

CITY OF CLINTONVILLE, WISCONSIN

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2020



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INDEPENDENT AUDITORS' REPORT

City Council
City of Clintonville, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Clintonville, Wisconsin (the City) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 4.G., the City recorded a prior period adjustment to increase net position and accounts receivable by \$433,686 in the proprietary fund and business-type activities financial statements. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the schedules relating to pensions and other postemployment benefits on pages 64 and 65 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 opinions on the basic financial statements are not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The financial information listed in the table of contents as supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Green Bay, Wisconsin
June 17, 2021

BASIC FINANCIAL STATEMENTS

**CITY OF CLINTONVILLE, WISCONSIN
STATEMENT OF NET POSITION
YEAR ENDED DECEMBER 31, 2020**

	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Cash and Investments	\$ 4,863,584	\$ 5,727,538	\$ 10,591,122
Receivables:			
Taxes and Special Charges	1,627,001	-	1,627,001
Delinquent Taxes	12,157	-	12,157
Accounts	23,607	1,566,550	1,590,157
Special Assessments	22,355	5,845	28,200
Loans	949,751	-	949,751
Inventories and Prepaid Items	66,604	292,961	359,565
Investment in Badger Power, Inc.	-	4,251,057	4,251,057
Restricted Assets:			
Cash and Investments	1,651	1,295,407	1,297,058
Net Pension Asset	488,331	189,217	677,548
Capital Assets, Nondepreciable	4,866,960	580,634	5,447,594
Capital Assets, Depreciable	12,588,993	22,986,682	35,575,675
Total Assets	<u>25,510,994</u>	<u>36,895,891</u>	<u>62,406,885</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension Contribution	-	301,101	301,101
Pension Related Amounts	1,136,810	434,290	1,571,100
Other Postemployment Related Amounts	59,766	23,162	82,928
Total Deferred Outflows of Resources	<u>1,196,576</u>	<u>758,553</u>	<u>1,955,129</u>
LIABILITIES			
Accounts Payable	323,495	983,104	1,306,599
Accrued and Other Current Liabilities	147,530	55,426	202,956
Due to Other Governments	8,588	-	8,588
Accrued Interest Payable	52,818	41,199	94,017
Special Deposits	-	19,794	19,794
Public Benefits	-	18,331	18,331
Long-Term Obligations:			
Due Within One Year	854,010	739,025	1,593,035
Due in More than One Year	4,566,948	9,444,320	14,011,268
Net Other Postemployment Benefits	147,540	57,177	204,717
Total Liabilities	<u>6,100,929</u>	<u>11,358,376</u>	<u>17,459,305</u>
DEFERRED INFLOWS OF RESOURCES			
Property Taxes Levied for Subsequent Year	2,782,362	-	2,782,362
Pension Related Amounts	1,466,298	568,156	2,034,454
Other Postemployment Related Amounts	40,151	15,560	55,711
Total Deferred Inflows of Resources	<u>4,288,811</u>	<u>583,716</u>	<u>4,872,527</u>
NET POSITION			
Net Investment in Capital Assets	12,536,804	13,559,186	26,095,990
Restricted:			
Debt Service	114,193	857,395	971,588
Donations	559,736	-	559,736
Refuse Collections	20,243	-	20,243
Capital Projects	732,214	-	732,214
2% Fire Dues	10,658	-	10,658
Lead Service Replacement	-	23,749	23,749
Equipment Replacement	-	414,263	414,263
Pension Benefits	488,331	189,217	677,548
Unrestricted	<u>1,855,651</u>	<u>10,668,542</u>	<u>12,524,193</u>
Total Net Position	<u>\$ 16,317,830</u>	<u>\$ 25,712,352</u>	<u>\$ 42,030,182</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF CLINTONVILLE, WISCONSIN
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
General Government	\$ 887,309	\$ 75,901	\$ -	\$ -
Public Safety	2,280,711	280,378	19,007	-
Public Works	2,051,330	368,963	426,293	283,409
Health and Human Services	20,110	-	-	-
Culture and Recreation	813,982	17,701	240,311	-
Conservation and Development	311,730	-	-	-
Interest and Fiscal Charges	142,026	-	-	-
Total Governmental Activities	<u>6,507,198</u>	<u>742,943</u>	<u>685,611</u>	<u>283,409</u>
BUSINESS-TYPE ACTIVITIES				
Electric Utility	8,989,144	9,918,193	-	10,223
Water Utility	875,949	1,201,616	-	-
Sewer Utility	1,390,190	1,230,487	-	368,710
Total Business-Type Activities	<u>11,255,283</u>	<u>12,350,296</u>	<u>-</u>	<u>378,933</u>
Total	<u>\$ 17,762,481</u>	<u>\$ 13,093,239</u>	<u>\$ 685,611</u>	<u>\$ 662,342</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF CLINTONVILLE, WISCONSIN
STATEMENT OF ACTIVITIES (CONTINUED)
YEAR ENDED DECEMBER 31, 2020**

Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Totals
GOVERNMENTAL ACTIVITIES			
General Government	\$ (811,408)	\$ -	\$ (811,408)
Public Safety	(1,981,326)	-	(1,981,326)
Public Works	(972,665)	-	(972,665)
Health and Human Services	(20,110)	-	(20,110)
Culture and Recreation	(555,970)	-	(555,970)
Conservation and Development	(311,730)	-	(311,730)
Interest and Fiscal Charges	(142,026)	-	(142,026)
Total Governmental Activities	<u>(4,795,235)</u>	<u>-</u>	<u>(4,795,235)</u>
BUSINESS-TYPE ACTIVITIES			
Electric Utility	-	939,272	939,272
Water Utility	-	325,667	325,667
Sewer Utility	-	209,007	209,007
Total Business-Type Activities	<u>-</u>	<u>1,473,946</u>	<u>1,473,946</u>
Total	(4,795,235)	1,473,946	(3,321,289)
GENERAL REVENUES			
Taxes:			
Property Taxes	2,386,289	-	2,386,289
Tax Increments	70,101	-	70,101
Other Taxes	58,609	-	58,609
Federal and State Grants and Other Contributions not Restricted to Specific Functions	1,457,461	266,776	1,724,237
Interest and Investment Earnings	116,141	5,480	121,621
Miscellaneous	401,114	45,555	446,669
Gain on Sale of Asset	3,484	-	3,484
TRANSFERS	440,054	(440,054)	-
Total General Revenues and Transfers	<u>4,933,253</u>	<u>(122,243)</u>	<u>4,811,010</u>
CHANGE IN NET POSITION	138,018	1,351,703	1,489,721
Net Position - January 1, as Originally Reported	16,179,812	23,926,963	40,106,775
Prior Period Adjustment	<u>-</u>	<u>433,686</u>	<u>433,686</u>
Net Position - January 1, as Restated	<u>16,179,812</u>	<u>24,360,649</u>	<u>40,540,461</u>
NET POSITION - DECEMBER 31	<u>\$ 16,317,830</u>	<u>\$ 25,712,352</u>	<u>\$ 42,030,182</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF CLINTONVILLE, WISCONSIN
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2020**

	General	Housing Grant	Debt Service
ASSETS			
Cash and Investments	\$ 2,129,632	\$ -	\$ 516,394
Restricted Cash and Investments	1,651	-	-
Receivables:			
Taxes and Special Charges	802,599	-	519,257
Accounts	-	-	-
Special Assessments	22,355	-	-
Loans	-	761,617	-
Due from Other Funds	217,171	-	-
Inventories and Prepaid Items	38,576	-	-
 Total Assets	 \$ 3,211,984	 \$ 761,617	 \$ 1,035,651
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 162,178	\$ -	\$ 2,640
Accrued and Other Current Liabilities	132,688	-	-
Due to Other Funds	-	154,940	-
Due to Other Governments	8,588	-	-
Total Liabilities	303,454	154,940	2,640
 DEFERRED INFLOWS OF RESOURCES			
Property Taxes Levied for Subsequent Year	1,387,177	-	866,000
Loans Receivable	-	761,617	-
Total Deferred Inflows of Resources	1,387,177	761,617	866,000
 FUND BALANCES			
Nonspendable	38,576	-	-
Restricted	-	-	167,011
Assigned	65,959	-	-
Unassigned	1,416,818	(154,940)	-
Total Fund Balances	1,521,353	(154,940)	167,011
 Total Liabilities, Deferred Inflows of Resources, and Fund Balances	 \$ 3,211,984	 \$ 761,617	 \$ 1,035,651

See accompanying Notes to Basic Financial Statements.

**CITY OF CLINTONVILLE, WISCONSIN
BALANCE SHEET
GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2020**

	Major Capital Improvements	Other Governmental Funds	Totals
ASSETS			
Cash and Investments	\$ 756,513	\$ 1,461,045	\$ 4,863,584
Restricted Cash and Investments	-	-	1,651
Receivables:			
Taxes and Special Charges	-	317,302	1,639,158
Accounts	23,607	-	23,607
Special Assessments	-	-	22,355
Loans	-	188,134	949,751
Due from Other Funds	-	-	217,171
Inventories and Prepaid Items	-	28,028	66,604
	<u>780,120</u>	<u>1,994,509</u>	<u>7,783,881</u>
Total Assets	<u>\$ 780,120</u>	<u>\$ 1,994,509</u>	<u>\$ 7,783,881</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 47,906	\$ 110,771	\$ 323,495
Accrued and Other Current Liabilities	-	14,842	147,530
Due to Other Funds	-	62,231	217,171
Due to Other Governments	-	-	8,588
Total Liabilities	<u>47,906</u>	<u>187,844</u>	<u>696,784</u>
DEFERRED INFLOWS OF RESOURCES			
Property Taxes Levied for Subsequent Year	-	529,185	2,782,362
Loans Receivable	-	188,134	949,751
Total Deferred Inflows of Resources	<u>-</u>	<u>717,319</u>	<u>3,732,113</u>
FUND BALANCES			
Nonspendable	-	28,028	66,604
Restricted	732,214	590,637	1,489,862
Assigned	-	582,953	648,912
Unassigned	-	(112,272)	1,149,606
Total Fund Balances	<u>732,214</u>	<u>1,089,346</u>	<u>3,354,984</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 780,120</u>	<u>\$ 1,994,509</u>	<u>\$ 7,783,881</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF CLINTONVILLE, WISCONSIN
RECONCILIATION TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
DECEMBER 31, 2020**

RECONCILIATION TO THE STATEMENT OF NET POSITION

Total Fund Balances as Shown on Previous Page	\$	3,354,984
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.		17,455,953
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Long-term assets are not considered available and; therefore, are not reported in the funds		
Net Pension Asset		488,331

Other long-term assets are not available to pay current period expenditures and therefore are deferred in the funds.		
Loans		949,751

Deferred outflows and inflows of resources represent a consumption or acquisition of net position that applies to a future period and, therefore are not reported in the funds		
Deferred Outflows Related to Pensions		1,136,810
Deferred Inflows Related to Pensions		(1,466,298)
Deferred Outflows Related to Other Postemployment Benefits		59,766
Deferred Inflows Related to Other Postemployment Benefits		(40,151)

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds and Notes Payable		(5,128,707)
Premium on Debt		(41,394)
Compensated Absences		(250,857)
Net Other Postemployment Benefit		(147,540)
Accrued Interest on Long-Term Obligations		(52,818)

Net Position of Governmental Activities as Reported on the Statement of Net Position (see page 5)	\$	<u>16,317,830</u>
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**CITY OF CLINTONVILLE, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEARS ENDED DECEMBER 31, 2020**

	<u>General</u>	<u>Housing Grant</u>	<u>Debt Service</u>
REVENUES			
Taxes	\$ 1,225,129	\$ -	\$ 875,757
Special Assessments	9,522	-	-
Intergovernmental	1,885,876	-	-
Licenses and Permits	110,135	-	-
Fines and Forfeits	46,665	-	-
Public Charges for Services	107,498	-	-
Intergovernmental Charges for Services	92,687	-	-
Miscellaneous	214,893	17,631	-
Total Revenues	<u>3,692,405</u>	<u>17,631</u>	<u>875,757</u>
EXPENDITURES			
Current:			
General Government	575,083	-	-
Public Safety	1,936,360	-	-
Public Works	826,143	-	-
Health and Human Services	20,110	-	-
Culture and Recreation	383,762	-	-
Conservation and Development	-	13,067	-
Debt Service:			
Principal	-	-	860,977
Interest and Fiscal Charges	-	-	143,077
Capital Outlay	-	-	-
Total Expenditures	<u>3,741,458</u>	<u>13,067</u>	<u>1,004,054</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(49,053)	4,564	(128,297)
OTHER FINANCING SOURCES (USES)			
Transfers In	441,879	-	125,000
Transfers Out	(268,375)	-	-
Total Other Financing Sources (Uses)	<u>173,504</u>	<u>-</u>	<u>125,000</u>
NET CHANGE IN FUND BALANCES	124,451	4,564	(3,297)
Fund Balances - January 1	<u>1,396,902</u>	<u>(159,504)</u>	<u>170,308</u>
FUND BALANCES - DECEMBER 31	<u>\$ 1,521,353</u>	<u>\$ (154,940)</u>	<u>\$ 167,011</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF CLINTONVILLE, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS (CONTINUED)
YEARS ENDED DECEMBER 31, 2020**

