

CITY OF SEYMOUR

Seymour, Wisconsin

FINANCIAL STATEMENTS

Including Independent Auditors' Report

As of and for the Year Ended December 31, 2019

CITY OF SEYMOUR

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INDEPENDENT AUDITORS' REPORT

To the City Council
City of Seymour
Seymour, 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 Seymour, Wisconsin, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City of Seymour'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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City of Seymour'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 of Seymour'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 of Seymour, Wisconsin, as of December 31, 2019 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note I, the City of Seymour adopted the provisions of GASB Statement No. 84, *Fiduciary Activities*, effective January 1, 2019. Our opinions are 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 required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Seymour's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with 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.

Baker Tilly Virchow Krause, LLP

Madison, Wisconsin
May 6, 2020

CITY OF SEYMOUR

STATEMENT OF NET POSITION As of December 31, 2019

	Governmental Activities	Business-type Activities	Totals
ASSETS			
Cash and investments	\$ 2,538,054	\$ 1,827,469	\$ 4,365,523
Receivables (net)			
Taxes receivable	2,189,751	-	2,189,751
Accounts	211,220	149,822	361,042
Special assessments	2,389	12,689	15,078
Loans	133,672	-	133,672
Accrued interest	-	947	947
Internal balances - current	(42,798)	42,798	-
Prepaid items	30,329	-	30,329
Inventories	-	9,861	9,861
Internal balances - long-term advances	(1,832,842)	1,832,842	-
Restricted assets			
Cash and investments	-	317,960	317,960
Capital Assets (net of accumulated depreciation)			
Land	1,469,880	80,228	1,550,108
Construction in progress	-	5,811	5,811
Other capital assets, net of depreciation	<u>4,375,917</u>	<u>6,438,949</u>	<u>10,814,866</u>
Total Assets	<u>9,075,572</u>	<u>10,719,376</u>	<u>19,794,948</u>
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized loss on refunding	24,021	-	24,021
Pension related amounts	<u>601,714</u>	<u>215,931</u>	<u>817,645</u>
Total Deferred Outflows of Resources	<u>625,735</u>	<u>215,931</u>	<u>841,666</u>
LIABILITIES			
Accounts payable	38,786	15,789	54,575
Accrued liabilities	26,448	9,916	36,364
Noncurrent Liabilities			
Due within one year	252,805	107,814	360,619
Due in more than one year	851,339	1,182,832	2,034,171
Net pension liability	<u>227,162</u>	<u>70,994</u>	<u>298,156</u>
Total Liabilities	<u>1,396,540</u>	<u>1,387,345</u>	<u>2,783,885</u>
DEFERRED INFLOWS OF RESOURCES			
Unearned revenues	2,143,218	408,292	2,551,510
Pension related amounts	<u>301,454</u>	<u>109,419</u>	<u>410,873</u>
Total Deferred Inflows of Resources	<u>2,444,672</u>	<u>517,711</u>	<u>2,962,383</u>

See accompanying notes to financial statements.

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Totals</u>
NET POSITION			
Invested in capital assets, net of related debt	\$ 4,910,965	\$ 6,524,988	\$ 10,204,807
Restricted for			
Debt service	10,322	69,610	79,932
Equipment replacement	-	243,770	243,770
Library	142,541	-	142,541
Loan programs	347,873	-	347,873
Cemetery	22,414	-	22,414
Unrestricted	<u>425,980</u>	<u>2,191,883</u>	<u>3,849,009</u>
 TOTAL NET POSITION	 <u>\$ 5,860,095</u>	 <u>\$ 9,030,251</u>	 <u>\$ 14,890,346</u>

See accompanying notes to financial statements.

CITY OF SEYMOUR

STATEMENT OF ACTIVITIES For the Year Ended December 31, 2019

<u>Functions/Programs</u>	<u>Expenses</u>	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General government	\$ 457,893	\$ 41,712	\$ -	\$ -
Public safety	1,268,639	241,285	21,170	-
Public works	1,344,644	-	169,051	-
Health and human services	167,000	6,320	-	-
Culture, recreation and education	478,925	5,339	107,361	125,581
Conservation and development	150,988	18,848	119	-
Interest and fiscal charges	<u>33,330</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Governmental Activities	<u>3,901,419</u>	<u>313,504</u>	<u>297,701</u>	<u>125,581</u>
Business-type Activities				
Water Utility	748,666	879,005	-	27,831
Sewer Utility	<u>1,055,894</u>	<u>958,858</u>	<u>-</u>	<u>36,990</u>
Total Business-type Activities	<u>1,804,560</u>	<u>1,837,863</u>	<u>-</u>	<u>64,821</u>
Total	<u>\$ 5,705,979</u>	<u>\$ 2,151,367</u>	<u>\$ 297,701</u>	<u>\$ 190,402</u>

General Revenues

Taxes

Property taxes, levied for general purposes

Property taxes, levied for debt service

Property taxes, levied for TIF districts

Property taxes, levied for other purposes

Other taxes

Intergovernmental revenues not restricted to specific programs

Public gifts and grants

Investment income

Miscellaneous

Gain on disposal of assets

Total General Revenues

Transfers

Change in Net Position

NET POSITION - Beginning of Year

NET POSITION - END OF YEAR

See accompanying notes to financial statements.

Net (Expenses) Revenues and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Totals</u>
\$ (416,181)	\$ -	\$ (416,181)
(1,006,184)	-	(1,006,184)
(1,175,593)	-	(1,175,593)
(160,680)	-	(160,680)
(240,644)	-	(240,644)
(132,021)	-	(132,021)
<u>(33,330)</u>	<u>-</u>	<u>(33,330)</u>
<u>(3,164,633)</u>	<u>-</u>	<u>(3,164,633)</u>
-	158,170	158,170
<u>-</u>	<u>(60,046)</u>	<u>(60,046)</u>
<u>-</u>	<u>98,124</u>	<u>98,124</u>
<u>(3,164,633)</u>	<u>98,124</u>	<u>(3,066,509)</u>
1,116,365	-	1,116,365
97,178	-	97,178
547,133	-	547,133
386,960	-	386,960
6,587	-	6,587
695,415	-	695,415
9,086	-	9,086
62,887	48,886	111,773
20,405	4,883	25,288
<u>6,022</u>	<u>-</u>	<u>6,022</u>
<u>2,948,038</u>	<u>53,769</u>	<u>3,001,807</u>
<u>114,282</u>	<u>(114,282)</u>	<u>-</u>
(102,313)	37,611	(64,702)
<u>5,962,408</u>	<u>8,992,640</u>	<u>14,955,048</u>
<u>\$ 5,860,095</u>	<u>\$ 9,030,251</u>	<u>\$ 14,890,346</u>

See accompanying notes to financial statements.

CITY OF SEYMOUR

BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2019

	General	Debt Service	Tax Incremental District No. 3	General Capital Improvements
ASSETS				
Cash and investments	\$ 1,331,142	\$ 11,896	\$ -	\$ 702,936
Receivables				
Taxes	1,168,698	93,780	421,919	250,000
Accounts	211,220	-	-	-
Special assessments	-	-	-	2,389
Loans	-	-	-	-
Prepaid items	30,329	-	-	-
Advances to other funds	<u>232,027</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 2,973,416</u>	<u>\$ 105,676</u>	<u>\$ 421,919</u>	<u>\$ 955,325</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 18,450	\$ -	\$ -	\$ 16,078
Accrued liabilities	23,666	-	-	-
Advances from other funds	-	-	1,965,565	-
Due to other funds	<u>42,798</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>84,914</u>	<u>-</u>	<u>1,965,565</u>	<u>16,078</u>
Deferred Inflows of Resources				
Unearned revenues	1,122,165	93,780	421,919	250,000
Unavailable revenues	<u>176,778</u>	<u>-</u>	<u>-</u>	<u>2,389</u>
Total Deferred Inflows of Resources	<u>1,298,943</u>	<u>93,780</u>	<u>421,919</u>	<u>252,389</u>
Fund Balances (Deficit)				
Nonspendable				
Prepaid items	30,329	-	-	-
Advances	232,027	-	-	-
Restricted				
Committed	-	11,896	-	-
Assigned				
Assigned	106,000	-	-	686,858
Unassigned (deficit)				
Unassigned (deficit)	<u>1,221,203</u>	<u>-</u>	<u>(1,965,565)</u>	<u>-</u>
Total Fund Balances (Deficit)	<u>1,589,559</u>	<u>11,896</u>	<u>(1,965,565)</u>	<u>686,858</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 2,973,416</u>	<u>\$ 105,676</u>	<u>\$ 421,919</u>	<u>\$ 955,325</u>

See accompanying notes to financial statements.

Nonmajor Governmental Funds	Totals
\$ 492,080	\$ 2,538,054
255,354	2,189,751
-	211,220
-	2,389
133,672	133,672
-	30,329
<u>-</u>	<u>232,027</u>
<u>\$ 881,106</u>	<u>\$ 5,337,442</u>

\$ 4,258	\$ 38,786
1,208	24,874
99,304	2,064,869
-	42,798
<u>104,770</u>	<u>2,171,327</u>

255,354	2,143,218
<u>133,672</u>	<u>312,839</u>
<u>389,026</u>	<u>2,456,057</u>

-	30,329
-	232,027
379,156	391,052
107,458	107,458
-	792,858
<u>(99,304)</u>	<u>(843,666)</u>
<u>387,310</u>	<u>710,058</u>

<u>\$ 881,106</u>	<u>\$ 5,337,442</u>
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See accompanying notes to financial statements.

