

CITY OF SEYMOUR, WISCONSIN

Annual Financial Report

December 31, 2020

CITY OF SEYMOUR, WISCONSIN

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INDEPENDENT AUDITORS' REPORT



Independent Auditors' Report

To the City Council
City of Seymour
Seymour, Wisconsin

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 (City), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 auditor's 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 entity'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 entity'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, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

To the City Council
City of Seymour

Required Supplementary Information

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.

Accounting principles generally accepted in the United States of America require that the schedules of employer's proportionate share of the net pension liability (asset) and employer contributions – Wisconsin Retirement System, schedules of employer's proportionate share of the net OPEB liability and employer contributions – other post-employment benefits other than pensions, and the budgetary comparison information on pages 47 through 49 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.

Supplementary Information

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

The combining balance sheet – nonmajor governmental funds, combining statement of revenues, expenditures and changes in fund balances – nonmajor governmental funds, schedule of detailed budgetary comparison revenues – general fund and schedule of detailed budgetary comparison expenditures – general fund are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining balance sheet – nonmajor governmental funds, combining statement of revenues, expenditures and changes in fund balances – nonmajor governmental funds, schedule of detailed budgetary comparison revenues – general fund and schedule of detailed budgetary comparison expenditures – general fund except for the budgetary amounts, are fairly stated in all material respects in relation to the financial statements as a whole.

The budgetary information and schedule of changes to general capital improvement fund balances have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

KerberRose SC

KerberRose SC
Certified Public Accountants
Shawano, Wisconsin
May 4, 2021

BASIC FINANCIAL STATEMENTS

CITY OF SEYMOUR, WISCONSIN

Statement of Net Position
As of December 31, 2020

	Governmental Activities	Business - Type Activities	Total
ASSETS			
Cash and Investments	\$ 4,711,982	\$ 1,884,457	\$ 6,596,439
Taxes Receivable	1,177,621	-	1,177,621
Accounts Receivable	130,002	181,648	311,650
Interest Receivable	-	947	947
Special Assessments	-	11,036	11,036
Loans Receivable	94,857	-	94,857
Internal Balances	(1,795,096)	1,795,096	-
Inventories and Prepaid Items	30,643	9,861	40,504
Total Current Assets	4,350,009	3,883,045	8,233,054
Noncurrent Assets			
Restricted Cash and Investments	-	400,664	400,664
Net Pension Asset	207,360	67,772	275,132
Capital Assets - Nondepreciable	1,469,880	86,039	1,555,919
Capital Assets - Depreciable, Net	4,260,892	6,140,871	10,401,763
Total Noncurrent Assets	5,938,132	6,695,346	12,633,478
TOTAL ASSETS	10,288,141	10,578,391	20,866,532
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows of Resources Related to Pension	488,103	159,528	647,631
Deferred Outflows of Resources Related to Other Post-Employment Benefits	35,836	11,712	47,548
Deferred Loss on Refunding	18,683	-	18,683
Total Deferred Outflows of Resources	542,622	171,240	713,862
LIABILITIES			
Current Liabilities			
Accounts Payable	14,930	5,750	20,680
Accrued and Other Current Liabilities	26,455	7,404	33,859
Accrued Interest Payable	3,782	4,130	7,912
Current Portion of Long-Term Obligations	223,100	117,035	340,135
Total Current Liabilities	268,267	134,319	402,586
Noncurrent Liabilities			
Net Other Post-Employment Benefits Liability	87,395	28,564	115,959
Compensated Absences	135,293	-	135,293
Noncurrent Portion of Long-Term Obligations	1,769,448	1,075,088	2,844,536
Total NonCurrent Liabilities	1,992,136	1,103,652	3,095,788
TOTAL LIABILITIES	2,260,403	1,237,971	3,498,374
DEFERRED INFLOWS OF RESOURCES			
Taxes Levied for Subsequent Period	2,164,079	-	2,164,079
Deferred TID No. 3 Contributions	-	408,292	408,292
Deferred Inflows of Resources Related to Pension	620,931	202,941	823,872
Deferred Inflows of Resources Related to Other Post-Employment Benefits	17,682	5,780	23,462
Total Deferred Inflows of Resources	2,802,692	617,013	3,419,705
NET POSITION			
Net Investment in Capital Assets	4,996,907	5,100,179	10,097,086
Restricted	618,800	425,023	1,043,823
Unrestricted	151,961	3,369,445	3,521,406
TOTAL NET POSITION	\$ 5,767,668	\$ 8,894,647	\$ 14,662,315

CITY OF SEYMOUR, WISCONSIN
Statement of Activities
For the Year Ended December 31, 2020

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
GOVERNMENTAL ACTIVITIES				
General Government	\$ 443,153	\$ 89,174	\$ -	\$ -
Public Safety	1,177,562	99,949	66,415	9,647
Public Works	1,231,859	3,494	-	179,791
Health and Human Services	174,127	6,676	-	-
Culture and Recreation	412,077	2,196	107,246	-
Conservation and Development	435,988	9,436	-	-
Interest and Fiscal Charges	30,711	-	-	-
Total Governmental Activities	<u>3,905,477</u>	<u>210,925</u>	<u>173,661</u>	<u>189,438</u>
BUSINESS-TYPE ACTIVITIES				
Water Utility	681,852	873,338	-	-
Sewer Utility	1,140,294	929,393	-	-
Total Business-Type Activities	<u>1,822,146</u>	<u>1,802,731</u>	<u>-</u>	<u>-</u>
TOTAL CITY OF SEYMOUR	<u>\$ 5,727,623</u>	<u>\$ 2,013,656</u>	<u>\$ 173,661</u>	<u>\$ 189,438</u>

GENERAL REVENUES:

Taxes:

Property Taxes, Levied for General Purposes

Sales Tax from County

Other Taxes

State and Federal Aids not Restricted to
Specific Functions

Interest and Investment Earnings

Miscellaneous

Total General Revenues

TRANSFERS

CHANGE IN NET POSITION

NET POSITION - BEGINNING OF YEAR, AS RESTATED

NET POSITION - END OF YEAR

**Net (Expense) Revenue
and Changes in Net Position**

Governmental Activities	Business-Type Activities	Totals
\$ (353,979)	\$ -	\$ (353,979)
(1,001,551)	-	(1,001,551)
(1,048,574)	-	(1,048,574)
(167,451)	-	(167,451)
(302,635)	-	(302,635)
(426,552)	-	(426,552)
(30,711)	-	(30,711)
<u>(3,331,453)</u>	<u>-</u>	<u>(3,331,453)</u>
-	191,486	191,486
-	(210,901)	(210,901)
-	<u>(19,415)</u>	<u>(19,415)</u>
<u>(3,331,453)</u>	<u>(19,415)</u>	<u>(3,350,868)</u>
2,143,238	-	2,143,238
13,759	-	13,759
6,587	-	6,587
719,245	-	719,245
20,276	17,010	37,286
287,422	-	287,422
<u>3,190,527</u>	<u>17,010</u>	<u>3,207,537</u>
<u>112,336</u>	<u>(112,336)</u>	<u>-</u>
(28,590)	(114,741)	(143,331)
<u>5,796,258</u>	<u>9,009,388</u>	<u>14,805,646</u>
<u>\$ 5,767,668</u>	<u>\$ 8,894,647</u>	<u>\$ 14,662,315</u>

CITY OF SEYMOUR, WISCONSIN

Balance Sheet

Governmental Funds

As of December 31, 2020

	<u>General</u>	<u>Debt Service Fund</u>	<u>Tax Incremental District No. 3</u>	<u>Tax Incremental District No. 4</u>
ASSETS				
Cash and Investments	\$ 2,195,067	\$ 2,896	\$ 62,404	\$ -
Accounts Receivable	130,002	-	-	-
Property Taxes Levied for Subsequent Year	182,127	81,000	427,566	119,178
Loans Receivable	-	-	-	-
Due from Other Fund	344,233	-	-	-
Prepaid Items	30,643	-	-	-
TOTAL ASSETS	<u>\$ 2,882,072</u>	<u>\$ 83,896</u>	<u>\$ 489,970</u>	<u>\$ 119,178</u>
LIABILITIES				
Accounts Payable	\$ 12,866	\$ -	\$ -	\$ -
Accrued Liabilities	25,049	-	-	-
Due to Other Fund	-	-	-	344,233
Advance from Other Fund	-	-	1,795,096	-
Total Liabilities	<u>37,915</u>	<u>-</u>	<u>1,795,096</u>	<u>344,233</u>
DEFERRED INFLOWS OF RESOURCES				
Taxes Levied for Subsequent Period	1,168,585	81,000	427,566	119,178
Loans Receivable	-	-	-	-
Unavailable Revenue	126,186	-	-	-
Total Deferred Inflows of Resources	<u>1,294,771</u>	<u>81,000</u>	<u>427,566</u>	<u>119,178</u>
FUND BALANCES (DEFICITS)				
Nonspendable	30,643	-	-	-
Restricted	-	2,896	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned (Deficits)	1,518,743	-	(1,732,692)	(344,233)
Total Fund Balances (Deficits)	<u>1,549,386</u>	<u>2,896</u>	<u>(1,732,692)</u>	<u>(344,233)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	<u>\$ 2,882,072</u>	<u>\$ 83,896</u>	<u>\$ 489,970</u>	<u>\$ 119,178</u>

General Capital Improvements	Nonmajor Governmental Funds	Total Governmental Funds
\$ 1,848,706	\$ 602,909	\$ 4,711,982
-	-	130,002
230,000	137,750	1,177,621
-	94,857	94,857
-	-	344,233
-	-	30,643
<u>\$ 2,078,706</u>	<u>\$ 835,516</u>	<u>\$ 6,489,338</u>
\$ 2,064	\$ -	\$ 14,930
-	1,406	26,455
-	-	344,233
-	-	1,795,096
<u>2,064</u>	<u>1,406</u>	<u>2,180,714</u>
230,000	137,750	2,164,079
-	94,857	94,857
-	-	126,186
<u>230,000</u>	<u>232,607</u>	<u>2,385,122</u>
-	-	30,643
1,240,000	449,425	1,692,321
-	152,078	152,078
606,642	-	606,642
-	-	(558,182)
<u>1,846,642</u>	<u>601,503</u>	<u>1,923,502</u>
<u>\$ 2,078,706</u>	<u>\$ 835,516</u>	<u>\$ 6,489,338</u>

CITY OF SEYMOUR, WISCONSIN
 Reconciliation of the Balance Sheet
 Governmental Funds to the Statement of Net Position
 As of December 31, 2020

