

**TOWN OF FOND DU LAC
FOND DU LAC COUNTY, WISCONSIN**

Report of Independent
Certified Public Accountants
and
Financial Statements
Year Ended December 31, 2020

COMPREHENSIVE ANNUAL REPORT

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Honorable Members of the Town of
Fond du Lac Board
Fond du Lac County, Wisconsin

We have audited the accompanying financial statements of the governmental activities, the business-type activities and the remaining fund information of the Town of Fond du Lac, Fond du Lac County, Wisconsin, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
(Continued)**

Opinion

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 33 through 37 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's response to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

The VanderBloemen Group LLC

August 5, 2021
Fond du Lac, WI

SECTION I
GOVERNMENT-WIDE FINANCIAL STATEMENTS

TOWN OF FOND DU LAC
FOND DU LAC COUNTY, WISCONSIN
STATEMENT OF NET POSITION
December 31, 2020

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 378,572	\$ 481,770	\$ 860,342
Short-term investments	315,628	-	315,628
Accounts receivable			
Property taxes	655,234	-	655,234
Special assessments	-	580,496	580,496
Due from tax collection fund	6,288	-	6,288
Capital assets, net of accumulated depreciation	2,135,659	4,181,079	6,316,738
Wastewater treatment rights	642,099	-	642,099
Work in process	424,548	-	424,548
	<u>\$ 4,558,028</u>	<u>\$ 5,243,345</u>	<u>\$ 9,801,373</u>
LIABILITIES			
Accounts payable	\$ 131,165	\$ -	\$ 131,165
Payroll taxes payable	3	-	3
Accrued interest payable	3,630	15,849	19,479
Non-current liabilities			
Due within one year:			
General obligation bonds	41,240	235,000	276,240
Unamortized debt premium	-	62,229	62,229
Due in more than one year			
General obligation bonds	174,970	1,900,000	2,074,970
	<u>351,008</u>	<u>2,213,078</u>	<u>2,564,086</u>
DEFERRED INFLOWS OF RESOURCES			
Unearned Revenue	655,234	-	655,234
	<u>\$ 1,006,242</u>	<u>\$ 2,213,078</u>	<u>\$ 3,219,320</u>
NET POSITION			
Invested in capital assets	\$ 2,986,096	\$ 2,046,079	\$ 5,032,175
Restricted for:			
Debt service	82,837	-	82,837
Unrestricted	482,853	984,188	1,467,041
	<u>\$ 3,551,786</u>	<u>\$ 3,030,267</u>	<u>\$ 6,582,053</u>

See Report of Independent Certified Public Accountants and Notes to Financial Statements.

TOWN OF FOND DU LAC
FOND DU LAC COUNTY, WISCONSIN
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2020

<u>Functions/Programs</u>	<u>Expenses</u>	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General Government	\$ 375,342	\$ 800	\$ -	\$ -
Public Health & Safety	871,739	35,574	-	-
Highway & Roads	392,359	-	-	-
Interest	5,402	-	-	-
Total Government Activities	1,644,842	36,374	-	-
Business-type Activities				
Non-major Enterprise Fund	215,328	-	-	-
Total Business-type Activities	215,328	-	-	-
Total Primary Government	\$ 1,860,170	\$ 36,374	\$ -	\$ -

See Report of Independent Certified Public Accountants and Notes to Financial Statements.

TOWN OF FOND DU LAC
FOND DU LAC COUNTY, WISCONSIN
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2020

<u>Functions/Programs</u>	Net (Expenses) Revenues and Changes in Net Position		
	Primary Government		
	Governmental Activities	Business-type Activities	Total
Primary Government			
Governmental Activities			
General Government	\$ (374,542)	\$ -	\$ (374,542)
Public Health & Safety	(836,165)	-	(836,165)
Highway & Roads	(392,359)	-	(392,359)
Interest	(5,402)	-	(5,402)
Total Government Activities	<u>(1,608,468)</u>	<u>-</u>	<u>(1,608,468)</u>
Business-type Activities			
Non-major Enterprise Fund	<u>-</u>	<u>(215,328)</u>	<u>(215,328)</u>
Total Business-type Activities	<u>-</u>	<u>(215,328)</u>	<u>(215,328)</u>
Total Primary Government	<u><u>\$ (1,608,468)</u></u>	<u><u>\$ (215,328)</u></u>	<u><u>\$ (1,823,796)</u></u>
General revenues			
Taxes	\$ 648,729	\$ -	\$ 648,729
Intergovernmental revenues	578,479	-	578,479
Fees, fines and costs	227,020	-	227,020
Special assessments	-	309,817	309,817
Fire protection fee	-	43,833	43,833
Interest income	-	2,311	2,311
Other - miscellaneous	179,427	9,048	188,475
Total general revenues	<u>1,633,655</u>	<u>365,009</u>	<u>1,998,664</u>
Change in net position	25,187	149,681	174,868
Net Position - beginning of year	<u>3,526,599</u>	<u>2,880,586</u>	<u>6,407,185</u>
Net Position - end of year	<u><u>\$ 3,551,786</u></u>	<u><u>\$3,030,267</u></u>	<u><u>\$ 6,582,053</u></u>

See Report of Independent Certified Public Accountants and Notes to Financial Statements.

