

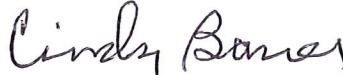
THE CITY of *Altoona*

TO MEMBERS OF THE FINANCE COMMITTEE:

There will be a Finance Committee Meeting on **Thursday, August 11, 2022 at 5:30 p.m.** held in the Council Chambers at Altoona City Hall, 1303 Lynn Avenue, Altoona, WI

Agenda:

1. Call Meeting to Order.
2. Roll Call.
3. Discuss/consider approval of minutes of the August 26, 2021, Finance Committee meeting. [Review Minutes >>](#)
4. Discuss/consider recommendation to Council regarding approval of the Comprehensive Annual Financial Report for 2021. [Summary + Materials >>](#)
5. Miscellaneous Business and Communications.
6. Adjournment.



Cindy Bauer
City Clerk

Dated: 8/4/22

Requests from persons with disabilities who need assistance to participate in this meeting/hearing should be made to the City Clerk's Office at 715-839-6092 with as much advance notice as possible.

Speak Your Peace: The Civility Project

The Common Council of the City of Altoona, Wisconsin, recognizes and has adopted by *Resolution 3B-15* that the nine tools of civility, drafted by *Speak Your Peace: The Civility Project* will provide increased opportunities for civil discourse in order to find positive resolutions to the issues that face our city. These tools include the following:

*Pay Attention | Listen | Be Inclusive | Don't Gossip | Show Respect | Be Agreeable
Apologize | Give Constructive Criticism | Take Responsibility*

###

**Finance Committee Meeting Minutes
August 26, 2021**

(1) Call Meeting to Order.

Meeting was called to order by Chairman Matthew Biren at 5:00 p.m. via Zoom Teleconference/Video conference due to Coronavirus COVID-19.

(2) Roll Call.

Members present: Matthew Biren, Timothy Lima, Tim Sexton, Susan Rowe, and Mark Willer (arrived at 5:03 p.m.)

Also Present: City Finance Director Tina Nelson
City Administrator Mike Golat
Council Members: Dale Stuber and Maria Guzman
Management Analyst Roy Atkinson
City Clerk, Cindy Bauer
Dan Carlson and Brock Geyen, CliftonLarsonAllen auditors

(3) Discuss/consider approval of minutes of the June 25, 2020 Finance Committee meeting.

Motion by Lima/Rowe to approve the minutes of the June 25, 2020 Finance Committee meeting. **Motion carried.**

(4) Discuss/consider recommendation to Council regarding approval of the Comprehensive Annual Financial Report for 2020

Finance Director Tina Nelson noted that CliftonLarsonAllen are the auditors. Dan Carlson and Brock Geyen of CliftonLarsonAllen were in attendance to present the Comprehensive annual Financial Report for 2020. They summarized the following:

1. Reports Issued: Independent Auditor's Report (Opinion) and the Management letter.
2. Other Assistance and Observations – Regulatory Filing Assistance.
3. General Fund.
4. Schedule of Proportionate share of Wisconsin Retirement System net Pension Plan Asset Liability.
5. Schedule of Contributions to Wisconsin Retirement system Pension Plan.
6. Special Revenue Funds.
7. Debt Service Funds.
6. Capital Project Funds.
8. Enterprise Funds.
9. Long-term Obligations.

Motion by Willer/Sexton to recommend to Council acceptance of the Comprehensive Annual Financial Report for 2020 as presented by CliftonLarsonAllen. **Motion carried.**

(5) Miscellaneous Business and Communications.

None.

(6) Adjournment

Motion by Sexton/Willer to adjourn at 5:28 p.m. **Motion carried.**

Transcribed by
Cindy Bauer, City Clerk

City of Altoona

Financial Statement Notations

Item

- 1 **Reports Issued:**
 - Auditor's Report (Opinion):**
 - The financial statements are fairly stated. We will issue what is known as an "unmodified" audit opinion.
 - Additional paragraph to explain a prior period adjustment.
 - Management Letter:**
 - Our report on internal control included the following deficiencies in internal control over financial reporting.
 - Material Weaknesses:**
 - Annual Financial Reporting Under Generally Accepted Accounting Principals (GAAP)
 - Material Audit Adjustments
 - Lack of Segregation of Duties
- 2 **Other Assistance and Observations:**
 - Regulatory Filing Assistance:**
 - Public Service Commission Annual Report
 - Financial Report Form C
 - Tax Incremental District On-line Reporting
- 3 **General Fund:** The General Fund is the general operating fund of the City. It is used to account for all financial resources which are not required to be accounted for in another fund.

	12/31/2021	12/31/2020	12/31/2019	12/31/2018
General Fund Balance Sheet Summary:				
Cash and Investments	\$ 10,268,992	\$ 7,600,667	\$ 7,802,940	\$ 8,855,111
Taxes & Special Assessments Receivable	3,373,353	2,808,546	2,534,183	2,344,807
Advances to Other Funds	884,161	2,016,951	2,862,466	756,707
Other Assets	532,264	618,105	176,441	167,690
Total Assets	<u>\$ 15,058,770</u>	<u>\$ 13,044,269</u>	<u>\$ 13,376,030</u>	<u>\$ 12,124,315</u>
Liabilities	\$ 316,849	\$ 317,109	\$ 362,590	\$ 336,229
Deferred Inflows of Resources	3,230,258	2,725,336	2,449,466	2,277,547
Total Liabilities & Deferred Inflows	<u>3,547,107</u>	<u>3,042,445</u>	<u>2,812,056</u>	<u>2,613,776</u>
Fund Balance:				
Nonspendable	897,654	2,033,017	2,876,428	771,090
Restricted	-	-	-	30,721
Committed	4,482,660	3,928,085	4,737,436	4,393,800
Assigned	-	225	21,140	-
Unassigned	6,131,349	4,040,497	2,928,970	4,314,928
Total Fund Balance	<u>11,511,663</u>	<u>10,001,824</u>	<u>10,563,974</u>	<u>9,510,539</u>
	<u>\$ 15,058,770</u>	<u>\$ 13,044,269</u>	<u>\$ 13,376,030</u>	<u>\$ 12,124,315</u>
General Fund Operations Summary:				
Revenues	\$ 7,500,493	\$ 6,374,219	\$ 5,740,431	\$ 5,168,446
Expenditures	(6,203,350)	(5,677,070)	(5,576,712)	(5,323,981)
Net Other Financing Sources/Uses	212,696	(1,608,853)	889,716	1,942,467
	<u>\$ 1,509,839</u>	<u>\$ (911,704)</u>	<u>\$ 1,053,435</u>	<u>\$ 1,786,932</u>
% of Unassigned Fund Balance to General Fund Expenditures	98.8%	71.2%	52.5%	81.0%

City of Altoona

Financial Statement Notations

- 4 **Special Revenue Funds:** Special Revenue Funds are used to account for the proceeds of specific revenues sources that are restricted to expenditures for specified purposes.

	12/31/2021	12/31/2020	12/31/2019	12/31/2018
Special Revenue Funds Balances:				
Public Library	\$ 198,742	\$ 187,756	\$ 164,121	\$ 148,843
CDBG/Residential Loan Fund	225,707	225,627	233,276	231,602
American Rescue Plan Act Fund	-	-	-	-
CDBG New Addition Fund	-	-	-	-
CDBG Other	-	-	-	-
	<u>\$ 424,449</u>	<u>\$ 413,383</u>	<u>\$ 397,397</u>	<u>\$ 380,445</u>

- 5 **Debt Service Funds:** Debt Service Funds are used to account for the accumulation of resources for, and the payment of, certain general long-term debt principal, interest and related charges.

	12/31/2021	12/31/2020	12/31/2019	12/31/2018
Debt Service Fund Balances:				
General Debt Service Fund	\$ 494,891	\$ 743,412	\$ 581,875	\$ 585,260

- 6 **Capital Project Funds:** Capital Project funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed from proprietary funds.

	12/31/2021	12/31/2020	12/31/2019	12/31/2018
Capital Project Fund Balances:				
Tax Incremental District #2	\$ (176,007)	\$ (426,815)	\$ (647,549)	\$ -
Tax Incremental District #3	1,385,221	(1,402,486)	(2,296,418)	(152,493)
Tax Incremental District #4	791,157	813,133	708,209	478,240
Capital Projects Fund	2,053,480	1,619,478	301,079	(862,311)
	<u>\$ 4,053,851</u>	<u>\$ 603,310</u>	<u>\$ (1,934,679)</u>	<u>\$ (536,564)</u>

- 7 **Enterprise Funds:** Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises-- where the intent of the governing body is that the costs of providing the services is to be recovered from those using the services.

	12/31/2021	12/31/2020	12/31/2019	12/31/2018
Water Utility				
Cash and Investments	\$ 2,324,605	\$ 1,803,316	\$ 1,563,903	\$ 1,284,642
Other Current Assets	437,111	395,793	384,931	418,906
WRS Asset and Deferred Outflows	202,590	111,849	96,077	31,876
Capital Assets	10,725,783	10,131,027	9,265,228	8,789,348
Other Long-term Assets	368,757	301,808	226,849	265,273
Total Assets and Deferred Outflows	<u>\$ 14,058,846</u>	<u>\$ 12,743,793</u>	<u>\$ 11,536,988</u>	<u>\$ 10,790,045</u>
Current Liabilities	\$ 397,517	\$ 300,428	\$ 233,709	\$ 234,578
Long-term Obligations	1,489,161	1,170,868	1,440,002	1,268,925
Deferred Inflows	194,058	143,738	106,656	93,866
Total Liabilities and Deferred Inflows	<u>2,080,736</u>	<u>1,615,034</u>	<u>1,780,367</u>	<u>1,597,369</u>
Net Position:				
Net Investment in Capital Assets	8,950,911	8,727,979	7,657,912	7,377,273
Restricted	75,484	33,537	-	11,158
Unrestricted	2,951,715	2,367,243	2,098,709	1,804,245
Total Net Position	<u>11,978,110</u>	<u>11,128,759</u>	<u>9,756,621</u>	<u>9,192,676</u>
	<u>\$ 14,058,846</u>	<u>\$ 12,743,793</u>	<u>\$ 11,536,988</u>	<u>\$ 10,790,045</u>
Current Ratio (1+ Desired)	6.95	7.32	8.34	7.26
Change in Net Position	\$ 849,351	\$ 1,372,138	\$ 563,945	\$ 471,475
Rate of Return	4.06%	7.14%	6.39%	9.10%
Date of Last Rate Adjustment	April 20, 2015			

City of Altoona

Financial Statement Notations

7 Enterprise Funds: (Continued)

	12/31/2021	12/31/2020	12/31/2019	12/31/2018
Sewer Utility				
Cash and Investments	\$ 3,074,805	\$ 2,847,968	\$ 2,562,250	\$ 2,115,160
Other Current Assets	493,491	468,295	475,044	492,073
WRS Asset and Deferred Outflows	54,410	43,020	14,781	12,144
Capital Assets	6,303,577	5,673,344	5,006,044	4,724,043
Other Long-term Assets	240,273	143,773	74,584	94,272
Total Assets and Deferred Outflows	<u>\$ 10,166,556</u>	<u>\$ 9,176,400</u>	<u>\$ 8,132,703</u>	<u>\$ 7,437,692</u>
Current Liabilities	\$ 434,934	\$ 348,561	\$ 317,944	\$ 312,186
Long-term Obligations	1,036,649	682,509	804,847	397,308
Deferred Inflows	44,429	38,765	7,599	8,489
Total Liabilities and Deferred Inflows	<u>1,516,012</u>	<u>1,069,835</u>	<u>1,130,390</u>	<u>717,983</u>
Net Position:				
Net Investment in Capital Assets	5,102,928	4,874,835	4,118,635	4,271,735
Restricted	20,273	12,899	-	4,251
Unrestricted	3,527,343	3,218,831	2,883,678	2,443,723
Total Net Position	<u>8,650,544</u>	<u>8,106,565</u>	<u>7,002,313</u>	<u>6,719,709</u>
	<u>\$ 10,166,556</u>	<u>\$ 9,176,400</u>	<u>\$ 8,132,703</u>	<u>\$ 7,437,692</u>
Current Ratio (1+ Desired)	8.20	9.51	9.55	8.35
Change in Net Position	\$ 543,979	\$ 1,104,252	\$ 282,604	\$ 654,819
	12/31/2021	12/31/2020	12/31/2019	12/31/2018
Storm Water Fund				
Cash and Investments	\$ 1,875,746	\$ 1,687,136	\$ 1,710,037	\$ 1,631,249
Other Current Assets	105,349	104,973	67,511	106,768
WRS Asset and Deferred Outflows	25,468	10,755	5,543	4,554
Capital Assets	3,235,770	2,912,067	2,425,146	2,182,015
Other Long-term Assets	-	-	-	-
Total Assets and Deferred Outflows	<u>\$ 5,242,333</u>	<u>\$ 4,714,931</u>	<u>\$ 4,208,237</u>	<u>\$ 3,924,586</u>
Current Liabilities	\$ 182,619	\$ 149,786	\$ 137,261	\$ 119,230
Long-term Obligations	845,470	661,137	807,319	804,918
Deferred Inflows	20,796	9,691	2,849	3,183
Total Liabilities and Deferred Inflows	<u>1,048,885</u>	<u>820,614</u>	<u>947,429</u>	<u>927,331</u>
Net Position:				
Net Investment in Capital Assets	2,221,272	2,107,423	1,488,863	1,261,583
Restricted	9,489	3,225	-	1,594
Unrestricted	1,962,687	1,783,669	1,771,945	1,734,078
Total Net Position	<u>4,193,448</u>	<u>3,894,317</u>	<u>3,260,808</u>	<u>2,997,255</u>
	<u>\$ 5,242,333</u>	<u>\$ 4,714,931</u>	<u>\$ 4,208,237</u>	<u>\$ 3,924,586</u>
Current Ratio (1+ Desired)	10.85	11.96	12.95	14.58
Change in Net Position	\$ 299,131	\$ 633,509	\$ 263,553	\$ 75,321

City of Altoona

Financial Statement Notations

8	Long-term Obligations	12/31/2021	12/31/2020	12/31/2019	12/31/2018
	Governmental Activities:				
	General Obligation Notes	\$ 20,551,000	\$ 14,846,000	\$ 14,843,000	\$ 14,365,000
	State Trust Fund Loans	-	6,392,832	6,972,545	7,528,116
	Developer Incentives	228,000	135,000	135,000	354,584
	Landfill Post-Closure Liability	32,040	32,040	32,040	32,040
	Compensated Absences	655,376	638,997	555,535	577,591
	WRS Pension (Asset)/Liability	(1,188,764)	(595,276)	679,706	(531,328)
	OPEB Liability	1,822,374	1,700,231	1,427,380	1,270,054
	Life Insurance OPEB Liability	200,672	197,312	105,611	120,202
	Unamortized Premium	254,916	198,974	164,012	191,001
	Business Type Activities:				
	General Obligation Notes	3,524,000	2,551,000	2,933,000	2,245,000
	Mortgage Revenue Bonds	395,254	435,941	475,603	514,266
	Unamortized Premium	70,765	19,260	22,405	25,549
		<u>\$ 26,545,633</u>	<u>\$ 26,552,311</u>	<u>\$ 28,345,837</u>	<u>\$ 26,692,075</u>
	Equalized Valuation	\$ 902,693,200	\$ 806,015,500	\$ 741,668,900	\$ 682,442,800
	General Obligation Debt Limit	\$ 45,134,660	\$ 40,300,775	\$ 37,083,445	\$ 34,122,140
	Debt Subject to Limit	\$ 18,215,000	\$ 17,397,000	\$ 17,776,000	\$ 16,610,000
	General Obligation Debt as Percent of Debt Limitation	40.4%	43.2%	47.9%	48.7%



CliftonLarsonAllen LLP
CLAAconnect.com

The City Council and Management
City of Altoona
Altoona, Wisconsin

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Altoona as of and for the year ended December 31, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered the City of Altoona's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the following deficiencies in the City's internal control to be material weaknesses:

Material weaknesses

The following material weaknesses were identified and communicated in a prior period; remedial action has not yet been taken:

Limited Segregation of Duties

An essential part of internal control is that procedures be properly segregated and the results of their performance be adequately reviewed. This is normally accomplished by assigning duties so that 1) no one person handles a transaction from beginning to end, and 2) incompatible duties between functions are not handled by the same person. In addition, a review of these completed duties should be performed by an individual independent of those functions. The available office staff of the City precludes such a proper separation of functions. As a result, the City does not have effective controls to safeguard assets, and prevent or detect misstatements. This condition increases the possibility that errors or irregularities may occur and not be detected on a timely basis. This is not unusual in municipalities of your size, but City officials should continue to be aware of this condition and realize that the concentration of duties and responsibilities in a limited number of individuals is not desirable from a control point of view. Under these conditions, the most effective controls lie in City officials' knowledge and monitoring of matters relating to the City's operations.

