

**\*\*\*ATTACHMENTS\*\*\***

**CITY OF SHEBOYGAN**

**REQUEST FOR FINANCE AND PERSONNEL COMMITTEE CONSIDERATION**

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**ITEM DESCRIPTION:** Submitting the Annual Financial Report of the City of Sheboygan for the year ended December 31, 2019, prepared by Clifton Larson Allen (CLA).

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**REPORT PREPARED BY:** Marty Halverson, Finance Director

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**REPORT DATE:** September 14, 2020

**MEETING DATE:** September 14, 2020

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**FISCAL SUMMARY:**

Budget Line Item: N/A  
Budget Summary: N/A  
Budgeted Expenditure: N/A  
Budgeted Revenue: N/A

**STATUTORY REFERENCE:**

Wisconsin Statutes: N/A  
Municipal Code: N/A

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**BACKGROUND / ANALYSIS:**

Annually the City of Sheboygan contracts with independent auditors to perform an audit of the financial statements. Included in the audit is a report on internal controls and a review of required compliance for Federal and State funding.

**STAFF COMMENTS:**

The audit of the 2019 financials of the City of Sheboygan was conducted by CliftonLarsonAllen LLP (CLA). The timing and flow of this year’s audit was impacted by COVID-19 as the entire audit was completed remotely. The City received an unmodified opinion on the basic financial statements, no indication of noncompliance for federal and state financial assistance, but does have three repeat control deficiencies reported. These deficiencies were noted in 2018 and a corrective action plan was communicated and continues to be worked on. As part of the corrective action plan the City contracted in 2019 to have an operational assessment performed of the Finance and Human Resources Departments with some overlap of the Information Technology Department. The assessment was completed by a different business sector of CliftonLarsonAllen LLP and presented to the Common Council for approval on May 18, 2020.

The City's General fund balance continues to have a strong reserve at \$17.7 million unrestricted and Governmental Funds fund balance of \$35 million unrestricted. The outstanding debt of \$49.1 million remains at a low level compared to statutory limit of \$146 million (5% of the Equalized City valuation). Working capital for the Health Insurance and Workers Comp Funds still remain strong at \$4.09 million and \$2.27 million respectively.

**ACTION REQUESTED:**

Motion to recommend the Common Council accept and file R.O. No. \_\_-20-21 submitting the Annual Financial Report for the year ended December 31, 2019.

**ATTACHMENTS:**

- I. R.O. No. \_\_-20-21.
- II. Annual Financial Report

**DIRECT REFERRAL TO FINANCE AND PERSONNEL COMMITTEE**

R. O. No. 67 - 20 - 21. By FINANCE DIRECTOR. September 14, 2020.

Submitting the Comprehensive Annual Financial Report of the City of Sheboygan for the year ended December 31, 2019, prepared by CLA.

\_\_\_\_\_  
FINANCE DIRECTOR

FAP

# City of Sheboygan, Wisconsin

## ANNUAL FINANCIAL REPORT

December 31, 2019



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WEALTH ADVISORY  
OUTSOURCING  
AUDIT, TAX, AND  
CONSULTING

# City of Sheboygan, Wisconsin

DECEMBER 31, 2019

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# City of Sheboygan, Wisconsin

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# City of Sheboygan, Wisconsin

DECEMBER 31, 2019

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## SINGLE AUDIT SECTION

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To the City Common Council  
City of Sheboygan, Wisconsin

## REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Sheboygan, Wisconsin (the "City") as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

### AUDITORS' RESPONSIBILITY

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Water Utility Enterprise Fund, which is both a major fund and 58 percent, 60 percent, and 39 percent of the assets, net position, and revenues of the City's business-type activities. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Water Utility Enterprise Fund of the City of Sheboygan, Wisconsin, are based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Water Utility Enterprise Fund were not audited in accordance with *Government Auditing Standards*.

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

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

## **OPINIONS**

In our opinion based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **EMPHASIS OF MATTER**

As described in Note 1, during 2019, the City adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*. As a result of the implementation, the City established custodial funds for taxes, special charges, and assessments collected for others. Our opinions are not modified with respect to this matter.

As described in Note 4.F., the City recorded a prior period adjustment to increase accounts receivable and fund balance / net position by \$86,367 in the general fund and governmental activities. The prior period adjustment also increased accounts receivable and net position by \$502,813 in the enterprise fund financial statements and business-type activities.

## **OTHER MATTERS**

### **Prior Year Summarized Financial Statements**

We have previously audited the City's 2018 financial statements, and our report dated June 11, 2019, expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information from which the prior year summarized financial information was derived. Our opinion made reference to other auditors of the Water Utility Fund. Based on our report and the report of other auditors, the summarized comparative information presented herein as of and for the year ended December 31, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 13 and the schedules relating to pensions and other postemployment benefits on pages 81 through 84 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Other Information**

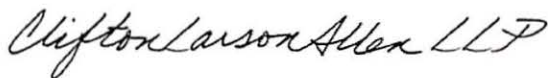
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The schedules of expenditures of federal and state awards are presented for purposes of additional analysis, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration, are presented for purposes of additional analysis and are also not a required part of the basic financial statements.

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

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the City as of and for the year ended December 31, 2018, and have issued our report thereon dated June 11, 2019, which contained unmodified opinions on the respective financial statements and made reference to other auditors of the Water Utility Fund. The nonmajor combining statements and budget to actual schedules for the year ended December 31, 2018 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 were derived from and relate directly to the underlying accounting and other records used to prepare the 2018 financial statements. The nonmajor combining statements and budget to actual schedules have been subjected to the auditing procedures applied in the audit of the 2018 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the nonmajor combining statements and budget to actual schedules are fairly stated in all material respect in relation to the basic financial statements as a whole for the year ended December 31, 2018.

#### **OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS**

In accordance with *Government Auditing Standards*, we have also issued our report dated July 30, 2020, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Sheboygan, Wisconsin  
July 30, 2020

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2019

The management's discussion and analysis and financial statements for the fiscal year December 31, 2019 are designed to assist the reader in focusing on significant fiscal issues; provide an overview of the city's financial activity; identify changes in the city's financial position as well as any material deviations from the financial plan (approved budget) and issues and concerns.

The management's discussion and analysis is designed to focus on the current year's activities, resulting changes and currently known facts.

### FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the City of Sheboygan exceeded liabilities and deferred inflows by \$218,820,362 (total net position) for the fiscal year reported, which is an increase of \$12,008,118 from the previous year.
- The 2019 change in net position for governmental activities increased net position by \$4,966,802 and business-type activities increased net position by \$6,452,136.
- As of December 31, 2019, the fund balance for the governmental funds totaled \$47,263,753 and proprietary funds net position totaled \$77,895,036.
- The unassigned fund balance for the general fund was \$17,723,920, which represents 48 percent of the total general fund expenditures budgeted in 2019.
- The city's total net general obligation debt at December 31, 2019 was \$49.1 million, an increase of \$4,250,049 from the December 31, 2018 level of \$44.9 million.

### OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis is intended to serve as an introduction to the city's basic financial statements. The basic financial statements include three components: 1) **government-wide** financial statements, 2) **fund** financial statements, 3) **notes** to the basic financial statements. The report also contains other supplementary and required supplementary information in addition to the basic financial statement.

#### Government-Wide Financial Statements

The government-wide financial statements (pages 14 - 16) are designed to be corporate-like in that governmental and business type activities are consolidated for a total of the primary government.

The *statement of net position* presents information on all of the city's assets, liabilities and deferred outflows/inflows of resources with the difference reported as net position. Net position is presented in three categories. The categories listed below are presented in order of increasing liquidity:

- 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.
- 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.
- Unrestricted net position - Net position that is neither classified as restricted nor as net investment in capital assets.

Increasing or decreasing trends in net position may represent an indicator of the city's improving or deteriorating financial position.

The *statement of activities* presents information showing how the city's net position changed during the reported year. Both the gross and net cost of various activities (including governmental and business-type) and funding sources are summarized. All changes in net position are matched to the event in the fiscal period in which it occurs regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in the statements for some events that will result in future cash flows.

Both of these government-wide financial statements distinguish functions of the City of Sheboygan that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover all or a material portion of the costs through user fees and charges (business-type activities). The governmental activities of the city include general government, public safety, public works, health and human services, culture and recreation and conservation and development. The business-type activities include proprietary funds water utility, sewerage system, transit commission, parking facility, and boat facility and internal service funds health self-insurance, worker compensation self-insurance, motor vehicle, data processing and general liability self-insurance.

### Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources segregated for specific activities or objectives. The city, like other state and local governments, utilizes fund accounting to ensure and demonstrate compliance with finance-related legal requirements. This traditional presentation focuses on the sources and uses of liquid resources and represents the basis for development of the financial plan (the budget). All of the funds can be divided into three categories: governmental, proprietary and fiduciary.

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

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

The city maintains 21 active individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenue, expenditures, and changes in fund balances for the major funds: General Fund, Capital Projects TIF Districts, Capital Projects Bonded, Capital Projects Tax Levy, Debt Service TIF Districts, and the Debt Service GO Debt Fund. Information from the other governmental funds is combined into a single, aggregated presentation. Individual fund data for each of the non-major government funds is provided in the form of combining statements elsewhere in the report.

The city adopts an annual appropriated budget for governmental funds including the general fund, certain special revenue funds, debt service funds, capital project funds and fiduciary funds. A budgetary comparison statement has been provided to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 17 - 23 in the report.

**Proprietary funds:** The city maintains two different types of proprietary funds. Enterprise funds report the same functions presented as business-type activities in the government-wide financial statements. The city uses enterprise funds to account for water utility, sewerage system, transit commission, parking facility, and boat facility. Internal service funds are used to accumulate and allocate funds internally among the city's various functions. Internal service funds are used to account for health self-insurance, worker compensation self-insurance, motor vehicle, data processing and general liability self-insurance.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the sewerage system, water utility and transit commission, which are considered to be major funds. Information on the other enterprise funds are combined in a single, aggregated presentation in the proprietary fund financial statements.

The basic proprietary fund financial statements can be found on pages 24 - 33 in the report.

**Fiduciary funds:** Fiduciary funds are not used to account for resources collected or held for the benefit of parties outside the government. Fiduciary funds are not included in the government-wide financial statements because those resources are held for others outside the government.

The fiduciary fund financial statements can be found on page 34 of the report.

#### **NOTES TO THE BASIC FINANCIAL STATEMENTS:**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 36 - 80 of the report.

**Other Information:** The required supplementary information relating to pensions and other post-employment benefits and the combining statements are presented immediately following the notes to the basic financial statements. The required supplementary information, combining and individual fund statements and schedules can be found on pages 81 - 122 of the report.

#### **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The discussion and analysis requires focus on the current-year results in comparison with the prior year and discussion on any positive or negative variance.

The net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Sheboygan, assets and deferred outflows exceed liabilities and deferred inflows by \$216.1 million at the close of the most recent fiscal year.

The largest portion of the city's net position (64 percent) reflects the net investment in capital assets (e.g. land, buildings, improvements, infrastructure, machinery, etc.) at historic cost, less any outstanding related debt used to acquire the assets. The city uses the capital assets to provide services to the citizens: consequently, the assets are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that resources needed to repay the debt must be provided from other sources since the capital assets themselves cannot be used to liquidate the liabilities.

City of Sheboygan  
Condensed Statements of Net Position  
For the Year Ended December 31, 2019 and 2018  
(in thousand of dollars)

	Governmental Activities		Business-type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 102,192	\$ 115,798	\$ 26,307	\$ 24,575	\$ 128,499	\$ 140,373
Capital assets, net	140,390	131,846	77,626	74,146	218,016	205,992
Total Assets	<u>242,582</u>	<u>247,644</u>	<u>103,933</u>	<u>98,721</u>	<u>346,515</u>	<u>346,365</u>
Deferred outflows of resources	<u>20,371</u>	<u>11,323</u>	<u>3,462</u>	<u>1,986</u>	<u>23,833</u>	<u>13,309</u>
Long-term liabilities outstanding	77,588	75,104	25,405	23,745	102,993	98,849
Other liabilities	5,521	8,664	1,785	3,380	7,306	12,044
Total Liabilities	<u>83,109</u>	<u>83,768</u>	<u>27,190</u>	<u>27,125</u>	<u>110,299</u>	<u>110,893</u>
Deferred inflows of resources	<u>38,919</u>	<u>39,327</u>	<u>2,310</u>	<u>2,642</u>	<u>41,229</u>	<u>41,969</u>
Net Position						
Net investment in capital assets	82,604	77,579	56,784	53,254	139,388	130,833
Restricted	23,237	35,153	3,242	1,497	26,479	36,650
Unrestricted	35,084	23,140	17,869	16,189	52,953	39,329
Total Net Position	<u>\$ 140,925</u>	<u>\$ 135,872</u>	<u>\$ 77,895</u>	<u>\$ 70,940</u>	<u>\$ 218,820</u>	<u>\$ 206,812</u>

The city's unrestricted position of \$53.0 million may be used to meet the ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the city is able to report positive balances in all categories of net positions; for the city as a whole, as well as for the separate governmental and business-type activities.

City of Sheboygan  
Statement of Activities and Change in Net Position  
For the Year Ended December 31, 2019 and 2018  
(in thousand of dollars)

	Governmental Activities		Business-type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	\$ 8,390	\$ 7,976	\$ 18,829	\$ 18,875	\$ 27,219	\$ 26,851
Operating grants and contributions	5,553	6,216	3,450	2,853	9,003	9,069
Capital grants and contributions	1,965	143	3,974	79	5,939	222
General revenues:						
Taxes	27,211	25,880	512	512	27,723	26,392
Other taxes	1,933	1,966	-	-	1,933	1,966
Grants and contributions not restricted to specific programs	11,771	12,121	-	-	11,771	12,121
Other	2,101	2,049	470	326	2,571	2,375
Total revenue	<u>58,924</u>	<u>56,351</u>	<u>27,235</u>	<u>22,645</u>	<u>86,159</u>	<u>78,996</u>
Expenses:						
General government	4,490	4,652	-	-	4,490	4,652
Public safety	23,568	23,713	-	-	23,568	23,713
Public works	14,592	11,262	-	-	14,592	11,262
Health and human services	213	220	-	-	213	220
Culture and recreation	6,892	6,877	-	-	6,892	6,877
Conservation and development	3,551	5,060	-	-	3,551	5,060
Interest on long-term debt	2,029	1,235	-	-	2,029	1,235
Sewerage system	-	-	7,328	8,128	7,328	8,128
Water utility	-	-	7,024	6,430	7,024	6,430
Transit commission	-	-	4,360	4,157	4,360	4,157
Parking utility	-	-	521	444	521	444
Boat facility	-	-	172	143	172	143
Total expense	<u>55,335</u>	<u>53,019</u>	<u>19,405</u>	<u>19,302</u>	<u>74,740</u>	<u>72,321</u>
Increase (decrease) in net position before transfers	3,589	3,332	7,830	3,343	11,419	6,675
Net transfers	1,378	1,377	(1,378)	(1,377)	-	-
Change in net position	<u>4,967</u>	<u>4,709</u>	<u>6,452</u>	<u>1,966</u>	<u>11,419</u>	<u>6,675</u>
Net Position - January 1, as originally stated	135,872	131,163	70,940	68,974	206,812	200,137
Prior period adjustment	86	-	503	-	589	-
Net Position - January 1, restated	<u>135,958</u>	<u>131,163</u>	<u>71,443</u>	<u>68,974</u>	<u>207,401</u>	<u>200,137</u>
Net Position - December 31	<u>\$ 140,925</u>	<u>\$ 135,872</u>	<u>\$ 77,895</u>	<u>\$ 70,940</u>	<u>\$ 218,820</u>	<u>\$ 206,812</u>

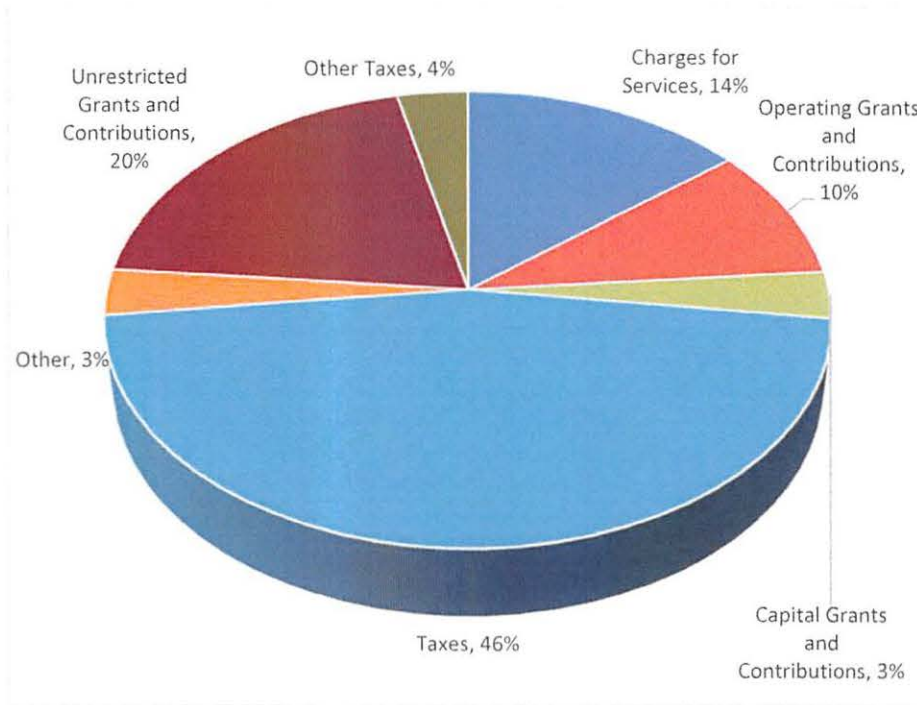
**Governmental Activities**

Governmental activities increased the city's net position by \$5.0 million. Details of significant changes are listed below.

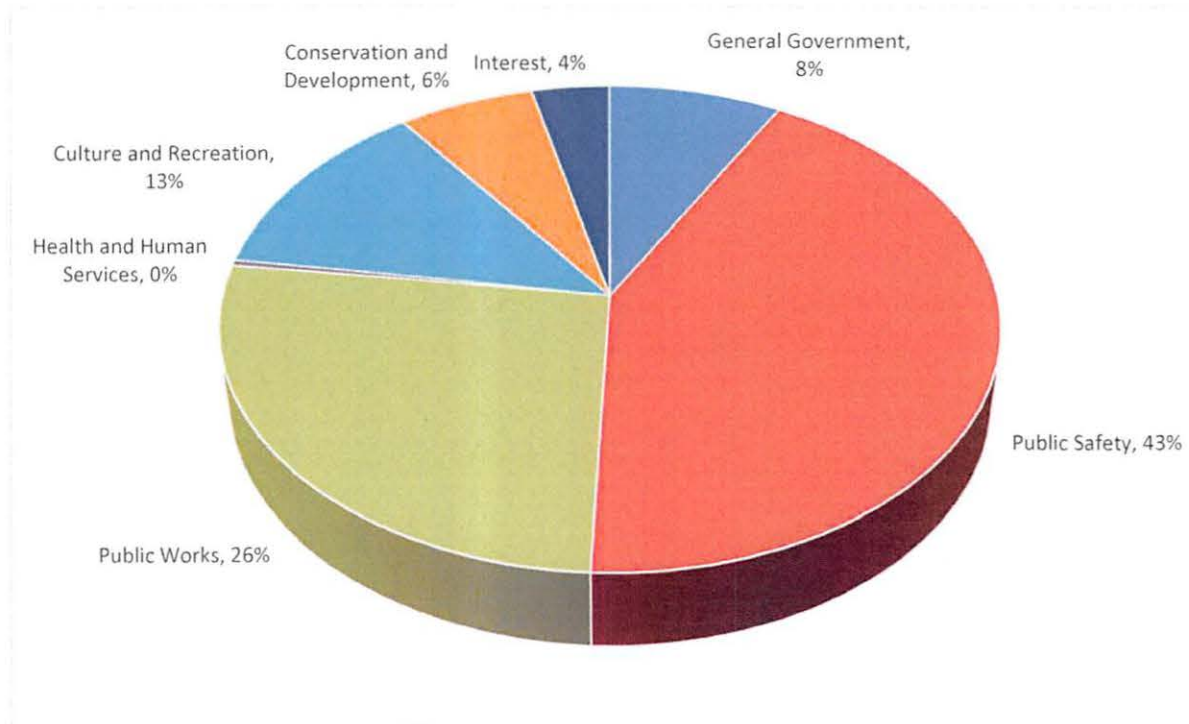
Key elements of change are as follows:

- Governmental activity revenues increased \$2.6 million over 2018.
  - General revenue taxes increased \$1.3 million, within property taxes and tax increment.
  - The aggregate of the operating grants and contributions and capital grants and contributions increased \$1.2 million.
- Governmental activity expenses increased \$2.3 million over 2018.
  - Public works activities increased \$3.3 million, largely due to an increase in maintenance and repairs and other projects.
  - Conservation and development decreased \$1.5 million, primarily due to a reduction in development project expenses and developer incentives.
  - Interest on long-term debt increased \$796 thousand, as the City's total general obligation debt increased.

Governmental activities operating revenue by source include \$27.2 million of tax revenue or 46 percent of total revenue. Operating grants and contribution revenues total \$5.55 million or 9 percent of revenues, with capital grants and contributions of \$2.0 million or 3 percent of revenues. The chart below illustrates the revenues by source.



Governmental activities operating expenses totaled \$55.3 million, an increase of \$2.3 million over 2018. The chart below illustrates the largest expense of the city is 43 percent of total expenses for Public Safety.



### **Business-type Activities**

Business-type activities increased the city's net position by \$6.5 million. Key elements of this change are as follows:

- The Water Utility recorded an increase in net position of \$2.5 million. Operating revenue exceeded operating expenses by \$2.3 million.
- The Sewerage System recorded an operating income of \$1.5 million and had an increase of \$2.2 million in net position, of which \$678 thousand is a non-operating grant related to a State Clean Water Fund Loan.
- The Transit Commission and Parking Facility each experienced an increase in net position totaling \$1.9 million.
- Boat Facility experienced a reductions in net position of \$119 thousand.

### **Financial Analysis of the City of Sheboygan's Funds:**

The city utilizes fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds:** The focus of city government is to provide information on near-term inflows, outflows and balances of spendable resources. The information is useful to assess financial requirements. The unassigned fund balance serves as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current year, the city's governmental funds reported combined ending fund balances of \$47.3 million, a decrease of \$6.2 million. The unassigned fund balance, net of the Harbor Centre Marina and Capital Projects TIF Districts deficits, of \$17.7 million is available for spending at the Common Council's discretion. The remainder of the fund balance is categorized as follows:

- Non-spendable balances in the general fund for inventories and prepaid items (\$156 thousand); long-term accounts and interfund receivables (\$1.9 million); inventories and prepaid items in nonmajor governmental funds (\$102 thousand); and cemetery perpetual care (\$950 thousand).
- Restricted in the amount of \$18.0 million as a result of external restrictions or enabling legislation.
- Committed by the Common Council for development purposes in the amount of \$350 thousand in the general fund, \$5.4 million in the capital projects tax levy fund and \$3.6 million in nonmajor governmental funds.
- Assigned by the Common Council in the general fund is \$1,588,088 assigned for subsequent year expenditures.

The General Fund is the main operating fund of the city. At the end of the current year the assigned and unassigned fund balance of the General Fund was \$19.3 million and the total fund balance was \$21.7 million. As a measure of funds liquidity, it may be useful to compare both assigned and unassigned fund balances and total fund balance to the total fund's expenditures. Liquid fund balance represents 52.4 percent of the total fund expenditures, while total fund balance represents 58.8 percent of the same amount.

The Common Council by resolution established a policy to maintain the General Fund unassigned fund balance at an amount of 25 percent of the subsequent years general fund expenditures, not including debt service. The objective of the city is to preserve the credit worthiness of the city for issuing debt at favorable interest rates and to provide working capital to meet cash flow needs during the year.

Proprietary Funds: The statements of the proprietary funds provide the same type of information found in the government-wide financial statements. Unrestricted net position of all the proprietary operations at the end of the year amounted to \$17.8 million, an increase of \$1.7 million from 2018. Factors concerning the operational results of these funds have already been discussed in the discussion of the city's business-type activities.

### **General Fund Budgetary Highlights**

General Fund revenues exceeded the final budget by \$536 thousand, of which \$388 thousand is attributable to miscellaneous revenues and \$469 thousand is attributable to licenses and permits. Operating expenditures were \$1.7 million under budgeted, of which \$803 thousand was general government and \$497 thousand was public safety.