SECTION II
GENERAL PURPOSE FINANCIAL STATEMENTS

TOWN OF FOND DU LAC
FOND DU LAC COUNTY, WISCONSIN
BALANCE SHEET - GOVERNMENTAL FUNDS
December 31, 2020

	General	Debt Service	Total Governmental Funds
ASSETS			
Cash	\$ 317,860	\$ 60,712	\$ 378,572
Short-term investments	315,628	-	315,628
Due from tax collection fund	6,288	-	6,288
Due from general fund	-	22,125	22,125
Accounts receivable			
Property taxes	655,234	-	655,234
Sanitary district	-	-	-
Total Assets	\$ 1,295,010	\$ 82,837	\$ 1,377,847
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
<u>Liabilities</u>			
Accounts payable	\$ 131,165	\$ -	\$ 131,165
Payroll taxes payable	3	-	3
Due to general obligation debt fund	22,125	-	22,125
Total Liabilities	153,293	-	153,293
 <u>Deferred Inflows of Resources</u>			
Unearned Revenue	655,234	-	655,234
Total Deferred Inflows of Resources	655,234	-	655,234
	808,527	-	808,527
 <u>Fund Balances</u>			
Nonspendable	-	-	-
Restricted	-	82,837	82,837
Committed	-	-	-
Assigned	315,628	-	315,628
Unassigned	170,855	-	170,855
Total Fund Balances	486,483	82,837	569,320
	\$ 1,295,010	\$ 82,837	\$ 1,377,847
Total Liabilities, Deferred Inflows of Resources and Fund Balance			

See Report of Independent Certified Public Accountants and Notes to Financial Statements.

TOWN OF FOND DU LAC
FOND DU LAC COUNTY, WISCONSIN
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
As of December 31, 2020

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total fund balance per balance sheet	\$ 569,320
Capital assets used in governmental activities that are not financial resources and, therefore, are not reported in the funds	3,202,306
Certain revenue earned and accrued in the current year but not received after 60 days is deferred in the fund statement but recognized under full accrual	-
Long-term liabilities of bonds payable and accrued interest payable are not due and payable in the current period and, therefore, are not reported in the governmental funds balance sheet	<u>(219,840)</u>
Net position of governmental activities	<u><u>\$ 3,551,786</u></u>

See Report of Independent Certified Public Accountants and Notes to Financial Statements.

TOWN OF FOND DU LAC
FOND DU LAC COUNTY, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended December 31, 2020

	General	Debt Service	Total Governmental Funds
REVENUES			
Taxes	\$ 598,729	\$ 50,000	\$ 648,729
Intergovernmental	578,479	-	578,479
Fees, fines, and costs	263,394	-	263,394
Special assessments	-	-	-
Other income	179,321	106	179,427
Total Revenues	1,619,923	50,106	1,670,029
EXPENDITURES			
Current			
General government	371,096	-	371,096
Public health and safety	895,949	-	895,949
Highway and roads	337,566	-	337,566
Debt Service			
Bond principal	-	40,286	40,286
Bond interest	-	6,078	6,078
Total Expenditures	1,604,611	46,364	1,650,975
Net change in fund balance	15,312	3,742	19,054
Fund balance - beginning of year	471,171	79,095	550,266
Fund balance - end of year	<u>\$ 486,483</u>	<u>\$ 82,837</u>	<u>\$ 569,320</u>

See Report of Independent Certified Public Accountants and Notes to Financial Statements.

**TOWN OF FOND DU LAC
FOND DU LAC COUNTY, WISCONSIN
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2020**

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

Net change in fund balance - total governmental funds	\$	19,054
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. This is the amount by which capital outlays exceeded depreciation in the current period		(34,828)
Payments on bond principal are an expenditure in the governmental funds, but the repayment relieves long-term liabilities in the Statement of Net Position		40,286
Certain expenses reported as expenditures in governmental funds do not require the use of current financial resources and, therefore, are not reported in the Statement of Activities		675
Certain revenues reported as income in governmental funds that are not reported on the current financial resources, and, therefore, are not reported in the Statement of Activities		<u>-</u>
Change in net position of governmental activities	\$	<u><u>25,187</u></u>

See Report of Independent Certified Public Accountants and Notes to Financial Statements.

TOWN OF FOND DU LAC
FOND DU LAC COUNTY, WISCONSIN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2020

	Water Utility
ASSETS	
Current assets	
Cash	\$ 481,770
Accounts receivable - special assessments	580,496
Total current assets	1,062,266
Noncurrent assets	
Infrastructure	4,937,864
Work in progress	-
Accumulated depreciation	(756,785)
Restricted cash	-
Total noncurrent assets	4,181,079
 Total Assets	 \$ 5,243,345
 LIABILITIES	
Accrued interest payable	15,849
Non-current liabilities	
Due within one year:	
General obligation bonds	235,000
Obligation under capital lease	-
Unamortized debt premium	62,229
Due in more than one year	
General obligation bonds	1,900,000
Obligation under capital lease	-
Total Liabilities	\$ 2,213,078
 NET POSITION	
Invested in capital assets, net of related debt	\$ 2,046,079
Unrestricted	984,188
 Total Net Position	 \$ 3,030,267

See Report of Independent Certified Public Accountants and Notes to Financial Statements.