CITY OF SEYMOUR

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION As of December 31, 2019

Total Fund Balances - Governmental Funds	\$	710,058
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds.

Land		1,469,880
Other capital assets		30,874,404
Less: Accumulated depreciation		(26,498,487)

Some receivables that are not currently available are reported as unavailable revenues in the fund financial statements but are recognized as revenue when earned in the government-wide statements.		312,839
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Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.		601,714
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Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.		(301,454)
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Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds.

Bonds and notes payable		(900,000)
Compensated absences		(169,312)
Capital lease		(34,832)
Accrued interest		(1,574)
Unamortized loss on refunding		24,021
Net pension liability		<u>(227,162)</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	<u>5,860,095</u>
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CITY OF SEYMOUR

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

For the Year Ended December 31, 2019

	General	Debt Service	Tax Incremental District No. 3	General Capital Improvements
REVENUES				
Taxes	\$ 1,122,952	\$ 97,178	\$ 431,037	\$ 251,300
Intergovernmental	862,560	-	3,439	11,326
Licenses and permits	36,234	-	-	-
Fines, forfeitures and penalties	55,067	-	-	-
Public charges for services	184,124	-	-	-
Intergovernmental charges for services	-	-	-	-
Special assessments	-	-	-	2,396
Investment income	18,767	-	-	27,075
Miscellaneous revenues	21,307	-	-	7,338
Total Revenues	2,301,011	97,178	434,476	299,435
EXPENDITURES				
Current				
General government	432,674	-	-	-
Public safety	1,106,434	-	-	-
Public works	737,005	-	-	-
Health and human services	166,534	-	-	-
Culture, recreation and education	176,716	-	-	-
Conservation and development	6,612	-	150	-
Capital Outlay	-	-	207,581	657,893
Debt service				
Principal	-	210,000	-	8,708
Interest and fiscal charges	-	22,210	6,119	-
Total Expenditures	2,625,975	232,210	213,850	666,601
Excess (deficiency) of revenues over expenditures	(324,964)	(135,032)	220,626	(367,166)
OTHER FINANCING SOURCES (USES)				
Transfers in	114,282	135,033	-	-
Proceeds of capital leases	-	-	-	43,540
Transfers out	-	-	(135,033)	-
Sales of property	-	-	-	6,022
Total Other Financing Sources (Uses)	114,282	135,033	(135,033)	49,562
Net Change in Fund Balances	(210,682)	1	85,593	(317,604)
FUND BALANCES (DEFICIT) - Beginning of Year	1,800,241	11,895	(2,051,158)	1,004,462
FUND BALANCES (DEFICIT) - END OF YEAR	\$ 1,589,559	\$ 11,896	\$ (1,965,565)	\$ 686,858

See accompanying notes to financial statements.

Nonmajor Governmental Funds	Totals
\$ 251,756	\$ 2,154,223
115,671	992,996
-	36,234
-	55,067
7,339	191,463
9,550	9,550
-	2,396
17,045	62,887
<u>137,100</u>	<u>165,745</u>
<u>538,461</u>	<u>3,670,561</u>
466	433,140
12,803	1,119,237
-	737,005
-	166,534
260,677	437,393
15,000	21,762
231,154	1,096,628
-	218,708
-	<u>28,329</u>
<u>520,100</u>	<u>4,258,736</u>
<u>18,361</u>	<u>(588,175)</u>
-	249,315
-	43,540
-	(135,033)
-	<u>6,022</u>
-	<u>163,844</u>
18,361	(424,331)
<u>368,949</u>	<u>1,134,389</u>
<u>\$ 387,310</u>	<u>\$ 710,058</u>

See accompanying notes to financial statements.

CITY OF SEYMOUR

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For the Year Ended December 31, 2019

Net change in fund balances - total governmental funds	\$	(424,331)
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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 net position the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities.

Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements		1,096,628
Some items reported as capital outlay were not capitalized		(110,958)
Some items reported as operating expenditures in the fund financial statements but are capitalized in the government-wide statements		100,000
Depreciation is reported in the government-wide financial statements		(814,997)
Net book value of assets retired		(28,587)

Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.

Special assessments		(2,395)
Ambulance charges		13,100
Economic development loans		(12,464)

Debt and lease issues provide current financial resources to governmental funds, but issuing these obligations increase long-term liabilities in the statement of net position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

New lease		(43,540)
Principal repaid		210,000
Lease payment		8,708

Governmental funds report debt premiums and discounts as other financing sources (uses) or expenditures. However, in the statement of net position, these are reported as additions to or deductions from long-term debt. These are allocated over the period the debt is outstanding in the statement of activities and are reported as interest expense.

Amortization of loss on refunding		(5,338)
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Some expenses 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.

Compensated absences		(6,683)
Accrued interest on debt		337
Net pension liability		(419,906)
Deferred outflows of resources related to pensions		250,413
Deferred inflows of resources related to pensions		87,700

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	<u>(102,313)</u>
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See accompanying notes to financial statements.

CITY OF SEYMOUR

STATEMENT OF NET POSITION PROPRIETARY FUNDS As of December 31, 2019

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Totals</u>
ASSETS			
Current Assets			
Cash and investments	\$ 855,594	\$ 971,875	\$ 1,827,469
Receivables			
Customer accounts receivable	55,391	94,431	149,822
Accrued interest	947	-	947
Due from other funds	19,877	22,921	42,798
Inventories	7,069	2,792	9,861
Advances to other funds	37,746	-	37,746
Restricted Assets			
Redemption account	74,190	-	74,190
Total Current Assets	<u>1,050,814</u>	<u>1,092,019</u>	<u>2,142,833</u>
Noncurrent Assets			
Restricted Assets			
Equipment replacement	-	243,770	243,770
Capital Assets			
Construction in progress	-	5,811	5,811
Property and equipment	6,584,010	8,327,641	14,911,651
Less: Accumulated depreciation	(3,022,280)	(5,370,194)	(8,392,474)
Other Assets			
Special assessments receivable	7,091	5,598	12,689
Advances to other funds	1,795,096	-	1,795,096
Total Noncurrent Assets	<u>5,363,917</u>	<u>3,212,626</u>	<u>8,576,543</u>
Total Assets	<u>6,414,731</u>	<u>4,304,645</u>	<u>10,719,376</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred pension related amounts	<u>118,600</u>	<u>97,331</u>	<u>215,931</u>
Total Deferred Outflows of Resources	<u>118,600</u>	<u>97,331</u>	<u>215,931</u>

See accompanying notes to financial statements.

	Business-type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Totals
LIABILITIES			
Current Liabilities			
Accounts payable	\$ 3,088	\$ 12,701	\$ 15,789
Accrued wages	3,979	1,357	5,336
Compensated absences - current portion	2,189	1,210	3,399
Liabilities Payable from Restricted Assets			
Revenue bonds - current portion	104,415	-	104,415
Accrued interest	4,580	-	4,580
Total Current Liabilities	<u>118,251</u>	<u>15,268</u>	<u>133,519</u>
Noncurrent Liabilities			
Long-Term Debt			
Revenue bonds	1,126,731	-	1,126,731
Other Liabilities			
Compensated absences	37,605	18,496	56,101
Net pension liability	35,896	35,098	70,994
Total Noncurrent Liabilities	<u>1,200,232</u>	<u>53,594</u>	<u>1,253,826</u>
Total Liabilities	<u>1,318,483</u>	<u>68,862</u>	<u>1,387,345</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred TIF contributions	408,292	-	408,292
Deferred pension related amounts	57,313	52,106	109,419
Total Deferred Inflows of Resources	<u>465,605</u>	<u>52,106</u>	<u>517,711</u>
NET POSITION			
Net investment in capital assets	3,561,730	2,963,258	6,524,988
Restricted for			
Debt service	69,610	-	69,610
Equipment replacement	-	243,770	243,770
Unrestricted net position	<u>1,117,903</u>	<u>1,073,980</u>	<u>2,191,883</u>
TOTAL NET POSITION	<u>\$ 4,749,243</u>	<u>\$ 4,281,008</u>	<u>\$ 9,030,251</u>

See accompanying notes to financial statements.

