

City of Lodi, Wisconsin

Financial Report

Year Ended December 31, 2021



City of Lodi, Wisconsin,
Financial Statements and Supplementary Financial Information
Year Ended December 31, 2021

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Independent Auditor's Report

City Council
City of Lodi, Wisconsin
Lodi, Wisconsin

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position 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, 2021, and respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that budgetary comparison information and the schedules of the employer's proportionate share of the net pension liability (asset) and employer contributions - Wisconsin Retirement System, and the schedules of the employer's proportionate share of the net OPEB liability (asset) and employer contributions -LRLIF be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 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 financial statements, and other knowledge we obtained during our audit of the 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.

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

Supplementary Information

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

A handwritten signature in black ink that reads "Wipfli LLP".

Wipfli LLP
Madison, Wisconsin

May 24, 2022

Government-Wide Financial Statements

City of Lodi, Wisconsin

Statement of Net Position

December 31, 2021

	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and investments	\$ 3,707,350	\$ 2,234,169	\$ 5,941,520
Receivables			
Taxes	1,450,472	-	1,450,472
Delinquent taxes	896	-	896
Accounts	172,358	446,341	618,699
Special Assessments	117,416	-	117,416
Internal balances	9,459	(9,459)	-
Inventories and prepaid items	84,660	120,206	204,866
Other assets	286,139	-	286,139
Restricted cash and investments	-	1,218,658	1,218,658
Net pension asset	421,775	245,464	667,239
Capital assets, nondepreciable	1,441,314	317,455	1,758,769
Capital assets, depreciable, net	9,352,668	14,340,217	23,692,885
Total assets	<u>17,044,507</u>	<u>18,913,051</u>	<u>35,957,559</u>
Deferred outflows related to pensions/OPEB	741,107	431,308	1,172,415
Liabilities:			
Accounts payable	312,407	-	312,407
Other accrued liabilities	62,896	83,529	146,425
Accrued interest	11,112	14,998	26,110
Special deposits	28,836	-	28,836
Long-term obligations			
Due within one year	376,038	330,573	706,611
Due in more than one year	2,781,909	2,746,498	5,528,407
Total liabilities	<u>3,573,198</u>	<u>3,175,598</u>	<u>6,748,796</u>
Deferred inflows of resources:			
Property taxes	2,484,291	-	2,484,291
Deferred inflows related to pensions/OPEB	941,713	548,055	1,489,768
Total deferred inflows of resources	<u>3,426,004</u>	<u>548,055</u>	<u>3,974,059</u>
Net position:			
Net investment in capital assets	7,768,116	11,729,607	19,497,723
Restricted	1,206,783	1,464,122	2,670,905
Unrestricted	1,811,513	2,426,977	4,238,491
Total net position	<u>\$ 10,786,412</u>	<u>\$ 15,620,706</u>	<u>\$ 26,407,119</u>

See accompanying notes to the financial statements.

City of Lodi, Wisconsin

Statement of Activities

For the Year Ended December 31, 2021

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 544,233	\$ 98,376	\$ 14,111	\$ -
Public safety	992,426	20,067	150	-
Public works	727,563	35,961	182,467	38,773
Culture, recreation and education	471,315	2,090	136,915	-
Conservation and development	63,332	-	-	-
Interest and fiscal charges	123,174	-	-	-
Total governmental activities	<u>2,922,043</u>	<u>156,494</u>	<u>333,643</u>	<u>38,773</u>
Business-type activities:				
Electric utility	3,184,491	3,348,269	-	9,335
Water utility	637,919	945,457	-	124,049
Sewer utility	738,394	923,524	-	77,911
Total business-type activities	<u>4,560,804</u>	<u>5,217,250</u>	<u>-</u>	<u>211,295</u>
Total	<u>\$ 7,482,847</u>	<u>\$ 5,373,744</u>	<u>\$ 333,643</u>	<u>\$ 250,068</u>

General revenues:

Taxes:

Property taxes, levied for general purposes

Tax increments

Other taxes

Federal and state grants and other contributions not restricted to specific functions

Investment income

Miscellaneous

Transfers

Total general revenues and transfers

Change in net position

Net position - beginning, as restated

Net position - ending

See accompanying notes to the financial statements.

City of Lodi, Wisconsin

Statement of Activities - Continued For the Year Ended December 31, 2021

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-type Activities	Total
\$ (431,746)	\$ -	\$ (431,746)
(972,209)	-	(972,209)
(470,362)	-	(470,362)
(332,310)	-	(332,310)
(63,332)	-	(63,332)
(123,174)	-	(123,174)
<u>(2,393,133)</u>	-	<u>(2,393,133)</u>
-	173,113	173,113
-	431,587	431,587
-	263,041	263,041
-	<u>867,741</u>	<u>867,741</u>
<u>(2,393,133)</u>	<u>867,741</u>	<u>(1,525,392)</u>
2,239,194	-	2,239,194
253,072	-	253,072
76,790	-	76,790
359,260	-	359,260
19,223	(1,508)	17,715
58,486	-	58,486
285,357	(285,357)	-
<u>3,291,381</u>	<u>(286,865)</u>	<u>3,004,517</u>
898,248	580,876	1,479,125
<u>9,888,164</u>	<u>15,039,830</u>	<u>24,927,994</u>
<u>\$ 10,786,412</u>	<u>\$ 15,620,706</u>	<u>\$ 26,407,119</u>

See accompanying notes to the financial statements.

Fund Financial Statements

City of Lodi, Wisconsin

Balance Sheet - Governmental Funds

December 31, 2021

	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets:				
Cash and investments	\$ 2,844,291	\$ -	\$ 863,059	\$ 3,707,350
Receivables				
Taxes	424,147	389,139	637,186	1,450,472
Delinquent taxes	896	-	-	896
Accounts	30,796	-	141,562	172,358
Special assessments	117,416	-	-	117,416
Due from other funds	308,426	-	-	308,426
Prepaid expenses	72,869	-	-	72,869
Inventories	11,791	-	-	11,791
Other assets	-	-	286,139	286,139
Total assets	\$ 3,810,632	\$ 389,139	\$ 1,927,946	\$ 6,127,717
Liabilities, Deferred Inflows of Resources and Fund Balances:				
Liabilities:				
Accounts payable	\$ 312,407	\$ -	\$ -	\$ 312,407
Other accrued liabilities	57,491	-	5,405	62,896
Deposits	28,836	-	-	28,836
Due to other funds	-	2,050	296,917	298,967
Total liabilities	398,734	2,050	302,322	703,106
Deferred inflows of resources:				
Property taxes	1,457,966	389,139	637,186	2,484,291
Unavailable revenue	118,074	-	133,272	251,346
Total deferred inflows of resources	1,576,040	389,139	770,458	2,735,637
Fund balances:				
Nonspendable	85,556	-	103,000	188,556
Restricted	-	-	785,008	785,008
Assigned	-	-	69,124	69,124
Unassigned	1,750,302	(2,050)	(101,966)	1,646,286
Total fund balances	1,835,858	(2,050)	855,166	2,688,974
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 3,810,632	\$ 389,139	\$ 1,927,946	\$ 6,127,717

See accompanying notes to the financial statements.

City of Lodi, Wisconsin

Reconciliation of the Balance Sheet - Governmental Funds - to the Statement of Net Position December 31, 2021

Total fund balance - governmental funds	\$ 2,688,974
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund statements	10,793,982
The net pension asset is not an available resource and therefore is not reported in the fund statements	421,775
Other long-term assets are not available to pay current expenditures and therefore are deferred in the funds	251,346
Some deferred outflows and inflows of resources reflect changes in long-term liabilities and are not reported in the fund statements:	
Deferred outflows of resources	741,107
Deferred inflows of resources	(941,713)
Some liabilities are not due and payable in the current period and, therefore are not reported in the funds:	
Bonds and notes payable	(3,035,682)
Debt premium	9,816
Compensated absences	(60,213)
Post-employment benefits payable	(71,868)
Accrued interest on long-term obligations	<u>(11,112)</u>
Total net position of governmental activities	<u>\$ 10,786,412</u>

See accompanying notes to the financial statements.

