

COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF APPLETON, WISCONSIN
YEAR ENDING DECEMBER 31, 2020



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



City of Appleton, Wisconsin
COMPREHENSIVE ANNUAL FINANCIAL REPORT
December 31, 2020

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City of Appleton, Wisconsin

DECEMBER 31, 2020

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SINGLE AUDIT

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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, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

OTHER MATTERS

Prior-Year Comparative Information

We have previously audited the City's 2019 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 16, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, 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.

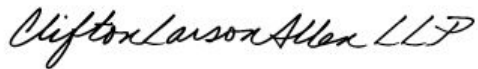
The supplementary information and schedules of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to 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, 2019 (not presented herein), and have issued our report thereon dated June 16, 2020, 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, 2019 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 2019 financial statements. The general fund budgetary comparison schedules have been subjected to the auditing procedures applied in the audit of the 2019 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, 2019.

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 7, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 7, 2021

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, 2020. 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 \$680,483,943. Of this amount, \$79,347,998 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 \$48,109,810, an increase of \$9,007,699 from the 2019 balance of \$39,102,111. The increase was a result of positive operating results in 2020 from the City's general fund which added \$5,620,862 to its fund balance along with an additional \$3,386,837 being added as the result of operations from other governmental funds. The general fund increase was attributable to unrealized gains on investments, federal emergency relief funds received for COVID-19 mitigation costs and prior year storm damage, and unanticipated increases in other State and local grants and aids, along with savings from staff vacancies during the year coupled with a decrease in employee health care costs, and decreased street construction and maintenance expenditures. 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 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 \$310,371,709, an increase of \$9,808,419 from the 2019 net position of \$300,563,290. The increase was a result of positive operating results in 2020 from almost all of the City's enterprise funds led by the Stormwater Utility, \$4,217,861, Water Utility, \$4,065,192, Valley Transit, \$1,833,633, Wastewater Utility, \$758,582 and Reid Golf Course, \$102,543, offset by a deficit in the Parking Utility \$369,790 due to the COVID-19 pandemic. A more detailed discussion of the operating results of the major enterprise 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, \$12,109,114 has been recorded as a net pension asset as of December 31, 2020. As of the December 31, 2019 measurement date used for the 2020 financial statements, WRS reported total resources available to provide pension benefits of \$112.1 billion. They also reported a total liability for pensions of \$108.9 billion, resulting in a net pension surplus of \$3.2 billion. The City's proportionate share of this asset was \$12,109,114.
- During 2020, the City issued \$15,000,000 of general obligation debt and retired \$7,705,000 of general obligation bonds and notes, resulting in an outstanding balance of \$76,660,000 on December 31, 2020. The major capital projects funded with the amount borrowed in 2020 include the construction of the Lawe Street Trestle Trail, the reconstruction of the parking lot at the Scheig Center, the purchase of body cameras and tasers for the Police Department and a new fire truck for the Fire Department, and the reconstruction of various streets, bridges, and sidewalks. 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 \$76,446,000 (\$76,660,000 less reserves on hand) which is 24.7% of the legal limit of \$310,015,560, well under the statutory limit.
- During 2020, the City issued \$20,680,000 of revenue bonds for their Water, Wastewater and Stormwater Utilities while retiring \$14,220,000 of outstanding revenue bond debt. This activity resulted in increasing total outstanding revenue bond debt from \$96,075,000 on December 31, 2019 to \$102,535,000 as of December 31, 2020. This total outstanding revenue bond debt on December 31, 2020 included \$43,635,000 of Stormwater Utility bonds, \$41,315,000 of Water Utility bonds, and \$17,585,000 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 41 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 \$680,483,943 as of December 31, 2020.

The largest portion of the City's net position (approximately 82%) 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 2020	Business- Type Activities 2020	Totals
Current and Other Assets	\$ 142,737,338	\$ 87,334,093	\$ 230,379,403
Capital Assets	<u>392,025,205</u>	<u>340,790,870</u>	<u>732,816,075</u>
Total Assets	<u>535,070,515</u>	<u>428,124,963</u>	<u>963,195,478</u>
Deferred Outflows of Resources	<u>24,772,427</u>	<u>6,570,037</u>	<u>31,342,464</u>
Other Liabilities	9,962,538	6,611,955	16,574,493
Long-Term Liabilities	<u>92,920,456</u>	<u>111,399,007</u>	<u>204,319,463</u>
Total Liabilities	<u>102,882,994</u>	<u>118,010,962</u>	<u>220,893,956</u>
Deferred Inflows of Resources	<u>85,847,714</u>	<u>6,312,329</u>	<u>92,160,043</u>
Net Position:			
Net Investment in Capital Assets	314,847,490	241,797,026	557,446,544
Restricted	19,402,361	25,089,068	44,491,429
Unrestricted	<u>35,862,383</u>	<u>43,485,615</u>	<u>78,545,970</u>
Total Net Position	<u>\$ 370,112,234</u>	<u>\$ 310,371,709</u>	<u>\$ 680,483,943</u>

	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>

City of Appleton, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS

An additional portion of the City's net position (approximately 6.5%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of \$80,347,998 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, 2020. Governmental activities increased the City of Appleton's net position by \$7,576,251 while business-type activities increased the City's net position by \$9,808,419.

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

	Governmental Activities 2020	Business- Type Activities 2020	Totals
Revenues:			
Program Revenues:			
Charges for services	\$ 8,356,886	\$ 45,252,325	\$ 53,609,211
Operating grants and contributions	9,513,273	8,795,406	18,308,679
Capital grants and contributions	1,958,429	1,623,129	3,581,558
General Revenues:			
Property taxes	49,901,044	-	49,901,044
Other taxes	2,296,548	-	2,296,548
Intergovernmental	11,969,608	-	11,969,608
Investment income	2,501,491	1,897,133	4,398,624
Gain (loss) on sale of assets	840,164	14,867	855,031
Miscellaneous	202,536	32,473	235,009
Total Revenues	<u>87,539,979</u>	<u>57,615,333</u>	<u>145,155,312</u>
Expenses:			
General government	7,437,182	-	7,437,182
Public safety	34,829,391	-	34,829,391
Public works	22,041,260	-	22,041,260
Education and recreation	11,668,689	-	11,668,689
Community development	4,109,547	-	4,109,547
Interest and fiscal charges	1,441,981	-	1,441,981
Water Utility	-	15,108,556	15,108,556
Wastewater Utility	-	11,414,045	11,414,045
Valley Transit	-	8,794,362	8,794,362
Stormwater Utility	-	8,150,321	8,150,321
Other non-major proprietary funds	-	2,775,308	2,775,308
Total Expenses	<u>81,528,050</u>	<u>46,242,592</u>	<u>127,770,642</u>
Change in net position before transfers	7,505,985	11,680,713	17,384,670
Transfers	<u>1,564,322</u>	<u>(1,564,322)</u>	<u>-</u>
Increase (decrease) in net position	7,576,251	9,808,419	17,384,670
Net Position – January 1, 2020	<u>362,535,983</u>	<u>300,563,290</u>	<u>663,099,273</u>
Net Position – December 31, 2020	<u>\$ 370,112,234</u>	<u>\$ 310,371,709</u>	<u>\$ 680,483,943</u>

City of Appleton, Wisconsin

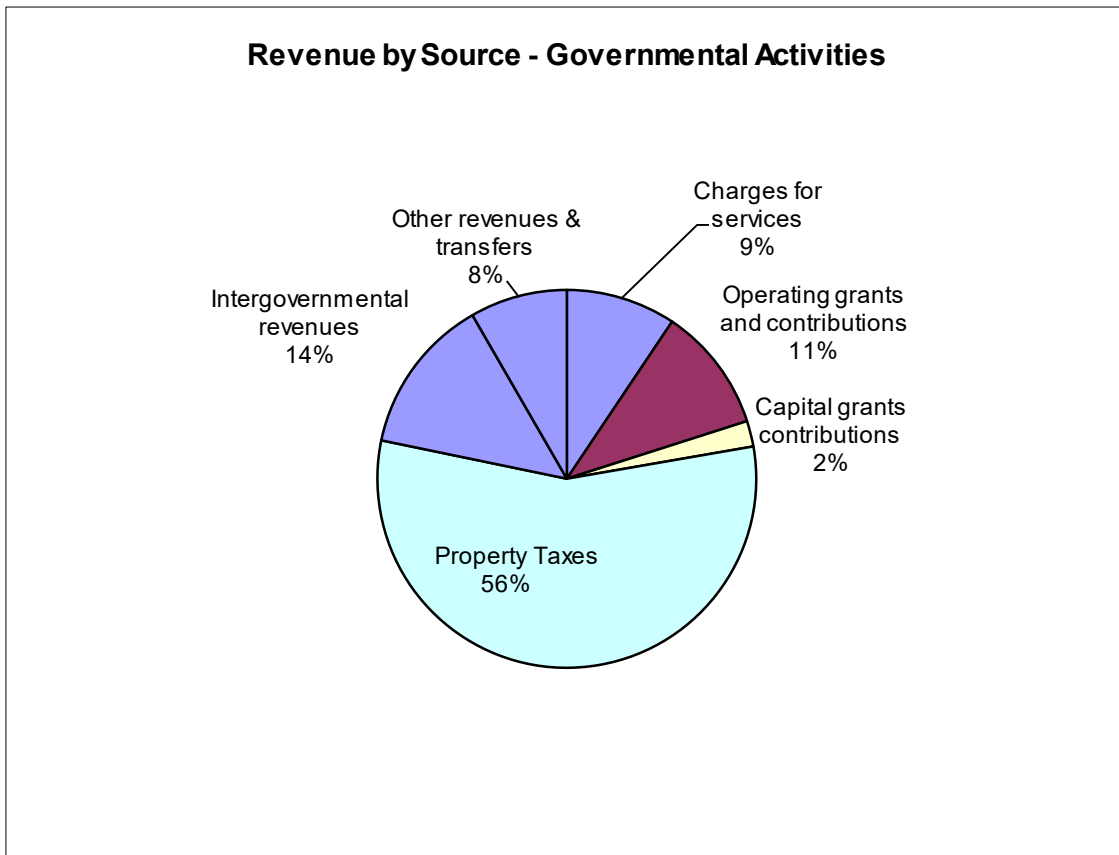
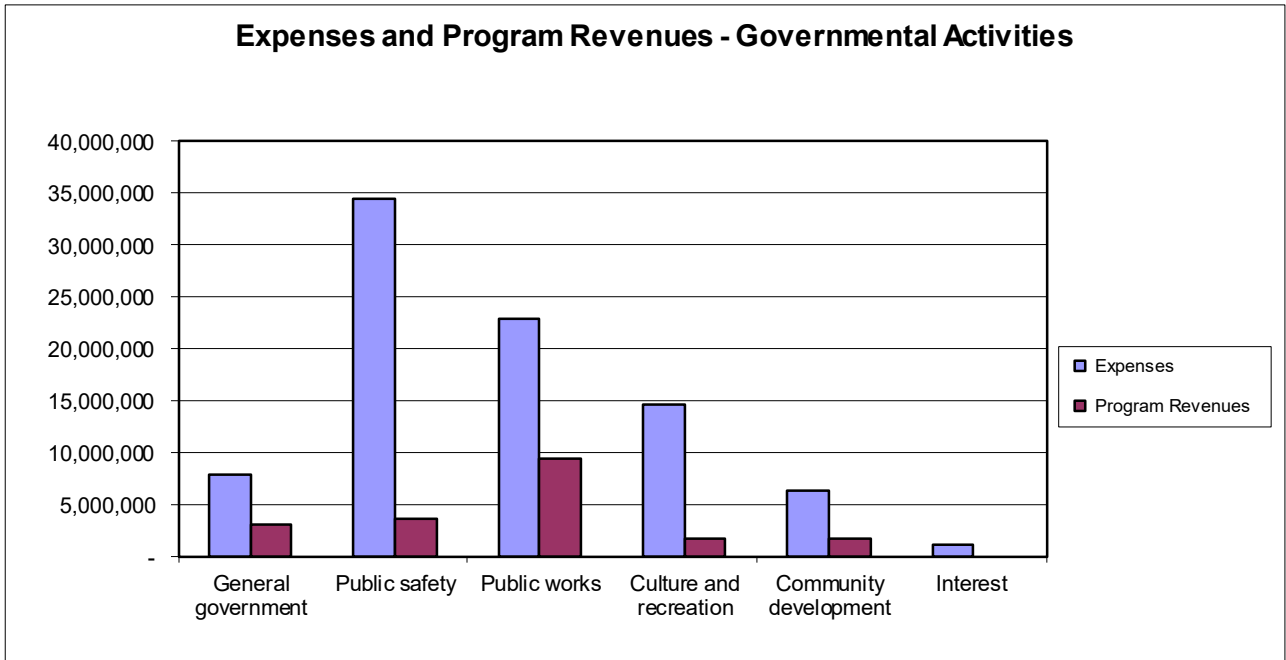
MANAGEMENT'S DISCUSSION AND ANALYSIS

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

	Governmental Activities 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
Culture 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>
Change 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

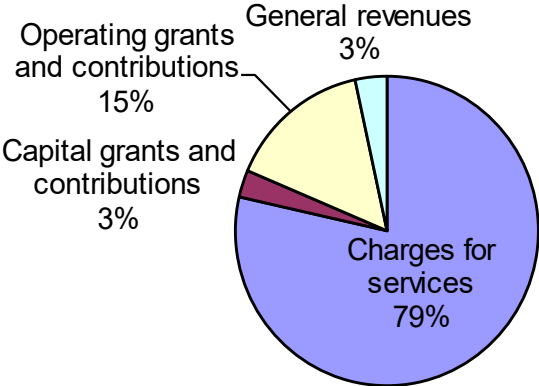
MANAGEMENT'S DISCUSSION AND ANALYSIS



City of Appleton, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS

Revenues by Source - Business-type Activities



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 \$48,109,810. 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 \$6,107,298; 2) restricted \$4,542,342; 3) committed \$1,574,278; 4) assigned \$23,967,867; and 5) unassigned \$11,918,025. 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 24.7% of the limit and has a general obligation debt per capita of \$1,012.

For the year ended December 31, 2020, general fund revenues and transfers in totaled \$65,739,721 while expenses and transfers out were \$60,118,859 resulting in an increase of \$5,620,862 for the year. On the revenue side, the increase was attributable to unrealized gains on investments, federal emergency relief funds received for prior year storm damage, and unanticipated increases in other State and local grants and aids. On the expense side, savings from staff vacancies during the year coupled with a decrease in employee health care costs, decreased street construction and maintenance expenditures, federal relief funds received for COVID-19 mitigation expenditures, and positive budget expense variances throughout the general fund departments all attributed to the year-end surplus.

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.

Water Utility: Water Utility operating income was \$6,590,171 in 2020, or a 4.85% rate of return on the net investment rate base. This compares to operating income of \$6,796,256 in 2019, or a 5.14% rate of return. The decrease in operating income was a result of decreased revenues due to the slight decline in consumption and the required waiver of late fees by the Wisconsin Public Service Commission (PSC) due to the COVID-19 pandemic. Finished water production was down 1.7% while residential consumption increased 9% from 2019. These changes were offset by a 8.5% decrease in non-residential and wholesale consumption. On the expense side, operating expenses decreased \$11,000 from 2019. Major operating expenses in 2020 included the cost to continue a corrosion-control study that was started late in 2019 and an Environmental Protection Agency (EPA) required risk and resiliency study.

City of Appleton, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS

Wastewater Utility: The Wastewater Utility recorded operating income of \$51,115 in 2020 compared to operating income of \$1,665,626 in 2019. The decrease in operating income was due to the decline in sewer use from non-residential customers during the COVID-19 pandemic and a 50% decrease in hauled waste from the largest customer in this billing class. Due to this loss of revenue in the hauled waste program along with the cost of future capital projects, an increase in wastewater rates was approved and put into effect beginning January 1, 2021. The operating revenue was also impacted by the waiver of late fees during part of 2020 due to the pandemic. Operating expenses decreased by approximately \$149,000 due primarily to a decrease in electrical and natural gas costs resulting from recent equipment upgrades.

Stormwater Utility: Stormwater Utility operating income was \$4,406,624 in 2020 compared to operating income of \$4,934,089 in 2019, a decrease of 10.7%. Operating revenues increased slightly due to the addition of equivalent runoff units (ERU's) in 2020. However, this additional revenue was offset by the waiver of late fees for a portion of the year due to the COVID-19 pandemic. Operating expenses for 2020 increased 10%, or approximately \$626,000, from 2019. The increase in operating expenses was due to an increase in depreciation expense related to the addition of a large detention pond in 2019, and the addition of infrastructure and three ponds in the Spartan Avenue northwest growth area. Additionally, operating expenses increased due to an increase in labor and vehicle costs related to additional maintenance work completed late in the year due to warmer weather conditions, an increase in leaf collection costs due to a longer collection season, special assessment costs for sidewalk and road improvements adjacent to a property owned by the Utility, increased consulting costs related to general maintenance and storm trap inspections, and an increase in infrastructure planning and sewer lateral expense.

Valley Transit: Operating revenues decreased \$601,058 in 2020 due to an approximate 42% decrease in ridership on the fixed route service (\$242,000) and a decrease of approximately \$315,000 in ADA and ancillary paratransit fares. The decrease in ridership was due to the COVID-19 pandemic that shut down most of the country in mid-March 2020. Preventive measures included social distancing, travel restrictions, lockdowns and quarantines for people exposed or symptomatic. Precautions continued throughout 2020.

Operating expenses decreased by \$1,562,065 mostly due to a decrease in purchased transportation expense resulting from lower demand for ADA and ancillary paratransit services due to the pandemic. Payroll expense increased due to collective bargaining agreements for represented staff and pay for performance adjustments for non-represented staff.

In spite of lower operating revenues, the combination of lower operating expenses, an increase in State support and the receipt of CARES Act funding resulted in lower local operating support (a reduction of \$443,850). The CARES Act funding was used for safety equipment and related operating expenses directly related to the pandemic and was a 100% reimbursement of those costs.

GENERAL FUND BUDGETARY HIGHLIGHTS

The final amended General Fund budget had total appropriations (including transfers) of \$3,245,245 more than the original budget. The total original appropriations, including those for transfers out, were \$64,619,007, while the final appropriations were \$67,864,252. A large part of the increase, \$2,741,444, was related to contingency funds established in the past that were carried over from 2019 into 2020 to safeguard against uncertainties in the economy. This contingency fund reallocation consists of reserves for fuel costs (\$137,315) and wage increases (\$1,389,564), an amount to guard against future potential State aid reductions (\$812,767), and an overall general contingency fund for unforeseen emergencies or catastrophic events (\$402,298).

The remaining increase in the 2020 Budget of \$503,801 was related to \$246,695 of unexpended 2019 budget funds carried over to pay for expenses that were incurred in 2020. Additionally, various budget increases were approved by the City Council throughout the year totaling \$257,106. 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 2020, the City had invested a total of \$732,816,075 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 approximately \$3.6 million of expenses in 2020 and will continue to be a focus due to an aging distribution system and to accommodate development on the north side of the City. Additionally, approximately \$1.5 million was recorded as work in process for a multi-year project to upgrade water collection systems at the Lake Station.

Wastewater: In 2020, capital asset additions included approximately \$2.4 million in improvements to the wastewater collection system. Additionally, other projects included a \$142,000 project to upgrade the Midway Road lift station, a \$300,000 project to replace a water lateral at the treatment Plant, and \$243,000 to replace a parking lot and part of a driveway at the treatment plant. Construction work in process at the end of year included \$3 million for electrical and process equipment improvement projects that will be completed in 2021.

Stormwater: Capital improvements necessary to continue our efforts in the management of stormwater in the City accounted for approximately \$3.9 million in capital outlay for additions and upgrades to mains and infrastructure. Additionally, a \$925,000 project was completed to add three ponds and stormwater infrastructure in the Spartan Avenue development area on the northwest side of the City.

Valley Transit: Net capital assets increased \$1,736,383 during 2020 as the result of capital purchases of \$2,554,362 financed by State and federal capital grants and local match dollars, offset by depreciation expense of \$817,979. Capital investments in 2020 consisted of five new buses at a total investment of \$2,354,614, a floor scrubber for \$59,286, a bus shelter for \$10,043, a staff vehicle for \$38,830, maintenance software for \$55,981, and completion of two scheduling and dispatch software projects costing \$35,608.

Governmental Activities: Maintaining existing infrastructure, always a high priority of the City, accounted for the largest general fixed asset expenditures, with approximately \$9.4 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 2020 (including projects started in 2019 and completed in 2020) included \$993,324 in renovations underway in City Hall, \$406,976 for various restroom, HVAC, and flooring upgrades in several fire stations, and \$264,307 in flooring replacements and security upgrades at the Library, including \$142,322 on the security upgrades started in 2019.

Investments in equipment in 2020 consisted predominantly of replacements of vehicles managed by the City's Central Equipment Agency (\$3,475,872). Additionally, work continued on the project to replace existing legacy mainframe computer systems with an enterprise resource planning (ERP) system, the core computer network and video conferencing equipment were upgraded (\$211,317), the audiovisual system in Council chambers was upgraded to improve public access (\$98,940), and electronic poll books were purchased to improve security and efficiency in administering elections (\$119,218).

Finally, quality of life enhancements continue to be a major emphasis for the City. The largest investment was for completion of the Lawe Street trestle trail (\$1,948,454). Other improvements included upgrades to the parking lot at the Scheig Center in Memorial Park (\$707,456) and improvements to playgrounds in Pierce and Memorial Parks (\$1,060,164).

City of Appleton, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS

CAPITAL ASSETS AT YEAR-END NET OF ACCUMULATED DEPRECIATION

	Governmental Activities 2020	Business-Type Activities 2020	Totals
Land	\$ 10,031,409	\$ 12,149,233	\$ 22,180,642
Right-of-ways	79,816,106	-	79,816,106
Land improvements	38,721,202	-	38,721,202
Intangible assets	1,244,921	3,005,232	4,250,153
Improvements	20,145,648	-	20,145,648
Buildings	53,497,377	175,310,084	228,807,461
Equipment, furniture and fixtures	53,439,148	97,265,174	150,704,322
Infrastructure	-	281,782,918	281,782,918
Streets	195,768,888	-	195,768,888
Sidewalks	35,485,275	-	35,485,275
Traffic signals	7,365,163	-	7,365,163
Bridges	55,760,153	-	55,760,153
Construction in progress	8,278,349	11,617,817	19,896,166
Accumulated depreciation	<u>(167,528,434)</u>	<u>(240,339,588)</u>	<u>(407,868,022)</u>
Totals	<u>\$ 392,025,205</u>	<u>\$ 340,790,870</u>	<u>\$ 732,816,075</u>

	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>

City of Appleton, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS

Long-Term Debt

During 2020, the City issued \$15,000,000 of general obligation debt and retired \$7,705,000 of general obligation bonds and notes, resulting in an outstanding balance of \$76,660,000 on December 31, 2020. Additionally, the City issued \$20,680,000 of revenue bonds in 2020 while retiring \$14,220,000 of bonds resulting in an outstanding balance of \$102,535,000.

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 \$76,446,000 (\$76,660,000 less reserves on hand) which is 24.7% of the legal limit of \$310,015,560. Furthermore, City policy limits aggregate debt to 40% of the legal limit. The net debt outstanding on December 31, 2020 is 61.6% of the 40% policy limit.

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

	Governmental Activity 2020	Business-Type Activity 2020	Totals
General obligation bonds and notes payable	\$ 75,260,000	\$ 1,400,000	\$ 76,660,000
Revenue bonds	-	102,535,000	102,535,000
Total Outstanding General Obligation and Revenue Bonds	\$ 75,260,000	\$ 103,935,000	\$ 179,195,000
	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	\$ 67,595,000	\$ 97,695,000	\$ 165,290,000

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 still feeling the financial effects of the COVID-19 virus pandemic. Although signs of "getting back to normal" are increasing as vaccinations increase and new virus cases decrease, the City of Appleton is still expecting to experience some financial uncertainty in 2021. The continuing impact of COVID-19 mitigation efforts are expected to have a negative effect on certain City revenues, specifically those related to recreation programs, 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 slowly return to life. The total effect of these revenue shortfalls is difficult to quantify at this time since it is unknown how much longer the pandemic will last and how quickly the economy will rebound once the virus is contained.

City of Appleton, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fortunately, the federal government, through the American Rescue Plan Act (ARP), has awarded non-competitive funding to municipalities throughout the nation to help combat certain lost revenues as well as fund additional COVID-19 related costs. The ARP funds are expected to reimburse the City for reductions in eligible revenues experienced in both 2020 and 2021 as well as any additional COVID-19 mitigation costs incurred in 2021.

