



**JOHNSON BLOCK**  
**CPAs**

**DODGEVILLE**  
*At the heart of it all!*

**CITY OF DODGEVILLE, WISCONSIN**

**FINANCIAL STATEMENTS**

Including Independent Auditor's Report

As of and for the year ended December 31, 2021

Johnson Block and Company, Inc.  
Certified Public Accountants  
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CITY OF DODGEVILLE, WISCONSIN  
December 31, 2021

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## INDEPENDENT AUDITOR'S REPORT

To the City Council  
City of Dodgeville, Wisconsin

### Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Dodgeville, Wisconsin ("City"), as of and for the year ended December 31, 2021, 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2021, 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 of Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's 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 opinion.

### Responsibilities of Management for the Financial Statements

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

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.

## **Auditor's 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 auditor's 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 generally accepted 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 general accepted 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 budgetary comparison information, the Wisconsin Retirement System schedules and the Local Retiree Life Insurance Fund Schedules be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

### **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 combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

### **Other Information**

#### *Prior Year Summarized Comparative Information*

The prior year summarized information has been derived from the City's 2020 financial statements, and, in our report dated June 14, 2021, we expressed unmodified opinions on the respective financial statements of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information.

*Johnson Block & Company, Inc.*

Johnson Block and Company, Inc.  
May 31, 2022

## BASIC FINANCIAL STATEMENTS

Exhibit A-1  
City of Dodgeville, Wisconsin  
Statement of Net Position  
December 31, 2021  
(With Summarized Financial Information as of December 31, 2020)

	Primary Government				Component Unit	
	Governmental Activities	Business-type Activities	Totals		2021	2020
			2021	2020		
<b>ASSETS</b>						
Current assets:						
Cash and investments	\$ 7,552,242	\$ 540,622	\$ 8,092,864	\$ 7,362,115	\$ 18,081	\$ 14,515
Cash and investments - restricted	1,060,281	1,304,374	2,364,655	1,602,553	60,022	63,958
Receivables:						
Taxes	1,943,889		1,943,889	2,115,102		
Customer	22,133	185,668	207,801	199,130		
Accounts receivable	66,291	3,251	69,542	697,578		
Ambulance receivable, less allowance for uncollectible accounts of \$66,851	49,582		49,582	99,109		
Due from other governments						
Internal balances	202,518	(202,518)				
Prepaid insurance	48,839		48,839	43,851		
Unbilled revenue		94,621	94,621	82,385		
Materials and supplies		25,963	25,963	26,221		
<b>Total current assets</b>	<b>10,945,775</b>	<b>1,951,981</b>	<b>12,897,756</b>	<b>12,228,044</b>	<b>78,103</b>	<b>78,473</b>
Noncurrent assets:						
Other assets:						
Special assessments	21,566	371,206	392,772	507,213		
Net pension asset	715,630	122,933	838,563	418,805		
<b>Total other assets</b>	<b>737,196</b>	<b>494,139</b>	<b>1,231,335</b>	<b>926,018</b>		
Capital assets:						
Property, plant and equipment	31,286,973	31,433,318	62,720,291	60,107,267		
Less: accumulated depreciation	(15,777,349)	(7,914,475)	(23,691,824)	(22,527,474)		
<b>Net book value of capital assets</b>	<b>15,509,624</b>	<b>23,518,843</b>	<b>39,028,467</b>	<b>37,579,793</b>		
<b>Total noncurrent assets</b>	<b>16,246,820</b>	<b>24,012,982</b>	<b>40,259,802</b>	<b>38,505,811</b>		
<b>Total assets</b>	<b>27,192,595</b>	<b>25,964,963</b>	<b>53,157,558</b>	<b>50,733,855</b>	<b>78,103</b>	<b>78,473</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Unamortized major repair		88,029	88,029	176,058		
Deferred pension outflows	1,206,622	207,278	1,413,900	988,604		
Deferred OPEB outflows	85,089		85,089	69,005		
Deferred amount on refunding	14,993	2,455	17,448	24,429		
<b>Total deferred outflows of resources</b>	<b>1,306,704</b>	<b>297,762</b>	<b>1,604,466</b>	<b>1,258,096</b>		
<b>Total assets and deferred outflows of resources</b>	<b>\$ 28,499,299</b>	<b>\$ 26,262,725</b>	<b>\$ 54,762,024</b>	<b>\$ 51,991,951</b>	<b>\$ 78,103</b>	<b>\$ 78,473</b>

Exhibit A-1 (Continued)  
City of Dodgeville, Wisconsin  
Statement of Net Position  
December 31, 2021  
(With Summarized Financial Information as of December 31, 2020)

	Primary Government				Component Unit	
	Governmental Activities	Business-type Activities	Totals			
			2021	2020	2021	2020
<b>LIABILITIES</b>						
Current liabilities:						
Accounts payable	\$ 264,842	\$ 41,563	\$ 306,405	\$ 452,718	\$ 5,470	\$ 1,896
Accrued payroll	39,201		39,201	55,006		
Accrued interest	10,788	9,531	20,319	23,144		
Deposits	2,000		2,000	2,300		
Unearned revenue	219,692		219,692			
Current portion of:						
General obligation bonds and notes	221,513	23,161	244,674	407,895		
Mortgage revenue bonds		152,960	152,960	150,020		
Capital leases	29,746		29,746	28,479		
Compensated absences	41,183		41,183	25,296		
<b>Total current liabilities</b>	<b>828,965</b>	<b>227,215</b>	<b>1,056,180</b>	<b>1,144,858</b>	<b>5,470</b>	<b>1,896</b>
Noncurrent liabilities:						
General obligation bonds and notes	3,469,041	69,483	3,538,524	1,366,778		
Less: unamortized debt discount	(2,746)	(1,073)	(3,819)	(5,347)		
Capital leases	77,011		77,011	105,490		
Mortgage revenue bonds		2,637,574	2,637,574	2,787,594		
Compensated absences	269,442	28,132	297,574	318,449		
Net OPEB liability	189,043		189,043	150,152		
Less: current portion of long-term debt	(292,442)	(176,121)	(468,563)	(611,690)		
<b>Total noncurrent liabilities</b>	<b>3,709,349</b>	<b>2,557,995</b>	<b>6,267,344</b>	<b>4,111,426</b>		
<b>Total liabilities</b>	<b>4,538,314</b>	<b>2,785,210</b>	<b>7,323,524</b>	<b>5,256,284</b>	<b>5,470</b>	<b>1,896</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred pension inflows	1,568,315	269,410	1,837,725	1,257,985		
Deferred OPEB inflows	26,039		26,039	25,085		
Deferred revenue	3,375,405		3,375,405	3,659,983		
<b>Total deferred inflows of resources</b>	<b>4,969,759</b>	<b>269,410</b>	<b>5,239,169</b>	<b>4,943,053</b>		
<b>NET POSITION</b>						
Net investment in capital assets	13,168,233	20,815,314	33,983,547	33,709,706		
Restricted for:						
Net pension asset	715,630	122,933	838,563			
TIF district #2				852,536		
Debt service	210,961		210,961	100,889		
Donor restricted	223,176		223,176	223,047		
Perpetual care endowment	3,209		3,209	3,209		
Leisure and culture endowment	103,000		103,000	103,000		
Library activities	68,136		68,136	49,664		
Affordable housing	320,866		320,866			
Mortgage revenue bonds		46,492	46,492	46,492		
DNR replacement		1,257,882	1,257,882	1,196,137		
Housing assistance payments - component unit					4,578	1,715
WRRP - component unit					51,551	51,517
CARES Act - component unit					3,893	10,726
Unrestricted	4,178,015	965,484	5,143,499	5,507,934	12,611	12,619
<b>Total net position</b>	<b>18,991,226</b>	<b>23,208,105</b>	<b>42,199,331</b>	<b>41,792,614</b>	<b>72,633</b>	<b>76,577</b>
<b>Total liabilities, deferred inflows of resources, and net position</b>	<b>\$ 28,499,299</b>	<b>\$ 26,262,725</b>	<b>\$ 54,762,024</b>	<b>\$ 51,991,951</b>	<b>\$ 78,103</b>	<b>\$ 78,473</b>



Exhibit A-2  
City of Dodgeville, Wisconsin  
Statement of Activities  
For the Year Ended December 31, 2021  
(With Summarized Financial Information for the Year Ended December 31, 2020)

FUNCTIONS/PROGRAMS	Program Revenues				Net (Expenses) Revenues and Changes in Net Position					
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Totals		Component Unit	
					Governmental Activities	Business-type Activities	2021	2020	2021	2020
Primary government:										
Governmental activities:										
General government	\$ 1,279,429	\$ 132,979	\$	\$ 13,625	\$ (1,132,825)	\$	\$ (1,132,825)	\$ (554,167)	\$	\$
Public safety	2,073,227	644,871	57,106		(1,371,250)		(1,371,250)	(1,403,932)		
Public works	1,730,187	15,865	290,813	25,000	(1,398,509)		(1,398,509)	231,690		
Sanitation	253,994	253,164	15,174		14,344		14,344	11,798		
Health and social services	101,094	30,800			(70,294)		(70,294)	(140,589)		
Leisure activities	833,014	143,409	107,923	490	(581,192)		(581,192)	(548,896)		
Conservation & economic development	652,394	83,498			(568,896)		(568,896)	(106,566)		
Interest and fiscal charges	119,012				(119,012)		(119,012)	(46,696)		
Total governmental activities	<u>7,042,351</u>	<u>1,304,586</u>	<u>471,016</u>	<u>39,115</u>	<u>(5,227,634)</u>		<u>(5,227,634)</u>	<u>(2,557,358)</u>		
Business-type activities:										
Water	823,707	1,091,814		477,416		745,523	745,523	474,972		
Sewer	879,444	1,295,499		224,366		640,421	640,421	641,468		
Total business-type activities	<u>1,703,151</u>	<u>2,387,313</u>		<u>701,782</u>		<u>1,385,944</u>	<u>1,385,944</u>	<u>1,116,440</u>		
Total primary government	<u>\$ 8,745,502</u>	<u>\$ 3,691,899</u>	<u>\$ 471,016</u>	<u>\$ 740,897</u>	<u>(5,227,634)</u>	<u>1,385,944</u>	<u>(3,841,690)</u>	<u>(1,440,918)</u>		
Component unit:										
Housing Authority	<u>\$ 304,164</u>	<u>\$</u>	<u>\$ 300,186</u>	<u>\$</u>					(3,978)	15,220
General revenues:										
Property taxes										
General purposes					1,906,763		1,906,763	1,760,067		
Capital projects					794,583		794,583	995,200		
Tax increments					470,896		470,896	469,341		
Debt service					182,972		182,972	198,167		
Library					304,586		304,586	289,014		
Other taxes					11,658		11,658	8,740		
Federal and state aid not restricted for specific purposes					634,259		634,259	602,080		
Interest and investment earnings					14,172	1,235	15,407	58,311	34	46
Unrealized gain on investments					(1,608)	(416)	(2,024)	32,088		
Gain (loss) on sale of fixed assets					(123,564)		(123,564)	(98,073)		
Debt premium					49,858		49,858			
Miscellaneous					3,013		3,013	4,388		
Transfers					202,518	(202,518)				
Total general revenues					<u>4,450,106</u>	<u>(201,699)</u>	<u>4,248,407</u>	<u>4,319,323</u>	<u>34</u>	<u>46</u>
Changes in net position					<u>(777,528)</u>	<u>1,184,245</u>	<u>406,717</u>	<u>2,878,405</u>	<u>(3,944)</u>	<u>15,266</u>
Net position - beginning					<u>19,768,754</u>	<u>22,023,860</u>	<u>41,792,614</u>	<u>38,914,209</u>	<u>76,577</u>	<u>61,311</u>
Net position - ending					<u>\$ 18,991,226</u>	<u>\$ 23,208,105</u>	<u>\$ 42,199,331</u>	<u>\$ 41,792,614</u>	<u>\$ 72,633</u>	<u>\$ 76,577</u>

Exhibit A-3  
City of Dodgeville, Wisconsin  
Balance Sheet  
Governmental Funds  
December 31, 2021

(With Summarized Financial Information as of December 31, 2020)