CITY OF SEYMOUR

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

For the Year Ended December 31, 2019

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Totals</u>
OPERATING REVENUES			
Public charges for services	\$ 800,336	\$ 871,082	\$ 1,671,418
Other miscellaneous	78,669	87,776	166,445
Total Operating Revenues	<u>879,005</u>	<u>958,858</u>	<u>1,837,863</u>
OPERATING EXPENSES			
Operation and maintenance	485,470	844,974	1,330,444
Depreciation	234,946	210,920	445,866
Total Operating Expenses	<u>720,416</u>	<u>1,055,894</u>	<u>1,776,310</u>
Operating Income (Loss)	<u>158,589</u>	<u>(97,036)</u>	<u>61,553</u>
NONOPERATING REVENUES (EXPENSES)			
Investment income	22,011	26,875	48,886
Miscellaneous nonoperating income	426	4,457	4,883
Interest and fiscal charges	(28,250)	-	(28,250)
Total Nonoperating Revenues (Expenses)	<u>(5,813)</u>	<u>31,332</u>	<u>25,519</u>
Income (Loss) Before Contributions and Transfers	<u>152,776</u>	<u>(65,704)</u>	<u>87,072</u>
CONTRIBUTIONS AND TRANSFERS			
Capital contributions	27,831	36,990	64,821
Transfer out - tax equivalent	(114,282)	-	(114,282)
Total Contributions and Transfers	<u>(86,451)</u>	<u>36,990</u>	<u>(49,461)</u>
Change in Net Position	66,325	(28,714)	37,611
NET POSITION - Beginning of Year	<u>4,682,918</u>	<u>4,309,722</u>	<u>8,992,640</u>
NET POSITION - END OF YEAR	<u>\$ 4,749,243</u>	<u>\$ 4,281,008</u>	<u>\$ 9,030,251</u>

See accompanying notes to financial statements.

CITY OF SEYMOUR

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS

For the Year Ended December 31, 2019

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Received from customers	\$ 744,483	\$ 944,955	\$ 1,689,438
Received from municipality for services	152,962	-	152,962
Paid to suppliers for goods and services	(335,702)	(659,058)	(994,760)
Paid to employees for services	(153,732)	(164,094)	(317,826)
Net Cash Flows From Operating Activities	<u>408,011</u>	<u>121,803</u>	<u>529,814</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	<u>22,157</u>	<u>26,875</u>	<u>49,032</u>
Net Cash Flows From Investing Activities	<u>22,157</u>	<u>26,875</u>	<u>49,032</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Paid to municipality for tax equivalent	(114,282)	-	(114,282)
Received on advance to TIF	<u>36,874</u>	<u>-</u>	<u>36,874</u>
Net Cash Flows From Noncapital Financing Activities	<u>(77,408)</u>	<u>-</u>	<u>(77,408)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Debt retired	(102,107)	-	(102,107)
Interest paid	(28,635)	-	(28,635)
Special assessments received	947	704	1,651
Acquisition and construction of capital assets	<u>(109,853)</u>	<u>(197,682)</u>	<u>(307,535)</u>
Net Cash Flows From Capital and Related Financing Activities	<u>(239,648)</u>	<u>(196,978)</u>	<u>(436,626)</u>
Net Change in Cash and Cash Equivalents	113,112	(48,300)	64,812
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>816,672</u>	<u>1,263,945</u>	<u>2,080,617</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 929,784</u>	<u>\$ 1,215,645</u>	<u>\$ 2,145,429</u>

See accompanying notes to financial statements.

	Business-type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Totals
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income (loss)	\$ 158,589	\$ (97,036)	\$ 61,553
Nonoperating revenue	426	4,457	4,883
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Activities			
Depreciation	234,946	210,920	445,866
Depreciation charged to other funds	13,688	(13,688)	-
Changes in assets and liabilities			
Customer accounts receivable	2,452	(3,662)	(1,210)
Accounts payable	(16,163)	(1,124)	(17,287)
Compensated absences	793	3,242	4,035
Other current liabilities	530	(540)	(10)
Due from other funds	1,874	(1,010)	864
Pension related deferrals and assets/liabilities	10,876	20,244	31,120
	<u>408,011</u>	<u>121,803</u>	<u>529,814</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	\$ 408,011	\$ 121,803	\$ 529,814
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS			
Unrestricted cash and investments	\$ 855,594	\$ 971,875	\$ 1,827,469
Restricted cash and investments	74,190	243,770	317,960
	<u>929,784</u>	<u>1,215,645</u>	<u>2,145,429</u>
CASH AND CASH EQUIVALENTS	\$ 929,784	\$ 1,215,645	\$ 2,145,429
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital paid by municipality	\$ 27,831	\$ 36,990	
Change in capital accrual	<u>(27,108)</u>	<u>-</u>	

See accompanying notes to financial statements.

CITY OF SEYMOUR

STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUND
As of December 31, 2019

	Tax Collection Fund
ASSETS	
Cash and investments	\$ 2,318,625
Tax roll receivable	<u>497,255</u>
Total Assets	<u>2,815,880</u>
LIABILITIES	
Due to other governments	<u>2,815,880</u>
Total Liabilities	<u>2,815,880</u>
TOTAL NET POSITION	<u><u>\$ -</u></u>

See accompanying notes to financial statements.

CITY OF SEYMOUR

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION CUSTODIAL FUND For the Year Ended December 31, 2019

	Tax Collection Fund
ADDITIONS	
Tax Collections	\$ 2,139,316
Total Additions	<u>2,139,316</u>
DEDUCTIONS	
Distributions to Jurisdictions	<u>2,139,316</u>
Total Deductions	<u>2,139,316</u>
Change in Fiduciary Net Position	-
NET POSITION - Beginning of Year	<u>-</u>
NET POSITION - END OF YEAR	<u><u>\$ -</u></u>

See accompanying notes to financial statements.

CITY OF SEYMOUR

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CITY OF SEYMOUR

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Seymour, Wisconsin (the "city") conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

A. REPORTING ENTITY

This report includes all of the funds of the city. The reporting entity for the city consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The city has not identified any organizations that meet this criteria.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

In January 2017, the GASB issued statement No. 84 - *Fiduciary Activities*. This statement establishes criteria for identifying fiduciary activities of all state and local governments for accounting and financial reporting purposes and how those activities should be reported. This standard was implemented January 1, 2019.

In March 2018, the GASB issued statement No. 88 - *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This Statement defines debt for purposes of disclosure in notes to financial statements and establishes additional financial statement note disclosure requirements related to debt obligations of governments, including direct borrowings and direct placements. This standard was implemented January 1, 2019.

Government-Wide Financial Statements

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

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

CITY OF SEYMOUR

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Fund Financial Statements

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

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

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

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

The city reports the following major governmental funds:

- General Fund - accounts for the city's primary operating activities. It is used to account for and report all financial resources except those accounted for and reported in another fund.
- Debt Service Fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditures for the payment of general long-term debt principal, interest, and related costs, other than TID or enterprise debt.
- Tax Incremental District (TID) No. 3 Capital Projects Fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditures outlined in the TID project plan.
- General Capital Improvements Capital Projects Fund - accounts for resources legally restricted, committed, or assigned to supporting expenditures for general city capital improvements.

The city reports the following major enterprise funds:

- Water Utility - accounts for operations of the water system
- Sewer Utility - accounts for operations of the sewer system

CITY OF SEYMOUR

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Fund Financial Statements (cont.)

The city reports the following nonmajor governmental funds:

Special Revenue Funds - used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes (other than debt service or capital projects).

Muehl Public Library	Cemetery Perpetual Care
Recknagel Park Fund	Ambulance Replacement Fund
Veteran's Memorial	K9 Unit Police Fund
Wisconsin Development Grant Fund	

Capital Projects Fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Tax Incremental District (TID) No. 4

In addition, the city reports the following fund type:

Custodial Fund - used to account for and report assets controlled by the city and the assets are for the benefit of individuals, private organizations, and/or other governmental units.

Tax Collection Fund

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Government-Wide Financial Statements

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

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

CITY OF SEYMOUR

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)

Fund Financial Statements

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

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

Intergovernmental aids and grants are recognized as revenues in the period the city is entitled the resources and the amounts are available. Amounts owed to the city which are not available are recorded as receivables and unavailable revenues. Amounts received before eligibility requirements (excluding time requirements) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

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

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

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

The proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water and sewer utilities are charges to customers for sales and services. Special assessments are recorded as receivables and contribution revenue when levied. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

CITY OF SEYMOUR

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)

All Financial Statements

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

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY

1. Deposits and Investments

For purposes of the statement of cash flows, the city considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

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

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

Investment of most trust funds including cemetery perpetual care funds, is regulated by Chapter 881 of the Wisconsin Statutes. Investment of library trust funds is regulated by Chapter 112. Those sections give broad authority to use such funds to acquire various kinds of investments including stocks, bonds and debentures.

The city has adopted an investment policy. That policy follows the state statute for allowable investments.

CITY OF SEYMOUR

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

1. Deposits and Investments (cont.)

No policy exists for the following risks:

Credit risk
Custodial credit risk

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances. The difference between the bank statement balance and carrying value is due to outstanding checks and/or deposits in transit.

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2019, the fair value of the city's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

See Note III. A. for further information.

2. Receivables

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

Property tax calendar - 2019 tax roll:

Lien date and levy date	December 2019
Tax bills mailed	December 2019
Payment in full, or	January 31, 2020
First installment due	January 31, 2020
Second installment due	July 31, 2020
Personal property taxes in full	January 31, 2020
Tax sale - 2019 delinquent real estate taxes	October 2022

CITY OF SEYMOUR

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

2. Receivables (cont.)

Accounts receivable have been shown net of an allowance for uncollectible accounts. The allowance for ambulance receivables as of December 31, 2019 was \$388,526. Delinquent real estate taxes as of July 31 are paid in full by the county, which assumes the collection thereof. No provision for uncollectible accounts receivable has been made for the water and sewer utilities because they have the right by law to place substantially all delinquent bills on the tax roll, and other delinquent bills are generally not significant.

