

**CITY OF LODI, WISCONSIN**

**Annual Financial Report**

**December 31, 2020**

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# CITY OF LODI, WISCONSIN

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## Independent Auditors' Report

To the City Council  
City of Lodi  
Lodi, Wisconsin

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

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

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

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### ***Opinions***

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

To the City Council  
City of Lodi, Wisconsin

## **Other Matters**

### *Required Supplementary Information*

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

Accounting principles generally accepted in the United States of America requires that the schedules of employer's proportionate share of the net pension liability (asset) and employer contributions – Wisconsin Retirement System, schedules of employer's proportionate share of the net OPEB liability and employer contributions – other post-employment benefits and budgetary comparison information for the general fund on pages 48 to 51 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 themselves, 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 Lodi, Wisconsin's basic financial statements. The combining financial statements and detailed budgetary comparison schedule, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The detailed budgetary comparison schedule is also the responsibility of management. It has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

*KerberRose*

**KerberRose SC**  
**Certified Public Accountants**  
Shawano, Wisconsin  
May 5, 2021

## **FINANCIAL STATEMENTS**

**CITY OF LODI, WISCONSIN**  
Statement of Net Position  
As of December 31, 2020

	<b>Governmental Activities</b>	<b>Business- Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Investments	\$ 2,119,272	\$ 2,511,941	\$ 4,631,213
Taxes Receivable	1,273,887	-	1,273,887
Accounts Receivable	27,413	497,500	524,913
Internal Balances	412,681	(412,681)	-
Due from Other Governments	1,470	-	1,470
Inventories	13,208	135,924	149,132
Restricted Cash	1,110,532	1,281,729	2,392,261
<b>Total Current Assets</b>	<b>4,958,463</b>	<b>4,014,413</b>	<b>8,972,876</b>
<b>Noncurrent Assets</b>			
CDBG Loans Receivable	164,682	-	164,682
Other Loans Receivable	39,453	-	39,453
Special Assessments Receivable	119,908	-	119,908
Net Pension Asset	222,372	124,662	347,034
<b>Total Noncurrent Assets</b>	<b>546,415</b>	<b>124,662</b>	<b>671,077</b>
<b>Capital Assets</b>			
Land	1,348,158	106,498	1,454,656
Construction in Progress	80,573	34,464	115,037
Property Plant and Equipment	18,207,811	26,102,233	44,310,044
Less: Accumulated Depreciation	(8,725,093)	(11,961,783)	(20,686,876)
<b>Net Capital Assets</b>	<b>10,911,449</b>	<b>14,281,412</b>	<b>25,192,861</b>
<b>TOTAL ASSETS</b>	<b>16,416,327</b>	<b>18,420,487</b>	<b>34,836,814</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflows Related to Pension	516,818	289,729	806,547
Deferred Outflows Related to Other Post-Employment Benefits	14,096	10,296	24,392
<b>Total Deferred Outflows of Resources</b>	<b>530,914</b>	<b>300,025</b>	<b>830,939</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts Payable	302,150	30,371	332,521
Accrued and Other Current Liabilities	38,067	263,504	301,571
Sales Tax Payable	-	55	55
Due to Other Governments	840	-	840
Accrued Interest Payable	12,551	16,585	29,136
Current Portion of Long-Term Obligations	399,584	369,660	769,244
<b>Total Current Liabilities</b>	<b>753,192</b>	<b>680,175</b>	<b>1,433,367</b>
<b>Long-Term Obligations</b>			
Long-Term Debt Due in More Than One Year	3,107,388	2,866,461	5,973,849
<b>TOTAL LIABILITIES</b>	<b>3,860,580</b>	<b>3,546,636</b>	<b>7,407,216</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Taxes Levied for Subsequent Period	2,513,070	-	2,513,070
Deferred Inflows Related to Pension	673,930	377,804	1,051,734
Deferred Inflows Related to Other Post-Employment Benefits	11,497	8,393	19,890
<b>Total Deferred Inflows of Resources</b>	<b>3,198,497</b>	<b>386,197</b>	<b>3,584,694</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	7,491,511	11,165,171	18,656,682
Restricted	959,223	1,318,316	2,277,539
Unrestricted	1,437,430	2,304,192	3,741,622
<b>TOTAL NET POSITION</b>	<b>\$ 9,888,164</b>	<b>\$ 14,787,679</b>	<b>\$ 24,675,843</b>

See Accompanying Notes



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

FUNCTIONS/PROGRAMS	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>PRIMARY GOVERNMENT</b>				
<b>GOVERNMENTAL ACTIVITIES</b>				
General Government	\$ 542,737	\$ 99,303	\$ -	\$ -
Public Safety	924,081	64,629	50	-
Public Works	945,649	27,278	184,812	38,774
Culture, Recreation and Education	455,631	46,347	254,493	-
Conservation and Development	208,754	-	-	-
Interest and Fiscal Charges	105,738	-	-	-
<b>Total Governmental Activities</b>	<b>3,182,590</b>	<b>237,557</b>	<b>439,355</b>	<b>38,774</b>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Electric Utility	2,919,683	3,167,473	-	28,037
Water Utility	617,188	937,429	-	-
Sewer Utility	721,673	892,011	-	-
<b>Total Business-Type Activities</b>	<b>4,258,544</b>	<b>4,996,913</b>	<b>-</b>	<b>28,037</b>
<b>Total</b>	<b>\$ 7,441,134</b>	<b>\$ 5,234,470</b>	<b>\$ 439,355</b>	<b>\$ 66,811</b>

**GENERAL REVENUES**

Taxes:

General Property Taxes

Tax Increments

Other Taxes

Federal and State Grants and Other Contributions

Not Restricted to Specific Functions

Interest and Investment Earnings

Impact Fee Income

Insurance Recoveries

Gain of Sale of Assets

Miscellaneous

**Total General Revenues**

**TRANSFERS**

**CHANGE IN NET POSITION**

**NET POSITION - BEGINNING OF YEAR**

**NET POSITION - END OF YEAR**

See Accompanying Notes

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

<b>Governmental Activities</b>	<b>Business- Type Activities</b>	<b>Total</b>
\$ (443,434)	\$ -	\$ (443,434)
(859,402)	-	(859,402)
(694,785)	-	(694,785)
(154,791)	-	(154,791)
(208,754)	-	(208,754)
(105,738)	-	(105,738)
<u>(2,466,904)</u>	<u>-</u>	<u>(2,466,904)</u>
-	275,827	275,827
-	320,241	320,241
-	170,338	170,338
<u>-</u>	<u>766,406</u>	<u>766,406</u>
<u>(2,466,904)</u>	<u>766,406</u>	<u>(1,700,498)</u>
2,087,793	-	2,087,793
16,861	-	16,861
55,682	-	55,682
206,475	-	206,475
55,811	47,733	103,544
-	16,808	16,808
12,389	-	12,389
6,537	-	6,537
11,677	23,448	35,125
<u>2,453,225</u>	<u>87,989</u>	<u>2,541,214</u>
<u>324,405</u>	<u>(324,405)</u>	<u>-</u>
310,726	529,990	840,716
<u>9,577,438</u>	<u>14,257,689</u>	<u>23,835,127</u>
<u>\$ 9,888,164</u>	<u>\$ 14,787,679</u>	<u>\$ 24,675,843</u>

See Accompanying Notes

**CITY OF LODI, WISCONSIN**

Balance Sheet

Governmental Funds

As of December 31, 2020

	<b>General</b>	<b>Debt Service</b>	<b>TID No. 3</b>	<b>TID No. 4</b>
<b>ASSETS</b>				
Cash and Investments	\$ 1,048,428	\$ -	\$ 53,577	\$ -
Restricted Cash	730,871	109,862	13,180	39,373
Receivables:				
Taxes	750,251	200,259	13,529	84,974
Delinquent Personal Property Taxes	912	-	-	-
Accounts	27,413	-	-	-
Special Assessments	119,908	-	-	-
Loan Receivables	-	38,774	-	-
Due from Other Funds	385,418	-	-	-
Due from Other Governments	-	-	-	-
Advances to Other Funds	315,890	-	-	-
Inventories	13,208	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 3,392,299</b>	<b>\$ 348,895</b>	<b>\$ 80,286</b>	<b>\$ 124,347</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 297,361	\$ -	\$ -	\$ -
Accrued and Other Current Liabilities	38,067	-	-	-
Due to Other Funds	-	-	-	3,078
Due to Other Governments	840	-	-	-
Advance from Other Funds	-	-	74,209	177,445
<b>Total Liabilities</b>	<b>336,268</b>	<b>-</b>	<b>74,209</b>	<b>180,523</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Taxes Levied for Subsequent Period	1,481,123	395,344	26,709	167,753
Unavailable - Special Assessments	119,908	-	-	-
CDBG Loans	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>1,601,031</b>	<b>395,344</b>	<b>26,709</b>	<b>167,753</b>
<b>FUND BALANCES (DEFICITS)</b>				
Nonspendable	316,802	-	-	-
Restricted	-	-	-	-
Assigned	-	-	-	-
Unassigned (Deficits)	1,138,198	(46,449)	(20,632)	(223,929)
<b>Total Fund Balances (Deficits)</b>	<b>1,455,000</b>	<b>(46,449)</b>	<b>(20,632)</b>	<b>(223,929)</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)</b>	<b>\$ 3,392,299</b>	<b>\$ 348,895</b>	<b>\$ 80,286</b>	<b>\$ 124,347</b>

<b>TID No. 5</b>	<b>Public Works Projects</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ -	\$ 243,721	\$ 773,546	\$ 2,119,272
27,989	7,402	181,855	1,110,532
29,688	7,598	186,676	1,272,975
-	-	-	912
-	-	-	27,413
-	-	-	119,908
-	-	165,361	204,135
-	-	-	385,418
-	-	1,470	1,470
-	-	-	315,890
-	-	-	13,208
<u>\$ 57,677</u>	<u>\$ 258,721</u>	<u>\$ 1,308,908</u>	<u>\$ 5,571,133</u>
\$ -	\$ -	\$ 4,789	\$ 302,150
-	-	-	38,067
1,604	-	-	4,682
-	-	-	840
32,291	-	-	283,945
<u>33,895</u>	<u>-</u>	<u>4,789</u>	<u>629,684</u>
58,610	15,000	368,531	2,513,070
-	-	-	119,908
-	-	164,682	164,682
<u>58,610</u>	<u>15,000</u>	<u>533,213</u>	<u>2,797,660</u>
-	-	103,000	419,802
-	243,721	547,920	791,641
-	-	119,986	119,986
(34,828)	-	-	812,360
<u>(34,828)</u>	<u>243,721</u>	<u>770,906</u>	<u>2,143,789</u>
<u>\$ 57,677</u>	<u>\$ 258,721</u>	<u>\$ 1,308,908</u>	<u>\$ 5,571,133</u>

**CITY OF LODI, WISCONSIN**

Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position  
As of December 31, 2020

**Total Fund Balances (Deficits) - Governmental Funds** \$ 2,143,789

***Total net position reported for governmental activities in the statement of net position is different from the amount reported above as total governmental funds fund balances (deficits) because:***

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

Governmental Capital Assets	19,636,542	
Governmental Accumulated Depreciation	<u>(8,725,093)</u>	10,911,449

Some receivables that are not currently available are reported as deferred inflows of resources in the fund statements but are recognized as revenue when earned in the government-wide statements.