	General	Capital Projects	Special Purpose Library	TIF District #3	Other Governmental Funds	Totals	
						2021	2020
<b>ASSETS</b>							
Cash and investments	\$ 4,165,912	\$ 2,292,257	\$ 71,861	\$ 259,905	\$ 762,307	\$ 7,552,242	\$ 7,352,329
Cash and investments - restricted	253,888			700,184	106,209	1,060,281	
Receivables:							
Taxes	613,675	794,583	333,620	783	201,228	1,943,889	2,115,102
Customer	22,133					22,133	24,895
Accounts receivable	66,291					66,291	615,398
Special assessment receivable	21,566					21,566	43,481
Ambulance receivable, less allowance for uncollectible accounts of \$66,851	49,582					49,582	99,109
Due from other funds	202,518					202,518	196,046
Prepaid insurance	48,839					48,839	43,851
Advances to other funds							17,529
<b>Total assets</b>	<b>\$ 5,444,404</b>	<b>\$ 3,086,840</b>	<b>\$ 405,481</b>	<b>\$ 960,872</b>	<b>\$ 1,069,744</b>	<b>\$ 10,967,341</b>	<b>\$ 10,507,740</b>
<b>LIABILITIES</b>							
Accounts payable	\$ 154,794	\$ 41,280	\$ 3,725	\$ 65,043	\$	\$ 264,842	\$ 415,826
Accrued payroll	39,201					39,201	55,006
Unearned revenue					219,692	219,692	
Deposits	2,000					2,000	2,300
Advance from other funds							17,529
<b>Total liabilities</b>	<b>195,995</b>	<b>41,280</b>	<b>3,725</b>	<b>65,043</b>	<b>219,692</b>	<b>525,735</b>	<b>490,661</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Deferred property tax revenue	2,247,091	794,583	333,620	1,401	201,228	3,577,923	3,856,029
Deferred special assessment revenue	21,566					21,566	43,481
<b>Total deferred inflows of resources</b>	<b>2,268,657</b>	<b>794,583</b>	<b>333,620</b>	<b>1,401</b>	<b>201,228</b>	<b>3,599,489</b>	<b>3,899,510</b>
<b>FUND BALANCES</b>							
Nonspendable	48,839				103,000	151,839	164,380
Restricted	223,176		68,136	894,428	545,824	1,731,564	1,240,809
Assigned	2,010,123	2,250,977				4,261,100	3,871,173
Unassigned (deficit)	697,614					697,614	841,207
<b>Total fund balances</b>	<b>2,979,752</b>	<b>2,250,977</b>	<b>68,136</b>	<b>894,428</b>	<b>648,824</b>	<b>6,842,117</b>	<b>6,117,569</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 5,444,404</b>	<b>\$ 3,086,840</b>	<b>\$ 405,481</b>	<b>\$ 960,872</b>	<b>\$ 1,069,744</b>	<b>\$ 10,967,341</b>	<b>\$ 10,507,740</b>

Exhibit A-4  
City of Dodgeville, Wisconsin  
Reconciliation of the Governmental Funds Balance Sheet  
with the Statement of Net Position  
December 31, 2021  
(With Summarized Financial Information as of December 31, 2020)

	2021	2020
Total fund balances-governmental funds:	\$ 6,842,117	\$ 6,117,569
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental funds are not financial resources and therefore are not reported in the fund statements. Amounts reported for governmental activities in the statement of net position:		
Governmental capital asset	31,286,973	29,911,902
Governmental accumulated depreciation	(15,777,349)	(15,064,254)
	15,509,624	14,847,648
The net pension asset is not a current financial resource and is, therefore, not reported in the fund statements.	715,630	360,044
Pension and OPEB deferred outflows of resources and deferred inflows of resources are actuarially determined by the defined benefit pension plan. These items are reflected in the statement of net position and are being amortized with pension expense in the statement of activities. The deferred outflows of resources and deferred inflows of resources are not financial resources or uses and therefore are not reported in the fund statements.		
Deferred outflows of resources	1,291,711	918,901
Deferred inflows of resources	(1,594,354)	(1,106,567)
Other long-term assets that are not available to pay for current-period expenditures and therefore are deferred inflows on the fund statements.		
Special assessments	21,566	43,481
Subsequent year tax equivalent from utility	202,518	196,046
Payments for bond discounts are reported in the funds statements when expended, but are amortized over the life of the bond in the statement of net position.	2,746	3,844
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds statements. Long-term liabilities reported in the statement of net position that are not reported in the funds balance sheet are:		
Bonds payable	(3,469,041)	(1,100,848)
Deferred amount on refunding	14,993	20,991
Accrued interest on general obligation debt	(10,788)	(11,464)
Capital leases	(77,011)	(105,490)
Net OPEB liability	(189,043)	(150,152)
Compensated absences	(269,442)	(265,249)
Total net position of governmental activities	\$ 18,991,226	\$ 19,768,754

Exhibit A-5  
City of Dodgeville, Wisconsin  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2021  
(With Summarized Financial Information for the Year Ended December 31, 2020)

	General	Capital Projects	Special Purpose Library	TIF District #3	Other Governmental Funds	Totals	
						2021	2020
<b>REVENUES</b>							
Taxes	\$ 2,000,625	\$ 794,583	\$ 304,586	\$	\$ 653,868	\$ 3,753,662	\$ 3,766,003
Special assessments	21,915					21,915	797
Intergovernmental	951,820	25,000	99,935		34,432	1,111,187	2,300,712
Licenses and permits	132,362					132,362	108,336
Fines and forfeits	22,820		43			22,863	27,013
Public charges for services	428,125		1,122			429,247	417,392
Intergovernmental charges for services	584,028					584,028	490,810
Interest	9,628	1,902	35	185	1,067	12,817	52,314
Miscellaneous	90,966		490			91,456	74,734
<b>Total revenues</b>	<b>4,242,289</b>	<b>821,485</b>	<b>406,211</b>	<b>185</b>	<b>689,367</b>	<b>6,159,537</b>	<b>7,238,111</b>
<b>EXPENDITURES</b>							
Current:							
General government	706,035				507,491	1,213,526	742,328
Public safety	1,933,248					1,933,248	1,730,771
Public works	642,917					642,917	673,052
Sanitation	254,107					254,107	258,768
Leisure activities	350,311		387,739			738,050	692,770
Conservation & economic development	174,224			198,170	150,030	522,424	86,855
Health & social services	92,659				335	92,994	104,223
Capital outlay:							
General government	46,158					46,158	15,593
Public safety	71,788	38,285				110,073	134,108
Public works	7,037	1,174,285		1,251,801		2,433,123	2,058,953
Leisure activities	2,716	28,647				31,363	208,576
Conservation & economic development				188,399		188,399	88,877
Health & social services							55,776
Debt service:							
Principal retirement		28,479			211,807	240,286	428,884
Interest and fiscal charges		4,019		79,716	28,858	112,593	43,868
<b>Total expenditures</b>	<b>4,281,200</b>	<b>1,273,715</b>	<b>387,739</b>	<b>1,718,086</b>	<b>898,521</b>	<b>8,559,261</b>	<b>7,323,402</b>
Excess (deficiency) of revenues over expenditures	(38,911)	(452,230)	18,472	(1,717,901)	(209,154)	(2,399,724)	(85,291)
<b>OTHER FINANCING SOURCES (USES)</b>							
Long-term debt proceeds				2,580,000		2,580,000	
Debt premium				49,858		49,858	
Transfers in	409,166	576,766			595,740	1,581,672	535,534
Transfers out	(576,766)				(808,860)	(1,385,626)	(334,216)
Unrealized gain (loss) on investments	(1,608)					(1,608)	25,491
Sale of capital assets	299,976					299,976	37,142
<b>Total other financing sources (uses)</b>	<b>130,768</b>	<b>576,766</b>		<b>2,629,858</b>	<b>(213,120)</b>	<b>3,124,272</b>	<b>263,951</b>
Net change in fund balances	91,857	124,536	18,472	911,957	(422,274)	724,548	178,660
Fund balances-beginning	2,887,895	2,126,441	49,664	(17,529)	1,071,098	6,117,569	5,938,909
<b>Fund balances-ending</b>	<b>\$ 2,979,752</b>	<b>\$ 2,250,977</b>	<b>\$ 68,136</b>	<b>\$ 894,428</b>	<b>\$ 648,824</b>	<b>\$ 6,842,117</b>	<b>\$ 6,117,569</b>

Exhibit A-6  
City of Dodgeville, Wisconsin  
Reconciliation of Statement of Revenues, Expenditures and Changes  
in Fund Balance of Governmental Funds to the Statement of Activities  
For the Year Ended December 31, 2021  
(With Summarized Financial Information for the Year Ended December 31, 2020)

	2021	2020
Net change in fund balances-total governmental funds	\$ 724,548	\$ 178,660
Amounts reported for governmental activities in the statement of activities are different because:		
The acquisition of capital assets are reported in the governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities.		
Capital outlay reported in governmental fund statements	2,024,367	2,339,154
Depreciation expenses reported in the statement of activities	(938,851)	(866,603)
Amount by which capital outlays are greater (less) than depreciation in the current period.	1,085,516	1,472,551
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, donations and disposals) is to decrease net position:	(423,540)	(135,213)
Vested employee benefits and OPEB are reported in the governmental funds when amounts are paid. The statement of activities reports values of benefits earned during the year.		
Change in compensated absences	(4,193)	21,611
Change in OPEB - group life insurance plan liability and related deferred outflows and inflows	(23,761)	(12,435)
Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the statement of net position and does not affect the statement of activities		
The amount of long-term debt principal payments in the current year is:	240,286	428,884
The issuance of long-term debt (e.g. bonds, notes) provides current financial resources to governmental funds but does not affect the statement of activities.		
	(2,580,000)	
In governmental funds, special assessment collections are reflected as revenue when received. In the statement of activities, revenue is recognized when assessed.		
Amount assessed		
Amount collected	(21,915)	(797)
	(21,915)	(797)
Governmental funds report the effect of debt discounts when the debt is issued. In the statement of activities, these amounts are deferred and amortized.		
The amount of debt discounts amortized in the current year	(7,096)	(7,096)
In governmental funds, the current year utility tax equivalent is deferred and recognized as revenue in the subsequent year. In the statement of activities, this amount is recognized as a transfer in the year accrued.		
Prior year utility tax equivalent recognized as revenue in the governmental funds	(196,046)	(201,318)
Subsequent year utility tax equivalent recognized as a transfer for the statement of activities	202,518	196,046
	6,472	(5,272)
In governmental funds, interest payments on outstanding debt are reported as an expenditure when paid. In the statement of activities, interest is reported as incurred.		
The amount of interest paid during the current period	32,477	43,468
The amount of interest accrued during the current period	(31,801)	(39,200)
Interest paid is greater than interest expensed by	676	4,268
Pension expense reported in the governmental funds represents current year required contributions into the defined benefit pension plan.		
Pension expense in the statement of activities is actuarially determined by the defined benefit pension plan as the difference between the net pension liability from the prior year to the current year, with some adjustments.		
Difference between the required contributions into the defined benefit pension plan and the actuarially determined change in net pension liability between years, with adjustments.	225,479	371
Change in net position-governmental activities	\$ (777,528)	\$ 1,945,532

Exhibit A-7  
City of Dodgeville, Wisconsin  
Statement of Net Position  
Proprietary Funds  
December 31, 2021  
(With Summarized Financial Information as of December 31, 2020)

	Enterprise Funds		Totals	
	Water Utility	Sewer Utility	2021	2020
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ 31,315	\$ 509,307	\$ 540,622	\$ 369,710
Cash and investments - restricted		1,304,374	1,304,374	1,242,629
Receivables:				
Customers	81,747	103,921	185,668	174,235
Other	1,373	1,878	3,251	82,180
Inventories	24,465	1,498	25,963	26,221
Unbilled revenue	44,005	50,616	94,621	82,385
Total current assets	182,905	1,971,594	2,154,499	1,977,360
Noncurrent assets:				
Other assets:				
Net pension asset	66,162	56,771	122,933	58,761
Special assessments receivable	107,446	263,760	371,206	463,732
Capital assets:				
Property and plant	12,683,758	18,749,560	31,433,318	30,195,365
Less: accumulated provision for depreciation	(3,967,736)	(3,946,739)	(7,914,475)	(7,463,220)
Net book value of capital assets	8,716,022	14,802,821	23,518,843	22,732,145
Total noncurrent assets	8,889,630	15,123,352	24,012,982	23,254,638
Total assets	9,072,535	17,094,946	26,167,481	25,231,998
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Unamortized major repair	88,029		88,029	176,058
Deferred pension outflows	111,557	95,721	207,278	138,708
Deferred amount on refunding	1,685	770	2,455	3,438
Total deferred outflows of resources	201,271	96,491	297,762	318,204
Total assets and deferred outflows of resources	\$ 9,273,806	\$ 17,191,437	\$ 26,465,243	\$ 25,550,202

Exhibit A-7 (Continued)  
City of Dodgeville, Wisconsin  
Statement of Net Position  
Proprietary Funds  
December 31, 2021  
(With Summarized Financial Information as of December 31, 2020)