Total Fund Balances (Deficits) - Governmental Funds		\$ 1,923,502
 <i>Total net position reported for governmental activities in the statement of net position are different from the amount reported above as total governmental funds fund balance because:</i>		
 Capital assets used in government activities are not financial resources and therefore are not reported in the fund statements. Amounts reported for governmental activities in the statement of net position:		
Governmental Capital Assets	28,585,003	
Governmental Accumulated Depreciation	<u>(22,854,231)</u>	5,730,772
 Some receivables that are not currently available are reported as deferred inflows of resources in the fund financial statements but are recognized as revenue when earned in the government-wide statements.		
Special Assessments		126,186
 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 financial statements.		
Loans Receivable		94,857
 Net pension asset is not usable in the current period therefore not reported in the fund financial statements		
		207,360
 The City's proportionate share of the Wisconsin Retirement System pension plan and Other Post-Employment Benefits are not an available financial resource; therefore, they are not reported in the fund financial statements.		
Deferred Outflows Related to Pension	488,103	
Deferred Outflows Related to Other Post-Employment Benefits	35,836	
Deferred Inflows Related to Pension	(620,931)	
Deferred Inflows Related to Other Post-Employment Benefits	<u>(17,682)</u>	(114,674)
 Post-employment benefit liability not payable in the current period therefore not reported in the fund financial statements		
		(87,395)
 Losses on certain refundings of debt are not recognized in the fund financial statements but are reported and amortized over the term of the related debt in the government-wide statements		
		18,683
 Noncurrent liabilities, including bonds and notes payable, are not due in the current period and therefore not reported in the fund statements. Noncurrent liabilities reported in the statement of net position that are not reported in the funds balance sheet		
General Debt		(1,910,000)
Capital Leases		(49,547)
Premium/Discount on Debt Issued		(33,001)
Accrued Interest on General Obligation Debt		(3,782)
Vested Employee Benefits		<u>(135,293)</u>
 Total Net Position - Governmental Activities		 <u>\$ 5,767,668</u>

See Accompanying Notes

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CITY OF SEYMOUR, WISCONSIN

Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)

Governmental Funds

For the Year Ended December 31, 2020

	<u>General</u>	<u>Debt Service Fund</u>	<u>Tax Incremental District No. 3</u>	<u>Tax Incremental District No. 4</u>
REVENUES				
Taxes	\$ 1,142,531	\$ 93,780	\$ 383,062	\$ 156,461
Intergovernmental	957,572	-	338	1,919
Licenses and Permits	35,121	-	-	-
Fines, Forfeitures and Penalties	54,053	-	-	-
Charges for Services	136,619	-	-	-
Investment Income	6,193	-	-	-
Miscellaneous	16,688	-	-	-
Total Revenues	<u>2,348,777</u>	<u>93,780</u>	<u>383,400</u>	<u>158,380</u>
EXPENDITURES				
Current:				
General Government	398,272	-	-	-
Public Safety	1,098,165	-	-	-
Public Works	677,914	-	-	-
Health and Human Services	173,665	-	-	-
Culture and Recreation	148,916	-	-	-
Conservation and Development	4,354	-	150	403,309
Debt Service:				
Principal Retirement	-	230,000	-	-
Interest and Fiscal Charges	-	17,900	5,257	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>2,501,286</u>	<u>247,900</u>	<u>5,407</u>	<u>403,309</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(152,509)</u>	<u>(154,120)</u>	<u>377,993</u>	<u>(244,929)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds of Long-Term Debt	-	-	-	-
Debt Premium	-	-	-	-
Capital Lease Issued	-	-	-	-
Transfers In	112,336	145,120	-	-
Transfers Out	-	-	(145,120)	-
Total Other Financing Sources (Uses)	<u>112,336</u>	<u>145,120</u>	<u>(145,120)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	(40,173)	(9,000)	232,873	(244,929)
FUND BALANCES (DEFICITS) - BEGINNING	<u>1,589,559</u>	<u>11,896</u>	<u>(1,965,565)</u>	<u>(99,304)</u>
FUND BALANCES (DEFICITS) - ENDING	<u>\$ 1,549,386</u>	<u>\$ 2,896</u>	<u>\$ (1,732,692)</u>	<u>\$ (344,233)</u>

<u>General Capital Improvements</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
\$ 250,000	\$ 137,750	\$ 2,163,584
9,647	112,868	1,082,344
-	-	35,121
-	-	54,053
-	35,713	172,332
6,372	7,711	20,276
235,239	88,091	340,018
<u>503,646</u>	<u>382,133</u>	<u>3,870,116</u>
-	-	398,272
-	18,823	1,116,988
-	-	677,914
-	462	174,127
-	247,959	396,875
-	-	407,813
14,003	-	244,003
-	-	23,157
631,720	-	631,720
<u>645,723</u>	<u>267,244</u>	<u>4,070,869</u>
<u>(142,077)</u>	<u>114,889</u>	<u>(200,753)</u>
1,240,000	-	1,240,000
33,143	-	33,143
28,718	-	28,718
-	-	257,456
-	-	(145,120)
<u>1,301,861</u>	<u>-</u>	<u>1,414,197</u>
1,159,784	114,889	1,213,444
686,858	486,614	710,058
<u>\$ 1,846,642</u>	<u>\$ 601,503</u>	<u>\$ 1,923,502</u>

CITY OF SEYMOUR, WISCONSIN

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) -
Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2020

Net Change in Fund Balances (Deficits) - Total Governmental Funds	\$ 1,213,444
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital Outlay reported in governmental fund statements	663,836
Depreciation expense reported in the statement of activities	<u>(765,092)</u>
Amount by which capital outlays are less than depreciation in the current period.	(101,256)
The City disposed of assets resulting in a reduction of capital assets and recapture of prior year depreciation expense reported on the statement of activities as a net loss and has no affect on the governmental funds balance sheet.	
The value of capital assets disposed of during the year	(4,423,117)
The amount of depreciation recapture for the year	<u>4,409,348</u>
Amount by which capital disposals are more than depreciation recapture in the current period	(13,769)
Amounts related to the pension plan that affect the statement of activities but do not affect the fund financial statements.	1,434
Amounts related to the other post-employment benefit plan that are not current financial resources and therefore, are not reported in the fund financial statements.	(5,404)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	
Repayments on Special Assessments	(52,981)
Repayments on Long-Term Loans	(38,815)
Vested employee benefits are reported in the government funds when amounts are paid. The statement of activities reports the value of benefits earned during the year. This year the accrual of these benefits was less than the amount paid.	34,019
Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the statement of net position and does not affect the statement of activities. The amount of long-term debt principal payments in the current year is:	230,000
Debt incurred in governmental funds is reported as an other financing source, but is reported as an increase in outstanding long-term debt in the statement of net position, and does not affect the statement of activities.	(1,240,000)
Repayment of capital leases is reported in the governmental funds as an expenditure, but is reported as a reduction in capital leases payable in the statement of net position and does not affect the statement of activities. The amount of capital lease principal payments in the current year is:	14,003
Capital leases incurred in governmental funds is reported as an other financing source, but is reported as an increase in outstanding capital leases payable in the statement of net position, and does not affect the statement of activities.	(28,718)
Interest payments on outstanding debt are reported in the governmental funds as an expenditure when paid, in the statement of activities interest is reported as it accrues.	(2,208)
Debt refunding losses are amortized over the period the debt is outstanding and is reported as amortization expense in the statement of activities.	
Amortization	(5,338)
Discounts and premiums on debt issued are recorded as other financing sources and uses in the governmental funds but are amortized over the life of the related debt issue in the governmental activities financial statements	(33,143)
Debt premium, discount and amortization are allocated over the period the debt is outstanding and is reported as amortization revenue/expense in the statement of activities. The activity for the current year is as follows:	
Amortization	<u>142</u>
Change in Net Position - Governmental Activities	<u><u>\$ (28,590)</u></u>

See Accompanying Notes

CITY OF SEYMOUR, WISCONSIN

Statement of Net Position

Proprietary Funds

As of December 31, 2020

	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Total</u>
ASSETS			
Current Assets:			
Cash and Investments	\$ 1,040,689	\$ 843,768	\$ 1,884,457
Accounts Receivable	70,364	111,284	181,648
Special Assessments	6,162	4,874	11,036
Interest Receivable	947	-	947
Inventories	7,069	2,792	9,861
Total Current Assets	<u>1,125,231</u>	<u>962,718</u>	<u>2,087,949</u>
Noncurrent Assets:			
Restricted Cash	130,690	269,974	400,664
Advances to Other Fund	1,795,096	-	1,795,096
Net Pension Asset	35,340	32,432	67,772
Land	27,255	52,973	80,228
Construction Work in Progress	-	5,811	5,811
Infrastructure	6,598,519	8,376,566	14,975,085
Accumulated Depreciation	<u>(3,262,593)</u>	<u>(5,571,621)</u>	<u>(8,834,214)</u>
Total Noncurrent Assets	<u>5,324,307</u>	<u>3,166,135</u>	<u>8,490,442</u>
TOTAL ASSETS	<u>6,449,538</u>	<u>4,128,853</u>	<u>10,578,391</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows of Resources Related to Pension	83,186	76,342	159,528
Deferred Outflows of Resources Related to Other Post-Employment Benefits	6,107	5,605	11,712
Total Deferred Outflows of Resources	<u>89,293</u>	<u>81,947</u>	<u>171,240</u>
CURRENT LIABILITIES			
Accounts Payable	2,056	3,694	5,750
Accrued and Other Current Liabilities	3,308	4,096	7,404
Accrued Interest	4,130	-	4,130
Current Portion of Long-Term Obligations	112,404	4,631	117,035
Total Current Liabilities	<u>121,898</u>	<u>12,421</u>	<u>134,319</u>
NONCURRENT LIABILITIES			
Net Other Post-Employment Benefits Liability	14,895	13,669	28,564
Noncurrent Portion of Long-Term Obligations	1,057,262	17,826	1,075,088
Total Noncurrent Liabilities	<u>1,072,157</u>	<u>31,495</u>	<u>1,103,652</u>
TOTAL LIABILITIES	<u>1,194,055</u>	<u>43,916</u>	<u>1,237,971</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred TID No. 3 Advance	408,292	-	408,292
Deferred Inflows of Resources Related to Pension	105,824	97,117	202,941
Deferred Inflows of Resources Related to Other Post-Employment Benefits	3,014	2,766	5,780
Total Deferred Inflows of Resources	<u>517,130</u>	<u>99,883</u>	<u>617,013</u>
NET POSITION			
Net Investment in Capital Assets	2,236,450	2,863,729	5,100,179
Restricted	143,392	281,631	425,023
Unrestricted	2,447,804	921,641	3,369,445
TOTAL NET POSITION	<u>\$ 4,827,646</u>	<u>\$ 4,067,001</u>	<u>\$ 8,894,647</u>

See Accompanying Notes

CITY OF SEYMOUR, WISCONSIN
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2020

