,501,478)	\$ (38,902,730)	\$ (40,738,048)	\$ (40,086,275)	\$ (44,149,502)	\$ (39,886,284)
Business-type activities	6,007,199	6,361,331	5,797,562	5,523,460	6,162,489	5,617,815	7,574,110	8,497,072	6,483,830	8,282,248
Total primary government net expense	\$ (33,057,964)	\$ (30,437,744)	\$ (28,264,221)	\$ (30,914,867)	\$ (30,338,989)	\$ (33,284,915)	\$ (33,163,938)	\$ (31,589,203)	\$ (37,665,672)	\$ (31,604,036)
General Revenues and Other Changes in Net I	Position									
Governmental activities:										
Taxes										
Property taxes	\$ 20,859,387	\$ 21,140,460	\$ 21,478,702	\$ 22,270,692	\$ 23,836,592	\$ 25,147,399	\$ 26,929,681	\$ 28,462,381	\$ 29,651,751	\$ 30,116,264
Other taxes	246,540	354,692	377,172	321,744	445,272	458,974	433,384	454,154	479,813	393,115
Federal and state grants and other										
contributions not restricted to										
specific functions	7,228,574	7,432,593	7,801,227	7,073,021	6,587,921	6,651,626	6,818,710	6,879,397	7,422,565	7,392,272
Gain on sale of asset	-	-	-	30,725	33,887	87,795	34,385	129,917	82,829	106,578
Interest and investement earnings	538,307	229,992	(111,182)	418,826	193,223	222,364	254,756	688,413	740,430	352,839
Miscellaneous	-	196	11,239	12,665	20,491	10,931	35,985	4,036	155,786	226,070
Transfers	1,422,395	1,497,592	1,631,170	1,786,086	1,857,027	1,897,026	1,921,794	1,945,017	1,942,047	1,893,636
Total governmental activities	30,295,203	30,655,525	31,188,328	31,913,759	32,974,413	34,476,115	36,428,695	38,563,315	40,475,221	40,480,774
Business-type activities:										
Investment earnings	708,559	561,116	201,006	440,630	321,961	331,826	316,698	443,467	545,063	302,250
Federal and state grants and other	,	,	,	,	,	,	,	,	,	,
contributions not restricted to										
specific functions	-	-	-	-	-	-	-	-	2,808	3,578
Gain on disposal of capital assets	23,363	17,862	25,450	5,579	-	-	18,634	-	5,201	-
Miscellaneous	-	-	-	-	-	-	-	-	-	(925)
Transfers	(1,422,395)	(1,497,592)	(1,631,170)	(1,786,086)	(1,857,027)	(1,897,026)	(1,921,794)	(1,945,017)	(1,942,047)	(1,893,636)
Total business-type activities	(690,473)	(918,614)	/	(1,339,877)	(1,535,066)	(1,565,200)	(1,586,462)	(1,501,550)	(1,388,975)	(1,588,733)
									<u>.</u>	
Total primary government	\$ 29,604,730	\$ 29,736,911	\$ 29,783,614	\$ 30,573,882	\$ 31,439,347	\$ 32,910,915	\$ 34,842,233	\$ 37,061,765	\$ 39,086,246	\$ 38,892,041
Changes in Net Position										
Governmental activities	\$ (8,769,960)	\$ (6,143,550)	\$ (2,873,455)	\$ (2,873,455)	\$ (4,524,568)	\$ (3,527,065)	\$ (4,309,353)	\$ (1,522,960)	\$ (3,674,281)	\$ 594,490
Business-type activities	5,316,726	5,442,717	4,392,848	4,392,848	4,183,583	4,627,423	5,987,648	6,995,522	5,094,855	6,693,515
Total primary government	\$ (3,453,234)	\$ (700,833)	\$ 1,519,393	\$ 1,519,393	\$ (340,985)	\$ 1,100,358	\$ 1,678,295	\$ 5,472,562	\$ 1,420,574	\$ 7,288,005
Note: For budgeting and financial reporting, the T	ransit Fund was inc	luded under Comm	unity Development f	or 2011 and prior. B	eginning in 2012, th	e Transit Fund is inc	cluded in Public Wor	ks. The previous ye	ars	

have not been restated.

Fund Balances, Governmental Funds Last Ten Fiscal Years

-	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General fund										
Nonspendable	\$ 1,107,100	\$ 658,355	\$ 657,434	\$ 788,600	\$ 822,550	\$ 843,454	\$ 791,799	\$ 784,385	\$ 815,164	\$ 703,254
Committed	876,223	83,300	110,500	129,700	160,900	261,300	313,300	-	56,400	7,600
Assigned	260,398	1,013,681	726,392	1,034,438	1,043,484	866,644	422,359	243,028	480,431	1,283,018
Unassigned	5,060,576	5,574,625	6,977,905	6,803,731	7,076,721	5,897,565	5,743,724	6,792,648	6,940,067	6,546,363
Total general fund	\$ 7,304,297	\$ 7,329,961	\$ 8,472,231	\$ 8,756,469	\$ 9,103,655	\$ 7,868,963	\$ 7,271,182	\$ 7,820,061	\$ 8,292,062	\$ 8,540,235
All other governmental funds										
Nonspendable	\$ 41,160	\$ 35,553	\$ 23,541	\$ 16,531	\$ 19,321	\$ 21,088	\$ 10,543	\$ 11,185	\$ 11,297	\$ 13,688
Restricted, reported in:										
Debt service fund	1,193,819	375,374	164,368	176,731	41,007	30,188	-	21,073	35,893	181,493
Other governmental funds	1,023,837	1,870,269	2,170,331	3,658,342	3,064,142	4,335,365	4,174,776	7,324,895	8,163,811	7,560,810
Committed	9,749,261	8,194,183	5,694,790	3,420,970	4,300,227	4,914,693	5,489,621	4,683,146	6,273,986	6,048,845
Unassigned	(388,023)	-	(8,693)	(19,639)	-	-	(132,616)	-	(158,287)	(99,547)
Total all other governmental funds	\$ 11,620,054	\$ 10,475,379	\$ 8,044,337	\$ 7,252,935	\$ 7,424,697	\$ 9,301,334	\$ 9,542,324	\$ 12,040,299	\$ 14,326,700	\$ 13,705,289

Note:

The City adopted GASB #54 for 2011 and previous years have been restated to confrom to the new reporting standards.