	Enterprise Funds		Totals	
	Water Utility	Sewer Utility	2021	2020
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	\$ 24,200	\$ 17,363	\$ 41,563	\$ 36,892
Due to other funds	202,518		202,518	196,046
Accrued interest	830	8,701	9,531	11,680
Current portion of:				
General obligation bonds and notes	21,002	2,159	23,161	196,447
Mortgage revenue bonds		152,960	152,960	150,020
Compensated absences				25,296
Total current liabilities	248,550	181,183	429,733	616,381
Long-term liabilities:				
General obligation bonds and notes	63,006	6,477	69,483	265,930
Less: unamortized debt discount	(1,073)		(1,073)	(1,503)
Mortgage revenue bonds		2,637,574	2,637,574	2,787,594
Compensated absences	12,539	15,593	28,132	53,200
Less: current portion	(21,002)	(155,119)	(176,121)	(371,763)
Total long-term liabilities	53,470	2,504,525	2,557,995	2,733,458
Total liabilities	302,020	2,685,708	2,987,728	3,349,839
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred pension inflows	144,997	124,413	269,410	176,503
<b>NET POSITION</b>				
Net investment in capital assets	8,655,774	12,159,540	20,815,314	19,683,562
Restricted for:				
Net pension asset	66,162	56,771	122,933	
Mortgage revenue bonds		46,492	46,492	46,492
DNR replacement		1,257,882	1,257,882	1,196,137
Unrestricted	104,853	860,631	965,484	1,097,669
Total net position	8,826,789	14,381,316	23,208,105	22,023,860
Total liabilities, deferred inflows of resources, and net position	\$ 9,273,806	\$ 17,191,437	\$ 26,465,243	\$ 25,550,202

Exhibit A-8  
City of Dodgeville, Wisconsin  
Statement of Revenues, Expenses and Changes in Net Position  
Proprietary Funds  
For the Year Ended December 31, 2021  
(With Summarized Financial Information for the Year Ended December 31, 2020)

	Enterprise Funds		Totals	
	Water Utility	Sewer Utility	2021	2020
<b>OPERATING REVENUES</b>				
Sales of water	\$ 1,061,929	\$	\$ 1,061,929	\$ 1,029,000
Measured sewer service		1,235,709	1,235,709	1,201,493
Penalties	2,278	3,047	5,325	2,848
Other	27,607	56,743	84,350	43,603
<b>Total operating revenues</b>	<b>1,091,814</b>	<b>1,295,499</b>	<b>2,387,313</b>	<b>2,276,944</b>
<b>OPERATING EXPENSES</b>				
Operation & maintenance	562,848	511,022	1,073,870	909,087
Depreciation	245,353	302,245	547,598	529,714
Taxes	11,083	12,644	23,727	19,582
<b>Total operating expenses</b>	<b>819,284</b>	<b>825,911</b>	<b>1,645,195</b>	<b>1,458,383</b>
<b>Operating income</b>	<b>272,530</b>	<b>469,588</b>	<b>742,118</b>	<b>818,561</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest on investments	128	1,107	1,235	5,882
Amortization of debt expense	(1,103)	(308)	(1,411)	(1,447)
Interest expense	(3,320)	(53,225)	(56,545)	(63,145)
Unrealized gain (loss) on investments		(416)	(416)	6,597
<b>Total nonoperating revenues (expenses)</b>	<b>(4,295)</b>	<b>(52,842)</b>	<b>(57,137)</b>	<b>(52,113)</b>
<b>Income before contributions and transfers</b>	<b>268,235</b>	<b>416,746</b>	<b>684,981</b>	<b>766,448</b>
Capital grants and contributions	477,416	224,366	701,782	362,471
Transfer of tax equivalent	(202,518)		(202,518)	(196,046)
<b>Change in net position</b>	<b>543,133</b>	<b>641,112</b>	<b>1,184,245</b>	<b>932,873</b>
Net position - beginning	8,283,656	13,740,204	22,023,860	21,090,987
<b>Net position - ending</b>	<b>\$ 8,826,789</b>	<b>\$ 14,381,316</b>	<b>\$ 23,208,105</b>	<b>\$ 22,023,860</b>



Exhibit A-9  
City of Dodgeville, Wisconsin  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2021  
(With Summarized Financial Information for the Year Ended December 31, 2020)

	Enterprise Funds		Totals	
	Water Utility	Sewer Utility	2021	2020
<b>CASH FLOWS FROM (USED BY) OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 1,063,527	\$ 1,300,117	\$ 2,363,644	\$ 2,281,250
Payments to employees	(201,991)	(174,167)	(376,158)	(332,719)
Payments for employee benefits	(52,588)	(43,991)	(96,579)	(72,712)
Payments provided by other funds	6,472		6,472	(5,272)
Payments to suppliers	(204,367)	(295,491)	(499,858)	(563,946)
Net cash provided by operating activities	611,053	786,468	1,397,521	1,306,601
<b>CASH FLOWS FROM (USED BY) NONCAPITAL FINANCING ACTIVITIES</b>				
Payment of advance from other funds				(1,029,654)
Paid to municipality for tax equivalent	(202,518)		(202,518)	(196,046)
Net cash (used by) noncapital financing activities	(202,518)		(202,518)	(1,225,700)
<b>CASH FLOWS FROM (USED BY) CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition and construction of capital assets	(363,988)	(286,544)	(650,532)	(1,200,413)
Capital grants and contributions received				362,471
Special assessments received	59,026	33,500	92,526	
Debt retired	(143,029)	(203,436)	(346,465)	(419,317)
Interest paid	(4,547)	(54,147)	(58,694)	(66,157)
Net cash (used by) capital and related financing activities	(452,538)	(510,627)	(963,165)	(1,323,416)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Unrealized gain (loss) on investments		(416)	(416)	6,597
Marketable securities sold		331,315	331,315	324,718
Marketable securities purchased		(242,295)	(242,295)	(331,315)
Investment income	128	1,107	1,235	5,882
Net cash from investing activities	128	89,711	89,839	5,882
Net change in cash and cash equivalents	(43,875)	365,552	321,677	(1,236,633)
Cash and cash equivalents - beginning of the year	75,190	1,205,834	1,281,024	2,517,657
Cash and cash equivalents - end of the year	\$ 31,315	\$ 1,571,386	\$ 1,602,701	\$ 1,281,024
<b>Reconciliation of cash and cash equivalents to statement of net position accounts</b>				
Cash and investments	\$ 31,315	\$ 509,307	\$ 540,622	\$ 369,710
Restricted cash and investments		1,304,374	1,304,374	1,242,629
Subtotal	31,315	1,813,681	1,844,996	1,612,339
Less: long-term investments		(242,295)	(242,295)	(331,315)
Cash and cash equivalents	\$ 31,315	\$ 1,571,386	\$ 1,602,701	\$ 1,281,024

Exhibit A-9 (Continued)  
City of Dodgeville, Wisconsin  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2021  
(With Summarized Financial Information for the Year Ended December 31, 2020)

	Enterprise Funds		Totals	
	Water Utility	Sewer Utility	2021	2020
<b>Reconciliation of operating income to net cash provided</b>				
<b>by operating activities:</b>				
Operating income	\$ 272,530	\$ 469,588	\$ 742,118	\$ 818,561
Noncash items in operating income:				
Depreciation expense	263,371	302,245	565,616	546,946
Pension expense	(21,649)	(18,186)	(39,835)	514
Amortization of major repair	88,029		88,029	88,029
Changes in assets and liabilities:				
Customer accounts receivable	(17,378)	5,945	(11,433)	5,201
Other accounts receivable	31,070	47,859	78,929	(71,422)
Unbilled revenue receivable	(10,909)	(1,327)	(12,236)	(895)
Material and supplies	258		258	(2,964)
Accounts payable	12,452	(7,781)	4,671	(71,889)
Accrued payroll				(9,516)
Due to other funds	6,472		6,472	(5,272)
Compensated absences	(13,193)	(11,875)	(25,068)	9,308
Net cash provided by operating activities	<u>\$ 611,053</u>	<u>\$ 786,468</u>	<u>\$ 1,397,521</u>	<u>\$ 1,306,601</u>
<b>Noncash capital financing activities:</b>				
Capital additions financed by developers	\$ 75,354		\$ 75,354	
Capital additions financed by TID 3	402,062	224,366	626,428	
Total noncash capital financing activities	<u>\$ 477,416</u>	<u>\$ 224,366</u>	<u>\$ 701,782</u>	

Exhibit A-10  
City of Dodgeville, Wisconsin  
Statement of Fiduciary Net Position  
Fiduciary Funds  
December 31, 2021

(With Summarized Financial Information as of December 31, 2020)

	Custodial Fund	
	Tax Collection Fund	
	2021	2020
<b>ASSETS</b>		
Cash and investments	\$ 3,239,800	\$ 3,013,372
Taxes receivable	4,104,211	3,850,507
Total assets	\$ 7,344,011	\$ 6,863,879
<b>LIABILITIES</b>		
Due to other taxing units	\$ 7,344,011	\$ 6,863,879
<b>NET POSITION</b>		
Restricted		
Total liabilities and net position	\$ 7,344,011	\$ 6,863,879

Exhibit A-11  
City of Dodgeville, Wisconsin  
Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
December 31, 2021  
(With Summarized Financial Information as of December 31, 2020)

	Custodial Fund	
	Tax Collection Fund	
	2021	2020
<b>ADDITIONS</b>		
Property tax collections for other governments	\$ 5,120,750	\$ 5,091,650
<b>DEDUCTIONS</b>		
Property tax collections paid or owed to other governments	5,120,750	5,091,650
Net increase (decrease) in fiduciary net position		
Net position - beginning of year		
Net position - end of year	\$	\$

NOTES TO BASIC FINANCIAL STATEMENTS

City of Dodgeville, Wisconsin  
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 December 31, 2021

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The financial statements of the City of Dodgeville, Wisconsin ("City") conform to U.S. generally accepted accounting principles (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Significant accounting policies of the City of Dodgeville are summarized below:

A. Reporting Entity

The report includes all funds and account groups of the City of Dodgeville, Wisconsin. The reporting entity for the City consists of the (a) primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. Financially accountable is defined to include the following considerations: financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, accountability for fiscal matters, the scope of an organization's public service, and/or special financing relationships.

Included in the Reporting Entity

The City has determined that the Dodgeville Housing Authority is a component unit of the City. The Dodgeville Housing Authority was created by the City of Dodgeville under the provisions of Section 66.40 to 66.404 of the Wisconsin Statutes. The central purpose of the Dodgeville Housing Authority is to provide the opportunity for the City of Dodgeville residents to live in decent, affordable and standard housing. The programs at the Dodgeville Housing Authority are created to enable Dodgeville families to improve their housing conditions. Its governing board is appointed by the City Council. The information presented is for the year ended December 31, 2021.

Financial statements of the Housing Authority can be obtained from its office in Dodgeville, Wisconsin.

Excluded From the Reporting Entity

There were no organizations that have been determined not to be part of the reporting entity based on the above criteria.

B. Government-Wide and Fund Financial Statements

**Government-Wide Financial Statements**

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Likewise, the primary government is reported separately from a legally separate component unit for which the primary government is financially accountable.

**B. Government-Wide and Fund Financial Statements (Cont.)****Government-Wide Financial Statements (Cont.)**

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The City does not allocate indirect expenses to functions in the statement of activities. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

**Fund Financial Statements**

Financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund equity, revenues, and expenditure/expenses.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Funds are organized in major funds or non-major funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental fund or enterprise fund that met the 10 percent test is at least 5 percent of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or proprietary fund that the City believes is particularly important to financial statement users may be reported as a major fund.



B. Government-Wide and Fund Financial Statements (Cont.)Governmental Funds:

The City reports the following major governmental funds:

General Fund – The general fund is used to account for all financial resources not accounted for and reported for in another fund.

Capital Projects Fund – Accounts for all financial resources restricted, committed or assigned to expenditure for capital outlays.

Special Purpose Library – Special Revenue Fund – Accounts for the proceeds that are restricted or committed to expenditure for the City’s library program. This fund is designated as major by management.

TIF No. 3 – Accounts for the proceeds of tax incremental district No. 3, that are restricted or committed to expenditure for tax incremental district No. 3, including the payment of general long-term debt principal, interest and related costs.

The City reports the following nonmajor governmental funds:

TIF No. 2 Debt Service Fund – Accounts for the proceeds of tax incremental district No. 2, that are restricted or committed to expenditure for tax incremental district No. 2, including the payment of general long-term debt principal, interest and related costs.

Debt Service Fund – Accounts for all financial resources restricted, committed or assigned to expenditure for principal and interest.