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**

BASIC FINANCIAL STATEMENTS

City of Appleton, Wisconsin

STATEMENT OF NET POSITION DECEMBER 31, 2020 WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2019

	Governmental Activities	Business-type Activities	Totals		Component Units
			2020	2019	
ASSETS					
Cash and investments	\$ 80,328,889	\$ 53,162,228	\$ 133,491,117	\$ 118,581,390	\$ 363,251
Receivables					
Taxes and special charges	28,687,096	-	28,687,096	26,903,823	-
Accounts	1,970,390	3,693,318	5,663,708	6,739,325	-
Special assessments	137,398	475,146	612,544	344,567	68,757
Developer loans	815,951	-	815,951	1,048,423	-
Housing loans, net	6,180,186	-	6,180,186	6,401,197	-
Accrued interest	400,711	-	400,711	396,105	-
Other	658,431	5,855,914	6,514,345	5,938,587	-
Internal balances	3,340,731	(3,340,731)	-	-	-
Due from other governments	1,159,782	417,917	1,577,699	2,467,941	-
Inventories	-	724,028	724,028	612,218	-
Prepaid items	987,982	99,522	1,087,504	1,134,582	-
Deposit in CVMIC	2,020,950	-	2,020,950	2,020,950	-
Land held for future use	6,329,592	10,082	6,339,674	6,697,967	420,130
Regulatory asset - early retirement loss	-	684,668	684,668	1,369,337	-
Restricted assets					
Cash and investments	-	23,408,549	23,408,549	19,096,916	4,666,720
Accrued interest	-	61,559	61,559	84,176	-
Net pension asset	10,027,221	2,081,893	12,109,114	-	-
Capital assets, nondepreciable	137,028,801	26,772,282	163,801,083	155,449,870	2,060,000
Capital assets, depreciable	254,996,404	314,018,588	569,014,992	558,762,910	29,756,658
Total assets	<u>535,070,515</u>	<u>428,124,963</u>	<u>963,195,478</u>	<u>914,050,284</u>	<u>37,335,516</u>
DEFERRED OUTFLOWS OF RESOURCES					
Loss on advance refunding	49,715	1,525,516	1,575,231	1,944,258	-
Pension related amounts	23,485,341	4,742,490	28,227,831	35,841,043	-
Other postemployment related amounts	1,237,371	302,031	1,539,402	848,662	-
Total deferred outflows of resources	<u>24,772,427</u>	<u>6,570,037</u>	<u>31,342,464</u>	<u>38,633,963</u>	<u>-</u>
LIABILITIES					
Accounts payable	2,106,564	3,172,036	5,278,600	6,775,931	30,819
Other accrued liabilities	2,442,015	375,599	2,817,614	2,526,569	-
Claims payable	5,837,000	-	5,837,000	4,837,000	-
Due to other governments	30	1,290,162	1,290,192	1,224,388	-
Accrued interest payable	560,326	473,072	1,033,398	1,013,202	321,926
Special deposits	16,603	500	17,103	22,021	-
Unearned revenues	-	1,300,586	1,300,586	1,127,471	-
Long-term obligations					
Due within one year	13,697,626	6,607,866	20,305,492	17,974,018	100,000
Landfill post closure care	1,350,000	-	1,350,000	1,440,000	-
Due in more than one year	73,275,073	103,668,872	176,943,945	164,583,733	31,165,000
Net pension liability	-	-	-	13,228,818	-
Other postemployment benefits	4,597,757	1,122,269	5,720,026	5,020,901	-
Total liabilities	<u>103,882,994</u>	<u>118,010,962</u>	<u>221,893,956</u>	<u>219,774,052</u>	<u>31,617,745</u>
DEFERRED INFLOWS OF RESOURCES					
Property taxes levied for subsequent year	55,424,168	-	55,424,168	51,358,184	230,931
Other	69,544	-	69,544	-	-
Pension related amounts	30,076,866	6,244,683	36,321,549	18,328,872	-
Other postemployment related amounts	277,136	67,646	344,782	123,866	-
Total deferred inflows of resources	<u>85,847,714</u>	<u>6,312,329</u>	<u>92,160,043</u>	<u>69,810,922</u>	<u>230,931</u>
NET POSITION					
Net investment in capital assets	314,847,490	241,797,026	556,644,516	555,735,358	551,658
Restricted	19,402,361	25,089,068	44,491,429	31,602,573	4,666,720
Unrestricted	35,862,383	43,485,615	79,347,998	75,761,342	268,462
Total net position	<u>\$ 370,112,234</u>	<u>\$ 310,371,709</u>	<u>\$ 680,483,943</u>	<u>\$ 663,099,273</u>	<u>\$ 5,486,840</u>

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, 2020
WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2019**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
General government	\$ 7,437,182	\$ 2,876,516	\$ 150,354	\$ -
Public safety	34,829,391	1,141,464	2,627,114	-
Public works	22,041,260	3,454,834	4,170,561	1,861,703
Culture and recreation	11,668,689	444,697	1,280,841	40,178
Conservation and development	4,109,547	439,375	1,284,403	56,548
Interest and fiscal charges	1,441,981	-	-	-
Total governmental activities	<u>81,528,050</u>	<u>8,356,886</u>	<u>9,513,273</u>	<u>1,958,429</u>
BUSINESS-TYPE ACTIVITIES				
Water utility	15,108,556	20,053,605	-	242,238
Wastewater utility	11,414,045	10,713,333	-	647,282
Transit utility	8,794,362	1,011,981	8,792,823	-
Stormwater utility	8,150,321	11,069,263	-	717,789
Other non-major enterprise funds	2,775,308	2,404,143	2,583	15,820
Total business-type activities	<u>46,242,592</u>	<u>45,252,325</u>	<u>8,795,406</u>	<u>1,623,129</u>
Total primary government	<u>\$ 127,770,642</u>	<u>\$ 53,609,211</u>	<u>\$ 18,308,679</u>	<u>\$ 3,581,558</u>
Component units	<u>\$ 2,608,531</u>	<u>\$ 225,757</u>	<u>\$ 50,000</u>	<u>\$ -</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
		2020	2019	
\$ (4,410,312)	\$ -	\$ (4,410,312)	\$ (4,928,222)	\$ -
(31,060,813)	-	(31,060,813)	(33,040,962)	-
(12,554,162)	-	(12,554,162)	(15,387,487)	-
(9,902,973)	-	(9,902,973)	(10,966,226)	-
(2,329,221)	-	(2,329,221)	(4,926,328)	-
(1,441,981)	-	(1,441,981)	(1,264,672)	-
<u>(61,699,462)</u>	<u>-</u>	<u>(61,699,462)</u>	<u>(70,513,897)</u>	<u>-</u>
-	5,187,287	5,187,287	5,754,496	-
-	(53,430)	(53,430)	1,801,889	-
-	1,010,442	1,010,442	2,008,462	-
-	3,636,731	3,636,731	5,872,022	-
-	(352,762)	(352,762)	977,229	-
<u>-</u>	<u>9,428,268</u>	<u>9,428,268</u>	<u>16,414,098</u>	<u>-</u>
<u>(61,699,462)</u>	<u>9,428,268</u>	<u>(52,271,194)</u>	<u>(54,099,799)</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,332,774)</u>
39,230,513	-	39,230,513	38,777,130	-
2,715,286	-	2,715,286	2,317,487	-
7,955,245	-	7,955,245	6,481,724	-
2,296,548	-	2,296,548	1,870,383	1,169,647
11,969,608	-	11,969,608	11,841,396	-
2,501,491	1,897,133	4,398,624	4,794,814	33,455
202,536	32,473	235,009	265,551	-
840,164	14,867	855,031	348,053	-
1,564,322	(1,564,322)	-	-	-
<u>69,275,713</u>	<u>380,151</u>	<u>69,655,864</u>	<u>66,696,538</u>	<u>1,203,102</u>
7,576,251	9,808,419	17,384,670	12,596,739	(1,129,672)
<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>
<u>\$ 370,112,234</u>	<u>\$ 310,371,709</u>	<u>\$ 680,483,943</u>	<u>\$ 663,099,273</u>	<u>\$ 5,486,840</u>

City of Appleton, Wisconsin

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2020**

WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2019

	General	Other Governmental Funds	Totals	
			2020	2019
ASSETS				
Cash and investments	\$ 53,111,152	\$ 25,370,952	\$ 78,482,104	\$ 70,353,098
Receivables				
Taxes and special charges	18,962,327	9,724,769	28,687,096	26,903,823
Accounts	1,061,038	856,564	1,917,602	2,406,584
Special assessments	33,584	103,814	137,398	135,920
Developer loans	645,951	-	645,951	713,423
Housing loans, net	-	6,180,186	6,180,186	6,401,197
Notes receivable - component unit	-	170,000	170,000	335,000
Accrued interest receivable	400,711	-	400,711	396,105
Other	483,330	175,101	658,431	173,421
Due from other funds	2,766,943	17,454	2,784,397	2,098,512
Advance to other funds	7,600,876	-	7,600,876	10,607,718
Due from other governments	50,000	1,100,416	1,150,416	328,377
Prepaid items	884,914	595	885,509	870,151
	<u>\$ 86,000,826</u>	<u>\$ 43,699,851</u>	<u>\$ 129,700,677</u>	<u>\$ 121,723,329</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 668,825	\$ 1,340,610	\$ 2,009,435	\$ 3,680,313
Other accrued liabilities	2,290,575	79,804	2,370,379	2,167,924
Claims payable	2,937,000	-	2,937,000	2,937,000
Due to other funds	393,522	796,012	1,189,534	589,348
Advance from other funds	-	7,460,876	7,460,876	10,467,718
Due to other governments	30	-	30	30
Special deposits	16,603	-	16,603	21,521
	<u>6,306,555</u>	<u>9,677,302</u>	<u>15,983,857</u>	<u>19,863,854</u>
Deferred inflows of resources	<u>40,265,764</u>	<u>25,341,246</u>	<u>65,607,010</u>	<u>62,757,364</u>
Fund balances				
Nonspendable	6,106,703	595	6,107,298	7,819,413
Restricted	-	4,542,342	4,542,342	6,242,902
Committed	-	1,574,278	1,574,278	1,792,790
Assigned	15,204,222	8,763,645	23,967,867	20,116,864
Unassigned	18,117,582	(6,199,557)	11,918,025	3,130,142
	<u>39,428,507</u>	<u>8,681,303</u>	<u>48,109,810</u>	<u>39,102,111</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 86,000,826</u>	<u>\$ 43,699,851</u>	<u>\$ 129,700,677</u>	<u>\$ 121,723,329</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, 2020**

WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2019

	<u>2020</u>	<u>2019</u>
RECONCILIATION TO THE STATEMENT OF NET POSITION		
Total fund balances as shown on previous page	\$ 48,109,810	\$ 39,102,111
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.	377,058,822	368,887,683
Land held for future use is reported in the funds as expenditures and revenues. However, in the statement of net position, the costs of these assets are capitalized.	6,329,592	6,687,885
Other long-term assets are not available to pay current period expenditures and therefore are deferred in the funds.	10,113,298	11,399,180
Net position of the internal service fund is reported in the statement of net position as governmental activities	16,211,391	15,477,702
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	22,543,482	28,322,504
Deferred inflows related to pensions	(28,839,093)	(14,466,250)
Deferred outflows related to other postemployment benefits	1,175,025	649,395
Deferred inflows related to other postemployment benefits	(263,172)	(94,782)
Long-term assets are not considered available; therefore, are not reported in the funds		
Net pension asset	9,614,564	-
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds and notes payable	(75,221,000)	(67,560,875)
Premium on debt	(3,576,306)	(3,477,606)
Compensated absences	(7,584,532)	(7,123,164)
Employee benefits	(50,853)	(54,348)
Net pension liability	-	(10,440,981)
Postemployment benefits liability	(3,649,517)	(2,886,553)
Post-closure care costs liability	(1,350,000)	(1,440,000)
Loss on advance refunding	49,715	63,500
Accrued interest on long-term obligations	(558,992)	(509,418)
Net position of governmental activities as reported on the statement of net position (see page 19)	<u>\$ 370,112,234</u>	<u>\$ 362,535,983</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, 2020
WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2019**

	General	Other Governmental Funds	Totals	
			2020	2019
REVENUES				
Taxes	\$ 37,046,831	\$ 15,150,761	\$ 52,197,592	\$ 49,446,724
Special assessments	260,470	386,498	646,968	555,091
Intergovernmental	17,162,876	4,449,274	21,612,150	17,504,414
Licenses and permits	1,247,183	-	1,247,183	1,139,475
Fines and forfeits	214,691	-	214,691	241,090
Public charges for services	891,763	1,674,370	2,566,133	3,566,981
Investment income	3,965,190	325,067	4,290,257	4,213,598
Miscellaneous	1,520,096	4,480,647	6,000,743	8,046,130
Total revenues	<u>62,309,100</u>	<u>26,466,617</u>	<u>88,775,717</u>	<u>84,713,503</u>
EXPENDITURES				
Current				
General government	7,491,654	137,733	7,629,387	7,582,272
Public safety	30,569,330	2,407,857	32,977,187	31,628,314
Public works	11,609,383	3,642,792	15,252,175	16,194,024
Culture and recreation	7,610,809	113,801	7,724,610	8,625,880
Conservation and development	1,816,954	2,149,253	3,966,207	3,264,563
Debt service				
Principal	-	7,339,875	7,339,875	7,077,500
Interest and fiscal charges	-	2,582,211	2,582,211	2,362,260
Capital outlay	-	20,569,671	20,569,671	25,635,735
Total expenditures	<u>59,098,130</u>	<u>38,943,193</u>	<u>98,041,323</u>	<u>102,370,548</u>
Excess of revenues over (under) expenditures	<u>3,210,970</u>	<u>(12,476,576)</u>	<u>(9,265,606)</u>	<u>(17,657,045)</u>
OTHER FINANCING SOURCES (USES)				
Long-term debt issued	-	15,000,000	15,000,000	17,805,000
Premium on debt issued	-	861,170	861,170	979,653
Proceeds from sale of capital assets	5,411	578,315	583,726	479,942
Transfers in	3,425,210	1,025,897	4,451,107	5,849,258
Transfers out	(1,020,729)	(1,601,969)	(2,622,698)	(3,474,092)
Total other financing sources (uses)	<u>2,409,892</u>	<u>15,863,413</u>	<u>18,273,305</u>	<u>21,639,761</u>
Net change in fund balances	<u>5,620,862</u>	<u>3,386,837</u>	<u>9,007,699</u>	<u>3,982,716</u>
Fund balances - January 1	<u>33,807,645</u>	<u>5,294,466</u>	<u>39,102,111</u>	<u>35,119,395</u>
Fund balances - December 31	<u>\$ 39,428,507</u>	<u>\$ 8,681,303</u>	<u>\$ 48,109,810</u>	<u>\$ 39,102,111</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, 2020
WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>2020</u>	<u>2019</u>
RECONCILIATION TO THE STATEMENT OF ACTIVITIES		
Net change in fund balances as shown on previous page	\$ 9,007,699	\$ 3,982,716
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	18,355,058	17,155,179
Contributed capital assets	830,259	194,173
Depreciation expense reported in the statement of activities	(8,695,855)	(8,209,317)
Net book value of disposals	(2,318,323)	(1,138,210)
Land held for future use	(358,293)	(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.	(1,285,882)	(1,860,641)
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	(15,000,000)	(17,805,000)
Premiums issued on long-term debt	(861,170)	(979,653)
Principal repaid	7,339,875	7,077,500
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	(49,574)	(85,062)
Amortization of premiums, discounts and loss on advance refunding	748,685	612,725
Landfill post-closure costs	90,000	90,000
Compensated absences and other benefits	(457,873)	147,801
Net pension asset	9,614,564	(8,608,347)
Net pension liability	10,440,981	(10,440,981)
Deferred outflows of resources related to pensions	(5,779,022)	12,597,231
Deferred inflows of resources related to pensions	(14,372,843)	2,622,275
Other postemployment benefits	(762,964)	(369,035)
Deferred outflows of resources related to other postemployment benefits	525,630	(15,572)
Deferred inflows of resources related to other postemployment benefits	(168,390)	12,653
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>733,689</u>	<u>1,120,762</u>
Change in net position of governmental activities as reported in the statement of activities (see pages 20 - 21)	<u>\$ 7,576,251</u>	<u>\$ (4,126,044)</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, 2020

WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2019

	Enterprise Funds				
	Water Utility	Wastewater Utility	Valley Transit	Stormwater Utility	Nonmajor Funds
ASSETS					
Current assets					
Cash and investments	\$ 13,196,438	\$ 20,325,399	\$ 2,170,064	\$ 15,851,238	\$ 1,619,089
Receivables					
Customer accounts	1,199,583	1,220,547	303,489	947,277	22,422
Special assessments	-	386,217	-	88,929	-
Other	3,447,754	1,010,728	-	1,301,219	-
Due from other funds	127,563	164,637	-	83,868	-
Due from other governments					
Federal government	-	-	413,483	-	-
State government	-	-	-	-	-
Local government	2,309	-	2,125	-	-
Inventories	358,331	105,416	-	-	-
Prepaid items	39,903	7,000	312,900	-	-
Restricted assets					
Cash and investments	136,823	852,182	-	3,266,778	-
Total current assets	<u>18,508,704</u>	<u>24,072,126</u>	<u>3,202,061</u>	<u>21,539,309</u>	<u>1,641,511</u>
Noncurrent assets					
Long-term receivable	-	-	-	96,213	-
Restricted assets					
Cash and investments	7,383,538	7,230,723	1,163,695	3,374,810	-
Accrued interest	15,430	29,443	-	16,686	-
Total restricted assets	<u>7,398,968</u>	<u>7,260,166</u>	<u>1,163,695</u>	<u>3,487,709</u>	<u>-</u>
Other assets					
Regulatory asset - early retirement loss	684,668	-	-	-	-
Investment in WMIC	-	-	-	-	-
Assets held for resale	10,082	-	-	-	-
Net pension asset	377,147	676,041	554,867	342,693	131,145
Total other assets	<u>1,071,897</u>	<u>676,041</u>	<u>554,867</u>	<u>342,693</u>	<u>131,145</u>
Capital assets					
Nondepreciable	4,751,766	7,602,584	910,941	11,504,239	2,002,752
Depreciable	116,970,328	85,198,312	8,245,049	97,021,531	6,583,368
Total capital assets	<u>121,722,094</u>	<u>92,800,896</u>	<u>9,155,990</u>	<u>108,525,770</u>	<u>8,586,120</u>
Total assets	<u>148,701,663</u>	<u>124,809,229</u>	<u>14,076,613</u>	<u>133,895,481</u>	<u>10,358,776</u>
DEFERRED OUTFLOWS OF RESOURCES					
Loss on advance refunding	826,152	-	-	699,364	-
Pension related amounts	857,564	1,525,352	1,281,687	782,486	295,401
Other postemployment related amounts	77,894	62,346	96,213	40,024	25,554
Total deferred outflows of resources	<u>1,761,610</u>	<u>1,587,698</u>	<u>1,377,900</u>	<u>1,521,874</u>	<u>320,955</u>

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

Totals		Governmental Activities - Internal Service Funds	
2020	2019	2020	2019
\$ 53,162,228	\$ 46,288,620	\$ 1,846,785	\$ 1,939,672
3,693,318	4,324,149	52,788	18,179
475,146	208,647	-	-
5,759,701	5,755,579	-	-
376,068	428,288	-	-
413,483	1,501,351	-	-
-	630,000	9,366	3,516
4,434	4,697	-	-
463,747	612,218	-	56,931
359,803	207,500	102,473	-
4,255,783	3,878,857	-	-
<u>68,963,711</u>	<u>63,839,906</u>	<u>2,011,412</u>	<u>2,018,298</u>
96,213	-	-	-
19,152,766	15,218,059	-	-
61,559	84,176	-	-
<u>19,310,538</u>	<u>15,302,235</u>	<u>-</u>	<u>-</u>
684,668	1,369,337	-	-
-	-	2,020,950	2,020,950
10,082	10,082	-	-
2,081,893	-	412,657	-
<u>2,776,643</u>	<u>1,379,419</u>	<u>2,433,607</u>	<u>2,020,950</u>
26,772,282	21,859,080	52,309	-
314,018,588	309,333,225	14,914,074	14,132,792
<u>340,790,870</u>	<u>331,192,305</u>	<u>14,966,383</u>	<u>14,132,792</u>
<u>431,841,762</u>	<u>411,713,865</u>	<u>19,411,402</u>	<u>18,172,040</u>
1,525,516	1,880,758	-	-
4,742,490	6,277,259	941,859	1,241,280
302,031	164,727	62,346	34,540
<u>6,570,037</u>	<u>8,322,744</u>	<u>1,004,205</u>	<u>1,275,820</u>

City of Appleton, Wisconsin

STATEMENT OF NET POSITION PROPRIETARY FUNDS DECEMBER 31, 2020

WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2019

	Enterprise Funds				
	Water Utility	Wastewater Utility	Valley Transit	Stormwater Utility	Nonmajor Funds
LIABILITIES					
Current liabilities					
Accounts payable	\$ 615,795	\$ 1,570,012	\$ 419,762	\$ 539,120	\$ 11,082
Other accrued liabilities	96,596	92,024	130,049	37,137	36,058
Claims payable	-	-	-	-	-
Due to other funds	1,970,931	-	-	-	-
Due to other governments	-	-	1,290,162	-	-
Accrued interest payable	-	-	-	-	10,138
Compensated absences	181,141	132,496	183,570	96,389	52,204
Special deposits	-	-	500	-	-
Unearned revenue	-	-	947,129	-	353,457
Advance from other funds	-	-	-	-	5,000
Current portion of long-term debt	-	-	-	-	220,000
Payable from restricted assets					
Current portion of long-term debt	402,761	1,412,430	-	3,926,875	-
Accrued interest payable	-	72,389	-	390,545	-
Total current liabilities	<u>3,267,224</u>	<u>3,279,351</u>	<u>2,971,172</u>	<u>4,990,066</u>	<u>687,939</u>
Long-term obligations, less current portion					
Advance from other funds	-	-	-	-	135,000
General obligation debt	-	-	-	-	1,180,000
Revenue bonds	41,315,000	16,355,000	-	40,060,000	-
Debt premium	1,430,318	1,012,458	-	1,821,731	-
Compensated absences	96,777	76,489	112,562	154,357	54,180
Net pension liability	-	-	-	-	-
Other postemployment benefits	289,433	231,661	357,502	148,721	94,952
Total long-term liabilities	<u>43,131,528</u>	<u>17,675,608</u>	<u>470,064</u>	<u>42,184,809</u>	<u>1,464,132</u>
Total liabilities	<u>46,398,752</u>	<u>20,954,959</u>	<u>3,441,236</u>	<u>47,174,875</u>	<u>2,152,071</u>
DEFERRED INFLOWS OF RESOURCES					
Pension related amounts	1,131,260	2,027,800	1,664,337	1,027,914	393,372
Other postemployment related amounts	17,446	13,964	21,549	8,964	5,723
Total deferred inflows of resources	<u>1,148,706</u>	<u>2,041,764</u>	<u>1,685,886</u>	<u>1,036,878</u>	<u>399,095</u>
NET POSITION					
Net investment in capital assets	83,039,193	75,626,469	9,155,990	66,789,254	7,186,120
Restricted	7,912,939	8,716,000	1,718,562	6,610,422	131,145
Unrestricted	11,963,683	19,057,735	(547,161)	13,805,926	811,300
Total net position	<u>\$ 102,915,815</u>	<u>\$ 103,400,204</u>	<u>\$ 10,327,391</u>	<u>\$ 87,205,602</u>	<u>\$ 8,128,565</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 19)

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

Totals		Governmental Activities - Internal Service Funds	
2020	2019	2020	2019
\$ 3,155,771	\$ 3,052,855	\$ 97,129	\$ 41,917
391,864	300,983	71,636	58,508
-	-	2,900,000	1,900,000
1,970,931	1,937,452	-	-
1,290,162	1,224,358	-	-
10,138	10,903	1,334	1,516
645,800	590,465	199,248	170,680
500	500	-	-
1,300,586	1,127,471	-	-
5,000	5,000	-	-
220,000	220,000	30,625	15,125
5,742,066	5,358,321	-	-
462,934	491,365	-	-
<u>15,195,752</u>	<u>14,319,673</u>	<u>3,299,972</u>	<u>2,187,746</u>
135,000	135,000	-	-
1,180,000	1,400,000	183,375	229,000
97,730,000	91,695,000	-	-
4,264,507	4,048,214	-	-
494,365	518,704	126,760	96,249
-	2,327,312	-	460,525
1,122,269	974,557	948,240	1,159,791
<u>104,926,141</u>	<u>101,098,787</u>	<u>1,258,375</u>	<u>1,945,565</u>
<u>120,121,893</u>	<u>115,418,460</u>	<u>4,558,347</u>	<u>4,133,311</u>
6,244,683	3,224,550	1,237,773	638,072
67,646	24,043	13,964	5,041
<u>6,312,329</u>	<u>3,248,593</u>	<u>1,251,737</u>	<u>643,113</u>
241,797,026	240,476,049	14,752,383	13,888,667
25,089,068	18,689,728	412,657	-
45,091,483	42,203,779	(559,517)	782,769
311,977,577	301,369,556	<u>\$ 14,605,523</u>	<u>\$ 14,671,436</u>
(1,605,868)	(806,266)		
<u>\$ 310,371,709</u>	<u>\$ 300,563,290</u>		

City of Appleton, Wisconsin

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

FOR THE YEAR ENDED DECEMBER 31, 2020

WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2019

	Enterprise Funds				
	Water Utility	Wastewater Utility	Valley Transit	Stormwater Utility	Nonmajor Funds
OPERATING REVENUES					
Charges for services	\$ 19,522,640	\$ 8,486,792	\$ 928,104	\$ 11,021,218	\$ 2,106,035
Other	530,965	2,227,049	83,877	48,347	300,691
Total operating revenues	20,053,605	10,713,841	1,011,981	11,069,565	2,406,726
OPERATING EXPENSES					
Operation and maintenance	8,646,593	7,606,730	7,789,554	3,905,440	2,066,767
Depreciation	4,132,173	3,055,996	817,979	2,757,501	591,440
Amortization of deferred loss on early asset retirement	684,668	-	-	-	-
Total operating expenses	13,463,434	10,662,726	8,607,533	6,662,941	2,658,207
Operating income (loss)	6,590,171	51,115	(7,595,552)	4,406,624	(251,481)
NONOPERATING REVENUES (EXPENSES)					
Investment income	538,600	727,692	72,072	516,688	41,779
Intergovernmental	-	-	-	-	-
Subsidies from other governmental units	-	-	6,247,001	-	-
Gain (loss) on disposal of capital assets	-	(1,507)	(17,119)	(6,980)	-
Interest and fiscal charges	(1,603,895)	(468,022)	-	(1,588,453)	(42,315)
Debt issuance costs	(98,722)	(146,364)	-	(54,432)	-
Amortization of prior losses on refunding of bonds	(212,552)	-	-	(142,690)	-
Amortization of debt discount/premium	509,650	112,833	-	381,815	-
Other	19,655	12,818	-	-	-
Total nonoperating revenues (expenses)	(847,264)	237,450	6,301,954	(894,052)	(536)
Income (loss) before contributions and transfers	5,742,907	288,565	(1,293,598)	3,512,572	(252,017)
Capital contributions	247,201	647,282	2,545,822	717,789	15,820
Transfers in	-	-	581,409	-	-
Transfers out - tax equivalent	(1,911,116)	-	-	-	-
Transfers out	(13,800)	(177,265)	-	(12,500)	(31,050)
Change in net position	4,065,192	758,582	1,833,633	4,217,861	(267,247)
Net position - January 1	98,850,623	102,641,622	8,493,758	82,987,741	8,395,812
Net position - December 31	<u>\$ 102,915,815</u>	<u>\$ 103,400,204</u>	<u>\$ 10,327,391</u>	<u>\$ 87,205,602</u>	<u>\$ 8,128,565</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 20 - 21)