Special Assessments		119,908
CDBG Loans Receivable		164,682

The City's proportionate share of the Wisconsin Retirement System pension plan is not an available financial resource; therefore, it is not reported in the fund financial statements

Net Pension Asset		222,372
Deferred Outflows Related to Pension		516,818
Deferred Inflows Related to Pension		(673,930)

The City's proportionate share of the OPEB is not an available financial resource; therefore, it is not reported in the fund financial statements

Net Other Post-Employment Benefit Liability		(36,357)
Deferred Outflows Related to Other Post-Employment Benefits		14,096
Deferred Inflows Related to Other Post-Employment Benefits		(11,497)

Some liabilities, including bonds and notes payable, are not due and payable in the current period and therefore are not reported in the fund statements. Liabilities reported in the statement of net position that are not reported in the funds balance sheet:

General Obligation Debt	(3,419,938)	
Debt Discount	10,634	
Compensated Absences	(61,311)	
Accrued Interest on Long-Term Obligations	<u>(12,551)</u>	<u>(3,483,166)</u>

**Total Net Position - Governmental Activities** \$ 9,888,164

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**CITY OF LODI, WISCONSIN**  
Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)  
Governmental Funds  
For the Year Ended December 31, 2020

	<b>General</b>	<b>Debt Service</b>	<b>TID No. 3</b>	<b>TID No. 4</b>
<b>REVENUES</b>				
Taxes	\$ 1,453,201	\$ 377,250	\$ 21,623	\$ (4,762)
Special Assessments	21,769	38,774	-	-
Intergovernmental	382,727	-	138	7,014
Licenses and Permits	69,331	-	-	-
Fines, Forfeitures and Penalties	25,384	-	-	-
Public Charges for Services	43,218	-	-	-
Investment Income	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	87,587	-	-	-
<b>Total Revenues</b>	<u>2,083,217</u>	<u>416,024</u>	<u>21,761</u>	<u>2,252</u>
<b>EXPENDITURES</b>				
Current:				
General Government	400,944	-	-	-
Public Safety	976,142	-	-	-
Public Works	468,957	-	-	-
Culture, Recreation and Education	68,902	-	-	-
Conservation and Development	105,010	-	61,640	35,204
Debt Service:				
Principal Retirement	-	385,789	-	-
Interest and Fiscal Charges	-	70,533	2,783	32,005
Capital Outlay	126,402	-	-	-
<b>Total Expenditures</b>	<u>2,146,357</u>	<u>456,322</u>	<u>64,423</u>	<u>67,209</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(63,140)</u>	<u>(40,298)</u>	<u>(42,662)</u>	<u>(64,957)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from Other Funds	324,405	38,767	-	-
Transfers to Other Funds	(19,192)	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>305,213</u>	<u>38,767</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES (DEFICITS)</b>	242,073	(1,531)	(42,662)	(64,957)
<b>FUND BALANCES (DEFICITS) - BEGINNING</b>	<u>1,212,927</u>	<u>(44,918)</u>	<u>22,030</u>	<u>(158,972)</u>
<b>FUND BALANCES (DEFICITS) - ENDING</b>	<u>\$ 1,455,000</u>	<u>\$ (46,449)</u>	<u>\$ (20,632)</u>	<u>\$ (223,929)</u>

<b>TID No. 5</b>	<b>Public Works Projects</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 12,230	\$ 55,682	\$ 373,862	\$ 2,289,086
-	-	-	60,543
3,409	-	97,358	490,646
-	-	-	69,331
-	-	-	25,384
-	-	51,856	95,074
-	-	21,835	21,835
-	-	30,640	30,640
-	-	-	87,587
<u>15,639</u>	<u>55,682</u>	<u>575,551</u>	<u>3,170,126</u>
-	-	12,322	413,266
-	-	-	976,142
-	-	166,549	635,506
-	-	319,249	388,151
4,481	-	-	206,335
-	-	-	385,789
1,241	-	-	106,562
-	121,928	-	248,330
<u>5,722</u>	<u>121,928</u>	<u>498,120</u>	<u>3,360,081</u>
<u>9,917</u>	<u>(66,246)</u>	<u>77,431</u>	<u>(189,955)</u>
-	-	234,997	598,169
-	-	(254,572)	(273,764)
-	-	(19,575)	324,405
9,917	(66,246)	57,856	134,450
<u>(44,745)</u>	<u>309,967</u>	<u>713,050</u>	<u>2,009,339</u>
<u>\$ (34,828)</u>	<u>\$ 243,721</u>	<u>\$ 770,906</u>	<u>\$ 2,143,789</u>



**CITY OF LODI, WISCONSIN**

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

**Net Change in Fund Balances (Deficits) - Total Governmental Funds** \$ 134,450

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

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

Capital outlay reported in governmental fund statements	328,903	
Depreciation expense reported in the statement of activities	<u>(564,263)</u>	
Amount by which capital outlays are less than depreciation in current period		(235,360)

The City disposed of outdated equipment resulting in a reduction of capital assets and recapture of prior year depreciation expenses reported on the statement of activities as a net loss and has no effect on the governmental funds changes in fund balances.

The value of capital assets disposed of during the year	(128,302)	
The amount of depreciation recaptured for the year	<u>126,411</u>	
Amount by which capital asset cost exceeded accumulated depreciation		(1,891)

Amounts related to the pension plan that affect the statement of activities but do not affect the fund financial statements. (5,419)

Amounts related to other post-employment benefits that affect the statement of activities but do not affect the fund financial statements. 1,980

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Special Assessments		4,938
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Repayment of principal on long-term debt is reported in the governmental funds as an expenditure but is reported as a reduction in long-term debt in the statement of net position and does not affect the statement of activities.

The amount of long-term debt principal payments in the current year is:		385,789
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Vested employee benefits are reported in the governmental funds when amounts are paid. The statement of activities reports the value of benefits earned during the year.

Amounts earned in current year are less than amounts paid by		26,177
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In governmental funds interest payments on outstanding debt are reported as an expenditure when paid. In the statement of activities interest is reported as incurred.

The amount of interest paid during the current period	13,431	
The amount of interest accrued during the current period	<u>(12,551)</u>	
Interest paid is more than interest accrued by		880

Governmental funds report debt discounts as other financing uses. These are allocated over the period the debt is outstanding in the statement of activities. This is the amount of amortization expenses in the current year.

Amortization of bond discount		<u>(818)</u>
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**Change in Net Position - Governmental Activities** \$ 310,726

**CITY OF LODI, WISCONSIN**

Statement of Net Position

Proprietary Funds

As of December 31, 2020

	<u>Electric Utility</u>	<u>Water Utility</u>	<u>Wastewater Utility</u>	<u>Total</u>
<b>CURRENT ASSETS</b>				
Cash and Investments	\$ 852,454	\$ 885,399	\$ 774,088	\$ 2,511,941
Accounts Receivable	301,493	76,663	102,733	480,889
Other Receivables	8,631	2,683	5,297	16,611
Inventories	103,395	32,529	-	135,924
<b>Total Current Assets</b>	<u>1,265,973</u>	<u>997,274</u>	<u>882,118</u>	<u>3,145,365</u>
<b>NONCURRENT ASSETS</b>				
Debt Redemption/Reserve Account	316,302	121,152	50,833	488,287
Construction/Replacement Accounts	-	-	793,442	793,442
Net Pension Asset	58,701	26,285	39,676	124,662
<b>Total Noncurrent Assets</b>	<u>375,003</u>	<u>147,437</u>	<u>883,951</u>	<u>1,406,391</u>
<b>UTILITY PLANT</b>				
Land	49,111	57,387	-	106,498
Construction in Progress	4,865	17,272	12,327	34,464
Plant in Service	7,910,619	9,578,905	8,612,709	26,102,233
Less: Accumulated Depreciation	<u>(4,223,268)</u>	<u>(2,644,698)</u>	<u>(5,093,817)</u>	<u>(11,961,783)</u>
<b>Net Utility Plant</b>	<u>3,741,327</u>	<u>7,008,866</u>	<u>3,531,219</u>	<u>14,281,412</u>
<b>Total Assets</b>	<u>5,382,303</u>	<u>8,153,577</u>	<u>5,297,288</u>	<u>18,833,168</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred Outflows Related to Pension	136,428	61,089	92,212	289,729
Deferred Outflows Related to Other Post-Employment Benefits	<u>5,129</u>	<u>2,332</u>	<u>2,835</u>	<u>10,296</u>
<b>Total Deferred Outflows of Resources</b>	<u>141,557</u>	<u>63,421</u>	<u>95,047</u>	<u>300,025</u>
<b>CURRENT LIABILITIES</b>				
Accounts Payable	16,164	5,391	8,816	30,371
Accrued and Other Current Liabilities	137,212	126,292	-	263,504
Due to Other Funds	157,542	223,194	-	380,736
Sales Tax Payable	55	-	-	55
Accrued Interest	2,137	11,767	2,681	16,585
Current Portion - Compensated Absences	4,990	2,823	15,520	23,333
Current Portion - General Obligation Debt	<u>14,450</u>	<u>73,127</u>	<u>8,750</u>	<u>96,327</u>
<b>Total Current Liabilities</b>	<u>332,550</u>	<u>442,594</u>	<u>35,767</u>	<u>810,911</u>
<b>LIABILITIES PAYABLE FROM RESTRICTED ASSETS</b>				
Current Portion - Revenue Bonds	<u>145,000</u>	<u>75,000</u>	<u>30,000</u>	<u>250,000</u>
<b>NON-CURRENT LIABILITIES</b>				
General Obligation Debt	58,956	300,390	45,721	405,067
Revenue Bonds	309,847	1,660,000	395,000	2,364,847
Advances Payable to General Fund	25,087	6,858	-	31,945
Accrued Compensated Absences	14,971	8,467	46,560	69,998
Net Other Post-Employment Benefits Liability	<u>13,228</u>	<u>6,013</u>	<u>7,308</u>	<u>26,549</u>
<b>Total Noncurrent Liabilities</b>	<u>422,089</u>	<u>1,981,728</u>	<u>494,589</u>	<u>2,898,406</u>
<b>Total Liabilities</b>	<u>899,639</u>	<u>2,499,322</u>	<u>560,356</u>	<u>3,959,317</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Inflows Related to Pension	177,900	79,660	120,244	377,804
Deferred Inflows Related to Other Post-Employment Benefits	<u>4,182</u>	<u>1,901</u>	<u>2,310</u>	<u>8,393</u>
<b>Total Deferred Inflows of Resources</b>	<u>182,082</u>	<u>81,561</u>	<u>122,554</u>	<u>386,197</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	3,213,074	4,900,349	3,051,748	11,165,171
Restricted	333,531	128,866	855,919	1,318,316
Unrestricted	<u>895,534</u>	<u>606,900</u>	<u>801,758</u>	<u>2,304,192</u>
<b>TOTAL NET POSITION</b>	<u>\$ 4,442,139</u>	<u>\$ 5,636,115</u>	<u>\$ 4,709,425</u>	<u>\$ 14,787,679</u>

See Accompanying Notes

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

	<b>Electric Utility</b>	<b>Water Utility</b>	<b>Wastewater Utility</b>	<b>Total</b>
<b>OPERATING REVENUES</b>				
Charges for Services	\$ 3,108,331	\$ 935,749	\$ 889,509	\$ 4,933,589
Other	59,142	1,680	2,502	63,324
<b>Total Operating Revenues</b>	<u>3,167,473</u>	<u>937,429</u>	<u>892,011</u>	<u>4,996,913</u>
<b>OPERATING EXPENSES</b>				
Operation and Maintenance	2,631,702	288,942	503,257	3,423,901
Depreciation	261,207	255,439	201,957	718,603
Taxes	10,475	1,808	-	12,283
<b>Total Operating Expenses</b>	<u>2,903,384</u>	<u>546,189</u>	<u>705,214</u>	<u>4,154,787</u>
<b>OPERATING INCOME</b>	<u>264,089</u>	<u>391,240</u>	<u>186,797</u>	<u>842,126</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Investment Income	11,362	11,958	24,413	47,733
Interest Expense	(14,993)	(70,999)	(16,459)	(102,451)
Miscellaneous Non-Operating Revenues	-	1,737	21,711	23,448
Impact Fees	-	16,808	-	16,808
Amortization of Debt Premium	(1,306)	-	-	(1,306)
<b>Total Non-Operating Revenues (Expenses)</b>	<u>(4,937)</u>	<u>(40,496)</u>	<u>29,665</u>	<u>(15,768)</u>
<b>INCOME BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS</b>	259,152	350,744	216,462	826,358
<b>TRANSFERS OUT CAPITAL CONTRIBUTIONS</b>	(148,391) <u>28,037</u>	(176,014) <u>-</u>	- <u>-</u>	(324,405) <u>28,037</u>
<b>CHANGE IN NET POSITION</b>	138,798	174,730	216,462	529,990
<b>NET POSITION - BEGINNING</b>	<u>4,303,341</u>	<u>5,461,385</u>	<u>4,492,963</u>	<u>14,257,689</u>
<b>NET POSITION - ENDING</b>	<u>\$ 4,442,139</u>	<u>\$ 5,636,115</u>	<u>\$ 4,709,425</u>	<u>\$ 14,787,679</u>