	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Totals</u>
OPERATING REVENUES			
Charges for Services:	\$ 873,338	\$ 929,393	\$ 1,802,731
OPERATING EXPENSES			
Operation and Maintenance	415,948	922,181	1,338,129
Depreciation	240,052	218,113	458,165
Total Operating Expenses	<u>656,000</u>	<u>1,140,294</u>	<u>1,796,294</u>
OPERATING INCOME (LOSS)	<u>217,338</u>	<u>(210,901)</u>	<u>6,437</u>
NONOPERATING REVENUES (EXPENSES)			
Investment Earnings	10,132	6,878	17,010
Interest Expense	(25,852)	-	(25,852)
Total Nonoperating Revenues (Expenses)	<u>(15,720)</u>	<u>6,878</u>	<u>(8,842)</u>
INCOME (LOSS) BEFORE TRANSFERS	201,618	(204,023)	(2,405)
TRANSFERS OUT	<u>(112,336)</u>	<u>-</u>	<u>(112,336)</u>
CHANGE IN NET POSITION	89,282	(204,023)	(114,741)
NET POSITION - BEGINNING, AS RESTATED	<u>4,738,364</u>	<u>4,271,024</u>	<u>9,009,388</u>
NET POSITION - ENDING	<u>\$ 4,827,646</u>	<u>\$ 4,067,001</u>	<u>\$ 8,894,647</u>

CITY OF SEYMOUR, WISCONSIN
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2020

	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from User Charges	\$ 647,697	\$ 913,264	\$ 1,560,961
Cash Received from Municipality	231,474	22,921	254,395
Paid to Suppliers for Goods and Services	(194,773)	(741,352)	(936,125)
Paid to Employees for Operating Payroll	(192,439)	(198,716)	(391,155)
Net Cash Flows From Operating Activities	<u>491,959</u>	<u>(3,883)</u>	<u>488,076</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Advance Repayment from TID No. 3	37,746	-	37,746
Transfer to Other Fund	(112,336)	-	(112,336)
Net Cash Flows From Noncapital Financing Activities	<u>(74,590)</u>	<u>-</u>	<u>(74,590)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of Capital Assets	(55,189)	(104,898)	(160,087)
Principal Payments on Long-Term Debt	(104,415)	-	(104,415)
Interest and Fiscal Charges	(26,302)	-	(26,302)
Net Cash Flows From Capital and Related Financing Activities	<u>(185,906)</u>	<u>(104,898)</u>	<u>(290,804)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment Earnings	10,132	6,878	17,010
CHANGE IN CASH AND INVESTMENTS	241,595	(101,903)	139,692
CASH AND INVESTMENTS - BEGINNING	<u>929,784</u>	<u>1,215,645</u>	<u>2,145,429</u>
CASH AND INVESTMENTS - ENDING	<u>\$ 1,171,379</u>	<u>\$ 1,113,742</u>	<u>\$ 2,285,121</u>
RECONCILIATION OF CASH ACCOUNTS			
Cash and Investments	\$ 1,040,689	\$ 843,768	\$ 1,884,457
Restricted Cash and Investment	130,690	269,974	400,664
Total Reconciliation of Cash Accounts	<u>\$ 1,171,379</u>	<u>\$ 1,113,742</u>	<u>\$ 2,285,121</u>

See Accompanying Notes

CITY OF SEYMOUR, WISCONSIN
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended December 31, 2020

	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Total</u>
RECONCILIATION OF OPERATING INCOME (LOSS)			
TO NET CASH FLOWS FROM			
Operating Income (Loss)	\$ 217,338	\$ (210,901)	\$ 6,437
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows from Operating Activities:			
Depreciation	240,052	218,113	458,165
Meter Depreciation Charged to Sewer	13,686	(13,686)	-
Changes in Assets and Liabilities:			
Customer Accounts Receivable	(14,044)	(16,129)	(30,173)
Due from Municipality	-	22,921	22,921
Net Pension Asset	(35,340)	(32,432)	(67,772)
Deferred Outflows Related to Pension	35,414	20,989	56,403
Deferred Outflows Related to OPEB	(6,107)	(5,605)	(11,712)
Accounts Payable	(1,032)	(9,007)	(10,039)
Accrued Liabilities	(671)	2,739	2,068
Receivable from Municipality	19,877	-	19,877
Accrued Compensated Absences	3,141	2,751	5,892
Net Pension Liability	(35,896)	(35,098)	(70,994)
Net OPEB Liability	4,016	3,685	7,701
Deferred Inflows Related to Pension	48,511	45,011	93,522
Deferred Inflows Related to OPEB	3,014	2,766	5,780
Net Cash Flows From Operating Activities	<u>\$ 491,959</u>	<u>\$ (3,883)</u>	<u>\$ 488,076</u>

CITY OF SEYMOUR, WISCONSIN

Statement of Net Position

Fiduciary Fund

As of December 31, 2020

	<u>Custodial</u> <u>Tax Collection</u> <u>Fund</u>
ASSETS	
Cash and Investments	\$ 1,376,261
Taxes Receivable	1,642,578
Total Assets	<u>3,018,839</u>
LIABILITIES	
Due to Other Taxing Units	<u>3,018,839</u>
NET POSITION	<u>\$ -</u>

CITY OF SEYMOUR, WISCONSIN
Statement of Changes in Net Position
Fiduciary Fund
For the Year Ended December 31, 2020

	<u>Custodial Fund</u> <u>Tax Collection</u> <u>Fund</u>
ADDITIONS	
Taxes Collected on Behalf of Other Taxing Entities	\$ 2,493,471
DEDUCTIONS	
Taxes Remitted to Other Taxing Entities	<u>2,493,471</u>
CHANGE IN NET POSITION	-
NET POSITION - BEGINNING	<u>-</u>
NET POSITION - ENDING	<u>\$ -</u>

See Accompanying Notes

CITY OF SEYMOUR, WISCONSIN

Notes to Financial Statements

December 31, 2020

Note 1 - Summary of Significant Accounting Policies

This summary of significant accounting policies of the City of Seymour, Wisconsin (City) is presented to assist in understanding the City's financial statements. The financial statements and notes are representations of the City's management who is responsible for the integrity and objectivity of the financial statements. These accounting policies conform to generally accepted accounting principles in the United States of America (GAAP) and have been consistently applied in the preparation of the financial statements. The Governmental Accounting Standards Board (GASB) is the accepted standards setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies established in GAAP and used by the City is discussed below.

Reporting Entity

The reporting entity for the City is based upon criteria set forth by the Governmental Accounting Standards Board. All functions of the City for which it exercises oversight responsibility are included. The oversight responsibility includes, but is not limited to, financial interdependency between the City and the governmental entity; control by the City over selection of entity's governing authority or designation of management; the ability of the City to significantly influence operations of the entity; and whether the City is responsible for the accountability for fiscal matters.

Accounting principles generally accepted in the United States of America require that these financial statements include the primary government and its component units. Component units are separate organizations that are included in the City's reporting entity because of the significance of their operational or financial relationship with the City. All significant activities and organizations with which the City exercises oversight responsibility have been considered for inclusion in the basic financial statements. The City has no component units, and it is not included in any other governmental reporting entity.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

CITY OF SEYMOUR, WISCONSIN

Notes to Financial Statements

December 31, 2020

Note 1 - Summary Of Significant Accounting Policies (Continued)

Government-Wide and Fund Financial Statements (Continued)

Fund Financial Statements

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 proprietary funds are reported as separate columns in the fund financial statements.

Fund financial statements of the reporting entity are organized into individual funds each of which are considered to be separate accounting entities. 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, fund equity, revenues, and expenditures/expenses.

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

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

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 enterprise funds are charges to customers for sales and services. Operating expenses for enterprise 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.

Measurement Focus, Basis of Accounting and Financial Statements Presentation

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

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

CITY OF SEYMOUR, WISCONSIN

Notes to Financial Statements

December 31, 2020

Note 1 - Summary of Significant Accounting Policies (Continued)

Governmental Funds

Governmental funds are identified as either general, debt service, special revenue, or capital projects based upon the following guidelines.

General Fund

The general fund is the primary operating fund of the City and is always classified as a major fund. It is used to account for all financial resources except those required to be accounted for in another fund.

Debt Service Fund

Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term principal, interest and related costs.

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

Capital Project Funds

Capital project funds are used to account for property tax, bond proceeds, and other financial resources available to implement the City's capital improvement plans.

Proprietary Funds

Enterprise Funds

Enterprise funds may be used to account for activities where a fee is charged to external users for goods and services. Enterprise activities must include operations (a) that are financed with debt that is secured solely by the pledge of the net revenues of the fund, or (b) where laws or regulations require that the costs of the activity be recovered with fees and charges, or (c) where the fees and charges are priced in a way designed to recover the costs of the activity.

Fiduciary Funds

The City follows the presentation requirements of accounting principles generally accepted in the United States of America as prescribed by the Government Accounting Standards Board Statement No. 84, *Fiduciary Activities*. This statement revised the criteria on whether the government is controlling the assets of the fiduciary activity and the beneficiaries with whom a fiduciary relationship exists. An activity meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. Four types of fiduciary funds that should be reported, if applicable, include pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and custodial funds. The City reports the Tax Collection Fund as a custodial fund.

CITY OF SEYMOUR, WISCONSIN

Notes to Financial Statements

December 31, 2020

Note 1 - Summary of Significant Accounting Policies (Continued)

Major Funds

The City reports the following major governmental funds:

The *general fund*, which accounts for the City's primary operating activities.

The *debt service* fund, which accounts for the City's debt service payments.

Tax Incremental District No. 3, which accounts for resources accumulated and payments made for improvements identified in the project plan of the tax incremental district.

Tax Incremental District No. 4, which accounts for resources accumulated and payments made for improvements identified in the project plan of the tax incremental district.

General Capital Improvements, which accounts for resources accumulated for general capital projects throughout various departments of the City.

The City reports the following major proprietary funds:

The *water utility*, which operates the water distribution system.

The *sewer utility*, accounts for the activities of operating the City sewer utility.

Non-Major Funds

The City reports the following non-major funds:

Special revenue funds account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specific purposes.

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

Cash and Investments

Cash deposits consist of demand and time deposits with financial institutions and are carried at cost. For purpose of the statement of cash flows, all cash deposits and highly liquid investments (including restricted assets) with a maturity of three months or less from date of acquisition are considered to be cash equivalents.

Accounts Receivable

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

CITY OF SEYMOUR, WISCONSIN

Notes to Financial Statements

December 31, 2020

Note 1 - Summary of Significant Accounting Policies (Continued)

Prepaid Items

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

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

Inventories

Proprietary fund inventories are generally used for construction and for operation and maintenance work and are not for resale. They are valued at cost based on first-in, first-out method, which approximates market value. Governmental fund inventory items are charged to expenditure accounts when purchased.

