

**CITY OF ONALASKA, WISCONSIN**

**FINANCIAL STATEMENTS  
WITH INDEPENDENT AUDITORS'  
REPORT**

**DECEMBER 31, 2020**

# CITY OF ONALASKA, WISCONSIN

## TABLE OF CONTENTS

DECEMBER 31, 2020

Page

|       |  |
|-------|--|
| 3-5   | Independent Auditors' Report   |
| 6-14  | Management's Discussion and Analysis   |
|       | <b><u>BASIC FINANCIAL STATEMENTS</u></b>   |
|       | <u>Government-Wide Financial Statements</u>  |
| 15-16 | Statement of Net Position  |
| 17    | Statement of Activities  |
|       | <u>Fund Financial Statements</u>   |
| 18    | Balance Sheet - Governmental Funds   |
| 19    | Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position  |
| 20    | Statement of Revenue, Expenditures, and Changes in Fund Balance - Governmental Funds   |
| 21    | Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities |
| 22-23 | Statement of Net Position - Proprietary Funds  |
| 24    | Statement of Revenue, Expenses, and Changes in Net Position - Proprietary Funds  |
| 25-27 | Statement of Cash Flows - Proprietary Funds  |
| 28    | Statement of Net Position - Fiduciary Fund   |
| 29    | Statement of Changes in Net Position - Fiduciary Fund  |
| 30-56 | Notes to the Basic Financial Statements  |
|       | <b><u>REQUIRED SUPPLEMENTARY INFORMATION</u></b>   |
| 57    | Budgetary Comparison Schedule - General Fund   |
| 58    | Notes to Required Supplementary Information on Budgetary Accounting and Control  |
| 59    | Wisconsin Retirement System Schedules  |
| 60    | Local Retiree Life Insurance Fund Schedules  |

# CITY OF ONALASKA, WISCONSIN

## TABLE OF CONTENTS - Continued

DECEMBER 31, 2020

Page

**OTHER SUPPLEMENTARY INFORMATION**

|       |   |
|-------|---|
| 61    | Combining Balance Sheet - Nonmajor Governmental Funds   |
| 62    | Combining Statement of Revenue, Expenditures, and Changes in Fund Balance - Nonmajor Governmental Funds |
| 63-64 | Combining Statement of Net Position - Nonmajor Enterprise Funds   |
| 65    | Combining Statement of Revenue, Expenses, and Changes in Fund Net Position - Nonmajor Enterprise Funds  |
| 66-67 | Combining Statement of Cash Flows - Nonmajor Enterprise Funds   |
| 68-69 | Schedule of Information Required by 2015 Water and Sewer Revenue Bonds                                  |

**OTHER REPORT**

|       |   |
|-------|---|
| 70-71 | Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> |
|-------|---|

**INDEPENDENT AUDITORS' REPORT**

To the Common Council  
City of Onalaska, Wisconsin

**Report on the Financial Statements**

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

***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

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

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

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

## ***Opinions***

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

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, Wisconsin Retirement System Schedules, and Local Retiree Life Insurance Fund Schedules on pages 6 through 14 and 57 through 60 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Onalaska's basic financial statements. The combining and individual nonmajor fund financial statements and schedule of information required by 2015 water and sewer revenue bonds are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedule of information required by 2015 water and sewer revenue bonds 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedule of information required by 2015 water and sewer revenue bonds is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 10, 2021, on our consideration of the City of Onalaska's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Hawkins Ash CPAs, LLP*

La Crosse, Wisconsin  
May 10, 2021

**CITY OF ONALASKA, WISCONSIN**

**MANAGEMENT'S DISCUSSION & ANALYSIS**

## **CITY OF ONALASKA, WISCONSIN**

### **Management's Discussion and Analysis**

As management of the City of Onalaska, we offer readers of the City of Onalaska's financial statements this narrative overview and analysis of the financial activities of the City of Onalaska for the fiscal year ended December 31, 2020. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the City's financial statements, which follow this narrative.

#### **FINANCIAL HIGHLIGHTS**

- The assets and deferred outflows of resources of the City of Onalaska exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$71,812,635 (*net position*).
- The City's total net position decreased by \$1,252,590 during 2020.
- As of the close of the current fiscal year, the City of Onalaska's governmental funds reported combined ending fund balances of \$15,951,337, an increase of \$285,624 in comparison with the prior year. Approximately \$8,582,159 of this total amount, or 54 percent, is available for spending at the City's discretion (*unassigned*).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$9,096,017, or 94 percent of total General Fund expenditures for the fiscal year.
- The City of Onalaska's total debt decreased by \$540,726 or 1 percent during the current fiscal year.
- The City of Onalaska maintains an Aa-2 bond rating.

#### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the City of Onalaska's basic financial statements, which consist of three components (see Diagram 1):

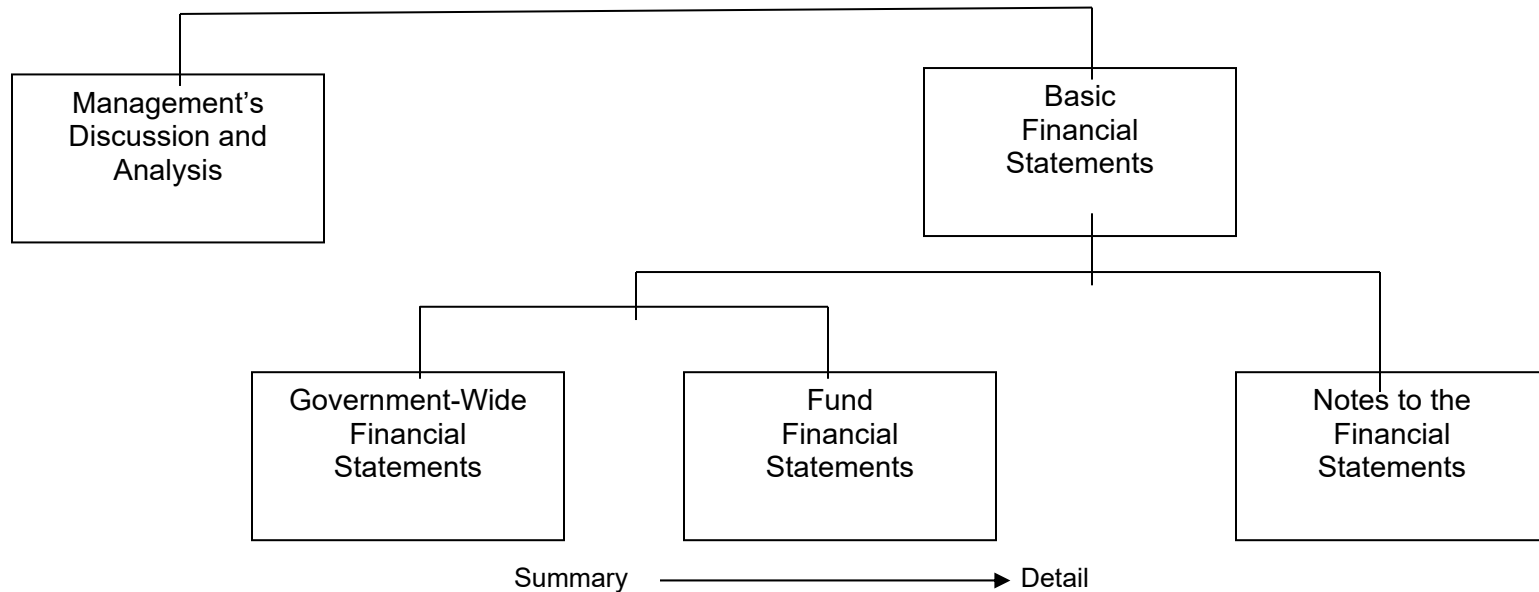
- (1) Government-wide financial statements, providing information for the City as a whole;
- (2) Fund financial statements, providing detailed information for the City's significant funds, and
- (3) Notes to the financial statements, providing additional information that is essential to understanding the government-wide and fund statements.

The basic financial statements present two different views of the City through the use of government-wide statements and fund financial statements.

In addition to the basic financial statements, this report contains other supplementary information that will enhance the reader's understanding of the financial condition of the City of Onalaska.



**Diagram 1**  
**Required Components of the Annual Financial Report**



**BASIC FINANCIAL STATEMENTS**

The first two statements in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the City's financial status, in a manner similar to a private-sector business:

1. **Statement of Net Position:** presents information on all of the City's assets and deferred outflows of resources, and liabilities and deferred inflows of resources with the difference between the two groups reported as *net position*. Over time, increases or decreases in net position may serve as a useful gauge of whether the City's financial situation is improving or deteriorating.
2. **Statement of Activities:** presents information showing how the City's net position changed during the most recent fiscal year.

The next statements are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the City's Government. These statements provide more detail than the Government-wide statements mentioned above. There are three parts to the Fund Financial Statements:

1. Governmental fund statements;
2. Proprietary fund statements; and

3. Fiduciary fund statements.

The next section of the basic financial statements is the **Notes** section. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **Supplementary Information** is provided to show details about the City's individual funds. Budgetary information required by the Wisconsin State Statutes also can be found in this part of the statements.

**A. Government-Wide Financial Statements**

As noted above, the two Government-wide statements report the City's net position and how it has changed. Net position is the difference between the City's total assets and deferred outflows or resources, and total liabilities and deferred inflows of resources.

The Government-wide statements are divided into three categories:

1. Governmental activities, which include most of the City's basic services such as public safety, parks and recreation, and general administration. Property taxes and state and federal grant funds finance most of these activities.
2. Business-type activities, which are those that the City charges customers to provide. These include the water, sewer, and storm water services, cemetery, tourism, Gundersen Lutheran parking ramp, and Omni Center activities offered by the City of Onalaska.
3. Component units, which although are legally separate from the City, are fiscally dependent upon the City because the Council approves the budget, levies taxes, and issues general obligation debt for the unit. The City has one component unit, the Community Development Authority, which consists of the CDA Management Fund.

**B. Fund Financial Statements**

The fund financial statements provide a more detailed look at the City's most significant activities. 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 of Onalaska, like all other governmental entities in Wisconsin, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the State of Wisconsin Statutes or the City's budget ordinance.

All of the funds of the City of Onalaska can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

- **Governmental Funds**

Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the City's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash, flow in and out, and what monies are left at year-end that will be available for spending the next year. Governmental funds are reported using an accounting method called *modified accrual accounting*, which provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the City's programs. The relationship between government activities (reported in the Statement of Net position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The City of Onalaska adopts an annual budget for its General Fund, as required by the State of Wisconsin Statutes. The budget is a legally adopted document that incorporates input from the citizens of the City, the management of the City, and the decisions of the Common Council about which services to provide and how to pay for them. It also authorizes the City to obtain funds from identified sources to finance these current period activities.

The budgetary statement provided for the General Fund demonstrates how well the City complied with the budget ordinance and whether or not the City succeeded in providing the services as planned when the budget was adopted. The budgetary comparison schedule (see page 51) uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns:

1. The original budget as adopted by the Common Council;
2. The final budget as amended by the Common Council;
3. The actual resources, charges to appropriations, and ending balances in the General Fund; and
4. The difference or variance between the final budget and the actual resources and charges.

- ***Proprietary Funds***

The City of Onalaska has one kind of proprietary fund, Enterprise Funds. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Onalaska uses enterprise funds to account for its water, sewer, and storm water activity, and for its cemetery, tourism, Gundersen Lutheran parking ramp, and Omni Center activity. These funds are the same as those functions shown in the business-type activities in the Statement of Net position and the Statement of Activities.

- ***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 of Onalaska's own programs. The City of Onalaska has a fiduciary fund in the Tax Agency Fund, which records the tax roll and tax collections for other taxing jurisdictions within the City of Onalaska.

### **C. *Notes to the Financial Statements***

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on pages 30 through 56 of this report.

### ***Other Information***

In addition to the basic financial statements and accompanying notes, this report includes the combining statements referred to earlier in connection with non-major government funds, non-major enterprise funds, and information required by the 2015 water and sewer revenue bonds.

Required supplementary information can be found beginning on pages 57 through 60 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Figure 1**

**CITY OF ONALASKA'S NET POSITION**

|   | GOVERNMENTAL ACTIVITIES     |                             |                            | BUSINESS-TYPE ACTIVITIES    |                             |                            | TOTAL                       |                             |                              |
|---|-----------------------------|-----------------------------|----------------------------|-----------------------------|-----------------------------|----------------------------|-----------------------------|-----------------------------|------------------------------|
|   | 2020                        | 2019                        | Change                     | 2020                        | 2019                        | Change                     | 2020                        | 2019                        | Change                       |
| Current & Other Assets                                    | \$ 30,299,822               | \$ 28,714,411               | \$ 1,585,411               | \$ 8,283,482                | \$ 12,119,404               | \$ (3,835,922)             | \$ 38,583,304               | \$ 40,833,815               | \$ (2,250,511)               |
| Capital Assets  | 49,468,549                  | 47,739,396                  | 1,729,153                  | 58,514,628                  | 56,710,065                  | 1,804,563                  | 107,983,177                 | 104,449,461                 | 3,533,716                    |
| Deferred Outflows of Resources                            | 3,817,124                   | 6,525,932                   | (2,708,808)                | 898,702                     | 1,571,454                   | (672,752)                  | 4,715,826                   | 8,097,386                   | (3,381,560)                  |
| Total Assets and<br>Deferred Outflows<br>of Resources     | <u>83,585,495</u>           | <u>82,979,739</u>           | <u>605,756</u>             | <u>67,696,812</u>           | <u>70,400,923</u>           | <u>(2,704,111)</u>         | <u>151,282,307</u>          | <u>153,380,662</u>          | <u>(2,098,355)</u>           |
| Long-Term Liabilities Outstanding                         | 31,409,209                  | 30,196,694                  | 1,212,515                  | 24,979,382                  | 26,732,623                  | (1,753,241)                | 56,388,591                  | 56,929,317                  | (540,726)                    |
| Other Liabilities   | 4,128,003                   | 4,408,274                   | (280,271)                  | 2,105,806                   | 2,207,582                   | (101,776)                  | 6,233,809                   | 6,615,856                   | (382,047)                    |
| Deferred Inflows of Resources                             | 15,781,933                  | 15,595,947                  | 185,986                    | 1,065,339                   | 1,174,317                   | (108,978)                  | 16,847,272                  | 16,770,264                  | 77,008                       |
| Total Liabilities and<br>Deferred Inflows<br>of Resources | <u>51,319,145</u>           | <u>50,200,915</u>           | <u>1,118,230</u>           | <u>28,150,527</u>           | <u>30,114,522</u>           | <u>(1,963,995)</u>         | <u>79,469,672</u>           | <u>80,315,437</u>           | <u>(845,765)</u>             |
| Net Position  |                             |                             |                            |                             |                             |                            |                             |                             |                              |
| Net Investment in Capital                                 |                             |                             |                            |                             |                             |                            |                             |                             |                              |
| Assets  | 17,555,874                  | 18,598,946                  | (1,043,072)                | 33,800,211                  | 33,809,745                  | (9,534)                    | 51,356,085                  | 52,408,691                  | (1,052,606)                  |
| Restricted  | 5,852,174                   | 4,737,631                   | 1,114,543                  | 2,669,832                   | 1,343,510                   | 1,326,322                  | 8,522,006                   | 6,081,141                   | 2,440,865                    |
| Unrestricted  | 8,858,302                   | 9,442,247                   | (583,945)                  | 3,076,242                   | 5,133,146                   | (2,056,904)                | 11,934,544                  | 14,575,393                  | (2,640,849)                  |
| <b>Total Net Position</b>                                 | <b><u>\$ 32,266,350</u></b> | <b><u>\$ 32,778,824</u></b> | <b><u>\$ (512,474)</u></b> | <b><u>\$ 39,546,285</u></b> | <b><u>\$ 40,286,401</u></b> | <b><u>\$ (740,116)</u></b> | <b><u>\$ 71,812,635</u></b> | <b><u>\$ 73,065,225</u></b> | <b><u>\$ (1,252,590)</u></b> |

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of resources of the City of Onalaska exceeded liabilities and deferred inflows of resources by \$71,812,635 as of December 31, 2020 (See Figure 1). The City's net position decreased by \$1,252,590 for the fiscal year ended December 31, 2020. By far, the largest portion (72%) reflects the City's investment in capital assets (e.g. land, buildings, machinery, and equipment); less any related debt still outstanding that was issued to acquire those items. The City of Onalaska uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Onalaska's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities.

**Governmental Activities.** Governmental activities decreased the City's net position by \$512,474 (see Figure 1).

**Business-type Activities.** Business-type activities decreased the City's net position by \$740,116 (see Figure 1).

Figure 2

CITY OF ONALASKA'S CHANGE IN NET POSITION

|   | GOVERNMENTAL ACTIVITIES |                      |                     | BUSINESS-TYPE ACTIVITIES |                      |                     | TOTAL                |                      |                       |
|---|-------------------------|----------------------|---------------------|--------------------------|----------------------|---------------------|----------------------|----------------------|-----------------------|
|   | 2020                    | 2019                 | Change              | 2020                     | 2019                 | Change              | 2020                 | 2019                 | Change                |
| <b>REVENUE</b>  |                         |                      |                     |                          |                      |                     |                      |                      |                       |
| Program Revenue   |                         |                      |                     |                          |                      |                     |                      |                      |                       |
| Charges for services  | \$ 1,255,873            | \$ 1,617,178         | \$ (361,305)        | \$ 6,402,509             | \$ 5,764,006         | \$ 638,503          | \$ 7,658,382         | \$ 7,381,184         | \$ 277,198            |
| Operating grants and contributions                            | 2,190,760               | 1,675,408            | 515,352             | 228,157                  | 140,406              | 87,751              | 2,418,917            | 1,815,814            | 603,103               |
| Capital grants and contributions                              | 22,760                  | 140,427              | (117,667)           | 400,390                  | 176,381              | 224,009             | 423,150              | 316,808              | 106,342               |
| General Revenue   |                         |                      |                     |                          |                      |                     |                      |                      |                       |
| Property taxes, levied for general purposes                   | 11,370,151              | 10,724,752           | 645,399             | 320,929                  | 315,689              | 5,240               | 11,691,080           | 11,040,441           | 650,639               |
| Other taxes   | 267,800                 | 314,707              | (46,907)            | 388,401                  | 691,810              | (303,409)           | 656,201              | 1,006,517            | (350,316)             |
| Intergovernmental revenue not restricted to specific programs | 735,677                 | 780,012              | (44,335)            | 52,477                   | 79,236               | (26,759)            | 788,154              | 859,248              | (71,094)              |
| Interest and investment income                                | 158,894                 | 570,375              | (411,481)           | 72,150                   | 130,598              | (58,448)            | 231,044              | 700,973              | (469,929)             |
| Gain of sale of City property                                 | -                       | -                    | -                   | -                        | 3,021                | (3,021)             | -                    | 3,021                | (3,021)               |
| Miscellaneous   | 570,289                 | 1,885,199            | (1,314,910)         | 36,964                   | 50,066               | (13,102)            | 607,253              | 1,935,265            | (1,328,012)           |
| <b>TOTAL REVENUE</b>  | <b>16,572,204</b>       | <b>17,708,058</b>    | <b>(1,135,854)</b>  | <b>7,901,977</b>         | <b>7,351,213</b>     | <b>550,764</b>      | <b>24,474,181</b>    | <b>25,059,271</b>    | <b>(585,090)</b>      |
| <b>EXPENSES</b>   |                         |                      |                     |                          |                      |                     |                      |                      |                       |
| General government  | 3,547,157               | 3,021,363            | 525,794             | -                        | -                    | -                   | 3,547,157            | 3,021,363            | 525,794               |
| Public safety   | 6,027,464               | 5,946,047            | 81,417              | -                        | -                    | -                   | 6,027,464            | 5,946,047            | 81,417                |
| Public works  | 4,938,515               | 4,728,112            | 210,403             | -                        | -                    | -                   | 4,938,515            | 4,728,112            | 210,403               |
| Health and human services                                     | 73,691                  | 70,182               | 3,509               | -                        | -                    | -                   | 73,691               | 70,182               | 3,509                 |
| Culture, recreation, and education                            | 1,655,221               | 1,899,881            | (244,660)           | -                        | -                    | -                   | 1,655,221            | 1,899,881            | (244,660)             |
| Conservation and development                                  | 161,407                 | 132,301              | 29,106              | -                        | -                    | -                   | 161,407              | 132,301              | 29,106                |
| Interest and fiscal charges                                   | 961,899                 | 941,382              | 20,517              | -                        | -                    | -                   | 961,899              | 941,382              | 20,517                |
| Water   | -                       | -                    | -                   | 2,735,189                | 2,534,921            | 200,268             | 2,735,189            | 2,534,921            | 200,268               |
| Sewer   | -                       | -                    | -                   | 2,845,013                | 2,632,461            | 212,552             | 2,845,013            | 2,632,461            | 212,552               |
| Storm Water   | -                       | -                    | -                   | 1,257,234                | 1,318,014            | (60,780)            | 1,257,234            | 1,318,014            | (60,780)              |
| Cemetery  | -                       | -                    | -                   | 111,871                  | 104,485              | 7,386               | 111,871              | 104,485              | 7,386                 |
| Tourism   | -                       | -                    | -                   | 443,054                  | 528,708              | (85,654)            | 443,054              | 528,708              | (85,654)              |
| Gundersen Lutheran parking ramp                               | -                       | -                    | -                   | 218,160                  | 224,964              | (6,804)             | 218,160              | 224,964              | (6,804)               |
| Omni Center   | -                       | -                    | -                   | 580,333                  | 661,558              | (81,225)            | 580,333              | 661,558              | (81,225)              |
| <b>TOTAL EXPENSES</b>   | <b>17,365,354</b>       | <b>16,739,268</b>    | <b>626,086</b>      | <b>8,190,854</b>         | <b>8,005,111</b>     | <b>185,743</b>      | <b>25,556,208</b>    | <b>24,744,379</b>    | <b>811,829</b>        |
| <b>CHANGE IN NET POSITION BEFORE TRANSFERS</b>                | <b>(793,150)</b>        | <b>968,790</b>       | <b>(1,761,940)</b>  | <b>(288,877)</b>         | <b>(653,898)</b>     | <b>365,021</b>      | <b>(1,082,027)</b>   | <b>314,892</b>       | <b>(1,396,919)</b>    |
| <b>TRANSFERS</b>  | <b>280,676</b>          | <b>342,294</b>       | <b>(61,618)</b>     | <b>(280,676)</b>         | <b>(349,794)</b>     | <b>69,118</b>       | <b>-</b>             | <b>(7,500)</b>       | <b>7,500</b>          |
| <b>CHANGE IN NET POSITION</b>                                 | <b>(512,474)</b>        | <b>1,311,084</b>     | <b>(1,823,558)</b>  | <b>(569,553)</b>         | <b>(1,003,692)</b>   | <b>434,139</b>      | <b>(1,082,027)</b>   | <b>307,392</b>       | <b>(1,389,419)</b>    |
| <b>NET POSITION, BEGINNING OF YEAR 1/1</b>                    | <b>32,778,824</b>       | <b>31,467,740</b>    | <b>1,311,084</b>    | <b>40,286,401</b>        | <b>41,290,093</b>    | <b>(1,003,692)</b>  | <b>73,065,225</b>    | <b>72,757,833</b>    | <b>307,392</b>        |
| <b>PRIOR PERIOD ADJUSTMENT</b>                                | <b>-</b>                | <b>-</b>             | <b>-</b>            | <b>(170,563)</b>         | <b>-</b>             | <b>(170,563)</b>    | <b>(170,563)</b>     | <b>-</b>             | <b>(170,563)</b>      |
| <b>NET POSITION, END OF YEAR, 12/31</b>                       | <b>\$ 32,266,350</b>    | <b>\$ 32,778,824</b> | <b>\$ (512,474)</b> | <b>\$ 39,546,285</b>     | <b>\$ 40,286,401</b> | <b>\$ (740,116)</b> | <b>\$ 71,812,635</b> | <b>\$ 73,065,225</b> | <b>\$ (1,252,590)</b> |

## **FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

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

**Governmental Funds.** The focus of the City of Onalaska's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the City of Onalaska's financing requirements. Specifically, the unreserved fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The general fund is the chief operating fund of the City of Onalaska. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$8,582,159, while the total fund balance reached \$9,096,017. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and the total fund balance to total fund expenditures. The unassigned fund balance represents 91 percent of the total General Fund expenditures, while total fund balance represents 96 percent of that same amount.