## **Capital Assets and Debt Administration**

**Capital assets:** The city's investment in capital assets for the governmental and business-type activities at the end of the current year totaled \$218 million (net of depreciation). The investment in assets include land, building, machinery, equipment and infrastructure. The chart below compares 2019 to 2018 capital assets.

City of Sheboygan Capital Assets  
For the Year Ended December 31, 2019 and 2018  
(in thousand of dollars)

	Governmental Activities		Business-type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Land	\$ 19,218	\$ 18,959	\$ 1,129	\$ 1,129	\$ 20,347	\$ 20,088
Building and improvements	26,130	16,429	6,152	6,605	32,282	23,034
Improvements other than buildings	20,775	7,870	6,410	6,310	27,185	14,180
Machinery and equipment	8,568	8,104	9,692	7,640	18,260	15,744
Infrastructure	65,699	62,805	53,934	47,915	119,633	110,720
Construction in progress	-	17,679	309	4,547	309	22,226
Total Capital Assets	<u>\$ 140,390</u>	<u>\$ 131,846</u>	<u>\$ 77,626</u>	<u>\$ 74,146</u>	<u>\$ 218,016</u>	<u>\$ 205,992</u>

Additional information on the city's capital assets can be found on Note 3.C. of the notes to the financial statements on pages 51 - 52 of the report.

**Long-term Debt:** The City of Sheboygan's total general obligation debt outstanding at fiscal year-end 2019 was \$49.1 million, all backed by the full faith and credit of the government. The city maintains a Aa2 credit rating by Moody's Investors Service.

State statutes limit the amount of general obligation debt a governmental entity may issue to five percent of the total equalized valuation. The outstanding debt limit for the City of Sheboygan as of December 31, 2019 was \$108 million based on the 2019 equalized valuation of \$2.9 billion. The Common Council has established a policy to maintain outstanding debt in an amount not exceeding 60 percent of the city's aggregate statutory borrowing limited prescribed by State Statute.

The city issued \$10.855 million of refunding bonds and \$3 million of taxable refunding bonds. General obligation debt totaled \$49.1 million at fiscal year-end 2019, which is 1.7 percent of the city's equalized valuation.

Additional information on the city's long-term debt can be found in Note 3.E. on pages 55 - 60 of the report.

### **Economic Factors and Next Year's Budget Rates**

The city's annual unemployment rate of 2.7 percent for December 2019 is favorable in comparison to the State of Wisconsin's rate of 3.3 percent. The economic outlook was viewed as slow steady growth, however COVID-19 has had significant impact across the country with the City of Sheboygan unemployment rate of 12.5% as of May 2020.

- Residential multifamily units totaling 318 units at a cost of \$70.5 million were in various phases of construction at the end of 2019. These are being constructed to meet the demands of affordable and market rate housing needs in the City. Seven single-family homes including duplexes were constructed in 2019 at a value of \$1.2 million.
- City wage rates are budgeted to increase 2.25 percent in 2020 and the health insurance budgeted 5 percent increase. All employees contribute to the WI Retirement defined benefit plan, with the city matching the employer share of contribution.
- The city bargains with four unions and associations, the Sheboygan Professional Police Officers Association; Sheboygan Professional Police Officers Supervisory Association, International Association of Firefighters Local 483 and Amalgamated Transit Union #998. The contract terms for the two Police Associations expire on December 31, 2021 and the Transit Union expires on December 31, 2022. The Association of Firefighters expires on December 31, 2020.
- The city anticipated and retained the Aa2 rating level from Moody's Investors Service in early 2020.
- The capital improvement plan for 2019 anticipates general obligation borrowing of \$3.6 million in 2020.

All of the above factors were considered in preparation of the 2020 budget.

### **Requests for Information**

The financial report is designed to provide a general overview of the City of Sheboygan's finances for all those with an interest. Additional information on items provided in the report can be requested in writing addressed to the City of Sheboygan Finance Department, 828 Center Avenue, Sheboygan WI 53081 or viewed on the city website [www.sheboyganwi.gov](http://www.sheboyganwi.gov) under the Finance Department.

## BASIC FINANCIAL STATEMENTS

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# City of Sheboygan, Wisconsin

## STATEMENT OF NET POSITION DECEMBER 31, 2019 WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2018

	Governmental Activities	Business-type Activities	Totals		Component Unit
			2019	2018	Housing Authority
<b>ASSETS</b>					
Cash and investments	\$ 70,077,864	\$ 19,116,429	\$ 89,194,293	\$ 86,541,160	\$ 4,145,080
Receivables					
Taxes and special charges	18,211,232	468,192	18,679,424	28,003,928	-
Delinquent taxes	70,076	-	70,076	46,371	-
Accounts, net	1,827,855	2,755,960	4,583,815	4,356,983	23,378
Special assessments	406,292	553,556	959,848	1,236,227	-
Loans	7,331,367	-	7,331,367	7,746,585	-
Other	635	16,897	17,532	25,749	192,456
Internal balances	1,221,338	(1,221,338)	-	-	-
Due from other governments	528,311	286,791	815,102	753,146	26,951
Inventories and prepaid items	311,075	327,230	638,305	583,922	34,028
Investment in CVMIC	2,205,665	-	2,205,665	2,205,665	-
Restricted assets					
Cash and investments	-	4,003,314	4,003,314	1,675,291	115,663
Net pension asset	-	-	-	7,197,868	-
Capital assets, nondepreciable	19,218,202	1,438,255	20,656,457	42,313,926	501,338
Capital assets, depreciable, net	121,171,791	76,187,833	197,359,624	163,677,867	2,445,709
Total assets	242,581,703	103,933,119	346,514,822	346,364,688	7,484,603
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension related amounts	20,081,976	3,390,611	23,472,587	13,108,853	219,381
Other postemployment related amounts	288,816	71,652	360,468	199,981	11,956
Total deferred outflows of resources	20,370,792	3,462,263	23,833,055	13,308,834	231,337
<b>LIABILITIES</b>					
Accounts payable	2,355,538	1,210,074	3,565,612	8,178,485	19,065
Accrued and other current liabilities	2,365,461	422,293	2,787,754	3,015,976	106,864
Due to other governments	98,760	5,395	104,155	13,903	-
Accrued interest payable	413,463	102,550	516,013	515,690	-
Special deposits	166,674	33,356	200,030	198,692	80,703
Unearned revenues	120,279	11,851	132,130	120,773	7,598
Long-term obligations					
Due within one year	5,900,768	1,703,613	7,604,381	16,140,994	-
Due in more than one year					
Long-term debt	60,022,587	21,544,827	81,567,414	76,973,499	-
Net pension liability	7,397,848	1,251,125	8,648,973	-	88,237
Other postemployment benefits	4,266,431	905,514	5,171,945	5,734,789	72,915
Total liabilities	83,107,809	27,190,598	110,298,407	110,892,801	375,382
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Property taxes levied for subsequent year	28,346,507	516,662	28,863,169	27,724,220	-
Pension related amounts	10,196,041	1,724,355	11,920,396	14,194,151	126,724
Other postemployment related amounts	376,812	68,731	445,543	50,106	28,693
Total deferred inflows of resources	38,919,360	2,309,748	41,229,108	41,968,477	155,417
<b>NET POSITION</b>					
Net investment in capital assets	82,603,781	56,784,091	139,387,872	130,832,540	2,947,047
Restricted					
Debt service	11,045,261	1,496,425	12,541,686	19,178,877	-
Equipment replacement	-	1,745,725	1,745,725	-	-
Pension	-	-	-	7,197,868	-
Tax incremental financing districts	1,383,584	-	1,383,584	-	-
Community development	8,124,825	-	8,124,825	7,827,915	27,362
Parks	215,908	-	215,908	-	-
Library	917,459	-	917,459	936,724	-
Nonexpendable					
Cemetery care	950,133	-	950,133	908,758	-
Library trust	600,000	-	600,000	600,000	-
Unrestricted	35,084,375	17,868,795	52,953,170	39,329,562	4,210,732
Total net position	\$ 140,925,326	\$ 77,895,036	\$ 218,820,362	\$ 206,812,244	\$ 7,185,141

The notes to the basic financial statements are an integral part of this statement.

# City of Sheboygan, Wisconsin

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2019  
WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2018**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>GOVERNMENTAL ACTIVITIES</b>				
General government	\$ 4,490,073	\$ 1,063,327	\$ 11,605	\$ -
Public safety	23,568,191	3,274,948	555,736	-
Public works	14,592,189	2,378,398	2,949,176	1,821,221
Health and human services	213,379	98,835	-	-
Culture and recreation	6,891,611	847,924	881,965	144,225
Conservation and development	3,551,102	726,482	1,154,379	-
Interest and fiscal charges	2,029,886	-	-	-
Total governmental activities	<u>55,336,431</u>	<u>8,389,914</u>	<u>5,552,861</u>	<u>1,965,446</u>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Sewerage system	7,327,916	8,618,983	678,205	198,893
Water utility	7,023,582	8,902,438	92,024	1,541,118
Transit commission	4,360,334	730,638	2,680,270	2,233,985
Parking facility	520,586	523,258	-	-
Boat facility	172,601	53,581	-	-
Total business-type activities	<u>19,405,019</u>	<u>18,828,898</u>	<u>3,450,499</u>	<u>3,973,996</u>
Total primary government	<u>\$ 74,741,450</u>	<u>\$ 27,218,812</u>	<u>\$ 9,003,360</u>	<u>\$ 5,939,442</u>
Component Unit				
Housing Authority	<u>\$ 2,379,073</u>	<u>\$ 1,178,735</u>	<u>\$ 1,074,071</u>	<u>\$ 2,312</u>
General revenues				
Taxes				
Property taxes				
Tax increments				
Other taxes				
Federal and state grants and other contributions not restricted to specific functions				
Interest and investment earnings				
Miscellaneous				
Gain on sale of assets				
Transfers				
Total general revenues and transfers				
<b>Change in net position</b>				
<b>Net position - January 1, as originally reported</b>				
<b>Prior period adjustment</b>				
<b>Net position - January 1, restated</b>				
<b>Net position - December 31</b>				

The notes to the basic financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position				Component Unit
Governmental Activities	Business-type Activities	Totals		Housing Authority
		2019	2018	
\$ (3,415,141)	\$ -	\$ (3,415,141)	\$ (3,336,093)	\$ -
(19,737,507)	-	(19,737,507)	(20,098,480)	-
(7,443,394)	-	(7,443,394)	(5,857,077)	-
(114,544)	-	(114,544)	(110,190)	-
(5,017,497)	-	(5,017,497)	(4,842,638)	-
(1,670,241)	-	(1,670,241)	(3,204,608)	-
(2,029,886)	-	(2,029,886)	(1,234,017)	-
<u>(39,428,210)</u>	<u>-</u>	<u>(39,428,210)</u>	<u>(38,683,103)</u>	<u>-</u>
-	2,168,165	2,168,165	311,090	-
-	3,511,998	3,511,998	3,184,520	-
-	1,284,559	1,284,559	(860,871)	-
-	2,672	2,672	(43,585)	-
-	(119,020)	(119,020)	(85,698)	-
-	<u>6,848,374</u>	<u>6,848,374</u>	<u>2,505,456</u>	<u>-</u>
<u>(39,428,210)</u>	<u>6,848,374</u>	<u>(32,579,836)</u>	<u>(36,177,647)</u>	<u>-</u>
-	-	-	-	(123,955)
23,257,198	511,547	23,768,745	23,324,477	-
3,953,733	-	3,953,733	3,066,752	-
1,933,369	-	1,933,369	1,965,685	-
11,771,181	-	11,771,181	12,120,530	-
1,794,505	411,773	2,206,278	1,471,009	119,698
214,049	51,674	265,723	185,216	-
92,976	6,769	99,745	719,017	-
1,378,001	(1,378,001)	-	-	-
<u>44,395,012</u>	<u>(396,238)</u>	<u>43,998,774</u>	<u>42,852,686</u>	<u>119,698</u>
<u>4,966,802</u>	<u>6,452,136</u>	<u>11,418,938</u>	<u>6,675,039</u>	<u>(4,257)</u>
135,872,157	70,940,087	206,812,244	200,137,205	7,189,398
<u>86,367</u>	<u>502,813</u>	<u>589,180</u>	<u>-</u>	<u>-</u>
<u>135,958,524</u>	<u>71,442,900</u>	<u>207,401,424</u>	<u>200,137,205</u>	<u>7,189,398</u>
<u>\$ 140,925,326</u>	<u>\$ 77,895,036</u>	<u>\$ 218,820,362</u>	<u>\$ 206,812,244</u>	<u>\$ 7,185,141</u>

# City of Sheboygan, Wisconsin

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2019**

**WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2018**

	<u>General</u>	<u>Capital Projects TIF Districts</u>	<u>Capital Projects Bonded</u>	<u>Capital Projects Tax Levy</u>
<b>ASSETS</b>				
Cash and investments	\$ 25,150,556	\$ 3,098,249	\$ 2,160,245	\$ 6,114,053
Receivables				
Taxes and special charges	10,670,146	-	-	573,112
Delinquent taxes	70,076	-	-	-
Accounts, net	594,324	-	-	100,357
Special assessments	114,450	-	-	-
Loans	10,000	-	-	394,179
Other	-	-	-	-
Due from other funds	1,272,562	-	-	-
Advance to other funds	2,393,871	-	-	456,761
Due from other governments	134,511	-	-	47,493
Inventories and prepaid items	156,402	-	-	-
	<u>\$ 40,566,898</u>	<u>\$ 3,098,249</u>	<u>\$ 2,160,245</u>	<u>\$ 7,685,955</u>
Total assets				
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
Liabilities				
Accounts payable	\$ 432,657	\$ 180,172	\$ 285,412	\$ 929,988
Accrued and other current liabilities	1,584,586	176	-	-
Due to other funds	-	-	-	-
Advance from other funds	-	1,534,317	-	-
Due to other governments	34,549	-	-	-
Special deposits	105,397	-	-	-
Unearned revenues	11,420	-	-	102,664
	<u>2,168,609</u>	<u>1,714,665</u>	<u>285,412</u>	<u>1,032,652</u>
Total liabilities				
Deferred inflows of resources				
Property taxes levied for subsequent year	16,609,115	-	-	892,025
Accounts receivable	-	-	-	-
Loans receivable	-	-	-	394,179
Special assessments	108,796	-	-	-
	<u>16,717,911</u>	<u>-</u>	<u>-</u>	<u>1,286,204</u>
Total deferred inflows of resources				
Fund balances				
Nonspendable	2,018,370	-	-	-
Restricted	-	1,383,584	1,874,833	-
Committed	350,000	-	-	5,367,099
Assigned	1,588,088	-	-	-
Unassigned	17,723,920	-	-	-
	<u>21,680,378</u>	<u>1,383,584</u>	<u>1,874,833</u>	<u>5,367,099</u>
Total fund balances				
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 40,566,898</u>	<u>\$ 3,098,249</u>	<u>\$ 2,160,245</u>	<u>\$ 7,685,955</u>

*The notes to the basic financial statements are an integral part of this statement.*

Debt Service GO Debt	Debt Service TIF Districts	Other Governmental Funds	Totals	
			2019	2018
\$ 5,481,715	\$ 6,864,522	\$ 9,213,110	\$ 58,082,450	\$ 57,082,341
2,275,523	3,064,838	1,627,613	18,211,232	27,350,936
-	-	-	70,076	46,371
-	9,325	1,123,234	1,827,240	1,550,979
-	-	291,842	406,292	702,224
-	103,448	6,823,740	7,331,367	7,746,585
-	587	48	635	635
2,811,581	-	-	4,084,143	4,028,706
382,379	-	-	3,233,011	3,219,360
-	-	345,252	527,256	275,987
-	-	102,141	258,543	261,026
<u>\$ 10,951,198</u>	<u>\$ 10,042,720</u>	<u>\$ 19,526,980</u>	<u>\$ 94,032,245</u>	<u>\$ 102,265,150</u>
\$ 150	\$ 9,500	\$ 445,140	\$ 2,283,019	\$ 5,156,461
-	-	127,014	1,711,776	1,674,039
-	-	2,811,581	2,811,581	2,811,581
-	1,110,043	588,651	3,233,011	3,219,360
-	-	64,211	98,760	11,105
-	-	61,277	166,674	170,975
-	-	5,867	119,951	109,664
<u>150</u>	<u>1,119,543</u>	<u>4,103,741</u>	<u>10,424,772</u>	<u>13,153,185</u>
3,541,758	4,770,295	2,533,314	28,346,507	27,212,673
-	-	140,203	140,203	142,564
-	103,448	6,823,740	7,321,367	7,736,585
-	-	426,847	535,643	692,139
<u>3,541,758</u>	<u>4,873,743</u>	<u>9,924,104</u>	<u>36,343,720</u>	<u>35,783,961</u>
-	-	1,652,274	3,670,644	3,607,749
7,409,290	4,049,434	3,313,171	18,030,312	23,052,386
-	-	3,649,160	9,366,259	350,000
-	-	-	1,588,088	14,051,253
-	-	(3,115,470)	14,608,450	12,266,616
<u>7,409,290</u>	<u>4,049,434</u>	<u>5,499,135</u>	<u>47,263,753</u>	<u>53,328,004</u>
<u>\$ 10,951,198</u>	<u>\$ 10,042,720</u>	<u>\$ 19,526,980</u>	<u>\$ 94,032,245</u>	<u>\$ 102,265,150</u>

# City of Sheboygan, Wisconsin

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2019**

**WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2018**

	<b>2019</b>	<b>2018</b>
<b>RECONCILIATION TO THE STATEMENT OF NET POSITION</b>		
Total fund balances as shown on previous page	\$ 47,263,753	\$ 53,328,004
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.	135,706,351	127,164,361
Other long-term assets are not available to pay current period expenditures and therefore are deferred in the funds.	7,997,213	8,571,288
Net position of the internal service fund is reported in the statement of net position as governmental activities	18,191,204	17,106,197
Some deferred outflows and inflows of resources reflect changes in long-term liabilities and are not reported in the funds.		
Deferred outflows related to pensions	19,513,087	10,840,709
Deferred inflows related to pensions	(9,906,970)	(11,705,992)
Deferred outflows related to other postemployment benefits	284,839	148,715
Deferred inflows related to other postemployment benefits	(366,129)	(41,322)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds and notes payable	(60,650,426)	(64,799,238)
Premium on debt	(1,666,602)	(942,270)
Discount on debt	372	46,053
Capital leases	(501,781)	(718,978)
Compensated absences	(3,104,918)	(3,954,179)
Net pension liability (asset)	(7,188,110)	5,936,120
Other postemployment benefit	(4,233,094)	(4,692,709)
Accrued interest on long-term obligations	(413,463)	(414,602)
Net position of governmental activities as reported on the statement of net position (see page 14)	\$ 140,925,326	\$ 135,872,157

*The notes to the basic financial statements are an integral part of this statement.*

# City of Sheboygan, Wisconsin

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2018**

	General	Capital Projects TIF Districts	Capital Projects Bonded	Capital Projects Tax Levy
<b>REVENUES</b>				
Taxes	\$ 16,644,548	\$ -	\$ -	\$ 1,604,815
Special assessments	-	-	-	-
Intergovernmental	14,198,368	-	-	2,180,340
Licenses and permits	1,389,567	-	-	-
Fines and forfeits	276,852	-	-	-
Public charges for services	1,634,339	-	-	-
Intergovernmental charges for services	260,244	-	-	-
Miscellaneous	733,018	91,495	62,454	329,847
Total revenues	<u>35,136,936</u>	<u>91,495</u>	<u>62,454</u>	<u>4,115,002</u>
<b>EXPENDITURES</b>				
Current				
General government	3,576,275	-	-	-
Public safety	21,303,703	-	-	-
Public works	8,734,350	-	-	-
Health and human services	197,734	-	-	-
Culture and recreation	2,706,354	-	-	-
Conservation and development	365,965	158,497	25,657	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	14,176	50,628	-
Capital outlay	-	3,078,041	3,907,559	7,897,506
Total expenditures	<u>36,884,381</u>	<u>3,250,714</u>	<u>3,983,844</u>	<u>7,897,506</u>
Excess of revenues over (under) expenditures	<u>(1,747,445)</u>	<u>(3,159,219)</u>	<u>(3,921,390)</u>	<u>(3,782,504)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Long-term debt issued	-	4,032,000	5,200,000	-
Premium on debt issued	-	49,025	291,985	-
Proceeds from sale of capital assets	61,867	-	-	5,000
Transfers in	3,311,297	1,542,311	-	125,000
Transfers out	(6,482)	-	(1,097,000)	(6,000)
Total other financing sources (uses)	<u>3,366,682</u>	<u>5,623,336</u>	<u>4,394,985</u>	<u>124,000</u>
<b>Net change in fund balances</b>	<u>1,619,237</u>	<u>2,464,117</u>	<u>473,595</u>	<u>(3,658,504)</u>
<b>Fund balances - January 1, as originally reported</b>	19,974,774	(1,080,533)	1,401,238	9,025,603
<b>Prior period adjustment</b>	<u>86,367</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances - January 1, restated</b>	<u>20,061,141</u>	<u>(1,080,533)</u>	<u>1,401,238</u>	<u>9,025,603</u>
<b>Fund balances - December 31</b>	<u>\$ 21,680,378</u>	<u>\$ 1,383,584</u>	<u>\$ 1,874,833</u>	<u>\$ 5,367,099</u>

The notes to the basic financial statements are an integral part of this statement.

