



2022

**Annual Comprehensive
Financial Report**

“...meeting community needs ...enhancing quality of life.”

**CITY OF APPLETON, WISCONSIN
YEAR ENDING DECEMBER 31, 2022**

CITY OF APPLETON, WISCONSIN
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2022

Finance Department

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INTRODUCTORY SECTION



INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Common Council
City of Appleton, Wisconsin

Report on the Audit of the Financial Statements

Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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, 2022, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1.G. to the financial statements, effective January 1, 2022, the City adopted new accounting guidance for leases. The guidance requires lessees to recognize a right-to-use lease asset and corresponding lease liability and lessors to recognize a lease receivable and corresponding deferred inflow of resources for all leases with lease terms greater than twelve months. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules relating to pensions and other postemployment benefits as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The financial information listed in the table of contents as supplementary are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedules of expenditures of federal and state awards, as required by Title 2 U.S. *Code of Federal Regulations 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, and the Settlement of DHS Cost Reimbursement Award as required by the *State Single Audit Guidelines*, are also 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the statistical section but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Honorable Mayor and Common Council
City of Appleton, Wisconsin

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Green Bay, Wisconsin
June 22, 2023

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, 2022. 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 \$739,197,121. Of this amount, \$92,426,296 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 \$60,729,852, an increase of \$4,127,720 from the 2021 balance of \$56,602,132. The net increase was a combination of a loss in the City's general fund and positive operating results in other governmental funds. The general fund loss was attributable to the distribution of excess fund balance as of December 31, 2021 and unrealized losses on investments. The positive operating results in the other governmental funds was mainly due to a significant amount of budgeted capital project expenditures that were carried forward to 2023 due to supply chain delays and labor shortages.
- At the close of the fiscal year, the City of Appleton's enterprise funds reported combined ending net position of \$348,787,990, an increase of \$18,426,210 from the 2021 net position of \$330,361,780. The increase was a result of positive operating results in 2022 from all the City's enterprise funds led by the Stormwater Utility, \$6,480,740, Water Utility, \$5,870,954, Wastewater Utility, \$2,495,248, Valley Transit, \$1,935,034, Parking Utility, \$1,487,422, and Reid Golf Course, \$156,812. 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, \$30,241,626 has been recorded as a net pension asset at December 31, 2022. As of the December 31, 2021 measurement date used for the 2022 financial statements, WRS reported total resources available to provide pension benefits of \$141.8 billion. They also reported a total liability for pensions of \$133.8 billion, resulting in a net pension asset of \$8.0 billion. The City's proportionate share of this asset is \$30,241,626.
- During 2022, the City issued \$15,530,000 of general obligation debt and retired \$10,080,000 of general obligation bonds and notes, resulting in an outstanding balance of \$87,620,000 at December 31, 2022. The major capital projects funded with the amount borrowed in 2022 include the Library renovation project, park and trail projects, equipment purchases, and infrastructure projects. 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 \$87,472,125 (\$87,620,000 less reserves on hand) which is 23.3% of the legal limit of \$375,575,820, well under the statutory limit.
- During 2022, the City issued \$11,710,000 of revenue bonds for their Wastewater Utility while retiring \$8,550,000 of outstanding revenue bond debt. This activity resulted in increasing total outstanding revenue bond debt from \$103,625,000 at December 31, 2021 to \$106,785,000 at December 31, 2022. This total outstanding revenue bond debt at December 31, 2022 included \$36,570,000 of Stormwater Utility bonds, \$37,100,000 of Water Utility bonds, and \$33,115,000 of Wastewater Utility bonds. Description of the individual outstanding revenue bond issues can be found in Note 4.G. 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 21 to 23 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 42 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 and Debt Service Fund which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these 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 24 to 27 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 28 to 37 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 38 to 39 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 43 to 103 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 105 to 109 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 111 to 137 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 \$739,197,121 as of December 31, 2022.

The largest portion of the City's net position (approximately 80%) 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 2022	Business- Type Activities 2022	Totals
Current and Other Assets	\$ 188,324,148	\$ 106,496,250	\$ 294,820,398
Capital Assets	<u>404,090,320</u>	<u>364,835,154</u>	<u>768,925,474</u>
Total Assets	<u>592,414,468</u>	<u>471,331,404</u>	<u>1,063,745,872</u>
Deferred Outflows of Resources	<u>51,002,538</u>	<u>10,164,229</u>	<u>61,166,767</u>
Other Liabilities	24,145,036	5,897,299	30,042,335
Long-Term Liabilities	<u>102,947,025</u>	<u>115,113,329</u>	<u>218,060,354</u>
Total Liabilities	<u>127,092,061</u>	<u>121,010,628</u>	<u>248,102,689</u>
Deferred Inflows of Resources	<u>123,583,492</u>	<u>14,029,337</u>	<u>137,612,829</u>
Net Position:			
Net Investment in Capital Assets	320,172,032	261,798,119	581,970,151
Restricted	33,703,586	31,097,088	64,800,674
Unrestricted	<u>38,865,835</u>	<u>53,560,461</u>	<u>92,426,296</u>
Total Net Position	<u>\$ 392,741,453</u>	<u>\$ 346,455,668</u>	<u>\$ 739,197,121</u>

	Governmental Activities 2021	Business- Type Activities 2021	Totals
Current and Other Assets	\$ 167,965,745	\$ 92,071,768	\$ 260,037,513
Capital Assets	<u>396,528,334</u>	<u>357,476,022</u>	<u>754,004,356</u>
Total Assets	<u>564,494,079</u>	<u>449,547,790</u>	<u>1,014,041,869</u>
Deferred Outflows of Resources	<u>33,742,521</u>	<u>7,764,796</u>	<u>41,507,317</u>
Other Liabilities	18,030,539	7,222,270	25,252,809
Long-Term Liabilities	<u>97,973,605</u>	<u>113,110,694</u>	<u>211,084,299</u>
Total Liabilities	<u>116,004,144</u>	<u>120,332,964</u>	<u>236,337,108</u>
Deferred Inflows of Resources	<u>99,403,355</u>	<u>8,485,447</u>	<u>107,888,802</u>
Net Position:			
Net Investment in Capital Assets	315,796,455	256,784,008	572,580,463
Restricted	26,983,901	25,880,654	52,864,555
Unrestricted	<u>40,048,745</u>	<u>45,829,513</u>	<u>85,878,258</u>
Total Net Position	<u>\$ 382,829,101</u>	<u>\$ 328,494,175</u>	<u>\$ 711,323,276</u>

City of Appleton, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS

An additional portion of the City's net position (approximately 8.7%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of \$92,426,296 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, 2022. Governmental activities increased the City of Appleton's net position by \$9,912,352 and business-type activities increased the City's net position by \$17,961,493.

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

	Governmental Activities 2022	Business- Type Activities 2022	Totals
Revenues:			
Program Revenues:			
Charges for services	\$ 9,974,306	\$ 49,487,744	\$ 59,462,050
Operating grants and contributions	10,711,417	10,095,498	20,806,915
Capital grants and contributions	1,473,815	8,709,321	10,183,136
General Revenues:			
Property taxes	52,600,146	-	52,600,146
Other taxes	2,815,450	-	2,815,450
Intergovernmental	11,980,281	-	11,980,281
Investment income	-	1,159,568	1,159,568
Gain (loss) on sale of assets	1,018,254	20,947	1,039,201
Miscellaneous	283,260	18,959	302,219
Total Revenues	<u>90,856,929</u>	<u>69,492,037</u>	<u>160,348,966</u>
Expenses:			
General government	10,093,514	-	10,093,514
Public safety	32,634,285	-	32,634,285
Public works	20,318,784	-	20,318,784
Education and recreation	11,831,356	-	11,831,356
Community development	5,142,325	-	5,142,325
Interest and fiscal charges	1,854,550	-	1,854,550
Water Utility	-	15,597,675	15,597,675
Wastewater Utility	-	14,301,717	14,301,717
Valley Transit	-	9,410,487	9,410,487
Stormwater Utility	-	8,600,482	8,600,482
Other non-major proprietary funds	-	2,689,946	2,689,946
Total Expenses	<u>81,874,814</u>	<u>50,600,307</u>	<u>132,475,121</u>
Change in net position before transfers	8,982,115	18,891,730	27,873,845
Transfers	<u>930,237</u>	<u>(930,237)</u>	<u>-</u>
Increase (decrease) in net position	9,912,352	17,961,493	27,873,845
Net Position – January 1, 2022	<u>382,829,101</u>	<u>328,494,175</u>	<u>711,323,276</u>
Net Position – December 31, 2022	<u>\$ 392,741,453</u>	<u>\$ 346,455,668</u>	<u>\$ 739,197,121</u>

City of Appleton, Wisconsin

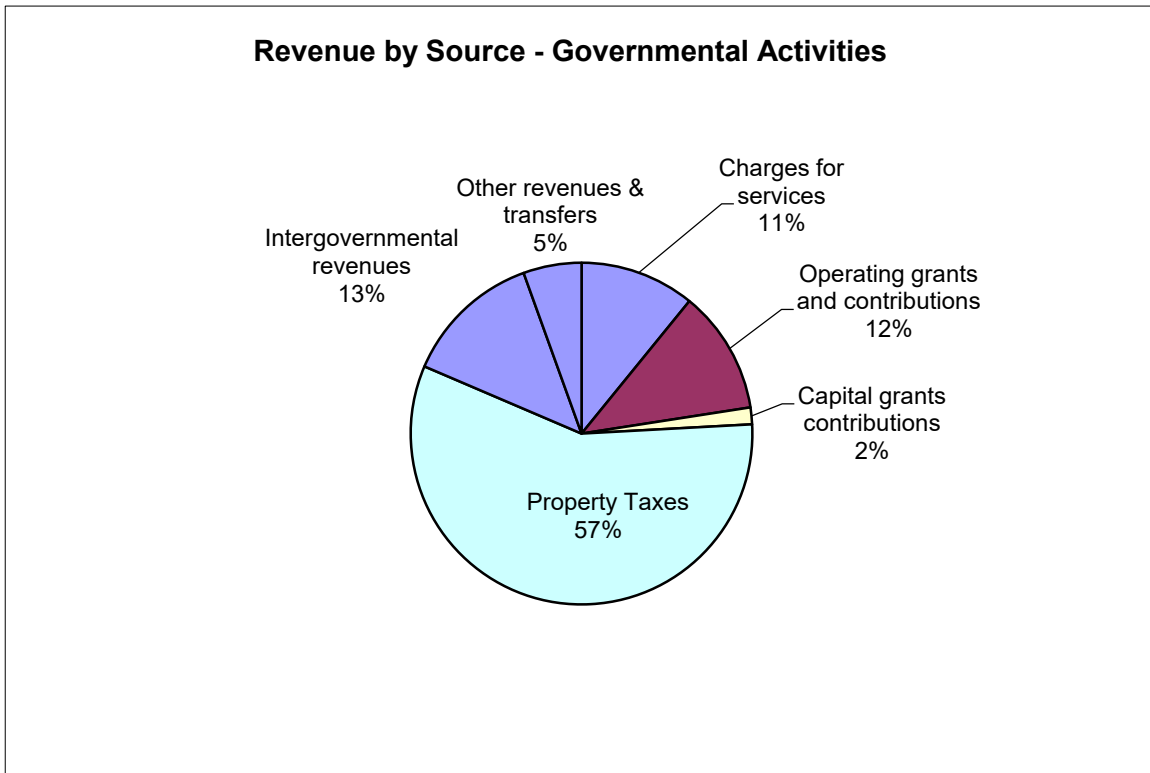
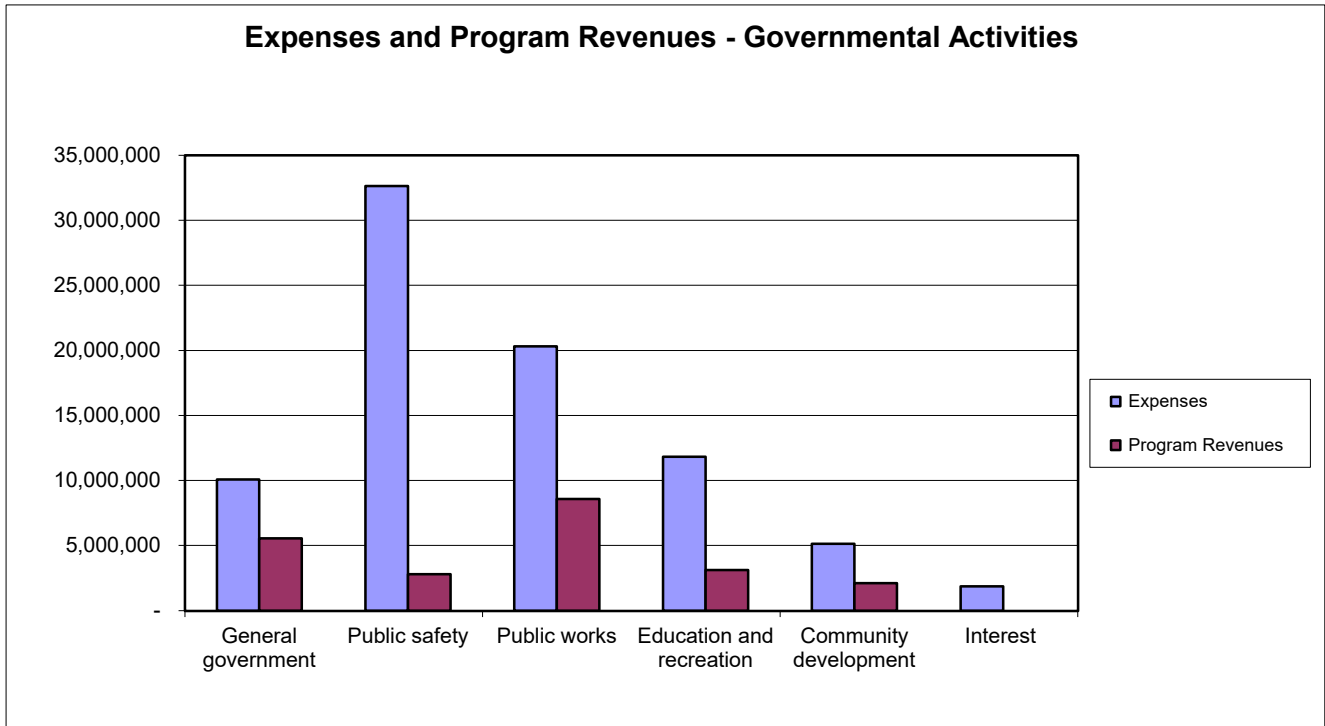
MANAGEMENT'S DISCUSSION AND ANALYSIS

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

	Governmental Activities 2021	Business- Type Activities 2021	Totals
Revenues:			
Program Revenues:			
Charges for services	\$ 9,887,373	\$ 48,381,150	\$ 58,268,523
Operating grants and contributions	7,921,916	9,339,299	17,261,215
Capital grants and contributions	3,143,565	8,028,366	11,171,931
General Revenues:			
Property taxes	52,489,737	-	52,489,737
Other taxes	2,596,734	-	2,596,734
Intergovernmental	11,926,527	-	11,926,527
Investment income	(300,437)	(510,045)	(810,482)
Gain (loss) on sale of assets	367,964	6,367	374,331
Miscellaneous	219,092	20,409	239,501
Total Revenues	<u>88,252,471</u>	<u>65,265,546</u>	<u>153,518,017</u>
Expenses:			
General government	7,957,567	-	7,957,567
Public safety	29,957,432	-	29,957,432
Public works	22,068,563	-	22,068,563
Education and recreation	11,352,944	-	11,352,944
Community development	4,348,254	-	4,348,254
Interest and fiscal charges	1,428,939	-	1,428,939
Water Utility	-	14,949,500	14,949,500
Wastewater Utility	-	11,337,623	11,337,623
Valley Transit	-	9,275,951	9,275,951
Stormwater Utility	-	7,412,284	7,412,284
Other non-major proprietary funds	-	2,589,627	2,589,627
Total Expenses	<u>77,113,699</u>	<u>45,564,985</u>	<u>122,678,684</u>
Change in net position before transfers	11,138,772	19,700,561	30,839,333
Transfers	<u>1,578,095</u>	<u>(1,578,095)</u>	<u>-</u>
Increase (decrease) in net position	12,716,867	18,122,466	30,839,333
Net Position – January 1, 2021	<u>370,112,234</u>	<u>310,371,709</u>	<u>680,483,943</u>
Net Position – December 31, 2021	<u>\$ 382,829,101</u>	<u>\$ 328,494,175</u>	<u>\$ 711,323,276</u>

City of Appleton, Wisconsin

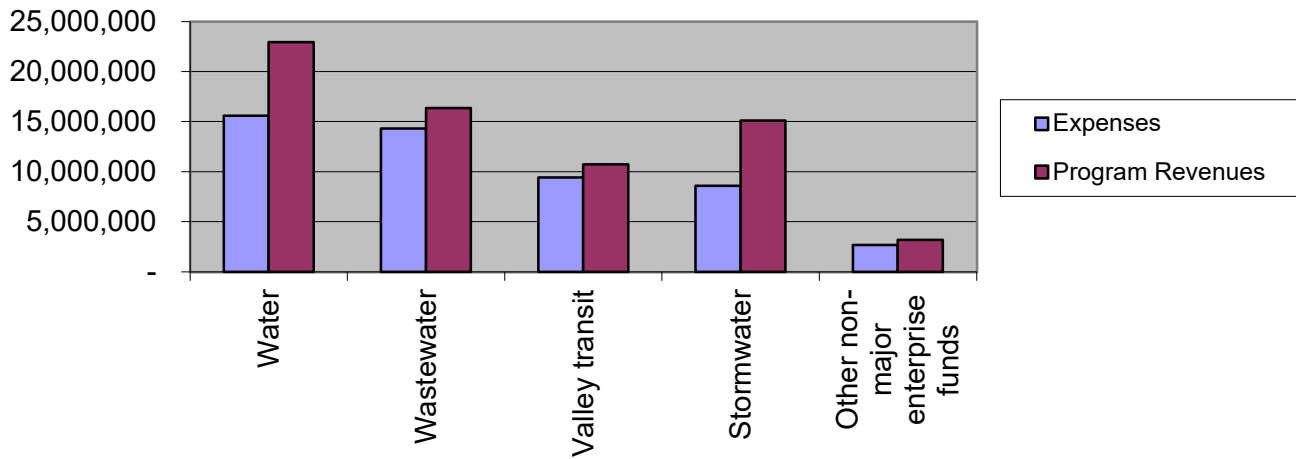
MANAGEMENT'S DISCUSSION AND ANALYSIS



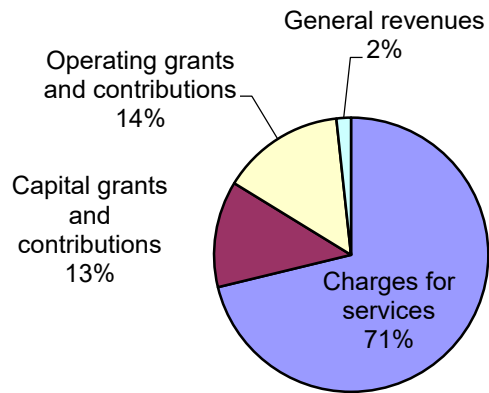
City of Appleton, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS

Expenses and Program Revenues - Business-type Activities



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 the current fiscal year, the City of Appleton's governmental funds reported combined ending fund balances of \$60,729,852. 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 \$3,177,575; 2) restricted \$13,337,614; 3) committed \$1,877,932; 4) assigned \$35,186,038; and 5) unassigned \$7,150,693. Non-spendable funds include amounts that cannot be spent because they are not in spendable form (inventories or prepaid expenses, for example), or are legally required to remain intact. Restricted funds consist of amounts that have externally enforceable limitations placed on their use by creditors, grantors, contributors, or other governments, or by law through constitutional provisions or enabling legislation. Committed funds include amounts that are constrained for specific purposes through formal action of the highest level of decision-making authority, usually the City Council. Assigned funds consist of spendable amounts that are intended to be used for specific purposes but are not considered restricted or committed. Unassigned funds include the residual balance within the general fund which has not been classified within the other categories. Unassigned fund balance may also include deficit balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

General Fund: The general fund is the main operating fund of the City. The general fund has a detailed reserve policy that ensures the financial stability of the City of Appleton. The reserve policy stipulates that the total unreserved fund balance (excluding designations for debt service) will be 25% of the following year's budgeted appropriations. It also calls for a designated balance for debt service of 25% of the ensuing year's debt service requirements. 75% of any excess funds over these amounts will be used for the reduction of long-term liabilities. Use of the remaining excess funds is subject to recommendation from the Finance Committee and final Council approval. This policy has allowed the City to keep its outstanding debt well below the legal debt limit. The City is currently at 23.3% of the limit and has a general obligation debt per capita of \$1,148.

For the year ended December 31, 2022, general fund revenues and transfers in totaled \$64,790,341 while expenses and transfers out were \$71,531,186 resulting in a decrease of \$6,516,370 for the year. This was due to decreased revenues compared to the original general fund budget attributable to unrealized losses on investments, and increased transfers to other funds resulting from a distribution of excess fund balance as of December 31, 2021.

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 \$6,398,637 in 2022, or a 4.67% rate of return on the net investment rate base. This compares to operating income of \$6,911,947 in 2021, or a 4.82% rate of return. The decrease in operating income was a result of an increase in operating expense from 2021. Finished water supplied was down less than 1% from 2021, and the quantity of water purchased continues to decline to 2.73 MG (million gallons) in 2022 from a recent high in 2018 of 2.95 MG. Other operating revenue increased due to the sale of used membrane supplies that were no longer used. On the expense side, operation and maintenance expenses increased \$1,148,000 from 2021, due to an increase in chemical expense and lime disposal fees, the relining of a chemical tank, labor and material expense needed for dechlorination of water during hydrant flushing and additional labor costs to investigate meter reading failures. Capital Contribution revenue was \$2.7 million in 2022, this is down \$193,000 from 2021; contributions were from private developers and Outagamie County for the extension of water service to Plamann Park. The Water Utility was impacted with unrealized losses on investments of \$942,458 in 2021, this is up \$680,000 from 2021.

City of Appleton, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS

Wastewater Utility: The Wastewater Utility recorded operating income of \$1,647,762 in 2022 compared to operating income of \$2,429,038 in 2021. Operating revenues were \$13,505,939 in 2022 compared to \$12,992,845 in 2021, this is due to 4% rate increase that was effective January 1, 2022. Operating expenses increased by \$1,294,000, due to an increase in chemical expense, aeration tank repair, increase in costs to haul biosolids, and increased expense for repair parts due to supply chain disruptions and needs for the aging facility. Capital Contribution revenue was \$2.8 million in 2022, this is up \$170,000 from 2021; contributions were from private developers and Outagamie County for the extension of wastewater service to Plamann Park. The Wastewater Utility was impacted with unrealized losses on investments of \$1,429,761.

Stormwater Utility: Stormwater Utility operating income was \$4,993,625 in 2022 compared to operating income of \$5,108,367 in 2021. Operating revenues increased slightly due to the addition of equivalent runoff units (ERU's) in 2022 from new development. Operating expenses for 2022 increased 5% or approximately \$280,000 from 2021. The increase in operating expenses was due to increased labor costs and consulting fees for future infrastructure and maintenance needs and increased costs for leaf collection. Capital Contribution revenue remained steady from 2021 at \$3,673,479 in 2022. The Stormwater Utility was impacted with unrealized losses on investments of \$1,016,627.

Valley Transit: Operating revenues decreased \$39,209 in 2022 mostly due to a decrease in non-transportation revenue. Non-transportation revenue consists largely of advertising revenue, commission on vending machines and scrap metal sales. Valley Transit's ridership plummeted during COVID-19, but continues to steadily improve following the pandemic. Preventive measures included social distancing, travel restrictions, lockdowns and quarantines for people exposed or symptomatic. Although the federal mask mandate was lifted in April of 2022, Valley Transit continued some of its established precautions throughout the year.

Operating expenses remained relatively flat and increased by \$4,664. Increases in material and supplies, depreciation and other miscellaneous expenses were offset by a decrease in purchased transportation. During 2022, Valley Transit saw a decrease in demand for ancillary paratransit services as a new service provider was employed and similar services were consolidated.

Valley Transit's 2022 net position increased compared to 2021. The largest factor contributing to the increase in net position is the capital funding received for five replacement buses purchased during 2022.

GENERAL FUND BUDGETARY HIGHLIGHTS

The final amended General Fund budget had total appropriations (including transfers) of \$9,061,333 more than the original budget. The total original appropriations, including those for transfers out, were \$66,208,455, while the final appropriations were \$75,269,788. A large part of the increase, \$4,798,273, was the distribution of excess fund balance. These included \$3,923,273 in excess fund balance that was transferred to Capital Project funds, \$825,000 for expenditures in the General Fund related to activities in Information Technology and Finance, and \$50,000 to Appleton Redevelopment Authority. A majority of the remaining increase, \$2,351,937, was related to contingency funds established in the past that were carried over from 2021 into 2022 to safeguard against uncertainties in the economy. This contingency fund consists of reserves for fuel costs (\$137,315) and wage increases (\$1,000,057), an amount to guard against future potential State aid reductions (\$812,267), and an overall general contingency fund for unforeseen emergencies or catastrophic events (\$402,298).

The remaining increase in the 2022 Budget of approximately \$1,600,000 was related to \$1,300,000 of unexpended 2021 budget funds carried over to pay for expenses that were incurred in 2022. Additionally, various budget increases were approved by the City Council throughout the year totaling approximately \$300,000. 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 2022, the City had invested a total of \$768,925,474 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 \$1.65 million of expenses in 2022 and will continue to be a focus due to an aging distribution system and to accommodate development on the north side of the City. Safety and security updates were completed at the Water Treatment Plant for approximately \$100,000 in expense. Additionally, \$370,000 in expense was recorded as work in progress for the new raw water supply main to be completed in 2023 and \$440,000 for various upgrades and replacements at the Water Treatment Plant that will be completed in 2023 and early 2024.

Wastewater: In 2022, capital asset additions included approximately \$5 million in improvements to the wastewater collection system that included the completion of a large sewer collection main on the northside of the City and \$3.2 million for a multi-year project to upgrade and improve piping and process equipment at the treatment plant. Other projects completed included \$900,000 of HVAC replacements and upgrades, \$900,000 of building and grounds upgrades, and \$645,000 of treatment equipment upgrades and replacements. The multi-year electrical upgrade for a new substation at the treatment plant saw the addition of \$2.8 million of work in process at the end of 2022. Additionally, \$165,000 for the belt filter upgrade and \$265,000 for the sludge storage building addition were added to work in progress.

Stormwater: Capital improvements necessary to continue our efforts in the management of stormwater in the City accounted for approximately \$860,000 in capital outlay for additions and upgrades to mains and infrastructure. Additionally, \$3.5 million of contributed capital that added two ponds, infrastructure and land to the system.

Valley Transit: Net capital assets increased \$1,533,479 during 2022 as the result of capital purchases of \$2,757,388 financed by state and federal capital grants and local match dollars, offset by depreciation expense of \$1,223,909. Capital investments in 2022 consisted of five new buses at a total investment of \$2,471,395, operation staff vehicle (\$29,114), a hot water pressure cleaner (\$20,240), HVAC reclaiming (\$7,995), vertical band saw (\$10,379), the beginning of a construction project at the Transit Center (\$126,261) and the on-going construction project at the Whitman facility (\$92,003).

Governmental Activities

Maintaining existing infrastructure, always a high priority of the City, accounted for the largest general fixed asset expenditures, with approximately \$8.1 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 2022 (including projects started in 2021 and completed in 2022) included \$1,037,306 in renovations in City Hall, \$1,810,991 in renovations at the library, and \$194,572 in security fencing at the Appleton Police Department.

Investments in equipment in 2022 consisted predominantly of replacements of vehicles managed by the City's Central Equipment Agency (\$3,497,086). Additionally, work continued on the project to replace existing legacy mainframe computer systems with an enterprise resource planning (ERP) system (\$309,416).

Finally, quality of life enhancements continue to be a major emphasis for the City. The largest investment was for improvements for trail development at Piecrce Park (\$729,883) and Ellen Kort River Trail (\$503,070). Other improvements included sports courts at Green Meadow Park (\$287,044) and Telulah Park (\$639,621).

City of Appleton, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS

CAPITAL ASSETS AT YEAR-END NET OF ACCUMULATED DEPRECIATION

	Governmental Activities 2022	Business-Type Activities 2022	Totals
Land	\$ 10,031,409	\$ 14,258,831	\$ 24,290,240
Right-of-ways	83,651,483	-	83,651,483
Land improvements	38,721,202	-	38,721,202
Intangible assets	1,395,447	6,989,898	8,385,345
Improvements	22,393,770	-	22,393,770
Buildings	56,493,968	182,690,212	239,184,180
Equipment, furniture and fixtures	56,660,628	110,067,577	166,728,205
Infrastructure	-	300,395,546	300,395,546
Streets	207,988,108	-	207,988,108
Sidewalks	37,166,524	-	37,166,524
Traffic signals	7,727,825	-	7,727,825
Bridges	56,050,895	-	56,050,895
Right-to-Use Assets	490,910	-	490,910
Construction in progress	8,654,854	6,286,538	14,941,492
Accumulated depreciation	<u>(183,336,803)</u>	<u>(255,853,448)</u>	<u>(439,190,251)</u>
Totals	<u>\$ 404,090,320</u>	<u>\$ 364,835,154</u>	<u>\$ 768,925,474</u>

	Governmental Activities 2021	Business-Type Activities 2021	Totals
Land	\$ 10,031,409	\$ 12,214,126	\$ 22,245,535
Right-of-ways	82,859,164	-	82,859,164
Land improvements	38,721,202	-	38,721,202
Intangible assets	1,244,921	5,831,000	7,075,921
Improvements	21,851,750	-	21,851,750
Buildings	56,429,582	180,705,759	237,135,341
Equipment, furniture and fixtures	54,804,867	107,664,682	162,469,549
Infrastructure	-	287,865,601	287,865,601
Streets	201,840,645	-	201,840,645
Sidewalks	36,223,947	-	36,223,947
Traffic signals	7,528,904	-	7,528,904
Bridges	56,050,895	-	56,050,895
Construction in progress	2,962,235	11,145,092	14,107,327
Accumulated depreciation	<u>(174,021,187)</u>	<u>(247,950,238)</u>	<u>(421,971,425)</u>
Totals	<u>\$ 396,528,334</u>	<u>\$ 357,476,022</u>	<u>\$ 754,004,356</u>

City of Appleton, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS

Long-Term Debt

During 2022, the City issued \$15,530,000 of general obligation debt and retired \$10,080,000 of general obligation bonds and notes, resulting in an outstanding balance of \$87,620,000 at December 31, 2022. Additionally, the City issued \$11,710,000 of revenue bonds in 2022 while retiring \$8,550,000 of bonds resulting in an outstanding balance of \$106,785,000.