At December 31, 2020, the governmental funds of the City of Onalaska reported a combined fund balance of \$15,951,337, a 2 percent increase over last year. Included in this change in fund balance is an increase in Fund Balance for the Capital Projects Fund.

**General Fund Budgetary Highlights:** During the fiscal year, the City revised the budget on several occasions. Generally, budget amendments fall into one of three categories:

- (1) Amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available;
- (2) Amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and
- (3) Increases in appropriations that become necessary to maintain services.

**Proprietary Funds.** The City of Onalaska's proprietary funds provide the same type of information found in the government-wide statements, but in more detail. Unrestricted net position of the Water, Sewer, Storm Water and Gundersen Lutheran parking ramp departments at the end of the fiscal year amounted to \$3,686,899; the Cemetery, Tourism and Omni Center amounted to \$309,057. The total change in unrestricted net position was (\$457,006) for Water, Sewer, Storm Water and Gundersen Lutheran parking ramp and (\$112,547) for Cemetery, Tourism and Omni Center. Other factors concerning the finances of these funds have already been addressed in the discussion of the City of Onalaska's business-type activities.

### ***Capital Asset and Debt Administration***

**Capital assets.** The City of Onalaska's capital assets for its governmental and business-type activities as of December 31, 2020, totals \$107,983,177 (net of accumulated depreciation). These assets include buildings, roads, bridges, land, machinery and equipment, park facilities, and vehicles.

Major capital asset transactions during the year include the following additions and disposals:

Additions:

- City Hall roof.
- 6<sup>th</sup> Avenue N. Sewer Lift reconstruction
- Aquatic Center resurfacing
- State Hwy 157 project
- Addition to Public Work facility (156' x 60')
- Fire truck
- Court Street lift station
- Sewer cured in place pipe
- Green Coulee and Main intersection design

Disposals:

- Trade-in and/or sale of vehicles and equipment.

**Figure 3**

**CITY OF ONALASKA'S CAPITAL ASSETS**

|                                | GOVERNMENTAL ACTIVITIES    |                            |                            | BUSINESS-TYPE ACTIVITIES   |                            |                            | TOTAL                       |                             |                            |
|--------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|-----------------------------|-----------------------------|----------------------------|
|                                | 2020                       | 2019                       | Change                     | 2020                       | 2019                       | Change                     | 2020                        | 2019                        | Change                     |
| Land                           | \$ 3,627,961               | \$ 3,627,961               | \$ -                       | \$ 1,421,641               | \$ 1,421,641               | \$ -                       | \$ 5,049,602                | \$ 5,049,602                | \$ -                       |
| Buildings                      | 24,416,455                 | 24,013,723                 | 402,732                    | 18,008,534                 | 14,945,077                 | 3,063,457                  | 42,424,989                  | 38,958,800                  | 3,466,189                  |
| Infrastructure                 | 48,551,531                 | 47,331,012                 | 1,220,519                  | 63,514,937                 | 65,777,655                 | (2,262,718)                | 112,066,468                 | 113,108,667                 | (1,042,199)                |
| Improvements                   | 4,732,673                  | 4,730,492                  | 2,181                      | -                          | -                          | -                          | 4,732,673                   | 4,730,492                   | 2,181                      |
| Machinery & Equipment          | 9,742,996                  | 11,086,552                 | (1,343,556)                | 7,928,142                  | 5,946,663                  | 1,981,479                  | 17,671,138                  | 17,033,215                  | 637,923                    |
| Construction in Progress       | 1,215,878                  | 276,733                    | 939,145                    | 1,893,643                  | 1,477,691                  | 415,952                    | 3,109,521                   | 1,754,424                   | 1,355,097                  |
| Less: Accumulated Depreciation | (42,818,945)               | (43,327,077)               | 508,132                    | (34,252,269)               | (32,858,662)               | (1,393,607)                | (77,071,214)                | (76,185,739)                | (885,475)                  |
| <b>TOTAL</b>                   | <b><u>\$49,468,549</u></b> | <b><u>\$47,739,396</u></b> | <b><u>\$ 1,729,153</u></b> | <b><u>\$58,514,628</u></b> | <b><u>\$56,710,065</u></b> | <b><u>\$ 1,804,563</u></b> | <b><u>\$107,983,177</u></b> | <b><u>\$104,449,461</u></b> | <b><u>\$ 3,533,716</u></b> |

Additional information on the City's capital assets can be found in Note 4 of the Basic Financial Statements.

**Figure 4**

**CITY OF ONALASKA'S OUTSTANDING LONG-TERM OBLIGATIONS**

|                                | GOVERNMENTAL ACTIVITIES    |                            |                            | BUSINESS-TYPE ACTIVITIES   |                            |                              | TOTAL                      |                            |                          |
|--------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|------------------------------|----------------------------|----------------------------|--------------------------|
|                                | 2020                       | 2019                       | Change                     | 2020                       | 2019                       | Change                       | 2020                       | 2019                       | Change                   |
| General Obligation Bonds/Notes | \$32,317,711               | \$29,898,316               | \$ 2,419,395               | \$11,392,188               | \$12,213,144               | \$ (820,956)                 | \$43,709,899               | \$42,111,460               | \$ 1,598,439             |
| Mortgage Revenue Bonds         | -                          | -                          | -                          | 14,565,965                 | 15,158,791                 | (592,826)                    | 14,565,965                 | 15,158,791                 | (592,826)                |
| Other Long-Term Obligations    | 701,686                    | 732,288                    | (30,602)                   | 195,249                    | 191,783                    | 3,466                        | 896,935                    | 924,071                    | (27,136)                 |
| <b>TOTAL</b>                   | <b><u>\$33,019,397</u></b> | <b><u>\$30,630,604</u></b> | <b><u>\$ 2,388,793</u></b> | <b><u>\$26,153,402</u></b> | <b><u>\$27,563,718</u></b> | <b><u>\$ (1,410,316)</u></b> | <b><u>\$59,172,799</u></b> | <b><u>\$58,194,322</u></b> | <b><u>\$ 978,477</u></b> |

**Long-Term Obligations.** As of December 31, 2020, the City of Onalaska had total long-term obligations outstanding of \$59,172,799, of which \$43,709,899 is backed by the full faith and credit of the City. The remainder of the debt represents bonds secured solely by specified revenue sources, such as revenue bonds.

The City of Onalaska's total debt decreased by \$978,479, or 2 percent during the past fiscal year.

State of Wisconsin statutes limit the amount of general obligation debt that a unit of government can issue to 5 percent of the total equalized valuation of taxable property located within the government's boundaries. The 2020 equalized valuation was \$2,169,131,500. The legal debt margin for the City of Onalaska is \$108,456,575. The City has a margin of indebtedness of \$65,442,230.

Additional information regarding the City of Onalaska's long-term debt can be found in Note 5 beginning on page 40 of this report.

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The following key economic indicators reflect the growth and prosperity of the City:

- Low unemployment. The Onalaska area's unemployment rate of 2.7 percent is below the State average of 3.2 percent.
- The City's population estimates indicate a 20-year projection of 25,000, a 32 percent increase over our current population (supported by a recent Geographic Information System study).
- The City's adjusted gross income per return is \$73,253, compared to the state average of \$59,423.
- The new construction valuation for 2019 was 41,789,058, down \$6,435,442 from 2018 which includes tax-exempt permits totaling \$3,329,478
- The City's portion of the mill rate decreased 6.93 percent.
- The City had a revaluation with an assessment ratio of 98.95 percent.
- The City created Tax Increment District #6 (TID #6) with a base value of \$-0-.

### **REQUESTS FOR INFORMATION**

This report is designed to provide an overview of the City's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Finance Director, City of Onalaska, 415 Main Street, Onalaska, WI 54650.



**CITY OF ONALASKA, WISCONSIN**  
**BASIC FINANCIAL STATEMENTS**

**CITY OF ONALASKA, WISCONSIN**  
**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**CITY OF ONALASKA, WISCONSIN**

**STATEMENT OF NET POSITION**

**DECEMBER 31, 2020**

| <u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u>           | PRIMARY GOVERNMENT              |                                 |                                 | COMPONENT<br>UNIT            |
|--|---------------------------------|---------------------------------|---------------------------------|------------------------------|
|  | GOVERNMENTAL<br>ACTIVITIES      | BUSINESS-TYPE<br>ACTIVITIES     | TOTAL                           |                              |
| <b>ASSETS</b>  |                                 |                                 |                                 |                              |
| Cash and investments                                       | \$ 17,959,918                   | \$ 2,018,094                    | \$ 19,978,012                   | \$ 444,466                   |
| Restricted cash and investments                            | -                               | 2,185,188                       | 2,185,188                       | -                            |
| Receivables  |                                 |                                 |                                 |                              |
| Taxes  | 11,557,167                      | 321,174                         | 11,878,341                      | -                            |
| Delinquent personal property taxes                         | 6,801                           | -                               | 6,801                           | -                            |
| Accounts   | 2,916                           | 1,365,165                       | 1,368,081                       | -                            |
| Interest   | -                               | 2                               | 2                               | -                            |
| Special assessments  | 17,341                          | 5,081                           | 22,422                          | -                            |
| Other, net of allowance for doubtful accounts              | 131,090                         | 139,801                         | 270,891                         | -                            |
| Internal balances  | (1,439,205)                     | 1,439,350                       | 145                             | (145)                        |
| Due from other governments                                 | 347,480                         | 80,878                          | 428,358                         | -                            |
| Net pension asset (Wisconsin Retirement System)            | 1,390,368                       | 244,904                         | 1,635,272                       | -                            |
| Inventories  | -                               | 141,237                         | 141,237                         | -                            |
| Prepaid items  | 50,362                          | 7,795                           | 58,157                          | -                            |
| Special assessments  | 275,584                         | 334,813                         | 610,397                         | -                            |
| Capital assets, net of accumulated depreciation            |                                 |                                 |                                 |                              |
| Land and construction in progress                          | 4,843,839                       | 3,315,284                       | 8,159,123                       | -                            |
| Buildings, systems, and equipment                          | 44,624,710                      | 55,199,344                      | 99,824,054                      | -                            |
| <b>TOTAL ASSETS</b>  | <u>79,768,371</u>               | <u>66,798,110</u>               | <u>146,566,481</u>              | <u>444,321</u>               |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                      |                                 |                                 |                                 |                              |
| Loss on refunding  | 313,589                         | 281,576                         | 595,165                         | -                            |
| Wisconsin Retirement System pension                        | 3,349,305                       | 589,960                         | 3,939,265                       | -                            |
| Wisconsin Retirement System LRLIF                          | 154,230                         | 27,166                          | 181,396                         | -                            |
| <b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>                | <u>3,817,124</u>                | <u>898,702</u>                  | <u>4,715,826</u>                | <u>-</u>                     |
| <br><b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b> | <br><u><b>\$ 83,585,495</b></u> | <br><u><b>\$ 67,696,812</b></u> | <br><u><b>\$151,282,307</b></u> | <br><u><b>\$ 444,321</b></u> |

(Continued on page 16)

The accompanying notes are an integral part of these financial statements.

**CITY OF ONALASKA, WISCONSIN**  
**STATEMENT OF NET POSITION - Continued**  
**DECEMBER 31, 2020**

| <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES,<br/>AND NET POSITION</u>       | PRIMARY GOVERNMENT         |                             |                      | COMPONENT<br>UNIT |
|---|----------------------------|-----------------------------|----------------------|-------------------|
|   | GOVERNMENTAL<br>ACTIVITIES | BUSINESS-TYPE<br>ACTIVITIES | TOTAL                |                   |
| <b>LIABILITIES</b>  |                            |                             |                      |                   |
| Accounts payable  | \$ 1,048,521               | \$ 237,069                  | \$ 1,285,590         | \$ -              |
| Accrued payroll and fringe benefits   | 88,158                     | 18,213                      | 106,371              | -                 |
| Accrued interest  | 229,727                    | 81,663                      | 311,390              | -                 |
| Accrued liabilities   | 1,152                      | 28,762                      | 29,914               | -                 |
| Unearned revenue - other  | -                          | 2,388                       | 2,388                | -                 |
| Current portion of long-term obligations<br>Payable from restricted assets    | 2,760,445                  | 1,055,757                   | 3,816,202            | -                 |
| Accrued interest  | -                          | 76,574                      | 76,574               | -                 |
| Current portion of long-term debt   | -                          | 605,380                     | 605,380              | -                 |
| Long-term obligations   |                            |                             |                      |                   |
| General obligation bonds and notes  | 29,711,041                 | 10,388,783                  | 40,099,824           | -                 |
| Mortgage revenue bonds  | -                          | 13,960,585                  | 13,960,585           | -                 |
| Premium on long-term debt   | 703,108                    | 390,254                     | 1,093,362            | -                 |
| Net OPEB liability (Wisconsin Retirement<br>System LRLIF)                     | 363,543                    | 64,035                      | 427,578              | -                 |
| Compensated absences  | 631,517                    | 175,725                     | 807,242              | -                 |
| <b>TOTAL LIABILITIES</b>  | <b>35,537,212</b>          | <b>27,085,188</b>           | <b>62,622,400</b>    | -                 |
| <b>DEFERRED INFLOWS OF RESOURCES</b>  |                            |                             |                      |                   |
| Wisconsin Retirement System pension   | 4,165,692                  | 733,760                     | 4,899,452            | -                 |
| Wisconsin Retirement System LRLIF   | 59,074                     | 10,405                      | 69,479               | -                 |
| Unavailable revenue - tax roll  | 11,557,167                 | 321,174                     | 11,878,341           | -                 |
| <b>TOTAL DEFERRED INFLOWS OF<br/>    RESOURCES</b>                            | <b>15,781,933</b>          | <b>1,065,339</b>            | <b>16,847,272</b>    | -                 |
| <b>NET POSITION</b>   |                            |                             |                      |                   |
| Net investment in capital assets  | 17,555,874                 | 33,800,211                  | 51,356,085           | -                 |
| Restricted for:   |                            |                             |                      |                   |
| Debt service  | 695,554                    | 1,503,234                   | 2,198,788            | -                 |
| Capital projects  | 1,172,226                  | -                           | 1,172,226            | -                 |
| Special revenue   | 2,605,026                  | -                           | 2,605,026            | -                 |
| WRS pension   | 1,390,368                  | 242,904                     | 1,633,272            | -                 |
| Other   | -                          | 2,000                       | 2,000                | -                 |
| Unrestricted  | 8,847,302                  | 3,997,936                   | 12,845,238           | 444,321           |
| <b>TOTAL NET POSITION</b>   | <b>32,266,350</b>          | <b>39,546,285</b>           | <b>71,812,635</b>    | <b>444,321</b>    |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS<br/>OR RESOURCES, AND NET POSITION</b> | <b>\$ 83,585,495</b>       | <b>\$ 67,696,812</b>        | <b>\$151,282,307</b> | <b>\$ 444,321</b> |

The accompanying notes are an integral part of these financial statements.



**CITY OF ONALASKA, WISCONSIN**  
**FUND FINANCIAL STATEMENTS**

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

|   | GENERAL<br>FUND      | DEBT<br>SERVICE     | 2020<br>CAPITAL<br>PROJECTS | NONMAJOR<br>GOVERNMENTAL<br>FUNDS | TOTAL<br>GOVERNMENTAL<br>FUNDS |
|---|----------------------|---------------------|-----------------------------|-----------------------------------|--------------------------------|
| <b>ASSETS</b>   |                      |                     |                             |                                   |                                |
| Cash and investments  | \$ 9,039,437         | \$ 697,518          | \$ 1,045,675                | \$ 7,177,288                      | \$ 17,959,918                  |
| Receivables   |                      |                     |                             |                                   |                                |
| Taxes   | 6,669,530            | 3,523,461           |                             | 1,364,176                         | 11,557,167                     |
| Delinquent personal property taxes  | 6,801                | -                   | -                           | -                                 | 6,801                          |
| Special assessments   | 292,925              | -                   | -                           | -                                 | 292,925                        |
| Other, net of allowance for doubtful accounts                             | 97,401               | -                   | -                           | 36,605                            | 134,006                        |
| Due from other governments  | -                    | -                   | -                           | 347,480                           | 347,480                        |
| Prepaid items   | 50,362               | -                   | -                           | -                                 | 50,362                         |
| Due from other funds  | 197,966              | -                   | -                           | 59,813                            | 257,779                        |
|   | <u>\$ 16,354,422</u> | <u>\$ 4,220,979</u> | <u>\$ 1,045,675</u>         | <u>\$ 8,985,362</u>               | <u>\$ 30,606,438</u>           |
| <b>TOTAL ASSETS</b>   |                      |                     |                             |                                   |                                |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>      |                      |                     |                             |                                   |                                |
| <b>LIABILITIES</b>  |                      |                     |                             |                                   |                                |
| Accounts payable  | \$ 237,305           | \$ -                | \$ 147,830                  | \$ 663,386                        | \$ 1,048,521                   |
| Accrued payroll and fringe benefits                                       | 87,299               | -                   | -                           | 859                               | 88,158                         |
| Accrued liabilities   | 1,152                | -                   | -                           | -                                 | 1,152                          |
| Due to other funds  | -                    | 1,964               | 158,356                     | 1,536,664                         | 1,696,984                      |
| <b>TOTAL LIABILITIES</b>  | <u>325,756</u>       | <u>1,964</u>        | <u>306,186</u>              | <u>2,200,909</u>                  | <u>2,834,815</u>               |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                      |                      |                     |                             |                                   |                                |
| Unavailable revenue   |                      |                     |                             |                                   |                                |
| Tax roll  | 6,669,530            | 3,523,461           | -                           | 1,364,176                         | 11,557,167                     |
| Special assessments   | 263,119              | -                   | -                           | -                                 | 263,119                        |
| <b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>                                | <u>6,932,649</u>     | <u>3,523,461</u>    | <u>-</u>                    | <u>1,364,176</u>                  | <u>11,820,286</u>              |
| <b>FUND BALANCES</b>  |                      |                     |                             |                                   |                                |
| Nonspendable  | 50,362               | -                   | -                           | -                                 | 50,362                         |
| Restricted  | -                    | 695,554             | 739,489                     | 3,037,763                         | 4,472,806                      |
| Committed   | -                    | -                   | -                           | 2,410,716                         | 2,410,716                      |
| Assigned  | 463,496              | -                   | -                           | -                                 | 463,496                        |
| Unassigned  | 8,582,159            | -                   | -                           | (28,202)                          | 8,553,957                      |
| <b>TOTAL FUND BALANCES</b>  | <u>9,096,017</u>     | <u>695,554</u>      | <u>739,489</u>              | <u>5,420,277</u>                  | <u>15,951,337</u>              |
|   | <u>\$ 16,354,422</u> | <u>\$ 4,220,979</u> | <u>\$ 1,045,675</u>         | <u>\$ 8,985,362</u>               | <u>\$ 30,606,438</u>           |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b> |                      |                     |                             |                                   |                                |

The accompanying notes are an integral part of these financial statements.

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

Fund balances - total governmental funds \$ 15,951,337

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 49,468,549

Deferred charges for loss on refunding are recognized as an expense in the funds but deferred on the statement of net position. 313,589

Some revenue is unavailable in the funds because they are not available to pay current period's expenditures. 263,119

Wisconsin Retirement System net pension asset, deferred outflows of resources, and deferred inflows of resources are not current financial resources and are not reported in fund statements. 573,981

Other post employment benefits deferred inflows of resources and deferred outflows of resources are not current financial resources and are not reported in the fund statements. 95,156

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities - both current and long-term - are reported in the statement of net position.

|                          |    |              |                     |
|--------------------------|----|--------------|---------------------|
| Accrued interest payable | \$ | (229,727)    |                     |
| Bonds and notes payable  |    | (32,317,711) |                     |
| Premium                  |    | (786,714)    |                     |
| LRLIF OPEB liability     |    | (363,543)    |                     |
| Compensated absences     |    | (701,686)    |                     |
|                          |    | (34,399,381) | <u>(34,399,381)</u> |

**TOTAL NET POSITION OF GOVERNMENTAL ACTIVITIES **\$ 32,266,350****

The accompanying notes are an integral part of these financial statements.