Debt Service GO Debt	Debt Service TIF Districts	Other Governmental Funds	Totals	
			2019	2018
\$ 3,421,889	\$ 4,034,951	\$ 4,144,087	\$ 29,850,290	\$ 28,570,166
-	-	188,967	188,967	226,253
-	91,520	1,982,165	18,452,393	16,808,005
-	-	661,424	2,050,991	1,761,636
-	-	827,692	1,104,544	1,197,313
-	-	2,642,057	4,276,396	3,976,880
-	-	-	260,244	292,357
831,436	151,733	1,079,024	3,279,007	3,384,956
<u>4,253,325</u>	<u>4,278,204</u>	<u>11,525,416</u>	<u>59,462,832</u>	<u>56,217,566</u>
5,100	-	532,626	4,114,001	4,027,132
-	-	697,298	22,001,001	21,900,014
-	-	991,088	9,725,438	9,545,508
-	-	-	197,734	205,457
-	-	3,650,408	6,356,762	6,119,901
-	-	1,810,262	2,360,381	3,761,194
12,716,363	5,369,951	94,695	18,181,009	5,664,687
1,283,148	836,837	11,761	2,196,550	1,387,761
-	-	820,874	15,703,980	29,078,054
<u>14,004,611</u>	<u>6,206,788</u>	<u>8,609,012</u>	<u>80,836,856</u>	<u>81,689,708</u>
<u>(9,751,286)</u>	<u>(1,928,584)</u>	<u>2,916,404</u>	<u>(21,374,024)</u>	<u>(25,472,142)</u>
4,390,000	193,000	-	13,815,000	34,055,000
437,761	156,767	-	935,538	743,979
-	-	-	66,867	696,833
308,105	1,084,486	524,065	6,895,264	9,785,373
(499,486)	(2,105,000)	(2,775,295)	(6,489,263)	(9,232,150)
<u>4,636,380</u>	<u>(670,747)</u>	<u>(2,251,230)</u>	<u>15,223,406</u>	<u>36,049,035</u>
<u>(5,114,906)</u>	<u>(2,599,331)</u>	<u>665,174</u>	<u>(6,150,618)</u>	<u>10,576,893</u>
12,524,196	6,648,765	4,833,961	53,328,004	42,751,111
-	-	-	86,367	-
<u>12,524,196</u>	<u>6,648,765</u>	<u>4,833,961</u>	<u>53,414,371</u>	<u>42,751,111</u>
<u>\$ 7,409,290</u>	<u>\$ 4,049,434</u>	<u>\$ 5,499,135</u>	<u>\$ 47,263,753</u>	<u>\$ 53,328,004</u>

# City of Sheboygan, Wisconsin

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>2019</u>	<u>2018</u>
<b>RECONCILIATION TO THE STATEMENT OF ACTIVITIES</b>		
Net change in fund balances as shown on previous page	\$ (6,150,618)	\$ 10,576,893
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital assets reported as capital outlay in governmental fund statements	13,113,374	28,653,741
Depreciation expense reported in the statement of activities	(4,571,384)	(4,530,772)
Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the statement of activities when earned.	(574,075)	37,775
Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Long-term debt issued	(13,815,000)	(34,055,000)
Premium on debt issued	(935,538)	(743,979)
Principal repaid	17,963,812	5,454,727
Capital leases paid	217,197	209,960
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:		
Accrued interest on long-term debt	1,139	(73,586)
Amortization of premiums, discounts and loss on advance refunding	165,525	90,916
Compensated absences	849,261	(145,702)
Net pension liability / asset	(13,124,230)	7,570,799
Deferred outflows of resources related to pensions	8,672,378	(1,784,000)
Deferred inflows of resources related to pensions	1,799,022	(6,537,999)
Other postemployment benefits	459,615	(242,730)
Deferred outflows of resources related to other postemployment benefits	136,124	148,715
Deferred inflows of resources related to other postemployment benefits	(324,807)	(41,322)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.	<u>1,085,007</u>	<u>120,451</u>
Change in net position of governmental activities as reported in the statement of activities (see pages 15 - 16)	<u>\$ 4,966,802</u>	<u>\$ 4,708,887</u>

*The notes to the basic financial statements are an integral part of this statement.*

# City of Sheboygan, Wisconsin

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2018**

	Budget		Actual	Variance	2018 Actual
	Original	Final		Final Budget - Positive (Negative)	
<b>REVENUES</b>					
Taxes	\$ 16,640,068	\$ 16,640,068	\$ 16,644,548	\$ 4,480	\$ 16,469,774
Intergovernmental	14,482,474	14,486,474	14,198,368	(288,106)	14,637,627
Licenses and permits	920,400	920,400	1,389,567	469,167	1,206,901
Fines and forfeits	271,000	271,000	276,852	5,852	275,140
Public charges for services	1,644,822	1,644,822	1,634,339	(10,483)	1,592,665
Intergovernmental charges for services	293,000	293,000	260,244	(32,756)	292,357
Miscellaneous	341,925	345,260	733,018	387,758	616,860
<b>Total revenues</b>	<b>34,593,689</b>	<b>34,601,024</b>	<b>35,136,936</b>	<b>535,912</b>	<b>35,091,324</b>
<b>EXPENDITURES</b>					
Current					
General government	4,447,425	4,379,713	3,576,275	803,438	3,523,721
Public Safety	21,782,447	21,800,525	21,303,703	496,822	21,258,978
Public Works	9,017,575	9,163,212	8,734,350	428,862	8,550,172
Health and human services	201,337	201,337	197,734	3,603	188,887
Culture and Recreation	2,673,178	2,681,942	2,706,354	(24,412)	2,589,426
Conservation and development	347,928	352,725	365,965	(13,240)	348,915
<b>Total expenditures</b>	<b>38,469,890</b>	<b>38,579,454</b>	<b>36,884,381</b>	<b>1,695,073</b>	<b>36,460,099</b>
Excess of revenues over (under) expenditures	(3,876,201)	(3,978,430)	(1,747,445)	2,230,985	(1,368,775)
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from sale of capital assets	500	500	61,867	61,367	20,147
Transfers in	2,717,605	2,717,605	3,311,297	593,692	2,928,072
Transfers out	(7,682)	(7,682)	(6,482)	1,200	(5,505,575)
<b>Total other financing sources (uses)</b>	<b>2,710,423</b>	<b>2,710,423</b>	<b>3,366,682</b>	<b>656,259</b>	<b>(2,557,356)</b>
<b>Net change in fund balance</b>	<b>(1,165,778)</b>	<b>(1,268,007)</b>	<b>1,619,237</b>	<b>2,887,244</b>	<b>(3,926,131)</b>
<b>Fund balances - January 1, as originally stated</b>	<b>19,974,774</b>	<b>19,974,774</b>	<b>19,974,774</b>	<b>-</b>	<b>23,900,905</b>
<b>Prior period adjustment</b>	<b>-</b>	<b>-</b>	<b>86,367</b>	<b>86,367</b>	<b>-</b>
<b>Fund balances - January 1, restated</b>	<b>19,974,774</b>	<b>19,974,774</b>	<b>20,061,141</b>	<b>86,367</b>	<b>23,900,905</b>
<b>Fund balances - December 31</b>	<b>\$ 18,808,996</b>	<b>\$ 18,706,767</b>	<b>\$ 21,680,378</b>	<b>\$ 2,973,611</b>	<b>\$ 19,974,774</b>

The notes to the basic financial statements are an integral part of this statement.

# City of Sheboygan, Wisconsin

## STATEMENT OF NET POSITION

### PROPRIETARY FUNDS

DECEMBER 31, 2019

WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2018

	Enterprise Funds			
	Sewerage System	Water Utility	Transit Commission	Nonmajor Funds
<b>ASSETS</b>				
Current assets				
Cash and investments	\$ 6,793,000	\$ 8,183,173	\$ 3,749,111	\$ 391,145
Receivables				
Taxes and special charges	118,691	-	331,947	17,554
Customer accounts, net	1,625,794	1,089,815	5,047	35,304
Special assessments	366	-	-	207,774
Other	-	16,897	-	-
Due from other governments	-	203,936	82,855	-
Inventories and prepaid items	-	303,245	23,985	-
Total current assets	8,537,851	9,797,066	4,192,945	651,777
Noncurrent assets				
Restricted assets				
Cash and investments	2,760,552	1,242,762	-	-
Other assets				
Deferred special assessments	-	345,416	-	-
Investment in CVMIC	-	-	-	-
Net pension asset	-	-	-	-
Total other assets	-	345,416	-	-
Capital assets				
Nondepreciable	2,000	684,243	35,754	716,258
Depreciable, net	23,920,794	48,945,306	2,253,984	1,067,749
Total capital assets	23,922,794	49,629,549	2,289,738	1,784,007
Total noncurrent assets	26,683,346	51,217,727	2,289,738	1,784,007
Total assets	35,221,197	61,014,793	6,482,683	2,435,784
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension related amounts	866,186	1,229,866	1,233,730	60,829
Other postemployment related amounts	11,275	32,324	27,628	425
Total deferred outflows of resources	877,461	1,262,190	1,261,358	61,254

The notes to the basic financial statements are an integral part of this statement.

<b>Totals</b>		<b>Governmental Activities - Internal Service Funds</b>	
<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
\$ 19,116,429	\$ 18,322,185	\$ 11,995,414	\$ 11,136,634
468,192	652,992	-	-
2,755,960	2,702,764	615	103,240
208,140	84,676	-	-
16,897	25,114	-	-
286,791	477,159	1,055	-
327,230	273,740	52,532	49,156
<u>23,179,639</u>	<u>22,538,630</u>	<u>12,049,616</u>	<u>11,289,030</u>
4,003,314	1,675,291	-	-
345,416	449,327	-	-
-	-	2,205,665	2,205,665
-	1,076,471	-	185,277
<u>345,416</u>	<u>1,525,798</u>	<u>2,205,665</u>	<u>2,390,942</u>
1,438,255	5,676,056	-	-
76,187,833	68,469,615	4,683,642	4,681,761
<u>77,626,088</u>	<u>74,145,671</u>	<u>4,683,642</u>	<u>4,681,761</u>
81,974,818	77,346,760	6,889,307	7,072,703
<u>105,154,457</u>	<u>99,885,390</u>	<u>18,938,923</u>	<u>18,361,733</u>
3,390,611	1,939,364	568,889	328,780
71,652	46,625	3,977	4,641
<u>3,462,263</u>	<u>1,985,989</u>	<u>572,866</u>	<u>333,421</u>

# City of Sheboygan, Wisconsin

**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
DECEMBER 31, 2019**

**WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2018**

	Enterprise Funds			
	Sewerage System	Water Utility	Transit Commission	Nonmajor Funds
<b>LIABILITIES</b>				
Current liabilities				
Accounts payable	\$ 279,988	\$ 788,431	\$ 115,673	\$ 25,982
Accrued and other current liabilities	77,258	126,823	213,051	5,161
Due to other funds	-	1,160,483	-	112,079
Due to other governments	-	-	-	5,395
Accrued interest	42,318	5,695	-	-
Deposits	-	-	11,404	21,952
Unearned revenue	11,370	-	392	89
Current portion of compensated absences	-	22,073	-	-
Current portion of long-term debt	652,205	17,079	-	-
Payable from restricted assets				
Current portion of long-term debt	-	1,012,256	-	-
Accrued interest	-	54,537	-	-
<b>Total current liabilities</b>	<b>1,063,139</b>	<b>3,187,377</b>	<b>340,520</b>	<b>170,658</b>
Long-term obligations, less current portion				
General obligation debt	-	152,173	-	-
Revenue bonds	10,209,420	10,689,569	-	-
Compensated absences	34,611	459,054	-	-
Net pension liability	321,330	452,290	455,106	22,399
Other postemployment benefits	158,885	275,425	467,644	3,560
<b>Total long-term liabilities</b>	<b>10,724,246</b>	<b>12,028,511</b>	<b>922,750</b>	<b>25,959</b>
<b>Total liabilities</b>	<b>11,787,385</b>	<b>15,215,888</b>	<b>1,263,270</b>	<b>196,617</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Special charges on subsequent year tax roll				
Pension related amounts	442,871	623,366	627,247	30,871
Other postemployment related amounts	16,367	28,042	23,181	1,141
<b>Total deferred inflows of resources</b>	<b>459,238</b>	<b>651,408</b>	<b>1,167,090</b>	<b>32,012</b>
<b>NET POSITION</b>				
Net investment in capital assets	14,075,996	38,634,350	2,289,738	1,784,007
Restricted				
Debt service	1,014,827	481,598	-	-
Equipment replacement	1,745,725	-	-	-
Pension	-	-	-	-
Unrestricted	7,015,487	7,293,739	3,023,943	484,402
<b>Total net position</b>	<b>\$ 23,852,035</b>	<b>\$ 46,409,687</b>	<b>\$ 5,313,681</b>	<b>\$ 2,268,409</b>

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds  
Net position as reported on the Statement of Net Position in the government-wide financial statements

*The notes to the basic financial statements are an integral part of this statement.*

<u>Totals</u>		<u>Governmental Activities - Internal Service Funds</u>	
<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
\$ 1,210,074	\$ 2,853,438	\$ 72,519	\$ 168,586
422,293	383,825	653,685	958,112
1,272,562	1,217,125	-	-
5,395	2,798	-	-
48,013	42,291	-	-
33,356	27,717	-	-
11,851	11,109	328	-
22,073	11,197	-	-
669,284	567,482	-	-
1,012,256	974,828	-	-
54,537	58,797	-	-
<u>4,761,694</u>	<u>6,150,607</u>	<u>726,532</u>	<u>1,126,698</u>
152,173	169,253	-	-
20,898,989	20,561,708	-	-
493,665	461,413	-	-
1,251,125	-	209,738	-
905,514	999,161	33,337	42,919
<u>23,701,466</u>	<u>22,191,535</u>	<u>243,075</u>	<u>42,919</u>
<u>28,463,160</u>	<u>28,342,142</u>	<u>969,607</u>	<u>1,169,617</u>
516,662	511,547	-	-
1,724,355	2,122,795	289,071	365,364
68,731	7,494	10,683	1,290
<u>2,309,748</u>	<u>2,641,836</u>	<u>299,754</u>	<u>366,654</u>
56,784,091	53,253,767	4,683,642	4,681,761
1,496,425	420,518	-	-
1,745,725	-	-	-
-	1,076,471	-	185,277
17,817,571	16,136,645	13,558,786	12,291,845
\$ 77,843,812	\$ 70,887,401	\$ 18,242,428	\$ 17,158,883
51,224	52,686	(51,224)	(52,686)
<u>\$ 77,895,036</u>	<u>\$ 70,940,087</u>	<u>\$ 18,191,204</u>	<u>\$ 17,106,197</u>

# City of Sheboygan, Wisconsin

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2019  
 WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2018**

	Enterprise Funds			
	Sewerage System	Water Utility	Transit Commission	Nonmajor Funds
<b>OPERATING REVENUES</b>				
Charges for services	\$ 8,574,471	\$ 8,737,822	\$ 660,537	\$ 572,895
Interdepartmental charges for services	-	-	-	-
Other	44,512	164,616	74,732	5,342
Total operating revenues	8,618,983	8,902,438	735,269	578,237
<b>OPERATING EXPENSES</b>				
Personal services	2,112,694	2,363,334	3,139,100	199,209
Contractual services	2,243,387	2,051,796	216,156	362,593
Supplies and materials	994,338	263,430	497,390	58,070
Insurance	56,773	84,370	112,512	683
Other	121,469	330,860	-	-
Depreciation	1,555,888	1,533,169	414,678	76,704
Total operating expenses	7,084,549	6,626,959	4,379,836	697,259
Operating income (loss)	1,534,434	2,275,479	(3,644,567)	(119,022)
<b>NONOPERATING REVENUES (EXPENSES)</b>				
General property taxes	-	-	511,547	-
Interest income	233,093	75,112	92,422	11,146
Nonoperating grants	678,205	92,024	2,680,270	-
Nonoperating grants expense	-	(92,024)	-	-
Gain on disposal of capital assets	650	-	1,637	27
Interest and fiscal charges	(215,274)	(337,471)	-	-
Amortization of debt discount/premium	-	32,872	-	-
Other nonoperating revenues	-	-	47,043	-
Total nonoperating revenues (expenses)	696,674	(229,487)	3,332,919	11,173
Income (loss) before contributions and transfers	2,231,108	2,045,992	(311,648)	(107,849)
Capital contributions	198,893	1,541,118	2,233,985	-
Transfers in	-	-	-	7,482
Transfers out	(261,320)	(1,124,163)	-	-
<b>Change in net position</b>	2,168,681	2,462,947	1,922,337	(100,367)
<b>Net position - January 1, as originally stated</b>	21,180,541	43,946,740	3,391,344	2,368,776
<b>Prior period adjustment</b>	502,813	-	-	-
<b>Net position - January 1, restated</b>	21,683,354	43,946,740	3,391,344	2,368,776
<b>Net position - December 31</b>	\$ 23,852,035	\$ 46,409,687	\$ 5,313,681	\$ 2,268,409

Change in net position, as reported above

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds

Change in net position as reported on the Statement of Activities in the government-wide financial statements

*The notes to the basic financial statements are an integral part of this statement.*

<b>Totals</b>		<b>Governmental Activities - Internal Service Funds</b>	
<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
\$ 18,545,725	\$ 18,505,367	\$ -	\$ -
-	-	10,330,759	10,145,399
289,202	369,604	35,737	65,546
<u>18,834,927</u>	<u>18,874,971</u>	<u>10,366,496</u>	<u>10,210,945</u>
7,814,337	7,258,830	1,459,291	1,290,090
4,873,932	4,457,237	1,249,858	1,224,599
1,813,228	1,812,401	319,779	311,588
254,338	246,056	6,457,285	7,070,120
452,329	1,003,478	210,000	397,566
3,580,439	3,428,772	897,271	961,434
<u>18,788,603</u>	<u>18,206,774</u>	<u>10,593,484</u>	<u>11,255,397</u>
46,324	668,197	(226,988)	(1,044,452)
511,547	511,547	-	-
411,773	253,399	307,244	145,782
3,450,499	2,853,092	-	-
(92,024)	(304,278)	-	-
2,314	16,983	31,289	61,608
(552,745)	(658,221)	-	-
32,872	29,134	-	-
47,043	55,993	-	7,515
<u>3,811,279</u>	<u>2,757,649</u>	<u>338,533</u>	<u>214,905</u>
3,857,603	3,425,846	111,545	(829,547)
3,973,996	78,955	-	-
7,482	5,877	1,097,000	949,000
(1,385,483)	(1,383,103)	(125,000)	(125,000)
<u>6,453,598</u>	<u>2,127,575</u>	<u>1,083,545</u>	<u>(5,547)</u>
70,887,401	68,759,826	17,158,883	17,164,430
502,813	-	-	-
<u>71,390,214</u>	<u>68,759,826</u>	<u>17,158,883</u>	<u>17,164,430</u>
<u>\$ 77,843,812</u>	<u>\$ 70,887,401</u>	<u>\$ 18,242,428</u>	<u>\$ 17,158,883</u>
\$ 6,453,598	\$ 2,127,575	\$ 1,083,545	\$ (5,547)
(1,462)	(161,423)	1,462	161,423
<u>\$ 6,452,136</u>	<u>\$ 1,966,152</u>	<u>\$ 1,085,007</u>	<u>\$ 155,876</u>

# City of Sheboygan, Wisconsin

## STATEMENT OF CASH FLOWS

### PROPRIETARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2019

WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2018

	Enterprise Funds			
	Sewerage System	Water Utility	Transit Commission	Nonmajor Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from customers	\$ 8,930,982	\$ 9,267,027	\$ 923,645	\$ 594,465
Cash received from other departments	-	-	-	-
Cash paid for employee wages and benefits	(1,994,496)	(2,849,761)	(3,012,030)	(190,564)
Cash paid to suppliers	(5,716,725)	(1,640,509)	(695,218)	(421,649)
Net cash provided (used) by operating activities	1,219,761	4,776,757	(2,783,603)	(17,748)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
General property taxes	-	-	511,547	-
Intergovernmental revenues	678,205	-	2,871,208	-
Nonoperating revenue	-	-	47,043	-
Collection of assessments for customer owned laterals	-	103,911	-	-
Advances from other funds	-	(16,139)	-	53,060
Interest on advance from other funds	-	(7,601)	-	-
Transfer in (out)	(261,320)	(1,121,786)	-	7,482
Net cash provided (used) by noncapital financing activities	416,885	(1,041,615)	3,429,798	60,542
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition of capital assets	(638,141)	(2,741,718)	(2,233,985)	(17,748)
Capital contributions	198,893	-	2,233,985	-
Sale of capital assets	650	-	6,092	27
Special assessments assessed	-	-	-	(123,098)
Proceeds of capital debt	2,034,614	-	-	-
Principal paid on long-term debt	(551,344)	(974,828)	-	-
Debt issuance premium	-	-	-	-
Interest paid on long-term debt	(209,230)	(334,452)	-	-
Net cash provided (used) by capital and related financing activities	835,442	(4,050,998)	6,092	(140,819)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received	233,093	75,112	92,422	11,146
<b>Change in cash and cash equivalents</b>	2,705,181	(240,744)	744,709	(86,879)
<b>Cash and cash equivalents - January 1</b>	6,848,371	9,666,679	3,004,402	478,024
<b>Cash and cash equivalents - December 31</b>	<u>\$ 9,553,552</u>	<u>\$ 9,425,935</u>	<u>\$ 3,749,111</u>	<u>\$ 391,145</u>

The notes to the basic financial statements are an integral part of this statement.

<b>Totals</b>		<b>Governmental Activities - Internal Service Funds</b>	
<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
\$ 19,716,119	\$ 18,488,010	\$ -	\$ -
-	-	10,468,394	10,141,273
(8,046,851)	(7,707,138)	(1,608,295)	(1,299,034)
<u>(8,474,101)</u>	<u>(5,009,634)</u>	<u>(8,412,700)</u>	<u>(8,987,408)</u>
3,195,167	5,771,238	447,399	(145,169)
511,547	511,547	-	-
3,549,413	3,832,579	-	-
47,043	55,993	-	7,515
103,911	(86,144)	-	-
36,921	43,794	-	-
(7,601)	(7,623)	-	-
<u>(1,375,624)</u>	<u>(1,385,597)</u>	<u>972,000</u>	<u>824,000</u>
2,865,610	2,964,549	972,000	831,515
(5,631,592)	(6,743,746)	(912,352)	(692,115)
2,432,878	78,955	-	-
6,769	16,983	44,489	61,608
(123,098)	45,754	-	-
2,034,614	5,081,161	-	-
(1,526,172)	(3,729,853)	-	-
-	209,153	-	-
<u>(543,682)</u>	<u>(565,491)</u>	<u>-</u>	<u>-</u>
<u>(3,350,283)</u>	<u>(5,607,084)</u>	<u>(867,863)</u>	<u>(630,507)</u>
411,773	253,399	307,244	154,684
3,122,267	3,382,102	858,780	210,523
19,997,476	16,615,374	11,136,634	10,926,111
<u>\$ 23,119,743</u>	<u>\$ 19,997,476</u>	<u>\$ 11,995,414</u>	<u>\$ 11,136,634</u>

# City of Sheboygan, Wisconsin

## STATEMENT OF CASH FLOWS

### PROPRIETARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2019

WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2018

	Enterprise Funds			
	Sewerage System	Water Utility	Transit Commission	Nonmajor Funds
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ 1,534,434	\$ 2,275,479	\$ (3,644,567)	\$ (119,022)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation	1,555,888	1,533,169	414,678	76,704
Depreciation charged to sewer utility	-	236,879	-	-
Change in liability (asset) and deferred outflows and inflows of resources				
Change in WRS asset/liability	600,244	166,323	847,333	40,645
Change in WRS deferred outflow	(364,535)	-	(529,128)	(27,464)
Change in WRS deferred inflow	(107,146)	-	(146,223)	(5,109)
Change in OPEB liability	(21,456)	-	(47,561)	(667)
Change in OPEB deferred outflow	(4,288)	-	(17,802)	32
Change in OPEB deferred inflow	14,425	1,384	20,451	1,014
Other	-	-	5,115	-
Change in operating assets and liabilities				
Accounts receivables	311,648	137,158	177,957	15,505
Due from other governments	-	(570)	-	-
Inventories and prepaid items	-	(37,709)	(15,781)	-
Accounts payable	(2,288,821)	473,154	45,726	(2,903)
Accrued and other current liabilities	(11,937)	-	100,895	194
Due to other governments	-	-	-	2,597
Deposits	-	-	4,912	727
Unearned revenue	351	-	392	(1)
Compensated absences	954	(8,510)	-	-
Net cash provided (used) by operating activities	<u>\$ 1,219,761</u>	<u>\$ 4,776,757</u>	<u>\$ (2,783,603)</u>	<u>\$ (17,748)</u>
Reconciliation of cash and cash equivalents to the statement of net position				
Cash and cash equivalents in current assets	\$ 6,793,000	\$ 8,183,173	\$ 3,749,111	\$ 391,145
Cash and cash equivalents in restricted assets	<u>2,760,552</u>	<u>1,242,762</u>	<u>-</u>	<u>-</u>
Total cash and cash equivalents	<u>\$ 9,553,552</u>	<u>\$ 9,425,935</u>	<u>\$ 3,749,111</u>	<u>\$ 391,145</u>
Noncash capital and related financing activities				
Amortization of premium	\$ -	\$ 32,872	\$ -	\$ -
Capital contributions	\$ -	\$ 1,541,118	\$ -	\$ -
Construction related accounts payable	\$ -	\$ 205,869	\$ -	\$ -

The notes to the basic financial statements are an integral part of this statement.

<u>Totals</u>		<u>Governmental Activities - Internal Service Funds</u>	
<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
\$ 46,324	\$ 668,197	\$ (226,988)	\$ (1,044,452)
3,580,439	3,428,772	897,271	961,434
236,879	148,564	-	-
1,654,545	150,598	395,015	27,502
(921,127)	-	(240,109)	-
(258,478)	-	(76,293)	-
(69,684)	-	(9,582)	-
(22,058)	-	664	-
37,274	29,394	9,393	4,143
5,115	-	-	-
642,268	(749,265)	101,570	(69,672)
(570)	231,961	-	-
(53,490)	49,914	(3,376)	(1,733)
(1,772,844)	1,720,995	(96,067)	21,919
89,152	87,018	(304,427)	(44,310)
2,597	(352)	-	-
5,639	20,217	-	-
742	427	328	-
(7,556)	(15,202)	-	-
<u>\$ 3,195,167</u>	<u>\$ 5,771,238</u>	<u>\$ 447,399</u>	<u>\$ (145,169)</u>
\$ 19,116,429	\$ 18,322,185	\$ 11,995,414	\$ 11,136,634
4,003,314	1,675,291	-	-
<u>\$ 23,119,743</u>	<u>\$ 19,997,476</u>	<u>\$ 11,995,414</u>	<u>\$ 11,136,634</u>
\$ 32,872	\$ 29,134	\$ -	\$ -
\$ 1,541,118	\$ -	\$ -	\$ -
\$ 205,869	\$ 76,391	\$ -	\$ -

# City of Sheboygan, Wisconsin

## STATEMENT OF NET POSITION FIDUCIARY FUNDS DECEMBER 31, 2019

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### ASSETS

Cash and investments	\$ 15,197,896
Receivables	
Taxes	141,523
Special assessments	<u>18,200</u>
Total assets	<u>\$ 15,357,619</u>

### LIABILITIES

Accounts payable	\$ 90,737
Due to other governments	<u>15,266,882</u>
Total liabilities	<u>\$ 15,357,619</u>

*The notes to the basic financial statements are an integral part of this statement.*

# City of Sheboygan, Wisconsin

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2019

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**ADDITIONS**

Taxes, special charges and assessments collected \$ 31,013,990

**DEDUCTIONS**

Payments to other taxing districts 31,013,990

**Net position - January 1** -

**Net position - December 31** \$ -

*The notes to the basic financial statements are an integral part of this statement.*

# City of Sheboygan, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2019

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## NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City of Sheboygan, Wisconsin (the "City"), have been prepared in conformity with accounting principles generally accepted in the United States of America (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:

### A. REPORTING ENTITY

The City is a municipal corporation governed by an elected mayor and sixteen member council. In accordance with GAAP, the basic financial statements are required to include the City and any separate component units that have a significant operational or financial relationship with the City. The City has identified the following component unit that is required to be included in the basic financial statements in accordance with standards.