Changes in Fund Balances, Governmental Funds Last Ten Fiscal Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
REVENUES										
Taxes	\$ 21,105,927	\$ 21,495,152	\$ 21,855,874	\$ 22,592,436	\$ 24,281,864	\$ 25,606,373	\$ 27,363,065	\$ 28,916,535	\$ 30,146,246	\$ 30.509.379
Licenses and permits	1,209,983	1,219,945	1,584,967	1,502,338	1,575,530	1,643,086	1,540,425	1,761,773	1,510,136	1,327,625
Intergovernmental	17,190,473	15,208,721	13,095,315	12,809,625	12,464,374	12,985,438	13,048,834	13,425,085	14,288,465	15,140,668
Public charges for services	3.864.344	4,181,498	4,190,901	4,057,457	4.267.404	4,401,524	4.651.047	4.673.901	4.818.651	4.235.217
Fines and forfeits	429,803	396,288	403,259	353,427	315,075	340,309	350,905	487,268	452,391	371,255
Special assessments	218,540	352,627	310,994	365,625	105,428	477,806	269,051	108,237	219,226	154,398
Intergovernmental charges for services	-	-	-	-	-	-	6,388	6,472	4,046	3,125
Miscellaneous	1,641,409	1,633,668	2,086,125	2,244,555	1,557,074	1,469,201	1,175,931	1,538,684	2,008,987	1,776,656
Total revenues	45,660,479	44,487,899	43,527,435	43,925,463	44,566,749	46,923,737	48,405,646	50,917,955	53,448,148	53,518,323
EXPENDITURES										
Current:										
General government	2,761,850	2,728,069	2,576,287	2,864,927	2,895,749	3,633,660	3,464,037	2,931,192	3,102,300	3,457,495
Public safety	18,764,003	19,792,977	17,595,580	17,906,887	17,625,723	18,388,065	19,081,135	19,781,489	20,066,298	20,478,753
Public works	7,696,054	7,199,147	8,987,449	9,297,529	9,009,131	9,503,060	10,184,967	9,763,684	10,096,733	9,946,537
Culture and recreation	4,786,149	4,635,061	4,854,418	4,771,827	4,758,803	4,944,540	4,816,143	5,089,696	5,249,645	5,070,898
Community and development	5,391,401	4,386,330	1,795,548	2,354,789	2,651,454	2,202,852	1,364,290	3,400,009	3,817,626	1,660,463
Other	112,592	8,401	82,258	7,025	8,400	12,300	1,001,200	-	-	-
Debt service:	112,002	0,101	02,200	1,020	0,100	12,000				
Principal	1,634,528	9,588,675	7,907,613	3,881,976	11.050.000	6.895.000	5.435.000	6.310.000	7.170.000	7.470.000
Interest and fiscal charges	3,471,383	3,377,101	3,348,985	3,021,170	2,970,803	2,772,456	3,018,509	2,827,421	2,972,124	3,075,613
Capital outlay	10,664,148	6,938,086	8,468,176	6,286,421	5,228,945	6,169,361	8,813,385	13,202,924	9,623,199	13,866,574
Total expenditures	55,282,108	58,653,847	55,616,314	50,392,551	56,199,008	54,521,294	56,177,466	63,306,415	62,097,925	65,026,333
Excess (deficiency) of revenues										
over expenditures	(9,621,629)	(14,165,948)	(12,088,879)	(6,467,088)	(11,632,259)	(7,597,557)	(7,771,820)	(12,388,460)	(8,649,777)	(11,508,010)
	(0,021,020)	(11,100,010)	(12,000,010)	(0,101,000)	(11,002,200)	(1,001,001)	(1,111,020)	(12,000,100)	(0,010,111)	(11,000,010)
OTHER FINANCING SOURCES (USES)										
Long-term debt issued	12,575,000	16,980,000	12,050,000	4,095,000	10,075,000	6,100,000	12,075,000	12,825,000	8,990,000	19,630,000
Premium on debt issued	121,705	63,626	376,520	30,338	132,350	125,000	255,564	347,620	212,975	1,567,782
Payment to current noteholder	(11,090,063)	(5,432,281)	(3,257,783)	-	-	-	(7,050,000)	-	-	(12,265,000)
Proceeds from sale of capital assets	-	-					42,718	130,141	81,823	104,020
Transfers in	11,281,514	8,205,781	5,923,448	4,799,342	4,152,677	5,419,914	5,185,819	6,430,383	5,539,528	5,863,145
Transfers out	(9,859,119)	(6,708,189)	(4,292,278)	(2,964,756)	(2,208,818)	(3,405,412)	(3,094,072)	(4,297,830)	(3,416,147)	(3,765,175)
Total other financing sources (uses)	3,029,037	13,108,937	10,799,907	5,959,924	12,151,209	8,239,502	7,415,029	15,435,314	11,408,179	11,134,772
Net change in fund balances	\$ (6,592,592)	\$ (1,057,011)	\$ (1,288,972)	\$ (507,164)	\$ 518,950	\$ 641,945	\$ (356,791)	\$ 3,046,854	\$ 2,758,402	\$ (373,238)
Debt service (net of principal refinancings) as a percentage of noncapital expenditures	10.32%	23.49%	23.02%	14.43%	26.65%	19.23%	16.75%	17.30%	18.35%	19.36%

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY Last Ten Fiscal Years

Fiscal Year	 Real Property Assessed Value	 Personal Property Assessed Value	 Total ¹ Assessed Value	Total Direct Tax Rate	 Estimated ² Actual Value	Ratio of ³ Total Assessed to Estimated Actual Value
2020	\$ 2,947,629,200	\$ 118,068,250	\$ 3,065,697,450	9.460	\$ 3,149,182,700	97.35
2019	\$ 2,908,751,900	\$ 114,997,220	\$ 3,023,749,120	9.577	\$ 3,003,275,800	100.65
2018	\$ 2,612,902,300	\$ 106,000,770	\$ 2,718,903,070	10.468	\$ 2,894,535,500	93.96
2017	\$ 2,597,239,700	\$ 130,759,720	\$ 2,727,999,420	9.955	\$ 2,812,603,900	96.89
2016	\$ 2,553,171,500	\$ 135,242,100	\$ 2,688,413,600	9.615	\$ 2,716,586,500	98.94
2015	\$ 2,510,001,500	\$ 128,040,160	\$ 2,638,041,660	9.244	\$ 2,662,872,500	99.05
2014	\$ 2,482,152,700	\$ 127,669,520	\$ 2,609,822,220	8.891	\$ 2,597,744,000	100.46
2013	\$ 2,522,732,900	\$ 123,894,340	\$ 2,646,627,240	8.219	\$ 2,565,745,100	103.14
2012	\$ 2,514,207,500	\$ 126,052,990	\$ 2,640,260,490	7.979	\$ 2,563,349,900	103.05
2011	\$ 2,491,291,200	\$ 124,925,480	\$ 2,616,216,680	7.929	\$ 2,643,226,500	98.98

Notes:

¹ Assessed Property Values are determined by the City of Fond du Lac Assessor's office in conjunction with the Wisconsin Department of Revenue Property Assessment Manual.