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

In the governmental fund financial statements, advances to other funds are offset equally by a nonspendable fund balance account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation or by a restricted fund balance account, if the funds will ultimately be restricted when the advance is repaid.

The city has received state grant funds for economic development loan programs to various businesses and individuals. The city records a loan receivable when the loan has been made and funds have been disbursed. The amount recorded as economic development loans receivable has not been reduced by an allowance for uncollectible accounts.

It is the city's policy to record unavailable revenue for the net amount of the receivable balance. As loans are repaid, revenue is recognized. When new loans are made from the repayments, expenditures are recorded. Interest received from loan repayments is recognized as revenue when received in cash. Any unspent loan repayments at year end are presented as restricted fund balance in the fund financial statements.

3. Inventories and Prepaid Items

Governmental fund inventory items are charged to expenditure accounts when purchased. Year-end inventory was not significant. Proprietary fund inventories are generally used for construction and/or for operation and maintenance work. They are not for resale. They are valued at cost based on weighted average, and charged to construction and/or operation and maintenance expense when used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

CITY OF SEYMOUR

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

4. Restricted Assets

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

5. Capital Assets

Government-Wide Statements

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$5,000 for general capital assets and \$5,000 for infrastructure assets, and an estimated useful life in excess of one year. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed fund proceeds. No interest was capitalized during the current year. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

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

Buildings	20-50 Years
Land Improvements	50 Years
Machinery and Equipment	20 Years
Utility System	3-100 Years
Infrastructure	20-50 Years

Fund Financial Statements

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

CITY OF SEYMOUR

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

6. Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net position/fund balance that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

A deferred charge on refunding arises from the advance refunding of debt. The difference between the cost of the securities placed in trust for future payments of the refunded debt and the net carrying value of that debt is deferred and amortized as a component of interest expense over the shorter of the term of the refunding issue or the original term of the refunded debt. The unamortized amount is reported as a deferred outflow of resources in the government-wide and proprietary fund financial statements.

7. Compensated Absences

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

All vested vacation and sick leave pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, and are payable with expendable resources.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2019, are determined on the basis of current salary rates and include salary related payments.

8. Long-Term Obligations/Conduit Debt

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

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

For the government-wide statements and proprietary fund statements, bond premiums and discounts are amortized over the life of the issue using the effective interest method. The balance at year end is shown as an increase or decrease in the liability section of the statement of net position.

CITY OF SEYMOUR

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

8. Long-Term Obligations/Conduit Debt (cont.)

The city has approved the issuance of industrial revenue bonds (IRB) for the benefit of private business enterprises. IRB's are secured by mortgages or revenue agreements on the associated projects, and do not constitute indebtedness of the city. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The total amount of IRB's outstanding at the end of the year is approximately \$1,734,059, made up of two issues.

9. Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net position/fund balance that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

The water utility has advanced funds to TIF No. 3 to finance water improvement projects in the TIF. The city is unsure the TIF will generate enough increment to repay the entire advance; therefore, the water utility has not recognized capital contributions from the TIF in the amount of \$408,292. This amount is reported in the water utility as a deferred inflow of resources. A capital contribution will be reported if the TIF is able to repay this amount.

10. Equity Classifications

Government-Wide Statements

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

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

CITY OF SEYMOUR

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

10. Equity Classifications (cont.)

Government-Wide Statements (cont.)

The net position section includes an adjustment for capital assets owned by the business-type activities column, but financed by the debt of the governmental activities column. The amount is a reduction of "net investment in capital assets", and an increase in "unrestricted" net position, shown only in the total column. A reconciliation of this adjustment is as follows:

	Governmental Activities	Business-type Activities	Adjustment	Total
Net investment in capital assets	\$ 4,910,965	\$ 6,524,988	\$ (1,231,146)	\$ 10,204,807
Unrestricted	425,980	2,191,883	1,231,146	3,849,009

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.

Fund Statements

Governmental fund balances are displayed as follows:

- a. Nonspendable - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. Restricted - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the City Council. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the City Council that originally created the commitment.
- d. Assigned - Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. The Council has the authority to assign amounts for a specific purpose. Assignments may take place after the end of the reporting period.

CITY OF SEYMOUR

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

10. Equity Classifications (cont.)

Fund Statements (cont.)

- e. Unassigned - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

Proprietary fund equity is classified the same as in the government-wide statements.

The city considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents / contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the city would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The city has a formal fund balance policy. That policy is to maintain a minimum unassigned general fund balance range of 25% to 30% of actual current year general fund expenditures. The balance at year end was \$1,221,203, or 46.5%, and is reported as unassigned general fund balance.

See Note III. for further information.

11. Pension

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.

12. Basis for Existing Rates

Water Utility

Current water rates were placed into effect on April 28, 2017 as approved by Wisconsin Public Service Commission. The rates are designed to earn a 4% rate of return.

Sewer Utility

Current sewer rates were approved by the city council and made effective May 1, 2017.

CITY OF SEYMOUR

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

A budget has been adopted for the general fund, the library fund, and the debt service fund. A budget has not been formally adopted for other special revenue and capital projects funds. Wisconsin Statute 65.90 requires that an annual budget be adopted for all funds.

B. EXCESS EXPENDITURES AND OTHER FINANCING USES OVER APPROPRIATIONS

Funds	Budgeted Expenditures	Actual Expenditures	Excess Expenditures Over Budget
Muehl Public Library	\$ 238,241	\$ 260,472	\$ 22,231
General Capital Improvements	251,300	666,601	415,301

The city controls expenditures at the function level. Some individual functions experienced expenditures which exceeded appropriations. The detail of those items can be found in the city's year-end budget to actual report.

C. DEFICIT BALANCES

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year end.

As of December 31, 2019, the following individual funds held a deficit balance:

Fund	Amount	Reason
Tax Incremental District No. 3	\$ 1,965,565	Tax increments not sufficient to finance capital costs
Tax Incremental District No. 4	99,304	Tax increments not sufficient to finance capital costs

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

D. LIMITATIONS ON THE CITY'S TAX LEVY

Wisconsin law limits the city's future tax levies. Generally the city is limited to its prior tax levy dollar amount (excluding TIF Districts), increased by the greater of the percentage change in the city's equalized value due to new construction or zero percent. Changes in debt service from one year to the next are generally exempt from this limit with certain exceptions. The city is required to reduce its allowable levy by the estimated amount of fee revenue it collects for certain services, if those services were funded in 2013 by the property tax levy. Levies can be increased above the allowable limits if the amount is approved by referendum.

CITY OF SEYMOUR

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

The city's deposits and investments at year end were comprised of the following:

	Carrying Value	Statement Balances	Associated Risks
Deposits	\$ 2,731,426	\$ 2,744,649	Custodial credit risk
LGIP	4,270,457	4,270,457	Credit risk
Petty cash	225	-	N/A
Total Deposits and Investments	\$ 7,002,108	\$ 7,015,106	
Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 4,365,523		
Restricted cash and investments	317,960		
Per statement of assets and liabilities - custodial fund			
Cash and investments	2,318,625		
Total Deposits and Investments	\$ 7,002,108		

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit accounts (interest-bearing and noninterest-bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts.

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the nature of this fund, recovery of material principal losses may not be significant to individual municipalities. This coverage has been considered in computing custodial credit risk.

Custodial Credit Risk

Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the city's deposits may not be returned to the city.

As of December 31, 2019, \$1,355,175 of the city's total bank balances were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 1,355,175
Total	\$ 1,355,175

CITY OF SEYMOUR

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

Custodial Credit Risk (cont.)

Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the city will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The city does not have any investments exposed to custodial credit risk.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

The city had investments in the external Wisconsin Local Government Investment Pool which is not rated.

See Note I.D.1. for further information on deposit and investment policies.

B. RECEIVABLES

Receivables not expected to be collected within one year, are as follows:

General Capital Improvements	Nonmajor Governmental Funds	Totals
\$ 2,389	\$ 111,454	\$ 113,843

Governmental funds report *unavailable or unearned revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *unavailable revenue* and *unearned revenue* reported in the governmental funds were as follows:

	Unearned	Unavailable
Property taxes receivable for subsequent year	\$ 2,143,218	\$ -
Special assessments not yet due	-	2,389
Ambulance receivables	-	176,778
Loans receivable	-	133,672
Total Unearned/Unavailable Revenue for Governmental Funds	\$ 2,143,218	\$ 312,839

CITY OF SEYMOUR

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

B. RECEIVABLES (cont.)

For economic development loans, the city is limited by the Wisconsin Department of Administration to the amount of program income from economic development loans that it may retain to be loaned to other businesses and/or the amount of time for which funds may be held without use. Program income includes the principal and interest received from economic development loans repayments.

At December 31, 2019, the city has not exceeded the maximum amount of program income that it may retain or the amount of time for which funds may be held without use. When it does, a liability to the state will be recorded.