TOWN OF FOND DU LAC
FOND DU LAC COUNTY, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
NET POSITION - PROPRIETARY FUNDS
For the Year Ended December 31, 2020

	<u>Water Utility</u>
OPERATING REVENUES	
Special assessments	\$ 309,817
Fire protection fee	43,833
Other income	<u>1,350</u>
Total operating revenues	355,000
OPERATING EXPENDITURES	
Depreciation	88,633
Repairs	40,008
Utilities	3,644
Other operating expenditures	<u>18,210</u>
Total operating expenditures	<u>150,495</u>
Operating Income	<u>204,505</u>
NONOPERATING REVENUES (EXPENSES)	
Interest income	2,311
Interest expense	(64,833)
Amortization of bond premium	7,698
Bond issuance costs	<u>-</u>
Total Nonoperating Revenues (Expenses)	<u>(54,824)</u>
Income/(Loss)	149,681
Change in net position	
Net position - beginning of year	<u>2,880,586</u>
Net position - end of year	<u><u>\$ 3,030,267</u></u>

See Report of Independent Certified Public Accountants and Notes to Financial Statements.

TOWN OF FOND DU LAC
FOND DU LAC COUNTY, WISCONSIN
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
Years Ended December 31, 2020

	Water Utility
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	
Receipts from special assessments	\$ 309,817
Other receipts	45,183
Payments to suppliers	(61,862)
Net cash provided by operating activities	293,138
<u>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</u>	
Loan principal payments	(230,000)
Capital lease payments	-
Interest payments	(66,270)
Interest income	2,311
Net cash provided by (used in) capital financing activities	(293,959)
Net change in cash and cash equivalents	(821)
Cash and cash equivalents - beginning of year	482,591
Cash and cash equivalents - end of year	\$ 481,770
<u>RECONCILIATION OF INCOME FROM OPERATIONS TO NET CASH PROVIDED BY OPERATING ACTIVITIES</u>	
Income from operations	\$ 204,505
Adjustments to reconcile income from operations to net cash provided by operating activities:	
Depreciation	88,633
Changes in assets and liabilities	
(Increase) decrease in infrastructure	-
(Increase) decrease in work in progress	-
(Increase) decrease in accounts receivable - special assessments	-
Net cash provided by (used in) operating activities	\$ 293,138

See Report of Independent Certified Public Accountants and Notes to Financial Statements.

TOWN OF FOND DU LAC
FOND DU LAC COUNTY, WISCONSIN
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
 December 31, 2020

	Tax Collection
ASSETS	
Cash	1,930,271
Short-term investments	1,605,410
Total Assets	\$ 3,535,681
 LIABILITIES	
Property taxes, special assessments and dog licenses collected	3,528,335
Due to others	1,058
Due to general fund	6,288
Total Liabilities	\$ 3,535,681

See Report of Independent Certified Public Accountants and Notes to Financial Statements.

TOWN OF FOND DU LAC
FOND DU LAC COUNTY, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town of Fond du Lac, Wisconsin conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

Reporting Entity

The Town is governed by a three member Town Board. As required by generally accepted accounting principles, these financial statements present the Town (the primary government) and its component units, entities for which the government is considered to be financially accountable.

Component units are organizations for which the Town is financially accountable and all other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Financial accountability exists if the Town appoints a voting majority of an organization's governing board and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the Town. The Town may be financially accountable for governmental organizations with a separately elected governing board, a governing board appointed by another government, or a jointly appointed board that is fiscally dependent on the Town. The financial statements of the component units may be discretely presented in a separate column from the primary government or blended with the financial statements of the primary government.

As of December 31, 2020, the Town had no component unit organizations.

Government-wide and Fund Financial Statements

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.

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 Town does not allocate indirect expenses to functions in the statement of activities. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

TOWN OF FOND DU LAC
FOND DU LAC COUNTY, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Government-wide and Fund Financial Statements (continued)

Fund Financial Statements

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

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

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

The Town reports the following major governmental funds:

General Fund - accounts for the Town's primary operating activities. It is used to account for and report all financial resources except those required to be accounted for in another fund.

Debt Service Fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditures for the payment of general long-term debt principal, interest and related costs.

The Town reports the following major enterprise funds:

Water Utility Fund - accounts for the water operation situated in a portion of the Town. The day-to-day operations of the water system are subcontracted out to the Village of North Fond du Lac. The Village collects and retains the quarterly water fees billed to the individual customers. These funds are used to offset the costs of operations. The Town levies a town wide and water district wide assessment to pay for the capital lease and the debt associated with this fund.

The Town did not have any non-major governmental and enterprise funds as of December 31, 2020.

In addition, the Town reports the following fund type:

Fiduciary Fund - used to account for and report assets held by the Town in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units.

Tax Collection Fund

TOWN OF FOND DU LAC
FOND DU LAC COUNTY, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-wide Financial Statements

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. 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. Taxes receivable for the following year are recorded as receivables and deferred inflows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned.

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

Fund Financial Statements

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

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

Intergovernmental aids and grants are recognized as revenues in the period the Town is entitled to the resources and the amounts are available. Amounts owed to the Town which are not available are recorded as receivables and unavailable revenues. Amounts received before eligibility requirements (excluding time requirements) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

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.