**CITY OF ONALASKA, WISCONSIN**  
**STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2020**

|   | GENERAL<br>FUND            | DEBT<br>SERVICE          | 2020<br>CAPITAL<br>PROJECTS | NONMAJOR<br>GOVERNMENTAL<br>FUNDS | TOTAL<br>GOVERNMENTAL<br>FUNDS |
|---|----------------------------|--------------------------|-----------------------------|-----------------------------------|--------------------------------|
| <b>REVENUE</b>  |                            |                          |                             |                                   |                                |
| Taxes   | \$ 6,811,276               | \$ 3,500,103             | \$ -                        | \$ 1,326,572                      | \$ 11,637,951                  |
| Special assessment                                      | 41,976                     | -                        | -                           | -                                 | 41,976                         |
| Intergovernmental                                       | 1,751,517                  | -                        | -                           | 850,985                           | 2,602,502                      |
| Licenses and permits                                    | 559,238                    | -                        | -                           | 446                               | 559,684                        |
| Fines, forfeits, and penalties                          | 119,838                    | -                        | -                           | 216,491                           | 336,329                        |
| Public charges for services                             | 47,049                     | -                        | -                           | 137,277                           | 184,326                        |
| Intergovernmental charges for services                  | 68,527                     | -                        | -                           | 164,492                           | 233,019                        |
| Miscellaneous   | 247,398                    | 5,302                    | 6,237                       | 547,230                           | 806,167                        |
| <b>TOTAL REVENUE</b>                                    | <u>9,646,819</u>           | <u>3,505,405</u>         | <u>6,237</u>                | <u>3,243,493</u>                  | <u>16,401,954</u>              |
| <b>EXPENDITURES</b>                                     |                            |                          |                             |                                   |                                |
| Current   |                            |                          |                             |                                   |                                |
| General government                                      | 1,651,197                  | -                        | -                           | 611,866                           | 2,263,063                      |
| Public safety   | 5,611,656                  | -                        | -                           | 27,154                            | 5,638,810                      |
| Public works  | 1,109,038                  | -                        | -                           | 1,744,717                         | 2,853,755                      |
| Health and human services                               | 73,691                     | -                        | -                           | -                                 | 73,691                         |
| Culture, recreation, and education                      | 826,782                    | -                        | -                           | 72,604                            | 899,386                        |
| Conservation and development                            | 160,969                    | -                        | -                           | -                                 | 160,969                        |
| Capital outlay  | -                          | -                        | 4,437,498                   | 1,688,655                         | 6,126,153                      |
| Debt service  |                            |                          |                             |                                   |                                |
| Principal   | -                          | 2,647,603                | -                           | -                                 | 2,647,603                      |
| Interest and fiscal charges                             | -                          | 904,326                  | 61,380                      | -                                 | 965,706                        |
| <b>TOTAL EXPENDITURES</b>                               | <u>9,433,333</u>           | <u>3,551,929</u>         | <u>4,498,878</u>            | <u>4,144,996</u>                  | <u>21,629,136</u>              |
| <b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b> | <u>213,486</u>             | <u>(46,524)</u>          | <u>(4,492,641)</u>          | <u>(901,503)</u>                  | <u>(5,227,182)</u>             |
| <b>OTHER FINANCING SOURCES (USES)</b>                   |                            |                          |                             |                                   |                                |
| Issuance of long-term debt                              | -                          | -                        | 5,067,000                   | -                                 | 5,067,000                      |
| Transfer in   | 437,782                    | -                        | -                           | 435,000                           | 872,782                        |
| Transfer out  | (435,000)                  | -                        | -                           | (157,106)                         | (592,106)                      |
| Premium on long-term debt                               | -                          | -                        | 165,130                     | -                                 | 165,130                        |
| <b>TOTAL OTHER FINANCING SOURCES</b>                    | <u>2,782</u>               | <u>-</u>                 | <u>5,232,130</u>            | <u>277,894</u>                    | <u>5,512,806</u>               |
| <b>NET CHANGE IN FUND BALANCE</b>                       | 216,268                    | (46,524)                 | 739,489                     | (623,609)                         | 285,624                        |
| <b>FUND BALANCE AT BEGINNING OF YEAR</b>                | <u>8,879,749</u>           | <u>742,078</u>           | <u>-</u>                    | <u>6,043,886</u>                  | <u>15,665,713</u>              |
| <b>FUND BALANCE AT END OF YEAR</b>                      | <u><b>\$ 9,096,017</b></u> | <u><b>\$ 695,554</b></u> | <u><b>\$ 739,489</b></u>    | <u><b>\$ 5,420,277</b></u>        | <u><b>\$ 15,951,337</b></u>    |

The accompanying notes are an integral part of these financial statements.

**CITY OF ONALASKA, WISCONSIN**  
**RECONCILIATION OF STATEMENT OF REVENUE, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE**  
**OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2020**

|  |  |                            |
|--|--|----------------------------|
| Net change in fund balances - total governmental funds   |  | \$ 285,624                 |
| <i>Amounts reported for governmental activities in the statement of activities are different because:</i>  |  |                            |
| The acquisition of capital assets are reported in the governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of   |  |                            |
| Capital outlay reported in governmental fund statements  |  | \$ 6,126,153               |
| Depreciation expense reported in the statement of activities   |  | <u>(3,267,957)</u>         |
| Amount by which capital outlays are greater than depreciation in the current period:   |  | 2,858,196                  |
| The net effect of various miscellaneous transactions involving capital assets (i.e., noncapitalized outlay and contributions) is to decrease net position:   |  | (1,129,041)                |
| Some capital assets acquired during the year were financed with long-term debt. The amount of the long-term debt is reported in the governmental funds as a source of financing. In the statement of net position however, long-term debt is not reported as a financing source, but rather constitutes a long-term liability. The amount of long-term debt issued in the governmental funds statement is: |  | (5,067,000)                |
| Wisconsin Retirement System net pension liability (asset), deferred outflows of resources, and deferred inflows of resources changes.  |  | 76,670                     |
| Wisconsin Retirement System LRLIF OPEB liability, deferred inflows of resources, and deferred outflows of resources changes:   |  | (33,347)                   |
| Certain employee benefits are reported in the government funds when amounts are paid. The statement of activities reports the value of benefits earned during the year.  |  |                            |
| This year the accrual of these benefits decreased by:  |  | 30,602                     |
| Certain revenue is unavailable in the governmental funds because they are not available to pay current period expenditures. In the statement of activities, these are recorded as revenue in the   |  | (20,457)                   |
| Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the statement of net position and does not affect the statement of activities.   |  |                            |
| The amount of long-term debt principal payments in the current year:   |  | 2,647,603                  |
| Governmental funds report the effect of premiums, discounts, and loss on refunding when debt is first issued, whereas, these amounts are deferred and amortized in the statement of activities.  |  |                            |
| The net effect of these differences in the current year:   |  | (149,151)                  |
| In governmental funds interest payments and other debt costs on outstanding debt are reported as an expenditure when paid. In the statement of activities, interest is reported as it accrues.   |  |                            |
| The amount of interest and other debt costs paid during the current period   |  | \$ 965,706                 |
| The amount of interest and other debt costs accrued during the current period  |  | <u>(977,879)</u>           |
| Interest and other debt costs paid is less than interest and other debt costs accrued by:  |  | <u>(12,173)</u>            |
| <b>CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES</b>  |  | <b><u>\$ (512,474)</u></b> |

The accompanying notes are an integral part of these financial statements.

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

| <u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u>       | <u>WATER</u>         | <u>SEWER</u>         | <u>STORM<br/>WATER</u> | <u>GUNDERSEN<br/>LUTHERAN<br/>PARKING RAMP</u> | <u>NONMAJOR<br/>ENTERPRISE<br/>FUNDS</u> | <u>TOTAL<br/>ENTERPRISE<br/>FUNDS</u> |
|--|----------------------|----------------------|------------------------|--|--|---------------------------------------|
| <b>ASSETS</b>  |                      |                      |                        |  |  |                                       |
| <b>CURRENT ASSETS</b>                                  |                      |                      |                        |  |  |                                       |
| Cash and investments                                   | \$ -                 | \$ 1,203,587         | \$ 254,509             | \$ 475   | \$ 559,523                               | \$ 2,018,094                          |
| Restricted cash and investments                        |                      |                      |                        |  |  |                                       |
| Revenue bond special redemption fund                   | 203,528              | 102,779              | 67,974                 | -  | -  | 374,281                               |
| Revenue bond depreciation fund                         | 475,000              | 400,000              | 40,000                 | -  | -  | 915,000                               |
| Reserve fund   | 462,369              | 279,475              | 154,063                | -  | -  | 895,907                               |
| Accounts receivable                                    |                      |                      |                        |  |  |                                       |
| Customer   | 511,771              | 546,949              | 267,772                | -  | 38,673                                   | 1,365,165                             |
| Taxes  | -                    | -                    | -                      | 321,174  | -  | 321,174                               |
| Other  | 49,951               | 58,880               | -                      | -  | 30,970                                   | 139,801                               |
| Interest receivable                                    | -                    | -                    | -                      | -  | 2  | 2                                     |
| Due from other funds                                   | 1,151,846            | 378,765              | 386,185                | -  | -  | 1,916,796                             |
| Due from other governments                             | -                    | -                    | -                      | -  | 80,878                                   | 80,878                                |
| Inventories  | 137,324              | -                    | -                      | -  | 3,913                                    | 141,237                               |
| Prepaid expense  | -                    | -                    | -                      | -  | 7,795                                    | 7,795                                 |
| <b>TOTAL CURRENT ASSETS</b>                            | <u>2,991,789</u>     | <u>2,970,435</u>     | <u>1,170,503</u>       | <u>321,649</u>                                 | <u>721,754</u>                           | <u>8,176,130</u>                      |
| <b>NONCURRENT ASSETS</b>                               |                      |                      |                        |  |  |                                       |
| <b>CAPITAL ASSETS</b>                                  |                      |                      |                        |  |  |                                       |
| Land   | 107,877              | 2,002                | 1,096,975              | -  | 214,787                                  | 1,421,641                             |
| Construction work in progress                          | 1,873,828            | -                    | -                      | -  | 19,815                                   | 1,893,643                             |
| Buildings  | 3,157,491            | 3,303,555            | 3,581,674              | 5,560,530                                      | 2,405,284                                | 18,008,534                            |
| Improvements other than buildings                      | 23,988,428           | 16,452,551           | 22,669,112             | -  | 404,846                                  | 63,514,937                            |
| Machinery and equipment                                | 4,701,232            | 2,481,435            | 656,740                | -  | 88,735                                   | 7,928,142                             |
| <b>TOTAL CAPITAL ASSETS</b>                            | <u>33,828,856</u>    | <u>22,239,543</u>    | <u>28,004,501</u>      | <u>5,560,530</u>                               | <u>3,133,467</u>                         | <u>92,766,897</u>                     |
| Less accumulated depreciation                          | 11,836,350           | 9,658,322            | 10,929,940             | 1,186,246                                      | 641,411                                  | 34,252,269                            |
| <b>NET CAPITAL ASSETS</b>                              | <u>21,992,506</u>    | <u>12,581,221</u>    | <u>17,074,561</u>      | <u>4,374,284</u>                               | <u>2,492,056</u>                         | <u>58,514,628</u>                     |
| <b>OTHER ASSETS</b>                                    |                      |                      |                        |  |  |                                       |
| Net pension asset (Wisconsin Retirement System)        | 98,186               | 69,744               | 29,789                 | -  | 47,185                                   | 244,904                               |
| Special assessments                                    | 192,843              | 147,051              | -                      | -  | -  | 339,894                               |
| <b>TOTAL OTHER ASSETS</b>                              | <u>291,029</u>       | <u>216,795</u>       | <u>29,789</u>          | <u>-</u>                                       | <u>47,185</u>                            | <u>584,798</u>                        |
| <b>TOTAL NONCURRENT ASSETS</b>                         | <u>22,283,535</u>    | <u>12,798,016</u>    | <u>17,104,350</u>      | <u>4,374,284</u>                               | <u>2,539,241</u>                         | <u>59,099,426</u>                     |
| <b>TOTAL ASSETS</b>                                    | <u>25,275,324</u>    | <u>15,768,451</u>    | <u>18,274,853</u>      | <u>4,695,933</u>                               | <u>3,260,995</u>                         | <u>67,275,556</u>                     |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                  |                      |                      |                        |  |  |                                       |
| Wisconsin Retirement System pension                    | 236,524              | 168,010              | 71,761                 | -  | 113,665                                  | 589,960                               |
| Wisconsin Retirement System LRLIF                      | 10,891               | 7,737                | 3,304                  | -  | 5,234                                    | 27,166                                |
| Loss on refunding                                      | 41,419               | 15,085               | 28,118                 | 196,954  | -  | 281,576                               |
| <b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>            | <u>288,834</u>       | <u>190,832</u>       | <u>103,183</u>         | <u>196,954</u>                                 | <u>118,899</u>                           | <u>898,702</u>                        |
| <b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b> | <u>\$ 25,564,158</u> | <u>\$ 15,959,283</u> | <u>\$ 18,378,036</u>   | <u>\$ 4,892,887</u>                            | <u>\$ 3,379,894</u>                      | <u>\$ 68,174,258</u>                  |

The accompanying notes are an integral part of these financial statements.

(Continued on page 23)

**CITY OF ONALASKA, WISCONSIN**  
**STATEMENT OF NET POSITION - Continued**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2020**

| <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</u>       | <u>WATER</u>         | <u>SEWER</u>         | <u>STORM<br/>WATER</u> | <u>GUNDERSEN<br/>LUTHERAN<br/>PARKING RAMP</u> | <u>NONMAJOR<br/>ENTERPRISE<br/>FUNDS</u> | <u>TOTAL<br/>ENTERPRISE<br/>FUNDS</u> |
|---|----------------------|----------------------|------------------------|--|--|---------------------------------------|
| <b>LIABILITIES</b>  |                      |                      |                        |  |  |                                       |
| <b>CURRENT LIABILITIES PAYABLE FROM CURRENT ASSETS</b>                    |                      |                      |                        |  |  |                                       |
| Accounts payable  | \$ 38,065            | \$ 120,551           | \$ 26,952              | \$ -   | \$ 51,501                                | \$ 237,069                            |
| Accrued liabilities   |                      |                      |                        |  |  |                                       |
| Payroll and fringe benefits   | 8,417                | 5,083                | 938                    | -  | 3,775                                    | 18,213                                |
| Interest  | 11,772               | 10,512               | 22,129                 | 26,647   | 10,603                                   | 81,663                                |
| Other   | -                    | -                    | -                      | -  | 28,762                                   | 28,762                                |
| Due to other funds  |                      | 248,014              | -                      | -  | 229,432                                  | 477,446                               |
| Unearned revenue - other  | 1,243                | 1,145                | -                      | -  | -  | 2,388                                 |
| Current portion of long-term obligations                                  | <u>171,457</u>       | <u>129,342</u>       | <u>246,720</u>         | <u>400,000</u>                                 | <u>108,238</u>                           | <u>1,055,757</u>                      |
| <b>TOTAL CURRENT LIABILITIES PAYABLE FROM CURRENT ASSETS</b>              | <u>230,954</u>       | <u>514,647</u>       | <u>296,739</u>         | <u>426,647</u>                                 | <u>432,311</u>                           | <u>1,901,298</u>                      |
| <b>CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS</b>                 |                      |                      |                        |  |  |                                       |
| Accrued revenue bond interest   | 43,225               | 21,825               | 11,524                 | -  | -  | 76,574                                |
| Current portion of revenue bonds  | <u>397,880</u>       | <u>122,500</u>       | <u>85,000</u>          | <u>-</u>                                       | <u>-</u>                                 | <u>605,380</u>                        |
| <b>TOTAL CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS</b>           | <u>441,105</u>       | <u>144,325</u>       | <u>96,524</u>          | <u>-</u>                                       | <u>-</u>                                 | <u>681,954</u>                        |
| <b>TOTAL CURRENT LIABILITIES</b>  | <u>672,059</u>       | <u>658,972</u>       | <u>393,263</u>         | <u>426,647</u>                                 | <u>432,311</u>                           | <u>2,583,252</u>                      |
| <b>NONCURRENT LIABILITIES</b>   |                      |                      |                        |  |  |                                       |
| Revenue bonds   | 8,293,085            | 3,617,500            | 2,050,000              | -  | -  | 13,960,585                            |
| General obligation bonds  | 1,588,662            | 1,458,505            | 2,521,890              | 3,205,000                                      | 1,614,726                                | 10,388,783                            |
| Premium on long-term debt   | 150,025              | 95,860               | 124,515                | -  | 19,854                                   | 390,254                               |
| Net OPEB liability (Wisconsin Retirement System LRLIF)                    | 25,673               | 18,236               | 7,789                  | -  | 12,337                                   | 64,035                                |
| Compensated absences  | <u>52,244</u>        | <u>53,445</u>        | <u>25,204</u>          | <u>-</u>                                       | <u>44,832</u>                            | <u>175,725</u>                        |
| <b>TOTAL NONCURRENT LIABILITIES</b>                                       | <u>10,109,689</u>    | <u>5,243,546</u>     | <u>4,729,398</u>       | <u>3,205,000</u>                               | <u>1,691,749</u>                         | <u>24,979,382</u>                     |
| <b>TOTAL LIABILITIES</b>  | <u>10,781,748</u>    | <u>5,902,518</u>     | <u>5,122,661</u>       | <u>3,631,647</u>                               | <u>2,124,060</u>                         | <u>27,562,634</u>                     |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                      |                      |                      |                        |  |  |                                       |
| Wisconsin Retirement System pension                                       | 294,176              | 208,962              | 89,252                 | -  | 141,370                                  | 733,760                               |
| Wisconsin Retirement System LRLIF   | 4,172                | 2,963                | 1,266                  | -  | 2,004                                    | 10,405                                |
| Unavailable revenue - tax roll  | -                    | -                    | -                      | 321,174  | -  | 321,174                               |
| <b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>                                | <u>298,348</u>       | <u>211,925</u>       | <u>90,518</u>          | <u>321,174</u>                                 | <u>143,374</u>                           | <u>1,065,339</u>                      |
| <b>NET POSITION</b>   |                      |                      |                        |  |  |                                       |
| Net investment in capital assets  | 12,300,243           | 7,541,044            | 12,435,422             | 769,284  | 754,218                                  | 33,800,211                            |
| Restricted  | 797,978              | 707,673              | 195,302                | -  | 49,185                                   | 1,750,138                             |
| Unrestricted  | <u>1,385,841</u>     | <u>1,596,123</u>     | <u>534,133</u>         | <u>170,782</u>                                 | <u>309,057</u>                           | <u>3,995,936</u>                      |
| <b>TOTAL NET POSITION</b>   | <u>14,484,062</u>    | <u>9,844,840</u>     | <u>13,164,857</u>      | <u>940,066</u>                                 | <u>1,112,460</u>                         | <u>39,546,285</u>                     |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b> | <u>\$ 25,564,158</u> | <u>\$ 15,959,283</u> | <u>\$ 18,378,036</u>   | <u>\$ 4,892,887</u>                            | <u>\$ 3,379,894</u>                      | <u>\$ 68,174,258</u>                  |

The accompanying notes are an integral part of these financial statements.

**CITY OF ONALASKA, WISCONSIN**  
**STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**YEAR ENDED DECEMBER 31, 2020**

|   | WATER                | SEWER               | STORM<br>WATER       | GUNDERSEN<br>LUTHERAN<br>PARKING RAMP | NONMAJOR<br>ENTERPRISE<br>FUNDS | TOTAL<br>ENTERPRISE<br>FUNDS |
|---|----------------------|---------------------|----------------------|---------------------------------------|---------------------------------|------------------------------|
| <b>OPERATING REVENUE</b>  |                      |                     |                      |                                       |                                 |                              |
| Charges for services  | \$ 2,049,689         | \$ 2,408,630        | \$ 1,038,109         | \$ -                                  | \$ 329,540                      | \$ 5,825,968                 |
| Interdepartmental sales   | 418,897              | -                   | -                    | -                                     | -                               | 418,897                      |
| Miscellaneous   | 89,460               | 55,841              | -                    | -                                     | 42,632                          | 187,933                      |
| <b>TOTAL OPERATING REVENUE</b>                                  | <u>2,558,046</u>     | <u>2,464,471</u>    | <u>1,038,109</u>     | <u>-</u>                              | <u>372,172</u>                  | <u>6,432,798</u>             |
| <b>OPERATING EXPENSES</b>                                       |                      |                     |                      |                                       |                                 |                              |
| Plant and maintenance expenses:                                 |                      |                     |                      |                                       |                                 |                              |
| Operations  | 684,776              | 482,481             | 425,501              | -                                     | 533,371                         | 2,126,129                    |
| Maintenance   | 116,110              | 32,036              | 31,471               | -                                     | 5,216                           | 184,833                      |
| General and administrative                                      | 795,840              | 1,535,193           | 71,565               | 5,520                                 | 394,648                         | 2,802,766                    |
| Depreciation  | 781,330              | 591,851             | 577,700              | 74,140                                | 146,070                         | 2,171,091                    |
| Taxes   | 49,547               | 34,663              | 14,609               | -                                     | 14,584                          | 113,403                      |
| <b>TOTAL OPERATING EXPENSES</b>                                 | <u>2,427,603</u>     | <u>2,676,224</u>    | <u>1,120,846</u>     | <u>79,660</u>                         | <u>1,093,889</u>                | <u>7,398,222</u>             |
| <b>OPERATING INCOME (LOSS)</b>                                  | <u>130,443</u>       | <u>(211,753)</u>    | <u>(82,737)</u>      | <u>(79,660)</u>                       | <u>(721,717)</u>                | <u>(965,424)</u>             |
| <b>NONOPERATING REVENUE (EXPENSE)</b>                           |                      |                     |                      |                                       |                                 |                              |
| Taxes   | -                    | -                   | -                    | 320,929                               | -                               | 320,929                      |
| Intergovernmental   | -                    | -                   | 5,250                | 172,438                               | 82,378                          | 260,066                      |
| Room tax  | -                    | -                   | -                    | -                                     | 388,401                         | 388,401                      |
| Interest income   | 32,221               | 30,866              | 5,973                | -                                     | 3,090                           | 72,150                       |
| Contributions   | -                    | 16,426              | -                    | -                                     | -                               | 16,426                       |
| Miscellaneous revenue   | -                    | -                   | 4,142                | -                                     | 19,064                          | 23,206                       |
| Interest expense  | (307,693)            | (171,761)           | (155,955)            | (110,364)                             | (42,396)                        | (788,169)                    |
| Gain on disposal of capital assets                              | -                    | -                   | (4,247)              | -                                     | -                               | (4,247)                      |
| Debt issuance costs   | (1,872)              | (678)               | -                    | -                                     | -                               | (2,550)                      |
| Amortization of bond premium                                    | 15,190               | 8,462               | 10,925               | -                                     | 1,527                           | 36,104                       |
| Amortization of loss on refunding                               | (13,211)             | (4,812)             | -                    | (28,136)                              | -                               | (46,159)                     |
| <b>TOTAL NONOPERATING (EXPENSE) REVENUE</b>                     | <u>(275,365)</u>     | <u>(121,497)</u>    | <u>(133,912)</u>     | <u>354,867</u>                        | <u>452,064</u>                  | <u>276,157</u>               |
| <b>(LOSS) INCOME BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS</b> | <u>(144,922)</u>     | <u>(333,250)</u>    | <u>(216,649)</u>     | <u>275,207</u>                        | <u>(269,653)</u>                | <u>(689,267)</u>             |
| <b>TRANSFERS IN</b>   | -                    | -                   | -                    | -                                     | 228,307                         | 228,307                      |
| <b>TRANSFERS (OUT)</b>  | (407,716)            | (30,066)            | -                    | -                                     | (71,201)                        | (508,983)                    |
| <b>CAPITAL CONTRIBUTIONS</b>                                    | <u>169,665</u>       | <u>125,350</u>      | <u>105,375</u>       | <u>-</u>                              | <u>-</u>                        | <u>400,390</u>               |
| <b>CHANGE IN NET POSITION</b>                                   | <u>(382,973)</u>     | <u>(237,966)</u>    | <u>(111,274)</u>     | <u>275,207</u>                        | <u>(112,547)</u>                | <u>(569,553)</u>             |
| <b>TOTAL NET POSITION - BEGINNING</b>                           | 15,037,598           | 10,082,806          | 13,276,131           | 664,859                               | 1,225,007                       | 40,286,401                   |
| <b>PRIOR PERIOD ADJUSTMENT</b>                                  | <u>(170,563)</u>     | <u>-</u>            | <u>-</u>             | <u>-</u>                              | <u>-</u>                        | <u>(170,563)</u>             |
| <b>TOTAL NET POSITION - ENDING</b>                              | <u>\$ 14,484,062</u> | <u>\$ 9,844,840</u> | <u>\$ 13,164,857</u> | <u>\$ 940,066</u>                     | <u>\$ 1,112,460</u>             | <u>\$ 39,546,285</u>         |

The accompanying notes are an integral part of these financial statements.