C. RESTRICTED ASSETS

The following represent the balances of the restricted assets:

Long-Term Debt Accounts

Redemption - Used to segregate resources accumulated for debt service payments over the next twelve months.

Equipment Replacement Account

The sewer utility established an equipment replacement account to be used for significant mechanical equipment replacement as required by the Wisconsin Department of Natural Resources.

Following is a list of restricted assets at December 31, 2019:

	Restricted Assets	Liabilities Payable from Restricted Assets	Restricted Net Position
Bond redemption account	\$ 74,190	\$ 4,580	\$ 69,610
Equipment replacement account	243,770	-	243,770
Total	\$ 317,960	\$ 4,580	\$ 313,380

CITY OF SEYMOUR

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS

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

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 1,469,880	\$ -	\$ -	\$ 1,469,880
Total Capital Assets Not Being Depreciated	1,469,880	-	-	1,469,880
Capital assets being depreciated				
Land Improvements	1,235,779	290,581	-	1,526,360
Buildings	3,278,649	25,000	7,955	3,295,694
Machinery and equipment	2,629,969	97,316	122,534	2,604,751
Infrastructure	22,932,576	672,773	157,750	23,447,599
Total Capital Assets Being Depreciated	30,076,973	1,085,670	288,239	30,874,404
Total Capital Assets	31,546,853	1,085,670	288,239	32,344,284
Less: Accumulated depreciation for				
Land Improvements	(1,072,940)	(32,891)	-	(1,105,831)
Buildings	(1,935,522)	(55,331)	7,955	(1,982,898)
Machinery and equipment	(1,687,609)	(70,335)	122,534	(1,635,410)
Infrastructure	(21,247,071)	(656,440)	129,163	(21,774,348)
Total Accumulated Depreciation	(25,943,142)	(814,997)	259,652	(26,498,487)
Net Capital Assets Being Depreciated	4,133,831	270,673	28,587	4,375,917
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	\$ 5,603,711	\$ 270,673	\$ 28,587	\$ 5,845,797

Depreciation expense was charged to functions as follows:

Governmental Activities	
General government	\$ 11,624
Public safety	65,065
Public works	694,763
Culture, recreation and education	28,251
Conservation and development	15,294
Total Governmental Activities Depreciation Expense	\$ 814,997

CITY OF SEYMOUR

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS (cont.)

Business-type Activities

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<u>Water</u>				
Capital assets not being depreciated				
Land and land rights	\$ 27,255	\$ -	\$ -	\$ 27,255
Total Capital Assets Not Being Depreciated	<u>27,255</u>	<u>-</u>	<u>-</u>	<u>27,255</u>
Capital assets being depreciated				
Source of supply	874,908	-	-	874,908
Pumping	181,513	25,287	17,500	189,300
Water treatment	1,813,614	2,526	1,500	1,814,640
Transmission and distribution	3,129,737	38,004	6,065	3,161,676
General	<u>471,472</u>	<u>44,759</u>	<u>-</u>	<u>516,231</u>
Total Capital Assets Being Depreciated	<u>6,471,244</u>	<u>110,576</u>	<u>25,065</u>	<u>6,556,755</u>
Total Capital Assets	<u>6,498,499</u>	<u>110,576</u>	<u>25,065</u>	<u>6,584,010</u>
Less: Accumulated depreciation for				
Water plant	<u>(2,798,711)</u>	<u>(248,634)</u>	<u>25,065</u>	<u>(3,022,280)</u>
Total Accumulated Depreciation	<u>(2,798,711)</u>	<u>(248,634)</u>	<u>25,065</u>	<u>(3,022,280)</u>
Net Capital Assets Being Depreciated	<u>3,672,533</u>	<u>(138,058)</u>	<u>-</u>	<u>3,534,475</u>
Net Water Capital Assets	<u>\$ 3,699,788</u>	<u>\$ (138,058)</u>	<u>\$ -</u>	<u>\$ 3,561,730</u>

CITY OF SEYMOUR

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS (cont.)

Business-type Activities (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Sewer</u>				
Capital assets not being depreciated				
Land and land rights	\$ 52,973	\$ -	\$ -	\$ 52,973
Construction work in progress	-	5,811	-	5,811
Total Capital Assets Not Being Depreciated	52,973	5,811	-	58,784
Capital assets being depreciated				
Collecting system	1,849,155	36,990	3,489	1,882,656
Collecting system pumping	22,163	6,811	5,000	23,974
Treatment and disposal	5,818,388	4,417	3,000	5,819,805
General	405,590	180,643	38,000	548,233
Total Capital Assets Being Depreciated	8,095,296	228,861	49,489	8,274,668
Total Capital Assets	8,148,269	234,672	49,489	8,333,452
Less: Accumulated depreciation for				
Sewer Plant	(5,222,451)	(197,232)	49,489	(5,370,194)
Total Accumulated Depreciation	(5,222,451)	(197,232)	49,489	(5,370,194)
Net Capital Assets Being Depreciated	2,872,845	31,629	-	2,904,474
Net Sewer Capital Assets	\$ 2,925,818	\$ 37,440	\$ -	\$ 2,963,258
Business-type Capital Assets, Net of Accumulated Depreciation	\$ 6,625,606	\$ (100,618)	\$ -	\$ 6,524,988

Depreciation expense was charged to functions as follows:

Business-type Activities

Water	\$ 234,946
Sewer	210,920
Total Business-type Activities Depreciation Expense	\$ 445,866

Depreciation expense may be different from business-type activity accumulated depreciation additions because of joint metering, salvage, cost of removal, internal allocations, or costs associated with the disposal of assets.

CITY OF SEYMOUR

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS

Interfund Receivables/Payables

The following is a schedule of interfund receivables and payables including any overdrafts on pooled cash and investment accounts:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Water Utility	General Fund	\$ 19,877
Sewer Utility	General Fund	<u>22,921</u>
Total		<u>\$ 42,798</u>

All amounts are due within one year.

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

Advances

The general fund is advancing funds to Tax Incremental District Nos. 3 and 4. The amount advanced is determined by the deficiency of revenues over expenditures and other financing sources since the districts' inception. Repayment schedules have not been established.

The water utility is advancing funds to Tax Incremental District No. 3 to finance two separate water improvement projects in the TIF. The advance balance for one project totals \$240,295 and a repayment schedule has been established that follows the repayment schedule for the revenue bonds issued by the water utility in 2006.

The advance balance for the other project totals \$1,592,547 and there is no repayment schedule established at this time. The city is unsure if the TIF will generate enough increment to repay this entire advance balance during the life of the TIF. As a result, the water utility reports a deferred TIF contribution in the amount of \$408,292. If the TIF generates enough increment to repay this part of the advance, the water utility will record contribution revenue at that time.

CITY OF SEYMOUR

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS (cont.)

Advances (cont.)

The following is a schedule of interfund advances:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Amount Not Due Within One Year</u>
General Fund	Tax Incremental District No. 3	\$ 132,723	\$ 132,723
General Fund	Tax Incremental District No. 4	99,304	99,304
Water Utility	Tax Incremental District No. 3	<u>1,832,842</u>	1,795,096
Total - Fund Financial Statements		2,064,869	
Less: Fund eliminations		<u>(232,027)</u>	
Total - Interfund Advances - Government-Wide Statement of Net Position		<u><u>\$ 1,832,842</u></u>	

<u>Years</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 37,746	\$ 5,237
2021	38,639	4,333
2022	39,552	3,409
2023	40,488	2,462
2024	41,445	1,493
2025	<u>42,425</u>	<u>502</u>
Totals	<u><u>\$ 240,295</u></u>	<u><u>\$ 17,436</u></u>

Transfers

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
General Fund	Water Utility	\$ 114,282	Tax equivalent
Debt Service	Tax Incremental District No. 3	<u>135,033</u>	Debt service payment
Total - Fund Financial Statements		249,315	
Less: Fund eliminations		<u>(135,033)</u>	
Total Transfers - Government-Wide Statement of Activities		<u><u>\$ 114,282</u></u>	

CITY OF SEYMOUR

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS (cont.)

Transfers (cont.)

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2019, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General obligation debt	\$ 1,110,000	\$ -	\$ 210,000	\$ 900,000	\$ 230,000
Sub-totals	<u>1,110,000</u>	<u>-</u>	<u>210,000</u>	<u>900,000</u>	<u>230,000</u>
Other Liabilities					
Vested compensated absences	162,629	17,272	10,589	169,312	14,097
Capital lease	-	43,540	8,708	34,832	8,708
Total Other Liabilities	<u>162,629</u>	<u>60,812</u>	<u>19,297</u>	<u>204,144</u>	<u>22,805</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 1,272,629</u>	<u>\$ 60,812</u>	<u>\$ 229,297</u>	<u>\$ 1,104,144</u>	<u>\$ 252,805</u>
Business-type Activities					
Bonds and Notes Payable					
Revenue bonds from direct borrowings and direct placements	\$ 1,333,253	\$ -	\$ 102,107	\$ 1,231,146	\$ 104,415
Sub-totals	<u>1,333,253</u>	<u>-</u>	<u>102,107</u>	<u>1,231,146</u>	<u>104,415</u>
Other Liabilities					
Vested compensated absences	55,465	7,059	3,024	59,500	3,399
Total Other Liabilities	<u>55,465</u>	<u>7,059</u>	<u>3,024</u>	<u>59,500</u>	<u>3,399</u>
Total Business-type Activities Long-Term Liabilities	<u>\$ 1,388,718</u>	<u>\$ 7,059</u>	<u>\$ 105,131</u>	<u>\$ 1,290,646</u>	<u>\$ 107,814</u>

In addition to the liabilities above, information for the net pension liability (asset) is provided at Note IV. A.