Special Assessments

Special assessments consist of capital projects constructed through non-special assessment debt. In governmental fund financial statements, special assessments are recorded as receivables and deferred inflows of resources when the related capital outlays are made and are recorded as revenues when due and payable. In the government-wide financial statements and proprietary funds, special assessments are recorded as receivables and capital contributions when the capital outlays are made. All special assessments are due when billed and may be paid on an installment basis with interest. Special assessment receivables that become delinquent are added to the general tax roll. The method of enforcing collections is the same as for general City taxes.

Capital Assets

Government-Wide Statements

Capital assets, which include land, buildings and improvements, machinery and equipment, and infrastructure are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$3,000 or higher and an estimated useful life in excess of two years, except for certain assets of the Water and Sewer Utilities which may be capitalized at a lower cost. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

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

Land improvements, buildings, machinery and equipment, and infrastructure of the City are depreciated using the straight-line method over the following estimated useful lives:

Governmental:	
Buildings	15 - 20 Years
Land improvements	15 - 20 Years
Storm sewers	50 Years
Roads and sidewalks	20 - 25 Years
Vehicles	3 - 15 Years
Office equipment and furnishings	5 - 15 Years
Computer equipment	3 Years

CITY OF SEYMOUR, WISCONSIN

Notes to Financial Statements

December 31, 2020

Note 1 - Summary of Significant Accounting Policies (Continued)

Capital Assets (Continued)

Water Plant:	
Source of Supply	31 - 56 Years
Pumping	23 - 41 Years
Water Treatment	17 - 31 Years
Transmission and Distribution	18 - 77 Years
General	4 - 35 Years

Sewer Plant:	
Collecting System	50 - 100 Years
Collecting System Pumping	25 Years
General	8 - 10 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 as in the government-wide statements.

Additions to and replacement of utility plant are recorded at original cost, which includes material, labor, and overhead. 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.

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, 2020, are determined on the basis of current salary rates and include salary related payments.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense) until then. The City reports three categories of deferred outflows of resources related to the pension plan, the cost-sharing OPEB plan, and a deferred charge on advance refunding of debt on the statement of net position. The deferred outflows related to the pension plan and cost-sharing OPEB plan are explained in more detail in Note 10 and Note 11, respectively.

CITY OF SEYMOUR, WISCONSIN

Notes to Financial Statements

December 31, 2020

Note 1 - Summary of Significant Accounting Policies (Continued)

Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of net position and balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position or fund balance that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until then. The City reports six categories of deferred inflows of resources related to special assessments, loans receivable, taxes levied for subsequent year, deferred contributions, the pension plan, and cost-sharing OPEB plan on either the statement of net position or balance sheet. The deferred inflows related to the pension plan and cost-sharing plan are explained in more detail in Note 10 and Note 11, respectively.

Pension and Other Post-Employment Benefits

Pensions. For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by the 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.

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

Long-Term Obligations

The accounting treatment of long-term debt depends on whether it is reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term debt consists of general obligation bonds, state trust fund loans, and revenue bonds.

Long-term debt for governmental funds is not reported as a liability in the governmental fund financial statements. The debt proceeds are reported as an other financing source and payment of principal and interest reported as expenditures. The accounting in proprietary funds is the same in the fund statements as it is in the government-wide statements.

Equity Classifications

Government-Wide and Proprietary Fund Statements

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

- Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

CITY OF SEYMOUR, WISCONSIN

Notes to Financial Statements

December 31, 2020

Note 1 - Summary of Significant Accounting Policies (Continued)

Equity Classification (Continued)

Government-Wide and Proprietary Fund Statements (Continued)

- 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) by law through constitutional provisions or enabling legislation.
- Unrestricted net position – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

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 Financial Statements

Fund balance is classified as either 1) nonspendable, 2) restricted, 3) committed, 4) assigned, or 5) unassigned.

Nonspendable fund balance represents amounts that cannot be spent due to form (such as inventories and prepaid amounts), or amounts that must be maintained intact legally or contractually (such as the principal of a permanent fund).

Restricted fund balance represents amounts constrained for a specific purpose by external parties, constitutional provision or enabling legislation.

Committed fund balance represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority. It would require action by the same group to remove or change the constraints placed on the resources. The action to constrain resources must occur prior to year-end; however, the amount can be determined in the subsequent period. The City Council is the decision-making authority that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance.

Assigned fund balance in the general fund represents amounts constrained by the Council for a specific intended purpose. The City has not delegated that authority to others. Assigned fund balance in all other governmental funds represents any positive remaining amount after classifying nonspendable, restricted or committed fund balance.

Unassigned fund balance represents amounts not classified as nonspendable, restricted, committed or assigned. The general fund is the only fund that would report a positive amount in the unassigned fund balance.

The City, unless otherwise required by law or agreements, spends funds in the following order: restricted first, then committed, then assigned, and lastly unassigned.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts and disclosures. Actual results may differ from these estimates, particularly given the significant and economic disruptions and uncertainties associated with the ongoing COVID-19 pandemic and the COVID-19 control responses, and such differences may be material.

CITY OF SEYMOUR, WISCONSIN

Notes to Financial Statements

December 31, 2020

Note 2 - Cash and Investments

The City is authorized to invest its funds in accordance with Wisconsin Statutes. Allowable investments are as follows:

- Time deposits in any credit union, bank, savings bank or trust company maturing in three years or less.
- 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, local professional baseball park district, local professional football stadium district, local cultural arts district or by the University of Wisconsin Hospitals and Clinics Authority.
- Bonds or securities guaranteed by the federal government.
- The Local Government Pooled Investment Fund and the Wisconsin Investment Trust.
- Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- Securities of an open end management investment company or investment trust, subject to various conditions and investment options.
- Repurchase agreements with public depositories, with certain conditions.

Additional restrictions could arise from local charters, ordinances, resolutions and grant regulations of the City.

At December 31, 2020, the City's bank balance of cash was \$3,258,647. The City maintains its cash accounts at three financial institutions. Custodial credit risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be returned. The City does not have a deposit policy for custodial credit risk.

Deposits in each bank are insured by the FDIC up to \$250,000 for the combined amounts of all time and savings accounts (including NOW accounts) and up to \$250,000 for the combined amount of all interest and non-interest bearing demand deposit accounts.

Any losses caused by failure of public depositories are also covered by the State Deposit Guarantee Fund. The fund provides coverage of \$400,000 in each financial institution above the applicable insurance coverage provided by the FDIC. However, although the fund had reserves available at December 31, 2020, the future availability of resources to cover the losses cannot be projected because provisions of the 1985 Wisconsin Act 25 provided that the amount in the fund will be used to repay public depositors for losses until the appropriation is exhausted, at which time the fund will be abolished; therefore, the State Deposit Guarantee Fund is not considered in covered amounts noted below.

CITY OF SEYMOUR, WISCONSIN

Notes to Financial Statements

December 31, 2020

Note 2 - Cash and Investments (Continued)

The following represents a summary of deposits as of December 31, 2020:

Fully Insured Deposits	\$	793,871
Uninsured and Uncollateralized		<u>2,464,776</u>
Total	\$	<u>3,258,647</u>

For all deposits shown, the market value at the balance sheet date is substantially the same as the carrying value. The difference between the bank balance and carrying value is due to outstanding checks and/or deposits in transit at December 31, 2020.

The Local Government Investment Pool (LGIP) is not registered with the U.S. Securities and Exchanges Commission and does not publish credit quality ratings. An investment in the Fund is not a deposit with any bank and is neither insured nor guaranteed by the Federal Deposit Insurance Corporation, the United States Government or any state governmental agency of the Fund. Upon demand, cash can be withdrawn with interest from the Local Government Investment Pool. Investments in the Local Government Investment Pool are valued at amortized cost. The balance in the Local Government Investment Pool at December, 31, 2020 was \$5,197,933.

Note 3 - Restricted Assets

Restricted assets on December 31, 2020 consisted of cash totaling \$400,664 held for the following purposes:

Enterprise Funds:		
Water Utility		
Reserve Account	\$	130,690
Sewer Utility		
Sewer Replacement Fund		<u>269,974</u>
Total Restricted Assets	\$	<u>400,664</u>

Note 4 - Property Taxes

The City bills and collects its own property taxes and also levies for the Seymour Community School District, Outagamie County, and Fox Valley Technical College.

Property taxes consist of taxes on real estate and personal property. They are levied during December and become an enforceable lien on property the following January 1. Property taxes are payable in various options depending on the type and amount. Personal property taxes are payable on or before January 31 in full. Real estate taxes are payable in full by January 31, or in two equal installments on or before January 31 and July 31. Real estate taxes not paid by July 31 are assumed by the County as part of the August tax settlement. Delinquent personal property taxes remain the collection responsibility of the City.

Under Wisconsin Act 32, a municipality is allowed to increase its levy over the amount it levied in the prior year by the percentage increase in equalized value from net new construction or zero percent. Changes in debt service from one year to the next are generally exempt from this limit.

CITY OF SEYMOUR, WISCONSIN

Notes to Financial Statements

December 31, 2020

Note 5 - Interfund Receivable, Payables and Transfers

Interfund receivable and payable between individual funds of the City as of December 31, 2020 is detailed below:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Tax Incremental District No. 4	<u>\$ 344,233</u>	Year End Cash Flow Timing

The interfund account balances above are the result of various interfund activities and are expected to be repaid in 2021.

A long-term advance was made to Tax Incremental District No. 3:

<u>Advance From</u>	<u>Advance To</u>	<u>Amount</u>	<u>Purpose</u>
Water Utility	Tax Incremental District No. 3	<u>\$ 1,795,096</u>	Funding of Capital Projects

The outstanding balance between the water utility and tax incremental district No. 3 represent amounts advanced to provide working capital to the tax incremental district. The City anticipates repayment of this advance as future tax increments become available.