#### Discretely Presented Component Unit

The component unit columns in the government-wide financial statements represent the financial data of the Housing Authority of the City of Sheboygan (the "Housing Authority"). The component unit is reported in a separate column to emphasize that it is legally separate from the City. The governing body of the organization is appointed by the City's Common Council. Wisconsin Statutes also provide for circumstances where the City can impose its will on the organization and also create a potential burden on the City. The financial information presented is for the Housing Authority is for the fiscal year ended March 31, 2019. Complete financial statements for the Housing Authority can be obtained from their office at 611 North Water Street, P.O. Box 1052, Sheboygan, WI 53081-1052.

### B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which are primarily supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for services.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. 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. Governmental funds include general, special revenue, debt service, capital projects and permanent funds. Proprietary funds include enterprise and internal service funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

#### General Fund

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

# City of Sheboygan, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

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### Capital Project TIF Districts Fund

This fund accounts for financial resources to be used for the acquisition of equipment or construction of major capital facilities within the City's tax incremental districts.

### Capital Projects Bonded Fund

This fund accounts for financial resources to be used for the acquisition of equipment or construction of major capital facilities that are financed with long-term debt.

### Capital Projects Tax Levy Fund

This fund is used to account for financial resources to be used for the acquisition of equipment or construction of major capital facilities that are financed with tax levy. The Capital Projects Tax Levy is reported as a nonmajor capital projects fund.

### Debt Service General Obligation Debt Fund

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

### Debt Service TIF Districts Fund

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

The City reports the following major enterprise funds:

#### Sewerage System

This fund is used to account for the operations of the City's sanitary sewer system.

#### Water Utility

This fund is used to account for the operations of the City's water treatment and distribution system.

#### Transit Commission

This fund is used to account for the operations of the City's transit system.

The City reports the following nonmajor funds:

#### Special Revenue Funds

Special revenue fund are used to account for the proceeds of specific revenue sources that are legally restricted for specific purposes. Nonmajor special revenue funds consist of the following:

Community Development Block Grant	Police Meg Unit
Revolving Loan Funds	Special Assessment
Lead Based Abatement Program	Redevelopment Authority
Mead Library	Municipal Court
Cable TV	Ambulance
Tourism Promotion	Storm Water
Harbor Center Marina	Park Impact Fees
	Park, Forestry & Open Space

# City of Sheboygan, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

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### Permanent Funds

Permanent funds are used to report resources that are legally restricted to the extent that only earning, and not principal, may be used for purposes that support the reporting government's programs. The City's cemetery perpetual care and library trust are reported as nonmajor permanent funds.

### Enterprise Funds

Enterprise funds are used to report any activity for which a fee is charged to external users for goods and services, and must be used for activities which meet certain debt or cost recovery criteria. Nonmajor enterprise funds consist of the following:

Parking Facility

Boat Facility

### Custodial Funds

The City accounts for assets held for individuals by various departments and funds held for other governmental agencies in custodial funds. The Property Tax Collection and Business Improvement District custodial funds account for property taxes, special charges and assessments collected on behalf of others in accordance with GASB Statement No. 84, *Fiduciary Activities*.

Additionally, the City reports the following fund types:

- ▶ *Internal service fund* accounts for services provided to other departments or agencies of the City, or to other governments, on a cost reimbursement basis. The City reports the following internal service funds:

Motor Vehicle

Data Processing

Health Self Insurance

Workers Compensation Self Insurance

General Liability Self Insurance

### C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements (other than agency funds). Agency funds follow the accrual basis of accounting and do not have a measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

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

Revenues susceptible to accrual include intergovernmental grants, intergovernmental charges for services, public charges for services and interest. Other revenues such as licenses and permits, fines and forfeits and miscellaneous revenues are recognized when received in cash or when measurable and available.

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

# City of Sheboygan, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

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Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, and fees and fines, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's proprietary funds are charges to customers for services. Operating expenses for proprietary funds include the costs of services, 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.

### **D. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION OR FUND BALANCE**

#### **1. Cash and Investments**

Cash and investments are combined in the financial statements. Cash deposits consist of demand and time deposits with financial institutions and are carried at cost. Investments are stated at fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. For purposes of the statement of cash flows, all cash deposits and highly liquid investments (including restricted assets) with a maturity of three months or less from date of acquisition are considered to be cash equivalents.

#### **2. Property Taxes and Special Charges/Receivable**

Property taxes and special charges consist of taxes on real estate and personal property and user charges assessed against City properties. They are levied during December of the prior year and become an enforceable lien on property the following January 1. Property taxes are payable in various options depending on the type and amount. Personal property taxes and special charges are payable on or before January 31 in full. Real estate taxes are payable in full by January 31 or in two equal installments on or before January 31 and July 31. Real estate taxes not paid by January 31 are purchased by the County as part of the February tax settlement. Delinquent personal property taxes remain the collection responsibility of the City. Special charges not paid by January 31 are held in trust by the County and remitted to the City, including interest, when collected by the County.

The City bills and collects its own property taxes and also levies and collects taxes for the Sheboygan Area School District, Kohler School District, Sheboygan County, Lakeshore Technical College and the State of Wisconsin. Collections and remittances of taxes for other entities are accounted for in the property tax agency fund.

#### **3. Accounts Receivable**

Accounts receivable have been shown net of an allowance of \$410,023 for uncollectible accounts. Delinquent real estate taxes are assumed by Sheboygan County as of July 31; therefore, no allowance is considered necessary. Delinquent personal property taxes remain the collection responsibility of the City; accordingly, an allowance for uncollectible accounts has been established. The City is able to recover a portion of these delinquent personal property taxes from other taxing jurisdictions.

# City of Sheboygan, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

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### 4. Special Assessments

Assessments against property owners for public improvements are generally not subject to full settlement in the year levied. Special assessments are placed on tax rolls on an installment basis. Revenue from special assessments recorded in governmental funds is recognized as collections are made or as current installments are placed on tax rolls. (Installments placed on the 2019 tax roll are recognized as revenue in 2020.)

### 5. Loans Receivable

The City has received federal and state grant funds for economic development and housing rehabilitation loan programs and has passed the funds to various businesses and individuals in the form of loans. The City records a loan receivable and expenditure when the loan has been made and the funds disbursed. No allowance for uncollectible accounts has been provided since it is believed that the amount of such allowance would not be material to the basic financial statements. In the governmental funds, the City records a deferred inflow of resources for the net amount of the receivable. As the loans are repaid, revenue is recognized. Any unspent loan proceeds are presented as restricted fund balance in the fund financial statements.

### 6. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" and "due to other funds" in the fund financial statements. Noncurrent portions of the interfund receivables for the governmental funds are reported as "advances to other funds" and are offset by nonspendable fund balance since they do not constitute expendable available financial resources and therefore are not available for appropriation.

The amount reported on the statement of net position for internal balances represents the residual balance outstanding between the governmental and business-type activities.

### 7. Inventories

Inventories are recorded at cost, which approximates market, using the first-in, first-out method. Inventories consist of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are consumed rather than when purchased.

Inventories of governmental funds in the fund financial statements are offset by nonspendable fund balance to indicate that they do not represent spendable available financial resources.

### 8. Prepaid Items

Payments made to vendors that will benefit periods beyond the end of the current fiscal year are recorded as prepaid items and are accounted for on the consumption method.

Prepaid items of governmental funds in the fund financial statements are offset by nonspendable fund balance to indicate that they do not represent spendable available financial resources.

### 9. Capital Assets

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

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

# City of Sheboygan, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

Capital assets of the City are depreciated using the straight-line method over the following estimated useful lives:

Assets	Governmental	Business-type
	Activities	Activities
	Years	
Buildings and improvements	25 - 45	25 - 45
Improvements other than buildings	20 - 40	20 - 40
Machinery and equipment	3 - 25	3 - 25
Infrastructure	20 - 50	20 - 100

### 10. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick leave benefits in accordance with employee handbook policies and/or bargaining unit agreements. All vacation and sick leave is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds in the fund financial statements only if they have matured, for example, as a result of employee resignations and retirements.

### 11. Deferred Outflows/Inflows of Resources

Deferred outflows of resources are a consumption of net position by the government that is applicable to a future reporting period. Deferred inflows of resources are an acquisition of net position by the government that is applicable to a future reporting period. The recognition of those outflows and inflows as expenses or expenditures and revenues are deferred until the future periods to which the outflows and inflows are applicable.

Governmental funds may report deferred inflows of resources for unavailable revenues. The City reports unavailable revenues for special assessments, loan receivables and accounts receivable. These inflows are recognized as revenues in the government-wide financial statements.

### 12. 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. Bonds payable are reported net of the applicable bond premium or discount. 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.

### 13. Pensions

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

# City of Sheboygan, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

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### 14. Other Postemployment Benefits Other Than Pensions (OPEB)

#### *Defined Benefit Plan*

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

#### *Local Retiree Life Insurance Fund*

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 LRLIF's fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

### 15. Fund Equity

#### *Governmental Fund Financial Statements*

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- ▶ **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.
- ▶ **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.
- ▶ **Committed fund balance.** Amounts that are constrained for specific purposes by action of the Common Council through the passage of an ordinance or resolution, as each is equally difficult to remove the constraint. These constraints can only be removed or changed by the Common Council using the same action that was used to create them.
- ▶ **Assigned fund balance.** Amounts that are constrained for specific purposes by action of City management. The Common Council has not authorized an employee to assign fund balance. Residual amounts in any governmental fund, other than the General Fund, are also reported as assigned.
- ▶ **Unassigned fund balance.** Amounts that are available for any purpose. Positive unassigned amounts are only reported in the General Fund.

The City 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.

# City of Sheboygan, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

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

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

- ▶ **Net investment in capital assets.** Amount of capital assets, net of accumulated depreciation, 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.
- ▶ **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.
- ▶ **Unrestricted net position.** Net position that is neither classified as restricted nor as net investment in capital assets.

### **E. USE OF ESTIMATES**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

### **F. PRIOR YEAR INFORMATION**

Comparative amounts for the prior year have been presented in the basic financial statements to provide an understanding of changes in the City's financial position and operations. The comparative amounts may be summarized in total and not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended December 31, 2018, from which the summarized information was derived.

### **G. RECLASSIFICATIONS**

Certain amounts in the prior year financial statements have been reclassified to conform with the presentation in the current year financial statements with no change in previously reported net position, changes in net position, fund balance or changes in fund balance.

## **NOTE 2: STEWARDSHIP AND COMPLIANCE**

### **A. BUDGETS AND BUDGETARY ACCOUNTING**

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

1. During October, City management submits to the Common Council a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. After submission to the governing body, public hearings are held to obtain taxpayer comments. Following the public hearings, the proposed budget, including authorized additions and deletions, is legally enacted by Common Council action.
2. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all general, certain special revenue and debt service funds. Budget is defined as the originally approved budget plus or minus approved amendments. Individual amendments throughout the year were not material in relation to the original budget. Budget appropriations not expended during the year are closed to fund balance unless authorized by the governing body to be forwarded into the succeeding year's budget.

# City of Sheboygan, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

3. During the year, formal budgetary integration is employed as a management control device for the general fund, special revenue funds and debt service funds except for the Community Development Block Grant, Revolving Loan Funds, Lead Based Abatement Program, and Park Impact Fee Funds. Management control for the capital projects funds is achieved through project authorizations included in debt issue resolutions.
4. Expenditures may not exceed appropriations provided at the department level of the City. Amendments to the budget during the year require initial approval by management and are subsequently authorized by the Common Council. The City's finance committee or the City's Finance Director can approve transfers within departments while transfers between departments and changes in the overall budget require approval by two-thirds of the Common Council.
5. Encumbrance accounting is not used by the City to record commitments related to unperformed contracts for goods or services.

The City did not have any material violation of legal or contractual provisions for the fiscal year ended December 31, 2019.

### **B. EXCESS OF EXPENDITURES OVER BUDGET APPROPRIATIONS**

The following expenditure accounts of the governmental funds had actual expenditures in excess of budget appropriations for the year ended December 31, 2019 as follows:

Funds	Excess Expenditures
General Fund	
Culture and recreation	
Park department	\$ 24,412
Conservation and development	
City development	13,240
Special Revenue Funds	
Mead Library	
Culture and recreation	205,419
Capital outlay	84,758
Tourism Promotion	
Conservation and development	662,356
Harbor Center Marina	
Public works	207,408
Police MEG unit	
Public safety	366
Redevelopment Authority	
Capital outlay	117,905
Municipal Court	
General government	16,760
Ambulance	
Debt service	
Principal	94,695
Interest and fiscal charges	11,761
Park Forestry & Open Space	
Culture and recreation	1,731

# City of Sheboygan, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2019

Funds	Excess Expenditures
Debt Service Funds	
Debt Service GO Debt	
General government	\$ 5,100
Debt service	
Principal	4,548,861
Interest and fiscal charges	76,296
Debt Service TIF Districts	
Debt service	
Interest and fiscal charges	425,767
Capital Projects Funds	
Capital Projects TIF Districts	
Conservation and development	2,580
Debt service	
Interest and fiscal charges	14,176
Capital Projects Bonded	
Debt service	
Interest and fiscal charges	50,628

## C. DEFICIT FUND EQUITY

The following funds had deficit fund balance as of December 31, 2019:

Funds	Deficit Fund Balance
Harbor Center Marina	\$ 2,485,325
Redevelopment Authority	589,289

The City anticipates funding the above deficits from future revenues of the funds or from resources available in the general fund.

## D. PROPERTY TAX LEVY LIMIT

Wisconsin state statutes provide for a limit on the property tax levies for all Wisconsin cities, village's, towns and counties. For the 2019 and 2020 budget years, Wisconsin Statutes limit the increase in the maximum allowable tax levy to the change in the City's January 1 equalized value as a result of net new construction. The actual limit for the City for the 2019 budget was 1.57%. The actual limit for the City for the 2020 budget was 0.335%. Debt service for debt authorized after July 1, 2005 is exempt from the levy limit. In addition, Wisconsin statutes allow the limit to be adjusted for the increase in debt service authorized prior to July 1, 2005 and in certain other situations.

# City of Sheboygan, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2019

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## NOTE 3: DETAILED NOTES ON ALL FUNDS

### A. CASH AND INVESTMENTS

The City maintains various cash and investment accounts, including pooled funds that are available for use by all funds. Each fund's portion of these accounts is displayed on the financial statements as "Cash and investments".

Invested cash consists of deposits and investments that are restricted by Wisconsin Statutes to the following:

Time deposits; repurchase agreements; securities issued by federal, state and local governmental entities; statutorily authorized commercial paper and corporate securities; and the Wisconsin local government investment pool. In addition, investment of most trust funds including cemetery perpetual care funds is regulated by Chapter 881 of the Wisconsin Statutes. Investment of library trust funds is regulated by Chapter 112. These sections give broad authority to use such funds to acquire various kinds of investments, including common stock.

The carrying amount of the City's cash and investments totaled \$108,395,503 on December 31, 2019 as summarized below:

Petty cash and cash on hand	\$ 7,475
Deposits with financial institutions	37,073,186
Investments	
Negotiable certificates of deposit	4,189,718
Wisconsin local government investment pool	17,395,890
Federal Home Loan Bank	4,006,522
Federal National Mortgage Association	4,330,909
Federal Home Loan Mortgage Corporation	9,244,787
Federal Farm Credit Bank	4,294,081
Municipal bonds	1,591,919
Money market mutual funds	10,346,150
U.S. Treasury notes	15,914,866
	<u>\$ 108,395,503</u>

Reconciliation to the basic financial statements:

Government-wide statement of net position	
Cash and investments	\$ 89,194,293
Restricted cash and investments	4,003,314
Fiduciary fund statement of net position	
Agency funds	15,197,896
	<u>\$ 108,395,503</u>

# City of Sheboygan, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

### Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant observable inputs; Level 3 inputs are significant unobservable inputs. The City has the following fair value measurements as of December 31, 2019:

	Fair Value Measurements Using:		
	Level 1	Level 2	Level 3
Investments			
Negotiable certificates of deposit	\$ -	\$ 4,189,718	\$ -
Federal Home Loan Bank	-	4,006,522	-
Federal National Mortgage Association	-	4,330,909	-
Federal Home Loan Mortgage Corporation	-	9,244,787	-
Federal Farm Credit Bank	-	4,294,081	-
Municipal bonds	-	1,591,919	-
Money market mutual funds	-	10,346,150	-
U.S. Treasury notes	-	15,914,866	-
	<u>\$ -</u>	<u>\$ 53,918,952</u>	<u>\$ -</u>

The valuation methods for recurring fair value measurements are as follows:

Investment Type	Valuation Method
U.S. Treasury Notes	Institutional bond quotes - evaluations based on various market and industry inputs
Federal Farm Credit Bank	Institutional bond quotes - evaluations based on various market and industry inputs
Mutual funds, negotiable certificates of deposit, and municipal bonds	Institutional quotes - evaluations based on various market and industry inputs
Federal Home Loan Bank	Mortgage backed securities pricing - evaluations based on various market and industry inputs
Federal National Mortgage Association	Mortgage backed securities pricing - evaluations based on various market and industry inputs
Federal Home Loan Mortgage Corporation	Mortgage backed securities pricing - evaluations based on various market and industry inputs

Deposits and investments of the City are subject to various risks. Presented below is a discussion of the City's deposits and investments and the related risks.

# City of Sheboygan, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2019

## Custodial Credit Risk

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

Deposits with financial institutions within the State of Wisconsin are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 for the combined amount of all time and savings deposits and \$250,000 for interest-bearing and noninterest-bearing demand deposits per official custodian per insured depository institution. Deposits with financial institutions located outside the State of Wisconsin are insured by the FDIC in the amount of \$250,000 for the combined amount of all deposit accounts per official custodian per depository institution. Deposits with credit unions are insured by the National Credit Union Share Insurance Fund (NCUSIF) in the amount of \$250,000 per credit union member. Also, the State of Wisconsin has a State Guarantee Fund which provides a maximum of \$400,000 per public depository above the amount provided by an agency of the U.S. Government. However, due to the relatively small size of the State Guarantee Fund in relation to the Fund's total coverage, total recovery of insured losses may not be available. This coverage has been considered in determining custodial credit risk.

As of December 31, 2019, \$28,939,015 of the City's deposits with financial institutions were in excess of federal and state depository insurance limits. No amounts were collateralized.

## 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	Amount	Exempt from Disclosure	AAA	Aa	Not Rated
Negotiable certificates of deposit	\$ 4,189,718	\$ -	\$ 2,405,129	\$ -	\$ 1,784,589
Wisconsin local government investment pool	17,395,890	-	-	-	17,395,890
Federal Home Loan Bank	4,006,522	-	3,506,522	-	500,000
Federal National Mortgage Association	4,330,909	-	4,074,925	-	255,984
Federal Home Loan Mortgage Corporation	9,244,787	-	9,244,787	-	-
Federal Farm Credit Bank	4,294,081	-	4,044,074	-	250,007
Municipal bonds	1,591,919	-	177,799	872,483	541,637
Money market mutual funds	10,346,150	-	-	-	10,346,150
U.S. Treasury notes	15,914,866	15,914,866	-	-	-
<b>Totals</b>	<b>\$71,314,842</b>	<b>\$15,914,866</b>	<b>\$23,453,236</b>	<b>\$ 872,483</b>	<b>\$31,074,257</b>

# City of Sheboygan, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

### Concentration of Credit Risk

The investment policy of the City states that the funds of the City will be invested in accordance with Wisconsin State Statutes. The City's investment policy shall limit the investments to the following investment instruments and shall diversify the portfolio by instruments, financial institutions and maturities:

Instruments	Maximum % of Portfolio
U.S. Treasury obligations (bills, notes and bonds)	100%
U.S. Government agency securities and Instruments of government sponsored operations	75%
Certificates of deposit in commercial banks	50%
State investment pool	100%

Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total City investments are as follows:

Issuer	Investment Type	Reported Amount	Percent of Total Investments
Federal Farm Credit Bank	Federal agency securities	\$ 4,294,081	6%
Federal National Mortgage Association	Federal agency securities	4,330,909	6%
Federal Home Loan Bank	Federal agency securities	4,006,522	6%
Federal Home Loan Mortgage Corporation	Federal agency securities	9,244,787	13%

### 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. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

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	Amount	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
Negotiable certificates of deposit	\$ 4,189,718	\$ 4,189,718	\$ -	\$ -	\$ -
Wisconsin local government investment pool	17,395,890	17,395,890	-	-	-
Federal Home Loan Bank	4,006,522	549,806	962,370	1,994,346	500,000
Federal National Mortgage Association	4,330,909	255,984	4,074,925	-	-
Federal Home Loan Mortgage Corporation	9,244,787	-	8,520,965	723,822	-
Federal Farm Credit Bank	4,294,081	694,436	3,599,645	-	-
Municipal bonds	1,591,919	281,122	587,200	237,960	485,637
Money market mutual funds	10,346,150	10,346,150	-	-	-
U.S. Treasury notes	15,914,866	9,738,559	6,176,307	-	-
<b>Totals</b>	<b>\$71,314,842</b>	<b>\$43,451,665</b>	<b>\$23,921,412</b>	<b>\$ 2,956,128</b>	<b>\$ 985,637</b>

# City of Sheboygan, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

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### Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The City's investments include the following investments that are highly sensitive to interest rate fluctuations (to a greater degree than already indicated in the information provided above):

<u>Highly Sensitive Investments</u>	<u>Fair Value at Year End</u>
Mortgage backed securities. These securities are subject to early payment in a period of declining interest rates. The resultant reduction in expected total cash flows affects the fair value of these securities and makes the fair values of these securities highly sensitive to changes in interest rates.	\$ 21,876,299

### Wisconsin Local Government Investment Pool

The City has investments in the Wisconsin Local Government Investment Pool (LGIP) of \$17,395,890 at year-end. The LGIP is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2019, the fair value of the City's share of the LGIP's assets was substantially equal to the carrying value.

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 investments in securities to the top two ratings assigned by nationally recognized statistical rating organizations. The City does not have an additional credit risk policy. The City's investment in the Wisconsin Local Government Investment Pool is not rated.

Interest rate 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 then sensitivity of its fair value to change in market interest rate. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The investments held by the Wisconsin Local Government Investment Pool mature in 12 months or less.

