

COMPREHENSIVE ANNUAL FINANCIAL REPORT

2019



*"...meeting community needs
...enhancing quality of life."*

CITY OF APPLETON, WISCONSIN
YEAR ENDING DECEMBER 31, 2019

City of Appleton, Wisconsin
COMPREHENSIVE ANNUAL FINANCIAL REPORT
December 31, 2019

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City of Appleton, Wisconsin

DECEMBER 31, 2019

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INTRODUCTORY SECTION



Independent auditors' report

To the Honorable Mayor and Common Council
City of Appleton, Wisconsin

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Appleton, Wisconsin (the "City") as of and for the year ended December 31, 2019, 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City'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.

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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

CHANGE IN ACCOUNTING PRINCIPLE

As described in Note 1.C., during 2019, the City adopted new accounting guidance, GASB Statement No. 84, *Fiduciary Activities*. As a result, the City established a custodial fund for taxes and special charges collected for other governments. In prior years, these were accounted for in an agency fund. Our opinions are not modified with respect to this matter.

OTHER MATTERS

Prior-Year Comparative Information

We have previously audited the City's 2018 financial statements, and we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information in our report dated June 18, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended **December 31, 2018**, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 18, the budgetary comparison information on page 86, and the schedules relating to pensions and other postemployment benefits on pages 87 through 88 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 financial information listed in the table of contents as supplementary information and statistical section are presented for purposes of additional analysis and is 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 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 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.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of City of Appleton, Wisconsin, as of and for the year ended **December 31, 2018** (not presented herein), and have issued our report thereon dated June 18, 2019, which contained unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information. The general fund budgetary comparison for the year ended **December 31, 2018** are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2018 financial statements. The general fund budgetary comparison schedules have been subjected to the auditing procedures applied in the audit of the 2018 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the general fund budgetary comparison schedules are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended December 31, 2018.

The statistical section has 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 it.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2020, 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 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.



CliftonLarsonAllen LLP

Green Bay, Wisconsin

June 16, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

City of Appleton, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Appleton, Wisconsin, we offer readers of the City's financial statement this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2019. We encourage readers to consider the information presented here in conjunction with the City's financial statements.

Financial Highlights

- The assets and deferred outflows of resources of the City of Appleton exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$663,099,273. Of this amount, \$75,661,768 may be used to meet the City's obligations to citizens and creditors. The remaining amount is either subject to external restrictions on the utilization of the funds, or is invested in infrastructure capital assets.
- At the close of the fiscal year, the City of Appleton's governmental funds reported combined ending fund balances of \$39,102,111, an increase of \$3,982,716 from the 2018 balance of \$35,119,395. The increase was a result of positive operating results in 2019 from the City's general fund which added \$2,157,971 to its fund balance along with an additional \$1,824,745 being added as the result of operations from other governmental funds. The general fund increase was attributable to higher than expected interest earnings, recreation revenues, and other unanticipated revenues, along with savings from staff vacancies during the year coupled with a decrease in employee health care costs. The increase from the other governmental funds was mainly due to the City's TIF Districts #3 and #6 which have matured and are providing positive annual financial results as property tax revenues exceed TIF expenses.
- At the close of the fiscal year, the City of Appleton's enterprise funds reported combined ending net position of \$301,369,556, an increase of \$17,271,669 from the 2018 net position of \$284,097,887. The increase was a result of positive operating results in 2019 from almost all of the City's enterprise funds led by the Stormwater Utility, \$6,617,617, Water Utility, \$4,694,398, Valley Transit, \$2,864,662, Wastewater Utility, \$2,651,237 and Parking Utility, \$443,755, offset by a small deficit in the Golf Course Fund of \$74,189. A more detailed discussion of the operating results of these funds are contained later in this document.
- In accordance with GASB Statement No. 68 which require governmental entities participating in the Wisconsin Retirement System (WRS) to report their proportionate share of the plan's activity and net pension asset or liability, \$13,228,818 has been recorded as a net pension liability at December 31, 2019. As of the December 31, 2018 measurement date used for the 2019 financial statements, WRS reported total resources available to provide pension benefits of \$96.7 billion. They also reported a total liability for pensions of \$100.3 billion, resulting in a net pension deficit of \$3.6 billion. The City's proportionate share of this liability is \$13,228,818.
- During 2019, the City issued \$18,660,000 of general obligation debt and retired \$7,190,000 of general obligation bonds and notes, resulting in an outstanding balance of \$69,215,000 at December 31, 2019. The major capital projects funded with the amount borrowed in 2019 include the reconstruction of South Oneida Street over Jones Park, the reconstruction of Telulah Avenue, and the demolition of the City Center parking ramp. Under Wisconsin State Statutes Chapter 67, City of Appleton's aggregate general obligation indebtedness may not exceed 5% of the equalized value of taxable property located in the City. The net amount of debt that is applicable to the statutory limit is \$67,626,932 (\$69,215,000 less reserves on hand) which is 23.1% of the legal limit of \$292,767,835, well under the statutory limit.
- During 2019, the City issued no additional revenue bonds for their Water, Wastewater or Stormwater Utilities while retiring \$11,005,000 of outstanding revenue bond debt. This activity resulted in reducing total outstanding revenue bond debt from \$107,080,000 at December 31, 2018 to \$96,075,000 at December 31, 2019. This total outstanding revenue bond debt at December 31, 2019 included \$44,115,000 of Stormwater Utility bonds, \$41,185,000 of Water Utility bonds, and \$10,775,000 of Wastewater Utility bonds. Description of the individual outstanding revenue bond issues can be found in Note 4F of the financial statements.

City of Appleton, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS

Overview of the Financial Statements

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

GOVERNMENT-WIDE STATEMENTS

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a format similar to a private sector business.

The *Statement of Net Position* presents information on all of the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position serve as a useful indicator of whether the financial position of the City is improving or deteriorating. To assess the overall health of the City, consideration must also be given to additional non-financial factors such as changes in the City's property tax base and the condition of the City's infrastructure.

The *Statement of Activities* presents information showing how the City's net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of the 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 compensated absences).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government; public safety; public works; education and recreation; and community development.

The major business-type activities of the City include Valley Transit and the Water, Stormwater, and Wastewater Utilities.

The government-wide financial statements include not only the City of Appleton itself (known as the primary government), but also two component units, the Appleton Redevelopment Authority and the Business Improvement District, that are separate legal entities for which the City of Appleton is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 19 to 21 of this report.

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, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

City of Appleton, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

The City maintains 43 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund which is considered to be a major fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 22 to 25 of this report.

Proprietary Funds – The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Wastewater, Water, Stormwater and Parking Utilities, Valley Transit and Reid Golf Course. The City uses internal service funds to account for its fleet management, facilities maintenance, insurance, and post-employment benefit programs. The services provided by these funds predominately benefit the government rather than the public. They have been included within the 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 Valley Transit and the Water, Wastewater and Stormwater Utilities since they are considered to be major funds of the City.

Data from the other enterprise funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major enterprise funds is provided in the form of combining statements elsewhere in this report. All internal service funds are also combined into a single, aggregated column in the proprietary fund financial statements. Individual fund information is provided in the Supplementary Section of this report.

The basic proprietary fund financial statements can be found on pages 26 to 35 of this report.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City uses a fiduciary fund to account for its property tax collection activities. The basic fiduciary fund financial statements can be found on page 36 to 37 of this report.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 41 to 85 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, *required supplementary information* presents a detailed budgetary comparison schedule for the General Fund as well as a schedule of changes in total OPEB liability and related ratios for the City's post-employment benefits plan, and schedules of the City's proportionate share of the Wisconsin Retirement System net pension liability and employer annual contributions to the plan. These schedules and the related notes can be found on pages 86 to 88 of this report. The combining statements referred to earlier in connection with nonmajor governmental funds, proprietary funds, and other information related to the individual funds are presented following the required supplementary information. Combining and individual statements and schedules can be found on pages 90 to 116 of this report.

City of Appleton, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Analysis of the City as a Whole

An analysis of the City's financial position begins with a review of the Statement of Net Position and the Statement of Activities. These two statements report the City's net position and changes therein.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Appleton, assets and deferred outflows of resources exceeded liabilities and deferred inflows by \$663,099,273 as of December 31, 2019.

The largest portion of the City's net position (approximately 83%) reflects its investment in capital assets less any outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, they are not liquid and available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Appleton, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF APPLETON'S NET POSITION

	Governmental Activities 2019	Business- Type Activities 2019	Totals
Current and Other Assets	\$ 122,199,662	\$ 77,637,842	\$ 199,837,504
Capital Assets	<u>383,020,475</u>	<u>331,192,305</u>	<u>714,212,780</u>
Total Assets	<u>505,220,137</u>	<u>408,830,147</u>	<u>914,050,284</u>
Deferred Outflows of Resources	<u>30,311,219</u>	<u>8,322,744</u>	<u>38,633,963</u>
Other Liabilities	11,318,147	6,208,435	17,526,582
Long-Term Liabilities	<u>95,114,897</u>	<u>107,132,573</u>	<u>202,247,470</u>
Total Liabilities	<u>106,433,044</u>	<u>113,341,008</u>	<u>219,774,052</u>
Deferred Inflows of Resources	<u>66,562,329</u>	<u>3,248,593</u>	<u>69,810,922</u>
Net Position:			
Net Investment in Capital Assets	315,259,309	240,476,049	555,735,358
Restricted	13,012,419	18,689,728	31,702,147
Unrestricted	<u>34,264,255</u>	<u>41,397,513</u>	<u>75,661,768</u>
Total Net Position	<u>\$ 362,535,983</u>	<u>\$ 300,563,290</u>	<u>\$ 663,099,273</u>

	Governmental Activities 2018	Business- Type Activities 2018	Totals
Current and Other Assets	\$ 125,041,564	\$ 83,259,379	\$ 208,300,943
Capital Assets	<u>374,172,378</u>	<u>319,083,032</u>	<u>693,255,410</u>
Total Assets	<u>499,213,942</u>	<u>402,342,411</u>	<u>901,556,353</u>
Deferred Outflows of Resources	<u>17,195,380</u>	<u>5,970,630</u>	<u>23,166,010</u>
Other Liabilities	9,205,932	4,261,022	13,466,954
Long-Term Liabilities	<u>73,037,849</u>	<u>116,339,631</u>	<u>189,377,480</u>
Total Liabilities	<u>82,243,781</u>	<u>120,600,653</u>	<u>202,844,434</u>
Deferred Inflows of Resources	<u>67,503,514</u>	<u>3,871,881</u>	<u>71,375,395</u>
Net Position:			
Net Investment in Capital Assets	319,649,060	217,488,772	537,137,832
Restricted	19,443,354	22,216,720	41,660,074
Unrestricted	<u>27,569,613</u>	<u>44,135,015</u>	<u>71,704,628</u>
Total Net Position	<u>\$ 366,662,027</u>	<u>\$ 283,840,507</u>	<u>\$ 650,502,534</u>

City of Appleton, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS

An additional portion of the City's net position (approximately 4.8%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of \$75,661,768 may be used to meet the government's ongoing obligation to its citizens and creditors.

Analysis of the City's Operations - The following table provides a summary of the City's operations for the year ended December 31, 2019. Governmental activities decreased the City of Appleton's net position by \$4,126,044 while business-type activities increased the City's net position by \$16,722,783.

CITY OF APPLETON CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	Governmental Activities 2019	Business- Type Activities 2019	Totals
Revenues:			
Program Revenues:			
Charges for services	\$ 10,026,804	\$ 48,820,055	\$ 58,846,859
Operating grants and contributions	6,945,575	10,699,679	17,645,254
Capital grants and contributions	611,585	4,242,061	4,853,646
General Revenues:			
Property taxes	47,576,341	-	47,576,341
Other taxes	1,870,383	-	1,870,383
Intergovernmental	11,841,396	-	11,841,396
Investment income	2,387,491	2,407,323	4,794,814
Gain (loss) on sale of assets	363,288	(15,235)	348,053
Miscellaneous	220,751	44,800	265,551
Total Revenues	<u>81,843,614</u>	<u>66,198,683</u>	<u>148,042,297</u>
Expenses:			
General government	7,936,268	-	7,936,268
Public safety	34,942,204	-	34,942,204
Public works	22,879,095	-	22,879,095
Education and recreation	14,679,174	-	14,679,174
Community development	6,396,448	-	6,396,448
Interest and fiscal charges	1,264,672	-	1,264,672
Water Utility	-	15,006,641	15,006,641
Wastewater Utility	-	11,361,843	11,361,843
Valley Transit	-	10,302,594	10,302,594
Stormwater Utility	-	7,621,500	7,621,500
Other non-major proprietary funds	-	3,055,119	3,055,119
Total Expenses	<u>88,097,861</u>	<u>47,347,697</u>	<u>135,445,558</u>
Increase (decrease) in net position before transfers	(6,254,247)	18,850,986	12,596,739
Transfers	<u>2,128,203</u>	<u>(2,128,203)</u>	<u>-</u>
Increase (decrease) in net position	(4,126,044)	16,722,783	12,596,739
Net Position – January 1, 2019	<u>366,662,027</u>	<u>283,840,507</u>	<u>650,502,534</u>
Net Position – December 31, 2019	<u>\$ 362,535,983</u>	<u>\$ 300,563,290</u>	<u>\$ 663,099,273</u>

City of Appleton, Wisconsin

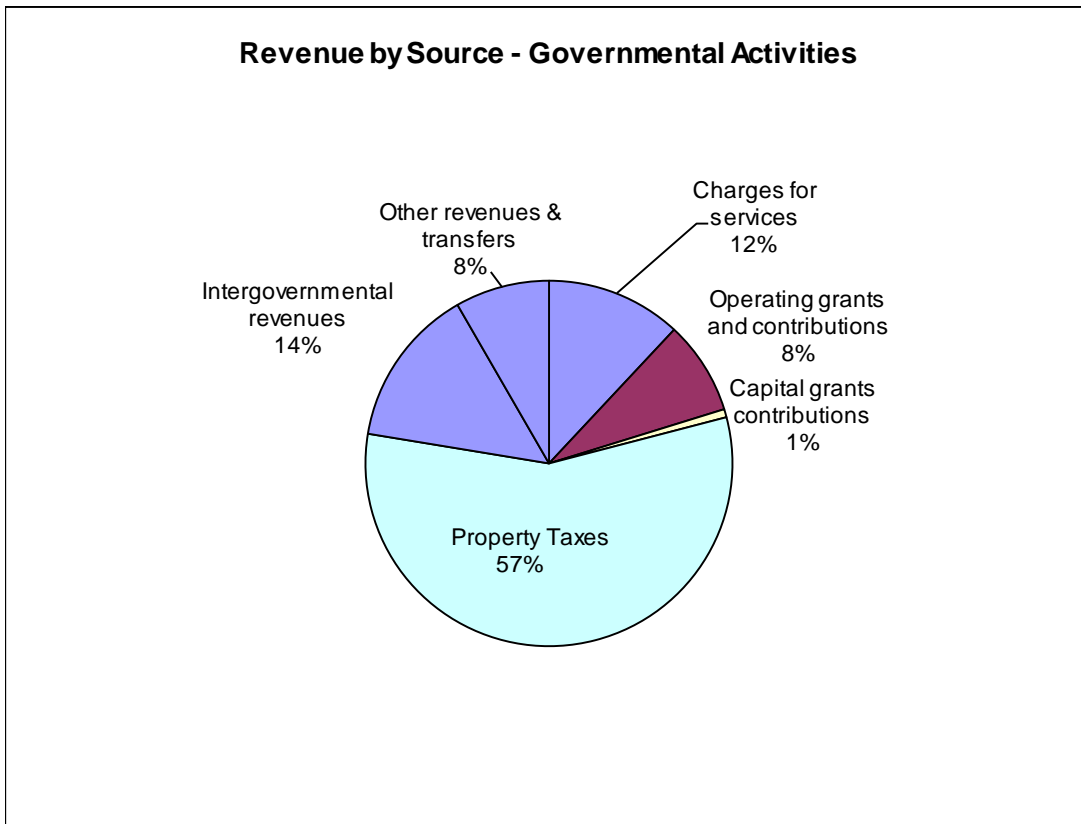
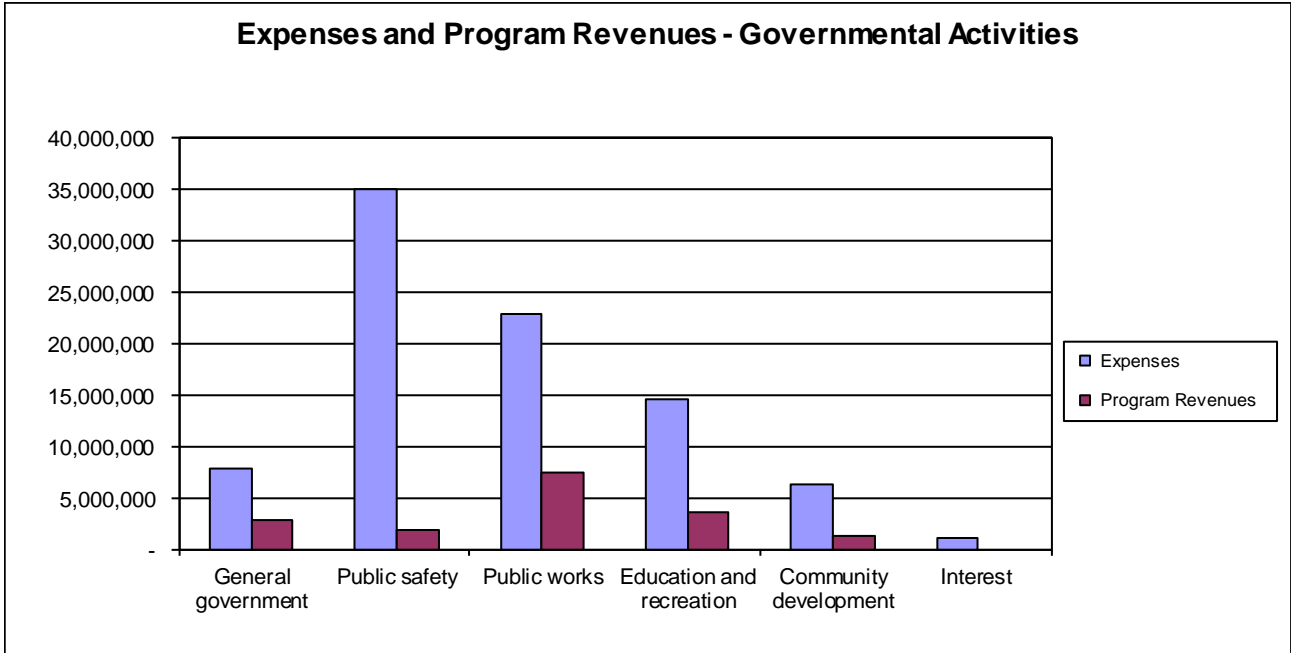
MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF APPLETON CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (cont.)

	Governmental Activities 2018	Business- Type Activities 2018	Totals
Revenues:			
Program Revenues:			
Charges for services	\$ 8,365,514	\$ 48,599,261	\$ 56,964,775
Operating grants and contributions	5,941,653	7,608,663	13,550,316
Capital grants and contributions	1,333,280	1,827,395	3,160,675
General Revenues:			
Property taxes	45,392,038	-	45,392,038
Other taxes	2,176,780	-	2,176,780
Intergovernmental	11,569,281	-	11,569,281
Investment income	1,326,962	872,251	2,199,213
Gain (loss) on sale of assets	166,055	-	166,055
Miscellaneous	382,032	7,706	389,738
Total Revenues	<u>76,653,595</u>	<u>58,915,276</u>	<u>135,568,871</u>
Expenses:			
General government	8,351,464	-	8,351,464
Public safety	33,196,999	-	33,196,999
Public works	20,954,662	-	20,954,662
Education and recreation	13,334,961	-	13,334,961
Community development	36,202,163	-	36,202,163
Interest and fiscal charges	1,047,481	-	1,047,481
Water Utility	-	14,699,970	14,699,970
Wastewater Utility	-	11,098,233	11,098,233
Valley Transit	-	9,879,574	9,879,574
Stormwater Utility	-	7,004,763	7,004,763
Other non-major proprietary funds	-	3,130,681	3,130,681
Total Expenses	<u>113,087,730</u>	<u>45,813,221</u>	<u>158,900,951</u>
Increase (decrease) in net position before transfers	(36,434,135)	13,102,055	(23,332,080)
Transfers	<u>2,464,686</u>	<u>(2,464,686)</u>	<u>-</u>
Increase (decrease) in net position	(33,969,449)	10,637,369	(23,332,080)
Net Position – January 1, 2018	<u>400,631,476</u>	<u>273,203,138</u>	<u>673,834,614</u>
Net Position – December 31, 2018	<u>\$ 366,662,027</u>	<u>\$ 283,840,507</u>	<u>\$ 650,502,534</u>

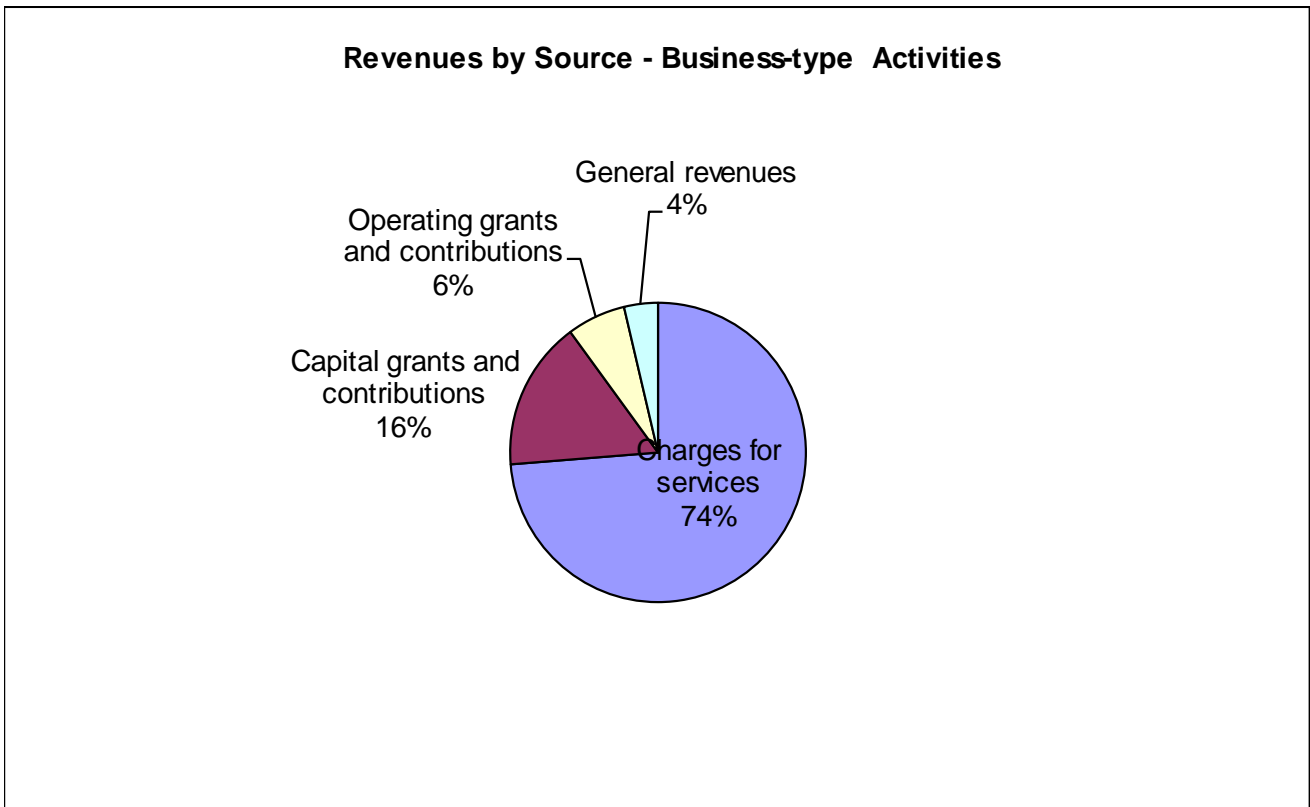
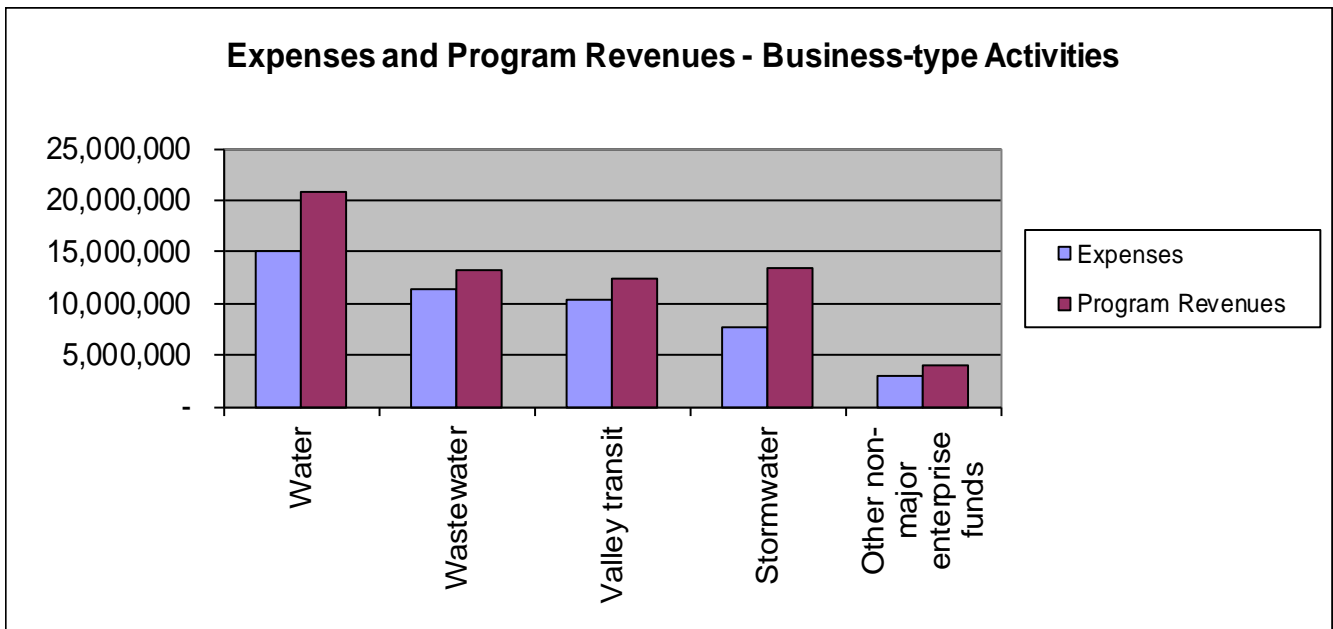
City of Appleton, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS



City of Appleton, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS



City of Appleton, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS

GOVERNMENTAL FUNDS

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

At the end of current fiscal year, the City of Appleton's governmental funds reported combined ending fund balances of \$39,102,111. In accordance with Governmental Accounting Standards Board Statement No. 54 – Fund Balance Reporting and Governmental Fund Type Definitions, the City has classified the governmental fund balance as follows: 1) non-spendable \$7,819,413; 2) restricted \$6,242,902; 3) committed \$1,792,790; 4) assigned \$20,116,864; and 5) unassigned \$3,130,142. Non-spendable funds include amounts that cannot be spent because they are not in spendable form (inventories or prepaid expenses, for example), or are legally required to remain intact. Restricted funds consist of amounts that have externally enforceable limitations placed on their use by creditors, grantors, contributors, or other governments, or by law through constitutional provisions or enabling legislation. Committed funds include amounts that are constrained for specific purposes through formal action of the highest level of decision-making authority, usually the City Council. Assigned funds consist of spendable amounts that are intended to be used for specific purposes but are not considered restricted or committed. Unassigned funds include the residual balance within the general fund which has not been classified within the other categories. Unassigned fund balance may also include deficit balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

General Fund: The general fund is the main operating fund of the City. The general fund has a detailed reserve policy that ensures the financial stability of the City of Appleton. The reserve policy stipulates that the total unreserved fund balance (excluding designations for debt service) will be 25% of the following year's budgeted appropriations. It also calls for a designated balance for debt service of 25% of the ensuing year's debt service requirements. 75% of any excess funds over these amounts will be used for the reduction of long-term liabilities. Use of the remaining excess funds is subject to recommendation from the Finance Committee and final Council approval. This policy has allowed the City to keep its outstanding debt well below the legal debt limit. The City is currently at 23.1% of the limit and has a general obligation debt per capita of \$905.

For the year ended December 31, 2019, general fund revenues and transfers in totaled \$64,457,785 while expenses and transfers out were \$62,299,814 resulting in an increase of \$2,157,971 for the year. The increase was due to both increased revenues and decreased expenses compared to the original general fund budget. On the revenue side, recreation revenues, mainly related to the recently renovated Erb pool, exceeded budget expectations. Additionally, interest income received in 2019 came in higher than anticipated, and the market value of the investments themselves ended on a high note compared to the prior year resulting in unrealized gains being recorded at December 31, 2019. On the expense side, vacancies throughout the year provided savings in personnel costs, a substantial decrease in health care costs also provided budget relief, and positive budget expense variances throughout the general fund departments all attributed to the year-end surplus.

Public Works Equipment:

For the year ended December 31, 2019, the public works equipment capital projects fund received debt proceeds of \$9,201,500 and revenues of \$819,975 to finance capital outlay purchases of \$10,783,353. At December 31, 2019, fund balance totaled \$2,244,066 with \$1,171,091 restricted and \$1,072,975 assigned for future public works expenditures.

PROPRIETARY FUNDS

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

City of Appleton, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS

Water Utility: Water Utility operating income was \$6,796,256 in 2019, or a 5.14% rate of return on the net investment rate base. This compares to operating income of \$8,043,952 in 2018, or a 6.08% rate of return. The decrease in operating income was due to a combination of both decreased revenues and increased operating expenses. Operating revenues declined due to a decrease in consumption in all customer classes evidenced by finished water production being down 90.6 million gallons from 2018. While revenues decreased, Utility operation and maintenance expenses increased \$458,000 from the prior year. The increase in expenses was primarily due to the cost of painting the Lindbergh Street water tower and the start of a corrosion control study. On a positive note, due to better market conditions in 2019, the Water Utility was aided by a \$436,000 increase in investment income.

Wastewater Utility: The Wastewater Utility recorded operating income of \$1,665,626 in 2019 compared to operating income of \$2,434,246 in 2018. The decrease in operating income was due to a combination of both decreased revenues and increased operating expenses. Operating revenues decreased due to a mid-year decrease in flow from a large industrial customer, a slight reduction in the quantity of special hauled waste received, and an overall decrease in flow from customers due to less water use during the year. Operation and maintenance expenses increased by \$446,000 due primarily to an increase in the cost of chemicals used in the treatment process, and an increase in pump and equipment maintenance and replacement expenses, offset slightly by a decrease of \$37,000 in electrical and \$40,000 in gas utilities expense. The Wastewater Utility also benefited from a \$590,000 increase in investment income over the prior year.

Stormwater Utility: Stormwater Utility operating income was \$4,934,089 in 2019 compared to operating income of \$4,185,960 in 2018. Operating income increased mainly due a rate increase of 13% implemented on January 1, 2019. Unfortunately, there was little change in equivalent runoff units (ERU's), the basis for stormwater charges, due to new construction in 2019. Operating expenses for 2019 increased 9% or \$514,000 from 2018. The increase in operating expenses in 2019 is due to a \$96,000 increase in depreciation expense due to the addition of two large detention ponds in the past two years, \$196,000 increase in consulting expense related to ravine, bluff and urbanization studies, and \$230,000 increase in infrastructure maintenance and sewer lateral expense. Non-operating revenues increased primarily due to an increase of \$447,000 in investment income from the prior year.

Valley Transit: Operating revenues decreased \$26,362 in 2019. Major changes consisted of a decrease of approximately \$13,900 in fixed route fares (1.8%) due to decreased ridership, and a decrease of approximately \$38,960 in ADA paratransit fares due to a change to the paratransit fare structure and services offered. These changes were made to ensure that Valley Transit is in compliance with "origin to destination service" as defined in 49 CFR 37.3, Americans with Disability Act. Valley Transit II services continue to provide primarily curb-to-curb service, with exceptions made for riders whose disability necessitates additional assistance beyond the curb. Operating expenses increased by \$384,455. Primary drivers of this increase were payroll expense, purchased transportation, and depreciation expense. Payroll expense increased by approximately \$116,800 due to collective bargaining agreements for represented staff and pay for performance adjustments for non-represented staff. Purchased transportation costs increased approximately \$66,400 as a result of re-bidding the contract for paratransit service, partially offset by the realignment of the service provided with Department of Transportation rules mentioned above. Depreciation expense increased approximately \$183,800 primarily as a result of bus acquisitions during 2019.

GENERAL FUND BUDGETARY HIGHLIGHTS

The final amended General Fund budget had total appropriations (including transfers) of \$3,137,679 more than the original budget. The total original appropriations, including those for transfers out, were \$63,481,720, while the final appropriations were \$66,619,399. A large part of the increase, \$2,378,284, was related to contingency funds established in the past that were carried over from 2018 into 2019 to safeguard against uncertainties in the economy. This contingency fund consists of reserves for fuel costs (\$137,315) and wage increases (\$989,564), an amount to guard against future potential State aid reductions (\$849,107), and an overall general contingency fund for unforeseen emergencies or catastrophic events (\$402,298).

The remaining increase in the 2019 Budget of \$759,395 was related to \$507,180 of unexpended 2018 budget funds carried over to pay for expenses that were incurred in 2019. Additionally, various budget increases were approved by the City Council throughout the year totaling \$252,215. The majority of these increases were related to expenses incurred in response to donations or grants received by the City during the year to fund public safety, library, and park and recreation programs.

City of Appleton, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS

CAPITAL ASSETS

At the end of 2019, the City had invested a total of \$714,212,780 in capital assets (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings, machinery and equipment, infrastructure and construction work in progress. Major capital asset events during the current fiscal year included the following:

Business-type Activities

Water: Transmission and distribution capital outlay accounted for \$3.3 million of expenses and will continue to be a focus due to an aging distribution system. Additionally, an \$855,000 project to upgrade and replace part of the chemical system at the treatment facility was completed in 2019.

Wastewater: Capital asset additions included \$2.2 million in improvements to the wastewater collection system. Additionally, a \$265,000 project to upgrade the Briarcliff Drive lift station, a \$900,000 bio-gas boiler project, \$250,000 in projects to upgrade driveway areas at the treatment plant, and \$530,000 in various projects as part of an upgrade to the electrical systems at the treatment plant were completed.

Stormwater: Capital improvements necessary to continue our efforts in the management of stormwater in the City accounted for \$3.6 million in capital outlay for additions and upgrades to mains and infrastructure in order to comply with stormwater management regulations. Additionally, a \$873,000 project was completed to add the Leona Street detention pond.

Valley Transit: Net capital assets increased \$3,585,980 during 2019 as the result of capital purchases of \$4,402,650 financed by federal capital grants and local match dollars, offset by depreciation expense of \$816,670. Capital investments in 2019 consisted of the purchase of nine new buses at a total cost of \$4,053,152, scheduling and dispatch software for paratransit operations (\$141,055), three bus stop shelters (\$20,160), replacement of the generator at the operations facility (\$172,789), and replacement of cameras in and around the transit center (\$15,494).

Governmental Activities

Maintaining existing infrastructure, always a high priority of the City, accounted for the largest general fixed asset expenditures, with approximately \$13.3 million invested in various street, bridge and sidewalk improvement projects throughout the City. In conjunction with the maintenance of infrastructure, proper maintenance of City facilities is important to their longevity and safe operation. Investments made to various facilities in 2019 (including projects started in 2018 and completed in 2019) included upgrades to the electrical and HVAC systems at City Hall (\$236,374), renovations to the locker room at the City's Municipal Services Building (\$384,135), security enhancements to the Library (\$142,322), renovation of the Lawe Street bridge tender's house (\$112,942), kitchen, bath, and plumbing renovations at Fire Station #1 (\$64,278), a partial roof replacement at Fire Station #1 (\$203,200), and flooring replacements at Fire Station #3 (23,828).

Investments in equipment in 2019 consisted predominantly of replacements of vehicles managed by the City's Central Equipment Agency (\$3,570,570). Additionally, work continued on the project to replace existing legacy mainframe computer systems with an enterprise resource planning (ERP) system and computer assisted mass appraisal (CAMA) system (\$137,322).

Finally, quality of life enhancements continue to be a major emphasis for the City. The largest investment was for completion of the renovation of Jones Park adjacent to the newly opened Fox Cities Exhibition Center. Work in 2019 included completion of a new pavilion, stage, playground, and other amenities (\$1,224,737). Another major quality of life investment is improved access to the riverfront at Telulah Park and work on the river front trail (\$270,296). Other projects included resurfacing the tennis courts at Linwood park (\$224,725), improvements to the playground at Pierce Park (\$229,936), and continued renovations to the Scheig Center in Appleton Memorial Park (\$147,475).