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

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
General Fund	Water Utility	\$ 112,336	Property Tax Equivalent
Debt Service	TID #3	145,120	Debt Service
Total Governmental Funds		<u>\$ 257,456</u>	

CITY OF SEYMOUR, WISCONSIN

Notes to Financial Statements

December 31, 2020

Note 6 - Capital Assets

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

	<u>Beginning</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u>
Governmental Activities				
Capital Assets not Being Depreciated				
Land and Improvements	\$ 1,469,880	\$ -	\$ -	\$ 1,469,880
Capital Assets Being Depreciated				
Land Improvements	1,526,360	58,503	-	1,584,863
Buildings and Improvements	3,295,694	-	-	3,295,694
Machinery and Equipment	2,604,751	297,809	71,014	2,831,546
Infrastructure	23,447,599	307,524	4,352,103	19,403,020
Total Capital Assets Being Depreciated	<u>30,874,404</u>	<u>663,836</u>	<u>4,423,117</u>	<u>27,115,123</u>
Less Accumulated Depreciation For				
Land Improvements	(1,105,831)	(41,263)	-	(1,147,094)
Buildings and Improvements	(1,982,898)	(55,092)	-	(2,037,990)
Machinery and Equipment	(1,635,410)	(98,633)	(57,245)	(1,676,798)
Infrastructure	(21,774,348)	(570,104)	(4,352,103)	(17,992,349)
Total Accumulated Depreciation	<u>(26,498,487)</u>	<u>(765,092)</u>	<u>(4,409,348)</u>	<u>(22,854,231)</u>
Total Capital Assets Being Depreciated, Net of Depreciation	<u>4,375,917</u>	<u>(101,256)</u>	<u>13,769</u>	<u>4,260,892</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 5,845,797</u>	<u>\$ (101,256)</u>	<u>\$ 13,769</u>	<u>\$ 5,730,772</u>

CITY OF SEYMOUR, WISCONSIN

Notes to Financial Statements

December 31, 2020

Note 6 - Capital Assets (Continued)

Water Utility:	<u>Beginning</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u>
Business-Type Activities				
Capital Assets not Being Depreciated				
Land	\$ 27,255	\$ -	\$ -	\$ 27,255
Capital Assets Being Depreciated				
Source of Supply	874,908	-	-	874,908
Pumping	189,300	-	-	189,300
Water Treatment	1,814,640	-	-	1,814,640
Transmission and Distribution	3,161,676	37,142	10,425	3,188,393
General	516,231	18,047	3,000	531,278
Subtotal	6,556,755	55,189	13,425	6,598,519
Less Accumulated Depreciation	(3,022,280)	(253,738)	(13,425)	(3,262,593)
Total Capital Assets Being Depreciated, Net of Depreciation	<u>3,534,475</u>	<u>(198,549)</u>	<u>-</u>	<u>3,335,926</u>
Business-Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 3,561,730</u>	<u>\$ (198,549)</u>	<u>\$ -</u>	<u>\$ 3,363,181</u>
Sewer Utility:	<u>Beginning</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u>
Business-Type Activities				
Capital Assets not Being Depreciated				
Land	\$ 52,973	\$ -	\$ -	\$ 52,973
Construction in Progress	5,811	-	-	5,811
Total Capital Assets Not Being Depreciated	<u>58,784</u>	<u>-</u>	<u>-</u>	<u>58,784</u>
Capital Assets Being Depreciated				
Collecting System	1,882,656	30,688	-	1,913,344
Collecting System Pumping	23,974	-	-	23,974
Treatment and Disposal	5,819,805	55,576	-	5,875,381
General	548,233	18,634	3,000	563,867
Subtotal	8,274,668	104,898	3,000	8,376,566
Less Accumulated Depreciation	(5,370,194)	(204,427)	(3,000)	(5,571,621)
Total Capital Assets Being Depreciated, Net of Depreciation	<u>2,904,474</u>	<u>(99,529)</u>	<u>-</u>	<u>2,804,945</u>
Business-Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 2,963,258</u>	<u>\$ (99,529)</u>	<u>\$ -</u>	<u>\$ 2,863,729</u>

CITY OF SEYMOUR, WISCONSIN

Notes to Financial Statements

December 31, 2020

Note 6 - Capital Assets (Continued)

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

Governmental Activities:

General Government	\$ 13,694
Public Safety	76,120
Public Works	624,161
Culture and Recreation	30,397
Conservation and Development	<u>20,720</u>

Total Depreciation Expense - Governmental Activities	<u><u>\$ 765,092</u></u>
--	--------------------------

Business-Type Activities:

Water Utility Depreciation Charged to Accumulated Depreciation	\$ 253,738
Less: Share of Meter Depreciation	<u>(13,686)</u>
Water Utility Depreciation Expense	240,052

Sewer Utility Charged to Accumulated Depreciation	204,427
Plus: Share of Meter Depreciation	<u>13,686</u>
Sewer Utility Depreciation Expense	218,113

Total Depreciation Expense - Business-Type Activities	<u><u>\$ 458,165</u></u>
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Note 7 - Long-Term Obligations

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

	<u>Beginning</u> <u>Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending</u> <u>Balance</u>	<u>Due Within</u> <u>One Year</u>
Governmental Activities					
General Obligation Debt:					
Direct Borrowing and Placement:					
G.O. Bonds	\$ 900,000	\$ -	\$ 230,000	\$ 670,000	\$ 150,000
G.O. Bonds	-	1,240,000	-	1,240,000	45,000
Capital Leases	34,832	28,718	14,003	49,547	13,076
Premium Issued on Debt	-	33,143	142	33,001	-
Compensated Absences	169,312	-	34,019	135,293	15,024
Net Pension Liability	227,162	-	227,162 *	-	-
Net OPEB Liability	<u>32,783</u>	<u>54,612</u>	<u>-</u>	<u>87,395</u>	<u>-</u>
Total Governmental Activity					
Long-Term Liabilities	<u><u>\$ 1,364,089</u></u>	<u><u>\$ 1,356,473</u></u>	<u><u>\$ 505,326</u></u>	<u><u>\$ 2,215,236</u></u>	<u><u>\$ 223,100</u></u>

CITY OF SEYMOUR, WISCONSIN

Notes to Financial Statements

December 31, 2020

Note 7 - Long-Term Obligations (Continued)

	<u>Beginning</u> <u>Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending</u> <u>Balance</u>	<u>Due Within</u> <u>One Year</u>
Business-Type Activities					
Direct Borrowings and Placements:					
Revenue Bonds	\$ 1,231,146	\$ -	\$ 104,415	\$ 1,126,731	\$ 106,774
Compensated Absences	59,500	5,892	-	65,392	10,261
Net Pension Liability	70,994	-	70,994 *	-	-
Net OPEB Liability	20,863	7,701	-	28,564	-
Total Business Activity					
Long-Term Liabilities	<u>\$ 1,382,503</u>	<u>\$ 13,593</u>	<u>\$ 175,409</u>	<u>\$ 1,220,687</u>	<u>\$ 117,035</u>

*The net pension liability was adjusted to a net pension asset.

	<u>Date of</u> <u>Issuance</u>	<u>Final</u> <u>Maturity</u>	<u>Interest</u> <u>Rate</u>	<u>Original</u> <u>Indebtedness</u>	<u>Balance</u> <u>12/31/20</u>
Governmental Activities					
Long-Term Obligations					
G.O. Refunding Bonds	09/19/12	06/01/24	1.15 - 2.4%	\$ 1,495,000	\$ 670,000
G.O. Promissory Notes	12/02/20	06/01/40	1.00 - 3.00%	1,240,000	<u>1,240,000</u>
Total Governmental Activities Long-Term Obligations					<u>\$ 1,910,000</u>

Principal and maturities for long-term obligations at December 31, 2020 are as follows:

	<u>Governmental Funds</u>		<u>Enterprise Funds</u>		<u>Totals</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 195,000	\$ 39,008	\$ 106,774	\$ 23,916	\$ 301,774	\$ 62,924
2022	195,000	34,895	109,187	21,476	304,187	56,371
2023	240,000	29,855	111,654	18,981	351,654	48,836
2024	235,000	24,545	114,177	16,429	349,177	40,974
2025	50,000	21,825	116,758	13,819	166,758	35,644
2026-2030	290,000	96,150	396,920	41,049	686,920	137,199
2031-2035	335,000	65,044	171,261	3,788	506,261	68,832
2036-2040	370,000	24,588	-	-	370,000	24,588
	<u>\$ 1,910,000</u>	<u>\$ 335,910</u>	<u>\$ 1,126,731</u>	<u>\$ 139,458</u>	<u>\$ 3,036,731</u>	<u>\$ 475,368</u>

CITY OF SEYMOUR, WISCONSIN

Notes to Financial Statements

December 31, 2020

Note 7 - Long-Term Obligations (Continued)

The 2020 equalized valuation of the City as certified by the Wisconsin Department of Revenue is \$235,324,000. The legal debt limit and margin of indebtedness as of December 31, 2020, in accordance with Wisconsin Statutes follows:

Equalized valuation of the City	\$ 235,324,000
Statutory limitation percentage	5%
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes	11,766,200
Total outstanding general obligation debt applicable to debt limitation	(1,910,000)
Legal margin for new debt	<u>\$ 9,856,200</u>

Utility Revenues Pledged

The City has pledged future water customer revenues, net of specified operating expenses, to repay water system revenue bonds issued in 2006 and 2012. Proceeds from the bonds provided financing for the construction or acquisition of capital assets used within the utility. The bonds are payable from water customer net revenues and are payable through 2025 and 2032, respectively. The total principal and interest remaining to be paid on the bonds is \$1,266,189. Principal and interest paid for the current year times a factor of 1.10 and total customer net revenues were \$143,788 and \$467,522, respectively. The City is in compliance with the Water Revenue Bonds net revenue requirement for the year ended December 31, 2020.

Other Debt Information

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.

Capital Leases

The City signed a lease agreement in 2019 for equipment with no interest applied. The remaining payments on this lease at December 31, 2020 are:

Year Ending	Governmental Activities
2021	\$ 8,708
2022	8,708
2023	8,708
Present Value of Future Minimum Lease Payments	<u>\$ 26,124</u>

CITY OF SEYMOUR, WISCONSIN

Notes to Financial Statements

December 31, 2020

Note 7 - Long-Term Obligations (Continued)

The City signed a lease in 2020 for a tractor/lawn mower. The payment requirements at December 31, 2020 are:

Year Ending	Governmental Activities
2021	\$ 5,295
2022	5,295
2023	5,295
2024	5,295
2025	5,295
Subtotal	<u>26,475</u>
Less: Amount Representing Interest	3,052
Present Value of Future Minimum Lease Payments	<u>\$ 23,423</u>

Note 8 - Fund Equity

Government-Wide Statements

Net position reported on the government-wide statement of net position at December 31, 2020 includes the following:

	Governmental Activities	Business-Type Activities	Total
Net Investment in Capital Assets			
Net Capital Assets	\$ 5,730,772	\$ 6,226,910	\$ 11,957,682
Investment in Non-Utility Plant - Net			
Less: Related Long-Term Debt	(1,959,547)	(1,126,731)	(3,086,278)
Less: Issuance Premium	(33,001)	-	(33,001)
Plus: Unspent Bond Proceeds	1,240,000	-	1,240,000
Plus: Deferred Loss on Refunding	18,683	-	18,683
Total Net Investment in Capital Assets	<u>4,996,907</u>	<u>5,100,179</u>	<u>10,097,086</u>
Restricted			
Water Utility			
Debt Reserve	-	130,690	130,690
Wastewater Utility			
Equipment Replacement	-	269,974	269,974
Pension	74,532	24,359	98,891
Community Development	353,580	-	353,580
Library Activities	148,186	-	148,186
Park Activities	16,891	-	16,891
Cemetery Perpetual Care	25,611	-	25,611
Total Restricted	<u>618,800</u>	<u>425,023</u>	<u>1,043,823</u>
Unrestricted	<u>151,961</u>	<u>3,369,445</u>	<u>3,521,406</u>
Total Government-Wide Activities Net Position	<u>\$ 5,767,668</u>	<u>\$ 8,894,647</u>	<u>\$ 14,662,315</u>

CITY OF SEYMOUR, WISCONSIN

Notes to Financial Statements

December 31, 2020

Note 8 - Fund Equity (Continued)

Fund balances reported on the governmental fund balance sheet at December 31, 2020 are classified as follows:

Nonspendable	
General Fund	
Prepaid Items	\$ 30,643
	<u> </u>
Restricted	
Capital Projects:	
Various Capital Projects	\$ 1,240,000
	<u> </u>
Special Revenue Funds:	
Library Activities	148,186
Cemetery Perpetual Care	25,611
Recknagel Park Activities	16,891
Wisconsin Development	258,737
	<u>449,425</u>
Debt Service	<u>2,896</u>
Total Restricted Fund Balance	<u>\$ 1,692,321</u>
Committed	
Special Revenue Funds:	
Ambulance Replacement	\$ 90,617
Veteran's Memorial	21,099
K9 Program	40,362
Total Committed Fund Balance	<u>\$ 152,078</u>
Assigned	
Capital Projects Funds	
Various Capital Projects	\$ 606,642
	<u> </u>

Note 9 - Individual Fund Balance Disclosures

The following governmental funds have a deficit fund balance at December 31, 2020:

Tax Incremental District No. 3	\$ 1,732,692
	<u> </u>
Tax Incremental District No. 4	\$ 344,233
	<u> </u>

The deficits will be funded from future tax increments.

CITY OF SEYMOUR, WISCONSIN

Notes to Financial Statements

December 31, 2020

Note 10 - Defined Benefit Pension Plan

General Information About the Pension Plan

Plan Description. The Wisconsin Retirement System (WRS) is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, expected to work at least 1,200 hours a year (880 hours for teachers and school educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

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

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

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

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

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

The WRS also provides death and disability benefits for employees.

CITY OF SEYMOUR, WISCONSIN

Notes to Financial Statements

December 31, 2020

Note 10 - Defined Benefit Pension Plan (Continued)

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

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

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

During the reporting period, the WRS recognized \$96,546 in contributions from the employer.

Contribution rates as of December 31, 2019 are:

Employee Category	Employee	Employer
General (including teachers, executives, and elected officials)	6.55%	6.55%
Protective with Social Security	6.55%	10.55%
Protective without Social Security	6.55%	14.95%

CITY OF SEYMOUR, WISCONSIN

Notes to Financial Statements

December 31, 2020

Note 10 - Defined Benefit Pension Plan (Continued)

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2020, the City reported an asset of \$275,132 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2019, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2018 rolled forward to December 31, 2019. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2019, the City's proportion was .00853267%, which was an increase of 0.00015204% from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, the City recognized pension expense of \$106,924.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between projected and actual experiences	\$ 522,263	\$ 261,358
Changes in assumptions	21,440	-
Net differences between projected and actual earnings on pension plan investments	-	562,468
Changes in proportion and differences between employer contributions and proportionate share of contributions	7,382	46
Employer contributions subsequent to the measurement date	96,546	-
Total	<u>\$ 647,631</u>	<u>\$ 823,872</u>

The \$96,546 reported as deferred outflows related to pension resulting from the WRS employer's contributions subsequent to the measurement date will be recognized as an adjustment to the net pension liability (asset) in the year ending December 31, 2021. Other amounts reported as deferred outflows and inflows of resources related to pension will be recognized in pension expense as follows:

<u>Years Ending December 31,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2021	\$ (80,105)
2022	(59,754)
2023	11,373
2024	(144,301)
	<u>\$ (272,787)</u>

CITY OF SEYMOUR, WISCONSIN

Notes to Financial Statements

December 31, 2020

Note 10 - Defined Benefit Pension Plan (Continued)

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

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

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

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

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

Asset Allocation Targets and Expected Returns as of December 31, 2019

Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Global Equities	49.0%	8.0%	5.1%
Fixed Income	24.5	4.9	2.1
Inflation Sensitive Assets	15.5	4.0	1.2
Real Estate	9.0	6.3	3.5
Private Equity/Debt	8.0	10.6	7.6
Multi-Asset	4.0	6.9	4.0
Total Core Fund	110.0% *	7.5%	4.6%
Variable Fund Asset Class			
U.S. Equities	70.0%	7.5%	4.6%
International Equities	30.0	8.2	5.3
Total Variable Fund	100.0%	7.8%	4.9%

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

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

CITY OF SEYMOUR, WISCONSIN

Notes to Financial Statements

December 31, 2020

Note 10 - Defined Benefit Pension Plan (Continued)

Single Discount Rate. A single discount rate of 7.00% was used to measure the total pension liability for the current and prior year. This single discount rate is based on the expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.75% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index’s “20-year Municipal GO AA Index” as of December 31, 2019. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City’s Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the City’s proportionate share of the net pension liability (asset) calculated using the discount rate of 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:

	<u>1% Decrease to Discount Rate (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase to Discount Rate (8.00%)</u>
City's proportionate share of the net pension liability (asset)	\$ 708,514	\$ (275,132)	\$ (1,010,521)

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

Payables to the Pension Plan. The City is required to remit the monthly required contribution for both the employee and City portions by the last day of the following month. The City had no amount due to the plan at December 31, 2020.

Note 11 - Post-Employment Benefits Other Than Pension Benefits

General Information About the OPEB Plan

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

CITY OF SEYMOUR, WISCONSIN

Notes to Financial Statements

December 31, 2020

Note 11 - Post-Employment Benefits Other Than Pension Benefits (Continued)

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

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

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

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

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

Contribution rates as of December 31, 2020 are:

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

Member contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating members must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The member contribution rates in effect for the year ended December 31, 2019 are as listed below:

**Life Insurance Member
Contribution Rates ***

<u>Attained Age</u>	<u>Basic/Supplemental</u>
Under 30	\$ 0.05
30-34	0.06
35-39	0.07
40-44	0.08
45-49	0.12
50-54	0.22
55-59	0.39
60-64	0.49
65-69	0.57

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

CITY OF SEYMOUR, WISCONSIN

Notes to Financial Statements

December 31, 2020

Note 11 - Post-Employment Benefits Other Than Pension Benefits (Continued)

During the reporting period, the Plan recognized \$536 in contributions from the employer.

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

At December 31, 2020, the City reported a liability of \$115,959 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2018 rolled forward to December 31, 2019. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net OPEB liability was based on the City's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2019, the City's proportion was .02723200%, which was a decrease of 0.0085000% from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, the City recognized OPEB expense of \$11,727.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between projected and actual experiences	\$ -	\$ 5,195
Changes in assumptions	42,778	12,755
Net differences between projected and actual earnings on plan investments	2,188	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,046	5,512
Employer contributions subsequent to the measurement date	536	-
Total	<u>\$ 47,548</u>	<u>\$ 23,462</u>

The \$536 reported as deferred outflows related to OPEB resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as an adjustment of the net OPEB liability in the year ending December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

CITY OF SEYMOUR, WISCONSIN

Notes to Financial Statements

December 31, 2020

Note 11 - Post-Employment Benefits Other Than Pension Benefits (Continued)

Years Ending December 31,	Net Deferred Outflows (Inflows) of Resources
2021	\$ 4,066
2022	4,066
2023	3,831
2024	3,588
2025	2,645
Thereafter	5,354
	<u>\$ 23,550</u>

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

Actuarial Valuation Date:	January 1, 2019
Measurement Date of Net OPEB Liability:	December 31, 2019
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield:	2.74%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	2.87%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table

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

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

CITY OF SEYMOUR, WISCONSIN

Notes to Financial Statements

December 31, 2020

Note 11 - Post-Employment Benefits Other Than Pension Benefits (Continued)

**Local OPEB Life Insurance
Asset Allocation Targets and Expected Returns
As of December 31, 2019**

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return %
U.S. Credit Bonds	Barclays Credit	45%	2.12%
U.S. Long Credit Bonds	Barclays Long Credit	5	2.90
U.S. Mortgages	Barclays MBS	50	1.53
Inflation			2.20
Long-Term Expected Rate of Return			4.25

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

Single Discount Rate. A single discount rate of 2.87% was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 4.22% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 4.10% as of December 31, 2018 to 2.74% as of December 31, 2019. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive members. Therefore, the discount rate for calculating the total OPEB liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

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

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

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

	1% Decrease to Discount Rate (1.87%)	Current Discount Rate (2.87%)	1% Increase to Discount Rate (3.87%)
City's proportionate share of the net OPEB liability	\$ 160,120	\$ 115,959	\$ 82,361

CITY OF SEYMOUR, WISCONSIN

Notes to Financial Statements

December 31, 2020

Note 11 - Post-Employment Benefits Other Than Pension Benefits (Continued)

Payables to the OPEB Plan

As of December 31, 2020, the City had no outstanding payables to the OPEB plan.

Note 12 - Tax Incremental Financing Districts

The City has established tax incremental financing (TIF) district Nos. 3 and 4 pursuant to a law enacted to provide a process by which local units of government could finance public works or improvements in blighted areas from taxes levied by county, City, schools and other local jurisdictions based on the increase in property values within a designated geographic area. When a tax incremental district is established, the state determines the aggregate value of taxable property located within the district (the base value). Taxes derived from levies by all local jurisdictions on property values exceeding the base value determined by the state are allocated to the City for financing improvements within the district. These costs have been financed by the issuance of general obligation notes and advances from other funds. As of December 31, 2020, the City has net unreimbursed costs from future excess tax increment revenues of the following:

	Unreimbursed Costs
TID No. 3	\$ 2,402,693
TID No. 4	344,234
	<u>\$ 2,746,927</u>

The intent of the City is to recover the above amounts from future TID surplus funds, if any, prior to termination of the respective Districts. Unless terminated by the City prior thereto; TID No. 3 and TID No. 4 have statutory termination years of 2024 and 2030, respectively.

Note 13 - 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; injuries to employees; employee health claims; unemployment compensation claims; and environmental damage for which the City purchases commercial insurance. There has been no reduction in insurance coverage from the prior year. Insurance settlements for claims resulting from the risks covered by commercial insurance have not exceeded the insurance coverage in past three years.