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 \$87,472,125 (\$87,620,000 less reserves on hand) which is 23.3% of the legal limit of \$375,575,820. Furthermore, City policy limits aggregate debt to 40% of the legal limit. The net debt outstanding at December 31, 2022 is 58.2% of the 40% policy limit.

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

	Governmental Activity 2022	Business-Type Activity 2022	Totals
General obligation bonds and notes payable	\$ 86,650,000	\$ 970,000	\$ 87,620,000
Revenue bonds	-	106,785,000	106,785,000
Total Outstanding General Obligation and Revenue Bonds	\$ 86,650,000	\$ 107,755,000	\$ 194,405,000
	Governmental Activity 2021	Business-Type Activity 2021	Totals
General obligation bonds and notes payable	\$ 80,990,000	\$ 1,180,000	\$ 82,170,000
Revenue bonds	-	103,625,000	103,625,000
Total Outstanding General Obligation and Revenue Bonds	\$ 80,990,000	\$ 104,805,000	\$ 185,795,000

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

Currently Known Facts/Economic Conditions

As with local municipalities throughout the country, the City of Appleton is experiencing higher than expected costs due to inflation, supply chain delays, and labor shortages. ARPA funds continue to mitigate lost revenues and costs related to the pandemic, as well as funding initiatives that will benefit the City and the community. The City's tax base continues to experience steady growth and benefits from a diverse mix of stable employers. TIF 6 will close in 2023 and will increase the tax base going forward.

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: Jeri A. Ohman, CPA, Finance Director at 1-920-832-5742 or at jeri.ohman@appleton.org.

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

FINANCIAL SECTION

**FINANCIAL
SECTION**

BASIC FINANCIAL STATEMENTS

**CITY OF APPLETON, WISCONSIN
STATEMENT OF NET POSITION
DECEMBER 31, 2022**

	Governmental Activities	Business-Type Activities	Totals	Component Units
ASSETS				
Cash and Investments	\$ 99,194,901	\$ 62,784,647	\$ 161,979,548	\$ 318,069
Receivables:				
Taxes and Special Charges	40,551,008	-	40,551,008	-
Accounts	2,053,661	4,065,104	6,118,765	-
Accounts: Unbilled	-	6,102,390	6,102,390	-
Special Assessments	131,995	190,159	322,154	96,001
Developer Loans	502,281	-	502,281	-
Housing Loans, Net	5,952,982	-	5,952,982	-
Accrued Interest	293,890	-	293,890	-
Other	459,981	113,947	573,928	-
Leases	1,202,036	2,857,036	4,059,072	-
Internal Balances	3,798,689	(3,798,689)	-	-
Due from Other Governments	629,204	1,620,277	2,249,481	-
Inventories	-	528,522	528,522	-
Prepaid Items	1,063,481	387,199	1,450,680	-
Deposit in CVMIC	2,020,950	-	2,020,950	-
Land Held for Future Use	4,874,830	10,082	4,884,912	420,130
Restricted Assets:				
Cash and Investments	-	26,931,426	26,931,426	5,623,475
Accrued Interest	-	56,783	56,783	-
Net Pension Asset	25,594,259	4,647,367	30,241,626	-
Capital Assets, Nondepreciable	141,240,783	26,594,603	167,835,386	2,060,000
Capital Assets, Depreciable	262,849,537	338,240,551	601,090,088	27,591,157
Total Assets	<u>592,414,468</u>	<u>471,331,404</u>	<u>1,063,745,872</u>	<u>36,108,832</u>
DEFERRED OUTFLOWS OF RESOURCES				
Loss on Advance Refunding	26,021	958,428	984,449	-
Pension Related Amounts	49,983,553	8,974,834	58,958,387	-
Other Postemployment Related Amounts	992,964	230,967	1,223,931	-
Total Deferred Outflows of Resources	<u>51,002,538</u>	<u>10,164,229</u>	<u>61,166,767</u>	<u>-</u>
LIABILITIES				
Accounts Payable	2,807,567	1,949,534	4,757,101	38,785
Other Accrued Liabilities	2,737,422	385,768	3,123,190	-
Claims Payable	5,359,694	-	5,359,694	-
Due to Other Governments	30	1,580,372	1,580,402	-
Accrued Interest Payable	650,814	544,163	1,194,977	320,238
Special Deposits	17,682	500	18,182	-
Unearned Revenues	12,571,827	1,436,962	14,008,789	-
Long-Term Obligations:				
Due Within One Year	16,902,863	10,876,079	27,778,942	150,000
Landfill Postclosure Care	1,170,000	-	1,170,000	-
Due in More Than One Year	80,933,941	103,320,737	184,254,678	30,890,000
Other Postemployment Benefits	3,940,221	916,513	4,856,734	-
Total Liabilities	<u>127,092,061</u>	<u>121,010,628</u>	<u>248,102,689</u>	<u>31,399,023</u>
DEFERRED INFLOWS OF RESOURCES				
Property Taxes Levied for Subsequent Year	61,128,544	-	61,128,544	241,512
Other	6,462	-	6,462	-
Pension Related Amounts	60,241,769	10,938,607	71,180,376	-
Other Postemployment Related Amounts	1,004,681	233,694	1,238,375	-
Leases	1,202,036	2,857,036	4,059,072	-
Total Deferred Inflows of Resources	<u>123,583,492</u>	<u>14,029,337</u>	<u>137,612,829</u>	<u>241,512</u>
NET POSITION				
Net Investment in Capital Assets	320,172,032	261,798,119	581,970,151	(1,388,843)
Restricted:				
Debt Service	209,058	21,476,231	21,685,289	4,720,860
Housing Rehabilitation	3,003,700	-	3,003,700	-
Plant Replacement	-	3,621,879	3,621,879	-
Future Special Projects	1,209,900	-	1,209,900	902,615
Future Capital Projects	3,680,169	1,351,611	5,031,780	-
Pension Benefits	25,594,259	4,647,367	30,241,626	-
Unrestricted	<u>38,872,335</u>	<u>53,560,461</u>	<u>92,432,796</u>	<u>233,665</u>
Total Net Position	<u>\$ 392,741,453</u>	<u>\$ 346,455,668</u>	<u>\$ 739,197,121</u>	<u>\$ 4,468,297</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF APPLETON, WISCONSIN
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
General Government	\$ 10,093,514	\$ 3,034,263	\$ 2,522,484	\$ -
Public Safety	32,634,285	1,557,620	1,234,462	-
Public Works	20,318,784	3,790,964	3,494,299	1,289,416
Culture and Recreation	11,831,356	1,221,833	1,862,539	38,294
Conservation and Development	5,142,325	369,626	1,597,633	146,105
Interest and Fiscal Charges	1,854,550	-	-	-
Total Governmental Activities	81,874,814	9,974,306	10,711,417	1,473,815
BUSINESS-TYPE ACTIVITIES				
Water Utility	15,597,675	20,272,404	502,312	2,149,197
Wastewater Utility	14,301,717	13,505,939	-	2,833,499
Valley Transit	9,410,487	1,135,044	9,589,516	-
Stormwater Utility	8,600,482	11,379,165	-	3,726,625
Other Nonmajor Enterprise Funds	2,689,946	3,195,192	3,670	-
Total Business-Type Activities	50,600,307	49,487,744	10,095,498	8,709,321
Total Primary Government	\$ 132,475,121	\$ 59,462,050	\$ 20,806,915	\$ 10,183,136
COMPONENT UNITS	\$ 2,631,428	\$ 235,485	\$ 50,000	\$ -

See accompanying Notes to Basic Financial Statements.

**CITY OF APPLETON, WISCONSIN
STATEMENT OF ACTIVITIES (CONTINUED)
YEAR ENDED DECEMBER 31, 2022**

Functions/Programs	Net (Expense) Revenue and Changes in Net Position			Component Units
	Governmental Activities	Business-Type Activities	Totals	
GOVERNMENTAL ACTIVITIES				
General Government	\$ (4,536,767)	\$ -	\$ (4,536,767)	\$ -
Public Safety	(29,842,203)	-	(29,842,203)	-
Public Works	(11,744,105)	-	(11,744,105)	-
Culture and Recreation	(8,708,690)	-	(8,708,690)	-
Conservation and Development	(3,028,961)	-	(3,028,961)	-
Interest and Fiscal Charges	(1,854,550)	-	(1,854,550)	-
Total Governmental Activities	(59,715,276)	-	(59,715,276)	-
BUSINESS-TYPE ACTIVITIES				
Water Utility	-	7,326,238	7,326,238	-
Wastewater Utility	-	2,037,721	2,037,721	-
Transit Utility	-	1,314,073	1,314,073	-
Stormwater Utility	-	6,505,308	6,505,308	-
Other Nonmajor Enterprise Funds	-	508,916	508,916	-
Total Business-Type Activities	-	17,692,256	17,692,256	-
Total Primary Government	(59,715,276)	17,692,256	(42,023,020)	-
COMPONENT UNITS	-	-	-	(2,345,943)
GENERAL REVENUES AND TRANSFERS				
Taxes:				
Property Taxes, Levied for General Purposes	40,283,592	-	40,283,592	-
Property Taxes, Levied for Debt Service	1,442,263	-	1,442,263	-
Property Taxes, Levied for Capital Projects	10,874,291	-	10,874,291	-
Other Taxes	2,815,450	-	2,815,450	2,250,700
Federal and State Grants and Other				
Contributions not Restricted to				
Specific Functions	11,980,281	-	11,980,281	-
Miscellaneous	283,260	18,959	302,219	-
Gain on Sale of Asset	1,018,254	20,947	1,039,201	-
Investment Return	-	1,159,568	1,159,568	51,374
Transfers	930,237	(930,237)	-	-
Total General Revenues and Transfers	69,627,628	269,237	69,896,865	2,302,074
CHANGE IN NET POSITION	9,912,352	17,961,493	27,873,845	(43,869)
Net Position - Beginning of Year	382,829,101	328,494,175	711,323,276	4,512,166
NET POSITION - END OF YEAR	<u>\$ 392,741,453</u>	<u>\$ 346,455,668</u>	<u>\$ 739,197,121</u>	<u>\$ 4,468,297</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF APPLETON, WISCONSIN
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2022**

ASSETS	General	Debt Service	Other Governmental Funds	Totals
Cash and Investments	\$ 40,353,833	\$ 5,423,116	\$ 50,660,751	\$ 96,437,700
Receivables:				
Taxes and Special Charges	25,250,774	8,874,444	6,425,790	40,551,008
Accounts	1,493,707	-	546,026	2,039,733
Special Assessments	1,330	-	130,665	131,995
Developer Loans	502,281	-	-	502,281
Housing Loans, Net	-	-	5,952,982	5,952,982
Accrued Interest Receivable	293,890	-	-	293,890
Other	289,687	-	170,294	459,981
Leases	1,202,036	-	-	1,202,036
Due from Other Funds	2,293,473	-	45,194	2,338,667
Advance to Other Funds	2,049,629	-	-	2,049,629
Due from Other Governments	26,445	-	598,034	624,479
Prepaid Items	962,230	-	-	962,230
Total Assets	\$ 74,719,315	\$ 14,297,560	\$ 64,529,736	\$ 153,546,611
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 533,843	\$ -	\$ 1,969,938	\$ 2,503,781
Other Accrued Liabilities	2,556,242	-	87,324	2,643,566
Claims Payable	2,937,000	-	-	2,937,000
Due to Other Funds	814,474	-	297,826	1,112,300
Advance from Other Funds	-	-	1,809,629	1,809,629
Due to Other Governments	30	-	-	30
Special Deposits	17,682	-	-	17,682
Unearned Revenues	-	-	12,571,827	12,571,827
Total Liabilities	6,859,271	-	16,736,544	23,595,815
DEFERRED INFLOWS OF RESOURCES				
Property Taxes Levied for Subsequent Year	38,631,445	13,437,688	9,059,411	61,128,544
Loans Receivable	-	-	5,952,982	5,952,982
Special Assessments	-	-	130,665	130,665
Other	-	-	806,717	806,717
Leases	1,202,036	-	-	1,202,036
Total Deferred Inflows of Resources	39,833,481	13,437,688	15,949,775	69,220,944
FUND BALANCES				
Nonspendable	3,177,575	-	-	3,177,575
Restricted	-	859,872	12,477,742	13,337,614
Committed	-	-	1,877,932	1,877,932
Assigned	16,110,033	-	19,076,005	35,186,038
Unassigned	8,738,955	-	(1,588,262)	7,150,693
Total Fund Balances	28,026,563	859,872	31,843,417	60,729,852
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 74,719,315	\$ 14,297,560	\$ 64,529,736	\$ 153,546,611

See accompanying Notes to Basic Financial Statements.

**CITY OF APPLETON, WISCONSIN
BALANCE SHEET (CONTINUED)
GOVERNMENTAL FUNDS
DECEMBER 31, 2022**

RECONCILIATION TO THE STATEMENT OF NET POSITION

Total Fund Balances as Shown on Previous Page \$ 60,729,852

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. 387,418,783

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. 4,874,830

Other long-term assets are not available to pay current period expenditures and therefore are deferred in the funds. 6,883,902

Net position of the internal service fund is reported in the Statement of Net Position as governmental activities. 20,713,558

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	48,206,110
Deferred Inflows Related to Pensions	(58,095,119)
Deferred Outflows Related to Other Postemployment Benefits	944,792
Deferred Inflows Related to Other Postemployment Benefits	(955,940)

Long-term assets are not considered available; therefore, are not reported in the funds

Net Pension Asset	24,682,235
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Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Bonds and Notes Payable	(86,597,125)
Premium on Debt	(3,633,262)
Lease Liability	(236,532)
Compensated Absences	(6,890,554)
Postemployment Benefits Liability	(3,510,210)
Postclosure Care Costs Liability	(1,170,000)
Loss on Advance Refunding	26,021
Accrued Interest on Long-Term Obligations	(649,888)

Net Position of Governmental Activities as Reported on the Statement of Net Position	\$ 392,741,453
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**CITY OF APPLETON, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2022**

	General	Debt Service	Other Governmental Funds	Totals
REVENUES				
Taxes	\$ 38,371,435	\$ 10,874,291	\$ 6,169,870	\$ 55,415,596
Special Assessments	252,714	-	539,894	792,608
Intergovernmental	16,514,762	-	6,242,119	22,756,881
Licenses and Permits	1,901,509	-	-	1,901,509
Fines and Forfeits	218,300	-	-	218,300
Public Charges for Services	2,065,087	-	1,757,960	3,823,047
Investment Income (Loss)	(248,794)	-	(466,482)	(715,276)
Miscellaneous	1,503,146	-	4,585,823	6,088,969
Total Revenues	<u>60,578,159</u>	<u>10,874,291</u>	<u>18,829,184</u>	<u>90,281,634</u>
EXPENDITURES				
Current:				
General Government	8,260,108	-	206,219	8,466,327
Public Safety	34,067,814	-	2,170,379	36,238,193
Public Works	12,856,547	-	3,607,968	16,464,515
Culture and Recreation	9,184,686	-	109,940	9,294,626
Conservation and Development	1,943,107	-	2,253,075	4,196,182
Debt Service:				
Principal	193,066	9,879,500	-	10,072,566
Interest and Fiscal Charges	-	2,482,539	131,849	2,614,388
Capital Outlay	-	-	17,724,128	17,724,128
Total Expenditures	<u>66,505,328</u>	<u>12,362,039</u>	<u>26,203,558</u>	<u>105,070,925</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(5,927,169)	(1,487,748)	(7,374,374)	(14,789,291)
OTHER FINANCING SOURCES (USES)				
Long-Term Debt Issued	-	-	15,530,000	15,530,000
Lease Proceeds	224,475	-	-	224,475
Premium on Debt Issued	-	1,067,759	-	1,067,759
Proceeds from Sale of Capital Assets	443,289	-	270,384	713,673
Transfers In	3,768,893	140,450	5,144,538	9,053,881
Transfers Out	(5,025,858)	-	(2,646,919)	(7,672,777)
Total Other Financing Sources (Uses)	<u>(589,201)</u>	<u>1,208,209</u>	<u>18,298,003</u>	<u>18,917,011</u>
NET CHANGE IN FUND BALANCES	(6,516,370)	(279,539)	10,923,629	4,127,720
Fund Balances - Beginning of Year	<u>34,542,933</u>	<u>1,139,411</u>	<u>20,919,788</u>	<u>56,602,132</u>
FUND BALANCES - END OF YEAR	<u>\$ 28,026,563</u>	<u>\$ 859,872</u>	<u>\$ 31,843,417</u>	<u>\$ 60,729,852</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF APPLETON, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022**

RECONCILIATION TO THE STATEMENT OF ACTIVITIES

Net Change in Fund Balances as Shown on Previous Page \$ 4,127,720

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 Within Capital Outlay in Governmental Fund Statements	14,934,248
Depreciation/Amortization Expense Reported in the Statement of Activities	(9,248,794)
Net Book Value of Disposals	61,179
Land Held for Future Use	(159,670)

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. (1,908,006)

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 expenditures in the governmental funds, but the repayment reduces the long-term liabilities in the Statement of Net Position.

Long-Term Debt Issued	(15,530,000)
Leases Issued	(224,475)
Premiums Issued on Long-Term Debt	(1,067,759)
Principal Repaid	9,879,500
Lease Principal Paid	193,066

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.

Change in Accrued Interest on Long-Term Debt	(88,142)
Amortization of Premiums, Discounts, and Loss on Advance Refunding	913,110
Landfill Postclosure Costs	90,000
Compensated Absences and Other Benefits	335,330
Net Pension Asset	5,781,136
Deferred Outflows of Resources Related to Pensions	16,804,251
Deferred Inflows of Resources Related to Pensions	(16,699,943)
Other Postemployment Benefits	327,244
Deferred Outflows of Resources Related to Other Postemployment Benefits	(70,908)
Deferred Inflows of Resources Related to Other Postemployment Benefits	(643,345)

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. 2,106,610

Change in Net Position of Governmental Activities as Reported in the Statement of Activities \$ 9,912,352

**CITY OF APPLETON, WISCONSIN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2022**

	Enterprise Funds				
	Water Utility	Wastewater Utility	Valley Transit	Stormwater Utility	Nonmajor Funds
ASSETS					
Current Assets:					
Cash and Investments	\$ 16,460,272	\$ 24,616,310	\$ 1,236,690	\$ 17,378,361	\$ 3,093,014
Receivables:					
Customer Accounts	1,283,999	1,306,595	418,364	1,036,526	21,100
Customer Accounts: Unbilled	3,495,011	1,329,696	-	1,277,683	-
Special Assessments	-	161,130	-	29,029	-
Leases	1,889,993	-	-	-	967,043
Due from Other Funds	315,111	296,661	-	157,508	-
Due from Other Governments:					
Federal Government	-	-	1,364,847	-	-
State Government	175,290	-	-	75,000	-
Local Government	3,191	-	1,949	-	-
Inventories	424,621	103,901	-	-	-
Prepaid Items	-	7,000	380,199	-	-
Restricted Assets:					
Cash and Investments	10,684	616,213	-	3,036,602	-
Total Current Assets	<u>24,058,172</u>	<u>28,437,506</u>	<u>3,402,049</u>	<u>22,990,709</u>	<u>4,081,157</u>
Noncurrent Assets:					
Long-Term Receivable	-	-	-	112,467	-
Restricted Assets:					
Cash and Investments	5,528,327	13,312,257	1,351,611	3,075,732	-
Accrued Interest	13,895	27,781	-	15,107	-
Total Noncurrent Assets	<u>5,542,222</u>	<u>13,340,038</u>	<u>1,351,611</u>	<u>3,203,306</u>	<u>-</u>
Other Assets:					
Deposit in CVMIC	-	-	-	-	-
Assets Held for Resale	10,082	-	-	-	-
Net Pension Asset	817,441	1,447,843	1,345,537	772,579	263,967
Total Other Assets	<u>827,523</u>	<u>1,447,843</u>	<u>1,345,537</u>	<u>772,579</u>	<u>263,967</u>
Capital Assets:					
Nondepreciable	3,528,495	6,358,362	1,299,422	13,421,754	1,986,570
Depreciable	124,399,028	98,194,786	11,164,292	98,289,269	6,193,176
Total Capital Assets	<u>127,927,523</u>	<u>104,553,148</u>	<u>12,463,714</u>	<u>111,711,023</u>	<u>8,179,746</u>
Total Assets	158,355,440	147,778,535	18,562,911	138,677,617	12,524,870
DEFERRED OUTFLOWS OF RESOURCES					
Loss on Advance Refunding	499,354	-	-	459,074	-
Pension Related Amounts	1,632,083	2,739,388	2,617,332	1,469,479	516,552
Other Postemployment Related Amounts	56,330	48,620	77,561	29,523	18,933
Total Deferred Outflows of Resources	<u>2,187,767</u>	<u>2,788,008</u>	<u>2,694,893</u>	<u>1,958,076</u>	<u>535,485</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF APPLETON, WISCONSIN
STATEMENT OF NET POSITION (CONTINUED)
PROPRIETARY FUNDS
DECEMBER 31, 2022**

	Totals	Governmental Activities - Internal Service Funds
ASSETS		
Current Assets:		
Cash and Investments	\$ 62,784,647	\$ 2,757,201
Receivables:		
Customer Accounts	4,066,584	13,928
Customer Accounts: Unbilled	6,102,390	-
Special Assessments	190,159	-
Leases	2,857,036	-
Due from Other Funds	769,280	-
Due from Other Governments:		
Federal Government	1,364,847	-
State Government	250,290	4,725
Local Government	5,140	-
Inventories	528,522	-
Prepaid Items	387,199	101,251
Restricted Assets:		
Cash and Investments	3,663,499	-
Total Current Assets	82,969,593	2,877,105
Noncurrent Assets:		
Long-Term Receivable	112,467	-
Restricted Assets:		
Cash and Investments	23,267,927	-
Accrued Interest	56,783	-
Total Noncurrent Assets	23,437,177	-
Other Assets:		
Deposit in CVMIC	-	2,020,950
Assets Held for Resale	10,082	-
Net Pension Asset	4,647,367	912,024
Total Other Assets	4,657,449	2,932,974
Capital Assets:		
Nondepreciable	26,594,603	991,599
Depreciable	338,240,551	15,679,938
Total Capital Assets	364,835,154	16,671,537
Total Assets	475,899,373	22,481,616
DEFERRED OUTFLOWS OF RESOURCES		
Loss on Advance Refunding	958,428	-
Pension Related Amounts	8,974,834	1,777,443
Other Postemployment Related Amounts	230,967	48,172
Total Deferred Outflows of Resources	10,164,229	1,825,615

See accompanying Notes to Basic Financial Statements.

**CITY OF APPLETON, WISCONSIN
STATEMENT OF NET POSITION (CONTINUED)
PROPRIETARY FUNDS
DECEMBER 31, 2022**

	Enterprise Funds				
	Water Utility	Wastewater Utility	Valley Transit	Stormwater Utility	Nonmajor Funds
LIABILITIES					
Current Liabilities:					
Accounts Payable	\$ 169,704	\$ 1,337,754	\$ 258,893	\$ 167,371	\$ 9,969
Other Accrued Liabilities	106,334	86,379	129,985	32,556	36,357
Claims Payable	-	-	-	-	-
Due to Other Funds	1,995,647	-	-	-	-
Due to Other Governments	-	-	1,580,372	-	-
Accrued Interest Payable	-	-	-	-	5,675
Compensated Absences	181,908	123,228	182,367	72,662	46,793
Special Deposits	-	-	500	-	-
Unearned Revenue	-	-	1,337,795	-	99,167
Current Portion of Long-Term Debt	-	-	-	-	215,000
Payable from Restricted Assets:					
Current Portion of Long-Term Debt	3,977,373	2,205,785	-	3,870,963	-
Accrued Interest Payable	-	202,800	-	335,688	-
Total Current Liabilities	<u>6,430,966</u>	<u>3,955,946</u>	<u>3,489,912</u>	<u>4,479,240</u>	<u>412,961</u>
Long-Term Obligations, Less Current Portion:					
Advance from Other Funds	-	-	-	-	240,000
General Obligation Debt	-	-	-	-	755,000
Revenue Bonds	33,405,000	31,190,000	-	32,980,000	-
Debt Premium	1,593,313	1,762,101	-	1,224,686	-
Compensated Absences	82,828	83,723	96,612	131,807	15,667
Other Postemployment Benefits	223,527	192,931	307,774	117,152	75,129
Total Long-Term Liabilities	<u>35,304,668</u>	<u>33,228,755</u>	<u>404,386</u>	<u>34,453,645</u>	<u>1,085,796</u>
Total Liabilities	41,735,634	37,184,701	3,894,298	38,932,885	1,498,757
DEFERRED INFLOWS OF RESOURCES					
Pension Related Amounts	1,924,029	3,407,820	3,167,019	1,818,435	621,304
Other Postemployment Related Amounts	56,995	49,194	78,476	29,872	19,157
Leases	1,889,993	-	-	-	967,043
Total Deferred Inflows Of Resources	<u>3,871,017</u>	<u>3,457,014</u>	<u>3,245,495</u>	<u>1,848,307</u>	<u>1,607,504</u>
NET POSITION					
Net Investment in Capital Assets	92,805,625	72,148,854	12,463,714	77,170,180	7,209,746
Restricted	6,370,347	15,201,294	2,697,148	6,564,332	263,967
Unrestricted	15,760,584	22,574,680	(1,042,851)	16,119,989	2,480,381
Total Net Position	<u>\$ 114,936,556</u>	<u>\$ 109,924,828</u>	<u>\$ 14,118,011</u>	<u>\$ 99,854,501</u>	<u>\$ 9,954,094</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF APPLETON, WISCONSIN
STATEMENT OF NET POSITION (CONTINUED)
PROPRIETARY FUNDS
DECEMBER 31, 2022**

	Totals	Governmental Activities - Internal Service Funds
LIABILITIES		
Current Liabilities:		
Accounts Payable	\$ 1,943,691	\$ 303,784
Other Accrued Liabilities	391,611	93,856
Claims Payable	-	2,422,694
Due to Other Funds	1,995,647	-
Due to Other Governments	1,580,372	-
Accrued Interest Payable	5,675	926
Compensated Absences	606,958	198,936
Special Deposits	500	-
Unearned Revenue	1,436,962	-
Current Portion of Long-Term Debt	215,000	36,250
Payable from Restricted Assets:		
Current Portion of Long-Term Debt	10,054,121	-
Accrued Interest Payable	538,488	-
Total Current Liabilities	18,769,025	3,056,446
Long-Term Obligations, Less Current Portion:		
Advance from Other Funds	240,000	-
General Obligation Debt	755,000	111,625
Revenue Bonds	97,575,000	-
Debt Premium	4,580,100	-
Compensated Absences	410,637	132,522
Other Postemployment Benefits	916,513	430,011
Total Long-Term Liabilities	104,477,250	674,158
Total Liabilities	123,246,275	3,730,604
DEFERRED INFLOWS OF RESOURCES		
Pension Related Amounts	10,938,607	2,146,650
Other Postemployment Related Amounts	233,694	48,741
Leases	2,857,036	-
Total Deferred Inflows Of Resources	14,029,337	2,195,391
NET POSITION		
Net Investment in Capital Assets	261,798,119	16,523,662
Restricted	31,097,088	912,024
Unrestricted	55,892,783	945,550
Total Net Position	348,787,990	\$ 18,381,236
Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds	(2,332,322)	
Net Position of Business-Type Activities as Reported on the Statement of Net Position (see Page 21)	\$ 346,455,668	

See accompanying Notes to Basic Financial Statements.

CITY OF APPLETON, WISCONSIN
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2022

	Enterprise Funds				
	Water Utility	Wastewater Utility	Valley Transit	Stormwater Utility	Nonmajor Funds
OPERATING REVENUES					
Charges for Services	\$ 19,480,651	\$ 10,892,058	\$ 1,020,500	\$ 11,248,310	\$ 2,770,342
Other	791,753	2,613,881	114,544	130,855	428,520
Total Operating Revenues	<u>20,272,404</u>	<u>13,505,939</u>	<u>1,135,044</u>	<u>11,379,165</u>	<u>3,198,862</u>
OPERATING EXPENSES					
Operation and Maintenance	9,559,453	8,364,583	7,977,055	3,629,922	1,981,618
Depreciation	4,314,314	3,493,594	1,223,909	2,755,618	593,278
Total Operating Expenses	<u>13,873,767</u>	<u>11,858,177</u>	<u>9,200,964</u>	<u>6,385,540</u>	<u>2,574,896</u>
OPERATING INCOME (LOSS)	6,398,637	1,647,762	(8,065,920)	4,993,625	623,966
NONOPERATING REVENUES (EXPENSES)					
Investment Income	316,074	509,861	43,278	290,355	24,657
Net Increase (Decrease) in the Fair Value of Investments	(942,458)	(1,429,761)	(86,308)	(1,016,627)	(69,138)
Intergovernmental	502,312	-	-	75,000	-
Subsidies from Other Governmental Units	-	-	6,889,328	-	-
Gain (Loss) on Disposal of Capital Assets	-	-	18,710	-	-
Interest and Fiscal Charges	(1,167,169)	(716,176)	-	(1,173,403)	(27,988)
Debt Issuance Costs	(7,000)	(167,863)	-	(8,000)	-
Other	18,959	2,237	-	-	-
Total Nonoperating Revenues (Expenses)	<u>(1,279,282)</u>	<u>(1,801,702)</u>	<u>6,865,008</u>	<u>(1,832,675)</u>	<u>(72,469)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	5,119,355	(153,940)	(1,200,912)	3,160,950	551,497
Capital Contributions	2,694,185	2,833,499	2,700,188	3,651,625	-
Transfers In	-	-	677,585	-	1,200,000
Transfers Out - Tax Equivalent	(1,928,786)	-	-	-	-
Transfers Out	(13,800)	(184,311)	(241,827)	(331,835)	(107,263)
CHANGE IN NET POSITION	5,870,954	2,495,248	1,935,034	6,480,740	1,644,234
Net Position - Beginning of Year	<u>109,065,602</u>	<u>107,429,580</u>	<u>12,182,977</u>	<u>93,373,761</u>	<u>8,309,860</u>
NET POSITION - END OF YEAR	<u>\$ 114,936,556</u>	<u>\$ 109,924,828</u>	<u>\$ 14,118,011</u>	<u>\$ 99,854,501</u>	<u>\$ 9,954,094</u>

See accompanying Notes to Basic Financial Statements.