City of Appleton, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS

CAPITAL ASSETS AT YEAR-END NET OF ACCUMULATED DEPRECIATION

	Governmental Activities 2019	Business-Type Activities 2019	Totals
Land	\$ 9,569,552	\$ 12,217,910	\$ 21,787,462
Right-of-ways	77,830,168	-	77,830,168
Land improvements	38,721,202	-	38,721,202
Intangible assets	1,199,160	2,819,192	4,018,352
Improvements	16,428,353	-	16,428,353
Buildings	51,674,240	173,773,430	225,447,670
Equipment, furniture and fixtures	50,517,947	96,271,188	146,789,135
Infrastructure	-	270,525,355	270,525,355
Streets	192,101,453	-	192,101,453
Sidewalks	34,712,085	-	34,712,085
Traffic signals	7,277,462	-	7,277,462
Bridges	54,928,698	-	54,928,698
Construction in progress	7,288,133	6,890,655	14,178,788
Accumulated depreciation	<u>(159,227,978)</u>	<u>(231,305,425)</u>	<u>(390,533,403)</u>
Totals	<u>\$ 383,020,475</u>	<u>\$ 331,192,305</u>	<u>\$ 714,212,780</u>

	Governmental Activities 2018	Business-Type Activities 2018	Totals
Land	\$ 9,569,552	\$ 11,965,325	\$ 21,534,877
Right-of-ways	76,474,530	-	76,474,530
Land improvements	38,721,202	-	38,721,202
Intangible assets	270,418	1,873,497	2,143,915
Improvements	13,127,282	-	13,127,282
Buildings	48,395,471	171,589,056	219,984,527
Equipment, furniture and fixtures	48,540,342	89,006,500	137,546,842
Infrastructure	-	267,889,101	267,889,101
Streets	187,946,495	-	187,946,495
Sidewalks	34,078,483	-	34,078,483
Traffic signals	7,098,234	-	7,098,234
Bridges	49,755,101	-	49,755,101
Construction in progress	11,226,442	2,869,140	14,095,582
Accumulated depreciation	<u>(151,031,174)</u>	<u>(226,109,587)</u>	<u>(377,140,761)</u>
Totals	<u>\$ 374,172,378</u>	<u>\$ 319,083,032</u>	<u>\$ 693,255,410</u>

City of Appleton, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS

Long-Term Debt

During 2019, the City issued \$18,660,000 of general obligation debt and retired \$7,190,000 of general obligation bonds and notes, resulting in an outstanding balance of \$69,215,000 at December 31, 2019. Additionally, the City issued no new revenue bonds in 2019 while retiring \$11,005,000 of bonds resulting in an outstanding balance of \$96,075,000.

Under Wisconsin State Statutes Chapter 67, the City of Appleton's aggregate indebtedness may not exceed 5% of the equalized value of taxable property located in the City. The net amount of debt that is applicable to the statutory limit is \$67,626,932 (\$69,215,000 less reserves on hand) which is 23.1% of the legal limit of \$292,767,835. Furthermore, City policy limits aggregate debt to 40% of the legal limit. The net debt outstanding at December 31, 2019 is 57.7% of the 40% policy limit.

CITY OF APPLETON'S OUTSTANDING DEBT - GENERAL OBLIGATION AND REVENUE BONDS

	Governmental Activity 2019	Business-Type Activity 2019	Totals
General obligation bonds and notes payable	\$ 67,595,000	\$ 1,620,000	\$ 69,215,000
Revenue bonds	-	96,075,000	96,075,000
Total Outstanding General Obligation and Revenue Bonds	<u>\$ 67,595,000</u>	<u>\$ 97,695,000</u>	<u>\$ 165,290,000</u>
	Governmental Activity 2018	Business-Type Activity 2018	Totals
General obligation bonds and notes payable	\$ 56,705,000	\$ 1,040,000	\$ 57,745,000
Revenue bonds	-	107,080,000	107,080,000
Total Outstanding General Obligation and Revenue Bonds	<u>\$ 56,705,000</u>	<u>\$ 108,120,000</u>	<u>\$ 164,825,000</u>

Additional information on the City of Appleton's long-term debt can be found in footnote 4.F. of this report.

Currently Known Facts/Economic Conditions

As with local municipalities throughout the country, the City of Appleton is reacting to the effects of the COVID-19 virus pandemic. Over 50 cases of the virus have been identified within the City to date. Mitigation efforts, as prescribed by the Governor's "Stay Safer at Home" order, are currently in place which includes the closure of non-essential businesses, the implementation of work-from-home options for businesses that can accommodate such arrangements, and the requirement for citizens to limit travel to only essential needs.

From a financial perspective, the impact of these measures are expected to have a negative effect on certain City revenues, specifically those related to recreation programs, golf course greens fees and cart rentals, Valley Transit fare box revenue, Parking Utility ramp fees and meter violation revenue, Water and Wastewater Utility user fees, and certain business license revenues as businesses such as bars and restaurants struggle to stay open. The total effect of these revenue shortfalls is difficult to quantify at this time since it is unknown how long the pandemic will last and how quickly the economy will rebound once restrictions are lifted.

City of Appleton, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS

Additionally, the City will be incurring unanticipated costs related to its response to the pandemic including costs for disinfectant products, personal protective equipment, emergency medical equipment, election expenses, and regular and overtime salary costs in the public safety (Police Department, Fire Department, Health Department) area and the emergency operations center.

Fortunately, the federal government has allocated grant funds to states and local municipalities to help fund some of these unanticipated costs. Emergency funding under FEMA as well as specific grants in the areas of public transportation, community development block grant, police and fire services, and health services have been made available and the City will be pursuing these grant opportunities to reimburse unbudgeted expenses as well as lost revenues when available. Additionally, the City has taken some proactive measures to delay projects, specifically at the golf course and in the Parking Utility to provide short-term financial relief in those areas.

Overall, the financial impact of the COVID-19 virus and related mitigation efforts is expected to be manageable as the City's main source of general fund revenues (over 80%) are property taxes and State revenues which are not expected to be impacted by the virus in the short-term. So, although some City revenues will be negatively impacted, the impacted revenues make up a smaller percentage of total revenues. Finally, the City is fortunate to have built up healthy reserves in most funds which will help to absorb any short-term losses that might be incurred.

Requests for Information

The financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the City's finances. If you have questions about this report or need any additional information, contact the City of Appleton, Attn: Anthony D. Saucerman, CPA, Finance Director at 1-920-832-6440 or at tony.saucerman@appleton.org.

General information relating to the City of Appleton, Wisconsin, can be found at the City's website, www.appleton.org.

FINANCIAL SECTION

City of Appleton, Wisconsin

STATEMENT OF NET POSITION DECEMBER 31, 2019

WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2018

	Governmental Activities	Business-type Activities	Totals		Component Units
			2019	2018	
ASSETS					
Cash and investments	\$ 72,292,770	\$ 46,288,620	\$ 118,581,390	\$ 116,389,740	\$ 270,805
Receivables					
Taxes and special charges	26,903,823	-	26,903,823	25,814,863	-
Accounts	2,415,176	4,324,149	6,739,325	5,486,778	-
Special assessments	135,920	208,647	344,567	411,416	70,506
Developer loans	1,048,423	-	1,048,423	1,675,884	-
Housing loans, net	6,401,197	-	6,401,197	6,391,644	-
Accrued interest	396,105	-	396,105	346,965	-
Other	183,008	5,755,579	5,938,587	5,850,367	-
Internal balances	2,455,430	(2,455,430)	-	-	-
Due from other governments	331,893	2,136,048	2,467,941	1,773,243	-
Inventories	903,509	612,218	1,515,727	1,503,563	-
Prepaid items	23,573	207,500	231,073	100,678	-
Investment in WMIC	2,020,950	-	2,020,950	2,020,950	-
Business park land	6,687,885	10,082	6,697,967	6,823,031	419,145
Regulatory asset - early retirement loss	-	1,369,337	1,369,337	2,054,005	-
Restricted assets					
Cash and investments	-	19,096,916	19,096,916	20,651,795	5,375,380
Accrued interest	-	84,176	84,176	81,900	-
Net pension asset	-	-	-	10,924,121	-
Capital assets, nondepreciable	133,590,790	21,859,080	155,449,870	152,881,423	2,060,000
Capital assets, depreciable	249,429,685	309,333,225	558,762,910	540,373,987	30,839,409
Total assets	505,220,137	408,830,147	914,050,284	901,556,353	39,035,245
DEFERRED OUTFLOWS OF RESOURCES					
Loss on advance refunding	63,500	1,880,758	1,944,258	2,344,532	-
Pension related amounts	29,563,784	6,277,259	35,841,043	19,951,218	-
Other postemployment related amounts	683,935	164,727	848,662	870,260	-
Total deferred outflows of resources	30,311,219	8,322,744	38,633,963	23,166,010	-
LIABILITIES					
Accounts payable	3,722,230	3,053,701	6,775,931	3,338,690	-
Other accrued liabilities	2,226,432	300,137	2,526,569	2,225,439	-
Claims payable	4,837,000	-	4,837,000	4,837,000	-
Due to other governments	30	1,224,358	1,224,388	1,167,949	-
Accrued interest payable	510,934	502,268	1,013,202	885,810	327,976
Special deposits	21,521	500	22,021	17,378	-
Unearned revenues	-	1,127,471	1,127,471	994,688	-
Long-term obligations					
Due within one year	11,805,232	6,168,786	17,974,018	17,896,352	-
Landfill post closure care	1,440,000	-	1,440,000	1,530,000	-
Due in more than one year	66,921,815	97,661,918	164,583,733	165,093,343	31,865,000
Net pension liability	10,901,506	2,327,312	13,228,818	-	-
Other postemployment benefits	4,046,344	974,557	5,020,901	4,857,785	-
Total liabilities	106,433,044	113,341,008	219,774,052	202,844,434	32,192,976
DEFERRED INFLOWS OF RESOURCES					
Unearned revenue	51,358,184	-	51,358,184	49,549,198	225,757
Pension related amounts	15,104,322	3,224,550	18,328,872	21,685,594	-
Other postemployment related amounts	99,823	24,043	123,866	140,603	-
Total deferred inflows of resources	66,562,329	3,248,593	69,810,922	71,375,395	225,757
NET POSITION					
Net investment in capital assets	315,259,309	240,476,049	555,735,358	537,137,832	1,034,409
Restricted	12,912,845	18,689,728	31,602,573	41,660,074	5,375,380
Unrestricted	34,363,829	41,397,513	75,761,342	71,704,628	206,723
Total net position	\$ 362,535,983	\$ 300,563,290	\$ 663,099,273	\$ 650,502,534	\$ 6,616,512

The notes to the basic financial statements are an integral part of this statement.

City of Appleton, Wisconsin

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019
WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2018**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
General government	\$ 7,936,268	\$ 2,999,949	\$ 8,097	\$ -
Public safety	34,942,204	1,238,846	662,396	-
Public works	22,879,095	3,960,595	2,966,563	564,450
Culture and recreation	14,679,174	1,407,279	2,258,534	47,135
Conservation and development	6,396,448	420,135	1,049,985	-
Interest and fiscal charges	1,264,672	-	-	-
Total governmental activities	<u>88,097,861</u>	<u>10,026,804</u>	<u>6,945,575</u>	<u>611,585</u>
BUSINESS-TYPE ACTIVITIES				
Water utility	15,006,641	20,270,742	-	490,395
Wastewater utility	11,361,843	12,476,128	-	687,604
Transit utility	10,302,594	1,613,029	10,698,027	-
Stormwater utility	7,621,500	10,970,967	-	2,522,555
Other non-major enterprise funds	3,055,119	3,489,189	1,652	541,507
Total business-type activities	<u>47,347,697</u>	<u>48,820,055</u>	<u>10,699,679</u>	<u>4,242,061</u>
Total primary government	<u>\$ 135,445,558</u>	<u>\$ 58,846,859</u>	<u>\$ 17,645,254</u>	<u>\$ 4,853,646</u>
Component units	<u>\$ 2,611,209</u>	<u>\$ 198,521</u>	<u>\$ -</u>	<u>\$ 39,850</u>

General revenues
 Taxes
 Property taxes, levied for general purposes
 Property taxes, levied for debt service
 Property taxes, levied for capital projects
 Other taxes
 Federal and state grants and other contributions
 not restricted to specific functions
 Investment return
 Miscellaneous
 Gain on sale of asset
 Transfers
 Total general revenues and transfers

Change in net position

Net position - January 1

Net position - December 31

The notes to the basic financial statements are an integral part of this statement.

**Net (Expense) Revenue
and Changes in Net Position**

Governmental Activities	Business-type Activities	Totals		Component Units
		2019	2018	
\$ (4,928,222)	\$ -	\$ (4,928,222)	\$ (5,358,296)	\$ -
(33,040,962)	-	(33,040,962)	(31,311,714)	-
(15,387,487)	-	(15,387,487)	(14,541,937)	-
(10,966,226)	-	(10,966,226)	(10,767,840)	-
(4,926,328)	-	(4,926,328)	(34,420,015)	-
(1,264,672)	-	(1,264,672)	(1,047,481)	-
<u>(70,513,897)</u>	<u>-</u>	<u>(70,513,897)</u>	<u>(97,447,283)</u>	<u>-</u>
-	5,754,496	5,754,496	6,758,730	-
-	1,801,889	1,801,889	2,100,130	-
-	2,008,462	2,008,462	(633,780)	-
-	5,872,022	5,872,022	3,721,205	-
-	977,229	977,229	275,813	-
<u>-</u>	<u>16,414,098</u>	<u>16,414,098</u>	<u>12,222,098</u>	<u>-</u>
<u>(70,513,897)</u>	<u>16,414,098</u>	<u>(54,099,799)</u>	<u>(85,225,185)</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,372,838)</u>
38,777,130	-	38,777,130	37,931,668	-
2,317,487	-	2,317,487	2,218,990	-
6,481,724	-	6,481,724	5,241,380	-
1,870,383	-	1,870,383	2,176,780	1,818,787
11,841,396	-	11,841,396	11,569,281	-
2,387,491	2,407,323	4,794,814	2,199,213	112,816
220,751	44,800	265,551	389,738	-
363,288	(15,235)	348,053	166,055	-
2,128,203	(2,128,203)	-	-	-
<u>66,387,853</u>	<u>308,685</u>	<u>66,696,538</u>	<u>61,893,105</u>	<u>1,931,603</u>
(4,126,044)	16,722,783	12,596,739	(23,332,080)	(441,235)
<u>366,662,027</u>	<u>283,840,507</u>	<u>650,502,534</u>	<u>673,834,614</u>	<u>7,057,747</u>
<u>\$ 362,535,983</u>	<u>\$ 300,563,290</u>	<u>\$ 663,099,273</u>	<u>\$ 650,502,534</u>	<u>\$ 6,616,512</u>

City of Appleton, Wisconsin

BALANCE SHEET GOVERNMENTAL FUNDS DECEMBER 31, 2019

WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2018

	General	Public	Other	Totals	
		Works Equipment	Governmental Funds	2019	2018
ASSETS					
Cash and investments	\$ 46,154,936	\$ 3,197,229	\$ 21,000,933	\$ 70,353,098	\$ 59,592,114
Receivables					
Taxes and special charges	18,976,569	-	7,927,254	26,903,823	32,517,661
Accounts	782,861	806,469	817,254	2,406,584	878,564
Special assessments	43,372	-	92,548	135,920	200,053
Developer loans	713,423	-	-	713,423	804,634
Housing loans, net	-	-	6,401,197	6,401,197	6,391,644
Notes receivable - component unit	-	-	335,000	335,000	871,250
Accrued interest receivable	396,105	-	-	396,105	346,965
Other	10,789	-	162,632	173,421	126,347
Due from other funds	2,076,268	-	22,244	2,098,512	2,213,393
Advance to other funds	10,607,718	-	-	10,607,718	12,627,889
Due from other governments	25,906	-	302,471	328,377	283,275
Inventories	846,578	-	-	846,578	835,694
Prepaid items	23,573	-	-	23,573	43,581
	<u>\$ 80,658,098</u>	<u>\$ 4,003,698</u>	<u>\$ 37,061,533</u>	<u>\$ 121,723,329</u>	<u>\$ 117,733,064</u>
Total assets					
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 685,284	\$ 1,756,630	\$ 1,238,399	\$ 3,680,313	\$ 1,838,457
Other accrued liabilities	2,104,852	3,002	60,070	2,167,924	1,955,086
Claims payable	2,937,000	-	-	2,937,000	2,937,000
Due to other funds	450,532	-	138,816	589,348	574,340
Advance from other funds	-	-	10,467,718	10,467,718	12,482,889
Due to other governments	30	-	-	30	-
Special deposits	21,521	-	-	21,521	16,878
	<u>6,199,219</u>	<u>1,759,632</u>	<u>11,905,003</u>	<u>19,863,854</u>	<u>19,804,650</u>
Total liabilities					
Deferred inflows of resources					
Unearned and unavailable revenue	40,651,234	-	22,106,130	62,757,364	62,809,019
	<u>40,651,234</u>	<u>-</u>	<u>22,106,130</u>	<u>62,757,364</u>	<u>62,809,019</u>
Total deferred inflows of resources					
Fund balances					
Nonspendable	7,819,413	-	-	7,819,413	8,669,423
Restricted	-	1,171,091	5,071,811	6,242,902	9,097,900
Committed	310,537	-	1,482,253	1,792,790	1,310,091
Assigned	13,550,732	1,072,975	5,493,157	20,116,864	17,702,121
Unassigned	12,126,963	-	(8,996,821)	3,130,142	(1,660,140)
	<u>33,807,645</u>	<u>2,244,066</u>	<u>3,050,400</u>	<u>39,102,111</u>	<u>35,119,395</u>
Total fund balances					
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 80,658,098</u>	<u>\$ 4,003,698</u>	<u>\$ 37,061,533</u>	<u>\$ 121,723,329</u>	<u>\$ 117,733,064</u>

The notes to the basic financial statements are an integral part of this statement.

City of Appleton, Wisconsin

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2019
WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2018**

	<u>2019</u>	<u>2018</u>
RECONCILIATION TO THE STATEMENT OF NET POSITION		
Total fund balances as shown on previous page	\$ 39,102,111	\$ 35,119,395
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.	368,887,683	360,988,035
Business park land held for resale is reported in the funds as expenditures and revenues. However, in the statement of net position, the costs of these assets are capitalized.	6,687,885	6,812,949
Other long-term assets are not available to pay current period expenditures and therefore are deferred in the funds.	11,399,180	13,259,821
Net position of the internal service fund is reported in the statement of net position as governmental activities	15,477,702	14,356,940
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	28,322,504	15,725,273
Deferred inflows related to pensions	(14,466,250)	(17,088,525)
Deferred outflows related to other postemployment benefits	649,395	664,967
Deferred inflows related to other postemployment benefits	(94,782)	(107,435)
Long-term assets are not considered available; therefore, are not reported in the funds		
Net pension asset	-	8,608,347
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds and notes payable	(67,560,875)	(56,833,375)
Premium on debt	(3,477,606)	(3,125,726)
Compensated absences	(7,123,164)	(7,265,402)
Employee benefits	(54,348)	(59,911)
Net pension liability	(10,440,981)	-
Postemployment benefits liability	(2,886,553)	(2,517,518)
Post-closure care costs liability	(1,440,000)	(1,530,000)
Loss on advance refunding	63,500	78,548
Accrued interest on long-term obligations	(509,418)	(424,356)
Net position of governmental activities as reported on the statement of net position (see page 19)	<u>\$ 362,535,983</u>	<u>\$ 366,662,027</u>

The notes to the basic financial statements are an integral part of this statement.

City of Appleton, Wisconsin

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019
WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2018**

	General	Public Works Equipment	Other Governmental Funds	Totals	
				2019	2018
REVENUES					
Taxes	\$ 36,092,255	\$ -	\$ 13,354,469	\$ 49,446,724	\$ 47,568,818
Special assessments	263,609	-	291,482	555,091	825,661
Intergovernmental	15,898,156	-	1,606,258	17,504,414	17,813,074
Licenses and permits	1,139,475	-	-	1,139,475	1,116,996
Fines and forfeits	241,090	-	-	241,090	265,875
Public charges for services	1,869,558	-	1,697,423	3,566,981	2,865,795
Investment income	3,815,871	12,925	384,802	4,213,598	3,077,349
Miscellaneous	1,741,516	807,050	5,497,564	8,046,130	5,517,097
Total revenues	61,061,530	819,975	22,831,998	84,713,503	79,050,665
EXPENDITURES					
Current					
General government	7,322,385	-	259,887	7,582,272	7,444,191
Public safety	31,312,390	-	315,924	31,628,314	31,283,439
Public works	12,702,122	-	3,491,902	16,194,024	16,315,108
Culture and recreation	8,528,969	-	96,911	8,625,880	8,400,206
Conservation and development	1,779,049	-	1,485,514	3,264,563	3,223,934
Debt service					
Principal	-	-	7,077,500	7,077,500	6,577,249
Interest and fiscal charges	-	-	2,362,260	2,362,260	2,051,359
Capital outlay	-	10,786,353	14,849,382	25,635,735	17,268,503
Total expenditures	61,644,915	10,786,353	29,939,280	102,370,548	92,563,989
Excess of revenues under expenditures	(583,385)	(9,966,378)	(7,107,282)	(17,657,045)	(13,513,324)
OTHER FINANCING SOURCES (USES)					
Long-term debt issued	-	9,201,500	8,603,500	17,805,000	13,840,000
Premium on debt issued	-	-	979,653	979,653	1,256,719
Proceeds from sale of capital assets	2,461	-	477,481	479,942	470,848
Transfers in	3,393,794	253,000	2,202,464	5,849,258	7,616,719
Transfers out	(654,899)	-	(2,819,193)	(3,474,092)	(4,829,268)
Total other financing sources (uses)	2,741,356	9,454,500	9,443,905	21,639,761	18,355,018
Net change in fund balances	2,157,971	(511,878)	2,336,623	3,982,716	4,841,694
Fund balances - January 1	31,649,674	2,755,944	713,777	35,119,395	30,277,701
Fund balances - December 31	<u>\$ 33,807,645</u>	<u>\$ 2,244,066</u>	<u>\$ 3,050,400</u>	<u>\$ 39,102,111</u>	<u>\$ 35,119,395</u>

The notes to the basic financial statements are an integral part of this statement.

City of Appleton, Wisconsin

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019
WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>2019</u>	<u>2018</u>
RECONCILIATION TO THE STATEMENT OF ACTIVITIES		
Net change in fund balances as shown on previous page	\$ 3,982,716	\$ 4,841,694
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	17,155,179	13,094,361
Capital assets contributed to the Redevelopment Authority	-	(31,827,357)
Contributed capital assets	194,173	176,872
Depreciation expense reported in the statement of activities	(8,209,317)	(7,901,130)
Net book value of disposals	(1,138,210)	(2,815,831)
Business park land	(227,241)	-
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.	(1,860,641)	(1,660,841)
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 repayment reduces long-term liabilities in the statement of net position.		
Long-term debt issued	(17,805,000)	(13,840,000)
Premiums issued on long-term debt	(979,653)	(1,256,719)
Principal repaid	7,077,500	6,577,249
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	(85,062)	(98,778)
Amortization of premiums, discounts and loss on advance refunding	612,725	427,602
Landfill post-closure costs	90,000	90,000
Compensated absences and other benefits	147,801	(461,634)
Net pension asset	(8,608,347)	8,608,347
Net pension liability	(10,440,981)	-
Deferred outflows of resources related to pensions	12,597,231	(2,345,393)
Deferred inflows of resources related to pensions	2,622,275	(9,601,744)
Other postemployment benefits	(369,035)	(2,517,518)
Deferred outflows of resources related to other postemployment benefits	(15,572)	664,967
Deferred inflows of resources related to other postemployment benefits	12,653	(107,435)
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.	<u>1,120,762</u>	<u>1,737,326</u>
Change in net position of governmental activities as reported in the statement of activities (see pages 20 - 21)	<u>\$ (4,126,044)</u>	<u>\$ (38,215,962)</u>

The notes to the basic financial statements are an integral part of this statement.

City of Appleton, Wisconsin

**STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 DECEMBER 31, 2019
 WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2018**

	Enterprise Funds			
	Water Utility	Wastewater Utility	Valley Transit	Stormwater Utility
ASSETS				
Current assets				
Cash and investments	\$ 12,005,569	\$ 18,970,676	\$ 654,411	\$ 13,031,343
Receivables				
Customer accounts	1,261,260	1,424,296	581,608	1,032,123
Special assessments	-	177,130	-	31,517
Other	3,532,188	998,334	-	1,225,057
Due from other funds	196,050	131,841	-	100,397
Due from other governments				
Federal government	-	-	1,501,351	-
State government	-	-	-	630,000
Local government	998	-	3,699	-
Inventories	370,022	106,526	135,670	-
Prepaid items	60,000	87,500	-	60,000
Restricted assets				
Cash and investments	43,340	700,855	-	3,134,662
Total current assets	17,469,427	22,597,158	2,876,739	19,245,099
Noncurrent assets				
Restricted assets				
Cash and investments	5,201,729	5,241,899	1,006,459	3,767,972
Accrued interest	31,115	31,744	-	21,317
Total restricted assets	5,232,844	5,273,643	1,006,459	3,789,289
Other assets				
Regulatory asset - early retirement loss	1,369,337	-	-	-
Investment in WMIC	-	-	-	-
Assets held for resale	10,082	-	-	-
Net pension asset	-	-	-	-
Total other assets	1,379,419	-	-	-
Capital assets				
Nondepreciable	3,039,903	3,957,425	891,831	11,983,237
Depreciable	117,022,320	83,758,695	6,527,776	94,867,118
Total capital assets	120,062,223	87,716,120	7,419,607	106,850,355
Total assets	144,143,913	115,586,921	11,302,805	129,884,743
DEFERRED OUTFLOWS OF RESOURCES				
Loss on advance refunding	1,038,704	-	-	842,054
Pension related amounts	1,192,807	1,993,214	1,674,260	1,026,224
Other postemployment related amounts	41,500	35,135	53,551	20,368
Total deferred outflows of resources	2,273,011	2,028,349	1,727,811	1,888,646

The notes to the basic financial statements are an integral part of this statement.

Nonmajor Funds	Totals		Governmental Activities - Internal Service Funds	
	2019	2018	2019	2018
\$ 1,626,621	\$ 46,288,620	\$ 47,250,440	\$ 1,939,672	\$ 2,142,456
24,862	4,324,149	4,550,886	18,179	68,709
-	208,647	211,363	-	-
-	5,755,579	5,712,639	-	-
-	428,288	1,026,237	-	-
-	1,501,351	1,228,407	-	-
-	630,000	247,556	3,516	8,703
-	4,697	5,302	-	-
-	612,218	611,588	56,931	56,281
-	207,500	46,282	-	10,815
-	3,878,857	4,954,661	-	-
1,651,483	63,839,906	65,845,361	2,018,298	2,286,964
-	15,218,059	15,697,134	-	-
-	84,176	81,900	-	-
-	15,302,235	15,779,034	-	-
-	1,369,337	2,054,005	-	-
-	-	-	2,020,950	2,020,950
-	10,082	10,082	-	-
-	-	1,936,635	-	379,139
-	1,379,419	4,000,722	2,020,950	2,400,089
1,986,684	21,859,080	16,707,962	-	-
7,157,316	309,333,225	302,375,070	14,132,792	13,184,343
9,144,000	331,192,305	319,083,032	14,132,792	13,184,343
10,795,483	411,713,865	404,708,149	18,172,040	17,871,396
-	1,880,758	2,265,984	-	-
390,754	6,277,259	3,534,772	1,241,280	691,173
14,173	164,727	169,874	34,540	35,419
404,927	8,322,744	5,970,630	1,275,820	726,592

City of Appleton, Wisconsin

STATEMENT OF NET POSITION PROPRIETARY FUNDS DECEMBER 31, 2019

WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2018

	Enterprise Funds			
	Water Utility	Wastewater Utility	Valley Transit	Stormwater Utility
LIABILITIES				
Current liabilities				
Accounts payable	\$ 684,236	\$ 1,355,351	\$ 385,465	\$ 539,889
Other accrued liabilities	74,021	79,074	86,299	39,543
Claims payable	-	-	-	-
Due to other funds	1,937,452	-	-	-
Due to other governments	-	-	1,224,358	-
Accrued interest payable	-	-	-	-
Compensated absences	140,577	164,023	156,510	80,001
Special deposits	-	-	500	-
Unearned revenue	-	-	739,432	-
Advance from other funds	-	-	-	-
Current portion of long-term debt Payable from restricted assets	-	-	-	-
Current portion of long-term debt	509,650	1,022,957	-	3,825,714
Accrued interest payable	-	74,547	-	416,818
Total current liabilities	<u>3,345,936</u>	<u>2,695,952</u>	<u>2,592,564</u>	<u>4,901,965</u>
Long-term obligations, less current portion				
Advance from other funds	-	-	-	-
General obligation debt	-	-	-	-
Revenue bonds	41,185,000	9,840,000	-	40,670,000
Debt premium	1,602,044	355,208	-	2,090,962
Compensated absences	117,132	116,413	140,202	92,410
Net pension liability	446,279	734,883	620,181	380,141
Other postemployment benefits	245,522	207,865	316,819	120,502
Total long-term liabilities	<u>43,595,977</u>	<u>11,254,369</u>	<u>1,077,202</u>	<u>43,354,015</u>
Total liabilities	<u>46,941,913</u>	<u>13,950,321</u>	<u>3,669,766</u>	<u>48,255,980</u>
DEFERRED INFLOWS OF RESOURCES				
Pension related amounts	618,331	1,018,199	859,276	526,695
Other postemployment related amounts	6,057	5,128	7,816	2,973
Total deferred inflows of resources	<u>624,388</u>	<u>1,023,327</u>	<u>867,092</u>	<u>529,668</u>
NET POSITION				
Net investment in capital assets	82,939,185	77,755,578	7,411,784	64,845,502
Restricted	5,276,185	5,899,951	1,006,459	6,507,133
Unrestricted	10,635,253	18,986,093	75,515	11,635,106
Total net position	<u>\$ 98,850,623</u>	<u>\$ 102,641,622</u>	<u>\$ 8,493,758</u>	<u>\$ 82,987,741</u>

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds
Net position of business-type activities as reported on the statement of net position (see page 20)

The notes to the basic financial statements are an integral part of this statement.

<u>Nonmajor Funds</u>	<u>Totals</u>		<u>Governmental Activities - Internal Service Funds</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
\$ 87,914	\$ 3,052,855	\$ 1,392,932	\$ 41,917	\$ 85,826
22,046	300,983	244,071	58,508	47,757
-	-	-	1,900,000	1,900,000
-	1,937,452	1,963,358	-	-
-	1,224,358	1,167,949	-	-
10,903	10,903	7,272	1,516	572
49,354	590,465	767,734	170,680	178,704
-	500	500	-	-
388,039	1,127,471	994,688	-	-
5,000	5,000	5,000	-	-
220,000	220,000	125,000	15,125	12,500
-	5,358,321	5,341,038	-	-
-	491,365	453,610	-	-
<u>783,256</u>	<u>14,319,673</u>	<u>12,463,152</u>	<u>2,187,746</u>	<u>2,225,359</u>
135,000	135,000	140,000	-	-
1,400,000	1,400,000	915,000	229,000	94,125
-	91,695,000	102,875,000	-	-
-	4,048,214	5,026,534	-	-
52,547	518,704	341,086	96,249	28,560
145,828	2,327,312	-	460,525	-
83,849	974,557	948,239	1,159,791	1,392,028
<u>1,817,224</u>	<u>101,098,787</u>	<u>110,245,859</u>	<u>1,945,565</u>	<u>1,514,713</u>
<u>2,600,480</u>	<u>115,418,460</u>	<u>122,709,011</u>	<u>4,133,311</u>	<u>3,740,072</u>
202,049	3,224,550	3,844,436	638,072	752,633
2,069	24,043	27,445	5,041	5,723
<u>204,118</u>	<u>3,248,593</u>	<u>3,871,881</u>	<u>643,113</u>	<u>758,356</u>
7,524,000	240,476,049	217,488,772	13,888,667	13,077,718
-	18,689,728	22,216,720	-	379,139
871,812	42,203,779	44,392,395	782,769	642,703
<u>\$ 8,395,812</u>	<u>301,369,556</u>	<u>284,097,887</u>	<u>\$ 14,671,436</u>	<u>\$ 14,099,560</u>
	(806,266)	(257,380)		
	<u>\$ 300,563,290</u>	<u>\$ 283,840,507</u>		

City of Appleton, Wisconsin

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION PROPRIETARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2019

WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2018

	Enterprise Funds			
	Water Utility	Wastewater Utility	Valley Transit	Stormwater Utility
OPERATING REVENUES				
Charges for services	\$ 19,697,837	\$ 8,884,584	\$ 1,485,205	\$ 10,882,633
Other	572,905	3,592,788	127,834	88,334
Total operating revenues	<u>20,270,742</u>	<u>12,477,372</u>	<u>1,613,039</u>	<u>10,970,967</u>
OPERATING EXPENSES				
Operation and maintenance	8,713,971	7,828,505	9,352,928	3,361,827
Depreciation	4,075,847	2,983,241	816,670	2,675,051
Amortization of deferred loss on early asset retirement	684,668	-	-	-
Total operating expenses	<u>13,474,486</u>	<u>10,811,746</u>	<u>10,169,598</u>	<u>6,036,878</u>
Operating income (loss)	<u>6,796,256</u>	<u>1,665,626</u>	<u>(8,556,559)</u>	<u>4,934,089</u>
NONOPERATING REVENUES (EXPENSES)				
Investment income	715,334	881,256	83,005	691,296
Intergovernmental	-	-	-	630,000
Subsidies from other governmental units	-	-	7,162,224	-
Gain (loss) on disposal of capital assets	(34,419)	(22,025)	-	-
Interest and fiscal charges	(1,787,765)	(503,473)	-	(1,718,266)
Debt issuance costs	(6,000)	(9,000)	-	(8,750)
Amortization of prior losses on refunding of bonds	(245,210)	-	-	(140,016)
Amortization of debt discount/premium	625,199	101,629	-	409,209
Other	19,671	25,129	-	-
Total nonoperating revenues (expenses)	<u>(713,190)</u>	<u>473,516</u>	<u>7,245,229</u>	<u>(136,527)</u>
Income (loss) before contributions and transfers	6,083,066	2,139,142	(1,311,330)	4,797,562
Capital contributions	504,525	687,604	3,535,793	1,892,555
Transfers in	-	-	640,199	-
Transfers out - tax equivalent	(1,879,393)	-	-	-
Transfers out	(13,800)	(175,509)	-	(72,500)
Change in net position	4,694,398	2,651,237	2,864,662	6,617,617
Net position - January 1, as originally reported	<u>94,156,225</u>	<u>99,990,385</u>	<u>5,629,096</u>	<u>76,370,124</u>
Net position - December 31	<u><u>\$ 98,850,623</u></u>	<u><u>\$ 102,641,622</u></u>	<u><u>\$ 8,493,758</u></u>	<u><u>\$ 82,987,741</u></u>

Change in net position reported above

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds

Change in net position of business-type activities as reported on the statement of activities (see pages 21 - 22)

The notes to the basic financial statements are an integral part of this statement.

Nonmajor Funds	Totals		Governmental Activities - Internal Service Funds	
	2019	2018	2019	2018
\$ 3,007,519	\$ 43,957,778	\$ 43,667,098	\$ 7,390,294	\$ 7,204,810
483,322	4,865,183	4,935,375	91,776	69,861
3,490,841	48,822,961	48,602,473	7,482,070	7,274,671
2,313,113	31,570,344	30,145,778	7,705,126	7,050,383
653,156	11,203,965	10,879,250	2,619,475	2,505,627
-	684,668	684,668	-	-
2,966,269	43,458,977	41,709,696	10,324,601	9,556,010
524,572	5,363,984	6,892,777	(2,842,531)	(2,281,339)
36,432	2,407,323	872,251	15,860	7,522
-	630,000	-	-	-
-	7,162,224	7,041,102	-	-
-	(56,444)	(52,535)	191,169	324,776
(31,556)	(4,041,060)	(4,029,612)	(3,107)	(2,463)
-	(23,750)	(170,179)	-	-
-	(385,226)	(420,955)	-	-
-	1,136,037	1,148,216	-	-
-	44,800	19,334	33,908	13,855
4,876	6,873,904	4,407,622	237,830	343,690
529,448	12,237,888	11,300,399	(2,604,701)	(1,937,649)
541,507	7,161,984	2,392,686	3,423,540	3,406,710
-	640,199	674,022	-	-
-	(1,879,393)	(1,896,891)	-	-
(627,200)	(889,009)	(1,241,817)	(246,963)	(322,765)
443,755	17,271,669	11,228,399	571,876	1,146,296
7,952,057	284,097,887	272,869,488	14,099,560	12,953,264
<u>\$ 8,395,812</u>	<u>\$ 301,369,556</u>	<u>\$ 284,097,887</u>	<u>\$ 14,671,436</u>	<u>\$ 14,099,560</u>
	\$ 17,271,669	\$ 11,228,399		
	(548,886)	(591,030)		
	<u>\$ 16,722,783</u>	<u>\$ 10,637,369</u>		

City of Appleton, Wisconsin

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2019

WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2018

	Enterprise Funds			
	Water Utility	Wastewater Utility	Valley Transit	Stormwater Utility
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 20,310,309	\$ 12,658,427	\$ 1,543,507	\$ 10,499,307
Cash paid for employee wages and benefits	(2,619,152)	(2,312,497)	(2,719,964)	(1,363,541)
Cash paid to suppliers	(5,395,447)	(4,413,629)	(6,245,085)	(1,666,059)
Net cash provided (used) by operating activities	12,295,710	5,932,301	(7,421,542)	7,469,707
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Tax equivalent paid to municipality	(1,879,393)	-	-	-
Loan advanced to component unit	-	25,129	-	-
Intergovernmental operating subsidies	-	-	8,847,095	-
Nonoperating revenue	19,671	-	-	630,000
Change in due to/from other funds	(25,906)	-	-	-
Transfer in (out)	(13,800)	(175,509)	-	(72,500)
Net cash provided (used) by noncapital financing activities	(1,899,428)	(150,380)	8,847,095	557,500
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	(4,471,359)	(5,751,763)	(4,402,650)	(4,568,442)
Capital contributions	-	-	-	-
Sale of capital assets	-	-	-	-
Insurance proceeds received for damage to property	-	-	-	-
Contributed capital - federal	-	-	2,521,960	-
Special assessments billed	-	(270,472)	-	(69,793)
Special assessments received	-	257,674	-	85,307
Proceeds from issued long-term debt	-	-	-	-
Premium issued on long-term debt	-	-	-	-
Debt issuance costs	-	(9,000)	-	(8,750)
Principal paid on long-term debt	(6,800,000)	(890,000)	-	(3,315,000)
Principal paid on advance	-	-	-	-
Interest paid on long-term debt	(1,793,765)	(470,193)	-	(1,713,791)
Net cash provided (used) by capital and related financing activities	(13,065,124)	(7,133,754)	(1,880,690)	(9,590,469)
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment income	396,489	540,518	83,005	410,064
Interest received on special assessments	-	11,125	-	3,161
Investments sold and matured	2,683,891	2,735,469	-	2,053,222
Purchases of investments	(2,756,172)	(2,801,939)	-	(2,048,789)
Net cash provided by investing and related financing activities	324,208	485,173	83,005	417,658
Change in cash and cash equivalents	(2,344,634)	(866,660)	(372,132)	(1,145,604)
Cash and cash equivalents - January 1	13,722,354	20,299,869	2,033,002	16,912,896
Cash and cash equivalents - December 31	\$ 11,377,720	\$ 19,433,209	\$ 1,660,870	\$ 15,767,292

The notes to the basic financial statements are an integral part of this statement.