City of Lodi, Wisconsin

Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds For the Year Ended December 31, 2021

	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$ 1,464,359	\$ 395,344	\$ 709,353	\$ 2,569,056
Special Assessments	28,013	38,773	-	66,786
Intergovernmental	536,086	-	109,644	645,730
Licenses and permits	71,256	-	-	71,256
Fines and forfeits	31,854	-	-	31,854
Public charges for services	3,530	-	7,730	11,260
Miscellaneous	50,857	-	121,380	172,237
Total revenues	2,185,955	434,117	948,107	3,568,179
Expenditures:				
Current:				
General government	482,886	-	31,450	514,336
Public safety	998,046	-	-	998,046
Public works	465,148	-	346,367	811,515
Culture, recreation, and education	81,041	-	332,030	413,071
Conservation and development	63,332	-	-	63,332
Debt service:				
Principal	-	358,669	25,584	384,253
Interest and fiscal charges	-	88,822	34,975	123,797
Total expenditures	2,090,453	447,491	770,406	3,308,350
Excess of revenues over (under) expenditures	95,502	(13,374)	177,701	259,829
Other Financing Sources (Uses)				
Transfers in	285,357	57,773	3,325	346,455
Transfers out	-	-	(61,098)	(61,098)
Total other financing sources (uses)	285,357	57,773	(57,773)	285,357
Net Change in Fund Balances	380,858	44,399	119,928	545,185
Fund Balances - Beginning	1,455,000	(46,449)	735,238	2,143,789
Fund Balances - Ending	\$ 1,835,858	\$ (2,050)	\$ 855,166	\$ 2,688,974

See accompanying notes to the financial statements.

City of Lodi, Wisconsin

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities For the Year Ended December 31, 2021

Net change in fund balance - governmental funds	\$ 545,185
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital expenditures reported in governmental fund statements	486,272
Depreciation expense reported in the statement of activities	(603,738)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
	(33,244)
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. This amount is the net effect of the changes in employee benefit accounts	
	118,897
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	
	384,253
Interest payments on outstanding debt are reported in the governmental funds as an expenditure when paid; in the statement of activities interest is reported as it accrues.	
	<u>623</u>
Change in net position - governmental activities	<u><u>\$ 898,248</u></u>

See accompanying notes to the financial statements.

City of Lodi, Wisconsin

Statement of Net Position - Proprietary Funds

December 31, 2021

	Electric Utility	Water Utility	Sewer Utility	Total
Assets:				
Current assets:				
Cash and investments	\$ 702,513	\$ 741,843	\$ 789,813	\$ 2,234,169
Accounts receivable	291,001	68,898	86,442	446,341
Inventory	82,051	38,155	-	120,206
Total current assets	<u>1,075,565</u>	<u>848,896</u>	<u>876,255</u>	<u>2,800,716</u>
Noncurrent assets:				
Restricted cash and investments	264,899	121,152	832,607	1,218,658
Net pension asset	111,351	49,859	84,254	245,464
Capital assets, nondepreciable	245,845	65,467	6,143	317,455
Capital assets, depreciable	3,625,599	6,968,734	3,745,884	14,340,217
Total noncurrent assets	<u>4,247,694</u>	<u>7,205,212</u>	<u>4,668,888</u>	<u>16,121,794</u>
Total assets	<u>5,323,259</u>	<u>8,054,108</u>	<u>5,545,143</u>	<u>18,922,510</u>
Deferred outflows related to pensions/OPEB	195,655	87,609	148,044	431,308
Total assets and deferred outflows of resources	<u>\$ 5,518,914</u>	<u>\$ 8,141,717</u>	<u>\$ 5,693,187</u>	<u>\$ 19,353,818</u>
Liabilities:				
Current liabilities:				
Other accrued liabilities	\$ 61,473	\$ 25,418	\$ 11,636	\$ 98,527
Due to other funds	9,459	-	-	9,459
Current portion of long-term debt	144,450	147,373	38,750	330,573
Total current liabilities	<u>215,382</u>	<u>172,791</u>	<u>50,386</u>	<u>438,559</u>
Noncurrent liabilities:				
Long term debt, net of premiums	385,497	1,810,794	401,201	2,597,492
Compensated absences	27,293	12,263	67,627	107,183
Post-employment benefits	18,971	8,496	14,356	41,823
Total noncurrent liabilities	<u>431,761</u>	<u>1,831,553</u>	<u>483,184</u>	<u>2,746,498</u>
Total liabilities	<u>647,143</u>	<u>2,004,344</u>	<u>533,570</u>	<u>3,185,057</u>
Deferred inflows related to pensions/OPEB	248,616	111,323	188,116	548,055
Total liabilities and deferred inflows of resources	<u>895,759</u>	<u>2,115,667</u>	<u>721,686</u>	<u>3,733,112</u>
Net position:				
Net investment in capital assets	3,341,497	5,076,034	3,312,076	11,729,607
Restricted	376,250	171,011	916,861	1,464,122
Unrestricted	905,408	779,005	742,564	2,426,977
Total net position	<u>4,623,155</u>	<u>6,026,050</u>	<u>4,971,501</u>	<u>15,620,706</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 5,518,914</u>	<u>\$ 8,141,717</u>	<u>\$ 5,693,187</u>	<u>\$ 19,353,818</u>

See accompanying notes to the financial statements.

City of Lodi, Wisconsin

Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds For the Year Ended December 31, 2021

	Electric Utility	Water Utility	Sewer Utility	Total
Operating revenues:				
Charges for services	\$ 3,285,922	\$ 929,236	\$ 921,032	\$ 5,136,190
Other operating revenues	62,347	16,221	2,492	81,060
Total operating revenues	<u>3,348,269</u>	<u>945,457</u>	<u>923,524</u>	<u>5,217,250</u>
Operating expenses:				
Operation and maintenance	2,816,441	292,437	467,523	3,576,401
Depreciation	255,808	259,175	234,228	749,211
Total operating expenses	<u>3,072,249</u>	<u>551,612</u>	<u>701,751</u>	<u>4,325,612</u>
Operating income	<u>276,020</u>	<u>393,845</u>	<u>221,773</u>	<u>891,638</u>
Nonoperating revenues (expenses):				
Interest income	(470)	(73)	(965)	(1,508)
Interest expense	(12,022)	(66,818)	(15,190)	(94,030)
Gain (loss) on sale of capital assets	(100,220)	(19,489)	(21,453)	(141,162)
Total nonoperating revenues (expenses)	<u>(112,712)</u>	<u>(86,380)</u>	<u>(37,608)</u>	<u>(236,700)</u>
Net income before capital contributions and transfers	<u>163,308</u>	<u>307,465</u>	<u>184,165</u>	<u>654,938</u>
Capital contributions	9,335	124,049	77,911	211,295
Transfers out	(117,486)	(167,871)	-	(285,357)
Change in net position	<u>55,157</u>	<u>263,643</u>	<u>262,076</u>	<u>580,876</u>
Net position - beginning, as restated	<u>4,567,998</u>	<u>5,762,407</u>	<u>4,709,425</u>	<u>15,039,830</u>
Net position - ending	<u>\$ 4,623,155</u>	<u>\$ 6,026,050</u>	<u>\$ 4,971,501</u>	<u>\$ 15,620,706</u>

See accompanying notes to the financial statements.

City of Lodi, Wisconsin

Statement of Cash Flows - Proprietary Funds For the Year Ended December 31, 2021

	Electric Utility	Water Utility	Sewer Utility	Total
Cash flows from operating activities:				
Cash received from customers	\$ 3,367,392	\$ 955,905	\$ 945,112	\$ 5,268,409
Cash payments to suppliers	(2,591,814)	(380,775)	(226,341)	(3,198,930)
Cash payments to employees	(341,152)	(143,174)	(244,722)	(729,048)
Net cash provided by operating activities	<u>434,426</u>	<u>431,956</u>	<u>474,049</u>	<u>1,340,431</u>
Cash flows from noncapital financing activities:				
Transfer out	(117,486)	(167,871)	-	(285,357)
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(501,645)	(303,999)	(476,489)	(1,282,133)
Capital contributions	9,335	124,049	77,911	211,295
Principal payments on long-term debt	(28,957)	(157,812)	(54,270)	(241,039)
Interest payments on long-term debt	(12,047)	(69,806)	(16,179)	(98,032)
Sale of capital assets	15,500	-	-	15,500
Net cash (used) by capital and related financing activities	<u>(517,814)</u>	<u>(407,568)</u>	<u>(469,027)</u>	<u>(1,394,409)</u>
Cash flows from investing activities:				
Interest income received	(470)	(73)	(965)	(1,508)
Change in cash and cash equivalents	<u>(201,344)</u>	<u>(143,556)</u>	<u>4,057</u>	<u>(340,843)</u>
Cash and cash equivalents - beginning	1,168,756	1,006,551	1,618,363	3,793,670
Cash and cash equivalents - ending	<u>\$ 967,412</u>	<u>\$ 862,995</u>	<u>\$ 1,622,420</u>	<u>\$ 3,452,827</u>
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ 276,020	\$ 393,845	\$ 221,773	\$ 891,638
Adjustments to reconcile operating income to net cash provided by operating activities				
Depreciation	255,808	259,175	234,228	749,211
Change in pension related assets, deferred outflows, liabilities, and deferred inflows	(34,471)	(15,517)	(24,965)	(74,953)
Changes in assets, liabilities and deferrals				
Receivables	19,123	10,448	21,588	51,159
Inventory	21,344	(5,626)	-	15,718
Accounts payable	(16,219)	(5,391)	(8,816)	(30,426)
Accrued liabilities	48,582	14,420	9,174	72,176
Due to other funds	(148,083)	(223,194)	-	(371,277)
Compensated absences	12,322	3,796	21,067	37,185
Net cash provided by operating activities	<u>\$ 434,426</u>	<u>\$ 431,956</u>	<u>\$ 474,049</u>	<u>\$ 1,340,431</u>

See accompanying notes to the financial statements.