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

Totals		Governmental Activities - Internal Service Funds	
2020	2019	2020	2019
\$ 42,064,789	\$ 43,957,778	\$ 7,480,776	\$ 7,390,294
3,190,929	4,865,183	63,774	91,776
<u>45,255,718</u>	<u>48,822,961</u>	<u>7,544,550</u>	<u>7,482,070</u>
30,015,084	31,570,344	8,451,758	7,705,126
11,355,089	11,203,965	2,642,281	2,619,475
<u>684,668</u>	<u>684,668</u>	<u>-</u>	<u>-</u>
<u>42,054,841</u>	<u>43,458,977</u>	<u>11,094,039</u>	<u>10,324,601</u>
<u>3,200,877</u>	<u>5,363,984</u>	<u>(3,549,489)</u>	<u>(2,842,531)</u>
1,896,831	2,407,323	13,892	15,860
-	630,000	-	-
6,247,001	7,162,224	-	-
(25,606)	(56,444)	255,108	191,169
(3,702,685)	(4,041,060)	(5,766)	(3,107)
(299,518)	(23,750)	-	-
(355,242)	(385,226)	-	-
1,004,298	1,136,037	-	-
32,473	44,800	8,557	33,908
<u>4,797,552</u>	<u>6,873,904</u>	<u>271,791</u>	<u>237,830</u>
7,998,429	12,237,888	(3,277,698)	(2,604,701)
4,173,914	7,161,984	3,475,872	3,423,540
581,409	640,199	-	-
(1,911,116)	(1,879,393)	-	-
(234,615)	(889,009)	(264,087)	(246,963)
10,608,021	17,271,669	(65,913)	571,876
<u>301,369,556</u>	<u>284,097,887</u>	<u>14,671,436</u>	<u>14,099,560</u>
<u>\$ 311,977,577</u>	<u>\$ 301,369,556</u>	<u>\$ 14,605,523</u>	<u>\$ 14,671,436</u>
\$ 10,608,021	\$ 17,271,669		
(799,602)	(548,886)		
<u>\$ 9,808,419</u>	<u>\$ 16,722,783</u>		

City of Appleton, Wisconsin

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2020

WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2019

	Enterprise Funds				
	Water Utility	Wastewater Utility	Valley Transit	Stormwater Utility	Nonmajor Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	\$ 20,198,405	\$ 10,905,196	\$ 1,497,797	\$ 11,708,249	\$ 2,374,584
Cash paid for employee wages and benefits	(2,733,790)	(2,462,714)	(2,949,314)	(1,459,527)	(1,050,823)
Cash paid to suppliers	(5,615,899)	(4,867,082)	(4,905,663)	(2,257,547)	(1,061,202)
Net cash provided (used) by operating activities	11,848,716	3,575,400	(6,357,180)	7,991,175	262,559
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Tax equivalent paid to municipality	(1,911,116)	-	-	-	-
Loan advanced to component unit	-	12,818	-	-	-
Intergovernmental operating subsidies	-	-	7,983,656	-	-
Nonoperating revenue	19,655	-	-	-	-
Change in due to/from other funds	33,479	-	-	-	-
Transfer in (out)	(13,800)	(177,265)	-	(12,500)	(31,050)
Net cash provided (used) by noncapital financing activities	(1,871,782)	(164,447)	7,983,656	(12,500)	(31,050)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of capital assets	(5,723,476)	(7,494,997)	(2,571,481)	(3,837,563)	(33,560)
Capital contributions	-	-	-	-	15,820
Sale of capital assets	-	-	-	-	-
Insurance proceeds received for damage to property	-	-	-	-	-
Contributed capital - federal and state	-	-	2,545,822	-	-
Special assessments billed	-	(532,133)	-	(155,996)	-
Special assessments received	-	323,046	-	98,584	-
Proceeds from issued long-term debt	6,865,000	10,850,000	-	2,965,000	-
Premium issued on long-term debt	231,035	864,556	-	83,745	-
Debt issuance costs	-	(146,364)	-	(54,432)	-
Principal paid on long-term debt	(6,735,000)	(935,000)	-	(3,445,000)	(220,000)
Principal paid on advance	-	-	-	-	-
Payments to refunding escrow agent	-	(3,105,000)	-	-	-
Interest paid on long-term debt	(1,702,617)	(470,180)	-	(1,614,726)	(43,080)
Net cash provided (used) by capital and related financing activities	(7,065,058)	(646,072)	(25,659)	(5,960,388)	(280,820)
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment income	253,817	403,899	72,072	320,250	41,779
Interest received on special assessments	-	11,645	-	2,195	-
Investments sold and matured	2,427,964	3,319,147	-	1,841,715	-
Purchases of investments	(2,517,017)	(2,806,499)	-	(1,750,283)	-
Net cash provided by investing and related financing activities	164,764	928,192	72,072	413,877	41,779
Change in cash and cash equivalents	3,076,640	3,693,073	1,672,889	2,432,164	(7,532)
Cash and cash equivalents - January 1	11,377,720	19,433,209	1,660,870	15,797,292	1,626,621
Cash and cash equivalents - December 31	<u>\$ 14,454,360</u>	<u>\$ 23,126,282</u>	<u>\$ 3,333,759</u>	<u>\$ 18,229,456</u>	<u>\$ 1,619,089</u>

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

Totals		Governmental Activities - Internal Service Funds	
2020	2019	2020	2019
\$ 46,684,231	\$ 48,510,328	\$ 7,509,941	\$ 7,532,600
(10,656,168)	(10,130,084)	(2,833,304)	(2,685,623)
(18,707,393)	(18,822,275)	(4,741,071)	(5,039,875)
<u>17,320,670</u>	<u>19,557,969</u>	<u>(64,434)</u>	<u>(192,898)</u>
(1,911,116)	(1,879,393)	-	-
12,818	25,129	-	-
7,983,656	8,847,095	-	-
19,655	649,671	2,707	39,095
33,479	(25,906)	-	-
(234,615)	(889,009)	(264,087)	(246,963)
<u>5,903,877</u>	<u>6,727,587</u>	<u>(261,380)</u>	<u>(207,868)</u>
(19,661,077)	(20,491,378)	-	(144,384)
15,820	1,253	-	-
-	-	255,108	191,169
-	540,254	-	-
2,545,822	2,521,960	-	-
(688,129)	(340,265)	-	-
421,630	342,981	-	-
20,680,000	705,000	150,000	150,000
1,179,336	-	-	-
(200,796)	(17,750)	-	-
(11,335,000)	(11,130,000)	(180,125)	(12,500)
-	(5,000)	-	-
(3,105,000)	-	-	-
(3,830,603)	(4,005,674)	(5,948)	(2,163)
<u>(13,977,997)</u>	<u>(31,878,619)</u>	<u>219,035</u>	<u>182,122</u>
1,091,817	1,466,508	13,892	15,860
13,840	14,286	-	-
7,588,826	7,472,582	-	-
(7,073,799)	(7,606,900)	-	-
<u>1,620,684</u>	<u>1,346,476</u>	<u>13,892</u>	<u>15,860</u>
10,867,234	(4,246,587)	(92,887)	(202,784)
<u>49,895,712</u>	<u>54,112,299</u>	<u>1,939,672</u>	<u>2,142,456</u>
<u>\$ 60,762,946</u>	<u>\$ 49,865,712</u>	<u>\$ 1,846,785</u>	<u>\$ 1,939,672</u>

City of Appleton, Wisconsin

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2020

WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2019

	Enterprise Funds				
	Water Utility	Wastewater Utility	Valley Transit	Stormwater Utility	Nonmajor Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating income (loss)	\$ 6,590,171	\$ 51,115	\$ (7,595,552)	\$ 4,406,624	\$ (251,481)
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	4,132,173	3,055,996	817,979	2,757,501	591,440
Depreciation charged to sewer utility	178,634	-	-	-	-
Change in pension related activities					
Pension asset/liability	(823,426)	(1,410,924)	(1,175,048)	(722,834)	(276,973)
Deferred outflows of resources	335,243	467,862	392,573	243,738	95,353
Deferred inflows of resources	512,929	1,009,601	805,061	501,219	191,323
Change in other postemployment related activities					
Total OPEB liability	43,911	23,796	40,683	28,219	11,103
Deferred outflows of resources	(36,394)	(27,211)	(42,662)	(19,656)	(11,381)
Deferred inflows of resources	11,389	8,836	13,733	5,991	3,654
Change in operating assets and liabilities					
Customer accounts receivable	61,677	203,749	278,119	84,846	2,440
Other accounts receivable	84,434	(12,394)	-	(76,162)	-
Due from other funds	68,487	(32,796)	-	16,529	-
Due from other governments	(1,311)	-	-	630,000	-
Inventories and prepaid items	31,788	81,610	(177,230)	60,000	-
Accounts payable	(68,441)	214,661	34,297	(769)	(76,832)
Other accrued liabilities	22,575	12,950	43,750	(2,406)	14,012
Unearned revenue	-	-	207,697	-	(34,582)
Compensated absences	20,209	(71,451)	(580)	78,335	4,483
Net cash provided (used) by operating activities	<u>\$ 11,848,716</u>	<u>\$ 3,575,400</u>	<u>\$ (6,357,180)</u>	<u>\$ 7,991,175</u>	<u>\$ 262,559</u>
Reconciliation of cash and cash equivalents to the statement of net position					
Cash and cash equivalents in current assets	\$ 13,196,438	\$ 20,325,399	\$ 2,170,064	\$ 15,851,238	\$ 1,619,089
Restricted cash and investments					
Current	136,823	852,182	-	3,266,778	-
Non-current	7,383,538	7,230,723	1,163,695	3,374,810	-
Less: Non-cash investments	(6,262,439)	(5,282,022)	-	(4,263,370)	-
Total cash and cash equivalents	<u>\$ 14,454,360</u>	<u>\$ 23,126,282</u>	<u>\$ 3,333,759</u>	<u>\$ 18,229,456</u>	<u>\$ 1,619,089</u>
Noncash capital and related financing activities					
Contributed capital assets	\$ 247,201	\$ 647,282	\$ 2,545,822	\$ 717,789	\$ -
Unrealized losses on investments	300,468	314,449	-	198,874	-
	<u>\$ 547,669</u>	<u>\$ 961,731</u>	<u>\$ 2,545,822</u>	<u>\$ 916,663</u>	<u>\$ -</u>

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

Totals		Governmental Activities - Internal Service Funds	
2020	2019	2020	2019
\$ 3,200,877	\$ 5,363,984	\$ (3,549,489)	\$ (2,842,531)
684,668	684,668	-	-
11,355,089	11,203,965	2,642,281	2,619,475
178,634	206,380	-	-
(4,409,205)	4,263,947	(873,182)	839,664
1,534,769	(2,742,487)	299,421	(550,107)
3,020,133	(619,886)	599,701	(114,561)
147,712	26,318	(211,551)	(232,237)
(137,304)	5,147	(27,806)	879
43,603	(3,402)	8,923	(682)
630,831	226,737	(34,609)	50,530
(4,122)	(42,940)	-	-
52,220	(73,368)	-	-
628,689	(629,213)	1,000,000	-
(3,832)	(161,848)	(45,542)	10,165
102,916	1,659,923	55,212	(43,909)
90,881	56,912	13,128	10,751
173,115	132,783	-	-
30,996	349	59,079	59,665
<u>\$ 17,320,670</u>	<u>\$ 19,557,969</u>	<u>\$ (64,434)</u>	<u>\$ (192,898)</u>
\$ 53,162,228	\$ 46,288,620	\$ 1,846,785	\$ 1,939,672
4,255,783	3,878,857	-	-
19,152,766	15,218,059	-	-
(15,807,831)	(15,519,824)	-	-
<u>\$ 60,762,946</u>	<u>\$ 49,865,712</u>	<u>\$ 1,846,785</u>	<u>\$ 1,939,672</u>
\$ 4,158,094	\$ 5,606,644	\$ 3,475,872	\$ 3,423,540
813,791	924,253	-	-
<u>\$ 4,971,885</u>	<u>\$ 6,530,897</u>	<u>\$ 3,475,872</u>	<u>\$ 3,423,540</u>

City of Appleton, Wisconsin

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
DECEMBER 31, 2020
WITH COMPARATIVE AMOUNTS AS OF DECEMBER 31, 2019**

	Custodial Fund	
	2020	2019
ASSETS		
Current assets		
Cash and investments	\$ 35,868,544	\$ 35,592,161
Receivables		
Taxes	38,189,414	38,358,904
Total assets	<u>74,057,958</u>	<u>73,951,065</u>
DEFERRED INFLOWS OF RESOURCES		
Property taxes levied for subsequent year	<u>74,057,958</u>	<u>73,951,065</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, 2020

WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2019

	Custodial Fund	
	2020	2019
ADDITIONS		
Taxes and special charges collected	\$ 63,770,392	\$ 64,626,788
DEDUCTIONS		
Payments to other taxing districts	63,770,392	64,626,788
Change in net position	-	-
Net position - January 1	-	-
Net position - December 31	<u>\$ -</u>	<u>\$ -</u>

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, 2020

	Business Improvement District	Appleton Redevelopment Authority	Totals
ASSETS			
Cash and investments	\$ 222,019	\$ 141,232	\$ 363,251
Receivables			
Special assessments	68,757	-	68,757
Assets held for resale	-	420,130	420,130
Restricted assets			
Cash and investments	-	4,666,720	4,666,720
Capital assets, nondepreciable	-	2,060,000	2,060,000
Capital assets, depreciable	-	29,756,658	29,756,658
	<u>290,776</u>	<u>37,044,740</u>	<u>37,335,516</u>
Total assets			
LIABILITIES			
Accounts payable	30,819	-	30,819
Accrued interest payable	-	321,926	321,926
Long-term obligations			
Due within one year	-	100,000	100,000
Due in more than one year	-	31,165,000	31,165,000
	<u>30,819</u>	<u>31,586,926</u>	<u>31,617,745</u>
Total liabilities			
DEFERRED INFLOWS OF RESOURCES			
Property taxes levied for subsequent year	230,931	-	230,931
NET POSITION			
Net investment in capital assets	-	551,658	551,658
Restricted	-	4,666,720	4,666,720
Unrestricted	29,026	239,436	268,462
	<u>29,026</u>	<u>5,457,814</u>	<u>5,486,840</u>
Total net position	<u>\$ 29,026</u>	<u>\$ 5,457,814</u>	<u>\$ 5,486,840</u>

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, 2020**

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Business Improvement District	\$ 206,615	\$ 225,757	\$ -	\$ -
Appleton Redevelopment Authority	2,401,916	-	50,000	-
Total component units	<u>\$ 2,608,531</u>	<u>\$ 225,757</u>	<u>\$ 50,000</u>	<u>\$ -</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
\$ 19,142	\$ -	\$ 19,142
-	(2,351,916)	(2,351,916)
<u>19,142</u>	<u>(2,351,916)</u>	<u>(2,332,774)</u>
-	1,169,647	1,169,647
2,942	30,513	33,455
<u>2,942</u>	<u>1,200,160</u>	<u>1,203,102</u>
22,084	(1,151,756)	(1,129,672)
<u>6,942</u>	<u>6,609,570</u>	<u>6,616,512</u>
<u>\$ 29,026</u>	<u>\$ 5,457,814</u>	<u>\$ 5,486,840</u>

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

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, 2020. 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, 2020. 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, 2020

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.

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, 2020

Fiduciary Fund - Custodial Fund: The custodial fund accounts for property taxes and specials collected on behalf of other governments.

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, 2020

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 \$513,228.

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 2020 tax roll are recognized as revenue in 2020. 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, 2020

6. Inventories

Inventories in business-type activities 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.

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, 2020

10. Land Held for Future Use

Land held for future use consists of land and improvements held for resale and for future use 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, 2020

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, 2019, from which the summarized information was derived.

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

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	\$ 128,568,717
Construction in progress	8,278,349
Intangible assets	181,735
Depreciable capital assets, net of depreciation	254,996,404
Subtotal	<u>392,025,205</u>
Less: Internal service fund capital assets	<u>(14,966,383)</u>
Net adjustment for capital assets	<u>\$ 377,058,822</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, 2020

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, 2020.

B. EXCESS OF EXPENDITURES OVER BUDGET APPROPRIATIONS

For the year ended December 31, 2020, 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, 2020:

<u>Funds</u>	<u>Deficit Fund Balance</u>
Special Revenue Fund	
Tax Incremental District No. 3	\$ 3,211,621
Capital Project Funds	
Tax Incremental District No. 6	1,649,220
Tax Incremental District No. 8	48,617
Tax Incremental District No. 11	1,217,335
Tax Incremental District No. 12	72,764

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 2020 and 2021 budget years, Wisconsin Statutes limit the increase in the maximum allowable tax levy to the change in the City's January 1 equalized value as a result of net new construction. The actual limit for the City for the 2020 budget was 1.35%. The actual limit for the City for the 2021 budget was 1.16%. 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, 2020

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 \$192,768,210 on December 31, 2020 as summarized below:

Petty cash and cash on hand	\$ 37,643
Deposits with financial institutions	23,464,044
Investments	
US Treasury and Agency Securities	82,989,591
Money market mutual funds	870,932
Wisconsin local government investment pool	85,406,000
	<u>\$ 192,768,210</u>

Reconciliation to the basic financial statements:

Government-wide statement of net position	
Cash and investments	\$ 133,491,117
Restricted cash and investments	23,408,549
Fiduciary fund statement of net position	
Cash and investments	35,868,544
	<u>\$ 192,768,210</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, 2020:

	Fair Value Measurements Using:		
	Level 1	Level 2	Level 3
Investments			
U.S. Treasury securities	\$ 15,406,743	\$ 749,648	\$ -
Money market mutual funds	870,932	-	-
FNMA	-	21,705,074	-
FHLMC	-	7,490,658	-
FFCB	-	20,624,007	-
FHLB	-	16,994,294	-
GNMA	-	19,167	-
	<u>\$ 16,277,675</u>	<u>\$ 67,582,848</u>	<u>\$ -</u>

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

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

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of 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, 2020, \$10,327,739 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	\$ 16,156,391	\$ 16,156,391	\$ -	\$ -
Money market mutual funds	870,932	-	-	870,932
Wisconsin local government investment pool	85,406,000	-	-	85,406,000
FNMA	21,705,074	-	20,880,218	824,856
FHLMC	7,490,658	-	7,240,488	250,170
FFCB	20,624,007	-	20,624,007	-
FHLB	16,994,294	-	15,542,540	1,451,754
GNMA	19,167	-	-	19,167
Totals	<u>\$ 169,266,523</u>	<u>\$ 16,156,391</u>	<u>\$ 64,287,253</u>	<u>\$ 88,822,879</u>

At December 31, 2020, 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, 2020

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	\$ 16,156,391	\$ 5,839,728	\$ 2,485,158	\$ 1,607,392	\$ 6,224,113
Wisconsin local government investment pool	85,406,000	85,406,000	-	-	-
FNMA	21,705,074	5,565,572	4,287,086	4,990,344	6,862,072
FHLMC	7,490,658	3,526	7,248,873	75,732	162,527
FFCB	20,624,007	-	-	11,618,445	9,005,562
FHLB	16,994,294	1,852,379	6,614,281	3,799,825	4,727,809
GNMA	19,167	-	-	6,733	12,434
Money market mutual funds	870,932	870,932	-	-	-
Totals	<u>\$ 169,266,523</u>	<u>\$ 99,538,137</u>	<u>\$ 20,635,398</u>	<u>\$ 22,098,471</u>	<u>\$ 26,994,517</u>

Wisconsin Local Government Investment Pool

The City has investments in the Wisconsin local government investment pool of \$85,406,000 at year-end. The Wisconsin local government investment pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2020, the fair value of the City's share of the LGIP's assets was substantially equal to the carrying value.

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

B. RESTRICTED CASH AND INVESTMENT ASSETS

Restricted assets on December 31, 2020 totaled \$23,470,108 and consisted of cash and investments of \$23,408,549 and accrued interest of \$61,559 held for the following purposes:

Funds	Cash and Investments	Accrued Interest	Total Restricted Assets
Water utility			
Bond reserve fund	\$ 3,740,575	\$ 15,430	\$ 3,756,005
Bond redemption fund	136,823	-	136,823
Construction fund	3,642,963	-	3,642,963
	<u>7,520,361</u>	<u>15,430</u>	<u>7,535,791</u>
Sewer utility			
Bond reserve account	1,854,997	10,231	1,865,228
Bond redemption fund	852,182	-	852,182
DNR replacement fund	3,993,908	19,212	4,013,120
Construction fund	1,381,818	-	1,381,818
	<u>8,082,905</u>	<u>29,443</u>	<u>8,112,348</u>
Storm water utility			
Bond reserve account	3,374,810	16,686	3,391,496
Bond redemption fund	3,266,778	-	3,266,778
	<u>6,641,588</u>	<u>16,686</u>	<u>6,658,274</u>
Valley Transit			
Capital equipment replacement	1,163,695	-	1,163,695
Total	<u>\$ 23,408,549</u>	<u>\$ 61,559</u>	<u>\$ 23,470,108</u>

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

C. CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, nondepreciable:				
Land	\$ 9,569,552	\$ 461,857	\$ -	\$ 10,031,409
Right of ways	77,830,168	2,162,731	176,793	79,816,106
Improvements	38,721,202	-	-	38,721,202
Intangible assets	181,735	-	-	181,735
Construction in progress	7,288,133	3,125,110	2,134,894	8,278,349
Total capital assets, nondepreciable	<u>133,590,790</u>	<u>5,749,698</u>	<u>2,311,687</u>	<u>137,028,801</u>
Capital assets, depreciable:				
Intangible assets	1,017,425	45,761	-	1,063,186
Improvements	16,428,353	3,717,295	-	20,145,648
Buildings	51,674,240	1,855,987	32,850	53,497,377
Equipment, furniture and fixtures	50,517,947	3,994,131	1,072,930	53,439,148
Streets	192,101,453	5,448,749	1,781,314	195,768,888
Sidewalk	34,712,085	1,257,498	484,308	35,485,275
Traffic signals	7,277,462	135,330	47,629	7,365,163
Bridges	54,928,698	2,591,634	1,760,179	55,760,153
Subtotals	<u>408,657,663</u>	<u>19,046,385</u>	<u>5,179,210</u>	<u>422,524,838</u>
Less accumulated depreciation for:				
Intangible assets	23,683	101,742	-	125,425
Improvements	5,231,417	494,296	-	5,725,713
Buildings	18,745,944	1,039,342	40,932	19,744,354
Equipment, furniture and fixtures	22,677,028	3,192,115	1,072,930	24,796,213
Streets	86,069,212	4,894,169	994,550	89,968,831
Sidewalk	14,264,830	877,241	226,445	14,915,626
Traffic signals	2,219,050	181,630	27,987	2,372,693
Bridges	9,996,814	557,601	674,836	9,879,579
Subtotals	<u>159,227,978</u>	<u>11,338,136</u>	<u>3,037,680</u>	<u>167,528,434</u>
Total capital assets, depreciable, net	<u>249,429,685</u>	<u>7,708,249</u>	<u>2,141,530</u>	<u>254,996,404</u>
Governmental activities capital assets, net	<u>\$ 383,020,475</u>	<u>\$ 13,457,947</u>	<u>\$ 4,453,217</u>	392,025,205
Less: Capital related debt, less unexpended debt proceeds				73,564,782
Less: Debt premium				3,576,306
Less: Retainage payable				86,342
Add: Deferred charge on refunding				49,715
Net investment in capital assets				<u>\$ 314,847,490</u>

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets, nondepreciable:				
Land	\$ 12,149,233	\$ -	\$ -	\$ 12,149,233
Intangible assets	2,819,192	193,020	6,980	3,005,232
Construction in progress	6,890,655	8,906,721	4,179,559	11,617,817
Total capital assets, nondepreciable	<u>21,859,080</u>	<u>9,099,741</u>	<u>4,186,539</u>	<u>26,772,282</u>
Capital assets, depreciable:				
Buildings and land improvements	173,842,107	1,789,129	321,152	175,310,084
Machinery and equipment	96,271,188	2,788,616	1,794,630	97,265,174
Infrastructure	270,525,355	11,659,970	402,407	281,782,918
Subtotals	<u>540,638,650</u>	<u>16,237,715</u>	<u>2,518,189</u>	<u>554,358,176</u>
Less accumulated depreciation for:				
Buildings and land improvements	112,563,205	4,545,530	350,243	116,758,492
Machinery and equipment	64,465,163	4,049,729	1,777,510	66,737,382
Infrastructure	54,277,057	2,969,064	402,407	56,843,714
Subtotals	<u>231,305,425</u>	<u>11,564,323</u>	<u>2,530,160</u>	<u>240,339,588</u>
Total capital assets, depreciable, net	<u>309,333,225</u>	<u>4,673,392</u>	<u>(11,971)</u>	<u>314,018,588</u>
Business-type activities capital assets, net	<u>\$ 331,192,305</u>	<u>\$ 13,773,133</u>	<u>\$ 4,174,568</u>	340,790,870
Less: Capital related debt				94,947,932
Less: Debt premium				5,201,573
Less: Retainage payable				369,855
Add: Deferred charge on refunding				<u>1,525,516</u>
Net investment in capital assets				<u>\$ 241,797,026</u>