Nonmajor Funds	Totals		Governmental Activities - Internal Service Funds	
	2019	2018	2019	2018
\$ 3,498,778	\$ 48,510,328	\$ 48,469,119	\$ 7,532,600	\$ 7,219,317
(1,114,930)	(10,130,084)	(10,660,035)	(2,685,623)	(2,494,528)
(1,102,055)	(18,822,275)	(19,923,071)	(5,039,875)	(4,586,473)
1,281,793	19,557,969	17,886,013	(192,898)	138,316
-	(1,879,393)	(1,896,891)	-	-
-	25,129	15,000,000	-	-
-	8,847,095	7,231,188	-	-
-	649,671	19,334	39,095	5,152
-	(25,906)	51,516	-	(50,052)
(627,200)	(889,009)	(567,795)	(246,963)	(322,765)
(627,200)	6,727,587	19,837,352	(207,868)	(367,665)
(1,297,164)	(20,491,378)	(10,391,990)	(144,384)	-
1,253	1,253	-	-	-
-	-	250,549	191,169	324,776
540,254	540,254	-	-	-
-	2,521,960	565,291	-	-
-	(340,265)	(317,208)	-	-
-	342,981	331,220	-	-
705,000	705,000	8,245,000	150,000	-
-	-	591,717	-	-
-	(17,750)	(163,179)	-	-
(125,000)	(11,130,000)	(16,445,000)	(12,500)	(27,751)
(5,000)	(5,000)	(5,000)	-	-
(27,925)	(4,005,674)	(4,106,132)	(2,163)	(2,639)
(208,582)	(31,878,619)	(21,444,732)	182,122	294,386
36,432	1,466,508	1,131,009	15,860	7,522
-	14,286	13,538	-	-
-	7,472,582	1,563,792	-	-
-	(7,606,900)	(1,819,865)	-	-
36,432	1,346,476	888,474	15,860	7,522
482,443	(4,246,587)	17,167,107	(202,784)	72,559
1,144,178	54,112,299	36,945,192	2,142,456	2,069,897
<u>\$ 1,626,621</u>	<u>\$ 49,865,712</u>	<u>\$ 54,112,299</u>	<u>\$ 1,939,672</u>	<u>\$ 2,142,456</u>

City of Appleton, Wisconsin

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2019

WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2018

	Enterprise Funds			
	Water Utility	Wastewater Utility	Valley Transit	Stormwater Utility
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ 6,796,256	\$ 1,665,626	\$ (8,556,559)	\$ 4,934,089
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Amortization of deferred loss on early asset retirement	684,668	-	-	-
Depreciation	4,075,847	2,983,241	816,670	2,675,051
Depreciation charged to sewer utility	206,380	-	-	-
Change in pension related activities				
Pension asset/liability	835,239	1,328,576	1,147,293	689,182
Deferred outflows of resources	(499,114)	(898,354)	(716,215)	(458,039)
Deferred inflows of resources	(153,798)	(160,348)	(187,100)	(86,785)
Change in other postemployment related activities				
Total OPEB liability	690	16,468	(7,195)	10,230
Deferred outflows of resources	2,361	(846)	4,495	(613)
Deferred inflows of resources	(1,029)	(412)	(1,562)	(219)
Change in operating assets and liabilities				
Customer accounts receivable	(21,217)	174,257	(208,920)	268,075
Other accounts receivable	59,997	6,798	-	(109,735)
Due from other funds	(77,430)	39,421	-	(35,359)
Due from other governments	787	-	-	(630,000)
Inventories and prepaid items	(112,049)	(83,250)	93,451	(60,000)
Accounts payable	517,701	780,296	37,974	263,386
Other accrued liabilities	11,863	34,839	15,413	11,983
Customer deposits	-	-	-	-
Unearned revenue	-	-	139,388	-
Compensated absences	(31,442)	45,989	1,325	(1,539)
Net cash provided (used) by operating activities	<u>\$ 12,295,710</u>	<u>\$ 5,932,301</u>	<u>\$ (7,421,542)</u>	<u>\$ 7,469,707</u>
Reconciliation of cash and cash equivalents to the statement of net position				
Cash and cash equivalents in current assets	\$ 12,005,569	\$ 18,970,676	\$ 654,411	\$ 13,031,343
Restricted cash and investments				
Current	43,340	700,855	-	3,134,662
Non-current	5,201,729	5,241,899	1,006,459	3,767,972
Less: Non-cash investments	(5,872,918)	(5,480,221)	-	(4,166,685)
Total cash and cash equivalents	<u>\$ 11,377,720</u>	<u>\$ 19,433,209</u>	<u>\$ 1,660,870</u>	<u>\$ 15,767,292</u>
Noncash capital and related financing activities				
Contributed capital assets	\$ 504,525	\$ 687,604	\$ 2,521,960	\$ 1,892,555
Unrealized losses on investments	318,494	330,561	-	275,198
	<u>\$ 823,019</u>	<u>\$ 1,018,165</u>	<u>\$ 2,521,960</u>	<u>\$ 2,167,753</u>

The notes to the basic financial statements are an integral part of this statement.

<u>Nonmajor Funds</u>	<u>Totals</u>		<u>Governmental Activities - Internal Service Funds</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
\$ 524,572	\$ 5,363,984	\$ 6,892,777	\$ (2,842,531)	\$ (2,281,339)
-	684,668	684,668	-	-
653,156	11,203,965	10,879,250	2,619,475	2,505,627
-	206,380	205,370	-	-
263,657	4,263,947	(2,471,899)	839,664	(481,737)
(170,765)	(2,742,487)	558,050	(550,107)	101,205
(31,855)	(619,886)	2,129,924	(114,561)	424,003
6,125	26,318	155,411	(232,237)	32,403
(250)	5,147	(169,874)	879	(35,419)
(180)	(3,402)	27,445	(682)	5,723
14,542	226,737	(952,656)	50,530	(55,354)
-	(42,940)	379,578	-	-
-	(73,368)	6,761	-	-
-	(629,213)	(299)	-	-
-	(161,848)	89,822	10,165	32,973
60,566	1,659,923	(983,612)	(43,909)	(86,463)
(17,186)	56,912	45,675	10,751	7,486
-	-	500	-	-
(6,605)	132,783	440,023	-	-
(13,984)	349	(30,901)	59,665	(30,792)
<u>\$ 1,281,793</u>	<u>\$ 19,557,969</u>	<u>\$ 17,886,013</u>	<u>\$ (192,898)</u>	<u>\$ 138,316</u>
\$ 1,626,621	\$ 46,288,620	\$ 47,250,440	\$ 1,939,672	\$ 2,142,456
-	3,878,857	4,954,661	-	-
-	15,218,059	15,697,134	-	-
-	(15,519,824)	(13,789,936)	-	-
<u>\$ 1,626,621</u>	<u>\$ 49,865,712</u>	<u>\$ 54,112,299</u>	<u>\$ 1,939,672</u>	<u>\$ 2,142,456</u>
\$ -	\$ 5,606,644	\$ 1,827,395	\$ 3,423,540	\$ 3,406,710
-	924,253	(268,548)	-	-
<u>\$ -</u>	<u>\$ 6,530,897</u>	<u>\$ 1,558,847</u>	<u>\$ 3,423,540</u>	<u>\$ 3,406,710</u>

City of Appleton, Wisconsin

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
DECEMBER 31, 2019
WITH COMPARATIVE AMOUNTS AS OF DECEMBER 31, 2018**

	Custodial Fund	
	2019	2018
ASSETS		
Cash and investments	<u>\$ 35,592,161</u>	<u>\$ 35,970,080</u>
LIABILITIES		
Due to other governments	<u>35,592,161</u>	<u>35,970,080</u>
NET POSITION		
Fiduciary net position - held for others	<u>\$ -</u>	<u>\$ -</u>

The notes to the basic financial statements are an integral part of this statement.

City of Appleton, Wisconsin

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUND

FOR THE YEAR ENDED DECEMBER 31, 2019

WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2018

	Custodial Fund	
	2019	2018
ADDITIONS		
Taxes and special charges collected	\$ 64,626,788	\$ 65,596,342
DEDUCTIONS		
Payments to other taxing districts	64,626,788	65,596,342
Change in net position	-	-
Net position - January 1	-	-
Net position - December 31	\$ -	\$ -

The notes to the basic financial statements are an integral part of this statement.

City of Appleton, Wisconsin

COMBINING STATEMENT OF NET POSITION COMPONENT UNITS DECEMBER 31, 2019

	Business Improvement District	Appleton Redevelopment Authority	Totals
ASSETS			
Cash and investments	\$ 162,193	\$ 108,612	\$ 270,805
Receivables			
Special assessments	70,506	-	70,506
Assets held for resale	-	419,145	419,145
Restricted assets			
Cash and investments	-	5,375,380	5,375,380
Capital assets, nondepreciable	-	2,060,000	2,060,000
Capital assets, depreciable	-	30,839,409	30,839,409
Total assets	232,699	38,802,546	39,035,245
LIABILITIES			
Accrued interest payable	-	327,976	327,976
Long-term obligations			
Due in more than one year	-	31,865,000	31,865,000
Total liabilities	-	32,192,976	32,192,976
DEFERRED INFLOWS OF RESOURCES			
Unearned revenue	225,757	-	225,757
NET POSITION			
Net investment in capital assets	-	1,034,409	1,034,409
Restricted	-	5,375,380	5,375,380
Unrestricted	6,942	199,781	206,723
Total net position	\$ 6,942	\$ 6,609,570	\$ 6,616,512

The notes to the basic financial statements are an integral part of this statement.

City of Appleton, Wisconsin

**COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Business Improvement District	\$ 209,119	\$ 198,468	\$ -	\$ -
Appleton Redevelopment Authority	2,402,090	53	-	39,850
Total component units	<u>\$ 2,611,209</u>	<u>\$ 198,521</u>	<u>\$ -</u>	<u>\$ 39,850</u>

General revenues
 Taxes
 Other taxes
 Investment income

Total general revenues

Change in net position

Net position - January 1

Net position - December 31

The notes to the basic financial statements are an integral part of this statement.

**Net (Expense) Revenue
and Changes in Net Position**

Business Improvement District	Appleton Redevelopment Authority	Totals
\$ (10,651)	\$ -	\$ (10,651)
-	(2,362,187)	(2,362,187)
<u>(10,651)</u>	<u>(2,362,187)</u>	<u>(2,372,838)</u>
-	1,818,787	1,818,787
<u>3,273</u>	<u>109,543</u>	<u>112,816</u>
<u>3,273</u>	<u>1,928,330</u>	<u>1,931,603</u>
(7,378)	(433,857)	(441,235)
<u>14,320</u>	<u>7,043,427</u>	<u>7,057,747</u>
<u>\$ 6,942</u>	<u>\$ 6,609,570</u>	<u>\$ 6,616,512</u>

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City of Appleton, Wisconsin (the "City"), have been prepared in conformity with accounting principles generally accepted in the United States of America (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. REPORTING ENTITY

The City is a municipal corporation governed by an elected Mayor and fifteen member council. In accordance with GAAP, the basic financial statements are required to include the City (the primary government) and any separate component units that have a significant operational or financial relationship with the City. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (a) it is able to impose its will on that organization, or (b) there is potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government.

The City has identified the following component units that are required to be included in the basic financial statements:

Business Improvement District

The Business Improvement District of the City of Appleton ("District") is a legally separate organization. The board of the District is appointed by the mayor of Appleton and approved by Common Council. Wisconsin Statutes provide for circumstances whereby the City can impose its will on the District, and also create a potential financial benefit to or burden on the City. See Note 5.A. As a component unit, the District's financial statements have been presented as a discrete column in the financial statements. The information presented is for the fiscal year ended December 31, 2019. Separately issued financial statements of the Business Improvement District of the City of Appleton may be obtained from Appleton Downtown Incorporated which is located at 333 W. College Avenue, Appleton, WI 54912.

Redevelopment Authority of the City of Appleton

The Redevelopment Authority of the City of Appleton ("Redevelopment Authority") is a legally separate organization. The board of the Redevelopment Authority is appointed by the mayor of Appleton and approved by Common Council. Wisconsin Statutes provide for circumstances whereby the City can impose its will on the Redevelopment Authority, and also create a potential financial benefit to or burden on the City. See Note 5.A. As a component unit, the Redevelopment Authority's financial statements have been presented as a discrete column in the financial statements. The information presented is for the fiscal year ended December 31, 2019. Separately issued financial statements of the Redevelopment Authority of the City of Appleton may be obtained from Redevelopment Authority's office, which is located at 100 North Appleton Street, Appleton, WI 54911.

B. RELATED ORGANIZATIONS

The City's officials are responsible for appointing board members of the City of Appleton Housing Authority, but the City's accountability for this organization does not extend beyond making the appointments.

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

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 and its component units. 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. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function 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*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. 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 main operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

Public Works Equipment Capital Projects Fund

This fund accounts for public works equipment purchases and is generally funded by debt proceeds.

The City reports the following major enterprise funds:

Water Utility

This fund accounts for all activities necessary to provide water service to residents and businesses of the City.

Wastewater Utility

This fund accounts for all activities necessary to provide wastewater treatment services to residents and businesses of the City.

Valley Transit

This fund accounts for all activities necessary to provide bus transit service to residents and businesses of the City and surrounding communities.

Storm Water Utility

This fund accounts for all activities necessary to provide storm water management services to residents and businesses of the City.

Additionally the City reports the following fund types:

Internal service funds account for central equipment acquisition, operation, and maintenance, insurance and risk protection services, facilities management and postemployment benefits provided to other departments or agencies of the City on a cost reimbursement basis.

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

Fiduciary Fund - Custodial Fund: The custodial fund accounts for property taxes and specials collected on behalf of other governments. Amounts in this fund have been restated in accordance with the implementation of GASB 84, *Fiduciary Activities*.

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 and fiduciary 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 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.

Only the portion of special assessments receivable collected during the current year are recorded as revenue. All other revenue items are considered to be measurable and available only when cash is received by the City.

Revenues susceptible to accrual include intergovernmental grants, intergovernmental charges for services, city ordinance forfeitures, public charges for services and interest. Other revenues such as licenses and permits, other 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-in-lieu of taxes and other charges between the City's water and sewer 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.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, and fees and fines, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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.

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

E. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION OR FUND BALANCE

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 four installments on or before January 31, March 31, May 31, and July 31. Real estate taxes not paid by July 31 are purchased by the County as part of the August tax settlement. Delinquent personal property taxes remain the collection responsibility of the City.

The City bills and collects its own property taxes and also collects taxes levied by the Appleton School District, Freedom Area School District, Hortonville Area School District, Kimberly Area School District, Menasha Area School District, Outagamie County, Calumet County, Winnebago County, and Fox Valley Technical College. Collection and remittances of taxes for other entities are accounted for in the tax collection custodial fund.

3. Accounts Receivable

Accounts receivable are recorded at gross amounts with uncollectible amounts recognized under the direct write-off method. An allowance for doubtful accounts has been established for certain deferred housing loans in the amount of \$520,986.

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 or as current installments are placed on tax rolls. Installments placed on the 2019 tax roll are recognized as revenue in 2019. Special assessments are subject to collection procedures.

5. 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" in the fund financial statements. Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds". Noncurrent portions of the interfund receivables for the governmental funds are classified as nonspendable fund balance since they do not constitute expendable available financial resources and therefore are not available for appropriation.

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

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

6. Inventories

Inventories are recorded at cost, which approximates market, using the first-in, first-out method. Inventories consist of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are consumed rather than when purchased.

Inventories 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.

7. Prepaid Items

Payments made to vendors that will benefit periods beyond the end of the current fiscal year are recorded as prepaid items and are expensed in the periods benefited.

Prepaid 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 \$10,000 or higher and an estimated useful life in excess of a year. 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:

<u>Assets</u>	<u>Years</u>
Buildings and improvements, including parking ramps	15 - 70
Equipment, furniture, and vehicles	3 - 25
Infrastructure	40 - 100
Intangibles	10

Annual depreciation expense for the enterprise funds reported on the statement of cash flows may exceed depreciation expense reported on the statement of revenues, expenses and changes in net position. The difference results from depreciation expense applicable to transportation and certain other operating equipment of the water utility enterprise fund being charged to operating expense accounts other than the depreciation expense account. This accounting procedure is required by the Public Service Commission of the State of Wisconsin.

9. Regulatory Asset

During 2018, the City identified capital assets that are no longer in service due to a change in the water treatment process. The assets were recorded at a cost of \$9,022,244 and had accumulated depreciation of \$6,283,571, resulting in a net loss of \$2,738,673. The City subsequently requested the Public Service Commission of Wisconsin (PSC) allow the City to recover these costs in future years. The PSC subsequently authorized the City to amortize this cost over 4 years and allowed an annual amortized expense of \$684,668 to be included in the City's water utility expenses beginning in 2018. The City expects that that PSC will continue to include this amortization in its expenses through 2021, and will amortize the asset in accordance with the PSC order.

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

10. Business Park Land

Business park land consists of land and improvements held for resale and are valued at cost of acquisition, demolition, and site improvements. Properties include both land intended for resale and land designated as a public area. Business park land is recorded at lower of cost or market value.

11. Compensated Absences

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements. All 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, or if they represent additional amounts the City has funded.

12. 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, notes and loans receivable, and interest receivable. These inflows are recognized as revenues in the government-wide financial statements.

13. 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.

14. Pensions

For purposes of measuring the net pension liability (asset), 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.

15. Other Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the total 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.

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

16. 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:

- ▶ **Nonspendable fund balance.** Amounts that are not in spendable form (such as inventory, prepaid items, or long-term receivables) or are legally or contractually required to remain intact.
- ▶ **Restricted fund balance.** Amounts that are constrained for specific purposes by external parties (such as grantor or bondholders), through constitutional provisions, or by enabling legislation.
- ▶ **Committed fund balance.** Amounts that are constrained for specific purposes by action of the Common Council. These constraints can only be removed or changed by the Common Council using the same action that was used to create them.
- ▶ **Assigned fund balance.** Amounts that are constrained for specific purposes by action of City management. The Common Council has authorized, through the adoption of a fund balance policy, the City's finance director to assign fund balance. Residual amounts in any governmental fund, other than the General Fund, are also reported as assigned.
- ▶ **Unassigned fund balance.** 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:

- ▶ **Net investment in capital assets.** Amount of capital assets, net of accumulated depreciation, and capital related deferred outflows of resources less outstanding balances of any bonds, 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.
- ▶ **Restricted net position.** 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.
- ▶ **Unrestricted net position.** Net position that is neither classified as restricted nor as net investment in capital assets.

F. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

G. PRIOR YEAR INFORMATION

Comparative amounts for the prior year have been presented in the basic financial statements to provide an understanding of changes in the City's financial position and operations. The comparative amounts may be summarized in total and not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended December 31, 2018, from which the summarized information was derived.

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

H. RECLASSIFICATIONS

Certain amounts in the prior year financial statements have been reclassified to conform with the presentation in the current year financial statements with no change in previously reported net position, changes in net position, fund balance or changes in fund balance.

NOTE 2: RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net position - governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that "capital assets used in governmental funds are not current financial resources and, therefore, are not reported in the funds." The detail of this difference is as follows:

Capital assets per statement of net position	
Land	\$ 126,120,922
Construction in progress	7,288,133
Intangible assets	181,735
Depreciable capital assets, net of depreciation	<u>249,429,685</u>
Subtotal	<u>383,020,475</u>
Less: Internal service fund capital assets	<u>(14,132,792)</u>
Net adjustment for capital assets	<u>\$ 368,887,683</u>

NOTE 3: STEWARDSHIP AND COMPLIANCE

A. BUDGETS AND BUDGETARY ACCOUNTING

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

1. Prior to the end of July, department heads submit to the mayor proposed budgets, including expenditures and applicable revenue projections.
2. The mayor and staff then develop the budget and service plan and submit it to the common council at the first council meeting in October. The executive budget includes proposed expenditures and the means of financing them. Copies of the document are made available for public review.
3. Public hearings are conducted to obtain taxpayer comments.
4. The budget is adopted formally by resolution of the common council at the first finance committee meeting in November.
5. Activities of the general fund, special revenue funds, the debt service fund, capital projects funds, permanent fund, enterprise funds, and internal service funds are budgeted. The budget as adopted shows total expenditures/expenses by individual fund. Expenditures/expenses cannot legally exceed appropriations at this level without two-thirds common council approval. Council policies include additional budgetary controls beyond this legal level.
6. Under council policy, new appropriations up to \$15,000 require written approval by the mayor, countersigned by the Director of Finance, and reported to the Finance Committee as an informational item if funded by grants, user fees, or other non-tax revenues. New appropriations in excess of \$15,000 and those funded by taxes or debt also require the approval of the finance committee and two-thirds of the common council.

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

7. Formal budgetary integration is employed as a management control device during the year for all funds. A comparison of budget and actual is included in the accompanying financial statements for the major funds. The budget presentations are at the function level, whereas the legal level of control is at the total expenditures level.
8. All budgets adopted conform to generally accepted accounting principles (GAAP). Budget amounts are as originally adopted or as amended. Individual amendments were legally authorized as described above.
9. Budgets for all governmental funds, except grant-funded special revenue funds, lapse at year end. Reappropriations of any funds are made by council action.

The City did not have any material violation of legal or contractual provisions for the fiscal year ended December 31, 2019.

B. EXCESS OF EXPENDITURES OVER BUDGET APPROPRIATIONS

For the year ended December 31, 2019, there were no expenditure accounts of the governmental funds had actual expenditures in excess of budget appropriations.

C. DEFICIT FUND EQUITY

The following funds reported deficit fund balance as of December 31, 2019:

Funds	Deficit Fund Balance
Special Revenue Fund	
Tax Incremental District No. 3	\$ 4,158,727
Capital Project Funds	
Tax Incremental District No. 6	3,583,473
Tax Incremental District No. 8	104,900
Tax Incremental District No. 11	1,096,330
Tax Incremental District No. 12	53,391

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

D. 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 2018 and 2019 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 2019 budget was 1.58%. The actual limit for the City for the 2020 budget was 1.35%. 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.

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

NOTE 4: DETAILED NOTES ON ALL FUNDS

A. 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 \$173,270,467 on December 31, 2019 as summarized below:

Petty cash and cash on hand	\$ 44,818
Deposits with financial institutions	48,810,974
Investments	124,414,675
	<u>\$ 173,270,467</u>

Reconciliation to the basic financial statements:

Government-wide statement of net position	
Cash and investments	\$ 118,581,390
Restricted cash and investments	19,096,916
Fiduciary fund statement of net position	
Cash and investments	35,592,161
	<u>\$ 173,270,467</u>

Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant observable inputs; Level 3 inputs are significant unobservable inputs. The City has the following fair value measurements as of December 31, 2019:

	Fair Value Measurements Using:		
	Level 1	Level 2	Level 3
Investments			
U.S. Treasury securities	\$ 15,515,939	\$ 1,344,287	\$ -
Money market mutual funds	1,126,293	-	-
FNMA	-	18,404,714	-
FHLMC	-	10,562,387	-
FFCB	-	16,098,857	-
FHLB	-	16,995,777	-
GNMA	-	26,251	-
	<u>\$ 16,642,232</u>	<u>\$ 63,432,273</u>	<u>\$ -</u>

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.

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

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 another 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 requires all deposits to be either insured or collateralized.

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. 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.

As of December 31, 2019, \$22,260,981 of the City's deposits with financial institutions were in excess of federal and state depository insurance limits. All amounts were collateralized with securities held by the pledging financial institution or its trust department or agent but not 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's investment policy requires a custody agreement for all securities managed by the City's investment manager. The custody agreement must contain language that documents that all securities are held at a minimum of uninsured, but collateral held by the pledging financial institution trust department or agent not in the City's name. Presented below is the actual rating as of the year-end for each investment type.

Investment Type	Amount	Exempt from Disclosure	Aa	Not Rated
U.S. Treasury securities	\$ 16,860,226	\$ 16,860,226	\$ -	\$ -
Money market mutual funds	1,126,293	-	-	1,126,293
Wisconsin local government investment pool	44,340,170	-	-	44,340,170
FNMA	18,404,714	-	17,253,314	1,151,400
FHLMC	10,562,387	-	9,743,095	819,292
FFCB	16,098,857	-	15,597,482	501,375
FHLB	16,995,777	-	16,695,870	299,907
GNMA	26,251	-	-	26,251
Totals	\$ 124,414,675	\$ 16,860,226	\$ 59,289,761	\$ 48,264,688

At December 31, 2019, the City had no 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.

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

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 requires investment in shorter-term securities, money market mutual funds, or similar investment pools 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:

Investment Type	Amount	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
U.S. Treasury securities	\$ 16,860,226	\$ 164,984	\$ 6,775,356	\$ 4,088,370	\$ 5,831,516
Wisconsin local government investment pool	44,340,170	44,340,170	-	-	-
FNMA	18,404,714	900,545	5,941,713	4,458,689	7,103,767
FHLMC	10,562,387	424,964	2,589,010	7,345,637	202,776
FFCB	16,098,857	2,141,344	-	4,318,821	9,638,692
FHLB	16,995,777	2,676,055	399,016	7,567,889	6,352,817
GNMA	26,251	-	-	11,323	14,928
Money market mutual funds	1,126,293	1,126,293	-	-	-
Totals	<u>\$ 124,414,675</u>	<u>\$ 51,774,355</u>	<u>\$ 15,705,095</u>	<u>\$ 27,790,729</u>	<u>\$ 29,144,496</u>

Wisconsin Local Government Investment Pool

The City has investments in the Wisconsin local government investment pool of \$44,340,170 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, 2019, the fair value of the City's share of the LGIP's assets was substantially equal to the carrying value.

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

B. RESTRICTED ASSETS

Restricted assets on December 31, 2019 totaled \$19,181,092 and consisted of cash and investments of \$19,096,916 and accrued interest of \$84,176 held for the following purposes:

Funds	Cash and Investments	Accrued Interest	Total Restricted Assets
Water utility			
Bond reserve fund	\$ 5,245,069	\$ 31,115	\$ 5,276,184
Sewer utility			
Bond reserve account	1,417,998	-	1,417,998
Bond redemption fund	700,855	11,720	712,575
DNR replacement fund	3,823,901	20,024	3,843,925
	<u>5,942,754</u>	<u>31,744</u>	<u>5,974,498</u>
Storm water utility			
Bond reserve account	3,767,972	18,444	3,786,416
Bond redemption fund	3,134,658	2,873	3,137,531
Construction account	4	-	4
	<u>6,902,634</u>	<u>21,317</u>	<u>6,923,951</u>
Valley Transit			
Capital equipment replacement	1,006,459	-	1,006,459
Total	<u>\$ 19,096,916</u>	<u>\$ 84,176</u>	<u>\$ 19,181,092</u>

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

C. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2019 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, nondepreciable:				
Land	\$ 9,569,552	\$ -	\$ -	\$ 9,569,552
Right of ways	76,474,530	1,355,638	-	77,830,168
Improvements	38,721,202	-	-	38,721,202
Intangible assets	181,735	-	-	181,735
Construction in progress	11,226,442	1,726,809	5,665,118	7,288,133
Total capital assets, nondepreciable	<u>136,173,461</u>	<u>3,082,447</u>	<u>5,665,118</u>	<u>133,590,790</u>
Capital assets, depreciable:				
Intangible assets	88,683	928,742	-	1,017,425
Improvements	13,127,282	3,301,071	-	16,428,353
Buildings	48,395,471	3,328,769	50,000	51,674,240
Equipment, furniture and fixtures	48,540,342	3,695,289	1,717,684	50,517,947
Streets	187,946,495	5,623,581	1,468,623	192,101,453
Sidewalk	34,078,483	1,155,347	521,745	34,712,085
Traffic signals	7,098,234	194,019	14,791	7,277,462
Bridges	49,755,101	5,173,597	-	54,928,698
Subtotals	<u>389,030,091</u>	<u>23,400,415</u>	<u>3,772,843</u>	<u>408,657,663</u>
Less accumulated depreciation for:				
Intangible assets	17,763	5,920	-	23,683
Improvements	4,840,097	391,320	-	5,231,417
Buildings	17,797,501	958,443	10,000	18,745,944
Equipment, furniture and fixtures	21,066,599	3,244,885	1,634,456	22,677,028
Streets	82,171,153	4,638,122	740,063	86,069,212
Sidewalk	13,650,368	861,930	247,468	14,264,830
Traffic signals	2,040,165	178,885	-	2,219,050
Bridges	9,447,528	549,286	-	9,996,814
Subtotals	<u>151,031,174</u>	<u>10,828,791</u>	<u>2,631,987</u>	<u>159,227,978</u>
Total capital assets, depreciable, net	<u>237,998,917</u>	<u>12,571,624</u>	<u>1,140,856</u>	<u>249,429,685</u>
Governmental activities capital assets, net	<u>\$ 374,172,378</u>	<u>\$ 15,654,071</u>	<u>\$ 6,805,974</u>	383,020,475
Less: Capital related debt				64,188,856
Less: Debt premium				3,477,606
Less: Retainage payable				158,204
Add: Deferred charge on refunding				<u>63,500</u>
Net investment in capital assets				<u>\$ 315,259,309</u>

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, nondepreciable:				
Land	\$ 11,965,325	\$ 183,908	\$ -	\$ 12,149,233
Intangible assets	1,873,497	945,695	-	2,819,192
Construction in progress	2,869,140	5,765,890	1,744,375	6,890,655
Total capital assets, nondepreciable	<u>16,707,962</u>	<u>6,895,493</u>	<u>1,744,375</u>	<u>21,859,080</u>
Capital assets, depreciable:				
Buildings and land improvements	171,589,056	5,493,032	3,239,981	173,842,107
Machinery and equipment	89,006,500	7,547,932	283,244	96,271,188
Infrastructure	267,889,101	5,383,980	2,747,726	270,525,355
Subtotals	<u>528,484,657</u>	<u>18,424,944</u>	<u>6,270,951</u>	<u>540,638,650</u>
Less accumulated depreciation for:				
Buildings and land improvements	111,397,024	4,504,039	3,337,858	112,563,205
Machinery and equipment	60,666,237	3,962,267	163,341	64,465,163
Infrastructure	54,046,326	2,944,038	2,713,307	54,277,057
Subtotals	<u>226,109,587</u>	<u>11,410,344</u>	<u>6,214,506</u>	<u>231,305,425</u>
Total capital assets, depreciable, net	<u>302,375,070</u>	<u>7,014,600</u>	<u>56,445</u>	<u>309,333,225</u>
Business-type activities capital assets, net	<u>\$ 319,083,032</u>	<u>\$ 13,910,093</u>	<u>\$ 1,800,820</u>	331,192,305
Less: Capital related debt				87,275,603
Less: Debt premium				5,026,535
Less: Retainage payable				294,876
Add: Deferred charge on refunding				<u>1,880,758</u>
Net investment in capital assets				<u>\$ 240,476,049</u>

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

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

Governmental activities	
General government	\$ 340,191
Public safety	610,570
Public works	6,424,540
Culture and recreation	834,016
Subtotal	<u>8,209,317</u>
Capital assets held by City's internal service fund are charged to various functions based on their usage of the assets	2,619,474
Total depreciation expense - governmental activities	<u>\$ 10,828,791</u>
Business-type activities	
Water utility	\$ 4,075,847
Wastewater utility	2,983,241
Valley Transit	816,670
Stormwater	2,675,051
Parking	591,992
Reid Municipal Golf Course	61,164
Total depreciation expense - business-type activities	<u>11,203,965</u>
Depreciation charged to other functions and costs of removal	<u>206,379</u>
Total increase in accumulated depreciation	<u>\$ 11,410,344</u>

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

D. INTERFUND RECEIVABLE, PAYABLES, AND TRANSFERS

Interfund receivables and payables between individual funds of the City, as reported in the fund financial statements, as of December 31, 2019 are detailed below:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General fund	\$ 2,076,268	\$ 450,532
Special Revenue Funds		
Sanitation & recycling program	22,244	-
Community development block grant	-	31,676
Police grants	-	22,807
Wheel tax	-	82,325
Continuum of care	-	1,467
Emergency shelter	-	541
Enterprise Funds		
Water utility	196,050	1,937,452
Wastewater utility	131,841	-
Storm water utility	100,397	-
	<u> </u>	<u> </u>
Subtotal	<u>\$ 2,526,800</u>	2,526,800
Government-wide adjustments		
Fund eliminations		(5,928,496)
Advance to Reid Municipal Golf Course		140,000
Internal service fund allocation		806,266
Internal balances - government-wide statement of net position		<u>\$ (2,455,430)</u>

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

In 1999, the City approved charging interest on the advances to the Tax Incremental Districts at 5%, compounded annually. Accumulated interest is shown as deferred revenue in the general fund and charged to expenditures annually in the payable fund. The advances will be repaid as monies are available.

In 2002, the City advanced the Reid Municipal Golf Course \$495,000 to fund capital improvements. Interest was being charged at 5%. During 2011, the Common Council approved retroactively charging 0% interest on the advance. Previous interest payments made on the advance were applied to the principal balance during 2011. A repayment schedule has been established.

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

During 2015, the City prepared projections estimating the TIF districts and the Reid Municipal Golf Course's ability to repay the interfund advances (principal and interest) from the general fund and the parking utility. As of this analysis, the following allowance has been established:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Allowance</u>
Parking utility	Special Revenue - Tax Incremental District No. 3	<u>\$ 24,282,496</u>	<u>\$ 2,727,923</u>	<u>\$ 27,010,419</u>

Interfund advances for the year ended December 31, 2019 were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Advance</u>	<u>Amount Not Due Within One Year</u>
General	Special Revenue - Tax Incremental District No. 3	\$ 755,862	\$ 3,736,565	\$ 4,492,427	\$ 3,342,427
General	Capital Project - Tax Incremental District No. 6	4,234,952	481,268	4,716,220	2,716,220
General	Capital Project - Tax Incremental District No. 8	300,000	115,902	415,902	65,902
General	Capital Project - Tax Incremental District No. 11	751,000	36,305	787,305	787,305
General	Capital Project - Tax Incremental District No. 12	54,024	1,840	55,864	55,864
General	Enterprise - Reid Municipal Golf Course	140,000	-	140,000	140,000
Subtotal - fund financial statements		<u>\$ 6,235,838</u>	<u>\$ 4,371,880</u>	10,607,718	<u>\$ 7,107,718</u>
Less: fund eliminations				(10,467,718)	
Total - government-wide statements				<u>\$ 140,000</u>	

The principal purpose of these advances is due to expenditures/expenses exceeding revenues.

The following repayment schedule has been established. No interest is being charged.

<u>Years</u>	<u>General Fund Advance to Reid Golf Course</u>
2025	\$ 60,000
2026	80,000
Totals	<u>\$ 140,000</u>

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

Interfund transfers for the year ended December 31, 2019 were as follows:

Transfers from	General	Nonmajor Governmental Funds	Valley Transit	Total
Governmental activities:				
General fund	\$ -	\$ 14,700	\$ 640,199	\$ 654,899
Nonmajor governmental funds	1,285,392	1,533,801	-	2,819,193
Business-type activities:				
Water utility enterprise fund	1,893,193	-	-	1,893,193
Wastewater utility enterprise fund	175,509	-	-	175,509
Stormwater utility enterprise fund	12,500	60,000	-	72,500
Parking utility enterprise fund	9,300	600,000	-	609,300
Reid golf course enterprise fund	17,900	-	-	17,900
Internal Service Funds	-	246,963	-	246,963
Total transfers to:	<u>\$ 3,393,794</u>	<u>\$ 2,455,464</u>	<u>\$ 640,199</u>	6,489,457
Less: Government-wide eliminations				<u>(4,361,254)</u>
Total government-wide statement of activities				<u>\$ 2,128,203</u>

Transfers are used to: (1) move unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; (2) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; and (3) move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service funds as debt service payments become due.