	Major Capital Improvements	Other Governmental Funds	Totals
REVENUES			
Taxes	\$ -	\$ 414,324	\$ 2,515,210
Special Assessments	-	-	9,522
Intergovernmental	564,052	257,558	2,707,486
Licenses and Permits	-	-	110,135
Fines and Forfeits	-	-	46,665
Public Charges for Services	-	324,008	431,506
Intergovernmental Charges for Services	-	87,074	179,761
Miscellaneous	150,466	98,223	481,213
Total Revenues	<u>714,518</u>	<u>1,181,187</u>	<u>6,481,498</u>
EXPENDITURES			
Current:			
General Government	-	-	575,083
Public Safety	-	122,498	2,058,858
Public Works	-	403,499	1,229,642
Health and Human Services	-	-	20,110
Culture and Recreation	-	414,211	797,973
Conservation and Development	-	96,443	109,510
Debt Service:			
Principal	-	-	860,977
Interest and Fiscal Charges	-	-	143,077
Capital Outlay	956,415	22,341	978,756
Total Expenditures	<u>956,415</u>	<u>1,058,992</u>	<u>6,773,986</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(241,897)	122,195	(292,488)
OTHER FINANCING SOURCES (USES)			
Transfers In	182,206	3,375	752,460
Transfers Out	-	(44,031)	(312,406)
Total Other Financing Sources (Uses)	<u>182,206</u>	<u>(40,656)</u>	<u>440,054</u>
NET CHANGE IN FUND BALANCES	(59,691)	81,539	147,566
Fund Balances - January 1	<u>791,905</u>	<u>1,007,807</u>	<u>3,207,418</u>
FUND BALANCES - DECEMBER 31	<u>\$ 732,214</u>	<u>\$ 1,089,346</u>	<u>\$ 3,354,984</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF CLINTONVILLE, WISCONSIN
RECONCILIATION TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
YEARS ENDED DECEMBER 31, 2020**

RECONCILIATION TO THE STATEMENT OF ACTIVITIES

Net Change in Fund Balances as Shown on Previous Page \$ 147,566

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital Assets Reported as Capital Outlay in Governmental Fund Statements	690,960
Depreciation Expense Reported in the Statement of Activities	(1,033,409)
Net Book Value of Disposals	(76,799)

Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the statement of activities when earned.

Loans Receivable	(174,114)
Grants Receivable	(276,336)

Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Principal Repaid	860,977
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:

Accrued Interest on Long-Term Debt	(4,658)
Amortization of Premium on Debt	5,709
Compensated Absences	27,965
Net Pension Liability/Asset	1,010,823
Deferred Outflows of Resources Related to Pensions	(288,427)
Deferred Inflows of Resources Related to Pensions	(742,527)
Net Other Postemployment Benefits	(45,369)
Deferred Outflows of Resources Related to Other Postemployment Benefits	44,569
Deferred Inflows of Resources Related to Other Postemployment Benefits	(8,912)

Change in Net Position of Governmental Activities as Reported in the Statement of Activities (see pages 6 - 7)	\$ 138,018
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CITY OF CLINTONVILLE, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – GENERAL FUND
YEARS ENDED DECEMBER 31, 2020

	Budget		Actual	Variance
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Taxes	\$ 1,216,480	\$ 1,216,480	\$ 1,225,129	\$ 8,649
Special Assessments	8,000	8,000	9,522	1,522
Intergovernmental	1,768,780	1,768,780	1,885,876	117,096
Licenses and Permits	106,871	106,871	110,135	3,264
Fines and Forfeits	59,000	59,000	46,665	(12,335)
Public Charges for Services	114,853	114,853	107,498	(7,355)
Intergovernmental Charges for Services	82,744	82,744	92,687	9,943
Miscellaneous	139,329	139,329	214,893	75,564
Total Revenues	<u>3,496,057</u>	<u>3,496,057</u>	<u>3,692,405</u>	<u>196,348</u>
EXPENDITURES				
Current:				
General Government	702,830	702,830	575,083	127,747
Public Safety	1,904,122	1,904,122	1,936,360	(32,238)
Public Works	914,745	914,745	826,143	88,602
Health and Human Services	21,000	21,000	20,110	890
Culture and Recreation	431,361	431,361	383,762	47,599
Total Expenditures	<u>3,974,058</u>	<u>3,974,058</u>	<u>3,741,458</u>	<u>232,600</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(478,001)	(478,001)	(49,053)	428,948
OTHER FINANCING SOURCES (USES)				
Transfers In	431,500	431,500	441,879	10,379
Transfers Out	-	-	(268,375)	(268,375)
Total Other Financing Sources (Uses)	<u>431,500</u>	<u>431,500</u>	<u>173,504</u>	<u>(257,996)</u>
NET CHANGE IN FUND BALANCE	(46,501)	(46,501)	124,451	170,952
Fund Balance - January 1	<u>1,635,780</u>	<u>1,635,780</u>	<u>1,396,902</u>	<u>(238,878)</u>
FUND BALANCE - DECEMBER 31	<u><u>\$ 1,589,279</u></u>	<u><u>\$ 1,589,279</u></u>	<u><u>\$ 1,521,353</u></u>	<u><u>\$ (67,926)</u></u>

See accompanying Notes to Basic Financial Statements.

**CITY OF CLINTONVILLE, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – HOUSING GRANT FUND
YEARS ENDED DECEMBER 31, 2020**

	Budget		Actual	Variance Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Miscellaneous	\$ 17,631	\$ 17,631	\$ 17,631	\$ -
EXPENDITURES				
Current:				
Conservation and Development	13,067	13,067	13,067	-
NET CHANGE IN FUND BALANCE	4,564	4,564	4,564	-
Fund Balance - January 1	(159,504)	(159,504)	(159,504)	-
FUND BALANCE - DECEMBER 31	<u>\$ (154,940)</u>	<u>\$ (154,940)</u>	<u>\$ (154,940)</u>	<u>\$ -</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF CLINTONVILLE, WISCONSIN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2020**

	Electric Utility	Water Utility	Sewer Utility	Totals
ASSETS				
Current Assets:				
Cash and Investments	\$ 3,154,623	\$ 1,696,379	\$ 876,536	\$ 5,727,538
Receivables:				
Accounts	1,258,391	151,069	157,090	1,566,550
Special Assessments	-	-	5,845	5,845
Inventories and Prepaid Items	262,259	25,579	5,123	292,961
Total Current Assets	<u>4,675,273</u>	<u>1,873,027</u>	<u>1,044,594</u>	<u>7,592,894</u>
Noncurrent Assets:				
Restricted Assets:				
Cash and Investments	374,827	99,078	821,502	1,295,407
Other Assets:				
Investment in Badger Power, Inc.	4,251,057	-	-	4,251,057
Net Pension Asset	104,024	44,369	40,824	189,217
Total Other Assets	<u>4,355,081</u>	<u>44,369</u>	<u>40,824</u>	<u>4,440,274</u>
Capital Assets:				
Nondepreciable	502,892	77,742	-	580,634
Depreciable	2,549,114	6,029,872	14,407,696	22,986,682
Total Capital Assets	<u>3,052,006</u>	<u>6,107,614</u>	<u>14,407,696</u>	<u>23,567,316</u>
Total Assets	12,457,187	8,124,088	16,314,616	36,895,891
DEFERRED OUTFLOWS OF RESOURCES				
Pension Contribution	171,123	61,858	68,120	301,101
Pension Related Amounts	238,832	100,791	94,667	434,290
Other Postemployment Related Amounts	12,729	5,432	5,001	23,162
Total Deferred Outflows of Resources	<u>422,684</u>	<u>168,081</u>	<u>167,788</u>	<u>758,553</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF CLINTONVILLE, WISCONSIN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS (CONTINUED)
DECEMBER 31, 2020**

	Electric Utility	Water Utility	Sewer Utility	Totals
LIABILITIES				
Current Liabilities:				
Accounts Payable	\$ 954,617	\$ 10,200	\$ 18,287	\$ 983,104
Accrued and Other Current Liabilities	27,714	11,864	15,848	55,426
Special Deposits	19,794	-	-	19,794
Public Benefits	18,331	-	-	18,331
Payable from Restricted Assets:				
Current Portion of General				
Obligation Debt	-	10,000	10,000	20,000
Current Portion of Revenue Bonds	250,000	273,472	195,553	719,025
Accrued Interest Payable	1,683	4,273	35,243	41,199
Total Current Liabilities	<u>1,272,139</u>	<u>309,809</u>	<u>274,931</u>	<u>1,856,879</u>
Long-Term Obligations, Less Current Portion:				
General Obligation Debt	-	35,000	35,000	70,000
Revenue Bonds	255,000	1,484,219	7,621,769	9,360,988
Debt Premium	13,332	-	-	13,332
Net Other Postemployment Benefits	31,424	13,409	12,344	57,177
Total Long-Term Liabilities	<u>299,756</u>	<u>1,532,628</u>	<u>7,669,113</u>	<u>9,501,497</u>
Total Liabilities	1,571,895	1,842,437	7,944,044	11,358,376
DEFERRED INFLOWS OF RESOURCES				
Pension Related Amounts	312,351	133,225	122,580	568,156
Other Postemployment Related Amounts	8,552	3,649	3,359	15,560
Total Deferred Inflows of Resources	<u>320,903</u>	<u>136,874</u>	<u>125,939</u>	<u>583,716</u>
NET POSITION				
Net Investment in Capital Assets	2,533,674	4,304,923	6,720,589	13,559,186
Restricted:				
Debt Service	374,827	75,329	407,239	857,395
Lead Service Replacement	-	23,749	-	23,749
Equipment Replacement	-	-	414,263	414,263
Pension Benefits	104,024	44,369	40,824	189,217
Unrestricted	<u>7,974,548</u>	<u>1,864,488</u>	<u>829,506</u>	<u>10,668,542</u>
Total Net Position	<u>\$ 10,987,073</u>	<u>\$ 6,312,858</u>	<u>\$ 8,412,421</u>	<u>\$ 25,712,352</u>

See accompanying Notes to Basic Financial Statements.

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

	Electric Utility	Water Utility	Sewer Utility	Totals
OPERATING REVENUES				
Charges for Services	\$ 9,871,400	\$ 1,161,438	\$ 1,228,078	\$ 12,260,916
Other	46,793	49,238	1,340	97,371
Total Operating Revenues	<u>9,918,193</u>	<u>1,210,676</u>	<u>1,229,418</u>	<u>12,358,287</u>
OPERATING EXPENSES				
Operation and Maintenance	8,497,283	517,432	639,637	9,654,352
Depreciation	489,881	333,250	525,943	1,349,074
Total Operating Expenses	<u>8,987,164</u>	<u>850,682</u>	<u>1,165,580</u>	<u>11,003,426</u>
OPERATING INCOME	931,029	359,994	63,838	1,354,861
NONOPERATING REVENUES (EXPENSES)				
Interest Income	1,357	876	3,247	5,480
Interest and Fiscal Charges	(7,247)	(25,267)	(219,343)	(251,857)
Investor Earnings - Badger Power, Inc.	37,651	-	-	37,651
Other	18,015	(9,060)	4,540	13,495
Total Nonoperating Revenues (Expenses)	<u>49,776</u>	<u>(33,451)</u>	<u>(211,556)</u>	<u>(195,231)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	980,805	326,543	(147,718)	1,159,630
Capital Contributions	10,223	253,194	368,710	632,127
Transfers Out	(229,694)	(210,360)	-	(440,054)
CHANGE IN NET POSITION	761,334	369,377	220,992	1,351,703
Net Position - January 1, as Originally Reported	9,792,053	5,943,481	8,191,429	23,926,963
Prior Period Adjustment	433,686	-	-	433,686
Net Position - January 1, as Restated	<u>10,225,739</u>	<u>5,943,481</u>	<u>8,191,429</u>	<u>24,360,649</u>
NET POSITION - DECEMBER 31	<u><u>\$ 10,987,073</u></u>	<u><u>\$ 6,312,858</u></u>	<u><u>\$ 8,412,421</u></u>	<u><u>\$ 25,712,352</u></u>

See accompanying Notes to Basic Financial Statements.