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

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

Governmental activities	
General government	\$ 382,775
Public safety	605,380
Public works	6,733,620
Culture and recreation	974,080
Subtotal	<u>8,695,855</u>
Capital assets held by City's internal service fund are charged to various functions based on their usage of the assets	2,642,281
Total depreciation expense - governmental activities	<u>\$ 11,338,136</u>
Business-type activities	
Water utility	\$ 4,132,173
Wastewater utility	3,055,996
Valley Transit	817,979
Stormwater	2,757,501
Parking	531,059
Reid Municipal Golf Course	60,381
Total depreciation expense - business-type activities	<u>11,355,089</u>
Depreciation charged to other functions and costs of removal	<u>209,234</u>
Total increase in accumulated depreciation	<u>\$ 11,564,323</u>

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

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, 2020 are detailed below:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 2,766,943	\$ 393,522
Special Revenue Funds		
Sanitation & recycling program	17,454	-
Community development block grant	-	62,582
COVID-19 Response	-	472,259
Police grants	-	23,800
Wheel tax	-	78,996
Continuum of care	-	15,340
Emergency shelter	-	143,035
Enterprise Funds		
Water utility	127,563	1,970,931
Wastewater utility	164,637	-
Storm water utility	83,868	-
Subtotal	<u>\$ 3,160,465</u>	3,160,465
Government-wide adjustments		
Fund eliminations		(8,247,064)
Advance to Reid Municipal Golf Course		140,000
Internal service fund allocation		<u>1,605,868</u>
Internal balances - government-wide statement of net position		<u>\$ (3,340,731)</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, 2020

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>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, 2020 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	\$ 2,586,565	\$ 3,342,427	\$ 2,242,427
General	Capital Project - Tax Incremental District No. 6	2,434,952	281,268	2,716,220	-
General	Capital Project - Tax Incremental District No. 8	-	65,902	65,902	-
General	Capital Project - Tax Incremental District No. 11	1,151,000	85,670	1,236,670	962,229
General	Capital Project - Tax Incremental District No. 12	94,024	5,633	99,657	104,640
General	Enterprise - Reid Municipal Golf Course	140,000	-	140,000	140,000
Subtotal - fund financial statements		<u>\$ 4,575,838</u>	<u>\$ 3,025,038</u>	7,600,876	<u>\$ 3,449,296</u>
Less: fund eliminations				(7,460,876)	
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, 2020

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

Transfers from	General	Nonmajor Governmental Funds	Valley Transit	Total
Governmental activities:				
General fund	\$ -	\$ 439,320	\$ 581,409	\$ 1,020,729
Nonmajor governmental funds	1,229,329	372,640	-	1,601,969
Business-type activities:				
Water utility enterprise fund	1,924,916	-	-	1,924,916
Wastewater utility enterprise fund	177,265	-	-	177,265
Stormwater utility enterprise fund	12,500	-	-	12,500
Parking utility enterprise fund	9,300	-	-	9,300
Reid golf course enterprise fund	17,900	3,850	-	21,750
Internal Service Funds	54,000	210,087	-	264,087
Total transfers to:	\$ 3,425,210	\$ 1,025,897	\$ 581,409	5,032,516
Less: Government-wide eliminations				(3,468,194)
Total government-wide statement of activities				\$ 1,564,322

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:

	Tax Levy / Unearned	Unavailable	Total
Property taxes receivable	\$ 55,424,169	\$ -	\$ 55,424,169
Interest on advances	-	3,025,038	3,025,038
Interest income	-	141,400	141,400
Developer loans	-	170,000	170,000
Rehabilitation loans	-	6,172,427	6,172,427
Special assessments not yet due	-	128,857	128,857
Intergovernmental cooperative agreement	-	475,576	475,576
Grant drawdowns prior to meeting all eligibility requirements	69,543	-	69,543
Total	\$ 55,493,712	10,113,298	\$ 65,607,010
Reconciliation to government-wide financial statements		(10,113,298)	
Total		\$ -	

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

F. LONG-TERM OBLIGATIONS

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

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
Governmental activities:					
General obligation debt					
Bonds - General	\$ 115,000	\$ -	\$ 115,000	\$ -	\$ -
Notes - General	67,235,875	15,000,000	7,189,875	75,046,000	8,739,375
Notes - Internal service	244,125	150,000	180,125	214,000	30,625
Total general obligation debt	67,595,000	15,150,000	7,485,000	75,260,000	8,770,000
Promissory note	210,000	-	35,000	175,000	35,000
Debt premium	3,477,606	861,170	762,470	3,576,306	856,555
Compensated absences					
General	7,123,165	3,859,268	3,397,901	7,584,532	3,732,542
Internal service	266,929	229,738	170,660	326,007	199,247
Landfill liability	1,440,000	-	90,000	1,350,000	90,000
Disability benefits	54,347	-	3,493	50,854	14,281
Governmental activities					
Long-term obligations	<u>\$ 80,167,047</u>	<u>\$ 20,100,176</u>	<u>\$ 11,944,524</u>	<u>\$ 88,322,699</u>	<u>\$ 13,697,625</u>
Business-type activities:					
General obligation debt					
Bonds	\$ 395,000	\$ -	\$ 70,000	\$ 325,000	\$ 75,000
Notes	1,225,000	-	150,000	1,075,000	145,000
Total general obligation debt	1,620,000	-	220,000	1,400,000	220,000
Revenue bonds	96,075,000	20,680,000	14,220,000	102,535,000	4,805,000
Debt premium	5,026,535	1,179,336	1,004,298	5,201,573	937,066
Compensated absences	1,109,169	727,188	696,192	1,140,165	645,800
Business-type activities					
Long-term obligations	<u>\$ 103,830,704</u>	<u>\$ 22,586,524</u>	<u>\$ 16,140,490</u>	<u>\$ 110,276,738</u>	<u>\$ 6,607,866</u>

Total interest paid during the year on long-term debt totaled \$5,631,041.

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, 2020

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 12/31/20</u>
Governmental Activities					
General obligation notes					
Series 2012A	11/07/12	04/01/22	2.00-3.00%	5,460,000	\$ 840,000
Series 2014A	09/10/14	04/01/24	1.50-2.375%	6,525,000	3,350,000
Series 2015A	10/28/15	04/01/25	2.00-3.00%	5,775,000	3,440,000
Series 2016	10/04/16	04/01/26	2.00-4.00%	18,920,000	12,485,000
Series 2018	10/09/18	04/01/28	4.00-5.00%	13,840,000	11,810,000
Series 2019	10/02/19	04/01/29	2.00-3.00%	17,955,000	17,595,000
Series 2020	08/06/20	07/01/30	2.00%	15,000,000	15,000,000
General obligation refunding notes					
Series 2017	10/02/17	04/01/27	2.00-3.00%	14,170,000	<u>10,740,000</u>
Total governmental activities					<u>75,260,000</u>
Business-type Activities					
General obligation refunding bonds					
Series 2012B	08/30/12	04/01/25	0.40-3.00%	735,000	325,000
General obligation notes					
Series 2016	10/04/16	04/01/26	2.00-4.00%	705,000	450,000
General obligation notes					
Series 2019	10/02/19	04/01/29	2.00-3.00%	705,000	<u>625,000</u>
					<u>1,400,000</u>
Total outstanding general obligation debt					<u><u>\$76,660,000</u></u>

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

Annual principal and interest maturities of the outstanding general obligation debt of \$76,660,000 on December 31, 2020 are detailed below:

Year Ended December 31,	Governmental Activities		Business - type Activities	
	Bonds and Notes		Bonds and Notes	
	Principal	Interest	Principal	Interest
2021	\$ 8,770,000	\$ 2,108,297	\$ 220,000	\$ 37,250
2022	9,565,000	1,798,754	210,000	30,800
2023	9,870,000	1,495,206	215,000	24,050
2024	10,185,000	1,177,459	215,000	17,225
2025	9,450,000	871,900	170,000	11,450
2026 - 2030	27,420,000	1,220,475	370,000	13,350
	<u>\$ 75,260,000</u>	<u>\$ 8,672,091</u>	<u>\$ 1,400,000</u>	<u>\$ 134,125</u>

Year Ended December 31,	Totals	
	Principal	Interest
2020	\$ 8,990,000	\$ 2,145,547
2021	9,775,000	1,829,554
2022	10,085,000	1,519,256
2023	10,400,000	1,194,684
2024	9,620,000	883,350
2025 - 2029	27,790,000	1,233,825
	<u>\$ 76,660,000</u>	<u>\$ 8,806,216</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	\$ 2,761,630
General Fund - compensated absences	5,226,592
Debt Service Fund - general obligation debt	1,301,947
Special Revenue Fund - Tuchscherer disability	6,120
Total available	<u>\$ 9,296,289</u>

Legal Margin for New Debt

The City's legal margin for creation of additional general obligation debt on December 31, 2020 was \$233,569,560 as follows:

Equalized valuation of the City	\$ 6,200,311,200
Statutory limitation percentage	(x) 5%
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes	310,015,560
Total outstanding general obligation debt applicable to debt limitation	76,446,000
Legal margin for new debt	<u>\$ 233,569,560</u>

In addition to the debt service fund, the City has assigned fund balance in the general fund of \$2,761,630 which may be used for debt service requirements.

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

Revenue Bonds

Revenue bonds outstanding on December 31, 2020 totaled \$102,535,000 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 12/31/20</u>
Water Utility					
Water System Revenue Bonds					
Series 2011	08/24/11	01/01/31	2.00-4.20%	\$ 3,170,000	\$ 1,940,000
Series 2012	08/08/12	01/01/32	2.00-3.25%	2,510,000	1,620,000
Series 2013	08/07/13	01/01/33	2.00-4.50%	7,180,000	5,125,000
Series 2014	09/10/14	07/01/34	2.00-4.00%	3,850,000	2,880,000
Series 2020	08/06/20	01/01/40	2.00-3.00%	6,865,000	6,865,000
Water System Revenue Refunding Bonds					
Series 2015	10/28/15	01/01/35	2.00-4.00%	22,735,000	15,860,000
Series 2016	10/04/16	01/01/36	2.00-4.00%	23,830,000	7,025,000
Total water utility					<u>41,315,000</u>
Wastewater Utility					
Sewerage System Revenue Bonds					
Series 2011	08/24/11	05/01/31	2.00-4.25%	3,735,000	2,480,000
Series 2020	08/06/20	05/01/40	2.00-4.00%	7,745,000	7,745,000
Sewerage System Revenue Refunding Bonds					
Series 2018	10/09/18	05/01/28	2.00-5.00%	5,245,000	4,255,000
Series 2020	08/06/20	05/01/40	2.00-4.00%	3,105,000	3,105,000
Total wastewater utility					<u>17,585,000</u>
Stormwater Utility					
Stormwater System Revenue Bonds					
Series 2012	08/08/12	04/01/32	2.00-4.00%	13,190,000	5,570,000
Series 2013	08/07/13	04/01/33	2.00-4.50%	6,440,000	4,875,000
Series 2014	09/10/14	04/01/34	2.00-4.00%	3,450,000	2,740,000
Series 2017	10/02/17	04/01/38	2.00-4.00%	5,000,000	4,950,000
Series 2018	10/09/18	04/01/39	2.50-4.00%	3,000,000	3,000,000
Series 2020	08/06/20	04/01/41	2.00-3.00%	2,965,000	2,965,000
Stormwater System Revenue Refunding Bonds					
Series 2015	10/28/15	04/01/35	2.00-4.00%	9,425,000	7,110,000
Series 2016	10/04/16	01/01/36	2.00-4.00%	14,935,000	12,425,000
Total stormwater utility					<u>43,635,000</u>
Total outstanding revenue bonds					<u>\$ 102,535,000</u>

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

Annual principal and interest maturities of the outstanding revenue bonds of \$102,535,000 on December 31, 2020 are detailed below:

Year Ended December 31,	Business-type Activities		
	Bonds & Notes		
	Principal	Interest	Total
2021	\$ 4,805,000	\$ 2,856,834	\$ 7,661,834
2022	11,745,000	3,920,873	15,665,873
2023	8,260,000	2,895,748	11,155,748
2024	8,285,000	2,585,718	10,870,718
2025	8,320,000	2,264,645	10,584,645
2026 - 2030	34,050,000	6,968,279	41,018,279
2031 - 2035	19,035,000	2,322,679	21,357,679
2036 - 2040	7,845,000	440,328	8,285,328
2041	190,000	2,019	192,019
	<u>\$ 102,535,000</u>	<u>\$ 24,257,123</u>	<u>\$ 126,792,123</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	\$ 19,522,640	\$ 8,486,792	\$ 11,021,218
Other revenues	530,965	2,227,049	48,347
Total operating revenues	20,053,605	10,713,841	11,069,565
Less: operating expenses	8,646,593	7,606,730	3,905,440
Net customer revenues	<u>\$ 11,407,012</u>	<u>\$ 3,107,111</u>	<u>\$ 7,164,125</u>
Debt Service			
Principal	\$ 6,735,000	\$ 935,000	\$ 3,445,000
Interest	1,559,282	434,597	1,614,727
Total debt service	<u>\$ 8,294,282</u>	<u>\$ 1,369,597</u>	<u>\$ 5,059,727</u>
Remaining principal and interest	<u>\$ 50,000,548</u>	<u>\$ 21,516,913</u>	<u>\$ 55,274,662</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, 2020

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>
2021	\$ 35,000
2022	45,000
2023	45,000
2024	50,000
	<u>\$ 175,000</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.

Current Refunding

During 2020, the City currently refunded sewerage system revenue bonds series 2010. The City issued sewerage system revenue refunding bonds of \$3,105,000 to call the refunded debt. The current refunding was undertaken to refinance and to reduce the principal and interest payments. Total debt service payments over the next 10 years were reduced by \$507,994 and the economic gain (difference between the present value of the debt service payments of the refunded and refunding debt) is \$477,957.

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, 2020, a \$1,350,000 liability was estimated based on what it would cost to perform all postclosure care in 2021 and thereafter. Actual costs may be higher due to inflation, changes in technology or changes in regulations. The City incurred approximately \$103,959 of closure costs in 2020.

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, 2020, 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, 2020

H. PENSION PLAN

1. Plan Description

The WRS is a cost-sharing, multiemployer, defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible state of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issues a standalone Comprehensive Annual Financial Report (CAFR), which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

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

Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and executive service retirement plan participants if hired on or before December 31, 2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service. The factors influencing the benefit are 1) final average earnings, 2) years of creditable service, and 3) a formula factor.

Final average earnings is the average of the participant's three highest annual 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, 2020

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
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
2019	0	(10)

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, 2020, the WRS recognized \$4,294,951 in contributions from the City.

Contribution rates for the reporting period are:

Employee Category	Employee	Employer
General (including teachers, executives and elected officials)	6.75%	6.75%
Protective with Social Security	6.75%	11.65%
Protective without Social Security	6.75%	16.25%

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

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

At December 31, 2020, the City reported an asset of \$12,109,114 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2019, and the total pension asset used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018 rolled forward to December 31, 2019. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2019, the City's proportion was 0.37553971%, which was an increase of 0.00370204% from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, the City recognized pension expense of \$4,510,319.

At December 31, 2020, 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	\$ 22,985,866	\$ 11,502,888
Net differences between projected and actual earnings on pension plan investments	-	24,755,334
Changes in assumptions	943,620	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	3,394	63,327
Employer contributions subsequent to the measurement date	4,294,951	-
Total	<u>\$ 28,227,831</u>	<u>\$ 36,321,549</u>

\$4,294,951 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Expense</u>
2021	\$ (3,700,587)
2022	(2,745,614)
2023	426,891
2024	(6,369,359)
Total	<u>\$ (12,388,669)</u>

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

5. Actuarial Assumptions

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

Actuarial valuation date:	December 31, 2018
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. The total pension liability for December 31, 2019 is based upon a roll-forward of the liability calculated from the December 31, 2018 actuarial valuation.

Long-term Expected Return on Plan Assets. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

	<u>Current Asset Allocation %</u>	<u>Long-term Expected Nominal Rate of Return %</u>	<u>Long-term Expected Real Rate of Return %</u>
<u>Core Fund Asset Class</u>			
Global equities	49%	8.0%	6.1%
Fixed income	24.5%	4.9%	2.1%
Inflation sensitive assets	15.5%	4.0%	1.2%
Real estate	9%	6.3%	3.5%
Private equity/debt	8%	10.6%	7.6%
Multi-asset	4%	6.9%	4.0%
Cash	-10%	N/A	N/A
Total Core Fund	100%	7.5%	4.6%
<u>Variable Fund Asset Class</u>			
U.S. equities	70%	7.5%	4.6%
International equities	30%	8.2%	5.3%
Total Variable Fund	100%	7.8%	4.9%

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

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, 2020

Single Discount Rate. A single discount rate of 7.00% was used to measure the total pension liability for the current and prior year. This single discount rate is based on the expected rate of return on pension plan investments of 7.00% and a long-term bond rate of 2.75%. (Source: Fixed-Income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2019. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of 10,000 tax exempt securities.) 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.

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)	\$ 31,183,134	\$ (12,109,114)	\$ (44,475,049)

Pension plan fiduciary net position. 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/about-etf/reports-and-studies/financial-reports-and-statements>.

6. Payables to the Pension Plan

At December 31, 2020, the City reported a payable of \$569,183 for the outstanding amount of contributions to the pension plan for the year ended December 31, 2020.

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, 2020

Employees Covered by Benefit Terms

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

Inactive employees or beneficiaries currently receiving benefit payments	58
Active employees	575
	<u>633</u>

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, 2020, and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation as of January 1, 2020.

Actuarial Assumptions. The total OPEB liability in the January 1, 2020 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
Discount rate:	1.93%
Inflation:	3.0%
Salary increases:	4.0%
Healthcare cost trend rates:	5.0% for 2020 decreasing to an ultimate rate of 4.5% by 2036

Mortality, disability, retirement and withdrawal rates are the same as those used in the December 31, 2019 Wisconsin Retirement System's (WRS) actuarial valuation report. The actuarial assumptions used in the January 1, 2019 valuation were based on the "Wisconsin Retirement System 2015-2017 Experience Study".

Discount Rate. The discount rate used to measure the total OPEB liability changed from 3.26% used in the fiscal year 2019 valuation to 1.93%, which is the S&P Municipal Bond 20 Year High-Grade Rate Index as of December 31, 2020. 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, 2020

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at January 1, 2020	\$ 5,020,901
Changes for the year:	
Service cost	273,356
Interest	157,658
Difference between expected and actual experience	(267,392)
Changes of assumptions changes or inputs	591,498
Benefit payments	(369,524)
Other changes	313,529
Net changes	<u>699,125</u>
Balance at December 31, 2020	<u>\$ 5,720,026</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 (0.93%) or 1-percentage-point higher (2.93%) than the current rate:

	1% Decrease to Discount Rate (0.93%)	Current Discount Rate (1.93%)	1% Increase to Discount Rate (2.93%)
Total OPEB liability	\$ 5,352,869	\$ 5,720,026	\$ 6,118,760

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 (3.0%) or 1-percentage-point higher (6.0%) than the current healthcare cost trend rates:

	1% Increase	Healthcare Cost Trend Rates	1% Decrease
Total OPEB liability	\$ 6,327,605	\$ 5,720,026	\$ 5,199,361

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

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

For the year ended December 31, 2020, the City recognized OPEB expense of \$598,824.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 550,002	\$ 237,652
Changes in assumptions	989,400	107,130
Total	<u>\$ 1,539,402</u>	<u>\$ 344,782</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:

<u>Year Ended December 31,</u>	<u>Expense</u>
2021	\$ 167,810
2022	167,810
2023	167,810
2024	167,810
2025	167,810
Thereafter	355,570
Total	<u>\$ 1,194,620</u>

Payable to the OPEB Plan

At December 31, 2020, the City reported no outstanding contribution to the Plan required for the year ended December 31, 2020.

Plan Financial Report

The Plan does not prepare a separate standalone financial report.

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

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, 2020 include the following:

Net investment in capital assets	
Land	\$ 128,568,717
Intangible assets	181,735
Construction in progress	8,278,349
Other capital assets, net of accumulated depreciation/amortization	254,996,404
Less: Related long-term debt outstanding (excluding unspent capital related debt proceeds)	(73,651,124)
Less: Unamortized debt premium	(3,576,306)
Add: Unamortized loss on refunding	49,715
Total net investment in capital assets	<u>314,847,490</u>
Restricted	
Debt service	742,955
TIF development activity	1,738,514
Housing rehabilitation	5,639,828
Special purposes	
Hazardous materials	392,918
Future claims	6,120
Health grants	52,799
Room tax	4,978
Parks	422,896
Capital projects funds	374,132
Net pension asset	10,027,221
Total restricted	<u>19,402,361</u>
Unrestricted	<u>36,554,411</u>
Total governmental activities net position	<u>\$ 370,804,262</u>

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

Net position of the business-type activities reported on the government-wide statement of net position at December 31, 2020 include the following:

Net investment in capital assets	
Land	\$ 12,149,233
Intangible assets	3,005,232
Construction in progress	11,617,817
Other capital assets, net of accumulated depreciation/amortization	314,018,588
Less: Related long-term debt outstanding (excluding unspent capital related debt proceeds)	(104,304,855)
Less: Unamortized debt premium	(5,201,573)
Add: Unamortized loss on refunding	1,525,516
Add: Borrowed reserve and depreciation fund	8,987,068
Total net investment in capital assets	<u>241,797,026</u>
Restricted	
Debt service	17,849,572
DNR replacement fund	3,993,908
Capital replacement fund	1,163,695
Net pension asset	2,081,893
Total restricted	<u>25,089,068</u>
Unrestricted	<u>43,793,587</u>
Total business-type activities net position	<u>\$ 310,679,681</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, 2020, nonspendable fund balance was as follows:

General Fund	
Nonspendable	
Prepaid items	\$ 884,914
Advance to other funds (principal portion)	4,575,838
Developer loans	645,951
Total general fund nonspendable fund balance	<u>6,106,703</u>
Capital Project Funds	
Nonspendable	
Information Technology	<u>595</u>
Total Nonspendable Fund Balance	<u>\$ 6,107,298</u>

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

Restricted Fund Balance

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

Special Revenue Funds

Restricted for

Community Development Block grant	\$ 8,973
Hazardous materials Level A - public safety	392,918
Health grants	52,799
Continuum of care - housing rehabilitation	4,912
HOME Homeowner - housing rehabilitation	359,738
Housing rehabilitation grant - housing rehabilitation	23,394
Business and neighborhood revitalization grant	1,811
Lead hazard control grant - housing rehabilitation	19,210
Tuchscherer disability - future claims	6,120
Room tax	4,978
Library grants	96,723
Peabody Estate - parks	71,196
Lutz Park - parks	148,355
Park purpose open space - parks	69,345
Union Spring Park - parks	2,751
Project city park - parks	6,470
Miracle League baseball - parks	28,056
Total special revenue funds	<u>1,297,749</u>

Debt Service Fund

Restricted for

Retirement of long-term debt	<u>1,301,947</u>
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Capital Projects Funds

Restricted for

Tax incremental district no. 7	1,114,224
Tax incremental district no. 9	348,946
Tax incremental district no. 10	105,344
Public works equipment	340,674
City center facilities	4,781
Information technology	28,677
Total capital projects funds	<u>1,942,646</u>

Total restricted fund balance	<u>\$ 4,542,342</u>
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City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

Committed Fund Balance

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

Special Revenue Fund

Committed for

Sanitation and recycling

\$ 1,574,278

Assigned Fund Balance

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

General Fund

PILOT applied to the 2021 budget

\$ 1,970,931

Carryover appropriations

4,106,231

Compensated absences

5,226,592

Health insurance

1,138,838

Debt service

2,761,630

Subtotal

15,204,222

Capital Projects Funds

Assigned for subsequent year's expenditures

Capital Improvements

Subdivision development projects

934,577

Industrial park land

1,054,227

Public works equipment

1,903,160

CEA replacement

3,185,251

Community development

78,697

Facilities

1,168,190

Information technology

439,543

Subtotal

8,763,645

Total

\$ 23,967,867

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

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/Masurement 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 \$222,019 and is part of the City's commingled cash.

Redevelopment Authority

1. Basis of Accounting/Masurement 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 \$141,232 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, 2020 are segregated into the following accounts:

<u>Associated Trust Investment Accounts</u>	<u>Cash and Investments</u>
Bond Reserve fund	\$ 2,414,320
Room Tax Stabilization fund	900,005
Debt Service fund	1,352,395
	<u>\$ 4,666,720</u>

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

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:

Funds	Restricted Purpose
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.

5. Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Appleton Redevelopment Authority				
Capital assets, nondepreciable:				
Land	\$ 2,060,000	\$ -	\$ -	\$ 2,060,000
Capital assets, depreciable:				
Buildings and improvements	32,451,767	-	-	32,451,767
Machinery and equipment	10,250	-	-	10,250
Subtotals	32,462,017	-	-	32,462,017
Less accumulated depreciation for:				
Buildings and improvements	1,622,095	1,081,726	-	2,703,821
Machinery and equipment	513	1,025	-	1,538
Subtotals	1,622,608	1,082,751	-	2,705,359
Total capital assets, depreciable, net	30,839,409	(1,082,751)	-	29,756,658
Governmental activities capital assets, net	<u>\$ 32,899,409</u>	<u>\$ (1,082,751)</u>	<u>\$ -</u>	31,816,658
Less: Capital related debt				31,265,000
Net investment in capital assets				<u>\$ 551,658</u>

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

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	\$ -	\$ 600,000	\$ 31,265,000	\$ 100,000

Interest paid by the Redevelopment Authority on these Taxable Lease Revenue Bonds during the year totaled \$1,293,754.

Details of this outstanding obligation of the Redevelopment Authority as of December 31, 2020 are as follows:

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/20</u>
Taxable Lease Revenue Bonds	05/01/18	10/01/51	2.80-4.28%	\$ 31,865,000	\$ 31,265,000

Annual principal and interest maturities of the outstanding taxable lease revenue bonds of \$31,265,000 on December 31, 2020 are detailed below:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 100,000	\$ 1,286,259	\$ 1,386,259
2022	125,000	1,282,882	1,407,882
2023	150,000	1,278,588	1,428,588
2024	200,000	1,272,926	1,472,926
2025	225,000	1,265,790	1,490,790
2026 - 2030	1,820,000	6,161,240	7,981,240
2031 - 2035	3,420,000	5,666,987	9,086,987
2036 - 2040	5,420,000	4,761,952	10,181,952
2041 - 2045	7,710,000	3,431,253	11,141,253
2046 - 2050	11,115,000	1,461,213	12,576,213
2051	980,000	20,972	1,000,972
	<u>\$ 31,265,000</u>	<u>\$ 27,890,061</u>	<u>\$ 59,155,061</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.