E. DEFERRED INFLOWS OF RESOURCES

Governmental activities and governmental funds defer revenue recognition in connection with resources that have been received, but not yet earned. Governmental funds also defer revenue recognition related to receivables that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the various components of unavailable revenue were as follows:

	Unearned	Unavailable	Total
Property taxes receivable	\$ 51,282,179	\$ -	\$ 51,282,179
Interest on advances	-	4,374,518	4,374,518
Interest income	-	150,331	150,331
Developer loans	-	335,000	335,000
Rehabilitation loans	-	6,401,197	6,401,197
Special assessments not yet due	-	138,134	138,134
Grant drawdowns prior to meeting all eligibility requirements	76,005	-	76,005
Total	<u>\$ 51,358,184</u>	11,399,180	<u>\$ 62,757,364</u>
Reconciliation to government-wide financial statements		<u>(11,399,180)</u>	
Total		<u>\$ -</u>	

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

F. LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations of the City for the year ended December 31, 2019:

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Retired</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
General obligation debt					
Bonds - General	\$ 295,000	\$ -	\$ 180,000	\$ 115,000	\$ 115,000
Notes - General	56,303,375	17,805,000	6,872,500	67,235,875	7,204,875
Notes - Internal service	106,625	150,000	12,500	244,125	15,125
Total general obligation debt	<u>56,705,000</u>	<u>17,955,000</u>	<u>7,065,000</u>	<u>67,595,000</u>	<u>7,335,000</u>
Promissory note	235,000	-	25,000	210,000	35,000
Debt premium	3,125,726	979,653	627,773	3,477,606	762,470
Compensated absences					
General	7,265,402	3,519,585	3,661,822	7,123,165	3,397,801
Internal service	207,264	238,369	178,704	266,929	170,680
Landfill liability	1,530,000	-	90,000	1,440,000	90,000
Disability benefits	59,911	-	5,564	54,347	14,281
Governmental activities Long-term obligations	<u>\$ 69,128,303</u>	<u>\$ 22,692,607</u>	<u>\$ 11,653,863</u>	<u>\$ 80,167,047</u>	<u>\$ 11,805,232</u>
Business-type activities:					
General obligation debt					
Bonds	\$ 455,000	\$ -	\$ 60,000	\$ 395,000	\$ 140,000
Notes	585,000	705,000	65,000	1,225,000	80,000
Total general obligation debt	<u>1,040,000</u>	<u>705,000</u>	<u>125,000</u>	<u>1,620,000</u>	<u>220,000</u>
Revenue bonds	107,080,000	-	11,005,000	96,075,000	4,380,000
Debt premium	6,162,571	-	1,136,036	5,026,535	978,321
Compensated absences	1,108,820	768,083	767,734	1,109,169	590,465
Business-type activities Long-term obligations	<u>\$ 115,391,391</u>	<u>\$ 1,473,083</u>	<u>\$ 13,033,770</u>	<u>\$ 103,830,704</u>	<u>\$ 6,168,786</u>

Total interest paid during the year on long-term debt totaled \$5,517,962.

The water revenue bond debt service payments are primarily due on January 1st and July 1st. The water utility makes the January 1st payment on December 31st of the prior year. Therefore, no current principal amount is shown on the statement of net position.

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/19</u>
Governmental Activities					
General obligation refunding bonds					
Series 2012B	08/30/12	04/01/20	0.40-3.00%	\$ 2,920,000	\$ 115,000
General obligation notes					
Series 2012A	11/07/12	04/01/22	2.00-3.00%	5,460,000	1,245,000
Series 2014A	09/10/14	04/01/24	1.50-2.375%	6,525,000	4,125,000
Series 2015A	10/28/15	04/01/25	2.00-3.00%	5,775,000	4,185,000
Series 2016	10/04/16	04/01/26	2.00-4.00%	18,920,000	14,355,000
Series 2018	10/09/18	04/01/28	4.00-5.00%	13,840,000	13,515,000
Series 2019	10/02/19	04/01/29	2.00-3.00%	17,955,000	17,955,000
General obligation refunding notes					
Series 2017	10/02/17	04/01/27	2.00-3.00%	14,170,000	<u>12,100,000</u>
Total governmental activities					<u>67,595,000</u>
Business-type Activities					
General obligation refunding bonds					
Series 2012B	08/30/12	04/01/20	0.40-3.00%	735,000	395,000
General obligation notes					
Series 2016	10/04/16	04/01/26	2.00-4.00%	705,000	520,000
General obligation notes					
Series 2019	10/02/19	04/01/29	2.00-3.00%	705,000	<u>705,000</u>
					<u>1,620,000</u>
Total outstanding general obligation debt					<u><u>\$69,215,000</u></u>

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

Annual principal and interest maturities of the outstanding general obligation debt of \$69,215,000 on December 31, 2019 are detailed below:

Year Ended December 31,	Governmental Activities		Business - type Activities	
	Bonds and Notes		Bonds and Notes	
	Principal	Interest	Principal	Interest
2020	\$ 7,335,000	\$ 1,979,356	\$ 220,000	\$ 43,080
2021	8,410,000	1,766,064	220,000	37,250
2022	8,065,000	1,520,954	210,000	30,800
2023	8,340,000	1,247,706	215,000	24,050
2024	8,625,000	960,859	215,000	17,225
2025-2029	26,820,000	1,477,575	540,000	24,800
	<u>\$ 67,595,000</u>	<u>\$ 8,952,514</u>	<u>\$ 1,620,000</u>	<u>\$ 177,205</u>

Year Ended December 31,	Totals	
	Principal	Interest
2020	\$ 7,555,000	\$ 2,022,435
2021	8,630,000	1,803,314
2022	8,275,000	1,551,754
2023	8,555,000	1,271,756
2024	8,840,000	978,084
2025-2029	27,360,000	1,502,375
	<u>\$ 69,215,000</u>	<u>\$ 9,129,718</u>

For governmental activities, the other long-term liabilities are generally funded by the general fund. Estimated payments of accumulated employee benefits and other commitments are not included in the repayment schedule. Fund balance amounts available to service the general obligation debt and other long-term obligations include the following:

General fund - general obligation debt	\$ 2,370,010
General fund - compensated absences	5,169,521
Debt service fund - general obligation debt	1,588,068
Special revenue fund - Tuchscherer disability	<u>12,222</u>
Total available	<u>\$ 9,139,821</u>

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

Legal Margin for New Debt

The City's legal margin for creation of additional general obligation debt on December 31, 2019 was \$225,140,903 as follows:

Equalized valuation of the City		\$ 5,855,356,700
Statutory limitation percentage		(x) 5%
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes		<u>292,767,835</u>
Total outstanding general obligation debt applicable to debt limitation	\$ 69,215,000	
Less: Amounts available for financing general obligation debt		
Debt service fund	<u>1,588,068</u>	
Net outstanding general obligation debt applicable to debt limitation		<u>67,626,932</u>
Legal margin for new debt		<u>\$ 225,140,903</u>

In addition to the debt service fund, the City has assigned fund balance in the general fund of \$2,370,010 which may be used for debt service requirements.

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

Revenue Bonds

Revenue bonds outstanding on December 31, 2019 totaled \$96,075,000 and were comprised of the following issues:

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/19</u>
Water Utility					
Water System Revenue Bonds					
Series 2011	08/24/11	01/01/31	2.00-4.20%	\$ 3,170,000	\$ 2,095,000
Series 2012	08/08/12	01/01/32	2.00-3.25%	2,510,000	1,745,000
Series 2013	08/07/13	01/01/33	2.00-4.50%	7,180,000	5,445,000
Series 2014	09/10/14	07/01/34	2.00-4.00%	3,850,000	3,050,000
Water System Revenue Refunding Bonds					
Series 2015	10/28/15	01/01/35	2.00-4.00%	22,735,000	17,760,000
Series 2016	10/04/16	01/01/36	2.00-4.00%	23,830,000	11,090,000
Total water utility					<u>41,185,000</u>
Wastewater Utility					
Sewerage System Revenue Bonds					
Series 2010	05/22/10	05/01/30	2.00-4.00%	4,935,000	3,355,000
Series 2011	08/24/11	05/01/31	2.00-4.25%	3,735,000	2,655,000
Sewerage System Revenue Refunding Bonds					
Series 2018	10/09/18	05/01/28	2.00-5.00%	5,245,000	4,765,000
Total wastewater utility					<u>10,775,000</u>
Stormwater Utility					
Stormwater System Revenue Bonds					
Series 2012	08/08/12	04/01/32	2.00-4.00%	13,190,000	6,715,000
Series 2013	08/07/13	04/01/33	2.00-4.50%	6,440,000	5,155,000
Series 2014	08/07/13	04/01/34	2.00-4.00%	3,450,000	2,890,000
Series 2017	10/02/17	04/01/38	2.00-4.00%	5,000,000	5,000,000
Series 2018	10/09/18	04/01/39	2.50-4.00%	3,000,000	3,000,000
Stormwater System Revenue Refunding Bonds					
Series 2015	10/28/15	04/01/35	2.00-4.00%	9,425,000	7,760,000
Series 2016	10/04/16	01/01/36	2.00-4.00%	14,935,000	13,595,000
Total stormwater utility					<u>44,115,000</u>
Total outstanding revenue bonds					<u>\$ 96,075,000</u>

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

Annual principal and interest maturities of the outstanding revenue bonds of \$96,075,000 on December 31, 2019 are detailed below:

Year Ended December 31,	Business-type Activities		
	Bonds & Notes		
	Principal	Interest	Total
2020	\$ 4,380,000	\$ 2,791,767	\$ 7,171,767
2021	11,280,000	3,277,373	14,557,373
2022	11,475,000	3,504,142	14,979,142
2023	7,545,000	2,497,592	10,042,592
2024	7,550,000	2,212,562	9,762,562
2025-2029	33,380,000	6,844,675	40,224,675
2030-2034	16,460,000	2,069,902	18,529,902
2035-2039	4,005,000	238,356	4,243,356
	<u>\$ 96,075,000</u>	<u>\$ 23,436,369</u>	<u>\$ 119,511,369</u>

Utility Revenues Pledged

Revenue bonds are payable only from revenues derived from the operation of the water, wastewater, and stormwater utilities and do not constitute debt which with faith and credit or taxing powers of the City are pledged. The utilities have pledged future utility revenues, net of specified operating expenses, to repay the revenue bonds through 2036, 2031, and 2039, respectively. Proceeds from the bonds provided financing for the construction or acquisition of capital assets used by the utilities. A summary of net customer revenues and remaining principal and interest due on revenue bonds follows:

	Water Utility	Wastewater Utility	Stormwater Utility
Net Customer Revenues			
Charges for services	\$ 19,697,837	\$ 8,884,584	\$ 10,882,633
Other revenues	572,905	3,592,788	88,334
Total operating revenues	<u>20,270,742</u>	<u>12,477,372</u>	<u>10,970,967</u>
Less: operating expenses	8,713,971	7,828,505	3,361,827
Net customer revenues	<u>\$ 11,556,771</u>	<u>\$ 4,648,867</u>	<u>\$ 7,609,140</u>
Debt Service			
Principal	\$ 6,800,000	\$ 890,000	\$ 3,315,000
Interest	1,663,965	463,981	1,713,792
Total debt service	<u>\$ 8,463,965</u>	<u>\$ 1,353,981</u>	<u>\$ 5,028,792</u>
Remaining principal and interest	<u>\$ 49,775,045</u>	<u>\$ 13,161,369</u>	<u>\$ 56,574,955</u>

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

The City believes they are in compliance with all significant bond issue requirements.

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

Promissory Note

During 2012, the Appleton Redevelopment Authority received a \$300,000 Wisconsin DNR Ready for Reuse Loan. In order for the Appleton Redevelopment Authority to be approved for this loan, the City of Appleton was required to issue an obligation under Chapter 67 of the Wisconsin State Statutes. During 2017, the property funded with the loan was sold, and the obligation for the DNR Ready for Reuse Loan payments reverted back to the City. No interest is being charged. The repayment schedule is as follows:

<u>Year Ended</u> <u>December 31,</u>	<u>Principal</u>
2020	\$ 35,000
2021	35,000
2022	45,000
2023	45,000
2024	50,000
	<u>\$ 210,000</u>

Other Debt Information

Estimated payments of other long-term liabilities are not included in the debt service requirement schedules. The compensated absences liability, landfill liability, disability benefits liability will be liquidated primarily by the general fund.

Closure and Postclosure Care Cost

State and federal laws and regulations require the City to place a final cover on its Mackville Landfill, which no longer receives solid waste, and to perform certain maintenance and monitoring functions at the site for 40 years after closure. Construction of the cover was completed at December 31, 2002. The City does have postclosure care responsibility at the Mackville Landfill. As of December 31, 2019, a \$1,440,000 liability was estimated based on what it would cost to perform all postclosure care in 2019 and thereafter. Actual costs may be higher due to inflation, changes in technology or changes in regulations. The City incurred approximately \$134,982 of closure costs in 2019.

G. 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, 2019, there is one series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of \$30,000,000.

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

H. PENSION PLAN

1. Plan Description

The WRS is a cost-sharing, multiple-employer, defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1,200 hours a year (880 hours 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 Comprehensive Annual Financial Report (CAFR), which can be found at <http://etf.wi.gov/publications/cafr.htm>.

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

Benefits Provided. Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and executive service retirement plan participants, if hired on or before 12/31/16) 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 earnings 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 participants 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.

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

2. Post-Retirement Adjustments

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

Year	Core Fund Adjustment	Variable Fund Adjustment
2009	(2.1)%	(42)%
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	0.5	(5)
2017	2.0	4
2018	2.4	17

3. 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 remaining amount 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, 2019, the WRS recognized \$3,916,087 in contributions from the City.

Contribution rates for the reporting period are:

Employee Category	Employee	Employer
General (including teachers, executives and elected officials)	6.7%	6.7%
Protective with Social Security	6.7%	10.7%
Protective without Social Security	6.7%	14.9%

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

4. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2019, the City reported a liability of \$13,228,818 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2018, and the total pension asset used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017 rolled forward to December 31, 2018. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension liability (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, 2018, the City's proportion was 0.37183767%, which was an increase of 0.00391296% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the City recognized pension expense of \$8,891,084.

At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 10,303,247	\$ 18,212,433
Net differences between projected and actual earnings on pension plan investments	19,319,781	-
Changes in assumptions	2,229,896	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	11,905	116,439
Employer contributions subsequent to the measurement date	3,976,214	-
Total	<u>\$ 35,841,043</u>	<u>\$ 18,328,872</u>

\$3,976,214 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 (asset) in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Expense</u>
2020	\$ 4,880,204
2021	1,207,596
2022	2,153,393
2023	5,294,764
Total	<u>\$ 13,535,957</u>

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

5. Actuarial Assumptions

The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation date:	December 31, 2017
Actuarial cost method:	Entry Age
Asset valuation method:	Fair Value
Long-term expected rate of return:	7.0%
Discount rate:	7.0%
Salary increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality	Wisconsin 2018 Mortality Table
Post-retirement adjustments*	1.9%

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

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. Based on this experience study, actuarial assumptions used to measure the total pension liability changed from prior year, including the discount rate, long-term expected rate of return, post-retirement adjustment, wage inflation rate, mortality and separation rates. The total pension liability for December 31, 2018 is based upon a roll-forward of the liability calculated from the December 31, 2017 actuarial valuation.

Long-term Expected Return on Plan Assets. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of 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 %
<u>Core Fund Asset Class</u>			
Global equities	49%	8.1%	5.5%
Fixed income	24.5%	4.0%	1.5%
Inflation sensitive assets	15.5%	380.0%	1.3%
Real estate	9%	6.5%	3.9%
Private equity/debt	8%	9.4%	6.7%
Multi-asset	4%	6.7%	4.1%
Total Core Fund	110%	7.3%	4.7%
<u>Variable Fund Asset Class</u>			
U.S. equities	70%	7.6%	5.0%
International equities	30%	8.5%	5.9%
Total Variable Fund	100%	8.0%	5.4%

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.5%

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

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

Single Discount Rate. A single discount rate of 7.00% was used to measure the total pension liability as opposed to a discount rate of 7.2% for the prior year. This single discount rate was based on the expected rate of return on pension plan investments of 7.00% and a long-term municipal bond rate of 3.71%. 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. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease to Discount Rate (6.0%)	Current Discount Rate (7.0%)	1% Increase to Discount Rate (8.0%)
City's proportionate share of the net pension liability (asset)	\$ 52,572,711	\$ 13,228,818	\$ (16,026,417)

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

6. Payables to the Pension Plan

At December 31, 2019, the City reported a payable of \$533,087 for the outstanding amount of contributions to the pension plan for the year ended December 31, 2019.

I. OTHER POSTEMPLOYMENT BENEFITS

Single-employer Defined Postemployment Benefit Plan

Plan Description

The City administers a single-employer defined benefit healthcare plan ("the Retiree Health Plan"). The City's group health insurance plan provides coverage to active employees and retirees (or other qualified terminated employees) at blended premium rates. This results in another postemployment benefit (OPEB) for retirees, commonly referred to as an implicit rate subsidy. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided

Employees and their eligible dependents can elect to continue medical coverage into retirement on the City's group plan on a pay-all basis. The City does not pay any portion of the cost of coverage. Coverage continues until the retiree reaches Medicare eligibility given that the required contributions are paid.

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

Employees Covered by Benefit Terms

At December 31, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	65
Active employees	564
	<hr/>
	629
	<hr/>

Contributions

All retired plan members and beneficiaries currently receiving benefits are required to pay the entire cost of insurance premiums based on the employee group and their retirement date.

Total OPEB Liability

The City's total OPEB liability was measured as of December 31, 2019, and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation as of January 1, 2018.

Actuarial Assumptions. The total OPEB liability in the January 1, 2018 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
Inflation:	3.0%
Salary increases:	4.0%
Investment rate of return:	3.64%
Healthcare cost trend rates:	5.5% for 2019 decreasing to an ultimate rate of 4.5% by 2029

Retirement, withdrawal, mortality and disability rates were based on the December 31, 2017 Wisconsin Retirement System's (WRS) actuarial valuation report.

Discount Rate. The discount rate used to measure the total OPEB liability changed from 3.64% used in the fiscal year 2018 valuation to 3.26%, which is the S&P Municipal Bond 20 Year High-Grade Rate Index as of December 31, 2019. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates.

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at January 1, 2019	<u>\$ 4,857,785</u>
Changes for the year:	
Service cost	287,520
Interest	169,794
Changes of assumptions changes or inputs	91,480
Benefit payments	(386,226)
Other changes	548
Net changes	<u>163,116</u>
Balance at December 31, 2019	<u><u>\$ 5,020,901</u></u>

The amount due in one year is estimated to be \$290,000.

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 (2.26%) or 1-percentage-point higher (4.26%) than the current rate:

	1% Decrease to Discount Rate (2.26%)	Current Discount Rate (3.26%)	1% Increase to Discount Rate (4.26%)
Total OPEB liability	\$ 4,721,817	\$ 5,020,901	\$ 5,339,850

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 (4.5%) or 1-percentage-point higher (6.5%) than the current healthcare cost trend rates:

	1% Increase (4.5% decreasing to 3.5%)	Healthcare Cost Trend Rates (5.5% decreasing to 4.5%)	1% Decrease (6.5% decreasing to 5.5%)
Total OPEB liability	\$ 5,523,108	\$ 5,020,901	\$ 4,587,791

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

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

For the year ended December 31, 2019, the City recognized OPEB expense of \$554,205. At December 31, 2019, 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	\$ 635,927	\$ -
Changes in assumptions	212,735	123,866
Total	<u>\$ 848,662</u>	<u>\$ 123,866</u>

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

Year Ended December 31,	Expense
2020	\$ 96,890
2021	96,890
2022	96,890
2023	96,890
2024	96,890
Thereafter	240,346
Total	<u>\$ 724,796</u>

Payable to the OPEB Plan

At December 31, 2019, the City reported no outstanding contribution to the Plan required for the year ended December 31, 2019.

Plan Financial Report

The Plan does not prepare a separate standalone financial report.

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

J. FUND EQUITY

Government-wide and Proprietary Fund Statements

Net position of the governmental activities reported on the government-wide statement of net position at December 31, 2019 include the following:

Net investment in capital assets	
Land	\$ 126,120,922
Intangible assets	181,735
Construction in progress	7,288,133
Other capital assets, net of accumulated depreciation/amortization	249,429,685
Less: Related long-term debt outstanding (excluding unspent capital related debt proceeds)	(64,347,060)
Less: Unamortized debt premium	(3,477,606)
Add: Unamortized loss on refunding	63,500
Total net investment in capital assets	<u>315,259,309</u>
Restricted	
Debt service	1,078,650
TIF development activity	1,615,384
Housing rehabilitation	7,084,164
Special purposes	
Hazardous materials	353,284
Future claims	12,222
Health grants	52,845
Room tax	6,058
Parks	369,401
Capital projects funds	2,340,837
Total restricted	<u>12,912,845</u>
Unrestricted	<u>34,363,829</u>
Total governmental activities net position	<u>\$ 362,535,983</u>

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, 2019, nonspendable fund balance was as follows:

General Fund	
Nonspendable	
Inventories and prepaid items	\$ 870,151
Advance to other funds (principal portion)	6,235,839
Developer loans	713,423
Total general fund nonspendable fund balance	<u>\$ 7,819,413</u>

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

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, 2019, restricted fund balance was as follows:

Special Revenue Funds

Restricted for	
Community Development Block grant	\$ 8,972
Hazardous materials Level A - public safety	353,284
Health grants	52,845
HOME Homeowner - housing rehabilitation	118,688
Housing rehabilitation grant - housing rehabilitation	1,227
Business and neighborhood revitalization grant	1,812
Lead hazard control grant - housing rehabilitation	4,204
Tuchscherer disability - future claims	12,222
Room tax	6,058
Library grants	59,854
Peabody Estate - parks	69,269
Lutz Park - parks	144,339
Park purpose open space - parks	59,672
Union Spring Park - parks	2,677
Project city park - parks	6,294
Miracle League baseball - parks	27,296
Total special revenue funds	<u>928,713</u>

Debt Service Fund

Restricted for	
Retirement of long-term debt	<u>1,588,068</u>

Capital Projects Funds

Restricted for	
Tax incremental district no. 7	1,024,426
Tax incremental district no. 9	262,033
Tax incremental district no. 10	98,825
Public safety facilities	774
Public works equipment	1,171,091
Facilities capital projects	967,074
City center facilities	123,999
Information technology	77,899
Total capital projects funds	<u>3,726,121</u>

Total restricted fund balance	<u>\$ 6,242,902</u>
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City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

Committed Fund Balance

In the fund financial statements, portions of government fund balances are committed by Common Council action. At December 31, 2019, governmental fund balance was committed as follows:

General Fund	
Committed for	
Encumbrances	\$ 310,537
Special Revenue Fund	
Committed for	
Sanitation and recycling	<u>1,482,253</u>
Total committed fund balance	<u><u>\$ 1,792,790</u></u>

Assigned Fund Balance

Portions of governmental fund balances have been assigned to represent tentative management plans that are subject to change. At December 31, 2019, fund balance was assigned as follows:

General Fund	
PILOT applied to the 2020 budget	\$ 1,937,452
Carryover appropriations	3,036,636
Compensated absences	5,169,521
Health insurance	1,037,113
Debt service	2,370,010
Subtotal	<u>13,550,732</u>
Capital Projects Funds	
Assigned for subsequent year's expenditures	
Capital Improvements	
Subdivision development projects	1,150,986
Industrial park land	602,336
Public safety facilities	11,358
Public works equipment	1,072,975
CEA replacement	2,536,486
Community development	76,512
Facilities	1,115,479
Subtotal	<u>6,566,132</u>
Total	<u><u>\$ 20,116,864</u></u>

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

Net Position

Net position of the business-type activities reported on the government-wide statement of net position at December 31, 2019 include the following:

Net investment in capital assets	
Land	\$ 12,149,233
Intangible assets	2,819,192
Construction in progress	6,890,655
Other capital assets, net of accumulated depreciation/amortization	309,333,225
Less: Related long-term debt outstanding (excluding unspent capital related debt proceeds)	(97,989,876)
Less: Unamortized debt premium	(5,026,535)
Add: Unamortized loss on refunding	1,880,758
Add: Borrowed reserve and depreciation fund	10,419,397
Total net investment in capital assets	<u>240,476,049</u>
Restricted	
Debt service	13,859,364
DNR replacement fund	3,823,901
Capital replacement fund	1,006,463
Total restricted	<u>18,689,728</u>
Unrestricted	<u>41,397,513</u>
Total business-type activities net position	<u>\$ 300,563,290</u>

NOTE 5: OTHER INFORMATION

A. COMPONENT UNITS

This report also contains financial information for the Business Improvement District of the City of Appleton (the "Business Improvement District") and the Redevelopment Authority of the City of Appleton (the "Redevelopment Authority"), which are included as discretely presented component units in the statement of net position and the statement of activities.

In addition to the basic financial statements and the preceding notes to the basic financial statements, the following additional disclosures are considered necessary for a fair presentation.

Business Improvement District (BID)

1. Basis of Accounting/Measurement Focus

The BID follows the accrual basis of accounting and the flow of economic resources measurement focus.

2. Cash and Investments

At year end, the carrying amount of the BID's deposits was \$162,193 and is part of the City's commingled cash.

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

Redevelopment Authority

1. Basis of Accounting/Measurement Focus

The Redevelopment Authority follows the accrual basis of accounting and the flow of economic resources measurement focus.

2. Cash and Investments

At year end, the carrying amount of the Redevelopment Authority's deposits was \$108,612 and is part of the City's commingled cash.

3. Restricted Cash and Investments

At year end, the Redevelopment Authority held accounts with Associated Trust related to the issuance of Taxable Lease Revenue Bonds for the construction of the Fox Cities Exhibition Center. The City of Appleton signed a Pledge and Security agreement with Associated Trust along with the member municipalities of the Fox Cities Tourism Zone authorizing Associated Trust to manage the collection and distributions of Hotel Room Taxes in the appropriate allocations set forth by the Agreement dated May 1, 2018. Cash and Investments held at Associated Trust in the name of the Redevelopment Authority as of December 31, 2019 are segregated into the following accounts:

<u>Associated Trust Investment Accounts</u>	<u>Cash and Investments</u>
Bond Reserve fund	\$ 2,417,561
Room Tax Stabilization fund	901,212
Debt Service fund	2,056,607
	<u>\$ 5,375,380</u>

The segregation of these funds is stipulated by the Indenture of Trust Agreement between the Redevelopment Authority and Associated Trust dated May 1, 2018. Descriptions and purposes for the restriction on the balances of the funds noted above are as follows:

<u>Funds</u>	<u>Restricted Purpose</u>
Bond Reserve	To make up deficiencies in the debt service fund
Room Tax Stabilization	To make up deficiencies in the debt service fund
Debt Service	For payment of principal and interest on bonds when due

4. Land Held for Resale

Land held for resale consists of land and improvements and is valued at cost of acquisition, demolition and site improvements. Properties include both land intended for resale and land designated as a public area. Land held for resale is recorded at the lower of cost or market value.

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

5. Capital Assets

Capital asset activity for the year ended December 31, 2019 for the Redevelopment Authority was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Appleton Redevelopment Authority				
Capital assets, nondepreciable:				
Land	\$ 2,060,000	\$ -	\$ -	\$ 2,060,000
Capital assets, depreciable:				
Buildings and improvements	32,422,167	29,600	-	32,451,767
Machinery and equipment	-	10,250	-	10,250
Subtotals	<u>32,422,167</u>	<u>39,850</u>	<u>-</u>	<u>32,462,017</u>
Less accumulated depreciation for:				
Buildings and improvements	540,369	1,081,726	-	1,622,095
Machinery and equipment	-	513	-	513
Subtotals	<u>540,369</u>	<u>1,082,239</u>	<u>-</u>	<u>1,622,608</u>
Total capital assets, depreciable, net	<u>31,881,798</u>	<u>(1,042,389)</u>	<u>-</u>	<u>30,839,409</u>
Governmental activities capital assets, net	<u>\$ 33,941,798</u>	<u>\$ (1,042,389)</u>	<u>\$ -</u>	<u>32,899,409</u>
Less: Capital related debt				<u>31,865,000</u>
Net investment in capital assets				<u>\$ 1,034,409</u>

6. Taxable Lease Revenue Bonds

On May 1, 2018, the Redevelopment Authority issued \$31,865,000 of Taxable Lease Revenue Bonds, Series 2018, in order to reimburse the City of Appleton for construction costs related to the Fox Cities Exhibition Center.

Changes in the taxable lease revenue bonds follows:

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Retired</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Taxable Lease Revenue Bonds	\$ 31,865,000	\$ -	\$ -	\$ 31,865,000	\$ 100,000

Interest paid by the Redevelopment Authority on these Taxable Lease Revenue Bonds during the year totaled \$1,311,904.

Details of this outstanding obligation of the Redevelopment Authority as of December 31, 2019 are as follows:

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/19</u>
Taxable Lease Revenue Bonds	05/01/18	10/01/51	2.80-4.28%	\$ 31,865,000	\$ 31,865,000

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

Annual principal and interest maturities of the outstanding taxable lease revenue bonds of \$31,865,000 on December 31, 2019 are detailed below:

Year Ended December 31,	Principal	Interest	Total
2020	\$ 100,000	\$ 1,310,504	\$ 1,410,504
2021	100,000	1,307,659	1,407,659
2022	125,000	1,304,282	1,429,282
2023	150,000	1,299,988	1,449,988
2024	200,000	1,294,329	1,494,329
2025-2029	1,580,000	6,331,008	7,911,008
2030-2034	3,010,000	5,902,195	8,912,195
2035-2039	5,085,000	5,082,346	10,167,346
2040-2044	7,135,000	3,847,349	10,982,349
2045-2049	10,355,000	2,024,128	12,379,128
2050-2051	4,025,000	149,479	4,174,479
	<u>\$ 31,865,000</u>	<u>\$ 29,853,267</u>	<u>\$ 61,718,267</u>

B. TAX INCREMENTAL FINANCING DISTRICTS

The City has established separate capital projects funds for 12 Tax Incremental District (TID) created by the City in accordance with Section 66.1105 of the Wisconsin Statutes, with 8 TID's currently active. At the time each District was created, the property tax base within the District was "frozen" and incremental 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. Except for certain exceptions under Section 66.1105(6)(am)1, the Statutes allow five years prior to the termination date for a tax incremental district to incur project costs eligible for financing from tax increments. It is the intention of the City to recover all project costs and debt service payments due prior to termination of the respective districts.

C. 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, 2019, the City abated property taxes totaling \$1,912,244 under this program, including the following tax abatement agreements that each exceeded 10% of the total amount abated:

- ▶ A property tax abatement of \$264,607 to a developer within Tax Incremental District No. 6.
- ▶ A property tax abatement of \$359,078 to a developer within Tax Incremental District No. 6.
- ▶ A property tax abatement of \$351,366 to a developer within Tax Incremental District No. 7.
- ▶ A property tax abatement of \$74,975 to a developer within Tax Incremental District No. 8.
- ▶ A property tax abatement of \$192,617 to a developer within Tax Incremental District No. 8.
- ▶ A property tax abatement of \$635,441 to a developer within Tax Incremental District No. 8.
- ▶ A property tax abatement of \$34,160 to a developer within Tax Incremental District No. 9.

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

D. 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, environmental pollution, injuries to employees and workers' compensation. The City is self-insured for health and dental coverage and for workers' compensation. The cost of providing these risk management services is allocated by charging a "premium" to each fund based on historical estimates of the amounts needed to pay prior and current year claims and administration costs. The charge considers recent trends in actual claims experience of the City as a whole and makes provision for losses relating to catastrophes. "Premiums" are allocated by fund based on estimated current-year payroll, property values and other appropriate factors.

Risk Management Fund

All funds of the City participate in the Risk Management Fund. For 2019, the Risk Management Fund provided coverage for up to \$500,000 for each worker's compensation claim; \$200,000 for each general, automobile, police professional or public officials liability claim up to \$800,000 in a year; and \$1,000-10,000 for each property damage claim. Deductibles range from \$1,000 to \$25,000 based on coverage. The City purchases commercial insurance for claims in excess of coverage provided by the fund and other risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

A total reserve for claims losses at December 31, 2019 of \$1,900,000 has been recorded and is expected to be paid within one year. The reserve liability includes expenses and losses expected to arise from claims outstanding as of December 31, 2019 and amounts expected to arise from claims which have been incurred but have not been reported to the City as of December 31, 2019. The reserve is based on a 2018 actuarial study and actual claims activity in recent years. A liability for a claim is established if information indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss is reasonably estimable. The City does not allocate overhead costs or other nonincremental costs to the claims liability. The study took into account settled claims, the frequency of claims, industry averages and other economic and social factors. Because actual claims liabilities depend on such complex factors as inflation and damage awards, the process used to compute claims liability does not necessarily result in an exact amount. At December 31, 2019, the City has a net position of \$169,628 in the risk management fund for self-insured activities not covered by the reserves established. This amount is included in unrestricted net position.

Changes in the claims payable follow:

	Liability	Current Year	Claims	Liability
	January 1	Claims and	Payments	December 31
	January 1	Changes in	Payments	December 31
	January 1	Estimates	Payments	December 31
2018	\$ 1,900,000	\$ 447,443	\$ 447,443	\$ 1,900,000
2019	1,900,000	841,418	841,418	1,900,000

Health Care

The City provides health and dental care benefits to employees through a self-funded plan with specific insurance coverage. The plans are administered by United Health Care and Delta Dental. Insurance premiums, based on historical cost, are paid into the general fund from all other City funds and are available to pay claims, administrative costs, and stop loss insurance.

Under this program, the City pays up to a maximum of \$250,000 annually for each covered employee's and each covered dependent's health care costs. The City has purchased excess loss insurance for claims in excess of this amount. Expected claims are calculated at the end of each plan year by the third party administrator based on the number of single and family contracts covered and the expected claims. Administrative costs for 2019 totaled approximately \$253,533.

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

The estimated liability for self-funded losses is based on reported claims for the year and those received subsequent to year end. The City does not allocate overhead costs or other nonincremental costs to the claims liability. The estimated liability for self-insured losses for this program, which is expected to be paid within one year, consisted of the following at December 31, 2019:

Reported and known claims	\$ 772,618
Incurred but not reported claims	2,164,382
Total	<u>\$ 2,937,000</u>

Changes in the claims payable follow:

	Liability January 1	Current Year Claims and Changes in Estimates	Claims Payments	Liability December 31
2018	\$ 2,937,000	\$ 8,993,986	\$ 8,933,986	\$ 2,997,000
2019	2,937,000	8,016,603	8,016,603	2,937,000

Transit Mutual Insurance Corporation of Wisconsin

Transit Mutual Insurance Corporation of Wisconsin (TMI) is a municipal mutual insurance corporation, which insures auto liability and vehicle physical damage for municipally-owned transit systems in Wisconsin. Each insured property is an owner of the mutual insurance corporation. The City insures its transit systems' auto liability and physical damage with TMI and is an owner of the corporation.

In 2019, TMI issued to the City an auto liability insurance policy with a \$250,000 per person policy limit and a \$7,000,000 per accident policy limit. Of the per accident policy limit, TMI insures \$2,500,000 and reinsures \$4,500,000 with Great American Insurance. In addition, the City's policy provides for \$25,000 per person and \$50,000 per accident in uninsured/underinsured motorist insurance.

The physical damage policy issued by TMI to the City provides collision and comprehensive coverage for the lesser of the agreed value or the cost of repairs minus a \$500 per accident deductible for private passenger and service units and a \$1,000 per accident deductible for bus units.

Management of TMI consists of a board of directors comprised of one representative for each member. The City does not exercise any control over the activities of the corporation beyond its representation on the board of directors.

Premiums are determined in advance of each premium year, which begins on January 1. TMI is an assessable mutual; accordingly, the board of directors may require that supplemental contributions be made by members to ensure adequate funds are available to meet the obligations acceptable to the premium year. Members are required by Wisconsin statute and TMI bylaws to fund any deficit attributable to a premium year during which they were a member. TMI was incorporated in 1985 and began issuing insurance policies in 1986; there has never been a member assessment beyond the annual premiums. In 2018 and 2019, Transit Mutual returned surplus to Valley Transit pursuant to its surplus management policy; in addition, dividends were paid to Valley Transit in 2018 and 2019.

The City's share of this corporation is 4.97% for auto liability and 2.21% of physical damage liability. A list of other members and their share of participation is available in the TMI report which is available from TMI, PO Box 1135, Appleton, WI 54915-1483 or by email from contact@transitmutual.com.

Municipal Mutual Insurance

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

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

CVMIC is a municipal mutual insurance company established on September 14, 1987 under Section 611.23 of the Wisconsin Statutes. CVMIC provides liability insurance coverage to the cities and villages which make up the membership of the WMIC that was established under Section 66.30 of the Wisconsin Statutes governing intergovernmental cooperation commissions.

CVMIC insures the municipalities up to \$5,000,000 per occurrence above the self-insured retention amount selected by each individual city or village. CVMIC also provides excess insurance of \$5,000,000 over the CVMIC layer thru a group purchase program paid proportionately by members for a total limit of \$10,000,000 per occurrence. Members pay premiums based on their self-insured retention amount, claims experience and population.

Management of CVMIC and WMIC consists of a board of directors and officers elected by the membership from each class of participants based on population. The board of directors hires the company executive director who in turn hires the management staff of CVMIC. The City does not exercise any control over the activities of CVMIC and WMIC beyond the election of the officer and board.

Financial statements of CVMIC can be obtained directly from CVMIC's offices. The City's Mutual Member Participation Calculation for 2019 is calculated at 3.815%. This calculation is based on premiums, claims and self-insured retention of the City as compared to the entire membership. The City's participation portion of available funds would be distributed upon dissolution. WMIC is not required to have an audit.

The City pays an annual premium to CVMIC for its general liability insurance as noted. The City's self-insured retention amount annually is \$200,000 per occurrence and \$800,000 in the aggregate.

The City's equity portion of available funds in CVMIC will be distributed only upon CVMIC's dissolution. The original investment is reported at \$2,020,950 in the insurance internal service fund. This investment has been fully repaid (both principal and interest) by CVMIC.

E. COMMITMENTS AND CONTINGENCIES

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

From time to time, the City is party to 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.

Two former City employees are entitled to monthly disability benefits from the City for the rest of their lives. Disability payments total \$1,190 per month. The City's policy is to fund disability expenditures as benefit payments become due. The liability for future payments is presently reflected as a liability on the Statement of Net Position.