**CITY OF CLINTONVILLE, WISCONSIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2020**

	Electric Utility	Water Utility	Sewer Utility	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers	\$ 9,966,942	\$ 1,165,684	\$ 1,180,551	\$ 12,313,177
Cash Paid for Employee Wages and Benefits	1,759	8,293	8,201	18,253
Cash Paid to Suppliers	(8,254,361)	(504,419)	(740,883)	(9,499,663)
Net Cash Provided by Operating Activities	1,714,340	669,558	447,869	2,831,767
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Special Assessment Receivable	-	-	(339)	(339)
Transfers Out	(229,694)	(210,360)	-	(440,054)
Net Cash Used by Noncapital Financing Activities	(229,694)	(210,360)	(339)	(440,393)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of Capital Assets	(794,840)	(213,271)	(364,251)	(1,372,362)
Capital Contributions	10,223	253,194	368,710	632,127
Miscellaneous Income (Expense)	18,015	(9,060)	4,540	13,495
Long-Term Debt Proceeds	-	368,689	384,970	753,659
Principal Paid on Long-Term Debt	(245,000)	(275,099)	(197,348)	(717,447)
Interest Paid on Long-Term Debt	(15,324)	(25,327)	(219,970)	(260,621)
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,026,926)	99,126	(23,349)	(951,149)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received	1,357	876	3,247	5,480
CHANGE IN CASH AND CASH EQUIVALENTS	459,077	559,200	427,428	1,445,705
Cash and Cash Equivalents - January 1	3,070,373	1,236,257	1,270,610	5,577,240
CASH AND CASH EQUIVALENTS - DECEMBER 31	<u>\$ 3,529,450</u>	<u>\$ 1,795,457</u>	<u>\$ 1,698,038</u>	<u>\$ 7,022,945</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF CLINTONVILLE, WISCONSIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020**

	Electric Utility	Water Utility	Sewer Utility	Totals
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating Income	\$ 931,029	\$ 359,994	\$ 63,838	\$ 1,354,861
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation	489,881	333,250	525,943	1,349,074
Depreciation Charged to Sewer Utility	-	10,613	(10,613)	-
Change in Liability (Asset) and Deferred Outflows and Inflows of Resources:				
Net Pension Asset/Liability	(218,402)	(94,960)	(88,934)	(402,296)
Deferred Outflows - Pension Related	72,230	36,263	35,222	143,715
Deferred Outflows- Pension Contribution	10,104	3,651	4,012	17,767
Deferred Outflows - OPEB Related	(9,402)	(3,960)	(3,602)	(16,964)
Net Other Postemployment Benefits	9,058	3,516	2,936	15,510
Deferred Inflows - Pension Related	153,912	63,145	55,936	272,993
Deferred Inflows - OPEB Related	1,714	624	483	2,821
Change in Operating Assets and Liabilities:				
Accounts Receivables	45,514	(44,992)	(48,867)	(48,345)
Other Receivables	3,173	-	-	3,173
Inventories and Prepaid Items	(2,714)	1,896	(5,123)	(5,941)
Accounts Payable	232,350	(6,536)	(92,238)	133,576
Accrued and Other Current Liabilities	(750)	7,054	8,876	15,180
Special Deposits	(3,419)	-	-	(3,419)
Public Benefits	62	-	-	62
Net Cash Provided by Operating Activities	<u>\$ 1,714,340</u>	<u>\$ 669,558</u>	<u>\$ 447,869</u>	<u>\$ 2,831,767</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION				
Cash and Cash Equivalents in Current Assets	\$ 3,154,623	\$ 1,696,379	\$ 876,536	\$ 5,727,538
Cash and Cash Equivalents in Restricted Assets	374,827	99,078	821,502	1,295,407
Total Cash and Cash Equivalents	<u>\$ 3,529,450</u>	<u>\$ 1,795,457</u>	<u>\$ 1,698,038</u>	<u>\$ 7,022,945</u>
NONCASH CAPITAL AND RELATING FINANCING ACTIVITIES				
Investment Return in Badger Power Marketing Authority, Inc.	<u>\$ 37,651</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,651</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF CLINTONVILLE, WISCONSIN
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2020**

	<u>Tax Collection Custodial Fund</u>
ASSETS	
Cash and Investments	\$ 1,757,359
Receivables:	
Taxes	<u>2,631,691</u>
Total Assets	<u>4,389,050</u>
 DEFERRED INFLOWS OF RESOURCES	
Property Taxes Levied for Subsequent Year	<u>4,389,050</u>
 NET POSITION	
Fiduciary Net Position - Held for Others	<u><u>\$ -</u></u>

See accompanying Notes to Basic Financial Statements.

**CITY OF CLINTONVILLE, WISCONSIN
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 YEAR ENDED DECEMBER 31, 2020**

	<u>Tax Collection Custodial Fund</u>
ADDITIONS	
Taxes and Special Charges Collected	<u>\$ 4,274,982</u>
DEDUCTIONS	
Payments to Other Taxing Districts:	<u>4,274,982</u>
CHANGE IN NET POSITION	-
Net Position - January 1	<u>-</u>
NET POSITION - DECEMBER 31	<u><u>\$ -</u></u>

See accompanying Notes to Basic Financial Statements.

**CITY OF CLINTONVILLE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

B. Joint Venture – Badger Power Marketing Authority, Inc.

The electric utility fund of the City, along with the City of Shawano, Wisconsin Municipal Utilities established by contract, a nonprofit municipal electric company known as Badger Power Marketing Authority, Inc. (Badger). The City is required by contract to purchase all their power and energy from Badger. Badger is a separate governmental entity created under the Wisconsin Municipal Power Company Act of 1977. All bonds, obligations and liabilities of Badger are solely the responsibility of Badger payable from, and secured by, transmission revenues received from the members and do not constitute obligations of the contracting parties.

The City's investment in Badger is calculated using the equity method. Equity of Badger is allocated to its members based on kWh sales. The City purchased approximately 27% of total Badger kWh sales during 2020. The City's ownership share is valued at \$4,251,057 as of December 31, 2020, and is reported on the statement of net position as an asset.

Complete financial statements for Badger Power Marketing Authority, Inc. can be obtained from Badger located in Shawano, Wisconsin.

**CITY OF CLINTONVILLE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

C. Government-Wide and Fund Financial Statements

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

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Governmental funds include general, special revenue, debt service and capital projects funds. Proprietary funds include enterprise funds. The City has no internal service funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The nonmajor governmental funds are aggregated and presented in a single column.

The City reports the following major governmental funds:

General Fund

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

**CITY OF CLINTONVILLE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Housing Grant Special Revenue Fund

This fund is used to account for the housing grant program within the City. Repayments on housing loans are the significant revenue of the fund.

Debt Service Fund

This fund is used to account for, and the payment of, general long-term principal, interest and related costs.

Major Capital Improvements Fund

This fund accounts for the acquisition or construction of major capital facilities other than those financed by proprietary fund types.

The City reports the following major enterprise funds:

Electric Utility Fund

This fund is used to account for the operations of the City's electric utility.

Water Utility Fund

This fund accounts for the operations of the City's water utility.

Sewer Utility Fund

This fund accounts for the operations of the City's sewer utility.

The City also reports the following fiduciary fund:

Custodial Fund

The custodial fund accounts for property taxes and special charges collected on behalf of other governments.

D. Measurement Focus and Basis of Accounting

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

**CITY OF CLINTONVILLE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

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

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

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

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

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's proprietary funds are charges to customers for services. Operating expenses for proprietary funds include the costs of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources, as they are needed.

**CITY OF CLINTONVILLE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

1. Cash and Investments

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

2. Property Taxes and Special Charges/Receivable

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

In addition to its levy, the City also levies and collects taxes for the Clintonville School District, Waupaca County, Fox Valley Technical College, and Pigeon Lake Rehabilitation District.

3. Accounts Receivable

Accounts receivable are recorded at gross amounts with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that the amount of such allowance would not be material to the basic financial statements.

4. Special Assessments

Assessments against property owners for public improvements are generally not subject to full settlement in the year levied. Special assessments are placed on tax rolls on an installment basis. Revenue from special assessments recorded in governmental funds is recognized when levied. Installments placed on the 2020 tax roll are recognized as revenue in 2021.

**CITY OF CLINTONVILLE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

5. Loans Receivable

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

6. Interfund Receivables and Payables

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

In the government-wide financial statements, any amount reported on the statement of net position for internal balances represents the residual balance outstanding between the governmental and business-type activities.

7. Inventories

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

Inventories of governmental funds in the fund financial statements are offset by nonspendable fund balance to indicate that they do not represent spendable available financial resources.

8. Prepaid Items

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

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

**CITY OF CLINTONVILLE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

9. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$10,000 or higher and an estimated useful life in excess of a year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

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

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

Assets	Governmental Activities	Business-Type Activities
	Years	
Land Improvements	20	-
Buildings and Improvements	50	25 to 100
Machinery and Equipment	5 to 20	3 to 10
Infrastructure	15 to 100	-

**CITY OF CLINTONVILLE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

10. Compensated Absences

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

11. Deferred Outflows/Inflows of Resources

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

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

12. Pension Contribution

Payments made to the Wisconsin Retirement System for prior year benefit changes were financed with long-term obligations. The payments are recognized as expense over the amortization period of the related long-term obligations.

13. Long-Term Obligations

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

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

**CITY OF CLINTONVILLE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

14. Pensions

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

15. Other Postemployment Benefits Other Than Pensions (OPEB)

Local Retiree Life Insurance Fund

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 postemployment benefits, OPEB expense, and information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIF's 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.

16. Fund Equity

Governmental Fund Financial Statements

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

Nonspendable fund balance – Amounts that are not in spendable form (such as inventory, prepaid items, or long-term receivables) or are legally or contractually required to remain intact.

Restricted fund balance – Amounts that are constrained for specific purposes by external parties (such as grantor or bondholders), through constitutional provisions, or by enabling legislation.

Committed fund balance – Amounts that are constrained for specific purposes by action of the City Council. These constraints can only be removed or changed by the City Council using the same action that was used to create them.

**CITY OF CLINTONVILLE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

17. Fund Equity (Continued)

Governmental Fund Financial Statements (Continued)

Assigned fund balance – Amounts that are constrained for specific purposes by action of City management. Residual amounts in any governmental fund, other than the General Fund, are also reported as assigned.

Unassigned fund balance – Amounts that are available for any purpose. Positive unassigned amounts are only reported in the General Fund. Any deficit fund balances within the other governmental funds are reported in unassigned.

The City has not adopted a fund balance spend-down policy regarding the order in which fund balance will be utilized. When a policy does not specify the spend-down policy, GASB Statement No. 54 indicates that restricted funds would be spent first, followed by committed funds, and then assigned funds. Unassigned funds would be spent last.

Government-wide and Proprietary Fund Financial Statements

Net investment in capital assets – Amount of capital assets, net of accumulated depreciation, and capital related deferred outflows of resources less outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets and any capital related deferred inflows of resources.

Restricted net position – Amount of net position that is subject to restrictions that are imposed by 1) external groups, such as creditors, grantors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.

Unrestricted net position – Net position that is neither classified as restricted nor as net investment in capital assets.

F. Sales Tax

The City collects sales tax from certain customers and remits the entire amount to the appropriate governmental entities. The City's accounting policy is to exclude the tax collected and remitted from revenues and cost of sales.

G. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

**CITY OF CLINTONVILLE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 2 STEWARDSHIP AND COMPLIANCE

A. Budgets and Budgetary Accounting

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

1. During November, City management submits to the City Council a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. After submission to the governing body, public hearings are held to obtain taxpayer comments. Following the public hearings, the proposed budget, including authorized additions and deletions, is legally enacted by City Council action.
2. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds. Budget is defined as the originally approved budget plus or minus approved amendments. Individual amendments throughout the year were not material in relation to the original budget. Budget appropriations not expended during the year are closed to fund balance unless authorized by the governing body to be forwarded into the succeeding year's budget.
3. During the year, formal budgetary integration is employed as a management control device for the governmental funds.
4. Expenditures may not exceed appropriations provided in detailed budget accounts maintained for each activity or department of the City. Amendments to the budget during the year require initial approval by management and are subsequently authorized by the City Council.
5. Encumbrance accounting is not used by the City to record commitments related to unperformed contracts for goods or services.