² Estimated Actual Values (Equalized Values) are provided by the Wisconsin Department of Revenue Supervisor of Assessments.

³ Ratio of Total Assessed to Estimated Actual Value (Aggregate Ratio) is provided by the Wisconsin Department of Revenue .

PRINCIPAL TAXPAYERS

Current Year and Nine Years Ago

	2020				2011		
Name	Type of Business	Assessed ^a Valuation	Percent Total Assessed Valuation	Name	Type of Business	Assessed ^b Valuation	Percent Total Assessed Valuation
Mercury Marine	Manufacturer of Boat Engines	\$ 64,693,60	0 2.38%	Mercury Marine	Manufacturer of Boat Engines	\$ 34,582,800	1.32%
Agnesian Healthcare Inc	Hospital/Health Care Facility	46,419,82	0 1.71%	Agnesian Healthcare Inc	Hospital/Health Care Facility	30,420,460	1.16%
Grande Cheese Company	Food & Dairy	36,377,28	0 1.34%	John Mark Apt. Complexes	Apartments	28,015,400	1.07%
Countryside Villas	Apartments	26,124,70	0 0.96%	Simon Properties	Shopping Mall	17,753,310	0.68%
Edward Rose Development Co LLC	Apartments	19,085,74	0 0.70%	Aurora Medical Group	Health Care Facility	16,377,170	0.63%
Aurora Medical Group	Health Care Facility	17,110,67	0 0.63%	VH Enterprises	Warehousing	16,247,370	0.62%
East Central Warehouse LLC	Warehouses	15,452,60	0 0.57%	Eagle Fond du Lac LLC	Warehousing	16,205,560	0.62%
CDS Real Estate LLC CD Smith	Construction Co	15,426,26	4 0.57%	Wal-Mart	Retail Shopping Facility	15,885,150	0.61%
Wal-Mart	Retail Shopping Facility	15,302,25	0 0.56%	J.F. Ahern	Metal Fabrication	14,347,240	0.55%
J.F. Ahern	Metal Fabrication	15,051,42	0 0.55%	1115 East Johnson LLC	Grocery / Retail	13,472,360	0.51%
Principal Taxpayers Total		271,044,34	4 9.97%	Principal Taxpayers Total		203,306,820	7.77%
All Other		2,447,858,72	6 90.03%	All Other		2,412,909,860	92.23%
Total		\$ 2,718,903,07	0 100.00%	Total		\$ 2,616,216,680	100.00%

Sources: ^a 2020 City Assessment Roll. ^b 2011 City Assessment Roll.

PROPERTY TAX LEVIES AND COLLECTIONS Last Ten Fiscal Years

Fiscal ¹ Year	 Total ^{2 a} Tax Levied	Current ^{3 b} Tax Collected	Percent of Levy Collected	-
2020	\$ 30,545,749	\$ 30,484,242	99.799	%
2019	29,991,482	29,974,789	99.944	
2018	28,737,677	28,717,184	99.929	
2017	27,185,263	27,180,019	99.981	
2016	25,243,083	25,233,388	99.962	
2015	23,836,590	23,829,111	99.969	
2014	21,751,481	21,740,964	99.952	
2013	21,067,332	21,054,905	99.941	
2012	20,744,450	20,728,027	99.921	
2011	20,470,060	20,457,307	99.938	

Notes:

- ¹ Fiscal year is the year in which the tax is collected. The 2020 fiscal year consists of the 2019 tax bills due in 2020 and used to finance the 2020 budget.
- ² Total tax includes real estate property taxes, personal property taxes, and the TIF increment levied for the City of Fond du Lac jurisdiction only.
- ³ Real estate taxes are paid in full each year. Fond du Lac County buys the delinquent real estate taxes and handles all collections.

Delinquent personal property taxes are charged back to the overlying taxing jurisdictions. The City only carries the municipal portion of the delinquent personal property taxes receivable.

Sources:

^a Tax levy reconciliation file.

^b Total tax levied less City portion of delinquent personal property taxes on the year-end balance due report.

PROPERTY TAX RATES AND TAX LEVIES - DIRECT AND OVERLAPPING GOVERNMENTS Last Ten Fiscal Years

Fiscal ¹ Year	City o Fond du		 Fond du Scho Distri	ol		Morain Park Technic Colleg	al		nd du Lac County	Sta o Wisco	f		Gross Tax Rate	Stat Tax Crec	¢	Net Tax Rate	Total
						Тах	Rates pe	er \$1,000) of Assessed	Value and	Percent o	f Tota	al				
2020	\$ 9.577	41.7%	\$ 8.647	37.6%	\$ ().613	2.7%	\$ 5.65	4 24.6%	\$ -	0.0%	\$	24.491	\$ 1.504	6.5%	\$ 22.987	100.0%
2019	10.468	43.0	8.813	36.2	().677	2.8	6.12	5 25.2	0.000	0.0		26.083	1.747	7.2	24.336	100.0
2018	9.955	41.4	9.105	37.9	(.669	2.7	6.07	2 25.3	0.000	0.0		25.801	1.775	7.4	24.026	100.0
2017	9.615	39.9	9.370	38.9	(.663	2.7	5.97	7 24.8	0.170	0.7		25.795	1.678	7.0	24.117	100.0
2016	9.244	38.0	9.969	40.9	().678	2.8	5.97	9 24.6	0.171	0.7		26.041	1.710	7.0	24.331	100.0
2015	8.891	37.6	9.525	40.3	().672	2.8	5.90	3 25.0	0.169	0.7		25.160	1.523	6.4	23.637	100.0
2014	8.219	34.4	9.771	40.9		.521	6.4	5.68	4 23.8	0.164	0.7		25.359	1.482	6.2	23.877	100.0
2013	7.979	34.4	9.456	40.8		.496	6.5	5.54	9 23.9	0.165	0.7		24.645	1.473	6.3	23.172	100.0
2012	7.929	34.4	9.370	40.6		.496	6.5	5.56		0.171	0.7		24.527	1.462	6.3	23.065	100.0
2011	7.858	33.9	9.510	41.0		.507	6.5	5.55	8 24.0	0.176	0.8		24.609	1.444	6.2	23.165	100.0
					Та	ax Levie:	S						Total				
2020	\$ 30	,545,749	\$ 24,	539,941	\$	1,7	87,309	\$	16,487,349	\$	-	\$7	3,360,348				
2019	29	,991,482	22,4	497,590		1,7	73,730		16,053,639		-	7	0,316,441	Notes:			
2018	28	,737,677	23,	310,960		1,7	59,476		15,957,640		-	6	9,765,753		ar is the	year in whic	h the tax
2017	27	,185,263	23,	777,445		1,7	26,339		15,569,739		461,021	e	8,719,807			2020 fiscal y	
2016	25	,243,083	25,	118,585		1,7	53,880		15,463,386		451,906	6	8,030,840			19 tax bills d finance the	
2015	23	,836,590	23,	855,726		1,7	26,281		15,172,847		440,853	6	5,032,297	budget.			
2014	21	,751,481	25,	183,570		4,0	25,570		15,042,270		435,422	6	6,438,313				
2013	21	,067,332	24,3	344,422		3,9	49,154		14,649,892		435,016	6	64,445,816				
2012	20	,744,450	23,	894,325		3,9	14,660		14,548,034		448,572	6	3,550,041				
2011	20	,470,060	24,	145,645		3,9	25,948		1,478,642		618,297	5	50,638,592				