The City Council and Management

City of Altoona

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Material Audit Adjustments

During the performance of our audit engagement procedures, we noted management had not adjusted all account balances to reflect appropriate year-end balances. We understand that the City expects us to assist in the drafting of certain adjusting entries however, since the City's control policies and procedures did not prevent or detect a material misstatement of the financial statements, we concluded there is a significant control deficiency in the City's control policies and procedures required to be reported under professional standards. The absence of a complete control procedure or process in this area increases the possibility that material misstatement of the financial statements could occur and not be prevented or detected on a timely basis.

Internal Control over the Financial Reporting Process

Management is responsible for establishing and maintaining internal controls, including monitoring, and for the fair presentation of the financial statements. While it is acceptable to outsource various accounting functions, the responsibility for internal control cannot be outsourced. The City of Altoona engages CLA to assist in preparing its financial statements and accompanying disclosures. However, as independent auditors, CLA cannot be considered part of the entity's internal control system. This condition increases the possibility that misstatements in the financial statements may occur and not be identified and corrected on a timely basis. Such accounting functions and service providers should be governed by the control policies and procedures of the City of Altoona. Management is as responsible for outsourced functions performed by a service provider as it is for its own personnel. Management is also responsible for management decisions and functions; for designating an individual with suitable skill, knowledge, or experience to oversee any outsourced services; and for evaluating the adequacy and results of those services and accepting responsibility for them. Management reviewed, approved, and accepted responsibility for the financial statements prior to their issuance.

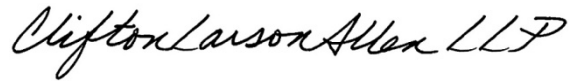
We understand this material weakness is already known to management and represents a conscious decision by management and the City Council to accept that degree of risk because of cost or other considerations. We acknowledge the fact that management is responsible for making decisions concerning costs and the related benefits. We are responsible to communicate significant deficiencies and material weaknesses in accordance with professional standards regardless of management's decisions to ensure that the City Council is aware of this situation.

The City Council and Management

City of Altoona

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This communication is intended solely for the information and use of management, City Council, and others within the entity, and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Eau Claire, Wisconsin

July 20, 2022



CliftonLarsonAllen LLP
CLAconnect.com

The City Council
City of Altoona
Altoona, Wisconsin

Members:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Altoona for the year ended December 31, 2021, and have issued our report thereon dated July 20, 2022. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America, as well as certain information related to the planned scope and timing of our audit in our engagement letter dated December 31, 2021. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings or issues

Qualitative aspects of accounting practices

Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City of Altoona are described in Note 1 to the financial statements.

We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimated useful lives and related depreciation of capital assets is based on authoritative guidance and historical trend analysis.

Management's estimate of actuarial assumptions are used by the actuary are outlined in notes to the basic financial statements for pension and other postemployment benefit items.

We evaluated the key factors and assumptions used to develop the estimates above in determining that they are reasonable in relation to the financial statements taken as a whole.

Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties encountered in performing the audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management did not identify, and we did not notify them of any uncorrected financial statement misstatements, except as follows:

- Governmental Activities: Overstatement of OPEB liability by \$222,831 and understatement of beginning net position by \$176,824 due to the full OPEB liability being recorded to governmental activities instead of partially allocated to business-type activities.
- General Fund: Understatement of deferred inflows of resources by \$32,205 and overstatement of revenue by \$32,205 due to recognizing revenue received 60 days after year-end as revenue.
- Business-Type Activities: Overstatement of regulated liability by \$28,633 and understatement of beginning net position by \$42,949 associated with booking this liability which is not proper GAAP. In addition, there is an offsetting understatement of OPEB liability by \$222,831, overstatement of beginning net position by \$176,824 and understatement of expenses by \$21,710 due to the full OPEB liability being recorded to governmental activities instead of partially allocated to business-type activities. Understatement of receivables by \$141,363 due to unbilled revenue.
- Water Fund: Overstatement of regulated liability by \$28,633, understatement of beginning net position by \$42,949 and understatement of expenses by \$14,316 associated with booking this liability which is not proper GAAP. In addition, there is an offsetting understatement of OPEB liability by \$152,125, overstatement of beginning net position by \$120,716 and understatement of expenses by \$14,821 due to the full OPEB liability being recorded to governmental activities instead of partially allocated to business-type activities. Understatement of receivables by \$58,428 due to unbilled revenue.
- Sewer Fund: Understatement of OPEB liability by \$40,710 and overstatement of beginning net position by \$32,304 due to the full OPEB liability being recorded to governmental activities instead of partially allocated to business-type activities. Understatement of receivables by \$67,892 due to unbilled revenue.
- Storm Water Fund: Understatement of OPEB liability by \$29,997 and overstatement of beginning net position by \$23,803 due to full OPEB liability being recorded to governmental activities instead of partially allocated to business-type activities. Understatement of receivables by \$15,043 due to unbilled revenue.

Corrected misstatements

The following material and immaterial misstatements detected as a result of audit procedures that were corrected by management:

- Adjust long-term debt transactions, adjust accounts payable, adjust grant accounts, adjust special assessments, record amortization and depreciation, adjust capital assets, record joint meter allocation, adjust land held for resale, adjust pension and OPEB accounts, adjust accrued compensated absences, record contributed capital, record transfers, and allocate health insurance expenditures.

Disagreements with management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management representations

We have requested certain representations from management that are included in the management representation letter dated July 20, 2022.

Management consultations with other independent accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Significant issues discussed with management prior to engagement

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the entity's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

Significant findings or issues that were discussed, or the subject of correspondence, with management

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year. The following summarizes the significant findings or issues arising from the audit that were discussed, or the subject of correspondence, with management:

- CliftonLarsonAllen LLP prepared financial statements, lack of segregation of duties, and material audit adjustments

City Council
City of Altoona

Other audit findings or issues

We have provided a separate letter to you dated July 20, 2022, communicating internal control related matters identified during the audit.

Other information in documents containing audited financial statements

With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We compared the RSI for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

With respect to the combining and individual fund statements (collectively, the supplementary information) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period or the reasons for such changes, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated July 20, 2022.

Our auditors' opinion, the audited financial statements, and the notes to financial statements should only be used in their entirety. Inclusion of the audited financial statements in a document you prepare, such as an annual report, should be done only with our prior approval and review of the document.

This report is intended solely for the use of the City Council and management of the City of Altoona and is not intended to be and should not be used by anyone other than these specified parties.



CliftonLarsonAllen LLP

Eau Claire, Wisconsin
July 20, 2022

CITY OF ALTOONA, WISCONSIN
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2021

**CITY OF ALTOONA, WISCONSIN
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INDEPENDENT AUDITORS' REPORT

City Council
City of Altoona
Altoona, Wisconsin

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Altoona (the City) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

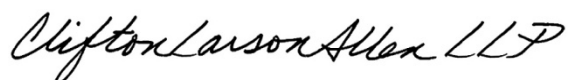
City Council
City of Altoona

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining nonmajor fund statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund statements is fairly stated in all material respects in relation to the basic financial statements as a whole.



CliftonLarsonAllen LLP

Eau Claire, Wisconsin
July 20, 2022

**CITY OF ALTOONA, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2021**

As management of the City of Altoona, Wisconsin (City), we offer the readers of the City's financial statements this narrative overview and analysis of financial activities of the City for the fiscal year ending December 31, 2021. Please consider this information in conjunction with the City's financial statements, which begin on page 14 following this narrative.

FINANCIAL HIGHLIGHTS

Key financial highlights for the year ended December 31, 2021 include the following:

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$59,676,596 (*net position*). Of this amount, \$35,634,418 represented the City's net investment in capital assets, \$5,948,317 was held for restricted purposes, and \$18,093,861 was unrestricted. The unrestricted net position may be used to meet the City's ongoing obligations to citizens and creditors.
- During the fiscal year, the City's total net position increased by \$7,028,831 or approximately 13.4%. Net position related to the business-type activities of the City increased \$1,692,461 while net position related to governmental activities increased \$5,336,370.
- At the close of the fiscal year, the City's governmental funds reported combined ending fund balance of \$16,484,854, an increase of \$4,722,925 from the previous year.
- At the end of 2021, the unassigned general fund balance totaled \$6,131,349, or 98.8% of the general fund expenditures.
- The City's total long-term general obligations increased by \$461,307 during the current fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The two government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the City's assets, liabilities and deferred inflows/outflows, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

**CITY OF ALTOONA, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2021**

The *Statement of Activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes).

Both of the government-wide financial statements distinguish those functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and service charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, health and human services, culture, recreation and education, and conservation and development. The business-type activities of the City include a water, sewer and storm water utilities.

The government-wide financial statements can be found beginning on page 14 of this report.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other governmental entities, uses fund accounting to ensure and demonstrate compliance with various finance-related legal requirements. All of the funds of the City can be divided into three categories: *governmental funds*, *proprietary funds* and *fiduciary funds*.

Governmental funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, debt service fund, capital projects fund and the River Prairie Tax Incremental District #3 fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the supplementary information section.

The governmental fund financial statements can be found beginning on page 17 of this report.

**CITY OF ALTOONA, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2021**

Proprietary Funds – The City maintains one type of proprietary funds - enterprise funds. Enterprise funds are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its water, sewer and storm sewer utilities.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for each of the enterprise funds, each of which is considered to be major funds of the City.

The basic proprietary fund financial statements can be found beginning on page 21 of this report.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is similar to that used for proprietary funds.

The basic fiduciary fund financial statements can be found on page 26 of this report.

Notes to Financial Statements

The notes to basic financial statements provide additional detail that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found beginning on page 28 of this report.

Supplementary Information

In addition to the basic financial statement and accompanying notes, this report presents certain required supplementary information on the City's operating budget and the pension and other postemployment benefit plans. Required supplementary information can be found beginning on page 67 of this report.

Following the basic government-wide and fund financial statements, accompanying notes, and required supplementary information, additional supplementary information has been provided as part of this report. The supplementary information includes combining statements for the nonmajor governmental funds. This supplementary information section of the report begins on page 74.

**CITY OF ALTOONA, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2021**

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's assets and deferred outflows exceeded liabilities and deferred inflows by \$59,676,596 at the close of 2021. The largest portion of net position (59.7%) reflect the City's investment in capital assets, including land, land improvements, buildings, machinery and equipment, and plant in service, net of related outstanding debt used to acquire the assets. These capital assets are used to provide services to citizens and are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The following is a summary of the City's statement of net position:

**Condensed Statement of Net Position
December 31, 2021 and 2020**

	Governmental Activities		Business-Type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Current and Other Assets	\$26,841,783	\$20,454,910	\$ 8,416,017	\$ 7,356,806	\$35,257,800	\$27,811,716
Capital Assets	40,634,650	41,187,733	20,265,130	18,716,438	60,899,780	59,904,171
Other Noncurrent Assets	2,347,689	2,228,894	609,030	445,581	2,956,719	2,674,475
Total Assets	69,824,122	63,871,537	29,290,177	26,518,825	99,114,299	90,390,362
Deferred Outflows of Resources	2,459,490	1,902,299	177,222	115,963	2,636,712	2,018,262
Current Liabilities	1,279,227	984,452	395,995	306,752	1,675,222	1,291,204
Long-Term Liabilities	23,744,378	24,141,386	3,990,019	3,006,201	27,734,397	27,147,587
Total Liabilities	25,023,605	25,125,838	4,386,014	3,312,953	29,409,619	28,438,791
Deferred Inflows of Resources	12,405,513	11,129,874	259,283	192,194	12,664,796	11,322,068
Net Position:						
Net Investment in						
Capital Assets	19,359,307	19,749,927	16,275,111	15,710,237	35,634,418	35,460,164
Restricted	5,843,071	3,441,270	105,246	49,661	5,948,317	3,490,931
Unrestricted	9,652,116	6,326,927	8,441,745	7,369,743	18,093,861	13,696,670
Total Net Position	\$34,854,494	\$29,518,124	\$24,822,102	\$23,129,641	\$59,676,596	\$52,647,765

An additional portion of the City's net position (10.0%) represents resources that are subject to other restrictions as to how they may be used. The remaining \$18,093,861 of total net position (30.3%) may be used to meet the City's ongoing obligations to its citizens and creditors. It is important to note that \$8,441,745 of unrestricted net position is related to the City's business-type activities. Consequently, it generally may not be used to fund governmental activities.

The condensed statement of changes in net position shown on the following page shows that total net position of the City increased \$7,028,831 or approximately 13.4%. The change consisted of an increase in net position related to governmental activities in the amount of \$5,336,370 and an increase in net position related to business-type activities in the amount of \$1,692,461.

**CITY OF ALTOONA, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2021**

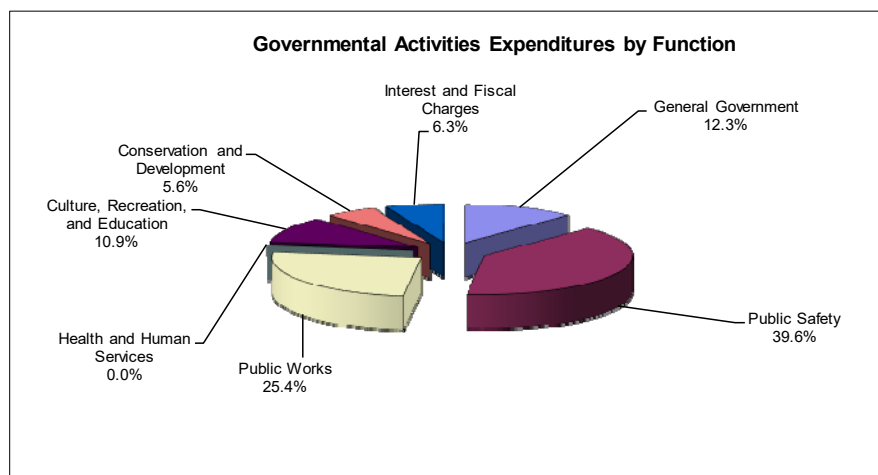
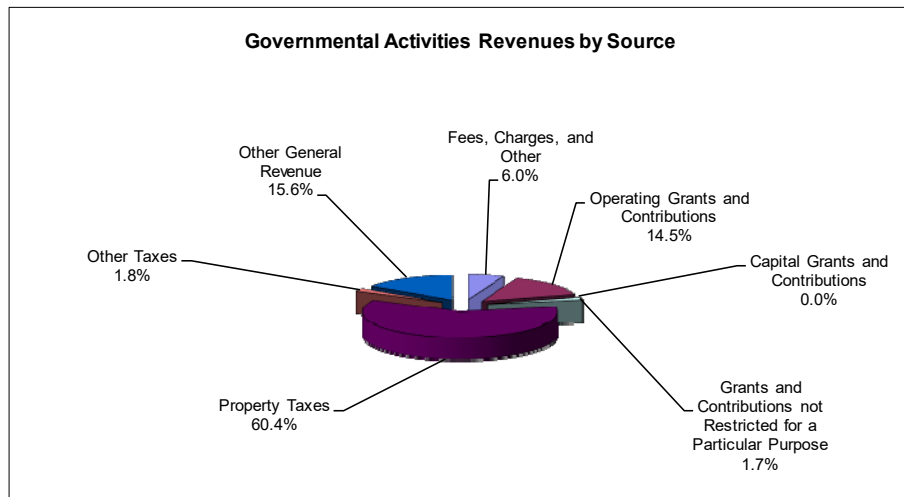
The following is a summary of the changes in the City's net position for the years ended December 31, 2021 and 2020:

**Condensed Statement of Changes in Net Position
Years Ended December 31, 2021 and 2020**

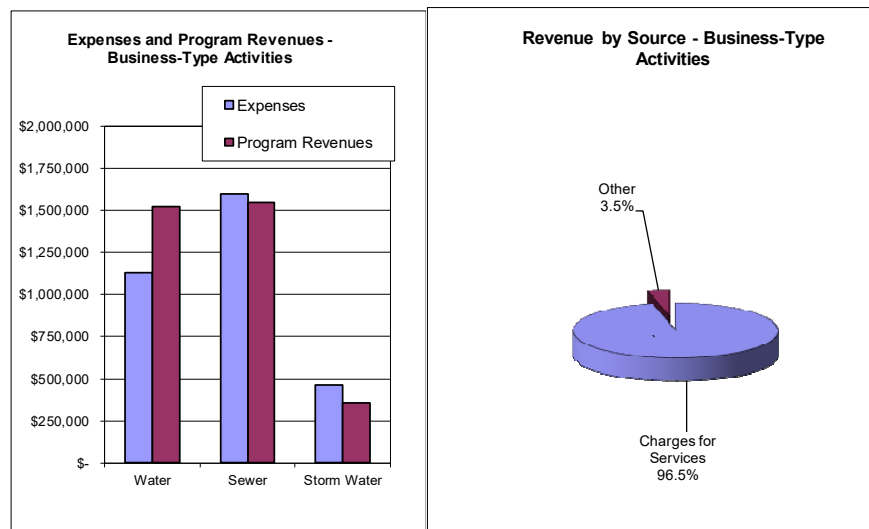
	Governmental Activities		Business-Type Activities		Totals	
	2021	2020	2021	2020	2021	2020
REVENUES						
<u>Program Revenues</u>						
Charges for Services	\$ 905,451	\$ 675,266	\$ 3,430,970	\$ 3,277,268	\$ 4,336,421	\$ 3,952,534
Operating Grants and Contributions	2,166,402	1,501,531	-	-	2,166,402	1,501,531
<u>General Revenues</u>						
Property Taxes	9,129,315	8,072,258	-	-	9,129,315	8,072,258
Other Taxes	276,612	263,281	-	-	276,612	263,281
Grants and Contributions Not Restricted for a Particular Purpose	250,722	181,530	-	-	250,722	181,530
Other	2,379,145	2,002,100	125,642	148,019	2,504,787	2,150,119
Total Revenues	15,107,647	12,695,966	3,556,612	3,425,287	18,664,259	16,121,253
EXPENSES						
General Government	1,044,992	599,184	-	-	1,044,992	599,184
Public Safety	3,347,963	3,127,061	-	-	3,347,963	3,127,061
Public Works	2,146,180	280,731	-	-	2,146,180	280,731
Health and Human Services	2,301	1,750	-	-	2,301	1,750
Culture and Recreation	923,468	2,547,697	-	-	923,468	2,547,697
Conservation and Development	474,006	287,120	-	-	474,006	287,120
Interest and Fiscal Charges	511,412	439,089	-	-	511,412	439,089
Water	-	-	1,126,450	990,196	1,126,450	990,196
Sewer	-	-	1,595,876	1,468,723	1,595,876	1,468,723
Storm Water	-	-	462,780	408,725	462,780	408,725
Total Expenses	8,450,322	7,282,632	3,185,106	2,867,644	11,635,428	10,150,276
TRANSFERS	(1,320,955)	(2,552,256)	1,320,955	2,552,256	-	-
CHANGE IN NET POSITION	5,336,370	2,861,078	1,692,461	3,109,899	7,028,831	5,970,977
Net Position - Beginning of Year	29,518,124	26,657,046	23,129,641	20,019,742	52,647,765	46,676,788
NET POSITION - END OF YEAR	\$34,854,494	\$29,518,124	\$24,822,102	\$23,129,641	\$59,676,596	\$52,647,765

A review of statement of activities can provide a concise picture of how the various functions/programs of the City are funded. The following charts draw data from the statement of activities. For governmental services the City is primarily dependent on property taxes (60.4%), general revenues (15.6% which include land sales) and state and federal operating grants (16.2%).

CITY OF ALTOONA, WISCONSIN MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED DECEMBER 31, 2021



In the case of business-type activities charges for services (96.5%) is the primary revenue source.



**CITY OF ALTOONA, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2021**

FINANCIAL ANALYSIS OF THE CITY'S MAJOR FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City's governmental funds is to provide information regarding near-term inflows, outflows and balances of spendable resources. Such information can be useful in assessing the City's financing requirements. In particular, the level of unassigned fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of December 31, 2021, the City's governmental funds reported combined ending fund balances of \$16,484,854, an increase of \$4,722,925 from the previous year. The governmental funds comprising this balance are shown below:

	Fund Balances at December 31, 2021					Current Year Change
	Nonspendable	Restricted	Committed	Assigned	Unassigned	
Major Funds:						
General Fund	\$ 897,654	\$ -	\$ 4,482,660	\$ -	\$ 6,131,349	\$ 11,511,663
Debt Service	-	-	-	494,891	-	494,891
Capital Projects	-	2,053,480	-	-	-	2,053,480
River Prairie Tax Incremental District #3	-	1,385,221	-	-	-	1,385,221
Nonmajor Funds:						
Public Library	-	198,742	-	-	-	198,742
CDBG Residential Revolving Loan Program	79,258	146,449	-	-	-	225,707
Business Park Tax Incremental District #2	-	-	-	-	(176,007)	(176,007)
Tax Incremental District #4	-	791,157	-	-	-	791,157
	<u>\$ 976,912</u>	<u>\$ 4,575,049</u>	<u>\$ 4,482,660</u>	<u>\$ 494,891</u>	<u>\$ 5,955,342</u>	<u>\$ 16,484,854</u>
						<u>\$ 4,722,925</u>

Restrictions of fund balances represent amounts that are not subject to appropriation or are legally restricted by outside parties for use for a specific purpose. Assignments of fund balance represent tentative management plans that are subject to change. The balance of the unassigned fund balance is not for any specific purposes.

The general fund is the primary operating fund used to account for the governmental operations of the City. As a measure of the general fund's liquidity, it may be useful to compare both total fund balance and unassigned fund balance to measures of operating volume such as fund expenditures or fund revenues. The total year-end general fund balance represented 185.6% of total general fund expenditures reported on the statement of revenues, expenditures and changes in fund balances while the unassigned balance represented 98.8% of the same amount. The general fund's total fund balance increased \$1,509,839 during the year.

The debt service fund had a total fund balance of \$494,891, all of which was assigned for the payment of debt service. This balance has accumulated over time for the payment of future, scheduled long-term indebtedness. The balance in this fund decreased \$248,521 during 2021.

The balance in the capital projects fund, increased \$434,002 during the year and had a balance of \$2,053,480 at year-end.

**CITY OF ALTOONA, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2021**

The balance in River Prairie Tax Incremental District #3 fund, a capital projects fund, increased \$2,787,707 during the year. The fund had a balance of \$1,385,221 at year-end.

The aggregated other governmental funds column includes two special revenue funds used to account for the proceeds of specific revenue sources that are restricted to expenditures for specific purposes and two tax incremental financing capital projects funds. The accumulated fund balances of these funds increased \$239,898 during 2021. Transactions of these funds are individually detailed in the supplementary information section of this report.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in greater detail. The net position of the enterprise-type proprietary funds at the end of 2021 totaled \$24,822,102, up \$1,692,461 from the previous year as shown below.

**Condensed Statement of Changes in Net Position for Enterprise Funds
Years Ended December 31, 2021 and 2020**

	Water Utility		Sewer Utility		Storm Water Utility		Totals	
	2021	2020	2021	2020	2021	2020	2021	2020
Operating Revenues	\$ 1,522,712	\$ 1,418,351	\$ 1,547,970	\$ 1,507,188	\$ 360,288	\$ 351,729	\$3,430,970	\$ 3,277,268
Operating Expenses								
Depreciation	356,928	332,408	182,433	178,220	253,619	231,616	792,980	742,244
Other	717,554	625,919	1,382,408	1,275,045	184,133	155,935	2,284,095	2,056,899
Operating Income (Loss)	448,230	460,024	(16,871)	53,923	(77,464)	(35,822)	353,895	478,125
Nonoperating Income and								
Nonoperating Expenses	(30,046)	3,458	65,746	76,211	(18,089)	(151)	17,611	79,518
Net Income (Loss) before								
Contributions & Transfers	418,184	463,482	48,875	130,134	(95,553)	(35,973)	371,506	557,643
Capital Contributions								
Developers/Customers	643,863	660,566	495,104	-	394,684	327,919	1,533,651	988,485
Capital Transferred from City	-	462,152	-	974,118	-	341,563	-	1,777,833
Transfers	(212,696)	(214,062)	-	-	-	-	(212,696)	(214,062)
Change in Net Position	\$ 849,351	\$ 1,372,138	\$ 543,979	\$ 1,104,252	\$ 299,131	\$ 633,509	\$1,692,461	\$ 3,109,899

**CITY OF ALTOONA, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2021**

GENERAL FUND BUDGETARY HIGHLIGHTS

As shown in the *Budgetary Comparison Schedule* for the general fund (in required supplementary information), the City ended the year with a net positive budget variance of \$1,509,839. Revenues and other financing sources were \$1,161,745 more than the budgeted amounts and expenditures and other financing uses were \$348,094 less than amounts budgeted.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of December 31, 2021 and 2020, net of accumulated depreciation, is shown below:

**Capital Assets, Net of Accumulated Depreciation
December 31, 2021 and 2020**

	Governmental Activities		Business-Type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Not Subject to Depreciation:						
Land and Land Rights	\$ 1,180,806	\$ 1,266,326	\$ 126,676	\$ 126,676	\$ 1,307,482	\$ 1,393,002
Construction Work in Progress	43,397	663,352	245,382	84,569	288,779	747,921
Subject to Depreciation:						
Buildings and Improvements	11,352,779	10,432,026	-	-	11,352,779	10,432,026
Improvements Other than Buildings	2,322,886	2,109,722	-	-	2,322,886	2,109,722
Equipment	2,836,379	2,666,924	-	-	2,836,379	2,666,924
Vehicles	2,807,680	2,777,289	-	-	2,807,680	2,777,289
Infrastructure	49,037,854	47,778,200	-	-	49,037,854	47,778,200
Water System Plant	-	-	14,952,602	14,222,181	14,952,602	14,222,181
Wastewater System Plant	-	-	9,465,946	8,679,531	9,465,946	8,679,531
Storm Water System Plant	-	-	4,820,947	4,279,059	4,820,947	4,279,059
Subtotal	69,581,781	67,693,839	29,611,553	27,392,016	99,193,334	95,085,855
Accumulated Depreciation	28,947,131	26,506,106	9,346,423	8,675,578	38,293,554	35,181,684
Total	<u>\$40,634,650</u>	<u>\$41,187,733</u>	<u>\$20,265,130</u>	<u>\$18,716,438</u>	<u>\$60,899,780</u>	<u>\$59,904,171</u>

Additional information related to the City's capital assets is reported in Note 4 following the financial statements.

**CITY OF ALTOONA, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2021**

Long-Term Obligations

At December 31, 2021, the City had outstanding \$25,711,351 of long-term debt and other long-term obligations. A summary detail of this amount, together with the net change from the previous year, is shown below:

**Outstanding Long-Term Obligations
December 31, 2021 and 2020**

LONG-TERM OBLIGATIONS	Governmental Activities		Business-Type Activities		Totals		% Change
	2021	2020	2021	2020	2021	2020	
Long-Term Debt							
General Obligation Notes	\$ 20,551,000	\$ 14,846,000	\$3,524,000	\$2,551,000	\$ 24,075,000	\$ 17,397,000	38.4%
State Trust Fund Loans	-	6,392,832	-	-	-	6,392,832	-100.0%
Other Long-Term Obligations							
Mortgage Revenue Bonds	-	-	395,254	435,941	395,254	435,941	-9.3%
Developer Incentives	228,000	135,000	-	-	228,000	135,000	68.9%
Landfill Post-Closure Liability	32,040	32,040	-	-	32,040	32,040	0.0%
Compensated Absences	655,376	638,997	-	-	655,376	638,997	2.6%
Net Unamortized Debt Premium	254,916	198,974	70,765	19,260	325,681	218,234	49.2%
Total	<u>\$ 21,721,332</u>	<u>\$ 22,243,843</u>	<u>\$3,990,019</u>	<u>\$3,006,201</u>	<u>\$ 25,711,351</u>	<u>\$ 25,250,044</u>	1.8%

Under Wisconsin State Statutes, the outstanding general obligation long-term debt of a municipality may not exceed 5% of the equalized property value of all taxable property within the jurisdiction. The applicable debt of the City outstanding at December 31, 2021 totaled \$24,075,000, approximate 53.3% of the maximum legal limit of \$45,134,660.

Additional information related to the City's long-term debt is reported in Note 5 following the financial statements.

CURRENTLY KNOWN FACTS

The state of Wisconsin has imposed limits on the City's property tax levy beginning with the 2006 budget year levy. Essentially, the legislation restricts the growth in the City's property taxes (except for debt service and tax increments) to the percentage increase in the City's equalized value due to new construction. The City approved a levy of \$3,904,500 for its 2022 balanced budget, an increase of \$543,830 (or 16.18%) from the 2021 budget levy of \$3,360,670.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Altoona's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the office of the City Administrator, 1303 Lynn Avenue, Altoona, Wisconsin 54720. The City can be contacted by phone at (715) 839-6092.

**CITY OF ALTOONA, WISCONSIN
STATEMENT OF NET POSITION
DECEMBER 31, 2021**

	Governmental Activities	Business-Type Activities	Totals
ASSETS			
CURRENT ASSETS			
Cash and Investments	\$ 15,668,369	\$ 7,275,156	\$22,943,525
Taxes Receivable	9,572,190	-	9,572,190
Other Receivables	220,550	1,016,007	1,236,557
Prepayments	6,559	-	6,559
Inventories	-	19,608	19,608
Restricted Assets:			
Cash and Investments	185,351	-	185,351
Net Wisconsin Retirement System Pension Asset	1,188,764	105,246	1,294,010
Total Restricted Assets	1,374,115	105,246	1,479,361
Total Current Assets	26,841,783	8,416,017	35,257,800
NONCURRENT ASSETS			
Solar Investment, Net	54,145	154,700	208,845
Special Assessments Receivable	810,258	454,330	1,264,588
Loan Receivable	79,258	-	79,258
Land Held for Resale	1,404,028	-	1,404,028
Capital Assets:			
Capital Assets Not Being Depreciated	1,224,203	126,676	1,350,879
Capital Assets Being Depreciated	68,357,578	29,484,877	97,842,455
Less: Accumulated Depreciation	(28,947,131)	(9,346,423)	(38,293,554)
Total Capital Assets	40,634,650	20,265,130	60,899,780
Total Noncurrent Assets	42,982,339	20,874,160	63,856,499
Total Assets	69,824,122	29,290,177	99,114,299
DEFERRED OUTFLOWS OF RESOURCES			
Wisconsin Retirement System Pension Related	2,001,733	177,222	2,178,955
Single-Employer Other Post-Employment Benefits Related	359,890	-	359,890
Multiple-Employer Life Insurance Other Post-Employment Benefits Related	97,867	-	97,867
Total Deferred Outflows of Resources	2,459,490	177,222	2,636,712

See accompanying Notes to Basic Financial Statements.

CITY OF ALTOONA, WISCONSIN
STATEMENT OF NET POSITION (CONTINUED)
DECEMBER 31, 2021

	Governmental Activities	Business-Type Activities	Totals
LIABILITIES			
CURRENT LIABILITIES			
Accounts Payable	\$ 690,121	\$ 309,837	\$ 999,958
Accrued Interest Payable	56,871	8,333	65,204
Unearned Revenue	411,871	-	411,871
Other Accrued Expenses	120,364	77,825	198,189
Total Current Liabilities	<u>1,279,227</u>	<u>395,995</u>	<u>1,675,222</u>
NONCURRENT LIABILITIES			
Amounts Due Within One Year	3,401,740	618,739	4,020,479
Amounts Due in More than One Year	18,319,592	3,371,280	21,690,872
Single-Employer Other Post-Employment Benefits:			
Amounts Due Within One Year	78,019	-	78,019
Amounts Due in More than One Year	1,744,355	-	1,744,355
Multiple-Employer Life Insurance Other Post-Employment Benefits Liability	<u>200,672</u>	<u>-</u>	<u>200,672</u>
Total Single-Employer Other Post-Employment Benefits	<u>2,023,046</u>	<u>-</u>	<u>2,023,046</u>
Total Noncurrent Liabilities	<u>23,744,378</u>	<u>3,990,019</u>	<u>27,734,397</u>
Total Liabilities	25,023,605	4,386,014	29,409,619
DEFERRED INFLOWS OF RESOURCES			
Subsequent Years Taxes	9,429,095	-	9,429,095
Wisconsin Retirement System Pension Related	2,605,215	230,650	2,835,865
Single-Employer Other Post-Employment Benefit Related	320,233	-	320,233
Multiple-Employer Life Insurance Other Post-Employment Benefits Related	50,970	-	50,970
PSC Regulatory Credit	<u>-</u>	<u>28,633</u>	<u>28,633</u>
Total Deferred Inflows of Resources	<u>12,405,513</u>	<u>259,283</u>	<u>12,664,796</u>
NET POSITION			
Net Investment in Capital Assets	19,359,307	16,275,111	35,634,418
Restricted for:			
Capital Projects	4,229,858	-	4,229,858
Library Operations	198,742	-	198,742
Loan Programs	225,707	-	225,707
Net Wisconsin Retirement System Pension Asset	<u>1,188,764</u>	<u>105,246</u>	<u>1,294,010</u>
Total Restricted	<u>5,843,071</u>	<u>105,246</u>	<u>5,948,317</u>
Unrestricted	<u>9,652,116</u>	<u>8,441,745</u>	<u>18,093,861</u>
Total Net Position	<u>\$34,854,494</u>	<u>\$24,822,102</u>	<u>\$59,676,596</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF ALTOONA, WISCONSIN
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021**

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES							
General Government	\$ 1,044,992	\$ 4,050	\$ 87,752	\$ -	\$ (953,190)	\$ -	\$ (953,190)
Public Safety	3,347,963	128,191	37,684	-	(3,182,088)	-	(3,182,088)
Public Works	2,146,180	2,858	1,498,232	-	(645,090)	-	(645,090)
Health and Human Services	2,301	-	-	-	(2,301)	-	(2,301)
Culture, Recreation, and Education	923,468	411,150	252,355	-	(259,963)	-	(259,963)
Conservation and Development	474,006	359,202	290,379	-	175,575	-	175,575
Interest and Fiscal Charges	511,412	-	-	-	(511,412)	-	(511,412)
Total Governmental Activities	8,450,322	905,451	2,166,402	-	(5,378,469)	-	(5,378,469)
BUSINESS-TYPE ACTIVITIES							
Water Utility	1,126,450	1,522,712	-	-	-	396,262	396,262
Sewer Utility	1,595,876	1,547,970	-	-	-	(47,906)	(47,906)
Storm Water	462,780	360,288	-	-	-	(102,492)	(102,492)
Total Business-Type Activities	3,185,106	3,430,970	-	-	-	245,864	245,864
Total Primary Government	\$ 11,635,428	\$ 4,336,421	\$ 2,166,402	\$ -	(5,378,469)	245,864	(5,132,605)
GENERAL REVENUES							
Property Taxes, Levied for General Purposes					8,302,125	-	8,302,125
Property Taxes, Levied for Debt Service					827,190	-	827,190
Mobile Home Taxes					123,226	-	123,226
Room Taxes					153,386	-	153,386
Grants and Contributions Not Restricted for a Particular Purpose					250,722	-	250,722
Unrestricted Investment Earnings					1,151,418	19,812	1,171,230
Miscellaneous					190,766	105,830	296,596
Gain on Sale of Capital Assets					1,036,961	-	1,036,961
TRANSFERS					(1,320,955)	1,320,955	-
Total General Revenues and Transfers					10,714,839	1,446,597	12,161,436
CHANGE IN NET POSITION					5,336,370	1,692,461	7,028,831
Net Position - Beginning of Year					29,518,124	23,129,641	52,647,765
NET POSITION - END OF YEAR					\$ 34,854,494	\$ 24,822,102	\$ 59,676,596

See accompanying Notes to Basic Financial Statements.