The City and the utilities have active construction projects as of December 31, 2019. Work that has been completed but not yet paid for (including contract retainages) is reflected as accounts payable and expenses.

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

The City has the following encumbrance outstanding at year end and expected to be honored upon performance by the vendor:

Enterprise Funds	
Water utility	\$ 772,090
Wastewater utility	2,498,372
Stormwater utility	1,452,471
Parking utility	86,884
Valley Transit utility	2,555,588
Reid Golf Course	11,517
Capital Project Funds	
TIF No. 11	51,089
TIF No. 12	11,900
Information technology	78,010
DPW	1,408,140
CEA replacement	8,930
Facilities	2,060,545
City center	124,000
General Fund	203,457
	<u>\$ 11,322,993</u>

The City has issued municipal revenue obligations as part of developer agreements. The obligations are payable solely to the developer from tax increments collected on specific portions of the development in the City's TIF districts. The obligation does not constitute a charge upon any funds of the City. In the event that future tax increments are not sufficient to pay off the obligation, the obligation terminates with no further liability to the City. Since the amount of future payments is contingent on the collection of future TIF increments, the obligation is not reported as a liability in the accompanying financial statements.

F. SUBSEQUENT EVENTS

Coronavirus Disease (COVID-19) Pandemic

Subsequent to year-end, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the City of Appleton, COVID-19 may impact various parts of its 2020 operations and financial results including, but not limited to, costs for emergency preparedness, additional costs related to usage of personnel and other City resources, ridership revenues on bus routes, decrease in parking utility revenue, decrease in golf course and other recreation revenues, and overall delay in spring and summer operations related to the City operations. 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 as these events occurred subsequent to the year-end and are still developing.

G. UPCOMING ACCOUNTING PRONOUNCEMENTS

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. The City is currently evaluating the impact this standard will have on the financial statements when adopted.

REQUIRED SUPPLEMENTARY INFORMATION

City of Appleton, Wisconsin

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2019
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2018**

	Budget		Actual	Variance	2018 Actual
	Original	Final		Final Budget - Positive (Negative)	
REVENUES					
Taxes	\$ 36,086,816	\$ 36,086,816	\$ 36,092,255	\$ 5,439	\$ 35,293,341
Special assessments	264,940	264,940	263,609	(1,331)	376,997
Intergovernmental	15,774,050	15,774,050	15,898,156	124,106	15,779,073
Licenses and permits	1,145,200	1,145,200	1,139,475	(5,725)	1,116,996
Fines and forfeits	275,000	275,000	241,090	(33,910)	265,875
Public charges for services	1,742,420	1,742,420	1,869,558	127,138	1,711,913
Investment income	2,945,000	2,945,000	3,815,871	870,871	2,798,782
Miscellaneous	1,342,105	1,512,508	1,741,516	229,008	1,569,308
Total revenues	59,575,531	59,745,934	61,061,530	1,315,596	58,912,285
EXPENDITURES					
Current					
General government	7,759,639	10,161,082	7,322,385	2,838,697	7,042,801
Public safety	32,064,595	32,136,021	31,312,390	823,631	30,974,572
Public works	12,661,197	13,088,882	12,702,122	386,760	12,899,557
Culture and recreation	8,498,375	8,689,952	8,528,969	160,983	8,314,427
Conservation and development	1,791,649	1,837,197	1,779,049	58,148	1,690,337
Total expenditures	62,775,455	65,913,134	61,644,915	4,268,219	60,921,694
Excess of revenues over (under) expenditures	(3,199,924)	(6,167,200)	(583,385)	5,583,815	(2,009,409)
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of capital assets	2,150	2,150	2,461	311	19
Transfers in	3,468,100	3,468,100	3,393,794	(74,306)	4,349,840
Transfers out	(706,265)	(706,265)	(654,899)	51,366	(869,102)
Total other financing sources (uses)	2,763,985	2,763,985	2,741,356	(22,629)	3,480,757
Net change in fund balance	(435,939)	(3,403,215)	2,157,971	5,561,186	1,471,348
Fund balance - January 1	31,649,674	31,649,674	31,649,674	-	30,178,326
Fund balance - December 31	\$ 31,213,735	\$ 28,246,459	\$ 33,807,645	\$ 5,561,186	\$ 31,649,674

The notes to the required supplementary information are an integral part of this statement.

City of Appleton, Wisconsin

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS LAST 10 FISCAL YEARS *

	<u>2019</u>	<u>2018</u>
Total OPEB liability		
Service cost	\$ 287,520	\$ 264,768
Interest	169,794	129,126
Differences between expected and actual experience	-	807,779
Changes of assumptions	91,480	77,784
Benefit payments	(386,226)	(414,239)
Other changes	548	(69,052)
Net change in total OPEB liability	<u>163,116</u>	<u>796,166</u>
Total OPEB liability - beginning	<u>4,857,785</u>	<u>4,061,619</u>
Total OPEB liability - ending	<u>\$ 5,020,901</u>	<u>\$ 4,857,785</u>
Covered-employee payroll	\$ 43,662,627	\$ 39,405,798
City's total OPEB liability as a percentage of covered-employee payroll	11.50%	12.33%

* The amounts presented for each fiscal year were determined as of the current fiscal year end. Amounts for prior years were not available.

See notes to required supplementary information.

City of Appleton, Wisconsin

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) WISCONSIN RETIREMENT SYSTEM LAST 10 FISCAL YEARS

<u>Plan Year Ending</u>	<u>Proportion of the Net Pension Liability (Asset)</u>	<u>Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Covered Payroll (plan year)</u>	<u>Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)</u>
12/31/14	0.35168290%	\$ (8,638,294)	\$ 39,160,783	22.06%	102.74%
12/31/15	0.35716023%	5,803,784	41,437,908	14.01%	98.20%
12/31/16	0.36096444%	2,975,209	41,016,384	7.25%	99.12%
12/31/17	0.36792471%	(10,924,121)	41,706,138	26.19%	102.93%
12/31/18	0.37183767%	13,228,818	42,848,352	30.87%	96.45%

SCHEDULE OF CONTRIBUTIONS WISCONSIN RETIREMENT SYSTEM LAST 10 FISCAL YEARS

<u>Fiscal Year Ending</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll (fiscal year)</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/15	\$ 3,535,167	\$ 3,535,167	\$ -	\$ 41,437,908	8.53%
12/31/16	3,449,998	3,449,998	-	41,016,384	8.41%
12/31/17	3,794,993	3,794,993	-	41,706,138	9.10%
12/31/18	3,887,066	3,887,066	-	42,848,352	9.07%
12/31/19	3,916,087	3,916,087	-	43,662,627	8.97%

See notes to required supplementary information.

City of Appleton, Wisconsin

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION DECEMBER 31, 2019

A. BUDGETARY INFORMATION

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note 3.A. of the notes to the basic financial statements. The budget presentations are at the function level, whereas the legal level of control is at the total expenditure level.

B. WISCONSIN RETIREMENT SYSTEM

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

Changes of assumptions. Actuarial assumptions are based upon an experience study conducted in 2018 using experience from 2015 - 2017. Based on the experience study conducted in 2018, actuarial assumptions used to develop Total Pension Liability changed, including the discount rate, long-term expected rate of return, post-retirement adjustment, wage inflation rate, mortality and separation rates.

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.

C. OTHER POSTEMPLOYMENT BENEFIT PLANS

Single-employer Defined Postemployment Benefit Plan

In addition to changes required by GASB Statement No. 75, the updated actuarial valuation decreased the discount rate used from 3.64% to 3.26%. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

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 Appleton, Wisconsin

**GENERAL FUND
DETAILED COMPARISON OF BUDGETED AND ACTUAL REVENUES AND OTHER FINANCING SOURCES
FOR THE YEAR ENDED DECEMBER 31, 2019
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2018**

	Budget		Actual	Variance	2018 Actual
	Original	Final		Final Budget - Positive (Negative)	
Taxes					
General property	\$ 35,646,816	\$ 35,646,816	\$ 35,646,816	\$ -	\$ 34,835,754
Payment in lieu of taxes	440,000	440,000	445,439	5,439	457,587
Total taxes	<u>36,086,816</u>	<u>36,086,816</u>	<u>36,092,255</u>	<u>5,439</u>	<u>35,293,341</u>
Special assessments					
Asphalt paving	1,823	1,823	1,823	-	28,456
Concrete paving	24,600	24,600	23,010	(1,590)	137,577
Sidewalks	8,517	8,517	11,219	2,702	54,633
Snow removal	141,000	141,000	142,966	1,966	69,469
Weed cutting	16,000	16,000	13,838	(2,162)	13,032
Street light revenue	72,000	72,000	70,310	(1,690)	69,521
Miscellaneous	1,000	1,000	443	(557)	4,309
Total special assessments	<u>264,940</u>	<u>264,940</u>	<u>263,609</u>	<u>(1,331)</u>	<u>376,997</u>
Intergovernmental					
State					
State shared taxes	10,000,895	10,000,895	10,023,740	22,845	9,777,572
Tax exempt computer aid	410,000	410,000	421,924	11,924	411,955
Highway aid - connection streets	230,000	230,000	229,143	(857)	229,300
State tax disparity act	1,162,762	1,162,762	1,162,762	-	1,168,238
Local streets aid	2,609,000	2,609,000	2,642,172	33,172	2,606,821
Fire insurance dues	219,000	219,000	240,895	21,895	219,294
Miscellaneous state aids	82,200	82,200	99,607	17,407	290,604
Local					
Miscellaneous local aids	7,500	7,500	7,500	-	7,500
Library grants and aids	1,043,693	1,043,693	1,045,947	2,254	1,062,448
Health grants	9,000	9,000	24,466	15,466	5,341
Total intergovernmental	<u>15,774,050</u>	<u>15,774,050</u>	<u>15,898,156</u>	<u>124,106</u>	<u>15,779,073</u>
Licenses and permits					
Licenses					
Amusement devices	8,000	8,000	8,035	35	8,422
Cigarette	5,200	5,200	5,300	100	5,400
Health	150,000	150,000	146,348	(3,652)	151,995
Heating	-	-	825	825	-
Liquor and malt beverages	90,000	90,000	130,117	40,117	108,495
Operators	68,000	68,000	64,503	(3,497)	57,270
Commercial solicitation	3,000	3,000	2,510	(490)	3,960
Taxi cab/limousine	1,200	1,200	1,170	(30)	1,530
Taxi driver	2,000	2,000	2,500	500	2,710
Sundry	5,750	5,750	6,470	720	6,450
Secondhand/pawnbroker	1,650	1,650	2,370	720	1,710
Special events	23,000	23,000	25,942	2,942	24,475
Dog	20,000	20,000	15,532	(4,468)	15,966
Cat	8,000	8,000	5,848	(2,152)	5,795
Weights and measures	60,500	60,500	59,830	(670)	56,779
Street vendor license	-	-	-	-	20

City of Appleton, Wisconsin

**GENERAL FUND
DETAILED COMPARISON OF BUDGETED AND ACTUAL REVENUES AND OTHER FINANCING SOURCES
FOR THE YEAR ENDED DECEMBER 31, 2019
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2018**

	Budget		Actual	Variance	2018 Actual
	Original	Final		Final Budget - Positive (Negative)	
Permits					
Building	340,500	340,500	315,298	(25,202)	338,768
Electrical	140,000	140,000	123,403	(16,597)	115,548
Heating	70,000	70,000	73,436	3,436	74,082
Plumbing and sewer	65,000	65,000	61,119	(3,881)	50,851
Burning	27,000	27,000	27,544	544	28,076
Trailer parking	9,200	9,200	10,133	933	8,847
State building	2,000	2,000	2,240	240	2,360
Signs	5,000	5,000	5,080	80	5,185
Street occupancy	8,600	8,600	13,322	4,722	9,102
Street excavating and patching	29,000	29,000	28,330	(670)	30,080
Sundry	2,600	2,600	2,270	(330)	2,900
Storage of flammable liquid	-	-	-	-	220
Total licenses and permits	<u>1,145,200</u>	<u>1,145,200</u>	<u>1,139,475</u>	<u>(5,725)</u>	<u>1,116,996</u>
Fines and forfeits					
Court fines and penalties	<u>275,000</u>	<u>275,000</u>	<u>241,090</u>	<u>(33,910)</u>	<u>265,875</u>
Public charges for services					
Legal services	1,300	1,300	281	(1,019)	117
Mayor	2,500	2,500	2,500	-	7,350
Finance	4,000	4,000	4,262	262	3,603
Library	65,000	65,000	44,646	(20,354)	49,213
Community development	350	350	290	(60)	605
Parks and recreation	887,802	887,802	946,659	58,857	915,042
Public Works					
Street division	2,600	2,600	56,184	53,584	37,967
Traffic	60,250	60,250	63,712	3,462	51,448
Forestry	-	-	-	-	45
Inspection department	55,000	55,000	55,262	262	52,647
Health department	77,061	77,061	76,933	(128)	70,964
Police department	550,057	550,057	579,088	29,031	477,528
Fire department	36,500	36,500	39,741	3,241	45,384
Total public charges for services	<u>1,742,420</u>	<u>1,742,420</u>	<u>1,869,558</u>	<u>127,138</u>	<u>1,711,913</u>
Investment income					
Investment income	2,835,000	2,835,000	3,688,035	853,035	2,702,208
Interest on taxes	110,000	110,000	127,836	17,836	96,574
Total investment income	<u>2,945,000</u>	<u>2,945,000</u>	<u>3,815,871</u>	<u>870,871</u>	<u>2,798,782</u>

City of Appleton, Wisconsin

**GENERAL FUND
 DETAILED COMPARISON OF BUDGETED AND ACTUAL REVENUES AND OTHER FINANCING SOURCES
 FOR THE YEAR ENDED DECEMBER 31, 2019
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2018**

	Budget		Actual	Variance	2018 Actual
	Original	Final		Final Budget - Positive (Negative)	
Miscellaneous					
Fees and commissions	767,480	767,480	764,510	(2,970)	777,558
Zoning and subdivision fees	18,000	18,000	19,255	1,255	19,425
Property inquiry fees	73,600	73,600	65,832	(7,768)	74,418
Miscellaneous revenue	47,475	47,475	100,180	52,705	75,447
Rental of city property	48,100	48,100	48,619	519	51,187
Donation and memorials	16,300	81,157	129,513	48,356	80,283
Damage to city property	46,000	46,000	108,565	62,565	57,040
Other reimbursements	216,740	322,286	394,168	71,882	324,943
Leases	106,410	106,410	108,364	1,954	106,917
Refunds of prior year expenditures	-	-	-	-	-
Board of appeals	2,000	2,000	2,510	510	2,090
Total miscellaneous	<u>1,342,105</u>	<u>1,512,508</u>	<u>1,741,516</u>	<u>229,008</u>	<u>1,569,308</u>
Total revenues	<u>59,575,531</u>	<u>59,745,934</u>	<u>61,061,530</u>	<u>1,315,596</u>	<u>58,912,285</u>
Other financing sources					
Proceeds from sale of capital assets	2,150	2,150	2,461	311	19
Transfers in	<u>3,468,100</u>	<u>3,468,100</u>	<u>3,393,794</u>	<u>(74,306)</u>	<u>4,349,840</u>
Total other financing sources	<u>3,470,250</u>	<u>3,470,250</u>	<u>3,396,255</u>	<u>(73,995)</u>	<u>4,349,859</u>
Total revenues and other financing sources	<u><u>\$ 63,045,781</u></u>	<u><u>\$ 63,216,184</u></u>	<u><u>\$ 64,457,785</u></u>	<u><u>\$ 1,241,601</u></u>	<u><u>\$ 63,262,144</u></u>

City of Appleton, Wisconsin

**GENERAL FUND
 DETAILED COMPARISON OF BUDGETED AND ACTUAL EXPENDITURES AND OTHER FINANCING USES
 FOR THE YEAR ENDED DECEMBER 31, 2019
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2018**

	Budget		Actual	Variance	2018 Actual
	Original	Final		Final Budget - Positive (Negative)	
General government					
Common council	\$ 134,363	\$ 134,363	\$ 134,357	\$ 6	\$ 140,821
Mayor	497,999	497,999	488,210	9,789	525,312
Legal service	1,019,168	1,019,168	1,008,222	10,946	1,071,421
Finance	887,544	887,544	879,967	7,577	834,341
Information technology	1,970,270	1,993,429	1,924,476	68,953	1,802,473
Human resources	783,116	783,116	676,942	106,174	692,479
Other general government	2,467,179	4,845,463	2,210,211	2,635,252	1,975,954
Total general government	<u>7,759,639</u>	<u>10,161,082</u>	<u>7,322,385</u>	<u>2,838,697</u>	<u>7,042,801</u>
Public safety					
Health services	1,202,127	1,202,127	1,116,527	85,600	1,170,545
Police	18,389,949	18,418,449	17,948,166	470,283	17,699,084
Fire	12,472,519	12,515,445	12,247,697	267,748	12,104,943
Total public safety	<u>32,064,595</u>	<u>32,136,021</u>	<u>31,312,390</u>	<u>823,631</u>	<u>30,974,572</u>
Public works	<u>12,661,197</u>	<u>13,088,882</u>	<u>12,702,122</u>	<u>386,760</u>	<u>12,899,557</u>
Culture and recreation					
Library	4,625,139	4,775,695	4,663,070	112,625	4,633,206
Parks and recreation	3,873,236	3,914,257	3,865,899	48,358	3,681,221
Total culture and recreation	<u>8,498,375</u>	<u>8,689,952</u>	<u>8,528,969</u>	<u>160,983</u>	<u>8,314,427</u>
Community and development	<u>1,791,649</u>	<u>1,837,197</u>	<u>1,779,049</u>	<u>58,148</u>	<u>1,690,337</u>
Total expenditures	<u>62,775,455</u>	<u>65,913,134</u>	<u>61,644,915</u>	<u>4,268,219</u>	<u>60,921,694</u>
Other financing uses					
Transfers out	<u>706,265</u>	<u>706,265</u>	<u>654,899</u>	<u>51,366</u>	<u>869,102</u>
Total expenditures and other financing uses	<u><u>\$ 63,481,720</u></u>	<u><u>\$ 66,619,399</u></u>	<u><u>\$ 62,299,814</u></u>	<u><u>\$ 4,319,585</u></u>	<u><u>\$ 61,790,796</u></u>

City of Appleton, Wisconsin

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS DECEMBER 31, 2019

	Special Revenue Funds	Capital Projects Funds	Debt Service	Total Nonmajor Governmental Funds
ASSETS				
Cash and investments	\$ 4,031,583	\$ 11,574,187	\$ 5,395,163	\$ 21,000,933
Receivables				
Taxes and special charges	1,641,226	2,137,878	4,148,150	7,927,254
Accounts	240,150	577,104	-	817,254
Special assessments	-	92,548	-	92,548
Housing loans, net	6,401,197	-	-	6,401,197
Notes receivable - component unit	-	335,000	-	335,000
Other	162,632	-	-	162,632
Due from other funds	22,244	-	-	22,244
Due from other governments	302,471	-	-	302,471
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 12,801,503</u>	<u>\$ 14,716,717</u>	<u>\$ 9,543,313</u>	<u>\$ 37,061,533</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 238,627	\$ 999,772	\$ -	\$ 1,238,399
Other accrued liabilities	52,040	8,030	-	60,070
Due to other funds	138,816	-	-	138,816
Advance from other funds	4,492,427	5,975,291	-	10,467,718
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>4,921,910</u>	<u>6,983,093</u>	<u>-</u>	<u>11,905,003</u>
Deferred inflows of resources				
Unearned and unavailable revenue	9,627,354	4,523,531	7,955,245	22,106,130
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Fund balances				
Restricted	928,713	2,555,030	1,588,068	5,071,811
Committed	1,482,253	-	-	1,482,253
Assigned	-	5,493,157	-	5,493,157
Unassigned	(4,158,727)	(4,838,094)	-	(8,996,821)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>(1,747,761)</u>	<u>3,210,093</u>	<u>1,588,068</u>	<u>3,050,400</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 12,801,503</u>	<u>\$ 14,716,717</u>	<u>\$ 9,543,313</u>	<u>\$ 37,061,533</u>

City of Appleton, Wisconsin

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2019**

	Special Revenue						
	Community Development Block Grant	Rental Energy Grants	Sanitation & Recycling Program	Tax Incremental District No. 3	Health Grants	Police Grants	Hazardous Materials Level A
ASSETS							
Cash and investments	\$ -	\$ -	\$ 2,260,523	\$ 824,582	\$ 81,191	\$ -	\$ 354,052
Receivables							
Taxes and special charges	-	-	1,066,336	574,890	-	-	-
Accounts	-	-	156,929	36,741	500	-	-
Special assessments	-	-	-	-	-	-	-
Housing loans, net	-	-	-	-	-	-	-
Notes receivable - component unit	-	-	-	-	-	-	-
Other	-	-	162,632	-	-	-	-
Due from other funds	-	-	22,244	-	-	-	-
Due from other governments	107,116	-	-	-	51,228	22,807	-
Total assets	\$ 107,116	\$ -	\$ 3,668,664	\$ 1,436,213	\$ 132,919	\$ 22,807	\$ 354,052
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
Liabilities							
Accounts payable	\$ 66,468	\$ -	\$ 93,922	\$ -	\$ -	\$ -	\$ 376
Other accrued liabilities	-	-	47,489	-	1,430	-	392
Due to other funds	31,676	-	-	-	-	22,807	-
Advance from other funds	-	-	-	4,492,427	-	-	-
Total liabilities	98,144	-	141,411	4,492,427	1,430	22,807	768
Deferred inflows of resources							
Unearned and unavailable revenue	-	-	2,045,000	1,102,513	78,644	-	-
Fund balances							
Restricted	8,972	-	-	-	52,845	-	353,284
Committed	-	-	1,482,253	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	(4,158,727)	-	-	-
Total fund balances	8,972	-	1,482,253	(4,158,727)	52,845	-	353,284
Total liabilities, deferred inflows of resources, and fund balances	\$ 107,116	\$ -	\$ 3,668,664	\$ 1,436,213	\$ 132,919	\$ 22,807	\$ 354,052

City of Appleton, Wisconsin

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2019**

	Special Revenue						
	Room Tax	Wheel Tax	Continuum of Care	HOME Homeowner	Housing Rehabilitation Grant	Business and Neighborhood Revitalization Grant	Emergency Shelter
ASSETS							
Cash and investments	\$ 67	\$ -	\$ -	\$ 118,688	\$ 4,385	\$ 1,812	\$ -
Receivables							
Taxes and special charges	-	-	-	-	-	-	-
Accounts	45,930	-	-	-	50	-	-
Special assessments	-	-	-	-	-	-	-
Housing loans, net	-	-	-	891,726	5,311,015	-	-
Notes receivable - component unit	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Due from other governments	-	82,325	14,018	-	8,939	-	16,038
Total assets	\$ 45,997	\$ 82,325	\$ 14,018	\$ 1,010,414	\$ 5,324,389	\$ 1,812	\$ 16,038
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
Liabilities							
Accounts payable	\$ 39,939	\$ -	\$ 12,390	\$ -	\$ 10,075	\$ -	\$ 15,457
Other accrued liabilities	-	-	161	-	2,072	-	40
Due to other funds	-	82,325	1,467	-	-	-	541
Advance from other funds	-	-	-	-	-	-	-
Total liabilities	39,939	82,325	14,018	-	12,147	-	16,038
Deferred inflows of resources							
Unearned and unavailable revenue	-	-	-	891,726	5,311,015	-	-
Fund balances							
Restricted	6,058	-	-	118,688	1,227	1,812	-
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances	6,058	-	-	118,688	1,227	1,812	-
Total liabilities, deferred inflows of resources, and fund balances	\$ 45,997	\$ 82,325	\$ 14,018	\$ 1,010,414	\$ 5,324,389	\$ 1,812	\$ 16,038

City of Appleton, Wisconsin

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2019**

	Special Revenue					
	Lead Hazard Control Grant	Tuchscherer Disability	Peabody Estate	Lutz Park	Park Purpose Open Space	Union Spring Park
ASSETS						
Cash and investments	\$ 4,204	\$ 12,222	\$ 69,269	\$ 144,339	\$ 59,672	\$ 2,677
Receivables						
Taxes and special charges	-	-	-	-	-	-
Accounts	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-
Housing loans, net	198,456	-	-	-	-	-
Notes receivable - component unit	-	-	-	-	-	-
Other	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-
Total assets	<u>\$ 202,660</u>	<u>\$ 12,222</u>	<u>\$ 69,269</u>	<u>\$ 144,339</u>	<u>\$ 59,672</u>	<u>\$ 2,677</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other accrued liabilities	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Advance from other funds	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources						
Unearned and unavailable revenue	198,456	-	-	-	-	-
Fund balances						
Restricted	4,204	12,222	69,269	144,339	59,672	2,677
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances	<u>4,204</u>	<u>12,222</u>	<u>69,269</u>	<u>144,339</u>	<u>59,672</u>	<u>2,677</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 202,660</u>	<u>\$ 12,222</u>	<u>\$ 69,269</u>	<u>\$ 144,339</u>	<u>\$ 59,672</u>	<u>\$ 2,677</u>

City of Appleton, Wisconsin

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2019**

	Special Revenue			Total Nonmajor Special Revenue Funds
	Project City Park	Miracle League Baseball	Library Grant	
ASSETS				
Cash and investments	\$ 6,294	\$ 27,296	\$ 60,310	\$ 4,031,583
Receivables				
Taxes and special charges	-	-	-	1,641,226
Accounts	-	-	-	240,150
Special assessments	-	-	-	-
Housing loans, net	-	-	-	6,401,197
Notes receivable - component unit	-	-	-	-
Other	-	-	-	162,632
Due from other funds	-	-	-	22,244
Due from other governments	-	-	-	302,471
Total assets	<u>\$ 6,294</u>	<u>\$ 27,296</u>	<u>\$ 60,310</u>	<u>\$ 12,801,503</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ 238,627
Other accrued liabilities	-	-	456	52,040
Due to other funds	-	-	-	138,816
Advance from other funds	-	-	-	4,492,427
Total liabilities	-	-	456	4,921,910
Deferred inflows of resources				
Unearned and unavailable revenue	-	-	-	9,627,354
Fund balances				
Restricted	6,294	27,296	59,854	928,713
Committed	-	-	-	1,482,253
Assigned	-	-	-	-
Unassigned	-	-	-	(4,158,727)
Total fund balances	<u>6,294</u>	<u>27,296</u>	<u>59,854</u>	<u>(1,747,761)</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 6,294</u>	<u>\$ 27,296</u>	<u>\$ 60,310</u>	<u>\$ 12,801,503</u>

City of Appleton, Wisconsin

**COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2019**

	Capital Projects					
	Subdivision Development Projects	Industrial Park Land	Tax Incremental District No. 6	Tax Incremental District No. 7	Tax Incremental District No. 8	Tax Incremental District No. 9
ASSETS						
Cash and investments	\$ 621,220	\$ 602,355	\$ 2,518,788	\$ 1,114,225	\$ 826,710	\$ 262,033
Receivables						
Taxes and special charges	91,858	-	1,200,451	252,973	561,908	-
Accounts	577,104	-	-	-	-	-
Special assessments	92,548	-	-	-	-	-
Housing loans, net	-	-	-	-	-	-
Notes receivable - component unit	-	-	-	-	335,000	-
Other	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-
Total assets	<u>\$ 1,382,730</u>	<u>\$ 602,355</u>	<u>\$ 3,719,239</u>	<u>\$ 1,367,198</u>	<u>\$ 1,723,618</u>	<u>\$ 262,033</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 35,629	\$ 19	\$ 69,750	\$ -	\$ -	\$ -
Other accrued liabilities	3,567	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Advance from other funds	-	-	4,716,220	-	415,902	-
Total liabilities	<u>39,196</u>	<u>19</u>	<u>4,785,970</u>	<u>-</u>	<u>415,902</u>	<u>-</u>
Deferred inflows of resources						
Unearned and unavailable revenue	192,548	-	2,516,742	342,772	1,412,616	-
Fund balances						
Restricted	-	-	-	1,024,426	-	262,033
Committed	-	-	-	-	-	-
Assigned	1,150,986	602,336	-	-	-	-
Unassigned	-	-	(3,583,473)	-	(104,900)	-
Total fund balances	<u>1,150,986</u>	<u>602,336</u>	<u>(3,583,473)</u>	<u>1,024,426</u>	<u>(104,900)</u>	<u>262,033</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,382,730</u>	<u>\$ 602,355</u>	<u>\$ 3,719,239</u>	<u>\$ 1,367,198</u>	<u>\$ 1,723,618</u>	<u>\$ 262,033</u>

City of Appleton, Wisconsin

**COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2019**

Capital Projects

	Tax Incremental District No. 10	Tax Incremental District No. 11	Tax Incremental District No. 12	Public Safety Facilities	CEA Replacement	Community Development
ASSETS						
Cash and investments	\$ 98,825	\$ 29,071	\$ 14,353	\$ 12,132	\$ 2,536,486	\$ 81,407
Receivables						
Taxes and special charges	-	17,744	12,944	-	-	-
Accounts	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-
Housing loans, net	-	-	-	-	-	-
Notes receivable - component unit	-	-	-	-	-	-
Other	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-
Total assets	\$ 98,825	\$ 46,815	\$ 27,297	\$ 12,132	\$ 2,536,486	\$ 81,407
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities						
Accounts payable	\$ -	\$ 321,744	\$ -	\$ -	\$ -	\$ 4,895
Other accrued liabilities	-	67	-	-	-	-
Due to other funds	-	-	-	-	-	-
Advance from other funds	-	787,305	55,864	-	-	-
Total liabilities	-	1,109,116	55,864	-	-	4,895
Deferred inflows of resources						
Unearned and unavailable revenue	-	34,029	24,824	-	-	-
Fund balances						
Restricted	98,825	-	-	774	-	-
Committed	-	-	-	-	-	-
Assigned	-	-	-	11,358	2,536,486	76,512
Unassigned	-	(1,096,330)	(53,391)	-	-	-
Total fund balances	98,825	(1,096,330)	(53,391)	12,132	2,536,486	76,512
Total liabilities, deferred inflows of resources, and fund balances	\$ 98,825	\$ 46,815	\$ 27,297	\$ 12,132	\$ 2,536,486	\$ 81,407

City of Appleton, Wisconsin

**COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2019**

	Capital Projects					Total Nonmajor Capital Projects Funds
	Facilities Capital Projects	City Center Facilities	Exhibition Center	Information Technology	Park & Recreation Project	
ASSETS						
Cash and investments	\$ 2,668,822	\$ 123,999	\$ -	\$ 63,761	\$ -	\$ 11,574,187
Receivables						
Taxes and special charges	-	-	-	-	-	2,137,878
Accounts	-	-	-	-	-	577,104
Special assessments	-	-	-	-	-	92,548
Housing loans, net	-	-	-	-	-	-
Notes receivable - component unit	-	-	-	-	-	335,000
Other	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-
Total assets	\$ 2,668,822	\$ 123,999	\$ -	\$ 63,761	\$ -	\$ 14,716,717
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 581,873	\$ -	\$ -	\$ (14,138)	\$ -	\$ 999,772
Other accrued liabilities	4,396	-	-	-	-	8,030
Due to other funds	-	-	-	-	-	-
Advance from other funds	-	-	-	-	-	5,975,291
Total liabilities	586,269	-	-	(14,138)	-	6,983,093
Deferred inflows of resources						
Unearned and unavailable revenue	-	-	-	-	-	4,523,531
Fund balances						
Restricted	967,074	123,999	-	77,899	-	2,555,030
Committed	-	-	-	-	-	-
Assigned	1,115,479	-	-	-	-	5,493,157
Unassigned	-	-	-	-	-	(4,838,094)
Total fund balances	2,082,553	123,999	-	77,899	-	3,210,093
Total liabilities, deferred inflows of resources, and fund balances	\$ 2,668,822	\$ 123,999	\$ -	\$ 63,761	\$ -	\$ 14,716,717

City of Appleton, Wisconsin

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2019

	Special Revenue Funds	Capital Projects Funds	Debt Service	Total Nonmajor Governmental Funds
REVENUES				
Taxes	\$ 4,555,258	\$ 2,317,487	\$ 6,481,724	\$ 13,354,469
Special assessments	-	291,482	-	291,482
Intergovernmental	1,384,632	221,626	-	1,606,258
Public charges for services	1,697,423	-	-	1,697,423
Investment income	85,614	299,188	-	384,802
Miscellaneous	338,341	5,159,223	-	5,497,564
	<u>8,061,268</u>	<u>8,289,006</u>	<u>6,481,724</u>	<u>22,831,998</u>
EXPENDITURES				
Current				
General government	167,375	92,512	-	259,887
Public safety	315,924	-	-	315,924
Public works	3,491,902	-	-	3,491,902
Culture and recreation	96,911	-	-	96,911
Conservation and development	1,401,023	84,491	-	1,485,514
Debt service				
Principal	-	-	7,077,500	7,077,500
Interest and fiscal charges	262,121	310,911	1,789,228	2,362,260
Capital outlay	-	14,849,382	-	14,849,382
	<u>5,735,256</u>	<u>15,337,296</u>	<u>8,866,728</u>	<u>29,939,280</u>
Excess of revenues over (under) expenditures	<u>2,326,012</u>	<u>(7,048,290)</u>	<u>(2,385,004)</u>	<u>(7,107,282)</u>
OTHER FINANCING SOURCES (USES)				
Long-term debt issued	-	8,521,840	81,660	8,603,500
Premium on debt issued	-	-	979,653	979,653
Proceeds from sale of capital assets	-	477,481	-	477,481
Transfers in	608,951	382,950	1,210,563	2,202,464
Transfers out	(1,240,414)	(1,578,779)	-	(2,819,193)
	<u>(631,463)</u>	<u>7,803,492</u>	<u>2,271,876</u>	<u>9,443,905</u>
Net change in fund balances	1,694,549	755,202	(113,128)	2,336,623
Fund balances - January 1	<u>(3,442,310)</u>	<u>2,454,891</u>	<u>1,701,196</u>	<u>713,777</u>
Fund balances - December 31	<u>\$ (1,747,761)</u>	<u>\$ 3,210,093</u>	<u>\$ 1,588,068</u>	<u>\$ 3,050,400</u>

City of Appleton, Wisconsin

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR SPECIAL REVENUE FUNDS FOR THE YEAR ENDED DECEMBER 31, 2019

	Special Revenue						Hazardous Materials Level A
	Community Development Block Grant	Rental Energy Grants	Sanitation & Recycling Program	Tax Incremental District No. 3	Health Grants	Police Grants	
REVENUES							
Taxes	\$ -	\$ -	\$ 2,044,968	\$ 1,122,087	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-
Intergovernmental	489,021	-	77	11,344	145,268	107,884	70,074
Public charges for services	-	-	1,659,773	-	-	-	-
Investment income (loss)	-	-	40,519	20,664	-	-	12,295
Miscellaneous	-	-	645	-	-	-	-
Total revenues	489,021	-	3,745,982	1,154,095	145,268	107,884	82,369
EXPENDITURES							
Current							
General government	-	-	-	1,470	-	-	-
Public safety	-	-	-	-	127,314	106,691	81,919
Public works	-	-	3,491,902	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Conservation and development	487,936	-	-	-	-	-	-
Debt service							
Interest and fiscal charges	-	-	-	262,121	-	-	-
Capital outlay	-	-	-	-	-	-	-
Total expenditures	487,936	-	3,491,902	263,591	127,314	106,691	81,919
Excess of revenues over (under) expenditures	1,085	-	254,080	890,504	17,954	1,193	450
OTHER FINANCING SOURCES (USES)							
Long-term debt issued	-	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	600,000	-	-	-
Transfers out	-	(8,951)	-	-	-	-	-
Total other financing sources (uses)	-	(8,951)	-	600,000	-	-	-
Net change in fund balances	1,085	(8,951)	254,080	1,490,504	17,954	1,193	450
Fund balances - January 1	7,887	8,951	1,228,173	(5,649,231)	34,891	(1,193)	352,834
Fund balances - December 31	\$ 8,972	\$ -	\$ 1,482,253	\$ (4,158,727)	\$ 52,845	\$ -	\$ 353,284

City of Appleton, Wisconsin

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR SPECIAL REVENUE FUNDS FOR THE YEAR ENDED DECEMBER 31, 2019

	Special Revenue						
	Room Tax	Wheel Tax	Continuum of Care	HOME Homeowner	Housing Rehabilitation Grant	Business and Neighborhood Revitalization Grant	Emergency Shelter
REVENUES							
Taxes	\$ 183,440	\$ 1,204,763	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-
Intergovernmental	-	-	207,531	-	87,849	-	265,584
Public charges for services	-	-	-	-	-	-	-
Investment income (loss)	-	-	-	-	1,450	-	-
Miscellaneous	-	-	-	-	260,070	-	-
Total revenues	183,440	1,204,763	207,531	-	349,369	-	265,584
EXPENDITURES							
Current							
General government	159,513	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Conservation and development	-	-	209,846	-	419,111	4,305	279,825
Debt service							
Interest and fiscal charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Total expenditures	159,513	-	209,846	-	419,111	4,305	279,825
Excess of revenues over (under) expenditures	23,927	1,204,763	(2,315)	-	(69,742)	(4,305)	(14,241)
OTHER FINANCING SOURCES (USES)							
Long-term debt issued	-	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	8,951	-	-	-
Transfers out	(26,700)	(1,204,763)	-	-	-	-	-
Total other financing sources (uses)	(26,700)	(1,204,763)	-	8,951	-	-	-
Net change in fund balances	(2,773)	-	(2,315)	8,951	(69,742)	(4,305)	(14,241)
Fund balances - January 1	8,831	-	2,315	109,737	70,969	6,117	14,241
Fund balances - December 31	\$ 6,058	\$ -	\$ -	\$ 118,688	\$ 1,227	\$ 1,812	\$ -