Permanent Funds – Are used to account for resources restricted to the extent that only earnings, and not principal, may be used for purposes that support the City’s programs – that is, for the benefit of the City or citizens.

- Smith Trust
- Campbell Trust

Special Revenue Funds – Accounts for proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

- Affordable Housing
- Local Fiscal Recovery Fund

Enterprise Funds:

The City reports the following major enterprise funds:

Water Utility – Accounts for operations of the water system.  
Sewer Utility – Accounts for operations of the sewer system.

**B. Government-Wide and Fund Financial Statements (Cont.)****Fiduciary Funds (Not included in Government-Wide Statements)**

Fiduciary funds consists of pension (and other employee benefit) trust funds, private-purpose trust funds, investment trust funds, and custodial funds. Fiduciary funds should be used only to report resources held for individuals, private organizations, or other governments. A fund is presented as a fiduciary fund when all of the following criteria are met: a) The government controls the assets that finance the activity, b) assets are not generated from the government's own-source revenues or from government-mandated or voluntary nonexchange transactions, c) assets are administered through a qualifying trust or the government does not have administrative involvement and the assets are not generated from the government's delivery of goods or services to the beneficiaries, or the assets are for the benefit of entities that are not part of the government's reporting entity.

The City reports the following fiduciary fund:

Custodial Funds - used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units. The City accounts for tax collections payable to overlying taxing jurisdictions in a custodial fund.

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation****Government-Wide Financial Statements**

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows of resources. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

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

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 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.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Cont.)**Fund Financial Statements**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Property taxes are recorded in the year levied as receivables and deferred inflows of resources. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

Intergovernmental aids and grants are recognized as revenues in the period the City is entitled the resources and the amounts are available. Amounts owed to the City which are not available are recorded as receivables and deferred inflows of resources. Resources (typically cash) received before all eligibility requirements have been met are reported as assets and offset by unearned revenue (a liability) unless only a time requirement has not been met. In that case, deferred inflows of resources are reported rather than a liability.

Special assessments are recorded as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and deferred inflows of resources.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, special assessments and interest. Other general revenues such as fines and forfeitures, inspection fees, recreation fees and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

The City reports deferred inflows of resources on its governmental funds balance sheet. Deferred inflows of resources arise from taxes levied in the current year, which are for subsequent year's operations. For governmental fund financial statements, deferred inflows of resources arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, the deferred inflows of resources is removed from the balance sheet and revenue is recognized.

Proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note.

The proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water and sewer utility are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administration 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.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Cont.)

Revenues and expenditures arising from non-exchange transactions, such as property and sales taxes, fines, and grants are recorded according to Governmental Accounting Standards.

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

D. Cash and Investments

For purposes of the statement of cash flows, all cash deposits and highly liquid investments with an original maturity of three months or less (including restricted assets) are considered to be cash equivalents.

All deposits of the City are made in board designated official depositories and are secured as required by State Statute. The City may designate, as an official depository, any bank or savings association. Also, the City may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

Investments with remaining maturities at the time of purchase of one year or less are stated at amortized cost, which approximates fair value. Investments with a maturity of more than one year at acquisition and nonmoney market investments are carried at fair value as determined by quoted market prices.

E. Receivables and Allowance for Uncollectible Accounts

Property taxes are levied in December on the assessed value as of the prior January 1. In addition to property taxes for the City, taxes are collected for and remitted to the state and county governments as well as the local school district and technical college district. Taxes for all state and local governmental units billed in the current year for the succeeding year are reflected as receivables and due to other taxing units in the accompanying agency fund balance sheet.

Property tax calendar - 2021 tax roll:

Lien date and levy date	December 2021
Tax bills mailed	December 2021
Payment in full, or	January 31, 2022
First installment due	January 31, 2022
Second installment due	July 31, 2022
Personal property taxes in full	January 31, 2022
Tax sale- 2021 delinquent real estate taxes	October 2025

An allowance of \$66,851 for uncollectible ambulance receivable has been reflected in the government financial statements. Delinquent user charges are placed on the tax roll if not collected. Delinquent special assessments and charges are not paid in full by Iowa County.

E. Receivables and Allowance for Uncollectible Accounts (Continued)

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

In the governmental fund financial statements, advances to other funds are offset equally by a fund balance reserve account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation.

F. Inventories and Prepaid Items

Inventories of governmental fund types consist of expendable supplies held for consumption. Such amounts, which are not of a material amount, are considered expenditures when purchased and, accordingly, are not reflected on the Balance Sheet – Governmental Funds.

Inventories of proprietary fund types are valued at cost using the first-in, first-out method and are charged as expenses or are capitalized when used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

G. Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified. The excess of restricted assets over current liabilities payable from restricted assets will be used first for retirement of related long-term debt. The remainder, if generated from earnings, is shown as restricted net position.

H. Capital Assets**Government-Wide Statements**

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets are defined by the government as assets with an initial cost of more than \$5,000 and an estimated useful life in excess of one year. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated fixed assets are recorded at acquisition value.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

	<u>Years</u>
Buildings	20-40
Machinery and Equipment	5-20
Vehicles	5
Furniture and Fixtures	5-20
Infrastructure	20-50

**Fund Financial Statements**

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

I. Unearned Revenue

The City reports unearned revenue on its governmental funds balance sheet. Unearned revenue arises when resources are received before the City has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when the City has a legal claim to the resources, the unearned revenue is removed from the balance sheet and revenue is recognized.

J. Compensated Absences/Postemployment Benefits

Under terms of employment, employees are granted sick leave and vacation in varying amounts. Only benefits considered to be vested are disclosed in these statements.

All vested vacation and sick leave pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, or are payable with expendable available resources. Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2021 are determined on a basis of current salary rates and include salary related payments.

J. Compensated Absences/Postemployment Benefits (Continued)

All full-time non-union management employees and full-time employees shall earn one-day sick leave with pay for each calendar month. Unused sick leave may accumulate without limit for the employee's personal use in the event of illness or injury only. For any other purpose unused sick leave may accumulate to a maximum of one hundred fifty (150) working days.

Upon the retirement or death of an eligible employee, the value of up to seventy-five days (600 hours) of accumulated sick leave at \$15.00/hour shall be deposited in the City's retirement HRA plan. The remaining current value, if any, of the employee's accumulated sick days/hours will be deposited in the City's 457 deferred compensation plan as a nonelective employer contribution up to the annual contribution limit or catch-up contribution limit, if applicable. In the event the contribution limit has been reached for an employee in the year of retirement, the remaining value will be paid to the employee in cash. An "eligible employee" under this section means an employee who meets the "rule of 72," i.e., an employee whose age and years of service with the City total at least 72 and who regularly works at least 20 hours per week. Expenditures for these benefits are recognized in the fund statements on a pay-as-you-go-basis.

K. Advances to Other Funds

Long-term interfund advances made by governmental funds are recorded as a receivable as reserved fund balance by the advancing fund. Repayments are credited to fund balance, and corresponding reductions are made in the receivable and the reserve.

L. Long-Term Obligations

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes and bonds payable, and accrued compensated absences.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums and less any discounts) are reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

M. Claims and Judgments

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental funds. If they are not to be liquidated with expendable available financial resources, no liability is recognized in the governmental fund statements. The related expenditure is recognized when the liability is liquidated. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred. There were no significant claims or judgments at year-end.

N. Equity Classifications**Government-Wide Statements**

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

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets.
- b. Restricted net position - Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that do not meet the definition of "restricted" or "net investment in capital assets."

**Fund Statements**

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 a spendable form (such as inventory) or are required to be maintained intact.
- Restricted fund balance– amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government) through constitutional provisions, or by enabling legislation.
- Committed fund balance– amounts constrained to specific purposes by the Council, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the Council takes the same highest level action to remove or change the constraint.
- Assigned fund balance– includes spendable fund balance amounts that are intended to be used for specific purposes that are not considered restricted or committed. Fund balance may be assigned through the following; 1) Common Council identification 2) All remaining positive spendable amounts in governmental funds, other than the general fund, that are neither restricted nor committed. Assignments may take place after the end of the reporting period.
- Unassigned fund balance– includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those purposes.

The City Common Council, as the City's highest level of decision-making authority, may commit fund balance for specific purposes pursuant to constraints imposed by formal actions taken, such a majority vote or resolution. These committed amounts cannot be used for any other purpose unless the Common Council removes or changes the specific use through the same type of formal action taken to establish the commitment. Common Council action to commit fund balance needs to occur within the fiscal reporting period, no later than December 31<sup>st</sup>; however, the amount can be determined subsequent to the release of the financial statements. At the time of adoption of this policy, the City does not have any reserves that meet this component of fund balance.



N. Equity Classifications (Continued)

The City's policy hereby delegates the authority to assign amounts to be used for specific purposes to the City Clerk/Treasurer for the purpose of reporting these amounts in the annual financial statements.

The City will maintain an economic uncertainty reserve of at least 15% of total General Fund operating expenditures (including other financing). The primary purpose of this reserve is to avoid the need for service level reductions in the event of an economic downturn causes revenues to come in lower than budget. This reserve may be increased from time to time in order to address specific anticipated revenue shortfalls (state actions, etc.).

The City considers restricted fund balances to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Similarly, when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, the City considers committed amount to be reduced first, followed by assigned amounts and then unassigned amounts.

O. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omission; injuries to employees; and natural disasters. The City maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the City. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

P. Transfers

Transfers include the payment in lieu of taxes from the water utility to the general fund. See Audit Note #8 for other transfers.

Q. Summarized Comparative Information

The basic financial statements include certain prior year summarized comparative information in total, but not at the level of detail for a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended December 31, 2020, from which the summarized information was derived.

R. Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from these estimates.

S. Pensions

For purposes of measuring the net pension liability (asset) and 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 the WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefits terms. Investments are reported at fair value.

T. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future periods and will not be recognized as an outflow of resources (expenditure) until then. The City has four items that qualify for reporting in this category. The deferred outflows of resources are for the WRS pension system, the Local Retiree Life Insurance Fund, deferred amount on refunding, and unamortized major repairs.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position which applies to future periods and so will not be recognized as an inflow of resource (revenue) until then. The deferred inflows of resources are related to the WRS pension system, the Local Retiree Life Insurance Fund, and deferred property tax revenue.

U. Other Postemployment Benefits*Group life insurance plan*

The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense (revenue), and information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIFs fiduciary net position have been determined on the same basis as they are reported by LRLIF. 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.

V. Unamortized Major Repairs

The water utility painted the water tower in 2016 at a cost of \$616,205. This amount is being amortized to expense over seven-years per authorization from the PSC. The balance at December 31, 2021 was \$88,029.

NOTE 2 EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS  
AND GOVERNMENT-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used on the government fund statements and government-wide statements certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items.

**Explanation of Differences between Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances and the Statement of Activities**

Differences between the governmental funds statement of revenues, expenditures and changes in fund balance and the statement of activities fall into one of three broad categories.

- a. Long-term revenue differences arise because governmental funds report revenues only when they are considered “available,” whereas the statement of activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis whereas the accrual basis of accounting is used on the statement of activities.
- b. Capital related differences include (1) the difference between proceeds for the sale of capital assets reported on governmental fund statements and the gain or loss on the sale of assets as reported on the statement of activities, and (2) the difference between recording an expenditure for the purchase of capital items in the governmental fund statements, and capitalization and recording depreciation expense on those items as recorded in the statement of activities.
- c. Long-term debt transaction differences occur because long-term debt proceeds are recorded as revenue and both interest and principal payments are recorded as expenditures in the governmental fund statements. In the statement of activities, long-term debt proceeds are recorded as a liability, interest expense is recorded as incurred, and principal payments are recorded as a reduction of liabilities.

NOTE 3 CASH AND INVESTMENTS

At December 31, 2021, cash and investments included the following:

Deposits with financial institutions	\$ 13,110,087
Wisconsin Local Government Investment Pool	336,268
Municipal bonds	250,364
Petty cash	600
Total cash and investments	<u>\$ 13,697,319</u>

Cash and investments as of December 31, 2021 are classified in the accompanying financial statements as follows:

Exhibit A-1:	
Cash and investments	\$ 8,092,864
Cash and investments-restricted	2,364,655
Exhibit A-10:	
Cash and investments	3,239,800
Total cash and investments	<u>\$ 13,697,319</u>

Investments Authorized by Wisconsin State Statutes

Investment of City funds is restricted by state statutes. Available investments are limited to:

- Time deposits in any credit union, bank, savings bank, trust company or savings and loan association.
- Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state.
- Bonds or securities issued or guaranteed by the federal government.
- The local government investment pool.
- Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- Repurchase agreements with public depositories, with certain conditions.
- Bonds issued by a local exposition district.
- Bonds issued by a local professional baseball park district.
- Bonds issued by the University of Wisconsin Hospital and Clinics Authority.
- Bonds issued by a local football stadium district.
- Bonds issued by a local arts district.
- Bonds issued by the Wisconsin Aerospace Authority.