RATIO OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

	Go	vernmental Activitie	es	Business-type	e Activities			
Fiscal Year	General Obligation Bonds	General Obligation Notes	Capital Leases ¹	Revenue Bond Debt	General Obligation Bonds	Total Primary Government	Percentage of Personal Income ²	Per Capita ²
2020	\$ 32,887,182	\$ 51,223,133	\$-	\$ 52,086,434	\$-	\$ 136,196,749	N/A	3,076
2019	46,049,327	36,826,851	-	59,524,063	-	142,400,241	N/A	3,214
2018	51,296,471	32,397,755	-	66,534,776	-	150,229,002	3.3%	3,420
2017	56,263,615	20,683,911	-	70,676,773	-	147,624,299	3.2%	3,380
2016	60,599,603	16,579,585	-	77,388,896	-	154,568,084	3.0%	3,563
2015	61,905,892	16,002,096	-	83,909,719	-	161,817,707	2.8%	3,723
2014	64,720,584	14,077,312	-	90,291,918	-	169,089,814	2.6%	3,919
2013	65,761,317	12,805,000	26,976	100,407,579	-	179,000,872	2.3%	4,153
2012	61,190,000	14,055,000	69,589	107,747,843	-	183,062,432	2.2%	4,247
2011	49,015,000	16,582,477	103,264	114,900,099	-	180,600,840	2.1%	4,193

<u>Note</u>: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

N/A = Not Available.

¹ Capital Leases are not bonded debt.

² See the Schedule of Demographic and Economic Statistics for personal income and population data.

RATIO OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

-	Fiscal Year	Population ^a	General Bonded Debt		Av Re	ss: Amounts ailable from stricted Net sition - Debt Service	Total	Percentage of Assessed Value ¹	Percentage of Equalized Value ¹	Pe	er Capita ²
	2020	44,279	\$	84,110,315	\$	-	\$ 84,110,315	2.74%	2.67%	\$	1,899.55
	2019	44,303		82,876,178		-	82,876,178	2.74	2.76		1,870.67
	2018	43,921		83,694,226		-	83,694,226	3.08	2.89		1,905.56
	2017	43,679		76,947,526		-	76,947,526	2.82	2.74		1,761.66
	2016	43,381		77,179,188		-	77,179,188	2.87	2.84		1,779.10
	2015	43,461		77,907,988		41,007	77,866,981	2.95	2.92		1,791.65
	2014	43,151		78,797,896		176,731	78,621,165	3.01	3.03		1,822.00
	2013	43,100		78,566,317		164,368	78,401,949	2.96	3.06		1,819.07
	2012	43,100		75,245,000		375,374	74,869,626	2.84	2.92		1,737.11
	2011	43,075		65,597,477		1,193,819	64,403,658	2.46	2.44		1,495.15

Notes:

Details regarding the city's outstanding debt can be found in the notes to the financial statements.

¹See the Schedule of Assessed and Estimated Actual Value of Taxable Property for property value data.

²Population dada can be found in the Schedule of Demographic and Economic Statistics.

COMPUTATION OF LEGAL DEBT MARGIN

Last Ten Fiscal Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Assessed Value ^a	\$ 2,616,216,680	\$ 2,640,260,490	\$ 2,646,627,240	\$ 2,609,822,220	\$ 2,638,041,660	\$ 2,688,413,600	\$ 2,727,999,420	\$ 2,718,903,070	\$ 3,023,749,120	\$ 3,065,697,450
Equalized Value ^a	2,643,226,500	2,563,349,900	2,565,745,100	2,597,744,000	2,662,872,500	2,716,586,500	2,812,603,900	2,894,535,500	3,003,275,800	3,149,182,700
Debt Limit Five Percent of Equalized Value ¹	132,161,325	128,167,495	128,287,255	129,887,200	133,143,625	135,829,325	140,630,195	144,726,775	150,163,790	157,459,135
Amount of Debt Applicable to Debt Limit:										
General Obligation Bonds	49,015,000	61,190,000	65,400,000	64,395,000	61,545,000	60,205,000	55,790,000	50,900,000	45,730,000	32,645,000
General Obligation Notes	16,582,477	14,055,000	12,805,000	14,050,000	15,925,000	16,470,000	20,475,000	31,880,000	36,175,000	49,155,000
Total Debt	65,597,477	75,245,000	78,205,000	78,445,000	77,470,000	76,675,000	76,265,000	82,780,000	81,905,000	81,800,000
Deduct:										
Debt Service Fund Balance	2,126,824	1,193,819	375,374	176,731	41,007	30,188	-	21,073	-	-
Total Amount of Debt Applicable to Debt Limit	63,470,653	74,051,181	77,829,626	78,268,269	77,428,993	76,644,812	76,265,000	82,758,927	81,905,000	81,800,000
Legal Debt Margin	\$ 68,690,672	\$ 54,116,314	\$ 50,457,629	\$ 51,618,931	\$ 55,714,632	\$ 59,184,513	\$ 64,365,195	\$ 61,967,848	\$ 68,258,790	\$ 75,659,135
Percent of Legal Debt Limit Avaliable	52.0%	42.2%	39.3%	39.7%	41.8%	43.6%	45.8%	42.8%	45.5%	48.1%

Notes:

¹ State Statutes (67.03 and 119.49) limit direct general obligation debt to 5% of the equalized valuation of taxable property in the municipality.