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

TOWN OF FOND DU LAC
FOND DU LAC COUNTY, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

Fund Financial Statements (continued)

Proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note. Agency funds follow the accrual basis of accounting and do not have a measurement focus.

The proprietary fund distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the water utility are charges to customers for sales and services. Special assessments are recorded as receivables and contribution revenue when levied. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

All Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

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

1. Deposits and Investments

For purposes of the statement of cash flows, the Town considers all highly liquid investments with an initial maturity of one month or less when acquired to be cash equivalents.

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

- a. Time deposits in any credit union, bank, savings bank or trust company maturing in three years or less.
- b. 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, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, the University of Wisconsin Hospitals and Clinics Authority or the Wisconsin Aerospace Authority.
- c. Bonds and securities issued or guaranteed by the federal government.
- d. The local government investment pool.
- e. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.

TOWN OF FOND DU LAC
FOND DU LAC COUNTY, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (continued)

1. Deposits and Investments (continued)

- f. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- g. Repurchase agreements with public depositories, with certain conditions.

Investments made during 2020 were held in the Town's name and were in accordance with those allowable by state statutes.

2. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on December 1 and payable in two installments on January 31 and July 31. Special assessments, charges, and personal property taxes are payable in full on January 31. The Town bills and collects its own property taxes and also taxes for the state, county, area technical college, and area public schools until February 1, at which time all uncollected real estate taxes are turned over to the County for collection. Collection of the taxes and remittance of them to the appropriate entities are accounted for in the Fiduciary Fund. Town property tax revenues are recognized when they become an enforceable lien on the property and are expected to be collected within sixty days.

The 2020 Town taxes collectible in 2021 have been set up in the General and Debt Service Funds as a receivable.

3. Accounts Receivable

Accounts receivable are recorded at gross amount with uncollectible accounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that the amount of such allowance would not be material. Receivables are considered delinquent after 30 days.

4. Capital Assets

Government-wide Statements

Land, buildings, improvements, vehicles and equipment purchased or acquired are carried at cost. Contributed fixed assets are recorded at estimated fair market value at the time received. Public domain fixed assets (infrastructure) consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, water systems and lighting systems will be recorded at cost for those incurred on or after January 1, 2005. Capital assets are defined by the government as assets with a cost of more than \$5,000 and an estimated life in excess of one year. Major outlays for capital assets and improvements are capitalized as projects are constructed.

TOWN OF FOND DU LAC
FOND DU LAC COUNTY, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (continued)

4. Capital Assets (continued)

Government-wide Statements (continued)

Buildings, improvements, vehicles, equipment, and infrastructure of the primary government are depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Buildings and improvements	50-70
Vehicles	5-20
Equipment	5-15
System infrastructure	40-60

Fund Financial Statements

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

5. Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net position/fund balance that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

A deferred charge on refunding arises from the advance refunding of debt. The difference between the cost of the securities placed in trust for future payments of the refunded debt and the net carrying value of the debt is deferred and amortized as a component of interest expense over the shorter of the term of the refunding issue or the original term of the refunded debt. The unamortized amount is reported as a deferred outflow of resources in the proprietary fund financial statements.

6. Compensated Absences

Accumulated employee benefits such as unpaid vacation are not accrued on these financial statements. Vacation must be used by the end of each year, therefore, no liability is recorded for nonvesting accumulating rights to receive these benefits.

7. Long-term Obligations

In the government-wide financial statements, and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental funds 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.

TOWN OF FOND DU LAC
FOND DU LAC COUNTY, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (continued)

8. Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net position/fund balance that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

9. Equity Classifications

Government-wide Statements and Proprietary Fund Financial Statements

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

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

Governmental Funds Financial Statements

- a. Nonspendable fund balance - Amounts that are not in spendable form (such as inventory, prepaid items, or long-term receivables) or are legally or contractually required to remain intact.
- b. Restricted fund balance - Amounts that are constrained for specific purposes by external parties (such as grantor or bondholders), through constitutional provisions, or by enabling legislation.
- c. Committed fund balance - Amounts that are constrained for specific purposes by action of the Town Board. These constraints can only be removed or changed by the Town Board using the same action that was used to create them.
- d. Assigned fund balance - Amounts that are constrained for specific purposes by action of Town management.
- e. Unassigned fund balance - Amounts are available for any purpose.

The Town has not adopted a fund balance spend-down policy regarding the order in which fund balance will be utilized. When a policy does not specify the spend-down policy, GASB Statement No. 54 indicates that restricted funds would be spent first, followed by committed funds, and then assigned funds. Unassigned funds would be spent last.

TOWN OF FOND DU LAC
FOND DU LAC COUNTY, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2020

NOTE 2 - STEWARDSHIP AND COMPLIANCE

Budgets and Budgetary Accounting

The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Town Board develops a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted at the Town Hall to obtain taxpayer comments.
3. Prior to December 1, the next year's budget is legally enacted through passage of a resolution.
4. Formal budgetary integration is employed as a management control device during the year for the General Fund and the Debt Service Fund.
5. Budgets are adopted on a basis consistent with generally accepted accounting principles.
6. Budgetary expenditure control is exercised at the line item level.
7. Budgeted amounts are as authorized in the original budget resolution and subsequent revisions are authorized by the Town Board.
8. Appropriations lapse at year end.