In accordance with Wisconsin Statutes, total general obligation indebtedness of the city may not exceed 5% of the equalized value of taxable property within the city's jurisdiction. The debt limit as of December 31, 2019, was \$10,975,275. Total general obligation debt outstanding at year end was \$900,000.

CITY OF SEYMOUR

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt

All general obligation notes and bonds payable are backed by the full faith and credit of the city. Notes and bonds in the governmental funds will be retired by future property tax levies or tax increments accumulated by the debt service fund.

Governmental Activities

<u>General Obligation Debt</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2019</u>
G.O. Refunding Bonds	9/8/2011	12/1/2020	2.6 - 2.8%	\$ 1,440,000	\$ 100,000
G.O. Refunding Bonds	9/19/2012	6/1/2024	1.15 - 2.4%	1,495,000	<u>800,000</u>
Total Governmental Activities - General Obligation Debt					<u>\$ 900,000</u>

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Governmental Activities General Obligation Debt</u>	
	<u>Principal</u>	<u>Interest</u>
2020	\$ 230,000	\$ 17,920
2021	150,000	12,833
2022	145,000	10,070
2023	190,000	6,530
2024	<u>185,000</u>	<u>2,220</u>
Totals	<u>\$ 900,000</u>	<u>\$ 49,573</u>

Revenue Debt

Business-type activities revenue bonds are payable only from revenues derived from the operation of the water utility.

The water utility has pledged future customer revenues to repay revenue bonds issued in 2006 and 2012. Proceeds from the bonds provided financing for the water utility system. The bonds are payable solely from customer revenues and are payable through 2032. Annual principal and interest payments on the bonds are expected to require 12.00% of gross revenues. The total principal and interest remaining to be paid on the bonds is \$1,396,907. Principal and interest paid for the current year and total customer gross revenues were \$130,742 and \$901,016, respectively.

CITY OF SEYMOUR

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

Revenue Debt (cont.)

Revenue debt payable at December 31, 2019, consists of the following:

Business-type Activities Revenue Debt

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2019	
<u>Water Utility</u>						
Safe Drinking Water Loan - Revenue bonds from Direct Borrowings and Direct Placements	4/26/2006	5/1/2025	2.37%	\$ 630,670	\$ 240,295	(1)
Safe Drinking Water Loan - Revenue bonds from Direct Borrowings and Direct Placements	7/11/2012	5/1/2032	2.20%	1,416,919	<u>990,851</u>	(1)
Total Business-type Activities - Revenue Debt					<u>\$ 1,231,146</u>	

(1) - During 2019 the utility was authorized to issue \$2,156,408 of water system Safe Drinking Water Loan revenue bonds. The original amounts reported above have been issued as of December 31, 2019. The repayment schedule is for the total amount issued, not authorized.

Debt service requirements to maturity are as follows:

Years	Business-type Activities Revenue Debt from Direct Borrowings and Direct Placements	
	Principal	Interest
2020	\$ 104,415	\$ 26,302
2021	106,774	23,916
2022	109,187	21,476
2023	111,654	18,981
2024	114,177	16,429
2025-2029	430,802	50,189
2030-2032	<u>254,137</u>	<u>8,468</u>
Totals	<u>\$ 1,231,146</u>	<u>\$ 165,761</u>

CITY OF SEYMOUR

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

Other Debt Information

Estimated payments of compensated absences are not included in the debt service requirement schedules. The compensated absences attributable to governmental activities will be liquidated primarily by the general fund.

The city's outstanding debt from direct borrowings and direct placements related to governmental and business-type activities contain event of default and/or termination provisions with possible finance-related consequences. City management has evaluated the event of default and/or termination provisions with possible finance-related consequences and in the opinion of city management, the likelihood is remote that these provisions will have a significant effect on the city's financial position or results of operations.

G. LEASE DISCLOSURES

Capital Lease - City as Lessee

The city signed into a lease agreement for a piece of equipment during 2019. The city intends to purchase the equipment from the seller with a five-year financing option, making annual payments of \$8,708, with no interest applied. The city made it's first payment in 2019 and the last payment will be due in 2023. The amount outstanding on the lease at year-end was \$34,832.

H. NET POSITION/FUND BALANCES

Net position reported on the government wide statement of net position at December 31, 2019, includes the following:

Governmental Activities

Net Investment in Capital Assets	
Land	\$ 1,469,880
Other capital assets, net of accumulated depreciation	4,375,917
Less: Long-term debt outstanding	(900,000)
Less: Capital lease outstanding	<u>(34,832)</u>
Total Net Investment in Capital Assets	<u>\$ 4,910,965</u>

CITY OF SEYMOUR

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

H. NET POSITION/FUND BALANCES (cont.)

Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2019, include the following:

	<u>General Fund</u>	<u>Debt Service</u>	<u>TIF No. 3</u>	<u>General Capital Improvements</u>	<u>Nonmajor Funds</u>	<u>Totals</u>
Fund Balances						
Nonspendable:						
Prepaid items	\$ 30,329	\$ -	\$ -	\$ -	\$ -	\$ 30,329
Advances	<u>232,027</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>232,027</u>
Sub-total	<u>262,356</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>262,356</u>
Restricted for:						
Debt service	-	11,896	-	-	-	11,896
Library	-	-	-	-	142,541	142,541
Cemetery	-	-	-	-	22,414	22,414
Loan programs	-	-	-	-	214,201	214,201
Sub-total	<u>-</u>	<u>11,896</u>	<u>-</u>	<u>-</u>	<u>379,156</u>	<u>391,052</u>
Committed to:						
Ambulance	-	-	-	-	55,660	55,660
Veteran's memorial	-	-	-	-	21,010	21,010
K9 unit	-	-	-	-	30,788	30,788
Sub-total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>107,458</u>	<u>107,458</u>
Assigned to:						
Capital projects	-	-	-	686,858	-	686,858
Subsequent year's budget	<u>106,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>106,000</u>
Sub-total	<u>106,000</u>	<u>-</u>	<u>-</u>	<u>686,858</u>	<u>-</u>	<u>792,858</u>
Unassigned (deficit):	<u>1,221,203</u>	<u>-</u>	<u>(1,965,565)</u>	<u>-</u>	<u>(99,304)</u>	<u>(843,666)</u>
Total Fund Balances (Deficit)	<u>\$ 1,589,559</u>	<u>\$ 11,896</u>	<u>\$ (1,965,565)</u>	<u>\$ 686,858</u>	<u>\$ 387,310</u>	<u>\$ 710,058</u>

Business-type Activities

Net Investment in Capital Assets

Land	\$ 80,228
Other capital assets, net of accumulated depreciation	6,444,760
Less: Long-term debt outstanding	(1,231,146)
Plus: TIF-financed debt outstanding	<u>1,231,146</u>
Total Net Investment in Capital Assets	<u>\$ 6,524,988</u>

CITY OF SEYMOUR

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE IV - OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

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

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

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

Benefits provided. Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and executive service participants, if hired on or before 12/31/2016) are entitled to retirement benefit based on a formula factor, their average earnings, and creditable service.

Final average earnings is the average of the participant's three highest annual earnings period. 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 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 age 55 (50 for protective occupation employees) 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 SEYMOUR

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

Year	Core Fund Adjustment	Variable Fund Adjustment
2009	(2.1)%	(42.0)%
2010	(1.3)	22.0
2011	(1.2)	11.0
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0

CITY OF SEYMOUR

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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 merged into the General Employee category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$87,099 in contributions from the city.

Contribution rates for the plan year reported as of December 31, 2019 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (Executives & Elected Officials)	6.7%	6.7%
Protective with Social Security	6.7%	10.7%
Protective without Social Security	6.7%	14.9%

Pension Liability (asset), Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2019, the city reported a liability (asset) of \$298,156 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2017 rolled forward to December 31, 2018. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The city's proportion of the net pension liability (asset) was based on the city's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2018, the city's proportion was 0.00838063%, which was a decrease of 0.00031795% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the city recognized pension expense of \$200,053.