City of Lodi, Wisconsin

Statement of Fiduciary Net Position

December 31, 2021

	<u>Custodial Funds</u>
Assets:	
Cash and investments	\$ 2,046,858
Receivables	
Taxes	<u>2,860,951</u>
Total assets	<u><u>\$ 4,907,809</u></u>
Liabilities:	
Due to other governments	<u><u>\$ 4,907,809</u></u>

See accompanying notes to the financial statements.

City of Lodi, Wisconsin

Statement of Changes in Fiduciary Net Position

For the Year Ended December 31, 2021

	Custodial Funds
Additions:	
Property tax collections for other governments	\$ 4,831,974
Deductions:	
Payments of property taxes to other governments	4,831,974
Change in net position	-
Net position - beginning of year	-
Net position - end of year	\$ -

See accompanying notes to the financial statements.

City of Lodi, Wisconsin

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies

Introduction

The financial statements of the City of Lodi, Wisconsin (the "City") have been prepared in accordance with accounting principles generally accepted in the United States (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the City are described below.

Reporting Entity

This report includes all of the funds of the City. The reporting entity for the City consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. A legally separate organization should be reported as a component unit if the elected officials of the primary government are financially accountable to the organization. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government.

A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; (3) the economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. This 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.

Basis of Presentation

Government-Wide Financial Statements

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

City of Lodi, Wisconsin

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

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

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

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

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 enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and service, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

City of Lodi, Wisconsin

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

Funds are organized as major funds or nonmajor funds within the governmental and proprietary statements. Fiduciary funds are organized by fund type. 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:

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

The City reports the following major governmental funds:

General Fund – This is the City’s primary operating fund. It accounts for all the financial activity that is not accounted for and reported in another fund.

Debt Service Fund – This fund accounts for the accumulation of resources for, and the payment of general long-term debt principal, interest, and related costs, except debt issued to finance project plan expenditures of the City's tax incremental financing Districts.

The City reports the following major proprietary funds:

Electric Utility – This fund accounts for the City’s operation and maintenance of the City-owned electric utility.

Water Utility – This fund accounts for the City’s operation and maintenance of the water distribution system for residents, business entities, and public authorities of the City.

Sewer Utility – This fund accounts for the City’s operation and maintenance of the wastewater treatment and disposal system for residents, business entities and public authorities of the City.

City of Lodi, Wisconsin

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Measurement Focus and Basis of Accounting

The government-wide, proprietary fund, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available (susceptible to accrual). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues reported in the governmental funds to be available if the revenues are collected within 60 days after the end of the current fiscal year. Expenditures are recognized when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as fund liabilities when expected to be paid with expendable available financial resources.

The City's share of property taxes is recorded in the year levied as a receivable and a deferred inflow of resources. Property taxes are recognized as revenues in the succeeding year when services financed by the levy are being provided. In addition to property taxes for the City, taxes are collected for and remitted to the state and county governments as well as the local school districts and technical college district. Taxes for all state and local governmental units (other than the City) billed in the current year for the succeeding year are reflected as due to other taxing units in the accompanying statement of net position and balance sheet.

Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end).

In the government-wide financial statements, special assessments are recognized as revenues when levied against the benefiting properties. In governmental fund financial statements, special assessments are recorded as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and unavailable revenues. Delinquent special assessments being held for collection by the county are reported as receivables and unavailable revenues in the General Fund.

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

City of Lodi, Wisconsin

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Measurement Focus and Basis of Accounting (Continued)

Proprietary funds are accounted for on the accrual basis. Revenues such as user fees are recognized in the accounting period in which they are earned; expenses are recognized in the period incurred. Electric and Water service charges to consumers are billed at rates established by the Wisconsin Public Service Commission. Sewer charges to consumers are billed at rates established by the City's common council.

Deposits and Investments

For purposes of the statement of cash flows, the City considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Investments of individual funds are pooled unless maintained in segregated accounts and are carried at fair value.

Investment of the City's funds are restricted by state statutes. Investments are limited to:

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

Investment income on commingled investments of municipal accounting funds is allocated based on average balances. The difference between the bank statement balance and carrying value is due to outstanding checks and/or deposits in transit.

City of Lodi, Wisconsin

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A three-tier hierarchy prioritizes the inputs used in measuring fair value. These tiers include Level 1, defined as quoted market prices in active markets for identical assets or liabilities; Level 2, defined as inputs other than quoted market prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs, therefore requiring an entity to develop its own assumptions. The asset's or liability's fair value measurement within the hierarchy is based on techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Receivables and Revenue Recognition

Under Wisconsin law, personal property taxes and the first installment of real estate taxes are due January 31 and are collected by city, village, and town treasurers or clerks, who then make settlements with school districts and with county treasurers for certain purposes. By contractual agreement, the County Treasurer collects the taxes through January on behalf of the City. These transactions are accounted for in the General Fund. The second installment of real estate taxes (due July 31) and delinquent taxes are collected and settled by the county treasurer.

The 2020 tax levy is budgeted as property tax revenue for the year 2021 and is recognized as revenue in 2021 to the extent available. Real property tax assessments for the 2020 tax levy were based on assessed valuations as of January 1, 2020. The City levied property taxes pursuant to law in December 2020, at which time an enforceable legal claim is attached to properties. The County obtains liens on property for which taxes are delinquent on the third Tuesday in October each year. The County pays the City in full for real estate taxes by August 31 each year.

Since the property taxes are levied for the subsequent year, the property taxes due governmental funds for City purposes are recorded as a deferred inflow of resources in the governmental funds. This amount is recognized as revenue in the following year. Property taxes due to other governments are recorded as liabilities.

In determining when to recognize intergovernmental revenues (grants, subsidies, and shared revenues), the legal and contractual requirements of the individual programs are used as guidance. There are, however, essentially two bases for this revenue recognition. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and nearly irrevocable, i.e., revocable only for failure to comply with prescribed compliance requirements, e.g., equal employment opportunity. These resources are reflected as revenues at the time of receipt or earlier if they meet the criterion of availability. Unearned revenue is recorded for grant funds received but not earned. A receivable is recorded for grant funds earned but not received.

Income from investments is recognized when earned.

Special assessments receivable are recorded as levied. Current revenues represent the amounts considered available as explained above.

City of Lodi, Wisconsin

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Inventories and Prepaid Items

Proprietary fund inventories are generally used for construction and for operation and maintenance work. They are not for resale. Inventory items are expensed in the period used. Any materials and supplies on hand at year-end are valued at the lower of cost, determined on the first-in, first out (FIFO) method, or market. Governmental fund inventory items are charged to expenditure accounts when purchased. Year-end inventory was not significant.

Payments made to vendors for services that will benefit periods beyond December 31, 2021, are recorded as prepayments. The cost of these services is recorded as expense when consumed rather than when purchased.

Capital Assets

Capital assets are recorded at historical cost or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their estimated acquisition value at the date of donation. The City maintains a threshold level of \$5,000 or more for capitalizing assets.

Capital assets are recorded in the government-wide financial statements but are not reported in the governmental funds financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed by the City, no salvage value is taken into consideration for depreciation purposes. Useful lives vary from 18 to 100 years for infrastructure, site improvements, and buildings and 3 to 32 years for equipment.

The cost of normal maintenance and repairs that does not add to the value of the asset or materially extend the asset's life is not capitalized.

Capital assets not being depreciated include land and construction in progress.

Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers.

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Internal balances between funds of the governmental activities or funds of the business-type activities are eliminated in the government-wide financial statements.

City of Lodi, Wisconsin

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are deferred and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, 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. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Accumulated Unpaid Sick Pay and Other Employee Benefit Amounts

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.

Pensions - For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Wisconsin Retirement Systems (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.