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 has chosen to limit its investments to 1 to 3 years in bank Certificates of Deposit or U.S. Treasury obligations of core city funds.

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:

<u>Investment Type</u>	<u>Amount</u>	<u>Remaining Maturity</u>	
		<u>12 Months or Less</u>	<u>13 to 24 Months</u>
Certificates of deposit	\$ 1,030,935	\$ 1,027,725	\$ 3,209
Local Government Investment Pool	336,268	336,268	
Municipal bonds	250,364	250,364	
Totals	<u>\$ 1,617,567</u>	<u>\$ 1,614,358</u>	<u>\$ 3,209</u>

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. State law limits investments in commercial paper, corporate bonds and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The City is empowered by statute to invest in the following types of investments:

1. Time deposits in an authorized bank, savings bank, trust company, credit union or savings and loan association which is authorized to transact business in this State if the time deposits mature in not more than 3 years.
2. Bonds or securities issued or guaranteed as to principal and interest by the federal government, or by a commission, board or other instrumentality of the federal government.
3. The State of Wisconsin Local Government Investment Pool.
4. The Wisconsin Investment Trust.
5. Mortgage backed securities, derivatives, and mutual funds are not permitted.

As of December 31, 2021, the City's investments were rated as follows:

Investment Type	Value	Standard & Poor's Credit Ratings		
		AA	A	Not Rated
Certificates of deposit	\$ 1,030,935	\$	\$	\$ 1,030,935
Local Government Investment Pool	336,268			336,268
Municipal bonds	250,364	209,900	40,464	

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City would 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 risk for investments is the risk that, in the event of failure of the counterparty (e.g. broker-dealer) to a transaction, the City would not be able to recover the value of its investment of collateral securities that are in possession of another party.

The City's investment policy states that the City shall maintain all cash and investments, which includes authorized investment vehicles that are insured or registered or which are collateralized by or evidenced by securities held by the City, in the City's name. Collateralization in some form shall cover those deposits in excess of \$500,000.

The policy also states that because of the State of Wisconsin and FDIC insurance limits on public deposits, the City of Dodgeville will require financial institutions to secure deposits and investments by pledging as collateral, U.S. Treasury bills, notes, bonds, U. S. Government Agencies or State of Wisconsin general obligation bonds or a bank deposit guaranty bond.

*Federal Deposit Insurance Corporation (FDIC) Insurance*

The insurance coverage of public unit accounts depends upon the type of deposit and the location of the insured depository institution. All time and savings deposits owned by a public unit and held by the public unit's official custodian in an insured depository institution within the State in which the public unit is located are added together and insured up to \$250,000. Separately, all demand deposits owned by a public unit and held by the public unit's official custodian in an insured depository institution within the State in which the public unit is located are added together and insured up to \$250,000. For the purpose of these rules, the term 'time and savings deposits' includes NOW accounts and money market deposit accounts but does not include interest bearing demand deposit accounts. The term 'demand deposits' means both interest-bearing and noninterest-bearing deposits that are payable on demand and for which the depository institution does not reserve the right to require advance notice of an intended withdrawal.

*Collateralization of Public Unit Deposits*

Depending on applicable state or federal law, public unit deposits may be secured by collateral or assets of the bank. In the event of the failure of the bank, the FDIC will honor the collateralization agreement if the agreement is valid and enforceable under applicable law. The FDIC does not guarantee, however, that the collateral will be sufficient to cover the amount of the uninsured funds. As such, although it does not increase the insurance coverage of the public unit deposits, collateralization provides an avenue of recovery in the unlikely event of the failure of an insured bank.

Bank accounts and the local government investment pool are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the relatively small size of the Guarantee Fund in relationship to the total deposits covered and other legal implications, recovery of material principal losses may be significant to individual organizations.

As of December 31, 2021, \$9,756,272 of the City's deposits with financial institutions were in excess of federal depository insurance limits. \$9,306,088 was collateralized by securities pledged by financial institutions. The remaining deposits of \$450,184 are considered uninsured and uncollateralized. The State of Wisconsin Guarantee Fund would provide coverage up to \$400,000 for this amount, provided funds are available at the time of any potential loss.

Fluctuating cash flows during the year due to tax collections, receipt of state aids and proceeds from borrowing may have resulted in temporary balances during the year being exposed to custodial credit risk.

*Wisconsin Local Government Investment Pool*

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 (SWIB). 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. All investments are valued at amortized cost by the SIF for purposes of calculating earnings to each participant. Specifically, the SIF distributes income to pool participants monthly, based on their average daily share balance. Distributions include interest income based on stated rates (both paid and accrued), amortization of discounts and premiums on a straight-line basis, realized investment gains and losses calculated on an amortized cost basis, and investment expenses. This method does not distribute to participants any unrealized gains or losses generated by the pool's investments. Detailed information about the SIF is available in separately issued financial statements available at <https://doa.wi.gov/Pages/StateFinances/LGIP.aspx>. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2021, the fair value of the City's share of the LGIP's assets was substantially equal to the amount reported above. Information on derivatives was not available to the City.

SWIB may invest in obligations of the U.S. Treasury and its agencies, Commercial Paper, Bank Time Deposits/Certificates of Deposit, Bankers' Acceptances, Asset Backed Securities and Repurchase Agreements secured by the U.S. Government or its agencies and other instruments authorized under State Investment Fund Investment guidelines.

Investment allocation in the LGIP as of December 31, 2021 was: 81.0% in U.S. Government Securities, 3.0% in Bankers' Acceptances, and 16.0% in Corporate Notes. The Wisconsin State Treasurer updates the investment allocations on a monthly basis.

The Securities Investor Protection Corporation (SIPC), created by the Securities Investor Protection Act of 1970, is an independent government-sponsored corporation (not an agency of the U.S. government). TD Ameritrade's SIPC membership provides account protection up to a maximum of \$500,000 per customer.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer. The City places no limit on the amount the City may invest in any one issuer.

Fair Value Measurement

Financial assets required to be measured on a recurring basis are classified under a three-tier hierarchy for fair value investments. Fair value is the amount that would be received to sell an asset, or paid to settle a liability, in an orderly transaction between market participants at the measurements date.

The City uses the following hierarchical disclosure framework:

Level 1 – Measurement based upon quoted prices for identical assets in an active market as of the reporting date.

Level 2 – Measurement based upon marketplace inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Measurement based on the City’s assumptions about a hypothetical marketplace because observable market inputs are not available as of the reporting date.

The City uses appropriate valuation techniques based on the available inputs to measure the fair values of its assets and liabilities. When available, the City measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs have the lowest priority.

	<u>Assets at Fair Value as of December 31, 2021</u>	
	<u>Fair Value</u>	<u>Level 2</u>
Municipal bonds	<u>\$ 250,364</u>	<u>\$ 250,364</u>



Capital asset activity for the year ended December 31, 2021 was as follows:

	Beginning Balance	Additions	Removals	Ending Balance
<b><u>Governmental activities</u></b>				
Capital assets not being depreciated:				
Construction work in progress	\$ 72,673	\$ 719,620	\$ (39,167)	\$ 753,126
Land	2,729,948	58,429	(423,540)	2,364,837
Total capital assets not being depreciated	2,802,621	778,049	(462,707)	3,117,963
Other capital assets:				
Land improvements	265,383	20,000		285,383
Buildings and improvements	3,574,538	10,462		3,585,000
Equipment	3,535,851	36,750	(225,756)	3,346,845
Vehicles	3,699,531	100,662		3,800,193
Furniture and fixtures	98,539			98,539
Infrastructure	15,935,439	1,117,611		17,053,050
Total other capital assets at historical costs	27,109,281	1,285,485	(225,756)	28,169,010
Less accumulated depreciation for:				
Land improvements	48,816	14,233		63,049
Buildings and improvements	1,901,116	86,742		1,987,858
Equipment	2,248,178	249,061	(225,756)	2,271,483
Vehicles	2,545,495	165,840		2,711,335
Furniture and fixtures	98,539			98,539
Infrastructure	8,222,110	422,975		8,645,085
Total accumulated depreciation	15,064,254	938,851	(225,756)	15,777,349
Net other capital assets	12,045,027	346,634		12,391,661
Total net capital assets	\$ 14,847,648	\$ 1,124,683	\$ (462,707)	\$ 15,509,624

Depreciation expense was charged to functions as follows:

<b>Governmental activities</b>	
General government	\$ 37,351
Public safety	277,872
Public works, which includes the depreciation of infrastructure	512,097
Leisure activities	103,431
Health and human services	8,100
Total governmental activities depreciation expense	<u>\$ 938,851</u>

CAPITAL ASSETS (CONTINUED)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Removals</u>	<u>Ending Balance</u>
<b><u>Business-type activities:</u></b>				
Capital assets not being depreciated:				
Land and land rights:				
Sewer	\$ 35,255	\$	\$	\$ 35,255
Water	17,799			17,799
Construction work in progress	40,123		(40,123)	
Total capital assets not being depreciated	<u>93,177</u>		<u>(40,123)</u>	<u>53,054</u>
Capital assets being depreciated:				
Water:				
Source of supply	419,275			419,275
Pumping	1,239,654	18,300	(13,000)	1,244,954
Water treatment	23,073			23,073
Transmission and distribution	10,036,743	823,104	(25,760)	10,834,087
General	144,570			144,570
Sewer:				
Collecting system	7,842,564	454,972	(62,600)	8,234,936
Collecting system pumping plant	546,926	17,387	(13,001)	551,312
Treatment and disposal plant	8,823,798			8,823,798
General plant	1,025,585	78,674		1,104,259
Total capital assets being depreciated	<u>30,102,188</u>	<u>1,392,437</u>	<u>(114,361)</u>	<u>31,380,264</u>
Total accumulated depreciation	<u>7,463,220</u>	<u>565,616</u>	<u>(114,361)</u>	<u>7,914,475</u>
Net capital assets being depreciated	<u>22,638,968</u>	<u>826,821</u>		<u>23,465,789</u>
Total net capital assets	<u>\$22,732,145</u>	<u>\$ 826,821</u>	<u>\$ (40,123)</u>	<u>\$23,518,843</u>

Depreciation expense was charged to functions as follows:

**Business-type activities:**

Sewer utility	\$ 302,245
Water utility	263,371
Total depreciation expense	<u>565,616</u>
Less: water depreciation expense allocated to sewer	<u>(18,018)</u>
Total depreciation expense per exhibit A-8	<u>\$ 547,598</u>

Long-term obligations activity for the year ended December 31, 2021 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due within One Year
<b><u>Governmental activities</u></b>					
Bonds and notes payable:					
Notes from direct borrowings and direct placements	\$ 517,046	\$ 700,000	\$ (73,521)	\$ 1,143,525	\$ 74,674
General obligation bonds	583,802	1,880,000	(138,286)	2,325,516	146,839
Less: deferred amount on refunding	(20,991)		5,998	(14,993)	
Less: unamortized debt discount	(3,844)		1,098	(2,746)	
Total bonds and notes payable	<u>1,076,013</u>	<u>2,580,000</u>	<u>(204,711)</u>	<u>3,451,302</u>	<u>221,513</u>
Other liabilities:					
Capital lease	105,490		(28,479)	77,011	29,746
Compensated absences	265,249	29,535	(25,342)	269,442	41,183
Total other liabilities	<u>370,739</u>	<u>29,535</u>	<u>(53,821)</u>	<u>346,453</u>	<u>70,929</u>
Total governmental activities long-term liabilities	<u>\$ 1,446,752</u>	<u>\$ 2,609,535</u>	<u>\$ (258,532)</u>	<u>\$ 3,797,755</u>	<u>\$ 292,442</u>
<b><u>Business-type activities</u></b>					
Bonds and notes payable:					
Notes from direct borrowings and direct placements	\$ 174,733	\$	\$ (174,733)	\$	\$
General obligation bonds	91,197		(21,714)	69,483	23,161
Less: deferred amount on refunding	(3,438)		983	(2,455)	
Less: unamortized debt discount	(1,503)		430	(1,073)	
Mortgage revenue bonds-direct	2,787,594		(150,020)	2,637,574	152,960
Total bonds and notes payable	<u>3,048,583</u>		<u>(345,054)</u>	<u>2,703,529</u>	<u>176,121</u>
Other liabilities:					
Compensated absences	53,200		(25,068)	28,132	
Total business-type activities long-term liabilities	<u>\$ 3,101,783</u>	<u>\$</u>	<u>\$ (370,122)</u>	<u>\$ 2,731,661</u>	<u>\$ 176,121</u>

The compensated absences liability attributed to governmental activities are typically being liquidated in the general fund.