CITY OF SEYMOUR

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 232,218	\$ 410,479
Changes in assumptions	50,258	-
Net differences between projected and actual earnings on pension plan investments	435,437	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	8,230	394
Employer contributions subsequent to the measurement date	91,502	-
Totals	\$ 817,645	\$ 410,873

\$91,502 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31:	Deferred Outflows of Resources and Deferred Inflows of Resources (net)
2020	\$ 113,799
2021	30,558
2022	50,532
2023	120,381

CITY OF SEYMOUR

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Actuarial assumptions. The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2017
Measurement Date of Net Pension Liability (Asset):	December 31, 2018
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table
Post-retirement Adjustments*:	1.9%

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

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

CITY OF SEYMOUR

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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>Core Fund Asset Class</u>	<u>Current Asset Allocation %</u>	<u>Long-Term Expected Nominal Rate of Return %</u>	<u>Long-Term Expected Real Rate of Return %</u>
Global Equities	49%	8.1%	5.5%
Fixed Income	24.5	4.0	1.5
Inflation Sensitive Assets	15.5	3.8	1.3
Real Estate	9	6.5	3.9
Private Equity/Debt	8	9.4	6.7
Multi-Asset	4	6.7	4.1
Total Core Fund	110	7.3	4.7
 <u>Variable Fund Asset Class</u>			
U.S Equities	70	7.6	5.0
International Equities	30	8.5	5.9
Total Variable Fund	100	8.0	5.4

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.5%
Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations

Single discount rate. A single discount rate of 7.00% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.00% and a long term bond rate of 3.71%. Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF SEYMOUR

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

	1% Decrease to Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase to Discount Rate (8.00%)
City's proportionate share of the net pension liability (asset)	\$1,184,905	\$298,156	\$(361,209)

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

At December 31, 2019, the city reported a payable to the pension plan which represents contractually required contributions outstanding as of the end of the year.

B. RISK MANAGEMENT

The city is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. All of these risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

C. COMMITMENTS AND CONTINGENCIES

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

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

The city has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

CITY OF SEYMOUR

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

D. ECONOMIC DEPENDENCY

The sewer utility has one significant customer who was responsible for 29% of operating revenues in 2019.

E. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS

The Governmental Accounting Standards Board (GASB) has approved the following:

- > Statement No. 87, *Leases*
- > Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- > Statement No. 91, *Conduit Debt Obligations*

When they become effective, application of these standards may restate portions of these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SEYMOUR

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2019

REVENUES	Original and Final Budget	Actual	Variance with Final Budget
TAXES			
General property taxes	\$ 1,116,365	\$ 1,116,365	\$ -
Payments in lieu of taxes	5,500	6,587	1,087
Total Taxes	<u>1,121,865</u>	<u>1,122,952</u>	<u>1,087</u>
INTERGOVERNMENTAL REVENUES			
State shared revenues	705,000	669,576	(35,424)
State other pub safety - operating	2,500	2,866	366
State aid - law enforcement improvement	1,000	1,481	481
State aid - general transportation aids	169,100	169,050	(50)
Other state shared taxes	3,000	18,729	15,729
Other	875	858	(17)
Total Intergovernmental Revenues	<u>881,475</u>	<u>862,560</u>	<u>(18,915)</u>
LICENSES AND PERMITS			
Liquor and malt beverage licenses	4,000	4,330	330
Business and occupational licenses	3,100	3,395	295
Dog and cat licenses	400	352	(48)
Cigarette licenses	300	300	-
Building permits	6,000	3,173	(2,827)
Cable television franchise fees	23,000	24,182	1,182
Bicycle licenses	50	55	5
Other permits	100	447	347
Total Licenses and Permits	<u>36,950</u>	<u>36,234</u>	<u>(716)</u>
FINES, FORFEITURES AND PENALTIES			
Parking violations	2,500	1,090	(1,410)
Court penalties and costs	50,000	53,977	3,977
Total Fines, Forfeitures and Penalties	<u>52,500</u>	<u>55,067</u>	<u>2,567</u>
PUBLIC CHARGES FOR SERVICES			
Ambulance fees	97,000	94,935	(2,065)
Conservation and development	300	500	200
Cemetery	200	2,000	1,800
Law enforcement fees	67,500	65,460	(2,040)
Recycling	1,500	2,320	820
Weed and nuisance control	1,500	61	(1,439)
Other conservation	-	18,848	18,848
Total Public Charges for Services	<u>168,000</u>	<u>184,124</u>	<u>16,124</u>
INVESTMENT INCOME			
Interest on investments	<u>3,200</u>	<u>18,767</u>	<u>15,567</u>

See independent auditors' report and accompanying notes to required supplementary information.

CITY OF SEYMOUR

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2019

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
MISCELLANEOUS REVENUES			
Rent	\$ 8,900	\$ 6,265	\$ (2,635)
Insurance dividends	-	10,942	10,942
Other miscellaneous	<u>5,100</u>	<u>4,100</u>	<u>(1,000)</u>
Total Miscellaneous Revenues	<u>14,000</u>	<u>21,307</u>	<u>7,307</u>
 Total Revenues	 <u>2,277,990</u>	 <u>2,301,011</u>	 <u>23,021</u>
EXPENDITURES			
GENERAL GOVERNMENT			
Council/Board	23,100	21,919	1,181
Judicial	23,800	20,114	3,686
Legal	14,000	-	14,000
Legal counseling	23,000	8,102	14,898
Mayor	13,050	12,251	799
Clerk	77,300	99,890	(22,590)
Elections	7,200	6,825	375
Treasurer	1,450	1,123	327
Assessment of property	11,400	11,327	73
Independent auditing	13,500	19,702	(6,202)
General buildings/plant/hall	58,500	71,861	(13,361)
Property and liability insurance	110,000	100,242	9,758
Other insurance	1,500	-	1,500
Other general government	<u>47,100</u>	<u>59,318</u>	<u>(12,218)</u>
Total General Government	<u>424,900</u>	<u>432,674</u>	<u>(7,774)</u>
PUBLIC SAFETY			
Police	735,040	761,977	(26,937)
Correction and detention	16,000	17,599	(1,599)
Fire protection	183,700	223,133	(39,433)
Ambulance	89,500	98,675	(9,175)
Building inspection	<u>5,200</u>	<u>5,050</u>	<u>150</u>
Total Public Safety	<u>1,029,440</u>	<u>1,106,434</u>	<u>(76,994)</u>

See independent auditors' report and accompanying notes to required supplementary information.

CITY OF SEYMOUR

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2019

	Original and Final Budget	Actual	Variance with Final Budget
PUBLIC WORKS			
Public works/highway administration	\$ 85,500	\$ 82,522	\$ 2,978
Machinery operation and maintenance	108,900	122,251	(13,351)
Garages and sheds	53,700	62,452	(8,752)
Highway and street maintenance for local	178,300	221,996	(43,696)
Curb and gutter	11,000	6,992	4,008
Street signs	5,300	7,754	(2,454)
Street cleaning	7,000	6,241	759
Snow and ice control	77,000	75,016	1,984
Other local government highway maint/construction	11,000	21,160	(10,160)
Street lighting	93,400	88,489	4,911
Sidewalks, new and replacement w/o reconstruction	6,500	2,447	4,053
Storm sewer maintenance	15,000	37,619	(22,619)
Parking facilities	7,000	2,066	4,934
Total Public Works	<u>659,600</u>	<u>737,005</u>	<u>(77,405)</u>
HEALTH AND HUMAN SERVICES			
Animal control	1,800	440	1,360
Cemetery	8,300	6,543	1,757
Other health and human services	4,000	3,633	367
Relief administration	146,500	132,084	14,416
General relief	17,300	8,546	8,754
Social services	15,300	15,288	12
Total Health and Human Services	<u>193,200</u>	<u>166,534</u>	<u>26,666</u>
CULTURE, RECREATION AND EDUCATION			
Parks	131,100	147,707	(16,607)
Community center	9,700	8,237	1,463
Celebration and entertainment	8,250	10,359	(2,109)
Other summer recreation	6,800	10,413	(3,613)
Total Culture, Recreation and Education	<u>155,850</u>	<u>176,716</u>	<u>(20,866)</u>
CONSERVATION AND DEVELOPMENT			
Conservation and development			
Tree care	12,000	31	11,969
Industrial development	6,000	6,581	(581)
Total Conservation and Development	<u>18,000</u>	<u>6,612</u>	<u>11,388</u>
Total Expenditures	<u>2,480,990</u>	<u>2,625,975</u>	<u>(144,985)</u>
Excess (deficiency) of revenues over expenditures	<u>(203,000)</u>	<u>(324,964)</u>	<u>(121,964)</u>

See independent auditors' report and accompanying notes to required supplementary information.

CITY OF SEYMOUR

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended December 31, 2019

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
OTHER FINANCING SOURCES			
Transfers in	\$ 97,000	\$ 114,282	\$ 17,282
Total Other Financing Sources	<u>97,000</u>	<u>114,282</u>	<u>17,282</u>
Net Change in Fund Balance	(106,000)	(210,682)	(104,682)
FUND BALANCE - Beginning of Year	<u>1,800,241</u>	<u>1,800,241</u>	-
FUND BALANCE - END OF YEAR	<u>\$ 1,694,241</u>	<u>\$ 1,589,559</u>	<u>\$ (104,682)</u>

See independent auditors' report and accompanying notes to required supplementary information.