Postemployment Benefits Other than Pensions (OPEB) Plan - The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the Net OPEB Liability, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Other Postemployment Benefits, OPEB Expense, and information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIFs fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

City of Lodi, Wisconsin

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet 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 and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The City has one type of item that qualifies for reporting in this category. They are the deferred outflows related to pensions and OPEB. The deferred outflows of resources related to pensions represent the City's proportionate share of collective deferred outflows of resources related to pensions and City's contributions to pension and OPEB plans subsequent to the measurement date of the collective net pension/OPEB liability (asset) for the WRS and LRLIF plans.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will *not* be recognized as an inflow of resources (revenue) until that time. The City has three types of items that qualify for reporting in this category. The first is property taxes levied for the subsequent year. These amounts are deferred and recognized as an inflow of resources in the following year as the amounts become available. The second is deferred inflows of resources related to pensions for its proportionate share of the collective deferred inflows of resources related to pensions for the WRS plan and OPEB for the LRLIF plan. The third is unavailable revenue, which is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources in the government-wide and proprietary fund financial statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance (adjusted for unspent proceeds) of any long-term debt used to build or acquire the capital assets. Net position is reported as restricted in the government-wide and proprietary fund financial statements when there are limitations imposed on its use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

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

Fund Balances

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not a spendable form – prepaid items or inventories or (b) legally or contractually required to be maintained intact.

City of Lodi, Wisconsin

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Fund Balances (Continued)

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

Restricted fund balance: This classification reflects the constraints imposed on resources either (a) externally by creditors, grantor, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance: These amounts can only be used for specific purposes pursuant to constraints imposed by formal ordinances of the City Council – the City’s highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the City Council removes the specified use by taking the same type of action that imposed the original commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned fund balance: This classification reflects the amounts constrained by the City’s “intent” to be used for specific purposes, but are neither restricted nor committed. The City’s common council has the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance: This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the City’s policy to use externally restricted resources first, then unrestricted resources – committed, assigned, and unassigned – in order as needed.

Note 2: Cash and Investments

The City's cash and investment balances at December 31, 2021 were as follows:

	Amount	Fair Value Level
Deposits with financial institutions	\$ 7,404,531	N/A
Cash on hand	300	N/A
Investments:		
U.S. agencies	780,665	Level 2
Money market funds	3,592	Level 2
Municipal bonds	188,868	Level 2
Certificates of deposit	829,080	Level 2
Total	\$ 9,207,036	

City of Lodi, Wisconsin

Notes to Financial Statements

Note 2: Cash and Investments (Continued)

The City's cash and investment balances as shown in the basic financial statements are as follows:

Government-wide statement of net position	
Cash and investments	\$ 5,941,520
Restricted cash and investments	1,218,658
Fiduciary fund statement of net position	
Cash and investments	2,046,858
<hr/>	
Total	\$ 9,207,036

Deposits

Deposits at each bank in the state of Wisconsin are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 for the combined amount of all time and savings accounts (including NOW accounts) and \$250,000 for all demand deposit accounts (interest-bearing and non-interest-bearing). Accounts at each institution outside the state of Wisconsin are insured by the FDIC up to \$250,000 for the combined total of all deposit accounts. In addition, the State of Wisconsin Public Depository Guarantee Fund guarantees the City's deposits up to \$400,000 per public depository. However, due to the relatively small size of the Guarantee Fund in relation to the total coverage, total recovery of losses may not be available.

Custodial Credit Risk: Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does have a deposit policy for custodial credit risk. Funds may be only invested up to \$500,000 at any financial institution unless the excess is collateralized. As of December 31, 2021, the City's bank balance of \$7,523,454 was exposed to custodial credit risk as follows: \$250,000 was covered by FDIC insurance, \$400,000 was covered by the State of Wisconsin, and \$6,873,454 was covered by collateral held in the City's name.

Investments

Interest Rate Risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Information about the sensitivity of the fair values of the City's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

Investment Type	Total	12 Months or Less	13 to 24 Months	25 to 60 Months	More than 60 Months
U.S. agencies	\$ 780,665	\$ -	\$ -	\$ 780,665	\$ -
Money market funds	3,592	3,592	-	-	-
Municipal bonds	188,868	121,420	67,448	-	-
Certificates of deposit	829,080	373,161	178,986	276,933	-
<hr/>					
Total	\$ 1,802,205	\$ 498,173	\$ 246,434	\$ 1,057,598	\$ -

City of Lodi, Wisconsin

Notes to Financial Statements

Note 2: Cash and Investments (Continued)

Credit Risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Wisconsin statutes limit investment in securities to the top two ratings assigned by nationally recognized statistical rating organizations. Presented below is the actual rating as of the year-end for each investment type.

Investment Type	Total	AAA	AA+	AA	A+	BBB+	BBB	BBB-	Unrated
U.S. agencies	\$ 780,665	\$ -	\$ 780,665	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Money market funds	3,592	-	-	-	-	-	-	-	3,592
Municipal bonds	188,868	10,298	70,169	108,401	-	-	-	-	-
Certificates of deposit	829,080	-	-	-	488,837	103,357	105,724	28,162	103,000
Total	\$ 1,802,205	\$ 10,298	\$ 850,834	\$ 108,401	\$ 488,837	\$ 103,357	\$ 105,724	\$ 28,162	\$ 106,592

Note 3: Restricted Assets

Restricted assets consist 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	Total	Electric Utility	Water Utility	Sewer Utility
Redemption/Reserve Account	\$ 426,051	\$ 264,899	\$ 121,152	\$ 40,000
Replacement Account	792,607	-	-	792,607
Total	\$ 1,218,658	\$ 264,899	\$ 121,152	\$ 832,607

City of Lodi, Wisconsin

Notes to Financial Statements

Note 4: Interfund Balances and Activity

Interfund receivable and payable balances in the fund financial statements on December 31, 2021, are as follows:

Due From:	Due To: General Fund
TID No. 3	\$ 74,209
TID No. 4	180,523
TID No. 5	33,895
Debt Service Fund	2,050
Swimming Pool	8,290
Electric Utility	9,459
Totals	\$ 308,426

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. These amounts include balances of working capital loans to funds which the general fund expects to collect in the subsequent year.

Transfer From:	Transfer To: General Fund	Transfer To: Pool Operation	Transfer To: Debt Service
Pool Operation	\$ -	\$ -	\$ 57,773
Swimming Pool	-	3,325	-
Electric Utility	117,486	-	-
Water Utility	167,871	-	-
Totals	\$ 285,357	\$ 3,325	\$ 57,773

The purpose of the transfer above to the General Fund was for the tax equivalent payment. The purpose of the transfer above to pool operations is for support provided by the endowment. The purpose of the transfer to the debt service fund is to make debt service payments.

City of Lodi, Wisconsin

Notes to Financial Statements

Note 5: Capital Assets

Capital asset balances and activity for the year ended December 31, 2021, were as follows:

Governmental Activities:	Balance 1/1/21	Increases	Decreases	Balance 12/31/21
Capital assets, not being depreciated:				
Land	\$ 1,348,158	\$ -	\$ -	\$ 1,348,158
Construction in progress	80,573	26,399	(13,816)	93,156
Total capital assets, not being depreciated	1,428,731	26,399	(13,816)	1,441,314
Capital assets, being depreciated:				
Land improvements	131,320	-	-	131,320
Buildings and Improvements	2,930,605	-	-	2,930,605
Machinery and equipment	4,525,304	-	(33,185)	4,492,119
Infrastructure	10,620,582	473,689	(6,073)	11,088,198
Total capital assets, being depreciated	18,207,811	473,689	(39,258)	18,642,242
Accumulated depreciation:				
Land improvements	(14,282)	(3,680)	-	(17,962)
Buildings and Improvements	(1,111,680)	(60,053)	-	(1,171,733)
Machinery and equipment	(2,015,458)	(194,857)	33,185	(2,177,130)
Infrastructure	(5,583,674)	(345,148)	6,073	(5,922,749)
Total accumulated depreciation	(8,725,094)	(603,738)	39,258	(9,289,574)
Total capital assets, being depreciated, net	9,482,717	(130,049)	-	9,352,668
Governmental activities capital assets, net	\$ 10,911,448	\$ (103,650)	\$ (13,816)	\$ 10,793,982

Depreciation expense was charged to the governmental functions as follows:

Governmental activities:	
General government	\$ 50,162
Public safety	62,678
Public works	422,739
Culture, recreation and education	68,159
Total depreciation expense, governmental activities	\$ 603,738

City of Lodi, Wisconsin

Notes to Financial Statements

Note 5: Capital Assets (Continued)