Property Tax Levy Limit

Wisconsin law limits the Town's future tax levies. Generally the Town is limited to its prior tax levy dollar amount (excluding TIF Districts), increased by the greater of the percentage change in the Town's equalized value due to new construction or zero percent. Changes in debt service from one year to the next are generally exempt from this limit with certain exceptions. The Town is required to reduce its allowable levy by the estimated amount of fee revenue it collects for certain services, if those services were funded in 2013 by the property tax levy. Levies can be increased above the allowable limits if the amount is approved by referendum.

TOWN OF FOND DU LAC
FOND DU LAC COUNTY, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2020

NOTE 3 - RECONCILIATION OF GOVERNMENT-WIDE FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position.

The governmental fund balance sheet includes a reconciliation between fund balance-total governmental funds and net position-governmental activities as reported in the government-wide statement of net position. The details of this \$2,982,466 difference are as follows:

Capital assets purchased, including work in process	\$ 4,683,190	
Accumulated depreciation as of December 31, 2020	(1,480,884)	
Subtotal	3,202,306	
Long-term liabilities - bonds and interest payable	(219,840)	
Accounts receivable at December 31, 2020	-	
Net adjustment to increase (decrease) fund balance- total governmental funds to arrive at net position- governmental activities	\$ 2,982,466	

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances-total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. The details of this \$6,133 difference are as follows:

Depreciation expense	\$ (95,780)	
(Increase) decrease in operating expenses	60,952	
Subtotal	(34,828)	
Payments on long-term debt	40,286	
Net increase in accrued interest payable	675	
Increase (decrease) in operating revenues	-	
Net adjustment to increase (decrease) net changes in fund balance-total governmental funds to arrive at changes in net position of government activities	\$ 6,133	

TOWN OF FOND DU LAC
FOND DU LAC COUNTY, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2020

NOTE 4 - CASH AND TEMPORARY CASH INVESTMENTS

Cash, as classified in the financial statements, consists of all deposits with a maturity of one month or less. Short-term investments, as classified in the financial statements, consist of deposits with a maturity greater than one month.

The Town is required to invest its funds in accordance with Wisconsin Statute 66.0603(1m) and 67.11(2). The Town had no significant type of cash and investments during the year not included below. The Town's cash and investments during the year consisted of the following:

Deposits at various financial institutions which are covered by the Federal Deposit Insurance Corporation (FDIC) or similar coverage. This coverage is limited to \$250,000 on time deposits and \$250,000 on demand deposits.

In addition to the FDIC insurance coverage discussed above, the State of Wisconsin Public Deposit Guarantee Fund covers such public depository up to \$400,000. This coverage is limited by the size of the fund and therefore full coverage is not certain.

Custodial credit risk for deposits is the risk that in the event of a financial institution failure, the Town's deposits may not be returned to the Town.

For all cash and investments shown in the table below, the market value at the balance sheet date is substantially the same as the carrying value. The difference between the bank balance and carrying value is due to outstanding checks and/or deposits in transit. At various times during the year, the Town's deposits were higher than the December 31, 2020 balances detailed on the following table. This means that the Town's risk and exposure could be higher at these times.

<u>Depository</u>	Total Bank Balance	Carrying Amount
National Exchange Bank and Trust & Bristol Morgan Bank:		
Governmental - cash	\$ 454,734	\$ 378,572
Governmental - investment	315,628	315,628
Business-type	481,893	481,770
Tax Collection	3,548,371	3,535,681
Totals	\$4,800,626	\$ 4,711,651

TOWN OF FOND DU LAC
FOND DU LAC COUNTY, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2020

NOTE 5 - CAPITAL ASSETS

The following is a summary of the changes in the Capital Assets for the year ended December 31, 2020.

Fixed Assets

	<u>Land</u>	<u>Buildings & Improvements</u>	<u>Equipment & Furniture</u>	<u>Vehicles</u>	<u>Infrastructure</u>	<u>Total</u>
Balance - 12/31/19	\$ 202,310	\$ 507,459	\$ 168,966	\$ 1,036,166	\$ 6,631,164	\$ 8,546,065
Additions	-	-	8,344	-	-	8,344
Disposals	-	-	-	-	-	-
Balance - 12/31/20	<u>\$ 202,310</u>	<u>\$ 507,459</u>	<u>\$ 177,310</u>	<u>\$ 1,036,166</u>	<u>\$ 6,631,164</u>	<u>\$ 8,554,409</u>

Accumulated Depreciation

	<u>Land</u>	<u>Buildings & Improvements</u>	<u>Equipment & Furniture</u>	<u>Vehicles</u>	<u>Infrastructure</u>	<u>Total</u>
Balance - 12/31/19	\$ -	\$ 156,370	\$ 163,311	\$ 676,015	\$ 1,057,559	\$ 2,053,255
Additions	-	9,793	1,155	42,499	130,965	184,412
Disposals	-	-	-	-	-	-
Balance - 12/31/20	<u>\$ -</u>	<u>\$ 166,163</u>	<u>\$ 164,466</u>	<u>\$ 718,514</u>	<u>\$ 1,188,524</u>	<u>\$ 2,237,667</u>

TOWN OF FOND DU LAC
FOND DU LAC COUNTY, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2020

NOTE 6 - LONG-TERM DEBT

Promissory Notes Series, 2017A

\$2,650,000 General Obligation Refunding Bonds, Series 2017A, dated February 1, 2017, with a variable principal payment. Interest rate variable per annum, due April 1, 2028. The notes are callable by the Town on April 1, 2025.