# City of Sheboygan, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2019

## B. RESTRICTED ASSETS

Restricted assets on December 31, 2019 consisted of cash and investments held for the following purposes:

Funds	Amount	Purpose
Enterprise Fund		
Water Utility		
Redemption account	\$ 536,135	To segregate resources accumulated for debt service payments over the next twelve months.
Reserve account	706,627	
Subtotal - Water utility	<u>1,242,762</u>	To report resources set aside to make up potential future deficiencies in the redemption account.
Sewer Utility		
Redemption account	1,014,827	To segregate resources accumulated for debt service payments over the next twelve months.
Equipment replacement	<u>1,745,725</u>	To segregate resources accumulated for future equipment replacement
Subtotal - Water utility	<u>2,760,552</u>	
Total	<u>\$ 4,003,314</u>	

## C. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2019 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, nondepreciable:				
Land	\$ 18,959,336	\$ 258,866	\$ -	\$ 19,218,202
Construction in progress	17,678,534	-	17,678,534	-
Total capital assets, nondepreciable	<u>36,637,870</u>	<u>258,866</u>	<u>17,678,534</u>	<u>19,218,202</u>
Capital assets, depreciable:				
Buildings and improvements	34,259,371	10,616,024	-	44,875,395
Improvements other than buildings	20,221,503	13,679,073	-	33,900,576
Machinery and equipment	24,494,423	2,038,621	841,240	25,691,804
Infrastructure	130,015,702	5,111,676	132,991	134,994,387
Subtotals	<u>208,990,999</u>	<u>31,445,394</u>	<u>974,231</u>	<u>239,462,162</u>
Less accumulated depreciation for:				
Land improvements	17,830,684	915,152	-	18,745,836
Buildings and improvements	12,351,732	773,732	-	13,125,464
Machinery and equipment	16,389,977	1,561,568	828,040	17,123,505
Infrastructure	67,210,354	2,218,203	132,991	69,295,566
Subtotals	<u>113,782,747</u>	<u>5,468,655</u>	<u>961,031</u>	<u>118,290,371</u>
Total capital assets, depreciable, net	<u>95,208,252</u>	<u>25,976,739</u>	<u>13,200</u>	<u>121,171,791</u>
Governmental activities capital assets, net	<u>\$ 131,846,122</u>	<u>\$ 26,235,605</u>	<u>\$ 17,691,734</u>	140,389,993
Less: Capital related debt				<u>58,081,602</u>
Net investment in capital assets				<u>\$ 82,308,391</u>

# City of Sheboygan, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type activities:</b>				
Capital assets, nondepreciable:				
Land	\$ 1,128,700	\$ 550	\$ -	\$ 1,129,250
Construction in progress	4,547,356	2,372,713	6,611,064	309,005
Total capital assets, nondepreciable	<u>5,676,056</u>	<u>2,373,263</u>	<u>6,611,064</u>	<u>1,438,255</u>
Capital assets, depreciable:				
Buildings and improvements	22,313,052	132,114	47,435	22,397,731
Improvements other than buildings	27,748,459	491,782	100,077	28,140,164
Machinery and equipment	34,183,898	3,153,857	507,778	36,829,977
Infrastructure	76,818,064	7,762,237	54,076	84,526,225
Subtotals	<u>161,063,473</u>	<u>11,539,990</u>	<u>709,366</u>	<u>171,894,097</u>
Less accumulated depreciation for:				
Buildings and improvements	15,708,219	584,986	47,436	16,245,769
Improvements other than buildings	21,437,963	392,663	100,077	21,730,549
Machinery and equipment	26,544,359	1,096,529	503,323	27,137,565
Infrastructure	28,903,317	1,743,140	54,076	30,592,381
Subtotals	<u>92,593,858</u>	<u>3,817,318</u>	<u>704,912</u>	<u>95,706,264</u>
Total capital assets, depreciable, net	<u>68,469,615</u>	<u>7,722,672</u>	<u>4,454</u>	<u>76,187,833</u>
Business-type activities capital assets, net	<u>\$ 74,145,671</u>	<u>\$ 10,095,935</u>	<u>\$ 6,615,518</u>	<u>77,626,088</u>
Less: Capital related debt				<u>20,841,997</u>
Net investment in capital assets				<u>\$ 56,784,091</u>

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

Governmental activities	
General government	\$ 673,069
Public safety	711,008
Public works	2,405,346
Culture and recreation	586,541
Conservation and development	195,420
Subtotal	<u>4,571,384</u>
Capital assets held by City's internal service fund are charged to various functions based on their usage of the assets	
	897,271
Total depreciation expense - governmental activities	<u>\$ 5,468,655</u>
Business-type activities	
Sewerage system	\$ 1,555,888
Water utility	
Depreciation expense	1,533,169
Depreciation expense allocated to clearing accounts	236,879
Transit commission	414,678
Parking facility	12,234
Boat facility	64,470
Total depreciation expense - business-type activities	<u>\$ 3,817,318</u>

# City of Sheboygan, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

### D. INTERFUND RECEIVABLE, PAYABLES, AND TRANSFERS

Interfund receivables and payables between individual funds of the City, as reported in the fund financial statements, as of December 31, 2019 are detailed below:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Governmental funds		
General	\$ 1,272,562	\$ -
Special revenue funds		
Harbor center marina	-	2,811,581
Debt service funds		
GO Debt	2,811,581	-
Enterprise fund		
Water utility	-	1,160,483
Boat facility	-	112,079
Totals	<u>\$ 4,084,143</u>	<u>\$ 4,084,143</u>

The principal purpose of these interfunds is to account for the 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.

Interfund advances between funds as of December 31, 2019 are detailed below:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Governmental funds		
General	\$ 2,393,871	\$ -
Special revenue fund		
Redevelopment authority	-	588,651
Debt service fund		
GO Debt	382,379	-
TIF districts	-	1,110,043
Capital projects funds		
Tax levy	456,761	-
TIF districts	-	1,534,317
Totals	<u>\$ 3,233,011</u>	<u>\$ 3,233,011</u>

The principal purpose of these interfund advances was financing debt service maturities of the City's tax incremental financing districts and capital acquisitions.

For the statement of net position, interfund balances which are owed within the governmental activities or business-type activities are netted and eliminated. A reconciliation to the statement of net position follows:

Due from other funds	\$ 1,272,562
Internal service fund allocation to business-type activities	<u>(51,224)</u>
Total internal balances - government wide Statement of Net Position	<u>\$ 1,221,338</u>

# City of Sheboygan, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

Interfund transfers for the year ended December 31, 2019 were as follows:

Fund	Transfer In	Transfer Out
General	\$ 3,311,297	\$ 6,482
Special revenue		
Community Development Block Grant	-	247,311
Mead Library	294,065	-
Cable TV	-	425,000
Tourism Promotion	-	453,172
Harbor Center Marina	225,000	-
Police Meg Unit	5,000	-
Special Assessment	-	125,000
Municipal Court	-	296,077
Ambulance	-	919,670
Capital projects		
Tax Levy	125,000	6,000
TIF Districts	1,542,311	-
Bonded	-	1,097,000
Debt service		
GO Debt	308,105	499,486
TIF Districts	1,084,486	2,105,000
Permanent		
Cemetery Perpetual Care	-	15,000
Library Trust	-	294,065
Enterprise		
Sewerage System	-	261,320
Water Utility	-	1,124,163
Parking Facility	7,482	-
Internal service		
Motor Vehicle	1,097,000	125,000
	<u>\$ 7,999,746</u>	<u>\$ 7,999,746</u>

Interfund transfers were made for the following purposes:

Tax equivalent payment made by water utility to general fund	\$ 1,124,163
Tax equivalent payment made by sewer utility to general fund	261,320
Transfer from cemetery fund to reimburse general fund for operating costs	15,000
Transfer from cable TV to general fund for operating costs	425,000
Transfer from tourism promotion to reimburse the general fund for operating costs	145,067
Transfer from municipal court to general fund for operating costs	296,077
Transfer from ambulance fund to general fund for operating costs	919,670
Transfer from motor vehicle to general fund for operating costs	125,000
Transfer from general fund to reimburse MEG unt fund for operating costs	5,000
Transfer to debt service fund from tourism promotion	308,105
Transfer from general fund to reimburse parking facility for operating costs	1,482
Transfer to reimburse parking facility for operating costs	294,065
Transfer from Industrial Park fund to Parking Utility fund for reimburse operating costs	6,000
Transfer from CDBG 2019 fund to TID 16 debt service fund	247,311

# City of Sheboygan, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

Transfer from TID 16 debt service fund to TID 16 capital fund for projects	247,311
Transfer from TID 14 debt service fund to TID 14 capital fund for projects	735,000
Transfer from TID 17 debt service fund to TID 17 capital fund for projects	110,000
Transfer from TID 19 debt service fund to TID 19 capital fund for projects	450,000
Transfer from TID 12 debt service fund to TID 17 debt service fund per TID sharing agreement	174,704
Transfer from TID 13 debt service fund to TID 17 debt service fund per TID sharing agreement	387,985
Transfer from Convention Center debt service fund to TID 17 debt service fund per budget	274,486
Transfer to capital project fund from assessments	125,000
Transfer to motor vehicle for equipment bonded in capital projects	1,097,000
Transfer to Harbor Center Marina from debt service	225,000
	\$ 7,999,746

### E. LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations of the City for the year ended December 31, 2019:

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
General obligation debt-bonded					
Bonds	\$ 20,143,750	\$ 13,815,000	\$ 4,988,861	\$ 28,969,889	\$ 2,192,921
Notes	23,605,860	-	4,440,001	19,165,859	2,465,000
Direct borrowings					
Recycling loans	519,628	-	119,950	399,678	119,952
State trust fund loans	400,000	-	-	400,000	-
Total general obligation debt	44,669,238	13,815,000	9,548,812	48,935,426	4,777,873
Note anticipation notes	18,905,000	-	8,415,000	10,490,000	-
Debt premium	942,270	935,538	211,206	1,666,602	227,231
Debt discount	(46,053)	-	(45,681)	(372)	372
Mortgage notes	225,000	-	-	225,000	-
Capital leases	718,978	-	217,197	501,781	522,702
Sheboygan County	1,000,000	-	-	1,000,000	-
Compensated absences	3,954,179	3,104,918	3,954,179	3,104,918	372,590
Governmental activities Long-term obligations	\$ 70,368,612	\$ 17,855,456	\$ 22,300,713	\$ 65,923,355	\$ 5,900,768
<b>Business-type activities:</b>					
General obligation debt - bonded					
Bonds	\$ 185,391	\$ -	\$ 16,139	\$ 169,252	\$ 17,079
Revenue bonds	8,760,000	-	650,000	8,110,000	680,000
Direct Borrowings					
Revenue bonds	13,030,435	2,034,614	876,172	14,188,877	984,461
Debt premium	297,445	-	32,872	264,573	-
Compensated absences	472,610	65,201	22,073	515,738	22,073
Business-type activities Long-term obligations	\$ 22,745,881	\$ 2,099,815	\$ 1,597,256	\$ 23,248,440	\$ 1,703,613

Total interest paid during the year on long-term debt totaled \$2,740,232.

# City of Sheboygan, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

### State Trust Fund Loan and Land Recycling Loans

The City's outstanding notes from direct borrowings related to the governmental activities of \$799,678 are subject to a statutory provision that in an event of late or non-payment, a one percent per month penalty will be charged and the payment will be collected through a reduction in payments from the State of Wisconsin.

### Clean Water Fund Loan Program

The City's outstanding notes from direct borrowings related to business type activities of \$14,188,877 contain the following provisions in the event of a default: 1) Wisconsin Department of Administration can deduct amounts due from any state payments due to the City or add the amounts due as a special charge to the property taxes apportioned; 2) may appoint a receiver for the Program's benefit; 3) may declare the principal amount immediately due and payable; 4) may enforce any right or obligation under the financing agreement including the right to seek specific performance or mandamus; and 5) may increase the interest rate set forth in the financing agreement to the market interest rate.

### Note Anticipation Notes

Note anticipation notes outstanding on December 31, 2019 was comprised of the following issues:

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/19</u>
Note anticipation note	7/2/18	6/6/21	3.63%	\$ 10,490,000	\$ 10,490,000

Annual principal and interest maturities of the outstanding anticipation note debt of \$10,490,000 on December 31, 2019 are detailed below:

<u>Year Ended December 31,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ -	\$ 380,262	\$ 380,262
2021	10,490,000	190,131	10,680,131
	<u>\$ 10,490,000</u>	<u>\$ 570,393</u>	<u>\$ 11,060,393</u>

# City of Sheboygan, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

### General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/19</u>
General obligation debt					
General obligation bonds					
General obligation bonds	9/1/07	10/01/26	4.50-5.00%	\$ 8,000,000	\$ 5,550,000
Taxable refunding bonds	6/23/10	04/01/27	3.50-5.25%	8,325,000	20,000
Refunding bonds	8/25/16	10/01/22	1.00-2.00%	2,720,000	1,140,000
Refunding bonds	11/5/18	12/01/38	3.00-4.00%	5,015,000	4,815,000
Taxable refunding bonds	11/5/18	12/01/38	3.15-4.45%	3,800,000	3,800,000
General Obligation Bonds	7/29/19	12/01/38	3.00%	4,225,000	4,225,000
General Obligation Bonds	7/29/19	12/01/34	3.00%	6,630,000	6,630,000
Taxable Refunding Bonds	7/29/19	04/01/27	5.00%	2,960,000	2,960,000
General obligation notes					
Land recycling loan (direct borrowing)	12/23/02	5/1/22	0%	2,700,000	240,388
Land recycling loan (direct borrowing)	4/14/04	5/1/23	0%	756,625	159,290
Promissory notes					
(Build America Bonds)	6/23/10	4/1/20	3.50-4.20%	2,045,000	230,000
Promissory notes	8/4/15	10/1/24	2.00-2.125%	4,310,000	1,740,000
Promissory notes	4/12/16	10/1/25	1.00-2.00%	3,400,000	2,280,000
Promissory notes	4/20/16	10/1/25	1.00-2.30%	7,525,000	4,495,000
Promissory notes	5/15/17	4/1/27	1.50-2.50%	5,000,000	4,475,000
State trust fund loan (direct borrowing)	9/12/17	3/15/22	3.50%	400,000	400,000
Promissory notes	7/2/18	12/1/27	3.00%	6,335,000	5,945,000
Total outstanding general obligation debt					<u>\$ 49,104,678</u>

Annual principal and interest maturities of the outstanding general obligation debt of \$49,104,678 on December 31, 2019 are detailed below:

Year Ended	Governmental Activities				Business-type Activities		Totals	
	Bonded		Direct Borrowing		Bonded		Principal	Interest
	Principal	Interest	Principal	Interest	Principal	Interest		
December 31, 2020	\$ 4,657,921	\$ 1,618,047	\$ 119,952	\$ 14,038	\$ 17,079	\$ 7,193	\$ 4,794,952	\$ 1,639,278
2021	4,851,869	1,360,503	319,951	14,000	18,131	6,696	5,189,951	1,381,199
2022	4,990,781	1,231,270	319,952	7,000	19,219	7,046	5,329,952	1,245,316
2023	4,429,628	1,087,421	39,823	-	20,372	7,152	4,489,823	1,094,573
2024	4,678,421	954,812	-	-	21,579	4,534	4,700,000	959,346
2025-2029	15,022,128	2,770,063	-	-	72,872	7,558	15,095,000	2,777,621
2030-2034	6,185,000	1,287,810	-	-	-	-	6,185,000	1,287,810
2035-2038	3,320,000	312,965	-	-	-	-	3,320,000	312,965
	<u>\$ 48,135,748</u>	<u>\$ 10,622,891</u>	<u>\$ 799,678</u>	<u>\$ 35,038</u>	<u>\$ 169,252</u>	<u>\$ 40,179</u>	<u>\$ 49,104,678</u>	<u>\$ 10,698,108</u>

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

### Build America Bond

The general obligation debt issued on June 23, 2010 qualifies as Build America Bonds, as described in Section 54AA of the Internal Revenue Code. The interest on the debt is taxable as set forth in the regulations. The City is eligible to receive a 35% subsidy of the annual interest payment from the Federal government. In order to receive this subsidy it is necessary for the City to file a claim form annually.

# City of Sheboygan, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

### Legal Margin for New Debt

The City's legal margin for creation of additional general obligation debt on December 31, 2019 was \$108,316,011 as follows:

Equalized valuation of the City		\$2,919,239,300
Statutory limitation percentage		(x) 5%
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes		<u>145,961,965</u>
Total outstanding general obligation debt applicable to debt limitation	\$ 49,104,678	
Less: Amounts available for financing general obligation debt		
Debt service funds	<u>11,458,724</u>	
Net outstanding general obligation debt applicable to debt limitation		<u>37,645,954</u>
Legal margin for new debt		<u><u>\$ 108,316,011</u></u>

### Mortgage Notes

Mortgage notes currently outstanding consist of a note with the Sheboygan Development Corporation. A repayment schedule does not exist as of December 31, 2019.

### Amount due to Sheboygan County, Wisconsin

Sheboygan County, Wisconsin, provided funding to assist in the development and construction of the infrastructure of the Marina Boatworks facility. To the extent the City does not recover its initial taxpayer funding contribution through tax incremental revenues, the City will share any surplus cash with Sheboygan County in proportion to the initial taxpayer funding contributions excluding tax incremental revenue effects until the \$1,000,000 has been returned.

### Revenue Bonds

Revenue bonds outstanding were issued to finance the acquisition or construction of capital assets and were comprised of the following issues:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/19
<b>Sewerage system</b>					
Clean Water Fund Loan (direct borrowing)	5/26/10	5/1/30	2.40%	\$ 2,747,622	\$ 1,739,236
Clean Water Fund Loan (direct borrowing)	10/23/13	5/1/33	2.63%	8,901,537	7,087,775
Clean Water Fund Loan (direct borrowing)	10/23/19	5/1/39	1.65%	2,034,614	2,034,614
<b>Water utility</b>					
Revenue bonds (direct borrowing)	3/10/04	5/15/23	2.75%	3,152,000	805,456
Revenue bonds	4/3/13	5/1/33	2.00-3.50%	3,000,000	2,290,000
Revenue bonds (direct borrowing)	5/13/15	5/1/35	1.65%	2,990,520	2,521,796
Revenue bonds	4/20/16	4/20/25	1.00-2.00%	2,115,000	1,400,000
Revenue bonds	5/1/18	5/1/33	3.00-4.00%	4,705,000	<u>4,420,000</u>
Total outstanding revenue bonds					<u><u>\$22,298,877</u></u>

# City of Sheboygan, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

Annual principal and interest maturities of the outstanding revenue bonds of \$22,298,877 on December 31, 2019 are detailed below:

Year Ended December 31,	Business-type Activities				Totals	
	Bonded		Direct Borrowing		Principal	Interest
	Principal	Interest	Principal	Interest		
2020	\$ 680,000	\$ 248,406	\$ 984,461	\$ 309,613	\$ 1,664,461	\$ 558,019
2021	695,000	228,594	1,008,029	289,484	1,703,029	518,078
2022	715,000	207,994	1,032,178	265,037	1,747,178	473,031
2023	735,000	185,969	1,056,924	239,985	1,791,924	425,954
2024	735,000	163,234	866,885	217,277	1,601,885	380,511
2025-2029	2,715,000	499,456	4,645,090	772,007	7,360,090	1,271,463
2030-2034	1,835,000	120,088	3,844,940	243,812	5,679,940	363,900
2035-2039	-	-	750,370	25,398	750,370	25,398
	<u>\$8,110,000</u>	<u>\$1,653,741</u>	<u>\$14,188,877</u>	<u>\$2,362,613</u>	<u>\$22,298,877</u>	<u>\$4,016,354</u>

### Utility Revenues Pledged

The City has pledged future water and sewer customer revenues, net of specified operating expenses, to repay the water and sewerage system revenue bonds. Proceeds from the bonds provided financing for the construction or acquisition of capital assets used with the systems. The bonds are payable solely from water and sewer customer net revenues and are payable through 2034. The total principal and interest remaining to be paid on the bonds is \$26,315,231. Principal and interest paid for the current year and total customer net revenues for the water utility were \$1,309,281 and \$3,808,648, respectively. Principal and interest paid for the current year and total customer net revenues for the sewerage system were \$760,574 and \$3,073,246, respectively.

### Other Debt Information

There are a number of limitations and restrictions contained in the various bond and note obligations. The City believes it is substantially in compliance with all material limitations and restrictions.

### Current Refunding

During 2019, the City currently refunded general obligation debt issues from 2010 and 2012. The City issued general obligation refunding bonds of \$2,960,000 and \$1,430,000 to call the refunded debt. These current refundings were undertaken to refinance and to reduce the principal and interest payments. Total debt service payments over the next 8 years were reduced by \$438,276 and the economic gain (difference between the present value of the debt service payments of the refunded and refunding debt) is \$348,621.

### Capital Lease

The City is obligated under various leases accounted for as capital leases that were used to finance the acquisition of capital assets. The cost of the capital assets under the capital leases are \$3,591,488 and the related accumulated depreciation is \$1,061,378 as of December 31, 2019.

# City of Sheboygan, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

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The following is a schedule of the minimum lease payments under the lease agreements and the present values of the minimum lease payments at December 31, 2019:

Year Ending	Governmental Activities
2020	\$ 240,715
2021	181,953
2022	106,456
Subtotal	<u>529,124</u>
Less: Amount representing interest	27,343
Present value of future minimum lease payments	<u>\$ 501,781</u>

### F. CONDUIT DEBT OBLIGATIONS

From time to time, the City has issued Industrial Revenue Bonds to provide financial assistance to private sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2019, there were 5 series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of \$9,962,467.

### G. PENSION PLAN

#### 1. Plan Description

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

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

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.

# City of Sheboygan, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

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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 December 31, 2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

Final average earnings is the average of the participant's three highest 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.

### 2. Post-Retirement Adjustments

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

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2008	0.1	0
2009	(2.1)	(42)
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	0.5	(5)
2017	2	4
2018	2.4	17

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

During the year ending December 31, 2019, the WRS recognized \$2,595,581 in contributions from the City.

# City of Sheboygan, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

Contribution rates for the reporting period are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (including teachers)	6.7%	6.7%
Protective with Social Security	6.7%	10.7%
Protective without Social Security	6.7%	14.9%

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

At December 31, 2019, the City reported a liability of \$8,648,973 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017 rolled forward to December 31, 2018. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2018, the City's proportion was 0.24310668%, which was an increase of 0.00068228% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the City recognized pension expense of \$5,868,789.

At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 6,736,239	\$ 11,907,251
Net differences between projected and actual earnings on pension plan investments	12,631,233	-
Changes in assumptions	1,457,900	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	51,634	13,145
Employer contributions subsequent to the measurement date	2,595,581	-
Total	<u>\$ 23,472,587</u>	<u>\$ 11,920,396</u>

\$2,595,581 reported as deferred outflows related to pension 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, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Expense</u>
2020	\$ 3,236,857
2021	822,158
2022	1,426,861
2023	3,470,734
Total	<u>\$ 8,956,610</u>

# City of Sheboygan, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

### 5. Actuarial Assumptions

The total pension liability in the December 31, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation date:	December 31, 2017
Measurement date of net pension liability (asset):	December 31, 2018
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
Post-retirement adjustments*	1.9%

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

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. Based on this experience study, actuarial assumptions used to measure the total pension liability changed from prior year, including the discount rate, long-term expected rate of return, post-retirement adjustment, wage inflation rate, mortality and separation rates. The total pension liability for December 31, 2018 is based upon a roll-forward of the liability calculated from the December 31, 2017 actuarial valuation.

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

	<u>Current Asset Allocation %</u>	<u>Long-term Expected Nominal Rate of Return %</u>	<u>Long-term Expected Real Rate of Return %</u>
<u>Core Fund Asset Class</u>			
Global equities	49%	8.1%	5.5%
Fixed income	24.5%	4.0%	1.5%
Inflation sensitive assets	15.5%	3.8%	1.3%
Real estate	9%	6.5%	3.9%
Private equity/debt	8%	9.4%	6.7%
Multi-asset	4%	6.7%	4.1%
Total Core Fund	110%	7.3%	4.7%
<u>Variable Fund Asset Class</u>			
U.S. equities	70%	7.6%	5.0%
International equities	30%	8.5%	5.9%
Total Variable Fund	100%	8.0%	5.4%

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.5%

Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations

# City of Sheboygan, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

**Single Discount Rate.** A single discount rate of 7.00% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.00% and a long-term bond rate of 3.71%. 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 members 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 long-term expected 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 percent, 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 percent) or 1-percentage-point higher (8.00 percent) 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)	\$ 34,371,927	\$ 8,648,973	\$ (10,478,037)

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

### 6. Payables to the Pension Plan

At December 31, 2019, the City reported a payable of \$459,551 for the outstanding amount of contributions to the pension plan for the year ended December 31, 2019.

### H. OTHER POSTEMPLOYMENT BENEFITS

The City reports OPEB related balances at December 31, 2019 as summarized below:

	OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources
Local Retiree Life Insurance Fund (LRLIF)	\$ 1,374,714	\$ 164,964	\$ 440,539
Single-employer defined OPEB plan - City	3,593,695	172,699	-
Single-employer defined OPEB plan - Water	203,536	22,805	5,004
Total pension liability	<u>\$ 5,171,945</u>	<u>\$ 360,468</u>	<u>\$ 445,543</u>

#### 1. Single-employer Defined Postemployment Benefit Plan - City Plan

##### *Plan Description*

The Plan is a single-employer defined benefit postemployment healthcare plan that covers retired employees of the City. Benefit terms including eligibility and benefit offerings vary by employee classification and length of service with the City. Eligible retired employees have access to medical coverage through the City's plan. There are no assets that have been accumulated in a trust.

# City of Sheboygan, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

### *Benefits Provided*

The City provides healthcare and insurance benefits for retirees and their dependents. However, since the City has a self-insured plan, it should be determine its pay-as-you-go benefit based upon the actual retiree paid claims plus administration and stop-loss premiums minus the amount the retirees' paid for continued coverage and stop-loss reimbursement.

### *Employees Covered by Benefit Terms*

At December 31, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	57
Active employees	338
	<u>395</u>

### *Contributions*

Certain retired plan members and beneficiaries currently receiving benefits are required to contribute specified amounts monthly based upon the premium equivalent rates.

### *Total OPEB Liability*

The City's total OPEB liability was measured as of December 31, 2019, and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation as of December 31, 2017.