Business-Type Activities	Balance 1/1/21	Increases	Decreases	Balance 12/31/21
Capital assets, not being depreciated:				
Land	\$ 106,498	\$ -	\$ -	106,498
Construction in progress	34,464	210,920	(34,427)	210,957
Total capital assets, not being depreciated	140,962	210,920	(34,427)	317,455
Capital assets, being depreciated:				
Electric Plant	7,910,620	309,775	(242,201)	7,978,194
Water Plant	9,578,905	311,783	(29,748)	9,860,940
Wastewater Plant	8,612,707	482,673	(135,061)	8,960,319
Total capital assets, being depreciated	26,102,232	1,104,231	(407,010)	26,799,453
Less Accumulated depreciation for:				
Electric Plant	(4,223,267)	(255,808)	126,481	(4,352,594)
Water Plant	(2,644,699)	(259,175)	11,667	(2,892,207)
Wastewater Plant	(5,093,816)	(234,228)	113,609	(5,214,435)
Total accumulated depreciation	(11,961,782)	(749,211)	251,757	(12,459,236)
Total capital assets, being depreciated, net	14,140,450	355,020	(155,253)	14,340,217
Business-Type Activities capital assets, net	\$ 14,281,412	\$ 565,940	\$ (189,680)	\$ 14,657,672

City of Lodi, Wisconsin

Notes to Financial Statements

Note 6: Long-Term Obligations

Long-term obligations of the City are as follows:

<i>Governmental activities</i>	Balance 01/01/21	Additions	Reductions	Balance 12/31/21	Amounts Due Within One Year
General obligation debt					
Notes	\$ 827,080	\$ -	\$ 69,033	\$ 758,047	\$ 70,061
Bonds	2,592,858	-	315,223	2,277,635	305,977
Bond Discount	(10,634)	-	(818)	(9,816)	-
Subtotals	3,409,304	-	383,438	3,025,866	376,038
Net OPEB Liability	36,357	35,511	-	71,868	-
Compensated Absences	61,311	43,501	44,599	60,213	-
Totals	\$ 3,506,972	\$ 79,012	\$ 428,037	\$ 3,157,947	\$ 376,038

<i>Business-type activities</i>	Balance 01/01/21	Additions	Reductions	Balance 12/31/21	Amounts Due Within One Year
General obligation debt:					
Notes	\$ 414,274	\$ 160,417	\$ 81,550	\$ 493,141	\$ 81,543
Bonds	37,142	-	14,781	22,361	14,030
Bond Premium	53,446	-	4,281	49,165	-
Bond Discount	(6,508)	-	(4,906)	(1,602)	-
Subtotals	498,354	160,417	95,706	563,065	95,573
Revenue Bonds	2,615,000	-	250,000	2,365,000	235,000
Net OPEB Liability	26,549	15,274	-	41,823	-
Compensated Absences	93,331	61,102	47,250	107,183	-
Totals	\$ 3,233,234	\$ 236,793	\$ 392,956	\$ 3,077,071	\$ 330,573

All general obligation debt is secured by the full faith and credit and unlimited taxing powers of the City. Notes and bonds in the governmental funds will be retired by future property tax levies. Business-type activities debt is payable by revenues from user fees of those funds, or if the revenues are not sufficient, by future tax levies.

City of Lodi, Wisconsin

Notes to Financial Statements

Note 6: Long-Term Obligations (Continued)

General obligation debt at December 31, 2021 is comprised of the following individual issues:

	Governmental Activities			Balance 12/31/21
	Issue Dates	Interest Rates %	Final Maturity	
Refunding bonds	03/28/12	.5-2.75%	03/01/24	\$ 272,635
Refunding bonds	09/25/13	.5-4.75%	06/01/33	1,245,000
Refunding bonds	04/12/18	2.05-3.5%	10/01/33	760,000
Promissory note	06/11/15	.5-2.4%	05/01/25	177,572
BCPL trust fund loan	01/12/18	4.00%	03/15/37	446,518
BCPL trust fund loan	01/12/18	4.00%	03/15/37	133,957
Total general obligation debt				\$ 3,035,682

	Business-Type Activities			Balance 12/31/21
	Issue Dates	Interest Rates %	Final Maturity	
Refunding bonds	03/28/12	1.20-2.75%	03/01/24	\$ 22,361
Promissory notes	06/11/15	.75-2.40%	05/01/23	332,724
Taxable note anticipation notes	02/08/21	0%	02/28/31	160,417
Total general obligation debt				\$ 515,502

The 2020 equalized valuation of the City as certified by the Wisconsin Department of Revenue is \$310,173,900. The legal debt limit and margin of indebtedness as of December 31, 2021, in accordance with Section 67.03(1)(a) of the Wisconsin Statutes, are as follows:

Legal debt limit (5% of \$310,173,900)	\$ 15,508,695
Deduct:	
Long-term debt applicable to debt margin	(3,551,184)
Margin of indebtedness	\$ 11,957,511

Revenue Bonds at December 31, 2021 is comprised of the following individual issues:

	Business-Type Activities			Balance 12/31/21
	Issue Dates	Interest Rates %	Final Maturity	
2012B Revenue Bonds	02/22/12	2.4%	05/01/23	\$ 250,000
2018A Revenue Bonds	04/12/18	3.00-4.00%	05/01/38	2,115,000
Total revenue bonds				\$ 2,365,000

City of Lodi, Wisconsin

Notes to Financial Statements

Note 6: Long-Term Obligations (Continued)

Debt service requirements to maturity on general obligation debt are as follows:

<i>Year Ended:</i>	Governmental Activities General Obligation Debt		Business-Type Activities General Obligation Debt		Business-Type Activities Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 376,038	\$ 100,858	\$ 113,076	\$ 6,812	\$ 235,000	\$ 78,042
2023	303,694	91,727	106,470	4,927	235,000	70,767
2024	294,743	83,197	106,477	2,967	120,000	64,698
2025	248,657	74,918	99,078	978	120,000	59,898
2026	206,124	67,460	17,500	-	120,000	55,098
2027-2031	1,005,269	226,501	72,901	-	665,000	212,414
2032-2036	553,248	50,318	-	-	635,000	100,255
2037-2038	47,909	1,916	-	-	235,000	9,025
Totals	\$ 3,035,682	\$ 696,895	\$ 515,502	\$ 15,684	\$ 2,365,000	\$ 650,197

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 of 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 \$255,813 and on the 2018 revenue bonds is \$2,759,381. Principal and interest paid for the current year and total Electric Utility net revenues were \$147,325 and \$263,528, respectively. The Electric Utility did meet the 2012 revenue bonds revenue requirements in 2020. The Electric 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, 2021 was \$125,000 for the 2012 bonds. For the 2018 bonds, the reserve requirement is \$229,622 across all of the Utility Funds. The Utilities did meet the 2018 revenue bond reserve requirements as of December 31, 2021.

City of Lodi, Wisconsin

Notes to Financial Statements

Note 7: Net Position

Net position reported on the government wide statement of net position at December 31, 2021:

Governmental Activities:

Net investment in capital assets:

Land and other nondepreciable assets	\$ 1,441,314
Other capital assets, net of accumulated depreciation	9,352,668
Less: related long-term debt outstanding	(3,025,866)

Total net investment in capital assets	7,768,116
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Restricted:

Net pension asset	421,775
Capital improvements	457,629
Library improvements	302,667
Public safety programs	19,931
Community development	4,781

Total restricted	1,206,783
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Unrestricted	1,811,513
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Governmental activities net position	\$ 10,786,412
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Business-Type Activities:

Net investment in capital assets:

Land and other nondepreciable assets	\$ 317,455
Other capital assets, net of accumulated depreciation	14,340,217
Less: related long-term debt outstanding	(2,928,065)

Total net investment in capital assets	11,729,607
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Restricted:

Net pension asset	245,464
Debt service	426,051
Plant replacement	792,607

Total restricted	1,464,122
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Unrestricted	2,426,977
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Business-type activities net position	\$ 15,620,706
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City of Lodi, Wisconsin

Notes to Financial Statements

Note 8: Fund Balance

Fund balance reported on the balance sheet - governmental funds at December 31, 2021:

Nonspendable Fund Balance

Delinquent taxes	\$	896
Swimming pool - investment corpus		103,000
Prepaid expenses		72,869
Inventories		11,791

Total nonspendable fund balance	\$	188,556
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Restricted Fund Balance

Capital improvements	\$	457,629
Library improvements		302,667
Public safety programs		19,931
Community development		4,781

Total restricted fund balance	\$	785,008
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Assigned Fund Balance

Library operations	\$	20,071
Pool operations		3,253
Community development		10,165
Solid waste		35,635

Total assigned fund balance	\$	69,124
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Unassigned Fund Balance

General fund	\$	1,750,302
Debt service		(2,050)
TID No. 4		(101,966)

Total unassigned fund balance	\$	1,646,286
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City of Lodi, Wisconsin

Notes to Financial Statements

Note 9: Employee Retirement Plans - Wisconsin Retirement System

Plan Description

The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government, and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 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 Annual Comprehensive Financial Report (ACFR), which can be found at <http://etf.wi.gov/publications/cafr.htm>

Vesting

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

Benefits Provided

Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and executive service retirement plan participants, if hired on or before 12/31/2016) are entitled to receive 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

Note 9: Employee Retirement Plans - Wisconsin Retirement System (Continued)

Postretirement Adjustments

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

Year	Core Fund Adjustment	Variable Fund Adjustment
2011	(1.2)%	11.0 %
2012	(7.0)%	(7.0)%
2013	(9.6)%	9.0 %
2014	4.7 %	25.0 %
2015	2.9 %	2.0 %
2016	0.5 %	(5.0)%
2017	2.0 %	4.0 %
2018	2.4 %	17.0 %
2019	0.0 %	(10.0)%
2020	1.7 %	21.0 %

Contributions

Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and executives and elected officials. Starting on January 1, 2016, the executive 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 \$126,170 in contributions from the employer.