COMPUTATION OF DIRECT AND OVERLAPPING DEBT

December 31, 2020

Direct Debt:	Net Debt Outstanding	Percentage Applicable to City of Fond du Lac ¹	City of Fond du Lac Share of Debt
City of Fond du Lac	\$ 86,843,333	100.0 %	\$ 86,843,333
Overlapping Debt:			
Fond du Lac County	73,335,000	36.8	27,020,281
Moraine Park Technical College	31,410,000	10.2	3,215,285
Fond du Lac School District	124,660,988	71.7	89,369,462
North Fond du Lac School District	28,063,888	14.0	3,928,944
Total - overlapping debt			123,533,972
	TOTAL		\$ 210,377,305

Note: Overlapping taxing jurisdictions are those that coincide, at least in part, with the geographical boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Fond du Lac.

¹ The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the taxable assessed value that is within the government's boundaries and dividing it by the total taxable assessed value for that jurisdiction.

Water Utility Revenue Bond Coverage

Last Ten Fiscal Years

		4	Interest	Income Available	Debt	Service Require	ments	
Fiscal Year	Operating Revenue	Operating ¹ Expenses	and Other Revenue	for Debt Service	Principal ²	Interest	Total	Coverage
2020	\$ 12,083,930	\$ 3,899,760	\$ 251,267	\$ 8,435,437	\$ 3,616,830	\$ 1,090,508	\$ 4,707,338	1.79
2019	12,853,004	4,038,331	164,542	8,979,215	3,501,915	1,182,510	4,684,425	1.92
2018	12,879,093	3,998,332	103,379	8,984,140	3,387,904	1,269,972	4,657,876	1.93
2017	12,673,108	4,025,216	73,369	8,721,261	3,274,774	1,354,731	4,629,505	1.88
2016	12,610,507	4,119,707	66,938	8,557,738	3,162,506	1,427,493	4,589,999	1.86
2015	12,096,367	4,044,784	73,545	8,125,128	3,101,081	1,519,336	4,620,417	1.76
2014	12,285,466	4,318,788	123,401	8,090,079	3,190,481	1,606,172	4,796,653	1.69
2013	12,078,425	4,231,224	11,770	7,858,971	2,905,684	1,883,516	4,789,200	1.64
2012	12,382,846	4,731,915	191,512	7,842,443	3,246,675	1,936,287	5,182,962	1.51
2011	12,690,230	4,211,058	239,655	8,718,827	4,553,435	1,435,783	5,989,218	1.46

Notes:

¹ Operating expenses do not include depreciation and property tax equivalent.

² Principal payments are shown net of debt principal refundings.

Wastewater Collection & Treatment System Revenue Bond Coverage

Last Ten Fiscal Years

			Interest	Income Interest Available		Debt Service Requirements ²					
Fiscal Year	Operating Revenue	Operating ¹ Expenses	and Other Revenue	for Debt Service	Principal ³	Interest	Total	Coverage			
2020	\$ 12,268,840	\$ 5,974,149	\$ 816,771	\$ 7,111,462	\$ 3,797,073	\$ 561,324	\$ 4,358,397	1.63			
2019	12,007,514	6,568,587	415,249	5,854,176	3,705,493	645,301	4,350,794	1.35			
2018	12,265,217	5,453,922	343,545	7,154,840	3,494,534	678,798	4,173,332	1.71			
2017	12,398,145	5,445,261	278,306	7,231,190	3,413,631	760,659	4,174,290	1.73			
2016	11,412,924	6,245,828	271,543	5,438,639	3,257,401	918,740	4,176,141	1.30			
2015	11,716,802	5,528,095	271,383	6,460,090	3,481,988	1,166,946	4,648,934	1.39			
2014	11,704,905	5,852,095	352,494	6,205,304	3,833,320	1,269,777	5,103,097	1.22			
2013	11,544,534	5,492,001	160,213	6,212,746	3,905,580	1,370,716	5,276,296	1.18			
2012	12,036,787	5,158,954	400,536	7,278,369	3,364,921	1,464,521	4,829,442	1.51			
2011	11,058,697	5,097,373	492,267	6,453,591	4,166,627	1,589,302	5,755,929	1.12			

Notes:

¹ Operating expenses do not include depreciation.

² Includes principal and interest of revenue bonds only.

³ Principal payments are shown net of refinancings and additional payments for the early retirement of debt.

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Fiscal Years

Fiscal Year	_Population ^a	In	djusted ^b Gross come Per ix Return	Total Personal Income ^c nousands of dollars	P	r Capita ersonal come ^{1c}	Median ^d Age	Annual ^e Unemployment Rate	Public ^f School Enrollment	Public ^f High School Graduates
2020	44,279		n/a	n/a		n/a	38.9	6.5	7,050	454
2019	44,303		n/a	\$ 5,164,866	\$	49,949	38.5	3.1	7,084	490
2018	43,921	\$	54,777	\$ 4,960,128	\$	48,126	37.3	2.9	7,204	528
2017	43,679	\$	48,129	\$ 4,691,921	\$	45,753	36.9	3.0	7,242	510
2016	43,381	\$	51,099	\$ 4,562,299	\$	44,665	36.9	3.6	7,319	494
2015	43,461	\$	50,193	\$ 4,462,797	\$	43,764	36.9	4.3	7,310	493
2014	43,151	\$	48,080	\$ 4,318,062	\$	42,434	36.9	5.1	7,463	454
2013	43,100	\$	46,620	\$ 4,160,801	\$	40,873	36.9	7.3	7,462	485
2012	43,100	\$	45,730	\$ 4,018,578	\$	39,459	36.9	7.6	7,415	504
2011	43,075	\$	43,370	\$ 3,766,440	\$	36,897	36.9	8.5	7,438	484
Notes:										

N/A = Not Available.

¹ Includes Fond du Lac County and Metropolitan Area

Sources:

^a Demographic Services Center - State of Wisconsin (2010 - U.S. Census Bureau)

^b Wisconsin Department of Revenue

^c U.S. Department of Commerce, Bureau of Economic Analysis

^d U.S. Department of Labor - Bureau of Labor Statistics

^e U.S. Department of Labor - Bureau of Labor Statistics - average rate, not seasonally adjusted

^f Wisconsin Center for Education Statistics, Bureau for Information Management, Fond du Lac School District

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

2	2020		2011					
Name	Employees ^a	Percentage of Total City Employment ¹	Name	Employees ^a	Percentage of Total City Employment ¹			
Agnesian Health Care	3,450	7.19%	Agnesian Healthcare Inc	2,814	6.47%			
Mercury Marine	3,100	6.46%	Mercury Marine	2,412	5.55%			
Fond du Lac County	881	1.84%	Fond du Lac County	950	2.19%			
Fond du Lac School District	850	1.77%	Fond du Lac School District	803	1.85%			
Marian University	421	0.88%	J.F. Ahern Co.	449	1.03%			
Grande Cheese Company	415	0.86%	Moraine Park Technical College	415	0.95%			
Taycheedah Correctional Facility	389	0.81%	Taycheedah Correctional Facility	360	0.83%			
Moraine Park Technical College	397	0.83%	City of Fond du Lac	319	0.73%			
Brenner Tank	365	0.76%	Marian University	257	0.59%			
Total	10,268	21.39%	Total	8,779	19.42%			