CITY OF APPLETON, WISCONSIN
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2022

	Totals	Governmental Activities - Internal Service Funds
OPERATING REVENUES		
Charges for Services	\$ 45,411,861	\$ 8,416,100
Other	<u>4,079,553</u>	<u>88,178</u>
Total Operating Revenues	<u>49,491,414</u>	<u>8,504,278</u>
OPERATING EXPENSES		
Operation and Maintenance	31,512,631	8,366,848
Depreciation	<u>12,380,713</u>	<u>2,635,791</u>
Total Operating Expenses	<u>43,893,344</u>	<u>11,002,639</u>
OPERATING INCOME (LOSS)	5,598,070	(2,498,361)
NONOPERATING REVENUES (EXPENSES)		
Investment Income	1,184,225	37,488
Net Increase (Decrease) in the Fair Value of Investments	(3,544,292)	(91,265)
Intergovernmental	577,312	-
Subsidies from Other Governmental Units	6,889,328	-
Gain (Loss) on Disposal of Capital Assets	18,710	398,484
Interest and Fiscal Charges	(3,084,736)	(3,915)
Debt Issuance Costs	(182,863)	-
Other	<u>21,196</u>	<u>4,307</u>
Total Nonoperating Revenues (Expenses)	<u>1,878,880</u>	<u>345,099</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	7,476,950	(2,153,262)
Capital Contributions	11,879,497	4,246,022
Transfers In	1,877,585	-
Transfers Out - Tax Equivalent	(1,928,786)	-
Transfers Out	<u>(879,036)</u>	<u>(450,867)</u>
CHANGE IN NET POSITION	18,426,210	1,641,893
Net Position - Beginning of Year	<u>330,361,780</u>	<u>16,739,343</u>
NET POSITION - END OF YEAR	<u>\$ 348,787,990</u>	<u>\$ 18,381,236</u>
Change in Net Position Reported Above	\$ 18,426,210	
Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds	<u>(464,717)</u>	
Change in Net Position of Business-Type Activities as Reported on the Statement of Activities (see Pages 22 - 23)	<u>\$ 17,961,493</u>	

See accompanying Notes to Basic Financial Statements.

**CITY OF APPLETON, WISCONSIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2022**

	Enterprise Funds				
	Water Utility	Wastewater Utility	Valley Transit	Stormwater Utility	Nonmajor Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Received from Customers	\$ 20,147,743	\$ 14,133,907	\$ 1,437,661	\$ 11,157,616	\$ 3,182,506
Cash Paid for Services Provided	-	-	-	-	-
Cash Paid for Employee Wages and Benefits	(3,334,473)	(2,711,968)	(3,451,783)	(1,650,808)	(1,116,569)
Cash Paid to Suppliers	(7,376,984)	(6,220,098)	(4,887,131)	(2,454,511)	(1,214,692)
Net Cash Provided (Used) by Operating Activities	9,436,286	5,201,841	(6,901,253)	7,052,297	851,245
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Tax Equivalent Paid to Municipality	(1,928,786)	-	-	-	-
Intergovernmental Operating Subsidies	-	-	6,445,433	-	-
Nonoperating Revenue	521,271	-	-	75,000	-
Change in Due to/from Other Funds	24,965	-	-	-	-
Transfer In (Out)	(13,800)	(184,311)	-	(331,835)	1,092,737
Net Cash Provided (Used) by Noncapital Financing Activities	(1,396,350)	(184,311)	6,445,433	(256,835)	1,092,737
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of Capital Assets	(1,625,282)	(5,333,764)	(2,757,388)	(897,108)	(381,020)
Sale of Capital Assets	280,894	2,237	18,710	-	-
Contributed Capital - Federal and State	-	-	2,700,188	-	-
Special Assessments Received	-	208,867	-	93,504	-
Proceeds from Issued Long-Term Debt	-	11,710,000	-	-	-
Debt Issuance Costs	-	(167,863)	-	(8,000)	-
Principal Paid on Long-Term Debt	(3,565,000)	(1,495,000)	-	(3,490,000)	(210,000)
Interest Paid on Long-Term Debt	(1,027,178)	(298,400)	-	(1,094,621)	(30,801)
Net Cash Provided (Used) by Capital and Related Financing Activities	(5,936,566)	4,626,077	(38,490)	(5,396,225)	(621,821)
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment Income	314,838	549,201	-	323,951	-
Pooled Cash Income (Loss)	-	-	(43,030)	-	(44,481)
Interest Received on Special Assessments	-	14,909	-	1,508	-
Investments Sold and Matured	125,854	1,520,239	-	1,081,469	-
Purchases of Investments	(170,351)	(2,438,462)	-	(1,133,449)	-
Net Cash Provided (Used) by Investing and Related Financing Activities	270,341	(354,113)	(43,030)	273,479	(44,481)
CHANGE IN CASH AND CASH EQUIVALENTS	2,373,711	9,289,494	(537,340)	1,672,716	1,277,680
Cash and Cash Equivalents - Beginning of Year	14,828,102	24,844,428	3,125,641	19,147,012	1,815,334
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 17,201,813</u>	<u>\$ 34,133,922</u>	<u>\$ 2,588,301</u>	<u>\$ 20,819,728</u>	<u>\$ 3,093,014</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF APPLETON, WISCONSIN
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2022**

	Totals	Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Customers	\$ 50,059,433	\$ 8,578,948
Cash Paid for Services Provided	-	588
Cash Paid for Employee Wages and Benefits	(12,265,601)	(3,022,485)
Cash Paid to Suppliers	(22,153,416)	(5,540,713)
Net Cash Provided (Used) by Operating Activities	15,640,416	16,338
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Tax Equivalent Paid to Municipality	(1,928,786)	-
Intergovernmental Operating Subsidies	6,445,433	-
Nonoperating Revenue	596,271	2,609
Change in Due to/from Other Funds	24,965	-
Transfer In (Out)	562,791	(450,867)
Net Cash Provided (Used) by Noncapital Financing Activities	5,700,674	(448,258)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of Capital Assets	(10,994,562)	-
Sale of Capital Assets	301,841	398,485
Contributed Capital - Federal and State	2,700,188	-
Special Assessments Received	302,371	-
Proceeds from Issued Long-Term Debt	11,710,000	-
Debt Issuance Costs	(175,863)	-
Principal Paid on Long-Term Debt	(8,760,000)	(35,500)
Interest Paid on Long-Term Debt	(2,451,000)	(4,132)
Net Cash Provided (Used) by Capital and Related Financing Activities	(7,367,025)	358,853
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment Income	1,187,990	-
Pooled Cash Income (Loss)	(87,511)	(53,777)
Interest Received on Special Assessments	16,417	-
Investments Sold and Matured	2,727,562	-
Purchases of Investments	(3,742,262)	-
Net Cash Provided (Used) by Investing and Related Financing Activities	102,196	(53,777)
CHANGE IN CASH AND CASH EQUIVALENTS	14,076,261	(126,844)
Cash and Cash Equivalents - Beginning of Year	63,760,517	2,884,045
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 77,836,778	\$ 2,757,201

See accompanying Notes to Basic Financial Statements.

**CITY OF APPLETON, WISCONSIN
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2022**

	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)	\$ 6,398,637	\$ 1,647,762	\$ (8,065,920)	\$ 4,993,625	\$ 623,966
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Depreciation	4,314,314	3,493,594	1,223,909	2,755,618	593,278
Change in Pension Related Activities:					
Pension Asset/Liability	(137,731)	(222,414)	(285,820)	(135,851)	(27,395)
Deferred Outflows of Resources	(520,744)	(744,245)	(861,784)	(425,847)	(133,993)
Deferred Inflows of Resources	435,400	724,015	846,139	423,942	103,190
Change in Other Postemployment Related Activities:					
Total OPEB Liability	(69,781)	(30,005)	(54,216)	(10,079)	(17,198)
Deferred Outflows of Resources	12,709	3,855	7,644	425	2,799
Deferred Inflows of Resources	35,747	33,044	52,253	20,655	12,469
Change in Operating Assets and Liabilities:					
Customer Accounts Receivable	78,485	689,170	28,414	(105,317)	19,167
Other Accounts Receivable	(26,706)	(61,202)	-	(41,232)	-
Due from Other Funds	(17,382)	(8,428)	-	(7,885)	-
Due from Other Governments	(176,440)	-	-	(75,000)	-
Inventories and Prepaid Items	(86,442)	(16,183)	(2,329)	-	-
Accounts Payable	(713,698)	(302,323)	(43,703)	(349,614)	(245,318)
Other Accrued Liabilities	(6,963)	(4,551)	8,241	967	2,480
Unearned Revenue	-	-	274,203	-	(35,523)
Compensated Absences	(83,119)	(248)	(28,284)	7,890	(46,677)
Net Cash Provided (Used) by Operating Activities	<u>\$ 9,436,286</u>	<u>\$ 5,201,841</u>	<u>\$ (6,901,253)</u>	<u>\$ 7,052,297</u>	<u>\$ 851,245</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION					
Cash and Cash Equivalents in Current Assets	\$ 16,460,272	\$ 24,616,310	\$ 1,236,690	\$ 17,378,361	\$ 3,093,014
Restricted Cash and Investments:					
Current	10,684	616,213	-	3,036,602	-
Non-Current	5,528,327	13,312,257	1,351,611	3,075,732	-
Less: Non-Cash Investments	(4,797,470)	(4,410,858)	-	(2,670,967)	-
Total Cash and Cash Equivalents	<u>\$ 17,201,813</u>	<u>\$ 34,133,922</u>	<u>\$ 2,588,301</u>	<u>\$ 20,819,728</u>	<u>\$ 3,093,014</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES					
Contributed Capital Assets	<u>\$ 2,694,185</u>	<u>\$ 2,833,499</u>	<u>\$ 2,700,188</u>	<u>\$ 3,651,625</u>	<u>\$ -</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF APPLETON, WISCONSIN
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2022**

	Totals	Governmental Activities - Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income (Loss)	\$ 5,598,070	\$ (2,498,361)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Depreciation	12,380,713	2,635,791
Change in Pension Related Activities:		
Pension Asset/Liability	(809,211)	(154,644)
Deferred Outflows of Resources	(2,686,613)	(540,606)
Deferred Inflows of Resources	2,532,686	487,916
Change in Other Postemployment Related Activities:		
Total OPEB Liability	(181,279)	(264,452)
Deferred Outflows of Resources	27,432	2,845
Deferred Inflows of Resources	154,168	33,040
Change in Operating Assets and Liabilities:		
Customer Accounts Receivable	709,919	74,670
Other Accounts Receivable	(129,140)	-
Due from Other Funds	(33,695)	-
Due from Other Governments	(251,440)	-
Inventories and Prepaid Items	(104,954)	12,413
Accounts Payable	(1,654,656)	218,688
Other Accrued Liabilities	174	13,684
Unearned Revenue	238,680	-
Compensated Absences	(150,438)	(4,646)
Net Cash Provided (Used) by Operating Activities	\$ 15,640,416	\$ 16,338
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION		
Cash and Cash Equivalents in Current Assets	\$ 62,784,647	\$ 2,757,201
Restricted Cash and Investments:		
Current	3,663,499	-
Non-Current	23,267,927	-
Less: Non-Cash Investments	(11,879,295)	-
Total Cash and Cash Equivalents	\$ 77,836,778	\$ 2,757,201
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES		
Contributed Capital Assets	\$ 11,879,497	\$ 4,246,022

See accompanying Notes to Basic Financial Statements.

**CITY OF APPLETON, WISCONSIN
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
DECEMBER 31, 2022**

	<u>Custodial Fund</u>
ASSETS	
Current Assets:	
Cash and Investments	\$ 27,335,028
Receivables:	
Taxes	51,125,405
Total Assets	78,460,433
 DEFERRED INFLOWS OF RESOURCES	
Property Taxes Levied for Subsequent Year	78,460,433
 NET POSITION	
Fiduciary Net Position - Held for Others	\$ -

See accompanying Notes to Basic Financial Statements.

**CITY OF APPLETON, WISCONSIN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
YEAR ENDED DECEMBER 31, 2022**

	<u>Custodial Fund</u>
ADDITIONS	
Taxes and Special Charges Collected	\$ 76,421,850
DEDUCTIONS	
Payments to Other Taxing Districts	<u>76,421,850</u>
CHANGE IN NET POSITION	-
Net Position - Beginning of Year	<u>-</u>
NET POSITION - END OF YEAR	<u>\$ -</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF APPLETON, WISCONSIN
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
DECEMBER 31, 2022**

	Business Improvement District	Appleton Redevelopment Authority	Totals
ASSETS			
Cash and Investments	\$ 206,658	\$ 111,411	\$ 318,069
Receivables:			
Special Assessments	96,001	-	96,001
Assets Held for Resale	-	420,130	420,130
Restricted Assets:			
Cash and Investments	-	5,623,475	5,623,475
Capital Assets, Nondepreciable	-	2,060,000	2,060,000
Capital Assets, Depreciable	-	27,591,157	27,591,157
Total Assets	302,659	35,806,173	36,108,832
LIABILITIES			
Accounts Payable	37,385	1,400	38,785
Accrued Interest Payable	-	320,238	320,238
Long-Term Obligations:			
Due Within One Year	-	150,000	150,000
Due in More Than One Year	-	30,890,000	30,890,000
Total Liabilities	37,385	31,361,638	31,399,023
DEFERRED INFLOWS OF RESOURCES			
Property Taxes Levied for Subsequent Year	241,512	-	241,512
NET POSITION			
Net Investment in Capital Assets	-	(1,388,843)	(1,388,843)
Restricted	-	5,623,475	5,623,475
Unrestricted	23,762	209,903	233,665
Total Net Position	\$ 23,762	\$ 4,444,535	\$ 4,468,297

See accompanying Notes to Basic Financial Statements.

**CITY OF APPLETON, WISCONSIN
 COMBINING STATEMENT OF ACTIVITIES
 COMPONENT UNITS
 YEAR ENDED DECEMBER 31, 2022**

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Revenues</u>	
			<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Business Improvement District	\$ 235,422	\$ 235,485	\$ -	\$ -
Appleton Redevelopment Authority	2,396,006	-	50,000	-
Total Component Units	<u>\$ 2,631,428</u>	<u>\$ 235,485</u>	<u>\$ 50,000</u>	<u>\$ -</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF APPLETON, WISCONSIN
COMBINING STATEMENT OF ACTIVITIES (CONTINUED)
COMPONENT UNITS
YEAR ENDED DECEMBER 31, 2022**

	Net (Expense) Revenue and Changes in Net Position		
	Business Improvement District	Appleton Redevelopment Authority	Totals
Business Improvement District	\$ 63	\$ -	\$ 63
Appleton Redevelopment Authority	-	(2,346,006)	(2,346,006)
Total Component Units	63	(2,346,006)	(2,345,943)
 GENERAL REVENUES AND TRANSFERS			
Taxes:			
Other Taxes	-	2,250,700	2,250,700
Investment Income (Loss)	(4,309)	55,683	51,374
Total General Revenues and Transfers	(4,309)	2,306,383	2,302,074
 CHANGE IN NET POSITION	 (4,246)	 (39,623)	 (43,869)
Net Position - Beginning of Year	28,008	4,484,158	4,512,166
 NET POSITION - END OF YEAR	 <u>\$ 23,762</u>	 <u>\$ 4,444,535</u>	 <u>\$ 4,468,297</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF APPLETON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

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 (U.S. GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the City are described below:

A. Reporting Entity

The City is a municipal corporation governed by an elected Mayor and fifteen-member council. In accordance with U.S. 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, 2022. 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, Wisconsin 54912.

**CITY OF APPLETON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

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, 2022. 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, Wisconsin 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.

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*.

**CITY OF APPLETON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

Debt Service Fund

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

The City reports the following major enterprise funds:

Water Utility

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.

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

**CITY OF APPLETON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund 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.

**CITY OF APPLETON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting (Continued)

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.

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. 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.

**CITY OF APPLETON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

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 \$454,073.

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 2022 tax roll are recognized as revenue in 2022. 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.

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.

**CITY OF APPLETON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

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:

Assets	Years
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.

**CITY OF APPLETON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

9. 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. Business park land is recorded at lower of cost or market value.

10. Leases

Lessee

The City is a lessee for noncancellable leases of equipment as well as certain operating and office facilities. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the applicable governmental activities or business-type activities in the government-wide and in the proprietary fund financial statements.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease payments included in the measurement of the lease liability are composed of fixed payments and the purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

**CITY OF APPLETON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

10. Leases (Continued)

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Lessor

The City is a lessor for noncancellable leases of land, infrastructure and buildings. The City recognizes a lease receivable and a deferred inflow of resources in the applicable governmental activities or business-type activities in the government-wide and in the governmental and proprietary fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

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.

**CITY OF APPLETON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

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 (revenue), 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.

**CITY OF APPLETON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

15. Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with the Internal Revenue Code Section 457. The Plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Contributions to this plan are entirely from employee voluntary contributions. The City makes no employer contributions to this plan.

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.

**CITY OF APPLETON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

16. Fund Equity (Continued)

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.

**CITY OF APPLETON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Adoption of New Accounting Standards

GASB Statement No. 87, Leases

In June 2017, the GASB issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The City adopted the requirements of the guidance effective January 1, 2022 and has applied the provisions of this standard to the beginning of the period of adoption.

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	\$ 132,404,094
Construction in Progress	8,654,954
Intangible Assets	181,735
Depreciable Capital Assets, Net of Depreciation	<u>262,849,537</u>
Subtotal	404,090,320
Less: Internal Service Fund Capital Assets	<u>(16,671,537)</u>
 Net Adjustment for Capital Assets	 <u><u>\$ 387,418,783</u></u>

**CITY OF APPLETON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

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.
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 (U.S. 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, 2022.

**CITY OF APPLETON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 STEWARDSHIP AND COMPLIANCE (CONTINUED)

B. Excess of Expenditures Over Budget Appropriations

For the year ended December 31, 2022, the following were expenditure accounts of the governmental funds that had actual expenditures in excess of budget appropriations:

Fund(s)	Excess Expenditures
General Fund:	
Culture and Recreation:	\$ 132,737

Excess expenditures were funded by positive variances in other general fund appropriations.

C. Deficit Fund Equity

The following funds reported deficit fund balance as of December 31, 2022:

Funds	Deficit Fund Balance
Special Revenue Fund:	
Tax Incremental District No. 3	\$ 1,050,399
Capital Project Funds:	
Tax Incremental District No. 11	519,440

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 2022 and 2023 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 2022 budget was 1.25%. The actual limit for the City for the 2023 budget was 1.89%. 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, 2022**

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 \$216,246,002 on December 31, 2022 as summarized below:

Petty Cash and Cash on Hand	\$	42,056
Deposits with Financial Institutions		23,200,275
Investments:		
U.S. Treasury and Agency Securities		76,244,025
Wisconsin Local Government Investment Pool		116,759,646
Total		<u><u>\$ 216,246,002</u></u>

Reconciliation to the Basic Financial Statements:

Government-Wide Statement of Net Position:		
Cash and Investments	\$	161,979,548
Restricted Cash and Investments		26,931,426
Fiduciary Fund Statement of Net Position:		
Cash and Investments		27,335,028
Total		<u><u>\$ 216,246,002</u></u>

**CITY OF APPLETON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

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, 2022:

	Fair Value Measurements Using:		
	Level 1	Level 2	Level 3
Investments:			
U.S. Treasury Securities	\$ 38,139,317	\$ -	\$ -
First Am Govt OB FD CLY	566,524	-	-
FNMA	-	11,985,898	-
FHLMC	-	79,029	-
FFCB	-	18,410,257	-
FHLB	-	7,054,326	-
GNMA	-	8,674	-
Total	\$ 38,705,841	\$ 37,538,184	\$ -

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.

**CITY OF APPLETON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

Custodial Credit Risk (Continued)

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, 2022, \$14,885,468 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.

<u>Investment Type</u>	<u>Amount</u>	<u>Exempt from Disclosure</u>	<u>AAA</u>	<u>Not Rated</u>
U.S. Treasury Securities	\$ 38,139,317	\$ 38,139,317	\$ -	\$ -
First Am Govt OB FD CLY	566,524	-	-	566,524
Wisconsin Local Government Investment Pool	116,759,646	-	-	116,759,646
FNMA	11,985,898	-	11,682,849	303,049
FHLMC	79,029	-	-	79,029
FFCB	18,410,257	-	18,410,257	-
FHLB	7,054,326	-	7,054,326	-
GNMA	8,674	-	-	8,674
Totals	<u>\$ 193,003,671</u>	<u>\$ 38,139,317</u>	<u>\$ 37,147,432</u>	<u>\$ 117,716,922</u>

At December 31, 2022, 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, 2022**

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City's investment policy 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	\$ 38,139,317	\$ -	\$ 3,138,358	\$ 11,995,139	\$ 23,005,820
U.S. Treasury Bonds	-	-	-	-	-
Wisconsin Local Government Investment Pool	116,759,646	116,759,646	-	-	-
FNMA	11,985,898	2,309	7,189	9,593,065	2,383,335
FHLMC	79,029	1,498	1,963	21,259	54,309
FFCB	18,410,257	-	6,578,221	7,937,037	3,894,999
FHLB	7,054,326	-	439,501	6,346,945	267,880
GNMA	8,674	-	1,116	-	7,558
First Am Govt OB FD CLY	566,524	566,524	-	-	-
Totals	<u>\$ 193,003,671</u>	<u>\$ 117,329,977</u>	<u>\$ 10,166,348</u>	<u>\$ 35,893,445</u>	<u>\$ 29,613,901</u>

Wisconsin Local Government Investment Pool

The City has investments in the Wisconsin local government investment pool of \$116,759,646 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, 2022, the fair value of the City's share of the LGIP's assets was substantially equal to the carrying value. As of June 30, 2022 the Wisconsin Local Government Investment Pool had a weighted average maturity of 23 days.

**CITY OF APPLETON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Restricted Cash and Investment Assets

Restricted assets on December 31, 2022 totaled \$26,988,209 and consisted of cash and investments of \$26,931,426 and accrued interest of \$56,783 held for the following purposes:

Funds	Cash and Investments	Accrued Interest	Total Restricted Assets
Water Utility:			
Bond Reserve Fund	\$ 3,371,252	\$ 13,895	\$ 3,385,147
Bond Redemption Fund	10,684	-	10,684
Construction Fund	2,157,075	-	2,157,075
Total	<u>5,539,011</u>	<u>13,895</u>	<u>5,552,906</u>
Wastewater Utility:			
Bond Reserve Account	2,939,777	14,925	2,954,702
Bond Redemption Fund	616,213	-	616,213
DNR Replacement Fund	3,609,023	12,856	3,621,879
Construction Fund	6,763,457	-	6,763,457
Total	<u>13,928,470</u>	<u>27,781</u>	<u>13,956,251</u>
Stormwater Utility:			
Bond Reserve Account	3,075,732	15,107	3,090,839
Bond Redemption Fund	3,036,602	-	3,036,602
Total	<u>6,112,334</u>	<u>15,107</u>	<u>6,127,441</u>
Valley Transit:			
Capital Equipment Replacement	1,351,611	-	1,351,611
Total	<u>\$ 26,931,426</u>	<u>\$ 56,783</u>	<u>\$ 26,988,209</u>

**CITY OF APPLETON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets

Capital asset activity for the year ended December 31, 2022 was as follows:

	Beginning Balance	Adjustments	Increases	Decreases	Ending Balance
Governmental Activities:					
Capital Assets, Nondepreciable:					
Land	\$ 10,031,409	\$ -	\$ -	\$ -	\$ 10,031,409
Right of Ways	82,859,164	-	792,319	-	83,651,483
Improvements	38,721,202	-	-	-	38,721,202
Intangible Assets	181,735	-	-	-	181,735
Construction in Progress	2,962,235	-	6,212,004	519,285	8,654,954
Total Capital Assets, Nondepreciable	134,755,745	-	7,004,323	519,285	141,240,783
Capital Assets, Depreciable:					
Intangible Assets	1,063,186	-	150,526	-	1,213,712
Improvements	21,851,750	-	581,505	39,485	22,393,770
Buildings	56,429,582	-	92,486	28,100	56,493,968
Equipment, Furniture, and Fixtures	54,804,867	-	3,576,121	1,720,360	56,660,628
Streets	201,840,645	-	6,417,775	270,312	207,988,108
Sidewalk	36,223,947	-	1,418,390	475,813	37,166,524
Traffic Signals	7,528,904	-	232,392	33,471	7,727,825
Bridges	56,050,895	-	-	-	56,050,895
Right-to-Use Assets	-	206,684	213,896	-	420,580
Subtotals	435,793,776	206,684	12,683,091	2,567,541	446,116,010
Less: Accumulated Depreciation and Amortization for:					
Intangible Assets	231,744	-	106,319	-	338,063
Improvements	6,239,054	-	687,788	17,768	6,909,074
Buildings	20,821,238	-	1,240,341	18,145	22,043,434
Equipment, Furniture, and Fixtures	25,317,222	-	3,239,757	1,645,371	26,911,608
Streets	92,831,644	-	4,777,552	624,822	96,984,374
Sidewalk	15,592,535	-	905,110	291,915	16,205,730
Traffic Signals	2,547,663	-	176,152	32,555	2,691,260
Bridges	10,440,087	-	560,508	-	11,000,595
Right-to-Use Assets	-	-	182,335	-	182,335
Subtotals	174,021,187	-	11,875,862	2,630,576	183,266,473
Total Capital Assets, Depreciable, Net	261,772,589	206,684	807,229	(63,035)	262,849,537
Governmental Activities Capital Assets, Net	<u>\$ 396,528,334</u>	<u>\$ 206,684</u>	<u>\$ 7,811,552</u>	<u>\$ 456,250</u>	404,090,320
Less: Capital Related Debt, Less Unexpended Debt Proceeds					79,945,682
Less: Debt Premium					3,633,260
Less: Retainage Payable					128,835
Less: Lease Liabilities					236,532
Add: Deferred Charge on Refunding					26,021
Net Investment in Capital Assets					<u>\$ 320,172,032</u>

**CITY OF APPLETON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital Assets, Nondepreciable:				
Land	\$ 12,214,126	\$ 1,104,041	\$ -	\$ 13,318,167
Intangible Assets	5,831,000	1,158,898	-	6,989,898
Construction in Progress	11,145,092	3,483,030	8,341,584	6,286,538
Total Capital Assets, Nondepreciable	29,190,218	5,745,969	8,341,584	26,594,603
Capital Assets, Depreciable:				
Buildings and Land Improvements	180,705,759	4,061,034	1,135,917	183,630,876
Machinery and Equipment	107,664,682	5,905,845	3,502,950	110,067,577
Infrastructure	287,865,601	12,649,476	119,531	300,395,546
Subtotals	576,236,042	22,616,355	4,758,398	594,093,999
Less: Accumulated Depreciation for:				
Buildings and Land Improvements	119,741,695	4,898,830	1,071,291	123,569,234
Machinery and Equipment	70,545,253	3,493,727	3,484,737	70,554,243
Infrastructure	57,663,290	4,204,424	137,743	61,729,971
Subtotals	247,950,238	12,596,981	4,693,771	255,853,448
Total Capital Assets, Depreciable, Net	328,285,804	10,019,374	64,627	338,240,551
Business-Type Activities Capital Assets, Net	\$ 357,476,022	\$ 15,765,343	\$ 8,406,211	364,835,154
Less: Capital Related Debt				98,368,239
Less: Debt Premium				5,424,221
Less: Retainage Payable				203,003
Add: Deferred Charge on Refunding				958,428
Net Investment in Capital Assets				\$ 261,798,119

**CITY OF APPLETON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets (Continued)

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

Governmental Activities:	
General Government	\$ 528,346
Public Safety	621,275
Public Works	6,747,496
Culture and Recreation	1,342,954
Subtotal	<u>9,240,071</u>
Capital Assets Held by City's Internal Service Fund are Charged to Various Functions Based on their Usage of the Assets	
	<u>2,635,791</u>
Total Depreciation/Amortization Expense - Governmental Activities	<u>\$ 11,875,862</u>
Business-Type Activities:	
Water Utility	\$ 4,314,314
Wastewater Utility	3,493,594
Valley Transit	1,223,909
Stormwater	2,755,618
Parking	527,012
Reid Municipal Golf Course	66,266
Total Depreciation Expense - Business-Type Activities	<u>12,380,713</u>
Depreciation Charged to Other Functions and Costs of Removal	<u>216,268</u>
Total Increase in Accumulated Depreciation	<u>\$ 12,596,981</u>

**CITY OF APPLETON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

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, 2022 are detailed below:

	Interfund Receivables	Interfund Payables
General Fund	\$ 2,293,473	\$ 814,474
Special Revenue Funds:		
Sanitation & Recycling Program	45,194	-
Community Development Block Grant	-	50,852
COVID-19 Response	-	88,593
Police Grants	-	46,242
Wheel Tax	-	81,708
Continuum of Care	-	27,233
Emergency Shelter	-	3,198
Enterprise Funds:		
Water Utility	315,111	1,995,647
Wastewater Utility	296,661	-
Stormwater Utility	157,508	-
Subtotal	\$ 3,107,947	3,107,947
Government-Wide Adjustments:		
Fund Eliminations		(9,478,958)
Advance to Reid Municipal Golf Course		240,000
Internal Service Fund Allocation		2,332,322
Internal Balances - Government-Wide Statement of Net Position		\$ (3,798,689)

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. 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. A repayment schedule has been established.

**CITY OF APPLETON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Interfund Receivable, Payables, and Transfers (Continued)

During 2015, the City prepared projections estimating the TIF district's ability to repay the parking utility. As of this analysis, the following allowance has been established:

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

Interfund advances as of December 31, 2022 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	\$ 336,565	\$ 1,092,427	\$ -
General	Capital Project - Tax Incremental District No. 11	717,202	-	717,202	617,202
General	Enterprise - Reid Municipal Golf Course	<u>240,000</u>	<u>-</u>	<u>240,000</u>	<u>-</u>
Subtotal - Fund Financial Statements		<u>\$ 1,713,064</u>	<u>\$ 336,565</u>	2,049,629	<u>\$ 617,202</u>
Less: Fund Eliminations				<u>(1,809,629)</u>	
Total - Government-Wide Statements				<u>\$ 240,000</u>	

The principal purpose of these advances is due to expenditures/expenses exceeding revenues and required cash flows.

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
2027	20,000
2028	20,000
2029	20,000
2030	20,000
2031	20,000
Totals	<u>\$ 240,000</u>

**CITY OF APPLETON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Interfund Receivable, Payables, and Transfers (Continued)

Interfund transfers for the year ended December 31, 2022 were as follows:

Transfers from	General	Debt Service	Nonmajor Governmental Funds	Valley Transit	Parking Utility	Total
Governmental Activities:						
General Fund	\$ -	\$ -	\$ 4,348,273	\$ 677,585	\$ -	\$ 5,025,858
Nonmajor Governmental Funds	1,306,469	140,450	-	-	1,200,000	2,646,919
Business-Type Activities:						
Water Utility Enterprise Fund	1,942,586	-	-	-	-	1,942,586
Wastewater Utility Enterprise Fund	184,311	-	-	-	-	184,311
Stormwater Utility Enterprise Fund	12,500	-	319,335	-	-	331,835
Parking Utility Enterprise Fund	9,300	-	80,063	-	-	89,363
Reid Golf Course Enterprise Fund	17,900	-	-	-	-	17,900
Valley Transit	241,827	-	-	-	-	241,827
Internal Service Funds	54,000	-	396,867	-	-	450,867
Total Transfers to:	<u>\$ 3,768,893</u>	<u>\$ 140,450</u>	<u>\$ 5,144,538</u>	<u>\$ 677,585</u>	<u>\$ 1,200,000</u>	10,931,466
Less: Government-Wide Eliminations						<u>(10,001,229)</u>
Total Government-Wide Statement of Activities						<u>\$ 930,237</u>

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

**CITY OF APPLETON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

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	\$ 61,128,544	\$ -	\$ 61,128,544
Interest on Advances	-	336,565	336,565
Interest Income	-	185,584	185,584
Rehabilitation Loans	-	5,952,982	5,952,982
Special Assessments not Yet Due	-	130,665	130,665
Intergovernmental Cooperative Agreement	-	284,568	284,568
Leases	1,202,036	-	1,202,036
	<u>\$ 62,330,580</u>	6,890,364	<u>\$ 69,220,944</u>
Reconciliation to Government-Wide Financial Statements		<u>(6,890,364)</u>	
Total		<u>\$ -</u>	

**CITY OF APPLETON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Lease Receivables

The City, acting as lessor, leases property under long-term, noncancelable lease agreements. A summary of the Entity's lease terms, and interest rates is as follows:

Governmental Activities:

Land space leases for farm usage. Fixed total payments totaling \$22,395.