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

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, 2020, the City abated property taxes totaling \$1,405,663 under this program, including the following tax abatement agreements that each exceeded 10% of the total amount abated:

- ▶ A property tax abatement of \$316,428 to a developer within Tax Incremental District No. 6.
- ▶ A property tax abatement of \$345,082 to a developer within Tax Incremental District No. 7.
- ▶ A property tax abatement of \$566,030 to a developer within Tax Incremental District No. 8.

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 2020, 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, 2020 of \$2,900,000 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, 2020 and amounts expected to arise from claims which have been incurred but have not been reported to the City as of December 31, 2020. The reserve is based on a 2020 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, 2020, the City has a net deficit of \$847,482 in the risk management fund.

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

Changes in the claims payable follow:

	Liability January 1	Current Year Claims and Changes in Estimates	Claims Payments	Liability December 31
2019	\$ 1,900,000	\$ 841,418	\$ 841,418	\$ 1,900,000
2020	1,900,000	1,751,742	751,742	2,900,000

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 2020 totaled approximately \$448,955.

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, 2020:

Reported and known claims	\$ 629,743
Incurred but not reported claims	2,307,257
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
2019	\$ 2,937,000	\$ 8,016,603	\$ 8,016,603	\$ 2,937,000
2020	2,937,000	7,307,404	7,307,404	2,937,000

Transit Mutual Insurance Corporation of Wisconsin (TMi)

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 2020, 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 motorist insurance.

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

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 applicable 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 2020 and 2019, Transit Mutual returned surplus to Valley Transit pursuant to its surplus management policy; in addition, dividends were paid to Valley Transit in 2020 and 2019.

The City's share of this corporation is 4.94% for auto liability and 3.99% of physical damage liability. A list of the other members and their share of participation is available in the TMI report which is available from TMI, PO Box 1135, Appleton, WI 54912-1135 or by email from pamela@transitmutal.com.

Municipal Mutual Insurance

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

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 2020 is calculated at 3.767%. 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.

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

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

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

Enterprise Funds	
Water utility	\$ 2,978,581
Wastewater utility	4,056,328
Stormwater utility	467,104
Parking utility	15,000
Valley Transit utility	2,591,069
Special Revenue Funds	
Sanitation	54,050
Health Grants	9,780
Capital Project Funds	
TIF No. 11	18,826
TIF No. 12	21,541
Information technology	8,375
CEA replacement	661,902
Facilities	925,309
Public works	215,287
General Fund	247,548
	<u>\$ 12,270,700</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.

City of Appleton, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

F. RISKS AND UNCERTAINTIES

Coronavirus Disease (COVID-19) Pandemic

The Coronavirus Disease 2019 (COVID-19) has affected global markets, supply chains, employees of organizations and local communities. Specific to the City, COVID-19 may impact parts of its 2021 operations and financial results. Management believes the City is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimate as of June 7, 2021.

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, 2020
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2019**

	Budget		Actual	Variance	2019 Actual
	Original	Final		Final Budget - Positive (Negative)	
REVENUES					
Taxes	\$ 37,123,000	\$ 37,123,000	\$ 37,046,831	\$ (76,169)	\$ 36,092,255
Special assessments	276,970	276,970	260,470	(16,500)	263,609
Intergovernmental	15,944,893	16,008,197	17,162,876	1,154,679	15,898,156
Licenses and permits	1,252,950	1,252,950	1,247,183	(5,767)	1,139,475
Fines and forfeits	275,000	275,000	214,691	(60,309)	241,090
Public charges for services	1,772,887	1,772,887	891,763	(881,124)	1,869,574
Investment income	2,851,968	2,851,968	3,965,190	1,113,222	3,815,871
Miscellaneous	1,379,940	1,485,045	1,520,096	35,051	1,741,500
Total revenues	<u>60,877,608</u>	<u>61,046,017</u>	<u>62,309,100</u>	<u>1,263,083</u>	<u>61,061,530</u>
EXPENDITURES					
Current					
General government	8,431,658	11,249,800	7,491,654	3,758,146	7,322,385
Public safety	32,738,107	32,854,459	30,569,330	2,285,129	31,312,390
Public works	12,330,524	12,456,808	11,609,383	847,425	12,702,122
Culture and recreation	8,567,361	8,701,958	7,610,809	1,091,149	8,528,969
Conservation and development	1,843,968	1,893,838	1,816,954	76,884	1,779,049
Total expenditures	<u>63,911,618</u>	<u>67,156,863</u>	<u>59,098,130</u>	<u>8,058,733</u>	<u>61,644,915</u>
Excess of revenues over (under) expenditures	<u>(3,034,010)</u>	<u>(6,110,846)</u>	<u>3,210,970</u>	<u>9,321,816</u>	<u>(583,385)</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of capital assets	2,000	2,000	5,411	3,411	2,461
Transfers in	3,513,600	3,513,600	3,425,210	(88,390)	3,393,794
Transfers out	<u>(707,389)</u>	<u>(707,389)</u>	<u>(1,020,729)</u>	<u>(313,340)</u>	<u>(654,899)</u>
Total other financing sources (uses)	<u>2,808,211</u>	<u>2,808,211</u>	<u>2,409,892</u>	<u>(398,319)</u>	<u>2,741,356</u>
Net change in fund balance	(225,799)	(3,302,635)	5,620,862	8,923,497	2,157,971
Fund balance - January 1	<u>33,807,645</u>	<u>33,807,645</u>	<u>33,807,645</u>	-	<u>31,649,674</u>
Fund balance - December 31	<u>\$ 33,581,846</u>	<u>\$ 30,505,010</u>	<u>\$ 39,428,507</u>	<u>\$ 8,923,497</u>	<u>\$ 33,807,645</u>

See notes to required supplementary information.

City of Appleton, Wisconsin

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability			
Service cost	\$ 273,356	\$ 287,520	\$ 264,768
Interest	157,658	169,794	129,126
Differences between expected and actual experience	(267,392)	-	807,779
Changes of assumptions	591,498	91,479	77,784
Benefit payments	(369,524)	(386,226)	(414,239)
Other changes	313,529	548	(69,052)
Net change in total OPEB liability	699,125	163,115	796,166
Total OPEB liability - beginning	5,020,900	4,857,785	4,061,619
Total OPEB liability - ending	<u>\$ 5,720,025</u>	<u>\$ 5,020,900</u>	<u>\$ 4,857,785</u>
Covered-employee payroll	\$ 44,636,757	\$ 43,662,627	\$ 39,405,798
City's total OPEB liability as a percentage of covered-employee payroll	12.81%	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

Plan Year Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll (plan year)	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
12/31/14	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%
12/31/19	0.37553971%	(12,109,114)	43,662,657	27.73%	102.96%

SCHEDULE OF CONTRIBUTIONS WISCONSIN RETIREMENT SYSTEM LAST 10 FISCAL YEARS

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll (fiscal year)	Contributions as a Percentage of Covered Payroll
12/31/15	\$ 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%
12/31/20	4,294,951	4,294,951	-	44,636,757	9.62%

See notes to required supplementary information.

City of Appleton, Wisconsin

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION DECEMBER 31, 2020

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

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

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 3.26% to 1.93%. 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, 2020
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2019**

	Budget		Actual	Variance	2019 Actual
	Original	Final		Final Budget - Positive (Negative)	
Taxes					
General property	\$ 36,083,000	\$ 36,083,000	\$ 36,083,000	\$ -	\$ 35,646,816
Payment in lieu of taxes	440,000	440,000	388,423	(51,577)	445,439
Sales tax	600,000	600,000	575,408	(24,592)	-
Total taxes	<u>37,123,000</u>	<u>37,123,000</u>	<u>37,046,831</u>	<u>(76,169)</u>	<u>36,092,255</u>
Special assessments					
Asphalt paving	-	-	-	-	1,823
Concrete paving	28,470	28,470	12,522	(15,948)	23,010
Sidewalks	31,500	31,500	8,020	(23,480)	11,219
Snow removal	130,000	130,000	143,284	13,284	142,966
Weed cutting	16,000	16,000	19,300	3,300	13,838
Street light revenue	70,000	70,000	76,607	6,607	70,310
Miscellaneous	1,000	1,000	737	(263)	443
Total special assessments	<u>276,970</u>	<u>276,970</u>	<u>260,470</u>	<u>(16,500)</u>	<u>263,609</u>
Intergovernmental					
Federal	-	-	741,088	741,088	-
State					
State shared taxes	9,996,886	9,996,886	10,022,896	26,010	10,023,740
Tax exempt computer aid	421,000	421,000	421,924	924	421,924
Highway aid - connection streets	231,015	231,015	228,572	(2,443)	229,143
State tax disparity act	1,238,325	1,238,325	1,238,325	-	1,162,762
Local streets aid	2,650,000	2,650,000	2,855,382	205,382	2,642,172
Fire insurance dues	230,000	230,000	249,683	19,683	240,895
Miscellaneous state aids	93,029	156,333	327,211	170,878	99,607
Local					
Miscellaneous local aids	7,500	7,500	7,500	-	7,500
Library grants and aids	1,070,138	1,070,138	1,070,138	-	1,045,947
Health grants	7,000	7,000	157	(6,843)	24,466
Total intergovernmental	<u>15,944,893</u>	<u>16,008,197</u>	<u>17,162,876</u>	<u>1,154,679</u>	<u>15,898,156</u>
Licenses and permits					
Licenses					
Amusement devices	8,000	8,000	8,230	230	8,035
Cigarette	5,000	5,000	5,800	800	5,300
Health	156,500	156,500	149,869	(6,631)	146,348
Heating	-	-	25	25	825
Liquor and malt beverages	105,000	105,000	113,909	8,909	130,117
Operators	60,000	60,000	37,125	(22,875)	64,503
Commercial solicitation	3,000	3,000	5,145	2,145	2,510
Taxi cab/limousine	1,000	1,000	810	(190)	1,170
Taxi driver	2,000	2,000	1,950	(50)	2,500
Sundry	5,650	5,650	4,680	(970)	6,470
Secondhand/pawnbroker	1,600	1,600	1,980	380	2,370
Special events	22,000	22,000	13,365	(8,635)	25,942
Dog	20,000	20,000	10,416	(9,584)	15,532
Cat	8,000	8,000	4,162	(3,838)	5,848
Weights and measures	62,300	62,300	51,807	(10,493)	59,830

City of Appleton, Wisconsin

**GENERAL FUND
DETAILED COMPARISON OF BUDGETED AND ACTUAL REVENUES AND OTHER FINANCING SOURCES
FOR THE YEAR ENDED DECEMBER 31, 2020
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2019**

	Budget		Actual	Variance	2019 Actual
	Original	Final		Final Budget - Positive (Negative)	
Permits					
Building	350,000	350,000	372,566	22,566	315,298
Electrical	130,000	130,000	121,491	(8,509)	123,403
Heating	70,000	70,000	84,417	14,417	73,436
Plumbing and sewer	65,000	65,000	71,594	6,594	61,119
Burning	28,000	28,000	33,086	5,086	27,544
Trailer parking	9,200	9,200	11,140	1,940	10,133
State building	2,000	2,000	3,160	1,160	2,240
Signs	5,000	5,000	4,762	(238)	5,080
Street occupancy	9,000	9,000	8,314	(686)	13,322
Street excavating and patching	122,500	122,500	126,645	4,145	28,330
Sundry	2,200	2,200	735	(1,465)	2,270
Total licenses and permits	<u>1,252,950</u>	<u>1,252,950</u>	<u>1,247,183</u>	<u>(5,767)</u>	<u>1,139,475</u>
Fines and forfeits					
Court fines and penalties	<u>275,000</u>	<u>275,000</u>	<u>214,691</u>	<u>(60,309)</u>	<u>241,090</u>
Public charges for services					
Legal services	1,300	1,300	260	(1,040)	281
Mayor	2,500	2,500	1,250	(1,250)	2,500
Finance	4,000	4,000	3,949	(51)	4,262
Human resources	-	-	-	-	16
Library	50,000	50,000	14,728	(35,272)	44,646
Community development	350	350	295	(55)	290
Parks and recreation	920,432	920,432	166,784	(753,648)	946,659
Public Works					
Street division	2,800	2,800	99,066	96,266	56,184
Traffic	53,000	53,000	80,339	27,339	63,712
Inspection department	55,000	55,000	62,895	7,895	55,262
Health department	77,535	77,535	76,995	(540)	76,933
Police department	568,970	568,970	346,848	(222,122)	579,088
Fire department	37,000	37,000	38,354	1,354	39,741
Total public charges for services	<u>1,772,887</u>	<u>1,772,887</u>	<u>891,763</u>	<u>(881,124)</u>	<u>1,869,574</u>
Investment income					
Investment income	2,746,968	2,746,968	3,830,582	1,083,614	3,688,035
Interest on taxes	105,000	105,000	134,608	29,608	127,836
Total investment income	<u>2,851,968</u>	<u>2,851,968</u>	<u>3,965,190</u>	<u>1,113,222</u>	<u>3,815,871</u>

City of Appleton, Wisconsin

**GENERAL FUND
 DETAILED COMPARISON OF BUDGETED AND ACTUAL REVENUES AND OTHER FINANCING SOURCES
 FOR THE YEAR ENDED DECEMBER 31, 2020
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2019**

	Budget		Actual	Variance	2019 Actual
	Original	Final		Final Budget - Positive (Negative)	
Miscellaneous					
Fees and commissions	765,580	765,580	680,285	(85,295)	764,494
Zoning and subdivision fees	18,000	18,000	23,910	5,910	19,255
Property inquiry fees	73,600	73,600	80,106	6,506	65,832
Miscellaneous revenue	54,250	54,250	76,072	21,822	100,180
Rental of city property	48,500	48,500	46,876	(1,624)	48,619
Insurance proceeds	-	-	5,076	5,076	-
Donation and memorials	42,750	55,355	77,803	22,448	129,513
Damage to city property	47,000	47,000	105,465	58,465	108,565
Other reimbursements	220,368	312,868	313,439	571	394,168
Leases	107,892	107,892	109,849	1,957	108,364
Board of appeals	2,000	2,000	1,215	(785)	2,510
Total miscellaneous	<u>1,379,940</u>	<u>1,485,045</u>	<u>1,520,096</u>	<u>35,051</u>	<u>1,741,500</u>
Total revenues	<u>60,877,608</u>	<u>61,046,017</u>	<u>62,309,100</u>	<u>1,263,083</u>	<u>61,061,530</u>
Other financing sources					
Proceeds from sale of capital assets	2,000	2,000	5,411	3,411	2,461
Transfers in	<u>3,513,600</u>	<u>3,513,600</u>	<u>3,425,210</u>	<u>(88,390)</u>	<u>3,393,794</u>
Total other financing sources	<u>3,515,600</u>	<u>3,515,600</u>	<u>3,430,621</u>	<u>(84,979)</u>	<u>3,396,255</u>
Total revenues and other financing sources	<u><u>\$ 64,393,208</u></u>	<u><u>\$ 64,561,617</u></u>	<u><u>\$ 65,739,721</u></u>	<u><u>\$ 1,178,104</u></u>	<u><u>\$ 64,457,785</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, 2020
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2019**

	Budget		Actual	Variance	2019 Actual
	Original	Final		Final Budget - Positive (Negative)	
General government					
Common council	\$ 133,731	\$ 133,731	\$ 133,729	\$ 2	\$ 134,357
Mayor	506,115	506,115	440,604	65,511	488,210
Legal service	1,102,584	1,165,888	1,107,580	58,308	1,008,222
Finance	892,834	892,834	899,507	(6,673)	879,967
Information technology	1,991,849	2,005,243	2,012,971	(7,728)	1,924,476
Human resources	766,072	766,072	671,804	94,268	676,942
Other general government	3,038,473	5,779,917	2,225,459	3,554,458	2,210,211
Total general government	<u>8,431,658</u>	<u>11,249,800</u>	<u>7,491,654</u>	<u>3,758,146</u>	<u>7,322,385</u>
Public safety					
Health services	1,207,998	1,207,998	583,353	624,645	1,116,527
Police	18,673,600	18,738,294	17,802,388	935,906	17,948,166
Fire	12,856,509	12,908,167	12,183,589	724,578	12,247,697
Total public safety	<u>32,738,107</u>	<u>32,854,459</u>	<u>30,569,330</u>	<u>2,285,129</u>	<u>31,312,390</u>
Public works	<u>12,330,524</u>	<u>12,456,808</u>	<u>11,609,383</u>	<u>847,425</u>	<u>12,702,122</u>
Culture and recreation					
Library	4,668,553	4,803,150	4,493,631	309,519	4,663,070
Parks and recreation	3,898,808	3,898,808	3,117,178	781,630	3,865,899
Total culture and recreation	<u>8,567,361</u>	<u>8,701,958</u>	<u>7,610,809</u>	<u>1,091,149</u>	<u>8,528,969</u>
Community and development	<u>1,843,968</u>	<u>1,893,838</u>	<u>1,816,954</u>	<u>76,884</u>	<u>1,779,049</u>
Total expenditures	<u>63,911,618</u>	<u>67,156,863</u>	<u>59,098,130</u>	<u>8,058,733</u>	<u>61,644,915</u>
Other financing uses					
Transfers out	<u>707,389</u>	<u>707,389</u>	<u>1,020,729</u>	<u>(313,340)</u>	<u>654,899</u>
Total expenditures and other financing uses	<u><u>\$ 64,619,007</u></u>	<u><u>\$ 67,864,252</u></u>	<u><u>\$ 60,118,859</u></u>	<u><u>\$ 7,745,393</u></u>	<u><u>\$ 62,299,814</u></u>

City of Appleton, Wisconsin

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2020**

	Special Revenue Funds	Capital Projects Funds	Debt Service	Total Nonmajor Governmental Funds
ASSETS				
Cash and investments	\$ 4,369,358	\$ 14,971,884	\$ 6,029,710	\$ 25,370,952
Receivables				
Taxes and special charges	1,720,413	2,880,245	5,124,111	9,724,769
Accounts	230,445	626,119	-	856,564
Special assessments	-	103,814	-	103,814
Housing loans, net	6,180,186	-	-	6,180,186
Notes receivable - component unit	-	170,000	-	170,000
Other	175,101	-	-	175,101
Due from other funds	17,454	-	-	17,454
Due from other governments	900,416	200,000	-	1,100,416
Prepaid items	-	595	-	595
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 13,593,373</u>	<u>\$ 18,952,657</u>	<u>\$ 11,153,821</u>	<u>\$ 43,699,851</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 171,381	\$ 1,169,229	\$ -	\$ 1,340,610
Other accrued liabilities	65,666	14,138	-	79,804
Due to other funds	796,012	-	-	796,012
Advance from other funds	3,342,427	4,118,449	-	7,460,876
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>4,375,486</u>	<u>5,301,816</u>	<u>-</u>	<u>9,677,302</u>
Deferred inflows of resources				
Unearned and unavailable revenue	9,557,481	5,931,891	9,851,874	25,341,246
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Fund balances				
Nonspendable	-	595	-	595
Restricted	1,297,749	1,942,646	1,301,947	4,542,342
Committed	1,574,278	-	-	1,574,278
Assigned	-	8,763,645	-	8,763,645
Unassigned	(3,211,621)	(2,987,936)	-	(6,199,557)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>(339,594)</u>	<u>7,718,950</u>	<u>1,301,947</u>	<u>8,681,303</u>
Total liabilities, deferred inflows of resources, and fund balances				
	<u>\$ 13,593,373</u>	<u>\$ 18,952,657</u>	<u>\$ 11,153,821</u>	<u>\$ 43,699,851</u>

City of Appleton, Wisconsin

COMBINING BALANCE SHEET NONMAJOR SPECIAL REVENUE FUNDS DECEMBER 31, 2020

	Special Revenue						
	Community Development Block Grant	Sanitation & Recycling Program	Tax Incremental District No. 3	Health Grants	COVID-19 Response	Police Grants	Hazardous Materials Level A
ASSETS							
Cash and investments	\$ -	\$ 2,375,755	\$ 669,971	\$ 117,288	\$ -	\$ -	\$ 369,160
Receivables							
Taxes and special charges	-	1,086,521	632,332	-	-	-	-
Accounts	-	151,620	44,256	500	-	-	-
Special assessments	-	-	-	-	-	-	-
Housing loans, net	-	-	-	-	-	-	-
Notes receivable - component unit	-	-	-	-	-	-	-
Other	-	175,101	-	-	-	-	-
Due from other funds	-	17,454	-	-	-	-	-
Due from other governments	72,322	-	-	17,261	480,933	23,800	24,999
Prepaid items	-	-	-	-	-	-	-
Total assets	\$ 72,322	\$ 3,806,451	\$ 1,346,559	\$ 135,049	\$ 480,933	\$ 23,800	\$ 394,159
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
Liabilities							
Accounts payable	\$ 76	\$ 95,450	\$ -	\$ 9,250	\$ 200	\$ -	\$ 778
Other accrued liabilities	691	47,723	-	3,457	8,474	-	463
Due to other funds	62,582	-	-	-	472,259	23,800	-
Advance from other funds	-	-	3,342,427	-	-	-	-
Total liabilities	63,349	143,173	3,342,427	12,707	480,933	23,800	1,241
Deferred inflows of resources							
Unearned and unavailable revenue	-	2,089,000	1,215,753	69,543	-	-	-
Fund balances							
Nonspendable	-	-	-	-	-	-	-
Restricted	8,973	-	-	52,799	-	-	392,918
Committed	-	1,574,278	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	(3,211,621)	-	-	-	-
Total fund balances	8,973	1,574,278	(3,211,621)	52,799	-	-	392,918
Total liabilities, deferred inflows of resources, and fund balances	\$ 72,322	\$ 3,806,451	\$ 1,346,559	\$ 135,049	\$ 480,933	\$ 23,800	\$ 394,159

City of Appleton, Wisconsin

COMBINING BALANCE SHEET NONMAJOR SPECIAL REVENUE FUNDS DECEMBER 31, 2020

	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	\$ 604	\$ -	\$ -	\$ 359,738	\$ 24,203	\$ 3,251	\$ -
Receivables							
Taxes and special charges	-	-	-	-	-	1,560	-
Accounts	33,533	-	-	-	50	-	486
Special assessments	-	-	-	-	-	-	-
Housing loans, net	-	-	-	650,677	5,346,059	-	-
Notes receivable - component unit	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Due from other governments	-	78,996	24,913	-	1,976	-	175,216
Prepaid items	-	-	-	-	-	-	-
Total assets	\$ 34,137	\$ 78,996	\$ 24,913	\$ 1,010,415	\$ 5,372,288	\$ 4,811	\$ 175,702
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
Liabilities							
Accounts payable	\$ 29,159	\$ -	\$ 3,903	\$ -	\$ 94	\$ -	\$ 32,171
Other accrued liabilities	-	-	758	-	2,742	-	496
Due to other funds	-	78,996	15,340	-	-	-	143,035
Advance from other funds	-	-	-	-	-	-	-
Total liabilities	29,159	78,996	20,001	-	2,836	-	175,702
Deferred inflows of resources							
Unearned and unavailable revenue	-	-	-	650,677	5,346,058	3,000	-
Fund balances							
Nonspendable	-	-	-	-	-	-	-
Restricted	4,978	-	4,912	359,738	23,394	1,811	-
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances	4,978	-	4,912	359,738	23,394	1,811	-
Total liabilities, deferred inflows of resources, and fund balances	\$ 34,137	\$ 78,996	\$ 24,913	\$ 1,010,415	\$ 5,372,288	\$ 4,811	\$ 175,702

City of Appleton, Wisconsin

COMBINING BALANCE SHEET NONMAJOR SPECIAL REVENUE FUNDS DECEMBER 31, 2020

	Special Revenue					
	Lead Hazard Control Grant	Tuchscherer Disability	Peabody Estate	Lutz Park	Park Purpose Open Space	Union Spring Park
ASSETS						
Cash and investments	\$ 19,210	\$ 6,120	\$ 71,196	\$ 148,355	\$ 69,345	\$ 2,751
Receivables						
Taxes and special charges	-	-	-	-	-	-
Accounts	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-
Housing loans, net	183,450	-	-	-	-	-
Notes receivable - component unit	-	-	-	-	-	-
Other	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-
Total assets	\$ 202,660	\$ 6,120	\$ 71,196	\$ 148,355	\$ 69,345	\$ 2,751
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other accrued liabilities	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Advance from other funds	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-
Deferred inflows of resources						
Unearned and unavailable revenue	183,450	-	-	-	-	-
Fund balances						
Nonspendable	-	-	-	-	-	-
Restricted	19,210	6,120	71,196	148,355	69,345	2,751
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances	19,210	6,120	71,196	148,355	69,345	2,751
Total liabilities, deferred inflows of resources, and fund balances	\$ 202,660	\$ 6,120	\$ 71,196	\$ 148,355	\$ 69,345	\$ 2,751

City of Appleton, Wisconsin

COMBINING BALANCE SHEET NONMAJOR SPECIAL REVENUE FUNDS DECEMBER 31, 2020

	Special Revenue			Total Nonmajor Special Revenue Funds
	Project City Park	Miracle League Baseball	Library Grant	
ASSETS				
Cash and investments	\$ 6,470	\$ 28,056	\$ 97,885	\$ 4,369,358
Receivables				
Taxes and special charges	-	-	-	1,720,413
Accounts	-	-	-	230,445
Special assessments	-	-	-	-
Housing loans, net	-	-	-	6,180,186
Notes receivable - component unit	-	-	-	-
Other	-	-	-	175,101
Due from other funds	-	-	-	17,454
Due from other governments	-	-	-	900,416
Prepaid items	-	-	-	-
Total assets	\$ 6,470	\$ 28,056	\$ 97,885	\$ 13,593,373
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	\$ -	\$ 300	\$ 171,381
Other accrued liabilities	-	-	862	65,666
Due to other funds	-	-	-	796,012
Advance from other funds	-	-	-	3,342,427
Total liabilities	-	-	1,162	4,375,486
Deferred inflows of resources				
Unearned and unavailable revenue	-	-	-	9,557,481
Fund balances				
Nonspendable	-	-	-	-
Restricted	6,470	28,056	96,723	1,297,749
Committed	-	-	-	1,574,278
Assigned	-	-	-	-
Unassigned	-	-	-	(3,211,621)
Total fund balances	6,470	28,056	96,723	(339,594)
Total liabilities, deferred inflows of resources, and fund balances	\$ 6,470	\$ 28,056	\$ 97,885	\$ 13,593,373