Notes:

¹ Wisconsin's WorkNet Current Employment Statistics

Sources:

^a Hutchinson, Shockey, Erley & Co. Revenue Bond Official Statement

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM

Last Ten Fiscal Years

Fiscal Year	General Government	Public Safety	Public Works	Culture and Recreation	Community Development	Total
2020	27.0	150.0	70.8	13.2	12.0	273.0
2019	27.0	150.0	70.8	13.2	12.0	273.0
2018	26.0	150.0	70.8	13.2	12.0	272.0
2017	24.7	150.0	70.8	13.2	12.0	270.7
2016	20.4	148.8	69.1	12.4	10.8	261.5
2015	20.3	147.3	68.2	12.4	11.0	259.2
2014	20.7	147.3	69.2	12.4	12.0	261.6
2013	21.0	146.8	68.8	12.0	12.5	261.1
2012	25.0	147.0	69.4	13.0	13.2	267.6
2011	29.5	148.0	61.0	13.0	22.1	273.6

Notes:

Contains governmental funds permanent full and part-time employees under City Council's authority. Does not include Library employees or enterprise fund employees.

In 2012 Transit operations, 8.4 FTE's were moved from Community Development to Public Works. In 2013 Information Technology Services, 4 FTE's were moved from General Government to an internal service fund.

OPERATING INDICATORS BY FUNCTION/PROGRAM

Last Ten Fiscal Years

	2011		2012	2013		2014	2015		2016	2017	2018	2019	2020
Function/Program	-												
Governmental Activities:													
Community Development													
Building Permits Issued	2	941	2,981	3,13	3	3,157	2,655		1,683	3,724	3,807	4,257	1,346
Total Valuation of Building Permits	\$ 41,464.		,	\$ 67,375,04		51,921,182			40,960,146 \$				
New site plans reviewed	φ,.ο.,	19	28	3		26	17	Ŷ	32	26	30	28	27
Rezonings/special use permits applied for		13	19	1		9	14		18	13	16		11
Variances applied for		39	26	3		16	14		15	27	14	10	17
New lots/parcels created		6	4		2	4	2		2	4	-	17	7
Housing Code Enforcement-complaints filed		418	414	40		410	415		458	513	552	509	426
Housing Code Enforcement-violations cured		739	648	66		610	645		542	526	544	441	329
Housing rehabilitation value of loans approved		501 \$	220,798			286,300			142,179 \$				
Downtown parking revenue (permits & meter)		259 \$	320,560			276,667			296.981 \$,			
Transit ridership	φ 330, 181,		171,119	212,32		200,473	206,432		209,119	200,540	206,364	193,050	103,427
Transit farebox revenue		350 \$	133,065	,		249,664			256,947 \$,		,	
Culture and Recreation	φ 201,	330 φ	133,005	φ 202,24	οφ	249,004	240,550	φ	200,947 ¢	330,331	¢ 249,001 4	200,002 4	20,320
Library		1	1		1	1	1		1	1	1	1	1
Library Volumes	209.		221,833	197,21	•	198,829	204,418		209,864	203,464	208,313	206,235	204,929
Circulation	209, 859,		221,033 826,121	766,42			709,154		209,864 680,674	203,464 641,827	627,249	206,235 590,624	204,929 453,768
			,			779,448				,		,	
Senior Center number of visits		237	53,616	52,50		47,728	51,948		63,359	63,113	62,208	66,274	11,511
Senior Center volunteer hours worked	17,	411	18,876	17,81	2	17,058	21,052		18,114	15,751	15,203	16,644	4,785
Business-type activities:													
Water Utility													
Average No. of Customers:													
Residential	14,	239	14,214	14,23	8	14,275	14,202		14,246	14,358	14,391	14,433	14,449
Commercial	1,	384	1,385	1,38	0	1,381	1,199		1,204	1,215	1,220	1,222	1,234
Industrial		55	56	5	4	56	53		53	53	54	52	53
Multifamily							297		301	311	309	318	309
Public		70	72	7	4	43	77		75	77	76	76	82
Gallons of Water Sold:													
Residential	590,568,	073	587,827,244	596,156,55	4	566,336,950	546,756,404		530,939,376	524,086,200	527,408,068	516,562,068	538,111,948
Commercial	356,280,	172	368,500,375	374,618,58	1	348,345,590	269,906,076		274,917,758	268,340,512	269,833,520	283,578,020	265,229,580
Industrial	189,314,	970	346,566,644	320,528,85	3	321,641,496	290,630,912		279,349,576	262,631,776	309,956,240	261,161,956	219,665,908
Multifamily							83,877,728		81,969,580	83,892,688	85,010,200	92,238,124	90,256,672
Public	65,842,	281	58,930,350	61,913,80	0	59,540,905	63,676,492		68,326,060	63,710,900	63,324,932	75,286,948	67,460,624
Plant Capacity (gallons/day)	5,664,	000	6,061,000	6,946,00	0	6,063,000	6,606,000		5,956,000	6,212,000	6,394,000	5,867,000	5,729,000
Wastewater Collection & Treatment System													
Average No. of Customers:													
Residential	14.	239	14,214	14,23	8	14,275	14,202		14,246	14,358	14,391	14,433	14,449
Commercial		384	1,385	1,38		1,381	1,199		1,204	1,215	1,220	1,222	1,234
Industrial		55	56	5		56	53		53	53	54	52	53
Multifamily							297		301	311	309	318	309
Public		70	72	7	4	43	77		75	77	76	76	82
System Usage in Gallons													
Residential	590,568	073	587,827,244	596,156,55	4	566,366,950	546,756,404		530,939,376	524,086,200	527,408,068	516,562,068	538.111.948
Commercial	356,280,		368,500,375	374,618,58		348,345,590	269,906,076		274,917,758	268,340,512	269,833,520	283,578,020	265,229,580
Industrial	189,314,		346,566,644	320,528,85		321,641,496	290,630,912		279,349,576	262,631,776	309,956,240	261,161,956	219,665,908
Multifamily	100,014,		0,000,044	020,020,00	-	021,011,100	83,877,728		81,969,580	83,892,688	85,010,200	92,238,124	90,256,672
Public	65,842	281	58,930,350	61,913,80	0	59,540,905	63,676,492		68,326,060	63,710,900	63,324,932	75,286,948	67,460,624
	00,042,		00,000,000	51,510,00	-	00,0-70,000	00,070,492		00,020,000	00,710,000	00,027,002	10,200,040	01,400,024
<u>Notes</u> : N/A = Not Available													