Note 14 - Contingencies

From time to time the City is involved in legal actions and claims, most of which normally occur in governmental operations. In the opinion of City management, these issues, and any other proceedings known to exist at December 31, 2020, are not likely to have a material adverse impact on the City's financial position.

Funds for the operating budget of the City comes from many sources, including property taxes, grants and aids from other units of government, user fees, fines and permits, and other miscellaneous revenues. The State of Wisconsin provides a variety of aid and grant programs which benefit the City. Those aid and grant programs are dependent on continued approval and funding by the Wisconsin governor and legislature, through their budget processes. Any changes made by the State to funding or eligibility of local aid programs could have a significant impact on the future operating results of the City.

CITY OF SEYMOUR, WISCONSIN

Notes to Financial Statements

December 31, 2020

Note 15 - Prior Period Restatement

The restatement of net position in the government-wide, business-type, and proprietary fund financial statements was the result of implementing Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This statement revised and established new financial reporting requirements for governments that provide their employees with postemployment benefits.

	Government Wide		Proprietary Funds	
	Governmental Activities	Business-type Activities	Water Utility	Sewer Utility
Net Position - As of December 31, 2019	\$ 5,860,095	\$ 9,030,251	\$ 4,749,243	\$ 4,281,008
Other Post-Employment Benefits Implementation of GASB Statement 75	(63,837)	(20,863)	(10,879)	(9,984)
Net Position - As Restated December 31, 2019	<u>\$ 5,796,258</u>	<u>\$ 9,009,388</u>	<u>\$ 4,738,364</u>	<u>\$ 4,271,024</u>

Note 16 - Upcoming Accounting Pronouncement

GASB Statement No. 87, Leases

GASB Statement No. 87 requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. This statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The pronouncement will be effective for year ending December 31, 2021.

The City is evaluating the impact this standard will have on the financial statements when adopted.

Note 17 - Commitments

The City entered into an agreement with a contractor to construct the Lake Park Bridge for \$16,400. It is anticipated this project will be completed during 2021.

The City entered into an agreement with a contractor for the city hall garage and city hall roof renovations of \$99,000.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SEYMOUR, WISCONSIN

Schedule of Employer's Proportionate Share of the Net Pension Liability (Asset)
Wisconsin Retirement System (WRS)

WRS Fiscal Year End Date (Measurement Date)	City's Proportion of the Net Pension Asset/Liability	City's Proportionate Share of the Net Pension (Asset)/Liability	City's Covered Payroll	City's Proportionate Share of the Net Pension Asset/Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/2019	0.00853267%	\$ (275,132)	\$ 1,196,465	23.00%	102.96%
12/31/2018	0.00838063%	298,156	1,110,633	26.85%	96.45%
12/31/2017	0.00869858%	(258,271)	1,077,370	23.97%	102.93%
12/31/2016	0.00904088%	74,518	1,081,414	6.89%	99.12%
12/31/2015	0.00941750%	153,033	1,221,673	12.53%	98.20%
12/31/2014	0.00937490%	(230,273)	1,191,183	19.33%	102.74%

Schedule of Employer Contributions
Wisconsin Retirement System (WRS)

City Year End Date	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/2020	\$ 96,546	\$ 96,546	\$ -	\$ 1,152,802	8.37%
12/31/2019	91,502	91,502	-	1,196,465	7.65%
12/31/2018	87,140	87,140	-	1,110,633	7.85%
12/31/2017	79,361	79,361	-	1,077,370	7.37%
12/31/2016	91,054	91,054	-	1,081,414	8.42%
12/31/2015	89,726	89,726	-	1,221,673	7.34%

CITY OF SEYMOUR, WISCONSIN

Schedule of Employer's Proportionate Share of the Net OPEB Liability
Other Post-Employment Benefits Other Than Pensions

OPEB Fiscal Year End Date (Measurement Date)	City's Proportion of the Net OPEB Asset/Liability	City's Proportionate Share of the Net OPEB Liability	City's Covered Payroll	City's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
12/31/2019	0.02723200%	\$ 115,959	\$ 1,144,000	10.14%	37.58%
12/31/2018	0.02808200%	72,461	940,000	7.71%	48.69%
12/31/2017	0.02978800%	89,620	1,252,671	7.15%	44.81%

Schedule of Employer Contributions
Other Post-Employment Benefits Other Than Pensions

City Year End Date	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/2020	\$ 536	\$ 536	\$ -	\$ 1,097,000	0.05%
12/31/2019	492	492	-	1,144,000	0.04%
12/31/2018	541	541	-	940,000	0.06%

CITY OF SEYMOUR, WISCONSIN

Schedule of Budgetary Comparison

Budget and Actual

General Fund

For the Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final Amounts</u>		
REVENUES				
Taxes	\$ 1,127,775	\$ 1,127,775	\$ 1,142,531	\$ 14,756
Intergovernmental	893,500	893,500	957,572	64,072
Licenses and Permits	25,850	25,850	35,121	9,271
Fines, Forfeitures and Penalties	52,500	52,500	54,053	1,553
Public Charges for Services	168,100	168,100	136,619	(31,481)
Investment Income	5,300	5,300	6,193	893
Miscellaneous	14,875	14,875	16,688	1,813
Total Revenues	<u>2,287,900</u>	<u>2,287,900</u>	<u>2,348,777</u>	<u>60,877</u>
EXPENDITURES				
Current:				
General Government	410,400	410,400	398,272	12,128
Public Safety	1,061,900	1,061,900	1,098,165	(36,265)
Public Works	666,900	666,900	677,914	(11,014)
Health and Human Services	186,200	186,200	173,665	12,535
Culture and Recreation	161,900	161,900	148,916	12,984
Conservation and Development	5,600	5,600	4,354	1,246
Total Expenditures	<u>2,492,900</u>	<u>2,492,900</u>	<u>2,501,286</u>	<u>(8,386)</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(205,000)</u>	<u>(205,000)</u>	<u>(152,509)</u>	<u>52,491</u>
OTHER FINANCING SOURCE				
Transfers In	99,000	99,000	112,336	13,336
NET CHANGE IN FUND BALANCE	<u>(106,000)</u>	<u>(106,000)</u>	<u>(40,173)</u>	<u>65,827</u>
FUND BALANCE - BEGINNING	<u>1,589,559</u>	<u>1,589,559</u>	<u>1,589,559</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 1,483,559</u>	<u>\$ 1,483,559</u>	<u>\$ 1,549,386</u>	<u>\$ 65,827</u>

CITY OF SEYMOUR, WISCONSIN
Notes to Required Supplementary Information
For the Year Ended December 31, 2020

Budgetary Process

The City reviews and adopts its annual budget by December or earlier of the preceding year. The budgetary information included in the accompanying schedule is comprised of the originally approved budget plus or minus approved revisions of budget revenues and expenditures. These budgets are adopted on a basis consistent with GAAP. Management control of the budgetary process has been established at the departmental level of expenditures. A department can be a fund, cost center, program or other activity for which control of expenditures is considered desirable. Budget appropriations for certain capital projects funds are project oriented, often possessing multi-year lives; consequently, budgeted capital projects expenditures are controlled through fund balances. The budget is amended for supplemental appropriations periodically during the year. Budget changes require a two-thirds approval by the City council.

The general fund had the following expenditures in excess of the budget for the year ended December 31, 2020:

General Fund	Excess Expenditures
Public Safety	\$ 36,265
Public Works	11,014

Defined Benefit Pension Plan

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

Changes of 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.

Post-Employment Benefits Other Than Pension Benefits

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

Changes of 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 OPEB Liability changed, including the discount rate, wage inflation rate, and mortality and separation rates.

SUPPLEMENTARY INFORMATION

CITY OF SEYMOUR, WISCONSIN

Combining Balance Sheet
Nonmajor Governmental Funds
As of December 31, 2020

	Special Revenue Funds							Total Nonmajor Funds
	Muehl Public Library	Cemetery Perpetual Care	Recknagel Park Fund	Ambulance Replacement Fund	Veteran's Memorial	Wisconsin Development Grant	K9 Unit Police Fund	
ASSETS								
Cash and Investments	\$ 149,592	\$ 25,611	\$ 16,891	\$ 90,617	\$ 21,099	\$ 258,737	\$ 40,362	\$ 602,909
Receivables:								
Taxes	137,750	-	-	-	-	-	-	137,750
Loans	-	-	-	-	-	94,857	-	94,857
TOTAL ASSETS	<u>\$ 287,342</u>	<u>\$ 25,611</u>	<u>\$ 16,891</u>	<u>\$ 90,617</u>	<u>\$ 21,099</u>	<u>\$ 353,594</u>	<u>\$ 40,362</u>	<u>\$ 835,516</u>
LIABILITIES								
Accrued Liabilities	\$ 1,406	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,406
DEFERRED INFLOWS OF RESOURCES								
Taxes Levied for Subsequent Period	137,750	-	-	-	-	-	-	137,750
Unavailable - Loans Receivable	-	-	-	-	-	94,857	-	94,857
Total Deferred Inflows of Resources	<u>137,750</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>94,857</u>	<u>-</u>	<u>232,607</u>
Fund Balances:								
Restricted	148,186	25,611	16,891	-	-	258,737	-	449,425
Committed	-	-	-	90,617	21,099	-	40,362	152,078
Total Fund Balances	<u>148,186</u>	<u>25,611</u>	<u>16,891</u>	<u>90,617</u>	<u>21,099</u>	<u>258,737</u>	<u>40,362</u>	<u>601,503</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 287,342</u>	<u>\$ 25,611</u>	<u>\$ 16,891</u>	<u>\$ 90,617</u>	<u>\$ 21,099</u>	<u>\$ 353,594</u>	<u>\$ 40,362</u>	<u>\$ 835,516</u>

CITY OF SEYMOUR, WISCONSIN
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2020