See Accompanying Notes

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

	<u>Electric Utility</u>	<u>Water Utility</u>	<u>Wastewater Utility</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash Received from User Charges	\$ 3,122,376	\$ 925,967	\$ 869,619	\$ 4,917,962
Other Payments	-	1,737	-	1,737
Cash Payments to Suppliers	(2,343,306)	(148,574)	(259,627)	(2,751,507)
Cash Payments to Employees	(284,932)	(124,187)	(201,700)	(610,819)
Cash Receipts from Municipality	133,564	168,454	-	302,018
<b>Net Cash Flows From Operating Activities</b>	<u>627,702</u>	<u>823,397</u>	<u>408,292</u>	<u>1,859,391</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfer to Municipality	(148,391)	(176,014)	-	(324,405)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition of Capital Assets	(257,320)	(209,254)	(445,249)	(911,823)
Capital Contributions	28,037	-	21,711	49,748
Proceeds from Impact Fees	-	16,808	-	16,808
Principal Payments on Long-Term Debt	(158,872)	(141,174)	(33,400)	(333,446)
Interest Payments on Long-Term Debt	(14,993)	(70,999)	(16,459)	(102,451)
<b>Net Cash Flows From Capital and Related Financing Activities</b>	<u>(403,148)</u>	<u>(404,619)</u>	<u>(473,397)</u>	<u>(1,281,164)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Investments Purchased	(7,822)	(10,525)	(21,423)	(39,770)
Interest Income	11,362	11,958	24,413	47,733
<b>Net Cash Flows From Investing Activities</b>	<u>3,540</u>	<u>1,433</u>	<u>2,990</u>	<u>7,963</u>
<b>NET CHANGE IN CASH AND INVESTMENTS</b>	79,703	244,197	(62,115)	261,785
<b>CASH AND INVESTMENTS - BEGINNING</b>	<u>773,773</u>	<u>338,089</u>	<u>816,989</u>	<u>1,928,851</u>
<b>CASH AND INVESTMENTS - ENDING</b>	<u>\$ 853,476</u>	<u>\$ 582,286</u>	<u>\$ 754,874</u>	<u>\$ 2,190,636</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Operating Income	\$ 264,089	\$ 391,240	\$ 186,797	\$ 842,126
Adjustments to Reconcile Operating Income to Net Cash				
Flows From Operating Activities:				
Depreciation	261,207	255,439	201,957	718,603
Joint Meter Allocation	-	10,853	(10,853)	-
Change in Operating Assets and Deferred Outflows of Resources:				
Receivables:				
Accounts	(4,855)	(3,207)	28,146	20,084
Other	(5,268)	(3,245)	(5,087)	(13,600)
Inventories	(28,488)	(397)	-	(28,885)
Net Pension Asset	(125,626)	(54,945)	(87,100)	(267,671)
Deferred Outflows Related to Pension	43,139	15,806	34,528	93,473
Deferred Outflows Related to OPEB	(4,262)	(1,960)	(2,224)	(8,446)
Change in Operating Liabilities and Deferred Inflows of Resources:				
Accounts Payable	4,159	1,201	1,047	6,407
Accrued and Other Liabilities	(3,369)	(54,038)	-	(57,407)
Sales Tax Payable	55	-	-	55
Due to Other Funds	133,564	223,194	-	356,758
Compensated Absences	2,353	549	4,839	7,741
Deferred Inflows Related to Pension	83,872	39,395	53,878	177,145
Deferred Inflows Related to OPEB	1,166	609	181	1,956
Net OPEB Liability	5,966	2,903	2,183	11,052
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<u>\$ 627,702</u>	<u>\$ 823,397</u>	<u>\$ 408,292</u>	<u>\$ 1,859,391</u>
<b>RECONCILIATION OF CASH AND INVESTMENTS PER STATEMENT OF NET POSITION TO STATEMENT OF CASH FLOWS</b>				
Cash and Investments	\$ 852,454	\$ 885,399	\$ 774,088	\$ 2,511,941
Debt Redemption/Reserve Account	316,302	121,152	50,833	488,287
Construction/Replacement Accounts	-	-	793,442	793,442
Less Non Cash Equivalents	(315,280)	(424,265)	(863,489)	(1,603,034)
<b>TOTAL CASH PER STATEMENT OF CASH FLOWS</b>	<u>\$ 853,476</u>	<u>\$ 582,286</u>	<u>\$ 754,874</u>	<u>\$ 2,190,636</u>

See Accompanying Notes

**CITY OF LODI, WISCONSIN**

Statement of Net Position

Fiduciary Fund

As of December 31, 2020

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	<u>Custodial Fund</u> <u>Tax Collection</u> <u>Fund</u>
<b>ASSETS</b>	
Restricted Cash and Investments	\$ 2,384,373
Taxes Receivable	2,447,600
<b>Total Assets</b>	<u>4,831,973</u>
<b>LIABILITIES</b>	
Due to Other Governments	<u>4,831,973</u>
<b>NET POSITION</b>	<u>\$ -</u>

See Accompanying Notes

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

	<b>Custodial Fund</b>
	<b>Tax Collection</b>
	<b>Fund</b>
<b>ADDITIONS</b>	
Taxes Collected on Behalf of Other Taxing Entities	\$ 3,333,435
<b>DEDUCTIONS</b>	
Taxes Remitted to Other Taxing Entities	3,333,435
<b>CHANGE IN NET POSITION</b>	-
<b>NET POSITION - BEGINNING OF YEAR</b>	-
<b>NET POSITION - END OF YEAR</b>	\$ -

# CITY OF LODI, WISCONSIN

Notes to Financial Statements

December 31, 2020

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## **Note 1 - Summary of Significant Accounting Policies**

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

### **Reporting Entity**

The City is a municipal corporation governed by an elected six member council and an elected mayor. In accordance with generally accepted accounting principles (GAAP), the financial statements are required to include the City (the primary government) and any separate component units that have a significant operational or financial relationship with the City. The City report does not contain any component units.

The Lodi Area Fire Board and the Lodi Area Emergency Medical Services were excluded from the reporting entity because the City does not appoint a majority of the governing board. Additionally, no other relevant criteria is present to warrant concluding that these entities would qualify to be reported as component units.

Additional information regarding joint ventures is presented in note 16.

### **Government-Wide and Fund Financial Statements**

#### Government-Wide Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, 2) grants and contributions that are restricted to meeting the operational requirements of a particular function, and 3) capital grants and contributions. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

# CITY OF LODI, WISCONSIN

Notes to Financial Statements

December 31, 2020

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## Note 1 - Summary of Significant Accounting Policies (Continued)

### Government-Wide and Fund Financial Statements (Continued)

#### Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds. Governmental funds include general, special revenue, debt service, capital projects, and permanent funds. Proprietary funds include enterprise funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

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

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

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

#### **Governmental Funds**

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

##### General Fund

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

##### Special Revenue Funds

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



**CITY OF LODI, WISCONSIN**

Notes to Financial Statements

December 31, 2020

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**Note 1 - Summary of Significant Accounting Policies (Continued)**

**Government-Wide and Fund Financial Statements (Continued)**

**Governmental Funds (Continued)**

Debt Service Funds

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

Capital Projects Funds

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

Permanent Funds

Permanent funds are used to account for resources that are restricted to the extent that only the earnings, and not the principal, may be used for intended purpose of the fund for the benefit of the City or its citizens.

The City reports the following major governmental funds:

General Fund

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

Debt Service Fund

This fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds, except debt issued to finance project plan expenditures of the City's tax incremental financing Districts.

Capital Projects Funds

TID Nos. 3, 4, and 5

These funds account for the resources accumulated and payments made for the debt issued to finance project plan expenditures of the City's tax incremental financing District Nos. 3, 4, and 5.

Public Works Projects

This fund is used to account for financial resources that are received from the State in monthly payments whenever a vehicle is registered through the state and the resident has a City of Lodi address. The resources collected in this fund will be used for street and highway maintenance and improvements.

**Proprietary Funds**

The City reports the following major proprietary funds:

Electric Utility

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

**CITY OF LODI, WISCONSIN**

Notes to Financial Statements

December 31, 2020

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**Note 1 - Summary of Significant Accounting Policies (Continued)**

**Government-Wide and Fund Financial Statements (Continued)**

**Proprietary Funds (Continued)**

Water Utility

This is the City's fund to account for the operations of the City-owned water utility.

Wastewater Utility

This is the City's fund to account for the operations of the City-owned wastewater utility.

**Fiduciary Funds**

Tax Collection Fund

The City acts as a custodian for taxes collected on behalf of other taxing bodies, reported in this fund.

**Non-Major Funds**

The City reports the following non-major funds:

Special Revenue Funds:

- Strangeway
- Goeres Perpetual Care
- Library Operations
- Library Board Trust
- CDBG
- Revolving Loan
- Pool Operation
- Solid Waste
- Asset Forfeiture
- Canine Unit
- Park Development

Capital Projects Funds:

- Pool Capital Projects

Permanent Funds:

- Swimming Pool
- Bernice Hibbard Memorial

**CITY OF LODI, WISCONSIN**  
Notes to Financial Statements  
December 31, 2020

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**Note 1 - Summary of Significant Accounting Policies (Continued)**

**Measurement Focus and Basis Accounting**

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

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

**Assets, Liabilities and Net Position**

Cash and Investments

Cash and investments are combined. Cash deposits consist of demand and time deposits with financial institutions and are carried at cost. Investments are stated at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. For purpose of the statement of cash flows, all cash deposits and highly liquid investments (including restricted assets) with a maturity of three months or less from date of acquisition are considered to be cash.

Restricted Cash

Cash is reported as restricted for advance tax collections in the governmental funds and custodial fund. Cash has been restricted for utility debt service payments and equipment replacement in the proprietary funds.

Accounts Receivable

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

Delinquent personal property taxes remain the collection responsibility of the City. The City is able to recover a portion of these delinquent personal property taxes from other taxing jurisdictions.

The City has received federal and state grants for economic development and housing rehabilitation loan programs provided to area businesses and homeowners. A loan receivable is recorded when loan funds are disbursed to area businesses or homeowners.

**CITY OF LODI, WISCONSIN**

Notes to Financial Statements

December 31, 2020

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**Note 1 - Summary of Significant Accounting Policies (Continued)**

**Assets, Liabilities and Net Position (Continued)**

Inventories

Inventories of proprietary fund types are recorded at cost, which approximates market, using the first-in, first-out method of valuation. The cost is recorded as an expense or charged to a construction project at the time individual inventory items are consumed rather than when purchased.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

Property, plant and equipment of the City is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>	
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Land Improvements	10 - 20	N/A
Buildings and Improvements	50	31 - 40
Machinery and Equipment	3 - 20	6 - 32
Infrastructure	25 - 60	18 - 100

# CITY OF LODI, WISCONSIN

Notes to Financial Statements

December 31, 2020

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## Note 1 - Summary of Significant Accounting Policies (Continued)

### Assets, Liabilities and Net Position (Continued)

#### Compensated Absences

The estimated amount of accumulated sick leave that will be paid after retirement is recorded as a liability on the statements of net position. Vested vacation pay is also recorded as a liability. Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at year end are determined on the basis of current salary rates and include salary related payments.

Governmental funds recognize expenditures for sick leave and vacation when paid.

Employees may accumulate up to 120 days of sick leave. Employees who retire with 15 years of continuous services preceding the date of retirement or have attained age fifty-five (55) or fifty (50) if the employee is a protective category employee are paid their accumulated sick leave to pay health insurance premiums. No payment is made if the employee resigns or is terminated.

#### Pension

For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pension, 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. See Note 11 for more information.

#### Other Post-Employment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, information about the fiduciary net position of the City of Lodi other postemployment benefit plans (the plans) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. See Note 12 for more information.

#### Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the balance sheet and/or statements of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The government has deferred outflows of resources related to the pension plan reported on the statements of net position. The deferred outflows related to the pension plan are explained in more detail in Note 11. The government also has deferred outflows of resources related to the OPEB plan reported on the statements of net position. The deferred outflows related to the OPEB plan are explained in more detail in Note 12.