General Obligation Debt

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

In accordance with Wisconsin Statutes, total general obligation indebtedness of the City may not exceed five percent of the equalized value of taxable property within the City's jurisdiction. The debt limit as of December 31, 2021 was \$11,905,850. Total general obligation debt outstanding at year-end was \$3,538,524.

	Date of Issue	Final Maturity	Interest Rates	Original Amount	Balance 12/31/21
<u>Governmental activities</u>					
General obligation debt:					
General obligation bonds	7/1/10	3/1/24	3.85-4.00%	\$ 2,760,233	\$ 170,516
General obligation refunding bond	4/26/12	3/1/24	3.00-3.45%	975,000	275,000
General obligation notes	9/30/16	9/29/26	1.79%	250,000	130,622
General obligation notes	6/30/17	6/29/27	2.20%	500,000	312,903
General obligation notes	11/16/21	1/4/23	1.50%	700,000	700,000
General obligation bonds	12/16/21	3/1/41	0.8-2.0%	1,880,000	1,880,000
Total governmental activities - general obligation debt					<u>\$ 3,469,041</u>
<u>Business-type activities</u>					
General obligation debt:					
General obligation bonds	7/1/10	3/1/24	3.85-4.00%	\$ 1,124,767	\$ 69,483

General Obligation Debt (Continued)

Debt service requirements to maturity are as follows for governmental activities:

Years	Governmental Activities					
	Notes from Direct Borrowings and Direct Placements			General Obligation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 74,674	\$ 9,231	\$ 83,905	\$ 146,839	\$ 38,855	\$ 185,694
2023	776,217	7,688	783,905	150,391	44,202	194,593
2024	77,792	17,850	95,642	173,286	38,704	211,990
2025	79,400	4,505	83,905	25,000	35,800	60,800
2026	80,988	2,742	83,730	75,000	35,400	110,400
2027-2031	54,454	2,223	56,677	530,000	150,000	680,000
2032-2036				610,000	91,800	701,800
2037-2041				615,000	30,850	645,850
Totals	\$ 1,143,525	\$ 44,239	\$ 1,187,764	\$ 2,325,516	\$ 465,611	\$ 2,791,127

Debt service requirements to maturity are as follows for business-type activities:

Years	Business-Type Activities		
	General Obligation Bonds		
	Principal	Interest	Total
2022	\$ 23,161	\$ 2,299	\$ 25,460
2023	24,609	1,361	25,970
2024	21,713	434	22,147
Totals	\$ 69,483	\$ 4,094	\$ 73,577

Revenue Debt

Revenue bonds are payable only from revenues derived from the operation of the utility.

Revenue debt payable at December 31, 2021 consists of the following:

	Date of Issue	Final Maturity	Interest Rate	Original Amount	Balance 12/31/21
<u>Business-type activities</u>					
Revenue debt					
Revenue bonds	12/28/16	5/1/36	1.96%	\$3,221,580	\$ 2,637,574

Revenue Debt (Continued)

Debt service requirements to maturity are as follows:

Years	Business-type Activities		
	Revenue Debt		
	Principal	Interest	Total
2022	\$ 152,960	\$ 50,197	\$ 203,157
2023	155,958	47,170	203,128
2024	159,015	44,083	203,098
2025	162,132	40,936	203,068
2026	165,310	37,727	203,037
2027-2031	876,438	138,257	1,014,695
2032-2036	965,761	48,057	1,013,818
Totals	\$ 2,637,574	\$ 406,427	\$ 3,044,001

Capital Leases, As Lessee

The following is an analysis of the original cost of leased property under capital leases by major classes as of December 31, 2021:

Street machinery cost	\$ 145,422
Accumulated depreciation	(72,711)
	<u>\$ 72,711</u>

The following is a schedule by years of future minimum lease payments under the capital leases together with the present value of the set minimum lease payments as of December 31, 2021:

Year ended December 31,	
2022	\$ 32,497
2023	32,497
2024	16,316
Total payments	<u>81,310</u>
Less: amount representing interest	(4,299)
Present value of net minimum lease payments	<u>\$ 77,011</u>

Other Liabilities Information

Estimated payments of compensated absences are not included in the debt service requirement schedules.

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

ETF issued a standalone Annual Comprehensive Financial Report, which can be found at <http://etf.wi.gov/publications/cafr.htm>

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

**Benefits provided.** Employees who retire at or after age 65 (54 for protective occupations and 62 for elected officials and executive service retirement plan participants, if hired on or before 12/31/2016) 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.

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

Year	Core Fund Adjustment (%)	Variable Fund Adjustment (%)
2011	(1.2)	11.0
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0

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

During the reporting period, the WRS recognized \$160,625 in contributions from the employer. Contribution rates as of December 31, 2021 are:

Employee Category	Employee	Employer
General (including teachers, executives and elected officials)	6.75%	6.75%
Protective with Social Security	6.75%	11.75%
Protective without Social Security	6.75%	16.35%

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

At December 31, 2021, the City reported a liability (asset) of (\$838,563) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2019 rolled forward to December 31, 2020. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension liability (asset) was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2020, the City's proportion was 0.01343176%, which was an increase of 0.00044334% from its proportion measured as of December 31, 2019.

For the year ended December 31, 2021, the City recognized pension expense (revenue) of (\$90,780).

Pension amounts have been allocated to the proprietary funds and business-type activities. Allocations were based on the proportionate share of current year contributions to the pension plan made by the proprietary funds and business-type activities relative to the total contributions made by the City.



At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 1,213,658	\$ (261,419)
Net differences between projected and actual earnings on pension plan investments		(1,574,334)
Changes in assumptions	19,020	
Changes in proportion and differences between employer contributions and proportionate share of contributions	7,787	(1,972)
Employer contributions subsequent to the measurement date	173,435	
Total	<u>\$ 1,413,900</u>	<u>\$ (1,837,725)</u>

\$173,435 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<b>Year Ended December 31:</b>	<b>Net Deferred Outflows (Inflows) of Resources</b>
2022	\$ (153,939)
2023	(40,270)
2024	(283,572)
2025	(119,479)
Total	<u>\$ (597,260)</u>

**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, 2019
Measurement Date of Net Pension Liability (Asset):	December 31, 2020
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table
Post-Retirement Adjustments	1.9%*

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

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The total pension liability for December 31, 2020 is based upon a roll-forward of the liability calculated from the December 31, 2019 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:

Asset Allocation Targets and Expected Returns As of December 31, 2020			
Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Global Equities	51	7.2	4.7
Fixed Income	25	3.2	0.8
Inflation Sensitive Assets	16	2.0	(0.4)
Real Estate	8	5.6	3.1
Private Equity/Debt	11	10.2	7.6
Multi-Asset	4	5.8	3.3
Total Core Fund	115	6.6	4.1
Variable Fund Asset Class			
U.S. Equities	70	6.6	4.1
International Equities	30	7.4	4.9
Total Variable Fund	100	7.1	4.6
New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.4%			
Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations			

**Single Discount rate.** A single discount rate of 7.00% was used to measure the Total Pension Liability for the current and prior year. This single discount rate is based on the expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.00% (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, 2020. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan 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 of Dodgeville's proportionate share of the net pension liability (asset) to changes in the discount rate.** The following presents the City's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.00 percent, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease to Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase to Discount Rate (8.00%)
City's proportionate share of the net pension liability (asset)	\$ 798,196	\$ (838,563)	\$ (2,040,751)

**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>.

NOTE 7 OTHER POSTEMPLOYMENT BENEFITS – MULTIPLE-EMPLOYER LIFE INSURANCE PLAN

**Plan description.** The Local Retiree Life Insurance Fund (LRLIF) is a multiple-employer defined benefit OPEB plan. LRLIF benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. The Wisconsin Department of Employee Trust Funds (ETF) and the Group Insurance Board have statutory authority for program administration and oversight. The plan provides post-employment life insurance benefits for all eligible employees.

**OPEB Plan Fiduciary Net Position.** ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <http://etf.wi.gov/publications/cafr.htm>.

**Benefits provided.** The LRLIF plan provides fully paid up life insurance benefits for post-age 64 retired employees and pre-65 retirees who pay for their coverage.

NOTE 7 OTHER POSTEMPLOYMENT BENEFITS – MULTIPLE-EMPLOYER LIFE INSURANCE PLAN (CONTINUED)

**Contributions.** The Group Insurance Board approves contribution rates annually, based on recommendations from the insurance carrier. Recommended rates are based on an annual valuation, taking into consideration an estimate of the present value of future benefits and the present value of future contributions. A portion of employer contributions made during a member’s working lifetime funds a post-retirement benefit.

Employers are required to pay the following contributions based on employee contributions for active members to provide them with Basic Coverage after age 65. There are no employer contributions required for pre-age 65 annuitant coverage. If a member retires prior to age 65, they must continue paying the employee premiums until age 65 in order to be eligible for the benefit after age 65.

Contribution rates as of December 31, 2021 are:

Coverage Type	Employer Contribution
25% Post Retirement Coverage	20% of Member Contribution

Member contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating employees must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The employee contribution rates in effect for the year ended December 31, 2020 are as listed below:

Life Insurance Employee Contribution Rates* For the year ended December 31, 2020		
Attained Age	Basic	Supplemental
Under 30	\$0.05	\$0.05
30-34	0.06	0.06
35-39	0.07	0.07
40-44	0.08	0.08
45-49	0.12	0.12
50-54	0.22	0.22
55-59	0.39	0.39
60-64	0.49	0.49
65-69	0.57	0.57
*Disabled members under age 70 receive a waiver-of-premium benefit.		

During the reporting period, the LRLIF recognized \$685 in contributions from the employer.

***OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs***

At December 31, 2021, the LRLIF Employer reported a liability (asset) of \$189,043 for its proportionate share of the net OPEB liability (asset). The net OPEB liability (asset) was measured as of December 31, 2020, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of January 1, 2019 rolled forward to December 31, 2020. 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 OPEB liability (asset) was based on the City’s share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2020, the City’s proportion was 0.03436700%, which was a decrease of 0.000895% from its proportion measured as of December 31, 2019.

For the year ended December 31, 2021, the City recognized OPEB expense of \$24,471.

NOTE 7 OTHER POSTEMPLOYMENT BENEFITS – MULTIPLE-EMPLOYER LIFE INSURANCE PLAN (CONTINUED)

At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	\$ (9,021)
Net differences between projected and actual earnings on plan investments	2,752	
Changes in actuarial assumptions	73,540	(12,971)
Changes in proportion and differences between employer contributions and proportionate share of contributions	8,103	(4,047)
Employer contributions subsequent to the measurement date	694	
Totals	<u>\$ 85,089</u>	<u>\$ (26,039)</u>

\$694 reported as deferred outflows related to OPEB resulting from the City employer's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31:	Net Deferred Outflows (Inflows) of Resources
2022	\$ 11,503
2023	11,206
2024	10,899
2025	9,795
2026	10,398
Thereafter	4,555
Total	<u>\$ 58,356</u>

NOTE 7 OTHER POSTEMPLOYMENT BENEFITS – MULTIPLE-EMPLOYER LIFE INSURANCE PLAN (CONTINUED)

**Actuarial assumptions.** The total OPEB liability in the January 1, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2020
Measurement Date of Net OPEB Liability (Asset)	December 31, 2020
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield:	2.12%
Long-Term Expected Rated of Return:	4.25%
Discount Rate:	2.25%
Salary Increases	
Inflation:	3.00%
Seniority/Merit:	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The total OPEB liability for December 31, 2020 is based upon a roll-forward of the liability calculated from the January 1, 2020 actuarial valuation.

**Long-term expected Return on Plan Assets.** The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Investments for the LRLIF are held with Securian, the insurance carrier. Interest is calculated and credited to the LRLIF based on the rate of return for a segment of the insurance carriers' general fund, specifically 10-year A- Bonds (as a proxy, and not tied to any specific investments). The overall aggregate interest rate is calculated using a tiered approach based on the year the funds were originally invested and the rate of return for that year. Investment interest is credited based on the aggregate rate of return and assets are not adjusted to fair market value. Furthermore, the insurance carrier guarantees the principal amounts of the reserves, including all interest previously credited thereto.