**CITY OF ALTOONA, WISCONSIN
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2021**

	Major Funds					
	General Fund	Debt Service	Capital Projects	River Prairie TIF #3	Nonmajor Funds	Total Governmental Funds
ASSETS						
Cash and Cash Equivalents	\$ 10,268,992	\$ 498,691	\$ 2,094,696	\$ 1,514,760	\$ 1,291,230	\$ 15,668,369
Taxes Receivable	2,549,602	1,114,500	-	4,963,583	931,012	9,558,697
Delinquent Personal Property Taxes	13,493	-	-	-	-	13,493
Special Assessments Receivable	810,258	-	-	-	-	810,258
Loans Receivable	-	-	-	-	79,258	79,258
Other Receivable	220,550	-	-	-	-	220,550
Prepayments	6,559	-	-	-	-	6,559
Advances to Other Funds	884,161	-	-	-	-	884,161
Land for Resale	305,155	-	1,008,660	-	90,213	1,404,028
Restricted Cash and Investments	-	-	-	-	185,351	185,351
Total Assets	<u>\$ 15,058,770</u>	<u>\$ 1,613,191</u>	<u>\$ 3,103,356</u>	<u>\$ 6,478,343</u>	<u>\$ 2,577,064</u>	<u>\$ 28,830,724</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts Payable	\$ 198,990	\$ 3,800	\$ 339,889	\$ 129,539	\$ 15,993	\$ 688,211
Accrued Liabilities	115,949	-	-	-	4,415	120,364
Unearned Revenue	-	-	-	-	411,871	411,871
Due to Other Governments	1,910	-	-	-	-	1,910
Advance from Other Funds	-	-	709,987	-	174,174	884,161
Total Liabilities	<u>316,849</u>	<u>3,800</u>	<u>1,049,876</u>	<u>129,539</u>	<u>606,453</u>	<u>2,106,517</u>
DEFERRED INFLOWS OF RESOURCES						
Subsequent Years Taxes	2,420,000	1,114,500	-	4,963,583	931,012	9,429,095
Unavailable Revenue - Special Assessments	810,258	-	-	-	-	810,258
Total Deferred Inflows of Resources	<u>3,230,258</u>	<u>1,114,500</u>	<u>-</u>	<u>4,963,583</u>	<u>931,012</u>	<u>10,239,353</u>
FUND BALANCES						
Nonspendable	897,654	-	-	-	79,258	976,912
Restricted	-	-	2,053,480	1,385,221	1,136,348	4,575,049
Committed	4,482,660	-	-	-	-	4,482,660
Assigned	-	494,891	-	-	-	494,891
Unassigned	6,131,349	-	-	-	(176,007)	5,955,342
Total Fund Balances	<u>11,511,663</u>	<u>494,891</u>	<u>2,053,480</u>	<u>1,385,221</u>	<u>1,039,599</u>	<u>16,484,854</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 15,058,770</u>	<u>\$ 1,613,191</u>	<u>\$ 3,103,356</u>	<u>\$ 6,478,343</u>	<u>\$ 2,577,064</u>	<u>\$ 28,830,724</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF ALTOONA, WISCONSIN
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2021**

TOTAL FUND BALANCES FOR GOVERNMENTAL FUNDS **\$ 16,484,854**

Total net position reported for governmental activities in the statement of net position is different because:

Capital assets and other noncurrent assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:

Land	\$ 1,180,806	
Construction Work in Progress	43,397	
Buildings and Improvements	11,352,779	
Improvements other than Buildings	2,322,886	
Equipment	2,836,379	
Vehicles	2,807,680	
Infrastructure	49,037,854	
Accumulated Depreciation	<u>(28,947,131)</u>	40,634,650
Solar Investment		54,145

Some receivables, including special assessments, 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	810,258
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Other postemployment benefits (OPEB) and pension plan assets, liabilities and related deferred outflows and inflows are recorded only on the Statement of Net Position. Balances at year-end are:

Wisconsin Retirement Systems Multi-Employer pension:		
Net Pension Plan Asset	1,188,764	
Deferred Outflows of Resources	2,001,733	
Deferred Inflows of Resources	<u>(2,605,215)</u>	585,282
Local Retiree Life Insurance Multi-Employer OPEB:		
Deferred Outflows of Resources	97,867	
Net OPEB Plan Liability	(200,672)	
Deferred Inflows of Resources	<u>(50,970)</u>	(153,775)
City Single-Employer OPEB:		
Deferred Outflows of Resources	359,890	
Net OPEB Liability	(1,822,374)	
Deferred Inflows of Resources	<u>(320,233)</u>	(1,782,717)

Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These liabilities consist of:

General Obligation Notes	(20,551,000)	
Accrued Interest Payable	(56,871)	
Developer Incentives	(228,000)	
Landfill Post-Closure Liability	(32,040)	
Compensated Absences	(655,376)	
Unamortized Debt Premium	<u>(254,916)</u>	(21,778,203)

TOTAL NET POSITION OF GOVERNMENTAL ACTIVITIES **\$ 34,854,494**

See accompanying Notes to Basic Financial Statements.

CITY OF ALTOONA, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2021

	Major Funds					Total Governmental Funds
	General Fund	Debt Service	Capital Projects	River Prairie TIF #3	Nonmajor Funds	
REVENUES						
Property Taxes	\$ 2,171,730	\$ 827,190	\$ -	\$ 5,240,235	\$ 890,053	\$ 9,129,208
Other Taxes	527,442	-	-	-	-	527,442
Special Assessment Revenue	458,438	-	-	-	-	458,438
Intergovernmental	2,313,528	-	-	249,323	293,411	2,856,262
License and Permits	476,748	-	-	-	-	476,748
Fines, Forfeits, and Penalties	47,398	-	-	-	1,602	49,000
Public Charges for Services	375,615	-	7,207	-	-	382,822
Interest Income	6,384	249	19	-	1,490	8,142
Sale of Land for Resale	937,217	-	-	-	-	937,217
Miscellaneous Income	185,993	-	-	-	4,773	190,766
Total Revenues	7,500,493	827,439	7,226	5,489,558	1,191,329	15,016,045
EXPENDITURES						
General Government	808,476	-	43,311	47,134	19,052	917,973
Public Safety	3,154,891	-	178,503	-	-	3,333,394
Public Works	927,730	-	1,138,276	257,437	303,265	2,626,708
Health and Human Services	2,301	-	-	-	-	2,301
Culture, Recreation, and Education	956,723	-	318,382	-	610,668	1,885,773
Conservation and Development	353,229	-	129,541	-	-	482,770
Debt Service:						
Principal Payment	-	2,085,000	-	-	-	2,085,000
Interest Expense	-	760,920	-	-	-	760,920
Total Expenditures	6,203,350	2,845,920	1,808,013	304,571	932,985	12,094,839
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,297,143	(2,018,481)	(1,800,787)	5,184,987	258,344	2,921,206
OTHER FINANCING SOURCES (USES)						
Long-Term Debt Issued	-	2,226,000	2,055,000	5,860,000	-	10,141,000
Premium on Debt Issued	-	92,111	-	-	-	92,111
Transfers In	212,696	8,275,726	80,045	18,446	-	8,586,913
Transfers Out	-	(80,045)	-	(8,275,726)	(18,446)	(8,374,217)
Sale of Capital Assets	-	-	99,744	-	-	99,744
Principal Payments on Refinanced Debt	-	(8,743,832)	-	-	-	(8,743,832)
Total Other Financing Sources (Uses)	212,696	1,769,960	2,234,789	(2,397,280)	(18,446)	1,801,719
NET CHANGE IN FUND BALANCES	1,509,839	(248,521)	434,002	2,787,707	239,898	4,722,925
Fund Balances - Beginning of Year	10,001,824	743,412	1,619,478	(1,402,486)	799,701	11,761,929
FUND BALANCES - END OF YEAR	<u>\$ 11,511,663</u>	<u>\$ 494,891</u>	<u>\$ 2,053,480</u>	<u>\$ 1,385,221</u>	<u>\$ 1,039,599</u>	<u>\$ 16,484,854</u>

See accompanying Notes to Basic Financial Statements.

CITY OF ALTOONA, WISCONSIN
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS **\$ 4,722,925**

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

Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital Outlays Reported in Governmental Fund Statements	\$ 2,351,200	
Depreciation and Amortization Expense Reported in the Statement of Activities	<u>(2,686,615)</u>	(335,415)

In the statement of activities, only the gain or loss on the disposal of capital assets is reported whereas in the governmental funds, the proceeds from sales increase, financial resources and trade-ins are not reflected in capital outlays.

Disposal of Governmental Activities Capital Assets		(221,535)
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Receivables 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.		284,985
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Other post-employment benefit and pension expenditures in the governmental funds are measured by current year employee contributions. Pension expenses on the statement of activities are measured by the change in net pension asset and related deferred outflows and inflows of resources:

Wisconsin Retirement Systems Multi-Employer pension	388,974	
Local Retiree Life Insurance Multi-Employer OPEB	(22,523)	
City Single-Employer OPEB	<u>(208,749)</u>	157,702

Long-term 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. Long-term debt incurred in the current year is:

General Obligation Notes	(10,141,000)	
Developer Incentives	<u>(352,806)</u>	(10,493,806)

Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position. In the current year, these amounts consist of:

General Obligation Notes	4,436,000	
State Trust Fund Revenue Obligation	6,392,832	
Developer Incentives	<u>259,806</u>	11,088,638

Debt discounts, premiums, and charges on refunding are reported as expenditures/other financing sources/uses in governmental fund but are deferred and related in the government wide statements and amortized over the life of the related debt.		(92,111)
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Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:

Net Change in Accrued Interest Payable	205,197	
Amortization of Debt Premium	36,169	
Net Change in Compensated Absences Payable	<u>(16,379)</u>	224,987

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES **\$ 5,336,370**

See accompanying Notes to Basic Financial Statements.

CITY OF ALTOONA, WISCONSIN
STATEMENT OF NET POSITION – PROPRIETARY FUNDS
DECEMBER 31, 2021

	Business-Type Activities - Enterprise Funds			
	Water Fund	Sewer Fund	Storm Water	Totals
ASSETS				
CURRENT ASSETS				
Cash and Cash Equivalents	\$ 2,324,605	\$3,074,805	\$1,875,746	\$ 7,275,156
Accounts Receivable	318,090	493,155	105,349	916,594
Other Accounts Receivable	99,413	-	-	99,413
Due from Other Funds	-	336	-	336
Inventories	19,608	-	-	19,608
Total Current Assets	2,761,716	3,568,296	1,981,095	8,311,107
NONCURRENT ASSETS				
Solar Investment	144,235	10,465	-	154,700
Special Assessment Receivable	224,522	229,808	-	454,330
Net Wisconsin Retirement System Pension Asset	75,484	20,273	9,489	105,246
Capital Assets:				
Land and Improvements	106,201	20,475	-	126,676
Other Capital Assets	15,197,984	9,465,946	4,820,947	29,484,877
Less: Accumulated Depreciation	(4,578,402)	(3,182,844)	(1,585,177)	(9,346,423)
Total Capital Assets	10,725,783	6,303,577	3,235,770	20,265,130
Total Noncurrent Assets	11,170,024	6,564,123	3,245,259	20,979,406
Total Assets	13,931,740	10,132,419	5,226,354	29,290,513
DEFERRED OUTFLOWS OF RESOURCES				
Wisconsin Retirement System Pension Related	127,106	34,137	15,979	177,222

See accompanying Notes to Basic Financial Statements.

CITY OF ALTOONA, WISCONSIN
STATEMENT OF NET POSITION – PROPRIETARY FUNDS (CONTINUED)
DECEMBER 31, 2021

	Business-Type Activities - Enterprise Funds			
	Water Fund	Sewer Fund	Storm Water	Totals
LIABILITIES				
CURRENT LIABILITIES				
Accounts Payable	\$ 54,820	\$ 254,566	\$ 451	\$ 309,837
Accrued Expenses	52,926	14,186	10,713	77,825
Accrued Interest Payable	3,724	2,182	2,427	8,333
Due to Other Funds	336	-	-	336
Current Portion of Long-Term Debt:				
Notes Payable	261,000	164,000	152,000	577,000
Mortgage Revenue Bonds	24,711	-	17,028	41,739
Total Current Liabilities	<u>397,517</u>	<u>434,934</u>	<u>182,619</u>	<u>1,015,070</u>
NONCURRENT LIABILITIES				
Notes Payable	1,270,859	1,036,649	710,257	3,017,765
Mortgage Revenue Bonds	218,302	-	135,213	353,515
Total Noncurrent Liabilities	<u>1,489,161</u>	<u>1,036,649</u>	<u>845,470</u>	<u>3,371,280</u>
Total Liabilities	1,886,678	1,471,583	1,028,089	4,386,350
DEFERRED INFLOWS OF RESOURCES				
Wisconsin Retirement System Pension				
Related	165,425	44,429	20,796	230,650
Regulatory Credit	28,633	-	-	28,633
Total Deferred Inflows of Resources	<u>194,058</u>	<u>44,429</u>	<u>20,796</u>	<u>259,283</u>
NET POSITION				
Net Investment in Capital Assets	8,950,911	5,102,928	2,221,272	16,275,111
Restricted for Net Wisconsin Retirement				
System Pension Asset	75,484	20,273	9,489	105,246
Unrestricted	2,951,715	3,527,343	1,962,687	8,441,745
Total Net Position	<u>\$11,978,110</u>	<u>\$8,650,544</u>	<u>\$4,193,448</u>	<u>\$24,822,102</u>

See accompanying Notes to Basic Financial Statements.