# CITY OF LODI, WISCONSIN

Notes to Financial Statements

December 31, 2020

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## Note 1 - Summary of Significant Accounting Policies (Continued)

### Assets, Liabilities and Net Position (Continued)

#### Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

In addition to liabilities, the balance sheet and/or statements of net position will sometimes report a separate section for deferred inflows of resources. The separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position or fund balance that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The City has five types of deferred inflows of resources, one which arises under both modified accrual and the full accrual basis of accounting, two that only arise under the modified accrual basis of accounting on the governmental funds balance sheet and two that arise under the full accrual basis of accounting. Taxes levied for the subsequent period have not met the time requirement to be recognized as an acquisition of resources and are therefore reported as deferred inflows of resources on both the governmental funds balance sheet and the governmental activities statement of net position. The governmental funds report unavailable revenues from special assessments and CDBG loans. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred inflows related to the pension plan are reported on the statements of net position and are explained in more detail in Note 11. Deferred inflows related to the OPEB plan are reported on the statements of net position and are explained in more detail in Note 12.

#### Long-Term Obligations

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Principal payments are recorded as current expenditures of the governmental funds.

#### Advances To and From Other Funds

Noncurrent portions of long-term interfund loans receivable (reported in "Advance To" asset accounts) are offset by a nonspendable fund balance. Current portions of long-term interfund loans receivable (reported in "Due From" asset accounts) are considered available spendable resources.

#### Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" and "due to other funds" on the balance sheet and statement of net position of the proprietary funds.

#### Interfund Transactions

During the course of normal operations, the City has various transactions between funds, including expenditures and transfers of resources to provide services, construct assets and service debt. The governmental funds generally record such transactions as operating transfers within governmental funds. Transactions between governmental and proprietary funds are usually recorded as revenues and either expenditures or expenses of the respective funds.

# CITY OF LODI, WISCONSIN

Notes to Financial Statements

December 31, 2020

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## Note 1 - Summary of Significant Accounting Policies (Continued)

### Assets, Liabilities and Net Position (Continued)

#### Equity Classifications

##### Government-Wide Statements

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

- Net investment in capital assets – Amount of capital assets, net of accumulated depreciation, less outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
- Restricted net position – Amount of net position that is subject to restrictions that are imposed by 1) external groups, such as creditors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- Unrestricted net position – Net position that is neither classified as restricted nor as net investment in capital assets.

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

##### Fund Financial Statements

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

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

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

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

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

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

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

The City has not adopted a minimum fund balance policy.

## CITY OF LODI, WISCONSIN

Notes to Financial Statements

December 31, 2020

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### Note 1 - Summary of Significant Accounting Policies (Continued)

#### 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 expected to be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental funds. If they are not expected to be liquidated with expendable available financial resources, no liability is recognized in the governmental fund financial statements. Claims and judgments in the government-wide financial statements and proprietary funds are recorded as expenses when the related liabilities are incurred. There were no significant claims or judgments at the end of the year.

#### Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosure of contingent assets, deferred outflows of resources, liabilities and deferred inflows of resources at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results may differ from those estimates, particularly given the significant social and economic disruptions and uncertainties associated with the ongoing COVID-19 pandemic and the COVID-19 control response, and such differences may be material.

### Note 2 - Cash and Investments

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

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

The City's cash and investments are subject to several types of risk, as explained in more detail below.



# CITY OF LODI, WISCONSIN

## Notes to Financial Statements

December 31, 2020

### Note 2 - Cash and Investments (Continued)

#### Custodial Credit Risk

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

At December 31, 2020, the City's deposits had a bank balance of \$7,367,379. The City maintains its cash accounts at several financial institutions. Deposits in each bank are insured by the FDIC up to \$250,000 for the combined amounts of all time and savings accounts (including NOW accounts); up to \$250,000 for the combined amount of all interest and noninterest bearing demand deposit accounts.

The investments in Ehlers Investment Partners are FDIC insured, and these investments consist of certificates of deposit from several banks.

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

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

Fully Insured Deposits	\$ 382,156
Collateralized	<u>6,985,223</u>
Total	<u>\$ 7,367,379</u>

Interest Rate Risk – Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. The City policy is to limit investment maturities to five years or less as a means of managing its exposure of fair value losses arising from increasing interest rates.

At year end, the average maturity of investments is as follows:

<u>Investments</u>	<u>Fair Value</u>	<u>12 Months or Less</u>	<u>13 to 24 Months</u>	<u>25 to 60 Months</u>
Negotiable Certificates of Deposit	\$ 1,769,626	\$ 1,298,987	\$ 276,390	\$ 194,249
State and Local Government Securities	123,972	-	123,972	-
	<u>\$ 1,893,598</u>	<u>\$ 1,298,987</u>	<u>\$ 400,362</u>	<u>\$ 194,249</u>

**CITY OF LODI, WISCONSIN**

Notes to Financial Statements

December 31, 2020

**Note 2 - Cash and Investments (Continued)**

Credit Risk – State law limits investments in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The City's investment policy does not further limit its investment choices. The City's investment in negotiable CDs are all FDIC Insured and not rated. As of December 31, 2020, the City's credit quality ratings are as follows:

Investments	Fair Value	AAA	AA+	AA
State and Local Government Securities	\$ 123,972	\$ 10,780	\$ 70,528	\$ 42,664

Concentration of Credit Risk – The investment policy of the City contains no limits on the amount that can be invested in any one issuer. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total City investments are as follows:

Issuer	Reported Amount
Negotiable Certificates of Deposit	\$ 1,769,626
State and Local Government Securities	123,972
<b>Total</b>	<b>\$ 1,893,598</b>

Investments are measured at fair value on a recurring basis.

Recurring fair value measurements are those that Governmental Accounting Standards Board (GASB) Statements require at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value. No investments are reported at amortized costs. Adjustments necessary to record investments at fair value are recorded as increases or decreases in investment income.

- Level 1 – Valuation for assets are from quoted prices in active markets. These valuations are obtained from readily available pricing sources from market transactions involving identical assets.
- Level 2 – Valuation for assets are from less active markets. These valuations are obtained from third party pricing services for identical or similar assets.
- Level 3 – Measurements that are least observable are estimated from related market data, determined from sources with little or no market activity for comparable contracts, or are positions with longer durations. These valuations incorporate certain assumptions and projections in determining fair value assigned to such assets.

Investments	Level 1	Level 2	Level 3
Negotiable Certificates of Deposit	\$ -	\$ 1,769,626	\$ -
State and Local Government Securities	-	123,972	-
	\$ -	\$ 1,893,598	\$ -

**CITY OF LODI, WISCONSIN**

Notes to Financial Statements

December 31, 2020

**Note 3 - Restricted Assets**

Restricted assets on December 31, 2020 totaled \$4,776,634 and consisted of cash and investments held for the following purposes:

**Redemption and Reserve Accounts**

Accounts shall be maintained with amounts sufficient to pay the principal and interest on the bonds when due plus a reserve equal to the highest annual debt service requirement.

**Replacement Account**

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

Purpose	Electric Utility	Water Utility	Wastewater Utility	Total
Redemption/Reserve Account	\$ 316,302	\$ 121,152	\$ 50,833	\$ 488,287
Replacement Account	-	-	793,442	793,442
	<u>\$ 316,302</u>	<u>\$ 121,152</u>	<u>\$ 844,275</u>	<u>\$1,281,729</u>

**Fiduciary Fund**

The City's custodial fund accounts for advance tax collections from December related to other taxing jurisdictions.

Tax Collection Fund	\$2,384,373
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**Governmental Funds**

Restricted cash at December 31, 2020 is for the following:

General Fund	
Advanced Tax Collection	\$ 730,871
Debt Service Fund	
Advanced Tax Collection	109,862
TID No. 3	
Advanced Tax Collection	13,180
TID No. 4	
Advanced Tax Collection	39,373
TID No. 5	
Advanced Tax Collection	27,989
Public Works	
Advanced Tax Collection	7,402
Library Operations	
Advanced Tax Collection	64,520
Pool Operations	
Advanced Tax Collection	32,610
Solid Waste	
Advanced Tax Collection	<u>84,725</u>
Total Restricted Assets	<u>\$1,110,532</u>

## CITY OF LODI, WISCONSIN

Notes to Financial Statements

December 31, 2020

### Note 4 - Property Taxes

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

The City bills its own property taxes and also levies taxes for the School District of Lodi, Columbia County, and Madison Area Technical College. The Columbia County Treasurer collects property taxes billed by the City in accordance with a contract between the County and the City. The Columbia County Treasurer then remits all property taxes collected to the City for settlement with the other taxing authorities.

Under 2011 Wisconsin Act 32, a municipality is allowed to increase its levy over the amount it levied in the prior year by the percentage increase in equalized value from net new construction or zero percent. Changes in debt service from one year to the next are generally exempt from this limit.

### Note 5 - Capital Assets

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

	<u>Beginning</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u>
<b>Governmental Activities</b>				
Capital Assets not Being Depreciated				
Land	\$ 1,348,158	\$ -	\$ -	\$ 1,348,158
Construction in Progress	-	80,573	-	80,573
<b>Total Capital Assets Not Being Depreciated</b>	<u>1,348,158</u>	<u>80,573</u>	<u>-</u>	<u>1,428,731</u>
Capital Assets Being Depreciated				
Land Improvements	131,320	-	-	131,320
Buildings and Improvements	2,930,604	-	-	2,930,604
Machinery and Equipment	4,482,823	136,697	94,216	4,525,304
Infrastructure	10,543,036	111,633	34,086	10,620,583
<b>Total Capital Assets Being Depreciated</b>	<u>18,087,783</u>	<u>248,330</u>	<u>128,302</u>	<u>18,207,811</u>
Less Accumulated Depreciation For				
Land Improvements	(10,602)	(3,680)	-	(14,282)
Buildings and Improvements	(1,051,627)	(60,053)	-	(1,111,680)
Machinery and Equipment	(1,937,811)	(169,972)	(92,325)	(2,015,458)
Infrastructure	(5,287,201)	(330,558)	(34,086)	(5,583,673)
<b>Total Accumulated Depreciation</b>	<u>(8,287,241)</u>	<u>(564,263)</u>	<u>(126,411)</u>	<u>(8,725,093)</u>
<b>Total Capital Assets Being Depreciated, Net of Depreciation</b>	<u>9,800,542</u>	<u>(315,933)</u>	<u>1,891</u>	<u>9,482,718</u>
<b>Governmental Activities Capital Assets, Net of Accumulated Depreciation</b>	<u>\$ 11,148,700</u>	<u>\$ (235,360)</u>	<u>\$ 1,891</u>	<u>\$ 10,911,449</u>

**CITY OF LODI, WISCONSIN**

Notes to Financial Statements

December 31, 2020

**Note 5 - Capital Assets (Continued)**

	<u>Beginning</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u>
<b>Business-Type Activities</b>				
Capital Assets not Being Depreciated				
Land	\$ 106,498	\$ -	\$ -	\$ 106,498
Construction in Progress	64,530	34,464	64,530	34,464
<b>Total Capital Assets Not Being Depreciated</b>	<u>171,028</u>	<u>34,464</u>	<u>64,530</u>	<u>140,962</u>
Capital Assets Being Depreciated				
Electric Plant	7,706,259	250,556	46,196	7,910,619
Water Plant	9,423,813	191,982	36,890	9,578,905
Wastewater Plant	8,232,074	432,921	52,286	8,612,709
<b>Total Capital Assets Being Depreciated</b>	<u>25,362,146</u>	<u>875,459</u>	<u>135,372</u>	<u>26,102,233</u>
Less Accumulated Depreciation For				
Electric Plant	(4,001,877)	(261,207)	39,817	(4,223,267)
Water Plant	(2,409,101)	(266,292)	30,694	(2,644,699)
Wastewater Plant	(4,945,834)	(191,104)	43,121	(5,093,817)
<b>Total Accumulated Depreciation</b>	<u>(11,356,812)</u>	<u>(718,603)</u>	<u>113,632</u>	<u>(11,961,783)</u>
<b>Total Capital Assets Being Depreciated, Net of Depreciation</b>	<u>14,005,334</u>	<u>156,856</u>	<u>249,004</u>	<u>14,140,450</u>
<b>Business-Type Activities Capital Assets, Net of Accumulated Depreciation</b>	<u>\$ 14,176,362</u>	<u>\$ 191,320</u>	<u>\$ 313,534</u>	<u>\$ 14,281,412</u>

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

Governmental Activities	
General Government	\$ 45,620
Public Safety	46,827
Public Works	68,159
Culture, Recreation and Education	403,657
Total Depreciation Expense - Governmental Activities	<u>\$ 564,263</u>
Business-Type Activities	
Electric Utility	\$ 261,207
Water Utility	255,439
Wastewater Utility	201,957
Total Depreciation Expense - Business-Type Activities	<u>\$ 718,603</u>