The annual debt service requirements to maturity for the 2017 bonds are as follows:

Year	Interest Rate	Principal	Interest	Total
2021	2.5%	\$ 235,000	\$ 60,458	\$ 295,458
2022	2.5%	245,000	54,458	299,458
2023	2.5%	255,000	47,570	302,570
2024	3.0%	260,000	39,845	299,845
2025	3.0%	270,000	31,895	301,895
2026-2028	3.15 - 3.25%	870,000	42,547	912,547
Total		<u>\$ 2,135,000</u>	<u>\$ 276,773</u>	<u>\$ 2,411,773</u>

Promissory Notes - City of Fond du Lac

\$642,099 General Obligation Promissory Notes to the City of Fond du Lac. Interest rate of 2.37% per annum with a final payment due, April 15, 2025 (See Note 14).

The annual debt service requirements to maturity for the bonds are as follows:

Year	Principal	Interest	Total
2021	\$ 41,240	\$ 5,125	\$ 46,365
2022	42,218	4,147	46,365
2023	43,218	3,147	46,365
2024	44,243	2,122	46,365
2025	45,291	1,073	46,364
Total	<u>\$ 216,210</u>	<u>\$ 15,614</u>	<u>\$ 231,824</u>

The long-term liability activity for the year ended December 31, 2020 was as follows:

<u>Government Activity</u>	Beginning Balance	Increase	Decrease	Ending Balance	Due Within One Year
Promissory Notes Series, 2017A	\$ 2,365,000	\$ -	\$ 230,000	\$ 2,135,000	\$ 235,000
Promissory Notes - City of Fond du Lac	256,496	-	40,286	216,210	41,240
Totals	<u>\$ 2,621,496</u>	<u>\$ -</u>	<u>\$ 270,286</u>	<u>\$ 2,351,210</u>	<u>\$ 276,240</u>

TOWN OF FOND DU LAC
FOND DU LAC COUNTY, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2020

NOTE 6 - LONG-TERM DEBT (continued)

The 2020 equalized valuation of the Town as certified by the Wisconsin Department of Revenue is \$393,855,900. The legal debt limit and margin of indebtedness as of December 31, 2020, in accordance with Section 67.03(1)(b) of the Wisconsin Statutes follows.

Debt limit (5% of \$393,855,900)	\$19,692,795
Deduction long-term debt applicable to debt margin	<u>2,351,210</u>
Margin of indebtedness	<u><u>\$17,341,585</u></u>

NOTE 7 - LOCAL TAX LEVY

In 2020, the Town of Fond du Lac assessed a property tax rate of 1.96 tenths of one percent mill tax on the total Township assessed value of approximately \$334,457,300 for General and Debt Service Funds operating expenses.

NOTE 8 - UTILITY DISTRICT

In 2008, the Town created a water utility district pursuant to Wisconsin Statute 66.0827 under which the Town has approved various public water utility construction projects. In 2009, the utility district approved various public water utility projects including an industrial park and additional residential and commercial water utility service.

The construction cost for the utility was paid by the issuance of general obligation notes. These notes will be repaid through special assessments on current and new construction, through a Township wide annual assessment and through a water utility district tax levy annual assessment (See Note 6).

The payment through the special assessments is a three tier collection. They consist of:

	Residential	Commercial	Total
Secondary Assessment deferred	\$ 324,281	\$ 122,040	\$ 446,321
Primary Assessment deferred	117,399	16,776	134,175
Ten Year Installment payment plan	-	-	-
Total Assessments	\$ 441,680	\$ 138,816	\$ 580,496

The definition for these assessment categories is as follows:

The secondary assessment deferred is for vacant properties and for that portion of occupied properties that can be subdivided into future lots. The assessment will become due and payable when the property is subdivided or developed.

The primary assessment deferred is for occupied properties but not connected to the municipal water system. The assessment will become due and payable in full when the building is connected to the water system.

The ten year installment assessment are those properties that connected to the water system and are paying their assessments over a ten year period. The assessments were collected in full during 2019.

TOWN OF FOND DU LAC
FOND DU LAC COUNTY, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2020

NOTE 8 - UTILITY DISTRICT (continued)

The Town of Fond du Lac entered into an agreement with the Village of North Fond du Lac to supply adequate water for this new system. The Village of North Fond du Lac will be responsible for the billing and collection of water charges to the customers. The Town of Fond du Lac will be responsible for the maintenance cost of the system.

To adequately supply sufficient water and water pressure to the utility water district the Village of North Fond du Lac constructed a 250,000 gallon elevated storage water tank on land owned by the Village in the Town of Fond du Lac. The Village will lease the real estate, building and the storage tank back to the Town over a twenty year period after which time the Town can purchase the real estate and water tower for one dollar.