City of Lodi, Wisconsin

Notes to Financial Statements

Note 9: Employee Retirement Plans - Wisconsin Retirement System (Continued)

Contribution rates as of December 31, 2021, are as follows:

Employee Category	Employee	Employer
General (including teachers, executives, and elected officials)	6.75%	6.75%
Protective with Social Security	6.75%	11.75%
Protective without Social Security	6.75%	16.35%

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

At December 31, 2021, the City reported an asset of \$667,239 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2020, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019, rolled forward to December 31, 2020. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2020, the City's proportion was 0.01068756%, which was a decrease of 0.00007503% from its proportion measured as of December 31, 2019.

For the year ended December 31, 2021, the City recognized pension expense of \$(77,740).

At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 965,700	\$ 208,010
Net differences between projected and actual earnings on pension plan investments	-	1,252,687
Change in assumptions	15,134	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	7,594
Employer contributions subsequent to the measurement date	129,170	-
Total	\$ 1,110,004	\$ 1,468,291

City of Lodi, Wisconsin

Notes to Financial Statements

Note 9: Employee Retirement Plans - Wisconsin Retirement System (Continued)

\$129,170 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	Net Deferred Outflows (Inflows) of Resources
2022	\$ (127,334)
2023	(36,091)
2024	(227,927)
2025	(96,105)
Total	\$ (487,457)

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, 2019
Measurement date of net pension liability (asset)	December 31, 2020
Actuarial cost method	Entry age
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
Postretirement adjustments*	1.9%

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

Actuarial assumptions are based on an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The total pension liability for December 31, 2020, is based on a rollforward of the liability calculated from the December 31, 2019, actuarial valuation.

City of Lodi, Wisconsin

Notes to Financial Statements

Note 9: Employee Retirement Plans - Wisconsin Retirement System (Continued)

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 geometric real rates of return for each major asset class are summarized in the following table:

Asset Allocation Targets and Expected Returns
As of December 31, 2020

Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Core fund:			
Global equities	51.0%	7.2%	4.7%
Fixed income	25.0%	3.2%	0.8%
Inflation sensitive assets	16.0%	2.0%	(0.4)%
Real estate	8.0%	5.6%	3.1%
Private equity/debt	11.0%	10.2%	7.6%
Multi-asset	4.0%	5.8%	4.1%
Total core fund	115.0%	6.6%	4.1%
Variable fund:			
U.S. equities	70.0%	6.6%	4.1%
International equities	30.0%	7.4%	4.9%
Total variable fund	100.0%	7.1%	4.6%

New England Pension Consultants Long-Term U.S. CPI (Inflation) Forecast: 2.4%

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

City of Lodi, Wisconsin

Notes to Financial Statements

Note 9: Employee Retirement Plans - Wisconsin Retirement System (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 calculated using the discount rate of 7.00%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate:

	1% Decrease to Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase to Discount Rate (8.00%)
City's proportionate share of the net pension liability (asset)	\$ 635,119	\$ (667,239)	\$ (1,623,811)

Pension Plan Fiduciary Net Position

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

Payables to the Pension Plan

At December 31, 2021, the City reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended December 31, 2021.

City of Lodi, Wisconsin

Notes to Financial Statements

Note 10: Other Postemployment Benefits - Local Retiree Life Insurance Fund

Plan Description

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

OPEB Plan Fiduciary Net Position

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

Benefits Provided

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

Contributions

The Group Insurance Board approves contribution rates annually, based on recommendations from the insurance carrier. Recommended rates are based on an annual valuation, taking into consideration an estimate of the present value of future benefits and the present value of future contributions. A portion of employer contributions made during a member's working lifetime funds a postretirement 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, 2021, are as follows:

<u>Coverage Type</u>	<u>Employer Contribution</u>
50% Post Retirement Coverage	40% of member contribution
25% Post Retirement Coverage	20% of member 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, 2020, are as follows:

City of Lodi, Wisconsin

Notes to Financial Statements

Note 10: Other Postemployment Benefits - Local Retiree Life Insurance Fund (Continued)

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

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

During the reporting period, the LRLIF recognized \$412 in contributions from the employer.

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

At December 31, 2021, the City reported a liability of \$113,694 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2020, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2019, rolled forward to December 31, 2020. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net OPEB liability was based on the City's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2020, the City's proportion was 0.02066900%, which was an increase of 0.00589600% from its proportion measured as of December 31, 2019.

For the year ended December 31, 2021, the City recognized OPEB expense of \$14,771.

At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 5,425
Net differences between projected and actual earnings on OPEB plan investments	1,656	-
Change in assumptions	44,229	7,801
Changes in proportion and differences between employer contributions and proportionate share of contributions	16,526	8,252
Total	\$ 62,411	\$ 21,478

City of Lodi, Wisconsin

Notes to Financial Statements

Note 10: Other Postemployment Benefits - Local Retiree Life Insurance Fund (Continued)

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

Year Ended December 31	Net Deferred Outflows (Inflows) of Resources
2022	\$ 6,971
2023	6,792
2024	6,608
2025	6,349
2026	8,399
Thereafter	5,814
Total	\$ 40,933

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

Actuarial valuation date	January 1, 2020
Measurement date of net OPEB liability (asset)	December 31, 2020
Actuarial cost method	Entry age normal
20 year tax-exempt municipal bond yield	2.12%
Long-term expected rate of return	4.25%
Discount rate	2.25%
Salary Increases:	
Inflation	3.00
Seniority/Merit	0.1% - 5.6%
Mortality	Wisconsin 2018 Mortality Table

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

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

City of Lodi, Wisconsin

Notes to Financial Statements

Note 10: Other Postemployment Benefits - Local Retiree Life Insurance Fund (Continued)

Local OPEB Life Insurance
Asset Allocation Targets and Expected Returns
As of December 31, 2020

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

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

Single Discount Rate: A single discount rate of 2.25% was used to measure the Total OPEB Liability for the current year, as opposed to a discount rate of 2.87% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 2.74% as of December 31, 2019 to 2.12% as of December 31, 2020. 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

Note 10: Other Postemployment Benefits - Local Retiree Life Insurance Fund (Continued)

Sensitivity of the City's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate: The following presents the City's proportionate share of the net OPEB liability calculated using the discount rate of 2.25%, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.25%) or 1 percentage point higher (3.25%) than the current rate:

	1% Decrease to Discount Rate (1.25%)	Current Discount Rate (2.25%)	1% Increase to Discount Rate (3.25%)
City's proportionate share of the net OPEB liability	\$ 154,657	\$ 113,694	\$ 82,716

Note 11: Reconciliation of Deferred Outflows and Inflows

The tables below reconciles the deferred outflows and inflows from the Notes to the financial statements:

	Deferred Outflows	Deferred Inflows
Employee Retirement Plans - Wisconsin Retirement System	\$ 1,110,004	\$ 1,468,291
Other Postemployment Benefits - Local Retiree Life Insurance Fund	62,411	21,478
Total	\$ 1,172,415	\$ 1,489,769

Note 12: Tax Incremental District Funds

As provided by Statute Number 66.1105, the City of Lodi has established tax incremental districts (TID) for the development of areas in the City. All expenditures by the City for these areas are expected to be repaid through the increase in taxes resulting from the development of these areas. The increase in taxes will be deposited in the Tax Incremental District Funds as provided by Statute 66.1105(6)(b) and will be used to repay loans and make other expenditures of the districts.

Note 13: Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; natural disasters; and workers' compensation for which the City carries commercial insurance. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There was no significant reduction in the City's insurance coverage in fiscal 2021.

City of Lodi, Wisconsin

Notes to Financial Statements

Note 14: Commitments and Contingencies

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

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

Long-Term Contract - 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 Lode 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 be the Lodi Electric Utility from the WPPI Energy for distribution to its customers under the above arrangement amounted to approximately \$2.3 million for the year ended December 31, 2021.

City of Lodi, Wisconsin

Notes to Financial Statements

Note 15: Jointly Governed Organization

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 \$41,607 to the district in 2021. 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, 2021 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 \$70,007 to the district in 2021. 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, 2021 is available directly from the district's office. The transactions of the district are not reflected in these financial statements.