Local OPEB Life Insurance Asset Allocation Targets and Expected Returns As of December 31, 2020			
Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
US Credit Bonds	Barclays Credit	50%	1.47%
US Mortgages	Barclays MBS	50%	0.82%
Inflation			2.20%
Long-Term Expected Rate of Return			4.25%

The long-term expected rate of return and expected inflation rate remained unchanged from the prior year at 4.25% and 2.20% respectively. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation.

NOTE 7 OTHER POSTEMPLOYMENT BENEFITS – MULTIPLE-EMPLOYER LIFE INSURANCE PLAN (CONTINUED)

**Single Discount rate.** A single discount rate of 2.25% was used to measure the Total OPEB Liability for the current year, as opposed to a discount rate of 2.87% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 2.74% as of December 31, 2019 to 2.12% as of December 31, 2020. The Plan’s fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive members. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan’s fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan’s fiduciary net position is projected to be insufficient. The plan’s fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

The projection of cash flows used to determine the single discount rate assumed that employer contributions will be made according to the current employer contribution schedule and that contributions are made by plan members retiring prior to age 65.

**Sensitivity of the City’s proportionate share of the net OPEB liability (asset) to changes in the discount rate.** The following presents the City’s proportionate share of the net OPEB liability (asset) calculated using the discount rate of 2.25 percent, as well as what the City’s proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (1.25 percent) or 1-percentage-point higher (3.25 percent) than the current rate:

	1% Decrease to Discount Rate (1.25%)	Current Discount Rate (2.25%)	1% Increase to Discount Rate (3.25%)
City's proportionate share of the net OPEB liability (asset)	\$ 257,153	\$ 189,043	\$ 137,534

**OPEB plan fiduciary net position.** Additionally, ETF issued a standalone Retiree Life Insurance Financial Report, which can be found at <https://etfonline.wi.gov/ETFGASBPublicWeb/gasb75Local.do>.

NOTE 8

INTERFUND ACCOUNTS

Interfund receivables and payables as of December 31, 2021 were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Governmental Funds:		
General	Water utility	<u>\$ 202,518</u>

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

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>
Governmental Funds:		
General	Water utility-tax equivalent	\$ 196,046
General	Smith trust	53
General	TIF district #2	213,067
Capital projects	General	576,766
Affordable housing	TIF district #2	470,896
Debt service	TIF district #2	124,844
	Total	<u>\$ 1,581,672</u>
Proprietary Funds:		
General	Water utility-tax equivalent	<u>\$ 202,518</u>

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorization and (3) move fund balances whose designated purpose has been removed.

RESTRICTED CASH

General, TIF No. 3, Smith Trust, Campbell Trust funds report \$253,888, \$700,184, \$3,209, and \$103,000, respectively, of restricted cash which will be used for Harris Park, future economic development, perpetual care, and permanent fund.

Mortgage Revenue Bond Funds: Certain proceeds of the sewer utility's revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. The following mortgage revenue bond funds are required:

- Operation and Maintenance Fund - Used for the payment of current expenses.
- Debt Service Fund - Used to segregate resources accumulated for debt service payments as they become due.
- Surplus Fund - Any amount remaining after the requirements above have been completed.

Sewer Replacement Fund: The Wisconsin Department of Natural Resources required as a condition of the sewer grant that a replacement fund be established and funded on an annual basis. The sewer utility maintains its fund to replace equipment for the utility as needs arise.

At December 31, 2021, enterprise fund restricted cash was as follows:

	<u>Restricted Cash</u>
Mortgage revenue bond funds	\$ 46,492
DNR replacement fund	1,257,882
Total	<u>\$ 1,304,374</u>



## NOTE 10

DEFERRED INFLOWS OF RESOURCES

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes receivable for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer inflow recognition in connection with resources that have been received, but not yet earned. At December 31, 2021 the various components of deferred inflows of resources were as follows:

Property tax receivable	\$ 3,373,977
Tax increment receivable	1,401
Special assessments not yet due	21,566
Garbage and recycling penalties	27
2021 tax equivalent from water utility	202,518
Total	<u>\$ 3,599,489</u>

Postponed special assessments are generally collectible in annual installments over five years while others have been deferred until the property is sold or placed in service.

## NOTE 11

GOVERNMENTAL FUND BALANCES**GOVERNMENTAL FUND BALANCES**

Governmental fund balances reported on the fund financial statements at December 31, 2021 includes the following:

Major Funds:	
<b>General Fund:</b>	
Nonspendable:	
Prepaid expenditures	<u>\$ 48,839</u>
Restricted for:	
Harris Park donation	<u>\$ 223,176</u>
Assigned for:	
Codification of ordinances	\$ 27,432
Law - outside services	102
Mayor	4,304
Clerk	14,506
Elections	3,657
Treasurer	11,652
Assessor	7,428
General building and plant	15,482
Miscellaneous expenses	421
Property and liability insurance	109,665
Flex plan administration	2,047
Police department	288,565

GOVERNMENTAL FUND BALANCES (CONTINUED)

Assigned for (continued):	
Police training	\$ 8,699
Criminal justice scholarship	1,435
Fire department	182,314
Building inspector	6,359
Emergency warning system	12,838
Taxi cab	73,227
Public works director	11,733
Engineering	26,363
Machinery and equipment	7,424
Street cleaning	989
Snow and ice	61,770
Tree and brush	5,893
Sidewalk	6,173
Storm sewer	1,846
Weed control	12,089
Cemetery	85,869
Cable TV educational programs	16,142
Parks	233,681
Historic preservation walking tour	1,277
Recreation	67,954
Celebrations/entertainment (fireworks)	335
Swimming pool	2,278
Swimming pool concessions	553
Swim team	9,673
Housing authority	5,073
Urban development	1,490
Historic preservation	2,798
Harris park fund	11,414
Assessor outlay	10,762
Ambulance outlay (building-equipment)	120,888
Police outlay	4,577
Fire outlay (equipment)	24,767
Fire outlay (building)	22,861
Street construction outlay	7,963
Storm sewer outlay	5,000
Wilson park outlay	28,718
Parks outlay	4,805
Park improvement outlay	19,588
Wilson park donations	3,098
Forestry outlay (Iowa street trees)	1,834
Harris park outlay	200,538

GOVERNMENTAL FUND BALANCES (CONTINUED)

## Assigned for (continued):

## Sick Leave:

Deputy clerk	\$	1,258
Finance/HR		11,618
EMS		6,087
Police		56,797
Public works		63,840
Streets		63,910
Cemetery		4,132
Parks		4,132
Total assigned	\$	<u>2,010,123</u>

**Capital Improvements Fund:**

## Assigned for:

Building fund outlay	\$	289,638
Fire suppression truck		249,136
Emergency warning system		3,493
Ambulance outlay (vehicle)		308,845
Street machinery outlay		73,801
Street construction outlay		574,790
Street lighting outlay		17,031
Cemetery outlay		89,351
Assessment of property		421,946
Recreation outlay		8,011
Library outlay		10,000
Pool outlay		25,000
Pool replacement outlay		113,991
Parks outlay		65,944
Total assigned	\$	<u>2,250,977</u>

**Special Purpose Library:**

## Restricted for:

Library technology & equipment	\$	1,300
Library - building project		4,480
Library - other		62,356
Total restricted	\$	<u>68,136</u>

**TIF District #3**

## Restricted for:

TIF expenditures	\$	<u>894,428</u>
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## Non-major Funds:

**Campbell Trust:**

Nonspendable:

Permanent	\$ 103,000
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**Smith Trust:**

Restricted for:

Perpetual care	\$ 3,209
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**Debt Service:**

Restricted for:

Debt service	\$ 221,749
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**Affordable Housing:**

Restricted for:

Affordable housing expenditures	\$ 320,866
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CONCENTRATION OF RISK

Approximately 10.3% of the City's tax revenue is provided by one taxpayer.

TAX LEVY LIMIT

Wisconsin Act 32 imposes a limit on the property tax levies for all Wisconsin cities, villages, towns and counties. Under 2011 Wisconsin Act 32, in 2011 and all future years, a municipality is allowed to increase its levy over the amount it levied in the prior year by the percentage increase in equalized value from net new construction or zero percent. All exceptions and modifications to levy limits that existed under previous law continue to apply.

In addition, as part of Wisconsin's Act 20 (2013), legislation was passed that further limits future tax levies. If the City adopts a new fee or a fee increase for covered services such as garbage collection, fire protection, snow plowing, and street sweeping (which were partly or wholly funded by property tax levy), the City must reduce its levy limit in the current year by the amount of the new fee or fee increase, less any previous reductions.

The City of Dodgeville, Wisconsin Tax Incremental Financing Districts (TID) were created under the provisions of Wisconsin Statute Section 66.46. The purpose of that section is to allow a municipality to recover development and improvements costs in a designated area from the property taxes generated on the increased value of the property after the creation date of the District. The tax on the increased value is called a tax increment.

Project costs may not be incurred up to five years before the District's mandatory termination date. Statutes allow the municipality to collect tax increments until the net project cost has been fully recovered, or for a maximum number of years. An industrial and mixed-use TID has the option to extend the maximum life by 5 years. Project costs uncollected at the dissolution date are absorbed by the municipality.

	<u>Creation Date</u>	<u>Last Date to Incur Project Costs</u>	<u>Final Dissolution Date</u>
District #2	9/28/1998	9/28/2016	3/16/2021
District #3	7/21/2020	7/21/2035	7/21/2040

TID #2 terminated in 2021 and all excess increments were refunded to overlying taxing jurisdictions.

Following is the cumulative status of the City's active TID as of December 31, 2021:

	<u>TID #3</u>
Revenues	
Interest	\$ 184
Debt premium	49,858
Total revenues	<u>50,042</u>
Expenditures	
Construction	1,415,500
Professional services	50,850
Developer incentives	188,399
DOR fees	1,150
Interest and fiscal charges	79,715
Total expenditures	<u>1,735,614</u>
Amount to be recovered through future increments	<u>\$ 1,685,572</u>
Cash	\$ (894,428)
Long-term debt outstanding	2,580,000
Amount to be recovered through future increments	<u>\$ 1,685,572</u>

The amount to be recovered shown above will be increased by interest payments made in the future.

NOTE 15 PURCHASE COMMITMENTS/SUBSEQUENT

EVENTS The City approved the following purchases:

- 2021 street reconstruction costs remaining \$116,000
- TID #3 phase 1 development costs remaining \$564,000
- New ambulance for \$336,895
- Fit tester machine for \$20,615
- Vector truck for \$90,000
- WWTP computer and software for \$35,000
- 2022 street reconstruction for \$2,572,009 to be funded with loan proceeds. Terms of the loan are not known as of the date of this report
- Water system study for \$97,000
- Pull and inspect well #6 for \$21,410
- Replace police department roof for \$72,240

Subsequent to December 31, 2021, the City approved the issuance of \$770,000 General Obligation Refunding Bonds (GORB). The GORB will currently refund \$700,000 of general obligation notes dated November 16, 2021 before they mature on January 4, 2023. The GORB were issued on March 17, 2022 with an interest rate of 2.75%. Debt requirements are as follows:

Years	Governmental Activities		
	General Obligation Bonds		
	Principal	Interest	Total
2023	\$	\$ 30,821	\$ 30,821
2024	25,000	20,831	45,831
2025	25,000	20,144	45,144
2026	25,000	19,456	44,456
2027	25,000	18,769	43,769
2028-2032	125,000	83,531	208,531
2033-2037	230,000	60,777	290,777
2038-2041	315,000	17,805	332,805
Totals	\$ 770,000	\$ 272,134	\$ 1,042,134

NOTE 16

TAX ABATEMENTS

Tax abatements are a reduction in tax revenues that result from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

The City, through its TID #3, has entered into tax abatement agreements in the form of developer incentives to stimulate economic development. The abatements are authorized through the TID #3 project plan. For the year ended December 31, 2021, the City abated property taxes totaling \$188,399 related to TID #3 developer agreements.

The City has entered into tax abatement agreements in the form of developer incentives to create affordable housing and to improve housing stock. For the year ended December 31, 2021, the City abated property taxes totaling \$150,000 related to affordable housing developer agreements.



*Federal Deposit Insurance Corporation (FDIC) Insurance*

The insurance coverage of public unit accounts depends upon the type of deposit and the location of the insured depository institution. All time and savings deposits owned by a public unit and held by the public unit's official custodian in an insured depository institution within the State in which the public unit is located are added together and insured up to \$250,000. Separately, all demand deposits owned by a public unit and held by the public unit's official custodian in an insured depository institution within the State in which the public unit is located are added together and insured up to \$250,000. For the purpose of these rules, the term 'time and savings deposits' includes NOW accounts and money market deposit accounts but does not include interest bearing demand deposit accounts. The term 'demand deposits' means both interest-bearing and noninterest-bearing deposits that are payable on demand and for which the depository institution does not reserve the right to require advance notice of an intended withdrawal.