CITY OF ALTOONA, WISCONSIN
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN NET POSITION – PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2021

	Business-Type Activities - Enterprise Funds			
	Water Fund	Sewer Fund	Storm Water	Totals
OPERATING REVENUES				
Charges for Services	\$ 1,412,909	\$1,536,327	\$ 360,288	\$ 3,309,524
Other Operating Revenues	109,803	11,643	-	121,446
Total Operating Revenues	1,522,712	1,547,970	360,288	3,430,970
OPERATING EXPENSES				
Operation and Maintenance	717,554	1,374,350	184,133	2,276,037
Depreciation	356,928	182,433	253,619	792,980
Taxes	-	8,058	-	8,058
Total Operating Expenses	1,074,482	1,564,841	437,752	3,077,075
OPERATING INCOME (LOSS)	448,230	(16,871)	(77,464)	353,895
NONOPERATING REVENUES (EXPENSES)				
Interest and Investment Revenue	7,606	8,546	3,660	19,812
Miscellaneous Nonoperating Revenue	14,316	88,235	3,279	105,830
Interest Expense	(51,968)	(31,035)	(25,028)	(108,031)
Total Nonoperating Revenues (Expenses)	(30,046)	65,746	(18,089)	17,611
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	418,184	48,875	(95,553)	371,506
CAPITAL CONTRIBUTIONS AND TRANSFERS				
Capital Contributions	643,863	495,104	394,684	1,533,651
Transfers Out	(212,696)	-	-	(212,696)
Total Capital Contributions and Transfers	431,167	495,104	394,684	1,320,955
CHANGE IN NET POSITION	849,351	543,979	299,131	1,692,461
Net Position - Beginning of Year	11,128,759	8,106,565	3,894,317	23,129,641
NET POSITION - END OF YEAR	<u>\$11,978,110</u>	<u>\$8,650,544</u>	<u>\$4,193,448</u>	<u>\$24,822,102</u>

See accompanying Notes to Basic Financial Statements.

CITY OF ALTOONA, WISCONSIN
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2021

	Business-Type Activities - Enterprise Funds			
	Water Fund	Sewer Fund	Storm Water	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts From Customers	\$ 1,506,013	\$ 1,611,757	\$ 363,191	\$ 3,480,961
Payments to Suppliers	(540,226)	(1,267,833)	(109,603)	(1,917,662)
Payments to Employees	(173,582)	(72,481)	(70,580)	(316,643)
Taxes Paid (Including In Lieu of Taxes)	(212,696)	(8,058)	-	(220,754)
Net Cash Provided by Operating Activities	579,509	263,385	183,008	1,025,902
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and Construction of Plant Assets	(307,821)	(317,562)	(182,638)	(808,021)
Proceeds from the Issuance of Long-Term Debt	904,336	926,777	464,366	2,295,479
Principal Payments on Long-Term Debt	(532,512)	(524,637)	(254,512)	(1,311,661)
Interest Paid	(52,577)	(32,424)	(25,274)	(110,275)
Special Assessments	(77,252)	(97,248)	-	(174,500)
Net Cash Provided (Used) by Capital and Related Financing Activities	(65,826)	(45,094)	1,942	(108,978)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on Investments	7,606	8,546	3,660	19,812
Net Cash Provided by Investing Activities	7,606	8,546	3,660	19,812
NET INCREASE IN CASH AND CASH EQUIVALENTS	521,289	226,837	188,610	936,736
Cash and Cash Equivalents - Beginning of Year	1,803,316	2,847,968	1,687,136	6,338,420
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 2,324,605</u>	<u>\$ 3,074,805</u>	<u>\$ 1,875,746</u>	<u>\$ 7,275,156</u>

See accompanying Notes to Basic Financial Statements.

CITY OF ALTOONA, WISCONSIN
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

	Business-Type Activities - Enterprise Funds			
	Water Utility	Sewer Utility	Storm Water	Totals
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ 448,230	\$ (16,871)	\$ (77,464)	\$ 353,895
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Other Revenue	14,316	88,235	3,279	105,830
Depreciation	356,928	182,433	253,619	792,980
Tax Equivalent	(212,696)	-	-	(212,696)
Changes in Assets and Liabilities:				
Wisconsin Retirement System Pension				
Asset:				
Asset	(41,947)	(7,374)	(6,264)	(55,585)
Deferred Inflows of Resources	64,636	5,664	11,105	81,405
Deferred Outflows of Resources	(48,794)	(4,016)	(8,449)	(61,259)
Taxes Receivable	(35,137)	-	-	(35,137)
Customer Accounts Receivable	-	(25,196)	(376)	(25,572)
Other Receivables	(6,181)	-	-	(6,181)
Solar Investment	10,303	748	-	11,051
Accounts Payable	28,852	40,156	306	69,314
Accrued Liabilities	15,315	(394)	7,252	22,173
Regulatory Credit	(14,316)	-	-	(14,316)
Net Cash Provided by Operating Activities	<u>\$ 579,509</u>	<u>\$ 263,385</u>	<u>\$ 183,008</u>	<u>\$ 1,025,902</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF ALTOONA, WISCONSIN
STATEMENT OF NET POSITION – FIDUCIARY FUNDS
DECEMBER 31, 2021**

	Custodial Fund
ASSETS	
Cash and Cash Equivalents	\$ 4,343,350
Taxes Receivable	<u>3,929,453</u>
Total Assets	<u><u>\$ 8,272,803</u></u>
DEFERRED INFLOWS OF RESOURCES	
Taxes Levied for the Subsequent Year	<u>8,272,803</u>
NET POSITION	
Restricted	<u><u>\$ -</u></u>

See accompanying Notes to Basic Financial Statements.

CITY OF ALTOONA, WISCONSIN
STATEMENT OF CHANGES IN NET POSITION – FIDUCIARY FUNDS
YEAR ENDED DECEMBER 31, 2021

	Custodial Fund
ADDITIONS	
Tax Collections for Other Governments	\$ 7,700,932
DEDUCTIONS	
Payments of Taxes to Other Governments	<u>7,700,932</u>
CHANGE IN NET POSTION	-
Net Position - January 1	<u>-</u>
NET POSITION - DECEMBER 31	<u><u>\$ -</u></u>

See accompanying Notes to Basic Financial Statements.

**CITY OF ALTOONA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

This report includes all of the funds of the City of Altoona. The reporting entity for the City consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization or there is potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government maybe financially accountable if an organization is fiscally dependent on the primary government. The following component unit was considered:

The Housing Authority of the City of Altoona

Management of the City has determined that the Housing Authority is excluded as a component unit. The Authority is a legally separate organization and appointments to the Housing Authority Board of Commissioners are approved by the City Council. However, since the City cannot impose its will on the Authority and there is no material financial benefit to, or burden on, the City, the Housing Authority does not meet the criteria for inclusion in the reporting entity.

Complete financial statements of the Housing Authority can be obtained from:

Altoona Housing Authority
2404 Spooner Avenue
Altoona, WI 54720

B. Government-Wide and Fund Financial Statements

Government-Wide 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 primary government. For the most part, the effect of interfund activity has been removed from these statements. 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.

**CITY OF ALTOONA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable to a specific function or segment. Program revenues include (a) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment; and (b) 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 among program revenues are reported instead as general revenues.

Fund Financial Statements

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

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

The City reports the following major governmental funds:

General Fund – The General Fund is the operating fund of the City. It is used to account for all financial resources of the City, except those required to be accounted for in another fund.

Debt Service Fund – The Debt Service Fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Capital Projects Fund – The Capital Projects Fund accounts for financial resources to be used for the acquisition or construction of major capital facilities other than those financed from proprietary funds.

Tax Incremental Financing District #3 (TID No. 3 River Prairie) – Transactions of the City's tax incremental districts are accounted for in capital projects funds along with capital outlay projects for which the City borrowed money.

The City reports the following major proprietary funds:

Water Utility – This fund accounts for the operations of the water system. Utility operations are subject to regulation by the Wisconsin Public Service Commission.

**CITY OF ALTOONA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund Financial Statements (Continued)

Sewer Utility – This fund accounts for the operations of the sewage collection system and treatment facilities.

Storm Water – This fund accounts for the operations of the storm water system.

In addition, the City reports the following fund types:

Fiduciary Funds

Custodial Fund – This fund is used to account for assets held by the municipality in a trustee capacity or as an agent for individuals, private organizations and/or other governmental units. The custodial fund is used to account for the collection of property taxes for other governmental entities.

C. Measurement Focus and Basis of Accounting

The government-wide, proprietary fund and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Nonexchange transactions, in which the City gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements and donations. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows of resources. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables, if any, are recorded as revenues when services are provided.

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

**CITY OF ALTOONA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. The City considers all revenues to be available if they are collected within 60 days after the end of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, compensated absences, and claims and judgments, which are recognized as expenditures to the extent that they have matured. Proceeds of general long-term debt are reported as an other financing source.

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

Intergovernmental aids and grants are recognized as revenues in the period the City is entitled to the resources and the amounts are available. Amounts owed to the City, which are not available, are recorded as receivables and deferred inflows of resources. Amounts received prior to the entitlement period are also recorded as deferred inflows of resources.

Special assessments are recognized as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and deferred inflows of resources. Delinquent special assessments being held for collection by the county are reported as receivables and nonspendable fund balance in the general fund.

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

The City reports deferred inflows of resources on its governmental funds balance sheet. Deferred inflows arise from taxes levied in the current year, which are for subsequent year's operations. For governmental fund financial statements, deferred inflows arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred inflows of resources also arise when resources are received before the City has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the deferred inflows is removed from the balance sheet and revenue is recognized.

**CITY OF ALTOONA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

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

The financial statements of the City have been prepared in conformity with generally accepted accounting principles as applied to local government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity

1. Cash and Equivalents

The City's has pooled the cash resources of its funds in order to maximize investment opportunities. Each fund's portion of total cash and investments is reported as cash and cash equivalents/investments by the City's individual major funds, and in the aggregate for nonmajor and custodial funds.

All deposits of the City are made in Council designated official depositories and are required to be secured by State Statute. The City may designate, as an official depository, any bank or savings association. Also, the City may establish time deposit accounts.

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

For purposes of the proprietary fund Statement of Cash Flows, the City considers all highly liquid investments with a maturity of less than three months, when purchased, to be cash equivalents. This consists of current cash and investments.

**CITY OF ALTOONA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

2. Taxes Receivable

Property taxes are levied prior to the end of the calendar year and are due and collectible in the following year. Property taxes attach an enforceable lien as of January 1. The City's portion of taxes is recorded as a receivable in the general fund. The County acts as the collecting custodian for all City taxes. Since City property taxes are not considered available until January 1 of the year following the levy, they are recorded as deferred inflows of resources in the funds budgeted therefore. Taxes are levied in December on the assessed value as of the prior January 1.

Property tax calendar – 2021 tax roll

Lien Date and Levy Date	December 2021
Tax Bills Mailed	December 2021
Payment in Full, or	January 31, 2022
First Installment Due	January 31, 2022
Second Installment Due	July 31, 2022
Personal Property Taxes in Full	January 31, 2022
Tax Sale – 2021 Delinquent Real Estate Taxes	October 2024

3. Allowance for Uncollectible Accounts

No provision for uncollectible accounts receivable has been made for delinquent water and sewer billings because the utilities have the right by law to place delinquent bills on tax roll. Delinquent real estate taxes as of July 31 are paid in full by the County, which assumes the collection thereof.

4. Special Assessments

Assessments against property owners for public improvements are generally not subject to full settlement in the year levied. Deferred special assessments are placed on tax rolls on an installment basis. Revenue from special assessments recorded in governmental funds is recognized as collections are made or as current installments are placed on tax rolls. Special assessments of proprietary funds are recorded as capital contributions at the time of assessment, if subject to collection.

Special assessments not subject to collection are not recorded until such time as they are subject to collection.

Uncollected installments placed on prior year tax rolls are held for collection by the County and are remitted to the City upon collection by the County. These delinquent installments are financed by the general fund.

**CITY OF ALTOONA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

5. Inventories

Inventories of proprietary funds are valued at cost using the first-in/first-out method and are charged as expenses or capitalized when used. Governmental fund inventory items are charged to expenditure accounts when purchased. Year-end inventory was not material for governmental funds.

6. Restricted Cash

Restricted cash in the governmental funds consisted of the following:

Library Building Restricted Cash	<u>\$ 185,351</u>
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7. Capital Assets

Government-Wide Statements

Capital assets are defined by the government as assets with an initial cost of more than \$10,000 for general capital assets and \$5,000 for proprietary capital assets including infrastructure assets, and an estimated historical cost if actual amounts are unavailable. Donated capital assets are valued at their estimated acquisition value at the date of donation. The City has retroactively reported infrastructure acquired prior to January 1, 2004 by its governmental fund types.

General Capital Assets

Capital assets acquired or constructed for general governmental services are recorded as expenditures in the fund which the disbursements are made. Generally accepted accounting principles require that these capital assets be capitalized at cost in the government-wide financial statements. Interest incurred during construction is not capitalized.

Depreciation on governmental capital assets is calculated based on the estimated useful life of assets on a straight line basis. The estimated useful life of assets is determined by industry standards. Useful lives vary by asset type. Equipment and vehicles are depreciated over 5-20 years. Land improvements and building improvements are depreciated over 10-25 years. Streets are depreciated over 25 years. Buildings are depreciated over 50 years.

**CITY OF ALTOONA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

7. Capital Assets (Continued)

Proprietary Fund Capital Assets

Assets in the proprietary fund are capitalized at cost or acquisition value at date of contribution or acquisition. Normal repairs and maintenance that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining lives of the related assets. Net interest costs incurred for long-term debt issued for construction purposes is expensed when incurred.

Depreciation is charged over the estimated service life of the assets using the straight-line method. Annual depreciation charges are determined using the average utility plant in service and rates ranging from 1.1% to 10.5% for the water utility, from 1.0% to 15.0% for the sewer utility and from 5.0% to 10.0% for the storm water utility, depending on the various classes of property, in the respective utilities.

8. Deferred Inflows and Outflows of Resources, Debt Issuance Costs, and Debt Premiums, Discounts and Loss

Deferred Inflows

Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

Deferred Outflows

Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources expense/expenditure until then.

Debt Issuance Costs

Debt issuance costs are recognized as expenditures in the current period for both the fund financial statements and the government-wide financial statements. Debt premiums received on debt issuance are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Premiums and discounts are amortized over the term of the debt issue on the government-wide and proprietary fund statements.

**CITY OF ALTOONA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

9. 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. The entire accumulation of compensated absences benefits is recorded in the Statement of Net Position. The liabilities are shown as governmental activities.

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 year-end are determined to on the basis of current salary rates.

10. Pensions

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

11. Long-Term Obligations

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

All short-term and long-term obligations expected to be financed from proprietary fund type operations are accounted for as those fund's liabilities.

Proceeds of long-term debt issues not recorded as fund liabilities are reflected as "Other Financing Sources" in the operating statement of the recipient fund. Retirement of these issues is reported as an expenditure of the debt service fund in the year in which the debt matures or is repaid, whichever is earlier.

**CITY OF ALTOONA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

12. Other Postemployment Obligations

Multiple-Employer Other Postemployment Benefits

Retiree Life Insurance: The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows and inflows of resources related to other postemployment benefits, OPEB expense (revenue), and information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIF's fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments (including refunds of member contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

13. Claims and Judgments

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

14. Equity and Net Position Classifications

Government-Wide Statements

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

- a. Net Investment in Capital Assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. Restricted Net Position – Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.

**CITY OF ALTOONA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

14. Equity and Net Position Classifications (Continued)

Government-Wide Statements (Continued)

- c. 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 – Governmental Funds – Fund Balance

In the fund financial statements, governmental fund balance is presented in five possible categories:

Nonspendable – Resources which cannot be spent because they are either a) not in spendable form or; b) legally or contractually required to be maintained intact.

Restricted – Resources with constraints placed on the use of resources are either a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed – Resources which are subject to limitation the government imposes upon itself at its highest level of decision making, and that remain binding unless removed in the same manner.

Assigned – Resources neither restricted nor committed for which a government has a stated intended use as established by the Council or a body or official of which the Council has designated the authority to assign amounts for specific purposes.

Unassigned – Resources which cannot be properly classified in one of the other four categories. The General Fund is the only fund that reports a positive unassigned fund balance amount. Unassigned balances also include negative balances in the governmental funds reporting resources restricted for specific programs.

When restricted and other fund balances are available for use, it is the City’s policy to use restricted resources first, followed by committed, assigned, and unassigned amounts, respectively.

**CITY OF ALTOONA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Revenue Recognition – Proprietary Funds

The City's Sewer and Storm Water Utility user charges are established by the City Council and are not regulated. The Water Utility operates under service rules, which are established by the Public Service Commission of Wisconsin. Water rate charges are regulated by the Public Service Commission. Billings are made to customers on a quarterly basis for service.

F. Income Taxes

The City of Altoona water, sewer, and storm water utilities are municipal utilities. Municipal utilities are exempt from income taxes and therefore no income tax liability is recorded.

G. Stewardship, Compliance, and Accountability

Budgetary Information

The City's budget is adopted in accordance with Chapter 65 of the Wisconsin Statutes. Changes to appropriations authorized in the adopted budget generally require a vote of two-thirds of the entire membership of the governing body. Budgetary expenditure control is exercised at the individual account level.

Budget amounts include appropriations authorized in the original budget, any City Council approved amendments, appropriations of restricted resources received for funding specific expenditures and designated portions of the beginning balance of the general fund's equity expected to finance expenditures of the current fiscal year. Unused appropriations lapse at year-end unless specifically carried over for financing subsequent year expenditures.

Operating budgets are adopted each year for the general fund.

H. Capital Contributions – Proprietary Funds

Contributions in aid of construction represent amounts received from customers for construction and the value of property (plant) contributed to the utilities.