Note 16: Prior Year Restatement

The City doubled its payments in lieu of taxes as an expense in a prior year and therefore interfund liabilities were overstated in the prior year. The adjustment below increases beginning net position in the affected funds.

	Business Type		
	Activities	Electric Utility	Water Utility
Balance at December 31, 2020, as previously reported	\$ 14,787,679	\$ 4,442,139	\$ 5,636,115
Overstatement of liability	252,151	125,859	126,292
Balance at December 31, 2020, as restated	\$ 15,039,830	\$ 4,567,998	\$ 5,762,407

Required Supplementary Information

City of Lodi, Wisconsin

Budgetary Comparison Schedule - General Fund

For the Year Ended December 31, 2021

	Budgeted Amounts <u>Original/Final</u>	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes:			
General property	\$ 1,460,319	\$ 1,460,319	\$ -
Personal property	3,847	4,040	193
Total taxes	<u>1,464,166</u>	<u>1,464,359</u>	<u>193</u>
Special Assessments	<u>7,279</u>	<u>28,013</u>	<u>20,734</u>
Intergovernmental			
Shared revenue	159,870	330,278	170,408
Exempt computer aid	854	854	-
Fire insurance tax	10,476	12,685	2,209
Local transportation aids	182,706	182,467	(239)
Other highway aids	2,000	2,000	-
Other state payments	10,000	7,802	(2,198)
Total intergovernmental	<u>365,906</u>	<u>536,086</u>	<u>170,180</u>
Licenses and permits			
Business and occupational licences	5,195	11,743	6,548
Liquor and malt beverage licenses	8,400	9,000	600
Cigarette licenses	700	800	100
Dog and cat licenses	1,900	1,959	59
Cable TV Franchise fees	28,285	19,254	(9,031)
Building permits	17,800	28,500	10,700
Total licenses and permits	<u>62,280</u>	<u>71,256</u>	<u>8,976</u>
Fines and forfeits			
Law and ordinance violations	<u>29,700</u>	<u>31,854</u>	<u>2,154</u>
Public charges for services			
General government	1,700	2,143	443
Public safety-law enforcement fees	750	1,387	637
Total public charges for services	<u>2,450</u>	<u>3,530</u>	<u>1,080</u>
Miscellaneous			
Interest on investments	20,448	17,138	(3,310)
Rent	24,000	24,000	-
Insurance recoveries	50	1,314	1,264
Donations and contributions	-	5,150	5,150
Miscellaneous	-	3,255	3,255
Total miscellaneous	<u>44,498</u>	<u>50,857</u>	<u>6,359</u>
Total revenues	<u>1,976,279</u>	<u>2,185,955</u>	<u>209,676</u>

See Accompanying Notes to Required Supplementary Information

City of Lodi, Wisconsin

Budgetary Comparison Schedule - General Fund

For the Year Ended December 31, 2021

	Budgeted Amounts <u>Original/Final</u>	Actual Amounts	Variance with Final Budget Positive (Negative)
Expenditures:			
General government			
Legal counseling	\$ 20,000	\$ 7,461	\$ 12,539
General administration	132,213	102,183	30,030
Mayor/Council	33,578	32,738	840
Personnel	4,050	937	3,113
Information technology	30,487	29,579	908
Clerk/Treasurer	146,036	137,195	8,841
Elections	8,540	5,179	3,361
Assessment of property	17,800	17,800	-
Treasury	58,370	58,534	(164)
Property and liability insurance	48,485	52,557	(4,072)
City hall	46,262	38,723	7,539
Total general government	<u>545,821</u>	<u>482,886</u>	<u>62,935</u>
Public safety			
Law enforcement	822,447	732,198	90,249
Fire protection	131,562	170,032	(38,470)
Ambulance	69,754	70,194	(440)
Inspection	20,055	25,622	(5,567)
Total public safety	<u>1,043,818</u>	<u>998,046</u>	<u>45,772</u>
Public works			
Highway & street administration	133,155	111,856	21,299
Shop operations	20,289	20,608	(319)
Machinery operations	37,000	29,353	7,647
Highway & street maintenacce	229,902	154,886	75,016
Snow & ice control	71,606	70,665	941
Traffic control	10,800	12,166	(1,366)
Street lighting	66,901	58,277	8,624
Sidewalks and crosswalks	3,500	2,866	634
Storm sewers	1,200	1,189	11
Weed and nuisance control	1,500	933	567
Trees and brush	6,000	2,349	3,651
Total public works	<u>581,853</u>	<u>465,148</u>	<u>116,705</u>
Culture and recreation			
Parks	88,537	75,814	12,723
Recreation program	8,250	5,227	3,023
Total culture and recreation	<u>96,787</u>	<u>81,041</u>	<u>15,746</u>

See Accompanying Notes to Required Supplementary Information

City of Lodi, Wisconsin

Budgetary Comparison Schedule - General Fund

For the Year Ended December 31, 2021

	Budgeted Amounts <u>Original/Final</u>	Actual Amounts	Variance with Final Budget Positive (Negative)
Expenditures (continued):			
Conservation and development			
Zoning	\$ 35,000	\$ 57,952	\$ (22,952)
Economic development	5,000	5,380	(380)
Total conservation and development	<u>40,000</u>	<u>63,332</u>	<u>(23,332)</u>
Total expenditures	<u>2,308,279</u>	<u>2,090,453</u>	<u>217,826</u>
Excess (deficiency) of revenues over expenditures	<u>(332,000)</u>	<u>95,502</u>	<u>(8,150)</u>
Other Financing Sources (Uses):			
Transfers in	<u>332,000</u>	<u>285,357</u>	<u>(46,643)</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>-</u>	<u>380,858</u>	<u>(54,794)</u>
Fund balance - beginning	<u>1,455,000</u>	<u>1,455,000</u>	<u>-</u>
Fund balance - ending	<u>\$ 1,455,000</u>	<u>\$ 1,835,858</u>	<u>\$ (54,794)</u>

See Accompanying Notes to Required Supplementary Information

City of Lodi, Wisconsin

Notes to Budgetary Comparison Schedule - General Fund

Note 1: Budgetary Information

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note 1 to the financial statements.

Budgets are adopted at the functional level of expenditure. The budgeted amounts presented include any amendments made. The City may authorize transfers of budgeted amounts within departments. Transfers between departments and changes to the overall budget must be approved by a two-thirds action.

Note 2: Excess of Expenditures Over Appropriations

For the year ended December 31, 2021, the General Fund had expenditures in excess of appropriations for the following categories:

	Budget	Actual	Actual Over Budget
Mayor/Council	\$ 14,254	\$ 14,302	\$ 48
Treasury	58,370	58,534	164
Property and liability insurance	48,485	52,557	4,072
Fire protection	131,562	170,032	38,470
Ambulance	69,754	70,194	440
Inspection	20,055	25,622	5,567
Shop operations	20,289	20,608	319
Traffic control	10,800	12,166	1,366
Zoning	35,000	57,952	22,952
Economic development	5,000	5,380	380

City of Lodi, Wisconsin

Schedules of the Employer's Proportionate Share of the Net Pension Liability (Asset) and Employer Contributions - Wisconsin Retirement System

Last 10 Years*

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

Last 10 Calendar Years*

Measurement Date December 31,	City's Proportion of the Net Pension Liability (Asset)	City's Proportionate Share of the Net Pension Liability (Asset)	City's Covered Payroll	City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of it's Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2020	0.01068756 %	\$ (667,239)	\$ 1,534,150	(43.49)%	105.26 %
2019	0.01076259	(347,035)	1,434,491	(24.19)	102.96
2018	0.01115746	396,947	1,530,638	25.93	96.45
2017	0.01064493	(316,060)	1,456,139	(21.71)	102.93
2016	0.01018162	83,921	1,441,021	5.82	99.12
2015	0.00962059	156,333	1,282,154	12.19	98.20
2014	0.00963820	(236,741)	1,225,375	(19.32)	102.74

Schedule of the Employer Contributions Wisconsin Retirement System (WRS)

Last 10 Fiscal Years*

Year Ended December 31,	Contractually Required Contributions for the Fiscal Period	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	City's Covered Payroll for the Fiscal Year	Contributions as a Percentage of Covered Payroll
2021	\$ 120,699	\$ 120,699	-	\$ 1,613,565	7.48 %
2020	120,703	120,703	-	1,534,151	7.87
2019	108,408	108,408	-	1,434,492	7.56
2018	116,523	116,523	-	1,530,638	7.61
2017	110,491	110,491	-	1,456,139	7.59
2016	107,034	107,034	-	1,441,021	7.43
2015	94,369	94,369	-	1,282,154	7.36

Notes to the Schedules:

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

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

*These schedules are intended to present information for the last 10 years. Additional information will be presented as it becomes available.