In addition to the base payments, the Town of Fond du Lac will reimburse the Village of North Fond du Lac for all operating expenses incurred by the Village in the operations of the water tank. These operating costs would include insurance, utility charges, maintenance, repair and replacement cost and other operating costs relating to the operations of the real estate and water tower.

In April, 2018, the Town received the final paperwork transferring the ownership of the real estate, building and storage tank from the Village to the Town.

NOTE 9 - REVENUE SHARING - CITY

The Town of Fond du Lac entered into an agreement with the City of Fond du Lac to share a portion of the state shared revenue received from the State of Wisconsin from construction of a combustion turbine electric power plant in the Town of Fond du Lac. For the sharing of these revenues, the City constructed and will maintain a water main to the power plant. Currently, the Town is required to remit 50% of the shared revenues generated from the combustion turbine electric power plant to the City on this project. In 2020, the Town of Fond du Lac gave a total of \$127,200 to the City of Fond du Lac.

NOTE 10 - INTERFUND ASSETS/LIABILITIES

Due from/to Other Funds balance at December 31, 2020 is as follows:

Fund	Due From Other Funds	Due To Other Funds
General Fund	\$ 6,288	\$ 22,125
Fiduciary Fund	-	6,288
GO Debt Fund	22,125	-
Total	\$ 28,413	\$ 28,413

NOTE 11 - SANITARY SEWER CAPACITY

In 1987, the Town of Fond du Lac purchased from the City of Fond du Lac sewer treatment capacity for the Town of Fond du Lac at a cost of \$810,000. As the Township develops, existing town sanitary districts and newly formed sanitary districts can purchase from the Town the necessary sewer capacity. The cost to the sanitary districts will be the initial cost incurred by the Town, plus an adjustment based on the Consumer Price Index. As of December 31, 2020 the Town still owned sewer capacity at four different connection points located in the Township.

TOWN OF FOND DU LAC
FOND DU LAC COUNTY, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2020

NOTE 12 - RISK MANAGEMENT

The Township is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township has obtained coverage from commercial insurance companies. The Township has comprehensive general liability coverage of \$2,000,000 per occurrence and a \$4,000,000 aggregate limit.

All risk management activities are accounted for in the General Fund of the Township. Expenditures and claims are recognized when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. In determining claims, events that might create claims, but for which none have been reported, are considered.

Management estimates that the amount of actual or potential claims against the Township as of December 31, 2020, will not materially affect the financial condition of the Township. Therefore, the financial statements contain no provision for estimated claims. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

NOTE 13 - ASSIGNED FUND BALANCES

Unreserved fund balances that have been earmarked by the Town Board for specified purposes are considered designated. Such designated fund balances at December 31, 2020 are as follows:

Assigned fund balances:	General Fund
Town hall	\$ 26,720
Fire dept equipment	71,505
Highway road improvements	217,403
Total designated fund balances	<u>\$ 315,628</u>

TOWN OF FOND DU LAC
FOND DU LAC COUNTY, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2020

NOTE 14 - WASTEWATER TREATMENT RIGHTS

The City of Fond du Lac finished the construction of its new wastewater treatment plant in 2009. The City notified the Town of Fond du Lac regarding its share of the construction cost. The Town of Fond du Lac's share of the construction cost is \$642,099, which is 1.5% of the total cost. The Town of Fond du Lac has issued a general obligation promissory note to the City of Fond du Lac. The note is payable in annual installments of \$46,365, which includes interest. The resolution authorizing the general obligation notes has a final payment due in 2025 (See Note 6).

NOTE 15 - SUBSEQUENT EVENTS

The Town of Fond du Lac has determined that the proper date for evaluation of subsequent events is the date that the financial statements were available to be issued, which is August 5, 2021.

NOTE 16 - UPCOMING ACCOUNTING PRONOUNCEMENTS

In June 2017, the GASB issued Statement No. 87, Leases. The Statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. This statement is effective for reporting periods beginning after December 15, 2021. The Town is currently evaluating the impact this standard will have on the financial statements when adopted.

SECTION III
REQUIRED SUPPLEMENTAL INFORMATION

GENERAL FUND

TOWN OF FOND DU LAC
FOND DU LAC COUNTY, WISCONSIN
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended December 31, 2020

	Original and Final Appropriated Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
<u>Taxes</u>			
Property tax	\$ 598,729	\$ 598,729	\$ -
<u>Intergovernmental Revenues</u>			
State shared taxes	443,605	415,508	(28,097)
State highway aid	75,201	84,779	9,578
State fire insurance dues	14,000	16,093	2,093
State recycling grant	6,500	6,517	17
Other state aid	1,300	55,582	54,282
Total Intergovernmental Revenues	540,606	578,479	37,873
<u>Fees, Fines, and Costs</u>			
Licenses - liquor	-	2,900	2,900
Licenses - soda & cigarettes	-	200	200
Licenses - operator	-	765	765
Licenses - dog	-	-	-
Licenses - other	-	325	325
Franchise fee	-	49,557	49,557
Building & electrical permits	25,000	35,574	10,574
Garbage pickup	150,000	159,214	9,214
Mobile home tax	-	1,735	1,735
Street lighting	-	7,064	7,064
Board of appeals	-	800	800
Ordinance fees	-	600	600
Park fees	-	1,500	1,500
Fire fees	-	-	-
Title survey and plat fees	-	3,160	3,160
Total Fees, Fines, and Costs	175,000	263,394	88,394
<u>Other Income</u>			
Interest income	-	1,022	1,022
Miscellaneous	79,000	178,299	99,299
Water and sewer hookups	-	-	-
Total Other Income	79,000	179,321	100,321
Total Revenue	<u>\$ 1,393,335</u>	<u>\$ 1,619,923</u>	<u>\$ 226,588</u>

See accompanying note to required supplementary information.