I. Inter-Fund Transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Such transactions include the following:

The water utility is charged a tax equivalent due to the general fund. Charges for the tax equivalent and equipment use are recorded as operating transfers in the general fund and water utility fund financial statements. The tax equivalent is recorded as a transfer in the government-wide statements as well.

**CITY OF ALTOONA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Inter-Fund Transactions (Continued)

In addition, the water and sewer utilities provide basic services to the general fund. Charges for fire protection, sanitation and basic services are recorded as expenditures in the general fund.

The sewer utility pays an annual meter use charge to the water utility in accordance with requirements of the Public Service Commission. The annual charge is recorded as an operating expense of the sewer utility and as a reduction of various operating expenses and as operating revenue of the water utility based on the components of the charge.

Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

The City pools its cash. Its inter-fund receivables/payables represent cash loaned to other funds on an interim basis. The city also uses inter-fund receivables/payables to record its tax levy for the subsequent year.

All other inter-fund operations are reported as operating transfers.

J. Advances to Other Funds

Noncurrent portions of long-term inter-fund loan receivables are reported as advances and are classified as nonspendable fund balance which indicates that they do not constitute expendable available financial resources and therefore are not available for appropriation.

K. PSC Regulatory Credit

In 2004 the Public Service Commission of Wisconsin required regulated utilities to create a regulatory credit account. The amount of the credit was equal to the estimated accumulated depreciation on contributed utility plant as of December 31, 2003. The credit has the effect of reducing the rate base used by the Commission in approving user rates charged by the utilities. The credit is reported as a deferred inflow on the statement of net position. The credit is being amortized to nonoperating income over a period of 20 years. As of December 31, 2021, the balance was \$28,633.

L. Limitations on the City Tax Levy

As part of Wisconsin's Act 25 (2005), legislation was passed that limits the City's future tax levies. Generally, the City is limited to its prior tax levy dollar amount, increased by the percentage change in the City's equalized value due to new construction. Changes in debt service from one year to the next are generally exempt from this limit.

**CITY OF ALTOONA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Tax Incremental Financing Districts

The City has three Tax Incremental Districts (TIDs). TID's are authorized by Section 66.1105 of the Wisconsin Statutes. It is a method by which the City can recover its project costs in designated districts of the City. Those costs are recovered through tax increments, which are placed on the tax roll.

NOTE 2 CASH AND EQUIVALENTS

Cash for all City funds is pooled for investment purposes. At December 31, 2021, the cash and equivalents consist of the following:

Governmental Funds	\$ 15,853,720
Proprietary Funds	7,275,156
Fiduciary Funds	4,343,350
Total	\$ 27,472,226

The above cash and investments balances consisted of the following:

Deposits at Financial Institutions	\$ 27,391,627
Investments in Local Governmental Investment Pool	80,099
Petty Cash	500
Total	\$ 27,472,226

Investments Authorized by Wisconsin Statutes

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

- 1) Deposits in any credit union, bank, savings bank, trust company or savings and loan association which is authorized to transact business in this state;
- 2) Bonds or securities issued or guaranteed as to principal and interest by the federal government, or by a commission, board or other instrumentality of the federal government;
- 3) Bonds or securities of any county, drainage district, VTAE district, village, city, town, district or school district of this state;
- 4) Any security which matures or which may be tendered for purchase at the option of the holder within not more than seven years of the date on which it is acquired, if that security has a rating which is the highest or second highest rating category assigned by Standard & Poor's Corporation, Moody's investor services or other similar nationally recognized rating agency or if that security is senior to, or on a parity with, a security of the same issuer which has such a rating;

**CITY OF ALTOONA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 CASH AND EQUIVALENTS (CONTINUED)

Investments Authorized by Wisconsin Statutes (Continued)

- 5) Bonds or securities issued under the authority of the municipality;
- 6) The local government pooled-investment fund as established under Section 25.50 of the Wisconsin Statutes;
- 7) Agreements in which a public depository agrees to repay funds advanced to it by the City, plus interest, if the agreement is secured by bonds or securities issued or guaranteed as to principal and interest by the federal government;
- 8) Securities of an open-end management investment company or investment trust, subject to various conditions and investment options;
- 9) Repurchase agreements with public depositories, with certain conditions;
- 10) Bonds issued by the University of Wisconsin Hospital and Clinics Authority, and the Wisconsin Aerospace Authority.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure of fair value loss arising from increasing interest rates.

Custodial Credit Risk

The City's balances at individual financial institutions were subject to coverage under federal depository insurance and amounts appropriated by Sections 20.144(1)(a) and 34.08 of the Wisconsin Statutes (State Guarantee Fund). Federal depository insurance provides for coverage for governmental entities of up to \$250,000 for time and savings deposits and an additional \$250,000 for demand deposits. In addition, funds held for others (such as trust funds) are subject to coverage under the name of the party for whom the funds are held. Coverage under the State Guarantee Fund may not exceed \$400,000 above the amount of coverage under federal depository insurance at any institution and is limited by the availability of the appropriations authorized therein. (Due to the relatively small size of the State Guarantee Fund in relation to the total coverage, total recovery of losses may not be available.) Also, Section 34.07 of the Wisconsin Statutes authorizes the City to collateralize its deposits that exceed the amount of coverage provided by federal depository insurance and the State Guarantee Fund.

Custodial credit risk for deposits is the risk that in the event of bank failure, the City's deposits may not be returned. At December 31, 2021, the City's deposits at financial institutions were fully covered by federal and state depository coverage as well as collateral agreements with financial institutions.

**CITY OF ALTOONA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 CASH AND EQUIVALENTS (CONTINUED)

Custodial Credit Risk (Continued)

The state of Wisconsin offers a Local Government Investment Pool (LGIP) to local government units to enable them to voluntarily invest idle funds in State Investment Fund. Local funds are pooled with state funds and invested by the State Investment Board. There is no minimum or maximum amount that can be invested by a local governmental unit. Interest is earned on a daily basis and withdrawals are generally available on day of request. Deposits in the LGIP are not covered by federal depository insurance but are subject to coverage under the State Guarantee Fund. Also, the state of Wisconsin Investment Board has obtained a surety bond to protect deposits in the LGIP against defaults in principal payments on the LGIP's investments (subject to certain limitations). The average monthly weighted average maturity of the State Investment Fund's investments for 2021 was 63 days.

Credit Risk

Generally, credit risk for investments is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The City has no investment policy that would further limit its investment choices. As of December 31, 2021, the City's investment in the Wisconsin Local Government Investment Pool was not rated.

NOTE 3 RECEIVABLES

The City's special assessments receivables of \$1,264,588 are set up for installment and anticipated to be collected over 10 years. The CDBG loan receivables of \$79,258 is not expected to be collected in the next year. All other receivables are anticipated to be collected within one year.

CITY OF ALTOONA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 4 CAPITAL ASSETS

Capital asset activity in the governmental activities for the year ended December 31, 2021 is as follows:

Governmental Activities

	Beginning Balance	Increases	Decreases	Ending Balance
Nondepreciable Capital Assets:				
Land	\$ 1,266,326	\$ 60,230	\$ 145,750	\$ 1,180,806
Construction Work in Progress	663,352	43,397	663,352	43,397
Total Capital Assets Not Being Depreciated	1,929,678	103,627	809,102	1,224,203
Capital Assets Being Depreciated:				
Buildings and Improvements	10,432,026	920,753	-	11,352,779
Improvements other than Buildings	2,109,722	213,164	-	2,322,886
Equipment	2,666,924	340,258	170,803	2,836,379
Vehicles	2,777,289	177,096	146,705	2,807,680
Infrastructure	47,778,200	1,259,654	-	49,037,854
Total Capital Assets Being Depreciated	65,764,161	2,910,925	317,508	68,357,578
Total Capital Assets	67,693,839	3,014,552	1,126,610	69,581,781
Accumulated Depreciation:				
Buildings and Improvements	3,520,445	245,839	-	3,766,284
Improvements Other than Buildings	545,963	97,321	-	643,284
Equipment	1,546,741	199,380	101,936	1,644,185
Vehicles	1,624,950	224,914	139,787	1,710,077
Infrastructure	19,268,007	1,915,294	-	21,183,301
Total Accumulated Depreciation	26,506,106	2,682,748	241,723	28,947,131
Capital Assets Net of Depreciation	\$ 41,187,733	\$ 331,804	\$ 884,887	\$ 40,634,650

Depreciation was charged to governmental functions as follows:

General Government	\$ 50,604
Public Safety	189,608
Public Works	2,081,890
Culture, Recreation, and Education	360,646
Total Depreciation - Governmental Activities	<u>\$2,682,748</u>

CITY OF ALTOONA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 4 CAPITAL ASSETS (CONTINUED)

Business-Type Activities

Capital asset activity in the business-type activities for the year ended December 31, 2021 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities				
Water Utility:				
Nondepreciable Capital Assets:				
Land	\$ 106,201	\$ -	\$ -	\$ 106,201
Construction Work in Progress	84,569	160,813	-	245,382
Total Nondepreciable Capital Assets	190,770	160,813	-	351,583
Capital Assets Being Depreciated:				
Buildings and Improvements	1,097,305	44,860	-	1,142,165
Vehicles and Equipment	2,199,200	96,583	23,700	2,272,083
Infrastructure	10,925,676	649,428	36,750	11,538,354
Total Capital Assets Being Depreciated	14,222,181	790,871	60,450	14,952,602
Total Capital Assets	14,412,951	790,871	60,450	15,304,185
Accumulated Depreciation:				
Buildings and Improvements	461,036	35,545	-	496,581
Vehicles and Equipment	1,260,592	119,106	23,700	1,355,998
Infrastructure	2,560,296	202,277	36,750	2,725,823
Total Accumulated Depreciation	4,281,924	356,928	60,450	4,578,402
Net Capital Assets	<u>\$ 10,131,027</u>	<u>\$ 433,943</u>	<u>\$ -</u>	<u>\$ 10,725,783</u>
Sewer Utility:				
Nondepreciable Capital Assets:				
Land	\$ 20,475	\$ -	\$ -	\$ 20,475
Capital Assets Being Depreciated:				
Vehicles and Equipment	2,452,218	425,596	-	2,877,814
Infrastructure	6,227,313	387,070	26,251	6,588,132
Total Capital Assets Being Depreciated	8,679,531	812,666	26,251	9,465,946
Total Capital Assets	8,700,006	812,666	26,251	9,486,421
Accumulated Depreciation:				
Vehicles and Equipment	2,279,463	96,259	-	2,375,722
Infrastructure	747,199	86,174	26,251	807,122
Total Accumulated Depreciation	3,026,662	182,433	26,251	3,182,844
Net Capital Assets	<u>\$ 5,673,344</u>	<u>\$ 630,233</u>	<u>\$ -</u>	<u>\$ 6,303,577</u>

CITY OF ALTOONA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 4 CAPITAL ASSETS (CONTINUED)

Business-Type Activities (Continued)

Storm Water Utility:

Capital Assets Being Depreciated:

Vehicles and Equipment	\$ 460,024	\$ 157,952	\$ 62,500	\$ 555,476
Infrastructure	3,819,035	446,436	-	4,265,471

Total Capital Assets Being Depreciated	4,279,059	604,388	62,500	4,820,947
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Total Capital Assets	4,279,059	604,388	62,500	4,820,947
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Accumulated Depreciation

Vehicles and Equipment	226,679	40,346	35,434	231,591
Infrastructure	1,140,313	213,273	-	1,353,586

Less: Accumulated Depreciation	1,366,992	253,619	35,434	1,585,177
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Net Capital Assets	\$ 2,912,067	\$ 350,769	\$ 27,066	\$ 3,235,770
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Depreciation was charged to business-type activities as follows:

Water	\$ 356,928
Sewer	182,433
Storm Water	253,619
Total Depreciation - Business-Type Activities	<u>\$ 792,980</u>

NOTE 5 LONG-TERM OBLIGATIONS

All general obligation notes and bonds payable are backed by the full faith and credit of the municipality. Governmental activities debt will be retired by future property tax levies accumulated by the debt service fund. Proprietary fund debt is payable by revenues from user fees of those funds, or if the revenues are not sufficient, by future tax levies. The following is a summary of long-term debt transactions of the City governmental activities for the year ended December 31, 2021:

CITY OF ALTOONA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

	Balance 1/1/21	Issued	Retired	Balance 12/31/21	Amounts Due Within One Year
Governmental Activities:					
General Obligation Notes	\$ 14,846,000	\$ 10,141,000	\$ 4,436,000	\$ 20,551,000	\$ 2,948,000
State Trust Fund Revenue Obligation -					
Direct Borrowings and Direct	6,392,832	-	6,392,832	-	-
Placements					
Developer Incentives	135,000	352,806	259,806	228,000	228,000
Landfill Post-Closure Liability	32,040	-	-	32,040	-
Compensated Absences	638,997	16,379	-	655,376	182,322
Unamortized Debt Premium	198,974	92,111	36,169	254,916	43,418
Subtotal Governmental					
Activities	22,243,843	10,602,296	11,124,807	21,721,332	3,401,740
Business-Type Activities:					
General Obligation Notes	2,551,000	2,239,000	1,266,000	3,524,000	577,000
Mortgage Revenue Bonds - Direct					
Borrowings and Direct Placements	435,941	-	40,687	395,254	41,739
Unamortized Debt Premium	19,260	56,480	4,975	70,765	9,420
Subtotal Business-Type					
Activities	3,006,201	2,295,480	1,311,662	3,990,019	618,739
Total	\$ 25,250,044	\$ 12,897,776	\$ 12,436,469	\$ 25,711,351	\$ 4,020,479

Compensated absences have historically been paid by the general fund.

Security and Default. The outstanding long-term debt obligations of the City contain the following provisions:

General Obligation Bonds: The notes are general obligations of the City, and all the taxable property in the City is subject to the levy of a tax to pay the principal and interest on the notes as they become due. The levy, under current tax law, may be levied without limitation to rate or amount. Principal and interest paid for the current year and tax levy were \$11,589,752 and \$827,190, respectively. \$8,275,726 was transferred from TIDs to make principal and interest payments.

Water System Revenue Bonds: The bonds are payable from a pledge of revenues of the water utility system. Principal and interest paid for the current year and total operating revenues were \$29,792 and \$1,522,712, respectively.

Storm Water System Revenue Bonds: The bonds are payable from a pledge of revenues of the storm water utility system. Principal and interest paid for the current year and total operating revenues were \$21,568 and \$360,288, respectively.

**CITY OF ALTOONA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Safe Drinking Water and Clean Water Fund Loan Programs: The City's outstanding notes from direct borrowings related to business type activities of \$395,254 contain the following provisions in the event of a default: 1) Wisconsin Department of Administration can deduct amounts due from any state payments due to the City or add the amounts due as a special charge to the property taxes apportioned; 2) may appoint a receiver for the Program's benefit; 3) may declare the principal amount immediately due and payable; 4) may enforce any right or obligation under the financing agreement including the right to seek specific performance or mandamus; and 5) may increase the interest rate set forth in the financing agreement to the market interest rate.