CITY OF SEYMOUR

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) -
WISCONSIN RETIREMENT SYSTEM
For the Year Ended December 31, 2019

WRS Fiscal Year Ending	Proportion of the Net Pension Liability/(Asset)	Proportionate Share of the Net Pension Liability/(Asset)	Covered Payroll	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
12/31/18	0.00838063%	\$ 298,156	\$ 1,110,633	26.85%	96.45%
12/31/17	0.00869858%	(258,271)	1,077,370	23.97%	102.93%
12/31/16	0.00904088%	74,518	1,081,414	6.89%	99.12%
12/31/15	0.00941750%	153,033	1,221,673	12.53%	98.20%
12/31/14	0.00937490%	(230,273)	1,191,183	-19.33%	102.74%

SCHEDULE OF EMPLOYER CONTRIBUTIONS - WISCONSIN RETIREMENT SYSTEM
For the Year Ended December 31, 2019

City Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/19	\$ 91,502	\$ 91,502	\$ -	\$ 1,196,466	7.65%
12/31/18	87,140	87,140	-	1,110,633	7.85%
12/31/17	79,361	79,361	-	1,077,370	7.37%
12/31/16	91,054	91,054	-	1,081,414	8.42%
12/31/15	89,726	89,726	-	1,221,673	7.34%

See independent auditors' report and accompanying notes to the required supplementary information.

CITY OF SEYMOUR

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION For the Year Ended December 31, 2019

BUDGETARY INFORMATION

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

The budgeted amounts presented include any amendments made. The city may authorize transfers of budgeted amounts within departments. Transfers between departments and changes to the overall budget must be approved by a two-thirds council action.

Appropriations lapse at year end unless specifically carried over. There were no carryovers to the following year. Budgets are adopted at the function level of expenditure.

WISCONSIN RETIREMENT SYSTEM

The amounts determined for each fiscal year were determined as of the calendar year-end and occurred within the fiscal year.

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

Changes in benefit terms. There were no changes of benefit terms for any participating employer in the Wisconsin Retirement System.

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

SUPPLEMENTARY INFORMATION

CITY OF SEYMOUR

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
As of December 31, 2019

	Special Revenue Funds			
	Muehl Public Library	Cemetery Perpetual Care	Recknagel Park Fund	Ambulance Replacement Fund
ASSETS				
Cash and investments	\$ 148,007	\$ 22,414	\$ -	\$ 55,660
Receivables				
Taxes	137,750	-	-	-
Loans	-	-	-	-
	-	-	-	-
TOTAL ASSETS	\$ 285,757	\$ 22,414	\$ -	\$ 55,660
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 4,258	\$ -	\$ -	\$ -
Accrued liabilities	1,208	-	-	-
Advances from other funds	-	-	-	-
Total Liabilities	5,466	-	-	-
Deferred Inflows of Resources				
Unearned revenues	137,750	-	-	-
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	137,750	-	-	-
Fund Balances (Deficit)				
Restricted	142,541	22,414	-	-
Committed	-	-	-	55,660
Unassigned (deficit)	-	-	-	-
Total Fund Balances (deficit)	142,541	22,414	-	55,660
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 285,757	\$ 22,414	\$ -	\$ 55,660

Special Revenue Funds			Capital Projects Fund	Total Nonmajor Governmental Funds
Veteran's Memorial	Wisconsin Development Grant	K9 Unit Police Fund	TIF No. 4	
\$ 21,010	\$ 214,201	\$ 30,788	\$ -	\$ 492,080
-	-	-	117,604	255,354
-	<u>133,672</u>	-	-	<u>133,672</u>
<u>\$ 21,010</u>	<u>\$ 347,873</u>	<u>\$ 30,788</u>	<u>\$ 117,604</u>	<u>\$ 881,106</u>
\$ -	\$ -	\$ -	\$ -	\$ 4,258
-	-	-	-	1,208
-	-	-	<u>99,304</u>	<u>99,304</u>
-	-	-	<u>99,304</u>	<u>104,770</u>
-	-	-	117,604	255,354
-	<u>133,672</u>	-	-	<u>133,672</u>
-	<u>133,672</u>	-	<u>117,604</u>	<u>389,026</u>
-	214,201	-	-	379,156
21,010	-	30,788	-	107,458
-	-	-	<u>(99,304)</u>	<u>(99,304)</u>
<u>21,010</u>	<u>214,201</u>	<u>30,788</u>	<u>(99,304)</u>	<u>387,310</u>
<u>\$ 21,010</u>	<u>\$ 347,873</u>	<u>\$ 30,788</u>	<u>\$ 117,604</u>	<u>\$ 881,106</u>

CITY OF SEYMOUR

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2019

	Special Revenue Funds			
	Muehl Public Library	Cemetery Perpetual Care	Recknagel Park Fund	Ambulance Replacement Fund
REVENUES				
Taxes	\$ 135,660	\$ -	\$ -	\$ -
Intergovernmental	107,361	-	-	5,497
Public charges for services	5,339	2,000	-	-
Intergovernmental charges for services	-	-	-	9,550
Investment income	5,709	677	-	-
Miscellaneous revenues	4,145	-	100,581	-
Total Revenues	<u>258,214</u>	<u>2,677</u>	<u>100,581</u>	<u>15,047</u>
EXPENDITURES				
Current				
General government	-	466	-	-
Public safety	-	-	-	5,004
Culture, recreation and education	260,472	-	-	-
Conservation and development	-	-	-	-
Capital Outlay	-	-	125,661	-
Total Expenditures	<u>260,472</u>	<u>466</u>	<u>125,661</u>	<u>5,004</u>
Net Change in Fund Balances	(2,258)	2,211	(25,080)	10,043
FUND BALANCES (DEFICIT) - Beginning of Year	<u>144,799</u>	<u>20,203</u>	<u>25,080</u>	<u>45,617</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 142,541</u>	<u>\$ 22,414</u>	<u>\$ -</u>	<u>\$ 55,660</u>

Special Revenue Funds			Capital Projects Fund	Total Nonmajor Governmental Funds
Veteran's Memorial	Wisconsin Development Grant	K9 Unit Police Fund	TIF No. 4	
\$ -	\$ -	\$ -	\$ 116,096	\$ 251,756
-	-	-	2,813	115,671
-	-	-	-	7,339
-	-	-	-	9,550
713	9,946	-	-	17,045
-	27,583	4,791	-	137,100
<u>713</u>	<u>37,529</u>	<u>4,791</u>	<u>118,909</u>	<u>538,461</u>
-	-	-	-	466
-	-	7,799	-	12,803
205	-	-	-	260,677
-	15,000	-	-	15,000
-	-	-	105,493	231,154
<u>205</u>	<u>15,000</u>	<u>7,799</u>	<u>105,493</u>	<u>520,100</u>
508	22,529	(3,008)	13,416	18,361
<u>20,502</u>	<u>191,672</u>	<u>33,796</u>	<u>(112,720)</u>	<u>368,949</u>
<u>\$ 21,010</u>	<u>\$ 214,201</u>	<u>\$ 30,788</u>	<u>\$ (99,304)</u>	<u>\$ 387,310</u>

CITY OF SEYMOUR

SCHEDULE OF CHANGES TO GENERAL CAPITAL IMPROVEMENT FUND BALANCES For the Year Ended December 31, 2019

Fund Balance Account	Balance 1/1/19	Additions	Deletions	Balance 12/31/19
Fund Balances				
Police vehicle	\$ 8,517	\$ 10,000	\$ -	\$ 18,517
Ambulance replacement	189,061	10,000	-	199,061
Restitution	927	760	1,450	237
Parking lots	25,426	10,000	-	35,426
200 Note	-	22,413	-	22,413
Municipal judge	4,541	-	415	4,126
Signs & markings	3,058	2,000	-	5,058
Crime prevention	1,057	-	-	1,057
Fire dues	2,059	9,587	754	10,892
Curb & gutter	23,992	20,000	42,174	1,818
Public property - parks	31,676	150	-	31,826
Clerk	9,958	-	-	9,958
Municipal building	3,144	-	-	3,144
Police department	1,408	17,000	15,386	3,022
Fire department	23,647	8,000	17,006	14,641
Ambulance	7,891	3,800	-	11,691
Machinery & equipment	112,443	33,552	38,947	107,048
Street superintendent	2,571	370	-	2,941
Stormwater management	15,637	505	10,760	5,382
Streets & alleys	292,590	50,000	318,350	24,240
Street Lighting	2,009	2,000	-	4,009
Scout house	3,186	3,000	1,389	4,797
Celebrations	2,218	2,000	-	4,218
Public property	47,744	10,000	22,180	35,564
Industrial park	52,119	-	4,518	47,601
Cemetery	1,939	-	500	1,439
Museum	689	1,000	-	1,689
Crosswalks & sidewalks	27,828	20,000	45,130	2,698
Grants	3,678	1,738	2,088	3,328
Crack filling	-	22,000	22,000	-
Fire department - truck	31,097	30,000	-	61,097
Fire department - gear	19,863	2,500	-	22,363
Mainline Dr.	145,598	-	67,499	78,099
Sub-total	1,097,571	292,375	610,546	779,400
General Capital Improvements (deficit)	(93,109)	13,082	12,515	(92,542)
TOTAL FUND BALANCES	\$ 1,004,462	\$ 305,457	\$ 623,061	\$ 686,858

City management tracks funding set aside for the specific capital outlay purposes noted in this schedule. As funds are received, balances are increased. As funds are expended, balances are decreased. The entire balance is reported in the various components of fund balance in the General Capital Improvements fund.