**Actuarial Assumptions.** The total OPEB liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation:	2.50%
Salary increases:	3.0%
Investment rate of return:	2.75%
Healthcare cost trend rates:	7.5% initial decreasing by .5% per year to 6.5% and then decreasing by .10% per year down to 5.0%, and level thereafter

Mortality rates are based on the Wisconsin 2012 Mortality Table.

The actuarial assumptions were based on the Wisconsin Retirement System 2012 - 2014 Experience Study.

The long-term expected rate of return on OPEB plan investments was valued at 2.75%, which is based on the current yield for 20 year AA municipal bond rate as of the measurement date.

**Discount Rate.** The discount rate used to measure the total OPEB liability was 2.75%. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates.

### *Changes in the Total OPEB Liability*

Balance at December 31, 2018	<u>\$ 3,857,678</u>
Changes for the year:	
Service cost	157,135
Interest	142,235
Benefit payments	(760,723)
Changes of assumptions or other input	197,370
Net changes	<u>(263,983)</u>
Balance at December 31, 2019	<u>\$ 3,593,695</u>

# City of Sheboygan, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.75%) or 1-percentage-point higher (3.75%) than the current rate:

	1% Decrease to Discount Rate (1.75%)	Current Discount Rate (2.75%)	1% Increase to Discount Rate (3.75%)
Total OPEB liability	\$ 3,756,472	\$ 3,593,695	\$ 3,435,177

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.5% decreasing to 4.0%) or 1-percentage-point higher (8.5% decreasing to 6.0%) than the current healthcare cost trend rates:

	1% Decrease (6.5% decreasing to 4.0%)	Healthcare Cost Trend Rates (7.50% decreasing to 5.0%)	1% Increase (8.5% decreasing to 6.0%)
Total OPEB liability	\$ 3,305,525	\$ 3,593,695	\$ 3,923,577

### *OPEB Expense and Deferred Outflows of Resources*

For the year ended December 31, 2019, the City recognized OPEB expense of \$324,041. At December 31, 2019, the City reported deferred outflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>
Changes in assumptions	<u>\$ 172,699</u>

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

Year Ended December 31,	Expense
2020	\$ 24,671
2021	24,671
2022	24,671
2023	24,671
2024	24,671
Thereafter	49,344
Total	<u>\$ 172,699</u>

### *Payable to the OPEB Plan*

At December 31, 2019, the City did not report a payable for the outstanding amount of contribution to the Plan required for the year ended December 31, 2019.

## 2. Single-employer Defined Postemployment Benefit Plan - Water Utility Plan

### **Plan Description**

The utility's defined benefit OPEB plan, Retiree Benefits Plan (RBP), provides OPEB for all permanent full-time general employees of the utility. RBP is a single-employer defined benefit OPEB plan administered by the Water Utility. Article 11 of the State Complied Statutes grants the authority to establish and amend the benefit terms and financing requirements to the Utility Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

# City of Sheboygan, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

### *Benefits Provided*

The RBP provides healthcare and life insurance benefits for retirees and their dependents. However, since the Utility has a self-insured health plan, it should be determine its pay-as-you-go benefit based upon the actual retiree paid claims plus administration and stop-loss premiums minus the amount the retirees' paid for continued coverage and stop-loss reimbursement.

### *Contributions*

The Water Utility determines retiree contributions based upon the premium equivalent rates.

### *Employees Covered by Benefit Terms*

At December 31, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	3
Active employees	29
	<u>32</u>

### *Total OPEB Liability*

The Water Utility's total OPEB liability of \$203,536 was measured as of December 31, 2018, and was determined by an actuarial valuation as of that date.

*Actuarial Assumptions and other inputs.* The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation:	The assumed salary inflation of 3.0% per year is added to merit increases to get the total assumed increase in salary.
Salary increases:	7.50% decreasing by .50% per year to 6.50% and then decreasing by .10% per year down to 5.0%, and level thereafter

The discount rate was based on all years of projected payments discounted at a municipal bond rate of 4.0%

Mortality rates are based on the Wisconsin 2012 Mortality Table.

The actuarial assumptions were based on the Wisconsin Retirement System 2012 - 2014 Experience Study.

### *Changes in the Total OPEB Liability*

Balance at December 31, 2018	\$ 209,720
Changes for the year:	
Service cost	10,894
Interest	7,203
Differences between expected and actual experience	(5,560)
Benefit payments	(18,721)
Net changes	<u>(6,184)</u>
Balance at December 31, 2019	<u>\$ 203,536</u>

# City of Sheboygan, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the Water Utility, as well as what the Water Utility's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.0%) or 1-percentage-point higher (5.0%) than the current rate:

	1% Decrease to Discount Rate (3.00%)	Current Discount Rate (4.00%)	1% Increase to Discount Rate (5.00%)
Total OPEB liability	\$ 214,792	\$ 203,536	\$ 192,855

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the Water Utility, as well as what the Water Utility's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.5% decreasing to 4.0%) or 1-percentage-point higher (8.5% decreasing to 6.0%) than the current healthcare cost trend rates:

	1% Decrease (6.5% decreasing to 4.0%)	Healthcare Cost Trend Rates (7.50% decreasing to 5.0%)	1% Increase (8.5% decreasing to 6.0%)
Total OPEB liability	\$ 188,721	\$ 203,536	\$ 223,178

### *OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB – Water Utility*

For the year ended December 31, 2019, the Water Utility recognized OPEB expense of (\$13,146). At December 31, 2019, the Water Utility reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ -	\$ 5,004
Employer contributions subsequent to the measurement date	22,805	-
Total	<u>\$ 22,805</u>	<u>\$ 5,004</u>

Deferred outflows related to OPEB resulting from the employer's contributions subsequent to the measurement date reported in the table above will be recognized as a reduction of the total OPEB liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31,	Expense
2020	\$ (556)
2021	(556)
2022	(556)
2023	(556)
2023	(556)
Thereafter	(2,224)
Total	<u>\$ (5,004)</u>

# City of Sheboygan, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

### 3. Local Retiree Life Insurance Fund

#### *Plan Description*

The 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 Comprehensive Annual Financial Report (CAFR), which can be found at <http://etf.wi.gov/publications/cafr.htm>.

#### *Benefits Provided*

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

#### *Contributions*

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

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

Contribution rates as of December 31, 2019 are:

<u>Coverage Type</u>	<u>Employer Contribution</u>
50% Post-retirement coverage	40% of employee contribution
25% Post-retirement coverage	20% of employee contribution

Employee contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating employees must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The employee contribution rates in effect for the year ended December 31, 2018 are listed below:

Life Insurance Employee Contribution Rates For the Year Ended December 31, 2018	
<u>Attained Age</u>	<u>Basic</u>
Under 30	0.05
30 - 34	0.06
35 - 39	0.07
40 - 44	0.08
45 - 49	0.12
50 - 54	0.22
55 - 59	0.39
60 - 64	0.49
65 - 69	0.57

During the reporting period, the LRLIF recognized \$10,264 in contributions from the employer.

# City of Sheboygan, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

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

At December 31, 2019, the City reported a liability of \$1,374,714 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2017 rolled forward to December 31, 2018. No material changes in assumptions or benefits 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, 2018, the City's proportion was 0.532765%, which was a decrease of 0.02145% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the City recognized OPEB expense of \$124,321.

At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 69,738
Net differences between projected and actual earnings on OPEB plan investments	32,853	-
Changes in assumptions	131,169	297,983
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	72,818
Employer contributions subsequent to the measurement date	942	-
Total	<u>\$ 164,964</u>	<u>\$ 440,539</u>

\$942 reported as deferred outflows of resources related to OPEB resulting from LRLIF Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31,	Expense
2020	\$ (39,306)
2021	(39,306)
2022	(39,306)
2023	(43,920)
2024	(48,672)
Thereafter	(66,007)
	<u>\$ (276,517)</u>

# City of Sheboygan, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

**Actuarial assumptions.** The total OPEB liability in the January 1, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial valuation date:	January 1, 2018
Measurement date of net OPEB liability (asset):	December 31, 2018
Actuarial cost method:	Entry age normal
20 year tax-exempt municipal bond yield:	4.10%
Long-term expected rate of return:	5.00%
Discount rate:	4.22%
Salary increases:	
Inflation	3.00%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table

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

<u>Asset Class</u>	<u>Index</u>	<u>Target Allocation</u>	<u>Long-term Expected Geometric Real Rate of Return %</u>
U.S. Government Bonds	Barclays Government	1%	1.44%
U.S. Credit Bonds	Barclays Credit	40%	2.69%
U.S. Long Credit Bonds	Barclays Long Credit	4%	3.01%
U.S. Mortgages	Barclays MBS	54%	2.25%
US Municipal Bonds	Bloomberg Barclays Muni	1.0%	1.68%
Inflation			2.30%
Long-term expected rate of return			5.0%

**Single discount rate.** A single discount rate of 4.22% was used to measure the total OPEB liability. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive employees. 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.

# City of Sheboygan, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

Sensitivity of the City's proportionate share of net OPEB liability (asset) to changes in the discount rate. The following presents the City's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 4.22%, as well as what the City's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (3.22%) or 1-percentage-point higher (5.22%) than the current rate:

	1% Decrease to Discount Rate (3.22%)	Current Discount Rate (4.22%)	1% Increase to Discount Rate (5.22%)
City's proportionate share of the net OPEB liability (asset)	\$ 1,955,621	\$ 1,374,714	\$ 926,675

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

### *Payable to the OPEB Plan*

At December 31, 2019, the City reported a payable of \$0 for the outstanding amount of contribution to the Plan required for the year ended December 31, 2019.

## I. FUND EQUITY

### Nonspendable Fund Balance

In the fund financial statements, portions of the governmental fund balances are amounts that cannot be spent because they are either 1) not in spendable form or 2) legally or contractually required to be maintained intact. At December 31, 2019, nonspendable fund balance was as follows:

	General	Nonmajor
Nonspendable		
Inventories and prepaid items	\$ 156,402	\$ 102,141
Long-term accounts and interfund receivables	1,861,968	-
Principal of endowment	-	1,550,133
Total Nonspendable Fund Balance	<u>\$ 2,018,370</u>	<u>\$ 1,652,274</u>

# City of Sheboygan, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

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### Restricted Fund Balance

In the fund financial statements, portions of governmental fund balances are not available for appropriation or are legally restricted for use for a specific purpose. At December 31, 2019, restricted fund balance was as follows:

#### Special Revenue Funds

Restricted for	
Community development	\$ 1,376,484
Revolving loan funds	787,894
Lead based abatement program	15,426
Parks	215,908
Total Special Revenue Funds Restricted Fund Balance	<u>2,395,712</u>

#### Debt Service Funds

Restricted for	
Debt service	7,409,290
Tax incremental financing districts	4,049,434
Total Debt Service Funds Restricted Fund Balance	<u>11,458,724</u>

#### Capital Projects Funds

Restricted for	
Capital improvements	1,874,833
tax incremental financing districts	1,383,584
Total Capital Projects Fund Balance	<u>3,258,417</u>

#### Permanent Fund

Restricted for	
Library trust	917,459

Total Restricted Fund Balance \$ 18,030,312

### Committed Fund Balance

In the fund financial statements, portions of government fund balances are committed by City Council action. At December 31, 2019, General Fund balance was committed as follows:

#### General Fund

Committed for	
Development	<u>\$ 350,000</u>

#### Special Revenue Funds

Committed for	
Library activities and programs	935,232
Cable TV program	633,136
Tourism and promotion activities	208,773
Public safety - MEG unit	13,072
Special assessments	1,068,260
Municipal court operations	29,937
Ambulance services	521,208
Storm water	137,815
Park and recreation	101,727
Total Special Revenue Funds Committed Fund Balance	<u>3,649,160</u>

#### Capital Improvements Fund

Committed for	
Capital improvements	<u>5,367,099</u>

Total Committed Fund Balance \$ 9,366,259

# City of Sheboygan, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

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### Assigned Fund Balance

Portions of governmental fund balances have been assigned to represent tentative management plans that are subject to change. At December 31, 2019, fund balance was assigned as follows:

#### General Fund

Assigned for subsequent years budget	<u>\$ 1,588,088</u>
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### Minimum General Fund Balance Policy

The City has also adopted a minimum fund balance policy of 25% of subsequent year budgeted expenditures not including debt service, for the general fund. The minimum fund balance is maintained for cash flow and working capital purposes. The minimum fund balance amount is calculated as follows:

Budgeted 2020 General Fund Expenditures	\$ 39,294,527
Minimum Fund Balance %	(x) 25%
Minimum Fund Balance Amount	<u>\$ 9,823,632</u>

The City's unassigned general fund balance of \$17,723,920 is above the minimum fund balance amount.

## NOTE 4: OTHER INFORMATION

### A. COMPONENT UNIT

This report contains the Housing Authority of the City of Sheboygan (the "Housing Authority"), which is included as a component unit. Financial information for the Housing Authority is presented as a separate column in the statement of net position and statement of activities.

In addition to the basic financial statements and the preceding notes to financial statements which apply, the following additional disclosures are considered necessary for a fair presentation.

Information related to the Housing Authority is as follows:

#### Significant Accounting Policies

The Housing Authority follows the accrual basis of accounting.

Cash and investments are combined in the financial statements. Cash deposits consist of demand and time deposits with financial institutions and are carried at cost. Investments are stated at fair value.

Capital assets are stated at cost at the date of acquisition. The provision for depreciation was computed under the straight-line method over the useful lives of the assets.

#### Deposits and Investments

The carrying amount of the Housing Authority's cash and investments totaled \$4,260,743 on March 31, 2019 as summarized below:

Deposits with financial institutions	\$ 539,663
Investments	
Government debt securities	2,418,630
Negotiable certificates of deposit	226,251
Exchange traded funds	1,076,199
	<u>\$ 4,260,743</u>

# City of Sheboygan, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

### Reconciliation to the basic financial statements

Combining Statement of Net Position	
Cash and investments	\$ 4,145,080
Cash and cash equivalents - restricted	115,663
	<u>\$ 4,260,743</u>

### Custodial Credit Risk

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

Deposits with financial institutions within the State of Wisconsin are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 for the combined amount of all time and savings deposits and \$250,000 for interest-bearing and noninterest-bearing demand deposits per official custodian per insured depository institution. Deposits with financial institutions located outside the State of Wisconsin are insured by the FDIC in the amount of \$250,000 for the combined amount of all deposit accounts per official custodian per depository institution. Deposits with credit unions are insured by the National Credit Union Share Insurance Fund (NCUSIF) in the amount of \$250,000 per credit union member. Also, the State of Wisconsin has a State Guarantee Fund which provides a maximum of \$400,000 per public depository above the amount provided by an agency of the U.S. Government. However, due to the relatively small size of the State Guarantee Fund in relation to the Fund's total coverage, total recovery of insured losses may not be available. This coverage has been considered in determining custodial credit risk.

As of March 31, 2019, none of the Housing Authority's deposits with financial institutions were in excess of federal and state depository insurance limits. No amounts were collateralized.

### Fair Value Measurements

The Housing Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant observable inputs; Level 3 inputs are significant unobservable inputs.

The Housing Authority has the following fair value measurements as of December 31, 2019:

	Fair Value Measurements Using:		
	Level 1	Level 2	Level 3
Federal National Mortgage Association	\$ -	\$ 247,430	\$ -
Federal Home Loan Mortgage Corporation	-	849,364	-
Federal Farm Credit Bank	-	400,116	-
Federal Home Loan Bank	-	311,396	-
U.S. Treasury securities	-	610,324	-
Negotiable certificates of deposit	-	226,251	-
Exchange traded funds	1,076,199	-	-
Total investments by fair value level	<u>\$ 1,076,199</u>	<u>\$ 2,644,881</u>	<u>\$ -</u>

# City of Sheboygan, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

### Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations 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 investments in securities to the top two ratings assigned by nationally recognized statistical rating organization. The Authority does not have an additional credit risk policy. Presented below is the actual rating as of March 31, 2019, for each investment type.

Investment Type	Amount	Exempt from Disclosure	AAA	Aa	Not Rated
Federal National Mortgage Association	\$ 247,430	\$ -	\$ 247,430	\$ -	\$ -
Federal Home Loan Mortgage Corporation	849,364	-	849,364	-	-
Federal Farm Credit Bank	400,116	-	400,116	-	-
Federal Home Loan Bank	311,396	-	311,396	-	-
U.S. Treasury securities	610,324	610,324	-	-	-
Negotiable certificates of deposit	226,251	-	-	-	226,251
Exchange traded funds	1,076,199	-	1,076,199	-	-
<b>Totals</b>	<b>\$3,721,080</b>	<b>\$ 610,324</b>	<b>\$2,884,505</b>	<b>\$ -</b>	<b>\$ 226,251</b>

### Concentration of Credit Risk

Concentration of credit risk refers to risk of loss attributed to investments in a single issuer. The Housing Authority does not have an additional investment policy regarding concentration of credit risk.

### Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The Housing Authority's investments include the following investments that are highly sensitive to interest rate fluctuations (to a greater degree than already indicated in the information provided above):

Highly Sensitive Investments	Fair Value at Year End
Mortgage backed securities. These securities are subject to early payment in a period of declining interest rates. The resultant reduction in expected total cash flows affects the fair value of these securities and makes the fair values of these securities highly sensitive to changes in interest rates.	\$ 1,808,306

### Interest Rate Risk

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

# City of Sheboygan, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

Information about the sensitivity of the fair values of the Housing Authority's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Housing Authority's investments by maturity:

Investment Type	Amount	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
Federal National Mortgage Association	\$ 247,430	\$ 247,430	\$ -	\$ -	\$ -
Federal Home Loan Mortgage Corporation	849,364	-	225,297	624,067	-
Federal Farm Credit Bank	400,116	-	-	400,116	-
Federal Home Loan Bank	311,396	-	-	311,396	-
U.S. Treasury securities	610,324	381,599	228,725	-	-
Negotiable certificates of deposit	226,251	-	226,251	-	-
Exchange traded funds	1,076,199	-	-	122,956	953,243
<b>Totals</b>	<b>\$ 3,721,080</b>	<b>\$ 629,029</b>	<b>\$ 680,273</b>	<b>\$ 1,458,535</b>	<b>\$ 953,243</b>

### Capital Assets

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, nondepreciable:				
Land	\$ 346,943	\$ -	\$ -	\$ 346,943
Construction in progress	152,083	2,312	-	154,395
Total capital assets, nondepreciable	499,026	2,312	-	501,338
Capital assets, depreciable:				
Buildings and improvements	9,776,507	166,029	-	9,942,536
Machinery and equipment	904,173	51,158	37,731	917,600
Total capital assets, depreciable	10,680,680	217,187	37,731	10,860,136
Less accumulated depreciation	8,114,275	337,358	37,206	8,414,427
Net capital assets, depreciable	2,566,405	(120,171)	525	2,445,709
Total capital assets, net of accumulated depreciation	\$ 3,065,431	\$ (117,859)	\$ 525	\$ 2,947,047

Accumulated depreciation is not available by class or function.

### B. TAX INCREMENTAL FINANCING DISTRICTS

The City has established one capital projects fund and one debt service fund to account for Tax Incremental Districts (the "TID") which were created by the City in accordance with Section 66.1105 of the Wisconsin Statutes. At the time the TIDs were created, the property tax base within each TID was "frozen" and increment taxes resulting from increases to the property tax base are used to finance TID improvements, including principal and interest on long-term debt issued by the City to finance such improvements. The Statutes allow eligible project costs to be incurred up to five years prior to the maximum termination date. The City's Districts are still eligible to incur project costs.

# City of Sheboygan, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

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The intent of the City is to recover the above amounts from future TID surplus funds, if any, prior to termination of the respective Districts. Unless terminated by the City prior thereto, each TID has a statutory termination year as follows:

	<b>Termination Year</b>
TID No. 6	2023
TID No. 10	2024
TID No. 11	2021
TID No. 12	2027
TID No. 13	2032
TID No. 14	2031
TID No. 15	2031
TID No. 16	2035
TID No. 17	2046
TID No. 18	2039
TID No. 19	2039
TID No. E1	2025

### C. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. The City participates in a public entity risk pool called Cities and Villages Mutual Insurance Company to provide coverage for losses from torts; theft of, damage to, or destruction of assets; errors and omission. However, other risks, such as workers compensation and health care of its employees are accounted for and financed by the City in health self-insurance internal service fund and the workers compensation self-insurance internal service fund.

#### Self-Insurance Fund

For health insurance claims, the uninsured risk of loss is \$150,000 per person. In addition, there is a minimum aggregate deductible for the current policy year which is the greater of \$6,874,632 or 90% of the monthly aggregate deductible for the first month of the policy year, multiplied by twelve months. The City has purchased commercial insurance for claims in excess of those amounts. Settled claims have exceeded the commercial coverage for the individual stop-loss, but not the aggregate deductible during any of the past three years.

For workers compensation claims, the uninsured risk of loss is \$500,000 per incident. The City has purchased commercial insurance for claims in excess of those amounts. Settled claims have not exceeded the commercial coverage in any of the past three years.

All funds of the City participate in the risk management program. Amounts payable to the internal service funds are based on actuarial estimates of the amounts necessary to pay prior and current year claims and to establish a reserve for catastrophic losses. \$9,086,356 was available for that reserve at year end, and is included in unrestricted net position of the internal service funds.

A liability for a claim is established if information indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss is reasonably estimable. Liabilities include an amount for health insurance, workers compensation, and general liability claims that have been incurred but not reported.

# City of Sheboygan, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

	Liability January 1	Current Year Claims and Changes in Estimates	Claims Payments	Liability December 31
Health Insurance				
2019	\$ 657,605	\$ 6,356,352	\$ 6,584,339	\$ 429,618
2018	721,268	6,733,113	6,796,776	657,605
Workers Compensation				
2019	57,788	264,101	266,155	55,734
2018	61,509	192,636	196,357	57,788
General Liability				
2019	185,703	80,240	154,521	111,422
2018	185,703	144,370	144,370	185,703

### Transit Mutual Insurance Corporation of Wisconsin (TMI)

Transit Mutual Insurance Corporation of Wisconsin (TMI) is a municipal mutual insurance corporation, which insures auto liability for municipally-owned transit systems in Wisconsin. Each insured property is an owner of the mutual insurance corporation. The City insures its transit systems' auto liability with TMI and is an owner of the corporation.

The City's auto liability insurance policy has a \$250,000 per person policy limit and a \$7,000,000 per accident policy limit. Of the per accident policy limit, TMI insures \$2,000,000 and reinsures \$5,000,000 with Great American Reinsurance Group. In addition, the City's policy provides for \$25,000 per person and \$50,000 per accident in uninsured motorist insurance.

TMI also provided Transit with auto physical damage coverage for its buses with a total limit of \$78,200,000 and a \$1,000 deductible for collision and comprehensive coverage. TMI insures \$750,000 and reinsures the remainder of \$77,450,000 with Great American Insurance Group.

Management of TMI consists of a Board of Directors comprised of one representative for each member. The City does not exercise any control over the activities of the corporation beyond its representation on the Board of Directors.

Premiums are determined in advance of each premium year, which begins on January 1. TMI is an assessable mutual; accordingly, the Board of Directors may require that supplemental contributions be made by members to ensure adequate funds are available to meet the obligations applicable to the premium year. Members are required by Wisconsin statute and TMI bylaws to fund any deficit attributable to a premium year during which they were a member. TMI was incorporated in 1985 and began issuing insurance policies in 1986; there has never been a member assessment beyond the annual premiums.

The City's share of this corporation is 3.87% for auto liability. A list of the other members and their share of participation is available in the TMI report, which can be obtained directly from TMI's office.

### Wisconsin Municipal Insurance Commission (WMIC)

#### Cities and Villages Mutual Insurance company (CVMIC)

CVMIC is a municipal mutual insurance company established on September 14, 1987 under Section 611.23 of the Wisconsin Statutes. CVMIC provides liability insurance coverage to the cities and villages which make up the membership of the WMIC that was established under Section 66.30 of the Wisconsin Statutes governing intergovernmental cooperation commissions.

CVMIC insures the municipalities up to \$5,000,000 per occurrence above the self-insured retention amount selected by each individual city or City. CVMIC also provides excess insurance of \$5,000,000 over the CVMIC layer thru a group purchase program paid proportionately by members for a total limit of \$10,000,000 per occurrence. Members pay premiums based on their self-insured retention amount, claims experience and population.

# City of Sheboygan, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

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Management of CVMIC and WMIC consists of a board of directors and officers elected by the membership from each class of participants based on population. The board of directors hires the company executive director who in turn hires the management staff of CVMIC. The City does not exercise any control over the activities of CVMIC and WMIC beyond the election of the officer and board.

Financial statements of CVMIC can be obtained directly from CVMIC's offices. The City's Mutual Member Participation Calculation for 2019 is calculated at 1.686%. This calculation is based on premiums, claims and self-insured retention of the city as compared to the entire membership. The City's participation portion of available funds would be distributed upon dissolution. WMIC is not required to have an audit.