	Special Revenue Funds							Total Nonmajor Funds
	Muehl Public Library	Cemetery Perpetual Care	Recknagel Park Fund	Ambulance Replacement Fund	Veteran's Memorial	Wisconsin Development Grant	K9 Unit Police Fund	
REVENUES								
Taxes	\$ 137,750	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 137,750
Intergovernmental	107,246	-	-	5,622	-	-	-	112,868
Charges for Services	2,196	3,426	-	30,091	-	-	-	35,713
Interest on Investments	1,580	233	-	-	189	5,709	-	7,711
Miscellaneous:	3,946	-	17,452	-	225	38,827	27,641	88,091
Total Revenues	<u>252,718</u>	<u>3,659</u>	<u>17,452</u>	<u>35,713</u>	<u>414</u>	<u>44,536</u>	<u>27,641</u>	<u>382,133</u>
EXPENDITURES								
Current:								
Public Safety	-	-	-	756	-	-	18,067	18,823
Health and Human Services	-	462	-	-	-	-	-	462
Culture and Recreation	247,073	-	561	-	325	-	-	247,959
Total Expenditures	<u>247,073</u>	<u>462</u>	<u>561</u>	<u>756</u>	<u>325</u>	<u>-</u>	<u>18,067</u>	<u>267,244</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>5,645</u>	<u>3,197</u>	<u>16,891</u>	<u>34,957</u>	<u>89</u>	<u>44,536</u>	<u>9,574</u>	<u>114,889</u>
NET CHANGE IN FUND BALANCES	5,645	3,197	16,891	34,957	89	44,536	9,574	114,889
FUND BALANCES - BEGINNING	<u>142,541</u>	<u>22,414</u>	<u>-</u>	<u>55,660</u>	<u>21,010</u>	<u>214,201</u>	<u>30,788</u>	<u>486,614</u>
FUND BALANCES - ENDING	<u>\$ 148,186</u>	<u>\$ 25,611</u>	<u>\$ 16,891</u>	<u>\$ 90,617</u>	<u>\$ 21,099</u>	<u>\$ 258,737</u>	<u>\$ 40,362</u>	<u>\$ 601,503</u>

CITY OF SEYMOUR, WISCONSIN
Schedule of Detailed Budgetary Comparison Revenues
General Fund
For the Year Ended December 31, 2020

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final Amounts		
TAXES				
General Property Taxes	\$ 1,122,185	\$ 1,122,185	\$ 1,122,185	\$ -
Payments in Lieu of Taxes	5,590	5,590	6,587	997
Retained Sales Tax	-	-	13,759	13,759
Total Taxes	<u>1,127,775</u>	<u>1,127,775</u>	<u>1,142,531</u>	<u>14,756</u>
INTERGOVERNMENTAL				
State Aids				
Shared and Utility Taxes	693,000	693,000	690,945	(2,055)
Exempt Computers	3,000	3,000	4,374	1,374
Personal Property Aid	14,000	14,000	21,669	7,669
Routes to Recovery	-	-	57,171	57,171
Law Enforcement Improvement	1,000	1,000	899	(101)
Other Public Safety	2,500	2,500	2,723	223
General Transportation Aids	180,000	180,000	179,791	(209)
Total Intergovernmental	<u>893,500</u>	<u>893,500</u>	<u>957,572</u>	<u>64,072</u>
LICENSES AND PERMITS				
Liquor and Malt Beverage Licenses	4,000	4,000	2,045	(1,955)
Business and Occupational Licenses	3,100	3,100	3,535	435
Dog and Cat Licenses	400	400	326	(74)
Cigarette Licenses	300	300	300	-
Building Permits	6,000	6,000	3,923	(2,077)
Cable Franchise Fees	12,000	12,000	24,687	12,687
Bicycle Licenses	50	50	5	(45)
Other Permits	-	-	300	300
Total Licenses and Permits	<u>25,850</u>	<u>25,850</u>	<u>35,121</u>	<u>9,271</u>
FINES, FORFEITURES AND PENALTIES				
Parking Violations	2,500	2,500	750	(1,750)
Court Penalties and Fees	50,000	50,000	53,303	3,303
Total Fines, Forfeitures and Penalties	<u>52,500</u>	<u>52,500</u>	<u>54,053</u>	<u>1,553</u>
PUBLIC CHARGES FOR SERVICES				
Ambulance Fees	97,000	97,000	87,949	(9,051)
Conservation and Development	300	300	-	(300)
Cemetery	200	200	3,250	3,050
Law Enforcement Fees	67,500	67,500	32,502	(34,998)
Recycling	1,500	1,500	3,236	1,736
Weed and Nuisance Control	1,500	1,500	258	(1,242)
Other Conservation	100	100	9,424	9,324
Total Public Charges for Services	<u>168,100</u>	<u>168,100</u>	<u>136,619</u>	<u>(31,481)</u>
INVESTMENT INCOME				
Investment Income	5,300	5,300	6,193	893
MISCELLANEOUS				
Rent of City Property	8,900	8,900	1,800	(7,100)
Miscellaneous	5,975	5,975	5,661	(314)
Insurance Recoveries and Dividends	-	-	9,227	9,227
Total Miscellaneous	<u>14,875</u>	<u>14,875</u>	<u>16,688</u>	<u>1,813</u>
TOTAL REVENUES	<u>\$ 2,287,900</u>	<u>\$ 2,287,900</u>	<u>\$ 2,348,777</u>	<u>\$ 60,877</u>

CITY OF SEYMOUR, WISCONSIN
Schedule of Detailed Budgetary Comparison Expenditures
General Fund
For the Year Ended December 31, 2020

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final Amounts		
GENERAL GOVERNMENT				
Council	\$ 23,100	\$ 23,100	\$ 41,617	\$ (18,517)
Judicial	23,800	23,800	14,662	9,138
Legal Counseling	30,000	30,000	12,532	17,468
Mayor	13,050	13,050	12,851	199
Clerk	79,800	79,800	86,664	(6,864)
Elections	7,200	7,200	10,653	(3,453)
Treasurer	1,450	1,450	1,918	(468)
Assessment of Property	11,400	11,400	13,100	(1,700)
Independent Auditing	13,500	13,500	18,847	(5,347)
General Buildings and Maintenance	58,500	58,500	40,696	17,804
Property and Liability Insurance	100,000	100,000	74,634	25,366
Other General Government	48,600	48,600	70,098	(21,498)
Total General Government	<u>410,400</u>	<u>410,400</u>	<u>398,272</u>	<u>12,128</u>
PUBLIC SAFETY				
Police	758,900	758,900	730,691	28,209
Correction and Detention	16,000	16,000	19,810	(3,810)
Fire Protection	186,400	186,400	247,920	(61,520)
Ambulance	95,400	95,400	94,694	706
Building Inspection	5,200	5,200	5,050	150
Total Public Safety	<u>1,061,900</u>	<u>1,061,900</u>	<u>1,098,165</u>	<u>(36,265)</u>
PUBLIC WORKS				
Public Works/Highway Administration	74,200	74,200	54,267	19,933
Machinery Operation and Maintenance	110,900	110,900	101,078	9,822
Garages and Sheds	57,800	57,800	84,200	(26,400)
Highway and Street Maintenance for Local	203,000	203,000	203,158	(158)
Curb and Gutter	4,500	4,500	3,386	1,114
Street Signs	2,500	2,500	4,496	(1,996)
Street Cleaning	7,000	7,000	12,923	(5,923)
Snow and Ice Control	75,500	75,500	59,818	15,682
Other Local Government Highway Maintenance/Construction	13,000	13,000	15,398	(2,398)
Street Lighting	92,500	92,500	84,541	7,959
Sidewalks, New and Replacement	6,500	6,500	8,445	(1,945)
Storm Sewer Maintenance	17,000	17,000	44,680	(27,680)
Parking Facilities	2,500	2,500	1,524	976
Total Public Works	<u>666,900</u>	<u>666,900</u>	<u>677,914</u>	<u>(11,014)</u>
HEALTH AND HUMAN SERVICES				
Animal Control	1,300	1,300	530	770
Cemetery	7,800	7,800	6,010	1,790
Other Health and Human Services	4,000	4,000	3,228	772
Relief Administration	144,000	144,000	136,491	7,509
General Relief	13,800	13,800	12,728	1,072
Social Services	15,300	15,300	14,678	622
Total Health	<u>186,200</u>	<u>186,200</u>	<u>173,665</u>	<u>12,535</u>
CULTURE AND RECREATION				
Parks	134,500	134,500	119,531	14,969
Community Center	8,500	8,500	6,880	1,620
Celebration and Entertainment	11,000	11,000	6,278	4,722
Other Summer Recreation	7,900	7,900	16,227	(8,327)
Total Culture and Recreation	<u>161,900</u>	<u>161,900</u>	<u>148,916</u>	<u>12,984</u>
CONSERVATION AND DEVELOPMENT				
Tree Care	3,000	3,000	1,503	1,497
Industrial Development	2,600	2,600	2,851	(251)
Total Conservation and Development	<u>5,600</u>	<u>5,600</u>	<u>4,354</u>	<u>1,246</u>
TOTAL EXPENDITURES	<u>\$ 2,492,900</u>	<u>\$ 2,492,900</u>	<u>\$ 2,501,286</u>	<u>\$ (8,386)</u>

CITY OF SEYMOUR, WISCONSIN

Schedule of Changes to General Capital Improvement Fund Balances
For the Year Ended December 31, 2020

Fund Balance Account	Balance 1/1/2020	Additions	Deletions	Balance 12/31/2020
Fund Balances				
Police Vehicle	18,517	12,570	-	31,087
Ambulance Replacement	199,061	10,000	-	209,061
Restitution	237	600	-	837
Parking Lots	35,426	30,000	65,426	-
200 Note	22,413	-	22,413	-
Municipal Judge	4,126	-	-	4,126
Signs & Markings	5,058	2,000	-	7,058
Crime Prevention	1,057	-	-	1,057
Fire Dues	10,892	9,065	-	19,957
Curb & Gutter	1,818	-	-	1,818
Public Property - Parks	31,826	-	-	31,826
Clerk	9,958	-	-	9,958
Municipal Building	3,144	-	-	3,144
Police Department	3,022	-	2,922	100
Fire Department	14,641	3,021	-	17,662
Ambulance	11,691	4,048	-	15,739
Machinery & Equipment	107,048	30,052	-	137,100
Street Superintendent	2,941	-	-	2,941
Stormwater Management	5,382	-	5,382	-
Streets & Alleys	24,240	-	21,576	2,664
Street Lighting	4,009	2,000	-	6,009
Scout House	4,797	3,000	-	7,797
Celebrations	4,218	2,000	-	6,218
Public Property	35,564	-	21,576	13,988
Industrial Park	47,601	35,122	-	82,723
Cemetery	1,439	-	-	1,439
Museum	1,689	999	-	2,688
Crosswalks & Sidewalks	2,698	-	-	2,698
Grants	3,328	3,469	-	6,797
Crack Filling	-	-	-	-
Fire Department - Truck	61,097	-	60,000	1,097
Fire Department - Gear	22,363	2,200	-	24,563
Mainline Drive	78,099	-	77,297	802
Subtotal	<u>779,400</u>	<u>150,146</u>	<u>276,592</u>	<u>652,954</u>
General Capital Improvements (deficit)	<u>(92,542)</u>	<u>46,230</u>		<u>(46,312)</u>
Total Assigned Fund Balance	<u><u>\$ 686,858</u></u>	<u><u>\$ 196,376</u></u>	<u><u>\$ 276,592</u></u>	<u><u>\$ 606,642</u></u>

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