City of Appleton, Wisconsin

COMBINING BALANCE SHEET NONMAJOR CAPITAL PROJECTS FUNDS DECEMBER 31, 2020

	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	\$ 973,104	\$ 1,057,032	\$ 2,816,836	\$ 1,234,195	\$ 732,703	\$ 353,574
Receivables						
Taxes and special charges	30,772	-	1,513,139	318,835	775,394	5,016
Accounts	-	-	-	-	-	-
Special assessments	103,814	-	-	-	-	-
Housing loans, net	-	-	-	-	-	-
Notes receivable - component unit	-	-	-	-	170,000	-
Other	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-
Total assets	\$ 1,107,690	\$ 1,057,032	\$ 4,329,975	\$ 1,553,030	\$ 1,678,097	\$ 358,590
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 65,811	\$ 2,805	\$ -	\$ -	\$ -	\$ -
Other accrued liabilities	3,488	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Advance from other funds	-	-	2,716,220	-	65,902	-
Total liabilities	69,299	2,805	2,716,220	-	65,902	-
Deferred inflows of resources						
Unearned and unavailable revenue	103,814	-	3,262,975	438,806	1,660,812	9,644
Fund balances						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	1,114,224	-	348,946
Committed	-	-	-	-	-	-
Assigned	934,577	1,054,227	-	-	-	-
Unassigned	-	-	(1,649,220)	-	(48,617)	-
Total fund balances	934,577	1,054,227	(1,649,220)	1,114,224	(48,617)	348,946
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,107,690	\$ 1,057,032	\$ 4,329,975	\$ 1,553,030	\$ 1,678,097	\$ 358,590

City of Appleton, Wisconsin

COMBINING BALANCE SHEET NONMAJOR CAPITAL PROJECTS FUNDS DECEMBER 31, 2020

	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	\$ 105,344	\$ 210,357	\$ 63,762	\$ -	\$ 3,185,251	\$ 78,697
Receivables						
Taxes and special charges	-	197,130	39,959	-	-	-
Accounts	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-
Housing loans, net	-	-	-	-	-	-
Notes receivable - component unit	-	-	-	-	-	-
Other	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-
Total assets	\$ 105,344	\$ 407,487	\$ 103,721	\$ -	\$ 3,185,251	\$ 78,697
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities						
Accounts payable	\$ -	\$ 9,140	\$ -	\$ -	\$ -	\$ -
Other accrued liabilities	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Advance from other funds	-	1,236,670	99,657	-	-	-
Total liabilities	-	1,245,810	99,657	-	-	-
Deferred inflows of resources						
Unearned and unavailable revenue	-	379,012	76,828	-	-	-
Fund balances						
Nonspendable	-	-	-	-	-	-
Restricted	105,344	-	-	-	-	-
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	3,185,251	78,697
Unassigned	-	(1,217,335)	(72,764)	-	-	-
Total fund balances	105,344	(1,217,335)	(72,764)	-	3,185,251	78,697
Total liabilities, deferred inflows of resources, and fund balances	\$ 105,344	\$ 407,487	\$ 103,721	\$ -	\$ 3,185,251	\$ 78,697

City of Appleton, Wisconsin

COMBINING BALANCE SHEET NONMAJOR CAPITAL PROJECTS FUNDS DECEMBER 31, 2020

	<u>Capital Projects</u>				<u>Total Nonmajor Capital Projects Funds</u>
	<u>Facilities Capital Projects</u>	<u>City Center Facilities</u>	<u>Public Works Equipment</u>	<u>Information Technology</u>	
ASSETS					
Cash and investments	\$ 1,453,896	\$ 4,781	\$ 2,234,132	\$ 468,220	\$ 14,971,884
Receivables					
Taxes and special charges	-	-	-	-	2,880,245
Accounts	-	-	626,119	-	626,119
Special assessments	-	-	-	-	103,814
Housing loans, net	-	-	-	-	-
Notes receivable - component unit	-	-	-	-	170,000
Other	-	-	-	-	-
Due from other funds	-	-	-	-	-
Due from other governments	200,000	-	-	-	200,000
Prepaid items	-	-	-	595	595
Total assets	<u>\$ 1,653,896</u>	<u>\$ 4,781</u>	<u>\$ 2,860,251</u>	<u>\$ 468,815</u>	<u>\$ 18,952,657</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 479,856	\$ -	\$ 611,617	\$ -	\$ 1,169,229
Other accrued liabilities	5,850	-	4,800	-	14,138
Due to other funds	-	-	-	-	-
Advance from other funds	-	-	-	-	4,118,449
Total liabilities	<u>485,706</u>	<u>-</u>	<u>616,417</u>	<u>-</u>	<u>5,301,816</u>
Deferred inflows of resources					
Unearned and unavailable revenue	-	-	-	-	5,931,891
Fund balances					
Nonspendable	-	-	-	595	595
Restricted	-	4,781	340,674	28,677	1,942,646
Committed	-	-	-	-	-
Assigned	1,168,190	-	1,903,160	439,543	8,763,645
Unassigned	-	-	-	-	(2,987,936)
Total fund balances	<u>1,168,190</u>	<u>4,781</u>	<u>2,243,834</u>	<u>468,815</u>	<u>7,718,950</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,653,896</u>	<u>\$ 4,781</u>	<u>\$ 2,860,251</u>	<u>\$ 468,815</u>	<u>\$ 18,952,657</u>

City of Appleton, Wisconsin

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2020

	Special Revenue Funds	Capital Projects Funds	Debt Service	Total Nonmajor Governmental Funds
REVENUES				
Taxes	\$ 4,480,230	\$ 2,715,286	\$ 7,955,245	\$ 15,150,761
Special assessments	-	386,498	-	386,498
Intergovernmental	3,792,663	656,611	-	4,449,274
Public charges for services	1,674,370	-	-	1,674,370
Investment income	52,604	272,463	-	325,067
Miscellaneous	786,323	3,694,300	24	4,480,647
	<u>10,786,190</u>	<u>7,725,158</u>	<u>7,955,269</u>	<u>26,466,617</u>
Total revenues				
EXPENDITURES				
Current				
General government	88,255	49,478	-	137,733
Public safety	2,407,857	-	-	2,407,857
Public works	3,642,792	-	-	3,642,792
Culture and recreation	113,801	-	-	113,801
Conservation and development	1,700,117	449,136	-	2,149,253
Debt service				
Principal	-	-	7,339,875	7,339,875
Interest and fiscal charges	195,872	251,014	2,135,325	2,582,211
Capital outlay	-	20,569,671	-	20,569,671
	<u>8,148,694</u>	<u>21,319,299</u>	<u>9,475,200</u>	<u>38,943,193</u>
Total expenditures				
Excess of revenues over (under) expenditures	<u>2,637,496</u>	<u>(13,594,141)</u>	<u>(1,519,931)</u>	<u>(12,476,576)</u>
OTHER FINANCING SOURCES (USES)				
Long-term debt issued	-	15,000,000	-	15,000,000
Premium on debt issued	-	-	861,170	861,170
Proceeds from sale of capital assets	-	578,315	-	578,315
Transfers in	-	653,257	372,640	1,025,897
Transfers out	(1,229,329)	(372,640)	-	(1,601,969)
	<u>(1,229,329)</u>	<u>15,858,932</u>	<u>1,233,810</u>	<u>15,863,413</u>
Total other financing sources (uses)				
Net change in fund balances	1,408,167	2,264,791	(286,121)	3,386,837
Fund balances - January 1	<u>(1,747,761)</u>	<u>5,454,159</u>	<u>1,588,068</u>	<u>5,294,466</u>
Fund balances - December 31	<u>\$ (339,594)</u>	<u>\$ 7,718,950</u>	<u>\$ 1,301,947</u>	<u>\$ 8,681,303</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, 2020

	Special Revenue						
	Community Development Block Grant	Sanitation & Recycling Program	Tax Incremental District No. 3	Health Grants	COVID-19 Response	Police Grants	Hazardous Materials Level A
REVENUES							
Taxes	\$ -	\$ 2,045,000	\$ 1,127,513	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-
Intergovernmental	576,747	-	8,734	167,778	1,874,574	261,992	131,764
Public charges for services	-	1,664,413	-	-	-	-	1,957
Investment income (loss)	-	25,156	9,127	-	-	-	9,380
Miscellaneous	-	248	-	-	-	-	-
Total revenues	<u>576,747</u>	<u>3,734,817</u>	<u>1,145,374</u>	<u>167,778</u>	<u>1,874,574</u>	<u>261,992</u>	<u>143,101</u>
EXPENDITURES							
Current							
General government	-	-	2,396	-	-	-	-
Public safety	-	-	-	167,824	1,874,574	261,992	103,467
Public works	-	3,642,792	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Conservation and development	576,746	-	-	-	-	-	-
Debt service							
Interest and fiscal charges	-	-	195,872	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Total expenditures	<u>576,746</u>	<u>3,642,792</u>	<u>198,268</u>	<u>167,824</u>	<u>1,874,574</u>	<u>261,992</u>	<u>103,467</u>
Excess of revenues over (under) expenditures	<u>1</u>	<u>92,025</u>	<u>947,106</u>	<u>(46)</u>	<u>-</u>	<u>-</u>	<u>39,634</u>
OTHER FINANCING SOURCES (USES)							
Long-term debt issued	-	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>1</u>	<u>92,025</u>	<u>947,106</u>	<u>(46)</u>	<u>-</u>	<u>-</u>	<u>39,634</u>
Fund balances - January 1	<u>8,972</u>	<u>1,482,253</u>	<u>(4,158,727)</u>	<u>52,845</u>	<u>-</u>	<u>-</u>	<u>353,284</u>
Fund balances - December 31	<u>\$ 8,973</u>	<u>\$ 1,574,278</u>	<u>\$ (3,211,621)</u>	<u>\$ 52,799</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 392,918</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, 2020**

	Special Revenue						
	Room Tax	Wheel Tax	Continuum of Care	HOME Homeowner	Housing Rehabilitation Grant	Business and Neighborhood Revitalization Grant	Emergency Shelter
REVENUES							
Taxes	\$ 91,388	\$ 1,216,329	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-
Intergovernmental	-	-	369,457	-	129,146	-	272,471
Public charges for services	-	-	-	-	-	-	-
Investment income (loss)	-	-	-	-	26	-	-
Miscellaneous	-	-	-	241,050	379,349	-	-
Total revenues	91,388	1,216,329	369,457	241,050	508,521	-	272,471
EXPENDITURES							
Current							
General government	79,468	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Conservation and development	-	-	364,545	-	486,354	1	272,471
Debt service							
Interest and fiscal charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Total expenditures	79,468	-	364,545	-	486,354	1	272,471
Excess of revenues over (under) expenditures	11,920	1,216,329	4,912	241,050	22,167	(1)	-
OTHER FINANCING SOURCES (USES)							
Long-term debt issued	-	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	(13,000)	(1,216,329)	-	-	-	-	-
Total other financing sources (uses)	(13,000)	(1,216,329)	-	-	-	-	-
Net change in fund balances	(1,080)	-	4,912	241,050	22,167	(1)	-
Fund balances - January 1	6,058	-	-	118,688	1,227	1,812	-
Fund balances - December 31	\$ 4,978	\$ -	\$ 4,912	\$ 359,738	\$ 23,394	\$ 1,811	\$ -

City of Appleton, Wisconsin

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR SPECIAL REVENUE FUNDS FOR THE YEAR ENDED DECEMBER 31, 2020

	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	-	-	-	-	8,000	-
Investment income (loss)	-	289	1,927	4,016	1,673	74
Miscellaneous	15,006	-	-	-	-	-
Total revenues	15,006	289	1,927	4,016	9,673	74
EXPENDITURES						
Current						
General government	-	6,391	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Conservation and development	-	-	-	-	-	-
Debt service						
Interest and fiscal charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	-	6,391	-	-	-	-
Excess of revenues over (under) expenditures	15,006	(6,102)	1,927	4,016	9,673	74
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	15,006	(6,102)	1,927	4,016	9,673	74
Fund balances - January 1	4,204	12,222	69,269	144,339	59,672	2,677
Fund balances - December 31	\$ 19,210	\$ 6,120	\$ 71,196	\$ 148,355	\$ 69,345	\$ 2,751

City of Appleton, Wisconsin

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Special Revenue			Total Nonmajor Special Revenue Funds
	Project City Park	Miracle League Baseball	Library Grant	
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 4,480,230
Special assessments	-	-	-	-
Intergovernmental	-	-	-	3,792,663
Public charges for services	-	-	-	1,674,370
Investment income (loss)	176	760	-	52,604
Miscellaneous	-	-	150,670	786,323
Total revenues	176	760	150,670	10,786,190
EXPENDITURES				
Current				
General government	-	-	-	88,255
Public safety	-	-	-	2,407,857
Public works	-	-	-	3,642,792
Culture and recreation	-	-	113,801	113,801
Conservation and development	-	-	-	1,700,117
Debt service				
Interest and fiscal charges	-	-	-	195,872
Capital outlay	-	-	-	-
Total expenditures	-	-	113,801	8,148,694
Excess of revenues over (under) expenditures	176	760	36,869	2,637,496
OTHER FINANCING SOURCES (USES)				
Long-term debt issued	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	(1,229,329)
Total other financing sources (uses)	-	-	-	(1,229,329)
Net change in fund balances	176	760	36,869	1,408,167
Fund balances - January 1	6,294	27,296	59,854	(1,747,761)
Fund balances - December 31	\$ 6,470	\$ 28,056	\$ 96,723	\$ (339,594)

City of Appleton, Wisconsin

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	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	\$ 100,000	\$ -	\$ 2,116,115	\$ -	\$ 447,188	\$ -
Special assessments	386,498	-	-	-	-	-
Intergovernmental	-	-	90,388	66,184	5,706	110,288
Public charges for services	-	-	-	-	-	-
Investment income (loss)	31,739	15,322	35,314	27,321	20,152	7,546
Miscellaneous	-	34,764	5,224	-	165,000	-
Total revenues	<u>518,237</u>	<u>50,086</u>	<u>2,247,041</u>	<u>93,505</u>	<u>638,046</u>	<u>117,834</u>
EXPENDITURES						
Current						
General government	-	-	1,395	1,397	1,398	1,396
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Conservation and development	-	-	22,374	2,310	311,801	29,525
Debt service						
Interest and fiscal charges	-	-	185,811	-	12,045	-
Capital outlay	734,646	163,528	69	-	-	-
Total expenditures	<u>734,646</u>	<u>163,528</u>	<u>209,649</u>	<u>3,707</u>	<u>325,244</u>	<u>30,921</u>
Excess of revenues over (under) expenditures	<u>(216,409)</u>	<u>(113,442)</u>	<u>2,037,392</u>	<u>89,798</u>	<u>312,802</u>	<u>86,913</u>
OTHER FINANCING SOURCES (USES)						
Long-term debt issued	-	-	-	-	-	-
Proceeds from sale of capital assets	-	565,333	12,982	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	(116,121)	-	(256,519)	-
Total other financing sources (uses)	<u>-</u>	<u>565,333</u>	<u>(103,139)</u>	<u>-</u>	<u>(256,519)</u>	<u>-</u>
Net change in fund balances	<u>(216,409)</u>	<u>451,891</u>	<u>1,934,253</u>	<u>89,798</u>	<u>56,283</u>	<u>86,913</u>
Fund balances - January 1	<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>
Fund balances - December 31	<u>\$ 934,577</u>	<u>\$ 1,054,227</u>	<u>\$ (1,649,220)</u>	<u>\$ 1,114,224</u>	<u>\$ (48,617)</u>	<u>\$ 348,946</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, 2020

	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	\$ -	\$ 34,029	\$ 17,954	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Intergovernmental	5,163	-	-	-	-	-
Public charges for services	-	-	-	-	-	-
Investment income (loss)	2,752	204	38	31	37,583	2,185
Miscellaneous	-	1,000	-	-	2,873,042	-
Total revenues	7,915	35,233	17,992	31	2,910,625	2,185
EXPENDITURES						
Current						
General government	1,396	27,057	1,396	-	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Conservation and development	-	50,950	32,176	-	-	-
Debt service						
Interest and fiscal charges	-	49,365	3,793	-	-	-
Capital outlay	-	28,866	-	707,010	3,475,797	-
Total expenditures	1,396	156,238	37,365	707,010	3,475,797	-
Excess of revenues over (under) expenditures	6,519	(121,005)	(19,373)	(706,979)	(565,172)	2,185
OTHER FINANCING SOURCES (USES)						
Long-term debt issued	-	-	-	694,847	1,000,000	-
Proceeds from sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	213,937	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	694,847	1,213,937	-
Net change in fund balances	6,519	(121,005)	(19,373)	(12,132)	648,765	2,185
Fund balances - January 1	98,825	(1,096,330)	(53,391)	12,132	2,536,486	76,512
Fund balances - December 31	\$ 105,344	\$ (1,217,335)	\$ (72,764)	\$ -	\$ 3,185,251	\$ 78,697

City of Appleton, Wisconsin

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Capital Projects</u>				<u>Total Nonmajor Capital Projects Funds</u>
	<u>Facilities Capital Projects</u>	<u>City Center Facilities</u>	<u>Public Works Equipment</u>	<u>Information Technology</u>	
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 2,715,286
Special assessments	-	-	-	-	386,498
Intergovernmental	208,215	-	170,667	-	656,611
Public charges for services	-	-	-	-	-
Investment income (loss)	43,107	-	48,351	818	272,463
Miscellaneous	4,103	-	611,167	-	3,694,300
Total revenues	<u>255,425</u>	<u>-</u>	<u>830,185</u>	<u>818</u>	<u>7,725,158</u>
EXPENDITURES					
Current					
General government	-	-	-	14,043	49,478
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Conservation and development	-	-	-	-	449,136
Debt service					
Interest and fiscal charges	-	-	-	-	251,014
Capital outlay	6,837,121	119,218	8,048,237	455,179	20,569,671
Total expenditures	<u>6,837,121</u>	<u>119,218</u>	<u>8,048,237</u>	<u>469,222</u>	<u>21,319,299</u>
Excess of revenues over (under) expenditures	<u>(6,581,696)</u>	<u>(119,218)</u>	<u>(7,218,052)</u>	<u>(468,404)</u>	<u>(13,594,141)</u>
OTHER FINANCING SOURCES (USES)					
Long-term debt issued	5,667,333	-	7,217,820	420,000	15,000,000
Proceeds from sale of capital assets	-	-	-	-	578,315
Transfers in	-	-	-	439,320	653,257
Transfers out	-	-	-	-	(372,640)
Total other financing sources (uses)	<u>5,667,333</u>	<u>-</u>	<u>7,217,820</u>	<u>859,320</u>	<u>15,858,932</u>
Net change in fund balances	(914,363)	(119,218)	(232)	390,916	2,264,791
Fund balances - January 1	<u>2,082,553</u>	<u>123,999</u>	<u>2,244,066</u>	<u>77,899</u>	<u>5,454,159</u>
Fund balances - December 31	<u>\$ 1,168,190</u>	<u>\$ 4,781</u>	<u>\$ 2,243,834</u>	<u>\$ 468,815</u>	<u>\$ 7,718,950</u>

City of Appleton, Wisconsin

COMBINING STATEMENT OF NET POSITION NONMAJOR ENTERPRISE FUNDS DECEMBER 31, 2020

	Parking Utility	Reid Municipal Golf Course	Total Nonmajor Enterprise Funds
ASSETS			
Current assets			
Cash and investments	\$ 1,266,022	\$ 353,067	\$ 1,619,089
Receivables			
Customer accounts	22,422	-	22,422
Total current assets	<u>1,288,444</u>	<u>353,067</u>	<u>1,641,511</u>
Other assets			
Net pension asset	81,185	49,960	131,145
Capital assets			
Nondepreciable	1,591,739	411,013	2,002,752
Depreciable	5,852,790	730,578	6,583,368
Total capital assets	<u>7,444,529</u>	<u>1,141,591</u>	<u>8,586,120</u>
Total assets	<u>8,814,158</u>	<u>1,544,618</u>	<u>10,358,776</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related amounts	187,666	107,735	295,401
Other postemployment related amounts	16,472	9,082	25,554
Total deferred outflows of resources	<u>204,138</u>	<u>116,817</u>	<u>320,955</u>
LIABILITIES			
Current liabilities			
Accounts payable	10,168	914	11,082
Other accrued liabilities	32,847	3,211	36,058
Accrued interest payable	7,700	2,438	10,138
Compensated absences	39,647	12,557	52,204
Advance from other funds	-	5,000	5,000
Unearned revenue	318,781	34,676	353,457
Current portion of long-term debt	145,000	75,000	220,000
Total current liabilities	<u>554,143</u>	<u>133,796</u>	<u>687,939</u>
Long-term obligations, less current portion			
Advance from other funds	-	135,000	135,000
General obligation debt	930,000	250,000	1,180,000
Compensated absences	54,180	-	54,180
Other postemployment benefits	61,204	33,748	94,952
Total long-term liabilities	<u>1,045,384</u>	<u>418,748</u>	<u>1,464,132</u>
Total liabilities	<u>1,599,527</u>	<u>552,544</u>	<u>2,152,071</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related amounts	243,516	149,856	393,372
Other postemployment related amounts	3,689	2,034	5,723
Total deferred inflows of resources	<u>247,205</u>	<u>151,890</u>	<u>399,095</u>
NET POSITION			
Net investment in capital assets	6,369,529	816,591	7,186,120
Restricted	81,185	49,960	131,145
Unrestricted	720,850	90,450	811,300
Total net position	<u>\$ 7,171,564</u>	<u>\$ 957,001</u>	<u>\$ 8,128,565</u>

City of Appleton, Wisconsin

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION NONMAJOR ENTERPRISE FUNDS FOR THE YEAR ENDED DECEMBER 31, 2020

	Parking Utility	Reid Municipal Golf Course	Total Nonmajor Enterprise Funds
OPERATING REVENUES			
Charges for services	\$ 1,282,393	\$ 823,642	\$ 2,106,035
Other	221,765	78,926	300,691
Total operating revenues	<u>1,504,158</u>	<u>902,568</u>	<u>2,406,726</u>
OPERATING EXPENSES			
Operation and maintenance	1,353,426	713,341	2,066,767
Depreciation and amortization	531,059	60,381	591,440
Total operating expenses	<u>1,884,485</u>	<u>773,722</u>	<u>2,658,207</u>
Operating income (loss)	<u>(380,327)</u>	<u>128,846</u>	<u>(251,481)</u>
NONOPERATING REVENUES (EXPENSES)			
Investment income	36,241	5,538	41,779
Interest and fiscal charges	(32,224)	(10,091)	(42,315)
Total nonoperating revenues (expenses)	<u>4,017</u>	<u>(4,553)</u>	<u>(536)</u>
Income (loss) before contributions and transfers	(376,310)	124,293	(252,017)
Capital contributions	15,820	-	15,820
Transfers out	(9,300)	(21,750)	(31,050)
Change in net position	(369,790)	102,543	(267,247)
Net position - January 1	<u>7,541,354</u>	<u>854,458</u>	<u>8,395,812</u>
Net position - December 31	<u>\$ 7,171,564</u>	<u>\$ 957,001</u>	<u>\$ 8,128,565</u>

City of Appleton, Wisconsin

COMBINING STATEMENT OF CASH FLOWS NONMAJOR ENTERPRISE FUNDS FOR THE YEAR ENDED DECEMBER 31, 2020

	Parking Utility	Reid Municipal Golf Course	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 1,464,109	\$ 910,475	\$ 2,374,584
Cash paid for employee wages and benefits	(704,278)	(346,545)	(1,050,823)
Cash paid to suppliers	(705,431)	(355,771)	(1,061,202)
Net cash provided by operating activities	<u>54,400</u>	<u>208,159</u>	<u>262,559</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfer out	<u>(9,300)</u>	<u>(21,750)</u>	<u>(31,050)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	(23,939)	(9,621)	(33,560)
Capital contributions	15,820	-	15,820
Principal paid on long-term debt	(150,000)	(70,000)	(220,000)
Interest paid on long-term debt	(32,648)	(10,432)	(43,080)
Net cash used by capital and related financing activities	<u>(190,767)</u>	<u>(90,053)</u>	<u>(280,820)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	<u>36,241</u>	<u>5,538</u>	<u>41,779</u>
Change in cash and cash equivalents	<u>(109,426)</u>	<u>101,894</u>	<u>(7,532)</u>
Cash and cash equivalents - January 1	<u>1,375,448</u>	<u>251,173</u>	<u>1,626,621</u>
Cash and cash equivalents - December 31	<u>\$ 1,266,022</u>	<u>\$ 353,067</u>	<u>\$ 1,619,089</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income (loss)	\$ (380,327)	\$ 128,846	\$ (251,481)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities			
Depreciation	531,059	60,381	591,440
Change in pension related activities			
Pension asset/liability	(171,897)	(105,076)	(276,973)
Deferred outflows of resources	56,415	38,938	95,353
Deferred inflows of resources	117,832	73,491	191,323
Change in other postemployment related activities			
Total OPEB liability	7,982	3,121	11,103
Deferred outflows of resources	(7,476)	(3,905)	(11,381)
Deferred inflows of resources	2,376	1,278	3,654
Change in operating assets and liabilities			
Accounts receivables	1,281	1,159	2,440
Accounts payable	(77,746)	914	(76,832)
Other accrued liabilities	14,770	(758)	14,012
Unearned revenue	(41,330)	6,748	(34,582)
Compensated absences	1,461	3,022	4,483
Net cash provided by operating activities	<u>\$ 54,400</u>	<u>\$ 208,159</u>	<u>\$ 262,559</u>
Reconciliation of cash and cash equivalents to the statement of net position			
Cash and cash equivalents in current assets	<u>\$ 1,266,022</u>	<u>\$ 353,067</u>	<u>\$ 1,619,089</u>
Total cash and cash equivalents	<u>\$ 1,266,022</u>	<u>\$ 353,067</u>	<u>\$ 1,619,089</u>
Noncash capital and related financing activities			
None			