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

**CITY OF CLINTONVILLE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 2 STEWARDSHIP AND COMPLIANCE (CONTINUED)

B. Excess of Expenditures Over Budget Appropriations

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

Fund/Function/Department	Excess Expenditures
General:	
General Government:	
Finance Department	\$ 518
City Hall Maintenance	6,491
Other General Government	53,100
Public Safety:	
Law Enforcement	23,763
Fire Protection	13,021
Building Inspection/Assessor	1,989
Public Works:	
Public Works Management	14,020
Culture and Recreation:	
Recreation Center	718
Swimming Pool	137

The above excess expenditures were funded by positive expenditure variances of the general fund.

C. Deficit Fund Equity

The following funds had deficit fund balance as of December 31, 2020:

Funds	Deficit Fund Balance
Capital Projects Fund:	
Tax Incremental Districts	\$ 86,181
Special Revenue Funds:	
Community Transportation	25,667
Housing Grant	154,940

The City anticipates funding the above deficits from future revenues of the funds.

**CITY OF CLINTONVILLE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 2 STEWARDSHIP AND COMPLIANCE (CONTINUED)

D. Property Tax Levy Limit

Wisconsin state statutes provide for a limit on the property tax levies for all Wisconsin cities, villages, towns and counties. For the 2020 and 2021 budget years, Wisconsin Statutes limit the increase in the maximum allowable tax levy to the change in the City's January 1 equalized value as a result of net new construction. The actual limit for the City for the 2020 budget was 1.285%. The actual limit for the City for the 2021 budget was 1.540%. Debt service for debt authorized after July 1, 2005 is exempt from the levy limit. In addition, Wisconsin statutes allow the limit to be adjusted for the increase in debt service authorized prior to July 1, 2005 and in certain other situations.

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

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

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

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

The carrying amount of the City's cash and investments totaled \$13,645,541 on December 31, 2020 as summarized below:

Petty Cash and Cash on Hand	\$	1,230
Deposits with Financial Institutions		9,957,562
Investments:		
Wisconsin Local Government Investment Pool		3,686,747
Total		<u>\$ 13,645,539</u>

Reconciliation to the basic financial statements:

Government-Wide Statement of Net Position:		
Cash and Investments	\$	10,591,122
Restricted Cash and Investments		1,297,058
Fiduciary Fund statement of Net Position:		
Cash and Investments		1,757,359
Total		<u>\$ 13,645,539</u>

**CITY OF CLINTONVILLE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant observable inputs; Level 3 inputs are significant unobservable inputs. The City currently has no investments that are subject to fair value measurement.

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

Custodial Credit Risk

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

Deposits with financial institutions within the state of Wisconsin are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 for the combined amount of all time and savings deposits and \$250,000 for interest-bearing and noninterest-bearing demand deposits per official custodian per insured depository institution. Deposits with financial institutions located outside the state of Wisconsin are insured by the FDIC in the amount of \$250,000 for the combined amount of all deposit accounts per official custodian per depository institution. Deposits with credit unions are insured by the National Credit Union Share Insurance Fund (NCUSIF) in the amount of \$250,000 per credit union member.

Also, the state of Wisconsin has a State Guarantee Fund which provides a maximum of \$400,000 per public depository above the amount provided by an agency of the U.S. Government. However, due to the relatively small size of the State Guarantee Fund in relation to the Fund's total coverage, total recovery of insured losses may not be available. This coverage has been considered in determining custodial credit risk.

As of December 31, 2020, \$6,889,736 of the City's deposits with financial institutions were in excess of federal and state depository insurance limits. No amounts were collateralized

**CITY OF CLINTONVILLE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

Wisconsin Local Government Investment Pool

The City has investments in the Wisconsin Local Government Investment Pool of \$3,686,747 at year-end. The LGIP is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2020, the fair value of the City's share of the LGIP's assets was substantially equal to the carrying value.

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

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 does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The investments held by the Wisconsin Local Government Investment Pool mature in 12 months or less.

**CITY OF CLINTONVILLE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Restricted Assets

Restricted assets on December 31, 2020 totaled \$1,297,058 and consisted of cash and investments held for the following purposes:

Funds	Amount	Purpose
Governmental Funds:		
General	\$ 1,651	To be used for city culture and safety
Enterprise Funds:		
Electric Utility:		
Bond Reserve	365,613	To be set aside for debt service requirements
Principal and Interest Special Redemption	9,214	To be used for future principal and interest
Total Electric Utility	<u>374,827</u>	payments of long-term obligations
Water Utility:		
Lead Service Replacement Grant	23,749	To be used for privately owned lead service
		replacements
Bond Reserve	68,912	To be set aside for debt service requirements
Principal and Interest Special Redemption	6,417	To be used for future principal and interest
Total Water Utility	<u>99,078</u>	payments of long-term obligations
Sewer Utility:		
Equipment Replacement	414,263	To be used for the replacement of certain
		assets for the sewer utility
Note Proceeds	175,215	Unspent note proceeds to be used for future
		capital improvements
Bond Reserve	216,179	To be set aside for debt service requirements
Principal and Interest Special Redemption	15,845	To be used for future principal and interest
Total Sewer Utility	<u>821,502</u>	payments of long-term obligations
 Total Enterprise Funds	 <u>1,295,407</u>	
 Total	 <u>\$ 1,297,058</u>	

**CITY OF CLINTONVILLE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Nondepreciable:				
Land	\$ 2,552,399	\$ -	\$ 3,656	\$ 2,548,743
Construction in Progress	3,553,021	214,948	1,449,752	2,318,217
Total Capital Assets, Nondepreciable	<u>6,105,420</u>	<u>214,948</u>	<u>1,453,408</u>	<u>4,866,960</u>
Capital Assets, Depreciable:				
Land Improvements	2,217,523	-	18,100	2,199,423
Buildings and Improvements	3,282,531	248,983	68,900	3,462,614
Machinery and Equipment	6,185,686	451,418	279,570	6,357,534
Infrastructure	34,657,122	1,229,019	-	35,886,141
Subtotals	<u>46,342,862</u>	<u>1,929,420</u>	<u>366,570</u>	<u>47,905,712</u>
Less: Accumulated Depreciation for:				
Land Improvements	1,119,982	107,336	18,100	1,209,218
Buildings and Improvements	1,816,707	82,735	56,608	1,842,834
Machinery and Equipment	3,480,348	335,691	215,063	3,600,976
Infrastructure	28,156,044	507,647	-	28,663,691
Subtotals	<u>34,573,081</u>	<u>1,033,409</u>	<u>289,771</u>	<u>35,316,719</u>
Total Capital Assets, Depreciable, Net	<u>11,769,781</u>	<u>896,011</u>	<u>76,799</u>	<u>12,588,993</u>
Governmental Activities Capital Assets, Net	<u>\$ 17,875,201</u>	<u>\$ 1,110,959</u>	<u>\$ 1,530,207</u>	17,455,953
Less: Capital Related Debt				4,623,734
Less: Debt Premium				41,394
Less: Retainage Payable and Accounts Payable				<u>254,021</u>
Net Investment in Capital Assets				<u>\$ 12,536,804</u>
Business-Type Activities:				
Capital Assets, Nondepreciable:				
Land	\$ 82,293	\$ -	\$ -	\$ 82,293
Construction in Progress	304,637	237,917	44,213	498,341
Total Capital Assets, Nondepreciable	<u>386,930</u>	<u>237,917</u>	<u>44,213</u>	<u>580,634</u>
Capital Assets, Depreciable:				
Buildings and Improvements	32,955,894	842,386	4,040	33,794,240
Machinery and Equipment	7,456,127	336,272	21,780	7,770,619
Subtotals	<u>40,412,021</u>	<u>1,178,658</u>	<u>25,820</u>	<u>41,564,859</u>
Less: Accumulated Depreciation	17,254,923	1,349,074	25,820	18,578,177
Buildings and Improvements	-	-	-	-
Total Capital Assets, Depreciable, Net	<u>23,157,098</u>	<u>(170,416)</u>	<u>-</u>	<u>22,986,682</u>
Business-Type Activities Capital Assets, Net	<u>\$ 23,544,028</u>	<u>\$ 67,501</u>	<u>\$ 44,213</u>	23,567,316
Less: Capital Related Debt				9,994,798
Less: Debt Premium				<u>13,332</u>
Net Investment in Capital Assets				<u>\$ 13,559,186</u>

**CITY OF CLINTONVILLE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets (Continued)

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

Governmental Activities:	
General Government	\$ 30,944
Public Safety	176,288
Public Works	750,453
Culture and Recreation	<u>75,724</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,033,409</u>
Business-Type Activities:	
Electric Utility	\$ 489,881
Water Utility	333,250
Sewer Utility	<u>525,943</u>
Total Depreciation Expense - Business-Type Activities	<u>\$ 1,349,074</u>

D. Interfund Receivables, Payables, and Transfers

Interfund receivables and payables between individual funds of the City, as reported in the fund financial statements, as of December 31, 2020 are detailed below:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Temporary Cash Advances to Finance Operating Cash Deficits of Other Funds:		
Governmental Funds:		
General Fund	\$ 217,171	\$ -
Housing Grant Fund	-	154,940
Outdoor Swimming Facility	-	45,312
Tax Incremental Districts	-	16,919
Totals	<u>\$ 217,171</u>	<u>\$ 217,171</u>

**CITY OF CLINTONVILLE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

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

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

Fund	Transfer In	Transfer Out
General	\$ 441,879	\$ 268,375
General Capital Improvements	182,206	-
Main Street Flowers	1,233	-
2% Fire Dues	2,142	-
Main Street Banners		1,010
Skateboard Park	-	540
Ballistic Helmets/Vest	-	275
Tax Incremental Districts	-	42,206
Debt Service	125,000	-
Electric Utility	-	229,694
Water Utility	-	210,360
Total	<u>\$ 752,460</u>	<u>\$ 752,460</u>

Interfund transfers were made for the following purposes:

Tax Equivalent Payment Made by Water Utility to General Fund	\$ 210,360
Tax Equivalent Payment Made by Electric Utility to General Fund	229,694
Debt Service Financing Made by General Fund to Debt Service Fund	125,000
Capital Acquisition Financing Made by General Fund to Capital Projects Fund	140,000
Tax Incremental Districts Closures to Capital Projects Fund	42,206
Contribution to Main Street Flowers by General Fund	1,233
Contribution to 2% Fire Dues by General Fund	2,142
Skateboard Park Transfer to General Fund	540
Main Street Banners Transfer to General Fund	1,010
Ballistic Helmets/Vest Transfers to General Fund	275
Total	<u>\$ 752,460</u>

**CITY OF CLINTONVILLE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations

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

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
Governmental Activities:					
General Obligation Debt:					
Bonds	\$ 311,700	\$ -	\$ 23,400	\$ 288,300	\$ 24,200
Notes	4,935,000	-	745,000	4,190,000	740,000
Direct Borrowings	742,984	-	92,577	650,407	89,810
Total General Obligation Debt	5,989,684	-	860,977	5,128,707	854,010
Debt Premium	47,103	-	5,709	41,394	-
Compensated Absences	278,822	35,098	63,063	250,857	-
Governmental Activities Long-Term Obligations	<u>\$ 6,315,609</u>	<u>\$ 35,098</u>	<u>\$ 929,749</u>	<u>\$ 5,420,958</u>	<u>\$ 854,010</u>
Business-Type Activities:					
General Obligation Debt:					
Notes	\$ 110,000	\$ -	\$ 20,000	\$ 90,000	\$ 20,000
Revenue Bonds	8,369,700	-	360,200	8,009,500	368,500
Direct Borrowings Revenue Bonds	1,654,101	753,659	337,247	2,070,513	350,525
Debt Premium	20,592	-	7,260	13,332	-
Business-Type Activities Long-Term Obligations	<u>\$ 10,154,393</u>	<u>\$ 753,659</u>	<u>\$ 724,707</u>	<u>\$ 10,183,345</u>	<u>\$ 739,025</u>

State Trust Fund Loans

The City's outstanding notes from direct borrowings related to governmental activities of \$504,973 are subject to a statutory provision that in an event of late or non-payment, a one percent per month penalty will be charged and the payment will be collected through a reduction in payments from the state of Wisconsin.