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

|   | WATER               | SEWER               | STORM<br>WATER    | GUNDERSEN<br>LUTHERAN<br>PARKING RAMP | NONMAJOR<br>ENTERPRISE<br>FUNDS | TOTAL<br>ENTERPRISE<br>FUNDS |
|---|---------------------|---------------------|-------------------|---------------------------------------|---------------------------------|------------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                             |                     |                     |                   |                                       |                                 |                              |
| Cash from sales and services  | \$ 2,160,118        | \$ 2,366,285        | \$ 986,579        | \$ -                                  | \$ 318,861                      | \$ 5,831,843                 |
| Cash from public fire protection  | 418,897             | -                   | -                 | -                                     | -                               | 418,897                      |
| Cash paid from quasi-external operating transactions with other funds   | 2,526,811           | 169,805             | 252,434           | -                                     | 73,538                          | 3,022,588                    |
| Cash paid to suppliers for goods and service                            | (1,097,861)         | (1,686,176)         | (292,015)         | (5,520)                               | (617,161)                       | (3,698,733)                  |
| Cash paid to employees for services                                     | (685,554)           | (493,409)           | (220,975)         | -                                     | (352,028)                       | (1,751,966)                  |
| NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES                     | <u>3,322,411</u>    | <u>356,505</u>      | <u>726,023</u>    | <u>(5,520)</u>                        | <u>(576,790)</u>                | <u>3,822,629</u>             |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>                  |                     |                     |                   |                                       |                                 |                              |
| Transfer from other funds   | -                   | -                   | -                 | -                                     | 228,307                         | 228,307                      |
| Transfer (to) other funds   | (407,716)           | (30,066)            | -                 | -                                     | (71,201)                        | (508,983)                    |
| Contributions   | -                   | 16,426              | -                 | -                                     | -                               | 16,426                       |
| Room tax  | -                   | -                   | -                 | -                                     | 378,430                         | 378,430                      |
| NET CASH (USED IN) PROVIDED BY NONCAPITAL FINANCING ACTIVITIES          | <u>(407,716)</u>    | <u>(13,640)</u>     | <u>-</u>          | <u>-</u>                              | <u>535,536</u>                  | <u>114,180</u>               |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>         |                     |                     |                   |                                       |                                 |                              |
| Acquisition and construction of capital assets                          | (2,173,085)         | (1,228,597)         | (299,737)         | -                                     | (48,654)                        | (3,750,073)                  |
| Debt principal payment  | (549,486)           | (242,665)           | (305,111)         | (375,000)                             | (96,521)                        | (1,568,783)                  |
| Interest paid   | (310,382)           | (172,833)           | (161,269)         | (112,372)                             | (30,028)                        | (786,884)                    |
| Nonoperating income   | -                   | -                   | 9,392             | 172,438                               | 88,553                          | 270,383                      |
| Proceeds from debt  | 80,000              | 50,000              | 25,000            | -                                     | -                               | 155,000                      |
| Tax revenue received  | -                   | -                   | -                 | 320,929                               | -                               | 320,929                      |
| Special assessments received  | 5,417               | 5,148               | -                 | -                                     | -                               | 10,565                       |
| NET CASH (USED IN) PROVIDED BY CAPITAL AND RELATED FINANCING ACTIVITIES | <u>(2,947,536)</u>  | <u>(1,588,947)</u>  | <u>(731,725)</u>  | <u>5,995</u>                          | <u>(86,650)</u>                 | <u>(5,348,863)</u>           |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                             |                     |                     |                   |                                       |                                 |                              |
| Interest received   | 35,142              | 32,691              | 6,546             | -                                     | 3,090                           | 77,469                       |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS                    | 2,301               | (1,213,391)         | 844               | 475                                   | (124,814)                       | (1,334,585)                  |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR                          | <u>1,138,596</u>    | <u>3,199,232</u>    | <u>515,702</u>    | <u>-</u>                              | <u>684,337</u>                  | <u>5,537,867</u>             |
| <b>CASH AND CASH EQUIVALENTS AT END AT YEAR</b>                         | <u>\$ 1,140,897</u> | <u>\$ 1,985,841</u> | <u>\$ 516,546</u> | <u>\$ 475</u>                         | <u>\$ 559,523</u>               | <u>\$ 4,203,282</u>          |

(Continued on page 26)

The accompanying notes are an integral part of these financial statements.

**CITY OF ONALASKA, WISCONSIN**  
**STATEMENT OF CASH FLOWS - Continued**  
**PROPRIETARY FUNDS**  
**YEAR ENDED DECEMBER 31, 2020**

|  | WATER                      | SEWER                    | STORM<br>WATER           | GUNDERSEN<br>LUTHERAN<br>PARKING RAMP | NONMAJOR<br>ENTERPRISE<br>FUNDS | TOTAL<br>ENTERPRISE<br>FUNDS |
|--|----------------------------|--------------------------|--------------------------|---------------------------------------|---------------------------------|------------------------------|
| <b><u>RECONCILIATION OF OPERATING INCOME (LOSS) TO CASH PROVIDED BY<br/>(USED IN) OPERATING ACTIVITIES</u></b> |                            |                          |                          |                                       |                                 |                              |
| Operating income (loss)  | \$ 130,443                 | \$ (211,753)             | \$ (82,737)              | \$ (79,660)                           | \$ (721,717)                    | \$ (965,424)                 |
| Adjustments to reconcile operating income (loss) to net cash provided by<br>(used in) operating activities     |                            |                          |                          |                                       |                                 |                              |
| Depreciation   | 781,330                    | 591,851                  | 577,700                  | 74,140                                | 146,070                         | 2,171,091                    |
| Depreciation charged to sewer  | 87,205                     | (87,205)                 | -                        | -                                     | -                               | -                            |
| Changes in assets and liabilities  |                            |                          |                          |                                       |                                 |                              |
| (Increase) decrease in assets  |                            |                          |                          |                                       |                                 |                              |
| Accounts receivable  | (66,833)                   | (98,707)                 | (51,530)                 | (245)                                 | (4,038)                         | (221,353)                    |
| Due from other funds   | 2,526,811                  | 1,152,087                | 252,434                  | -                                     | -                               | 3,931,332                    |
| Due from other governments   | -                          | -                        | 60,887                   | -                                     | (49,273)                        | 11,614                       |
| Inventories  | (67,201)                   | -                        | -                        | -                                     | -                               | (67,201)                     |
| (Decrease) increase in liabilities   |                            |                          |                          |                                       |                                 |                              |
| Accounts payable   | (50,208)                   | 9,596                    | (13,904)                 | -                                     | (22,298)                        | (76,814)                     |
| LRLIF net OPEB liability and deferred inflows/outflows   | 454                        | (1,500)                  | (190)                    | -                                     | 1,042                           | (194)                        |
| WRS net pension liability/asset and deferred inflows/outflows  | (1,391)                    | 2,865                    | 271                      | -                                     | (2,418)                         | (673)                        |
| Due to other funds   | -                          | (982,282)                | -                        | -                                     | 73,538                          | (908,744)                    |
| Unearned revenue - other   | 597                        | 521                      | -                        | 245                                   | -                               | 1,363                        |
| Other accrued expenses   | (18,796)                   | (18,968)                 | (16,908)                 | -                                     | 2,304                           | (52,368)                     |
| <b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>   | <b><u>\$ 3,322,411</u></b> | <b><u>\$ 356,505</u></b> | <b><u>\$ 726,023</u></b> | <b><u>\$ (5,520)</u></b>              | <b><u>\$ (576,790)</u></b>      | <b><u>\$ 3,822,629</u></b>   |

(Continued on page 27)

The accompanying notes are an integral part of these financial statements.

**CITY OF ONALASKA, WISCONSIN**  
**STATEMENT OF CASH FLOWS - Continued**  
**PROPRIETARY FUNDS**  
**YEAR ENDED DECEMBER 31, 2020**

RECONCILIATION OF CASH AND CASH EQUIVALENTS PER STATEMENT OF CASH FLOWS TO THE STATEMENT OF NET POSITION

|                                  | WATER                     |                                       |                     | SEWER                           |                                       |                     |
|----------------------------------|---------------------------|---------------------------------------|---------------------|---------------------------------|---------------------------------------|---------------------|
|                                  | CASH AND<br>INVESTMENTS   | RESTRICTED<br>CASH AND<br>INVESTMENTS | TOTALS              | CASH AND<br>INVESTMENTS         | RESTRICTED<br>CASH AND<br>INVESTMENTS | TOTALS              |
| <b>Cash and Cash Equivalents</b> | <b>\$ -</b>               | <b>\$ 1,140,897</b>                   | <b>\$ 1,140,897</b> | <b>\$ 1,203,587</b>             | <b>\$ 782,254</b>                     | <b>\$ 1,985,841</b> |
|                                  | STORM SEWER               |                                       |                     | GUNDERSEN LUTHERAN PARKING RAMP |                                       |                     |
|                                  | CASH AND<br>INVESTMENTS   | RESTRICTED<br>CASH AND<br>INVESTMENTS | TOTALS              | CASH AND<br>INVESTMENTS         | RESTRICTED<br>CASH AND<br>INVESTMENTS | TOTALS              |
| <b>Cash and Cash Equivalents</b> | <b>\$ 254,509</b>         | <b>\$ 262,037</b>                     | <b>\$ 516,546</b>   | <b>\$ 475</b>                   | <b>\$ -</b>                           | <b>\$ 475</b>       |
|                                  | NONMAJOR ENTERPRISE FUNDS |                                       |                     | TOTALS                          |                                       |                     |
|                                  | CASH AND<br>INVESTMENTS   | RESTRICTED<br>CASH AND<br>INVESTMENTS | TOTALS              | CASH AND<br>INVESTMENTS         | RESTRICTED<br>CASH AND<br>INVESTMENTS | TOTALS              |
| <b>Cash and Cash Equivalents</b> | <b>\$ 559,523</b>         | <b>\$ -</b>                           | <b>\$ 559,523</b>   | <b>\$ 2,018,094</b>             | <b>\$ 2,185,188</b>                   | <b>\$ 4,203,282</b> |

NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES

**Water Utility**

During 2020, \$194,720 of fixed assets were retired.

During 2020, \$12,270 of bond premium amortization and \$13,212 of loss on refunding amortization were recorded.

**Sewer Utility**

During 2020, \$204,298 of fixed assets were retired.

During 2020, \$6,637 of bond premium was amortized and \$4,812 of loss on refunding amortization were recorded.

**Storm Water Utility**

During 2020, \$37,279 of fixed assets were retired.

During 2020, \$13,163 of bond premium was amortized and \$2,811 of loss on refunding amortization were recorded.

**Gundersen Lutheran Parking Ramp**

During 2020, \$28,136 of loss on refunding amortization were recorded.

The accompanying notes are an integral part of these financial statements.



**CITY OF ONALASKA, WISCONSIN**  
**STATEMENT OF NET POSITION**  
**FIDUCIARY FUND**  
**DECEMBER 31, 2020**

| <b><u>ASSETS</u></b>                       | <b>TAX<br/>CUSTODIAL<br/>FUND</b> |
|--|-----------------------------------|
| Cash and investments                       | \$ 17,272,243                     |
| Taxes receivable                           | <u>11,844,229</u>                 |
| <b>TOTAL ASSETS</b>                        | <b><u>\$ 29,116,472</u></b>       |
| <b><u>LIABILITIES AND NET POSITION</u></b> |                                   |
| LIABILITIES                                |                                   |
| Due to other governments                   | \$ 17,272,243                     |
| NET POSITION                               |                                   |
| Restricted for other governments           | <u>11,844,229</u>                 |
| <b>TOTAL LIABILITIES AND NET POSITION</b>  | <b><u>\$ 29,116,472</u></b>       |

The accompanying notes are an integral part of these financial statements.

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

|                                    | TAX<br>CUSTODIAL<br>FUND    |
|------------------------------------|-----------------------------|
| ADDITIONS                          |                             |
| Collections from other governments | \$ 29,116,472               |
| DEDECUTIONS                        |                             |
| Payments to other governments      | <u>30,174,113</u>           |
| CHANGE IN NET POSITION             | (1,057,641)                 |
| NET POSITION - BEGINNING OF YEAR   | <u>12,901,870</u>           |
| <b>NET POSITION - END OF YEAR</b>  | <b><u>\$ 11,844,229</u></b> |

The accompanying notes are an integral part of these financial statements.

**CITY OF ONALASKA, WISCONSIN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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

**NOTE 1 - Summary of Significant Accounting Policies**

The financial statements of the City of Onalaska, Wisconsin (the “City”) have been prepared in conformity with generally accepted accounting principles (GAAP), as applied to government units. The Governmental Accounting Standards Boards (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.

**Reporting City**

The City of Onalaska, Wisconsin was incorporated in 1887, under the provisions of Chapter 280, Laws of Wisconsin, 1883. The City operates under a Council-Mayor form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, sanitation, health and social services, culture-recreation, education, public improvements, planning and zoning, and general administrative services.

The City's basic financial statements include the Community Development Authority, a component unit, as defined in GASB 14 and amended by GASB 39 and GASB 61. The criterion for including a legally separate organization as a component unit is the degree of financial accountability and fiscal dependency the City has with the organization. A financial benefit or burden relationship needs to be present between the primary government and that organization for it to be included in the reporting City as a component unit.

The following circumstances set forth the City's financial accountability for a legally separate organization: the City is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the City. The City may be financially accountable if an organization is fiscally dependent on the City regardless of whether the organization has (1) a separately-elected governing body, (2) a governing body appointed by a higher level of government, or (3) a jointly-appointed governing body. In addition, the primary government may determine, through exercise of management's professional judgment, that the inclusion of an organization that does not meet the financial accountability criteria is necessary in order to prevent the reporting City's financial statements from being misleading.

**Component Unit**

The Common Council appoints the governing body of the Community Development Authority of the City of Onalaska (CDA). The CDA is fiscally dependent upon the City because the Council approves the CDA's budget and can levy taxes for the CDA. The CDA and City have entered into a “Cooperation Agreement” to aid in the development and renewal of the “Redevelopment Area”. The CDA is discretely presented as a proprietary fund type in the City's financial statements. Current audited financial information is included in the City's financial statements. A separate audited financial statement was not issued.

**Related Organization**

The Common Council is responsible for appointing a minority of the members of the governing board of the Onalaska Enhancement Foundation Inc., but the City's accountability for this organization does not extend beyond making the appointments.

**CITY OF ONALASKA, WISCONSIN**  
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2020

**NOTE 1 - Summary of Significant Accounting Policies - Continued**

**Basis of Presentation**

**Government-Wide Financial Statements**

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the government's enterprise funds. 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.

As discussed earlier, the government has one discretely presented component unit. The Community Development Authority is not considered to be a major component unit and is shown in a separate column in the government-wide financial statements.

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

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

**Fund Financial Statements**

The fund financial statements provide information about the government's funds, including its fiduciary funds. Separate statements for each fund category - governmental, proprietary, and fiduciary - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

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

**CITY OF ONALASKA, WISCONSIN**  
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2020

**NOTE 1 - Summary of Significant Accounting Policies - Continued**

The City reports the following major governmental funds:

**General Fund** - Accounts for the City's primary operating activities. It is used to account for all financial resources, except those required to be accounted for in another fund.

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

**2020 Capital Projects Fund** - Accounts for financial resources to be used for the acquisition or construction of major capital facilities.

The City reports the following major enterprise funds:

**Water** - Accounts for all activities necessary to provide water services to residents of the City and outlying areas. Fund activities include administration, billing and collection, operations, maintenance, and financing.

**Sewer** - Accounts for the maintenance of the City's sewer system. Wisconsin State Statutes Section 66.076, permits municipalities to implement sewer fees to recover the costs of operation, maintenance, repair, and depreciation of sewer collection and transportation facilities. Sewer maintenance costs are recovered through a user fee rather than through the property tax.

**Storm Water** - Accounts for the storm water management services of the City.

**Gundersen Lutheran Parking Ramp** - Accounts for the accumulation of resources for and payment of debt related to the construction costs of the parking ramp.

In addition, the City reports the following fund type:

**Fiduciary - Tax Custodial Fund** - This fund accounts for taxes and deposits collected by the City, acting in the capacity of an agent, for distribution to other governmental units or designated beneficiaries.

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in and out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

**CITY OF ONALASKA, WISCONSIN**  
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2020

**NOTE 1 - Summary of Significant Accounting Policies - Continued**

**Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 90 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes are recorded in the year levied as receivables and unavailable revenue. They are recognized as revenue in the succeeding year when services financed by the levy are being provided. Special assessments are recorded as revenue when they become measurable and available as current assets. Sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. Grants are recorded as revenue when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary and fiduciary funds are reported using the economic resource management focus and the accrual basis of accounting.

The proprietary funds distinguish *operating* revenue and expenses from *nonoperating* items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the water and sewer utilities is a charge 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 revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

**Cash and Cash Equivalents**

Cash and cash equivalents, as classified in the statement of cash flows, consist of all highly liquid investments with an initial maturity of three months or less.

**CITY OF ONALASKA, WISCONSIN**  
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2020

**NOTE 1 - Summary of Significant Accounting Policies - Continued**

**Accounts Receivable**

Accounts receivable are recorded at gross amounts less an allowance for doubtful accounts of \$853,071. No provision for uncollectible accounts receivable has been made in the accompanying proprietary fund financial statements because the water and sewer has the right to place delinquent bills on the tax roll.

**Due To/From Advance To/From Other Funds**

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as due to and from other funds. Long-term interfund loans (noncurrent portion) are reported as advances from and to other funds. In the governmental fund financial statements, advances to other funds are offset equally by a fund balance reserve account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation. Eliminations have been made for amounts due to/from and advance to/from within the same fund type on the government-wide statements.

**Interfund Transactions**

Non-exchange transactions which are not borrowing/lending (will not be repaid) are recorded as operating transfers, and exchange transactions are recorded as revenues and expenses. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers.

**Inventory**

Inventory is priced at the lower of cost (first-in, first-out) or market. The cost of governmental fund-type inventories are recorded as expenditures when purchased.

**Prepaid Items**

Cash payments benefiting future periods have been recorded as prepaid items. They will be reflected as expenditures or expenses when incurred in the subsequent year. Prepaid items in governmental funds are reserved for in nonspendable fund balance, because prepaids are not expendable available financial resources.

**Restricted Cash and Investments**

Restricted cash and investments include the following restricted asset accounts:

Revenue Bond Special Redemption Account - Segregated resources accumulated for future debt service payments.

Revenue Bond Reserve Account - Resources set aside to secure payment of principal and interest on the outstanding bonds.

Depreciation Fund - Resources set aside to meet deficiencies in the reserve or redemption accounts and for repairs or additions to utility systems.

Other - Deposits made by customers which are to be used for specific purposes.



**CITY OF ONALASKA, WISCONSIN**  
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued  
 DECEMBER 31, 2020

**NOTE 1 - Summary of Significant Accounting Policies - Continued**

**Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure, are reported at cost or estimated historical cost. Contributed assets are reported at estimated fair value at the time received. General infrastructure assets, such as roads, bridges, curbs, gutters, streets, sidewalks and drainage and lighting systems, acquired prior to January 1, 2003, are reported at estimated historical cost using deflated replacement cost. Capital assets are depreciated using the straight-line method. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Water, sewer, and storm water utility assets are being depreciated using rates prescribed by the Wisconsin Public Service Commission.

Major capital outlays for capital assets of business-type activities are included as part of the capitalized value of the assets constructed. Interest expenses incurred during construction were not capitalized as part of the additions to capital assets.

Capitalization thresholds and the estimated useful lives for the City and component unit are as follows:

| Capital Asset Category                     | Capitalization Threshold | Estimated Useful Life |
|--|--------------------------|-----------------------|
| Infrastructure                             | \$ 5,000                 | 20-50                 |
| Land                                       | -                        | N/A                   |
| Land improvements                          | 5,000                    | 20-75                 |
| Buildings/structures/building improvements | 5,000                    | 5-50                  |
| Machinery and equipment                    | 5,000                    | 3-15                  |
| Vehicles                                   | 5,000                    | 5-20                  |

**Debt Premiums and Discounts**

In the government-wide and proprietary fund financial statements, debt premiums and discounts are deferred and amortized over the life of the debt. Long-term debt is reported net of the applicable debt premium or discount.

In the fund financial statements, governmental fund types recognize premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums on debt issuance are reported as other financing sources while discounts on debt issuance are reported as other financing uses.

**Compensated Absences**

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Vacation pay accumulates and vests and sick pay accumulates and vests with certain limitations. Upon retirement or death, one-half of an employee's sick leave, up to a maximum of 120 days, is paid to the retiree or the employee's spouse or estate, and one-half is used to pay for health and dental insurance.