**TOWN OF FOND DU LAC
FOND DU LAC COUNTY, WISCONSIN
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

For the Year Ended December 31, 2020

	Original and Final Appropriated Budget	Actual	Variance Favorable (Unfavorable)
EXPENDITURES			
<u>General Government</u>			
Town Board			
Salary - chairperson	\$ -	\$ 12,600	\$ -
Salaries - supervisors	-	18,220	-
Operating expenses	-	20,071	-
Total Town Board	<u>50,000</u>	<u>50,891</u>	<u>(891)</u>
Town Clerk			
Salary - clerk	-	23,600	-
Operating expenses	-	12,929	-
Total Town Clerk	<u>32,000</u>	<u>36,529</u>	<u>(4,529)</u>
Town Treasurer			
Salary - treasurer	-	16,700	-
Operating expenses	-	5,224	-
Total Town Treasurer	<u>22,000</u>	<u>21,924</u>	<u>76</u>
Town Assessor			
Salary - assessor	-	-	-
Operating expenses	-	19,100	-
Total Town Assessor	<u>25,000</u>	<u>19,100</u>	<u>5,900</u>
Elections			
Operating expenses	-	16,226	-
Total Elections	<u>8,000</u>	<u>16,226</u>	<u>(8,226)</u>
Professional Services			
Legal	-	47,735	-
Accounting and auditing	-	7,750	-
Engineering	-	2,768	-
Total Professional Services	<u>73,000</u>	<u>58,253</u>	<u>14,747</u>
Board of Appeals			
Operating expenses	-	2,135	-
Total Board of Appeals	<u>2,000</u>	<u>2,135</u>	<u>(135)</u>
Town Hall			
Operating expenses	-	26,308	-
Capital Outlay	-	10,000	-
Total Town Hall	<u>50,000</u>	<u>36,308</u>	<u>13,692</u>

See accompanying note to required supplementary information.

**TOWN OF FOND DU LAC
FOND DU LAC COUNTY, WISCONSIN
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

For the Year Ended December 31, 2020

	Original and Final Appropriated Budget	Actual	Variance Favorable (Unfavorable)
EXPENDITURES			
<u>General Government (cont'd)</u>			
Parks, Recreational, Cultural	-	1,076	(1,076)
Planning	5,000	1,454	3,546
Noise settlement	4,000	-	4,000
Revenue sharing - City	<u>125,000</u>	<u>127,200</u>	<u>(2,200)</u>
Total General Government	396,000	371,096	24,904
<u>Public Health and Safety</u>			
Fire Department			
Salary - fire chief	-	9,504	-
Operating expenses	-	100,271	-
Capital outlay	-	<u>193,982</u>	-
Total Fire Department	<u>150,140</u>	<u>303,757</u>	<u>(153,617)</u>
Inspection			
Salaries	-	39,747	-
Operating Expenses	-	<u>4,856</u>	-
Total Inspection	<u>40,000</u>	<u>44,603</u>	<u>(4,603)</u>
Humane Society	100	-	100
Garbage and Recycling Service	240,000	258,396	(18,396)
Ambulance Service	175,000	218,186	(43,186)
Water & Sewer Service	1,380	33,679	(32,299)
Insurance	<u>45,000</u>	<u>37,328</u>	<u>7,672</u>
Total Public Health and Safety	651,620	895,949	(244,329)

See accompanying note to required supplementary information.

TOWN OF FOND DU LAC
FOND DU LAC COUNTY, WISCONSIN
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended December 31, 2020

	<u>Original and Final Appropriated Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
EXPENDITURES			
<u>Highway and Roads</u>			
Salaries	-	86,822	-
Operating expenses	-	242,400	-
Repairs & maintenance - contracted	-	-	-
Capital outlay	-	8,344	-
	<u>345,715</u>	<u>337,566</u>	<u>8,149</u>
Total Highway & Roads			
	<u>345,715</u>	<u>337,566</u>	<u>8,149</u>
Total Expenditures	<u>1,393,335</u>	<u>1,604,611</u>	<u>(211,276)</u>
Excess of Revenues Over (Under)			
Expenditures	-	15,312	15,312
Fund balance - beginning of year	<u>-</u>	<u>471,171</u>	<u>-</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ 486,483</u>	<u>\$ -</u>

See accompanying note to required supplementary information.

TOWN OF FOND DU LAC
FOND DU LAC COUNTY, WISCONSIN
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2020

Budgetary Data

The Town Board adopts an annual legal budget which covers the General Fund. The budget is prepared on the modified accrual basis of accounting. The Budgetary Comparison Schedule, included in the required supplementary information, presents a comparison of budgetary data to actual results of operations for the General Fund.