City of Appleton, Wisconsin

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR SPECIAL REVENUE FUNDS FOR THE YEAR ENDED DECEMBER 31, 2019

	Special Revenue					
	Lead Hazard Control Grant	Tuchscherer Disability	Peabody Estate	Lutz Park	Park Purpose Open Space	Union Spring Park
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Public charges for services	-	-	-	-	37,650	-
Investment income (loss)	-	541	2,408	5,018	1,459	93
Miscellaneous	-	-	-	-	-	-
Total revenues	-	541	2,408	5,018	39,109	93
EXPENDITURES						
Current						
General government	-	6,392	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Conservation and development	-	-	-	-	-	-
Debt service						
Interest and fiscal charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	-	6,392	-	-	-	-
Excess of revenues over (under) expenditures	-	(5,851)	2,408	5,018	39,109	93
OTHER FINANCING SOURCES (USES)						
Long-term debt issued	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balances	-	(5,851)	2,408	5,018	39,109	93
Fund balances - January 1	4,204	18,073	66,861	139,321	20,563	2,584
Fund balances - December 31	\$ 4,204	\$ 12,222	\$ 69,269	\$ 144,339	\$ 59,672	\$ 2,677

City of Appleton, Wisconsin

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR SPECIAL REVENUE FUNDS FOR THE YEAR ENDED DECEMBER 31, 2019

	Special Revenue			Total Nonmajor Special Revenue Funds
	Project City Park	Miracle League Baseball	Library Grant	
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 4,555,258
Special assessments	-	-	-	-
Intergovernmental	-	-	-	1,384,632
Public charges for services	-	-	-	1,697,423
Investment income (loss)	218	949	-	85,614
Miscellaneous	-	-	77,626	338,341
Total revenues	218	949	77,626	8,061,268
EXPENDITURES				
Current				
General government	-	-	-	167,375
Public safety	-	-	-	315,924
Public works	-	-	-	3,491,902
Culture and recreation	-	-	96,911	96,911
Conservation and development	-	-	-	1,401,023
Debt service				
Interest and fiscal charges	-	-	-	262,121
Capital outlay	-	-	-	-
Total expenditures	-	-	96,911	5,735,256
Excess of revenues over (under) expenditures	218	949	(19,285)	2,326,012
OTHER FINANCING SOURCES (USES)				
Long-term debt issued	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Transfers in	-	-	-	608,951
Transfers out	-	-	-	(1,240,414)
Total other financing sources (uses)	-	-	-	(631,463)
Net change in fund balances	218	949	(19,285)	1,694,549
Fund balances - January 1	6,076	26,347	79,139	(3,442,310)
Fund balances - December 31	\$ 6,294	\$ 27,296	\$ 59,854	\$ (1,747,761)

City of Appleton, Wisconsin

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR CAPITAL PROJECTS FUNDS FOR THE YEAR ENDED DECEMBER 31, 2019

	Capital Projects					
	Subdivision Development Projects	Industrial Park Land	Tax Incremental District No. 6	Tax Incremental District No. 7	Tax Incremental District No. 8	Tax Incremental District No. 9
REVENUES						
Taxes	\$ -	\$ -	\$ 1,903,182	\$ 139,553	\$ 111,769	\$ -
Special assessments	291,482	-	-	-	-	-
Intergovernmental	-	-	71,628	64,393	6,266	74,176
Public charges for services	-	-	-	-	-	-
Investment income (loss)	33,387	20,127	43,640	28,180	60,374	7,781
Miscellaneous	577,104	44,531	5,981	-	536,250	-
Total revenues	901,973	64,658	2,024,431	232,126	714,659	81,957
EXPENDITURES						
Current						
General government	-	-	6,221	1,469	1,469	1,470
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Conservation and development	-	-	-	-	-	15,391
Debt service						
Interest and fiscal charges	-	-	260,811	-	20,795	-
Capital outlay	1,026,229	138,973	-	-	-	-
Total expenditures	1,026,229	138,973	267,032	1,469	22,264	16,861
Excess of revenues over (under) expenditures	(124,256)	(74,315)	1,757,399	230,657	692,395	65,096
OTHER FINANCING SOURCES (USES)						
Long-term debt issued	-	-	-	-	-	-
Proceeds from sale of capital assets	-	105,364	372,117	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	(559,553)	(20,313)	(630,697)	-
Total other financing sources (uses)	-	105,364	(187,436)	(20,313)	(630,697)	-
Net change in fund balances	(124,256)	31,049	1,569,963	210,344	61,698	65,096
Fund balances - January 1	1,275,242	571,287	(5,153,436)	814,082	(166,598)	196,937
Fund balances - December 31	\$ 1,150,986	\$ 602,336	\$ (3,583,473)	\$ 1,024,426	\$ (104,900)	\$ 262,033

City of Appleton, Wisconsin

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR CAPITAL PROJECTS FUNDS FOR THE YEAR ENDED DECEMBER 31, 2019

	Capital Projects					
	Tax Incremental District No. 10	Tax Incremental District No. 11	Tax Incremental District No. 12	Public Safety Facilities	CEA Replacement	Community Development
REVENUES						
Taxes	\$ -	\$ 162,983	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Intergovernmental	5,163	-	-	-	-	-
Public charges for services	-	-	-	-	-	-
Investment income (loss)	3,361	-	38	1,428	57,103	1,867
Miscellaneous	-	-	-	-	2,682,900	100,000
Total revenues	<u>8,524</u>	<u>162,983</u>	<u>38</u>	<u>1,428</u>	<u>2,740,003</u>	<u>101,867</u>
EXPENDITURES						
Current						
General government	1,471	70,279	1,470	-	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Conservation and development	-	27,000	42,100	-	-	-
Debt service						
Interest and fiscal charges	-	27,729	1,576	-	-	-
Capital outlay	-	2,725,173	-	31,458	3,423,717	103,718
Total expenditures	<u>1,471</u>	<u>2,850,181</u>	<u>45,146</u>	<u>31,458</u>	<u>3,423,717</u>	<u>103,718</u>
Excess of revenues over (under) expenditures	<u>7,053</u>	<u>(2,687,198)</u>	<u>(45,108)</u>	<u>(30,030)</u>	<u>(683,714)</u>	<u>(1,851)</u>
OTHER FINANCING SOURCES (USES)						
Long-term debt issued	-	2,010,000	-	-	350,000	-
Proceeds from sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	267,734	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>2,010,000</u>	<u>-</u>	<u>-</u>	<u>617,734</u>	<u>-</u>
Net change in fund balances	<u>7,053</u>	<u>(677,198)</u>	<u>(45,108)</u>	<u>(30,030)</u>	<u>(65,980)</u>	<u>(1,851)</u>
Fund balances - January 1	<u>91,772</u>	<u>(419,132)</u>	<u>(8,283)</u>	<u>42,162</u>	<u>2,602,466</u>	<u>78,363</u>
Fund balances - December 31	<u>\$ 98,825</u>	<u>\$ (1,096,330)</u>	<u>\$ (53,391)</u>	<u>\$ 12,132</u>	<u>\$ 2,536,486</u>	<u>\$ 76,512</u>

City of Appleton, Wisconsin

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR CAPITAL PROJECTS FUNDS FOR THE YEAR ENDED DECEMBER 31, 2019

	Capital Projects					Total Nonmajor Capital Projects Funds
	Facilities Capital Projects	City Center Facilities	Exhibition Center	Information Technology	Park & Recreation Project	
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,317,487
Special assessments	-	-	-	-	-	291,482
Intergovernmental	-	-	-	-	-	221,626
Public charges for services	-	-	-	-	-	-
Investment income (loss)	40,806	-	-	1,096	-	299,188
Miscellaneous	1,212,457	-	-	-	-	5,159,223
Total revenues	1,253,263	-	-	1,096	-	8,289,006
EXPENDITURES						
Current						
General government	-	-	-	8,663	-	92,512
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Conservation and development	-	-	-	-	-	84,491
Debt service						
Interest and fiscal charges	-	-	-	-	-	310,911
Capital outlay	7,090,964	-	-	309,150	-	14,849,382
Total expenditures	7,090,964	-	-	317,813	-	15,337,296
Excess of revenues over (under) expenditures	(5,837,701)	-	-	(316,717)	-	(7,048,290)
OTHER FINANCING SOURCES (USES)						
Long-term debt issued	5,715,840	92,000	-	354,000	-	8,521,840
Proceeds from sale of capital assets	-	-	-	-	-	477,481
Transfers in	115,216	-	-	-	-	382,950
Transfers out	(253,000)	-	-	(115,216)	-	(1,578,779)
Total other financing sources (uses)	5,578,056	92,000	-	238,784	-	7,803,492
Net change in fund balances	(259,645)	92,000	-	(77,933)	-	755,202
Fund balances - January 1	2,342,198	31,999	-	155,832	-	2,454,891
Fund balances - December 31	\$ 2,082,553	\$ 123,999	\$ -	\$ 77,899	\$ -	\$ 3,210,093

City of Appleton, Wisconsin

COMBINING STATEMENT OF NET POSITION NONMAJOR ENTERPRISE FUNDS DECEMBER 31, 2019

	<u>Parking Utility</u>	<u>Reid Municipal Golf Course</u>	<u>Total Nonmajor Enterprise Funds</u>
ASSETS			
Current assets			
Cash and investments	\$ 1,375,448	\$ 251,173	\$ 1,626,621
Receivables			
Customer accounts	23,703	1,159	24,862
Total current assets	<u>1,399,151</u>	<u>252,332</u>	<u>1,651,483</u>
Capital assets			
Nondepreciable	1,585,292	401,392	1,986,684
Depreciable	6,366,357	790,959	7,157,316
Total capital assets	<u>7,951,649</u>	<u>1,192,351</u>	<u>9,144,000</u>
Total assets	<u>9,350,800</u>	<u>1,444,683</u>	<u>10,795,483</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related amounts	244,081	146,673	390,754
Other postemployment related amounts	8,996	5,177	14,173
Total deferred outflows of resources	<u>253,077</u>	<u>151,850</u>	<u>404,927</u>
LIABILITIES			
Current liabilities			
Accounts payable	87,914	-	87,914
Other accrued liabilities	18,077	3,969	22,046
Accrued interest payable	8,124	2,779	10,903
Compensated absences	39,819	9,535	49,354
Advance from other funds	-	5,000	5,000
Unearned revenue	360,111	27,928	388,039
Current portion of long-term debt	150,000	70,000	220,000
Total current liabilities	<u>664,045</u>	<u>119,211</u>	<u>783,256</u>
Long-term obligations, less current portion			
Advance from other funds	-	135,000	135,000
General obligation debt	1,075,000	325,000	1,400,000
Compensated absences	52,547	-	52,547
Net pension liability	90,712	55,116	145,828
Other postemployment benefits	53,222	30,627	83,849
Total long-term liabilities	<u>1,271,481</u>	<u>545,743</u>	<u>1,817,224</u>
Total liabilities	<u>1,935,526</u>	<u>664,954</u>	<u>2,600,480</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related amounts	125,684	76,365	202,049
Other postemployment related amounts	1,313	756	2,069
Total deferred inflows of resources	<u>126,997</u>	<u>77,121</u>	<u>204,118</u>
NET POSITION			
Net investment in capital assets	6,726,649	797,351	7,524,000
Unrestricted	814,705	57,107	871,812
Total net position	<u>\$ 7,541,354</u>	<u>\$ 854,458</u>	<u>\$ 8,395,812</u>

City of Appleton, Wisconsin

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION NONMAJOR ENTERPRISE FUNDS FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Parking Utility</u>	<u>Reid Municipal Golf Course</u>	<u>Total Nonmajor Enterprise Funds</u>
OPERATING REVENUES			
Charges for services	\$ 2,284,146	\$ 723,373	\$ 3,007,519
Other	402,204	81,118	483,322
Total operating revenues	<u>2,686,350</u>	<u>804,491</u>	<u>3,490,841</u>
OPERATING EXPENSES			
Operation and maintenance	1,517,368	795,745	2,313,113
Depreciation and amortization	591,992	61,164	653,156
Total operating expenses	<u>2,109,360</u>	<u>856,909</u>	<u>2,966,269</u>
Operating income	<u>576,990</u>	<u>(52,418)</u>	<u>524,572</u>
NONOPERATING REVENUES (EXPENSES)			
Investment income	28,933	7,499	36,432
Interest and fiscal charges	(20,186)	(11,370)	(31,556)
Total nonoperating revenues (expenses)	<u>8,747</u>	<u>(3,871)</u>	<u>4,876</u>
Income (loss) before contributions and transfers	585,737	(56,289)	529,448
Capital contributions	541,507	-	541,507
Transfers out	(609,300)	(17,900)	(627,200)
Change in net position	517,944	(74,189)	443,755
Net position - January 1	<u>7,023,410</u>	<u>928,647</u>	<u>7,952,057</u>
Net position - December 31	<u>\$ 7,541,354</u>	<u>\$ 854,458</u>	<u>\$ 8,395,812</u>

City of Appleton, Wisconsin

COMBINING STATEMENT OF CASH FLOWS NONMAJOR ENTERPRISE FUNDS FOR THE YEAR ENDED DECEMBER 31, 2019

	Parking Utility	Reid Municipal Golf Course	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 2,693,119	\$ 805,659	\$ 3,498,778
Cash paid for employee wages and benefits	(762,662)	(352,268)	(1,114,930)
Cash paid to suppliers	(698,456)	(403,599)	(1,102,055)
Net cash provided by operating activities	<u>1,232,001</u>	<u>49,792</u>	<u>1,281,793</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfer out	<u>(609,300)</u>	<u>(17,900)</u>	<u>(627,200)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	(1,286,535)	(10,629)	(1,297,164)
Capital contributions	1,253	-	1,253
Insurance proceeds received for damage to property	540,254	-	540,254
Issuance of long-term debt	705,000	-	705,000
Principal paid on long-term debt	(65,000)	(60,000)	(125,000)
Principal paid on advance	-	(5,000)	(5,000)
Interest paid on long-term debt	(16,300)	(11,625)	(27,925)
Net cash used by capital and related financing activities	<u>(121,328)</u>	<u>(87,254)</u>	<u>(208,582)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	<u>28,933</u>	<u>7,499</u>	<u>36,432</u>
Change in cash and cash equivalents	1,572,932	(211,742)	1,361,190
Cash and cash equivalents - January 1	<u>845,142</u>	<u>299,036</u>	<u>1,144,178</u>
Cash and cash equivalents - December 31	<u>\$ 2,418,074</u>	<u>\$ 87,294</u>	<u>\$ 2,505,368</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income	\$ 576,990	\$ (52,418)	\$ 524,572
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation	591,992	61,164	653,156
Change in pension related activities			
Pension asset/liability	164,581	99,076	263,657
Deferred outflows of resources	(107,848)	(62,917)	(170,765)
Deferred inflows of resources	(20,954)	(10,901)	(31,855)
Change in other postemployment related activities			
Total OPEB liability	(6,043)	12,168	6,125
Deferred outflows of resources	1,621	(1,871)	(250)
Deferred inflows of resources	(402)	222	(180)
Change in operating assets and liabilities			
Accounts receivables	14,575	(33)	14,542
Accounts payable	60,753	(187)	60,566
Other accrued liabilities	(18,788)	1,602	(17,186)
Unearned revenue	(7,806)	1,201	(6,605)
Compensated absences	(16,670)	2,686	(13,984)
Net cash provided by operating activities	<u>\$ 1,232,001</u>	<u>\$ 49,792</u>	<u>\$ 1,281,793</u>
Noncash capital and related financing activities			
None			

City of Appleton, Wisconsin

COMBINING STATEMENT OF NET POSITION INTERNAL SERVICE FUNDS DECEMBER 31, 2019

	Central Equipment Agency	Risk Management	Facilities Management	Post- employment Benefits	Total
ASSETS					
Current assets					
Cash and investments	\$ 506,134	\$ 113,238	\$ 148,860	\$ 1,171,440	\$ 1,939,672
Receivables					
Accounts	9,165	-	9,014	-	18,179
Due from other governments	3,516	-	-	-	3,516
Inventories	56,931	-	-	-	56,931
Total current assets	<u>575,746</u>	<u>113,238</u>	<u>157,874</u>	<u>1,171,440</u>	<u>2,018,298</u>
Other assets					
Investment in WMIC	-	2,020,950	-	-	2,020,950
Capital assets					
Depreciable	14,132,792	-	-	-	14,132,792
Total assets	<u>14,708,538</u>	<u>2,134,188</u>	<u>157,874</u>	<u>1,171,440</u>	<u>18,172,040</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension related amounts	654,417	154,089	432,774	-	1,241,280
Other postemployment related amounts	15,955	6,195	12,390	-	34,540
Total deferred outflows of resources	<u>670,372</u>	<u>160,284</u>	<u>445,164</u>	<u>-</u>	<u>1,275,820</u>
LIABILITIES					
Current liabilities					
Accounts payable	3,453	13,457	25,007	-	41,917
Other accrued liabilities	27,500	10,532	20,476	-	58,508
Claims payable	-	1,900,000	-	-	1,900,000
Accrued interest payable	1,516	-	-	-	1,516
Compensated absences	80,172	20,753	69,755	-	170,680
Current portion of long-term debt	15,125	-	-	-	15,125
Total current liabilities	<u>127,766</u>	<u>1,944,742</u>	<u>115,238</u>	<u>-</u>	<u>2,187,746</u>
Long-term obligations, less current portion					
General obligation debt	229,000	-	-	-	229,000
Compensated absences	88,430	7,819	-	-	96,249
Net pension liability	244,887	56,476	159,162	-	460,525
Other postemployment benefits	94,393	36,653	73,305	955,440	1,159,791
Total noncurrent liabilities	<u>656,710</u>	<u>100,948</u>	<u>232,467</u>	<u>955,440</u>	<u>1,945,565</u>
Total liabilities	<u>784,476</u>	<u>2,045,690</u>	<u>347,705</u>	<u>955,440</u>	<u>4,133,311</u>
DEFERRED INFLOWS OF RESOURCES					
Pension related amounts	339,298	78,250	220,524	-	638,072
Other postemployment related amounts	2,329	904	1,808	-	5,041
Total deferred inflows of resources	<u>341,627</u>	<u>79,154</u>	<u>222,332</u>	<u>-</u>	<u>643,113</u>
NET POSITION					
Net investment in capital assets	13,888,667	-	-	-	13,888,667
Unrestricted	364,140	169,628	33,001	216,000	782,769
Total net position	<u>\$ 14,252,807</u>	<u>\$ 169,628</u>	<u>\$ 33,001</u>	<u>\$ 216,000</u>	<u>\$ 14,671,436</u>

City of Appleton, Wisconsin

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION INTERNAL SERVICE FUNDS FOR THE YEAR ENDED DECEMBER 31, 2019

	Central Equipment Agency	Risk Management	Facilities Management	Post- employment Benefits	Total
OPERATING REVENUES					
Charges for services	\$ 3,036,949	\$ 1,555,407	\$ 2,797,938	\$ -	\$ 7,390,294
Other	1,606	67,638	22,532	-	91,776
Total operating revenues	<u>3,038,555</u>	<u>1,623,045</u>	<u>2,820,470</u>	<u>-</u>	<u>7,482,070</u>
OPERATING EXPENSES					
Operation and maintenance	3,063,174	1,820,463	2,821,489	-	7,705,126
Depreciation and amortization	2,619,475	-	-	-	2,619,475
Total operating expenses	<u>5,682,649</u>	<u>1,820,463</u>	<u>2,821,489</u>	<u>-</u>	<u>10,324,601</u>
Operating loss	<u>(2,644,094)</u>	<u>(197,418)</u>	<u>(1,019)</u>	<u>-</u>	<u>(2,842,531)</u>
NONOPERATING REVENUES (EXPENSES)					
Investment income	13,554	2,373	(67)	-	15,860
Gain on disposal of capital assets	191,169	-	-	-	191,169
Interest and fiscal charges	(3,107)	-	-	-	(3,107)
Other	-	10,000	23,908	-	33,908
Total nonoperating revenues (expenses)	<u>201,616</u>	<u>12,373</u>	<u>23,841</u>	<u>-</u>	<u>237,830</u>
Income (loss) before contributions and transfers	(2,442,478)	(185,045)	22,822	-	(2,604,701)
Capital contributions	3,423,540	-	-	-	3,423,540
Transfers out	(190,784)	-	(2,250)	(53,929)	(246,963)
Change in net position	790,278	(185,045)	20,572	(53,929)	571,876
Net position - January 1	<u>13,462,529</u>	<u>354,673</u>	<u>12,429</u>	<u>269,929</u>	<u>14,099,560</u>
Net position - December 31	<u>\$ 14,252,807</u>	<u>\$ 169,628</u>	<u>\$ 33,001</u>	<u>\$ 216,000</u>	<u>\$ 14,671,436</u>

City of Appleton, Wisconsin

COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS FOR THE YEAR ENDED DECEMBER 31, 2019

	Central Equipment Agency	Risk Management	Facilities Management	Post- employment Benefits	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	\$ 3,097,549	\$ 1,623,595	\$ 2,811,456	\$ -	\$ 7,532,600
Cash paid for employee wages and benefits	(1,155,992)	(425,875)	(864,880)	(238,876)	(2,685,623)
Cash paid to suppliers	(1,804,564)	(1,329,119)	(1,906,192)	-	(5,039,875)
Net cash provided (used) by operating activities	<u>136,993</u>	<u>(131,399)</u>	<u>40,384</u>	<u>(238,876)</u>	<u>(192,898)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Nonoperating revenues	5,187	10,000	23,908	-	39,095
Transfer in (out)	(190,784)	-	(2,250)	(53,929)	(246,963)
Net cash provided (used) by noncapital financing activities	<u>(185,597)</u>	<u>10,000</u>	<u>21,658</u>	<u>(53,929)</u>	<u>(207,868)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of capital assets	(144,384)	-	-	-	(144,384)
Sale of capital assets	191,169	-	-	-	191,169
Proceeds from issuance of long-term debt	150,000	-	-	-	150,000
Principal paid on long-term debt	(12,500)	-	-	-	(12,500)
Interest paid on long-term debt	(2,163)	-	-	-	(2,163)
Net cash provided by capital and related financing activities	<u>182,122</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>182,122</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	13,554	2,373	(67)	-	15,860
Change in cash and cash equivalents	147,072	(119,026)	61,975	(292,805)	(202,784)
Cash and cash equivalents - January 1	<u>359,062</u>	<u>232,264</u>	<u>86,885</u>	<u>1,464,245</u>	<u>2,142,456</u>
Cash and cash equivalents - December 31	<u>\$ 506,134</u>	<u>\$ 113,238</u>	<u>\$ 148,860</u>	<u>\$ 1,171,440</u>	<u>\$ 1,939,672</u>

City of Appleton, Wisconsin

COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS FOR THE YEAR ENDED DECEMBER 31, 2019

	Central Equipment Agency	Risk Management	Facilities Management	Post- employment Benefits	Total
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating loss	\$ (2,644,094)	\$ (197,418)	\$ (1,019)	\$ -	\$ (2,842,531)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities					
Depreciation	2,619,475	-	-	-	2,619,475
Change in pension related activities					
Pension asset/liability	449,582	104,103	285,979	-	839,664
Deferred outflows of resources	(282,984)	(67,630)	(199,493)	-	(550,107)
Deferred inflows of resources	(67,044)	(16,295)	(31,222)	-	(114,561)
Change in other postemployment related activities					
Total OPEB liability	(334)	7,992	(1,019)	(238,876)	(232,237)
Deferred outflows of resources	1,015	(1,060)	924	-	879
Deferred inflows of resources	(413)	74	(343)	-	(682)
Change in operating assets and liabilities					
Accounts receivables	58,994	550	(9,014)	-	50,530
Inventories and prepaid items	(650)	10,815	-	-	10,165
Accounts payable	(40,209)	5,018	(8,718)	-	(43,909)
Other accrued liabilities	3,110	5,267	2,374	-	10,751
Compensated absences	40,545	17,185	1,935	-	59,665
Net cash provided (used) by operating activities	<u>\$ 136,993</u>	<u>\$ (131,399)</u>	<u>\$ 40,384</u>	<u>\$ (238,876)</u>	<u>\$ (192,898)</u>
Noncash capital and related financing activities					
Contributed capital assets	<u>\$ 3,423,540</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,423,540</u>

STATISTICAL SECTION

Schedule 1
City of Appleton
Net Position by Component
(accrual basis of accounting)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Governmental Activities										
Invested in Capital Assets, net of related debt	\$ 301,042,119	\$ 304,733,210	\$ 306,228,924	\$ 309,789,370	\$ 311,002,481	\$ 317,294,433	\$ 337,111,131	\$ 356,166,240	\$ 319,649,060	\$ 315,259,309
Restricted	7,014,412	8,193,931	10,030,642	8,784,010	10,320,311	16,722,531	10,875,022	10,380,712	19,443,354	12,912,845
Unrestricted	<u>15,672,956</u>	<u>23,726,812</u>	<u>29,431,129</u>	<u>29,867,808</u>	<u>30,042,223</u>	<u>37,652,618</u>	<u>26,628,614</u>	<u>36,158,999</u>	<u>27,569,613</u>	<u>34,363,829</u>
Total Governmental Activities Net Position	323,729,487	336,653,953	345,690,695	348,441,188	351,365,015	371,669,582	374,614,767	402,705,951	366,662,027	362,535,983
Business-type Activities										
Invested in Capital Assets, net of related debt	181,147,366	184,841,387	183,532,977	184,439,245	202,937,976	201,093,139	213,741,324	211,019,686	217,488,772	240,476,049
Restricted	11,541,965	9,893,897	12,373,494	11,061,314	9,391,974	10,372,275	9,183,575	10,767,596	22,216,720	18,689,728
Unrestricted	<u>28,025,987</u>	<u>33,541,714</u>	<u>39,547,284</u>	<u>43,996,538</u>	<u>35,428,417</u>	<u>45,777,259</u>	<u>40,669,152</u>	<u>52,208,684</u>	<u>44,135,015</u>	<u>41,397,513</u>
Total Business-type Activities Net Position	220,715,318	228,276,998	235,453,755	239,497,097	247,758,367	257,242,673	263,594,051	273,995,966	283,840,507	300,563,290
Primary Government										
Invested in Capital Assets, net of related debt	480,204,886	487,906,774	488,423,709	493,234,053	513,303,524	518,126,723	550,852,455	567,185,926	537,137,832	555,735,358
Restricted	18,556,377	18,087,828	22,404,136	19,845,324	19,712,285	27,094,806	20,058,597	21,148,308	41,660,074	31,602,573
Unrestricted	<u>45,683,542</u>	<u>58,936,349</u>	<u>70,316,605</u>	<u>74,858,908</u>	<u>66,107,573</u>	<u>83,690,726</u>	<u>67,297,766</u>	<u>88,367,683</u>	<u>71,704,628</u>	<u>75,761,342</u>
Total Primary Government Net Position	<u>\$ 544,444,805</u>	<u>\$ 564,930,951</u>	<u>\$ 581,144,450</u>	<u>\$ 587,938,285</u>	<u>\$ 599,123,382</u>	<u>\$ 628,912,255</u>	<u>\$ 638,208,818</u>	<u>\$ 676,701,917</u>	<u>\$ 650,502,534</u>	<u>\$ 663,099,273</u>

Schedule 2
City of Appleton
Changes in Net Position
(accrual basis of accounting)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Expenses										
Governmental Activities:										
General Government	\$ 13,706,195	\$ 9,109,045	\$ 8,716,117	\$ 8,408,466	\$ 12,886,169	\$ 9,888,959	\$ 8,555,458	\$ 9,000,938	\$ 8,351,464	\$ 7,936,268
Public Safety	28,042,633	27,370,398	27,503,588	31,862,833	29,125,321	29,359,348	32,408,683	33,166,391	33,196,999	34,942,204
Public Works	16,995,311	21,159,672	19,736,896	22,586,195	19,683,637	19,143,986	16,603,103	16,478,718	20,954,662	22,879,095
Education & Recreation	9,215,036	7,337,247	7,327,066	7,936,225	8,284,600	8,367,690	9,045,104	11,292,369	13,334,961	14,679,174
Community Development	3,647,803	3,525,353	2,272,772	2,743,633	3,569,399	4,126,206	7,183,902	7,569,648	36,202,163	6,396,448
Interest	2,428,491	2,201,902	1,996,256	2,014,417	1,719,014	1,602,888	861,000	902,403	1,047,481	1,264,672
Total Governmental Activities	<u>74,035,469</u>	<u>70,703,617</u>	<u>67,552,695</u>	<u>75,551,769</u>	<u>75,268,140</u>	<u>72,489,077</u>	<u>74,657,250</u>	<u>78,410,467</u>	<u>113,087,730</u>	<u>88,097,861</u>
Business-type Activities										
Water	14,456,132	14,960,496	15,311,621	16,302,030	15,118,304	15,713,959	16,270,281	14,627,223	14,699,970	15,006,641
Wastewater	11,039,780	10,792,194	9,915,016	10,244,112	10,323,873	10,578,004	10,387,814	10,788,112	11,098,233	11,361,843
Valley Transit	8,237,666	8,292,425	8,189,269	8,773,289	9,355,275	9,121,137	9,220,991	9,587,671	9,879,574	10,302,594
Stormwater	6,322,301	6,042,858	6,472,284	6,811,514	7,182,067	7,533,937	7,771,485	7,576,951	7,004,763	7,621,500
Other non-major enterprise funds	2,295,987	1,919,267	2,171,030	2,242,132	2,297,108	2,729,519	2,656,613	2,784,861	3,130,681	3,055,119
Total Business-type Activities	<u>42,351,866</u>	<u>42,007,240</u>	<u>42,059,220</u>	<u>44,373,077</u>	<u>44,276,627</u>	<u>45,676,556</u>	<u>46,307,184</u>	<u>45,364,818</u>	<u>45,813,221</u>	<u>47,347,697</u>
Total - Primary Government	<u>\$ 116,387,335</u>	<u>\$ 112,710,857</u>	<u>\$ 109,611,915</u>	<u>\$ 119,924,846</u>	<u>\$ 119,544,767</u>	<u>\$ 118,165,633</u>	<u>\$ 120,964,434</u>	<u>\$ 123,775,285</u>	<u>\$ 158,900,951</u>	<u>\$ 135,445,558</u>
Program Revenues										
Governmental Activities:										
Charges for Service	\$ 5,229,374	\$ 5,561,599	\$ 5,569,974	\$ 6,483,565	\$ 11,465,846	\$ 8,178,939	\$ 10,707,541	\$ 6,757,109	\$ 8,365,514	\$ 10,026,804
Operating Grants & Contributions	6,666,648	6,440,559	5,221,263	5,148,710	5,176,021	4,759,479	5,544,498	5,777,912	5,941,653	6,945,575
Capital Grants & Contributions	6,432,635	10,254,959	6,130,651	9,124,671	2,136,172	3,732,097	756,451	31,749,588	1,333,280	611,585
Total Governmental Activities	<u>18,328,657</u>	<u>22,257,117</u>	<u>16,921,888</u>	<u>20,756,946</u>	<u>18,778,039</u>	<u>16,670,515</u>	<u>17,008,490</u>	<u>44,284,609</u>	<u>15,640,447</u>	<u>17,583,964</u>
Business-type Activities										
Charges for Service										
Water	18,155,384	20,334,751	20,932,453	20,316,037	20,374,553	20,994,942	21,523,370	21,015,480	21,047,773	20,270,742
Wastewater	8,439,730	9,687,803	10,601,634	10,486,298	10,942,593	11,163,377	11,613,454	12,144,187	12,798,908	12,476,128
Valley Transit	1,383,740	1,512,804	1,485,517	1,547,558	1,563,356	1,593,398	1,612,259	1,572,511	1,639,401	1,613,029
Stormwater	6,776,766	7,196,739	7,251,853	8,146,867	9,067,717	9,207,428	9,608,937	9,600,003	9,708,955	10,970,967
Other non-major enterprise funds	2,480,431	2,820,305	2,878,553	2,835,778	3,140,100	3,299,997	3,254,263	3,549,496	3,404,224	3,489,189
Operating Grants & Contributions	5,856,887	5,911,742	5,815,980	6,204,695	6,645,898	6,423,200	6,443,052	6,908,975	7,608,663	10,699,679
Capital Grants & Contributions	3,923,537	2,383,154	1,773,549	1,296,144	2,114,336	1,614,633	1,063,521	3,060,842	1,827,395	4,242,061
Total Business-type Activities	<u>47,016,475</u>	<u>49,847,298</u>	<u>50,739,539</u>	<u>50,833,377</u>	<u>53,848,553</u>	<u>54,296,975</u>	<u>55,118,856</u>	<u>57,851,494</u>	<u>58,035,319</u>	<u>63,761,795</u>
Total - Primary Government	<u>\$ 65,345,132</u>	<u>\$ 72,104,415</u>	<u>\$ 67,661,427</u>	<u>\$ 71,590,323</u>	<u>\$ 72,626,592</u>	<u>\$ 70,967,490</u>	<u>\$ 72,127,346</u>	<u>\$ 102,136,103</u>	<u>\$ 73,675,766</u>	<u>\$ 81,345,759</u>
Net (Expense)/Revenue										
Governmental Activities	(55,706,812)	(48,446,500)	(50,630,807)	(54,794,823)	(56,490,101)	(55,818,562)	(57,648,760)	(34,125,858)	(97,447,283)	(70,513,897)
Business-Type Activities	4,664,609	7,840,058	8,680,319	6,460,300	9,571,926	8,620,419	8,811,672	12,486,676	12,222,098	16,414,098
Total Primary Government Net Position	<u>\$ (51,042,203)</u>	<u>\$ (40,606,442)</u>	<u>\$ (41,950,488)</u>	<u>\$ (48,334,523)</u>	<u>\$ (46,918,175)</u>	<u>\$ (47,198,143)</u>	<u>\$ (48,837,088)</u>	<u>\$ (21,639,182)</u>	<u>\$ (85,225,185)</u>	<u>\$ (54,099,799)</u>

Schedule 2 (cont)
City of Appleton
Changes in Net Position
(accrual basis of accounting)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General Revenues & Other Changes in Net Position										
Governmental Activities:										
Taxes										
Property Taxes	40,296,877	40,724,725	41,605,012	41,155,010	41,592,801	42,370,280	42,580,102	43,643,932	45,392,038	47,576,341
Other Taxes	862,279	840,215	801,134	838,567	879,474	2,221,892	2,843,219	2,899,637	2,176,780	1,870,383
Intergovernmental revenues not restricted to specific programs	13,916,622	13,873,673	12,320,048	12,207,975	12,194,949	12,128,645	11,403,088	11,498,209	11,569,281	11,841,396
Investment income	2,703,110	2,936,126	1,997,644	1,041,540	1,956,537	1,564,038	687,460	891,771	1,326,962	2,387,491
Gain(Loss) on the sale of assets	208,401	297,709	358,693	128,766	163,000	581,314	87,399	179,507	166,055	220,751
Miscellaneous	190,944	92,842	94,767	93,731	93,078	109,739	139,077	482,150	382,032	363,288
Transfers	<u>2,175,620</u>	<u>2,605,676</u>	<u>2,490,251</u>	<u>2,079,727</u>	<u>2,534,089</u>	<u>2,761,647</u>	<u>2,853,600</u>	<u>2,621,836</u>	<u>2,464,686</u>	<u>2,128,203</u>
Total general revenues and transfers	<u>60,353,853</u>	<u>61,370,966</u>	<u>59,667,549</u>	<u>57,545,316</u>	<u>59,413,928</u>	<u>61,737,555</u>	<u>60,593,945</u>	<u>62,217,042</u>	<u>63,477,834</u>	<u>66,387,853</u>
Business-type Activities										
Investment income	2,412,385	2,310,471	977,420	(350,702)	1,211,173	487,109	374,788	519,177	872,251	2,407,323
Gain(Loss) on the sale of assets	-	-	4,100	(3,362)	-	16,203	-	-	-	44,800
Miscellaneous	6,555	16,827	5,169	16,833	12,260	18,906	18,518	17,898	7,706	(15,235)
Transfers	<u>(2,175,620)</u>	<u>(2,605,676)</u>	<u>(2,490,251)</u>	<u>(2,079,727)</u>	<u>(2,534,089)</u>	<u>(2,761,647)</u>	<u>(2,853,600)</u>	<u>(2,621,836)</u>	<u>(2,464,686)</u>	<u>(2,128,203)</u>
Total Business-type Activities	<u>243,320</u>	<u>(278,378)</u>	<u>(1,503,562)</u>	<u>(2,416,958)</u>	<u>(1,310,656)</u>	<u>(2,239,429)</u>	<u>(2,460,294)</u>	<u>(2,084,761)</u>	<u>(1,584,729)</u>	<u>308,685</u>
Total Primary Government	<u>\$ 60,597,173</u>	<u>\$ 61,092,588</u>	<u>\$ 58,163,987</u>	<u>\$ 55,128,358</u>	<u>\$ 58,103,272</u>	<u>\$ 59,498,126</u>	<u>\$ 58,133,651</u>	<u>\$ 60,132,281</u>	<u>\$ 61,893,105</u>	<u>\$ 66,696,538</u>
Cumulative Effect of Change in Accounting Principle										
Governmental Activities:									\$ (2,074,475)	\$ -
Business-type Activities									<u>(792,828)</u>	<u>-</u>
Total Primary Government									<u>\$ (2,867,303)</u>	<u>\$ -</u>
Change in Net Position										
Governmental Activities:	\$ 4,647,041	\$ 12,924,466	\$ 9,036,742	\$ 2,750,493	\$ 2,923,827	\$ 5,918,993	\$ 2,945,185	\$ 28,091,184	\$ (36,043,924)	\$ (4,126,044)
Business-type Activities	<u>4,907,929</u>	<u>7,561,680</u>	<u>7,176,757</u>	<u>4,043,342</u>	<u>8,261,270</u>	<u>6,380,990</u>	<u>6,351,378</u>	<u>10,401,915</u>	<u>9,844,541</u>	<u>16,722,783</u>
Total Primary Government	<u>\$ 9,554,970</u>	<u>\$ 20,486,146</u>	<u>\$ 16,213,499</u>	<u>\$ 6,793,835</u>	<u>\$ 11,185,097</u>	<u>\$ 12,299,983</u>	<u>\$ 9,296,563</u>	<u>\$ 38,493,099</u>	<u>\$ (26,199,383)</u>	<u>\$ 12,596,739</u>