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

Last Ten Fiscal Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Function/Program										
Governmental Activities:										
Public Safety										
Police Protection										
Sworn Personnel - Authorized Positions	75	74	73	73	73	73	72	72	73	73
Fire and EMS Protection										
Number of Stations	3	3	3	3	3	3	3	3	3	3
Firefighting Force	65	65	65	65	65	65	65	65	65	65
Firefighting Vehicles	6	6	6	6	6	6	6	6	6	6
Ambulances	5	5	5	5	5	5	5	5	6	6
Public Works										
Miles of Streets	171	168	171	171	171	171	171	176	177	177
Miles of Storm Sewers	173	175	175	175	175	175	182	192	228	227
Recreation and Culture										
Playgrounds	15	15	15	15	15	16	16	17	17	18
City Parks	21	21	21	21	21	22	22	22	22	23
Acres of City Park Land	520	520	520	520	520	530	530	530	530	530
Indoor Skating Facility	1	1	1	1	1	1	1	1	1	1
Outdoor Skating Facility	1	1	1	1	1	2	2	2	2	2
Outdoor Skateboarding Facility	1	1	1	1	1	1	1	1	1	1
Outdoor Pools	1	1	1	1	1	1	1	1	1	1
Outdoor Water Park	1	1	1	1	1	1	1	1	1	1
Disc Golf Course	1	1	1	1	1	1	1	1	1	1
Band Shelters	1	1	1	1	1	1	1	1	1	1
Boat Launches	16	16	16	16	18	18	18	18	18	18
Business-type activities:										
Water Utility										
Miles of Mains	220	220	220	221	223	223	223	224	225	225
Hydrants	1,824	1,827	1,829	1,833	1,830	1,836	1,836	1,842	1,846	1,856
Wastewater Collection & Treatment System										
Miles of Sanitary Sewers	197	197	197	198	198	198	198	203	206	205

ADDITIONAL INDEPENDENT AUDITORS' REPORT FOR BASIC FINANCIAL STATEMENTS



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

City Council City of Fond du Lac, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fond du Lac, Wisconsin, (the City) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated July 30, 2021.

Internal Control Over Financial Reporting

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

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 City's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



Compliance and Other Matters

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

Purpose of this Report

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

Clifton Larson Allen LLP

CliftonLarsonAllen LLP

Sheboygan, Wisconsin July 30, 2021

FEDERAL AND STATE AWARDS



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND THE WISCONSIN STATE SINGLE AUDIT GUIDELINES

City Council City of Fond du Lac, Wisconsin

Report on Compliance for Each Major Federal and State Program

We have audited the City of Fond du Lac, Wisconsin's (the City) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration that could have a direct and material effect on each of the City's major federal and state programs for the year ended December 31, 2020. The City's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration. Those standards, Uniform Guidance and the *State Single Audit Guidelines* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the City's compliance.



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Opinion on Each Major Federal and State Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2020.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance in accordance with the Uniform Guidance and the *State Single Audit Guidelines*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance of a federal or state program with a type of compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the *State Single Audit Guidelines*. Accordingly, this report is not suitable for any other purpose.

Clifton Larson Allen LLP

CliftonLarsonAllen LLP

Sheboygan, Wisconsin July 30, 2021

CITY OF FOND DU LAC, WISCONSIN SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED DECEMBER 31, 2020

Grantor Agency/Federal Program Title	CFDA Number	Pass-Through Agency	Pass-Through Entity Identifying Number	(Accrued) Deferred Revenue 1/1/20	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/20	Total Expenditures	Passed Through to Subrecipients
U.S. DEPARTMENT OF AGRICULTURE								
US Forest Service Great Lakes Restoration Initiative	10.675	Bay Lake Regional Planning Commission	16006-10D	\$ (2,500)	s -	\$ 2,500	\$ -	\$-
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		Fighting Commission	10000 100	φ (2,000)	Ŷ	φ 2,000	Ŷ	Ŷ
Community Development Block Grants/Entitlement Grants	14.228	Direct Program	N/A	(560,358)	339,542	670,431	449,615	-
COVID-19: Community Development Block Grants/Entitlement Grants	14.228	Direct Program	N/A	-	159.711	-	159,711	-
Community Development Block Grant-Revolved Loan Funds					,		,.	
Program Income	14.228	Direct Program	N/A		102.722		102,722	-
Total Community Development Block Grants		Direct regian		(560.358)	601,975	670,431	712.048	
Polar Community Development Disert Chanto				(000,000)	001,010	010,101	112,010	
Total U.S. Department of Housing and Urban Development				(560,358)	601,975	670,431	712,048	-
U.S. DEPARTMENT OF JUSTICE								
COVID-19: Coronavirus Emergency Supplemental Funding	16.034	Direct Program	N/A	-	-	11,501	11,501	-
Bulletproof Vest Partnership Program	16.607	Direct Program	N/A	-	4,959	-	4,959	-
Edward Byrne Memorial Justice Assistance Grant	16.738	Direct Program	N/A	-	11,317	-	11,317	-
Asset Forfeiture Programs Equitable Sharing	16.922	Direct Program	N/A	4,648	-	(4,648)	-	-
Total U.S. Department of Justice		-		4,648	16,276	6,853	27,777	-
U.S. DEPARTMENT OF TRANSPORTATION								
Federal Transit Cluster:								
Federal Transit Formula Grants	20.507	Direct Program	N/A	(295,403)	612,400	279.963	596,960	-
COVID-19: Federal Transit Formula Grants	20.507	Direct Program	N/A	-	-	211,940	211,940	-
Bus and Bus Facilities Formula Program	20.526	Direct Program	N/A	-	42,880	-	42,880	-
Total Federal Transit Cluster		5		(295,403)	655,280	491,903	851,780	-
Highway Safety Cluster								
State and Community Highway Safety	20.600	Fond du Lac County, WI	Unknown		7,566		7,566	
Total U.S. Department of Transportation				(295,403)	662,846	491,903	859,346	-
U.S. DEPARTMENT OF TREASURY								
COVID-19: Routes to Recovery	21.019	Wisconsin Department of						
·		Revenue	N/A	-	725,055	-	725,055	-
ELECTION ASSISTANCE COMMISSION								
HAVA Election Security Grants	90.404	Wisconsin Elections						
		Commission	N/A	-	23,207	-	23,207	-
U.S. DEPARTMENT OF HOMELAND SECURITY								
Diaster Grants Public Assistance	97.036	Direct Program	N/A		12,457		12,457	
TOTAL EXPENDITURES OF FEDERAL AWARDS				\$ (853,613)	\$ 2,041,816	\$ 1,171,687	\$ 2,359,890	\$

See Notes to the Schedules of Expenditures of Federal and State Awards.