Total General Obligation Debt as of December 31, 2021 consists of:

	Original Amount	Issue Date	Year of Maturity	Interest Rate	Debt Outstanding	Due Within One Year
General Obligation Bonds:						
GO Notes 2012	\$ 2,845,000	August 2012	2022	0.4 - 1.8%	\$ 375,000	\$ 375,000
GO Notes 2014 B	4,625,000	October 2014	2024	2.0 - 2.5%	2,350,000	750,000
GO Notes 2015 A	3,260,000	October 2015	2025	2.0 - 2.125%	1,265,000	360,000
GO Notes 2016 A	7,000,000	September 2016	2026	1.75 - 2.15%	4,035,000	635,000
GO Notes 2018A	2,030,000	January 2018	2027	3.00%	1,480,000	100,000
GO Notes 2020A	2,430,000	November 2020	2027	2.00%	2,190,000	175,000
GO Notes 2021A	5,860,000	February 2021	2025	1.47%	5,860,000	620,000
GO Notes 2021B	6,520,000	September 2021	2031	2.60%	6,520,000	510,000
Total					<u>\$ 24,075,000</u>	<u>\$ 3,525,000</u>

Summary of Debt Service Requirements

The annual principal and interest requirements to amortize all governmental debt and proprietary general obligation debt outstanding as of December 31, 2021 are as follows:

Year	Governmental				Proprietary		Total	
	State Trust Fund Revenue							
	Obligation - Direct Borrowings							
	General Obligation Notes		and Direct Placements					
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 2,948,000	\$ 391,788	\$ -	\$ -	\$ 577,000	\$ 61,918	\$ 3,525,000	\$ 453,706
2023	2,871,000	293,601	-	-	582,000	50,234	3,453,000	343,835
2024	2,906,000	233,035	-	-	493,000	38,026	3,399,000	271,061
2025	5,185,000	158,604	-	-	358,000	29,974	5,543,000	188,578
2026	2,032,000	93,631	-	-	348,000	22,391	2,380,000	116,023
2027-2031	4,609,000	138,569	-	-	1,166,000	35,644	5,775,000	174,213
	<u>\$ 20,551,000</u>	<u>\$ 1,309,228</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,524,000</u>	<u>\$ 238,188</u>	<u>\$ 24,075,000</u>	<u>\$ 1,547,416</u>

**CITY OF ALTOONA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Summary of Debt Service Requirements (Continued)

In accordance with Section 67.03 (1) of the Wisconsin Statutes, total general obligation indebtedness of the City may not exceed 5% of the equalized value of taxable property within the City's jurisdiction. The state trust fund revenue obligations do not count towards the general obligation debt limit. The following computation compares the total debt allowable for the City of Altoona with the actual outstanding indebtedness at December 31, 2021:

Equalized Valuation	\$ 902,693,200
Legal Debt Capacity (5% of Equalized Value)	45,134,660
General Obligation Debt	18,215,000
Unused Borrowing Capacity	26,919,660
Percent of Debt Capacity Remaining	59.6%

Mortgage Revenue Bonds

Outstanding mortgage revenue bonds for the water and storm water utility totaled \$395,254 on December 31, 2021. The City's full faith and credit do not back mortgage revenue bonds which are instead backed only by the assets and revenue of the water and storm water utilities (proprietary funds). Individual debt issues outstanding at December 31, 2021 are:

Mortgage Revenue Bonds:	Original Amount	Issue Date	Year of Maturity	Interest Rate	Debt Outstanding	Due Within One Year
Water	\$ 458,481	December 2010	2030	2.20%	\$ 243,013	\$ 24,711
Storm Water	355,225	December 2009	2029	3.15%	152,241	17,028
Total Mortgage Revenue Bonds					<u>\$ 395,254</u>	<u>\$ 41,739</u>

Scheduled annual requirements for retirement of the mortgage revenue bond obligations debt outstanding at December 31, 2021 are summarized as follows:

Year	Mortgage Revenue Bonds					
	Water		Storm Water		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 24,711	\$ 5,074	\$ 17,028	\$ 4,532	\$ 41,739	\$ 9,606
2023	25,255	4,525	17,565	3,986	42,820	8,511
2024	25,811	3,963	18,119	3,424	43,929	7,387
2025	26,378	3,389	18,690	2,844	45,068	6,233
2026	26,959	2,802	19,279	2,245	46,238	5,047
2027-2031	113,898	5,080	61,562	2,952	175,460	8,032
Total	<u>\$ 243,012</u>	<u>\$ 24,833</u>	<u>\$ 152,242</u>	<u>\$ 19,982</u>	<u>\$ 395,254</u>	<u>\$ 44,815</u>

Current Refunding

On February 25, 2021, the City issued \$5,860,000 in general obligation notes with an interest rate of 1.47% to current refund \$6,392,832 of outstanding state trust fund loans with an interest rate of 4.50%. The net proceeds were used to prepay the outstanding debt.

**CITY OF ALTOONA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Current Refunding (Continued)

The cash flow requirements on the refunded bonds prior to the current refunding was \$6,995,210 from 2022 through 2029. The cash flow requirements on the refunding loans are \$6,147,854 from 2022 to 2025. The current refunding resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$695,664.

On September 15, 2021, the City issued \$3,065,000 in general obligation notes with an interest rate of 1.0% to 2.0% to current refund \$3,262,000 of general obligation notes with an interest rate of 2.29% to 2.6%. The net proceeds were used to prepay the outstanding debt.

The cash flow requirements on the refunded bonds prior to the current refunding was \$3,526,484 from 2022 through 2029. The cash flow requirements on the refunding loans are \$3,299,466 from 2022 to 2029. The current refunding resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$271,164.

NOTE 6 INTER-FUND ACTIVITY

As of December 31, 2021, the composition of interfund balances was as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
Sewer Fund	Water Fund	\$ 336	Finance Operating Expenses
<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	River Prairie TIF #3	\$ 709,987	Cashflow Borrowing
General Fund	Business Park TIF #2	174,174	Cashflow Borrowing
		<u>\$ 884,161</u>	

The schedule of inter-fund transfer activity is as follows:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Purpose</u>
Debt Service Fund	River Prairie TIF #3	\$ 8,045,597	TIF Debt Payment
Debt Service Fund	River Prairie TIF #3	230,129	TIF Debt Payment
River Prairie TIF #3	Business Park TIF #2	18,446	Donor TIF District Allocation
Capital Project Fund	General Fund	80,045	Land Acquisition
General Fund	Water Utility	212,696	Property Tax Equivalent
		<u>\$ 8,586,913</u>	

**CITY OF ALTOONA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 7 WISCONSIN RETIREMENT SYSTEM

General Information About the Pension Plan

Plan Description. The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible state of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, expected to work at least 1,200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS. ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <http://etf.wi.gov/publications/cafr.htm>.

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

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

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

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

The WRS also provides death and disability benefits for employees.

**CITY OF ALTOONA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 7 WISCONSIN RETIREMENT SYSTEM (CONTINUED)

General Information About the Pension Plan (Continued)

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

During the fiscal reporting period January 1, 2021 through December 31, 2021, the WRS recognized \$246,373 in contributions from the employer.

Contribution rates for 2021 are:

	<u>Employee</u>	<u>Employer</u>
General (Including Teachers)	6.75%	6.75%
Protective with Social Security	6.75%	11.75%
Protective without Social Security	6.75%	16.35%

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

<u>Year Ending December 31,</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2011	-1.2%	11%
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	-	(10.0)
2020	1.7	21.0

**CITY OF ALTOONA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 7 WISCONSIN RETIREMENT SYSTEM (CONTINUED)

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

At December 31, 2021, the City reported an asset of \$1,294,010 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2020, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019 rolled forward to December 31, 2020. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension asset was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers. At December 31, 2020, the City's proportion was 0.02072693%, which was an increase of 0.00072552% from its proportion measured as of December 31, 2019.

For the year ended December 31, 2021, the City recognized pension expense (revenue) of (\$141,946). At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 1,872,829	\$ 403,404
Changes of Assumptions	29,350	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	2,429,398
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	9,921	3,063
City Contributions Subsequent to the Measurement Date	266,855	-
Total	<u>\$ 2,178,955</u>	<u>\$ 2,835,865</u>

\$266,855 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as an addition to the net pension asset in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (revenue) as follows:

<u>Year Ended December 31,</u>	<u>Pension Expense Amount</u>
2022	\$ (238,299)
2023	(63,525)
2024	(437,363)
2025	(184,578)
2026	-

**CITY OF ALTOONA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 7 WISCONSIN RETIREMENT SYSTEM (CONTINUED)

Actuarial Assumptions

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

Actuarial Valuation Date:	December 31, 2019
Measurement Date of Net Pension Liability (Asset):	December 31, 2020
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Inflation:	3.00%
Salary Increases:	0.1% to 5.6% Including Inflation
Mortality:	Wisconsin 2018 Mortality Table
Postretirement Adjustments*	1.9%

*No postretirement 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 postretirement discount rate.

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

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

Core Asset Allocation			Variable Asset Allocation		
<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Equities	51.0%	4.7%	U.S. Equities	70.0%	4.1%
Fixed Income	25.0%	8.0%	International Equities	30.0%	4.9%
Inflation Sensitive Assets	16.0%	-0.4%	Fixed Income	N/A	N/A
Real Estate	8.0%	3.1%	Inflation Sensitive Assets	N/A	N/A
Private Equity/Debt	11.0%	7.6%	Real Estate	N/A	N/A
Multi-Asset	4.0%	3.3%	Private Equity/Debt	N/A	N/A
Cash	-15.0%	0.0%	Multi-Asset	N/A	N/A
Totals	100.0%	4.1%	Cash	N/A	N/A
			Totals	100.0%	4.6%

**CITY OF ALTOONA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 7 WISCONSIN RETIREMENT SYSTEM (CONTINUED)

Single discount rate. A single discount rate of 7.00% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.00% (Source: Fixed income municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2019. In 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 7.0%, 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 one-percentage-point lower (6.0%) or one-percentage-point higher (8.0%) than the current rate:

	One Percent Decrease (6.00%)	Current Discount Rate (7.00%)	One Percent Increase (8.00%)
City's Proportionate Share of the Net Pension Liability (Asset)	<u>\$ 1,231,719</u>	<u>\$ (1,294,010)</u>	<u>\$ (3,149,140)</u>

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

NOTE 8 OTHER POSTEMPLOYMENT BENEFITS – MULTIPLE EMPLOYER PLAN

Plan Description. The 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 postemployment life insurance benefits for all eligible members.

**CITY OF ALTOONA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 8 OTHER POSTEMPLOYMENT BENEFITS – MULTIPLE EMPLOYER PLAN (CONTINUED)

Benefits Provided. The LRLIF plan provides fully paid up life insurance benefits for postage 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 postretirement 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 employee premiums until age 65 in order to be eligible for the benefit after age 65.

Contribution rates as of December 31, 2021 are:

Coverage Type	Employer Contribution
50% Postretirement Coverage	40% of Member Contribution
25% Postretirement 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, 2020 are listed below:

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

During the reporting period, the LRLIF recognized \$727 in contributions from the City.

**CITY OF ALTOONA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
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NOTE 8 OTHER POSTEMPLOYMENT BENEFITS – MULTIPLE EMPLOYER PLAN (CONTINUED)

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

At December 31, 2021, the City reported a liability of \$200,672 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2020 rolled forward to December 31, 2020. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net OPEB liability was based on the City's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2020, the City's proportion was 0.03648100%, which was an decrease of 0.009856% from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021, the City recognized OPEB expense of \$23,471. At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ -	\$ 9,576
Changes of Assumptions or Other Input	78,063	13,769
Net Difference Between Projected and Actual Earnings on OPEB Investments	2,922	-
Change in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	15,866	27,625
District Contributions Subsequent to the Measurement Date	1,016	-
Total	<u>\$ 97,867</u>	<u>\$ 50,970</u>

\$1,016 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction to the net OPEB liability in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEBs will be recognized in OPEB expense as follows:

<u>Year Ended December 31,</u>	<u>OPEB Expense Amount</u>
2022	\$ 9,704
2023	9,389
2024	9,063
2025	7,706
2026	9,288
Thereafter	731

**CITY OF ALTOONA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
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NOTE 8 OTHER POSTEMPLOYMENT BENEFITS – MULTIPLE EMPLOYER PLAN (CONTINUED)

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

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

Actuarial Valuation Date	January 1, 2020
Measurement Date of Net OPEB Liability (Asset)	December 31, 2020
Actuarial Cost Method	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield	2.12%
Long-Term Expected Rate of Return	4.25%
Discount Rate	2.25%
Salary Increases:	
Inflation	3.00%
Seniority/Merit	0.1%-5.60%
Mortality	Wisconsin 2018 Mortality Table

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

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

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
U.S. Credit Bonds	Barclays Credit	50%	1.47%
U.S. Mortgages	Barclays MBS	50%	0.82%
Inflation			2.20%
Long-Term Expected Rate of Return			4.25%

**CITY OF ALTOONA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
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NOTE 8 OTHER POSTEMPLOYMENT BENEFITS – MULTIPLE EMPLOYER PLAN (CONTINUED)

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

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

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

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

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

	One Percent Decrease (1.25%)	Current Discount Rate (2.25%)	One Percent Increase (3.25%)
Proportionate Share of the Net OPEB Liability (Asset) 12/31/21	<u>\$ 272,971</u>	<u>\$ 200,672</u>	<u>\$ 145,994</u>

**CITY OF ALTOONA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
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NOTE 9 OTHER POSTEMPLOYMENT BENEFITS – SINGLE EMPLOYER PLAN

Description of the Plan

Retired employees have access to the group medical and dental coverage through the City. The plan is outlined in the City's labor agreements and plan summary documents. A summary of the plan benefits is listed below:

Public Works, Clerical, and Police Union Employees

Police Union employees are eligible to retire at the earlier of age 50 with reduced pension, age 53 with 25 years or age 54. Retirees are responsible for the portion of the premium rates not covered by the City's explicit subsidy. The City's explicit subsidy is 50% of the single or family premium until the employee is Medicare eligible.

The City has no explicit subsidy for retired employees other than Police union employees.

Participants

Employees participating in the OPEB benefit consisted of the following at December 31, 2020, the date of the latest actuarial valuation.

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	4
Inactive Plan Members Entitled to but Not Yet Receiving Benefit Payments	-
Total Eligible Active Plan Members	<u>40</u>
Total	<u><u>44</u></u>

**CITY OF ALTOONA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS – SINGLE EMPLOYER PLAN (CONTINUED)

Total OPEB Liability

The City does not accumulated assets in a trust for payment of OPEB benefits. Accordingly, the City must report its total OPEB liability. At December 31, 2021, the City reported a total OPEB liability of \$1,822,374. Changes in the City's total OPEB liability were as follows:

	Total OPEB Liability (a)
Balance - December 31, 2020	\$ 1,700,231
Changes for the Year:	
Service Cost	241,609
Interest	40,329
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	(60,114)
Changes of Assumptions or Other Input	(20,237)
Contributions - Employer	-
Contributions - Employee	-
Net Investment Income	-
Benefit Payments	(79,444)
Administrative Expense	-
Net Changes	<u>122,143</u>
Balance - December 31, 2021	<u>\$ 1,822,374</u>

Actuarial Assumptions

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

**CITY OF ALTOONA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
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NOTE 9 OTHER POSTEMPLOYMENT BENEFITS – SINGLE EMPLOYER PLAN (CONTINUED)

Actuarial Valuation Date:	January 1, 2021
Measurement Date:	December 31, 2021
Actuary Cost Method:	Entry Age Normal
Amortization Method:	Level Percent of Salary
Discount Rate:	2.25%
Inflation:	2.5%
Average of Expected Remaining Service Lives:	10 Years
Health Care Trends:	7.5% year two, 7.0% year three decreasing 0.5% per year to 4.5% in year eight, and level thereafter.
Payroll Growth:	3.0% plus merit/longevity increases which are based on the Wisconsin Retirement System actuarial valuation as of December 31, 2019.
Mortality:	RPB-2020 Total Dataset Mortality Table fully generational using Scale MP-2020.

* Interim year valuation results have been projected from the prior year's valuation, with adjustments made for actual premium and contribution increases from January 1, 2021 to January 1, 2022. The impact of this change was a decrease in liabilities. Health care trend rates updated to an initial rate of 7.5%, decreasing by 0.50% annually to an ultimate rate of 4.50%, resulting in an increase in liabilities. The discount rate increased from 2.12% to 2.25%, resulting in a decrease in liabilities.

Sensitivity of the net OPEB liability to changes in the discount rate

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current discount rate:

	One Percent Decrease (1.25%)	Current Discount Rate (2.25%)	One Percent Increase (3.25%)
Net OPEB Liability (Asset) 12/31/21	<u>\$ 1,983,815</u>	<u>\$ 1,822,374</u>	<u>\$ 1,674,037</u>

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are one-percentage-point lower or one-percentage-point higher than the current healthcare cost trend rates:

**CITY OF ALTOONA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
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NOTE 9 OTHER POSTEMPLOYMENT BENEFITS – SINGLE EMPLOYER PLAN (CONTINUED)

	One Percent Decrease (6.5% in the Second Year, Decreasing to 3.50%)	Healthcare Cost Trend Rates (7.50% in the Second Year, Decreasing to 4.50%)	One Percent Increase (8.5% in the Second Year, Decreasing to 5.50%)
Net OPEB Liability (Asset) 12/31/21	<u>\$ 1,584,913</u>	<u>\$ 1,822,374</u>	<u>\$ 2,107,328</u>

For the year ended December 31, 2021, the City recognized OPEB expense of \$288,193. At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to single employer other postemployment benefits from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 51,968	\$ 228,262
Changes of Assumptions or Other Input	307,922	91,971
Total	<u>\$ 359,890</u>	<u>\$ 320,233</u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	OPEB Expense Amount
2022	\$ 6,255
2023	6,255
2024	6,255
2025	6,255
2026	6,255
Thereafter	8,382

**CITY OF ALTOONA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 10 FUND BALANCE

The following is a detailed schedule of ending fund balances as reported in the fund financial statements by category:

	<u>Total</u>	<u>Nonspendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>	<u>Unassigned</u>
Major Funds:						
General Fund:						
Delinquent Taxes	\$ 13,493	\$ 13,493	\$ -	\$ -	\$ -	\$ -
Interfund Advances	884,161	884,161	-	-	-	-
Land Acquisition	2,165,293	-	-	2,165,293	-	-
Redevelopment	2,317,367	-	-	2,317,367	-	-
Unassigned	6,131,349	-	-	-	-	6,131,349
Subtotal General Fund	11,511,663	897,654	-	4,482,660	-	6,131,349
Debt Service	494,891	-	-	-	494,891	-
Capital Projects	2,053,480	-	2,053,480	-	-	-
River Prairie Tax Incremental District #3	1,385,221	-	1,385,221	-	-	-
Nonmajor Funds:						
Public Library	198,742	-	198,742	-	-	-
CDBG Residential Revolving Loan Program	225,707	79,258	146,449	-	-	-
Business Park Tax Incremental District #2	(176,007)	-	-	-	-	(176,007)
Tax Incremental District #4	791,157	-	791,157	-	-	-
Total Fund Balance	<u>\$ 16,484,854</u>	<u>\$ 976,912</u>	<u>\$ 4,575,049</u>	<u>\$ 4,482,660</u>	<u>\$ 494,891</u>	<u>\$ 5,955,342</u>

NOTE 11 TAX INCREMENTAL FINANCING DISTRICTS

The City of Altoona has three active tax incremental financing districts. Tax Incremental District #2 was created in July 2000. The primary purpose of this tax increment district is to encourage development in the City's business park. The City also passed a resolution and project plan amendment allowing the allocation of increment from TIF #2 to TIF #3. Tax Incremental District #3 was approved in September 2001. The primary purpose of the tax increment district is to provide needed infrastructure for development in the area of the state of Wisconsin's Highway 53 bypass. The City created TIF #4 in 2008.