Accumulated unpaid vacation and sick leave for employees is recorded as an expense and liability in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

**CITY OF ONALASKA, WISCONSIN**  
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2020

**NOTE 1 - Summary of Significant Accounting Policies - Continued**

**Pensions**

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

**Other Post-Employment Benefits (OPEB)**

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

**Deferred Outflows and Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. The separate financial statement element represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/ expenditure) until then. The City has three items that qualify for reporting in this category: deferred loss on refunding, Wisconsin Retirement System pension, and Wisconsin Retirement System Local Retiree Life Insurance Fund. A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The Wisconsin Retirement System pension results from changes in the pension plan. The Wisconsin Retirement System Local Retiree Life Insurance Fund results from changes in the life insurance fund.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. The separate financial statement element represents an acquisition of net position which applies to future periods and so will not be recognized as an inflow of resources (revenue) until then. The City has three items that qualify for reporting in this category: unavailable revenue, Wisconsin Retirement System pension, and Wisconsin Retirement System Local Retiree Life Insurance Fund. A deferred inflow from unavailable revenue arises under a modified accrual basis of accounting. The unavailable revenue is from property taxes and special assessments. This amount is deferred and recognized as an inflow in the period the amount becomes available. The Wisconsin Retirement System pension results from changes in the pension plan. The Wisconsin Retirement System Local Retiree Life Insurance Fund results from changes in the life insurance fund.

**Claims and Judgments**

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

**CITY OF ONALASKA, WISCONSIN**  
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2020

**NOTE 1 - Summary of Significant Accounting Policies - Continued**

**Net Position Classifications**

Net position represents the difference between the total assets and deferred outflows of resources and the total liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement for those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

**Fund Balance Classifications**

The City classifies its fund equity as follows:

1. Nonspendable fund balance consists of equity not in a spendable form or is legally or contractually required to be maintained intact.
2. Restricted fund balance consists of equity constrained to specific purposes by their providers, externally imposed by creditors, constitutional provisions or by enabling legislation.
3. Committed fund balance consists of equity constrained to specific purposes by the City itself, using its highest level of decision making authority - Common Council policies.
4. Assigned fund balance consists of equity the governing body intends to use for a specific purpose, intent can be expressed by the governing body. The Common Council has authorized the Finance Director to assign fund balances through its financial management policy.
5. Unassigned fund balance consists of equity available for any purpose.

When net losses occur, it is the City's policy to record the net loss against committed fund balance, then assigned fund balance, and lastly to unassigned fund balance. The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position area available.

**State and Federal Aids**

State general and categorical aids are recognized as revenue in the entitlement year. Federal aids and certain state aids for reimbursable programs are recognized as revenue in the year related program expenditures are incurred. Aids received prior to meeting revenue recognition criteria are recorded as deferred revenue.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the 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 revenue and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

**CITY OF ONALASKA, WISCONSIN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2020**

**NOTE 2 - Cash and Investments**

State statutes permit the City and the Component Unit to invest available cash balances, other than debt service funds, in time deposits of authorized depositories, state obligations, U.S. Treasury obligations, U.S. agency issues, repurchase agreements and other investments secured by federal securities, high grade commercial paper, and the local government pooled-investment fund administered by the state investment board. Available balances in the Debt Service Fund may be invested in municipal obligations, obligations of the United States and the local government pooled-investment fund. No significant violations of these restrictions occurred during the year.

As of December 31, 2020, the City had the following investments:

| <u>INVESTMENT</u>                  | <u>WEIGHTED<br/>AVERAGE MATURITIES</u> | <u>FAIR VALUE</u> |
|------------------------------------|--|-------------------|
| State of Wisconsin Investment Pool | Less than one year                     | <u>\$ 603,130</u> |

**Determining Fair Value** - The City categorizes its fair value measurements with in the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets; level 2 inputs are significant other observable inputs; level 3 inputs are significant unobservable inputs. The City has the following recurring fair value measurement:

- 1) State of Wisconsin Local Government Investment Pool fair value is determined by the Pool's investment board based on published market quotations (level 2 inputs).
- 2) Deposits and investments with stated interest rates (savings accounts, CD) are stated at cost.

**Investment Pool Information** - Participation in the State of Wisconsin Local Government Investment Pool is voluntary. The Pool's regulatory oversight is provided by state statutes and its investment board. The fair value of the City's position in the Pool is the same as the value of the Pool shares. At December 31, 2020, the Pool's fair value was 100 percent of book value.

**Income Allocation** - Interest income is generally allocated to the fund which owns the checking account, savings account, money market, certificate of deposit, and investment.

**Interest Rate Risk** - State statutes limit investments in commercial paper, corporate bonds, and mutual bond funds to mature or may be tendered for purchase at the option of the holder within not more than seven years of the date acquired. The City and the Component Unit have formal investment policies that would further limit investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates.

**Credit Risk** - State statutes limit investments in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The City and the Component Unit's investment policies do not further limit investment choices. The State of Wisconsin Investment Pool is not rated; however, the investments at all times consist solely of securities and instruments in which municipalities are permitted to invest.

**Custodial Credit Risk - Deposits** - Custodial credit is the risk that, in the event of a bank failure, the City and the Component Unit's deposits may not be returned. The State of Wisconsin's Public Deposit Guarantee Fund created under Chapter 34 of the Wisconsin Statutes protects designated public depositories against any losses of public funds up to \$400,000 subject to the total amount of the Guarantee Fund available. As of December 31, 2020, \$21,480,789 of the City's bank balance of \$38,677,324 was exposed to custodial credit risk as follows:

|                                       |                      |
|---------------------------------------|----------------------|
| Uninsured, collateral pledged by bank | <u>\$ 21,480,789</u> |
|---------------------------------------|----------------------|

**CITY OF ONALASKA, WISCONSIN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2020**

**NOTE 3 - Property Taxes**

Property taxes attach as an enforceable lien on property in December when the tax roll is certified. Taxes are levied in December and payable in two installments on January 31 and July 31, or payable in full on January 31. Special assessments, charges, and personal property taxes are payable in full on January 31. The City bills and collects its own property taxes and also taxes for the State, County, Technical College, and Public Schools until February 1, at which time all uncollected real estate taxes are turned over to the County for collection. Collection of the taxes and remittance of them to the appropriate entities are accounted for in the Tax Agency Fund. City property tax revenue is recognized in the year they are levied for and available for use. The 2020 tax roll has been set up as a receivable and offset by the amounts due to other governmental units and deferred income tax revenue for the City's portion. Advance tax collections are offset against the receivable.

**NOTE 4 - Capital Assets**

Capital asset balances and activity for the year ended December 31, 2020, are as follows:

|  | <u>BALANCES</u><br>1/1/20   | <u>ADDITIONS</u>           | <u>RETIREMENTS</u>       | <u>ADJUSTMENTS/<br/>TRANSFERS</u> | <u>BALANCES</u><br>12/31/20 |
|--|-----------------------------|----------------------------|--------------------------|-----------------------------------|-----------------------------|
| <b><u>GOVERNMENTAL ACTIVITIES</u></b>                    |                             |                            |                          |                                   |                             |
| <i>Capital assets not being depreciated:</i>             |                             |                            |                          |                                   |                             |
| Land   | \$ 3,627,961                | \$ -                       | \$ -                     | \$ -                              | \$ 3,627,961                |
| Construction in progress                                 | <u>276,733</u>              | <u>1,288,685</u>           | -                        | <u>(349,540)</u>                  | <u>1,215,878</u>            |
| Total capital assets not being depreciated               | <u>3,904,694</u>            | <u>1,288,685</u>           | -                        | <u>(349,540)</u>                  | <u>4,843,839</u>            |
| <i>Capital assets being depreciated</i>                  |                             |                            |                          |                                   |                             |
| Buildings  | 24,013,723                  | 557,185                    | 503,993                  | 349,540                           | 24,416,455                  |
| Infrastructure   | 47,331,012                  | 2,617,144                  | 1,396,625                | -                                 | 48,551,531                  |
| Improvements other than buildings                        | 4,730,492                   | 20,051                     | 17,870                   | -                                 | 4,732,673                   |
| Machinery and equipment                                  | <u>11,086,552</u>           | <u>667,377</u>             | <u>2,010,933</u>         | -                                 | <u>9,742,996</u>            |
| Total capital assets being depreciated                   | <u>87,161,779</u>           | <u>3,861,757</u>           | <u>3,929,421</u>         | <u>349,540</u>                    | <u>87,443,655</u>           |
| Less accumulated depreciation for:                       |                             |                            |                          |                                   |                             |
| Buildings  | 10,480,559                  | 591,367                    | 402,995                  | -                                 | 10,668,931                  |
| Infrastructure   | 23,617,597                  | 1,881,084                  | 1,353,817                | -                                 | 24,144,864                  |
| Improvements other than buildings                        | 1,434,058                   | 207,171                    | 14,760                   | -                                 | 1,626,469                   |
| Machinery and equipment                                  | <u>7,794,863</u>            | <u>588,335</u>             | <u>2,004,517</u>         | -                                 | <u>6,378,681</u>            |
| Total accumulated depreciation                           | <u>43,327,077</u>           | <u>3,267,957</u>           | <u>3,776,089</u>         | -                                 | <u>42,818,945</u>           |
| Total capital assets being depreciated, net              | <u>43,834,702</u>           | <u>593,800</u>             | <u>153,332</u>           | -                                 | <u>44,624,710</u>           |
| <b>GOVERNMENTAL ACTIVITIES -<br/>CAPITAL ASSETS, NET</b> | <b><u>\$ 47,739,396</u></b> | <b><u>\$ 1,882,485</u></b> | <b><u>\$ 153,332</u></b> | <b><u>\$ -</u></b>                | <b><u>\$ 49,468,549</u></b> |

Depreciation expense for governmental activities was charged to functions as follows:

|                                    |                            |
|------------------------------------|----------------------------|
| General government                 | \$ 178,755                 |
| Public safety                      | 311,779                    |
| Public works                       | 2,055,147                  |
| Culture, recreation, and education | 721,480                    |
| Conservation and development       | 796                        |
| <b>Total</b>                       | <b><u>\$ 3,267,957</u></b> |

**CITY OF ONALASKA, WISCONSIN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2020**

**NOTE 4 - Capital Assets - Continued**

|  | <u>BALANCES</u><br>1/1/20   | <u>ADDITIONS</u>           | <u>RETIREMENTS</u>     | <u>ADJUSTMENTS/<br/>TRANSFERS</u> | <u>BALANCES</u><br>12/31/20 |
|--|-----------------------------|----------------------------|------------------------|-----------------------------------|-----------------------------|
| <b><u>BUSINESS-TYPE ACTIVITIES</u></b>       |                             |                            |                        |                                   |                             |
| <i>Capital assets not being depreciated:</i> |                             |                            |                        |                                   |                             |
| Land   | \$ 1,421,641                | \$ -                       | \$ -                   | \$ -                              | \$ 1,421,641                |
| Construction in progress                     | <u>1,477,691</u>            | <u>1,795,119</u>           | <u>-</u>               | <u>(1,379,167)</u>                | <u>1,893,643</u>            |
| Total capital assets not being depreciated   | <u>2,899,332</u>            | <u>1,795,119</u>           | <u>-</u>               | <u>(1,379,167)</u>                | <u>3,315,284</u>            |
| <i>Capital assets being depreciated</i>      |                             |                            |                        |                                   |                             |
| Buildings                                    | 14,945,077                  | 147,884                    | 75,000                 | 2,990,573                         | 18,008,534                  |
| Infrastructure                               | 65,777,655                  | 1,983,385                  | 361,297                | (3,884,804)                       | 63,514,939                  |
| Machinery and equipment                      | <u>5,946,663</u>            | <u>224,075</u>             | <u>14,996</u>          | <u>1,772,398</u>                  | <u>7,928,140</u>            |
| Total capital assets being depreciated       | <u>86,669,395</u>           | <u>2,355,344</u>           | <u>451,293</u>         | <u>878,167</u>                    | <u>89,451,613</u>           |
| <i>Less accumulated depreciation for:</i>    |                             |                            |                        |                                   |                             |
| Buildings                                    | 3,417,543                   | 425,039                    | 75,000                 | (89,319)                          | 3,678,263                   |
| Infrastructure                               | 25,242,454                  | 1,306,661                  | 357,050                | (673,678)                         | 25,518,387                  |
| Machinery and equipment                      | <u>4,198,665</u>            | <u>439,391</u>             | <u>14,997</u>          | <u>432,560</u>                    | <u>5,055,619</u>            |
| Total accumulated depreciation               | <u>32,858,662</u>           | <u>2,171,091</u>           | <u>447,047</u>         | <u>(330,437)</u>                  | <u>34,252,269</u>           |
| Total capital assets being depreciated, net  | <u>53,810,733</u>           | <u>184,253</u>             | <u>4,246</u>           | <u>1,208,604</u>                  | <u>55,199,344</u>           |
| <b>BUSINESS-TYPE ACTIVITIES</b>              |                             |                            |                        |                                   |                             |
| <b>CAPITAL ASSETS, NET</b>                   |                             |                            |                        |                                   |                             |
|  | <b><u>\$ 56,710,065</u></b> | <b><u>\$ 1,979,372</u></b> | <b><u>\$ 4,246</u></b> | <b><u>\$ (170,563)</u></b>        | <b><u>\$ 58,514,628</u></b> |

Depreciation expense for business-type activities was charged to functions as follows:

|              |                            |
|--------------|----------------------------|
| Water        | \$ 781,330                 |
| Sewer        | 591,851                    |
| Storm Water  | 577,700                    |
| Parking Ramp | 74,140                     |
| Cemetery     | 26,658                     |
| Tourism      | <u>119,412</u>             |
| <b>Total</b> | <b><u>\$ 2,171,091</u></b> |

**NOTE 5 - Long-Term Obligations**

Details of the City's long-term obligations are as follows:

**Summary of Long-Term Obligations**

|  | <u>BALANCES</u><br>1/1/20  | <u>ADDITIONS</u>           | <u>PAYMENTS</u>              | <u>BALANCES</u><br>12/31/20 | <u>DUE WITHIN</u><br><u>ONE YEAR</u> |
|--|----------------------------|----------------------------|------------------------------|-----------------------------|--------------------------------------|
| <b><u>GOVERNMENTAL ACTIVITIES:</u></b> |                            |                            |                              |                             |                                      |
| State Trust Fund Loans                 | \$ 411,462                 | \$ 542,000                 | \$ (283,562)                 | \$ 669,900                  | \$ 185,073                           |
| General Obligation Bonds               | 29,486,854                 | 4,525,000                  | (2,364,043)                  | 31,647,811                  | 2,421,597                            |
| Premium                                | 705,190                    | 165,130                    | (83,606)                     | 786,714                     | 83,606                               |
| Employee benefits:                     |                            |                            |                              |                             |                                      |
| Vacation pay                           | 176,839                    | -                          | (22,943)                     | 153,896                     | 15,390                               |
| Sick pay                               | 555,449                    | -                          | (7,659)                      | 547,790                     | 54,779                               |
| WRS net pension liability              | 1,438,304                  | -                          | (1,438,304)                  | -                           | -                                    |
| Local retiree life insurance fund      | <u>218,345</u>             | <u>145,198</u>             | <u>-</u>                     | <u>363,543</u>              | <u>-</u>                             |
| <b>TOTAL GOVERNMENTAL ACTIVITIES</b>   | <b><u>\$32,992,443</u></b> | <b><u>\$ 5,377,328</u></b> | <b><u>\$ (4,200,117)</u></b> | <b><u>\$34,169,654</u></b>  | <b><u>\$ 2,760,445</u></b>           |

**CITY OF ONALASKA, WISCONSIN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2020**

**NOTE 5 - Long-Term Obligations - Continued**

|   | BALANCES<br>1/1/20         | ADDITIONS                | PAYMENTS                     | BALANCES<br>12/31/20       | DUE WITHIN<br>ONE YEAR     |
|---|----------------------------|--------------------------|------------------------------|----------------------------|----------------------------|
| <b><u>BUSINESS-TYPE ACTIVITIES:</u></b>   |                            |                          |                              |                            |                            |
| Mortgage Revenue Bonds                    | \$15,158,791               | \$ -                     | \$ (592,826)                 | \$14,565,965               | \$ 605,3806                |
| General Obligations Bonds                 | 12,213,144                 | 155,000                  | (975,956)                    | 11,392,188                 | 1,003,405                  |
| Premium                                   | 456,679                    | -                        | (33,597)                     | 423,082                    | 32,828                     |
| Employee Benefits:                        |                            |                          |                              |                            |                            |
| Vacation pay                              | 47,785                     | 1,899                    | -                            | 49,684                     | 4,968                      |
| Sick pay                                  | 143,998                    | 1,567                    | -                            | 145,565                    | 14,556                     |
| WRS net pension liability                 | 290,461                    | -                        | (290,461)                    | -                          | -                          |
| Local retiree life insurance fund         | 44,096                     | 19,939                   | -                            | 64,035                     | -                          |
| <b>TOTAL BUSINESS-TYPE<br/>ACTIVITIES</b> | <b><u>\$28,354,954</u></b> | <b><u>\$ 178,405</u></b> | <b><u>\$ (1,892,840)</u></b> | <b><u>\$26,640,519</u></b> | <b><u>\$ 1,661,137</u></b> |

Interest cost incurred during the year totaled \$910,667 for governmental activities and \$785,785 for business-type activities. Total interest paid during the year aggregated \$898,494 for governmental activities and \$794,840 for business-type activities. Zero interest was capitalized in governmental-type and business-type capital assets.

**Governmental Fund Debt**

All Governmental Fund debt is secured by the full faith and credit and unlimited taxing powers of the City. The Governmental Fund debt is expected to be repaid with general property taxes and special assessments. Governmental Fund debt at December 31, 2020, is comprised of the following issues:

| <u>ISSUE DESCRIPTION</u>               | <u>RATES (%)</u> | <u>DATES OF<br/>MATURITY</u> | <u>BALANCE<br/>12/31/20</u> |
|--|------------------|------------------------------|-----------------------------|
| <b><u>State Trust Fund Loans</u></b>   |                  |                              |                             |
| 2016 Issues                            | 2.500%           | 2021                         | \$ 27,929                   |
| 2017 Issues                            | 3.000%           | 2022                         | 99,971                      |
| 2020 Issues                            | 2.500%           | 2025                         | 542,000                     |
|  |                  |                              | <u>669,900</u>              |
| <b><u>General Obligation Bonds</u></b> |                  |                              |                             |
| 2009 Issue                             | 3.000 - 4.625%   | 2028                         | 139,079                     |
| 2011 Issues                            | 2.000 - 4.000%   | 2030                         | 193,296                     |
| 2012 Issues                            | 2.000 - 3.000%   | 2031                         | 4,637,258                   |
| 2013 Issues                            | 2.000 - 3.000%   | 2032                         | 1,263,462                   |
| 2014 Issues                            | 2.000 - 4.000%   | 2033                         | 1,792,004                   |
| 2015 Issues                            | 2.000 - 4.000%   | 2034                         | 1,751,381                   |
| 2016 Issues                            | 1.000 - 3.000%   | 2027                         | 5,406,335                   |
| 2017 Issues                            | 2.000 - 3.000%   | 2031                         | 4,390,000                   |
| 2018 Issues                            | 2.850 - 4.000%   | 2037                         | 3,475,000                   |
| 2019 Issues                            | 3.000 - 4.000%   | 2039                         | 4,075,000                   |
| 2020 Issues                            | 2.000%           | 2039                         | 4,525,000                   |
|  |                  |                              | <u>31,647,811</u>           |
| <b>TOTAL GOVERNMENTAL FUND DEBT</b>    |                  |                              | <b><u>\$ 32,317,711</u></b> |

**CITY OF ONALASKA, WISCONSIN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2020**

**NOTE 5 - Long-Term Obligations - Continued**

**Enterprise Debt**

Enterprise Fund debt is expected to be repaid with Enterprise Fund revenue. Enterprise Fund debt at December 31, 2020, is comprised of the following issues:

| <u>ISSUE DESCRIPTION</u>        | <u>RATES (%)</u> | <u>DATES OF MATURITY</u> | <u>BALANCE<br/>12/31/20</u> |
|---------------------------------|------------------|--------------------------|-----------------------------|
| <u>General Obligation Bonds</u> |                  |                          |                             |
| 2009 Issue                      | 3.000 - 4.625%   | 2028                     | \$ 20,921                   |
| 2011 Issue                      | 2.000 - 4.000%   | 2030                     | 191,704                     |
| 2012 Issues                     | 0.650 - 3.300%   | 2031                     | 4,167,743                   |
| 2013 Issues                     | 2.000 - 3.000%   | 2032                     | 561,539                     |
| 2014 Issues                     | 2.000 - 4.000%   | 2033                     | 472,996                     |
| 2015 Issue                      | 2.000 - 4.000%   | 2034                     | 593,619                     |
| 2016 Issues                     | 1.000 - 3.000%   | 2027                     | 2,778,666                   |
| 2017 Issues                     | 2.000 - 3.000%   | 2031                     | 1,250,000                   |
| 2019 Issues                     | 3.000 - 4.000%   | 2039                     | 1,200,000                   |
| 2020 Issues                     | 2.000%           | 2039                     | 155,000                     |
|                                 |                  |                          | <u>11,392,188</u>           |
| <u>Mortgage Revenue Bonds</u>   |                  |                          |                             |
| 2015 Issue                      | 2.000 - 3.000%   | 2027                     | 1,480,000                   |
| 2016 Issues                     | 1.650%           | 2035                     | 2,475,965                   |
| 2019 Issues                     | 3.000 - 4.000%   | 2039                     | 10,610,000                  |
|                                 |                  |                          | <u>14,565,965</u>           |
| <b>TOTAL ENTERPRISE DEBT</b>    |                  |                          | <b><u>\$ 25,958,153</u></b> |

**Mortgage Revenue Bond Requirements**

The City's Mortgage Revenue Bonds require that cash be set aside in separate funds and restricted for specific purposes. Required and actual amounts as of December 31, 2020, are as follows:

|                         | <u>WATER UTILITY</u> |               | <u>SEWER UTILITY</u> |               |
|-------------------------|----------------------|---------------|----------------------|---------------|
|                         | <u>REQUIRED</u>      | <u>ACTUAL</u> | <u>REQUIRED</u>      | <u>ACTUAL</u> |
| Special Redemption Fund | \$ 203,528           | \$ 203,528    | \$ 102,779           | \$ 102,779    |
| Reserve Fund            | 462,369              | 462,369       | 279,475              | 279,475       |
| Depreciation Fund       | 475,000              | 475,000       | 400,000              | 400,000       |

The City is in compliance with all material funding requirements of its mortgage revenue bonds.