Schedule 3
City of Appleton
Program Revenues by Function/Program
(accrual basis of accounting)

Function/Program	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Governmental Activities:										
General Government	\$ 1,154,822	\$ 1,507,939	\$ 1,380,517	\$ 1,001,379	\$ 6,018,321	\$ 1,310,772	\$ 2,976,458	\$ 1,318,594	\$ 2,993,168	\$ 3,008,046
Public Safety	2,043,891	2,056,640	1,973,360	4,411,076	1,922,914	1,964,252	1,909,582	1,874,656	1,885,285	1,901,242
Public Works	10,788,629	14,847,671	9,916,370	11,115,128	7,454,868	10,321,293	7,411,155	7,083,475	6,412,725	7,491,608
Education & Recreation	1,916,289	2,105,605	1,770,440	1,794,015	1,749,595	2,081,152	2,218,534	2,339,327	2,567,121	3,712,948
Community Development	2,425,026	1,739,262	1,881,201	2,435,348	1,632,341	993,046	2,492,761	31,668,557	1,782,148	1,470,120
Total Governmental Activities	<u>18,328,657</u>	<u>22,257,117</u>	<u>16,921,888</u>	<u>20,756,946</u>	<u>18,778,039</u>	<u>16,670,515</u>	<u>17,008,490</u>	<u>44,284,609</u>	<u>15,640,447</u>	<u>17,583,964</u>
Business-type Activities										
Water	19,117,632	20,461,743	21,014,274	20,344,681	20,554,177	21,494,126	21,879,177	21,752,383	21,458,700	20,761,137
Wastewater	9,456,505	10,599,946	11,381,389	10,814,267	11,458,660	11,772,261	11,905,485	12,609,743	13,198,363	13,163,732
Valley Transit	7,876,370	8,030,058	7,569,660	7,878,741	8,248,739	8,016,598	8,054,604	9,552,071	9,245,794	12,311,056
Stormwater	8,085,537	7,935,246	7,895,663	8,736,897	10,426,877	9,713,993	10,024,620	10,384,606	10,725,968	13,493,522
Other non-major enterprise funds	2,480,430	2,820,305	2,878,553	3,058,791	3,160,100	3,299,997	3,254,970	3,552,691	3,406,494	4,032,348
Total Business-type Activities	<u>47,016,474</u>	<u>49,847,298</u>	<u>50,739,539</u>	<u>50,833,377</u>	<u>53,848,553</u>	<u>54,296,975</u>	<u>55,118,856</u>	<u>57,851,494</u>	<u>58,035,319</u>	<u>63,761,795</u>
Total - Primary Government	<u>\$ 65,345,131</u>	<u>\$ 72,104,415</u>	<u>\$ 67,661,427</u>	<u>\$ 71,590,323</u>	<u>\$ 72,626,592</u>	<u>\$ 70,967,490</u>	<u>\$ 72,127,346</u>	<u>\$ 102,136,103</u>	<u>\$ 73,675,766</u>	<u>\$ 81,345,759</u>

Schedule 4
City of Appleton
Fund Balances, Governmental Funds
(modified accrual basis of accounting)

	<u>2010</u>	<u>2011</u> ⁽¹⁾	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General Fund										
Reserved for:										
Inventories	\$ 890,237	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Prepaid items	34,111	-	-	-	-	-	-	-	-	-
Noncurrent receivables/advances	10,479,175	-	-	-	-	-	-	-	-	-
Encumbrances	2,031,468	-	-	-	-	-	-	-	-	-
Unreserved	19,362,624	-	-	-	-	-	-	-	-	-
Nonspendable	-	12,268,106	12,568,872	11,255,209	9,384,163	8,342,254	9,084,808	9,766,708	8,669,423	7,819,413
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	107,259	-	-	-	-	-	-	81,918	310,537
Assigned	-	10,027,784	9,921,339	10,983,149	10,792,122	11,828,526	9,286,118	11,700,563	13,160,600	13,550,732
Unassigned (Deficit)	-	12,578,076	14,328,372	11,261,464	11,272,648	11,429,020	13,210,316	8,711,055	9,737,733	12,126,963
Total General Fund	<u>\$ 32,797,615</u>	<u>\$ 34,981,225</u>	<u>\$ 36,818,583</u>	<u>\$ 33,499,822</u>	<u>\$ 31,448,933</u>	<u>\$ 31,599,800</u>	<u>\$ 31,581,242</u>	<u>\$ 30,178,326</u>	<u>\$ 31,649,674</u>	<u>\$ 33,807,645</u>
All Other Governmental Funds										
Reserved for:										
Prepaid items	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt service	184,868	-	-	-	-	-	-	-	-	-
Encumbrances	2,195,894	-	-	-	-	-	-	-	-	-
Trust purposes	33,652	-	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds	(10,485,197)	-	-	-	-	-	-	-	-	-
Capital projects funds	6,552,711	-	-	-	-	-	-	-	-	-
Nonspendable	-	33,655	34,221	34,755	-	-	-	-	-	-
Restricted	-	1,868,147	3,165,793	2,282,659	3,495,290	3,478,831	11,424,576	7,526,119	9,097,900	6,342,476
Committed	-	928,906	980,818	1,087,732	1,026,519	1,276,478	1,485,193	1,447,054	1,228,173	1,482,253
Assigned	-	6,342,088	10,497,302	6,337,120	5,916,918	5,652,454	6,769,421	5,919,162	4,541,521	6,466,558
Unassigned (Deficit)	-	(14,674,790)	(15,940,164)	(16,932,262)	(15,800,019)	(16,001,465)	(15,412,048)	(14,792,960)	(11,397,873)	(8,996,821)
Total All Other Governmental Funds	<u>(1,518,072)</u>	<u>(5,501,994)</u>	<u>(1,262,030)</u>	<u>(7,189,996)</u>	<u>(5,361,292)</u>	<u>(5,593,702)</u>	<u>4,267,142</u>	<u>99,375</u>	<u>3,469,721</u>	<u>5,294,466</u>
Total Governmental Funds	<u>\$ 31,279,543</u>	<u>\$ 29,479,231</u>	<u>\$ 35,556,553</u>	<u>\$ 26,309,826</u>	<u>\$ 26,087,641</u>	<u>\$ 26,006,098</u>	<u>\$ 35,848,384</u>	<u>\$ 30,277,701</u>	<u>\$ 35,119,395</u>	<u>\$ 39,102,111</u>

Notes:

¹: The City of Appleton adopted GASB #54 in 2011, which changes the categorizations of restrictions on fund balances.

Schedule 5
City of Appleton
Changes in Fund Balances, Governmental Funds
(modified accrual basis of accounting)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
REVENUES										
Taxes	\$ 41,159,156	\$ 41,564,939	\$ 42,406,146	\$ 41,993,577	\$ 42,472,273	\$ 44,592,173	\$ 45,423,321	\$ 46,543,569	\$ 47,568,818	\$ 49,446,724
Intergovernmental	20,322,514	19,681,477	17,625,603	19,542,869	16,527,661	16,970,682	19,481,564	47,099,618	17,813,074	17,504,414
Licenses and permits	990,827	895,927	1,018,228	1,086,494	1,035,280	1,147,980	1,145,640	1,202,535	1,116,996	1,139,475
Fines and forfeitures	356,971	359,662	384,340	334,540	310,674	273,814	264,084	255,440	265,875	241,090
Special assessments	1,668,528	2,618,990	1,843,227	2,069,839	2,294,899	1,314,048	1,031,961	703,144	825,661	555,091
Investment income	2,175,324	2,263,766	1,471,859	200,720	1,150,497	1,806,564	2,388,774	2,620,393	3,077,349	4,213,598
Charges for services	1,847,220	2,264,612	2,459,518	2,552,360	2,764,761	2,775,829	2,774,166	2,842,908	2,865,795	3,566,981
Other	4,987,458	3,768,553	4,618,445	5,260,163	4,254,825	5,694,327	4,546,476	6,249,706	5,517,097	8,046,130
Total Revenues	<u>73,507,998</u>	<u>73,417,926</u>	<u>71,827,366</u>	<u>73,040,562</u>	<u>70,810,870</u>	<u>74,575,417</u>	<u>77,055,986</u>	<u>107,517,313</u>	<u>79,050,665</u>	<u>84,713,503</u>
EXPENDITURES										
Current:										
General government	13,102,235	8,143,213	7,643,472	7,297,364	7,057,221	7,501,218	7,839,058	8,330,045	7,444,191	7,582,272
Public safety	27,285,984	27,073,709	27,169,713	27,941,935	28,507,562	28,919,211	29,772,547	31,068,651	31,283,439	31,628,314
Public works	15,656,093	16,323,554	14,951,964	17,373,663	17,290,491	16,170,161	16,623,060	17,454,222	16,315,108	16,194,024
Education and recreation	8,910,684	7,146,178	7,181,076	7,375,059	7,605,818	7,806,647	8,043,834	8,437,946	8,400,206	8,625,880
Community development	3,348,654	3,052,110	2,607,382	2,981,128	3,997,318	4,098,287	3,713,108	3,125,873	3,223,934	3,264,563
Capital Outlay	8,380,704	7,595,439	6,974,759	14,281,748	9,972,321	13,292,322	19,460,632	49,999,793	17,268,503	25,635,735
Debt Service:										
Principal retirement	6,755,336	7,021,625	8,761,870	6,057,333	4,112,332	4,287,333	4,046,082	5,582,624	6,577,249	7,077,500
Interest and fiscal charges	2,527,447	2,304,241	2,235,391	1,924,256	1,767,037	1,676,117	1,757,116	2,125,377	2,051,359	2,362,260
Total Expenditures	<u>85,967,137</u>	<u>78,660,069</u>	<u>77,525,627</u>	<u>85,232,486</u>	<u>80,310,100</u>	<u>83,751,496</u>	<u>91,255,437</u>	<u>126,124,531</u>	<u>92,563,989</u>	<u>102,370,548</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(12,459,139)</u>	<u>(5,242,143)</u>	<u>(5,698,261)</u>	<u>(12,191,924)</u>	<u>(9,499,230)</u>	<u>(9,176,079)</u>	<u>(14,199,451)</u>	<u>(18,607,218)</u>	<u>(13,513,324)</u>	<u>(17,657,045)</u>
OTHER FINANCING SOURCES (USES)										
Debt issued	-	-	8,380,000	-	6,375,000	5,775,000	18,920,000	14,170,000	13,840,000	17,805,000
Premium on debt issued	-	-	267,514	-	46,266	222,457	1,527,653	790,738	1,256,719	979,653
Refunding debt issued	-	-	-	-	-	-	-	-	-	-
Payments to escrow agents	-	-	-	-	-	-	-	(4,994,438)	-	-
Promissory note issued	-	500,000	300,000	-	-	-	-	-	-	-
Sale of city properties	34,854	11,962	102,799	10,714	7,702	21,139	411,886	260,140	470,848	479,942
Transfers in	16,929,723	9,727,630	9,073,938	9,285,409	6,056,499	8,314,715	6,811,499	7,412,128	7,616,719	5,849,258
Transfers out	(14,482,463)	(6,797,761)	(6,348,668)	(6,350,926)	(3,208,422)	(5,238,775)	(3,629,301)	(4,602,033)	(4,829,268)	(3,474,092)
Total Other Financing Sources (Uses)	<u>2,482,114</u>	<u>3,441,831</u>	<u>11,775,583</u>	<u>2,945,197</u>	<u>9,277,045</u>	<u>9,094,536</u>	<u>24,041,737</u>	<u>13,036,535</u>	<u>18,355,018</u>	<u>21,639,761</u>
Net Change in Fund Balances	(9,977,025)	(1,800,312)	6,077,322	(9,246,727)	(222,185)	(81,543)	9,842,286	(5,570,683)	4,841,694	3,982,716
FUND BALANCES - BEGINNING	<u>41,256,568</u>	<u>31,279,543</u>	<u>29,479,231</u>	<u>35,556,553</u>	<u>26,309,826</u>	<u>26,087,641</u>	<u>26,006,098</u>	<u>35,848,384</u>	<u>30,277,701</u>	<u>35,119,395</u>
FUND BALANCES - ENDING	<u>\$ 31,279,543</u>	<u>\$ 29,479,231</u>	<u>\$ 35,556,553</u>	<u>\$ 26,309,826</u>	<u>\$ 26,087,641</u>	<u>\$ 26,006,098</u>	<u>\$ 35,848,384</u>	<u>\$ 30,277,701</u>	<u>\$ 35,119,395</u>	<u>\$ 39,102,111</u>
Debt service as a percent of non-capital expenditures	17.5%	17.8%	18.9%	12.2%	10.5%	9.9%	9.2%	11.5%	12.2%	12.5%

Schedule 6
City of Appleton
Assessed Value and Estimated Actual Value (Equalized Value) of Taxable Property

<u>Levy Year</u>	<u>Fiscal Year</u>	<u>Residential Property</u>	<u>Commercial Property</u>	<u>Industrial Property</u>	<u>Agricultural Property</u>	<u>Personal Property</u>	<u>Total Taxable Assessed Value</u> ^A	<u>Total Direct Tax Rate</u> ^B	<u>Estimated Actual Taxable Value</u> ^C	<u>Assessed as Percent of Estimated Actual Value</u> ^D
2010	2011	3,339,934,400	1,129,570,400	141,693,800	694,900	141,066,900	4,752,960,400	8.0496	4,851,596,300	97.97%
2011	2012	3,361,411,700	1,141,289,300	140,626,100	702,800	138,922,800	4,782,952,700	8.1510	4,797,103,500	99.71%
2012	2013	3,372,982,200	1,143,624,000	144,354,500	737,300	139,735,300	4,801,433,300	8.0311	4,651,408,600	103.23%
2013	2014	3,384,096,700	1,137,054,900	150,106,100	855,800	146,345,800	4,818,459,300	8.1358	4,622,312,200	104.24%
2014	2015	3,333,822,100	1,158,307,200	139,909,000	1,482,600	135,839,800	4,769,360,700	8.3495	4,696,660,500	101.55%
2015	2016	3,359,819,300	1,167,546,000	138,362,500	1,480,400	124,635,400	4,791,843,600	8.3950	4,816,754,800	99.48%
2016	2017	3,392,464,300	1,226,865,500	144,629,500	1,452,200	126,431,000	4,891,842,500	8.6205	4,938,725,300	99.05%
2017	2018	3,415,037,700	1,243,345,400	138,818,900	1,443,600	138,130,400	4,936,776,000	8.9200	5,222,923,900	94.52%
2018	2019	3,444,164,600	1,350,465,600	142,152,100	1,442,600	105,485,300	5,043,710,200	9.1618	5,443,435,200	92.66%
2019	2020	4,120,205,000	1,378,721,300	158,799,300	1,394,900	107,574,200	5,766,694,700	8.3531	5,855,356,700	98.49%

Notes:

^A. Source: Wisconsin Department of Revenue, Final Statement of Assessment. The values shown include TIF districts.

^B. Source: City of Appleton Budget and Service Plan. The rate shown is for properties in Outagamie County and served by the Appleton Area School District.

^C. Source: Wisconsin Department of Revenue, Statement of Changes in Equalized Value.

^D. Property in the City of Appleton is reassessed every four to five years on average, with the goal of assessing it at 100% of market value. Between major reassessments, property values are updated based on sales of comparable properties.

**Schedule 7
CITY OF APPLETON
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS**

Last Ten Fiscal Years

OUTAGAMIE COUNTY/APPLETON AREA SCHOOL DISTRICT

Per \$1,000 of Assessed Value

Levy Year	Collection Year	Basic Rate	G.O. Debt Service	City of Appleton Direct Rate ⁽¹⁾	Appleton School District	FVTC	Outagamie County	State of Wisconsin	Gross Tax Rate	State Tax Credits	Net Tax Rate
2010	2011	\$ 7.21	\$ 0.84	\$ 8.05	\$ 9.29	\$ 1.82	\$ 4.53	\$ 0.17	\$ 23.86	\$ 1.31	\$ 22.55
2011	2012	7.48	0.67	8.15	9.21	1.80	4.58	0.17	23.91	1.31	22.60
2012	2013	7.36	0.67	8.03	9.03	1.91	4.56	0.16	23.69	1.48	22.22 *
2013	2014	7.53	0.61	8.14	9.01	1.89	4.52	0.16	23.72	1.43	22.29
2014	2015	7.76	0.59	8.35	9.41	1.11	4.67	0.17	23.71	1.44	22.26 *
2015	2016	7.77	0.63	8.40	9.65	1.12	4.72	0.17	24.06	1.64	22.43 *
2016	2017	7.80	0.82	8.62	9.15	1.13	4.71	0.17	23.78	1.61	22.16 *
2017	2018	7.82	1.10	8.92	9.29	1.15	4.87	-	24.23	1.76	22.47
2018	2019	7.82	1.34	9.16	9.38	1.14	4.92	-	24.60	1.71	22.88 *
2019	2020	6.91	1.44	8.35	8.46	1.04	3.72	-	21.57	1.49	20.09 *

OUTAGAMIE COUNTY/MENASHA SCHOOL DISTRICT

Per \$1,000 of Assessed Value

Levy Year	Collection Year	Basic Rate	G.O. Debt Service	City of Appleton Direct Rate ⁽¹⁾	Menasha School District	FVTC	Outagamie County	State of Wisconsin	Gross Tax Rate	State Tax Credits	Net Tax Rate
2010	2011	\$ 7.21	\$ 0.84	\$ 8.05	\$ 9.73	\$ 1.82	\$ 4.53	\$ 0.17	\$ 24.30	\$ 1.31	\$ 22.99
2011	2012	7.48	0.67	8.15	9.83	1.80	4.58	0.17	24.53	1.31	23.22
2012	2013	7.36	0.67	8.03	9.57	1.91	4.56	0.16	24.23	1.48	22.76 *
2013	2014	7.53	0.61	8.14	9.94	1.89	4.52	0.16	24.65	1.43	23.22
2014	2015	7.76	0.59	8.35	10.93	1.11	4.67	0.17	25.23	1.44	23.78 *
2015	2016	7.77	0.63	8.40	11.29	1.12	4.72	0.17	25.70	1.64	24.07 *
2016	2017	7.80	0.82	8.62	11.38	1.13	4.71	0.17	26.01	1.61	24.39 *
2017	2018	7.82	1.10	8.92	12.07	1.15	4.87	-	27.01	1.76	25.25
2018	2019	7.82	1.34	9.16	12.33	1.14	4.92	-	27.55	1.71	25.84
2019	2020	6.91	1.44	8.35	11.64	1.04	3.72	-	24.75	1.49	23.27 *

* Net tax rate not equal to sum of components due to rounding.

(Continued)

**Schedule 7
CITY OF APPLETON
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS (Continued)**

Last Ten Fiscal Years

OUTAGAMIE COUNTY/FREEDOM SCHOOL DISTRICT

Per \$1,000 of Assessed Value

<u>Levy Year</u>	<u>Collection Year</u>	<u>Basic Rate</u>	<u>G.O. Debt Service</u>	<u>City of Appleton Direct Rate ⁽¹⁾</u>	<u>Freedom School District</u>	<u>FVTC</u>	<u>Outagamie County</u>	<u>State of Wisconsin</u>	<u>Gross Tax Rate</u>	<u>State Tax Credits</u>	<u>Net Tax Rate</u>
2010	2011	\$ 7.21	\$ 0.84	\$ 8.05	\$ 9.00	\$ 1.82	\$ 4.53	\$ 0.17	\$ 23.57	\$ 1.31	\$ 22.26
2011	2012	7.48	0.67	8.15	9.15	1.80	4.58	0.17	23.85	1.31	22.54
2012	2013	7.36	0.67	8.03	9.06	1.91	4.56	0.16	23.72	1.48	22.25 *
2013	2014	7.53	0.61	8.14	9.23	1.89	4.52	0.16	23.94	1.43	22.51
2014	2015	7.76	0.59	8.35	8.90	1.11	4.67	0.17	23.20	1.44	21.75 *
2015	2016	7.77	0.63	8.40	8.74	1.12	4.72	0.17	23.15	1.64	21.52 *
2016	2017	7.80	0.82	8.62	8.53	1.13	4.71	0.17	23.16	1.61	21.55
2017	2018	7.82	1.10	8.92	7.56	1.15	4.87	-	22.50	1.76	20.75 *
2018	2019	7.82	1.34	9.16	7.30	1.14	4.92	-	22.52	1.71	20.81
2019	2020	6.91	1.44	8.35	7.19	1.04	3.72	-	20.30	1.49	18.82 *

OUTAGAMIE COUNTY/HORTONVILLE SCHOOL DISTRICT

Per \$1,000 of Assessed Value

<u>Levy Year</u>	<u>Collection Year</u>	<u>Basic Rate</u>	<u>G.O. Debt Service</u>	<u>City of Appleton Direct Rate ⁽¹⁾</u>	<u>Hortonville School District</u>	<u>FVTC</u>	<u>Outagamie County</u>	<u>State of Wisconsin</u>	<u>Gross Tax Rate</u>	<u>State Tax Credits</u>	<u>Net Tax Rate</u>
2010	2011	\$ 7.21	\$ 0.84	\$ 8.05	\$ 9.38	\$ 1.82	\$ 4.53	\$ 0.17	\$ 23.95	\$ 1.31	\$ 22.65 *
2011	2012	7.48	0.67	8.15	9.27	1.80	4.58	0.17	23.97	1.31	22.66
2012	2013	7.36	0.67	8.03	8.92	1.91	4.56	0.16	23.58	1.48	22.11 *
2013	2014	7.53	0.61	8.14	8.96	1.89	4.52	0.16	23.67	1.43	22.24
2014	2015	7.76	0.59	8.35	9.84	1.11	4.67	0.17	24.14	1.44	22.69 *
2015	2016	7.77	0.63	8.40	9.85	1.12	4.72	0.17	24.26	1.64	22.63 *
2016	2017	7.80	0.82	8.62	9.29	1.13	4.71	0.17	23.92	1.61	22.31
2017	2018	7.82	1.10	8.92	8.91	1.15	4.87	-	23.85	1.76	22.09
2018	2019	7.82	1.34	9.16	8.90	1.14	4.92	-	24.12	1.71	22.41
2019	2020	6.91	1.44	8.35	9.43	1.04	3.72	-	22.54	1.49	21.06 *

* Net tax rate not equal to sum of components due to rounding.

Note: The 2008 Levy Years are the first years Outagamie County had property apportioned within the Hortonville School Districts.

**Schedule 7
CITY OF APPLETON
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS (Continued)**

Last Ten Fiscal Years

CALUMET COUNTY/APPLETON AREA SCHOOL DISTRICT

Per \$1,000 of Assessed Value

Levy Year	Collection Year	Basic Rate	G.O. Debt Service	City of Appleton Direct Rate ⁽¹⁾	Appleton School District	FVTC	Calumet County	State of Wisconsin	Gross Tax Rate	State Tax Credits	Net Tax Rate
2010	2011	\$ 7.17	\$ 0.83	\$ 8.00	\$ 9.24	\$ 1.81	\$ 4.48	\$ 0.17	\$ 23.70	\$ 1.22	\$ 22.47 *
2011	2012	7.44	0.66	8.10	9.15	1.79	4.46	0.17	23.67	1.23	22.45 *
2012	2013	7.33	0.66	7.99	8.98	1.90	4.38	0.16	23.41	1.24	22.17
2013	2014	7.51	0.60	8.11	8.98	1.89	4.40	0.16	23.54	1.25	22.29
2014	2015	7.76	0.59	8.35	9.45	1.11	4.51	0.17	23.59	1.26	22.33
2015	2016	7.76	0.63	8.39	9.65	1.12	4.46	0.17	23.79	1.43	22.37 *
2016	2017	7.83	0.82	8.65	9.18	1.13	4.64	0.17	23.77	1.43	22.35 *
2017	2018	7.82	1.10	8.92	9.28	1.15	5.17	-	24.52	1.55	22.97
2018	2019	7.81	1.34	9.15	9.37	1.14	5.22	-	24.88	1.49	23.38 *
2019	2020	6.86	1.43	8.29	8.20	1.03	4.80	-	22.32	1.28	21.04

CALUMET COUNTY/KIMBERLY AREA SCHOOL DISTRICT

Per \$1,000 of Assessed Value

Levy Year	Collection Year	Basic Rate	G.O. Debt Service	City of Appleton Direct Rate ⁽¹⁾	Kimberly School District	FVTC	Calumet County	State of Wisconsin	Gross Tax Rate	State Tax Credits	Net Tax Rate
2010	2011	\$ 7.17	\$ 0.83	\$ 8.00	\$ 10.09	\$ 1.81	\$ 4.48	\$ 0.17	\$ 24.55	\$ 1.22	\$ 23.33
2011	2012	7.44	0.66	8.10	10.22	1.79	4.46	0.17	24.74	1.23	23.51
2012	2013	7.33	0.66	7.99	10.14	1.90	4.38	0.16	24.57	1.24	23.33
2013	2014	7.51	0.60	8.11	9.88	1.89	4.40	0.16	24.44	1.25	23.19
2014	2015	7.76	0.59	8.35	9.21	1.11	4.51	0.17	23.35	1.26	22.09
2015	2016	7.76	0.63	8.39	9.76	1.12	4.46	0.17	23.90	1.43	22.48 *
2016	2017	7.83	0.82	8.65	9.62	1.13	4.64	0.17	24.21	1.43	22.79 *
2017	2018	7.82	1.10	8.92	8.82	1.15	5.17	-	24.06	1.55	22.51
2018	2019	7.81	1.34	9.15	8.38	1.14	5.22	-	23.89	1.49	22.40
2019	2020	6.86	1.43	8.29	8.29	1.03	4.80	-	22.41	1.28	21.13

* Net tax rate not equal to sum of components due to rounding.

**Schedule 7
CITY OF APPLETON
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS (Continued)**

Last Ten Fiscal Years

WINNEBAGO COUNTY/APPLETON AREA SCHOOL DISTRICT

Per \$1,000 of Assessed Value

Levy Year	Collection Year	Basic Rate	G.O. Debt Service	City of Appleton Direct Rate ⁽¹⁾	Appleton School District	FVTC	Winnebago County	State of Wisconsin	Gross Tax Rate	State Tax Credits	Net Tax Rate
2010	2011	\$ 7.39	\$ 0.86	\$ 8.25	\$ 9.67	\$ 1.86	\$ 5.96	\$ 0.18	\$ 25.92	\$ 1.42	\$ 24.50
2011	2012	7.40	0.66	8.06	9.10	1.78	5.62	0.17	24.73	1.29	23.43 *
2012	2013	7.60	0.69	8.29	9.31	1.97	5.71	0.17	25.45	1.31	24.14
2013	2014	7.83	0.63	8.46	9.37	1.97	5.40	0.17	25.37	1.36	24.02 *
2014	2015	7.76	0.59	8.35	10.31	1.11	5.34	0.17	25.28	1.37	23.91
2015	2016	7.74	0.63	8.37	9.62	1.12	5.28	0.17	24.56	1.59	22.97
2016	2017	7.66	0.82	8.48	9.00	1.11	5.20	0.17	23.96	1.54	22.42
2017	2018	7.67	1.08	8.75	9.11	1.13	5.30	-	24.29	1.67	22.61 *
2018	2019	7.32	1.26	8.58	8.78	1.07	4.97	-	23.40	1.64	21.77 *
2019	2020	6.97	1.45	8.42	7.87	1.05	4.85	-	22.19	1.60	20.58 *

WINNEBAGO COUNTY/MENASHA JOINT SCHOOL DISTRICT

Per \$1,000 of Assessed Value

Levy Year	Collection Year	Basic Rate	G.O. Debt Service	City of Appleton Direct Rate ⁽¹⁾	Menasha School District	FVTC	Winnebago County	State of Wisconsin	Gross Tax Rate	State Tax Credits	Net Tax Rate
2010	2011	\$ 7.39	\$ 0.86	\$ 8.25	\$ 9.95	\$ 1.86	\$ 5.96	\$ 0.18	\$ 26.20	\$ 1.42	\$ 24.79 *
2011	2012	7.40	0.66	8.06	9.71	1.78	5.62	0.17	25.34	1.29	24.04 *
2012	2013	7.60	0.69	8.29	9.85	1.97	5.71	0.17	25.99	1.31	24.67 *
2013	2014	7.83	0.63	8.46	10.34	1.97	5.40	0.17	26.34	1.36	24.98
2014	2015	7.76	0.59	8.35	10.79	1.11	5.34	0.17	25.76	1.37	24.39
2015	2016	7.74	0.63	8.37	11.30	1.12	5.28	0.17	26.24	1.59	24.64 *
2016	2017	7.66	0.82	8.48	11.19	1.11	5.20	0.17	26.15	1.54	24.61
2017	2018	7.67	1.08	8.75	11.81	1.13	5.30	-	26.99	1.67	25.32
2018	2019	7.32	1.26	8.58	11.54	1.07	4.97	-	26.16	1.64	24.53 *
2019	2020	6.97	1.45	8.42	11.99	1.05	4.85	-	26.31	1.60	24.71

* Net tax rate not equal to sum of components due to rounding.

(1) The City of Appleton has had a local ordinance that imposes restraints on the total City levy since 1997. The Tax Levy Ordinance limits the increase in the City's tax levy to the rate of change in the Consumer Price Index (CPI) plus an allowance for growth, adjusted for services transferred to other funding sources, new revenues and one time grant awards. In 2011 the State of Wisconsin imposed levy limitations on all units of local government. This limit is similar in many respects to the Tax Levy Ordinance, though not identical. The current limitation is net new construction, with no allowance for changes in the CPI. Furthermore, the State of Wisconsin, through its Expenditure Restraint Program, distributes a pool of money annually to local governments that meet certain restrictions on the growth of General Fund expenditures. In general, the Expenditure Restraint Program limits the growth of General Fund expenditures to 60% of the percentage of growth in equalized value, up to a maximum of 2%, plus the change in the CPI.

**Schedule 8
City of Appleton
Principal Taxpayers, Current Year and Nine Years Prior**

<u>Name</u>	<u>Nature of Business</u>	<u>2019</u>			<u>2010</u>		
		<u>Taxable Assessed Value (A)</u>	<u>Percent of Total Assessed Value (B)</u>	<u>Rank</u>	<u>Taxable Assessed Value (A)</u>	<u>Percent of Total Assessed Value (B)</u>	<u>Rank</u>
Pfefferle/Hoffman/Evans et al Partnerships	Real Estate Development	\$ 60,728,300	1.05%	1	\$ 46,546,000	0.98%	1
Thomas Wright et al	Rental Properties	50,571,000	0.88%	2	27,832,300	0.59%	5
Plank Inv/Eisenhower /Kensington Prop	Real Estate Development	47,617,700	0.83%	3	41,700,800	0.88%	2
Winters Properties et al	Real Estate Development	40,472,400	0.70%	4	39,731,000	0.84%	3
Physicians Realty Trust	Medical Properties	32,616,200	0.57%	5			
North Appleton Ambulatory Care Ctr	Medical Clinic	30,314,900	0.53%	5	30,398,100	0.64%	4
Parkside Luxury Apartments LP/Vandeyacht	Rental Properties	28,745,900	0.50%	6			
Riverheath	Rental Properties	27,733,400	0.48%	7			
TheDACare	Hospital	24,963,800	0.43%	8	22,423,300	0.47%	6
Appleton Holdings (Paper Valley Hotel)	Hotel	19,126,500	0.33%	9			
Thrivent/North Meadows	Insurance (C)	18,358,700	0.32%	10	20,138,800	0.42%	7
Watermark Montclair	Hotel				17,207,300	0.36%	8
Appvion, Inc. (Appleton Papers)	NCR Paper Products						
Livesey	Real Estate Development				15,794,100	0.33%	9
VH Enterprise / Warehouse Specialists	Warehouse Storage				15,376,600	0.32%	10
Voith Allis, Inc.	Industrial Machines/Papermaker Felts						
TOTAL		\$ 381,248,800	6.61%		\$ 277,148,300	5.83%	

<p>(A) Per City Assessor's records.</p> <p>(B) Based on the city's total January 1, 2019 and 2010 assessed valuation of \$5,766,694,700 and \$4,752,960,400, respectively, including personal property.</p> <p>(C) Home office site (maximum 10 acres) is tax exempt as a fraternal organization. A voluntary contribution is made to all taxing jurisdictions.</p>

**Schedule 9
CITY OF APPLETON
PROPERTY TAX LEVIES AND COLLECTIONS**

Last Ten Fiscal Years

Collection Year	Total Tax Levy	Collections Prior to Transfer of Roll on August 1	Percent of Levy Collected	Total Tax Collections as of December 31	Total Collections as Percent of Current Levy	Outstanding Delinquent Taxes ^(A)	Outstanding Delinquent Taxes as Percent of Current Levy
2010	\$ 36,354,678	\$ 35,694,813	98.18 %	\$ 36,331,377	99.94 %	\$ 23,301	0.06 %
2011	37,004,526	36,382,944	98.32	36,984,655	99.95	19,871	0.05
2012	37,611,289	37,047,927	98.50	37,581,982	99.92	29,307	0.08
2013	37,260,671	36,807,857	98.78	37,233,502	99.93	27,169	0.07
2014	37,998,938	37,566,534	98.86	37,977,139	99.94	21,799	0.06
2015	38,418,146	38,049,056	99.04	38,393,867	99.94	24,279	0.06
2016	38,953,797	38,588,046	99.06	38,932,668	99.95	21,129	0.05
2017	40,741,852	40,405,500	99.17	40,722,307	99.95	19,545	0.05
2018	42,425,098	42,138,202	99.32	42,396,076	99.93	29,022	0.07
2019	44,173,508	43,812,873	99.18	44,126,517	99.89	46,991	0.11

^(A) The amount of outstanding taxes represents uncollected personal property taxes at the end of the year. The portion of the delinquent taxes attributable to overlapping jurisdictions is charged back to those jurisdictions in the subsequent year. Beginning in 2012, the City can only charge back the uncollected taxes for businesses that ceased operations during the year.

**Schedule 10
City of Appleton
Direct and Overlapping Sales Tax Rates**

	<u>City Direct Rate</u>	<u>Outagamie County Direct Rate</u>	<u>Calumet County Direct Rate</u>	<u>Winnebago County Direct Rate</u>	<u>Wisconsin</u>
2010	0.0	0.0	0.0	0.0	5.0 %
2011	0.0	0.0	0.0	0.0	5.0
2012	0.0	0.0	0.0	0.0	5.0
2013	0.0	0.0	0.0	0.0	5.0
2014	0.0	0.0	0.0	0.0	5.0
2015	0.0	0.0	0.0	0.0	5.0
2016	0.0	0.0	0.0	0.0	5.0
2017	0.0	0.0	0.0	0.0	5.0
2018	0.0	0.0	0.5	0.0	5.0
2019	0.0	0.0	0.0	0.0	5.0

Note: Counties in Wisconsin have the option of levying a 0.5% sales tax but, for Appleton through 2019, only Calumet County's is in place. Outagamie County has also opted to levy the additional tax, effective 1/1/20. Cities do not have the option of levying any sales tax.

**Schedule 11
City of Appleton
Outstanding Debt by Type**

Fiscal Year	Governmental Activities			Business-type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Business-type Activities	Capital Leases	Water Revenue Bonds	Wastewater Revenue Bonds	Stormwater Revenue Bonds			
2010	\$ 39,988,830	\$ 708,509	\$ -	\$ 71,425,000	\$ 15,904,002	\$ 39,045,000	\$ 167,071,341	7.50%	\$ 2,301
2011	32,959,538	708,509	-	69,820,000	18,318,020	37,220,000	159,026,067	7.13%	2,187
2012	32,570,000	735,000	-	67,195,000	16,950,000	39,520,000	156,970,000	6.75%	2,156
2013	27,005,000	725,000	-	68,910,000	16,195,000	43,810,000	156,645,000	6.32%	2,141
2014	29,415,000	695,000	-	67,210,000	15,410,000	45,040,000	157,770,000	6.13%	2,148
2015	30,900,000	635,000	-	66,810,000	14,615,000	46,515,000	159,475,000	5.94%	2,163
2016	45,770,000	1,280,000	-	61,470,000	13,785,000	45,285,000	167,590,000	5.98%	2,256
2017	49,445,000	1,160,000	-	54,570,000	12,925,000	47,665,000	165,765,000	5.92%	2,222
2018	56,705,000	1,040,000	-	47,985,000	11,665,000	47,430,000	164,825,000	5.68%	2,205
2019	67,595,000	1,620,000	-	41,185,000	10,775,000	44,115,000	165,290,000	N/A	2,212

* N/A = Not Available.