Clean Water Fund Loan Program

The City's outstanding notes from direct borrowings related to governmental activities of \$145,434 and business type activities of \$2,070,513 contain the following provisions in the event of a default: 1) Wisconsin Department of Administration can deduct amounts due from any state payments due to the City or add the amounts due as a special charge to the property taxes apportioned; 2) may appoint a receiver for the Program's benefit; 3) may declare the principal amount immediately due and payable; 4) may enforce any right or obligation under the financing agreement including the right to seek specific performance or mandamus; and 5) may increase the interest rate set forth in the financing agreement to the market interest rate.

Total interest paid during the year on long-term debt totaled \$397,504.

**CITY OF CLINTONVILLE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/20
Clean Water Fund Loan (Direct Borrowing)	12/23/03	05/01/23	0.00%	\$ 1,035,461	\$ 145,434
General Obligation Bonds	12/22/10	12/01/30	3.75%	488,000	288,300
General Obligation Notes	03/19/11	03/01/21	2.45 - 3.00%	3,355,000	150,000
General Obligation Notes	03/06/14	03/01/24	1.00 - 2.50%	2,035,000	955,000
State Trust Fund Loan (Direct Borrowing)	10/20/15	03/15/34	3.75%	796,895	504,973
General Obligation Notes	10/18/16	03/01/26	1.50 - 2.20%	2,650,000	1,375,000
General Obligation Notes	03/08/18	03/01/28	3.00%	1,800,000	1,800,000
Total Outstanding General Obligation Debt					<u>\$ 5,218,707</u>

Annual principal and interest maturities of the general obligation debt as of December 31, 2020 are detailed below:

Year Ended December 31,	Governmental Activities				Business-Type Activities		Totals	
	G.O. Bonds and Notes		Direct Borrowing		G.O. Note		Principal	Interest
	Principal	Interest	Principal	Interest	Principal	Interest		
2021	\$ 764,200	\$ 108,829	\$ 89,810	\$ 18,936	\$ 20,000	\$ 1,820	\$ 874,010	\$ 129,585
2022	580,200	93,462	91,360	17,387	20,000	1,420	691,560	112,269
2023	581,100	79,479	92,968	15,778	20,000	980	694,068	96,237
2024	627,100	64,239	46,120	14,149	30,000	375	703,220	78,763
2025	563,100	48,378	47,888	12,381	-	-	610,988	60,759
2026 - 2030	1,362,600	63,943	267,742	33,601	-	-	1,630,342	97,544
2031	-	-	14,519	544	-	-	14,519	544
Total	<u>\$ 4,478,300</u>	<u>\$ 458,330</u>	<u>\$ 650,407</u>	<u>\$ 112,776</u>	<u>\$ 90,000</u>	<u>\$ 4,595</u>	<u>\$ 5,218,707</u>	<u>\$ 575,701</u>

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

Legal Margin for New Debt

The City's legal margin for creation of additional general obligation debt on December 31, 2020 was \$7,011,863 as follows:

Equalized Valuation of the City	\$ 244,611,400
Statutory Limitation Percentage	<u>(x) 5%</u>
General Obligation Debt Limitation, per Section 67.03 of the Wisconsin Statutes	12,230,570
Net Outstanding General Obligation Debt Applicable to Debt Limitation	<u>5,218,707</u>
Legal Margin for New Debt	<u>\$ 7,011,863</u>

**CITY OF CLINTONVILLE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

Revenue Bonds

Revenue bonds outstanding on December 31, 2020 totaled \$10,080,013 and were comprised of the following issues:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/20
Electric System Revenue Bonds	12/27/12	11/01/22	2.00%	\$ 2,345,000	\$ 505,000
Water Utility:					
Safe Drinking Water Loan (Direct Borrowing)	10/29/09	05/01/27	1.42%	3,714,825	1,457,390
Clean Water Fund Loan (Direct Borrowing)	01/22/20	05/01/24	0.99%	368,689	300,301
Sewerage System:					
Sewerage System Revenue Bonds	11/01/17	05/01/57	2.75%	7,445,000	7,125,500
Sewerage System Revenue Bonds	11/01/17	05/01/57	2.75%	396,000	379,000
Clean Water Fund Loan (Direct Borrowing)	01/22/20	05/01/24	0.99%	384,970	312,822
Total Outstanding Revenue Bonds					<u>\$ 10,080,013</u>

Annual principal and interest maturities of the outstanding revenue bonds of \$10,080,013 on December 31, 2020 are detailed below:

Year Ending <u>December 31,</u>	Business-Type Activities					
	Revenue Bonds		Direct Borrowing		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 368,500	\$ 214,845	\$ 350,525	\$ 24,562	\$ 719,025	\$ 239,407
2022	376,700	206,541	354,851	20,234	731,551	226,775
2023	125,100	198,048	359,232	15,825	484,332	213,873
2024	128,600	194,560	363,669	11,360	492,269	205,920
2025	132,300	190,972	211,069	7,616	343,369	198,588
2026-2030	718,900	899,002	214,064	4,566	932,964	903,568
2031-2035	824,500	789,936	217,103	1,540	1,041,603	791,476
2036-2040	945,900	669,954	-	-	945,900	669,954
2041-2045	1,085,700	530,482	-	-	1,085,700	530,482
2046-2050	1,245,400	370,466	-	-	1,245,400	370,466
2051-2055	1,428,900	186,883	-	-	1,428,900	186,883
2056-2057	629,000	17,416	-	-	629,000	17,416
Total	<u>\$ 8,009,500</u>	<u>\$ 4,469,105</u>	<u>\$ 2,070,513</u>	<u>\$ 85,703</u>	<u>\$ 10,080,013</u>	<u>\$ 4,554,808</u>

**CITY OF CLINTONVILLE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

Utility Revenues Pledged

The City has pledged future electric, water and sewer customer revenues, net of specified operating expenses, to repay the water, electric and sewerage system revenue bonds. Proceeds from the bonds provided financing for the construction or acquisition of capital assets used with the systems. A summary of related disclosures follows:

	Electric Utility	Water Utility	Sewer Utility	Total
2020 Revenue Bond Payments:				
Principal	\$ 245,000	\$ 265,099	\$ 187,348	\$ 697,447
Interest	15,000	24,242	210,242	249,484
Total	<u>\$ 260,000</u>	<u>\$ 289,341</u>	<u>\$ 397,590</u>	<u>\$ 946,931</u>
Outstanding Revenue Bond Payments:				
Principal	\$ 505,000	\$ 1,757,691	\$ 7,817,322	\$ 10,080,013
Interest	15,200	79,516	4,460,092	4,554,808
Total	<u>\$ 520,200</u>	<u>\$ 1,837,207</u>	<u>\$ 12,277,414</u>	<u>\$ 14,634,821</u>
Payable Through	2022	2027	2057	
OPERATING REVENUES				
Charges for Services	\$ 9,871,400	\$ 1,161,438	\$ 1,228,078	\$ 12,260,916
Other	46,793	49,238	1,340	97,371
Total Operating Revenues	<u>9,918,193</u>	<u>1,210,676</u>	<u>1,229,418</u>	<u>12,358,287</u>
OPERATING EXPENSES				
Operation and Maintenance	8,497,283	517,432	639,637	9,654,352
Taxes	-	-	-	-
Total Operating Expenses	<u>8,497,283</u>	<u>517,432</u>	<u>639,637</u>	<u>9,654,352</u>
OPERATING INCOME	1,420,910	693,244	589,781	2,703,935
NONOPERATING REVENUES (EXPENSES)				
Interest Income	1,357	876	3,247	5,480
Other Nonoperating Revenues (Expenses)	18,015	(9,060)	4,540	13,495
Total Nonoperating Revenues (Expenses)	<u>19,372</u>	<u>(8,184)</u>	<u>7,787</u>	<u>18,975</u>
Total Customer Net Revenues	<u>\$ 1,440,282</u>	<u>\$ 685,060</u>	<u>\$ 597,568</u>	<u>\$ 2,722,910</u>

**CITY OF CLINTONVILLE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Pension Plan

1. Plan Description

The WRS is a cost-sharing, multiple-employer, defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible state of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1,200 hours a year and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

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

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

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

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

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

The WRS also provides death and disability benefits for employees.

**CITY OF CLINTONVILLE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Pension Plan (Continued)

2. Post-Retirement Adjustments

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

<u>Year</u>	<u>Core Fund Adjustment %</u>	<u>Variable Fund Adjustment %</u>
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	0.5	(5)
2017	2.0	4
2018	2.4	17
2019	0.0	(10)

3. Contributions

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

During the year ending December 31, 2020, the WRS recognized \$228,059 in contributions from the City.

**CITY OF CLINTONVILLE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Pension Plan (Continued)

3. Contributions (Continued)

Contribution rates during the reporting period are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (Including Executives and Elected Officials)	6.75 %	6.75 %
Protective with Social Security	6.75 %	11.65 %
Protective without Social Security	6.75 %	16.25 %

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

At December 31, 2020, the City reported an asset of \$677,548 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2019, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2018 rolled forward to December 31, 2019. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2019, the City's proportion was 0.02101276%, which was an increase of 0.00033721% from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, the City recognized pension expense of \$261,969.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 1,286,138	\$ 643,626
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	-	1,385,147
Changes in Assumptions	52,798	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	4,105	5,681
Employer Contributions Subsequent to the Measurement Date	228,059	-
Total	<u>\$ 1,571,100</u>	<u>\$ 2,034,454</u>

**CITY OF CLINTONVILLE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Pension Plan (Continued)

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

\$228,059 reported as deferred outflows related to pension resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Expense</u>
2021	\$ (203,804)
2022	(153,358)
2023	22,226
2024	(356,477)
Total	<u>\$ (691,413)</u>

5. Actuarial Assumptions

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

Actuarial Valuation Date:	December 31, 2018
Measurement Date of Net Pension Liability:	December 31, 2019
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.

**CITY OF CLINTONVILLE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Pension Plan (Continued)

5. Actuarial Assumptions (Continued)

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The Total Pension Liability for December 31, 2019 is based upon a roll-forward of the liability calculated from the January 1, 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 arithmetic real rates of return for each major asset class are summarized in the following table:

	<u>Current Asset Allocation %</u>	<u>Long-Term Expected Nominal Rate of Return %</u>	<u>Long-Term Expected Real Rate of Return %</u>
<u>Core Fund Asset Class</u>			
Global Equities	49.0 %	8.0 %	5.1 %
Fixed Income	24.5	4.9	2.1
Inflation Sensitive Assets	15.5	4.0	1.2
Real Estate	9.0	6.3	3.5
Private Equity/Debt	8.0	10.6	7.6
Multi-Asset	4.0	6.9	4.0
Cash	(10.0)	N/A	N/A
Total Core Fund	<u>100.0 %</u>	7.3 %	4.6 %
<u>Variable Fund Asset Class</u>			
U.S. Equities	70.0 %	7.5 %	4.6 %
International Equities	<u>30.0</u>	8.2	5.3
Total Variable Fund	<u>100.0 %</u>	7.8 %	4.9 %

New England Pension Consultants Long-Term U.S. CPI (Inflation) Forecast: 2.75%.

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

**CITY OF CLINTONVILLE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Pension Plan (Continued)

5. Actuarial Assumptions (Continued)

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 2.75% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index’s “20-year Municipal GO AA Index” as of December 31, 2019. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of 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.

Sensitivity of the City’s Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the City’s proportionate share of the net pension liability (asset) calculated using the discount rate of 7.00%, 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%) or 1-percentage-point higher (8.00%) 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)	\$ 1,744,805	\$ (677,548)	\$ (2,488,534)

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

6. Payables to the Pension Plan

At December 31, 2020, the City had no outstanding contribution to the pension plan required for the year ended December 31, 2020.

**CITY OF CLINTONVILLE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Other Postemployment Benefits

Local Retiree Life Insurance Fund

1. Plan Description

The LRLIF is a cost-sharing 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 postemployment life insurance benefits for all eligible employees.

2. OPEB Plan Fiduciary Net Position

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

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

3. 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.