**General Obligation Debt Limit Calculation**

The 2020 equalized valuation of the City as certified by the Wisconsin Department of Revenue is \$2,169,131,500. The legal debt limit and margin of indebtedness as of December 31, 2020, in accordance with Section 67.03(1)(b) of the Wisconsin Statutes follows:

|                                       |                             |
|---------------------------------------|-----------------------------|
| Debt limit (5% of \$2,169,131,500)    | \$108,456,575               |
| Applicable long-term debt             | (43,709,899)                |
| Amount available in debt service fund | <u>695,554</u>              |
| <b>MARGIN OF INDEBTEDNESS</b>         | <b><u>\$ 65,442,230</u></b> |



**CITY OF ONALASKA, WISCONSIN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2020**

**NOTE 5 - Long-Term Obligations - Continued**

**Maturities of Long-Term Obligations**

Maturities of the long-term debt to maturity, at December 31, 2020, are:

| <u>YEARS</u> | <u>GOVERNMENTAL FUND DEBT</u> |                            | <u>ENTERPRISE FUND DEBT</u> |                            |
|--------------|-------------------------------|----------------------------|-----------------------------|----------------------------|
|              | <u>PRINCIPAL</u>              | <u>INTEREST</u>            | <u>PRINCIPAL</u>            | <u>INTEREST</u>            |
| 2021         | \$ 2,606,670                  | \$ 960,860                 | \$ 1,608,785                | \$ 791,802                 |
| 2022         | 2,675,380                     | 848,585                    | 1,632,865                   | 744,323                    |
| 2023         | 2,719,019                     | 778,669                    | 1,698,766                   | 701,258                    |
| 2024         | 2,704,171                     | 685,127                    | 1,748,970                   | 631,568                    |
| 2025         | 2,626,551                     | 612,862                    | 1,822,092                   | 582,408                    |
| 2026-2030    | 9,256,694                     | 2,130,513                  | 8,081,479                   | 2,074,253                  |
| 2031-2035    | 6,984,227                     | 952,589                    | 6,055,196                   | 982,712                    |
| 2036-2039    | 2,745,000                     | 144,465                    | 3,310,000                   | 214,216                    |
| <b>TOTAL</b> | <b><u>\$ 32,317,711</u></b>   | <b><u>\$ 7,113,670</u></b> | <b><u>\$ 25,958,153</u></b> | <b><u>\$ 6,722,540</u></b> |

The General Fund, Water Fund, Sewer Fund, Storm Water, Cemetery Fund, Tourism Fund, Gundersen Lutheran Parking Ramp Fund, and Omni Center Fund are used to liquidate vacation and sick pay.

**NOTE 6 - Defeasance of Debt**

The original accounting loss on a prior year advance refunding transaction was \$180,000. This loss is being amortized over 15 years using the straight-line method. At December 31, 2020, there is one remaining year of amortization and the unamortized balance is \$4,318.

The original accounting loss on two prior year advance refunding transactions was \$409,978 and \$422,044. These losses were being amortized over 12 and 15 years using the straight-line method. At December 31, 2020, there four and seven remaining years of amortization and the unamortized balances are \$136,659 and \$196,954, respectively.

The original accounting loss on a prior year advance refunding transaction was \$196,731. This loss is being amortized over twelve years using the straight-line method. At December 31, 2020, there are six remaining years of amortization and the unamortized balance is \$56,505.

The original accounting loss on a prior year advance refunding transaction was \$138,712. This loss is being amortized over ten years using the straight-line method. At December 31, 2020, there are five remaining years of amortization and the unamortized balance is \$69,356.

The original accounting loss on a current year advance refunding transaction was \$183,923. This loss is being amortized over fourteen years using the straight-line method. At December 31, 2020, there are ten remaining years of amortization and the unamortization balance is \$131,373.

In prior years, the City defeased certain general obligation and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements.

At December 31, 2020, \$385,000 of bonds outstanding are considered defeased.

**CITY OF ONALASKA, WISCONSIN**  
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2020

**NOTE 7 - Wisconsin Retirement System**

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

ETF issued a standalone WRS Financial Report, which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>

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

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

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

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

The WRS also provides death and disability benefits for employees.

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

**CITY OF ONALASKA, WISCONSIN**  
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued  
 DECEMBER 31, 2020

**NOTE 7 - Wisconsin Retirement System - Continued**

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

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

During the reporting period, the WRS recognized \$540,740 in contributions from the employer.

Contribution rates as of December 31, 2020 are:

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

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

At December 31, 2020, the City reported a liability (asset) of \$1,635,272 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2018 rolled forward to December 31, 2019. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension liability (asset) was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2019, the City's proportion was 0.05071467%, which was an increase of 0.00212226% from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, the City recognized pension expense of \$613,591.

**CITY OF ONALASKA, WISCONSIN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2020**

**NOTE 7 - Wisconsin Retirement System - Continued**

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

|   | <b>Deferred<br/>Outflows of<br/>Resources</b> | <b>Deferred<br/>Inflows of<br/>Resources</b> |
|---|---|--|
| Differences between expected and actual experience  | \$ 3,104,122                                  | \$ 1,553,404                                 |
| Net differences between projected and actual earnings on pension plan investments                             | -   | 3,343,079                                    |
| Changes in assumptions  | 127,431                                       | -  |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 7,642   | 2,969  |
| Employer contributions subsequent to the measurement date   | 700,070                                       | -  |
| <b>Total</b>  | <b>\$ 3,939,265</b>                           | <b>\$ 4,899,452</b>                          |

\$700,070 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

| <b>Year ended<br/>December 31:</b> | <b>Deferred<br/>Outflows/<br/>(Inflows) of<br/>Resources</b> |
|------------------------------------|--|
| 2021                               | \$(494,813)  |
| 2022                               | (366,742)  |
| 2023                               | 59,995   |
| 2024                               | (858,697)  |

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

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

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

**CITY OF ONALASKA, WISCONSIN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2020**

**NOTE 7 - Wisconsin Retirement System - Continued**

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

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

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

|  | Asset<br>Allocation % | Long-Term Expected<br>Nominal Rate of Return % | Long-Term Expected<br>Real Rate of Return % |
|--|-----------------------|--|---|
| <b><u>Core Fund Asset Class</u></b>  |                       |  |   |
| Global Equities  | 49                    | 8.0  | 5.1   |
| Fixed Income   | 24.5                  | 4.9  | 2.1   |
| Inflation Sensitive Assets   | 15.5                  | 4.0  | 1.2   |
| Real Estate  | 9                     | 6.3  | 3.5   |
| Private Equity/Debt  | 8                     | 10.6   | 7.6   |
| Multi-Asset  | 4                     | 6.9  | 4.0   |
| Total Core Fund  | 110                   | 7.5  | 4.6   |
| <b><u>Variable Fund Asset Class</u></b>  |                       |  |   |
| U.S. Equities  | 70                    | 7.5  | 4.6   |
| International Equities   | 30                    | 8.2  | 5.3   |
| Total Variable Fund  | 100                   | 7.8  | 4.9   |
| New England Pension Consultants Long-Term US CPI (Inflation) Forecast : 2.75%  |                       |  |   |
| Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations |                       |  |   |

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

**CITY OF ONALASKA, WISCONSIN**  
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued  
 DECEMBER 31, 2020

**NOTE 7 - Wisconsin Retirement System - Continued**

**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 percent, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate:

|   | <b>1% Decrease to<br/>Discount Rate<br/>(6.0%)</b> | <b>Current<br/>Discount Rate<br/>(7.0%)</b> | <b>1% Increase To<br/>Discount Rate<br/>(8.0%)</b> |
|---|--|---|--|
| City of Onalaska's proportionate share of the net pension liability (asset) | \$4,211,118  | (\$1,635,272)                               | (\$6,006,122)                                      |

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

**Payables to the Pension Plan**

At December 31, 2020, the City reported a payable of \$9,903 for the outstanding amount of contributions to the pension plan required for the year ended December 31, 2020.

**NOTE 8 - Local Retiree Life Insurance Fund - OPEB**

**General Information about the Other Post-Employment Benefits**

**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 post-employment life insurance benefits for all eligible employees.

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

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

**Contributions**

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

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

**CITY OF ONALASKA, WISCONSIN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2020**

**NOTE 8 - Local Retiree Life Insurance Fund - OPEB - Continued**

Contribution rates as of December 31, 2020 are:

| <b>Coverage Type</b>         | <b>Employer Contribution</b> |
|------------------------------|------------------------------|
| 50% Post Retirement Coverage | 40% of employee contribution |
| 25% Post Retirement Coverage | 20% of employee contribution |

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

| <b>Life Insurance<br/>Employee Contribution Rates<br/>For the year ended December 31, 2019</b> |              |                     |
|--|--------------|---------------------|
| <b>Attained Age</b>  | <b>Basic</b> | <b>Supplemental</b> |
| Under 30   | \$0.05       | \$0.05              |
| 30-34  | 0.06         | 0.06                |
| 35-39  | 0.07         | 0.07                |
| 40-44  | 0.08         | 0.08                |
| 45-49  | 0.12         | 0.12                |
| 50-54  | 0.22         | 0.22                |
| 55-59  | 0.39         | 0.39                |
| 60-64  | 0.49         | 0.49                |
| 65-69  | 0.57         | 0.57                |

During the reporting period, the LRLIF recognized \$1,815 in contributions from the employer.

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

At December 31, 2020, the City reported a liability (asset) of \$427,578 for its proportionate share of the net OPEB liability (asset). The net OPEB liability (asset) was measured as of December 31, 2019, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of December 31, 2018 rolled forward to December 31, 2019. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net OPEB liability (asset) was based on the City's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2019, the City's proportion was 0.10041300%, which was an increase of 0.001295% from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, the City recognized OPEB expense of \$47,967.

**CITY OF ONALASKA, WISCONSIN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2020**

**NOTE 8 - Local Retiree Life Insurance Fund - OPEB - Continued**

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

|   | <b>Deferred<br/>Outflows of<br/>Resources</b> | <b>Deferred<br/>Inflows of<br/>Resources</b> |
|---|---|--|
| Differences between expected and actual experience  | \$ -  | \$ 19,155                                    |
| Net differences between projected and actual earnings on OPEB investments                                     | 8,065   | -  |
| Changes in assumptions  | 157,736                                       | 47,030                                       |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 15,595  | 3,294  |
| Employer contributions subsequent to the measurement date   | -   | -  |
| <b>Total</b>  | <b>\$ 181,396</b>                             | <b>\$ 69,479</b>                             |

\$-0- reported as deferred outflows related to OPEB resulting from the City's Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| <b>Year ended<br/>December 31:</b> | <b>Deferred Outflows/<br/>(Inflows) of<br/>Resources</b> |
|------------------------------------|--|
| 2021                               | \$19,720   |
| 2022                               | 19,720   |
| 2023                               | 18,850   |
| 2024                               | 17,955   |
| 2025                               | 14,486   |
| 2026                               | 21,233   |
| 2027                               | (47)   |

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

|  |                                |
|--|--------------------------------|
| Actuarial Valuation Date:                      | January 1, 2019                |
| Measurement Date of Net OPEB Liability (Asset) | December 31, 2019              |
| Actuarial Cost Method:                         | Entry Age Normal               |
| 20 Year Tax-Exempt Municipal Bond Yield:       | 2.74%                          |
| Long-Term Expected Rate of Return:             | 4.25%                          |
| Discount Rate:                                 | 2.87%                          |
| Salary Increases                               |                                |
| Inflation:                                     | 3.00%                          |
| Seniority/Merit:                               | 0.10% - 5.60%                  |
| Mortality:                                     | Wisconsin 2018 Mortality Table |



**CITY OF ONALASKA, WISCONSIN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2020**

**NOTE 8 - Local Retiree Life Insurance Fund - OPEB - Continued**

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

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

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

| <u>Asset Class</u>                | <u>Index</u>         | <u>Target Allocation</u> | <u>Long-Term Expected Geometric Real Rate of Return</u> |
|-----------------------------------|----------------------|--------------------------|---|
| US Credit Bonds                   | Barclays Credit      | 45%                      | 2.12%   |
| US Long Credit Bonds              | Barclays Long Credit | 5%                       | 2.90%   |
| US Mortgages                      | Barclays MBS         | 50%                      | 1.53%   |
| Inflation                         |                      |                          | 2.20%   |
| Long-Term Expected Rate of Return |                      |                          | 4.25%   |

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

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

**CITY OF ONALASKA, WISCONSIN**  
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued  
 DECEMBER 31, 2020

**NOTE 8 - Local Retiree Life Insurance Fund - OPEB - Continued**

**Sensitivity of the District's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate** - The following presents the District's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 2.87 percent, as well as what the District's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (1.87 percent) or 1-percentage-point higher (3.87 percent) than the current rate:

|   | 1% Decrease to<br>Discount Rate<br>(1.87%) | Current Discount<br>Rate (2.87%) | 1% Increase To<br>Discount Rate<br>(3.87%) |
|---|--|----------------------------------|--|
| City of Onalaska's proportionate share of the net pension liability (asset) | \$590,414                                  | \$427,578                        | \$303,692                                  |

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

**Payables to the OPEB Plan**

At December 31, 2020, the District reported a payable of \$-0- for the outstanding amount of contributions to the pension plan required for the year ended December 31, 2020.

**NOTE 9 - Interfund Receivables, Payables, Advances, and Transfers**

Individual interfund receivable and payable balances at December 31, 2020, are as follows:

| <u>RECEIVABLE FUND</u> | <u>PAYABLE FUND</u>   | <u>AMOUNT</u>              |
|------------------------|-----------------------|----------------------------|
| General                | TIF #5                | \$ 17,202                  |
| General                | CDA                   | 145                        |
| General                | Omni-Center           | 168,341                    |
| Water                  | Debt Service          | 791                        |
| Water                  | Sewer                 | 248,014                    |
| Water                  | 2008 Capital Projects | 19,218                     |
| Water                  | 2015 Capital Projects | 63,155                     |
| Water                  | 2016 Capital Projects | 40,118                     |
| Water                  | 2017 Capital Projects | 6,609                      |
| Water                  | 2019 Capital Projects | 827,671                    |
| Sewer                  | Debt Service          | 1,173                      |
| Sewer                  | 2015 Capital Projects | 12,504                     |
| Sewer                  | 2016 Capital Projects | 27,786                     |
| Sewer                  | 2017 Capital Projects | 73,807                     |
| Sewer                  | 2018 Capital Projects | 101,620                    |
| Sewer                  | 2019 Capital Projects | 110,828                    |
| Storm Water            | 2011 Capital Projects | 90,696                     |
| Storm Water            | 2015 Capital Projects | 3,112                      |
| Storm Water            | 2017 Capital Projects | 99,866                     |
| Storm Water            | 2018 Capital Projects | 22,412                     |
| Storm Water            | 2019 Capital Projects | 144,525                    |
| Water                  | 2020 Capital Projects | 81,735                     |
| Sewer                  | 2020 Capital Projects | 51,047                     |
| Storm Water            | 2020 Capital Projects | 25,574                     |
| General                | TIF #6                | 11,000                     |
| 2018 Capital Projects  | Cemetery              | 59,813                     |
| General                | Cemetery              | 1,278                      |
|                        |                       | <b><u>\$ 2,310,040</u></b> |

**CITY OF ONALASKA, WISCONSIN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2020**

**NOTE 9 - Interfund Receivables, Payables, Advances, and Transfers - Continued**

The above balances resulted from the timing differences between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. All amounts are due within one year.

Individual fund transfers during 2020 are as follows:

| <u>FUND TRANSFERRED TO</u> | <u>FUND TRANSFERRED FROM</u> | <u>AMOUNT</u>              |
|----------------------------|------------------------------|----------------------------|
| Equipment Replacement      | General Fund                 | \$ 435,000                 |
| General Fund               | Water Fund                   | 407,716                    |
| General Fund               | Sewer Fund                   | 30,066                     |
| Omni Center                | Special Projects/Donations   | 157,106                    |
| Omni Center                | Tourism                      | 71,201                     |
|                            |                              | <b><u>\$ 1,101,089</u></b> |

Generally, transfers are used to move revenue from the fund that collects them to the fund that the budget requires to expend them and use unrestricted revenue collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**NOTE 10 - Net Position and Fund Balances**

Portions of fund balances and net position are not available for current appropriation or expenditures as follows:

| <u>FUND</u>         | <u>PURPOSE/REASON</u>                 | <u>AMOUNT</u>              |
|---------------------|---------------------------------------|----------------------------|
| <u>Nonspendable</u> |                                       |                            |
| General Fund        | Prepaid Expenses                      | <b><u>\$ 50,362</u></b>    |
| <u>Restricted</u>   |                                       |                            |
| Debt Service        | Debt Service                          | \$ 695,554                 |
| Capital Projects    | 1996-2005 Debt Referendums            | 43,594                     |
| Capital Projects    | 2008 Debt Referendum                  | 251,896                    |
| Capital Projects    | 2011 Debt Referendum                  | (14,119)                   |
| Capital Projects    | 2015 Debt Referendum                  | (58,546)                   |
| Capital Projects    | 2016 Debt Referendum                  | 110,349                    |
| Capital Projects    | 2017 Debt Referendum                  | 56,233                     |
| Capital Projects    | 2018 Debt Referendum                  | 92,829                     |
| Capital Projects    | 2019 Debt Referendum                  | (49,499)                   |
| Capital Projects    | 2020 Debt Referendum                  | 739,489                    |
| Special Revenue     | Nonresident Park & Recreation         | 684,707                    |
| Special Revenue     | Special Projects/Donations            | 1,350,969                  |
| Special Revenue     | Shared Ride Taxi                      | 412,287                    |
| Special Revenue     | Municipal Court                       | 157,063                    |
|                     | <b>TOTAL RESTRICTED FUND BALANCES</b> | <b><u>\$ 4,472,806</u></b> |

**CITY OF ONALASKA, WISCONSIN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2020**

**NOTE 10 - Net Position and Fund Balances - Continued**

| <u>FUND</u>                                   | <u>PURPOSE/REASON</u>                  | <u>AMOUNT</u>              |
|---|--|----------------------------|
| <u>Committed</u>                              |  |                            |
| Special Revenue                               | Refuse and Recycling                   | \$ 509,757                 |
| Special Revenue                               | Equipment Replacement                  | 1,463,482                  |
| Special Revenue                               | Police Reserves                        | 2,477                      |
| Special Revenue                               | Land Acquisition                       | 435,000                    |
| <b>TOTAL COMMITTED</b>                        |  | <b><u>\$ 2,410,716</u></b> |
| <u>Assigned</u>                               |  |                            |
| General                                       | Street Department Equipment            | \$ 36,236                  |
| General                                       | S.I.R. Insurance Deductible            | 146,990                    |
| General                                       | Downtown Redevelopment                 | 18,500                     |
| General                                       | Computer Hardware/Software Update      | 15,000                     |
| General                                       | Health/Dental/Vacation Former Employee | 4,000                      |
| General                                       | Street Maintenance Shop4               | 29,000                     |
| General                                       | Street Snow & Ice                      | 142,000                    |
| General                                       | Street Lights                          | 10,000                     |
| General                                       | City Study                             | 45,270                     |
| General                                       | Tree Brush                             | 4,500                      |
| General                                       | City Hall Vehicle                      | 3,000                      |
| General                                       | Recreation/Parks                       | 9,000                      |
| <b>TOTAL ASSIGNED FUND BALANCE</b>            |  | <b><u>\$ 463,496</u></b>   |
| <u>Restrictions - Enterprise Funds</u>        |  |                            |
| Water   | Water Bond Requirements                | \$ 699,792                 |
| Sewer   | Sewer Bond Requirements                | 637,929                    |
| Storm Water                                   | Storm Water Bond Requirements          | 165,513                    |
| Cemetery                                      | Cemetery Restricted Donations          | 2,000                      |
| Water   | WRS Pension                            | 98,186                     |
| Sewer   | WRS Pension                            | 69,744                     |
| Cemetery                                      | WRS Pension                            | 7,676                      |
| Omni Center                                   | WRS Pension                            | 25,636                     |
| Tourism                                       | WRS Pension                            | 13,873                     |
| Storm Water                                   | WRS Pension                            | 29,789                     |
| <b>TOTAL RESTRICTED NET POSITION</b>          |  | <b><u>\$ 1,750,138</u></b> |
| <u>Restrictions - Governmental Activities</u> |  |                            |
| General                                       | WRS Pension                            | \$ 1,390,368               |
| General                                       | Debt Service                           | 695,554                    |
| General                                       | Capital Projects                       | 1,172,226                  |
| General                                       | Special Revenue                        | 2,605,026                  |
| <b>TOTAL RESTRICTED</b>                       |  | <b><u>\$ 5,863,174</u></b> |

The Sewer Utility collects hook-up fees per City ordinance. At December 31, 2020, \$654,355 of the unrestricted net position balance has been designated for these collections.

Per City ordinance, the Cemetery allocates 20 percent of current year lot sales for perpetual care and capital improvements. At December 31, 2020, \$414,247 of unrestricted net position balance has been designated for these purposes.

**CITY OF ONALASKA, WISCONSIN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2020**

**NOTE 10 - Net Position and Fund Balances - Continued**

The following funds had fund balance deficits at December 31, 2020:

| <u>FUND</u>    | <u>PURPOSE/REASON</u>                      | <u>AMOUNT</u>     |
|----------------|--|-------------------|
| <u>Deficit</u> |  |                   |
| Omni Center    | Operating expenses exceed operating income | \$ 113,858        |
| TIF #5         | Awaiting future TIF revenue                | 17,202            |
| TIF #6         | Awaiting future TIF revenue                | 11,000            |
|                |  | <u>\$ 142,060</u> |

**NOTE 11 - Tax Incremental Finance District**

Tax increment financing, as authorized by Section 66.1105 of the Wisconsin Statutes, is a method by which the City can recover its development and public improvement costs in Tax Incremental Finance (TIF) District designated areas. These costs are recovered from the increased valuation in the designated area. The City has financed development and public improvement costs in its Districts through general fund advances and through the issuance of general obligation long-term debt. Project costs have been reported primarily as Capital Projects Funds expenditures. Tax increments will be used to repay general fund advances and to meet maturing debt obligations incurred to provide financing for development and public improvement costs within each District. Each District is allowed to collect tax increments until its termination date. Any over-collections are returned to the various taxing entities of the District. The City becomes liable for any cost not recovered by the termination date.