City of Appleton, Wisconsin

COMBINING STATEMENT OF NET POSITION INTERNAL SERVICE FUNDS DECEMBER 31, 2020

	Central Equipment Agency	Risk Management	Facilities Management	Post- employment Benefits	Total
ASSETS					
Current assets					
Cash and investments	\$ 711,201	\$ 95,479	\$ 161,525	\$ 878,580	\$ 1,846,785
Receivables					
Accounts	52,788	-	-	-	52,788
Due from other governments	9,366	-	-	-	9,366
Prepaid items	59,179	43,294	-	-	102,473
Total current assets	<u>832,534</u>	<u>138,773</u>	<u>161,525</u>	<u>878,580</u>	<u>2,011,412</u>
Other assets					
Deposit in CVMIC	-	2,020,950	-	-	2,020,950
Net pension asset	214,349	52,168	146,140	-	412,657
Total other assets	<u>214,349</u>	<u>2,073,118</u>	<u>146,140</u>	<u>-</u>	<u>2,433,607</u>
Capital assets					
Nondepreciable	52,309	-	-	-	52,309
Depreciable	14,914,074	-	-	-	14,914,074
Total capital assets	<u>14,966,383</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,966,383</u>
Total assets	<u>16,013,266</u>	<u>2,211,891</u>	<u>307,665</u>	<u>878,580</u>	<u>19,411,402</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension related amounts	477,139	115,271	349,449	-	941,859
Other postemployment related amounts	28,633	10,160	23,553	-	62,346
Total deferred outflows of resources	<u>505,772</u>	<u>125,431</u>	<u>373,002</u>	<u>-</u>	<u>1,004,205</u>
LIABILITIES					
Current liabilities					
Accounts payable	33,270	47,324	16,535	-	97,129
Other accrued liabilities	34,586	9,952	27,098	-	71,636
Claims payable	-	2,900,000	-	-	2,900,000
Accrued interest payable	1,334	-	-	-	1,334
Compensated absences	89,422	22,425	87,401	-	199,248
Current portion of long-term debt	30,625	-	-	-	30,625
Total current liabilities	<u>189,237</u>	<u>2,979,701</u>	<u>131,034</u>	<u>-</u>	<u>3,299,972</u>
Long-term obligations, less current portion					
General obligation debt	183,375	-	-	-	183,375
Compensated absences	118,164	8,596	-	-	126,760
Other postemployment benefits	106,392	37,752	87,516	716,580	948,240
Total noncurrent liabilities	<u>407,931</u>	<u>46,348</u>	<u>87,516</u>	<u>716,580</u>	<u>1,258,375</u>
Total liabilities	<u>597,168</u>	<u>3,026,049</u>	<u>218,550</u>	<u>716,580</u>	<u>4,558,347</u>
DEFERRED INFLOWS OF RESOURCES					
Pension related amounts	642,944	156,479	438,350	-	1,237,773
Other postemployment related amounts	6,413	2,276	5,275	-	13,964
Total deferred inflows of resources	<u>649,357</u>	<u>158,755</u>	<u>443,625</u>	<u>-</u>	<u>1,251,737</u>
NET POSITION					
Net investment in capital assets	14,752,383	-	-	-	14,752,383
Restricted	214,349	52,168	146,140	-	412,657
Unrestricted	305,781	(899,650)	(127,648)	162,000	(559,517)
Total net position	<u>\$ 15,272,513</u>	<u>\$ (847,482)</u>	<u>\$ 18,492</u>	<u>\$ 162,000</u>	<u>\$ 14,605,523</u>

City of Appleton, Wisconsin

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION INTERNAL SERVICE FUNDS FOR THE YEAR ENDED DECEMBER 31, 2020

	Central Equipment Agency	Risk Management	Facilities Management	Post- employment Benefits	Total
OPERATING REVENUES					
Charges for services	\$ 2,941,300	\$ 1,707,296	\$ 2,832,180	\$ -	\$ 7,480,776
Other	-	63,774	-	-	63,774
Total operating revenues	<u>2,941,300</u>	<u>1,771,070</u>	<u>2,832,180</u>	<u>-</u>	<u>7,544,550</u>
OPERATING EXPENSES					
Operation and maintenance	2,808,205	2,788,307	2,855,246	-	8,451,758
Depreciation and amortization	2,642,281	-	-	-	2,642,281
Total operating expenses	<u>5,450,486</u>	<u>2,788,307</u>	<u>2,855,246</u>	<u>-</u>	<u>11,094,039</u>
Operating loss	<u>(2,509,186)</u>	<u>(1,017,237)</u>	<u>(23,066)</u>	<u>-</u>	<u>(3,549,489)</u>
NONOPERATING REVENUES (EXPENSES)					
Investment income	13,765	127	-	-	13,892
Gain on disposal of capital assets	255,108	-	-	-	255,108
Interest and fiscal charges	(5,766)	-	-	-	(5,766)
Other	-	-	8,557	-	8,557
Total nonoperating revenues (expenses)	<u>263,107</u>	<u>127</u>	<u>8,557</u>	<u>-</u>	<u>271,791</u>
Loss before contributions and transfers	(2,246,079)	(1,017,110)	(14,509)	-	(3,277,698)
Capital contributions	3,475,872	-	-	-	3,475,872
Transfers out	(210,087)	-	-	(54,000)	(264,087)
Change in net position	1,019,706	(1,017,110)	(14,509)	(54,000)	(65,913)
Net position - January 1	<u>14,252,807</u>	<u>169,628</u>	<u>33,001</u>	<u>216,000</u>	<u>14,671,436</u>
Net position - December 31	<u>\$ 15,272,513</u>	<u>\$ (847,482)</u>	<u>\$ 18,492</u>	<u>\$ 162,000</u>	<u>\$ 14,605,523</u>

City of Appleton, Wisconsin

COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS FOR THE YEAR ENDED DECEMBER 31, 2020

	Central Equipment Agency	Risk Management	Facilities Management	Post- employment Benefits	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	\$ 2,897,677	\$ 1,771,070	\$ 2,841,194	\$ -	\$ 7,509,941
Cash paid for employee wages and benefits	(1,229,428)	(404,173)	(960,843)	(238,860)	(2,833,304)
Cash paid to suppliers	(1,480,045)	(1,384,783)	(1,876,243)	-	(4,741,071)
Net cash provided (used) by operating activities	188,204	(17,886)	4,108	(238,860)	(64,434)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Nonoperating revenues	(5,850)	-	8,557	-	2,707
Transfer out	(210,087)	-	-	(54,000)	(264,087)
Net cash provided (used) by noncapital financing activities	(215,937)	-	8,557	(54,000)	(261,380)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Sale of capital assets	255,108	-	-	-	255,108
Proceeds from issuance of long-term debt	150,000	-	-	-	150,000
Principal paid on long-term debt	(180,125)	-	-	-	(180,125)
Interest paid on long-term debt	(5,948)	-	-	-	(5,948)
Net cash provided by capital and related financing activities	219,035	-	-	-	219,035
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	13,765	127	-	-	13,892
Change in cash and cash equivalents	205,067	(17,759)	12,665	(292,860)	(92,887)
Cash and cash equivalents - January 1	506,134	113,238	148,860	1,171,440	1,939,672
Cash and cash equivalents - December 31	<u>\$ 711,201</u>	<u>\$ 95,479</u>	<u>\$ 161,525</u>	<u>\$ 878,580</u>	<u>\$ 1,846,785</u>

City of Appleton, Wisconsin

COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS FOR THE YEAR ENDED DECEMBER 31, 2020

	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	\$ (2,509,186)	\$ (1,017,237)	\$ (23,066)	\$ -	\$ (3,549,489)
Adjustments to reconcile operating loss to net cash provided by operating activities					
Depreciation	2,642,281	-	-	-	2,642,281
Change in pension related activities					
Pension asset/liability	(459,236)	(108,644)	(305,302)	-	(873,182)
Deferred outflows of resources	177,278	38,818	83,325	-	299,421
Deferred inflows of resources	303,646	78,229	217,826	-	599,701
Change in other postemployment related activities					
Total OPEB liability	11,999	1,099	14,211	(238,860)	(211,551)
Deferred outflows of resources	(12,678)	(3,965)	(11,163)	-	(27,806)
Deferred inflows of resources	4,084	1,372	3,467	-	8,923
Change in operating assets and liabilities					
Accounts receivables	(43,623)	-	9,014	-	(34,609)
Inventories and prepaid items	(2,248)	(43,294)	-	-	(45,542)
Accounts payable	29,817	33,867	(8,472)	-	55,212
Other accrued liabilities	7,086	(580)	6,622	-	13,128
Claims payable	-	1,000,000	-	-	1,000,000
Unearned revenue	-	-	-	-	-
Compensated absences	38,984	2,449	17,646	-	59,079
Net cash provided (used) by operating activities	<u>\$ 188,204</u>	<u>\$ (17,886)</u>	<u>\$ 4,108</u>	<u>\$ (238,860)</u>	<u>\$ (64,434)</u>
Noncash capital and related financing activities					
Contributed capital assets	<u>\$ 3,475,872</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,475,872</u>

**STATISTICAL
SECTION**

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

	<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>	<u>2020</u>
Governmental Activities										
Invested in Capital Assets, net of related debt	\$ 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	\$ 314,847,490
Restricted	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	19,402,361
Unrestricted	<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>	<u>35,862,383</u>
Total Governmental Activities Net Position	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	371,606,290
Business-type Activities										
Invested in Capital Assets, net of related debt	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	241,797,026
Restricted	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	25,089,068
Unrestricted	<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>	<u>43,485,615</u>
Total Business-type Activities Net Position	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	310,371,709
Primary Government										
Invested in Capital Assets, net of related debt	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	556,644,516
Restricted	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	44,491,429
Unrestricted	<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>	<u>79,347,998</u>
Total Primary Government Net Position	<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>	<u>\$ 680,483,943</u>

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

	<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>	<u>2020</u>
Expenses										
Governmental Activities:										
General Government	\$ 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	\$ 7,437,182
Public Safety	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	34,829,391
Public Works	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	22,041,260
Education & Recreation	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	11,668,689
Community Development	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	4,109,547
Interest	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	1,441,981
Total Governmental Activities	<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>	<u>81,528,050</u>
Business-type Activities										
Water	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	15,108,556
Wastewater	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	11,414,045
Valley Transit	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	8,794,362
Stormwater	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	8,150,321
Other non-major enterprise funds	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	2,775,308
Total Business-type Activities	<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>	<u>46,242,592</u>
Total - Primary Government	<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>	<u>\$ 127,770,642</u>
Program Revenues										
Governmental Activities:										
Charges for Service	\$ 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	\$ 8,356,886
Operating Grants & Contributions	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	9,513,273
Capital Grants & Contributions	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	1,958,429
Total Governmental Activities	<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>	<u>19,828,588</u>
Business-type Activities										
Charges for Service										
Water	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	20,053,605
Wastewater	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	10,713,333
Valley Transit	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	1,011,981
Stormwater	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	11,069,263
Other non-major enterprise funds	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	2,404,143
Operating Grants & Contributions	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	8,795,406
Capital Grants & Contributions	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	1,623,129
Total Business-type Activities	<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>	<u>55,670,860</u>
Total - Primary Government	<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>	<u>\$ 75,499,448</u>
Net (Expense)/Revenue										
Governmental Activities	(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)	(61,699,462)
Business-Type Activities	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	9,428,268
Total Primary Government Net Position	<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>	<u>\$ (52,271,194)</u>

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

	<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>	<u>2020</u>
General Revenues & Other Changes in Net Position										
Governmental Activities:										
Taxes										
Property Taxes	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	49,901,044
Other Taxes	840,215	801,134	838,567	879,474	2,221,892	2,843,219	2,899,637	2,176,780	1,870,383	2,296,548
Intergovernmental revenues not restricted to specific programs	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	11,969,608
Investment income	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	2,501,491
Gain(Loss) on the sale of assets	297,709	358,693	128,766	163,000	581,314	87,399	179,507	166,055	363,288	840,164
Miscellaneous	92,842	94,767	93,731	93,078	109,739	139,077	482,150	382,032	220,751	202,536
Transfers	2,605,676	2,490,251	2,079,727	2,534,089	2,761,647	2,853,600	2,621,836	2,464,686	2,128,203	1,564,322
Total general revenues and transfers	<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>	<u>69,275,713</u>
Business-type Activities										
Investment income	2,310,471	977,420	(350,702)	1,211,173	487,109	374,788	519,177	872,251	2,407,323	1,897,133
Gain(Loss) on the sale of assets	-	4,100	(3,362)	-	16,203	-	-	-	(15,235)	14,867
Miscellaneous	16,827	5,169	16,833	12,260	18,906	18,518	17,898	7,706	44,800	32,473
Transfers	(2,605,676)	(2,490,251)	(2,079,727)	(2,534,089)	(2,761,647)	(2,853,600)	(2,621,836)	(2,464,686)	(2,128,203)	(1,564,322)
Total Business-type Activities	<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>	<u>380,151</u>
Total Primary Government	<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>	<u>\$ 69,655,864</u>
Cumulative Effect of Change in Accounting Principle										
Governmental Activities:								\$ (2,074,475)	\$ -	\$ -
Business-type Activities								(792,828)	-	-
Total Primary Government								<u>\$ (2,867,303)</u>	<u>\$ -</u>	<u>\$ -</u>
Change in Net Position										
Governmental Activities:	\$ 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)	\$ 7,576,251
Business-type Activities	7,561,680	7,176,757	4,043,342	8,261,270	6,380,990	6,351,378	10,401,915	9,844,541	16,722,783	9,808,419
Total Primary Government	<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>	<u>\$ 17,384,670</u>

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

Function/Program	<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>	<u>2020</u>
Governmental Activities:										
General Government	\$ 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	\$ 3,026,870
Public Safety	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	3,768,578
Public Works	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	9,487,098
Education & Recreation	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	1,765,716
Community Development	<u>1,739,262</u>	<u>1,881,201</u>	<u>2,435,348</u>	<u>1,632,341</u>	<u>993,046</u>	<u>2,492,761</u>	<u>31,668,557</u>	<u>1,782,148</u>	<u>1,470,120</u>	<u>1,780,326</u>
Total Governmental Activities	<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>	<u>19,828,588</u>
Business-type Activities										
Water	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	20,295,843
Wastewater	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	11,360,615
Valley Transit	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	9,804,804
Stormwater	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	11,787,052
Other non-major enterprise funds	<u>2,820,305</u>	<u>2,878,553</u>	<u>3,058,791</u>	<u>3,160,100</u>	<u>3,299,997</u>	<u>3,254,970</u>	<u>3,552,691</u>	<u>3,406,494</u>	<u>4,032,348</u>	<u>2,422,546</u>
Total Business-type Activities	<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>	<u>55,670,860</u>
Total - Primary Government	<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>	<u>\$ 75,499,448</u>

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

	<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>	<u>2020</u>
General Fund										
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	\$ 6,106,703
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	15,204,222
Unassigned (Deficit)	<u>12,578,076</u>	<u>14,328,372</u>	<u>11,261,464</u>	<u>11,272,648</u>	<u>11,429,020</u>	<u>13,210,316</u>	<u>8,711,055</u>	<u>9,737,733</u>	<u>12,126,963</u>	<u>18,117,582</u>
Total General Fund	<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>	<u>\$ 39,428,507</u>
All Other Governmental Funds										
Nonspendable	33,655	34,221	34,755	-	-	-	-	-	-	595
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	4,542,342
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	1,574,278
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	8,763,645
Unassigned (Deficit)	<u>(14,674,790)</u>	<u>(15,940,164)</u>	<u>(16,932,262)</u>	<u>(15,800,019)</u>	<u>(16,001,465)</u>	<u>(15,412,048)</u>	<u>(14,792,960)</u>	<u>(11,397,873)</u>	<u>(8,996,821)</u>	<u>(6,199,557)</u>
Total All Other Governmental Funds	<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>	<u>8,681,303</u>
Total Governmental Funds	<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>	<u>\$ 48,109,810</u>

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

	<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>	<u>2020</u>
REVENUES										
Taxes	\$ 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	\$ 52,197,592
Intergovernmental	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	21,612,150
Licenses and permits	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	1,247,183
Fines and forfeitures	359,662	384,340	334,540	310,674	273,814	264,084	255,440	265,875	241,090	214,691
Special assessments	2,618,990	1,843,227	2,069,839	2,294,899	1,314,048	1,031,961	703,144	825,661	555,091	646,968
Investment income	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	4,290,257
Charges for services	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	2,566,133
Other	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	6,000,743
Total Revenues	<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>	<u>88,775,717</u>
EXPENDITURES										
Current:										
General government	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	7,629,387
Public safety	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	32,977,187
Public works	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	15,252,175
Education and recreation	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	7,724,610
Community development	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	3,966,207
Capital Outlay	7,595,439	6,974,759	14,281,748	9,972,321	13,292,522	19,460,632	49,999,793	17,268,503	25,635,735	20,569,671
Debt Service:										
Principal retirement	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	7,339,875
Interest and fiscal charges	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	2,582,211
Total Expenditures	<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>	<u>98,041,323</u>
Excess (deficiency) of revenues over (under) expenditures	<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>	<u>(9,265,606)</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	15,000,000
Premium on debt issued	-	267,514	-	46,266	222,457	1,527,653	790,738	1,256,719	979,653	861,170
Refunding debt issued	-	-	-	-	-	-	-	-	-	-
Payments to escrow agents	-	-	-	-	-	-	(4,994,438)	-	-	-
Promissory note issued	500,000	300,000	-	-	-	-	-	-	-	-
Sale of city properties	11,962	102,799	10,714	7,702	21,139	411,886	260,140	470,848	479,942	583,726
Transfers in	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	4,451,107
Transfers out	(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)	(2,622,698)
Total Other Financing Sources (Uses)	<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>	<u>18,273,305</u>
Net Change in Fund Balances	<u>(1,800,312)</u>	<u>6,077,322</u>	<u>(9,246,727)</u>	<u>(222,185)</u>	<u>(81,543)</u>	<u>9,842,286</u>	<u>(5,570,683)</u>	<u>4,841,694</u>	<u>3,982,716</u>	<u>9,007,699</u>
FUND BALANCES - BEGINNING	<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>
FUND BALANCES - ENDING	<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>	<u>\$ 48,109,810</u>
Debt service as a percent of non-capital expenditures	17.8%	18.9%	12.2%	10.5%	9.9%	9.2%	11.5%	12.2%	12.5%	14.2%

**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 ^A</u>	<u>Total Direct Tax Rate ^B</u>	<u>Estimated Actual Taxable Value ^C</u>	<u>Assessed as Percent of Estimated Actual Value ^D</u>
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%
2020	2021	4,147,501,800	1,413,640,200	161,657,600	1,343,400	110,506,800	5,834,649,800	8.7730	6,200,311,200	94.10%

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
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 *
2020	2021	6.99	1.78	8.77	8.45	1.06	3.71	-	21.99	1.47	20.52

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
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 *
2020	2021	6.99	1.78	8.77	12.24	1.06	3.71	-	25.78	1.47	24.31

* 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

Levy Year	Collection Year	Basic Rate	G.O. Debt Service	City of Appleton Direct Rate ⁽¹⁾	Freedom School District	FVTC	Outagamie County	State of Wisconsin	Gross Tax Rate	State Tax Credits	Net Tax Rate
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 *
2020	2021	6.99	1.78	8.77	7.39	1.06	3.71	-	20.93	1.47	19.46

OUTAGAMIE COUNTY/HORTONVILLE SCHOOL DISTRICT

Per \$1,000 of Assessed Value

Levy Year	Collection Year	Basic Rate	G.O. Debt Service	City of Appleton Direct Rate ⁽¹⁾	Hortonville School District	FVTC	Outagamie County	State of Wisconsin	Gross Tax Rate	State Tax Credits	Net Tax Rate
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 *
2020	2021	6.99	1.78	8.77	8.60	1.06	3.71	-	22.14	1.47	20.66 *

* 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

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
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
2020	2021	7.01	1.79	8.80	8.47	1.06	4.84	-	23.17	1.27	21.90

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
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
2020	2021	7.01	1.79	8.80	8.00	1.06	4.84	-	22.70	1.27	21.43

* 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
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 *
2020	2021	7.09	1.80	8.89	8.57	1.07	4.97	-	23.50	1.68	21.82

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
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
2020	2021	7.09	1.80	8.89	12.42	1.07	4.97	-	27.35	1.68	25.68 *

* 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>2020</u>			<u>2011</u>		
		<u>Taxable</u>	<u>Percent</u>	<u>Rank</u>	<u>Taxable</u>	<u>Percent</u>	<u>Rank</u>
		<u>Assessed</u>	<u>of Total</u>		<u>Assessed</u>	<u>of Total</u>	
		<u>Value</u> ^(A)	<u>Value</u> ^(B)		<u>Value</u> ^(A)	<u>Value</u> ^(B)	
Pfefferle/Hoffman/Evans et al Partnerships	Real Estate Development	\$ 58,810,800	1.01%	1	\$ 45,196,500	0.94%	2
Thomas Wright et al	Rental Properties	50,634,300	0.87%	2	27,507,900	0.58%	5
Plank Inv/Eisenhower /Kensington Prop	Real Estate Development	47,614,200	0.82%	3	40,536,800	0.85%	3
Winters Properties et al	Real Estate Development	44,037,100	0.75%	4	51,303,500	1.07%	1
Riverheath	Rental Properties	42,111,900	0.72%	5			
Physicians Realty Trust	Medical Properties	30,924,200	0.53%	6			
North Appleton Ambulatory Care Ctr	Medical Clinic	30,265,000	0.52%	7	30,192,800	0.63%	4
Parkside Luxury Apartments LP/Vandeyacht	Rental Properties	28,742,800	0.49%	8			
TheDACare	Hospital	26,032,000	0.45%	9	22,474,000	0.47%	6
Fleet Farm Supply LLC / Fleet Farm Group LLC	Retail	23,118,800	0.40%	10			
Thrivent/North Meadows	Insurance ^(C)				20,149,200	0.42%	7
Watermark Montclair	Hotel				17,080,000	0.36%	9
Appvion, Inc. (Appleton Papers)	NCR Paper Products				18,099,600	0.38%	8
Livesey	Real Estate Development				15,723,000	0.33%	10
TOTAL		\$ 382,291,100	6.55%		\$ 288,263,300	6.03%	

(A) Per City Assessor's records.

(B) Based on the city's total January 1, 2020 and 2011 assessed valuation of \$5,834,649,800 and \$4,782,952,700, respectively, including personal property.

(C) Home office site (maximum 10 acres) is tax exempt as a fraternal organization. A voluntary contribution is made to all taxing jurisdictions.