**CITY OF LODI, WISCONSIN**

Notes to Financial Statements

December 31, 2020

**Note 6 - Interfund Receivable, Payables and Transfers**

The following is a schedule of interfund receivables and payables:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Tax Increment District #5	\$ 1,604	Debt Payments
General Fund	Tax Increment District #4	3,078	Debt Payments
General Fund	Electric Utility	157,542	Payment in Lieu of Tax
General Fund	Water Utility	223,194	Payment in Lieu of Tax
		<u>\$ 385,418</u>	

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

<u>Transfers To</u>	<u>Transfers From</u>	<u>Amount</u>	<u>Purpose</u>
Debt Service	Pool Capital Projects	\$ 38,767	Debt Service
Endowment	Pool Operations	4,965	Year End Cash Flow Timing
Park Development	General Fund	26,043	Year End Cash Flow Timing
Park Development	Goeres Perpetual Care	697	Year End Cash Flow Timing
Park Development	Strangeway	203,292	Year End Cash Flow Timing
General Fund	Electric Utility	148,391	Tax Equivalent
General Fund	Water Utility	176,014	Tax Equivalent
		<u>\$ 598,169</u>	

**Note 7 - Long-Term Advances**

Long-term advances at December 31, 2020 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Balance</u>	<u>Due Within One Year</u>	<u>Purpose</u>
General Fund	TID No. 3	74,209	\$ -	Capital Improvements
General Fund	TID No. 4	177,445	-	Capital Improvements
General Fund	TID No. 5	32,291	-	Capital Improvements
General Fund	Electric Utility	25,087	9,500	Prior years expenses
General Fund	Water Utility	6,858	6,858	Prior years expenses
		<u>\$ 315,890</u>	<u>\$ 16,358</u>	

**CITY OF LODI, WISCONSIN**  
Notes to Financial Statements  
December 31, 2020

**Note 8 - Long-Term Debt**

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

	<u>Balance</u> <u>1/1/20</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>12/31/20</u>	<u>Due Within</u> <u>One Year</u>
<b>Governmental Activities</b>					
General Obligation Debt:					
Notes	\$ 893,029	\$ -	\$ 65,949	\$ 827,080	\$ 69,037
Bonds	2,912,698	-	319,840	2,592,858	315,219
Adjustment For					
Debt Discount	(11,452)	-	(818)	(10,634)	-
Total General Obligation Debt	<u>3,794,275</u>	<u>-</u>	<u>384,971</u>	<u>3,409,304</u>	<u>384,256</u>
Net Pension Liability *	254,125	-	254,125	-	-
Net OPEB Liability	27,574	8,783	-	36,357	-
Compensated Absences	87,488	49,721	75,898	61,311	15,328
Total Governmental Activity					
Long-Term Liabilities	<u>\$ 4,163,462</u>	<u>\$ 58,504</u>	<u>\$ 714,994</u>	<u>\$ 3,506,972</u>	<u>\$ 399,584</u>
<b>Business-Type Activities</b>					
General Obligation Debt:					
Notes	\$ 492,560	\$ -	\$ 78,286	\$ 414,274	\$ 81,546
Bonds	52,302	-	15,160	37,142	14,781
Adjustments For					
Issuance Premium	58,204	-	4,758	53,446	-
Debt Discount	(6,508)	-	(2,887)	(3,621)	-
Total General Obligation Debt	<u>596,558</u>	<u>-</u>	<u>95,317</u>	<u>501,241</u>	<u>96,327</u>
Revenue Bonds	2,855,000	-	240,000	2,615,000	250,000
Net Pension Liability *	142,822	-	142,822	-	-
Net OPEB Liability	15,497	11,052	-	26,549	-
Compensated Absences	85,590	66,384	58,643	93,331	23,333
Total Business Activity					
Long-Term Liabilities	<u>\$ 3,695,467</u>	<u>\$ 77,436</u>	<u>\$ 536,782</u>	<u>\$ 3,236,121</u>	<u>\$ 369,660</u>

\* The net pension liability became a net pension asset for the year ended December 31, 2020.

	<u>Date of</u> <u>Issuance</u>	<u>Final</u> <u>Maturity</u>	<u>Interest</u> <u>Rate</u>	<u>Original</u> <u>Indebtedness</u>	<u>Balance</u> <u>12/31/20</u>
<b>Governmental Activities</b>					
<b>Long-Term Obligations</b>					
G.O. Refunding Bonds	03/28/12	03/01/24	1.20-2.75%	\$ 1,769,843	\$ 452,858
G.O. Refunding Bonds	09/25/13	06/01/33	1.40-4.75%	2,045,000	1,345,000
G.O. Notes	06/11/15	05/01/23	0.75-2.40%	568,326	221,022
G.O. Notes	04/12/18	10/01/33	2.05-3.50%	915,000	795,000
State Trust Fund Loan	01/12/18	03/15/37	4.00%	500,000	466,198
State Trust Fund Loan	01/12/18	03/15/37	4.00%	150,000	139,860
Total Governmental Activities Long-Term Obligations					<u>\$ 3,419,938</u>

**CITY OF LODI, WISCONSIN**

Notes to Financial Statements

December 31, 2020

**Note 8 - Long-Term Debt (Continued)**

	<u>Date of Issuance</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/20</u>
<b>Business Type Activities</b>					
<b>Long-Term Obligations</b>					
G.O. Refunding Bonds	03/28/12	03/01/24	1.20-2.75%	\$ 145,157	\$ 37,142
Electric Utility Revenue Bonds	03/28/12	05/01/23	2.00-2.35%	1,460,000	390,000
G.O. Notes	06/11/15	05/01/23	0.75-2.40%	1,066,674	414,274
Revenue Bonds	04/12/18	05/01/38	3.00-4.00%	2,370,000	2,225,000
Total Business Type Activities Long-Term Obligations					<u>\$ 3,066,416</u>

Total interest paid in 2020 was \$118, 821 for governmental activities and \$105,239 for business-type activities.

The annual principal and interest maturities are as follows:

	<u>Governmental Funds</u>		<u>Enterprise Funds</u>		<u>Totals</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 384,256	\$ 110,165	\$ 346,327	\$ 172,115	\$ 730,583	\$ 282,280
2022	376,038	100,858	330,576	158,551	706,614	259,409
2023	303,694	91,727	323,970	144,991	627,664	236,718
2024	294,743	83,197	208,977	132,362	503,720	215,559
2025	248,657	74,918	201,566	120,773	450,223	195,691
2026 - 2030	1,008,528	264,246	650,000	466,860	1,658,528	731,106
2031 - 2035	710,056	76,264	650,000	246,253	1,360,056	322,516
2036 - 2038	93,966	5,685	355,000	40,470	448,966	46,155
	<u>\$ 3,419,938</u>	<u>\$ 807,060</u>	<u>\$ 3,066,416</u>	<u>\$ 1,482,375</u>	<u>\$ 6,486,354</u>	<u>\$ 2,289,435</u>

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

**Legal Margin for Debt**

The 2020 equalized valuation of the City as certified by the Wisconsin Department of Revenue is \$302,822,700. The legal debt limit and margin of indebtedness as of December 31, 2020, in accordance with Section 67.03 of the Wisconsin Statutes follows:

Equalized Value of the City	\$ 302,822,700
Statutory Limitation Percentage	<u>5%</u>
General Obligation Debt Limitation, per Section 67.03 of the Wisconsin Statutes	15,141,135
Total Outstanding General Obligation Debt Applicable to Debt Limitation	<u>3,871,354</u>
Legal Margin for New General Obligation Debt	<u>\$ 11,269,781</u>



**CITY OF LODI, WISCONSIN**

Notes to Financial Statements

December 31, 2020

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**Note 8 - Long-Term Debt (Continued)**

**Utility Revenues Pledged**

The City has pledged future revenue derived from the Electric Utility, net of specified operating expenses, to repay the 2012 Electric Utility revenue bonds. Proceeds from the debt provided financing for the construction or acquisition of capital assets used within the utility. Additionally, on April 12, 2018 the City issued \$2,370,000 Revenue Bonds split between the Electric, Water, and Wastewater Utilities.

The revenue bonds are payable from the Electric Utility net revenues and payable through 2023. The total principal and interest remaining to be paid on the 2012 revenue bonds is \$403,138 and on the 2018 revenue bonds is \$2,947,479. Principal and interest paid for the current year and total Electric Utility net revenues were \$154,993 and \$264,089, respectively. The Electric Utility did meet the 2012 revenue bonds revenue requirements in 2020. The Utility also met the reserve required to have 10% of the stated principal amount of the bonds in a reserve account. The requirement as of December 31, 2020 was \$140,000 for the 2012 bonds. For the 2018 bonds, the reserve requirement is \$248,342 across all of the Utility Funds. The Utilities did meet the 2018 revenue bond reserve requirements as of December 31, 2020.

**Note 9 - Individual Fund Disclosure**

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

<b>Debt Service Fund</b>	<u>\$ (46,449)</u>
<b>Capital Projects Funds</b>	
TID No. 3	\$ (20,632)
TID No. 4	(23,929)
TID No. 5	<u>(34,828)</u>
Total Capital Projects Funds	<u>\$ (279,389)</u>

The City anticipates funding the above deficits from future revenues, tax increments or debt proceeds of the funds.

**CITY OF LODI, WISCONSIN**

Notes to Financial Statements

December 31, 2020

**Note 10 - Net Position and Fund Balances (Deficits)**

**Government- Wide Statements**

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

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Net Investment in Capital Assets			
Net Capital Assets	\$ 10,911,449	\$ 14,281,412	\$ 25,192,861
Less: Related Long-Term Debt	(3,419,938)	(3,066,416)	(6,486,354)
Plus (Less): Net Premium or Discount	(10,634)	(49,825)	(60,459)
Total Net Investment in Capital Assets	<u>7,491,511</u>	<u>11,165,171</u>	<u>18,656,682</u>
Restricted			
Debt Service	-	488,287	488,287
Plant Replacement	-	793,442	793,442
Capital Improvements	595,713	-	595,713
Library Improvements	280,330	-	280,330
Public Safety Programs	17,619	-	17,619
Community Development	300	-	300
Pension Benefits	65,261	36,587	101,848
Total Restricted	<u>959,223</u>	<u>1,318,316</u>	<u>2,277,539</u>
Unrestricted	<u>1,437,430</u>	<u>2,304,192</u>	<u>3,741,622</u>
Total Government-Wide Activities Net Position	<u>\$ 9,888,164</u>	<u>\$ 14,787,679</u>	<u>\$ 24,675,843</u>

**Proprietary Funds**

The following is a detail schedule of ending net position as reported in the proprietary fund financial statements as of December 31, 2020:

	<u>Electric Utility</u>	<u>Water Utility</u>	<u>Wastewater Utility</u>	<u>Total</u>
Net Investment in Capital Assets				
Net Capital Assets	\$ 3,741,327	\$ 7,008,866	\$ 3,531,219	\$ 14,281,412
Less: Related Long-Term Debt	(528,253)	(2,108,517)	(479,471)	(3,116,241)
Total Net Investment in Capital Assets	<u>3,213,074</u>	<u>4,900,349</u>	<u>3,051,748</u>	<u>11,165,171</u>
Restricted				
Debt Service	316,302	121,152	50,833	488,287
Plant Replacement	-	-	793,442	793,442
Pension Benefits	17,229	7,714	11,644	36,587
Total Restricted	<u>333,531</u>	<u>128,866</u>	<u>855,919</u>	<u>1,318,316</u>
Unrestricted	<u>895,534</u>	<u>606,900</u>	<u>801,758</u>	<u>2,304,192</u>
Total Net Position	<u>\$ 4,442,139</u>	<u>\$ 5,636,115</u>	<u>\$ 4,709,425</u>	<u>\$ 14,787,679</u>

**CITY OF LODI, WISCONSIN**

Notes to Financial Statements

December 31, 2020

**Note 10 - Net Position and Fund Balances (Deficits) (Continued)**

**Governmental Funds**

The following is a detail schedule of ending fund balances (deficits) as reported in the governmental funds financial statements as of December 31, 2020:

	<u>Nonspendable</u>	<u>Restricted</u>	<u>Assigned</u>	<u>Unassigned</u>
General Fund:				
Delinquent Personal Property Taxes	\$ 912	\$ -	\$ -	\$ -
Advances to Other Funds	315,890	-	-	-
Unassigned	-	-	-	1,138,198
Total General Fund	<u>316,802</u>	<u>-</u>	<u>-</u>	<u>1,138,198</u>
Debt Service Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>(46,449)</u>
TID No. 3	<u>-</u>	<u>-</u>	<u>-</u>	<u>(20,632)</u>
TID No. 4	<u>-</u>	<u>-</u>	<u>-</u>	<u>(223,929)</u>
TID No. 5	<u>-</u>	<u>-</u>	<u>-</u>	<u>(34,828)</u>
Public Works Projects	<u>-</u>	<u>243,721</u>	<u>-</u>	<u>-</u>
Non-Major Special Revenue Funds:				
Library Operations	-	-	8,837	-
Library Board Trust - Library Improvements	-	280,330	-	-
CDBG - Community Development	-	300	-	-
Revolving Loans - Community Development	-	679	9,483	-
Pool Operations	-	-	66,715	-
Solid Waste	-	-	34,951	-
Asset Forfeiture - Capital Improvements	-	2,312	-	-
Canine Unit - Public Safety Programs	-	17,619	-	-
Park Development	-	246,680	-	-
Total Non-Major Special Revenue Funds	<u>-</u>	<u>547,920</u>	<u>119,986</u>	<u>-</u>
Non-Major Permanent Funds:				
Swimming Pool - Investment Corpus	<u>103,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Governmental Funds	<u>103,000</u>	<u>547,920</u>	<u>119,986</u>	<u>-</u>
Total Governmental Funds	<u>\$ 419,802</u>	<u>\$ 791,641</u>	<u>\$ 119,986</u>	<u>\$ 812,360</u>

## CITY OF LODI, WISCONSIN

Notes to Financial Statements

December 31, 2020

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### Note 11 - Defined Benefit Pension Plan

#### **General Information about the Pension Plan**

**Plan Description.** The Wisconsin Retirement System (WRS) is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, expected to work at least 1,200 hours a year (880 hours for teachers and school 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 December 31, 2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

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

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

The WRS also provides death and disability benefits for employees.

**CITY OF LODI, WISCONSIN**

Notes to Financial Statements

December 31, 2020

**Note 11 - Defined Benefit Pension Plan (Continued)**

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

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

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

During the reporting period, the WRS recognized \$120,703 in contributions from the City.

Contribution rates as of December 31, 2020 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (including teachers, executives, and elected officials)	6.75%	6.75%
Protective with Social Security	6.84%	11.65%

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

At December 31, 2020 the City reported an asset of \$347,034 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2019, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2018 rolled forward to December 31, 2019. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2019, the City's proportion was 0.01076259%, which was a decrease of 0.00039487% from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, the City recognized pension expense of \$126,455.

**CITY OF LODI, WISCONSIN**

Notes to Financial Statements

December 31, 2020

**Note 11 - Defined Benefit Pension Plan (Continued)**

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experiences	\$ 658,751	\$ 329,661
Changes in assumptions	27,043	-
Net differences between projected and actual earnings on pension plan investments	-	709,463
Changes in proportion and differences between employer contributions and proportionate share of contributions	50	12,610
Employer contributions subsequent to the measurement date	120,703	-
<b>Total</b>	<u>\$ 806,547</u>	<u>\$ 1,051,734</u>

The \$120,703 reported as deferred outflows from the City's contributions subsequent to the measurement date will be recognized as an adjustment of the net pension liability (asset) in the year ending December 31, 2021. Other amounts reported as deferred outflows of resources related to pension will be recognized in pension expense as follows:

<u>Years Ending December 31,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2021	\$ (110,077)
2022	(82,122)
2023	9,752
2024	(183,443)
	<u>\$ (365,890)</u>

**CITY OF LODI, WISCONSIN**

Notes to Financial Statements

December 31, 2020

**Note 11 - Defined Benefit Pension Plan (Continued)**

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

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

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

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

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

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

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

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

**CITY OF LODI, WISCONSIN**

Notes to Financial Statements

December 31, 2020

**Note 11 - Defined Benefit Pension Plan (Continued)**

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

**Sensitivity of the City's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate.** The following presents the City's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.00 percent, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	<u>1% Decrease to Discount Rate (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase to Discount Rate (8.00%)</u>
City's proportionate share of the net pension liability (asset)	<u>\$ 893,677</u>	<u>\$ (347,034)</u>	<u>\$ (1,274,610)</u>

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

**Payables to the Pension Plan.** The City is required to remit the monthly required contribution for both the employee and City portions by the last day of the following month. The City did not have a liability due to WRS as of December 31, 2020.

**Note 12 - Post-Employment Benefits Other Than Pension Benefits**

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

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

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

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



**CITY OF LODI, WISCONSIN**

Notes to Financial Statements

December 31, 2020

**Note 12 - Post-Employment Benefits Other Than Pension Benefits (Continued)**

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

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

Contribution Rates as of December 31, 2020 are:

<u>Coverage Type</u>	<u>Employer Contribution</u>
50% Post Retirement Coverage	40% of 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, 2018 are as listed below:

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

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

During the reporting period, the Plan recognized \$0 in contributions from the employer.

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

At December 31, 2020, the City reported a liability of \$62,906 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2019 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2018 rolled forward to December 31, 2019. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net OPEB liability was based on the City's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2019, the City's proportion was 0.0147730%, which was a decrease of 0.0019190% from its proportion measured as of December 31, 2018.

**CITY OF LODI, WISCONSIN**

Notes to Financial Statements

December 31, 2020

**Note 12 - Post-Employment Benefits Other Than Pension Benefits (Continued)**

For the year ended December 31, 2020, the City recognized OPEB expense of \$4,760.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experiences	\$ -	\$ 2,817
Changes in assumptions	23,206	6,919
Net differences between projected and actual earnings on OPEB plan investments	1,186	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	10,154
<b>Total</b>	<u>\$ 24,392</u>	<u>\$ 19,890</u>

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

<u>Years Ending December 31,</u>	<u>Net Deferred Outflows of Resources</u>
2021	\$ 605
2022	605
2023	477
2024	345
2025	245
Thereafter	<u>2,225</u>
	<u>\$ 4,502</u>

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

Actuarial Valuation Date:	January 1, 2018
Measurement Date of Net OPEB Liability (Asset)	December 31, 2019
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield:	2.74%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	2.87%
Salary Increases	
Inflation:	3.00%
Seniority/Merit:	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table

**CITY OF LODI, WISCONSIN**

Notes to Financial Statements

December 31, 2020

**Note 12 - Post-Employment Benefits Other Than Pension Benefits (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**

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

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

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

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

# CITY OF LODI, WISCONSIN

Notes to Financial Statements

December 31, 2020

## Note 12 - Post-Employment Benefits Other Than Pension Benefits (Continued)

**Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate.** The following presents the City's proportionate share of the net OPEB liability calculated using the discount rate of 3.63 percent, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.22 percent) or 1-percentage-point higher (5.22 percent) than the current rate:

	<u>1% Decrease</u> <u>(1.87%)</u>	<u>Discount Rate</u> <u>(2.87%)</u>	<u>1% Increase</u> <u>(3.87%)</u>
<b>Net OPEB Liability</b>	<u>\$ 86,863</u>	<u>\$ 62,906</u>	<u>\$ 44,680</u>

**Payables to the OPEB Plan.** As of December 31, 2019, the City had no outstanding payables to the OPEB plan.

## Note 13 - Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employee health claims; unemployment compensation claims; and environmental damage for which the City purchases commercial insurance. There has been no reduction in insurance coverage from the prior year. Insurance settlements for claims resulting from the risks covered by commercial insurance have not exceeded the insurance coverage in the past three years.

## Note 14 - Commitment

### Long-Term Contracts – WPPI

The Lodi Electric Utility purchases its electric requirements from WPPI Energy. WPPI Energy is a municipal electric company and political subdivision of the State of Wisconsin created by contract by its members on September 5, 1980 pursuant to the Municipal Electric Company Act, Sec. 66.073 of the Wisconsin Statutes (the Act). WPPI Energy's purposes include providing an adequate, economical and reliable supply of electric energy to its members.

The Lodi Electric Utility is one of 51 members of WPPI Energy located throughout the States of Wisconsin, Iowa, and Michigan. On December 1, 1989, each initial WPPI Energy member commenced purchasing electric service from WPPI Energy under a new long-term power supply contract for participating members (long-term contract) under which WPPI Energy has agreed to sell and deliver to each member, and each member has agreed to take and pay for, the electric power and energy requirements of the members for an initial thirty-five (35) year term. The contract has been amended to extend the term of the contract through 2037.

Under the long-term contract, the Lodi Electric Utility and other members of WPPI Energy are required to pay for all power and energy requirements supplied or made available by WPPI Energy at rates sufficient to cover all of WPPI Energy's revenue requirement which includes power supply costs, administrative expenses and debt service on outstanding bonds. WPPI Energy's subsequent year's rates and operating budget are approved annually by its Board of Directors, consisting of representatives from each member municipality. The members have agreed to charge rates to retail ratepayers of their electric system sufficient to meet their WPPI Energy obligations. The long-term contract provides that all payments to WPPI Energy under the contract constitute operating expenses of the Lodi electric system payable from any operating and maintenance fund established by the Lodi Electric Utility.

The long-term contract may be terminated by either party upon five years prior written notice effective at the end of the initial thirty-five year term, or at any other time thereafter, provided that no WPPI Energy bonds are outstanding at the time of the proposed termination and certain other contract provisions are met.

Electric power purchases by the Lodi Electric Utility from the WPPI Energy for distribution to its customers under the above arrangement amounted to approximately \$2.1 million for the year ended December 31, 2020.

**CITY OF LODI, WISCONSIN**

Notes to Financial Statements

December 31, 2020

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**Note 15 - Basis for Utility Existing Rates**

**Electric Utility**

Current electric rates were approved by the PSCW on October 1, 2018.

**Water Utility**

Current water rates were approved by the PSCW on August 1, 2019.

**Wastewater Utility**

Current sewer rates were approved by the Utility commission with an effective date of March 1, 2018.

**Note 16 - Joint Ventures**

The City of Lodi, Town of Lodi and Town of West Point operate the local fire department, which is called the Lodi Area Fire Board and provides fire protection. The communities share in the operation of the district as follows:

City of Lodi	40%
Town of Lodi	40%
Town of West Point	20%

The governing body is made up of citizens from each community. Local representatives are appointed by the mayor. The governing body has authority to adopt its own budget and control the financial affairs of the district. The City made payments totaling \$84,206 to the district in 2020. The City believes that the district will continue to provide services in the future at similar rates. Financial information of the district as of December 31, 2020 is available directly from the district's office. The transactions of the district are not reflected in these financial statements.

The City of Lodi, Town of Lodi and Town of West Point also operate the local EMS district, which is called the Lodi Area Emergency Medical Service and provides ambulance and rescue service. The communities share in the operation of the district as follows:

City of Lodi	40%
Town of Lodi	40%
Town of West Point	20%

The governing body is made up of citizens from each community. Local representatives are appointed by the mayor. The governing body has authority to adopt its own budget and control the financial affairs of the district. The City made payments totaling \$0 to the district in 2020. The City believes that the district will continue to provide services in the future at similar rates. Financial information of the district as of December 31, 2020 is available directly from the district's office. The transactions of the district are not reflected in these financial statements.

**Note 17 - Subsequent Event**

On January 19, 2021 the City approved the Gay Street Improvement project for approximately \$390,000.

**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF LODI**  
Schedule of Employer's Proportionate Share of the Net Pension Liability (Asset)  
Wisconsin Retirement System  
Last Ten Years\*

WRS Fiscal Year End Date (Measurement Date)	City's Proportion of the Net Pension Asset/Liability	City's Proportionate Share of the Net Pension (Asset)/Liability	City's Covered Payroll	City's Proportionate Share of the Net Pension Asset/Liability as a percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/2019	0.01076259%	\$ (347,035)	\$ 1,434,491	-24.19%	102.96%
12/31/2018	0.01115746%	396,947	1,530,638	25.93%	96.45%
12/31/2017	0.01064493%	(316,060)	1,456,139	-21.71%	102.93%
12/31/2016	0.01018162%	83,921	1,441,021	5.82%	99.12%
12/31/2015	0.00962059%	156,333	1,282,154	12.19%	98.20%
12/31/2014	0.00963820%	(236,741)	1,225,375	-19.32%	102.74%

\* Ten years of data will be accumulated beginning in 2014.