4. 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, 2020 are:

<u>Coverage Type</u>	<u>Employer Contribution</u>
50% Post-Retirement Coverage	40% of Member Contribution
25% Post-Retirement Coverage	20% of Member Contribution

**CITY OF CLINTONVILLE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Other Postemployment Benefits (Continued)

4. Contributions (Continued)

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, 2019 are listed below:

Life Insurance Member Contribution Rates* For the Year Ended December 31, 2020	
Attained Age	Basic
Under 30	\$0.05
30 - 34	0.06
35 - 39	0.07
40 - 44	0.08
45 - 49	0.12
50 - 54	0.22
55 - 59	0.39
60 - 64	0.49
65 - 69	0.57

*Disabled members under age 70 receive a waiver-of-premium benefit.

During the reporting period, the LRLIF recognized \$873 in contributions from the employer.

5. OPEB Liabilities, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At December 31, 2020, the City reported a liability of \$204,717 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2019 rolled forward to December 31, 2019. No material changes in assumptions or benefits terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net OPEB liability was based on the City's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2019, the City's proportion was 0.004807600%, which was a decrease of 0.00766800% from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, the City recognized OPEB expense of \$18,171.

**CITY OF CLINTONVILLE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Other Postemployment Benefits (Continued)

5. OPEB Liabilities, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 9,172
Net Differences Between Projected and Actual Earnings on OPEB Plan Investments	3,862	-
Changes in Assumptions	75,521	22,517
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	3,545	24,022
Total	<u>\$ 82,928</u>	<u>\$ 55,711</u>

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

<u>Year Ended December 31,</u>	<u>Expense</u>
2021	\$ 4,647
2022	4,647
2023	4,231
2024	3,802
2025	2,974
Thereafter	6,916
Total	<u>\$ 27,217</u>

**CITY OF CLINTONVILLE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Other Postemployment Benefits (Continued)

6. Actuarial Assumptions

The total OPEB liability in the January 1, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Valuation Date:	January 1, 2019
Measurement Date of Net OPEB Liability (Asset):	December 31, 2019
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield:	2.74%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	2.87%
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, 2019 is based upon a roll-forward of the liability calculated from the January 1, 2019 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.

**CITY OF CLINTONVILLE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Other Postemployment Benefits (Continued)

6. Actuarial Assumptions (Continued)

Long-Term Expected Return on Plan Assets (Continued)

The targeted allocation and expected returns are summarized in the following table:

<u>Asset Class</u>	<u>Index</u>	<u>Target Allocation</u>	<u>Long-Term Expected Geometric Real Rate of Return %</u>
U.S. Credit Bonds	Barclays Credit	45.0 %	2.12 %
U.S. Long Credit Bonds	Barclays Long Credit	5.0	2.90
U.S. Mortgages	Barclays MBS	50.0	1.53
Inflation			2.20
Long-Term Expected Rate of Return			4.25

The long-term expected rate of return decreased slightly from 5.00% in the prior year to 4.25% in the current year. This change was primarily based on the target asset allocation and capital market expectations. The expected inflation rate also decreased slightly from 2.30% in the prior year to 2.20% in the current year. 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.

Single Discount Rate

A single discount rate of 2.87% was used to measure the Total OPEB Liability for the current year, as opposed to a discount rate of 4.22% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 4.10% as of December 31, 2018 to 2.74% as of December 31, 2019. 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.

**CITY OF CLINTONVILLE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Other Postemployment Benefits (Continued)

6. Actuarial Assumptions (Continued)

Sensitivity of the City's Proportionate Share of Net OPEB Liability to Changes in the Discount Rate

The following presents the City's proportionate share of the net OPEB liability calculated using the discount rate of 2.87%, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.87%) or 1-percentage-point higher (3.87%) than the current rate:

	1% Decrease to Discount Rate (1.87%)	Current Discount Rate (2.87%)	1% Increase to Discount Rate (3.87%)
City's Proportionate Share of the Net OPEB liability	\$ 282,680	\$ 204,717	\$ 145,402

OPEB Plan Fiduciary Net Position

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

7. Payable to the OPEB Plan

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

H. Fund Equity

Nonspendable Fund Balance

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

General Fund:	
Nonspendable:	
Inventories and Prepaid Items	\$ 38,576
Special Revenue Funds:	
Nonspendable:	
Nonmajor Special Revenue Funds:	
Inventories and Prepaid Items	27,604
Capital Projects Fund:	
Nonspendable:	
Inventories and Prepaid Items	424
Total Nonspendable Fund Balance	\$ 66,604

**CITY OF CLINTONVILLE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Fund Equity (Continued)

Restricted Fund Balance

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

Special Revenue Funds:

Restricted for:

Library Gift and Memorial	\$ 536,265
K-9 Donations	23,471
Refuse Collection	20,243
2% Fire Dues	10,658

Debt Service Fund

Restricted for:

Debt Service	167,011
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Capital Projects Funds:

Restricted for:

Major Capital Improvements	<u>732,214</u>
Total Restricted Fund Balance	<u><u>\$ 1,489,862</u></u>

**CITY OF CLINTONVILLE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Fund Equity (Continued)

Assigned Fund Balance

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

General Fund:

Assigned for Subsequent Year's Expenditures:		
Swimming Pool	\$	54,949
Recreation Center		10,000
Main Street Banners		1,010

Special Revenue Funds:

Assigned for Subsequent Year's Expenditures:		
Community Center		80,650
Library		206,770
Redevelopment Authority		28,428
School Safety Resources		14,741
WHEDA Loans		1,958
Airport Fuel		20,909
Veterans Memorial		48,073
Outdoor Swimming Pool and Study		50,907
Disc Golf Course		6,668
Economic Development		600

Capital Projects Fund:

Assigned for Subsequent Year's Expenditures:		
Recreation Center		34,540
Outdoor Swimming Facility		88,709
Total Assigned Fund Balance	<u>\$</u>	<u>648,912</u>

**CITY OF CLINTONVILLE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Fund Equity (Continued)

Net Position

The City reports restricted net position at December 31, 2020 as follows:

Governmental Activities:

Restricted for:

Debt Service	\$	114,193
Library Gift and Memorial		536,265
K-9 Donations		23,471
Refuse Collections		20,243
Capital Projects		732,214
2% Fire Dues		10,658
Pension Benefits		488,331
Total Governmental Activities		1,925,375
Restricted Net Position		1,925,375

Business-Type Activities:

Restricted for:

Debt Service		857,395
Lead Service Replacement		23,749
Equipment Replacement		414,263
Pension Benefits		189,217
Total Business-Type Activities		1,484,624
Restricted Net Position		1,484,624
Total Restricted Net Position	\$	3,409,999

NOTE 4 OTHER INFORMATION

A. Tax Incremental Financing Districts

The City has established separate capital projects funds for Tax Incremental Districts (TIDs) No. 8 and No. 9 which were created by the City in accordance with Section 66.1105 of the Wisconsin Statutes. At the time the Districts were created, the property tax base within the Districts were “frozen” and increment taxes resulting from increases to the property tax base are used to finance District improvements, including principal and interest on long-term debt issued by the City to finance such improvements. The Statutes allow eligible project costs to be incurred up to five years prior to the maximum termination date. The City’s Districts are still eligible to incur projects costs.

**CITY OF CLINTONVILLE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Tax Incremental Financing Districts (Continued)

Since creation of the above Districts, the City has provided various financing sources to the TID. The foregoing amounts are not recorded as liabilities in the TID capital project fund but can be recovered by the City from any future excess tax increment revenues. As of December 31, 2020, the City can recover \$71,883 from future excess tax increment revenues of the following:

	Recoverable Costs
TID No. 8	\$ 2,099
TID No. 9	69,784
	\$ 71,883

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

	Termination Year
TID No. 8	2029
TID No. 9	2031

B. Related Party Transactions

The electric and water utility enterprise funds (Utilities) and the City of Shawano, Wisconsin Municipalities Utilities established by contract a nonprofit municipal electric company known as Badger Power Marketing Authority, Inc. (Badger). The Utilities are required by contract to purchase all their power and energy from Badger. Badger is a separate governmental entity created under the Wisconsin Municipal Power Company Act of 1977. All bonds, obligations and liabilities of Badger are solely the responsibility of Badger payable from, and secured by, transmission revenues received from the members and do not constitute obligations of the contracting parties.

The following transactions between Badger and the Utilities are reflected in the financial statements:

Badger is the wholesale power supplier for the electric utility. Purchased power charged to operations at December 31, 2020 totaled \$7,770,609.

C. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. The City completes an annual review of its insurance coverage to ensure adequate coverage. Settled claims have not exceeded coverage amounts in any of the last three fiscal years.

**CITY OF CLINTONVILLE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 4 OTHER INFORMATION (CONTINUED)

D. Contingencies

The City participates in a number of federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

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

E. Enterprise Funds –Significant Customers

The utilities have two significant customers who represent 34% and 10% of operating revenues in 2020 and 26% and 13% of customer receivables as of December 31, 2020.

F. Risks and Uncertainties

The Coronavirus Disease 2019 (COVID-19) has affected global markets, supply chains, employees of organizations, and local communities. Specific to the City, COVID-19 may impact parts of its 2021 operations and financial results. Management believes the City is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as of June 17, 2021.

G. Prior Period Adjustment

The City recorded a prior period adjustment that resulted in an increase in net position and accounts receivable of \$433,686 in both the proprietary fund and business-type activities. The increase was due to an adjustment to accounts receivable for utility services provided but not yet billed as of year-end.

H. Subsequent Event

The City issued a general obligation promissory note, series 2021A, as of February 25, 2021 in the amount of \$2,570,000. The note carries a rate of 1.0% and principal payments beginning in March 2022 through March 2030. The purpose of the promissory note is for capital improvement projects to begin in 2021. Related to the purpose of the financing, as of May 26, 2021, the City signed a contract with a contractor for approximately \$2,205,000.

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF CLINTONVILLE, WISCONSIN
REQUIRED SUPPLEMENTARY INFORMATION
WISCONSIN RETIREMENT SYSTEM
LAST TEN FISCAL YEARS**

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)

Plan Year Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll (Plan Year)	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
12/31/14	0.02042475%	\$ (501,668)	\$ 2,505,340	20.02%	102.74%
12/31/15	0.01954476%	317,600	2,349,832	13.52%	98.20%
12/31/16	0.01946560%	160,443	2,550,717	6.29%	99.12%
12/31/17	0.01976391%	(586,813)	2,704,938	21.69%	102.93%
12/31/18	0.02067555%	735,571	2,787,594	26.39%	96.45%
12/31/19	0.02101276%	(677,548)	2,861,290	23.68%	102.96%

SCHEDULE OF CONTRIBUTIONS

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll (fiscal year)	Contributions as a Percentage of Covered Payroll
12/31/15	\$ 178,359	\$ 178,359	\$ -	\$ 2,349,832	7.59%
12/31/16	188,676	188,676	-	2,550,717	7.40%
12/31/17	213,786	213,786	-	2,704,938	7.90%
12/31/18	218,178	218,178	-	2,787,594	7.83%
12/31/19	219,976	219,976	-	2,861,290	7.69%
12/31/20	228,059	228,059	-	2,792,280	8.17%

See accompanying Notes to Required Supplementary Information.

**CITY OF CLINTONVILLE, WISCONSIN
REQUIRED SUPPLEMENTARY INFORMATION
LOCAL RETIREE LIFE INSURANCE FUND
LAST TEN FISCAL YEARS**

SCHEDULE OF PROPORTIONATE SHARE OF NET OPEB LIABILITY

Plan Fiscal Year Ending	Proportion of the Net OPEB Liability	Proportionate Share of the Net OPEB Liability	Covered- Employee Payroll	Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
12/31/17	0.05393800%	\$ 162,277	\$ 2,704,938	6.00%	44.81%
12/31/18	0.05574400%	143,838	2,787,594	5.16%	48.69%
12/31/19	0.04807600%	204,717	2,861,290	7.15%	37.58%

SCHEDULE OF CONTRIBUTIONS

Fiscal Year Ending	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
12/31/18	\$ 1,070	\$ 1,070	-	\$ 2,787,594	0.04%
12/31/19	940	940	-	2,861,290	0.03%
12/31/20	873	873	-	2,792,280	0.03%

See accompanying Notes to Required Supplementary Information.

**CITY OF CLINTONVILLE, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2020**

A. PENSION

Wisconsin Retirement System

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

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

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

B. OTHER POSTEMPLOYMENT BENEFIT PLAN

Local Retiree Life Insurance Fund

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

Actuarial assumptions were based on an experience study conducted in 2018 using Wisconsin Retirement System (WRS) experience from 2015 – 2017 and the discount rate was updated to reflect the municipal bond rate at the completion of the actuarial valuation.