See Independent Auditor's Report.

City of Lodi, Wisconsin

Schedules of the Employer's Proportionate Share of the Net OPEB Liability (Asset) and Employer Contributions - Local Retiree Life Insurance Fund (LRLIF)

Last 10 Years*

Schedule of the Employer's Proportionate Share of the Net OPEB Liability (Asset) Local Retiree Life Insurance Fund (LRLIF)

Measurement Date December 31,	City's Proportion of the Net OPEB Liability (Asset)	City's Proportionate Share of the Net OPEB Liability (Asset)	City's Covered Payroll	City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2020	0.02066900 %	\$ 113,694	\$ 1,140,000	9.97 %	31.36 %
2019	0.01477300	62,906	919,000	6.85	37.58
2018	0.01669200	43,071	948,000	4.54	48.69
2017	0.01791700	53,905	753,461	7.15	44.81

Schedule of the Employer Contributions Local Retiree Life Insurance Fund (LRLIF)

Last 10 Fiscal Years*

Year Ended December 31,	Contractually Required Contributions for the Fiscal Period	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	City's Covered Payroll for the Fiscal Period	Contributions as a Percentage of Covered Payroll
2021	\$ 412	\$ 412	-	\$ 1,230,000	0.0335 %
2020	267	267	-	1,140,000	0.0234
2019	321	321	-	919,000	0.0349
2018	372	372	-	948,000	0.0392

Notes to the Schedules:

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

Changes of assumptions: The Single Discount Rate assumption used to develop Total OPEB Liability changed from the prior year. Please refer to the Actuarial Assumptions section above for additional detail.

*These schedules are intended to present information for the last 10 years. Additional information will be presented as it becomes available.

See Independent Auditor's Report.

Supplementary Financial Information

City of Lodi, Wisconsin

Combining Balance Sheet Nonmajor Governmental Funds December 31, 2021

	Library Operation	Library Board Trust	CDBG	Revolving Loan	Pool Operation	Solid Waste	Asset Forfeiture	Canine Unit
Assets:								
Cash and investments	\$ 25,476	\$ 16,528	\$ 4,781	\$ 10,165	\$ 3,253	\$ 35,635	\$ 2,312	\$ 17,619
Receivables								
Taxes	132,000	-	-	-	38,148	273,901	-	-
Accounts	-	-	133,272	-	-	-	-	-
Other assets	-	286,139	-	-	-	-	-	-
Total assets	\$ 157,476	\$ 302,667	\$ 138,053	\$ 10,165	\$ 41,401	\$ 309,536	\$ 2,312	\$ 17,619
Liabilities:								
Other accrued liabilities	\$ 5,405	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-	-
Total liabilities	5,405	-	-	-	-	-	-	-
Deferred inflows of resources:								
Property taxes	132,000	-	-	-	38,148	273,901	-	-
Unavailable revenue	-	-	133,272	-	-	-	-	-
Total deferred inflows	132,000	-	133,272	-	38,148	273,901	-	-
Fund balances:								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	302,667	4,781	-	-	-	2,312	17,619
Assigned	20,071	-	-	10,165	3,253	35,635	-	-
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	20,071	302,667	4,781	10,165	3,253	35,635	2,312	17,619
Total liabilities, deferred inflows of resources and fund balances	\$ 157,476	\$ 302,667	\$ 138,053	\$ 10,165	\$ 41,401	\$ 309,536	\$ 2,312	\$ 17,619

City of Lodi, Wisconsin

Combining Balance Sheet Nonmajor Governmental Funds December 31, 2021

	Public Works Project	Park Development	TID No. 3	TID No. 4	TID No. 5	Swimming Pool	Total Nonmajor Governmental Funds
Assets:							
Cash and investments	\$ 145,164	\$ 280,323	\$ 76,138	\$ 78,557	\$ 64,108	\$ 103,000	\$ 863,059
Receivables							
Taxes	15,000	-	4,456	103,398	70,283	-	637,186
Accounts	-	-	-	-	-	8,290	141,562
Other assets	-	-	-	-	-	-	286,139
Total assets	\$ 160,164	\$ 280,323	\$ 80,594	\$ 181,955	\$ 134,391	\$ 111,290	\$ 1,927,946
Liabilities:							
Other accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,405
Due to other funds	-	-	74,209	180,523	33,895	8,290	296,917
Total liabilities	-	-	74,209	180,523	33,895	8,290	302,322
Deferred inflows of resources:							
Property taxes	15,000	-	4,456	103,398	70,283	-	637,186
Unavailable revenue	-	-	-	-	-	-	133,272
Total deferred inflows	15,000	-	4,456	103,398	70,283	-	770,458
Fund balances:							
Nonspendable	-	-	-	-	-	103,000	103,000
Restricted	145,164	280,323	1,929	-	30,213	-	785,008
Assigned	-	-	-	-	-	-	69,124
Unassigned	-	-	-	(101,966)	-	-	(101,966)
Total fund balances	145,164	280,323	1,929	(101,966)	30,213	103,000	855,166
Total liabilities, deferred inflows of resources and fund balances	\$ 160,164	\$ 280,323	\$ 80,594	\$ 181,955	\$ 134,391	\$ 111,290	\$ 1,927,946

City of Lodi, Wisconsin

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended December 31, 2021

	Library Operation	Library Board Trust	CDBG	Revolving Loan	Pool Operation	Solid Waste	Asset Forfeiture	Canine Unit
Revenues:								
Taxes	\$ 130,750	\$ -	\$ -	\$ -	\$ 66,085	\$ 171,696	\$ -	\$ -
Intergovernmental	99,084	-	-	-	-	-	-	-
Public charges	4,649	-	-	-	-	991	-	-
Miscellaneous	33,254	22,337	30,279	3	428	-	-	-
Total revenues	267,737	22,337	30,279	3	66,513	172,687	-	-
Expenditures:								
Current:								
General government	-	-	25,798	-	-	-	-	-
Public works	-	-	-	-	-	172,003	-	-
Culture, recreation, and education	256,503	-	-	-	75,527	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total expenditures	256,503	-	25,798	-	75,527	172,003	-	-
Excess of revenues over (under) expenditures	11,234	22,337	4,481	3	(9,014)	684	-	-
Other Financing Uses								
Transfers in	-	-	-	-	3,325	-	-	-
Transfers out	-	-	-	-	(57,773)	-	-	-
Total other financing uses	-	-	-	-	(54,448)	-	-	-
Net Change in Fund Balances	11,234	22,337	4,481	3	(63,462)	684	-	-
Fund Balances - Beginning	8,837	280,330	300	10,162	66,715	34,951	2,312	17,619
Fund Balances - Ending	\$ 20,071	\$ 302,667	\$ 4,781	\$ 10,165	\$ 3,253	\$ 35,635	\$ 2,312	\$ 17,619

City of Lodi, Wisconsin

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds For the Year Ended December 31, 2021

	Public Works Project	Park Development	TID No. 3	TID No. 4	TID No. 5	Swimming Pool	Total Nonmajor Governmental Funds
Revenues:							
Taxes	\$ 75,679	\$ -	\$ 27,150	\$ 173,304	\$ 64,689	\$ -	\$ 709,353
Intergovernmental	-	-	138	7,013	3,409	-	109,644
Public charges	-	2,090	-	-	-	-	7,730
Miscellaneous	-	31,754	-	-	-	3,325	121,380
Total revenues	75,679	33,844	27,288	180,317	68,098	3,325	948,107
Expenditures:							
Current:							
General government	-	201	1,817	1,817	1,817	-	31,450
Public works	174,236	-	128	-	-	-	346,367
Culture, recreation, and education	-	-	-	-	-	-	332,030
Debt service:							
Principal	-	-	-	25,584	-	-	25,584
Interest	-	-	2,782	30,953	1,240	-	34,975
Total expenditures	174,236	201	4,727	58,354	3,057	-	770,406
Excess of revenues over (under) expenditures	(98,557)	33,643	22,561	121,963	65,041	3,325	177,701
Other Financing Uses							
Transfers in	-	-	-	-	-	-	3,325
Transfers out	-	-	-	-	-	(3,325)	(61,098)
Total other financing uses	-	-	-	-	-	(3,325)	(57,773)
Net Change in Fund Balances	(98,557)	33,643	22,561	121,963	65,041	-	119,928
Fund Balances - Beginning	243,721	246,680	(20,632)	(223,929)	(34,828)	103,000	735,238
Fund Balances - Ending	\$ 145,164	\$ 280,323	\$ 1,929	\$ (101,966)	\$ 30,213	\$ 103,000	\$ 855,166