*Collateralization of Public Unit Deposits*

Depending on applicable state or federal law, public unit deposits may be secured by collateral or assets of the bank. In the event of the failure of the bank, the FDIC will honor the collateralization agreement if the agreement is valid and enforceable under applicable law. The FDIC does not guarantee, however, that the collateral will be sufficient to cover the amount of the uninsured funds. As such, although it does not increase the insurance coverage of the public unit deposits, collateralization provides an avenue of recovery in the unlikely event of the failure of an insured bank.

Bank accounts and the local government investment pool are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the relatively small size of the Guarantee Fund in relationship to the total deposits covered and other legal implications, recovery of material principal losses may be significant to individual organizations.

At December 31, 2021, all deposits were covered by FDIC insurance.

Concentration of Credit Risk

The Housing Authority places no limit on the amount the Housing Authority may invest in any one issuer.



Required Supplementary Information

Exhibit B-1  
Required Supplementary Information  
City of Dodgeville, Wisconsin  
Budgetary Comparison Schedule for the General Fund  
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variances- Positive (Negative)	
	Original	Final		Original to Actual	Final to Actual
<b>REVENUES</b>					
Taxes	\$ 1,949,763	\$ 1,949,763	\$ 2,000,625	\$ 50,862	\$ 50,862
Special assessments			21,915	21,915	21,915
Intergovernmental	882,318	882,318	951,820	69,502	69,502
Licenses and permits	87,360	87,360	132,362	45,002	45,002
Fines and forfeitures	20,000	20,000	22,820	2,820	2,820
Public charges for services	417,950	417,950	428,125	10,175	10,175
Intergovernmental charges for services	446,000	446,000	584,028	138,028	138,028
Interest income	29,000	29,000	9,628	(19,372)	(19,372)
Miscellaneous	30,900	30,900	90,966	60,066	60,066
Total revenues	<u>3,863,291</u>	<u>3,863,291</u>	<u>4,242,289</u>	<u>378,998</u>	<u>378,998</u>
<b>EXPENDITURES</b>					
Current:					
General government	863,604	863,604	706,035	157,569	157,569
Public safety	2,376,353	2,376,353	1,933,248	443,105	443,105
Public works	826,739	826,739	642,917	183,822	183,822
Sanitation	251,000	251,000	254,107	(3,107)	(3,107)
Leisure activities	682,046	682,046	350,311	331,735	331,735
Conservation & economic development	120,935	120,935	174,224	(53,289)	(53,289)
Health & social services	178,528	178,528	92,659	85,869	85,869
Capital outlay	568,318	561,708	127,699	440,619	434,009
Total expenditures	<u>5,867,523</u>	<u>5,860,913</u>	<u>4,281,200</u>	<u>1,586,323</u>	<u>1,579,713</u>
Excess (deficiency) of revenues over over expenditures	<u>(2,004,232)</u>	<u>(1,997,622)</u>	<u>(38,911)</u>	<u>1,965,321</u>	<u>1,958,711</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	210,500	210,500	409,166	198,666	198,666
Unrealized gain (loss) on investments	15,000	15,000	(1,608)	(16,608)	(16,608)
Sale of capital assets	34,000	27,390	299,976	265,976	272,586
Total other financing sources	<u>259,500</u>	<u>252,890</u>	<u>130,768</u>	<u>(128,732)</u>	<u>(122,122)</u>
Net change in fund balance	(1,744,732)	(1,744,732)	91,857	1,836,589	1,836,589
Fund balances-beginning	2,887,895	2,887,895	2,887,895		
Fund balances-ending	<u>\$ 1,143,163</u>	<u>\$ 1,143,163</u>	<u>\$ 2,979,752</u>	<u>\$ 1,836,589</u>	<u>\$ 1,836,589</u>

Exhibit B-2  
Required Supplementary Information  
City of Dodgeville, Wisconsin  
Budgetary Comparison Schedule for the Special Purpose Library Fund  
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variances- Positive (Negative)	
	Original	Final		Original to Actual	Final to Actual
	<b>REVENUES</b>				
Taxes	\$ 304,586	\$ 304,586	\$ 304,586	\$	\$
Intergovernmental	97,431	97,431	99,935	2,504	2,504
Fines and forfeits	1,500	1,500	43	(1,457)	(1,457)
Public charges for services	3,000	3,000	1,122	(1,878)	(1,878)
Interest income	150	150	35	(115)	(115)
Miscellaneous	1,000	1,000	490	(510)	(510)
Total revenues	<u>407,667</u>	<u>407,667</u>	<u>406,211</u>	<u>(1,456)</u>	<u>(1,456)</u>
<b>EXPENDITURES</b>					
Current:					
Leisure activities	<u>418,343</u>	<u>418,343</u>	<u>387,739</u>	<u>30,604</u>	<u>30,604</u>
Excess (deficiency) of revenues over expenditures	(10,676)	(10,676)	18,472	29,148	29,148
Fund balances-beginning	<u>49,664</u>	<u>49,664</u>	<u>49,664</u>		
Fund balances-ending	<u>\$ 38,988</u>	<u>\$ 38,988</u>	<u>\$ 68,136</u>	<u>\$ 29,148</u>	<u>\$ 29,148</u>

Exhibit B-3  
City of Dodgeville, Wisconsin  
Wisconsin Retirement System Schedules  
December 31, 2021

**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)**  
Last 10 Calendar Years\*

Year ended December 31,	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered- employee payroll	Collective net pension liability (asset) as a percentage of the employer's covered- employee payroll	Plan fiduciary net position as a percentage of the total pension liability (asset)
2020	(0.01343176%)	\$ (838,563)	\$ 1,866,323	(44.93%)	105.26%
2019	(0.01298842%)	(418,805)	1,670,185	(25.08%)	102.96%
2018	0.01295890%	461,037	1,666,681	27.66%	96.45%
2017	(0.01288908%)	(382,692)	1,618,689	(23.64%)	102.93%
2016	0.01267260%	104,452	1,597,156	6.54%	99.12%
2015	0.01259840%	204,722	1,638,029	12.50%	98.20%
2014	(0.01223579%)	(300,462)	1,515,979	(19.82%)	102.74%

\*The proportionate share of the net pension liability (asset) and other amounts presented above for each year were determined as of the calendar year-end that occurred 12 months prior to the financial reporting period.

**SCHEDULE OF CONTRIBUTIONS**  
Last 10 Calendar Years\*\*

Year ended December 31,	Contractually required contributions	Contributions in relation to the contractually required contributions	Contribution deficiency (excess)	Covered-employee payroll	Contributions as a percentage of covered- employee payroll
2021	\$ 173,435	\$ (173,435)		\$ 1,969,872	8.80%
2020	159,774	(159,774)		1,866,323	8.56%
2019	138,952	(138,952)		1,670,185	8.32%
2018	136,821	(136,821)		1,666,681	8.21%
2017	132,303	(132,303)		1,618,689	8.17%
2016	120,945	(120,945)		1,597,156	7.57%
2015	126,698	(126,698)		1,638,029	7.73%

\*\*The contribution and other amounts presented above for each calendar year are based on information that occurred during that calendar year.

Exhibit B-4  
City of Dodgeville, Wisconsin  
Local Retiree Life Insurance Fund Schedules  
December 31, 2021

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**SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)**  
Last 10 Calendar Years\*

Year ended December 31,	Proportion of the net OPEB liability (asset)	Proportionate share of the net OPEB liability (asset)	Covered- employee payroll	Collective net OPEB liability (asset) as a percentage of the employer's covered- employee payroll	Plan fiduciary net position as a percentage of the total OPEB liability (asset)
2020	0.03436700%	\$ 189,043	\$ 1,289,000	14.67%	31.36%
2019	0.03526200%	150,152	1,370,000	10.96%	37.58%
2018	0.03598600%	92,856	1,341,000	6.92%	48.69%

\*The proportionate share of the net pension liability (asset) and other amounts presented above for each year were determined as of the calendar year-end that occurred 12 months prior to the financial reporting period.

City of Dodgeville, Wisconsin  
Notes to the Required Supplementary Information  
December 31, 2021

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NOTE 1

BUDGET SCHEDULE

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

The City budget is adopted in accordance with state law. Budget amounts in the financial statements include appropriations authorized in the original budget resolution and designated carryovers from the prior year. Revisions to the original budget are required by a statutory provision which states that no expenditure can be made from an expired appropriation. The statutes also require publication of these budget revisions. Revisions require a majority vote of the Common Council. Appropriations for the general fund lapse at year end unless specifically carried forward by council action. A formal budget is not required for TIF district No. 2. Control for the TIF district fund is maintained by comparison to the project plan.

The City does not utilize encumbrances in its budget process but does take into consideration certain appropriations, which do not lapse on an annual basis.

NOTE 2

EXCESS EXPENDITURES OVER APPROPRIATIONS

The following expenditures exceeded budget appropriations in the general fund for the year ended December 31, 2021:

Expenditures	Excess
General fund:	
Sanitation	\$ 3,107
Conservation & economic development	53,289

NOTE 3

WISCONSIN RETIREMENT SYSTEM SCHEDULES

Governmental Accounting Standards Board Statement No. 68 requirements have been implemented prospectively; therefore, the illustrations do not present similar information for the 3 preceding years.

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

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

NOTE 4

LOCAL RETIREE LIFE INSURANCE SCHEDULES

Governmental Accounting Standards Board Statement No. 75 requirements have been implemented prospectively, therefore, the illustrations do not present similar information for the 7 preceding years.

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

*Changes of assumptions.* The Single Discount Rate assumption used to develop total OPEB liability changed from the prior year. Please refer to the Actuarial Assumptions section above for additional detail.

Supplementary Information

Exhibit C-1  
City of Dodgeville, Wisconsin  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2021

	Permanent Funds		Debt Service	Special Revenue		Total
	Smith Trust	Campbell Trust		Affordable Housing	Local Fiscal Recovery Fund	
<b>ASSETS</b>						
Cash and investments	\$	\$	\$ 221,749	\$ 320,866	\$ 219,692	\$ 762,307
Cash and investments - restricted	3,209	103,000				106,209
Taxes receivable			201,228			201,228
Total assets	\$ 3,209	\$ 103,000	\$ 422,977	\$ 320,866	\$ 219,692	\$ 1,069,744
<b>LIABILITIES</b>						
Unearned revenue	\$	\$	\$	\$	\$ 219,692	\$ 219,692
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred property tax revenue			201,228			201,228
<b>FUND BALANCES</b>						
Nonspendable		103,000				103,000
Restricted	3,209		221,749	320,866		545,824
Total fund balances	3,209	103,000	221,749	320,866		648,824
Total liabilities, deferred inflows of resources and fund balances	\$ 3,209	\$ 103,000	\$ 422,977	\$ 320,866	\$ 219,692	\$ 1,069,744



Exhibit C-2  
City of Dodgeville, Wisconsin  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2021

	Permanent Funds		TIF District #2	Debt Service	Special Revenue		Total
	Smith Trust	Campbell Trust			Affordable Housing	Local Fiscal Recovery Fund	
<b>REVENUES</b>							
Taxes	\$	\$	\$ 470,896	\$ 182,972	\$	\$	\$ 653,868
Intergovernmental			8,415			26,017	34,432
Interest income	53	335	643	36			1,067
<b>Total revenues</b>	<b>53</b>	<b>335</b>	<b>479,954</b>	<b>183,008</b>		<b>26,017</b>	<b>689,367</b>
<b>EXPENDITURES</b>							
Current:							
General government			481,474			26,017	507,491
Cemetery expenditures		335					335
Conservation & economic development					150,030		150,030
Debt service:							
Principal retirement			36,843	174,964			211,807
Interest and fiscal charges			5,366	23,492			28,858
<b>Total expenditures</b>		<b>335</b>	<b>523,683</b>	<b>198,456</b>	<b>150,030</b>	<b>26,017</b>	<b>898,521</b>
Excess (deficiency) of revenues over expenditures	53		(43,729)	(15,448)	(150,030)		(209,154)
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in				124,844	470,896		595,740
Transfers out	(53)		(808,807)				(808,860)
<b>Total other financing sources (uses)</b>	<b>(53)</b>		<b>(808,807)</b>	<b>124,844</b>	<b>470,896</b>		<b>(213,120)</b>
Net change in fund balances			(852,536)	109,396	320,866		(422,274)
Fund balances-beginning	3,209	103,000	852,536	112,353			1,071,098
Fund balances-ending	\$ 3,209	\$ 103,000	\$	\$ 221,749	\$ 320,866	\$	\$ 648,824