**Schedule 12
City of Appleton
General Obligation Debt**

Fiscal Year	General Obligation Bonds ⁽¹⁾	Less Assets Restricted for Debt Service	Total Net Debt	Percentage of Actual Taxable Value of Property ⁽²⁾	Per Capita ⁽³⁾
2010	\$ 40,697,339	\$ (2,342,787)	\$ 38,354,552	0.79	\$ 528
2011	33,668,047	(1,972,070)	31,695,977	0.66	436
2012	33,305,000	(2,320,132)	30,984,868	0.67	426
2013	27,730,000	(1,503,052)	26,226,948	0.57	359
2014	30,110,000	(1,703,173)	28,406,827	0.60	387
2015	31,535,000	(1,695,673)	29,839,327	0.62	405
2016	47,050,000	(1,419,419)	45,630,581	0.92	614
2017	50,605,000	(1,345,594)	49,259,406	0.94	660
2018	57,745,000	(1,701,196)	56,043,804	1.03	750
2019	69,215,000	(1,588,068)	67,626,932	1.15	905

- (1) Includes general obligation debt for business-type activities (see table 11).
Details on the City's outstanding debt can be found in the notes to the financial statements.
- (2) See Schedule 6 for property value data.
- (3) See Schedule 16 for population data.

**TABLE 13
CITY OF APPLETON
COMPUTATION OF DIRECT AND OVERLAPPING
GENERAL OBLIGATION DEBT**

Jurisdiction	Net Debt Outstanding	Percentage Applicable to City of Appleton	Amount Applicable to City of Appleton
City of Appleton ^(A)	\$ 67,626,932	100.0000 %	<u>\$ 67,626,932</u>
<u>Overlapping Debt</u>			
Appleton Area School District	26,840,296	64.0000	17,177,789
Menasha Joint School District	34,437,750	4.2670	1,469,459
Kimberly Area School District	16,700,000	2.8000	467,600
Freedom Area School District	1,010,000	12.4000	125,240
Hortonville Area School District	26,055,000	0.0009	244
Fox Valley Technical College	75,615,098	14.0100	10,593,675
Outagamie County	68,402,650	29.7900	20,377,149
Calumet County	30,056,217	17.2000	5,169,669
Winnebago County	34,049,056	0.0550	<u>18,726</u>
Total Overlapping Debt			<u>55,399,551</u>
Total Direct And Overlapping Debt			<u><u>\$ 123,026,483</u></u>

^(A) Debt is shown net of amounts available for debt service.

**Schedule 14
City of Appleton
Legal Debt Margin Calculation**

Legal Debt Margin Calculation for Fiscal Year 2019:

Equalized Value of Real & Personal Property	<u>\$ 5,855,356,700</u>
Outagamie County	4,937,088,000
Calumet County	829,732,600
Winnebago County	88,536,100
 Legal Debt Limit (5% of equalized value)	 <u>\$ 292,767,835</u>
 Amount of Debt Applicable to Debt Limitation:	
Total General Obligation Bonds and Notes Outstanding at December 31, 2019	 \$ 69,215,000
 Less: Assets in Government Fund Types Available for Debt Service	 <u>(1,588,068)</u>
 Amount of Debt Applicable to Debt Limit	 <u>67,626,932</u>
 Remaining Legal Debt Margin	 <u>\$ 225,140,903</u>

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt Limit	\$ 242,579,815	\$ 239,855,175	\$ 232,570,430	\$ 231,115,610	\$ 234,833,025	\$ 240,837,740	\$ 246,936,265	\$ 261,146,195	\$ 272,171,760	\$ 292,767,835
Total net debt applicable to limit	<u>38,354,552</u>	<u>31,695,977</u>	<u>30,984,868</u>	<u>26,226,948</u>	<u>28,406,827</u>	<u>29,839,327</u>	<u>45,630,581</u>	<u>49,259,406</u>	<u>56,043,804</u>	<u>67,626,932</u>
Legal Debt Margin	<u>\$ 204,225,263</u>	<u>\$ 208,159,198</u>	<u>\$ 201,585,562</u>	<u>\$ 204,888,662</u>	<u>\$ 206,426,198</u>	<u>\$ 210,998,413</u>	<u>\$ 201,305,684</u>	<u>\$ 211,886,789</u>	<u>\$ 216,127,956</u>	<u>\$ 225,140,903</u>
Total net debt applicable to limit as a percentage of debt limit	15.81%	13.21%	13.32%	11.35%	12.10%	12.39%	18.48%	18.86%	20.59%	23.10%

**Schedule 15
CITY OF APPLETON
MORTGAGE REVENUE BOND COVERAGE - WATER UTILITY**

Last Ten Fiscal Years

Fiscal Year	Gross Revenues ⁽¹⁾	Direct Operating Expenses ⁽²⁾	Net Revenue Available for Debt Service	Maximum Debt Service Requirements			Coverage
				Principal	Interest	Total	
2010	\$ 18,937,401	\$ 6,934,385	\$ 12,003,016	\$ 5,015,000	\$ 3,121,486	\$ 8,136,486	1.48
2011	20,939,470	7,455,689	13,483,781	5,135,000	3,237,096	8,372,096	1.61
2012	21,253,750	7,903,181	13,350,569	5,465,000	3,065,044	8,530,044	1.57
2013	20,195,484	8,250,694	11,944,790	5,465,000	3,316,279	8,781,279	1.36
2014	20,822,216	7,950,595	12,871,621	6,250,000	2,686,056	8,936,056	1.44
2015	21,151,756	8,078,526	13,073,230	6,575,000	2,587,434	9,162,434	1.43
2016	21,336,649	8,370,020	12,966,629	6,900,000	2,064,390	8,964,390	1.45
2017	21,193,216	8,373,876	12,819,340	6,900,000	2,064,390	8,964,390	1.43
2018	21,326,522	8,255,383	13,071,139	6,585,000	1,885,715	8,470,715	1.54
2019	20,986,076	8,713,971	12,272,105	6,800,000	1,663,965	8,463,965	1.45

(Continued)

⁽¹⁾ Includes total operating revenues and investment income.

⁽²⁾ Includes total operating expenses less depreciation and payment in lieu of taxes.

Schedule 15 (Continued)
CITY OF APPLETON
MORTGAGE REVENUE BOND COVERAGE - WASTEWATER UTILITY

Last Ten Fiscal Years

Fiscal Year	Gross Revenues ⁽¹⁾	Direct Operating Expenses ⁽²⁾	Net Revenue Available for Debt Service	Maximum Debt Service Requirements			Coverage
				Principal	Interest	Total	
2010	\$ 9,290,578	\$ 6,445,634	\$ 2,844,944	\$ 1,320,982	\$ 626,947	\$ 1,947,929	1.46
2011	10,517,300	6,371,307	4,145,993	1,368,020	726,072	2,094,092	1.98
2012	10,970,003	6,263,377	4,706,626	785,000	640,826	1,425,826	3.30
2013	10,344,862	6,282,545	4,062,317	785,000	640,826	1,425,826	2.85
2014	11,384,987	6,504,506	4,880,481	860,000	559,084	1,419,084	3.44
2015	11,364,104	6,781,627	4,582,477	860,000	559,084	1,419,084	3.23
2016	11,751,822	6,878,487	4,873,335	860,000	559,084	1,419,084	3.43
2017	12,318,949	7,494,136	4,824,813	1,000,000	418,365	1,418,365	3.40
2018	13,091,105	7,417,075	5,674,030	890,000	463,981	1,353,981	4.19
2019	13,358,628	7,828,505	5,530,123	1,050,000	309,056	1,359,056	4.07

(Continued)

(1) Includes total operating revenues and investment income.

(2) Includes total operating expenses less depreciation.

Schedule 15 (Continued)
CITY OF APPLETON
MORTGAGE REVENUE BOND COVERAGE - STORMWATER UTILITY

Last Ten Fiscal Years

Fiscal Year	Gross Revenues ⁽¹⁾	Direct Operating Expenses ⁽²⁾	Net Revenue Available for Debt Service	Maximum Debt Service Requirements			Coverage
				Principal	Interest	Total	
2010	\$ 7,472,389	\$ 2,916,892	\$ 4,555,497	\$ 2,535,000	\$ 931,565	\$ 3,466,565	1.31
2011	7,996,827	2,551,104	5,445,723	2,535,000	931,565	3,466,565	1.57
2012	7,507,734	3,026,580	4,481,154	2,665,000	1,003,100	3,668,100	1.22
2013	8,066,016	2,706,960	5,359,056	3,055,000	1,102,066	4,157,066	1.29
2014	9,367,104	3,008,023	6,359,081	2,960,000	2,072,771	5,032,771	1.26
2015	9,325,369	3,155,156	6,170,213	3,105,000	1,694,558	4,799,558	1.29
2016	9,517,647	3,291,148	6,226,499	3,160,000	1,719,601	4,879,601	1.28
2017	9,745,561	3,608,192	6,137,369	3,370,000	1,877,764	5,247,764	1.17
2018	9,952,937	2,944,035	7,008,902	3,490,000	1,991,464	5,481,464	1.28
2019	11,662,263	3,361,827	8,300,436	3,490,000	1,991,464	5,481,464	1.51

⁽¹⁾ Includes total operating revenues and investment income.

⁽²⁾ Includes total operating expenses less depreciation.

**Schedule 16
CITY OF APPLETON
DEMOGRAPHIC STATISTICS**

Last Ten Fiscal Years

Fiscal Year	Appleton Population ⁽¹⁾	Personal Income ⁽²⁾	AGI Per Return ⁽³⁾	School System Enrollment ⁽⁴⁾	Total Employment ⁽⁵⁾	Annual Average Unemployment Rate ⁽⁵⁾
2010	72,623	\$ 2,229,079,843	\$ 50,653	14,953	36,668	10.4
2011	72,715	2,229,979,390	50,030	14,983	36,924	9.0
2012	72,810	2,325,748,850	51,600	15,087	37,051	8.3
2013	73,150	2,480,000,000	53,720	16,042	37,185	7.9
2014	73,463	2,571,979,850	55,550	16,231	37,846	4.8
2015	73,737	2,685,661,219	57,588	16,300	38,272	4.0
2016	74,286	2,800,934,090	59,817	16,407	39,100	3.6
2017	74,598	2,801,696,751	59,707	16,304	39,216	3.2
2018	74,734	2,900,651,453	60,659	16,302	39,091	2.9
2019	74,739	N/A *	N/A *	16,067	38,465	3.1

- (1) Wisconsin Dept. of Administration estimates.
 (2) Wisconsin Department of Revenue. Adjusted Gross Income for all returns filed for Appleton residents.
 (3) Wisconsin Department of Revenue. Adjusted Gross Income per return.
 (4) Wisconsin Department of Public Instruction.
 (5) Wisconsin Department of Workforce Development; unemployment rates are annual rates for City of Appleton, not seasonally adjusted.

* N/A = Not Available

**Schedule 17
CITY OF APPLETON
PRINCIPAL EMPLOYERS
Current Year and Nine Years Prior**

Company Name	Product or Service	2019			2010		
		Number of Employees *	Rank	Percentage of Total City Employment	Number of Employees *	Rank	Percentage of Total City Employment
Affinity Health Sys./ St. Elizabeth Hosp	Medical & Health Care Facility	5,172	1	13.4 %	1,398	4	3.8 %
Appleton Area School District	Education	1,908	2	5.0	1,690	2	4.6
Thrivent Investment Management, Inc.	Insurance	1,800	3	4.7	1,719	1	4.7
Miller Electric Manufacturing	Electric Arc Welders	1,337	4	3.5	1,100	7	3.0
Outagamie County	Government	1,250	5	3.2	1,200	6	3.3
Appvion, Inc. (Appleton Papers)	Paper Products Manufacturing	1,250	6	3.2	1,535	3	4.2
Appleton Medical Center	Medical & Health Care Facility	1,184 **	7	3.1	1,250	5	3.4
Valley Packaging Industries, Inc.	Hi-speed Packager	1,002	8	2.6	750	10	2.0
West Business Services	Communications Services	1,000	9	2.6	900	8	2.5
Wal-Mart (2 locations)	Discount Retail	685	10	1.8			
Voith Allis, Inc.	Paper Machines & Fabric Mfg.				770	9	2.1
Total		16,588		29.7 %	12,312		29.8 %
Total Employment		38,465			36,668		

* Includes Full- and Part-Time employees

** Appleton Medical Center only, part of ThedaCare group, which includes Appleton and Theda Clark Medical Centers, New London Hospital, and various clinics, home care, and rehabilitation facilities and has approximately 5,000 employees throughout the Fox River Valley.

Sources: Current - Infogroup (www.salesgenie.com), direct employer contacts and City of Appleton; Historic - Direct employer contacts and Wisconsin Manufacturers & Services Directory. Total employment from Wisconsin Department of Workforce Development.

**Schedule 18
CITY OF APPLETON
Budgeted Full-Time-Equivalent Personnel Positions**

<u>DEPARTMENT</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General Government										
Legal Services ⁽¹⁾	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Finance Department	16.00	15.00	15.00	14.50	14.00	14.00	14.00	14.00	14.00	14.00
Human Resources	8.80	8.80	8.80	8.80	8.80	8.80	8.80	8.80	8.80	8.80
Information Technology	15.00	12.00	12.00	12.00	11.00	11.00	11.00	11.00	11.00	11.00
Mayor's Office	3.00	2.00	2.00	2.00	3.00	3.00	3.00	4.00	4.00	4.00
Facilities Management	8.00	10.62	10.98	10.62	10.62	10.65	11.65	11.93	11.93	11.93
Total - General Government	60.80	58.42	58.77	57.92	57.42	57.45	58.45	59.73	59.73	59.73
Community Development ⁽²⁾	16.63	19.88	19.13	19.13	19.13	19.13	19.13	18.13	18.13	18.20
Recreation/Library/Transit										
Parks & Recreation ⁽³⁾	33.87	16.25	16.22	16.73	16.88	18.93	19.27	18.99	19.08	19.08
Library	45.50	45.00	44.50	45.00	45.50	46.50	46.00	46.50	46.50	46.50
Valley Transit	52.65	52.65	51.83	54.13	53.97	54.35	54.35	56.20	56.85	58.85
Total - Recreation/Library/Transit	132.02	113.90	112.55	115.86	116.35	119.78	119.62	121.69	122.43	124.43
Public Works	150.50	156.50	154.53	153.53	154.13	154.13	154.13	154.33	154.33	154.33
Public Health & Safety										
Health Department	16.15	15.95	14.20	14.00	14.20	14.20	13.70	13.23	13.48	13.48
Fire Department										
Firefighters and Officers	84.00	84.00	84.00	84.00	84.00	84.00	84.00	84.00	84.00	84.00
Civilian & Administrative	14.50	13.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
Police Department										
Sworn	109.00	108.00	108.00	108.00	109.00	110.00	110.00	110.00	111.00	113.00
Civilian	26.50	26.00	26.00	26.00	27.00	27.00	27.00	27.00	27.00	27.00
Total - Public Health & Safety	250.15	246.95	244.20	244.00	246.20	247.20	246.70	246.23	247.48	249.48
Water & Sewer Utilities	35.00	34.00	34.00	34.00	34.00	34.00	34.00	34.00	34.00	34.00
Total Regular Employees	<u>645.10</u>	<u>629.64</u>	<u>623.19</u>	<u>624.42</u>	<u>627.23</u>	<u>631.69</u>	<u>632.03</u>	<u>634.10</u>	<u>636.09</u>	<u>640.16</u>

Source: Finance and HR Departments.

Notes:

Full time employment is considered to be 2,080 hours per year. Full time equivalencies are calculated by dividing scheduled hours of work by 2,080.

⁽¹⁾ The City Clerk's Office and the City Attorney's Office were merged in 2012 and are under the direction of the City Attorney. Prior periods have been restated for comparison.

⁽²⁾ The Assessor's Office was merged with Community Development in 2013. Prior periods have been restated for comparison.

⁽³⁾ The reduction shown above in staffing for Parks & Recreation in 2011 is the result of combining responsibility for like activities in other departments, specifically, maintenance of Parks structures was moved to the Facilities department and the forestry function, much of which takes place in the public right of way, was moved to Public Works.

Schedule 19
City of Appleton
Operating Indicators by Function/Program

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government										
Building permits issued	560	572	511	537	478	524	433	407	223	208
Est. construction value (\$000)	58,369.2	40,971.6	45,387.1	86,029.6	65,563.9	140,806.5	80,795.3	115,948.4	42,437.6	40,057.3
School aged children vaccinated	94.8%	97.1%	99.1%	98.8%	99.0%	99.7%	98.9%	99.0%	99.0%	99.0%
Accurate weights & measures devices	94.4%	96.5%	96.6%	96.9%	96.7%	94.2%	96.7%	97.4%	97.7%	97.7%
Food-borne disease outbreaks	0	0	0	0	0	0	0	0	0	0
Police										
Calls for service	51,183	50,163	52,309	51,003	48,809	47,694	49,854	51,184	46,056	46,633
Reported Group A crimes	4,194	4,046	4,603	4,469	4,229	4,125	4,363	4,414	3,980	3,691
Reported Group B crimes	7,213	7,025	7,096	6,401	5,939	5,664	5,163		4,454	3,765
Fire										
Emergency response < 4 min.	61.0%	64.0%	65.0%	63.0%	64.0%	63.0%	63.0%	66.0%	68.0%	69.0%
Fire loss (\$000)	1,177.1	846.7	740.8	744.4	919.5	1,187.6	1,293.0	1,378.3	946.4	1,530.4
Fire-related deaths	0	0	0	0	0	0	1	0	0	1
Emergency calls	3,524	3,516	3,701	3,930	4,273	4,414	4,718	4,705	5,028	5,995
Public Works										
Tons of refuse collected	22,214	22,085	20,987	20,236	19,555	19,934	20,209	19,692	19,493	19,462
Tons of recycling collected	5,368	4,405	5,416	6,250	6,492	6,626	6,792	6,448	6,211	6,017
Cu. Yds. of debris - street sweeping	3,130	2,995	3,884	4,124	3,920	5,565	4,059	5,570	4,186	3,940
Cost/ton - residential auto pickup	\$ 82.20	\$ 83.34	\$ 85.81	\$ 86.01	\$ 87.50	\$ 86.82	\$ 87.57	\$ 89.14	\$ 89.72	\$ 114.00
Miles of street reconstructed	2.89	4.25	1.48	2.45	2.90	2.31	5.73	3.30	2.38	1.37
% of trees < 6" dia. pruned annually	60	50	50	60	50	50	50	50	50	50
Average pruning cycle, trees > 6" dia.	7.5 yrs	7.5 yrs	8.0 yrs	8.5 yrs	8.5 yrs	9.0 yrs	8.0 yrs	8.0 yrs	8.5 yrs	9
Parks & Recreation										
Sports league participants	2,284	2,207	2,109	1,826	2,010	3,263	3,400	3,397	3,734	3,786
Aquatics program participants ^{(1), (2)}	2,950	3,087	3,475	3,240	3,399	3,294	6,932	3,678	4,447	3,837
Open swim attendance ⁽²⁾	72,086	81,282	81,949	65,930	64,512	73,071	68,461	86,600	102,520	75,978
Rounds of golf played ⁽³⁾	31,530	29,044	32,305	18,037	30,720	33,247	35,888	34,351	30,884	30,069
Public Library										
Titles in collection	298,221	273,951	282,677	276,609	281,743	291,739	292,085	286,602	278,139	286,552
Materials circulated	1,528,776	1,511,715	1,449,140	1,376,833	1,274,136	1,166,697	1,081,882	1,015,573	954,043	891,071
Annual door count	586,677	569,898	570,743	556,874	510,874	459,780	487,795	467,884	440,696	408,532
Water										
Avg. daily consumption (000 gal.)	8,456	8,875	9,020	8,618	8,715	8,924	8,803	8,936	9,178	8,809
Peak daily consumption (000 gal.)	10,419	11,718	14,775	11,651	11,534	12,641	12,473	11,877	12,559	13,005
Number of invoices per quarter	27,507	27,650	27,725	27,897	28,192	28,316	28,480	28,640	28,649	28,775
Wastewater										
Avg. daily sewage treatment (000 gal.)	12,300	13,000	10,800	10,117	12,293	11,600	12,800	13,769	12,770	13,980
Valley Transit ⁽⁴⁾										
Total route miles	876,760	915,688	933,924	949,830	938,471	939,354	943,299	944,423	938,611	938,472
Passengers	956,086	1,073,655	1,095,650	1,093,202	1,081,882	1,055,544	1,006,035	969,379	984,076	944,492
Cost per trip	\$ 5.50	\$ 4.92	\$ 4.75	\$ 5.04	\$ 5.42	\$ 5.42	\$ 5.73	\$ 6.27	\$ 6.28	\$ 6.04

(1) Appleton residents only
(2) Not unduplicated
(3) Decrease in 2013 due to construction on course that limited it to 9 holes.
(4) Transit statistics include Downtown Trolley service beginning in 2017.

**Schedule 20
City of Appleton
Capital Asset Statistics by Function/Program**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles	83	84	84	84	85	85	85	85	85	85
Fire										
Stations	6	6	6	6	6	6	6	6	6	6
Fire suppression units	10	10	10	10	10	10	10	11	11	11
Public Works										
Miles of streets	340.3	342.2	342.2	343.0	343.0	343.0	343.0	344.0	345.0	347.0
Refuse packers	12	12	12	12	12	12	12	12	12	12
Single- and tri-axle dump trucks	25	24	26	26	26	26	26	26	27	18
Other heavy vehicles	21	21	25	25	25	25	25	25	24	24
Parks & Recreation										
Parks	32	32	32	32	34	34	34	34	34	34
Acreage	495.9	495.9	495.9	495.9	500.3	500.3	500.3	501.7	501.7	501.7
Swimming pools (1)	2	2	2	2	2	2	2	2	2	2
Golf courses	1	1	1	1	1	1	1	1	1	1
Water										
Miles of mains	374.5	378.2	378.3	376.7	376.8	373.3	373.0	375.3	376.2	377.4
Storage capacity (000 gallons)	7,300	7,300	7,300	7,300	7,300	7,300	7,800	12,500	13,000	13,000
Wastewater										
Miles of mains	309.6	310.0	308.3	310.3	311.0	307.3	308.3	308.5	309.0	310.0
Stormwater										
Miles of mains	298.3	301.6	302.7	304.0	304.8	306.8	308.9	308.0	309.6	312.0

(1) In addition to two City-owned pools, the Parks and Recreation department provides programming at three pools owned by the Appleton Area School District.

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*

To the Mayor and Common Council
City of Appleton, 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Appleton, Wisconsin, (the "City") as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 16, 2020.

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) to determine the 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.

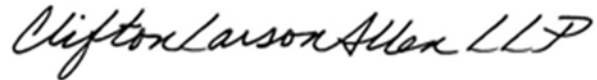
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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 determination of financial statement amounts. 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.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Green Bay, Wisconsin

June 16, 2020

**SINGLE AUDIT
SECTION**



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 *State Single Audit Guidelines*

To the Honorable Mayor and Common Council
City of Appleton, Wisconsin

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM

We have audited City of Appleton, Wisconsin's (the "City's") 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, 2019. 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.

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, 2019.

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 for each major federal and state program and to test and report on internal control over 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 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.



CliftonLarsonAllen LLP

Green Bay, Wisconsin
June 16, 2020

City of Appleton, Wisconsin

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2019

Grantor Agency/Federal Program Title	CFDA Number	Pass-Through Agency
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		
Community Development Block Grant (CDBG)		
Entitlement Program	14.218	Direct Program
Program Income	14.218	Direct Program
Total CDBG		
Emergency Solutions Grant Program (ESG)	14.231	WI Department of Administration
Supportive Housing Program (SHP)	14.235	Direct Program
Total U.S. Department of Housing and Urban Development		
U.S. DEPARTMENT OF JUSTICE		
Bullet Proof Vest Partnership Program	16.607	Direct Program
Edward Byrne Memorial Justice Assistance Grant	16.738	Outagamie County
Total U.S. Department of Justice		
U.S. DEPARTMENT OF TRANSPORTATION		
Federal Transit Cluster		
Federal Transit Formula Grants (Urbanized Area Formula Program)		
2018	20.507	Direct Program
2019	20.507	Direct Program
Total Federal Transit Formula Grants (Urbanized Area Formula Program)		
Bus and Bus Facilities Formula Program		
2015 & 2016	20.526	Direct Program
2019	20.526	Direct Program
Total Bus and Bus Facilities Formula Program		
Total Federal Transit Cluster		
Enhanced Mobility of Seniors and Individuals with Disabilities		
2015	20.513	Direct Program
2016 & 2017	20.513	Direct Program
2019	20.513	Direct Program
Total Enhanced Mobility of Seniors and Individuals with Disabilities		
State and Community Highway Safety		
Seatbelt Enforcement	20.600	WI Department of Transportation
Total U.S. Department of Transportation		
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		
Refugee and Entrant Assistance - State Administrated Programs	93.566	WI Department of Children and Families
Prevention and Public Health Fund (Affordable Care Act) - Immunization Program	93.268	WI Department of Health Services
Preventative Health and Health Services Block Grant	93.991	WI Department of Health Services
Maternal and Child Health Services Block Grant to the States	93.994	WI Department of Health Services
Public Health Emergency Preparedness	93.069	WI Department of Health Services
Public Health Emergency Preparedness	93.069	WI Department of Health Services
Total Public Health Emergency Preparedness		
Project Grant Cooperative Agreement for Tuberculosis for Control Programs	93.116	WI Department of Health Services
Total U.S. Department of Health and Human Services		
TOTAL EXPENDITURES OF FEDERAL AWARDS		

***The City was unable to obtain pass-through number from the respective grantor entity.*

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

Pass-Through Entity Identifying Number	(Accrued) Deferred Revenue 1/1/19	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/19	Total Expenditures	Subrecipient Payment
Direct program	\$ (139,369)	\$ 600,184	\$ 116,055	\$ 576,870	\$ 248,501
Direct program	-	269,020	-	269,020	-
	<u>(139,369)</u>	<u>869,204</u>	<u>116,055</u>	<u>845,890</u>	<u>248,501</u>
14.231	-	265,584	-	265,584	265,584
Direct program	-	207,531	-	207,531	196,029
	<u>(139,369)</u>	<u>1,342,319</u>	<u>116,055</u>	<u>1,319,005</u>	<u>710,114</u>
Direct program	-	7,918	-	7,918	-
**	-	10,529	-	10,529	-
	<u>-</u>	<u>18,447</u>	<u>-</u>	<u>18,447</u>	<u>-</u>
WI-2018-039-01-00	(1,063,940)	1,784,500	164,303	884,863	-
WI-2019-029-00	-	1,456,971	1,194,891	2,651,862	-
	<u>(1,063,940)</u>	<u>3,241,471</u>	<u>1,359,194</u>	<u>3,536,725</u>	<u>-</u>
WI-2006-020-00	(10,702)	10,702	-	-	-
WI-2019-005-01-00	-	2,521,960	-	2,521,960	-
	<u>(10,702)</u>	<u>2,532,662</u>	<u>-</u>	<u>2,521,960</u>	<u>-</u>
	<u>(1,074,642)</u>	<u>5,774,133</u>	<u>1,359,194</u>	<u>6,058,685</u>	<u>-</u>
WI-2017-017-02	(33,890)	32,351	6,235	4,696	-
WI-2018-008-00	(119,875)	121,414	52,235	53,774	-
WI-2019-023-00	-	-	83,687	83,687	-
	<u>(153,765)</u>	<u>153,765</u>	<u>142,157</u>	<u>142,157</u>	<u>-</u>
	<u>-</u>	<u>58,772</u>	<u>-</u>	<u>58,772</u>	<u>-</u>
	<u>(1,228,407)</u>	<u>5,986,670</u>	<u>1,501,351</u>	<u>6,259,614</u>	<u>-</u>
437004-116-0000762-000-01	-	24,466	-	24,466	-
155020	1,290	21,804	(1,280)	21,814	-
159220	1,401	8,753	(1,401)	8,753	-
159320	45	34,392	-	34,437	-
155015	70,297	34,320	(69,447)	35,170	-
155050	-	11,896	-	11,896	-
	<u>70,297</u>	<u>46,216</u>	<u>(69,447)</u>	<u>47,066</u>	<u>-</u>
**	<u>1,643</u>	<u>-</u>	<u>(1,643)</u>	<u>-</u>	<u>-</u>
	<u>74,676</u>	<u>135,631</u>	<u>(73,771)</u>	<u>136,536</u>	<u>-</u>
	<u>\$ (1,293,100)</u>	<u>\$ 7,483,067</u>	<u>\$ 1,543,635</u>	<u>\$ 7,733,602</u>	<u>\$ 710,114</u>

City of Appleton, Wisconsin

SCHEDULE OF EXPENDITURES OF STATE AWARDS FOR THE YEAR ENDED DECEMBER 31, 2019

Grantor Agency/State Program Title	State I.D. Number	Pass-Through Agency	Pass-Through Entity Identifying Number
DEPARTMENT OF NATURAL RESOURCES			
Urban Nonpoint Source and Stormwater Grants	370.TH1	Direct Program	370.TH1
Municipal Flood Control Program	370.658	Direct Program	370.658
Total Department of Military Affairs			
DEPARTMENT OF TRANSPORTATION			
Transit Operating Aids 2017 2019 Total Transit Operating Aids	395.104	Direct Program	395.104
Paratransit Aids	395.104	Direct Program	395.104
Total Department of Transportation			
DEPARTMENT OF HEALTH SERVICES			
Comm Disease Control and Prevention	435.155800	Direct Program	155800
Lead Poisoning	435.157720	Direct Program	157720
Total Department of Health Services			
DEPARTMENT OF MILITARY AFFAIRS			
Regional Emergency Response Team	465.306	Direct Program	465.306
Radiological Field Team Services	465.306	Direct Program	465.306
Total Department of Military Affairs			
DEPARTMENT OF JUSTICE			
ICAC Task Force	455.231	Direct Program	455.231
MEG Drug Enforcement	455.231	Direct Program	455.231
Total Department of Justice			
TOTAL STATE PROGRAMS			

The notes to the schedule of state financial assistance are an integral part of this schedule.

(Accrued) Deferred Revenue 1/1/19	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/19	Total Expenditures	Subrecipient Payment
\$ -	\$ 150,000	\$ -	\$ 150,000	\$ -
-	480,000	-	480,000	-
-	630,000	-	630,000	-
(247,555)	247,555	-	-	-
-	2,708,742	-	2,708,742	-
(247,555)	2,956,297	-	2,708,742	-
-	112,455	-	112,455	-
(247,555)	3,068,752	-	2,821,197	-
-	4,404	-	4,404	-
(1,875)	13,479	(1,796)	9,808	-
(1,875)	17,883	(1,796)	14,212	-
-	45,075	-	45,075	-
-	24,999	-	24,999	-
-	70,074	-	70,074	-
-	8,317	-	8,317	-
-	47,283	-	47,283	-
-	55,600	-	55,600	-
<u>\$ (249,430)</u>	<u>\$ 3,842,309</u>	<u>\$ (1,796)</u>	<u>\$ 3,591,083</u>	<u>\$ -</u>

City of Appleton, Wisconsin

NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR THE YEAR ENDED DECEMBER 31, 2019

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 2019 fund financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and the *State Single Audit Guidelines*, wherein 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 elected to charge a de minimis rate of 10% of modified total costs.

Major federal and state financial assistance programs are identified in the Schedule of Findings and Questioned Costs and are determined as follows:

Federal Programs: The City of Appleton qualifies as a low risk auditee in accordance with the Uniform Guidance. Therefore, major programs, as identified in Section 1 of the Schedule of Findings and Questioned Costs, represent those with combined expenditures exceeding 20% of total federal awards that also were deemed major programs based on the auditor's risk assessment. All other federal programs are considered non-major programs.

State Programs: Major programs represent state assistance programs with expenditures of \$250,000 or more and other state programs classified as major in the *State Single Audit Guidelines*. All other state programs required to be included in the Schedule of Expenditures of State Awards in accordance with Appendix H of the *State Single Audit Guidelines* are non-major programs.

NOTE 3: OVERSIGHT AGENCIES

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

Federal	U.S. Department of Transportation - Federal Transit Administration
	U.S. Department of Housing and Urban Development
State	Wisconsin Department of Transportation
	Wisconsin Department of Natural Resources

City of Appleton, Wisconsin

NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 4: PASS THROUGH ENTITIES

Federal awards have been passed through the following entities:

WI DCF - Wisconsin Department of Children and Families

WI DHS - Wisconsin Department of Health Services

WI DMA - Wisconsin Department of Military Affairs

WI DOA - Wisconsin Department of Administration

WI DOT - Wisconsin Department of Transportation

NOTE 6: STATE OF WISCONSIN COMMUNITY AIDS REPORTING SYSTEM

The Wisconsin Departments of Health Services (DHS) and Children and Families (DCF) utilize the Community Aids Reporting System (CARS) and the System for Payments and Reports of Contracts (SPARC) for reimbursing the City for various federal and state program expenditures. The expenditures reported on the Schedules of Expenditures of Federal and State Awards for various DHS & DCF programs agree with the expenditures reported on the April 2020 CARS for the Human Services.

City of Appleton, Wisconsin

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2019

SECTION I - SUMMARY OF AUDITORS' RESULTS

BASIC FINANCIAL STATEMENTS

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
▶ Material weakness(es) identified?	No
▶ Significant deficiency(ies) identified?	None Reported
Noncompliance material to basic financial statements noted?	No

FEDERAL AND STATE AWARDS

Internal control over major program:	
▶ Material weakness(es) identified?	No
▶ Significant deficiency(ies) identified?	None reported
Type of auditors' report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance?	No
Any audit findings disclosed that are required to be reported in accordance with the <i>State Single Audit Guidelines</i> ?	No

Identification of major federal programs:

CFDA Number	Name of Federal Programs/Clusters
	<i>Federal Transit Cluster</i>
20.507	Federal Transit Formula Grants (Urbanized Area Formula Program)
20.526	Bus and Bus Facilities Formula Program
14.218	Community Development Block Grants

Identification of major state programs:

State ID Number	Name of State Programs
370.658	Municipal Flood Control Program
395.104	Transit Operating Aids

Audit threshold used to determine between Type A and Type B programs:

Federal Awards	\$750,000
State Awards	\$250,000

Auditee qualified as low-risk auditee Yes

City of Appleton, Wisconsin

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2019

SECTION II - FINANCIAL STATEMENT FINDINGS

There are no findings related to the basic financial statements required to be reported under governmental auditing standards generally accepted in the United States of America for the year ended December 31, 2019.

SECTION III - FEDERAL AND STATE AWARD FINDINGS AND QUESTIONED COSTS

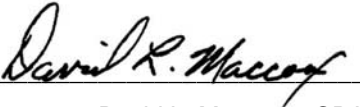
There are no findings related to the federal and state awards for the year ended December 31, 2019.

SECTION IV - OTHER ISSUES

1. Does the auditor have substantial doubt as to the auditee's ability to continue as a going concern? No

2. Does the audit report show audit issues (i.e. material non-compliance, non-material non-compliance, questioned cost, material weakness, significant deficiencies, management letter comment, excess revenue or excess reserve) related to grant/contracts with funding agencies that require audits to be in accordance with the *State Single Audit Guidelines*:
Department of Transportation No

3. Was a Management Letter or other document conveying audit comments issued as a result of this audit? Yes

4. Name and signature of partner 
David L. Maccoux, CPA

5. Date of report June 16, 2020

City of Appleton, Wisconsin

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND CORRECTIVE ACTION PLAN FOR THE YEAR ENDED DECEMBER 31, 2019

PRIOR YEAR AUDIT FINDINGS

There were no findings related to financial statements required to be reported under governmental auditing standards generally accepted in the United States of America for the year ended December 31, 2018.

There were no findings or questioned costs for federal or state awards for the year ended December 31, 2018.

CORRECTIVE ACTION PLAN

None required.

City of Appleton, Wisconsin

SETTLEMENT OF DHS COST REIMBURSEMENT AWARD FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Childhood Lead</u>	<u>Maternal Child Health</u>	<u>Immunization</u>
	<u>CARS profile</u>	<u>CARS profile</u>	<u>CARS profile</u>
DHS identification number	157720	159320	155020
Award amount	\$ 9,808	\$ 34,437	\$ 21,814
Award period	1/1/19 - 12/31/19	1/1/19 - 12/31/19	1/1/19 - 12/31/19
Period of award within audit period	1/1/19 - 12/31/19	1/1/19 - 12/31/19	1/1/19 - 12/31/19
Expenditures reported to DHS for payment	<u>\$ 9,808</u>	<u>\$ 34,437</u>	<u>\$ 21,814</u>
Actual allowable cost of reward			
Program expenses			
Grants and other assistance to individuals in the US	\$ -	\$ -	\$ -
Other salaries and wages	7,651	33,683	18,173
Other program expenses (supplies, training, etc.)	<u>2,236</u>	<u>845</u>	<u>3,652</u>
Total program expenses	9,886	34,528	21,826
Less: Program revenue and other offsets to costs*	<u>-</u>	<u>-</u>	<u>-</u>
Total allowable costs	<u>\$ 9,886</u>	<u>\$ 34,528</u>	<u>\$ 21,826</u>

*Other offsets to costs consist of revenues related to the cost of services provided by the City of Appleton to other municipalities and counties for administration of the bioterrorism grants

Preventative Health		Bioterrorism	
CARS profile	CARS profile	CARS profile	CARS profile
159220	155800	155015	155050
\$ 9,853	\$ 5,700	\$ 108,784	\$ 17,900
10/1/17 - 09/30/20	7/1/18 - 6/30/20	7/1/18 - 6/30/20	7/1/18 - 6/30/19
1/1/19 - 12/31/19	1/1/19 - 12/31/19	1/1/19 - 12/31/19	1/1/19 - 12/31/19
<u>\$ 8,753</u>	<u>\$ 4,404</u>	<u>\$ 35,170</u>	<u>\$ 11,896</u>

\$ -	\$ -	\$ -	\$ -
510	-	26,875	9,090
<u>8,243</u>	<u>4,404</u>	<u>8,295</u>	<u>2,806</u>
8,753	4,404	35,170	11,896
-	-	-	-
<u>\$ 8,753</u>	<u>\$ 4,404</u>	<u>\$ 35,170</u>	<u>\$ 11,896</u>