The City has three Tax Incremental Financing Districts. The following is a project summary of the activity and status of the TIF Districts through December 31, 2020:

|   | <u>TIF #5</u>             | <u>TIF #6</u>             |
|---|---------------------------|---------------------------|
| SOURCES OF FUNDS                            | \$ 251,000                | \$ -                      |
| USES OF FUNDS                               |                           |                           |
| Admin costs                                 | 251,330                   | 11,000                    |
| Project costs                               | 16,872                    | -                         |
| TOTAL USES                                  | <u>268,202</u>            | <u>11,000</u>             |
| <b>FUND BALANCE AS OF DECEMBER 31, 2020</b> | <b><u>\$ (17,202)</u></b> | <b><u>\$ (11,000)</u></b> |
| <b>FUTURE REQUIREMENTS</b>                  |                           |                           |
| Due to General Fund                         | <b><u>\$ 17,202</u></b>   | <b><u>\$ 11,000</u></b>   |
| <b>2020 Tax Increment</b>                   | <b><u>\$ 58,470</u></b>   | <b><u>\$ -</u></b>        |

**NOTE 12 - Risk Management**

The City is exposed to various risks of loss to torts; theft, damage, and destruction of assets; errors and omissions; and natural disasters for which the City carries commercial insurance. There has been no significant reduction in insurance coverage from the previous year. There have been no settlements in excess of coverage in any of the prior three fiscal years.

**CITY OF ONALASKA, WISCONSIN**  
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2020

**NOTE 12 - Risk Management - Continued**

The City's liability insurance coverage is provided by Cities and Villages Mutual Insurance Company. This policy has a \$17,500 retained limit per occurrence and \$70,000 in aggregate. These policies are written as participating policies. To the extent actual losses and loss adjustment expenses vary from recorded amounts, policyholders may receive additional dividends or may be required to make additional premium payments at such times as any excess of deficiency of losses and loss adjustment expenses is known.

The City had no material outstanding claims liability at December 31, 2020. Estimates for claims liabilities are based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of loss can be reasonably estimated.

**NOTE 13 - Prior Period Adjustment**

The City had a prior period adjustment totaling \$170,563 in the water fund for corrections on fixed asset and accumulated depreciation amounts from prior years from the PSC water rate case study done in 2020.

**NOTE 14 - Subsequent Event**

In March 2021, the City issued \$3,510,000 in General Obligation Bonds. These bonds are for 2021 City & Utility capital projects.

**NOTE 15 - Coronavirus (COVID-19)**

During 2020, the world-wide coronavirus pandemic impacted national and global economies. The City is closely monitoring its operations, liquidity and capital resources and is actively working to minimize the current and future impact of this unprecedented situation. As of the date of issuance of these financial statements, the current and future full impact to the City is not known.

**CITY OF ONALASKA, WISCONSIN**  
**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF ONALASKA, WISCONSIN**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**YEAR ENDED DECEMBER 31, 2020**

|  | ORIGINAL<br>BUDGET         | FINAL<br>BUDGET            | ACTUAL<br>AMOUNTS          | VARIANCE<br>WITH FINAL<br>BUDGET |
|--|----------------------------|----------------------------|----------------------------|----------------------------------|
| <b>REVENUE</b>   |                            |                            |                            |                                  |
| Taxes  | \$ 6,810,740               | \$ 6,810,740               | \$ 6,811,276               | \$ 536                           |
| Special assessment                                     | 16,700                     | 16,700                     | 41,976                     | 25,276                           |
| Intergovernmental                                      | 1,702,088                  | 1,702,088                  | 1,751,517                  | 49,429                           |
| Licenses and permits                                   | 508,090                    | 508,090                    | 559,238                    | 51,148                           |
| Fines, forfeits, and penalties                         | 167,000                    | 167,000                    | 119,838                    | (47,162)                         |
| Public charges for services                            | 219,630                    | 219,630                    | 47,049                     | (172,581)                        |
| Intergovernmental charges for services                 | 55,000                     | 55,000                     | 68,527                     | 13,527                           |
| Miscellaneous  | 284,700                    | 284,700                    | 247,398                    | (37,302)                         |
| <b>TOTAL REVENUE</b>                                   | <u>9,763,948</u>           | <u>9,763,948</u>           | <u>9,646,819</u>           | <u>(117,129)</u>                 |
| <b>EXPENDITURES</b>                                    |                            |                            |                            |                                  |
| Current  |                            |                            |                            |                                  |
| General government                                     | 1,694,987                  | 1,786,437                  | 1,651,197                  | 135,240                          |
| Public safety  | 6,008,840                  | 5,881,790                  | 5,611,656                  | 270,134                          |
| Public works   | 1,129,031                  | 1,164,631                  | 1,109,038                  | 55,593                           |
| Health and human services                              | 73,691                     | 73,691                     | 73,691                     | -                                |
| Culture, recreation, and education                     | 1,077,319                  | 1,077,319                  | 826,782                    | 250,537                          |
| Conservation and development                           | 200,080                    | 200,080                    | 160,969                    | 39,111                           |
| <b>TOTAL EXPENDITURES</b>                              | <u>10,183,948</u>          | <u>10,183,948</u>          | <u>9,433,333</u>           | <u>750,615</u>                   |
| <b>EXCESS OF REVENUE (UNDER) OVER<br/>EXPENDITURES</b> | <u>(420,000)</u>           | <u>(420,000)</u>           | <u>213,486</u>             | <u>633,486</u>                   |
| <b>OTHER FINANCING SOURCES (USES)</b>                  |                            |                            |                            |                                  |
| Transfers in   | 420,000                    | 420,000                    | 437,782                    | 17,782                           |
| Transfers out  | -                          | -                          | (435,000)                  | (435,000)                        |
| <b>TOTAL OTHER FINANCING SOURCES</b>                   | <u>420,000</u>             | <u>420,000</u>             | <u>2,782</u>               | <u>(417,218)</u>                 |
| <b>NET CHANGE IN FUND BALANCE</b>                      | -                          | -                          | 216,268                    | 216,268                          |
| <b>FUND BALANCE AT BEGINNING OF YEAR</b>               | <u>8,879,749</u>           | <u>8,879,749</u>           | <u>8,879,749</u>           | <u>-</u>                         |
| <b>FUND BALANCE AT END OF YEAR</b>                     | <u><b>\$ 8,879,749</b></u> | <u><b>\$ 8,879,749</b></u> | <u><b>\$ 9,096,017</b></u> | <u><b>\$ 216,268</b></u>         |



**CITY OF ONALASKA, WISCONSIN**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**ON BUDGETARY ACCOUNTING AND CONTROL**  
**YEAR ENDED DECEMBER 31, 2020**

Budgets are adopted each fiscal year in accordance with Section 65.90 of the Wisconsin Statutes. The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to October 15, the Financial Services Director and Mayor submit to the Common Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted in the Council Chambers to obtain taxpayer comments.
3. Prior to December 1, the budget is legally enacted through passage of an ordinance.
4. The Financial Services Director is authorized to transfer budget amounts within departments upon committee approval; however, any revisions that alter the total expenditures of any fund must be approved by the Common Council by resolution.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds (except the Police Reserve Fund) and Debt Service Fund. Capital Projects Funds are budgeted on a project basis, rather than an annual basis.
6. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
7. Budgetary expenditure control is exercised at the department level within the fund.
8. Budgeted amounts are as authorized in the original budget resolution and subsequent revisions authorized by the Common Council.
9. Appropriations lapse at year end, except those specifically carried forward by Council action.
10. Encumbrance accounting is not used.

Excess of Actual Expenditures Over Budget in Individual Funds

None

**CITY OF ONALASKA, WISCONSIN**  
**WISCONSIN RETIREMENT SYSTEM SCHEDULES**  
**YEAR ENDED DECEMBER 31, 2020**

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)  
Last 10 Fiscal Years

|  | 2015           | 2016         | 2017         | 2018           | 2019         | 2020           |
|--|----------------|--------------|--------------|----------------|--------------|----------------|
| City's proportion of the net pension liability (asset)   | 0.04502789%    | 0.04546990%  | 0.04563095%  | 0.04693345%    | 0.04859241%  | 0.05071467%    |
| City's proportionate share of the net pension liability (asset)  | \$ (1,106,008) | \$ 738,877   | \$ 376,108   | \$ (1,393,509) | \$ 1,728,765 | \$ (1,635,272) |
| City's covered employee payroll  | \$ 5,070,926   | \$ 5,252,029 | \$ 5,116,725 | \$ 5,435,874   | \$ 5,752,577 | \$ 6,046,016   |
| Proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll | -21.81%        | 14.07%       | 7.35%        | -25.64%        | 30.05%       | -27.05%        |
| Plan fiduciary net position as a percentage of the total pension liability                               | 102.74%        | 98.20%       | 99.12%       | 102.93%        | 96.45%       | 102.96%        |

SCHEDULE OF CONTRIBUTIONS  
Last 10 Fiscal Years

|  | 2015         | 2016         | 2017         | 2018         | 2019         | 2020         |
|--|--------------|--------------|--------------|--------------|--------------|--------------|
| Contractually required contribution                                  | \$ 447,721   | \$ 446,306   | \$ 429,225   | \$ 499,613   | \$ 525,997   | \$ 540,740   |
| Contributions in relation to the contractually required contribution | (447,721)    | (446,306)    | (429,225)    | (499,613)    | (525,997)    | (540,740)    |
| <b>Contribution deficiency (excess)</b>                              | <b>\$ -</b>  | <b>\$ -</b>  | <b>\$ -</b>  | <b>\$ -</b>  | <b>\$ -</b>  | <b>\$ -</b>  |
| City's covered employee payroll                                      | \$ 5,070,926 | \$ 5,252,029 | \$ 5,116,725 | \$ 5,435,874 | \$ 5,752,577 | \$ 6,046,016 |
| Contributions as a percentage of covered employee payroll            | 8.83%        | 8.50%        | 8.39%        | 9.19%        | 9.14%        | 8.94%        |

The City implemented the Government Accounting Standards Board Statement No. 68 for the year ended December 31, 2015. Requirements have been implemented prospectively; therefore, the above illustrations do not reflect similar information for the 4 preceding years.

**Notes to Required Supplementary Information for the Year Ended December 31, 2020**

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 were noted from the prior year.

**CITY OF ONALASKA, WISCONSIN**  
**WISCONSIN RETIREMENT SYSTEM LOCAL RETIREE LIFE INSURANCE FUND SCHEDULES**  
**YEAR ENDED DECEMBER 31, 2020**

SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)  
Last 10 Fiscal Years

|  | 2018         | 2019         | 2020         |
|--|--------------|--------------|--------------|
| Proportion of the net OPEB liability (asset)   | 0.09752900%  | 0.10170800%  | 0.10041300%  |
| Proportionate share of the net OPEB liability (asset)  | \$ 293,424   | \$ 262,441   | \$ 427,578   |
| Covered payroll  | \$ 4,101,373 | \$ 4,990,000 | \$ 5,156,000 |
| Proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll | 7.15%        | 5.26%        | 8.29%        |
| Plan fiduciary net position as a percentage of the total OPEB liability (asset)              | 44.81%       | 48.69%       | 48.69%       |

SCHEDULE OF CONTRIBUTIONS  
Last 10 Fiscal Years

|  | 2018                | 2019                | 2020                |
|--|---------------------|---------------------|---------------------|
| Contractually required contribution                                  | \$ 1,852            | \$ 1,959            | \$ 1,815            |
| Contributions in relation to the contractually required contribution | <u>(1,852)</u>      | <u>(1,959)</u>      | <u>(1,815)</u>      |
| <b>Contribution deficiency (excess)</b>                              | <b><u>\$ -</u></b>  | <b><u>\$ -</u></b>  | <b><u>\$ -</u></b>  |
| Covered employee payroll   | <u>\$ 4,101,373</u> | <u>\$ 4,990,000</u> | <u>\$ 5,156,000</u> |
| Contributions as a percentage of covered employee payroll            | 0.05%               | 0.04%               | 0.04%               |

The City implemented the Government Accounting Standards Board Statement No. 75 for the year ended December 31, 2018. Requirements have been implemented prospectively; therefore, the above illustrations do not reflect similar information for the 7 proceeding years.

**Notes to Required Supplementary Information for the Year Ended December 31, 2020**

Changes of benefit terms - there were no changes of benefit terms for any participating employer in the LRLIF.

Changes of assumptions. Several actuarial assumptions changed from prior year, including the single discount rate, long-term expected rate of return and expected inflation. Please refer to the Actuarial Assumptions section of the LRLIF footnote for additional details.

**CITY OF ONALASKA, WISCONSIN**  
**OTHER SUPPLEMENTARY INFORMATION**

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

|  | SPECIAL REVENUE FUNDS   |                                   |                         |                     |                          |                    |                              |                  |                 | TOTAL<br>NONMAJOR<br>GOVERNMENTAL<br>FUNDS |                     |
|--|-------------------------|-----------------------------------|-------------------------|---------------------|--------------------------|--------------------|------------------------------|------------------|-----------------|--|---------------------|
|  | NONRESIDENT<br>AND PARK | SPECIAL<br>PROJECTS/<br>DONATIONS | REFUSE AND<br>RECYCLING | SHARED<br>RIDE TAXI | EQUIPMENT<br>REPLACEMENT | POLICE<br>RESERVES | MUNICIPAL<br>COURT<br>SYSTEM | TIF #5           | TIF #6          |  | CAPITAL<br>PROJECTS |
| <b>ASSETS</b>  |                         |                                   |                         |                     |                          |                    |                              |                  |                 |  |                     |
| Cash and investments   | \$ 684,707              | \$ 1,395,391                      | \$ 573,910              | \$ 185,107          | \$ 1,930,863             | \$ 2,477           | \$ 88,926                    | \$ -             | \$ -            | \$ 2,315,907                               | \$ 7,177,288        |
| Taxes receivable   | -                       | -                                 | 957,568                 | 192,300             | 91,975                   | -                  | 63,863                       | 58,470           | -               | -  | 1,364,176           |
| Other receivables  | -                       | 24,284                            | 6,453                   | 4,699               | 1,169                    | -                  | -                            | -                | -               | -  | 36,605              |
| Due from other funds   | -                       | -                                 | -                       | -                   | -                        | -                  | -                            | -                | -               | 59,813                                     | 59,813              |
| Due from other governments   | -                       | -                                 | -                       | 270,614             | -                        | -                  | 76,866                       | -                | -               | -  | 347,480             |
| <b>TOTAL ASSETS</b>  | <b>\$ 684,707</b>       | <b>\$ 1,419,675</b>               | <b>\$ 1,537,931</b>     | <b>\$ 652,720</b>   | <b>\$ 2,024,007</b>      | <b>\$ 2,477</b>    | <b>\$ 229,655</b>            | <b>\$ 58,470</b> | <b>\$ -</b>     | <b>\$ 2,375,720</b>                        | <b>\$ 8,985,362</b> |
| <b>LIABILITIES, DEFERRED INFLOWS OF<br/>RESOURCES, AND FUND BALANCES</b>               |                         |                                   |                         |                     |                          |                    |                              |                  |                 |  |                     |
| <b>LIABILITIES</b>   |                         |                                   |                         |                     |                          |                    |                              |                  |                 |  |                     |
| Accounts payable   | -                       | \$ 68,706                         | \$ 70,628               | \$ 48,133           | \$ 33,550                | -                  | \$ 7,848                     | -                | -               | \$ 434,521                                 | \$ 663,386          |
| Accrued payroll and fringe benefits  | -                       | -                                 | (22)                    | -                   | -                        | -                  | 881                          | -                | -               | -  | 859                 |
| Due to other funds   | -                       | -                                 | -                       | -                   | -                        | -                  | -                            | 17,202           | 11,000          | 1,508,462                                  | 1,536,664           |
| <b>TOTAL LIABILITIES</b>   | <b>-</b>                | <b>68,706</b>                     | <b>70,606</b>           | <b>48,133</b>       | <b>33,550</b>            | <b>-</b>           | <b>8,729</b>                 | <b>17,202</b>    | <b>11,000</b>   | <b>1,942,983</b>                           | <b>2,200,909</b>    |
| <b>DEFERRED INFLOWS OF RESOURCES</b>   |                         |                                   |                         |                     |                          |                    |                              |                  |                 |  |                     |
| Unavailable revenue - tax roll   | -                       | -                                 | 957,568                 | 192,300             | 91,975                   | -                  | 63,863                       | 58,470           | -               | -  | 1,364,176           |
| <b>FUND BALANCES</b>   |                         |                                   |                         |                     |                          |                    |                              |                  |                 |  |                     |
| Restricted   | 684,707                 | 1,350,969                         | -                       | 412,287             | -                        | -                  | 157,063                      | -                | -               | 432,737                                    | 3,037,763           |
| Committed  | -                       | -                                 | 509,757                 | -                   | 1,898,482                | 2,477              | -                            | -                | -               | -  | 2,410,716           |
| Unassigned   | -                       | -                                 | -                       | -                   | -                        | -                  | -                            | (17,202)         | (11,000)        | -  | (28,202)            |
| <b>TOTAL FUND BALANCES</b>   | <b>684,707</b>          | <b>1,350,969</b>                  | <b>509,757</b>          | <b>412,287</b>      | <b>1,898,482</b>         | <b>2,477</b>       | <b>157,063</b>               | <b>(17,202)</b>  | <b>(11,000)</b> | <b>432,737</b>                             | <b>5,420,277</b>    |
| <b>TOTAL LIABILITIES,<br/>DEFERRED INFLOWS<br/>OF RESOURCES,<br/>AND FUND BALANCES</b> | <b>\$ 684,707</b>       | <b>\$ 1,419,675</b>               | <b>\$ 1,537,931</b>     | <b>\$ 652,720</b>   | <b>\$ 2,024,007</b>      | <b>\$ 2,477</b>    | <b>\$ 229,655</b>            | <b>\$ 58,470</b> | <b>\$ -</b>     | <b>\$ 2,375,720</b>                        | <b>\$ 8,985,362</b> |

**CITY OF ONALASKA, WISCONSIN**  
**COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2020**

|   | SPECIAL REVENUE FUNDS   |                                   |                         |                     |                          |                    |                              |                    |                    | TOTAL<br>NONMAJOR<br>GOVERNMENTAL<br>FUNDS |                     |
|---|-------------------------|-----------------------------------|-------------------------|---------------------|--------------------------|--------------------|------------------------------|--------------------|--------------------|--|---------------------|
|   | NONRESIDENT<br>AND PARK | SPECIAL<br>PROJECTS/<br>DONATIONS | REFUSE AND<br>RECYCLING | SHARED<br>RIDE TAXI | EQUIPMENT<br>REPLACEMENT | POLICE<br>RESERVES | MUNICIPAL<br>COURT<br>SYSTEM | TIF #5             | TIF #6             |  | CAPITAL<br>PROJECTS |
| <b>REVENUE</b>  |                         |                                   |                         |                     |                          |                    |                              |                    |                    |  |                     |
| Taxes   | \$ -                    | \$ 43,688                         | \$ 952,055              | \$ 196,532          | \$ 55,707                | \$ -               | \$ 78,590                    | \$ -               | \$ -               | \$ -                                       | \$ 1,326,572        |
| Intergovernmental                                     | -                       | 854                               | 40,516                  | 473,118             | 336,497                  | -                  | -                            | -                  | -                  | -  | 850,985             |
| Licenses and permits                                  | -                       | 446                               | -                       | -                   | -                        | -                  | -                            | -                  | -                  | -  | 446                 |
| Fines, forfeits, and penalties                        | -                       | -                                 | -                       | -                   | -                        | -                  | 216,491                      | -                  | -                  | -  | 216,491             |
| Public charges for services                           | 69,647                  | -                                 | 67,630                  | -                   | -                        | -                  | -                            | -                  | -                  | -  | 137,277             |
| Intergovernmental charges for services                | -                       | -                                 | -                       | 86,061              | -                        | 1,065              | 77,366                       | -                  | -                  | -  | 164,492             |
| Miscellaneous   | 2,751                   | 89,910                            | 25,129                  | -                   | 171,103                  | 553                | 505                          | 250,000            | -                  | 7,279                                      | 547,230             |
| <b>TOTAL REVENUE</b>                                  | <u>72,398</u>           | <u>134,898</u>                    | <u>1,085,330</u>        | <u>755,711</u>      | <u>563,307</u>           | <u>1,618</u>       | <u>372,952</u>               | <u>250,000</u>     | <u>-</u>           | <u>7,279</u>                               | <u>3,243,493</u>    |
| <b>EXPENDITURES</b>                                   |                         |                                   |                         |                     |                          |                    |                              |                    |                    |  |                     |
| Current   |                         |                                   |                         |                     |                          |                    |                              |                    |                    |  |                     |
| General government                                    | -                       | -                                 | -                       | -                   | 2,585                    | -                  | 348,131                      | 250,150            | 11,000             | -  | 611,866             |
| Public safety   | -                       | 23,960                            | -                       | -                   | -                        | 3,194              | -                            | -                  | -                  | -  | 27,154              |
| Public works  | -                       | 47,500                            | 1,039,119               | 658,098             | -                        | -                  | -                            | -                  | -                  | -  | 1,744,717           |
| Culture, recreation, and education                    | -                       | 72,604                            | -                       | -                   | -                        | -                  | -                            | -                  | -                  | -  | 72,604              |
| Capital outlay  | 4,237                   | 90,009                            | -                       | -                   | 677,974                  | -                  | 62,274                       | -                  | -                  | 854,161                                    | 1,688,655           |
| <b>TOTAL EXPENDITURES</b>                             | <u>4,237</u>            | <u>234,073</u>                    | <u>1,039,119</u>        | <u>658,098</u>      | <u>680,559</u>           | <u>3,194</u>       | <u>410,405</u>               | <u>250,150</u>     | <u>11,000</u>      | <u>854,161</u>                             | <u>4,144,996</u>    |
| <b>EXCESS OF REVENUE OVER<br/>(UNDER) EXPENDITURE</b> | <u>68,161</u>           | <u>(99,175)</u>                   | <u>46,211</u>           | <u>97,613</u>       | <u>(117,252)</u>         | <u>(1,576)</u>     | <u>(37,453)</u>              | <u>(150)</u>       | <u>(11,000)</u>    | <u>(846,882)</u>                           | <u>(901,503)</u>    |
| <b>OTHER FINANCING (USES) SOURCES</b>                 |                         |                                   |                         |                     |                          |                    |                              |                    |                    |  |                     |
| Transfers in  | -                       | -                                 | -                       | -                   | 435,000                  | -                  | -                            | -                  | -                  | -  | 435,000             |
| Transfers out   | -                       | (157,106)                         | -                       | -                   | -                        | -                  | -                            | -                  | -                  | -  | (157,106)           |
| <b>TOTAL OTHER FINANCING<br/>(USES) SOURCES</b>       | <u>-</u>                | <u>(157,106)</u>                  | <u>-</u>                | <u>-</u>            | <u>435,000</u>           | <u>-</u>           | <u>-</u>                     | <u>-</u>           | <u>-</u>           | <u>-</u>                                   | <u>277,894</u>      |
| <b>NET CHANGE IN FUND<br/>BALANCE</b>                 | <u>68,161</u>           | <u>(256,281)</u>                  | <u>46,211</u>           | <u>97,613</u>       | <u>317,748</u>           | <u>(1,576)</u>     | <u>(37,453)</u>              | <u>(150)</u>       | <u>(11,000)</u>    | <u>(846,882)</u>                           | <u>(623,609)</u>    |
| <b>FUND BALANCE AT BEGINNING OF YEAR</b>              | <u>616,546</u>          | <u>1,607,250</u>                  | <u>463,546</u>          | <u>314,674</u>      | <u>1,580,734</u>         | <u>4,053</u>       | <u>194,516</u>               | <u>(17,052)</u>    | <u>-</u>           | <u>1,279,619</u>                           | <u>6,043,886</u>    |
| <b>FUND BALANCE AT END OF YEAR</b>                    | <u>\$ 684,707</u>       | <u>\$ 1,350,969</u>               | <u>\$ 509,757</u>       | <u>\$ 412,287</u>   | <u>\$ 1,898,482</u>      | <u>\$ 2,477</u>    | <u>\$ 157,063</u>            | <u>\$ (17,202)</u> | <u>\$ (11,000)</u> | <u>\$ 432,737</u>                          | <u>\$ 5,420,277</u> |