Accumulated project costs and revenues from inception through December 31, 2021 are shown as follows:

CITY OF ALTOONA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 11 TAX INCREMENTAL FINANCING DISTRICTS (CONTINUED)

	<u>TID #2</u>	<u>TID #3</u>	<u>TID #4</u>
Accumulated Project Costs:			
Project Expenditures	\$ 2,111,376	\$41,060,996	\$ 1,606,823
Administration	111,889	-	235,400
Debt Expenditures:			
Interest and Fiscal Charges	149,269	5,382,764	282,857
Transfers Out	<u>2,407,284</u>	<u>230,129</u>	<u>-</u>
Total Project Costs	4,779,818	46,673,889	2,125,080
Accumulated Project Revenues:			
Tax Increments	4,119,625	30,299,724	2,418,333
Intergovernmental Grants and Aids	225,434	1,633,074	427,293
Rent Income	-	-	-
Special Assessments	136,949	168,208	42,816
Interest on Investments	-	43,630	23,782
Sale of Property	-	1,568,145	-
Miscellaneous Revenue	121,803	494,128	4,013
Transfers In	<u>-</u>	<u>2,407,283</u>	<u>-</u>
Total Project Revenues	4,603,811	36,614,192	2,916,237
Future Project Revenues Necessary to Recover Project Costs to Date	<u>\$ 176,007</u>	<u>\$10,059,697</u>	<u>\$ (791,157)</u>

The above summary of transactions is reconcilable to the fund balances of the TID funds at December 31, 2021 as follows:

	<u>TID #2</u>	<u>TID #3</u>	<u>TID #4</u>
Outstanding Long-Term Debt Payable from TID Funds - December 31, 2021	\$ -	\$11,444,918	\$ -
Less: Unrecovered Costs Above	<u>(176,007)</u>	<u>(10,059,697)</u>	<u>791,157</u>
Fund Balance - December 31, 2021	<u>\$ (176,007)</u>	<u>\$ 1,385,221</u>	<u>\$ 791,157</u>

**CITY OF ALTOONA, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 12 LANDFILL POST-CLOSURE LIABILITY

The City of Altoona and Town of Washington have independently or jointly operated a landfill in the City of Altoona. The landfill was licensed as a sanitary landfill in 1969. The landfill was capped at closure in 1982. An active landfill gas extraction system has operated at the site since 1995. State and federal laws and regulations require certain maintenance and monitoring functions at the landfill site. The City and Town filed a remedial action options report related to ongoing post-closure maintenance of the landfill. In addition, annual post-closure monitoring costs of \$17,000-\$30,000 are anticipated for 20 years. The Town is responsible for a portion of this annual cost and reimburses the City. The reported post-closure liability represents the estimated cumulative cost to perform all post-closure case. Actual costs may differ due to inflation or deflation, changes in technology, or changes to applicable laws or regulations. The City's estimated portion of the post-closure liability as of December 31, 2021 is \$32,040 of the total liability. This liability is recorded in the Statement of Net Position. The liability is reduced by annual ongoing post-closure monitoring costs.

NOTE 13 LAND HELD FOR RESALE

The City recorded land held for resale of \$1,891,600 in 2012. As parcels are sold the basis in the land is reduced. The City recorded \$937,217 in gain on land sales during 2021. The balance of land held for resale is \$1,404,028 as of December 31, 2021.

NOTE 14 RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. All risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial coverage in any of the past three years.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE 1

**CITY OF ALTOONA, WISCONSIN
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
YEAR ENDED DECEMBER 31, 2021**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Property Taxes	\$2,171,730	\$2,171,730	\$ 2,171,730	\$ -
Other Taxes	463,021	463,021	527,442	64,421
Special Assessment Revenue	120,000	120,000	458,438	338,438
Intergovernmental	2,253,551	2,253,551	2,313,528	59,977
License and Permits	233,300	233,300	476,748	243,448
Fines, Forfeits, and Penalties	34,000	34,000	47,398	13,398
Public Charges for Services	354,179	354,179	375,615	21,436
Interest Income	157,100	157,100	6,384	(150,716)
Sale of Land for Resale	-	-	937,217	937,217
Miscellaneous Income	105,700	105,700	185,993	80,293
Total Revenues	5,892,581	5,892,581	7,500,493	1,607,912
EXPENDITURES				
General Government	841,102	841,102	808,476	32,626
Public Safety	3,222,718	3,222,718	3,154,891	67,827
Public Works	1,061,334	1,061,334	927,730	133,604
Health and Human Services	4,000	4,000	2,301	1,699
Culture, Recreation, and Education	1,062,615	1,062,615	956,723	105,892
Conservation and Development	359,675	359,675	353,229	6,446
Total Expenditures	6,551,444	6,551,444	6,203,350	348,094
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(658,863)	(658,863)	1,297,143	1,956,006
OTHER FINANCING SOURCES (USES)				
Transfers In	658,863	658,863	212,696	(446,167)
Total Other Financing Sources (Uses)	658,863	658,863	212,696	(446,167)
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	1,509,839	<u>\$1,509,839</u>
Fund Balance - Beginning of Year			10,001,824	
FUND BALANCE - END OF YEAR			<u>\$11,511,663</u>	

See accompanying Notes to Required Supplementary Information.

SCHEDULE 2

**CITY OF ALTOONA, WISCONSIN
SCHEDULE OF PROPORTIONATE SHARE OF WISCONSIN RETIREMENT
SYSTEM NET PENSION PLAN (ASSET) LIABILITY
LAST TEN MEASUREMENT PERIODS
(SCHEDULE IS PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)**

<u>Year Ending</u>	<u>Proportion of the Net Pension Liability (Asset)</u>	<u>Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
12/31/2020	0.02072693%	\$ 1,294,010	\$ 2,802,006	-46.18%	105.26%
12/31/2019	0.02000141%	(644,936)	2,565,579	-25.14%	102.96%
12/31/2018	0.01910528%	679,706	2,470,180	27.52%	96.45%
12/31/2017	0.01789514%	(531,328)	2,372,501	-22.40%	102.93%
12/31/2016	0.01684799%	138,868	2,122,738	6.54%	99.12%
12/31/2015	0.01637083%	266,023	2,025,494	13.13%	98.20%
12/31/2014	0.01600202%	(392,945)	1,986,523	-19.78%	102.74%

See accompanying Notes to Required Supplementary Information.

SCHEDULE 3

CITY OF ALTOONA, WISCONSIN
SCHEDULE OF CONTRIBUTIONS TO WISCONSIN RETIREMENT SYSTEM PENSION PLAN
LAST TEN FISCAL YEARS
(SCHEDULE IS PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)

<u>Year Ending</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/2021	\$ 246,373	\$ (246,373)	\$ -	\$ 2,987,571	8.25%
12/31/2020	231,136	(231,136)	-	2,802,006	8.25%
12/31/2019	211,018	(211,018)	-	2,565,579	8.22%
12/31/2018	206,541	(206,541)	-	2,470,180	8.36%
12/31/2017	224,908	(224,908)	-	2,372,501	9.48%
12/31/2016	171,778	(171,778)	-	2,122,738	8.09%
12/31/2015	159,915	(159,915)	-	2,025,494	7.90%

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

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

See accompanying Notes to Required Supplementary Information.

SCHEDULE 4

CITY OF ALTOONA, WISCONSIN
SCHEDULE OF CITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
WISCONSIN LOCAL RETIREE LIFE INSURANCE FUND MULTI-EMPLOYER OPEB PLAN
LAST TEN MEASUREMENT PERIODS
(SCHEDULE IS PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)

<u>OPEB Fiscal Year-End Date (Measurement Date)</u>	<u>City's Proportion of the Net OPEB Liability (Asset)</u>	<u>City's Proportionate Share of the Net OPEB Liability (Asset)</u>	<u>City's Covered Payroll</u>	<u>City's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)</u>
12/31/2020	0.03648100%	\$ 200,672	\$ 2,365,000	8.49%	31.36%
12/31/2019	0.04633700%	197,312	2,305,000	8.56%	37.58%
12/31/2018	0.04929000%	105,611	2,308,000	4.58%	48.69%
12/31/2017	0.39953000%	120,202	1,680,138	7.15%	44.81%

See accompanying Notes to Required Supplementary Information.

SCHEDULE 5

**CITY OF ALTOONA, WISCONSIN
SCHEDULE OF CITY'S CONTRIBUTIONS TO WISCONSIN LOCAL RETIREE
LIFE INSURANCE FUND MULTI-EMPLOYER OPEB PLAN
LAST TEN FISCAL YEARS
(SCHEDULE IS PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)**

<u>City's Fiscal Year-End Date</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>City's Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/2021	\$ 727	\$ (727)	\$ -	\$ 2,365,000	0.03%
12/31/2020	794	(794)	-	2,305,000	0.03%
12/31/2019	788	(788)	-	2,308,000	0.03%
12/31/2018	791	(791)	-	1,680,138	0.05%

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

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

See accompanying Notes to Required Supplementary Information.

CITY OF ALTOONA, WISCONSIN
SCHEDULE OF CHANGES IN THE CITY'S OPEB LIABILITY, RELATED RATIOS, AND
ACTUARIAL ASSUMPTIONS
LAST TEN MEASUREMENT PERIODS
(SCHEDULE IS PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)

	2018	2019	2020	2021
Total OPEB Liability:				
Service Cost	\$ 120,267	\$ 143,626	\$ 160,217	\$ 241,609
Interest	44,524	56,497	50,494	40,329
Differences Between Expected and Actual Experience	93,540	(50,352)	(181,620)	(60,114)
Changes of Assumptions or Other Input	(133,167)	86,473	321,779	(20,237)
Benefit Payments	(57,802)	(78,918)	(78,019)	(79,444)
Net Change in Total OPEB Liability	67,362	157,326	272,851	122,143
Total OPEB Liability - Beginning of Year	1,202,692	1,270,054	1,427,380	1,700,231
Total OPEB Liability - End of Year (a)	<u>\$ 1,270,054</u>	<u>\$ 1,427,380</u>	<u>\$ 1,700,231</u>	<u>\$ 1,822,374</u>
Covered Payroll	<u>\$ 2,400,968</u>	<u>\$ 2,477,799</u>	<u>\$ 3,050,681</u>	<u>3,471,430</u>
District's Net OPEB Liability (Asset) as a Percentage of Covered-Employee Payroll	52.90%	57.61%	55.73%	52.50%

See accompanying Notes to Required Supplementary Information.

CITY OF ALTOONA, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2021

BUDGETARY INFORMATION

GASB Statement No. 34 requires the presentation of budgetary comparison schedules for the general fund and for each major special revenue fund. Budgetary information is derived from the City's annual operating budget.

The City's budget is adopted in accordance with Chapter 65 of the *Wisconsin Statutes* and on a basis consistent with generally accepted accounting principles. Changes to appropriations authorized in the adopted budget generally require a vote of two-thirds of the entire membership of the governing body. The City's legal budget is adopted at the major function level in the general fund (i.e., general government) and at the fund level in all other funds.

Budget amounts in the financial statements include both the original adopted budget and the final budget. Changes to the budget during the year, if any, generally include amendments authorized by the governing body, additions of approved carryover amounts and appropriations of revenues and other sources for specified expenditures/uses. Appropriated budget amounts lapse at the end of the year unless specifically carried over for financing subsequent year expenditures.

EXCESS OF EXPENDITURES OVER BUDGET

Comparisons of actual revenues and expenditures to budgeted amounts for the City's general fund and each major special revenue fund are presented as required supplementary information following the basic financial statements. Expenditures in excess of budgeted amounts at the legally adopted levels for each of these funds are shown in those schedules.

SINGLE EMPLOYER OPEB

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

SUPPLEMENTARY INFORMATION

SCHEDULE A-1

**CITY OF ALTOONA, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS – COMBINING BALANCE SHEET
DECEMBER 31, 2021**

	Special Revenue Funds			Capital Projects Funds		Total Nonmajor Governmental Funds
	Public Library	CDBG/ Residential Loan Fund	American Rescue Plan Act Fund	Business Park TIF #2	TIF #4	
ASSETS						
Cash and Cash Equivalents	\$ 30,133	\$ 146,449	\$ 411,871	\$ -	\$ 702,777	\$ 1,291,230
Taxes Receivable	261,237	-	-	255,610	414,165	931,012
Loans Receivable	-	79,258	-	-	-	79,258
Land Held for Resale	-	-	-	-	90,213	90,213
Restricted Cash and Investments	185,351	-	-	-	-	185,351
Total Assets	<u>\$ 476,721</u>	<u>\$ 225,707</u>	<u>\$ 411,871</u>	<u>\$ 255,610</u>	<u>\$ 1,207,155</u>	<u>\$ 2,577,064</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts Payable	\$ 12,327	\$ -	\$ -	\$ 1,833	\$ 1,833	\$ 15,993
Accrued Liabilities	4,415	-	-	-	-	4,415
Unearned Revenue	-	-	411,871	-	-	411,871
Advance from Other Funds	-	-	-	174,174	-	174,174
Total Liabilities	<u>16,742</u>	<u>-</u>	<u>411,871</u>	<u>176,007</u>	<u>1,833</u>	<u>606,453</u>
DEFERRED INFLOWS OF RESOURCES						
Succeeding Year's Property Taxes	261,237	-	-	255,610	414,165	931,012
FUND BALANCES						
Nonspendable	-	79,258	-	-	-	79,258
Restricted	198,742	146,449	-	-	791,157	1,136,348
Unassigned	-	-	-	(176,007)	-	(176,007)
Total Fund Balances	<u>198,742</u>	<u>225,707</u>	<u>-</u>	<u>(176,007)</u>	<u>791,157</u>	<u>1,039,599</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 476,721</u>	<u>\$ 225,707</u>	<u>\$ 411,871</u>	<u>\$ 255,610</u>	<u>\$ 1,207,155</u>	<u>\$ 2,577,064</u>

SCHEDULE A-2

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**CITY OF ALTOONA, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2021**

	Special Revenue Funds			Capital Projects Funds		Total Nonmajor Governmental Funds
	Public Library	CDBG/ Residential Loan Fund	American Rescue Plan Act Fund	Business Park TIF #2	TIF #4	
REVENUES						
Taxes	\$ 361,750	\$ -	\$ -	\$ 261,639	\$ 266,664	\$ 890,053
Intergovernmental	252,355	-	-	13,657	27,399	293,411
Public Charges for Services	1,602	-	-	-	-	1,602
Interest Income	1,174	80	-	-	236	1,490
Miscellaneous	4,773	-	-	-	-	4,773
Total Revenues	621,654	80	-	275,296	294,299	1,191,329
EXPENDITURES						
General Government	-	-	-	2,658	16,394	19,052
Public Works	-	-	-	3,384	299,881	303,265
Culture, Recreation, and Education	610,668	-	-	-	-	610,668
Total Expenditures	610,668	-	-	6,042	316,275	932,985
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	10,986	80	-	269,254	(21,976)	258,344
OTHER FINANCING SOURCES (USES)						
Transfers Out	-	-	-	(18,446)	-	(18,446)
NET CHANGE IN FUND BALANCES	10,986	80	-	250,808	(21,976)	239,898
Fund Balance - Beginning of Year	187,756	225,627	-	(426,815)	813,133	799,701
FUND BALANCE - END OF YEAR	<u>\$ 198,742</u>	<u>\$ 225,707</u>	<u>\$ -</u>	<u>\$ (176,007)</u>	<u>\$ 791,157</u>	<u>\$ 1,039,599</u>