The City pays an annual premium to CVMIC for its general liability insurance as noted. The City's self-insured retention amount annually is \$125,000 per occurrence and \$500,000 in the aggregate. An actuarially determined estimate for outstanding losses and incurred but not reported losses related to the City is \$27,348 as of December 31, 2019.

### **D. CONTINGENCIES**

The City participates in a number of federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. An audit under the Uniform Guidance has been conducted but final acceptance is still pending. Accordingly, the City's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

From time to time, the City is party to other various pending claims and legal proceedings. Although the outcome of such matters cannot be forecast with certainty, it is the opinion of management and the legal counsel 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.

### **E. SUBSEQUENT EVENTS**

During April of 2020, the City approved the sale of \$4,895,000 General Obligation Promissory Notes and the Sheboygan Board of Water Commissioners approved the sale of \$3,100,000 of Water Revenue Bond Anticipation Notes. The General obligation Promissory Notes and the Water Revenue Bond Anticipation Notes will be used to finance construction projects.

Subsequent to year end, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the City, COVID-19 may impact various parts of its 2020 operations and financial results including, but not limited to, costs for emergency preparedness, impacts on cash flows and impacts on personnel costs. Management believes the City is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events occurred subsequent to year end and are still developing.

### **F. PRIOR PERIOD ADJUSTMENT**

The City recorded a prior period adjustment that resulted in an increase in accounts receivable and fund balance / net position in the general fund and governmental activities in the amount of \$86,367. In addition, an adjustment to increase accounts receivable and net position in both the enterprise and business-type activities in the amount of \$502,813 was also recorded. The increases were due to adjustments to record accounts receivable for services provided but not billed as of year-end.

## REQUIRED SUPPLEMENTARY INFORMATION

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# City of Sheboygan, Wisconsin

## SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS - CITY PLAN LAST 10 FISCAL YEARS \*

	<u>2019</u>	<u>2018</u>
Total OPEB liability		
Service cost	\$ 157,135	\$ 157,135
Interest	142,235	150,414
Changes of assumptions	197,370	-
Benefit payments	<u>(760,723)</u>	<u>(263,313)</u>
Net change in total OPEB liability	(263,983)	44,236
Total OPEB liability - beginning	<u>3,857,678</u>	<u>3,813,442</u>
Total OPEB liability - ending	<u>\$ 3,593,695</u>	<u>\$ 3,857,678</u>
Covered payroll	\$ 22,756,975	\$ 22,756,975
City's total OPEB liability as a percentage of covered payroll	15.79%	16.95%

\* The amounts presented for each fiscal year were determined as of the current fiscal year end. Amounts for prior years were not available.

*See notes to required supplementary information.*

# City of Sheboygan, Wisconsin

## SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS - WATER UTILITY PLAN LAST 10 FISCAL YEARS

	<u>2019</u>	<u>2018</u>
Total OPEB liability		
Service cost	\$ 10,894	\$ 10,894
Interest	7,203	7,184
Differences between expected and actual experience	(5,560)	-
Benefit payments	<u>(18,721)</u>	<u>(16,356)</u>
Net change in total OPEB liability	(6,184)	1,722
Total OPEB liability - beginning	<u>209,720</u>	<u>207,998</u>
Total OPEB liability - ending	<u>\$ 203,536</u>	<u>\$ 209,720</u>
Covered payroll	\$ 1,874,682	\$ 1,877,409
Water Utility's total OPEB liability as a percentage of covered payroll	10.86%	11.17%

*See notes to required supplementary information.*

# City of Sheboygan, Wisconsin

## SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) WISCONSIN RETIREMENT SYSTEM LAST 10 FISCAL YEARS

Plan Year Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll (plan year)	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
12/31/14	0.24125991%	\$ (5,926,003)	\$ 26,387,532	22.46%	102.74%
12/31/15	0.24324242%	3,952,640	27,577,423	14.33%	98.20%
12/31/16	0.24121808%	1,988,213	26,123,451	7.61%	99.12%
12/31/17	0.24242440%	(7,197,868)	26,534,421	27.13%	102.93%
12/31/18	0.24310668%	8,648,973	27,492,935	31.46%	96.45%

## SCHEDULE OF CONTRIBUTIONS WISCONSIN RETIREMENT SYSTEM LAST 10 FISCAL YEARS

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll (fiscal year)	Contributions as a Percentage of Covered Payroll
12/31/15	\$ 2,385,841	\$ 2,385,841	\$ -	\$ 27,577,423	8.65%
12/31/16	2,235,521	2,235,521	-	26,123,451	8.56%
12/31/17	2,515,080	2,515,080	-	26,534,421	9.48%
12/31/18	2,502,629	2,502,629	-	27,492,935	9.10%
12/31/19	2,595,581	2,595,581	-	27,955,583	9.28%

See notes to required supplementary information.

# City of Sheboygan, Wisconsin

SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)  
 LOCAL RETIREE LIFE INSURANCE FUND  
 LAST 10 FISCAL YEARS

Plan Year Ending	Proportion of the Net OPEB Liability (Asset)	Proportionate Share of the Net OPEB Liability (Asset)	Covered-Employee Payroll	Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
12/31/17	0.55421200%	\$ 1,667,391	\$ 23,306,200	7.15%	44.81%
12/31/18	0.53276500%	1,374,714	24,318,000	5.65%	48.69%

SCHEDULE OF CONTRIBUTIONS  
 LOCAL RETIREE LIFE INSURANCE FUND  
 LAST 10 FISCAL YEARS

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
12/31/18	\$ 9,782	\$ 9,782	\$ -	\$ 24,318,000	0.04022535%
12/31/19	9,870	9,870	-	27,955,583	0.03530601%

See notes to required supplementary information.

# City of Sheboygan, Wisconsin

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2019

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## **A. HEALTH INSURANCE BENEFIT - CITY PLAN AND WATER UTILITY PLAN**

The data presented in the Schedule of Changes in Total OPEB Liability and Related Ratios was taken from the reports issued by the actuary. There are no assets that have been accumulated in a trust for these plans.

There were no changes of benefit terms.

There were no changes in assumptions.

## **B. LOCAL RETIREE LIFE INSURANCE FUND**

There were no changes of benefit terms for any participating employers in LRLIF.

There were no changes in assumptions.

## **C. WISCONSIN RETIREMENT SYSTEM**

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

The City is required to present the last ten fiscal years of data; however accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

## SUPPLEMENTARY INFORMATION

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# City of Sheboygan, Wisconsin

COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 DECEMBER 31, 2019  
 WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2018

	Special Revenue						
	Community Development Block Grant	Revolving Loan Funds	Lead Based Abatement Program	Mead Library	Cable TV	Tourism Promotion	Harbor Center Marina
<b>ASSETS</b>							
Cash and investments	\$ 1,190,551	\$ 787,894	\$ 15,426	\$ 1,975,096	\$ 568,824	\$ 127,683	\$ 381,559
Receivables							
Taxes and special charges	-	-	-	1,556,940	-	-	-
Accounts	-	-	-	-	138,379	282,953	54,411
Special assessments	-	-	-	-	-	-	-
Loans	3,045,164	2,838,572	-	-	-	-	-
Other	-	-	-	-	-	48	-
Due from other governments	200,302	-	-	-	-	-	-
Inventories and prepaid items	61,285	-	-	-	-	-	40,856
<b>Total assets</b>	<b>\$ 4,497,302</b>	<b>\$ 3,626,466</b>	<b>\$ 15,426</b>	<b>\$ 3,532,036</b>	<b>\$ 707,203</b>	<b>\$ 410,684</b>	<b>\$ 476,826</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>							
Liabilities							
Accounts payable	\$ 7,991	\$ -	\$ -	\$ 76,548	\$ 70,084	\$ 201,762	\$ 25,082
Accrued and other current liabilities	6,378	-	-	92,599	3,953	147	-
Due to other funds	-	-	-	-	-	-	2,811,581
Advance from other funds	-	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	64,211
Special deposits	-	-	-	-	-	-	61,277
Unearned revenues	-	-	-	4,343	30	2	-
<b>Total liabilities</b>	<b>14,369</b>	<b>-</b>	<b>-</b>	<b>173,490</b>	<b>74,067</b>	<b>201,911</b>	<b>2,962,151</b>
Deferred inflows of resources							
Property taxes levied for subsequent year	-	-	-	2,423,314	-	-	-
Accounts receivable	-	-	-	-	-	-	-
Loans receivable	3,045,164	2,838,572	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>3,045,164</b>	<b>2,838,572</b>	<b>-</b>	<b>2,423,314</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund balances							
Nonspendable	61,285	-	-	-	-	-	40,856
Restricted	1,376,484	787,894	15,426	-	-	-	-
Committed	-	-	-	935,232	633,136	208,773	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	(2,526,181)
<b>Total fund balances</b>	<b>1,437,769</b>	<b>787,894</b>	<b>15,426</b>	<b>935,232</b>	<b>633,136</b>	<b>208,773</b>	<b>(2,485,325)</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 4,497,302</b>	<b>\$ 3,626,466</b>	<b>\$ 15,426</b>	<b>\$ 3,532,036</b>	<b>\$ 707,203</b>	<b>\$ 410,684</b>	<b>\$ 476,826</b>

City of Sheboygan, Wisconsin

COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 DECEMBER 31, 2019  
 WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2018

	Special Revenue							
	Police Meg Unit	Special Assessment	Redevelopment Authority	Municipal Court	Ambulance	Storm Water	Park Impact Fees	Park, Forestry & Open Space
<b>ASSETS</b>								
Cash and investments	\$ 4,875	\$ 1,023,767	\$ -	\$ 50,396	\$ 126,955	\$ 137,815	\$ 215,908	\$ 141,054
Receivables								
Taxes and special charges	-	-	-	-	-	-	-	70,673
Accounts	8,125	39,498	-	4,132	593,451	-	-	-
Special assessments	-	291,842	-	-	-	-	-	-
Loans	-	-	940,004	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Due from other governments	4,950	140,000	-	-	-	-	-	-
Inventories and prepaid items	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 17,950</b>	<b>\$ 1,495,107</b>	<b>\$ 940,004</b>	<b>\$ 54,528</b>	<b>\$ 720,406</b>	<b>\$ 137,815</b>	<b>\$ 215,908</b>	<b>\$ 211,727</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>								
Liabilities								
Accounts payable	\$ 4,278	\$ -	\$ 638	\$ 17,455	\$ 41,302	\$ -	\$ -	\$ -
Accrued and other current liabilities	600	-	-	7,136	16,201	-	-	-
Due to other funds	-	-	-	-	-	-	-	-
Advance from other funds	-	-	588,651	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-	-
Special deposits	-	-	-	-	-	-	-	-
Unearned revenues	-	-	-	-	1,492	-	-	-
<b>Total liabilities</b>	<b>4,878</b>	<b>-</b>	<b>589,289</b>	<b>24,591</b>	<b>58,995</b>	<b>-</b>	<b>-</b>	<b>-</b>
Deferred inflows of resources								
Property taxes levied for subsequent year	-	-	-	-	-	-	-	110,000
Accounts receivable	-	-	-	-	140,203	-	-	-
Loans receivable	-	-	940,004	-	-	-	-	-
Special assessments	-	426,847	-	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>426,847</b>	<b>940,004</b>	<b>-</b>	<b>140,203</b>	<b>-</b>	<b>-</b>	<b>110,000</b>
Fund balances								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	215,908	-
Committed	13,072	1,068,260	-	29,937	521,208	137,815	-	101,727
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	(589,289)	-	-	-	-	-
<b>Total fund balances</b>	<b>13,072</b>	<b>1,068,260</b>	<b>(589,289)</b>	<b>29,937</b>	<b>521,208</b>	<b>137,815</b>	<b>215,908</b>	<b>101,727</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 17,950</b>	<b>\$ 1,495,107</b>	<b>\$ 940,004</b>	<b>\$ 54,528</b>	<b>\$ 720,406</b>	<b>\$ 137,815</b>	<b>\$ 215,908</b>	<b>\$ 211,727</b>

# City of Sheboygan, Wisconsin

COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 DECEMBER 31, 2019  
 WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2018

	Permanent Funds		Totals	
	Cemetery Perpetual Care	Library Trust	2019	2018
<b>ASSETS</b>				
Cash and investments	\$ 947,848	\$ 1,517,459	\$ 9,213,110	\$ 7,853,738
Receivables				
Taxes and special charges	-	-	1,627,613	2,509,321
Accounts	2,285	-	1,123,234	955,340
Special assessments	-	-	291,842	559,837
Loans	-	-	6,823,740	7,165,171
Other	-	-	48	48
Due from other governments	-	-	345,252	-
Inventories and prepaid items	-	-	102,141	98,161
Total assets	<u>\$ 950,133</u>	<u>\$ 1,517,459</u>	<u>\$ 19,526,980</u>	<u>\$ 19,141,616</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
Liabilities				
Accounts payable	\$ -	\$ -	\$ 445,140	\$ 328,298
Accrued and other current liabilities	-	-	127,014	136,689
Due to other funds	-	-	2,811,581	2,811,581
Advance from other funds	-	-	588,651	575,000
Due to other governments	-	-	64,211	-
Special deposits	-	-	61,277	82,888
Unearned revenues	-	-	5,867	-
Total liabilities	<u>-</u>	<u>-</u>	<u>4,103,741</u>	<u>3,934,456</u>
Deferred inflows of resources				
Property taxes levied for subsequent year	-	-	2,533,314	2,509,321
Accounts receivable	-	-	140,203	142,564
Loans receivable	-	-	6,823,740	7,165,171
Special assessments	-	-	426,847	556,143
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>9,924,104</u>	<u>10,373,199</u>
Fund balances				
Nonspendable	950,133	600,000	1,652,274	1,606,919
Restricted	-	917,459	3,313,171	2,478,187
Committed	-	-	3,649,160	-
Assigned	-	-	-	3,859,872
Unassigned	-	-	(3,115,470)	(3,111,017)
Total fund balances	<u>950,133</u>	<u>1,517,459</u>	<u>5,499,135</u>	<u>4,833,961</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 950,133</u>	<u>\$ 1,517,459</u>	<u>\$ 19,526,980</u>	<u>\$ 19,141,616</u>

## City of Sheboygan, Wisconsin

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2019  
 WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2018

	Special Revenue						Harbor Center Marina
	Community Development Block Grant	Revolving Loan Funds	Lead Based Abatement Program	Mead Library	Cable TV	Tourism Promotion	
<b>REVENUES</b>							
Taxes	\$ -	\$ -	\$ -	\$ 2,399,321	\$ -	\$ 1,612,432	\$ -
Special assessments	-	-	-	-	-	-	-
Intergovernmental	1,146,540	-	-	787,665	-	-	-
Licenses and permits	-	-	-	-	661,424	-	-
Fines and forfeits	-	-	-	-	-	434	-
Public charges for services	-	-	-	40,364	954	-	906,208
Miscellaneous	196,663	376,966	-	89,973	14,750	3,311	200
<b>Total revenues</b>	<b>1,343,203</b>	<b>376,966</b>	<b>-</b>	<b>3,317,323</b>	<b>677,128</b>	<b>1,616,177</b>	<b>906,408</b>
<b>EXPENDITURES</b>							
Current							
General government	-	-	-	-	-	24,548	-
Public safety	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	991,088
Health and human services	-	-	-	-	-	-	-
Culture and recreation	-	-	-	3,433,633	174,125	40,708	-
Conservation and development	458,527	140,684	-	-	-	1,164,429	-
Debt service							
Principal	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-
Capital outlay	235,306	-	-	170,258	189,978	24,300	-
<b>Total expenditures</b>	<b>693,833</b>	<b>140,684</b>	<b>-</b>	<b>3,603,891</b>	<b>364,103</b>	<b>1,253,985</b>	<b>991,088</b>
Excess of revenues over (under) expenditures	649,370	236,282	-	(286,568)	313,025	362,192	(84,680)
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	-	-	-	294,065	-	-	225,000
Transfers out	(247,311)	-	-	-	(425,000)	(453,172)	-
<b>Total other financing sources (uses)</b>	<b>(247,311)</b>	<b>-</b>	<b>-</b>	<b>294,065</b>	<b>(425,000)</b>	<b>(453,172)</b>	<b>225,000</b>
<b>Net change in fund balances</b>	<b>402,059</b>	<b>236,282</b>	<b>-</b>	<b>7,497</b>	<b>(111,975)</b>	<b>(90,980)</b>	<b>140,320</b>
<b>Fund balances - January 1</b>	<b>1,035,710</b>	<b>551,612</b>	<b>15,426</b>	<b>927,735</b>	<b>745,111</b>	<b>299,753</b>	<b>(2,625,645)</b>
<b>Fund balances - December 31</b>	<b>\$ 1,437,769</b>	<b>\$ 787,894</b>	<b>\$ 15,426</b>	<b>\$ 935,232</b>	<b>\$ 633,136</b>	<b>\$ 208,773</b>	<b>\$ (2,485,325)</b>

## City of Sheboygan, Wisconsin

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2019  
 WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2018

	Special Revenue							
	Police Meg Unit	Special Assessment	Redevelopment Authority	Municipal Court	Ambulance	Storm Water	Park Impact Fees	Park, Forestry & Open Space
<b>REVENUES</b>								
Taxes	\$ -	\$ -	\$ 22,334	\$ -	\$ -	\$ -	\$ -	\$ 110,000
Special assessments	-	188,967	-	-	-	-	-	-
Intergovernmental	38,480	-	-	-	9,480	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	827,258	-	-	-	-
Public charges for services	-	-	-	4,132	1,522,303	10,019	144,225	-
Miscellaneous	-	49,821	1,400	2,913	3,292	3,573	5,599	13,240
<b>Total revenues</b>	<b>38,480</b>	<b>238,788</b>	<b>23,734</b>	<b>834,303</b>	<b>1,535,075</b>	<b>13,592</b>	<b>149,824</b>	<b>123,240</b>
<b>EXPENDITURES</b>								
Current								
General government	-	-	-	508,078	-	-	-	-
Public safety	54,193	-	-	-	643,105	-	-	-
Public works	-	-	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	211	-	-	-	1,731
Conservation and development	-	-	46,622	-	-	-	-	-
Debt service								
Principal	-	-	-	-	94,695	-	-	-
Interest and fiscal charges	-	-	-	-	11,761	-	-	-
Capital outlay	-	-	117,905	-	-	-	16,850	66,277
<b>Total expenditures</b>	<b>54,193</b>	<b>-</b>	<b>164,527</b>	<b>508,289</b>	<b>749,561</b>	<b>-</b>	<b>16,850</b>	<b>68,008</b>
Excess of revenues over (under) expenditures	(15,713)	238,788	(140,793)	326,014	785,514	13,592	132,974	55,232
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	5,000	-	-	-	-	-	-	-
Transfers out	-	(125,000)	-	(296,077)	(919,670)	-	-	-
<b>Total other financing sources (uses)</b>	<b>5,000</b>	<b>(125,000)</b>	<b>-</b>	<b>(296,077)</b>	<b>(919,670)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(10,713)</b>	<b>113,788</b>	<b>(140,793)</b>	<b>29,937</b>	<b>(134,156)</b>	<b>13,592</b>	<b>132,974</b>	<b>55,232</b>
<b>Fund balances - January 1</b>	<b>23,785</b>	<b>954,472</b>	<b>(448,496)</b>	<b>-</b>	<b>655,364</b>	<b>124,223</b>	<b>82,934</b>	<b>46,495</b>
<b>Fund balances - December 31</b>	<b>\$ 13,072</b>	<b>\$ 1,068,260</b>	<b>\$ (589,289)</b>	<b>\$ 29,937</b>	<b>\$ 521,208</b>	<b>\$ 137,815</b>	<b>\$ 215,908</b>	<b>\$ 101,727</b>

## City of Sheboygan, Wisconsin

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2019  
 WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2018

	Permanent Funds		Totals	
	Cemetery Perpetual Care	Library Trust	2019	2018
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ 4,144,087	\$ 4,094,227
Special assessments	-	-	188,967	226,253
Intergovernmental	-	-	1,982,165	1,413,445
Licenses and permits	-	-	661,424	554,735
Fines and forfeits	-	-	827,692	922,173
Public charges for services	13,852	-	2,642,057	2,384,215
Miscellaneous	42,523	274,800	1,079,024	1,188,291
<b>Total revenues</b>	<b>56,375</b>	<b>274,800</b>	<b>11,525,416</b>	<b>10,783,339</b>
<b>EXPENDITURES</b>				
Current				
General government	-	-	532,626	503,261
Public safety	-	-	697,298	641,036
Public works	-	-	991,088	995,336
Health and human services	-	-	-	16,570
Culture and recreation	-	-	3,650,408	3,530,475
Conservation and development	-	-	1,810,262	1,516,653
Debt service				
Principal	-	-	94,695	91,964
Interest and fiscal charges	-	-	11,761	14,492
Capital outlay	-	-	820,874	622,942
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>8,609,012</b>	<b>7,932,729</b>
Excess of revenues over (under) expenditures	56,375	274,800	2,916,404	2,850,610
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	524,065	229,367
Transfers out	(15,000)	(294,065)	(2,775,295)	(2,519,906)
<b>Total other financing sources (uses)</b>	<b>(15,000)</b>	<b>(294,065)</b>	<b>(2,251,230)</b>	<b>(2,290,539)</b>
<b>Net change in fund balances</b>	<b>41,375</b>	<b>(19,265)</b>	<b>665,174</b>	<b>560,071</b>
<b>Fund balances - January 1</b>	<b>908,758</b>	<b>1,536,724</b>	<b>4,833,961</b>	<b>4,273,890</b>
<b>Fund balances - December 31</b>	<b>\$ 950,133</b>	<b>\$ 1,517,459</b>	<b>\$ 5,499,135</b>	<b>\$ 4,833,961</b>

# City of Sheboygan, Wisconsin

## MEAD LIBRARY SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 2,399,321	\$ 2,399,321	\$ 2,399,321	\$ -
Intergovernmental	786,593	786,593	787,665	1,072
Public charges for services	47,800	47,800	40,364	(7,436)
Miscellaneous	80,000	80,000	89,973	9,973
Total revenues	<u>3,313,714</u>	<u>3,313,714</u>	<u>3,317,323</u>	<u>3,609</u>
<b>EXPENDITURES</b>				
Current				
Culture and recreation	3,228,214	3,228,214	3,433,633	(205,419)
Capital outlay	85,500	85,500	170,258	(84,758)
Total expenditures	<u>3,313,714</u>	<u>3,313,714</u>	<u>3,603,891</u>	<u>(290,177)</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(286,568)</u>	<u>(286,568)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	294,065	294,065
<b>Net change in fund balance</b>	<u>-</u>	<u>-</u>	<u>7,497</u>	<u>7,497</u>
<b>Fund balance - January 1</b>	<u>927,735</u>	<u>927,735</u>	<u>927,735</u>	<u>-</u>
<b>Fund balance - December 31</b>	<u>\$ 927,735</u>	<u>\$ 927,735</u>	<u>\$ 935,232</u>	<u>\$ 7,497</u>

# City of Sheboygan, Wisconsin

CABLE TV SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Licenses and permits	\$ 570,000	\$ 570,000	\$ 661,424	\$ 91,424
Public charges for services	640	640	954	314
Miscellaneous	5,000	5,000	14,750	9,750
Total revenues	575,640	575,640	677,128	101,488
<b>EXPENDITURES</b>				
Current				
Culture and recreation	175,657	176,657	174,125	2,532
Capital outlay	286,080	454,646	189,978	264,668
Total expenditures	461,737	631,303	364,103	267,200
Excess of revenues over (under) expenditures	113,903	(55,663)	313,025	368,688
<b>OTHER FINANCING USES</b>				
Transfers out	(425,000)	(425,000)	(425,000)	-
<b>Net change in fund balance</b>	(311,097)	(480,663)	(111,975)	368,688
<b>Fund balance - January 1</b>	745,111	745,111	745,111	-
<b>Fund balance - December 31</b>	\$ 434,014	\$ 264,448	\$ 633,136	\$ 368,688