**CITY OF ONALASKA, WISCONSIN**  
**COMBINING STATEMENT OF NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**DECEMBER 31, 2020**

| <u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u>               | <u>TOURISM</u>             | <u>CEMETERY</u>          | <u>OMNI<br/>CENTER</u>   | <u>TOTAL<br/>NONMAJOR<br/>ENTERPRISE<br/>FUNDS</u> |
|--|----------------------------|--------------------------|--------------------------|--|
| <b>ASSETS</b>  |                            |                          |                          |  |
| <b>CURRENT ASSETS</b>  |                            |                          |                          |  |
| Cash and investments   | \$ 559,523                 | \$ -                     | \$ -                     | \$ 559,523   |
| Accounts receivable  |                            |                          |                          |  |
| Customer   | -                          | -                        | 38,673                   | 38,673   |
| Other  | 30,970                     | -                        | -                        | 30,970   |
| Interest receivable  | -                          | 2                        | -                        | 2  |
| Due from other governments                                     | -                          | -                        | 80,878                   | 80,878   |
| Inventories  | -                          | -                        | 3,913                    | 3,913  |
| Prepaid expense  | -                          | -                        | 7,795                    | 7,795  |
| <b>TOTAL CURRENT ASSETS</b>                                    | <u>590,493</u>             | <u>2</u>                 | <u>131,259</u>           | <u>721,754</u>                                     |
| <b>NONCURRENT ASSETS</b>                                       |                            |                          |                          |  |
| <b>CAPITAL ASSETS</b>  |                            |                          |                          |  |
| Land   | -                          | 214,787                  | -                        | 214,787  |
| Construction work in progress                                  | 19,815                     | -                        | -                        | 19,815   |
| Buildings  | 2,388,247                  | 17,037                   | -                        | 2,405,284  |
| Improvements other than buildings                              | -                          | 404,846                  | -                        | 404,846  |
| Machinery and equipment  | 3,217                      | 85,518                   | -                        | 88,735   |
| <b>TOTAL CAPITAL ASSETS</b>                                    | <u>2,411,279</u>           | <u>722,188</u>           | <u>-</u>                 | <u>3,133,467</u>                                   |
| Less accumulated depreciation                                  | 478,139                    | 163,272                  | -                        | 641,411  |
| <b>NET CAPITAL ASSETS</b>                                      | <u>1,933,140</u>           | <u>558,916</u>           | <u>-</u>                 | <u>2,492,056</u>                                   |
| <b>OTHER ASSETS</b>  |                            |                          |                          |  |
| Net pension asset (Wisconsin Retirement System)                | 13,873                     | 7,676                    | 25,636                   | 47,185   |
| <b>TOTAL NONCURRENT ASSETS</b>                                 | <u>1,947,013</u>           | <u>566,592</u>           | <u>25,636</u>            | <u>2,539,241</u>                                   |
| <b>TOTAL ASSETS</b>  | <u>2,537,506</u>           | <u>566,594</u>           | <u>156,895</u>           | <u>3,260,995</u>                                   |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                          |                            |                          |                          |  |
| Wisconsin Retirement System pension                            | 33,419                     | 18,490                   | 61,756                   | 113,665  |
| Wisconsin Retirement System LRLIF                              | 1,539                      | 851                      | 2,844                    | 5,234  |
| <b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>                    | <u>34,958</u>              | <u>19,341</u>            | <u>64,600</u>            | <u>118,899</u>                                     |
| <b>TOTAL ASSETS AND DEFERRED OUTFLOWS<br/>    OF RESOURCES</b> | <u><b>\$ 2,572,464</b></u> | <u><b>\$ 585,935</b></u> | <u><b>\$ 221,495</b></u> | <u><b>\$ 3,379,894</b></u>                         |

(Continued on page 64)

**CITY OF ONALASKA, WISCONSIN**  
**COMBINING STATEMENT OF NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**DECEMBER 31, 2020**

| <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND<br/>NET POSITION</u>       | <u>TOURISM</u>             | <u>CEMETERY</u>          | <u>OMNI<br/>CENTER</u>   | <u>TOTAL<br/>NONMAJOR<br/>ENTERPRISE<br/>FUNDS</u> |
|---|----------------------------|--------------------------|--------------------------|--|
| <b>LIABILITIES</b>  |                            |                          |                          |  |
| <b>CURRENT LIABILITIES</b>  |                            |                          |                          |  |
| Accounts payable  | \$ 22,205                  | \$ 268                   | \$ 29,028                | \$ 51,501  |
| Accrued liabilities   |                            |                          |                          |  |
| Payroll and fringe benefits   | 975                        | 990                      | 1,810                    | 3,775  |
| Interest  | 10,603                     | -                        | -                        | 10,603   |
| Other   | -                          | -                        | 28,762                   | 28,762   |
| Due to other funds  | -                          | 61,091                   | 168,341                  | 229,432  |
| Current portion of long-term obligations                                      | <u>104,969</u>             | <u>988</u>               | <u>2,281</u>             | <u>108,238</u>                                     |
| <b>TOTAL CURRENT LIABILITIES</b>  | <u>138,752</u>             | <u>63,337</u>            | <u>230,222</u>           | <u>432,311</u>                                     |
| <b>NONCURRENT LIABILITIES</b>   |                            |                          |                          |  |
| General obligation bonds  | 1,614,726                  | -                        | -                        | 1,614,726  |
| Premium on long-term debt   | 19,854                     | -                        | -                        | 19,854   |
| Compensated absences  | 15,407                     | 8,895                    | 20,530                   | 44,832   |
| Net OPEB liability (Wisconsin Retirement System LRLIF)                        | <u>3,627</u>               | <u>2,007</u>             | <u>6,703</u>             | <u>12,337</u>                                      |
| <b>TOTAL NONCURRENT LIABILITIES</b>   | <u>1,653,614</u>           | <u>10,902</u>            | <u>27,233</u>            | <u>1,691,749</u>                                   |
| <b>TOTAL LIABILITIES</b>  | <u>1,792,366</u>           | <u>74,239</u>            | <u>257,455</u>           | <u>2,124,060</u>                                   |
| <b>DEFERRED INFLOWS OF RESOURCES</b>  |                            |                          |                          |  |
| Wisconsin Retirement System pension   | 41,564                     | 22,997                   | 76,809                   | 141,370  |
| Wisconsin Retirement System LRLIF   | <u>589</u>                 | <u>326</u>               | <u>1,089</u>             | <u>2,004</u>                                       |
| <b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>                                    | <u>42,153</u>              | <u>23,323</u>            | <u>77,898</u>            | <u>143,374</u>                                     |
| <b>NET POSITION</b>   |                            |                          |                          |  |
| Net investment in capital assets  | 195,302                    | 558,916                  | -                        | 754,218  |
| Restricted  | 13,873                     | 9,676                    | 25,636                   | 49,185   |
| Unrestricted  | <u>528,770</u>             | <u>(80,219)</u>          | <u>(139,494)</u>         | <u>309,057</u>                                     |
| <b>TOTAL NET POSITION</b>   | <u>737,945</u>             | <u>488,373</u>           | <u>(113,858)</u>         | <u>1,112,460</u>                                   |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS<br/>OF RESOURCES, AND NET POSITION</b> | <b><u>\$ 2,572,464</u></b> | <b><u>\$ 585,935</u></b> | <b><u>\$ 221,495</u></b> | <b><u>\$ 3,379,894</u></b>                         |



**CITY OF ONALASKA, WISCONSIN**  
**COMBINING STATEMENT OF REVENUE, EXPENSES, AND**  
**CHANGES IN NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**YEAR ENDED DECEMBER 31, 2020**

|                                       | TOURISM           | CEMETERY          | OMNI<br>CENTER      | TOTAL<br>NONMAJOR<br>ENTERPRISE<br>FUNDS |
|---------------------------------------|-------------------|-------------------|---------------------|--|
| <b>OPERATING REVENUE</b>              |                   |                   |                     |  |
| Charges for service                   | \$ -              | \$ 75,648         | \$ 253,892          | \$ 329,540                               |
| Miscellaneous                         | 4,522             | 10,937            | 27,173              | 42,632                                   |
| <b>TOTAL OPERATING REVENUE</b>        | <u>4,522</u>      | <u>86,585</u>     | <u>281,065</u>      | <u>372,172</u>                           |
| <b>OPERATING EXPENSES</b>             |                   |                   |                     |  |
| Operations                            | 100,241           | 57,127            | 376,003             | 533,371                                  |
| Maintenance                           | -                 | 5,216             | -                   | 5,216                                    |
| General and administrative            | 175,452           | 15,366            | 203,830             | 394,648                                  |
| Depreciation                          | 119,412           | 26,658            | -                   | 146,070                                  |
| Taxes                                 | 7,080             | 7,504             | -                   | 14,584                                   |
| <b>TOTAL OPERATING EXPENSES</b>       | <u>402,185</u>    | <u>111,871</u>    | <u>579,833</u>      | <u>1,093,889</u>                         |
| <b>OPERATING (LOSS)</b>               | <u>(397,663)</u>  | <u>(25,286)</u>   | <u>(298,768)</u>    | <u>(721,717)</u>                         |
| <b>NONOPERATING REVENUE (EXPENSE)</b> |                   |                   |                     |  |
| Intergovernmental                     | 1,500             | -                 | 80,878              | 82,378                                   |
| Room tax                              | 388,401           | -                 | -                   | 388,401                                  |
| Interest income                       | 3,089             | 1                 | -                   | 3,090                                    |
| Miscellaneous revenue                 | 25                | 12,889            | 6,150               | 19,064                                   |
| Premium amortization                  | 1,527             | -                 | -                   | 1,527                                    |
| Interest expense                      | (42,396)          | -                 | -                   | (42,396)                                 |
| <b>TOTAL NONOPERATING REVENUE</b>     | <u>352,146</u>    | <u>12,890</u>     | <u>87,028</u>       | <u>452,064</u>                           |
| <b>(LOSS) BEFORE TRANSFERS</b>        | (45,517)          | (12,396)          | (211,740)           | (269,653)                                |
| TRANSFERS IN                          | -                 | -                 | 228,307             | 228,307                                  |
| TRANSFERS (OUT)                       | (71,201)          | -                 | -                   | (71,201)                                 |
| <b>CHANGE IN NET POSITION</b>         | (116,718)         | (12,396)          | 16,567              | (112,547)                                |
| <b>TOTAL NET POSITION - BEGINNING</b> | <u>854,663</u>    | <u>500,769</u>    | <u>(130,425)</u>    | <u>1,225,007</u>                         |
| <b>TOTAL NET POSITION - ENDING</b>    | <u>\$ 737,945</u> | <u>\$ 488,373</u> | <u>\$ (113,858)</u> | <u>\$ 1,112,460</u>                      |

**CITY OF ONALASKA, WISCONSIN**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS**  
**YEAR ENDED DECEMBER 31, 2020**

|  | TOURISM           | CEMETERY        | OMNI<br>CENTER   | TOTAL<br>NONMAJOR<br>ENTERPRISE<br>FUNDS |
|--|-------------------|-----------------|------------------|--|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                      |                   |                 |                  |  |
| Cash from sales and services                                     | \$ 36,127         | \$ 86,735       | \$ 195,999       | \$ 318,861                               |
| Cash from quasi-external operating transactions with other funds | -                 | 1,278           | 72,260           | 73,538                                   |
| Cash paid to suppliers for goods and services                    | (206,158)         | (28,118)        | (382,885)        | (617,161)                                |
| Cash paid to employees for services                              | (94,047)          | (57,272)        | (200,709)        | (352,028)                                |
| NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES              | <u>(264,078)</u>  | <u>2,623</u>    | <u>(315,335)</u> | <u>(576,790)</u>                         |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>           |                   |                 |                  |  |
| Transfers from other funds                                       | -                 | -               | 228,307          | 228,307                                  |
| Transfers (to) other funds                                       | (71,201)          | -               | -                | (71,201)                                 |
| Room tax   | 378,430           | -               | -                | 378,430                                  |
| NET CASH PROVIDED BY (USED IN) NONCAPITAL FINANCING ACTIVITIES   | <u>307,229</u>    | <u>-</u>        | <u>228,307</u>   | <u>535,536</u>                           |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>  |                   |                 |                  |  |
| Acquisition of capital assets                                    | (19,815)          | (28,839)        | -                | (48,654)                                 |
| Debt principal payments  | (96,521)          | -               | -                | (96,521)                                 |
| Interest paid  | (42,917)          | 12,889          | -                | (30,028)                                 |
| Nonoperating income  | 1,525             | -               | 87,028           | 88,553                                   |
| NET CASH (USED IN) PROVIDED BY CAPITAL AND RELATED ACTIVITIES    | <u>(157,728)</u>  | <u>(15,950)</u> | <u>87,028</u>    | <u>(86,650)</u>                          |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                      |                   |                 |                  |  |
| Interest received  | 3,089             | 1               | -                | 3,090                                    |
| NET (DECREASE) IN CASH AND CASH EQUIVALENTS                      | (111,488)         | (13,326)        | -                | (124,814)                                |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR                   | 671,011           | 13,326          | -                | 684,337                                  |
| <b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>                  | <u>\$ 559,523</u> | <u>\$ -</u>     | <u>\$ -</u>      | <u>\$ 559,523</u>                        |

(Continued on page 67)

The accompanying notes are an integral part of these financial statements.

**CITY OF ONALASKA, WISCONSIN, WISCONSIN**  
**COMBINING STATEMENT OF CASH FLOWS - Continued**  
**NONMAJOR ENTERPRISE FUNDS**  
**YEAR ENDED DECEMBER 31, 2020**

|   | TOURISM                    | CEMETERY               | OMNI<br>CENTER             | TOTAL<br>NONMAJOR<br>ENTERPRISE<br>FUNDS |
|---|----------------------------|------------------------|----------------------------|--|
| <b>RECONCILIATION OF OPERATING (LOSS) TO CASH<br/>(USED IN) PROVIDED BY OPERATING ACTIVITIES</b>    |                            |                        |                            |  |
| Operating (loss)  | \$ (397,663)               | \$ (25,286)            | \$ (298,768)               | \$ (721,717)                             |
| Adjustments to reconcile operating (loss) to net cash (used in)<br>provided by operating activities |                            |                        |                            |  |
| Depreciation  | 119,412                    | 26,658                 | -                          | 146,070                                  |
| Changes in assets and liabilities   |                            |                        |                            |  |
| Decrease (increase) in assets   |                            |                        |                            |  |
| Accounts receivable   | -                          | 150                    | (4,188)                    | (4,038)                                  |
| Due from other governments  | 31,605                     | -                      | (80,878)                   | (49,273)                                 |
| (Decrease) increase in liabilities  |                            |                        |                            |  |
| Accounts payable  | (16,041)                   | (31)                   | (6,226)                    | (22,298)                                 |
| Other accrued expenses  | (168)                      | 78                     | 2,394                      | 2,304                                    |
| LRLIF net OPEB liability, asset, and deferred<br>inflows/outflows                                   | 1,039                      | 170                    | (167)                      | 1,042                                    |
| WRS net pension liability and deferred inflows/outflows   | (2,262)                    | (394)                  | 238                        | (2,418)                                  |
| Due to other funds  | -                          | 1,278                  | 72,260                     | 73,538                                   |
| <b>NET CASH (USED IN) PROVIDED BY<br/>OPERATING ACTIVITIES</b>                                      | <b><u>\$ (264,078)</u></b> | <b><u>\$ 2,623</u></b> | <b><u>\$ (315,335)</u></b> | <b><u>\$ (576,790)</u></b>               |

**RECONCILIATION OF CASH AND CASH EQUIVALENTS PER STATEMENT OF CASH FLOWS TO THE STATEMENT OF NET  
POSITION**

|                                  | TOURISM<br>RESTRICTED<br>CASH AND<br>INVESTMENTS | CEMETERY<br>RESTRICTED<br>CASH AND<br>INVESTMENTS | OMNI CENTER<br>RESTRICTED<br>CASH AND<br>INVESTMENTS | TOTALS                   |
|----------------------------------|--|---|--|--------------------------|
| <b>Cash and Cash Equivalents</b> | <b><u>\$ 559,523</u></b>                         | <b><u>\$ -</u></b>                                | <b><u>\$ -</u></b>                                   | <b><u>\$ 559,523</u></b> |
| <b>Cash and Cash Equivalents</b> | <b><u>\$ -</u></b>                               | <b><u>\$ -</u></b>                                | <b><u>\$ -</u></b>                                   | <b><u>\$ -</u></b>       |
| <b>Cash and Cash Equivalents</b> | <b><u>\$ -</u></b>                               | <b><u>\$ -</u></b>                                | <b><u>\$ -</u></b>                                   | <b><u>\$ -</u></b>       |
| <b>Cash and Cash Equivalents</b> | <b><u>\$ 559,523</u></b>                         | <b><u>\$ -</u></b>                                | <b><u>\$ -</u></b>                                   | <b><u>\$ 559,523</u></b> |

The accompanying notes are an integral part of these financial statements.

**CITY OF ONALASKA, WISCONSIN**  
**SCHEDULE OF INFORMATION REQUIRED**  
**BY 2015 WATER AND SEWER REVENUE BONDS**  
**DECEMBER 31, 2020**

1. System connections at December 31, 2020:

|                  | <u>WATER</u> | <u>SEWER</u> |
|------------------|--------------|--------------|
| Residential      | 6,120        | 5,996        |
| Commercial       | 454          | 652          |
| Public Authority | 42           | 42           |
| Industrial       | 7            | 7            |
| Multifamily      | 108          | 105          |
| Irrigation       | 140          | 136          |
|                  | <u>6,871</u> | <u>6,938</u> |

2. Volume of water used to compute the water and sewer charge for 2020 is as follows:

|                  | <u>GALLONS (000's)</u> |
|------------------|------------------------|
| Residential      | 421,206                |
| Commercial       | 141,242                |
| Public Authority | 33,744                 |
| Industrial       | 5,151                  |
| Multifamily      | 63,049                 |
| Irrigation       | 38,082                 |

3. Insurance policies in force at December 31, 2020:

| <u>NAME OF INSURER</u>  | <u>AMOUNT OF POLICY</u>  | <u>RISKS COVERED</u>  | <u>POLICY EXPIRATION</u> |
|---|--|---|--------------------------|
| Cities and Villages Mutual Insurance Company<br>Policy CWC 23-028 | \$100,000 Each Accident<br>\$500,000 Policy Limit<br>\$100,000 Each Employee | Workers' Compensation   | 1-1-21                   |
| Cities and Villages Mutual Insurance Company<br>Policy PEL110     | \$5,000,000 Excess of<br>\$17,500/\$70,000 Retained Limit                    | Excess Liability  | 1-1-21                   |
| Old Republic Union Ins.<br>Policy PEM0000120-00                   | \$8,000,000 Excess of \$2,000,000  | Second Layer Excess Liability   | 1-1-21                   |
| Evanston Insurance Company<br>Policy CAP-13-028                   | \$10,000,000 per Occurrence<br>\$1,000 deductible                            | Automobile Physical Damage  | 1-1-21                   |
| Hanover Insurance Company<br>Policy BDF 1041122                   | \$2,000,000 Policy Limit/<br>\$20,000 deductible                             | Employee Theft and Dishonesty/Robbery/Fraud                                   | 1-1-21                   |
|   | \$250,000 Policy Limit/<br>\$5,000 deductible                                | Money Orders and Counterfeit Paper Currency                                   |                          |
| Travelers Property Casualty Co. of America<br>Boiler Insurance    | \$100,000,000<br>\$2,500 deductible  | Boiler Breakdown<br>(Library, Omni Center, City Hall & Public Works Facility) | 1-1-21                   |

(Continued on page 69)

**CITY OF ONALASKA, WISCONSIN**  
**SCHEDULE OF INFORMATION REQUIRED**  
**BY 2015 WATER AND SEWER REVENUE BONDS - Continued**  
**DECEMBER 31, 2020**

3. Insurance policies in force at December 31, 2020 - Continued:

| <u>NAME OF INSURER</u>  | <u>AMOUNT OF POLICY</u>                               | <u>RISKS COVERED</u>  | <u>POLICY EXPIRATION</u> |
|---|---|---|--------------------------|
| Municipal Property<br>Property Insurance<br>Policy MP-5000074-3       | \$79,852,890  | Buildings, Personal<br>Property, Inland Marine,<br>and Property in the Open | 1-1-21                   |
|   | \$2,496,446   | Contractor Equipment  | 1-1-21                   |
|   | \$53,000  | Monies and Securities   | 1-1-21                   |
|   | \$600,000   | Monies and Securities -<br>Increased Coverage                               | 1-1-21                   |
|   | \$25,000  | Special Limit Endorsement   | 1-1-21                   |
| Ironshore Spec. Insurance<br>Company<br>Policy 002590601              | \$25,000 deductible<br>\$1,000,000 each insured event | Employment Practice<br>Liability  | 1-1-21                   |
| Berkley Life & Health<br>Insurance Company<br>Policy PAIL111020051801 | \$3.70/Individual                                     | Volunteer Liability   | 1-1-21                   |

**CITY OF ONALASKA, WISCONSIN**

**OTHER REPORT**

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

To the Common Council  
City of Onalaska, Wisconsin

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Onalaska, Wisconsin ("the City") as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 10, 2021.

***Internal Control over Financial Reporting***

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

*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 City's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### ***Compliance and Other Matters***

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

### **Purpose of this Report**

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

*Hawkins Ash CPAs, LLP*

La Crosse, Wisconsin  
May 10, 2021