The leases have interest rates at 0.3210% and 0.6170%, termination dates through 2026 with reasonably certain extension options.

Infrastructure space leases for cellular towers. Fixed total payments totaling \$46,215.

The leases have interest rates ranging from 0.788% to 1.413%, termination dates through 2042 with reasonably certain extension options.

Building space leases. Fixed total payments totaling \$15,053

The leases have interest rates at 1.5840% and 1.8510%, termination dates through 2048 with reasonably certain extension options.

Business-Type Activities:

Land space leases at Reid Golf Course for cellular towers. Fixed total payments totaling \$26,105.

The leases have interest rates at 1.329%, termination dates through 2040 with reasonably certain extension options.

Water infrastructure space leases for cellular towers. Fixed total payments totaling \$26,105.

The leases have interest rates ranging from 0.247% to 1.413%, termination dates through 2042 with reasonably certain extension options.

Total future principal and interest lease payments to be received under lease agreements are as follows:

Year Ending June 30,	Governmental Activities		Business-Type Activities		Total
	Principal	Interest	Principal	Interest	
2023	\$ 64,646	\$ 16,236	\$ 123,414	\$ 38,066	\$ 242,362
2024	66,829	15,597	106,550	36,604	225,580
2025	52,753	14,946	115,377	35,136	218,212
2026	55,203	14,310	120,579	33,549	223,641
2027	57,603	13,621	125,962	31,890	229,076
2028-2032	256,414	57,213	730,944	131,701	1,176,272
2033-2037	263,704	39,297	922,136	76,390	1,301,527
2038-2042	295,365	18,027	612,074	17,403	942,869
2043-2047	84,427	4,182	-	-	88,609
2048	5,092	74	-	-	5,166
Total Lease Payments	<u>\$ 1,202,036</u>	<u>\$ 193,503</u>	<u>\$ 2,857,036</u>	<u>\$ 400,739</u>	<u>\$ 4,653,314</u>

**CITY OF APPLETON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Long-Term Obligations

The following is a summary of changes in long-term obligations of the City for the year ended December 31, 2022:

	Beginning Balance	Adjusted	Issued	Retired	Ending Balance	Due Within One Year
Governmental Activities:						
General Obligation Debt:						
Notes - General	\$ 80,806,625	\$ -	\$ 15,530,000	\$ 9,834,500	\$ 86,502,125	\$ 12,018,750
Notes - Internal Service	183,375	-	-	35,500	147,875	36,250
Total General Obligation Debt	80,990,000	-	15,530,000	9,870,000	86,650,000	12,055,000
Promissory Note	140,000	-	-	45,000	95,000	45,000
Debt Premium	3,489,700	-	1,067,759	924,199	3,633,260	908,745
Lease Liabilities	-	205,123	224,475	193,066	236,532	162,819
Compensated Absences:						
General	7,225,884	-	3,107,781	3,443,111	6,890,554	3,442,363
Internal Service	336,104	-	169,882	174,528	331,458	198,936
Landfill Liability	1,260,000	-	-	90,000	1,170,000	90,000
Governmental Activities Long-Term Obligations	<u>\$ 93,441,688</u>	<u>\$ 205,123</u>	<u>\$ 20,099,897</u>	<u>\$ 14,739,904</u>	<u>\$ 99,006,804</u>	<u>\$ 16,902,863</u>
Business-Type Activities:						
General Obligation Debt:						
Bonds	\$ 250,000	\$ -	\$ -	\$ 80,000	\$ 170,000	\$ 75,000
Notes	930,000	-	-	130,000	800,000	140,000
Total General Obligation Debt	1,180,000	-	-	210,000	970,000	215,000
Revenue Bonds	103,625,000	-	11,710,000	8,550,000	106,785,000	9,210,000
Debt Premium	6,039,869	-	341,274	956,922	5,424,221	844,121
Compensated Absences	1,168,033	-	482,015	632,453	1,017,595	606,958
Business-Type Activities Long-Term Obligations	<u>\$ 112,012,902</u>	<u>\$ -</u>	<u>\$ 12,533,289</u>	<u>\$ 10,349,375</u>	<u>\$ 114,196,816</u>	<u>\$ 10,876,079</u>

Total interest paid during the year on long-term debt totaled \$6,000,514.

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, 2022**

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Long-Term Obligations (Continued)

General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/22
Governmental Activities:					
General Obligation Notes:					
Series 2014A	09/10/14	04/01/24	1.50-2.375%	\$ 6,525,000	\$ 1,735,000
Series 2015A	10/28/15	04/01/25	2.00-3.00%	5,775,000	2,115,000
Series 2016	10/04/16	04/01/26	2.00-4.00%	18,920,000	8,595,000
Series 2018	10/09/18	04/01/28	4.00-5.00%	13,840,000	9,265,000
Series 2019	10/02/19	04/01/29	2.00-3.00%	17,955,000	14,165,000
Series 2020	08/06/20	07/01/30	2.00%	15,000,000	13,140,000
Series 2021	08/11/21	04/01/31	1.50-2.00%	14,500,000	14,195,000
Series 2022	06/15/22	04/01/32	4.00-5.00%	15,530,000	15,530,000
General Obligation Refunding Notes:					
Series 2017	10/02/17	04/01/27	2.00-3.00%	14,170,000	7,910,000
Total Governmental Activities					86,650,000
Business-Type Activities:					
General Obligation Refunding Bonds:					
Series 2012B	08/30/12	04/01/25	0.40-3.00%	735,000	170,000
General Obligation Notes:					
Series 2016	10/04/16	04/01/26	2.00-4.00%	705,000	310,000
General Obligation Notes:					
Series 2019	10/02/19	04/01/29	2.00-3.00%	705,000	490,000
Total Business-Type Activities					970,000
Total Outstanding General Obligation Debt					\$ 87,620,000

Annual principal and interest maturities of the outstanding general obligation on December 31, 2022 are detailed below:

Year Ending December 31,	Governmental Activities		Business-Type Activities	
	Bonds and Notes		Bonds and Notes	
	Principal	Interest	Principal	Interest
2023	\$ 12,055,000	\$ 2,462,831	\$ 215,000	\$ 24,050
2024	11,440,000	2,094,934	215,000	17,225
2025	11,710,000	1,713,800	170,000	11,450
2026	11,675,000	1,326,450	150,000	6,650
2027	11,510,000	960,725	70,000	3,700
2028 - 2032	28,260,000	1,510,863	150,000	3,000
Total	\$ 86,650,000	\$ 10,069,603	\$ 970,000	\$ 66,075

**CITY OF APPLETON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Long-Term Obligations (Continued)

General Obligation Debt (Continued)

Year Ending December 31,	Totals	
	Principal	Interest
2023	\$ 12,270,000	\$ 2,486,881
2024	11,655,000	2,112,159
2025	11,880,000	1,725,250
2026	11,825,000	1,333,100
2027	11,580,000	964,425
2028 - 2032	28,410,000	1,513,863
Total	<u>\$ 87,620,000</u>	<u>\$ 10,135,678</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	\$ 3,673,338
General Fund - Compensated Absences	5,515,723
Debt Service Fund - General Obligation Debt	<u>859,872</u>
Total Available	<u>\$ 10,048,933</u>

Legal Margin for New Debt

The City's legal margin for creation of additional general obligation debt on December 31, 2022 was \$288,103,695 as follows:

Equalized Valuation of the City	\$ 7,511,516,400
Statutory Limitation Percentage	<u>(x) 5%</u>
General Obligation Debt Limitation, Per Section 67.03 of the Wisconsin Statutes	375,575,820
Total Outstanding General Obligation Debt Applicable to Debt Limitation	<u>87,472,125</u>
Legal Margin for New Debt	<u>\$ 288,103,695</u>

In addition to the debt service fund, the City has assigned fund balance in the general fund of \$3,673,338 which may be used for debt service requirements.

**CITY OF APPLETON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Long-Term Obligations (Continued)

Revenue Bonds

Revenue bonds outstanding on December 31, 2022 totaled \$106,785,000 and were comprised of the following issues:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/22
Water Utility:					
Water System Revenue Bonds:					
Series 2012	08/08/12	01/01/32	2.00-3.25%	\$ 2,510,000	\$ 1,365,000
Series 2013	08/07/13	01/01/33	2.00-4.50%	7,180,000	4,440,000
Series 2014	09/10/14	07/01/34	2.00-4.00%	3,850,000	2,525,000
Series 2020	08/06/20	01/01/40	2.00-3.00%	6,865,000	6,560,000
Water System Revenue Bonds: Refunding Bonds:					
Series 2015	10/28/15	01/01/35	2.00-4.00%	22,735,000	11,875,000
Series 2016	10/04/16	01/01/36	2.00-4.00%	23,830,000	2,625,000
Series 2021	08/11/21	01/01/41	2.00-4.00%	8,265,000	<u>7,710,000</u>
Total Water Utility					<u>37,100,000</u>
Wastewater Utility:					
Sewerage System Revenue Bonds:					
Series 2020	08/06/20	05/01/40	2.00-4.00%	7,745,000	7,745,000
Series 2022	06/15/22	05/01/42	4.00-5.00%	11,710,000	11,710,000
Sewerage System Revenue Refunding Bonds:					
Series 2018	10/09/18	05/01/28	2.00-5.00%	5,245,000	3,180,000
Series 2020	08/06/20	05/01/40	2.00-4.00%	3,105,000	2,045,000
Series 2021	08/11/21	05/01/41	2.50-4.00%	8,845,000	<u>8,435,000</u>
Total Wastewater Utility					<u>33,115,000</u>
Stormwater Utility:					
Stormwater System Revenue Bonds:					
Series 2012	08/08/12	04/01/32	2.00-4.00%	13,190,000	3,500,000
Series 2013	08/07/13	04/01/33	2.00-4.50%	6,440,000	4,285,000
Series 2014	09/10/14	04/01/34	2.00-4.00%	3,450,000	2,425,000
Series 2017	10/02/17	04/01/38	2.00-4.00%	5,000,000	4,555,000
Series 2018	10/09/18	04/01/39	2.50-4.00%	3,000,000	2,880,000
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	5,750,000
Series 2016	10/04/16	01/01/36	2.00-4.00%	14,935,000	<u>10,210,000</u>
Total Stormwater Utility					<u>36,570,000</u>
Total Outstanding Revenue Bonds					<u><u>\$ 106,785,000</u></u>

**CITY OF APPLETON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Long-Term Obligations (Continued)

Revenue Bonds (Continued)

Annual principal and interest maturities of the outstanding revenue bonds of \$106,785,000 on December 31, 2022 are detailed below:

<u>Year Ending December 31.</u>	<u>Business-Type Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 9,210,000	\$ 3,643,995	\$ 12,853,995
2024	9,260,000	3,293,319	12,553,319
2025	9,350,000	2,938,442	12,288,442
2026	8,770,000	2,594,284	11,364,284
2027	8,640,000	2,253,096	10,893,096
2028 - 2032	31,495,000	7,275,118	38,770,118
2033 - 2037	19,215,000	2,951,172	22,166,172
2038 - 2042	10,845,000	689,724	11,534,724
Total	<u>\$ 106,785,000</u>	<u>\$ 25,639,150</u>	<u>\$ 132,424,150</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 2042. 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:

	<u>Water Utility</u>	<u>Wastewater Utility</u>	<u>Stormwater Utility</u>
Net Customer Revenues:			
Charges for Services	\$ 19,480,651	\$ 10,892,058	\$ 11,248,310
Other Revenues	791,753	2,613,881	130,855
Total Operating Revenues	<u>20,272,404</u>	<u>13,505,939</u>	<u>11,379,165</u>
Less: Operating Expenses	9,559,453	8,364,583	3,629,922
Net Customer Revenues	<u>\$ 10,712,951</u>	<u>\$ 5,141,356</u>	<u>\$ 7,749,243</u>
Debt Service:			
Principal	\$ 3,565,000	\$ 1,495,000	\$ 3,490,000
Interest	1,317,624	923,718	1,410,703
Total Debt Service	<u>\$ 4,882,624</u>	<u>\$ 2,418,718</u>	<u>\$ 4,900,703</u>
Remaining Principal and Interest	<u>\$ 44,308,136</u>	<u>\$ 43,510,425</u>	<u>\$ 44,605,589</u>

**CITY OF APPLETON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Long-Term Obligations (Continued)

Utility Revenues Pledged (Continued)

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 it is in compliance with all significant bond issue requirements.

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 Ending December 31,</u>	<u>Principal</u>
2023	\$ 45,000
2024	50,000
	<u>\$ 95,000</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.

**CITY OF APPLETON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Long-Term Obligations (Continued)

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, 2022, a \$1,170,000 liability was estimated based on what it would cost to perform all postclosure care in 2022 and thereafter. Actual costs may be higher due to inflation, changes in technology or changes in regulations. The City incurred approximately \$142,828 of closure costs in 2022.

H. Leases Payable

The City leases equipment as well as certain operating and office facilities for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through 2026.

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 162,819	\$ 541	\$ 163,360
2024	50,546	212	50,758
2025	20,156	65	20,221
2026	3,011	7	3,018
Total Minimum Payments Required	<u>\$ 236,532</u>	<u>\$ 825</u>	<u>\$ 237,357</u>

Right-to-use assets acquired through outstanding leases are as follows:

Buildings and Land Improvements	\$ 290,766
Machinery and Equipment	200,144
Subtotal	490,910
Less: Accumulated Amortization for:	
Buildings and Land Improvements	157,854
Machinery and Equipment	94,811
Total	<u>\$ 238,245</u>

**CITY OF APPLETON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

I. Conduit Debt Obligations

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. In addition, no commitments beyond the collateral, the payments from the private-sector entities, and maintenance of the tax-exempt status of the conduit debt obligations were extended by the City for any of these bonds. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2022, there is one series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of \$30,000,000. The bonds mature in 2037.

J. Pension Plan

1. Plan Description

Wisconsin Retirement System (WRS) Pension Plan Description

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

**CITY OF APPLETON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

J. Pension Plan (Continued)

1. Plan Description (Continued)

Additionally, ETF issued a standalone Wisconsin Retirement System Financial Report, which can also be found using the link above.

Vesting

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

Benefits Provided

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

Final average earnings 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, 2022**

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

J. Pension Plan (Continued)

2. Postretirement Adjustments

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

<u>Year</u>	<u>Core Fund Adjustment %</u>	<u>Variable Fund Adjustment %</u>
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0
2021	5.1	13.0

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, executives and elected officials. Starting on January 1, 2016, the Executives and Elected Officials category was merged into the General Employee Category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

For the year ended December 31, 2022, the WRS recognized \$4,449,166 in contributions from the employer.

**CITY OF APPLETON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

J. Pension Plan (Continued)

3. Contributions (Continued)

Contribution rates for the reporting period are:

Employee Category	Employee	Employer
General (including Executives, Elected Officials)	6.50%	6.50%
Protective with Social Security	6.50%	12.00%
Protective without Social Security	6.50%	16.40%

4. Pension Asset, Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2022, the City reported an asset of \$30,241,626 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2021, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2020 rolled forward to December 31, 2021. 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, 2021, the City's proportion was 0.37519772%, which was a decrease of 0.00116161% from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022, the City recognized pension revenue of \$2,626,663.

At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 48,853,817	\$ 3,522,887
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	-	67,653,032
Changes in Assumptions	5,642,052	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	13,351	4,457
Employer Contributions Subsequent to the Measurement Date	4,449,167	-
Total	<u>\$ 58,958,387</u>	<u>\$ 71,180,376</u>

**CITY OF APPLETON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

J. Pension Plan (Continued)

4. Pension Asset, Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

\$4,449,167 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, 2023. 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 Ending December 31,</u>	<u>Expense</u>
2023	\$ (1,409,451)
2024	(8,199,513)
2025	(3,604,429)
2026	(3,457,763)
Total	<u>\$ (16,671,156)</u>

5. Actuarial Assumptions

The total pension liability in the December 31, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2020
Measurement Date of Net Pension Liability (Asset):	December 31, 2021
Experience Study:	January 1, 2018 - December 31, 2020 Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.8 %
Discount Rate:	6.8 %
Salary Increases:	
Inflation	3.0 %
Seniority/Merit	0.1% - 5.6%
Mortality	2020 WRS Experience Mortality Table
Post-Retirement Adjustments*	1.7 %

* *No postretirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.7% is the assumed annual adjustment based on the investment return assumption and the postretirement discount rate.*

**CITY OF APPLETON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

J. Pension Plan (Continued)

5. Actuarial Assumptions (Continued)

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. Based on this experience study, actuarial assumptions used to measure the Total Pension Liability changed from prior year, including the discount rate, long-term expected rate of return, post-retirement adjustment, price inflation, mortality and separation rates. The Total Pension Liability for December 31, 2021 is based upon a roll-forward of the liability calculated from the December 31, 2020 actuarial valuation.

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

	<u>Current Asset Allocation %</u>	<u>Long-Term Expected Nominal Rate of Return %</u>	<u>Long-Term Expected Real Rate of Return %</u>
Core Fund Asset Class:			
Global Equities	52.0	6.8	4.2
Fixed Income	25.0	4.3	1.8
Inflation Sensitive Assets	19.0	2.7	0.2
Real Estate	7.0	5.6	3.0
Private Equity/Debt	12.0	9.7	7.0
Cash	(15.0)	0.9	N/A
Total Core Fund	<u>100.0</u>	6.6	4.0
Variable Fund Asset Class:			
U.S. Equities	70.0	6.3	3.7
International Equities	30.0	7.2	4.6
Total Variable Fund	<u>100.0</u>	6.8	4.2

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

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

The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. This results in an asset allocation beyond 100%. Currently, an asset allocation target of 15% policy leverage is used, subject to an allowable range of up to 20%.

**CITY OF APPLETON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

J. Pension Plan (Continued)

5. Actuarial Assumptions (Continued)

Single Discount Rate. A single discount rate of 6.8% was used to measure the Total Pension Liability, as opposed to a discount rate of 7.0% for the prior year. This single discount rate is based on the expected rate of return on pension plan investments of 6.8% and a municipal bond rate of 1.84% (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, 2021. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City’s Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the City’s proportionate share of the net pension liability (asset) calculated using the discount rate of 6.80%, 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 (5.80%) or 1-percentage-point higher (7.80%) than the current rate:

	1% Decrease to Discount Rate (5.80%)	Current Discount Rate (6.80%)	1% Increase to Discount Rate (7.80%)
City’s Proportionate Share of the Net Pension Liability (Asset)	\$ 21,458,578	\$ (30,241,626)	\$ (67,456,154)

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in separately issued financial statements available at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

**CITY OF APPLETON, WISCONSIN
 NOTES TO BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2022**

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

J. Pension Plan (Continued)

6. Payables to the Pension Plan

At December 31, 2022, the City reported a payable of \$583,461 for the outstanding amount of contributions to the pension plan for the year ended December 31, 2022.

K. Other Postemployment Benefits

Single-Employer Defined Postemployment Benefit Plan

1. 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.

2. 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. For all employees, coverage can remain for the spouse as a single policy until the spouse becomes Medicare eligible given that the required contributions are paid.

3. Employees Covered by Benefit Terms

At December 31, 2022, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently	
Benefit Payments	53
Active Employees	555
Total	608

**CITY OF APPLETON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

K. Other Postemployment Benefits (Continued)

Single-Employer Defined Postemployment Benefit Plan (Continued)

4. Total OPEB Liability

The City's total OPEB liability was measured as of December 31, 2022, and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation as of January 1, 2022.

Actuarial Assumptions. The total OPEB liability in the January 1, 2022 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:	4.31%
Inflation:	3.0%
Salary Increases:	4.0%
Healthcare Cost Trend Rates:	5.5% for 2022 Decreasing to an Ultimate Rate of 4.5% by 2037

Mortality, disability, retirement and withdrawal rates are the same as those used in the December 31, 2021 Wisconsin Retirement System's (WRS) actuarial valuation report.

Discount Rate. The discount rate used to measure the total OPEB liability changed from 2.25% used in the fiscal year 2021 valuation to 4.31%, which is the S&P Municipal Bond 20 Year High-Grade Rate Index as of December 31, 2021. 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.

5. Changes in the Total OPEB Liability

	Increase (Decrease) Total OPEB Liability
Balance at Beginning of Year	\$ 5,629,709
Changes for the Year:	
Service Cost	314,084
Interest	122,891
Difference Between Expected and Actual Experience	(302,211)
Changes of Assumptions Changes or Inputs	(571,917)
Benefit Payments	<u>(335,822)</u>
Net Changes	<u>(772,975)</u>
Balance at End of Year	<u>\$ 4,856,734</u>

**CITY OF APPLETON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

K. Other Postemployment Benefits (Continued)

Single-Employer Defined Postemployment Benefit Plan (Continued)

5. Changes in the Total OPEB Liability (Continued)

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 (3.31%) or 1-percentage-point higher (5.31%) than the current rate:

	1% Decrease to Discount Rate (3.31%)	Current Discount Rate (4.31%)	1% Increase to Discount Rate (5.31%)
Total OPEB Liability	\$ 4,560,517	\$ 4,856,734	\$ 5,180,315

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 (4.0% decreasing to 3.0%)	Healthcare Cost Trend Rates (5.0% decreasing to 4.0%)	1% Decrease (6.0% decreasing to 5.0%)
Total OPEB Liability	\$ 5,299,277	\$ 4,856,734	\$ 4,472,810

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

For the year ended December 31, 2022, the City recognized OPEB expense of \$494,584.

**CITY OF APPLETON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

K. Other Postemployment Benefits (Continued)

Single-Employer Defined Postemployment Benefit Plan (Continued)

6. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 378,151	\$ 447,181
Changes in Assumptions	845,780	791,194
Total	\$ 1,223,931	\$ 1,238,375

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 Ending December 31,</u>	<u>Expense</u>
2023	\$ 57,609
2024	57,609
2025	57,609
2026	57,609
2027	5,576
Thereafter	(250,456)
Total	\$ (14,444)

**CITY OF APPLETON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

L. 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, 2022 include the following:

Net Investment in Capital Assets:	
Land	\$ 132,404,094
Intangible Assets	181,735
Construction in Progress	8,654,954
Other Capital Assets, Net of Accumulated Depreciation/Amortization	262,849,537
Less: Related Long-Term Debt Outstanding (Excluding Unspent Capital Related Debt Proceeds)	(79,945,682)
Less: Unamortized Debt Premium	(3,633,260)
Add: Unamortized Loss on Refunding	26,021
Less: Lease Liabilities	(236,532)
Less: Retainage Payable	(128,835)
Total Net Investment In Capital Assets	320,172,032
Restricted:	
Debt Service	209,058
Housing Rehabilitation	3,003,700
Future Special Projects:	
Hazardous Materials	389,845
ARPA	229,023
Health Grants	50,898
Room Tax	8,211
Parks	522,167
Police Grants	9,466
Emergency Shelter	290
Future Capital Projects:	
TIF Development Activity	3,679,546
City Center Facilities	623
Pension Benefits	25,594,259
Total Restricted	33,697,086
Unrestricted	38,872,335
Total Governmental Activities Net Position	\$ 392,741,453

**CITY OF APPLETON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

L. Fund Equity (Continued)

Government-Wide and Proprietary Fund Statements (Continued)

Net position of the business-type activities reported on the government-wide statement of net position at December 31, 2022 include the following:

Net Investment in Capital Assets:	
Land	\$ 13,318,167
Intangible Assets	6,989,898
Construction in Progress	6,286,538
Other Capital Assets, Net of Accumulated Depreciation/Amortization	338,240,551
Less: Related Long-Term Debt Outstanding (Excluding Unspent Capital Related Debt Proceeds)	(107,958,003)
Less: Unamortized Debt Premium	(5,424,221)
Add: Unamortized Loss on Refunding	958,428
Add: Borrowed Reserve and Depreciation Fund	9,386,761
Total Net Investment in Capital Assets	<u>261,798,119</u>
Restricted:	
Debt Service	21,476,231
Plant Replacement - DNR Fund	3,621,879
Future Capital Projects	1,351,611
Pension Benefits	4,647,367
Total Restricted	<u>31,097,088</u>
Unrestricted	<u>53,560,461</u>
Total Business-Type Activities Net Position	<u><u>\$ 346,455,668</u></u>

**CITY OF APPLETON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

L. Fund Equity (Continued)

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, 2022, nonspendable fund balance was as follows:

General Fund:

Nonspendable:

Prepaid Items	\$ 962,230
Advance to Other Funds (Principal Portion)	1,713,064
Developer Loans	<u>502,281</u>

Total Nonspendable Fund Balance	<u><u>\$ 3,177,575</u></u>
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**CITY OF APPLETON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

L. Fund Equity (Continued)

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, 2022, restricted fund balance was as follows:

Special Revenue Funds:

Restricted for:

Community Development Block Grant	\$ 46,991
Police Grants	9,466
Hazardous Materials Level A - Public Safety	389,845
ARPA Grant	229,023
Health Grants	50,898
HOME Homeowner - Housing Rehabilitation	347,899
Housing Rehabilitation Grant - Housing Rehabilitation	378,043
Business and Neighborhood Revitalization Grant	2,027
Lead Hazard Control Grant - Housing Rehabilitation	13,395
Room Tax	8,211
Emergency Shelter	290
Library Grants	122,465
Peabody Estate - Parks	68,971
Lutz Park - Parks	143,718
Park Purpose Open Space - Parks	153,345
Union Spring Park - Parks	220
Project City Park - Parks	6,267
Miracle League Baseball - Parks	27,181
Total Special Revenue Funds	1,998,255

Debt Service Fund:

Restricted for:

Retirement of Long-Term Debt	859,872
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Capital Projects Funds:

Restricted for:

Tax Incremental District No. 6	1,404,882
Tax Incremental District No. 7	1,346,621
Tax Incremental District No. 8	202,270
Tax Incremental District No. 9	549,949
Tax Incremental District No. 10	109,801
Tax Incremental District No. 12	66,023
Public Works Equipment	409,645
Facilities Capital Projects	6,389,673
City Center Facilities	623
Total Capital Projects Funds	10,479,487

Total Restricted Fund Balance	\$ 13,337,614
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**CITY OF APPLETON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

L. Fund Equity (Continued)

Committed Fund Balance

In the fund financial statements, portions of government fund balances are committed by Common Council action. At December 31, 2022, governmental fund balance was committed as follows:

Special Revenue Fund:	
Committed for:	
Sanitation and Recycling	<u>\$ 1,877,932</u>

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, 2022, fund balance was assigned as follows:

General Fund:	
PILOT Applied to the 2021 Budget	\$ 1,995,647
Carryover Appropriations	3,679,445
Compensated Absences	5,515,723
Health Insurance	1,245,880
Debt Service	<u>3,673,338</u>
Subtotal	16,110,033

Capital Projects Funds:

 Assigned for Subsequent Year's Expenditures:

 Capital Improvements:

Subdivision Development Projects	800,831
Industrial Park Land	2,319,667
Public Safety Facilities	7,969
Public Works Equipment	1,905,506
CEA Replacement	4,693,636
Community Development	76,239
Facilities Capital Projects	8,690,235
Information Technology	<u>581,922</u>
Subtotal	<u>19,076,005</u>

Total	<u>\$ 35,186,038</u>
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**CITY OF APPLETON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 5 OTHER INFORMATION

A. Component Units

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

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

Business Improvement District (BID)

1. Basis of Accounting/Measurement Focus

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

2. Cash and Investments

At year end, the carrying amount of the BID's deposits was \$206,658 and is part of the City's commingled cash.

Redevelopment Authority

1. Basis of Accounting/Measurement Focus

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

2. Cash and Investments

At year end, the carrying amount of the Redevelopment Authority's deposits was \$111,411 and is part of the City's commingled cash.

**CITY OF APPLETON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 5 OTHER INFORMATION (CONTINUED)

A. Component Units (Continued)

Redevelopment Authority (Continued)

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, 2022 are segregated into the following accounts:

Associated Trust Investment Accounts	Cash and Investments
Bond Reserve Fund	\$ 2,421,324
Room Tax Stabilization Fund	902,615
Debt Service Fund	2,299,536
Total	\$ 5,623,475

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
Capitalized Interest	Transfer to Debt Service Fund on Interest Payment Dates

4. Land Held for Resale

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

**CITY OF APPLETON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 5 OTHER INFORMATION (CONTINUED)

A. Component Units (Continued)

Redevelopment Authority (Continued)

5. Capital Assets

Capital asset activity for the year ended December 31, 2022 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	3,785,546	1,081,726	-	4,867,272
Machinery and Equipment	2,563	1,025	-	3,588
Subtotals	3,788,109	1,082,751	-	4,870,860
Total Capital Assets, Depreciable, Net	28,673,908	(1,082,751)	-	27,591,157
Governmental Activities Capital Assets, Net	\$ 30,733,908	\$ (1,082,751)	\$ -	29,651,157
Less: Capital Related Debt				31,040,000
Net Investment in Capital Assets				\$ (1,388,843)

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:

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
Taxable Lease Revenue Bonds	\$ 31,165,000	\$ -	\$ 125,000	\$ 31,040,000	\$ 150,000

**CITY OF APPLETON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 5 OTHER INFORMATION (CONTINUED)

A. Component Units (Continued)

Redevelopment Authority (Continued)

6. Taxable Lease Revenue Bonds (Continued)

Interest paid by the Redevelopment Authority on these Taxable Lease Revenue Bonds during the year totaled \$1,282,882.