**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
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
2020	46,183,245	45,886,250	99.36	46,095,118	99.81	88,127	0.19

^(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>
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	0.5	0.0	5.0
2020	0.0	0.5	0.5	0.0	5.0

Note: Counties in Wisconsin have the option of levying a 0.5% sales tax, which Calumet and Outagamie counties have chosen to do. 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	General Obligation Bonds for Business-type Activities	Capital Leases	Water Revenue Bonds	Wastewater Revenue Bonds	Stormwater Revenue Bonds			
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	5.44%	2,212
2020	75,260,000	1,400,000	-	41,315,000	17,585,000	43,635,000	179,195,000	N/A	2,406

* 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⁾
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
2020	76,660,000	(1,301,947)	75,358,053	1.22	1,012

- (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)	\$ 75,358,053	100.0000 %	<u>\$ 75,358,053</u>
<u>Overlapping Debt</u>			
Appleton Area School District	19,198,922	62.7605	12,049,339
Menasha Joint School District	34,705,000	3.9323	1,364,719
Kimberly Area School District	14,305,000	1.2300	175,952
Freedom Area School District	855,000	13.0200	111,321
Hortonville Area School District	23,365,000	0.0008	183
Fox Valley Technical College	68,702,905	13.9426	9,578,971
Outagamie County	66,155,384	29.3700	19,429,836
Calumet County	42,630,294	16.8000	7,161,889
Winnebago County	34,721,824	0.5211	<u>180,925</u>
Total Overlapping Debt			<u>50,053,135</u>
Total Direct And Overlapping Debt			<u><u>\$ 125,411,188</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 2020:

Equalized Value of Real & Personal Property	\$ 6,200,311,200
Outagamie County	5,220,535,400
Calumet County	888,529,100
Winnebago County	91,246,700
 Legal Debt Limit (5% of equalized value)	 <u>\$ 310,015,560</u>
 Amount of Debt Applicable to Debt Limitation:	
Total General Obligation Bonds and Notes Outstanding at December 31, 2020	 \$ 76,660,000
 Less: Assets in Government Fund Types Available for Debt Service	 <u>(1,301,947)</u>
 Amount of Debt Applicable to Debt Limit	 <u>75,358,053</u>
 Remaining Legal Debt Margin	 <u>\$ 234,657,507</u>

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt Limit	\$ 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	\$ 310,015,560
Total net debt applicable to limit	<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>	<u>75,358,053</u>
Legal Debt Margin	<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>	<u>\$ 234,657,507</u>
Total net debt applicable to limit as a percentage of debt limit	13.21%	13.32%	11.35%	12.10%	12.39%	18.48%	18.86%	20.59%	23.10%	24.31%

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

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Gross Revenues</u> ⁽¹⁾	<u>Direct Operating Expenses</u> ⁽²⁾	<u>Net Revenue Available for Debt Service</u>	<u>Maximum Debt Service Requirements</u>			<u>Coverage</u>
				<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
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
2020	20,592,205	8,646,593	11,945,612	6,980,000	1,322,640	8,302,640	1.44

(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	
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
2020	11,441,533	7,606,730	3,834,803	1,335,000	487,006	1,822,006	2.10

(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

<u>Fiscal Year</u>	<u>Gross Revenues</u> ⁽¹⁾	<u>Direct Operating Expenses</u> ⁽²⁾	<u>Net Revenue Available for Debt Service</u>	<u>Maximum Debt Service Requirements</u>			<u>Coverage</u>
				<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
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
2020	11,586,253	3,905,440	7,680,813	3,490,000	2,059,896	5,549,896	1.38

⁽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⁾
2011	72,715	\$ 2,229,979,390	\$ 50,030	14,983	36,926	9.0
2012	72,810	2,325,748,850	51,600	15,087	37,053	8.3
2013	73,150	2,480,000,000	53,720	16,042	37,188	7.9
2014	73,463	2,571,979,850	55,550	16,231	37,848	4.8
2015	73,737	2,685,661,219	57,588	16,300	38,270	4.0
2016	74,286	2,800,934,090	59,817	16,407	39,082	3.7
2017	74,598	2,801,696,751	59,707	16,304	39,131	3.2
2018	74,734	2,900,651,453	60,659	16,302	38,641	2.9
2019	74,739	3,040,380,527	62,442	16,067	38,465	3.1
2020	74,465	N/A *	N/A *	15,710	37,005	5.8

- (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**

<u>Company Name</u>	<u>Product or Service</u>	<u>2020</u>			<u>2011</u>		
		<u>Number of Employees *</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Number of Employees *</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Affinity Health Sys./ St. Elizabeth Hosp	Medical & Health Care Facility	5,172	1	14.0 %	1,037	7	2.8 %
Thrivent Investment Management, Inc.	Insurance	2,000	2	5.4	1,831	1	5.0
Appleton Area School District	Education	1,918	3	5.2	1,690	2	4.6
Miller Electric Manufacturing	Electric Arc Welders	1,400	4	3.8	1,300	4	3.5
Appleton Medical Center	Medical & Health Care Facility	1,184	5	3.2	1,230	6	3.3
Outagamie County	Government	1,147	6	3.1	1,243	5	3.4
Appvion, Inc. (Appleton Papers)	Paper Products Manufacturing	1,000	7	2.7	1,535	3	4.2
West Business Services	Communications Services	1,000	8	2.7	1,000	8	2.7
Valley Packaging Industries, Inc.	Hi-speed Packager	999	9	2.7	940	9	2.5
Wal-Mart (2 locations)	Discount Retail	725	10	2.0			
Voith Allis, Inc.	Paper Machines & Fabric Mfg.				770	10	2.1
Total		9,373		25.3 %	12,576		26.3 %
Total Employment		37,005			36,926		

* 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>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>	<u>2020</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	15.00	15.00	14.50	14.00	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	12.00	12.00	12.00	11.00	11.00	11.00	11.00	11.00	11.00	10.00
Mayor's Office	2.00	2.00	2.00	3.00	3.00	3.00	4.00	4.00	4.00	4.00
Facilities Management	10.62	10.98	10.62	10.62	10.65	11.65	11.93	11.93	11.93	11.93
Total - General Government	58.42	58.77	57.92	57.42	57.45	58.45	59.73	59.73	59.73	58.73
Community Development ⁽²⁾	19.88	19.13	19.13	19.13	19.13	19.13	18.13	18.13	18.20	19.20
Recreation/Library/Transit										
Parks & Recreation	16.25	16.22	16.73	16.88	18.93	19.27	18.99	19.08	19.08	19.08
Library	45.00	44.50	45.00	45.50	46.50	46.00	46.50	46.50	46.50	45.50
Valley Transit	52.65	51.83	54.13	53.97	54.35	54.35	56.20	56.85	58.85	60.10
Total - Recreation/Library/Transit	113.90	112.55	115.86	116.35	119.78	119.62	121.69	122.43	124.43	124.68
Public Works	156.50	154.53	153.53	154.13	154.13	154.13	154.33	154.33	154.33	154.33
Public Health & Safety										
Health Department	15.95	14.20	14.00	14.20	14.20	13.70	13.23	13.48	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	13.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
Police Department										
Sworn	108.00	108.00	108.00	109.00	110.00	110.00	110.00	111.00	113.00	113.00
Civilian	26.00	26.00	26.00	27.00	27.00	27.00	27.00	27.00	27.00	27.00
Total - Public Health & Safety	246.95	244.20	244.00	246.20	247.20	246.70	246.23	247.48	249.48	249.48
Water & Sewer Utilities	34.00	34.00	34.00	34.00	34.00	34.00	34.00	34.00	34.00	34.00
Total Regular Employees	<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>	<u>640.41</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.

Schedule 19
City of Appleton
Operating Indicators by Function/Program

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government										
Building permits issued	572	511	537	478	524	433	407	223	207	238
Est. construction value (\$000)	40,971.6	45,387.1	86,029.6	65,563.9	140,806.5	80,795.3	115,948.4	42,437.6	35,507.3	54,265.4
School aged children vaccinated	97.1%	99.1%	98.8%	99.0%	99.7%	98.9%	99.0%	99.0%	99.0%	99.0%
Accurate weights & measures devices	96.5%	96.6%	96.9%	96.7%	94.2%	96.7%	97.4%	97.7%	97.7%	94.6%
Food-borne disease outbreaks	0	0	0	0	0	0	0	0	0	0
Police										
Calls for service	50,163	52,309	51,003	48,809	47,694	49,854	51,184	46,056	46,633	45,867
Reported Group A crimes	4,046	4,603	4,469	4,229	4,125	4,363	4,414	3,980	3,691	4,081
Reported Group B crimes	7,025	7,096	6,401	5,939	5,664	5,163	5,297	4,454	3,765	4,184
Fire										
Emergency response < 4 min.	64.0%	65.0%	63.0%	64.0%	63.0%	63.0%	66.0%	68.0%	69.0%	82.0%
Fire loss (\$000)	846.7	740.8	744.4	919.5	1,187.6	1,293.0	1,378.3	946.4	1,530.4	1,466.2
Fire-related deaths	0	0	0	0	0	1	0	0	1	1
Emergency calls	3,516	3,701	3,930	4,273	4,414	4,718	4,705	5,028	5,995	5,909
Public Works										
Tons of refuse collected	22,085	20,987	20,236	19,555	19,934	20,209	19,692	19,493	19,462	20,027
Tons of recycling collected	4,405	5,416	6,250	6,492	6,626	6,792	6,448	6,211	6,017	6,001
Cu. Yds. of debris - street sweeping	2,995	3,884	4,124	3,920	5,565	4,059	5,570	4,186	3,940	5,318
Cost/ton - residential auto pickup	\$ 83.34	\$ 85.81	\$ 86.01	\$ 87.50	\$ 86.82	\$ 87.57	\$ 89.14	\$ 89.72	\$ 114.00	\$ 120.42
Miles of street reconstructed	4.25	1.48	2.45	2.90	2.31	5.73	3.30	2.38	1.37	1.22
% of trees < 6" dia. pruned annually	50	50	60	50	50	50	50	50	50	50
Average pruning cycle, trees > 6" dia.	7.5 yrs	8.0 yrs	8.5 yrs	8.5 yrs	9.0 yrs	8.0 yrs	8.0 yrs	8.5 yrs	9.0 yrs	9.5 yrs
Parks & Recreation										
Sports league participants	2,207	2,109	1,826	2,010	3,263	3,400	3,397	3,734	3,786	1,288
Aquatics program participants ^{(1), (2)}	3,087	3,475	3,240	3,399	3,294	6,932	3,678	4,447	3,837	376
Open swim attendance ⁽²⁾	81,282	81,949	65,930	64,512	73,071	68,461	86,600	102,520	75,978	571
Rounds of golf played ⁽³⁾	29,044	32,305	18,037	30,720	33,247	35,888	34,351	30,884	30,069	35,787
Public Library										
Titles in collection	273,951	282,677	276,609	281,743	291,739	292,085	286,602	278,139	286,552	248,531
Materials circulated	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	215,542
Annual door count	569,898	570,743	556,874	510,874	459,780	487,795	467,884	440,696	408,532	105,816
Water										
Avg. daily consumption (000 gal.)	8,875	9,020	8,618	8,715	8,924	8,803	8,936	9,178	8,809	8,545
Peak daily consumption (000 gal.)	11,718	14,775	11,651	11,534	12,641	12,473	11,877	12,559	13,005	12,211
Number of invoices per quarter	27,650	27,725	27,897	28,192	28,316	28,480	28,640	28,649	28,775	28,874
Wastewater										
Avg. daily sewage treatment (000 gal.)	13,000	10,800	10,117	12,293	11,600	12,800	13,769	12,770	13,980	11,600
Valley Transit ⁽⁴⁾										
Total route miles	915,688	933,924	949,830	938,471	939,354	943,299	944,423	938,611	938,472	904,490
Passengers	1,073,655	1,095,650	1,093,202	1,081,882	1,055,544	1,006,035	969,379	984,076	944,492	546,701
Cost per trip	\$ 4.92	\$ 4.75	\$ 5.04	\$ 5.42	\$ 5.42	\$ 5.73	\$ 6.27	\$ 6.28	\$ 6.04	\$ 11.56

⁽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.

General: The significant declines in participation numbers in Library and Recreation programs and in Transit ridership in 2020 is due to restrictions imposed in response to the COVID-19 pandemic.

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

	<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>	<u>2020</u>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles	84	84	84	85	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	11	11	11	11
Public Works										
Miles of streets	342.2	342.2	343.0	343.0	343.0	343.0	344.0	345.0	347.0	349.0
Refuse packers	8	8	11	12	11	11	12	12	12	12
Single- and tri-axle dump trucks	29	26	27	27	27	29	27	31	27	28
Other heavy vehicles	34	38	35	33	37	41	34	34	38	36
Parks & Recreation										
Parks	32	32	32	34	34	34	34	34	34	34
Acreage	495.9	495.9	495.9	500.3	500.3	500.3	501.7	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	378.2	378.3	376.7	376.8	373.3	373.0	375.3	376.2	377.4	378.9
Storage capacity (000 gallons)	7,300	7,300	7,300	7,300	7,300	7,800	12,500	13,000	13,000	13,000
Wastewater										
Miles of mains	310.0	308.3	310.3	311.0	307.3	308.3	308.5	309.0	310.0	311.6
Stormwater										
Miles of mains	301.6	302.7	304.0	304.8	306.8	308.9	308.0	309.6	312.0	315.1

(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, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 7, 2021.

INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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

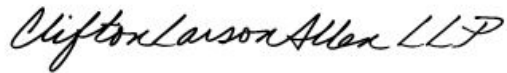
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

COMPLIANCE AND OTHER MATTERS

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

PURPOSE OF THIS REPORT

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

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

CliftonLarsonAllen LLP

Green Bay, Wisconsin

June 7, 2021

**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, 2020. The City's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

MANAGEMENT'S RESPONSIBILITY

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

AUDITORS' RESPONSIBILITY

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

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

OPINION ON EACH MAJOR FEDERAL AND STATE PROGRAM

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

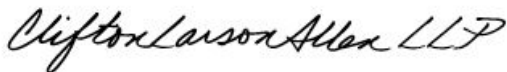
REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance 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 7, 2021

City of Appleton, Wisconsin

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2020

Grantor Agency/Federal Program Title	CFDA Number	Pass-Through Agency	Pass-Through Entity Identifying Number	(Accrued) Deferred Revenue 1/1/20	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/20	Total Expenditures	Subrecipient Payment
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT								
Community Development Block Grant (CDBG)								
Entitlement Program	14.218	Direct Program	Direct program	\$ (116,055)	\$ 691,102	\$ 74,298	\$ 649,345	\$ 248,501
COVID-19: Coronavirus Relief Fund - CV round 1	14.218	Direct Program	Direct program	-	56,548	-	56,548	-
Program Income	14.218	Direct Program	Direct program	-	635,225	-	635,225	-
Total CDBG				(116,055)	1,382,875	74,298	1,341,118	248,501
Emergency Solutions Grant Program (ESG)	14.231	WI Department of Administration	14.231	-	164,966	-	164,966	148,603
COVID-19: Emergency Shelter Grant - CV	14.231	WI Department of Administration	14.231	-	100,635	-	100,635	-
Total Emergency Shelter Grant				-	265,601	-	265,601	148,603
Supportive Housing Program (SHP)	14.235	Direct Program	Direct program	-	369,457	-	369,457	309,667
Total U.S. Department of Housing and Urban Development				(116,055)	2,017,933	74,298	1,976,176	706,771
U.S. DEPARTMENT OF JUSTICE								
Bullet Proof Vest Partnership Program	16.607	Direct Program	Direct program	-	7,638	-	7,638	-
eReferral Implementation	16.738	Direct Program	Direct program	-	6,000	-	6,000	-
Edward Byrne Memorial Justice								
Assistance Grant 2019	16.738	Direct Program	Direct program	-	10,107	-	10,107	-
Assistance Grant 2020	16.738	Direct Program	Direct program	-	2,500	-	2,500	-
Total Edward Byrne Memorial Justice				-	18,607	-	18,607	-
COVID-19: COVID-19-19 Emergency Supplemental Funding	16.034	Direct Program	Direct Program	-	56,619	-	56,619	-
Total U.S. Department of Justice				-	82,864	-	82,864	-
U.S. DEPARTMENT OF TRANSPORTATION								
Federal Transit Cluster								
Federal Transit Formula Grants (Urbanized Area Formula Program)								
2018	20.507	Direct Program	WI-2018-039-01-00	(164,303)	226,805	-	62,502	-
2019	20.507	Direct Program	WI-2019-029-00	(1,194,891)	1,323,270	-	128,379	-
2020	20.507	Direct Program	WI-2020-44-00	-	1,731,985	-	1,731,985	-
COVID-19: 2020	20.507	Direct Program	WI-2020-035-00	-	39,872	268,941	308,813	-
Total Federal Transit Formula Grants (Urbanized Area Formula Program)				(1,359,194)	3,321,932	268,941	2,231,679	-
Total Federal Transit Cluster				(1,359,194)	3,321,932	268,941	2,231,679	-
Enhanced Mobility of Seniors and Individuals with Disabilities								
2015	20.513	Direct Program	WI-2017-017-02	(6,235)	6,235	-	-	-
2016 & 2017	20.513	Direct Program	WI-2018-008-00	(52,235)	71,016	-	18,781	-
2019	20.513	Direct Program	WI-2019-023-00	(83,687)	123,624	-	39,937	-
Total Enhanced Mobility of Seniors and Individuals with Disabilities				(142,157)	200,875	-	58,718	-
State and Community Highway Safety								
Seatbelt Enforcement	20.600	WI Department of Transportation	FG-2020-OUTAGAMI-05002	-	34,700	-	34,700	-
OWI	20.600	WI Department of Transportation	FG-2020-OUTAGAMI-05001	-	47,114	-	47,114	-
Speed	20.600	WI Department of Transportation	3950980-40-34	-	19,494	-	19,494	-
Ped/Bike	20.600	WI Department of Transportation	3950981-80-02	-	2,932	-	2,932	-
Total State and Community Highway Safety				-	104,240	-	104,240	-
Total U.S. Department of Transportation				(1,501,351)	3,627,047	268,941	2,394,637	-
U.S. DEPARTMENT OF TREASURY								
COVID-19: Routes to Recovery (General)	21.019	WI Department of Administration	N/A	-	1,344,030	-	1,344,030	-
COVID-19: Local Testing Coordination (Health)	21.019	WI Department of Health Services	155803	-	28,400	-	28,400	-
COVID-19: Contact Tracing (Health)	21.019	WI Department of Health Services	155805	-	502,144	-	502,144	-
COVID-19: Pandemic Preparedness Plan Update (Health)	21.019	WI Department of Health Services	155804	-	1,980	-	1,980	-
Total U.S. Department of Treasury				-	1,876,554	-	1,876,554	-

City of Appleton, Wisconsin

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2020

Grantor Agency/Federal Program Title	CFDA Number	Pass-Through Agency	Pass-Through Entity Identifying Number	(Accrued) Deferred Revenue 1/1/20	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/20	Total Expenditures	Subrecipient Payment
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES								
Refugee and Entrant Assistance - State Administered Programs	93.566	WI Department of Children and Families	437004-116-0000762-000-01	-	157	-	157	-
Prevention and Public Health Fund (Affordable Care Act) - Immunization Program	93.268	WI Department of Health Services	155020	1,280	19,435	-	20,715	-
Preventative Health and Health Services Block Grant	93.991	WI Department of Health Services	159220	1,401	8,349	(1,401)	8,349	-
Maternal and Child Health Services Block Grant to the States	93.994	WI Department of Health Services	159320	-	25,318	-	25,318	-
Public Health Emergency Preparedness								
Public Health Emergency Preparedness	93.069	WI Department of Health Services	155015	69,447	22,409	(61,382)	30,474	-
COVID-19: PH Emergency Preparedness (PHEP) (Health)	93.354	WI Department of Health Services	155801	-	42,988	-	42,988	-
Total Public Health Emergency Preparedness				<u>69,447</u>	<u>65,397</u>	<u>(61,382)</u>	<u>73,462</u>	<u>-</u>
Project Grant Cooperative Agreement for Tuberculosis for Control Programs	93.116	WI Department of Health Services	**	<u>1,643</u>	<u>-</u>	<u>(1,643)</u>	<u>-</u>	<u>-</u>
Total U.S. Department of Health and Human Services				<u>73,771</u>	<u>118,656</u>	<u>(64,426)</u>	<u>128,001</u>	<u>-</u>
U.S. DEPARTMENT OF HOMELAND SECURITY								
Disaster Grants - Public Assistance	97.036	Direct Program	4459DR	-	741,088	-	741,088	-
Total U.S. Department of Homeland Security				<u>-</u>	<u>741,088</u>	<u>-</u>	<u>741,088</u>	<u>-</u>
ELECTION ASSISTANCE COMMISSION								
HAVA Election Security Grant	90.404	Elections Commission	N/A	-	44,974	-	44,974	-
TOTAL EXPENDITURES OF FEDERAL AWARDS				<u>\$ (1,543,635)</u>	<u>\$ 8,509,116</u>	<u>\$ 278,813</u>	<u>\$ 7,244,294</u>	<u>\$ 706,771</u>

**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.

City of Appleton, Wisconsin

SCHEDULE OF EXPENDITURES OF STATE AWARDS FOR THE YEAR ENDED DECEMBER 31, 2020

Grantor Agency/State Program Title	State I.D. Number	Pass-Through Agency	Pass-Through Entity Identifying Number	(Accrued) Deferred Revenue 1/1/20	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/20	Total Expenditures	Subrecipient Payment
DEPARTMENT OF NATURAL RESOURCES								
Urban Forestry Catastrophic Storm Grant	370.587	Direct Program	370.587	\$ -	\$ 50,000	\$ -	\$ 50,000	\$ -
Total Department of Natural Resources				-	50,000	-	50,000	-
DEPARTMENT OF TRANSPORTATION								
Transit Operating Aids 2020	395.104	Direct Program	395.104	-	2,793,717	-	2,793,717	-
Total Transit Operating Aids				-	2,793,717	-	2,793,717	-
Paratransit Aids	395.104	Direct Program	395.104	-	121,967	-	121,967	-
Total Department of Transportation				-	2,915,684	-	2,915,684	-
DEPARTMENT OF HEALTH SERVICES								
Lead Poisoning	435.157720	Direct Program	157720	1,796	10,854	(2,040)	10,610	-
Total Department of Health Services				1,796	10,854	(2,040)	10,610	-
DEPARTMENT OF MILITARY AFFAIRS								
Regional Emergency Response Team - FEMA	465.305	Direct Program	465.305	-	119,054	-	119,054	-
Regional Emergency Response Team	465.306	Direct Program	465.306	-	106,765	-	106,765	-
Radiological Field Team Services	465.306	Direct Program	465.306	-	24,999	-	24,999	-
Total Department of Military Affairs				-	250,818	-	250,818	-
DEPARTMENT OF ADMINISTRATION								
2018 State VW Capital Grant	VW-BUS-APPL-01	Direct Program	VW-BUS-APPL-01	-	2,354,614	-	2,354,614	-
Total Department of Administration				-	2,354,614	-	2,354,614	-
DEPARTMENT OF JUSTICE								
ICAC Task Force	455.231	Direct Program	455.231	-	6,060	-	6,060	-
Narcotics Analyzer	455.231	Direct Program	455.231	-	31,750	-	31,750	-
MEG Drug Enforcement	455.231	Direct Program	455.231	-	11,297	-	11,297	-
Total Department of Justice				-	49,107	-	49,107	-
TOTAL STATE PROGRAMS				<u>\$ 1,796</u>	<u>\$ 5,631,077</u>	<u>\$ (2,040)</u>	<u>\$ 5,630,833</u>	<u>\$ -</u>

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

City of Appleton, Wisconsin

NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 1: BASIS OF PRESENTATION

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

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

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

Revenues and expenditures in the schedules are presented in accordance with the modified accrual basis of accounting and are generally in agreement with revenues and expenditures reported in the City's 2020 fund financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and the *State Single Audit Guidelines* with the exception of CFDA 21.019, which follows criteria determined by the Department of Treasury for allowability of costs. Under these cost principles, certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. 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, 2020

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
Wisconsin Elections Commission

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, 2020

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:

<u>CFDA Number</u>	<u>Name of Federal Programs/Clusters</u>
21.019	Coronavirus Relief Fund

Identification of major state programs:

<u>State ID Number</u>	<u>Name of State Programs</u>
WV-BUS-APPL-01	2018 State WV Capital Grant

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, 2020

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, 2020.

SECTION III - FEDERAL AND STATE AWARD FINDINGS AND QUESTIONED COSTS

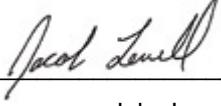
There are no findings related to the federal and state awards for the year ended December 31, 2020.

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 

Jake Lenell, CPA

5. Date of report June 7, 2021

City of Appleton, Wisconsin

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND CORRECTIVE ACTION PLAN FOR THE YEAR ENDED DECEMBER 31, 2020

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, 2019.

There were no findings or questioned costs for federal or state awards for the year ended December 31, 2019.

CORRECTIVE ACTION PLAN

None required.

City of Appleton, Wisconsin

SETTLEMENT OF DHS COST REIMBURSEMENT AWARD FOR THE YEAR ENDED DECEMBER 31, 2020

	Childhood Lead	Maternal Child Health	Immunization	Preventative Health	
	<u>CARS profile</u>	<u>CARS profile</u>	<u>CARS profile</u>	<u>CARS profile</u>	<u>CARS profile</u>
DHS identification number	157720	159320	155020	159220	155800
Award amount	\$ 9,808	\$ 29,172	\$ 21,761	\$ 9,148	\$ 5,700
Award period	1/1/20 - 12/31/20	1/1/20 - 12/31/20	1/1/20 - 12/31/20	10/1/18 - 09/30/20	7/1/19 - 6/30/20
Period of award within audit period	1/1/20 - 12/31/20	1/1/20 - 12/31/20	1/1/20 - 12/31/20	1/1/20 - 12/31/20	1/1/20 - 12/31/20
Expenditures reported to DHS for payment	<u>\$ 9,808</u>	<u>\$ 25,318</u>	<u>\$ 22,041</u>	<u>\$ 4,000</u>	<u>\$ 4,349</u>
Actual allowable cost of reward					
Program expenses					
Grants and other assistance to individuals in the US	\$ -	\$ -	\$ -	\$ -	\$ -
Other salaries and wages	7,542	11,046	11,456	-	-
Other program expenses (supplies, training, etc.)	2,266	14,272	10,585	4,000	4,349
Total program expenses	<u>9,808</u>	<u>25,318</u>	<u>22,041</u>	<u>4,000</u>	<u>4,349</u>
Less: Program revenue and other offsets to costs*	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total allowable costs	<u>\$ 9,808</u>	<u>\$ 25,318</u>	<u>\$ 22,041</u>	<u>\$ 4,000</u>	<u>\$ 4,349</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

City of Appleton, Wisconsin

SETTLEMENT OF DHS COST REIMBURSEMENT AWARD FOR THE YEAR ENDED DECEMBER 31, 2020

	Bioterrorism		COVID-19			
			Testing Coord	Plan	Contact Tracing	PHEP
	CARS profile	CARS profile	CARS profile	CARS profile	CARS profile	CARS profile
DHS identification number	155015	155050	155803	155804	155805	155801
Award amount	\$ 106,111	\$ 15,300	\$ 28,400	\$ 1,980	\$ 502,144	\$ 53,243
Award period	7/1/19 - 6/30/21	7/1/19 - 6/30/20	3/1/20 - 12/31/20	3/1/20 - 12/31/20	3/1/20 - 12/31/20	4/1/20 - 3/31/21
Period of award within audit period	1/1/20 - 12/31/20	1/1/20 - 12/31/20	3/1/20 - 12/31/20	3/1/20 - 12/31/20	3/1/20 - 12/31/20	4/1/20 - 12/31/20
Expenditures reported to DHS for payment	<u>\$ 20,073</u>	<u>\$ 10,401</u>	<u>\$ 28,400</u>	<u>\$ 1,980</u>	<u>\$ 502,144</u>	<u>\$ 42,988</u>
Actual allowable cost of reward						
Program expenses						
Grants and other assistance to individuals in the US	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other salaries and wages	18,517	-	21,726	1,980	468,701	42,988
Other program expenses (supplies, training, etc.)	1,556	10,401	6,674	-	33,443	-
Total program expenses	<u>20,073</u>	<u>10,401</u>	<u>28,400</u>	<u>1,980</u>	<u>502,144</u>	<u>42,988</u>
Less: Program revenue and other offsets to costs*	-	-	-	-	-	-
Total allowable costs	<u>\$ 20,073</u>	<u>\$ 10,401</u>	<u>\$ 28,400</u>	<u>\$ 1,980</u>	<u>\$ 502,144</u>	<u>\$ 42,988</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