Schedule of Employer Contributions  
Wisconsin Retirement System  
Last Ten Years\*

City Year End Date	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/2020	\$ 120,703	\$ 120,703	\$ -	\$ 1,534,151	7.87%
12/31/2019	108,408	108,408	-	1,434,492	7.56%
12/31/2018	116,523	116,523	-	1,530,638	7.61%
12/31/2017	110,491	110,491	-	1,456,139	7.59%
12/31/2016	107,034	107,034	-	1,441,021	7.43%
12/31/2015	94,369	94,369	-	1,282,154	7.36%

\* Ten years of data will be accumulated beginning in 2015.

**CITY OF LODI**

Schedule of Employer's Proportionate Share of the Net OPEB Liability  
Other Post-Employment Benefits Other Than Pensions - Cost-Sharing Plan  
Last Ten Years\*

<u>WRS Fiscal Year End Date (Measurement Date)</u>	<u>City's Proportion of the Net OPEB Liability</u>	<u>City's Proportionate Share of the Net OPEB Liability</u>	<u>City's Covered Payroll</u>	<u>City's Proportionate Share of the Net OPEB Liability as a percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability</u>
12/31/2019	0.01477300%	\$ 62,906	\$ 919,000	6.85%	37.58%
12/31/2018	0.01669200%	43,071	948,000	4.54%	48.69%
12/31/2017	0.01791700%	53,905	753,461	7.15%	44.81%

\*Ten years of data will be accumulated beginning in 2017.

Schedule of Employer Contributions  
Other Post-Employment Benefits Other Than Pensions - Cost-Sharing Plan  
Last Ten Years\*

<u>City Year End Date</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/2020	\$ 267	\$ 267	-	\$ 1,013,091	0.03%
12/31/2019	321	321	-	919,000	0.03%
12/31/2018	372	372	-	948,000	0.05%

\*Ten years of data will be accumulated beginning in 2018.



**CITY OF LODI, WISCONSIN**  
Schedule of Budgetary Comparison  
General Fund  
For the Year Ended December 31, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>				
Taxes	\$ 1,453,047	\$ 1,453,047	\$ 1,453,201	\$ 154
Special Assessments	8,688	8,688	21,769	13,081
Intergovernmental	318,238	318,238	382,727	64,489
Licenses and Permits	54,210	54,210	69,331	15,121
Fines, Forfeitures and Penalties	27,000	27,000	25,384	(1,616)
Public Charges for Services	2,750	2,750	43,218	40,468
Miscellaneous	64,600	64,600	87,587	22,987
<b>Total Revenues</b>	<u>1,928,533</u>	<u>1,928,533</u>	<u>2,083,217</u>	<u>154,684</u>
<b>EXPENDITURES</b>				
Current:				
General Government	518,550	521,350	400,944	120,406
Public Safety	1,034,070	1,038,474	976,142	62,332
Public Works	523,099	524,918	468,957	55,961
Culture, Recreation and Education	73,219	73,219	68,902	4,317
Conservation and Development	76,500	76,500	105,010	(28,510)
Capital Outlay	-	-	126,402	(126,402)
<b>Total Expenditures</b>	<u>2,225,438</u>	<u>2,234,461</u>	<u>2,146,357</u>	<u>88,104</u>
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	<u>(296,905)</u>	<u>(305,928)</u>	<u>(63,140)</u>	<u>66,580</u>
<b>OTHER FINANCING SOURCE</b>				
Transfers In	283,275	283,275	324,405	41,130
Transfers Out	-	-	(19,192)	(19,192)
<b>Total Other Financing Source</b>	<u>283,275</u>	<u>283,275</u>	<u>305,213</u>	<u>21,938</u>
<b>NET CHANGE IN FUND BALANCE</b>	(13,630)	(22,653)	242,073	88,518
<b>FUND BALANCE - BEGINNING</b>	<u>1,212,927</u>	<u>1,212,927</u>	<u>1,212,927</u>	<u>-</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 1,199,297</u>	<u>\$ 1,190,274</u>	<u>\$ 1,455,000</u>	<u>\$ 88,518</u>

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

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**Defined Benefit Pension Plan**

*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 previous year.

**Post-Employment Benefits Other Than Pension Benefits**

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

*Changes of assumptions.* Several actuarial assumptions changed from the prior year, including the single discount rate, long-term expected rate of return and expected inflation. Please refer to the actuarial assumptions in the notes to the financial statements for additional details.

**Budgetary Process**

The City follows these procedures in establishing the budgetary data reflected in the budgetary comparison schedule:

- During October, City management submits to the Common Council a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. After submission to the governing body, public hearings are held to obtain taxpayer comments. Following the public hearings, the proposed budget, including authorized additions and deletions, is legally enacted by City Council action.
- Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the general fund. Budget is defined as the originally approved budget plus or minus approved amendments. Budget appropriations not expended during the year are closed to fund balance unless authorized by the governing body to be forwarded into the succeeding year's budget.
- During the year, formal budgetary integration is employed as a management control device for the general fund and debt service funds. Management control for the capital projects funds is achieved through project authorizations included in debt issue resolutions.
- Expenditures may not exceed appropriations provided in detailed budget accounts maintained for each department of the City. Amendments to the budget during the year require initial approval by management and are subsequently authorized by the Common Council. The City's Department heads can approve transfers within their departments while transfers between departments and changes in the overall budget require approval by two-thirds of the Common Council.

**Excess of Actual Expenditures Over Budget**

The following fund had an excess of actual expenditures over budget for the year ended December 31, 2020:

<u>General Fund</u>	<u>Excess Expenditures</u>
Conservation and Development	28,510
Capital Outlay	126,402

**SUPPLEMENTARY INFORMATION**

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**CITY OF LODI, WISCONSIN**  
Detailed Budgetary Comparison Schedule  
General Fund  
For the Year Ended December 31, 2020

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES</b>				
<b>TAXES</b>				
General Property Taxes	\$ 1,453,047	\$ 1,453,047	\$ 1,453,201	\$ 154
<b>SPECIAL ASSESSMENTS</b>				
Sidewalks	8,688	8,688	21,769	13,081
<b>INTERGOVERNMENTAL</b>				
Shared Taxes from State	121,426	121,426	176,840	55,414
State Transportation Aids	184,812	184,812	184,812	-
Other State/County Aid	12,000	12,000	21,075	9,075
<b>Total Intergovernmental</b>	<b>318,238</b>	<b>318,238</b>	<b>382,727</b>	<b>64,489</b>
<b>LICENSES AND PERMITS</b>				
Liquor and Malt Beverage Licenses	8,100	8,100	9,000	900
Operator's Licenses	2,500	2,500	3,875	1,375
Amusement Device Licenses	200	200	270	70
Cigarette Licenses	700	700	800	100
Cable TV Franchise Fee	28,800	28,800	24,208	(4,592)
Dog and Cat Licenses	1,900	1,900	2,136	236
Building Permits	9,160	9,160	23,785	14,625
Zoning/Other Permits and Fees	1,500	1,500	2,550	1,050
Other Regulatory Permits and Fees	1,000	1,000	207	(793)
Other Licenses and Permits	350	350	2,500	2,150
<b>Total Licenses and Permits</b>	<b>54,210</b>	<b>54,210</b>	<b>69,331</b>	<b>15,121</b>
<b>FINES AND FORFEITS</b>				
Court Penalties and Costs	25,000	25,000	23,404	(1,596)
Parking Violations	2,000	2,000	1,980	(20)
<b>Total Fines and Forfeits</b>	<b>27,000</b>	<b>27,000</b>	<b>25,384</b>	<b>(1,616)</b>
<b>PUBLIC CHARGES FOR SERVICES</b>				
Copy Fees	200	200	253	53
Assessment Letters	2,100	2,100	1,680	(420)
Law Enforcement Fees	450	450	41,285	40,835
<b>Total Public Charges for Services</b>	<b>2,750</b>	<b>2,750</b>	<b>43,218</b>	<b>40,468</b>
<b>MISCELLANEOUS REVENUES</b>				
Interest and Unrealized Gain	37,000	37,000	31,775	(5,225)
Rent of Municipal Buildings	24,000	24,000	24,000	-
Sale of Property	-	-	8,428	8,428
Insurance Recoveries	-	-	12,389	12,389
Other	3,600	3,600	10,995	7,395
<b>Total Miscellaneous</b>	<b>64,600</b>	<b>64,600</b>	<b>87,587</b>	<b>22,987</b>
<b>TOTAL REVENUES</b>	<b>1,928,533</b>	<b>1,928,533</b>	<b>2,083,217</b>	<b>154,684</b>

**CITY OF LODI, WISCONSIN**  
Detailed Budgetary Comparison Schedule  
General Fund  
For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>EXPENDITURES</b>				
<b>GENERAL GOVERNMENT</b>				
Legal Counseling	\$ 39,224	\$ 39,224	\$ 24,976	\$ 14,248
General Administration	127,690	127,690	118,934	8,756
Mayor/Council	12,384	12,384	13,022	(638)
Clerk/Treasurer	139,735	139,735	128,647	11,088
Personnel	5,600	5,600	2,924	2,676
Elections	11,510	11,510	21,878	(10,368)
Accounting	82,146	82,146	113,558	(31,412)
Assessment of Property	15,000	17,800	18,333	(533)
Property and Liability Insurance	40,298	40,298	42,259	(1,961)
City Hall	44,963	44,963	(83,587)	128,550
<b>Total General Government</b>	<u>518,550</u>	<u>521,350</u>	<u>400,944</u>	<u>120,406</u>
<b>PUBLIC SAFETY</b>				
Law Enforcement	824,124	828,528	773,989	54,539
Fire Protection	124,951	124,951	122,967	1,984
Ambulance	64,995	64,995	64,995	-
Inspection	20,000	20,000	14,191	5,809
<b>Total Public Safety</b>	<u>1,034,070</u>	<u>1,038,474</u>	<u>976,142</u>	<u>62,332</u>
<b>PUBLIC WORKS</b>				
Highway and Street Admin. and Wage	117,260	117,260	140,731	(23,471)
Shop Operations	22,977	22,977	19,286	3,691
Machinery and Equipment	32,500	32,500	31,095	1,405
Highway and Street Maintenance	215,481	215,481	168,764	46,717
Snow and Ice Control	57,903	57,903	34,172	23,731
Traffic Control	4,000	5,819	9,234	(3,415)
Street Lighting	60,478	60,478	56,056	4,422
Sidewalk and Crosswalks	3,500	3,500	650	2,850
Storm Sewers	1,500	1,500	621	879
Weed and Nuisance Control	1,500	1,500	1,756	(256)
Trees and Brush	6,000	6,000	6,592	(592)
<b>Total Public Works</b>	<u>523,099</u>	<u>524,918</u>	<u>468,957</u>	<u>55,961</u>
<b>CULTURE, RECREATION AND EDUCATION</b>				
Parks	69,019	69,019	66,519	2,500
Recreation Program	4,200	4,200	2,383	1,817
<b>Total Culture and Recreation</b>	<u>73,219</u>	<u>73,219</u>	<u>68,902</u>	<u>4,317</u>
<b>CONSERVATION AND DEVELOPMENT</b>				
Zoning	35,000	35,000	50,950	(15,950)
Economic Development	41,500	41,500	54,060	(12,560)
<b>Total Conservation and Development</b>	<u>76,500</u>	<u>76,500</u>	<u>105,010</u>	<u>(28,510)</u>
<b>CAPITAL OUTLAY</b>				
City Hall	-	-	126,402	(126,402)
<b>Total Expenditures</b>	<u>2,225,438</u>	<u>2,234,461</u>	<u>2,146,357</u>	<u>88,104</u>
<b>DEFICIENCY OF REVENUES</b>				
<b>UNDER EXPENDITURES</b>	<u>(296,905)</u>	<u>(305,928)</u>	<u>(63,140)</u>	<u>242,788</u>
<b>OTHER FINANCING SOURCE (USE)</b>				
Transfers In	283,275	283,275	324,405	41,130
Transfers Out	-	-	(19,192)	(19,192)
<b>Total Other Financing Sources (Use)</b>	<u>283,275</u>	<u>283,275</u>	<u>305,213</u>	<u>21,938</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(13,630)</u>	<u>(22,653)</u>	<u>242,073</u>	<u>264,726</u>
<b>FUND BALANCE - BEGINNING</b>	<u>1,212,927</u>	<u>1,212,927</u>	<u>1,212,927</u>	<u>-</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 1,199,297</u>	<u>\$ 1,190,274</u>	<u>\$ 1,455,000</u>	<u>\$ 264,726</u>