Details of this outstanding obligation of the Redevelopment Authority as of December 31, 2022 are as follows:

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/22</u>
Taxable Lease Revenue Bonds	05/01/18	10/01/51	2.80-4.28%	\$ 31,865,000	\$ 31,040,000

Annual principal and interest maturities of the outstanding taxable lease revenue bonds of \$31,040,000 on December 31, 2022 are detailed below:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	270,000	1,257,215	1,527,215
2027	315,000	1,246,775	1,561,775
2028 - 2032	2,335,000	6,003,209	8,338,209
2033 - 2037	4,300,000	4,797,211	9,097,211
2038 - 2042	6,175,000	4,287,844	10,462,844
2043 - 2047	8,955,000	2,732,921	11,687,921
2048 - 2051	8,115,000	618,441	8,733,441
Total	<u>\$ 31,040,000</u>	<u>\$ 24,760,920</u>	<u>\$ 55,800,920</u>

B. Tax Incremental Financing Districts

The City has established separate capital projects funds and one special revenue fund 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, 2022**

NOTE 5 OTHER INFORMATION (CONTINUED)

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, 2022 the City abated property taxes totaling \$3,749,435 under this program, including the following tax abatement agreements that each exceeded 10% of the total amount abated:

- A property tax abatement of \$1,734,207 to a developer within Tax Incremental District No. 6.
- A property tax abatement of \$1,499,327 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 2022, 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.

**CITY OF APPLETON, WISCONSIN
 NOTES TO BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2022**

NOTE 5 OTHER INFORMATION (CONTINUED)

D. Risk Management (Continued)

Risk Management Fund (Continued)

A total reserve for claims losses at December 31, 2022 of \$2,422,694 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, 2022 and amounts expected to arise from claims which have been incurred but have not been reported to the City as of December 31, 2022. The reserve is based on management's analysis 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, 2022, the City has a net position of \$963,403 in the risk management fund.

Changes in the claims payable follow:

	Liability January 1	Current Year Claims and Changes in Estimates	Claims Payments	Liability December 31
2021	\$ 2,900,000	\$ 187,073	\$ 664,379	\$ 2,422,694
2022	2,422,694	814,438	814,438	2,422,694

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 UMR 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 2022 totaled approximately \$449,029.

**CITY OF APPLETON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 5 OTHER INFORMATION (CONTINUED)

D. Risk Management (Continued)

Health Care (Continued)

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, 2022:

Reported and Known Claims	\$	1,010,105
Incurred but not Reported Claims		1,926,895
Total		\$ 2,937,000

Changes in the claims payable follow:

	<u>Liability January 1</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Liability December 31</u>
2021	\$ 2,937,000	\$ 8,955,576	\$ 8,955,576	\$ 2,937,000
2022	2,937,000	10,020,607	10,020,607	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 2022, 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.

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.

**CITY OF APPLETON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 5 OTHER INFORMATION (CONTINUED)

D. Risk Management (Continued)

Transit Mutual Insurance Corporation of Wisconsin (TMI)

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 2022 and 2021, Transit Mutual returned surplus to Valley Transit pursuant to its surplus management policy; in addition, dividends were paid to Valley Transit in 2022 and 2021.

The City's share of this corporation is 6.03% for auto liability and 5.41% 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 maureen@transitmatal.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.

**CITY OF APPLETON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 5 OTHER INFORMATION (CONTINUED)

D. Risk Management (Continued)

Municipal Mutual Insurance (Continued)

Financial statements of CVMIC can be obtained directly from CVMIC's offices. The City's Mutual Member Participation Calculation for 2022 is calculated at 3.681%. This calculation is based on premiums, claims and self-insured retention of the City as compared to the entire membership. The City's participation portion of available funds would be distributed upon dissolution. WMIC is not required to have an audit.

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

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

E. Commitments and Contingencies

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

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

The City and the utilities have active construction projects as of December 31, 2022. Work that has been completed but not yet paid for (including contract retainages) is reflected as accounts payable and expenses.

**CITY OF APPLETON, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 5 OTHER INFORMATION (CONTINUED)

E. Commitments and Contingencies (Continued)

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

Enterprise Funds:	
Water Utility	\$ 8,205,176
Wastewater Utility	14,436,101
Stormwater Utility	349,715
Parking Utility	15,000
Reid Golf Course	8,710
Special Revenue Funds:	
Sanitation	27,626
Capital Project Funds:	
TIF No. 11	17,457
TIF No. 12	14,000
Information Technology	200,645
CEA Replacement	1,453,046
Facilities	2,826,031
Public Works	654,060
General Fund	165,658
Total	<u>\$ 28,373,225</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.

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF APPLETON, WISCONSIN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – GENERAL FUND
YEAR ENDED DECEMBER 31, 2022**

	Budget		Actual	Variance
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Taxes	\$ 38,261,900	\$ 38,261,900	\$ 38,371,435	\$ 109,535
Special Assessments	252,522	252,522	252,714	192
Intergovernmental	16,584,665	16,828,024	16,514,762	(313,262)
Licenses and Permits	1,306,750	1,306,750	1,901,509	594,759
Fines and Forfeits	275,000	275,000	218,300	(56,700)
Public Charges for Services	1,976,175	1,976,175	2,065,087	88,912
Investment Income (Loss)	2,699,682	2,699,682	(248,794)	(2,948,476)
Miscellaneous	1,280,811	1,425,939	1,503,146	77,207
Total Revenues	<u>62,637,505</u>	<u>63,025,992</u>	<u>60,578,159</u>	<u>(2,447,833)</u>
EXPENDITURES				
Current:				
General Government	8,520,217	11,484,328	8,260,108	3,224,220
Public Safety	33,845,475	34,412,075	34,067,814	344,261
Public Works	12,661,710	13,251,628	12,856,547	395,081
Culture and Recreation	8,517,029	9,051,949	9,184,686	(132,737)
Conservation and Development	1,913,261	1,995,773	1,943,107	52,666
Debt Service:				
Principal	-	-	193,066	(193,066)
Total Expenditures	<u>65,457,692</u>	<u>70,195,753</u>	<u>66,505,328</u>	<u>3,690,425</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,820,187)	(7,169,761)	(5,927,169)	1,242,592
OTHER FINANCING SOURCES (USES)				
Lease Proceeds	-	-	224,475	224,475
Proceeds from Sale of Capital Assets	3,000	3,000	443,289	440,289
Transfers In	3,567,950	3,567,950	3,768,893	200,943
Transfers Out	(750,763)	(5,074,036)	(5,025,858)	48,178
Total Other Financing Sources (Uses)	<u>2,820,187</u>	<u>(1,503,086)</u>	<u>(589,201)</u>	<u>913,885</u>
NET CHANGE IN FUND BALANCE	-	(8,672,847)	(6,516,370)	2,156,477
Fund Balance - Beginning of Year	<u>34,542,933</u>	<u>34,542,933</u>	<u>34,542,933</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 34,542,933</u>	<u>\$ 25,870,086</u>	<u>\$ 28,026,563</u>	<u>\$ 2,156,477</u>

See accompanying Notes to Required Supplementary Information.

CITY OF APPLETON, WISCONSIN
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS *

	2022	2021	2020	2019	2018
Total OPEB Liability					
Service Cost	\$ 314,084	\$ 340,470	\$ 273,356	\$ 287,520	\$ 264,768
Interest	122,890	106,406	157,658	169,794	129,126
Differences Between Expected and Actual Experience	(302,211)	-	(267,392)	-	807,779
Changes of Assumptions	(571,917)	(123,680)	591,498	91,479	77,784
Benefit Payments	(335,822)	(413,512)	(369,524)	(386,226)	(414,239)
Other Changes	-	-	313,529	548	(69,052)
Net Change in Total OPEB Liability	(772,976)	(90,316)	699,125	163,115	796,166
Total OPEB Liability - Beginning	5,629,709	5,720,025	5,020,900	4,857,785	4,061,619
Total OPEB Liability - Ending	<u>\$ 4,856,733</u>	<u>\$ 5,629,709</u>	<u>\$ 5,720,025</u>	<u>\$ 5,020,900</u>	<u>\$ 4,857,785</u>
Covered-Employee Payroll	\$ 40,966,416	\$ 46,130,480	\$ 44,636,757	\$ 43,662,627	\$ 39,405,798
City's Total OPEB Liability as a Percentage of Covered-Employee Payroll	11.86%	12.20%	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.

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

Plan Year Ending	Proportion of the Net Pension Liability (Asset)	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%
12/31/20	0.37635933%	(23,496,635)	44,636,757	52.64%	105.26%
12/31/21	0.37519772%	(30,241,626)	45,283,317	66.78%	106.02%

**SCHEDULE OF CONTRIBUTIONS
WISCONSIN RETIREMENT SYSTEM**

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%
12/31/21	4,382,211	4,382,211	-	45,283,317	9.68%
12/31/22	4,449,166	4,449,166	-	46,130,480	9.64%

See accompanying Notes to Required Supplementary Information.

CITY OF APPLETON, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2022

NOTE 1 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.

NOTE 2 WISCONSIN RETIREMENT SYSTEM

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

Changes of Assumptions. Based on a three-year experience study conducted in 2021 covering January 1, 2018 through December 31, 2020, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-end December 31, 2021, including the following:

- Lowering the long-term expected rate of return from 7.0% to 6.8%
- Lowering the discount rate from 7.0% to 6.8%
- Lowering the price inflation rate from 2.5% to 2.4%
- Lowering the post-retirement adjustments from 1.9% to 1.7%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table.

Based on a three-year experience study conducted in 2018 covering January 1, 2015 through December 31, 2017, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-ended December 31, 2018, including the following:

- Lowering the long-term expected rate of return from 7.2% to 7.0%
- Lowering the discount rate from 7.2% to 7.0%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Lowering the post-retirement adjustments from 2.1% to 1.9%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table.

The amounts reported for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year. The City is required to present the last 10 fiscal years of data; however accounting standards allow the presentation of as many years as are available until 10 fiscal years are presented.

**CITY OF APPLETON, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2022**

NOTE 3 OTHER POSTEMPLOYMENT BENEFIT PLANS

Single-employer Defined Postemployment Benefit Plan

There were no changes in benefit terms of the Plan. In addition to changes required by GASB Statement No. 75, the updated actuarial valuation decreased the discount rate used from 2.25% to 4.31%. 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
YEAR ENDED DECEMBER 31, 2022**

	Budget		Actual	Variance
	Original	Final		Final Budget - Positive (Negative)
Taxes:				
General Property	\$ 37,080,000	\$ 37,080,000	\$ 37,080,000	\$ -
Payment in Lieu of Taxes	431,900	431,900	435,959	4,059
Sales Tax	750,000	750,000	855,476	105,476
Total Taxes	38,261,900	38,261,900	38,371,435	109,535
Special Assessments:				
Concrete Paving	12,522	12,522	12,522	-
Snow Removal	145,000	145,000	141,555	(3,445)
Weed Cutting	16,000	16,000	10,026	(5,974)
Street Light Revenue	78,000	78,000	85,977	7,977
Miscellaneous	1,000	1,000	2,634	1,634
Total Special Assessments	252,522	252,522	252,714	192
Intergovernmental:				
Federal	-	192,088	-	(192,088)
State:				
State Shared Taxes	10,056,390	10,056,390	9,921,830	(134,560)
Tax Exempt Computer Aid	421,000	421,000	421,924	924
Highway Aid - Connection Streets	229,500	229,500	229,945	445
State Tax Disparity Act	1,297,174	1,297,174	1,297,174	-
Local Streets Aid	3,045,000	3,045,000	3,054,178	9,178
Fire Insurance Dues	260,000	260,000	277,235	17,235
Miscellaneous State Aids	199,600	250,871	237,608	(13,263)
Local:				
Miscellaneous Local Aids	11,500	11,500	11,800	300
Library Grants and Aids	1,063,001	1,063,001	1,063,001	-
Health Grants	1,500	1,500	67	(1,433)
Total Intergovernmental	16,584,665	16,828,024	16,514,762	(313,262)
Licenses and Permits:				
Licenses:				
Amusement Devices	7,700	7,700	8,651	951
Cigarette	5,300	5,300	6,200	900
Health	156,500	156,500	182,976	26,476
Heating	100	100	1,000	900
Liquor and Malt Beverages	110,000	110,000	149,265	39,265
Operators	38,000	38,000	50,760	12,760
Commercial Solicitation	2,500	2,500	5,075	2,575
Taxi Cab/Limousine	800	800	720	(80)
Taxi Driver	1,500	1,500	1,150	(350)
Sundry	5,500	5,500	5,325	(175)
Secondhand/Pawnbroker	1,800	1,800	2,130	330
Special Events	18,000	18,000	21,565	3,565
Dog	20,000	20,000	11,438	(8,562)
Cat	8,000	8,000	4,085	(3,915)
Weights and Measures	62,300	62,300	71,641	9,341

**CITY OF APPLETON, WISCONSIN
GENERAL FUND
DETAILED COMPARISON OF BUDGETED AND ACTUAL REVENUES,
AND OTHER FINANCING SOURCES (CONTINUED)
YEAR ENDED DECEMBER 31, 2022**

	Budget		Actual	Variance
	Original	Final		Final Budget - Positive (Negative)
Permits:				
Building	370,000	370,000	625,495	255,495
Electrical	120,000	120,000	139,473	19,473
Heating	75,000	75,000	94,410	19,410
Plumbing and Sewer	70,000	70,000	79,856	9,856
Burning	30,000	30,000	25,602	(4,398)
Trailer Parking	10,000	10,000	12,402	2,402
State Building	2,000	2,000	4,920	2,920
Signs	5,000	5,000	7,987	2,987
Street Occupancy	9,000	9,000	10,122	1,122
Street Excavating and Patching	176,300	176,300	377,546	201,246
Sundry	1,450	1,450	1,715	265
Total Licenses and Permits	<u>1,306,750</u>	<u>1,306,750</u>	<u>1,901,509</u>	<u>594,759</u>
Fines and Forfeits:				
Court Fines and Penalties	275,000	275,000	218,300	(56,700)
Public Charges for Services:				
Legal Services	800	800	1,273	473
Finance	4,000	4,000	4,271	271
Library	-	-	742	742
Community Development	300	300	-	(300)
Parks and Recreation	927,932	927,932	971,017	43,085
Public Works:				
Street Division	103,112	103,112	103,067	(45)
Traffic	82,666	82,666	112,934	30,268
Forestry	-	-	(45)	(45)
Inspection Department	55,000	55,000	76,328	21,328
Health Department	95,288	95,288	95,333	45
Police Department	674,877	674,877	628,245	(46,632)
Fire Department	32,200	32,200	71,922	39,722
Total Public Charges for Services	<u>1,976,175</u>	<u>1,976,175</u>	<u>2,065,087</u>	<u>88,912</u>
Investment Income:				
Investment Income	2,574,682	2,574,682	(342,705)	(2,917,387)
Interest on Taxes	125,000	125,000	93,911	(31,089)
Total Investment Income	<u>2,699,682</u>	<u>2,699,682</u>	<u>(248,794)</u>	<u>(2,948,476)</u>

**CITY OF APPLETON, WISCONSIN
GENERAL FUND
DETAILED COMPARISON OF BUDGETED AND ACTUAL REVENUES,
AND OTHER FINANCING SOURCES (CONTINUED)
YEAR ENDED DECEMBER 31, 2022**

	Budget		Actual	Variance Final Budget - Positive (Negative)
	Original	Final		
Miscellaneous:				
Fees and Commissions	609,080	609,080	573,443	(35,637)
Zoning and Subdivision Fees	18,000	18,000	18,925	925
Property Inquiry Fees	72,600	72,600	71,318	(1,282)
Miscellaneous Revenue	62,250	62,250	98,097	35,847
Rental of City Property	18,500	18,500	26,337	7,837
Donation and Memorials	42,750	61,974	74,664	12,690
Damage to City Property	88,000	124,762	168,384	43,622
Other Reimbursements	254,946	344,088	351,905	7,817
Leases	112,685	112,685	117,238	4,553
Board of Appeals	2,000	2,000	2,835	835
Total Miscellaneous	<u>1,280,811</u>	<u>1,425,939</u>	<u>1,503,146</u>	<u>77,207</u>
Total Revenues	62,637,505	63,025,992	60,578,159	(2,447,833)
Other Financing Sources:				
Lease Proceeds	-	-	224,475	224,475
Proceeds from Sale of Capital Assets	3,000	3,000	443,289	440,289
Transfers In	3,567,950	3,567,950	3,768,893	200,943
Total Other Financing Sources	<u>3,570,950</u>	<u>3,570,950</u>	<u>4,436,657</u>	<u>865,707</u>
Total Revenues and Other Financing Sources	<u>\$ 66,208,455</u>	<u>\$ 66,596,942</u>	<u>\$ 65,014,816</u>	<u>\$ (1,582,126)</u>

**CITY OF APPLETON, WISCONSIN
GENERAL FUND
DETAILED COMPARISON OF BUDGETED AND ACTUAL EXPENDITURES,
AND OTHER FINANCING USES
YEAR ENDED DECEMBER 31, 2022**

	Budget		Actual	Variance Final Budget - Positive (Negative)
	Original	Final		
General Government:				
Common Council	\$ 141,791	\$ 141,791	\$ 136,643	\$ 5,148
Mayor	505,442	530,442	501,705	28,737
Legal Service	1,126,267	1,126,267	1,115,290	10,977
Finance	888,166	930,378	930,419	(41)
Information Technology	2,268,705	2,746,179	2,099,077	647,102
Human Resources	757,197	815,293	825,298	(10,005)
Other General Government	2,832,649	5,193,978	2,651,676	2,542,302
Total General Government	<u>8,520,217</u>	<u>11,484,328</u>	<u>8,260,108</u>	<u>3,224,220</u>
Public Safety:				
Health Services	1,262,544	1,262,544	1,096,234	166,310
Police	19,209,440	19,496,789	19,350,801	145,988
Fire	13,373,491	13,652,741	13,620,779	31,962
Total Public Safety	<u>33,845,475</u>	<u>34,412,074</u>	<u>34,067,814</u>	<u>344,260</u>
Public Works	12,661,710	13,251,628	12,856,547	395,081
Culture and Recreation:				
Library	4,532,321	5,031,934	5,250,146	(218,212)
Parks and Recreation	3,984,708	4,020,015	3,934,540	85,475
Total Culture and Recreation	<u>8,517,029</u>	<u>9,051,949</u>	<u>9,184,686</u>	<u>(132,737)</u>
Conservation and Development	1,913,261	1,995,773	1,943,107	52,666
Debt Service: Principal	<u>-</u>	<u>-</u>	<u>193,066</u>	<u>(193,066)</u>
Total Expenditures	<u>65,457,692</u>	<u>70,195,752</u>	<u>66,505,328</u>	<u>3,883,490</u>
Other Financing Uses:				
Transfers Out	<u>750,763</u>	<u>5,074,036</u>	<u>5,025,858</u>	<u>48,178</u>
Total Expenditures and Other Financing Uses	<u>\$ 66,208,455</u>	<u>\$ 75,269,788</u>	<u>\$ 71,531,186</u>	<u>\$ 3,931,668</u>

**CITY OF APPLETON, WISCONSIN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2022**

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS			
Cash and Investments	\$ 17,175,863	\$ 33,484,888	\$ 50,660,751
Receivables:			
Taxes and Special Charges	2,177,815	4,247,975	6,425,790
Accounts	254,326	291,700	546,026
Special Assessments	-	130,665	130,665
Housing Loans, Net	5,952,982	-	5,952,982
Other	170,294	-	170,294
Due from Other Funds	45,194	-	45,194
Due from Other Governments	598,034	-	598,034
	<u>\$ 26,374,508</u>	<u>\$ 38,155,228</u>	<u>\$ 64,529,736</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 283,359	\$ 1,686,579	\$ 1,969,938
Other Accrued Liabilities	71,074	16,250	87,324
Due to Other Funds	297,826	-	297,826
Advance from Other Funds	1,092,427	717,202	1,809,629
Unearned Revenues	12,571,827	-	12,571,827
Total Liabilities	<u>14,316,513</u>	<u>2,420,031</u>	<u>16,736,544</u>
Deferred Inflows of Resources:			
Unearned and Unavailable Revenue	9,250,630	6,699,145	15,949,775
Total Deferred Inflows of Resources	<u>9,250,630</u>	<u>6,699,145</u>	<u>15,949,775</u>
Fund Balances:			
Restricted	1,998,255	10,479,487	12,477,742
Committed	1,877,932	-	1,877,932
Assigned	-	19,076,005	19,076,005
Unassigned	(1,068,822)	(519,440)	(1,588,262)
Total Fund Balances	<u>2,807,365</u>	<u>29,036,052</u>	<u>31,843,417</u>
	<u>\$ 26,374,508</u>	<u>\$ 38,155,228</u>	<u>\$ 64,529,736</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 26,374,508</u>	<u>\$ 38,155,228</u>	<u>\$ 64,529,736</u>

**CITY OF APPLETON, WISCONSIN
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2022**

	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	\$ -	\$ 2,329,778	\$ 426,448	\$ 87,268	\$ -	\$ -	\$ 359,001
Receivables:							
Taxes and Special Charges	-	1,379,606	796,228	-	-	-	-
Accounts	400	164,604	25,000	1,500	-	-	6,220
Special Assessments	-	-	-	-	-	-	-
Housing Loans, Net	-	-	-	-	-	-	-
Other	-	170,294	-	-	-	-	-
Due from Other Funds	-	45,194	-	-	-	-	-
Due from Other Governments	209,470	-	-	85,185	94,935	56,508	24,999
Total Assets	\$ 209,870	\$ 4,089,476	\$ 1,247,676	\$ 173,953	\$ 94,935	\$ 56,508	\$ 390,220
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts Payable	\$ 111,261	\$ 81,039	\$ -	\$ 2,235	\$ 3,064	\$ 800	\$ 115
Other Accrued Liabilities	766	41,505	-	5,163	3,278	-	260
Due to Other Funds	50,852	-	-	-	88,593	46,242	-
Advance from Other Funds	-	-	1,092,427	-	-	-	-
Unearned Revenues	-	-	-	115,657	-	-	-
Total Liabilities	162,879	122,544	1,092,427	123,055	94,935	47,042	375
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenue	-	2,089,000	1,205,648	-	-	-	-
FUND BALANCES							
Restricted	46,991	-	-	50,898	-	9,466	389,845
Committed	-	1,877,932	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	(1,050,399)	-	-	-	-
Total Fund Balances	46,991	1,877,932	(1,050,399)	50,898	-	9,466	389,845
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 209,870	\$ 4,089,476	\$ 1,247,676	\$ 173,953	\$ 94,935	\$ 56,508	\$ 390,220

**CITY OF APPLETON, WISCONSIN
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
DECEMBER 31, 2022**

	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	\$ 878	\$ -	\$ -	\$ 348,366	\$ 384,767	\$ 3,046	\$ -
Receivables:							
Taxes and Special Charges	-	-	-	-	-	1,981	-
Accounts	56,218	-	-	-	50	-	-
Special Assessments	-	-	-	-	-	-	-
Housing Loans, Net	-	-	-	635,921	5,128,581	-	-
Other	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	-
Due from Other Governments	-	81,708	24,185	-	-	-	21,044
	<u>57,096</u>	<u>81,708</u>	<u>24,185</u>	<u>984,287</u>	<u>5,513,398</u>	<u>5,027</u>	<u>21,044</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts Payable	\$ 48,885	\$ -	\$ 14,096	\$ 150	\$ 128	\$ -	\$ 16,820
Other Accrued Liabilities	-	-	1,279	317	6,646	-	736
Due to Other Funds	-	81,708	27,233	-	-	-	3,198
Advance from Other Funds	-	-	-	-	-	-	-
Unearned Revenues	-	-	-	-	-	-	-
Total Liabilities	<u>48,885</u>	<u>81,708</u>	<u>42,608</u>	<u>467</u>	<u>6,774</u>	<u>-</u>	<u>20,754</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenue	-	-	-	635,921	5,128,581	3,000	-
FUND BALANCES							
Restricted	8,211	-	-	347,899	378,043	2,027	290
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	(18,423)	-	-	-	-
Total Fund Balances	<u>8,211</u>	<u>-</u>	<u>(18,423)</u>	<u>347,899</u>	<u>378,043</u>	<u>2,027</u>	<u>290</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 57,096</u>	<u>\$ 81,708</u>	<u>\$ 24,185</u>	<u>\$ 984,287</u>	<u>\$ 5,513,398</u>	<u>\$ 5,027</u>	<u>\$ 21,044</u>

**CITY OF APPLETON, WISCONSIN
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
DECEMBER 31, 2022**

	Special Revenue				
	Lead Hazard Control Grant	Peabody Estate	Lutz Park	Park Purpose Open Space	Union Spring Park
ASSETS					
Cash and Investments	\$ 13,395	\$ 68,971	\$ 143,718	\$ 153,345	\$ 220
Receivables:					
Taxes and Special Charges	-	-	-	-	-
Accounts	-	-	-	-	-
Special Assessments	-	-	-	-	-
Housing Loans, Net	188,480	-	-	-	-
Other	-	-	-	-	-
Due from Other Funds	-	-	-	-	-
Due from Other Governments	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 201,875</u>	<u>\$ 68,971</u>	<u>\$ 143,718</u>	<u>\$ 153,345</u>	<u>\$ 220</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Other Accrued Liabilities	-	-	-	-	-
Due to Other Funds	-	-	-	-	-
Advance from Other Funds	-	-	-	-	-
Unearned Revenues	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	188,480	-	-	-	-
FUND BALANCES					
Restricted	13,395	68,971	143,718	153,345	220
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balances	<u>13,395</u>	<u>68,971</u>	<u>143,718</u>	<u>153,345</u>	<u>220</u>
	<u>\$ 201,875</u>	<u>\$ 68,971</u>	<u>\$ 143,718</u>	<u>\$ 153,345</u>	<u>\$ 220</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 201,875</u>	<u>\$ 68,971</u>	<u>\$ 143,718</u>	<u>\$ 153,345</u>	<u>\$ 220</u>

**CITY OF APPLETON, WISCONSIN
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
DECEMBER 31, 2022**

	Special Revenue				Total Nonmajor Special Revenue Funds
	Project City Park	Miracle League Baseball	Library Grant	ARPA Grant	
ASSETS					
Cash and Investments	\$ 6,267	\$ 27,181	\$ 124,500	\$ 12,698,714	\$ 17,175,863
Receivables:					
Taxes and Special Charges	-	-	-	-	2,177,815
Accounts	-	-	-	334	254,326
Special Assessments	-	-	-	-	-
Housing Loans, Net	-	-	-	-	5,952,982
Other	-	-	-	-	170,294
Due from Other Funds	-	-	-	-	45,194
Due from Other Governments	-	-	-	-	598,034
	<u>6,267</u>	<u>27,181</u>	<u>124,500</u>	<u>12,699,048</u>	<u>26,374,508</u>
Total Assets	\$ 6,267	\$ 27,181	\$ 124,500	\$ 12,699,048	\$ 26,374,508
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ -	\$ 4,766	\$ 283,359
Other Accrued Liabilities	-	-	2,035	9,089	71,074
Due to Other Funds	-	-	-	-	297,826
Advance from Other Funds	-	-	-	-	1,092,427
Unearned Revenues	-	-	-	12,456,170	12,571,827
Total Liabilities	-	-	2,035	12,470,025	14,316,513
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	-	-	-	-	9,250,630
FUND BALANCES					
Restricted	6,267	27,181	122,465	229,023	1,998,255
Committed	-	-	-	-	1,877,932
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	(1,068,822)
Total Fund Balances	6,267	27,181	122,465	229,023	2,807,365
	<u>6,267</u>	<u>27,181</u>	<u>124,500</u>	<u>12,699,048</u>	<u>26,374,508</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 6,267	\$ 27,181	\$ 124,500	\$ 12,699,048	\$ 26,374,508

**CITY OF APPLETON, WISCONSIN
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2022**

	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	\$ 512,134	\$ 2,326,532	\$ 2,641,021	\$ 1,494,956	\$ 823,669	\$ 565,442
Receivables:						
Taxes and Special Charges	105,505	-	1,747,110	357,173	1,208,474	30,131
Accounts	285,707	-	-	-	-	-
Special Assessments	130,665	-	-	-	-	-
Housing Loans, Net	-	-	-	-	-	-
Other	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-
Due from Other Governments	-	-	-	-	-	-
	<u>\$ 1,034,011</u>	<u>\$ 2,326,532</u>	<u>\$ 4,388,131</u>	<u>\$ 1,852,129</u>	<u>\$ 2,032,143</u>	<u>\$ 595,573</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts Payable	\$ 101,961	\$ 6,865	\$ 6,500	\$ -	\$ -	\$ -
Other Accrued Liabilities	554	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-
Advance from Other Funds	-	-	-	-	-	-
Unearned Revenues	-	-	-	-	-	-
Total Liabilities	<u>102,515</u>	<u>6,865</u>	<u>6,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue	130,665	-	2,976,749	505,508	1,829,873	45,624
FUND BALANCES						
Restricted	-	-	1,404,882	1,346,621	202,270	549,949
Committed	-	-	-	-	-	-
Assigned	800,831	2,319,667	-	-	-	-
Unassigned	-	-	-	-	-	-
Total Fund Balances	<u>800,831</u>	<u>2,319,667</u>	<u>1,404,882</u>	<u>1,346,621</u>	<u>202,270</u>	<u>549,949</u>
	<u>\$ 1,034,011</u>	<u>\$ 2,326,532</u>	<u>\$ 4,388,131</u>	<u>\$ 1,852,129</u>	<u>\$ 2,032,143</u>	<u>\$ 595,573</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,034,011</u>	<u>\$ 2,326,532</u>	<u>\$ 4,388,131</u>	<u>\$ 1,852,129</u>	<u>\$ 2,032,143</u>	<u>\$ 595,573</u>

**CITY OF APPLETON, WISCONSIN
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS (CONTINUED)
DECEMBER 31, 2022**

	Capital Projects					
ASSETS	Tax Incremental District No. 10	Tax Incremental District No. 11	Tax Incremental District No. 12	Public Safety Facilities	CEA Replacement	Community Development
Cash and Investments	\$ 119,335	\$ 512,352	\$ 165,564	\$ 7,969	\$ 4,816,217	\$ 76,239
Receivables:						
Taxes and Special Charges	18,543	587,454	193,585	-	-	-
Accounts	-	-	-	-	-	-
Special Assessments	-	-	-	-	-	-
Housing Loans, Net	-	-	-	-	-	-
Other	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-
Due from Other Governments	-	-	-	-	-	-
	<u>-\$ 137,878</u>	<u>\$ 1,099,806</u>	<u>\$ 359,149</u>	<u>\$ 7,969</u>	<u>\$ 4,816,217</u>	<u>\$ 76,239</u>
Total Assets	<u>\$ 137,878</u>	<u>\$ 1,099,806</u>	<u>\$ 359,149</u>	<u>\$ 7,969</u>	<u>\$ 4,816,217</u>	<u>\$ 76,239</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts Payable	\$ -	\$ 10,457	\$ -	\$ -	\$ 122,581	\$ -
Other Accrued Liabilities	-	2,064	-	-	-	-
Due to Other Funds	-	-	-	-	-	-
Advance from Other Funds	-	717,202	-	-	-	-
Unearned Revenues	-	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>729,723</u>	<u>-</u>	<u>-</u>	<u>122,581</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue	28,077	889,523	293,126	-	-	-
FUND BALANCES						
Restricted	109,801	-	66,023	-	-	-
Committed	-	-	-	-	-	-
Assigned	-	-	-	7,969	4,693,636	76,239
Unassigned	-	(519,440)	-	-	-	-
Total Fund Balances	<u>109,801</u>	<u>(519,440)</u>	<u>66,023</u>	<u>7,969</u>	<u>4,693,636</u>	<u>76,239</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 137,878</u>	<u>\$ 1,099,806</u>	<u>\$ 359,149</u>	<u>\$ 7,969</u>	<u>\$ 4,816,217</u>	<u>\$ 76,239</u>