The City is required to present the last 10 fiscal years of data; however accounting standards allow the presentation of as many years as are available until 10 fiscal years are presented.

SUPPLEMENTARY INFORMATION

**CITY OF CLINTONVILLE, WISCONSIN
GENERAL FUND
DETAILED COMPARISON OF BUDGETED AND ACTUAL REVENUES
YEAR ENDED DECEMBER 31, 2020**

	Budget		Actual	Variance
	Original	Final		Final Budget - Positive (Negative)
Taxes:				
General Property	\$ 1,184,120	\$ 1,184,120	\$ 1,184,110	\$ (10)
Mobile Home Fees	8,710	8,710	15,974	7,264
Managed Forest Land	225	225	371	146
Room Tax	8,500	8,500	6,923	(1,577)
Taxes from Exempt Properties	14,800	14,800	17,540	2,740
Interest and Taxes	125	125	211	86
Total Taxes	<u>1,216,480</u>	<u>1,216,480</u>	<u>1,225,129</u>	<u>8,649</u>
Special Assessments Sidewalks	8,000	8,000	9,522	1,522
Intergovernmental:				
State:				
State Shared Taxes	1,285,641	1,285,641	1,291,253	5,612
Tax Exempt Computer Aid	54,658	54,658	54,308	(350)
Law Enforcement	2,000	2,000	1,760	(240)
Emergency Government	-	-	111,900	111,900
General Transportation Aid	422,483	422,483	421,986	(497)
Payments for Municipal Services	3,998	3,998	4,669	671
Total Intergovernmental	<u>1,768,780</u>	<u>1,768,780</u>	<u>1,885,876</u>	<u>117,096</u>
Licenses and Permits:				
Business Licenses	20,000	20,000	18,337	(1,663)
Nonbusiness Licenses	3,500	3,500	3,284	(216)
Building Permits and Inspections	9,000	9,000	9,639	639
Zoning Permits	440	440	815	375
Cable TV Franchise Fees	44,775	44,775	42,029	(2,746)
Cell Tower Lease	29,156	29,156	36,031	6,875
Total Licenses and Permits	<u>106,871</u>	<u>106,871</u>	<u>110,135</u>	<u>3,264</u>
Fines and Forfeits:				
Court Fines and Penalties	54,500	54,500	42,875	(11,625)
Parking Violations	4,500	4,500	3,790	(710)
Total Fines and Forfeits	<u>59,000</u>	<u>59,000</u>	<u>46,665</u>	<u>(12,335)</u>

**CITY OF CLINTONVILLE, WISCONSIN
GENERAL FUND
DETAILED COMPARISON OF BUDGETED AND ACTUAL REVENUES (CONTINUED)
YEAR ENDED DECEMBER 31, 2020**

	Budget		Actual	Variance
	Original	Final		Final Budget - Positive (Negative)
Public Charges for Services:				
Administration Fees	\$ 9,000	\$ 9,000	\$ 10,466	\$ 1,466
Law Enforcement Fees	1,300	1,300	2,554	1,254
Motor Vehicle Registrations	14,500	14,500	6,709	(7,791)
Jaws Charges	5,000	5,000	8,790	3,790
Fire Protection	18,500	18,500	24,800	6,300
Street Maintenance	250	250	5,400	5,150
Snow Removal	3,000	3,000	4,407	1,407
Solid Waste Disposal	500	500	211	(289)
Airport	34,000	34,000	30,107	(3,893)
Weed and Nuisance Control	1,500	1,500	1,030	(470)
Dog Pound	100	100	645	545
Park Fees	5,000	5,000	2,179	(2,821)
Recreation Center	1,900	1,900	355	(1,545)
Recreation Programs	19,003	19,003	4,749	(14,254)
Other	1,300	1,300	5,096	3,796
Total Public Charges for Services	<u>114,853</u>	<u>114,853</u>	<u>107,498</u>	<u>(7,355)</u>
Intergovernmental Charges for Services:				
Law Enforcement	5,000	5,000	5,000	-
Fire Protection	74,744	74,744	87,687	12,943
Recycling	3,000	3,000	-	(3,000)
Total Intergovernmental Charges for Services	<u>82,744</u>	<u>82,744</u>	<u>92,687</u>	<u>9,943</u>
Miscellaneous:				
Interest Income General	68,000	68,000	112,969	44,969
Interest Income Special	750	750	2,402	1,652
Rental Income	51,929	51,929	51,622	(307)
Property Sales	-	-	4,419	4,419
Insurance Recoveries	-	-	3,410	3,410
Donations	1,350	1,350	5,885	4,535
Other	17,300	17,300	34,186	16,886
Total Miscellaneous	<u>139,329</u>	<u>139,329</u>	<u>214,893</u>	<u>75,564</u>
Total Revenues	<u>\$ 3,496,057</u>	<u>\$ 3,496,057</u>	<u>\$ 3,692,405</u>	<u>\$ 196,348</u>

**CITY OF CLINTONVILLE, WISCONSIN
GENERAL FUND
DETAILED COMPARISON OF BUDGETED AND ACTUAL EXPENDITURES
YEAR ENDED DECEMBER 31, 2020**

	Budget		Actual	Variance
	Original	Final		Final Budget - Positive (Negative)
General Government:				
City Council	\$ 29,354	\$ 29,354	\$ 23,925	\$ 5,429
Boards and Commissions	500	500	190	310
Mayor	4,915	4,915	3,656	1,259
City Attorney	37,021	37,021	35,450	1,571
City Administrator	121,465	121,465	104,659	16,806
Administrative Services	248,451	248,451	238,297	10,154
Elections	20,484	20,484	17,220	3,264
Finance Department	14,100	14,100	14,618	(518)
City Hall Maintenance	26,514	26,514	33,005	(6,491)
Insurance	35,389	35,389	27,070	8,319
Other General Government	100	100	53,200	(53,100)
Contingency	164,537	164,537	23,793	140,744
Total General Government	<u>702,830</u>	<u>702,830</u>	<u>575,083</u>	<u>127,747</u>
Public Safety:				
Law Enforcement	1,494,552	1,494,552	1,519,352	(24,800)
Police Station Maintenance	25,427	25,427	21,593	3,834
Fire Protection	225,050	225,050	238,071	(13,021)
Fire Station Facilities	18,698	18,698	15,960	2,738
Building Inspection/Assessor	30,025	30,025	32,014	(1,989)
Health Inspections	1,000	1,000	-	1,000
Ambulance	109,370	109,370	109,370	-
Total Public Safety	<u>1,904,122</u>	<u>1,904,122</u>	<u>1,936,360</u>	<u>(32,238)</u>
Public Works:				
Public Works Management	32,799	32,799	46,819	(14,020)
Municipal Shop Operations	551,358	551,358	522,990	28,368
Machinery	74,500	74,500	42,354	32,146
Street Maintenance	74,500	74,500	63,336	11,164
Snow and Ice Control	38,000	38,000	22,598	15,402
Airport	29,963	29,963	18,856	11,107
Other Public Works	113,625	113,625	109,190	4,435
Total Public Works	<u>914,745</u>	<u>914,745</u>	<u>826,143</u>	<u>88,602</u>
Health and Human Services:				
Health	4,000	4,000	3,110	890
Cemetery	17,000	17,000	17,000	-
Total Health and Human Services	<u>21,000</u>	<u>21,000</u>	<u>20,110</u>	<u>890</u>
Culture and Recreation:				
Parks	308,758	308,758	290,606	18,152
Park and Recreation Director	77,107	77,107	75,990	1,117
Recreation Center	1,124	1,124	1,842	(718)
Recreation	44,336	44,336	15,151	29,185
Swimming Pool	36	36	173	(137)
Total Culture and Recreation	<u>431,361</u>	<u>431,361</u>	<u>383,762</u>	<u>47,599</u>
Total Expenditures	<u>\$ 3,974,058</u>	<u>\$ 3,974,058</u>	<u>\$ 3,741,458</u>	<u>\$ 232,600</u>

**CITY OF CLINTONVILLE, WISCONSIN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2020**

	Special Revenue							
	Community Center	Library	Community Transportation	Redevelopment Authority	Police Liaison	Library Gift and Memorial	WHEDA Loans	
ASSETS								
Cash and Investments	\$ 96,608	\$ 314,240	\$ 41,622	\$ 32,670	\$ 33,357	\$ 536,265	\$ 1,958	\$ -
Receivables:								
Taxes and Special Charges	21,558	131,475	19,430	3,178	20,401	-	-	-
Loans	-	-	-	24,063	-	-	-	-
Inventories and Prepaid Items	393	2,173	-	-	1,589	-	-	-
Total Assets	<u>\$ 118,559</u>	<u>\$ 447,888</u>	<u>\$ 61,052</u>	<u>\$ 59,911</u>	<u>\$ 55,347</u>	<u>\$ 536,265</u>	<u>\$ 1,958</u>	<u>\$ -</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
LIABILITIES								
Accounts Payable	\$ 648	\$ 12,256	\$ 54,314	\$ 2,120	\$ 18	\$ -	\$ -	\$ -
Accrued and Other Current Liabilities	914	7,420	-	-	4,975	-	-	-
Due to Other Funds	-	-	-	-	-	-	-	-
Total Liabilities	1,562	19,676	54,314	2,120	4,993	-	-	-
DEFERRED INFLOWS OF RESOURCES								
Property Taxes Levied for Subsequent Year	35,954	219,269	32,405	5,300	34,024	-	-	-
Loans Receivable	-	-	-	24,063	-	-	-	-
Total Deferred Inflows of Resources	35,954	219,269	32,405	29,363	34,024	-	-	-
FUND BALANCES								
Nonspendable	393	2,173	-	-	1,589	-	-	-
Restricted	-	-	-	-	-	536,265	-	-
Assigned	80,650	206,770	-	28,428	14,741	-	1,958	-
Unassigned	-	-	(25,667)	-	-	-	-	-
Total Fund Balances	<u>81,043</u>	<u>208,943</u>	<u>(25,667)</u>	<u>28,428</u>	<u>16,330</u>	<u>536,265</u>	<u>1,958</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 118,559</u>	<u>\$ 447,888</u>	<u>\$ 61,052</u>	<u>\$ 59,911</u>	<u>\$ 55,347</u>	<u>\$ 536,265</u>	<u>\$ 1,958</u>	<u>\$ -</u>

**CITY OF CLINTONVILLE, WISCONSIN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2020**

	Special Revenue							
	K-9 Donations	Skateboard Park	Airport Fuel	Veterans Memorial	Ballistic Helmets and Vests	Tourism Commission	Refuse Collection	
ASSETS								
Cash and Investments	\$ 23,889	\$ -	\$ 26,196	\$ 48,105	\$ -	\$ 50,907	\$ 52,161	\$ 6,668
Receivables:								
Taxes and Special Charges	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Inventories and Prepaid Items	-	-	23,352	-	-	-	57	-
Total Assets	<u>\$ 23,889</u>	<u>\$ -</u>	<u>\$ 49,548</u>	<u>\$ 48,105</u>	<u>\$ -</u>	<u>\$ 50,907</u>	<u>\$ 52,218</u>	<u>\$ 6,668</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
LIABILITIES								
Accounts Payable	\$ 418	\$ -	\$ 5,172	\$ 32	\$ -	\$ -	\$ 31,793	\$ -
Accrued and Other Current Liabilities	-	-	115	-	-	-	125	-
Due to Other Funds	-	-	-	-	-	-	-	-
Total Liabilities	418	-	5,287	32	-	-	31,918	-
DEFERRED INFLOWS OF RESOURCES								
Property Taxes Levied for Subsequent Year	-	-	-	-	-	-	-	-
Loans Receivable	-	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-	-	-
FUND BALANCES								
Nonspendable	-	-	23,352	-	-	-	57	-
Restricted	23,471	-	-	-	-	-	20,243	-
Assigned	-	-	20,909	48,073	-	50,907	-	6,668
Unassigned	-	-	-	-	-	-	-	-
Total Fund Balances	<u>23,471</u>	<u>-</u>	<u>44,261</u>	<u>48,073</u>	<u>-</u>	<u>50,907</u>	<u>20,300</u>	<u>6,668</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 23,889</u>	<u>\$ -</u>	<u>\$ 49,548</u>	<u>\$ 48,105</u>	<u>\$ -</u>	<u>\$ 50,907</u>	<u>\$ 52,218</u>	<u>\$ 6,668</u>