**CITY OF LODI, WISCONSIN**

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

	<u>Non-Major Special Revenue Funds</u>	<u>Non-Major Permanent Funds</u>	<u>Non-Major Governmental Funds</u>
<b>ASSETS</b>			
Cash and Investments	\$ 670,546	\$ 103,000	\$ 773,546
Restricted Cash	181,855	-	181,855
Taxes Receivable	186,676	-	186,676
Loans Receivable	165,361	-	165,361
Due from Other Governments	<u>1,470</u>	<u>-</u>	<u>1,470</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 1,205,908</u></u>	<u><u>\$ 103,000</u></u>	<u><u>\$ 1,308,908</u></u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
Liabilities:			
Accounts Payable	<u>\$ 4,789</u>	<u>\$ -</u>	<u>\$ 4,789</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Taxes Levied for Subsequent Period	368,531	-	368,531
Unavailable - CDBG Loans	<u>164,682</u>	<u>-</u>	<u>164,682</u>
<b>Total Deferred Inflows of Resources</b>	<u><u>533,213</u></u>	<u><u>-</u></u>	<u><u>533,213</u></u>
<b>FUND BALANCES</b>			
Nonspendable	-	103,000	103,000
Restricted	547,920	-	547,920
Assigned	<u>119,986</u>	<u>-</u>	<u>119,986</u>
<b>Total Fund Balances</b>	<u><u>667,906</u></u>	<u><u>103,000</u></u>	<u><u>770,906</u></u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u><u>\$ 1,205,908</u></u>	<u><u>\$ 103,000</u></u>	<u><u>\$ 1,308,908</u></u>

**CITY OF LODI, WISCONSIN**

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended December 31, 2020

	<b>Non-Major Special Revenue Funds</b>	<b>Non-Major Capital Project Funds</b>	<b>Non-Major Permanent Funds</b>	<b>Non-Major Governmental Funds</b>
<b>REVENUES</b>				
Taxes	\$ 373,862	\$ -	\$ -	\$ 373,862
Intergovernmental	97,358	-	-	97,358
Public Charges for Services	51,856	-	-	51,856
Investment Income	21,451	384	-	21,835
Contributions	28,437	-	2,203	30,640
<b>Total Revenues</b>	<u>572,964</u>	<u>384</u>	<u>2,203</u>	<u>575,551</u>
<b>EXPENDITURES</b>				
Current:				
General Government	12,322	-	-	12,322
Public Works	166,549	-	-	166,549
Culture, Recreation and Education	318,269	980	-	319,249
<b>Total Expenditures</b>	<u>497,140</u>	<u>980</u>	<u>-</u>	<u>498,120</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>75,824</u>	<u>(596)</u>	<u>2,203</u>	<u>77,431</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from Other Funds	234,997	-	-	234,997
Transfers to Other Funds	(203,989)	(38,767)	(11,816)	(254,572)
<b>Total Other Financing Sources (Uses)</b>	<u>31,008</u>	<u>(38,767)</u>	<u>(11,816)</u>	<u>(19,575)</u>
<b>NET CHANGE IN FUND BALANCES</b>	106,832	(39,363)	(9,613)	57,856
<b>FUND BALANCES - BEGINNING</b>	<u>561,074</u>	<u>39,363</u>	<u>112,613</u>	<u>713,050</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 667,906</u>	<u>\$ -</u>	<u>\$ 103,000</u>	<u>\$ 770,906</u>



**CITY OF LODI, WISCONSIN**  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
As of December 31, 2020

	Library Operation	Library Board Trust	CDBG	Revolving Loan	Pool Operation	Solid Waste	Asset Forfeiture	Canine Unit	Park Development	Total Nonmajor Funds
<b>ASSETS</b>										
Cash and Investments	\$ 13,626	\$ 280,330	\$ 300	\$ 9,483	\$ 66,715	\$ 33,481	\$ 2,312	\$ 17,619	\$ 246,680	\$ 670,546
Restricted Cash	64,520	-	-	-	32,610	84,725	-	-	-	181,855
Taxes Receivable	66,230	-	-	-	33,475	86,971	-	-	-	186,676
Loans Receivable	-	-	164,682	679	-	-	-	-	-	165,361
Due from Other Governments	-	-	-	-	-	1,470	-	-	-	1,470
<b>TOTAL ASSETS</b>	<b><u>\$ 144,376</u></b>	<b><u>\$ 280,330</u></b>	<b><u>\$ 164,982</u></b>	<b><u>\$ 10,162</u></b>	<b><u>\$ 132,800</u></b>	<b><u>\$ 206,647</u></b>	<b><u>\$ 2,312</u></b>	<b><u>\$ 17,619</u></b>	<b><u>\$ 246,680</u></b>	<b><u>\$ 1,205,908</u></b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>										
Liabilities:										
Accounts Payable	\$ 4,789	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,789
<b>DEFERRED INFLOWS OF RESOURCES</b>										
Tax Levy for Next Year	130,750	-	-	-	66,085	171,696	-	-	-	368,531
CDBG Loans	-	-	164,682	-	-	-	-	-	-	164,682
<b>Total Deferred Inflows of Resources</b>	<b><u>130,750</u></b>	<b><u>-</u></b>	<b><u>164,682</u></b>	<b><u>-</u></b>	<b><u>66,085</u></b>	<b><u>171,696</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>533,213</u></b>
<b>FUND BALANCES</b>										
Restricted	-	280,330	300	679	-	-	2,312	17,619	246,680	547,920
Assigned	8,837	-	-	9,483	66,715	34,951	-	-	-	119,986
<b>Total Fund Balances</b>	<b><u>8,837</u></b>	<b><u>280,330</u></b>	<b><u>300</u></b>	<b><u>10,162</u></b>	<b><u>66,715</u></b>	<b><u>34,951</u></b>	<b><u>2,312</u></b>	<b><u>17,619</u></b>	<b><u>246,680</u></b>	<b><u>667,906</u></b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b><u>\$ 144,376</u></b>	<b><u>\$ 280,330</u></b>	<b><u>\$ 164,982</u></b>	<b><u>\$ 10,162</u></b>	<b><u>\$ 132,800</u></b>	<b><u>\$ 206,647</u></b>	<b><u>\$ 2,312</u></b>	<b><u>\$ 17,619</u></b>	<b><u>\$ 246,680</u></b>	<b><u>\$ 1,205,908</u></b>

**CITY OF LODI, WISCONSIN**  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2020

	<u>Strangeway</u>	<u>Goeres Perpetual Care</u>	<u>Library Operation</u>	<u>Library Board Trust</u>	<u>CDBG</u>	<u>Revolving Loan</u>	<u>Pool Operation</u>	<u>Solid Waste</u>	<u>Asset Forfeiture</u>	<u>Canine Unit</u>	<u>Park Development</u>	<u>Total Nonmajor Funds</u>
<b>REVENUES</b>												
Taxes	\$ -	\$ -	\$ 137,750	\$ -	\$ -	\$ -	\$ 65,533	\$ 170,579	\$ -	\$ -	\$ -	\$ 373,862
Intergovernmental	-	-	97,356	-	2	-	-	-	-	-	-	97,358
Public Charges for Services	31,123	-	15,224	-	-	-	-	5,509	-	-	-	51,856
Investment Income	2,372	-	-	18,942	-	41	-	-	-	-	96	21,451
Contributions	-	-	27,307	-	-	-	1,080	-	-	50	-	28,437
<b>Total Revenues</b>	<u>33,495</u>	<u>-</u>	<u>277,637</u>	<u>18,942</u>	<u>2</u>	<u>41</u>	<u>66,613</u>	<u>176,088</u>	<u>-</u>	<u>50</u>	<u>96</u>	<u>572,964</u>
<b>EXPENDITURES</b>												
Current:												
General Government	-	-	-	-	12,322	-	-	-	-	-	-	12,322
Public Works	-	-	-	-	-	-	-	166,549	-	-	-	166,549
Culture, Recreation and Education	7,115	-	287,003	8,827	-	-	15,307	-	-	-	17	318,269
<b>Total Expenditures</b>	<u>7,115</u>	<u>-</u>	<u>287,003</u>	<u>8,827</u>	<u>12,322</u>	<u>-</u>	<u>15,307</u>	<u>166,549</u>	<u>-</u>	<u>-</u>	<u>17</u>	<u>497,140</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>26,380</u>	<u>-</u>	<u>(9,366)</u>	<u>10,115</u>	<u>(12,320)</u>	<u>41</u>	<u>51,306</u>	<u>9,539</u>	<u>-</u>	<u>50</u>	<u>79</u>	<u>75,824</u>
<b>OTHER FINANCING SOURCE (USE)</b>												
Transfer from Other Funds	-	-	-	-	-	-	4,965	-	-	-	230,032	234,997
Transfers to Other Funds	(203,292)	(697)	-	-	-	-	-	-	-	-	-	(203,989)
Total Other Financing Source (Use)	<u>(203,292)</u>	<u>(697)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,965</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>230,032</u>	<u>31,008</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>(176,912)</u>	<u>(697)</u>	<u>(9,366)</u>	<u>10,115</u>	<u>(12,320)</u>	<u>41</u>	<u>56,271</u>	<u>9,539</u>	<u>-</u>	<u>50</u>	<u>230,111</u>	<u>106,832</u>
<b>FUND BALANCES - BEGINNING</b>	<u>176,912</u>	<u>697</u>	<u>18,203</u>	<u>270,215</u>	<u>12,620</u>	<u>10,121</u>	<u>10,444</u>	<u>25,412</u>	<u>2,312</u>	<u>17,569</u>	<u>16,569</u>	<u>561,074</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,837</u>	<u>\$ 280,330</u>	<u>\$ 300</u>	<u>\$ 10,162</u>	<u>\$ 66,715</u>	<u>\$ 34,951</u>	<u>\$ 2,312</u>	<u>\$ 17,619</u>	<u>\$ 246,680</u>	<u>\$ 667,906</u>

**CITY OF LODI, WISCONSIN**

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

Nonmajor Capital Project Funds

For the Year Ended December 31, 2020

	<b>Pool Capital Projects</b>	<b>Total Nonmajor Capital Projects Funds</b>
<b>REVENUES</b>		
Investment Income	\$ 384	\$ 384
<b>EXPENDITURES</b>		
Current:		
Culture and Recreation	980	980
<b>Deficiency of Revenues Under Expenditures</b>	<u>(596)</u>	<u>(596)</u>
<b>OTHER FINANCING USE</b>		
Transfers to Other Fund	<u>(38,767)</u>	<u>(38,767)</u>
<b>NET CHANGE IN FUND BALANCES (DEFICITS)</b>	(39,363)	(39,363)
<b>FUND BALANCES (DEFICITS) - BEGINNING</b>	<u>39,363</u>	<u>39,363</u>
<b>FUND BALANCES (DEFICIT) - ENDING</b>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF LODI, WISCONSIN**

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

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	<u>Swimming Pool</u>	<u>Total Nonmajor Permanent Funds</u>
<b>ASSETS</b>		
Cash and Investments	<u>\$ 103,000</u>	<u>\$ 103,000</u>
<b>FUND BALANCES</b>		
Nonspendable	<u>\$ 103,000</u>	<u>\$ 103,000</u>

**CITY OF LODI, WISCONSIN**

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Permanent Funds

For the Year Ended December 31, 2020

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	<u>Swimming Pool</u>	<u>Bernice Hibbard Memorial</u>	<u>Total Nonmajor Permanent Funds</u>
<b>REVENUES</b>			
Interest	\$ 2,203	\$ -	\$ 2,203
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers	(4,965)	(6,851)	(11,816)
<b>NET CHANGE IN FUND BALANCES</b>	(2,762)	(6,851)	(9,613)
<b>FUND BALANCES - BEGINNING</b>	105,762	6,851	112,613
<b>FUND BALANCES - ENDING</b>	<u>\$ 103,000</u>	<u>\$ -</u>	<u>\$ 103,000</u>