**CITY OF APPLETON, WISCONSIN
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS (CONTINUED)
DECEMBER 31, 2022**

	Capital Projects				Total Nonmajor Capital Projects Funds
	Facilities Capital Projects	City Center Facilities	Public Works Equipment	Information Technology	
ASSETS					
Cash and Investments	\$ 15,755,350	\$ 623	\$ 3,014,981	\$ 652,504	\$ 33,484,888
Receivables:					
Taxes and Special Charges	-	-	-	-	4,247,975
Accounts	-	-	5,993	-	291,700
Special Assessments	-	-	-	-	130,665
Housing Loans, Net	-	-	-	-	-
Other	-	-	-	-	-
Due from Other Funds	-	-	-	-	-
Due from Other Governments	-	-	-	-	-
	<u>15,755,350</u>	<u>623</u>	<u>3,020,974</u>	<u>652,504</u>	<u>38,155,228</u>
Total Assets					
	<u>\$ 15,755,350</u>	<u>\$ 623</u>	<u>\$ 3,020,974</u>	<u>\$ 652,504</u>	<u>\$ 38,155,228</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 668,514	\$ -	\$ 699,119	\$ 70,582	\$ 1,686,579
Other Accrued Liabilities	6,928	-	6,704	-	16,250
Due to Other Funds	-	-	-	-	-
Advance from Other Funds	-	-	-	-	717,202
Unearned Revenues	-	-	-	-	-
Total Liabilities	<u>675,442</u>	<u>-</u>	<u>705,823</u>	<u>70,582</u>	<u>2,420,031</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	-	-	-	-	6,699,145
FUND BALANCES					
Restricted	6,389,673	623	409,645	-	10,479,487
Committed	-	-	-	-	-
Assigned	8,690,235	-	1,905,506	581,922	19,076,005
Unassigned	-	-	-	-	(519,440)
Total Fund Balances	<u>15,079,908</u>	<u>623</u>	<u>2,315,151</u>	<u>581,922</u>	<u>29,036,052</u>
	<u>\$ 15,755,350</u>	<u>\$ 623</u>	<u>\$ 3,020,974</u>	<u>\$ 652,504</u>	<u>\$ 38,155,228</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances					

**CITY OF APPLETON, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2022**

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Taxes	\$ 4,727,607	\$ 1,442,263	\$ 6,169,870
Special Assessments	-	539,894	539,894
Intergovernmental	5,081,148	1,160,971	6,242,119
Public Charges for Services	1,757,960	-	1,757,960
Investment Income (Loss)	144,678	(611,160)	(466,482)
Miscellaneous	704,952	3,880,871	4,585,823
Total Revenues	<u>12,416,345</u>	<u>6,412,839</u>	<u>18,829,184</u>
EXPENDITURES			
Current:			
General Government	191,250	14,969	206,219
Public Safety	2,170,379	-	2,170,379
Public Works	3,607,968	-	3,607,968
Culture and Recreation	109,940	-	109,940
Conservation and Development	2,145,164	107,911	2,253,075
Debt Service:			
Interest and Fiscal Charges	85,871	45,978	131,849
Capital Outlay	-	17,724,128	17,724,128
Total Expenditures	<u>8,310,572</u>	<u>17,892,986</u>	<u>26,203,558</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	4,105,773	(11,480,147)	(7,374,374)
OTHER FINANCING SOURCES (USES)			
Long-Term Debt Issued	-	15,530,000	15,530,000
Proceeds from Sale of Capital Assets	-	270,384	270,384
Transfers In	-	5,144,538	5,144,538
Transfers Out	(2,506,469)	(140,450)	(2,646,919)
Total Other Financing Sources (Uses)	<u>(2,506,469)</u>	<u>20,804,472</u>	<u>18,298,003</u>
NET CHANGE IN FUND BALANCES	1,599,304	9,324,325	10,923,629
Fund Balances - Beginning of Year	<u>1,208,061</u>	<u>19,711,727</u>	<u>20,919,788</u>
FUND BALANCES - END OF YEAR	<u>\$ 2,807,365</u>	<u>\$ 29,036,052</u>	<u>\$ 31,843,417</u>

CITY OF APPLETON, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
YEAR ENDED DECEMBER 31, 2022

	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	\$ -	\$ 2,089,000	\$ 1,136,592	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-	-
Intergovernmental	652,747	86	8,734	171,014	283,947	443,382	70,074
Public Charges for Services	-	1,734,051	-	-	-	-	12,409
Investment Income (Loss)	-	(59,697)	(845)	-	-	-	(10,750)
Miscellaneous	-	1,821	-	-	-	-	-
Total Revenues	<u>652,747</u>	<u>3,765,261</u>	<u>1,144,481</u>	<u>171,014</u>	<u>283,947</u>	<u>443,382</u>	<u>71,733</u>
EXPENDITURES							
Current:							
General Government	-	-	1,210	-	-	-	-
Public Safety	-	-	-	172,915	283,947	433,916	119,427
Public Works	-	3,607,968	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-
Conservation and Development	614,729	-	-	-	-	-	-
Debt Service:							
Interest and Fiscal Charges	-	-	85,871	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Total Expenditures	<u>614,729</u>	<u>3,607,968</u>	<u>87,081</u>	<u>172,915</u>	<u>283,947</u>	<u>433,916</u>	<u>119,427</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	38,018	157,293	1,057,400	(1,901)	-	9,466	(47,694)
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	38,018	157,293	1,057,400	(1,901)	-	9,466	(47,694)
Fund Balances - Beginning of Year	<u>8,973</u>	<u>1,720,639</u>	<u>(2,107,799)</u>	<u>52,799</u>	<u>-</u>	<u>-</u>	<u>437,539</u>
FUND BALANCES - END OF YEAR	<u>\$ 46,991</u>	<u>\$ 1,877,932</u>	<u>\$ (1,050,399)</u>	<u>\$ 50,898</u>	<u>\$ -</u>	<u>\$ 9,466</u>	<u>\$ 389,845</u>

**CITY OF APPLETON, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR SPECIAL REVENUE FUNDS
YEAR ENDED DECEMBER 31, 2022**

	Special Revenue						
	Room Tax	Wheel Tax	Continuum of Care	HOME Homeowner	Housing Rehabilitation Grant	Business and Neighborhood Revitalization Grant	Emergency Shelter
REVENUES							
Taxes	\$ 218,546	\$ 1,280,469	\$ -	\$ -	\$ -	\$ 3,000	\$ -
Special Assessments	-	-	-	-	-	-	-
Intergovernmental	-	-	331,979	-	113,682	-	645,330
Public Charges for Services	-	-	-	-	-	-	-
Investment Income (Loss)	-	-	-	-	(429)	-	-
Miscellaneous	-	-	-	37,015	558,065	-	-
Total Revenues	<u>218,546</u>	<u>1,280,469</u>	<u>331,979</u>	<u>37,015</u>	<u>671,318</u>	<u>3,000</u>	<u>645,330</u>
EXPENDITURES							
Current:							
General Government	190,040	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-
Conservation and Development	-	-	353,289	124,523	367,432	2,361	645,040
Debt Service:							
Interest and Fiscal Charges	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Total Expenditures	<u>190,040</u>	<u>-</u>	<u>353,289</u>	<u>124,523</u>	<u>367,432</u>	<u>2,361</u>	<u>645,040</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	28,506	1,280,469	(21,310)	(87,508)	303,886	639	290
OTHER FINANCING SOURCES (USES)							
Long-Term Debt Issued	-	-	-	-	-	-	-
Proceeds from Sale of Capital Assets	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-
Transfers Out	(26,000)	(1,280,469)	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>(26,000)</u>	<u>(1,280,469)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	2,506	-	(21,310)	(87,508)	303,886	639	290
Fund Balances - Beginning of Year	<u>5,705</u>	<u>-</u>	<u>2,887</u>	<u>435,407</u>	<u>74,157</u>	<u>1,388</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 8,211</u>	<u>\$ -</u>	<u>\$ (18,423)</u>	<u>\$ 347,899</u>	<u>\$ 378,043</u>	<u>\$ 2,027</u>	<u>\$ 290</u>

CITY OF APPLETON, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR SPECIAL REVENUE FUNDS
YEAR ENDED DECEMBER 31, 2022

	Special Revenue				
	Lead Hazard Control Grant	Peabody Estate	Lutz Park	Park Purpose Open Space	Union Spring Park
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Public Charges for Services	-	-	-	11,500	-
Investment Income (Loss)	-	(1,821)	(3,794)	(3,948)	(5)
Miscellaneous	3,687	-	-	-	-
Total Revenues	<u>3,687</u>	<u>(1,821)</u>	<u>(3,794)</u>	<u>7,552</u>	<u>(5)</u>
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Conservation and Development	37,790	-	-	-	-
Debt Service:					
Interest and Fiscal Charges	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Total Expenditures	<u>37,790</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(34,103)	(1,821)	(3,794)	7,552	(5)
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>
NET CHANGE IN FUND BALANCES	(34,103)	(1,821)	(3,794)	7,552	(5)
Fund Balances - Beginning of Year	<u>47,498</u>	<u>70,792</u>	<u>147,512</u>	<u>145,793</u>	<u>225</u>
FUND BALANCES - END OF YEAR	<u>\$ 13,395</u>	<u>\$ 68,971</u>	<u>\$ 143,718</u>	<u>\$ 153,345</u>	<u>\$ 220</u>

CITY OF APPLETON, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR SPECIAL REVENUE FUNDS
YEAR ENDED DECEMBER 31, 2022

	Special Revenue				Total Nonmajor Special Revenue Funds
	Project City Park	Miracle League Baseball	Library Grant	ARPA Grant	
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 4,727,607
Special Assessments	-	-	-	-	-
Intergovernmental	-	-	-	2,360,173	5,081,148
Public Charges for Services	-	-	-	-	1,757,960
Investment Income (Loss)	(166)	(717)	-	226,850	144,678
Miscellaneous	-	-	104,364	-	704,952
Total Revenues	<u>(166)</u>	<u>(717)</u>	<u>104,364</u>	<u>2,587,023</u>	<u>12,416,345</u>
EXPENDITURES					
Current:					
General Government	-	-	-	-	191,250
Public Safety	-	-	-	1,160,174	2,170,379
Public Works	-	-	-	-	3,607,968
Culture and Recreation	-	-	109,940	-	109,940
Conservation and Development	-	-	-	-	2,145,164
Debt Service:					
Interest and Fiscal Charges	-	-	-	-	85,871
Capital Outlay	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>109,940</u>	<u>1,160,174</u>	<u>8,310,572</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(166)	(717)	(5,576)	1,426,849	4,105,773
OTHER FINANCING SOURCES (USES)					
Long-Term Debt Issued	-	-	-	-	-
Proceeds from Sale of Capital Assets	-	-	-	-	-
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	(1,200,000)	(2,506,469)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,200,000)</u>	<u>(2,506,469)</u>
NET CHANGE IN FUND BALANCES	(166)	(717)	(5,576)	226,849	1,599,304
Fund Balances - Beginning of Year	<u>6,433</u>	<u>27,898</u>	<u>128,041</u>	<u>2,174</u>	<u>1,208,061</u>
FUND BALANCES - END OF YEAR	<u>\$ 6,267</u>	<u>\$ 27,181</u>	<u>\$ 122,465</u>	<u>\$ 229,023</u>	<u>\$ 2,807,365</u>

CITY OF APPLETON, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED DECEMBER 31, 2022

	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	\$ -	\$ -	\$ 639,989	\$ 40,786	\$ 189,836	\$ -
Special Assessments	539,894	-	-	-	-	-
Intergovernmental	-	-	90,388	66,184	5,706	110,288
Public Charges for Services	-	-	-	-	-	-
Investment Income (Loss)	(9,840)	(57,993)	(43,557)	(37,155)	(20,169)	(12,868)
Miscellaneous	316,460	26,095	3,264	-	-	-
Total Revenues	<u>846,514</u>	<u>(31,898)</u>	<u>690,084</u>	<u>69,815</u>	<u>175,373</u>	<u>97,420</u>
EXPENDITURES						
Current:						
General Government	-	-	7,711	1,211	1,210	1,209
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Conservation and Development	-	-	546	-	-	17,405
Debt Service:						
Interest and Fiscal Charges	-	-	-	-	-	-
Capital Outlay	<u>1,360,635</u>	<u>35,186</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>1,360,635</u>	<u>35,186</u>	<u>8,257</u>	<u>1,211</u>	<u>1,210</u>	<u>18,614</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(514,121)	(67,084)	681,827	68,604	174,163	78,806
OTHER FINANCING SOURCES (USES)						
Long-Term Debt Issued	500,000	-	-	-	-	-
Proceeds from Sale of Capital Assets	-	191,937	78,447	-	-	-
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	(89,300)	-
Total Other Financing Sources (Uses)	<u>500,000</u>	<u>191,937</u>	<u>78,447</u>	<u>-</u>	<u>(89,300)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(14,121)	124,853	760,274	68,604	84,863	78,806
Fund Balances - Beginning of Year	<u>814,952</u>	<u>2,194,814</u>	<u>644,608</u>	<u>1,278,017</u>	<u>117,407</u>	<u>471,143</u>
FUND BALANCES - END OF YEAR	<u>\$ 800,831</u>	<u>\$ 2,319,667</u>	<u>\$ 1,404,882</u>	<u>\$ 1,346,621</u>	<u>\$ 202,270</u>	<u>\$ 549,949</u>

CITY OF APPLETON, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED DECEMBER 31, 2022

	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	\$ -	\$ 445,455	\$ 126,197	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-
Intergovernmental	5,163	-	-	-	-	-
Public Charges for Services	-	-	-	-	-	-
Investment Income (Loss)	(2,835)	(9,569)	(1,500)	(215)	(97,568)	(2,012)
Miscellaneous	-	-	-	-	3,430,103	-
Total Revenues	<u>2,328</u>	<u>435,886</u>	<u>124,697</u>	<u>(215)</u>	<u>3,332,535</u>	<u>(2,012)</u>
EXPENDITURES						
Current:						
General Government	1,209	1,209	1,210	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Conservation and Development	-	68,960	21,000	-	-	-
Debt Service:						
Interest and Fiscal Charges	-	43,360	2,618	-	-	-
Capital Outlay	-	1,132,274	-	-	4,246,022	-
Total Expenditures	<u>1,209</u>	<u>1,245,803</u>	<u>24,828</u>	<u>-</u>	<u>4,246,022</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,119	(809,917)	99,869	(215)	(913,487)	(2,012)
OTHER FINANCING SOURCES (USES)						
Long-Term Debt Issued	-	995,000	-	-	644,000	-
Proceeds from Sale of Capital Assets	-	-	-	-	-	-
Transfers In	-	-	-	-	821,265	-
Transfers Out	-	(51,150)	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>943,850</u>	<u>-</u>	<u>-</u>	<u>1,465,265</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	1,119	133,933	99,869	(215)	551,778	(2,012)
Fund Balances - Beginning of Year	<u>108,682</u>	<u>(653,373)</u>	<u>(33,846)</u>	<u>8,184</u>	<u>4,141,858</u>	<u>78,251</u>
FUND BALANCES - END OF YEAR	<u>\$ 109,801</u>	<u>\$ (519,440)</u>	<u>\$ 66,023</u>	<u>\$ 7,969</u>	<u>\$ 4,693,636</u>	<u>\$ 76,239</u>

CITY OF APPLETON, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED DECEMBER 31, 2022

	Capital Projects				Total Nonmajor Capital Projects Funds
	Facilities Capital Projects	City Center Facilities	Public Works Equipment	Information Technology	
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,442,263
Special Assessments	-	-	-	-	539,894
Intergovernmental	699,382	-	183,860	-	1,160,971
Public Charges for Services	-	-	-	-	-
Investment Income (Loss)	(242,544)	-	(64,105)	(9,230)	(611,160)
Miscellaneous	100,000	-	4,949	-	3,880,871
Total Revenues	<u>556,838</u>	<u>-</u>	<u>124,704</u>	<u>(9,230)</u>	<u>6,412,839</u>
EXPENDITURES					
Current:					
General Government	-	-	-	-	14,969
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Conservation and Development	-	-	-	-	107,911
Debt Service:					
Interest and Fiscal Charges	-	-	-	-	45,978
Capital Outlay	<u>5,729,556</u>	<u>-</u>	<u>4,731,620</u>	<u>488,835</u>	<u>17,724,128</u>
Total Expenditures	<u>5,729,556</u>	<u>-</u>	<u>4,731,620</u>	<u>488,835</u>	<u>17,892,986</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(5,172,718)	-	(4,606,916)	(498,065)	(11,480,147)
OTHER FINANCING SOURCES (USES)					
Long-Term Debt Issued	8,326,500	-	4,944,500	120,000	15,530,000
Proceeds from Sale of Capital Assets	-	-	-	-	270,384
Transfers In	3,773,273	-	-	550,000	5,144,538
Transfers Out	-	-	-	-	(140,450)
Total Other Financing Sources (Uses)	<u>12,099,773</u>	<u>-</u>	<u>4,944,500</u>	<u>670,000</u>	<u>20,804,472</u>
NET CHANGE IN FUND BALANCES	6,927,055	-	337,584	171,935	9,324,325
Fund Balances - Beginning of Year	<u>8,152,853</u>	<u>623</u>	<u>1,977,567</u>	<u>409,987</u>	<u>19,711,727</u>
FUND BALANCES - END OF YEAR	<u>\$ 15,079,908</u>	<u>\$ 623</u>	<u>\$ 2,315,151</u>	<u>\$ 581,922</u>	<u>\$ 29,036,052</u>

**CITY OF APPLETON, WISCONSIN
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2022**

	Parking Utility	Reid Municipal Golf Course	Total Nonmajor Enterprise Funds
ASSETS			
Current Assets:			
Cash and Investments	\$ 2,590,390	\$ 502,624	\$ 3,093,014
Receivables:			
Customer Accounts	19,620	1,480	21,100
Leases	-	967,043	967,043
Total Current Assets	<u>2,610,010</u>	<u>1,471,147</u>	<u>4,081,157</u>
Other Assets:			
Net Pension Asset	188,029	75,938	263,967
Capital Assets:			
Nondepreciable	1,595,807	390,763	1,986,570
Depreciable	5,343,897	849,279	6,193,176
Total Capital Assets	<u>6,939,704</u>	<u>1,240,042</u>	<u>8,179,746</u>
Total Assets	9,737,743	2,787,127	12,524,870
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related Amounts	366,977	149,575	516,552
Other Postemployment Related Amounts	11,178	7,755	18,933
Total Deferred Outflows of Resources	<u>378,155</u>	<u>157,330</u>	<u>535,485</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	8,010	1,959	9,969
Other Accrued Liabilities	28,245	8,112	36,357
Accrued Interest Payable	4,400	1,275	5,675
Compensated Absences	33,319	13,474	46,793
Unearned Revenue	57,148	42,019	99,167
Current Portion of Long-Term Debt	140,000	75,000	215,000
Total Current Liabilities	<u>271,122</u>	<u>141,839</u>	<u>412,961</u>
Long-Term Obligations, Less Current Portion:			
Advance from Other Funds	-	240,000	240,000
General Obligation Debt	660,000	95,000	755,000
Compensated Absences	15,667	-	15,667
Other Postemployment Benefits	44,356	30,773	75,129
Total Long-Term Liabilities	<u>720,023</u>	<u>365,773</u>	<u>1,085,796</u>
Total Liabilities	991,145	507,612	1,498,757
DEFERRED INFLOWS OF RESOURCES			
Pension Related Amounts	442,568	178,736	621,304
Other Postemployment Related Amounts	11,310	7,847	19,157
Leases	-	967,043	967,043
Total Deferred Inflows of Resources	<u>453,878</u>	<u>1,153,626</u>	<u>1,607,504</u>
NET POSITION			
Net Investment in Capital Assets	6,139,704	1,070,042	7,209,746
Restricted	188,029	75,938	263,967
Unrestricted	2,343,142	137,239	2,480,381
Total Net Position	<u>\$ 8,670,875</u>	<u>\$ 1,283,219</u>	<u>\$ 9,954,094</u>

**CITY OF APPLETON, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
YEAR ENDED DECEMBER 31, 2022**

	Parking Utility	Reid Municipal Golf Course	Total Nonmajor Enterprise Funds
OPERATING REVENUES			
Charges for Services	\$ 1,781,734	\$ 988,608	\$ 2,770,342
Other	340,907	87,613	428,520
Total Operating Revenues	<u>2,122,641</u>	<u>1,076,221</u>	<u>3,198,862</u>
OPERATING EXPENSES			
Operation and Maintenance	1,164,303	817,315	1,981,618
Depreciation and Amortization	527,012	66,266	593,278
Total Operating Expenses	<u>1,691,315</u>	<u>883,581</u>	<u>2,574,896</u>
OPERATING INCOME (LOSS)	431,326	192,640	623,966
NONOPERATING REVENUES (EXPENSES)			
Investment Income	17,343	7,314	24,657
Net Increase (Decrease) in the Fair Value of Investments	(49,596)	(19,542)	(69,138)
Interest and Fiscal Charges	(22,288)	(5,700)	(27,988)
Total Nonoperating Revenues (Expenses)	<u>(54,541)</u>	<u>(17,928)</u>	<u>(72,469)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	376,785	174,712	551,497
Transfers In	1,200,000	-	1,200,000
Transfers Out	(89,363)	(17,900)	(107,263)
CHANGE IN NET POSITION	1,487,422	156,812	1,644,234
Net Position - Beginning of Year	<u>7,183,453</u>	<u>1,126,407</u>	<u>8,309,860</u>
NET POSITION - END OF YEAR	<u>\$ 8,670,875</u>	<u>\$ 1,283,219</u>	<u>\$ 9,954,094</u>

**CITY OF APPLETON, WISCONSIN
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
YEAR ENDED DECEMBER 31, 2022**

	Parking Utility	Reid Municipal Golf Course	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers	\$ 2,106,741	\$ 1,075,765	\$ 3,182,506
Cash Paid for Employee Wages and Benefits	(721,991)	(394,578)	(1,116,569)
Cash Paid to Suppliers	(642,989)	(571,703)	(1,214,692)
Net Cash Provided by Operating Activities	<u>741,761</u>	<u>109,484</u>	<u>851,245</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfer In	1,200,000	-	1,200,000
Transfer Out	(89,363)	(17,900)	(107,263)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>1,110,637</u>	<u>(17,900)</u>	<u>1,092,737</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of Capital Assets	(348,477)	(32,543)	(381,020)
Principal Paid on Long-Term Debt	(130,000)	(80,000)	(210,000)
Interest Paid on Long-Term Debt	(24,501)	(6,300)	(30,801)
Net Cash Used by Capital and Related Financing Activities	<u>(502,978)</u>	<u>(118,843)</u>	<u>(621,821)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Pooled Cash Income (Loss)	(32,253)	(12,228)	(44,481)
CHANGE IN CASH AND CASH EQUIVALENTS	1,317,167	(39,487)	1,277,680
Cash and Cash Equivalents - Beginning of Year	<u>1,273,223</u>	<u>542,111</u>	<u>1,815,334</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 2,590,390</u>	<u>\$ 502,624</u>	<u>\$ 3,093,014</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating Income	\$ 431,326	\$ 192,640	\$ 623,966
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Depreciation	527,012	66,266	593,278
Change in Pension Related Activities:			
Pension Asset/Liability	(32,658)	5,263	(27,395)
Deferred Outflows of Resources	(112,666)	(21,327)	(133,993)
Deferred Inflows of Resources	102,291	899	103,190
Change in Other Postemployment Related Activities:			
Total OPEB Liability	(12,504)	(4,694)	(17,198)
Deferred Outflows of Resources	2,206	593	2,799
Deferred Inflows of Resources	7,191	5,278	12,469
Change in Operating Assets and Liabilities:			
Accounts Receivables	20,647	(1,480)	19,167
Accounts Payable	(107,976)	(137,342)	(245,318)
Other Accrued Liabilities	859	1,621	2,480
Unearned Revenue	(36,547)	1,024	(35,523)
Compensated Absences	(47,420)	743	(46,677)
Net Cash Provided by Operating Activities	<u>\$ 741,761</u>	<u>\$ 109,484</u>	<u>\$ 851,245</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION			
Cash and Cash Equivalents in Current Assets	<u>\$ 2,590,390</u>	<u>\$ 502,624</u>	<u>\$ 3,093,014</u>

**CITY OF APPLETON, WISCONSIN
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
DECEMBER 31, 2022**

	Central Equipment Agency	Risk Management	Facilities Management	Post- employment Benefits	Total Internal Service Funds
ASSETS					
Current Assets:					
Cash and Investments	\$ 834,899	\$ 1,529,375	\$ 100,067	\$ 292,860	\$ 2,757,201
Receivables:					
Accounts	13,928	-	-	-	13,928
Due from Other Governments	4,725	-	-	-	4,725
Prepaid Items	79,604	21,647	-	-	101,251
Total Current Assets	<u>933,156</u>	<u>1,551,022</u>	<u>100,067</u>	<u>292,860</u>	<u>2,877,105</u>
Other Assets:					
Deposit In CVMIC	-	2,020,950	-	-	2,020,950
Net Pension Asset	410,591	103,693	397,740	-	912,024
Total Other Assets	<u>410,591</u>	<u>2,124,643</u>	<u>397,740</u>	<u>-</u>	<u>2,932,974</u>
Capital Assets:					
Nondepreciable	991,599	-	-	-	991,599
Depreciable	15,679,938	-	-	-	15,679,938
Total Capital Assets	<u>16,671,537</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,671,537</u>
 Total Assets	 18,015,284	 3,675,665	 497,807	 292,860	 22,481,616
DEFERRED OUTFLOWS OF RESOURCES					
Pension Related Amounts	801,003	204,854	771,586	-	1,777,443
Other Postemployment Related Amounts	<u>23,949</u>	<u>7,069</u>	<u>17,154</u>	<u>-</u>	<u>48,172</u>
 Total Deferred Outflows of Resources	 824,952	 211,923	 788,740	 -	 1,825,615
LIABILITIES					
Current Liabilities:					
Accounts Payable	59,992	196,134	47,658	-	303,784
Other Accrued Liabilities	49,193	15,701	28,962	-	93,856
Claims Payable	-	2,422,694	-	-	2,422,694
Accrued Interest Payable	926	-	-	-	926
Compensated Absences	105,754	10,391	82,791	-	198,936
Current Portion of Long-Term Debt	36,250	-	-	-	36,250
Total Current Liabilities	<u>252,115</u>	<u>2,644,920</u>	<u>159,411</u>	<u>-</u>	<u>3,056,446</u>
Long-Term Obligations, Less Current Portion:					
General Obligation Debt	111,625	-	-	-	111,625
Compensated Absences	132,522	-	-	-	132,522
Other Postemployment Benefits	95,032	28,049	68,070	238,860	430,011
Total Noncurrent Liabilities	<u>339,179</u>	<u>28,049</u>	<u>68,070</u>	<u>238,860</u>	<u>674,158</u>
 Total Liabilities	 591,294	 2,672,969	 227,481	 238,860	 3,730,604
DEFERRED INFLOWS OF RESOURCES					
Pension Related Amounts	966,417	244,064	936,169	-	2,146,650
Other Postemployment Related Amounts	<u>24,232</u>	<u>7,152</u>	<u>17,357</u>	<u>-</u>	<u>48,741</u>
 Total Deferred Inflows of Resources	 990,649	 251,216	 953,526	 -	 2,195,391
NET POSITION					
Net Investment in Capital Assets	16,523,662	-	-	-	16,523,662
Restricted	410,591	103,693	397,740	-	912,024
Unrestricted	<u>324,040</u>	<u>859,710</u>	<u>(292,200)</u>	<u>54,000</u>	<u>945,550</u>
 Total Net Position	 <u>\$ 17,258,293</u>	 <u>\$ 963,403</u>	 <u>\$ 105,540</u>	 <u>\$ 54,000</u>	 <u>\$ 18,381,236</u>

CITY OF APPLETON, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED DECEMBER 31, 2022

	Central Equipment Agency	Risk Management	Facilities Management	Post- employment Benefits	Total Internal Service Funds
OPERATING REVENUES					
Charges for Services	\$ 3,604,762	\$ 1,872,348	\$ 2,938,990	\$ -	\$ 8,416,100
Other	21,259	66,919	-	-	88,178
Total Operating Revenues	<u>3,626,021</u>	<u>1,939,267</u>	<u>2,938,990</u>	<u>-</u>	<u>8,504,278</u>
OPERATING EXPENSES					
Operation and Maintenance	3,503,717	1,906,135	2,956,996	-	8,366,848
Depreciation and Amortization	2,635,791	-	-	-	2,635,791
Total Operating Expenses	<u>6,139,508</u>	<u>1,906,135</u>	<u>2,956,996</u>	<u>-</u>	<u>11,002,639</u>
OPERATING INCOME (LOSS)	(2,513,487)	33,132	(18,006)	-	(2,498,361)
NONOPERATING REVENUES (EXPENSES)					
Investment Income	17,393	18,002	2,093	-	37,488
Net Increase (Decrease) in the Fair Value of Investments	(42,833)	(42,631)	(5,801)	-	(91,265)
Gain on Disposal of Capital Assets	398,484	-	-	-	398,484
Interest and Fiscal Charges	(3,915)	-	-	-	(3,915)
Other	-	-	4,307	-	4,307
Total Nonoperating Revenues (Expenses)	<u>369,129</u>	<u>(24,629)</u>	<u>599</u>	<u>-</u>	<u>345,099</u>
Income (Loss) Before Contributions and Transfers	(2,144,358)	8,503	(17,407)	-	(2,153,262)
Capital Contributions	4,246,022	-	-	-	4,246,022
Transfers Out	(396,867)	-	-	(54,000)	(450,867)
CHANGE IN NET POSITION	1,704,797	8,503	(17,407)	(54,000)	1,641,893
Net Position - Beginning of Year	<u>15,553,496</u>	<u>954,900</u>	<u>122,947</u>	<u>108,000</u>	<u>16,739,343</u>
NET POSITION - END OF YEAR	<u>\$ 17,258,293</u>	<u>\$ 963,403</u>	<u>\$ 105,540</u>	<u>\$ 54,000</u>	<u>\$ 18,381,236</u>