**CITY OF CLINTONVILLE, WISCONSIN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2020**

	Special Revenue			Capital Projects				Totals
	Main Street Banners	Economic Development	2 Percent Fire Dues	Small Capital Fund	Recreation Center	Outdoor Swimming Facility	Tax Incremental Districts	
ASSETS								
Cash and Investments	\$ -	\$ 1,796	\$ 10,658	\$ 17,417	\$ 34,540	\$ 134,021	\$ (2,033)	\$ 1,461,045
Receivables:								
Taxes and Special Charges	-	1,610	-	26,083	-	-	93,567	317,302
Loans	-	164,071	-	-	-	-	-	188,134
Inventories and Prepaid Items	-	40	-	-	-	-	424	28,028
Total Assets	\$ -	\$ 167,517	\$ 10,658	\$ 43,500	\$ 34,540	\$ 134,021	\$ 91,958	\$ 1,994,509
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
LIABILITIES								
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,000	\$ 110,771
Accrued and Other Current Liabilities	-	121	-	-	-	-	1,172	14,842
Due to Other Funds	-	-	-	-	-	45,312	16,919	62,231
Total Liabilities	-	121	-	-	-	45,312	22,091	187,844
DEFERRED INFLOWS OF RESOURCES								
Property Taxes Levied for Subsequent Year	-	2,685	-	43,500	-	-	156,048	529,185
Loans Receivable	-	164,071	-	-	-	-	-	188,134
Total Deferred Inflows of Resources	-	166,756	-	43,500	-	-	156,048	717,319
FUND BALANCES								
Nonspendable	-	40	-	-	-	-	424	28,028
Restricted	-	-	10,658	-	-	-	-	590,637
Assigned	-	600	-	-	34,540	88,709	-	582,953
Unassigned	-	-	-	-	-	-	(86,605)	(112,272)
Total Fund Balances	-	640	10,658	-	34,540	88,709	(86,181)	1,089,346
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ -	\$ 167,517	\$ 10,658	\$ 43,500	\$ 34,540	\$ 134,021	\$ 91,958	\$ 1,994,509

**CITY OF CLINTONVILLE, WISCONSIN
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2020**

	Special Revenue							
	Community Center	Library	Community Transportation	Redevelopment Authority	Police Liaison	Library Gift and Memorial	WHEDA Loans	
REVENUES								
Taxes	\$ 38,500	\$ 215,000	\$ 32,825	\$ 5,200	\$ 34,234	\$ -	\$ -	\$ -
Intergovernmental	-	177,912	62,399	-	-	-	-	-
Public Charges for Services	7,668	3,035	14,030	-	-	-	-	-
Intergovernmental Charges for Services	-	-	-	-	87,074	-	-	-
Miscellaneous	-	1,292	-	5,230	-	12,344	-	-
Total Revenues	<u>46,168</u>	<u>397,239</u>	<u>109,254</u>	<u>10,430</u>	<u>121,308</u>	<u>12,344</u>	<u>-</u>	<u>-</u>
EXPENDITURES								
Current:								
Public Safety	-	-	-	-	108,646	-	-	-
Public Works	-	-	128,283	-	-	-	-	-
Culture and Recreation	34,977	369,071	-	-	-	-	-	-
Conservation and Development	-	-	-	12,304	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Total Expenditures	<u>34,977</u>	<u>369,071</u>	<u>128,283</u>	<u>12,304</u>	<u>108,646</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	11,191	28,168	(19,029)	(1,874)	12,662	12,344	-	-
OTHER FINANCING SOURCES (USES)								
Transfers In	-	-	-	-	-	-	-	1,233
Transfers Out	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,233</u>
NET CHANGE IN FUND BALANCES	11,191	28,168	(19,029)	(1,874)	12,662	12,344	-	1,233
Fund Balances - January 1	<u>69,852</u>	<u>180,775</u>	<u>(6,638)</u>	<u>30,302</u>	<u>3,668</u>	<u>523,921</u>	<u>1,958</u>	<u>(1,233)</u>
FUND BALANCES - DECEMBER 31	<u>\$ 81,043</u>	<u>\$ 208,943</u>	<u>\$ (25,667)</u>	<u>\$ 28,428</u>	<u>\$ 16,330</u>	<u>\$ 536,265</u>	<u>\$ 1,958</u>	<u>\$ -</u>

CITY OF CLINTONVILLE, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

	Special Revenue							
	K-9 Donations	Skateboard Park	Airport Fuel	Veterans Memorial	Ballistic Helmets and Vests	Tourism Commission	Refuse Collection	
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,801	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-
Public Charges for Services	-	-	90,603	-	-	-	208,672	-
Intergovernmental Charges for Services	-	-	-	-	-	-	-	-
Miscellaneous	15,750	-	-	6,450	-	-	-	-
Total Revenues	<u>15,750</u>	<u>-</u>	<u>90,603</u>	<u>6,450</u>	<u>-</u>	<u>17,801</u>	<u>208,672</u>	<u>-</u>
EXPENDITURES								
Current:								
Public Safety	5,710	-	-	-	-	-	-	-
Public Works	-	-	82,019	-	-	-	193,197	-
Culture and Recreation	-	-	-	1,163	-	-	-	-
Conservation and Development	-	-	-	-	-	5,709	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Total Expenditures	<u>5,710</u>	<u>-</u>	<u>82,019</u>	<u>1,163</u>	<u>-</u>	<u>5,709</u>	<u>193,197</u>	<u>-</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	10,040	-	8,584	5,287	-	12,092	15,475	-
OTHER FINANCING SOURCES (USES)								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	(540)	-	-	(275)	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(540)</u>	<u>-</u>	<u>-</u>	<u>(275)</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	10,040	(540)	8,584	5,287	(275)	12,092	15,475	-
Fund Balances - January 1	<u>13,431</u>	<u>540</u>	<u>35,677</u>	<u>42,786</u>	<u>275</u>	<u>38,815</u>	<u>4,825</u>	<u>6,668</u>
FUND BALANCES - DECEMBER 31	<u>\$ 23,471</u>	<u>\$ -</u>	<u>\$ 44,261</u>	<u>\$ 48,073</u>	<u>\$ -</u>	<u>\$ 50,907</u>	<u>\$ 20,300</u>	<u>\$ 6,668</u>

**CITY OF CLINTONVILLE, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020**

	Special Revenue			Capital Projects				Totals
	Main Street Banners	Economic Development	2 Percent Fire Dues	Small Capital Fund	Recreation Center	Outdoor Swimming Facility	Tax Incremental Districts	
REVENUES								
Taxes	\$ -	\$ 663	\$ -	\$ -	\$ -	\$ -	\$ 70,101	\$ 414,324
Intergovernmental	-	-	17,247	-	-	-	-	257,558
Public Charges for Services	-	-	-	-	-	-	-	324,008
Intergovernmental Charges for Services	-	-	-	-	-	-	-	87,074
Miscellaneous	-	57,101	-	-	56	-	-	98,223
Total Revenues	-	57,764	17,247	-	56	-	70,101	1,181,187
EXPENDITURES								
Current:								
Public Safety	-	-	8,142	-	-	-	-	122,498
Public Works	-	-	-	-	-	-	-	403,499
Culture and Recreation	1,500	-	-	-	-	7,500	-	414,211
Conservation and Development	-	61,546	-	-	-	-	16,884	96,443
Capital Outlay	-	-	-	-	-	58	22,283	22,341
Total Expenditures	1,500	61,546	8,142	-	-	7,558	39,167	1,058,992
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(1,500)	(3,782)	9,105	-	56	(7,558)	30,934	122,195
OTHER FINANCING SOURCES (USES)								
Transfers In	-	-	2,142	-	-	-	-	3,375
Transfers Out	(1,010)	-	-	-	-	-	(42,206)	(44,031)
Total Other Financing Sources (Uses)	(1,010)	-	2,142	-	-	-	(42,206)	(40,656)
NET CHANGE IN FUND BALANCES	(2,510)	(3,782)	11,247	-	56	(7,558)	(11,272)	81,539
Fund Balances - January 1	2,510	4,422	(589)	-	34,484	96,267	(74,909)	1,007,807
FUND BALANCES - DECEMBER 31	\$ -	\$ 640	\$ 10,658	\$ -	\$ 34,540	\$ 88,709	\$ (86,181)	\$ 1,089,346

**ADDITIONAL INDEPENDENT AUDITORS' REPORT
FOR BASIC FINANCIAL STATEMENTS**



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

City Council
City of Clintonville, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Clintonville, Wisconsin, (the City) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 17, 2021.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and responses, we did identify certain deficiencies in internal control that we consider to be a material weakness and a significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and responses as item 2020-002 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and responses as 2020-001 to be a significant deficiency.

Compliance and Other Matters

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

City of Clintonville, Wisconsin's Response to Findings

The City's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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



CliftonLarsonAllen LLP

Green Bay, Wisconsin
June 17, 2021

**CITY OF CLINTONVILLE, WISCONSIN
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2020**

Section I – Internal Control Over Financial Reporting

FINDING NO.	FINANCIAL STATEMENT FINDINGS
2020-001	Preparation of Annual Financial Report Repeat of Finding 2019-001
Type of Finding:	Significant deficiency in internal control over financial reporting.
Condition:	Current City staff maintains accounting records which reflect the City's financial transactions; however, preparing the City's annual financial report, including note disclosures, involves the selection and application of specific accounting principles which would require additional experience and knowledge. The City contracts with us and our knowledge of applicable accounting principles, financial statement format, and note disclosures to assist in the preparation of the annual financial report in an efficient manner. For the same reasons, the City contracts with us to compile the Wisconsin Municipal Report Form C and the Public Service Commission Report. Management reviews, approves and takes responsibility for the fair presentation of the financial statements.
Context:	The City engages CliftonLarsonAllen LLP (CLA) to assist in preparing its financial statements and accompanying disclosures. However, as independent auditors, CLA cannot be considered part of the City's internal control system. As part of its internal control over preparation of its financial statements, including disclosures, the City has implemented a comprehensive review procedure to ensure that the financial statements, including note disclosures, are complete and accurate. Such review procedures should be performed by an individual possessing a thorough understanding of accounting principles generally accepted in the United States of America and knowledge of the City's activities and operations.
Criteria:	The preparation and review of the annual financial report, Municipal Financial Report, and Public Service Commission Report by staff with expertise in financial reporting is an internal control intended to prevent, detect and correct a potential omission or misstatement in the financial statements or notes or other required State Financial reports.
Cause:	City management has determined that the additional costs associated with training staff to become experienced in applicable accounting principles and note disclosures outweigh the derived benefits.
Effect:	Without our involvement, the City may not be able to completely prepare an annual financial report in accordance with accounting principles generally accepted in the United States of America.
Recommendation:	We recommend the City continue reviewing the annual financial report. While it may not be cost beneficial to train additional staff to completely prepare the report, a thorough review of this information by appropriate staff of the City is necessary to obtain a complete and adequate understanding of the City's annual financial report, Municipal Financial Report and Public Service Commission Report.
Management Response:	There is no disagreement with the audit finding.

**CITY OF CLINTONVILLE, WISCONSIN
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
YEAR ENDED DECEMBER 31, 2020**

Section I – Internal Control Over Financial Reporting (Continued)

FINDING NO.	FINANCIAL STATEMENT FINDINGS
2020-002	Adjustments to the City’s Financial Records Repeat of Finding 2019-002
Type of Finding:	Material weakness in internal control over financial reporting.
Condition:	As part of our audit, we proposed adjusting journal entries that were material to the City’s financial statements.
Context:	While performing audit procedures, it was noted that management does not have sufficient controls in place related to year end closing procedures.
Criteria:	Material adjusting journal entries proposed by the auditors are considered to be an internal control deficiency.
Cause:	While City staff maintains financial records which accurately report revenues and expenditures throughout the year, preparing year-end adjusting and closing entries requires additional expertise that would entail additional training and staff time to develop.
Effect:	Year-end financial records prepared by the City may contain material misstatements.
Recommendation:	We recommend the City designate an individual to obtain additional training in order to prepare the adjusting and closing entries. We are available to assist the individual in obtaining the understanding to prepare these entries.
Management Response:	There is no disagreement with the audit finding.

Section II – Compliance and Other Matters

There are no findings related to compliance and other matters that are required to be reported under governmental auditing standards generally accepted in the United States of America for the year ended December 31, 2020.