CITY OF FOND DU LAC, WISCONSIN SCHEDULE OF EXPENDITURES OF STATE AWARDS YEAR ENDED DECEMBER 31, 2020

Grantor Agency/State Program Title	State I.D. Number	Pass-Through Agency	State Identifying Number	(Accrued) Deferred Revenue 1/1/20	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/20	Total Expenditures	Passed Through to Subrecipients
DEPARTMENT OF NATURAL RESOURCES								
All-Terrain Vehicle (ATV) Program	370.576 & 370.577	Direct Program	N/A	\$ (625)	\$ 625	\$-	\$-	\$-
Recreational Boating Facilities	370.573	Direct Program	N/A	(8,049)	-	8,049	-	-
Recreational Boating Facilities	370.573	Direct Program	N/A	(13,366)	-	13,366	-	-
Urban Nonpoint Source & Stormwater	370.658	Direct Program	N/A	(36,307)	36,307	-	-	-
Urban Rivers	370.675	Direct Program	N/A	25,250	-	-	25,250	-
Total Department of Natural Resources				(33,097)	36,932	21,415	25,250	-
DEPARTMENT OF TRANSPORTATION								
Transit Operating Aids	395.104	Direct Program	N/A	-	447,462	-	447,462	-
Transit Operating Aids	395.104	Direct Program	N/A	-	23,095	-	23,095	-
Total Department of Transportation				-	470,557	-	470,557	-
DEPARTMENT OF HEALTH SERVICES								
EMS Funding Assistance Program	435.167	Direct Program	N/A	4,264	7,940	(2,734)	9,470	-
DEPARTMENT OF MILITARY AFFAIRS								
Regional Emergency Response Teams	465.306	Direct Program	N/A	-	16,514	(6,089)	10,425	-
Hazardous Materials Emergency Preparedness	465.308	Fond du Lac County	11036 & 11163	-	15,000	(15,000)	-	-
Computer and Hazmat Equipment Grant	465.367	Fond du Lac County	Unknown	-	2,483	-	2,483	-
Total Department of Military Affairs					33,997	(21,089)	12,908	-
TOTAL STATE PROGRAMS				\$ (28,833)	\$ 549,426	\$ (2,408)	\$ 518,185	\$

See Notes to the Schedules of Expenditures of Federal and State Awards.

CITY OF FOND DU LAC, WISCONSIN NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS YEAR ENDED DECEMBER 31, 2020

NOTE 1 BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards for the City are presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration.

The schedules of expenditures of federal and state awards include all federal and state awards of the City. Because the schedules present only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

Revenues and expenditures in the schedules are presented in accordance with the modified accrual basis of accounting and are generally in agreement with revenues and expenditures reported in the City's 2020 fund financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and the *State Single Audit Guidelines* for all awards with the exception of CFDA 21.019, which follows criteria determined by the Department of the Treasury for allowability of costs. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement. Accrued revenue at year-end consists of federal and state program expenditures scheduled for reimbursement to the City in the succeeding year while unearned revenue represents advances for federal and state programs that exceed recorded City expenditures. Because of subsequent program adjustments, these amounts may differ from the prior year's ending balances.

The City has not elected to charge a de minimis rate of 10% of modified total costs.

NOTE 3 OVERSIGHT AGENCIES

The federal and state oversight agencies for the City are as follows:

Federal	U.S. Department of Housing and Urban Development
State	Wisconsin Department of Transportation

CITY OF FOND DU LAC, WISCONSIN SCHEDULE OF FINDINGS AND QUESTIONED COSTS YEAR ENDED DECEMBER 31, 2020

Section I – Summary	of Auditors' Results	
Financial Statements		
1. Type of auditors' report issued:	Unmodified	
2. Internal control over financial reporting:		
 Material weakness(es) identified? 	yes <u>x</u> no	
 Significant deficiency(ies) identified? 	yes <u>x</u> none reported	
3. Noncompliance material to financial statements noted?	yes <u>x</u> no	
Federal Awards		
1. Internal control over major federal programs:		
 Material weakness(es) identified? 	yes <u>x</u> no	
 Significant deficiency(ies) identified? 	yesxnone reported	
Type of auditors' report issued on compliance for major federal programs:	Unmodified	
 Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? 	yes <u>x</u> no	
Identification of Major Federal Programs		
CFDA Numbers	Name of Federal Program or Cluster	
20.507	Federal Transit Cluster	
04.040	Federal Transit Formula Grants	
21.019	Coronavirus Relief Fund	
Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 750,000</u>	
Auditee qualified as low-risk auditee?	yes <u>x</u> no	

CITY OF FOND DU LAC, WISCONSIN SCHEDULE OF FINDINGS AND QUESTIONED COSTS YEAR ENDED DECEMBER 31, 2020

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Section I – Summary of Auditors' Results (Continued)		
State Financial Assistance 1. Internal control over state projects:		
Material weakness(es) identified?	yes <u>x</u> no	
 Significant deficiency(ies) identified that are not considered to be material weakness(es)? 	yes <u>x</u> none reported	
Type of auditors' report issued on compliance for state projects:	Unmodified	
3. Any audit findings disclosed that are required to be reported in accordance with state requirements?	yes <u>x</u> no	
Identification of Major State Projects		
STATE I.D. Number	Name of State Program	
395.104	Transit Operating Assistance	
Dollar threshold used to distinguish between Type A and Type B state projects:	<u>\$ 250,000</u>	

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with Government Auditing Standards.

Section III – Findings and Questioned Costs – Major Federal and State Programs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a) or the State Single Audit Guidelines.

CITY OF FOND DU LAC, WISCONSIN SCHEDULE OF FINDINGS AND QUESTIONED COSTS YEAR ENDED DECEMBER 31, 2020

Section IV – Other Issues

- 1. Does the auditor have substantial doubt about the auditee's ability to continue as a going concern?
- 2. Does the audit report show audit issues (i.e. material noncompliance, nonmaterial noncompliance, questioned cost, material weakness, significant deficiencies, management letter comment, excess revenue or excess reserve) related to grants/contracts with funding agencies that require audits to be in accordance with the State Single Audit Guidelines:

Department of Natural Resources	No
Department of Natural Resources	No
Department of Transportation	No
Department of Health Services	No
Department of Military Affairs	No

- 3. Was a Management Letter or other document conveying audit comments issued as a result of this audit? No₁
- 4. Name and signature of principal

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Bryan Grunewald, CPA

5. Date of Report

July 30, 2021