**CITY OF APPLETON, WISCONSIN
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED DECEMBER 31, 2022**

	Central Equipment Agency	Risk Management	Facilities Management	Post- employment Benefits	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Received from Customers	\$ 3,700,691	\$ 1,939,267	\$ 2,938,990	\$ -	\$ 8,578,948
Cash Paid for Services Provided	-	-	588	-	588
Cash Paid for Employee Wages and Benefits	(1,357,898)	(379,120)	(1,046,607)	(238,860)	(3,022,485)
Cash Paid to Suppliers	(2,238,121)	(1,349,962)	(1,952,630)	-	(5,540,713)
Net Cash Provided (Used) By Operating Activities	104,672	210,185	(59,659)	(238,860)	16,338
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Nonoperating Revenues	(1,698)	-	4,307	-	2,609
Transfer in (Out)	(396,867)	-	-	(54,000)	(450,867)
Net Cash Provided (Used) by Noncapital Financing Activities	(398,565)	-	4,307	(54,000)	(448,258)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Sale of Capital Assets	398,485	-	-	-	398,485
Proceeds from Issuance of Principal Paid on Long-Term Debt	(35,500)	-	-	-	(35,500)
Interest Paid on Long-Term Debt	(4,132)	-	-	-	(4,132)
Net Cash Provided by Capital and Related Financing Activities	358,853	-	-	-	358,853
CASH FLOWS FROM INVESTING ACTIVITIES					
Pooled Cash Income (Loss)	(25,440)	(24,629)	(3,708)	-	(53,777)
CHANGE IN CASH AND CASH EQUIVALENTS					
Cash and Cash Equivalents - Beginning of Year	795,379	1,343,819	159,127	585,720	2,884,045
CASH AND CASH EQUIVALENTS - END OF YEAR					
	<u>\$ 834,899</u>	<u>\$ 1,529,375</u>	<u>\$ 100,067</u>	<u>\$ 292,860</u>	<u>\$ 2,757,201</u>

**CITY OF APPLETON, WISCONSIN
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
INTERNAL SERVICE FUNDS
YEAR ENDED DECEMBER 31, 2022**

	Central Equipment Agency	Risk Management	Facilities Management	Post- employment Benefits	Total Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating Income (Loss)	\$ (2,513,487)	\$ 33,132	\$ (18,006)	\$ -	\$ (2,498,361)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Depreciation	2,635,791	-	-	-	2,635,791
Change in Pension Related Activities:					
Pension Asset/Liability	(46,371)	(13,560)	(94,713)	-	(154,644)
Deferred Outflows of Resources	(211,772)	(59,170)	(269,664)	-	(540,606)
Deferred Inflows of Resources	168,741	46,664	272,511	-	487,916
Change in Other Postemployment Related Activities:					
Total OPEB Liability	(13,058)	(3,477)	(9,057)	(238,860)	(264,452)
Deferred Outflows of Resources	1,493	352	1,000	-	2,845
Deferred Inflows of Resources	16,402	4,868	11,770	-	33,040
Change in Operating Assets and and Liabilities:					
Accounts Receivables	74,670	-	-	-	74,670
Inventories and Prepaid Items	1,002	10,823	588	-	12,413
Accounts Payable	3,505	186,264	28,919	-	218,688
Other Accrued Liabilities	8,847	3,695	1,142	-	13,684
Compensated Absences	(21,091)	594	15,851	-	(4,646)
Net Cash Provided (Used) by Operating Activities	<u>\$ 104,672</u>	<u>\$ 210,185</u>	<u>\$ (59,659)</u>	<u>\$ (238,860)</u>	<u>\$ 16,338</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION					
Cash and Cash Equivalents in Current Assets	<u>\$ 834,899</u>	<u>\$ 1,529,375</u>	<u>\$ 100,067</u>	<u>\$ 292,860</u>	<u>\$ 2,757,201</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES					
Contributed Capital Assets	<u>\$ 4,246,022</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,246,022</u>

STATISTICAL SECTION

**STATISTICAL
SECTION**

STATISTICAL SECTION

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Governmental Activities										
Invested in Capital Assets, net of related debt	\$ 309,789,370	\$ 311,002,481	\$ 317,294,433	\$ 337,111,131	\$ 356,166,240	\$ 319,649,060	\$ 315,259,309	\$ 314,847,490	\$ 315,796,455	\$ 320,172,032
Restricted	8,784,010	10,320,311	16,722,531	10,875,022	10,380,712	19,443,354	12,912,845	19,402,361	26,983,901	33,703,586
Unrestricted	<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>	<u>40,048,745</u>	<u>38,872,335</u>
Total Governmental Activities Net Position	348,441,188	351,365,015	371,669,582	374,614,767	402,705,951	366,662,027	362,535,983	370,112,234	382,829,101	392,747,953
Business-type Activities										
Invested in Capital Assets, net of related debt	184,439,245	202,937,976	201,093,139	213,741,324	211,019,686	217,488,772	240,476,049	241,797,026	256,784,008	261,798,119
Restricted	11,061,314	9,391,974	10,372,275	9,183,575	10,767,596	22,216,720	18,689,728	25,089,068	25,880,654	31,397,088
Unrestricted	<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>	<u>45,829,513</u>	<u>53,560,461</u>
Total Business-type Activities Net Position	239,497,097	247,758,367	257,242,673	263,594,051	273,995,966	283,840,507	300,563,290	310,371,709	328,494,175	346,755,668
Primary Government										
Invested in Capital Assets, net of related debt	493,234,053	513,303,524	518,126,723	550,852,455	567,185,926	537,137,832	555,735,358	556,644,516	572,580,463	581,970,151
Restricted	19,845,324	19,712,285	27,094,806	20,058,597	21,148,308	41,660,074	31,602,573	44,491,429	52,864,555	65,100,674
Unrestricted	<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>	<u>85,878,258</u>	<u>92,432,796</u>
Total Primary Government Net Position	<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>	<u>\$ 711,323,276</u>	<u>\$ 739,503,621</u>

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Expenses										
Governmental Activities:										
General Government	\$ 8,408,466	\$ 12,886,169	\$ 9,888,959	\$ 8,555,458	\$ 9,000,938	\$ 8,351,464	\$ 7,936,268	\$ 7,437,182	\$ 7,957,567	\$ 10,087,014
Public Safety	31,862,833	29,125,321	29,359,348	32,408,683	33,166,391	33,196,999	34,942,204	34,829,391	29,957,432	32,634,285
Public Works	22,586,195	19,683,637	19,143,986	16,603,103	16,478,718	20,954,662	22,879,095	22,041,260	22,068,563	20,318,784
Education & Recreation	7,936,225	8,284,600	8,367,690	9,045,104	11,292,369	13,334,961	14,679,174	11,668,689	11,352,944	11,831,356
Community Development	2,743,633	3,569,399	4,126,206	7,183,902	7,569,648	36,202,163	6,396,448	4,109,547	4,348,254	5,142,325
Interest	2,014,417	1,719,014	1,602,888	861,000	902,403	1,047,481	1,264,672	1,441,981	1,428,939	1,854,550
Total Governmental Activities	<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>	<u>77,113,699</u>	<u>81,868,314</u>
Business-type Activities										
Water	16,302,030	15,118,304	15,713,959	16,270,281	14,627,223	14,699,970	15,006,641	15,108,556	14,949,500	15,597,675
Wastewater	10,244,112	10,323,873	10,578,004	10,387,814	10,788,112	11,098,233	11,361,843	11,414,045	11,337,623	14,301,717
Valley Transit	8,773,289	9,355,275	9,121,137	9,220,991	9,587,671	9,879,574	10,302,594	8,794,362	9,275,951	9,410,487
Stormwater	6,811,514	7,182,067	7,533,937	7,771,485	7,576,951	7,004,763	7,621,500	8,150,321	7,412,284	8,600,482
Other non-major enterprise funds	2,242,132	2,297,108	2,729,519	2,656,613	2,784,861	3,130,681	3,055,119	2,775,308	2,589,627	2,689,946
Total Business-type Activities	<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>	<u>45,564,985</u>	<u>50,600,307</u>
Total - Primary Government	<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>	<u>\$ 122,678,684</u>	<u>\$ 132,468,621</u>
Program Revenues										
Governmental Activities:										
Charges for Service	\$ 6,483,565	\$ 11,465,846	\$ 8,178,939	\$ 10,707,541	\$ 6,757,109	\$ 8,365,514	\$ 10,026,804	\$ 8,356,886	\$ 9,887,373	\$ 9,986,625
Operating Grants & Contributions	5,148,710	5,176,021	4,759,479	5,544,498	5,777,912	5,941,653	6,945,575	9,513,273	7,921,916	10,699,098
Capital Grants & Contributions	9,124,671	2,136,172	3,732,097	756,451	31,749,588	1,333,280	611,585	1,958,429	3,143,565	1,473,815
Total Governmental Activities	<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>	<u>20,952,854</u>	<u>22,159,538</u>
Business-type Activities										
Charges for Service										
Water	20,316,037	20,374,553	20,994,942	21,523,370	21,015,480	21,047,773	20,270,742	20,053,605	20,231,241	20,272,404
Wastewater	10,486,298	10,942,593	11,163,377	11,613,454	12,144,187	12,798,908	12,476,128	10,713,333	12,992,845	13,505,939
Valley Transit	1,547,558	1,563,356	1,593,398	1,612,259	1,572,511	1,639,401	1,613,029	1,011,981	1,173,753	1,135,044
Stormwater	8,146,867	9,067,717	9,207,428	9,608,937	9,600,003	9,708,955	10,970,967	11,069,263	11,205,953	11,379,165
Other non-major enterprise funds	2,835,778	3,140,100	3,299,997	3,254,263	3,549,496	3,404,224	3,489,189	2,404,143	2,777,358	3,195,192
Operating Grants & Contributions	6,204,695	6,645,898	6,423,200	6,443,052	6,908,975	7,608,663	10,699,679	8,795,406	9,339,299	10,095,498
Capital Grants & Contributions	1,296,144	2,114,336	1,614,633	1,063,521	3,060,842	1,827,395	4,242,061	1,623,129	8,028,366	8,709,321
Total Business-type Activities	<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>	<u>65,748,815</u>	<u>68,292,563</u>
Total - Primary Government	<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>	<u>\$ 86,701,669</u>	<u>\$ 90,452,101</u>
Net (Expense)/Revenue										
Governmental Activities	(54,794,823)	(56,490,101)	(55,818,562)	(57,648,760)	(34,125,858)	(97,447,283)	(70,513,897)	(61,699,462)	(56,160,845)	(59,708,776)
Business-Type Activities	6,460,300	9,571,926	8,620,419	8,811,672	12,486,676	12,222,098	16,414,098	9,428,268	20,183,830	17,692,256
Total Primary Government Net Position	<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>	<u>\$ (35,977,015)</u>	<u>\$ (42,016,520)</u>

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
General Revenues & Other Changes in Net Position										
Governmental Activities:										
Taxes										
Property Taxes	41,155,010	41,592,801	42,370,280	42,580,102	43,643,932	45,392,038	47,576,341	49,901,044	52,489,737	52,600,146
Other Taxes	838,567	879,474	2,221,892	2,843,219	2,899,637	2,176,780	1,870,383	2,296,548	2,596,734	2,815,450
Intergovernmental revenues not restricted to specific programs	12,207,975	12,194,949	12,128,645	11,403,088	11,498,209	11,569,281	11,841,396	11,969,608	11,926,527	11,980,281
Investment income (loss)	1,041,540	1,956,537	1,564,038	687,460	891,771	1,326,962	2,387,491	2,501,491	(300,437)	-
Gain(Loss) on the sale of assets	128,766	163,000	581,314	87,399	179,507	166,055	363,288	840,164	367,964	1,018,254
Miscellaneous	93,731	93,078	109,739	139,077	482,150	382,032	220,751	202,536	219,092	283,260
Transfers	<u>2,079,727</u>	<u>2,534,089</u>	<u>2,761,647</u>	<u>2,853,600</u>	<u>2,621,836</u>	<u>2,464,686</u>	<u>2,128,203</u>	<u>1,564,322</u>	<u>1,578,095</u>	<u>930,237</u>
Total general revenues and transfers	<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>	<u>68,877,712</u>	<u>69,627,628</u>
Business-type Activities										
Investment income (loss)	(350,702)	1,211,173	487,109	374,788	519,177	872,251	2,407,323	1,897,133	(510,045)	1,159,568
Gain(Loss) on the sale of assets	(3,362)	-	16,203	-	-	-	(15,235)	14,867	6,367	20,947
Miscellaneous	16,833	12,260	18,906	18,518	17,898	7,706	44,800	32,473	20,409	18,959
Transfers	<u>(2,079,727)</u>	<u>(2,534,089)</u>	<u>(2,761,647)</u>	<u>(2,853,600)</u>	<u>(2,621,836)</u>	<u>(2,464,686)</u>	<u>(2,128,203)</u>	<u>(1,564,322)</u>	<u>(1,578,095)</u>	<u>(930,237)</u>
Total Business-type Activities	<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>	<u>(2,061,364)</u>	<u>269,237</u>
Total Primary Government	<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>	<u>\$ 66,816,348</u>	<u>\$ 69,896,865</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>	<u>\$ -</u>	<u>\$ -</u>
Change in Net Position										
Governmental Activities:	\$ 2,750,493	\$ 2,923,827	\$ 5,918,993	\$ 2,945,185	\$ 28,091,184	\$ (33,969,449)	\$ (4,126,044)	\$ 7,576,251	\$ 12,716,867	\$ 9,918,852
Business-type Activities	<u>4,043,342</u>	<u>8,261,270</u>	<u>6,380,990</u>	<u>6,351,378</u>	<u>10,401,915</u>	<u>10,637,369</u>	<u>16,722,783</u>	<u>9,808,419</u>	<u>18,122,466</u>	<u>17,961,493</u>
Total Primary Government	<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>\$ (23,332,080)</u>	<u>\$ 12,596,739</u>	<u>\$ 17,384,670</u>	<u>\$ 30,839,333</u>	<u>\$ 27,880,345</u>

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

Function/Program	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Governmental Activities:										
General Government	\$ 1,001,379	\$ 6,018,321	\$ 1,310,772	\$ 2,976,458	\$ 1,318,594	\$ 2,993,168	\$ 3,008,046	\$ 3,026,870	\$ 2,899,792	\$ 5,556,747
Public Safety	4,411,076	1,922,914	1,964,252	1,909,582	1,874,656	1,885,285	1,901,242	3,768,578	2,911,193	2,792,082
Public Works	11,115,128	7,454,868	10,321,293	7,411,155	7,083,475	6,412,725	7,491,608	9,487,098	9,929,175	8,574,679
Education & Recreation	1,794,015	1,749,595	2,081,152	2,218,534	2,339,327	2,567,121	3,712,948	1,765,716	2,190,724	3,122,666
Community Development	2,435,348	1,632,341	993,046	2,492,761	31,668,557	1,782,148	1,470,120	1,780,326	3,021,970	2,113,364
Total Governmental Activities	<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>	<u>20,952,854</u>	<u>22,159,538</u>
Business-type Activities										
Water	20,344,681	20,554,177	21,494,126	21,879,177	21,752,383	21,458,700	20,761,137	20,295,843	23,089,102	22,923,913
Wastewater	10,814,267	11,458,660	11,772,261	11,905,485	12,609,743	13,198,363	13,163,732	11,360,615	15,656,170	16,339,438
Valley Transit	7,878,741	8,248,739	8,016,598	8,054,604	9,552,071	9,245,794	12,311,056	9,804,804	10,510,875	10,724,560
Stormwater	8,736,897	10,426,877	9,713,993	10,024,620	10,384,606	10,725,968	13,493,522	11,787,052	13,713,133	15,105,790
Other non-major enterprise funds	3,058,791	3,160,100	3,299,997	3,254,970	3,552,691	3,406,494	4,032,348	2,422,546	2,779,535	3,198,862
Total Business-type Activities	<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>	<u>65,748,815</u>	<u>68,292,563</u>
Total - Primary Government	<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>	<u>\$ 86,701,669</u>	<u>\$ 90,452,101</u>

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
General Fund										
Nonspendable	\$ 11,255,209	\$ 9,384,163	\$ 8,342,254	\$ 9,084,808	\$ 9,766,708	\$ 8,669,423	\$ 7,819,413	\$ 6,106,703	\$ 3,338,419	\$ 3,177,575
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	81,918	310,537	-	-	-
Assigned	10,983,149	10,792,122	11,828,526	9,286,118	11,700,563	13,160,600	13,550,732	15,204,222	14,675,803	16,110,033
Unassigned (Deficit)	<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>	<u>16,528,711</u>	<u>8,738,955</u>
Total General Fund	<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>	<u>\$ 34,542,933</u>	<u>\$ 28,026,563</u>
All Other Governmental Funds										
Nonspendable	34,755	-	-	-	-	-	-	595	-	-
Restricted	2,282,659	3,495,290	3,478,831	11,424,576	7,526,119	9,097,900	6,342,476	4,542,342	9,308,683	13,344,114
Committed	1,087,732	1,026,519	1,276,478	1,485,193	1,447,054	1,228,173	1,482,253	1,574,278	1,720,639	1,877,932
Assigned	6,337,120	5,916,918	5,652,454	6,769,421	5,919,162	4,541,521	6,466,558	8,763,645	13,824,895	19,076,005
Unassigned (Deficit)	<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>	<u>(2,795,018)</u>	<u>(1,588,262)</u>
Total All Other Governmental Funds	<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>	<u>22,059,199</u>	<u>32,709,789</u>
Total Governmental Funds	<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>	<u>\$ 56,602,132</u>	<u>\$ 60,736,352</u>

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
REVENUES										
Taxes	\$ 41,993,577	\$ 42,472,273	\$ 44,592,173	\$ 45,423,321	\$ 46,543,569	\$ 47,568,818	\$ 49,446,724	\$ 52,197,592	\$ 55,086,471	\$ 55,415,596
Intergovernmental	19,542,869	16,527,661	16,970,682	19,481,564	47,099,618	17,813,074	17,504,414	21,612,150	19,893,937	22,756,881
Licenses and permits	1,086,494	1,035,280	1,147,980	1,145,640	1,202,535	1,116,996	1,139,475	1,247,183	1,672,652	1,901,509
Fines and forfeitures	334,540	310,674	273,814	264,084	255,440	265,875	241,090	214,691	222,993	218,300
Special assessments	2,069,839	2,294,899	1,314,048	1,031,961	703,144	825,661	555,091	646,968	795,080	792,608
Investment income	200,720	1,150,497	1,806,564	2,388,774	2,620,393	3,077,349	4,213,598	4,290,257	1,227,690	(715,276)
Charges for services	2,552,360	2,764,761	2,775,829	2,774,166	2,842,908	2,865,795	3,566,981	2,566,133	3,640,941	3,823,047
Other	5,260,163	4,254,825	5,694,327	4,546,476	6,249,706	5,517,097	8,046,130	6,000,743	6,082,758	6,088,969
Total Revenues	<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>	<u>88,622,522</u>	<u>90,281,634</u>
EXPENDITURES										
Current:										
General government	7,297,364	7,057,221	7,501,218	7,839,058	8,330,045	7,444,191	7,582,272	7,629,387	7,949,960	8,459,827
Public safety	27,941,935	28,507,562	28,919,211	29,772,547	31,068,651	31,283,439	31,628,314	32,977,187	34,008,842	36,238,193
Public works	17,373,663	17,290,491	16,170,161	16,623,060	17,454,222	16,315,108	16,194,024	15,252,175	15,878,043	16,464,515
Education and recreation	7,375,059	7,605,818	7,806,647	8,043,834	8,437,946	8,400,206	8,625,880	7,724,610	8,517,767	9,294,626
Community development	2,981,128	3,997,318	4,098,287	3,713,108	3,125,873	3,223,934	3,264,563	3,966,207	4,432,017	4,196,182
Capital Outlay	14,281,748	9,972,321	13,292,522	19,460,632	49,999,793	17,268,503	25,635,735	20,569,671	15,508,136	17,724,128
Debt Service:										
Principal retirement	6,057,333	4,112,332	4,287,333	4,046,082	5,582,624	6,577,249	7,077,500	7,339,875	8,774,375	10,072,566
Interest and fiscal charges	1,924,256	1,767,037	1,676,117	1,757,116	2,125,377	2,051,359	2,362,260	2,582,211	2,536,749	2,614,388
Total Expenditures	<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>	<u>97,605,889</u>	<u>105,064,425</u>
Excess (deficiency) of revenues over (under) expenditures	<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>	<u>(8,983,367)</u>	<u>(14,782,791)</u>
OTHER FINANCING SOURCES (USES)										
Debt issued	-	6,375,000	5,775,000	18,920,000	14,170,000	13,840,000	17,805,000	15,000,000	14,500,000	15,530,000
Premium on debt issued	-	46,266	222,457	1,527,653	790,738	1,256,719	979,653	861,170	769,949	1,067,759
Refunding debt issued	-	-	-	-	-	-	-	-	-	-
Payments to escrow agents	-	-	-	-	(4,994,438)	-	-	-	-	-
Capital Lease Proceeds	-	-	-	-	-	-	-	-	-	224,475
Sale of city properties	10,714	7,702	21,139	411,886	260,140	470,848	479,942	583,726	1,571,069	713,673
Transfers in	9,285,409	6,056,499	8,314,715	6,811,499	7,412,128	7,616,719	5,849,258	4,451,107	8,390,170	9,053,881
Transfers out	(6,350,926)	(3,208,422)	(5,238,775)	(3,629,301)	(4,602,033)	(4,829,268)	(3,474,092)	(2,622,698)	(7,755,499)	(7,672,777)
Total Other Financing Sources (Uses)	<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>	<u>17,475,689</u>	<u>18,917,011</u>
Net Change in Fund Balances	<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>	<u>8,492,322</u>	<u>4,134,220</u>
FUND BALANCES - BEGINNING	<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>	<u>56,602,132</u>
FUND BALANCES - ENDING	<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>	<u>\$ 56,602,132</u>	<u>\$ 60,736,352</u>
Debt service as a percent of non-capital expenditures	12.2%	10.5%	9.9%	9.2%	11.5%	12.2%	12.5%	14.2%	15.7%	16.4%

**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>
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%
2021	2022	4,189,585,800	1,435,313,700	156,618,200	1,345,800	105,784,800	5,888,648,300	8.8976	6,688,360,800	88.04%
2022	2023	4,236,751,400	1,478,051,400	152,098,300	1,327,100	97,041,100	5,965,269,300	9.4814	7,511,516,400	79.41%

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

<u>Levy Year</u>	<u>Collection Year</u>	<u>Basic Rate</u>	<u>G.O. Debt Service</u>	<u>City of Appleton Direct Rate ⁽¹⁾</u>	<u>Appleton School District</u>	<u>FVTC</u>	<u>Outagamie County</u>	<u>State of Wisconsin</u>	<u>Gross Tax Rate</u>	<u>State Tax Credits</u>	<u>Net Tax Rate</u>
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
2021	2022	6.97	1.93	8.90	8.67	1.02	3.79	-	22.38	1.44	20.94
2022	2023	7.09	2.39	9.48	8.95	1.01	3.85	-	23.29	1.42	21.87

OUTAGAMIE COUNTY/MENASHA SCHOOL DISTRICT

Per \$1,000 of Assessed Value

<u>Levy Year</u>	<u>Collection Year</u>	<u>Basic Rate</u>	<u>G.O. Debt Service</u>	<u>City of Appleton Direct Rate ⁽¹⁾</u>	<u>Menasha School District</u>	<u>FVTC</u>	<u>Outagamie County</u>	<u>State of Wisconsin</u>	<u>Gross Tax Rate</u>	<u>State Tax Credits</u>	<u>Net Tax Rate</u>
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
2021	2022	6.97	1.93	8.90	13.21	1.02	3.79	-	26.92	1.44	25.48
2022	2023	7.09	2.39	9.48	14.70	1.01	3.85	-	29.04	1.42	27.63 *

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

(Continued)

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

Last Ten Fiscal Years

OUTAGAMIE COUNTY/FREEDOM SCHOOL DISTRICT

Per \$1,000 of Assessed Value

<u>Levy Year</u>	<u>Collection Year</u>	<u>Basic Rate</u>	<u>G.O. Debt Service</u>	<u>City of Appleton Direct Rate ⁽¹⁾</u>	<u>Freedom School District</u>	<u>FVTC</u>	<u>Outagamie County</u>	<u>State of Wisconsin</u>	<u>Gross Tax Rate</u>	<u>State Tax Credits</u>	<u>Net Tax Rate</u>
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
2021	2022	6.97	1.93	8.90	6.73	1.02	3.79	-	20.44	1.44	19.00
2022	2023	7.09	2.39	9.48	6.38	1.01	3.85	-	20.72	1.42	19.31 *

OUTAGAMIE COUNTY/HORTONVILLE SCHOOL DISTRICT

Per \$1,000 of Assessed Value

<u>Levy Year</u>	<u>Collection Year</u>	<u>Basic Rate</u>	<u>G.O. Debt Service</u>	<u>City of Appleton Direct Rate ⁽¹⁾</u>	<u>Hortonville School District</u>	<u>FVTC</u>	<u>Outagamie County</u>	<u>State of Wisconsin</u>	<u>Gross Tax Rate</u>	<u>State Tax Credits</u>	<u>Net Tax Rate</u>
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 *
2021	2022	6.97	1.93	8.90	9.04	1.02	3.79	-	22.75	1.44	21.31
2022	2023	7.09	2.39	9.48	8.34	1.01	3.85	-	22.68	1.42	21.27 *

* 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
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
2021	2022	7.14	1.98	9.12	8.88	1.05	4.74	-	23.79	1.25	22.53 *
2022	2023	7.08	2.38	9.46	8.93	1.01	4.83	-	24.23	1.25	22.98

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
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
2021	2022	7.14	1.98	9.12	7.03	1.05	4.74	-	21.94	1.25	20.68 *
2022	2023	7.08	2.38	9.46	6.99	1.01	4.83	-	22.29	1.25	21.04

* 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
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	7.67	0.81	8.48	9.00	1.11	5.20	0.17	23.96	1.54	22.42
2017	2018	7.66	1.09	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
2021	2022	6.85	1.90	8.75	8.52	1.00	4.84	-	23.11	1.71	21.40
2022	2023	6.91	2.33	9.24	8.72	0.99	4.86	-	23.81	1.80	22.00 *

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
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	7.67	0.81	8.48	11.19	1.11	5.20	0.17	26.15	1.54	24.61
2017	2018	7.66	1.09	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 *
2021	2022	6.85	1.90	8.75	13.00	1.00	4.84	-	27.59	1.71	25.88
2022	2023	6.91	2.33	9.24	14.34	0.99	4.86	-	29.43	1.80	27.63

* 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>2022</u>			<u>2013</u>		
		<u>Taxable Assessed</u>	<u>Percent of Total Assessed</u>	<u>Rank</u>	<u>Taxable Assessed</u>	<u>Percent of Total Assessed</u>	<u>Rank</u>
		<u>Value ^(A)</u>	<u>Value ^(B)</u>		<u>Value ^(A)</u>	<u>Value ^(B)</u>	
Commercial Horizons	Real Estate Development	\$ 85,513,200	1.43%	1			
Thomas Wright et al	Rental Properties	50,534,100	0.85%	2	39,325,300	0.82%	4
Riverheath	Rental Properties	50,238,900	0.84%	3			
Pfefferle/Hoffman/Evans et al	Real Estate Development	42,457,600	0.71%	4	46,006,000	0.95%	1
Winters Properties et al	Real Estate Development	38,198,100	0.64%	5	44,617,800	0.93%	2
Physicians Realty Trust	Medical Properties	30,924,200	0.52%	6			
North Appleton Ambulatory Care Center (Encircle)	Medical Clinic	30,361,500	0.51%	7	30,312,100	0.63%	5
Parkside Luxury Apartments	Rental Properties	28,862,800	0.48%	8			
Encircle Realco LLC (Hand to Shoulder Center)	Medical Clinic	25,980,100	0.44%	9			
TheDACare	Hospital	21,647,500	0.36%	10			
Appleton Land Co (Paper Valley Hotel)	Hotel				17,037,600	0.35%	9
Thrivent/North Meadows	Insurance ^(C)				18,948,800	0.39%	8
Appvion, Inc. (Appleton Papers)	NCR Paper Products				19,236,000	0.40%	7
LHPT Appleton	Hospital				22,764,600	0.47%	6
VH Enterprise/Warehouse Spec. et al	Warehouse Storage				15,785,400	0.33%	10
Plank Inv/Eisenhower/Kensington Prop	Real Estate Development				43,078,000	0.89%	3
	TOTAL	\$ 404,718,000	6.78%		\$ 297,111,600	6.17%	

(A) Per City Assessor's records.

(B) Based on the city's total January 1, 2022 and 2013 assessed valuation of \$5,965,269,300 and \$4,818,459,300, 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
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
2021	48,543,874	48,274,876	99.45	48,533,429	99.98	10,445	0.02
2022	50,046,291	49,738,255	99.38	50,029,253	99.97	17,038	0.03

^(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**

	City Direct <u>Rate</u>	Outagamie County Direct <u>Rate</u>	Calumet County Direct <u>Rate</u>	Winnebago County Direct <u>Rate</u>	<u>Wisconsin</u>
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
2021	0.0	0.5	0.5	0.0	5.0
2022	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			
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	5.87%	2,406
2021	80,990,000	1,180,000	-	40,665,000	22,900,000	40,060,000	185,795,000	5.62%	2,456
2022	86,650,000	970,000	-	37,100,000	33,115,000	36,570,000	194,405,000	N/A	2,571

* 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⁾
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
2021	82,170,000	(1,139,411)	81,030,589	1.21	1,071
2022	87,620,000	(859,872)	86,760,128	1.16	1,148

- (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)	\$ 86,760,128	100.0000 %	<u>\$ 86,760,128</u>
<u>Overlapping Debt</u>			
Appleton Area School District	2,817,080	64.8000	1,825,468
Menasha Joint School District	18,409,082	3.4310	631,616
Kimberly Area School District	9,490,000	1.2300	116,727
Freedom Area School District	530,000	13.7100	72,663
Hortonville Area School District	66,193,726	0.0008	510
Fox Valley Technical College	72,501,353	14.0607	10,194,164
Outagamie County	56,081,242	29.5200	16,555,183
Calumet County	41,415,000	18.0000	7,454,700
Winnebago County	29,253,823	0.4816	<u>140,893</u>
Total Overlapping Debt			<u>36,991,924</u>
Total Direct And Overlapping Debt			<u><u>\$ 123,752,052</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 2022:

Equalized Value of Real & Personal Property	\$ 7,511,516,400
Outagamie County	6,345,575,100
Calumet County	1,066,792,100
Winnebago County	99,149,200
Legal Debt Limit (5% of equalized value)	<u>\$ 375,575,820</u>
Amount of Debt Applicable to Debt Limitation:	
Total General Obligation Bonds and Notes Outstanding at December 31, 2022	\$ 87,620,000
Less: Assets in Government Fund Types Available for Debt Service	<u>(859,872)</u>
Amount of Debt Applicable to Debt Limit	<u>86,760,128</u>
Remaining Legal Debt Margin	<u>\$ 288,815,692</u>

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	Fiscal Year									
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Debt Limit	\$ 231,115,610	\$ 234,833,025	\$ 240,837,740	\$ 246,936,265	\$ 261,146,195	\$ 272,171,760	\$ 292,767,835	\$ 310,015,560	\$ 334,418,040	\$ 375,575,820
Total net debt applicable to limit	<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>	<u>81,030,589</u>	<u>86,760,128</u>
Legal Debt Margin	<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>	<u>\$ 253,387,451</u>	<u>\$ 288,815,692</u>
Total net debt applicable to limit as a percentage of debt limit	11.35%	12.10%	12.39%	18.48%	18.86%	20.59%	23.10%	24.31%	24.23%	23.10%

**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>	
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	6,735,000	1,559,282	8,294,282	1.44
2021	20,368,672	8,411,418	11,957,254	3,565,000	1,317,624	4,882,624	2.45
2022	20,607,437	9,559,453	11,047,984	3,695,000	1,184,624	4,879,624	2.26

(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

<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>	
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	1,230,000	587,188	1,817,188	2.11
2021	13,176,690	7,314,261	5,862,429	1,495,000	727,213	2,222,213	2.64
2022	14,018,037	8,364,583	5,653,454	1,925,000	1,182,219	3,107,219	1.82

(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>	
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	3,575,000	1,544,177	5,119,177	1.50
2021	11,370,099	3,429,350	7,940,749	3,490,000	2,059,896	5,549,896	1.43
2022	11,669,520	3,629,922	8,039,598	3,590,000	1,277,152	4,867,152	1.65

(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⁾
2013	73,150	\$ 2,480,000,000	\$ 53,720	16,042	37,187	7.8
2014	73,463	2,571,979,850	55,550	16,231	37,833	4.8
2015	73,737	2,685,661,219	57,588	16,300	38,217	3.9
2016	74,286	2,800,934,090	59,817	16,407	38,953	3.6
2017	74,598	2,801,696,751	59,707	16,304	39,243	3.2
2018	74,734	2,900,651,453	60,659	16,302	38,786	2.9
2019	74,739	3,040,380,527	62,442	16,067	38,412	2.9
2020	74,465	3,050,374,387	61,439	15,710	37,294	5.9
2021	75,644	3,305,042,858	67,057	15,217	38,567	3.2
2022	75,605	N/A *	N/A *	15,270	38,560	2.6

- (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>2022</u>			<u>2013</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	3,900	1	10.1 %	1,902	1	5.1 %
US Venture Inc.	Petroleum bulk stations/terminals	2,500	2	6.5			
The Boldt Company	Nonresidential Construction	2,001	3	5.2	1,254	6	3.4
Thrivent Financial	Direct life insurance carriers	2,000	4	5.2	1,800	2	4.8
Presto Products Co.	Plastics and plastic products manufacturer	1,981	5	5.1			
Appleton Area School District	Education	1,724	6	4.5	1,526	4	4.1
Miller Electric Manufacturing	Welding and soldering equipment manufacturing	1,400	7	3.6	1,426	5	3.8
Dixon Ticonderoga Co.	Lead pencils/crayons manufacturer	1,400	8	3.6			
Appvion, Inc. (Appleton Papers)	Paper Products Manufacturing	1,250	9	3.2	1,644	3	4.4
Appleton Medical Center	Medical & Health Care Facility	1,184	10	3.1	1,230	8	3.3
Outagamie County	Government				1,240	7	3.3
Intrado (West Corporation)	Communications Services				1,000	9	2.7
Faith Technologies	Electrical				1,000	10	2.7
Total		<u>6,958</u>		<u>18.0 %</u>	<u>14,022</u>		<u>24.4</u>
Total Employment		<u>38,560</u>			<u>37,187</u>		

* 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 6,800 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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</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	14.50	14.00	14.00	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	11.00	11.00	11.00	11.00	11.00	11.00	10.00	10.00	10.20
Mayor's Office	2.00	3.00	3.00	3.00	4.00	4.00	4.00	4.00	4.00	4.00
Facilities Management	10.62	10.62	10.65	11.65	11.93	11.93	11.93	11.93	11.93	11.93
Total - General Government	57.92	57.42	57.45	58.45	59.73	59.73	59.73	58.73	58.73	58.93
Community Development ⁽²⁾	19.13	19.13	19.13	19.13	18.13	18.13	18.20	19.20	19.20	19.20
Recreation/Library/Transit										
Parks & Recreation	16.73	16.88	18.93	19.27	18.99	19.08	19.08	19.08	19.08	19.08
Library	45.00	45.50	46.50	46.00	46.50	46.50	46.50	45.50	45.50	45.50
Valley Transit	54.13	53.97	54.35	54.35	56.20	56.85	58.85	60.10	60.10	61.10
Total - Recreation/Library/Transit	115.86	116.35	119.78	119.62	121.69	122.43	124.43	124.68	124.68	125.68
Public Works	153.53	154.13	154.13	154.13	154.33	154.33	154.33	154.33	154.33	156.66
Public Health & Safety										
Health Department	14.00	14.20	14.20	13.70	13.23	13.48	13.48	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	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
Police Department										
Sworn	108.00	109.00	110.00	110.00	110.00	111.00	113.00	113.00	113.00	113.00
Civilian	26.00	27.00	27.00	27.00	27.00	27.00	27.00	27.00	27.00	27.00
Total - Public Health & Safety	244.00	246.20	247.20	246.70	246.23	247.48	249.48	249.48	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>624.43</u>	<u>627.22</u>	<u>631.69</u>	<u>632.03</u>	<u>634.11</u>	<u>636.09</u>	<u>640.16</u>	<u>640.41</u>	<u>640.41</u>	<u>643.94</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**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government										
Building permits issued	537	478	524	433	407	223	207	238	269	295
Est. construction value (\$000)	86,029.6	65,563.9	140,806.5	80,795.3	115,948.4	42,437.6	35,507.3	54,265.4	130,096.6	102,622.0
School aged children vaccinated	98.8%	99.0%	99.7%	98.9%	99.0%	99.0%	99.0%	99.0%	99.0%	99.0%
Accurate weights & measures devices	96.9%	96.7%	94.2%	96.7%	97.4%	97.7%	97.7%	94.6%	95.0%	96.9%
Food-borne disease outbreaks	0	0	0	0	0	0	0	0	0	0
Police										
Calls for service	51,003	48,809	47,694	49,854	51,184	46,056	46,633	45,867	54,942	65,162
Reported Group A crimes	4,469	4,229	4,125	4,363	4,414	3,980	3,691	4,081	4,196	4,347
Reported Group B crimes	6,401	5,939	5,664	5,163	5,297	4,454	3,765	4,184	3,482	3,410
Fire										
Emergency response < 4 min.	63.0%	64.0%	63.0%	63.0%	66.0%	68.0%	69.0%	82.0%	73.0%	84.0%
Fire loss (\$000)	744.4	919.5	1,187.6	1,293.0	1,378.3	946.4	1,530.4	1,466.2	1,375.7	4,958.5
Fire-related deaths	0	0	0	1	0	0	1	1	2	1
Emergency calls	3,930	4,273	4,414	4,718	4,705	5,028	5,995	5,909	6,841	7,185
Public Works										
Tons of refuse collected	20,236	19,555	19,934	20,209	19,692	19,493	19,462	20,027	20,543	19,251
Tons of recycling collected	6,250	6,492	6,626	6,792	6,448	6,211	6,017	6,001	5,812	5,642
Cu. Yds. of debris - street sweeping	4,124	3,920	5,565	4,059	5,570	4,186	3,940	5,318	2,989	3,625
Cost/ton - residential auto pickup	\$ 86.01	\$ 87.50	\$ 86.82	\$ 87.57	\$ 89.14	\$ 89.72	\$ 114.00	\$ 120.42	\$ 118.70	\$ 124.09
Miles of street reconstructed	2.45	2.90	2.31	5.73	3.30	2.38	1.37	1.22	1.83	1.22
% of trees < 6" dia. pruned annually	60	50	50	50	50	50	50	50	-	-
Average pruning cycle, trees > 6" dia. ⁽⁵⁾	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	1,826	2,010	3,263	3,400	3,397	3,734	3,786	1,288	1,999	2,479
Aquatics program participants ^{(1), (2)}	3,240	3,399	3,294	6,932	3,678	4,447	3,837	376	1,476	2,068
Open swim attendance ⁽²⁾	65,930	64,512	73,071	68,461	86,600	102,520	75,978	571	56,089	70,276
Rounds of golf played ⁽³⁾	18,037	30,720	33,247	35,888	34,351	30,884	30,069	35,787	39,373	40,142
Public Library										
Titles in collection	276,609	281,743	291,739	292,085	286,602	278,139	286,552	248,531	240,558	189,783
Materials circulated	1,376,833	1,274,136	1,166,697	1,081,882	1,015,573	954,043	891,071	215,542	545,754	545,462
Annual door count	556,874	510,874	459,780	487,795	467,884	440,696	408,532	105,816	135,560	165,318
Water										
Avg. daily consumption (000 gal.)	8,618	8,715	8,924	8,803	8,936	9,178	8,809	8,545	9,059	9,070
Peak daily consumption (000 gal.)	11,651	11,534	12,641	12,473	11,877	12,559	13,005	12,211	13,141	12,313
Number of invoices per quarter	27,897	28,192	28,316	28,480	28,640	28,649	28,775	28,874	28,995	29,115
Wastewater										
Avg. daily sewage treatment (000 gal.)	10,117	12,293	11,600	12,800	13,769	12,770	13,980	11,600	10,600	11,075
Valley Transit ⁽⁴⁾										
Total route miles	949,830	938,471	939,354	943,299	944,423	938,611	938,472	904,490	881,177	841,350
Passengers	1,093,202	1,081,882	1,055,544	1,006,035	969,379	984,076	944,492	546,701	541,223	647,941
Cost per trip	\$ 5.04	\$ 5.42	\$ 5.42	\$ 5.73	\$ 6.27	\$ 6.28	\$ 6.04	\$ 11.56	\$ 10.19	\$ 9.01

⁽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.

⁽⁵⁾ No longer a performance indicator in 2021.

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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles	84	85	85	85	85	85	85	85	88	88
Fire										
Stations	6	6	6	6	6	6	6	6	6	6
Fire suppression units	10	10	10	10	11	11	11	11	11	11
Public Works										
Miles of streets	343.0	343.0	343.0	343.0	344.0	345.0	347.0	349.0	349.0	352.0
Refuse packers	11	12	11	11	12	12	12	12	13	15
Single- and tri-axle dump trucks	27	27	27	29	27	31	27	28	25	28
Other heavy vehicles	35	33	37	41	34	34	38	36	36	38
Parks & Recreation										
Parks	32	34	34	34	34	34	34	34	34	34
Acreage	495.9	500.3	500.3	500.3	501.7	501.7	501.7	501.7	502.0	502.0
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	376.7	376.8	373.3	373.0	375.3	376.2	377.4	378.9	382.9	387.9
Storage capacity (000 gallons)	7,300	7,300	7,300	7,800	12,500	13,000	13,000	13,000	13,250	13,250
Wastewater										
Miles of mains	310.3	311.0	307.3	308.3	308.5	309.0	310.0	311.6	314.0	314.0
Stormwater										
Miles of mains	304.0	304.8	306.8	308.9	308.0	309.6	312.0	315.1	319.3	319.3

(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***

Honorable 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, 2022, 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 22, 2023.

Report on 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.

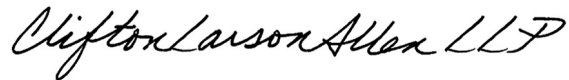
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on 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 the 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 compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Green Bay, Wisconsin
June 22, 2023

SINGLE AUDIT SECTION

**SINGLE AUDIT
SECTION**

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**

Honorable Mayor and Common Council
City of Appleton, Wisconsin

Report on Compliance for Each Major Federal and the Major State Program

Opinion on each Major Federal Program and the Major State Program

We have audited the City of Appleton's (the City) compliance with the types of compliance requirements identified as subject to audit in the 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 the City's major federal programs and major state program for the year ended December 31, 2022. The major federal programs and major state program are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each major federal program and the major state program for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Program and the Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and 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*. Our responsibilities under those standards and the Uniform Guidance and the *State Single Audit Guidelines* are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program and the major state program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal and state programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, Uniform Guidance, and the *State Single Audit Guidelines* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program and the major state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the *State Single Audit Guidelines* we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2022-001 and 2022-002. Our opinion on each major federal program and major state program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

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 program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a 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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2022-001 and 2022-002 to be material weaknesses.

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 audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 22, 2023

**CITY OF APPLETON, WISCONSIN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2022**

Grantor Agency/Federal Program Cluster or Title	Assistance Listing Number	Pass-Through Agency	Pass-Through Entity Identifying Number	(Accrued) Deferred Revenue 1/1/22	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/22	Total Federal Expenditures	Subrecipient Payment
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT								
Community Development Block Grant (CDBG) Cluster								
Entitlement Program	14.218	Direct Program	Direct Program	\$ -	\$ 483,373	\$ 136,951	\$ 620,324	\$ 428,647
COVID-19: Coronavirus Relief Fund - CV Round 1 Program Income	14.218	Direct Program	Direct Program	-	73,586	72,519	146,105	-
Total CDBG Cluster	14.218	Direct Program	Direct Program	-	598,767	-	598,767	-
Emergency Solutions Grant Program (ESG)	14.231	WI Department of Administration	14.231	-	1,155,726	209,470	1,365,196	428,647
COVID-19: Emergency Shelter Grant - CV Total Emergency Shelter Grant	14.231	WI Department of Administration	14.231	-	208,498	21,045	229,543	196,937
Supportive Housing Program (SHP)	14.235	Direct Program	Direct Program	-	415,787	-	415,787	-
Total U.S. Department of Housing and Urban Development				-	624,285	21,045	645,330	196,937
				-	307,794	24,185	331,979	292,420
				-	2,087,805	254,700	2,342,505	918,004
U.S. DEPARTMENT OF JUSTICE								
Bullet Proof Vest Partnership Program								
Edward Byrne Memorial Justice Assistance Grant	16.607	Direct Program	Direct Program	-	5,976	2,615	8,591	-
Total U.S. Department of Justice	16.738	Direct Program	Direct Program	-	5,128	-	5,128	-
				-	11,104	2,615	13,719	-
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	(44,709)	44,709	-	-	-
2019	20.507	Direct Program	WI-2019-029-00	(98,758)	98,758	-	-	-
2020	20.507	Direct Program	WI-2020-44-00	(73,225)	73,225	83,513	83,513	-
2021	20.507	Direct Program	WI-2021-40-00	(22,261)	1,628,579	13,381	1,619,699	-
2022	20.507	Direct Program	WI-2022-41-00	-	-	1,250,249	1,250,249	-
Total Federal Transit Formula Grants				(238,953)	1,845,271	1,347,143	2,953,461	-
Total Federal Transit Cluster				(238,953)	1,845,271	1,347,143	2,953,461	-
Transit Services Programs Cluster								
Enhanced Mobility of Seniors and Individuals with Disabilities								
2016 & 2017	20.513	Direct Program	WI-2018-008-00	(2,488)	2,488	-	-	-
2018	20.513	Direct Program	WI-2019-023-00	(29,894)	51,403	-	21,509	21,509
2019	20.513	Direct Program	WI-2019-023-00	(162,742)	178,710	-	15,968	15,968
2020	20.513	Direct Program	WI-2020-023-00	-	13,396	17,704	31,100	31,100
Total Enhanced Mobility of Seniors and Individuals with Disabilities				(195,124)	245,997	17,704	68,577	68,577
Total Transit Services Programs Cluster				(195,124)	245,997	17,704	68,577	68,577
Highway Safety Cluster								
State and Community Highway Safety								
Seatbelt Enforcement	20.600	WI Department of Transportation	FG-2020-OUTAGAMI-05002	-	36,760	32,333	69,093	-
OWI	20.600	WI Department of Transportation	FG-2020-OUTAGAMI-05001	-	34,845	8,032	42,877	-
Speed	20.600	WI Department of Transportation	3950980-40-34	-	40,860	-	40,860	-
Ped/Bike	20.600	WI Department of Transportation	3950981-80-02	-	7,803	-	7,803	-
Total State and Community Highway Safety				-	120,268	40,365	160,633	-
Total Highway Safety Cluster				-	120,268	40,365	160,633	-
Total U.S. Department of Transportation				(434,077)	2,211,536	1,405,212	3,182,671	68,577

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

**CITY OF APPLETON, WISCONSIN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022**

Grantor Agency/Federal Program Cluster or Title	Assistance Listing Number	Pass-Through Agency	Pass-Through Entity Identifying Number	(Accrued) Deferred Revenue 1/1/22	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/22	Total Federal Expenditures	Subrecipient Payment
U.S. DEPARTMENT OF TREASURY								
COVID-19: Coronavirus State and Local Fiscal Recovery Funds	21.027	Direct Program	N/A	\$ 7,370,422	\$ 7,445,921	\$ (12,456,170)	\$ 2,360,173	\$ 178,375
COVID-19: Coronavirus State and Local Fiscal Recovery Funds	21.027	WI Department of Health Services	155811	-	-	9,649	9,649	-
COVID-19: Coronavirus State and Local Fiscal Recovery Funds: EMS Flex Grant	21.027	WI Department of Health Services	**	-	26,445	26,445	52,890	-
COVID-19: Coronavirus State and Local Fiscal Recovery Funds: WI Safer Community	21.027	WI Department of Administration	**	-	225,617	-	225,617	-
Total COVID-19: American Rescue Plan Act				7,370,422	7,697,983	(12,420,076)	2,648,329	178,375
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	-	67	-	67	-
Prevention and Public Health Fund (Affordable Care Act) - Immunization Program	93.268	WI Department of Health Services	155809	-	9,021	2,731	11,752	-
ELC Grant	93.323	WI Department of Health Services	155806	-	155,030	62,943	217,973	-
ARRA Immunizations and Vaccines	93.539	WI Department of Health Services	155020	-	17,957	6,235	24,192	-
Preventative Health and Health Services Block Grant	93.991	WI Department of Health Services	159220	-	6,628	-	6,628	-
Preventative Health and Health Services Block Grant	93.991	WI Department of Health Services	155800	-	5,735	5,294	11,029	-
Total Preventative Health and Health Services Block Grant				-	185,350	74,472	259,822	-
Maternal and Child Health Services Block Grant to the States	93.994	WI Department of Health Services	159320	-	14,513	17,244	31,757	-
Public Health Emergency Preparedness	93.069	WI Department of Health Services	155015	-	28,985	51,703	80,688	-
COVID-19: PH Emergency Preparedness (PHEP) (Health)	93.354	WI Department of Health Services	155801	-	24,959	19,612	44,571	-
Project Grant Cooperative Agreement for Tuberculosis for Control Programs	93.116	WI Department of Health Services	**	1,643	-	(1,643)	-	-
Total U.S. Department of Health and Human Services				1,643	448,245	238,591	688,479	-
TOTAL EXPENDITURES OF FEDERAL AWARDS				\$ 6,937,988	\$ 12,456,673	\$ (10,518,958)	\$ 8,875,703	\$ 1,164,956

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

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

**CITY OF APPLETON, WISCONSIN
SCHEDULE OF EXPENDITURES OF STATE AWARDS
YEAR ENDED DECEMBER 31, 2022**

Grantor Agency/State Program Title	State I.D. Number	Pass-Through Agency	Pass-Through Entity Identifying Number	(Accrued) Deferred Revenue 1/1/22	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/22	Total Expenditures	Subrecipient Payment
DEPARTMENT OF NATURAL RESOURCES								
Urban Nonpoint Source and Stormwater Grants	370.TH1	Direct Program	370.TH1	\$ -	\$ 75,000	\$ -	\$ 75,000	\$ -
DEPARTMENT OF TRANSPORTATION								
Transit Operating Aids 2022	395.104	Direct Program	395.104	-	2,831,704	-	2,831,704	-
Paratransit Aids	395.104	Direct Program	395.104	-	97,159	-	97,159	-
Total Department of Transportation				-	2,928,863	-	2,928,863	-
DEPARTMENT OF HEALTH SERVICES								
Lead Poisoning	435.157720	Direct Program	157720	-	9,819	-	9,819	-
DEPARTMENT OF MILITARY AFFAIRS								
Regional Emergency Response Team - FEMA	465.305	Direct Program	465.305	-	45,075	-	45,075	-
Radiological Field Team Services	465.306	Direct Program	465.306	-	24,999	-	24,999	-
Total Department of Military Affairs				-	70,074	-	70,074	-
DEPARTMENT OF ADMINISTRATION								
2018 State VW Capital Grant	VW-BUS-APPL-01	Direct Program	VW-BUS-APPL-01	-	2,471,395	-	2,471,395	-
Total Department of Administration				-	2,471,395	-	2,471,395	-
DEPARTMENT OF JUSTICE								
MEG Drug Enforcement	455.231	Direct Program	455.231	-	11,574	-	11,574	-
CEASE - LWAM	455.231	Direct Program	455.231	-	387	-	387	-
Total Department of Justice				-	11,961	-	11,961	-
TOTAL STATE PROGRAMS				\$ -	\$ 5,567,112	\$ -	\$ 5,567,112	\$ -

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

**CITY OF APPLETON, WISCONSIN
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
DECEMBER 31, 2022**

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 2022 fund financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and the *State Single Audit Guidelines*. 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.

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.

**CITY OF APPLETON, WISCONSIN
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
DECEMBER 31, 2022**

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
 Wisconsin Department of Administration

NOTE 4 STATE OF WISCONSIN COMMUNITY AIDS REPORTING SYSTEM

The Wisconsin Department of Health Services (DHS) utilizes the Community Aids Reporting System (CARS) 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 programs agree with the expenditures reported on the April 2023 CARS for the Health Services.

**CITY OF APPLETON, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2022**

Section I - Summary of the Auditors' Results

Basic Financial Statements

1. Type of auditors' report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
3. Noncompliance material to basic financial statements noted? _____ yes x no

Federal Awards

1. Internal control over major program:
- Material weakness(es) identified? x yes _____ no
 - Significant deficiency(ies) identified? _____ yes x none reported
2. Type of auditors' report issued on compliance for major programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? x yes _____ no

Identification of Major Federal Programs

Federal Assistance Number	Name of Federal Programs/Clusters
14.218	CDBG - Entitlement Grants Cluster
20.507	Federal Transit Cluster
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)

Audit threshold used to distinguish between Type A and Type B programs:
Federal Awards \$ 750,000

Auditee qualified as low-risk auditee? x yes _____ no

**CITY OF APPLETON, WISCONSIN
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
 YEAR ENDED DECEMBER 31, 2022**

Section I - Summary of the Auditors' Results (Continued)

State Financial Assistance

1. Internal control over state projects:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
2. Type of auditors' report issued on compliance for state projects: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with *State Single Audit Guidelines*? _____ yes x no

Identification of Major State Projects

State ID Number	Name of State Programs
395.104	Transit Operating Aids

Dollar threshold used to distinguish between Type A and Type B state projects:
 State Awards

\$ 250,000

Auditee qualified as low-risk auditee? x yes _____ no

**CITY OF APPLETON, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022**

Section II – Financial Statement Findings

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

**CITY OF APPLETON, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022**

Section III – Findings and Questioned Costs – Major Federal Programs

2022-001 Procurement

Federal Agency: U.S. Department of Treasury

Federal Program Name: Coronavirus State and Local Fiscal Recovery Funds

Assistance Listing Number: 21.027

Federal Award Identification Number and Year: SLFRP3766 Year 2021

Award Period: March 3, 2021 through December 31, 2024

Type of Finding: Material Weakness in Internal Control over Compliance and Other Matter

Criteria or Specific Requirement

2 CFR 200.320(a)(2)(ii) requires that "The non-Federal entity is responsible for determining an appropriate simplified acquisition threshold based on internal controls, an evaluation of risk and its documented procurement procedures which must not exceed the threshold established in the FAR. When applicable, a lower simplified acquisition threshold used by the non-Federal entity must be authorized or not prohibited under State, local, or tribal laws or regulations." When a non-Federal entity enters into a covered transaction with an entity at a lower tier, the non-Federal entity must verify that the entity, as defined in 2 CFR section 180.995 and agency adopting regulations, is not suspended or debarred or otherwise excluded from participating in the transaction.

Condition

The City did not follow controls related to ensuring procurement policies were followed.

Questioned Costs

None.

Context

While performing compliance procedures, it was noted that the City did not follow adopted policies for procurement.

Cause

Items purchased through procurement transactions were individually insignificant thus City believed procurement was not applicable. However, when applying the micro purchase threshold, a nonfederal entity should note the threshold applies to the aggregate purchase amount rather than the cost of individual items.

Effect

The City is not in compliance with procurement requirements. Contracts for construction, non-construction related procurements, and those over the simplified acquisition threshold may not be in compliance with the Uniform Guidance.

Repeat Finding

No.

**CITY OF APPLETON, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

2022-001 Procurement (Continued)

Recommendation

We recommend the City review and update procurement policies for the entire City to ensure it meets the minimum requirements of 2 CFR 200 for all federal grants.

View of Responsible Officials

There is no disagreement with the finding. The City will continue to review and enhance policies and procedures to ensure compliance in future years.

2022-002 Special Reporting for Federal Funding Accountability and Transparency Act

Federal Agency: U.S. Department of Housing and Urban Development

Federal Program Name: Community Development Block Grant - Entitlement

Assistance Listing Number: 14.228

Federal Award Identification Number and Year: B22MC550001 Year 2022

Award Period: January 1, 2022 through December 31, 2022

Type of Finding: Material Weakness in Internal Control over Compliance and Other Matter

Criteria or Specific Requirement

In accordance with 2 CFR Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the Federal Funding Accountability and Transparency Act (FFATA) requires compliance with reporting requirements. The City should have internal controls designed to ensure compliance with those provisions.

Condition

During our audit testing, we noted that the City did not have adequate internal controls designed to ensure that reporting requirements related to FFATA were completed timely.

Questioned Costs

None.

Context

While performing audit procedures, it was noted that the City did not report subawards to subrecipients in excess of \$30,000 as required by FFATA.

Cause

The City does not have a system of internal controls in place to ensure compliance over reporting requirements related to FFATA.

Effect

The City is not in compliance with reporting requirements. The City awarded one subaward in excess of \$30,000 and did not complete the special reporting required by FFATA timely.

Repeat Finding

No.

**CITY OF APPLETON, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

2022-002 Special Reporting for Federal Funding Accountability and Transparency Act (Continued)

Recommendation

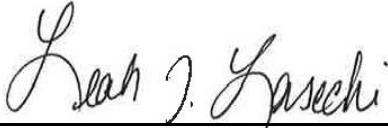
We recommend the City design and implement internal controls designed to ensure compliance with reporting requirements under FFATA.

View of Responsible Officials

There is no disagreement with the finding. The City will continue to review and enhance policies and procedures to ensure compliance in future years.

**CITY OF APPLETON, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022**

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 noncompliance, nonmaterial noncompliance, 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 <i>State Single Audit Guidelines</i> : | |
| | Department of Transportation | No |
| | Department of Natural Resources | No |
| | Department of Administration | 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 | 
<hr style="width: 30%; margin-left: auto; margin-right: 0;"/>
Leah Lasecki, CPA |
| 5. | Date of report | June 22, 2023 |

**CITY OF APPLETON, WISCONSIN
SETTLEMENT OF DHS COST REIMBURSEMENT AWARD
YEAR ENDED DECEMBER 31, 2022**

	Childhood Lead	Maternal Child Health	Immunization	Preventative Health	
	CARS Profile	CARS Profile	CARS Profile	CARS Profile	CARS Profile
DHS Identification Number	157720	159320	155020	159220	155800
Award Amount	\$ 9,819	\$ 31,757	\$ 24,192	\$ 6,628	\$ 11,400
Award Period	01/01/22 - 12/31/22	01/01/22 - 12/31/22	01/01/22 - 12/31/22	10/01/20 - 09/30/22	07/01/21 - 06/30/23
Period of Award Within Audit Period	01/01/22 - 12/31/22	01/01/22 - 12/31/22	01/01/22 - 12/31/22	01/01/21 - 09/30/21	01/01/22 - 12/31/22
Expenditures Reported to DHS for Payment	<u>\$ 9,819</u>	<u>\$ 31,757</u>	<u>\$ 24,192</u>	<u>\$ 6,628</u>	<u>\$ 11,029</u>
Actual Allowable Cost of Reward					
Program Expenses					
Grants and Other Assistance to Individuals in the U.S.	\$ -	\$ -	\$ -	\$ -	\$ -
Other Salaries and Wages	8,279	25,367	23,450	6,628	9,955
Other Program Expenses (Supplies, Training, Etc.)	1,540	6,390	742	-	1,074
Total Program Expenses	<u>9,819</u>	<u>31,757</u>	<u>24,192</u>	<u>6,628</u>	<u>11,029</u>
Less: Program Revenue and Other Offsets to Costs*	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Allowable Costs	<u>\$ 9,819</u>	<u>\$ 31,757</u>	<u>\$ 24,192</u>	<u>\$ 6,628</u>	<u>\$ 11,029</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 (CONTINUED)
YEAR ENDED DECEMBER 31, 2022**

	Bioterrorism		COVID-19			
	Bioterrorism	Bioterrorism	Enhancing Detection	Vaccination Clinic	ARPA COVID Recovery Fund	PH Workforce
	CARS Profile	CARS Profile	CARS Profile	CARS Profile	CARS Profile	CARS Profile
DHS Identification Number	155015	155050	155806	155809	155811	155812
Award Amount	\$ 108,084	\$ 633	\$ 1,016,000	\$ 118,000	\$ 678,600	\$ 53,243
Award Period	07/01/21 - 06/30/23	07/01/21 - 06/30/22	10/01/20 - 10/31/22	07/01/21 - 06/30/22	03/01/21 - 12/31/24	07/01/21 - 06/30/23
Period of Award Within Audit Period	01/01/22 - 12/31/22	01/01/22 - 06/30/22	01/01/22 - 10/31/22	01/01/22 - 12/31/22	01/01/22 - 12/31/22	01/01/22 - 12/31/22
Expenditures Reported to DHS for Payment	<u>\$ 80,055</u>	<u>\$ 633</u>	<u>\$ 217,973</u>	<u>\$ 11,752</u>	<u>\$ 9,649</u>	<u>\$ 44,571</u>
Actual Allowable Cost of Reward						
Program Expenses						
Grants and Other Assistance to Individuals in the U.S.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Salaries and Wages	79,132	633	128,417	8,853	3,523	37,748
Other Program Expenses (Supplies, Training, Etc.)	923	-	89,556	2,899	6,126	6,823
Total Program Expenses	80,055	633	217,973	11,752	9,649	44,571
Less: Program Revenue and Other Offsets to Costs*	-	-	-	-	-	-
Total Allowable Costs	<u>\$ 80,055</u>	<u>\$ 633</u>	<u>\$ 217,973</u>	<u>\$ 11,752</u>	<u>\$ 9,649</u>	<u>\$ 44,571</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