# City of Sheboygan, Wisconsin

**TOURISM PROMOTION SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 1,460,000	\$ 1,460,000	\$ 1,612,432	\$ 152,432
Fines and forfeits	-	-	434	434
Miscellaneous	5,000	5,000	3,311	(1,689)
Total revenues	<u>1,465,000</u>	<u>1,465,000</u>	<u>1,616,177</u>	<u>151,177</u>
<b>EXPENDITURES</b>				
Current				
General government	24,650	24,650	24,548	102
Public safety	32,016	32,016	-	32,016
Culture and recreation	55,721	55,721	40,708	15,013
Conservation and development	502,073	502,073	1,164,429	(662,356)
Capital outlay	50,000	50,000	24,300	25,700
Total expenditures	<u>664,460</u>	<u>664,460</u>	<u>1,253,985</u>	<u>(589,525)</u>
Excess of revenues over expenditures	<u>800,540</u>	<u>800,540</u>	<u>362,192</u>	<u>(438,348)</u>
<b>OTHER FINANCING USES</b>				
Transfers out	<u>(875,000)</u>	<u>(875,000)</u>	<u>(453,172)</u>	<u>421,828</u>
<b>Net change in fund balance</b>	<u>(74,460)</u>	<u>(74,460)</u>	<u>(90,980)</u>	<u>(16,520)</u>
<b>Fund balance - January 1</b>	<u>299,753</u>	<u>299,753</u>	<u>299,753</u>	<u>-</u>
<b>Fund balance - December 31</b>	<u>\$ 225,293</u>	<u>\$ 225,293</u>	<u>\$ 208,773</u>	<u>\$ (16,520)</u>

# City of Sheboygan, Wisconsin

## HARBOR CENTER MARINA SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Public charges for services	\$ 815,000	\$ 815,000	\$ 906,208	\$ 91,208
Miscellaneous	1,800	1,800	200	(1,600)
Total revenues	<u>816,800</u>	<u>816,800</u>	<u>906,408</u>	<u>89,608</u>
<b>EXPENDITURES</b>				
Current				
Public works	783,680	783,680	991,088	(207,408)
Debt service				
Interest and fiscal charges	4,000	4,000	-	4,000
Capital outlay	<u>125,000</u>	<u>126,655</u>	<u>-</u>	<u>126,655</u>
Total expenditures	<u>912,680</u>	<u>914,335</u>	<u>991,088</u>	<u>(76,753)</u>
Deficiency of revenues under expenditures	<u>(95,880)</u>	<u>(97,535)</u>	<u>(84,680)</u>	<u>12,855</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	<u>225,000</u>	<u>225,000</u>	<u>225,000</u>	<u>-</u>
<b>Net change in fund balance</b>	129,120	127,465	140,320	12,855
<b>Fund balance - January 1</b>	<u>(2,625,645)</u>	<u>(2,625,645)</u>	<u>(2,625,645)</u>	<u>-</u>
<b>Fund balance - December 31</b>	<u>\$ (2,496,525)</u>	<u>\$ (2,498,180)</u>	<u>\$ (2,485,325)</u>	<u>\$ 12,855</u>

# City of Sheboygan, Wisconsin

POLICE MEG UNIT SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 53,827	\$ 53,827	\$ 38,480	\$ (15,347)
<b>EXPENDITURES</b>				
Current				
Public safety	53,827	53,827	54,193	(366)
Deficiency of revenues under expenditures	-	-	(15,713)	(15,713)
<b>OTHER FINANCING SOURCES</b>				
Transfers in	-	-	5,000	5,000
<b>Net change in fund balance</b>	-	-	(10,713)	(10,713)
<b>Fund balance - January 1</b>	23,785	23,785	23,785	-
<b>Fund balance - December 31</b>	\$ 23,785	\$ 23,785	\$ 13,072	\$ (10,713)

# City of Sheboygan, Wisconsin

SPECIAL ASSESSMENT SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED DECEMBER 31, 2019

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	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Special assessments	\$ 147,719	\$ 147,719	\$ 188,967	\$ 41,248
Miscellaneous	5,000	5,000	49,821	44,821
Total revenues	<u>152,719</u>	<u>152,719</u>	<u>238,788</u>	<u>86,069</u>
<b>OTHER FINANCING USES</b>				
Transfers out	<u>(125,000)</u>	<u>(125,000)</u>	<u>(125,000)</u>	<u>-</u>
<b>Net change in fund balance</b>	27,719	27,719	113,788	86,069
<b>Fund balance - January 1</b>	<u>954,472</u>	<u>954,472</u>	<u>954,472</u>	<u>-</u>
<b>Fund balance - December 31</b>	<u>\$ 982,191</u>	<u>\$ 982,191</u>	<u>\$ 1,068,260</u>	<u>\$ 86,069</u>

# City of Sheboygan, Wisconsin

REDEVELOPMENT AUTHORITY SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 22,000	\$ 22,000	\$ 22,334	\$ 334
Miscellaneous	102,000	102,000	1,400	(100,600)
Total revenues	124,000	124,000	23,734	(100,266)
<b>EXPENDITURES</b>				
Current				
Conservation and development	50,000	51,275	46,622	4,653
Capital outlay	-	-	117,905	(117,905)
Total expenditures	50,000	51,275	164,527	(113,252)
<b>Net change in fund balance</b>	74,000	72,725	(140,793)	(213,518)
<b>Fund balance - January 1</b>	(448,496)	(448,496)	(448,496)	-
<b>Fund balance - December 31</b>	<u>\$ (374,496)</u>	<u>\$ (375,771)</u>	<u>\$ (589,289)</u>	<u>\$ (213,518)</u>

# City of Sheboygan, Wisconsin

MUNICIPAL COURT SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Fines and forfeits	\$ 750,000	\$ 750,000	\$ 827,258	\$ 77,258
Public charges for services	2,800	2,800	4,132	1,332
Miscellaneous	-	-	2,913	2,913
Total revenues	<u>752,800</u>	<u>752,800</u>	<u>834,303</u>	<u>81,503</u>
<b>EXPENDITURES</b>				
Current				
General government	491,318	491,318	508,078	(16,760)
Culture and recreation	1,656	1,656	211	1,445
Total expenditures	<u>492,974</u>	<u>492,974</u>	<u>508,289</u>	<u>(15,315)</u>
Excess of revenues over expenditures	<u>259,826</u>	<u>259,826</u>	<u>326,014</u>	<u>66,188</u>
<b>OTHER FINANCING USES</b>				
Transfers out	<u>(260,823)</u>	<u>(260,823)</u>	<u>(296,077)</u>	<u>(35,254)</u>
<b>Net change in fund balance</b>	<u>(997)</u>	<u>(997)</u>	<u>29,937</u>	<u>30,934</u>
<b>Fund balance - January 1</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance - December 31</b>	<u>\$ (997)</u>	<u>\$ (997)</u>	<u>\$ 29,937</u>	<u>\$ 30,934</u>

# City of Sheboygan, Wisconsin

AMBULANCE SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 9,480	\$ 9,480
Public charges for services	1,150,000	1,150,000	1,522,303	372,303
Miscellaneous	1,800	1,800	3,292	1,492
Total revenues	<u>1,151,800</u>	<u>1,151,800</u>	<u>1,535,075</u>	<u>383,275</u>
<b>EXPENDITURES</b>				
Current				
Public safety	738,101	738,101	643,105	94,996
Debt service				
Principal	-	-	94,695	(94,695)
Interest and fiscal charges	-	-	11,761	(11,761)
Total expenditures	<u>738,101</u>	<u>738,101</u>	<u>749,561</u>	<u>(11,460)</u>
Excess of revenues over expenditures	<u>413,699</u>	<u>413,699</u>	<u>785,514</u>	<u>371,815</u>
<b>OTHER FINANCING USES</b>				
Transfers out	<u>(413,699)</u>	<u>(413,699)</u>	<u>(919,670)</u>	<u>(505,971)</u>
<b>Net change in fund balance</b>	-	-	(134,156)	(134,156)
<b>Fund balance - January 1</b>	<u>655,364</u>	<u>655,364</u>	<u>655,364</u>	-
<b>Fund balance - December 31</b>	<u>\$ 655,364</u>	<u>\$ 655,364</u>	<u>\$ 521,208</u>	<u>\$ (134,156)</u>

# City of Sheboygan, Wisconsin

## STORM WATER SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Public charges for services	\$ 18,500	\$ 18,500	\$ 10,019	\$ (8,481)
Miscellaneous	700	700	3,573	2,873
Total revenues	19,200	19,200	13,592	(5,608)
<b>EXPENDITURES</b>				
Current				
Public works	59,000	60,464	-	60,464
<b>Net change in fund balance</b>	(39,800)	(41,264)	13,592	54,856
<b>Fund balance - January 1</b>	124,223	124,223	124,223	-
<b>Fund balance - December 31</b>	<u>\$ 84,423</u>	<u>\$ 82,959</u>	<u>\$ 137,815</u>	<u>\$ 54,856</u>

# City of Sheboygan, Wisconsin

PARK FORESTRY & OPEN SPACE SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 110,000	\$ 110,000	\$ 110,000	\$ -
Miscellaneous	500	500	13,240	12,740
Total revenues	110,500	110,500	123,240	12,740
<b>EXPENDITURES</b>				
Current				
Culture and recreation	-	-	1,731	(1,731)
Capital outlay	110,000	110,000	66,277	43,723
Total expenditures	110,000	110,000	68,008	41,992
<b>Net change in fund balance</b>	500	500	55,232	54,732
<b>Fund balance - January 1</b>	46,495	46,495	46,495	-
<b>Fund balance - December 31</b>	\$ 46,995	\$ 46,995	\$ 101,727	\$ 54,732

# City of Sheboygan, Wisconsin

CAPITAL PROJECTS TAX LEVY FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 1,690,775	\$ 1,690,775	\$ 1,604,815	\$ (85,960)
Intergovernmental	8,359,913	8,359,913	2,180,340	(6,179,573)
Miscellaneous	404,500	424,500	329,847	(94,653)
Total revenues	10,455,188	10,475,188	4,115,002	(6,360,186)
<b>EXPENDITURES</b>				
Capital outlay	13,051,021	17,260,974	7,897,506	9,363,468
Excess of revenues over (under) expenditures	(2,595,833)	(6,785,786)	(3,782,504)	3,003,282
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of capital assets	49,000	49,000	5,000	(44,000)
Transfers in	125,000	125,000	125,000	-
Transfers out	(7,817)	(7,817)	(6,000)	1,817
Total other financing sources (uses)	166,183	166,183	124,000	(42,183)
<b>Net change in fund balance</b>	(2,429,650)	(6,619,603)	(3,658,504)	2,961,099
<b>Fund balance - January 1</b>	9,025,603	9,025,603	9,025,603	-
<b>Fund balance - December 31</b>	<u>\$ 6,595,953</u>	<u>\$ 2,406,000</u>	<u>\$ 5,367,099</u>	<u>\$ 2,961,099</u>

# City of Sheboygan, Wisconsin

## CAPITAL PROJECTS TIF DISTRICTS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Miscellaneous	\$ -	\$ -	\$ 91,495	\$ 91,495
<b>EXPENDITURES</b>				
Current				
Conservation and development	146,517	155,917	158,497	(2,580)
Debt service				
Interest and fiscal charges	-	-	14,176	(14,176)
Capital outlay	5,721,400	7,113,093	3,078,041	4,035,052
Total expenditures	5,867,917	7,269,010	3,250,714	4,018,296
Excess of revenues over (under) expenditures	(5,867,917)	(7,269,010)	(3,159,219)	4,109,791
<b>OTHER FINANCING SOURCES</b>				
Long-term debt issued	5,381,400	5,381,400	4,032,000	(1,349,400)
Premium on debt issued	-	-	49,025	49,025
Transfers in	25,000	25,000	1,542,311	1,517,311
Total other financing sources	5,406,400	5,406,400	5,623,336	216,936
<b>Net change in fund balance</b>	(461,517)	(1,862,610)	2,464,117	4,326,727
<b>Fund balance - January 1</b>	(1,080,533)	(1,080,533)	(1,080,533)	-
<b>Fund balance - December 31</b>	<u>\$ (1,542,050)</u>	<u>\$ (2,943,143)</u>	<u>\$ 1,383,584</u>	<u>\$ 4,326,727</u>

# City of Sheboygan, Wisconsin

CAPITAL PROJECTS BONDED FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Miscellaneous	\$ -	\$ -	\$ 62,454	62,454
<b>EXPENDITURES</b>				
Current				
Conservation and development	-	32,615	25,657	6,958
Debt service				
Interest and fiscal charges	-	-	50,628	(50,628)
Capital outlay	4,315,126	5,349,703	3,907,559	1,442,144
Total expenditures	4,315,126	5,382,318	3,983,844	1,398,474
Excess of revenues over (under) expenditures	(4,315,126)	(5,382,318)	(3,921,390)	1,460,928
<b>OTHER FINANCING SOURCES (USES)</b>				
Long-term debt issued	5,397,126	5,397,126	5,200,000	(197,126)
Premium on debt issued	-	-	291,985	291,985
Proceeds from sale of capital assets	15,000	15,000	-	(15,000)
Transfers out	(1,097,000)	(1,097,000)	(1,097,000)	-
Total other financing sources (uses)	4,315,126	4,315,126	4,394,985	79,859
<b>Net change in fund balance</b>	-	(1,067,192)	473,595	1,540,787
<b>Fund balance - January 1</b>	1,401,238	1,401,238	1,401,238	-
<b>Fund balance - December 31</b>	<u>\$ 1,401,238</u>	<u>\$ 334,046</u>	<u>\$ 1,874,833</u>	<u>\$ 1,540,787</u>

# City of Sheboygan, Wisconsin

DEBT SERVICE GO DEBT FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 3,421,889	\$ 3,421,889	\$ 3,421,889	\$ -
Miscellaneous	517,965	517,965	831,436	313,471
Total revenues	<u>3,939,854</u>	<u>3,939,854</u>	<u>4,253,325</u>	<u>313,471</u>
<b>EXPENDITURES</b>				
Current				
General government	-	-	5,100	(5,100)
Debt service				
Principal	8,167,502	8,167,502	12,716,363	(4,548,861)
Interest and fiscal charges	1,206,852	1,206,852	1,283,148	(76,296)
Total expenditures	<u>9,374,354</u>	<u>9,374,354</u>	<u>14,004,611</u>	<u>(4,630,257)</u>
Excess of revenues under expenditures	<u>(5,434,500)</u>	<u>(5,434,500)</u>	<u>(9,751,286)</u>	<u>(4,316,786)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Long-term debt issued	-	-	4,390,000	4,390,000
Premium on debt issued	-	-	437,761	437,761
Transfers in	810,000	810,000	308,105	(501,895)
Transfers out	(499,486)	(499,486)	(499,486)	-
Total other financing sources (uses)	<u>310,514</u>	<u>310,514</u>	<u>4,636,380</u>	<u>4,325,866</u>
<b>Net change in fund balance</b>	<u>(5,123,986)</u>	<u>(5,123,986)</u>	<u>(5,114,906)</u>	<u>9,080</u>
<b>Fund balance - January 1</b>	<u>12,524,196</u>	<u>12,524,196</u>	<u>12,524,196</u>	<u>-</u>
<b>Fund balance - December 31</b>	<u>\$ 7,400,210</u>	<u>\$ 7,400,210</u>	<u>\$ 7,409,290</u>	<u>\$ 9,080</u>

# City of Sheboygan, Wisconsin

DEBT SERVICE TIF DISTRICTS FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 3,936,292	\$ 3,936,292	\$ 4,034,951	\$ 98,659
Intergovernmental	52,471	52,471	91,520	39,049
Miscellaneous	22,500	22,500	151,733	129,233
Total revenues	4,011,263	4,011,263	4,278,204	266,941
<b>EXPENDITURES</b>				
Current				
Conservation and development	197,069	197,069	-	197,069
Debt service				
Principal	5,369,951	5,369,951	5,369,951	-
Interest and fiscal charges	408,220	411,070	836,837	(425,767)
Total expenditures	5,975,240	5,978,090	6,206,788	(228,698)
Excess of revenues over (under) expenditures	(1,963,977)	(1,966,827)	(1,928,584)	38,243
<b>OTHER FINANCING SOURCES (USES)</b>				
Long-term debt issued	-	-	193,000	193,000
Premium on debt issued	-	-	156,767	156,767
Transfers in	274,486	274,486	1,084,486	810,000
Transfers out	-	-	(2,105,000)	(2,105,000)
Total other financing sources (uses)	274,486	274,486	(670,747)	(945,233)
<b>Net change in fund balance</b>	(1,689,491)	(1,692,341)	(2,599,331)	(906,990)
<b>Fund balance - January 1</b>	6,648,765	6,648,765	6,648,765	-
<b>Fund balance - December 31</b>	\$ 4,959,274	\$ 4,956,424	\$ 4,049,434	\$ (906,990)

# City of Sheboygan, Wisconsin

CEMETERY PERPETUAL CARE PERMANENT FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Public charges for services	\$ 9,400	\$ 9,400	\$ 13,852	\$ 4,452
Miscellaneous	8,500	8,500	42,523	34,023
Total revenues	17,900	17,900	56,375	38,475
<b>EXPENDITURES</b>				
Current				
Health and human services	750	750	-	750
Excess of revenues over expenditures	17,150	17,150	56,375	39,225
<b>OTHER FINANCING USES</b>				
Transfers out	(1,250)	(1,250)	(15,000)	(13,750)
<b>Net change in fund balance</b>	15,900	15,900	41,375	25,475
<b>Fund balance - January 1</b>	908,758	908,758	908,758	-
<b>Fund balance - December 31</b>	<u>\$ 924,658</u>	<u>\$ 924,658</u>	<u>\$ 950,133</u>	<u>\$ 25,475</u>

# City of Sheboygan, Wisconsin

LIBRARY TRUST PERMANENT FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED DECEMBER 31, 2019

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	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Miscellaneous	\$ 15,500	\$ 15,500	\$ 274,800	\$ 259,300
<b>OTHER FINANCING USES</b>				
Transfers out	-	-	(294,065)	(294,065)
<b>Net change in fund balance</b>	15,500	15,500	(19,265)	(34,765)
<b>Fund balance - January 1</b>	1,536,724	1,536,724	1,536,724	-
<b>Fund balance - December 31</b>	<u>\$ 1,552,224</u>	<u>\$ 1,552,224</u>	<u>\$ 1,517,459</u>	<u>\$ (34,765)</u>

# City of Sheboygan, Wisconsin

**COMBINING STATEMENT OF NET POSITION  
NONMAJOR ENTERPRISE FUNDS  
DECEMBER 31, 2019  
WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2018**

	Parking Facility	Boat Facility	Totals	
			2019	2018
<b>ASSETS</b>				
Current assets				
Cash and investments	\$ 391,145	\$ -	\$ 391,145	\$ 478,024
Receivables				
Taxes and special charges	17,554	-	17,554	21,694
Customer accounts	35,304	-	35,304	46,669
Special assessments	207,774	-	207,774	84,676
Total current assets	651,777	-	651,777	631,063
Other assets				
Net pension asset	-	-	-	18,246
Capital assets				
Nondepreciable	716,258	-	716,258	716,258
Depreciable, net	491,695	576,054	1,067,749	1,126,705
Total capital assets	1,207,953	576,054	1,784,007	1,842,963
Total noncurrent assets	1,207,953	576,054	1,784,007	1,861,209
Total assets	1,859,730	576,054	2,435,784	2,492,272
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension related amounts	60,829	-	60,829	33,365
Other postemployment related amounts	425	-	425	457
Total deferred outflows of resources	61,254	-	61,254	33,822
<b>LIABILITIES</b>				
Current liabilities				
Accounts payable	25,015	967	25,982	28,885
Accrued and other current liabilities	5,161	-	5,161	4,967
Due to other funds	-	112,079	112,079	59,019
Due to other governments	2,795	2,600	5,395	2,798
Special deposits	21,952	-	21,952	21,225
Unearned revenue	-	89	89	90
Total current liabilities	54,923	115,735	170,658	116,984
Long-term obligations, less current portion				
Net pension liability	22,399	-	22,399	-
Other postemployment benefits	3,560	-	3,560	4,227
Total long-term liabilities	25,959	-	25,959	4,227
Total liabilities	80,882	115,735	196,617	121,211
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension related amounts	30,871	-	30,871	35,980
Other postemployment related amounts	1,141	-	1,141	127
Total deferred inflows of resources	32,012	-	32,012	36,107
<b>NET POSITION</b>				
Net investment in capital assets	1,207,953	576,054	1,784,007	1,842,963
Restricted for pension	-	-	-	18,246
Unrestricted	600,137	(115,735)	484,402	507,567
Total net position	\$ 1,808,090	\$ 460,319	\$ 2,268,409	\$ 2,368,776

# City of Sheboygan, Wisconsin

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
NONMAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2018**

	Parking Facility	Boat Facility	Totals	
			2019	2018
<b>OPERATING REVENUES</b>				
Charges for services	\$ 519,314	\$ 53,581	\$ 572,895	\$ 451,666
Other	5,342	-	5,342	6,120
Total operating revenues	524,656	53,581	578,237	457,786
<b>OPERATING EXPENSES</b>				
Personal services	199,209	-	199,209	191,729
Contractual services	254,462	108,131	362,593	272,833
Supplies and materials	58,070	-	58,070	43,221
Insurance	683	-	683	647
Other	-	-	-	5,594
Depreciation	12,234	64,470	76,704	66,368
Total operating expenses	524,658	172,601	697,259	580,392
Operating loss	(2)	(119,020)	(119,022)	(122,606)
<b>NONOPERATING REVENUES</b>				
Interest income	11,146	-	11,146	3,168
Gain on disposal of capital assets	27	-	27	4,374
Total nonoperating revenues	11,173	-	11,173	7,542
Income (loss) before transfers	11,171	(119,020)	(107,849)	(115,064)
Transfers in	7,482	-	7,482	5,877
<b>Change in net position</b>	18,653	(119,020)	(100,367)	(109,187)
<b>Net position - January 1</b>	1,789,437	579,339	2,368,776	2,477,963
<b>Net position - December 31</b>	<u>\$ 1,808,090</u>	<u>\$ 460,319</u>	<u>\$ 2,268,409</u>	<u>\$ 2,368,776</u>

# City of Sheboygan, Wisconsin

**COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2018**

	Parking Facility	Boat Facility	Totals	
			2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from customers	\$ 540,885	\$ 53,580	\$ 594,465	\$ 452,890
Cash paid for employee wages and benefits	(190,564)	-	(190,564)	(190,071)
Cash paid to suppliers	(315,009)	(106,640)	(421,649)	(328,734)
Net cash provided (used) by operating activities	<u>35,312</u>	<u>(53,060)</u>	<u>(17,748)</u>	<u>(65,915)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfer in (out)	7,482	-	7,482	5,877
Advances to other funds	-	53,060	53,060	59,019
Net cash provided by noncapital financing activities	<u>7,482</u>	<u>53,060</u>	<u>60,542</u>	<u>64,896</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition of capital assets	(17,748)	-	(17,748)	(303,672)
Sale of capital assets	27	-	27	4,374
Special assessments assessed	(123,098)	-	(123,098)	45,754
Net cash used by capital and related financing activities	<u>(140,819)</u>	<u>-</u>	<u>(140,819)</u>	<u>(253,544)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received	11,146	-	11,146	3,168
<b>Change in cash and cash equivalents</b>	<u>(86,879)</u>	<u>-</u>	<u>(86,879)</u>	<u>(251,395)</u>
<b>Cash and cash equivalents - January 1</b>	<u>478,024</u>	<u>-</u>	<u>478,024</u>	<u>729,419</u>
<b>Cash and cash equivalents - December 31</b>	<u>\$ 391,145</u>	<u>\$ -</u>	<u>\$ 391,145</u>	<u>\$ 478,024</u>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating loss	\$ (2)	\$ (119,020)	\$ (119,022)	\$ (122,606)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities				
Depreciation	12,234	64,470	76,704	66,368
Change in liability (asset) and deferred outflows and inflows of resources				
Change in WRS Asset/Liability	40,645	-	40,645	(22,387)
Change in WRS Deferred Outflow	(27,464)	-	(27,464)	(181)
Change in WRS Deferred Inflow	(5,109)	-	(5,109)	22,887
Change in OPEB Liability	(667)	-	(667)	738
Change in OPEB Deferred Outflow	32	-	32	(457)
Change in OPEB Deferred Inflow	1,014	-	1,014	127
Change in operating assets and liabilities				
Accounts receivables	15,505	-	15,505	(25,768)
Accounts payable	(1,794)	(1,109)	(2,903)	(6,439)
Accrued and other current liabilities	194	-	194	931
Due to other governments	(3)	2,600	2,597	(352)
Customer deposits	727	-	727	21,225
Unearned revenue	-	(1)	(1)	(1)
Net cash provided (used) by operating activities	<u>\$ 35,312</u>	<u>\$ (53,060)</u>	<u>\$ (17,748)</u>	<u>\$ (65,915)</u>
Reconciliation of cash and cash equivalents to the statement of net position				
Cash and cash equivalents in current assets	<u>\$ 391,145</u>	<u>\$ -</u>	<u>\$ 391,145</u>	<u>\$ 478,024</u>
Noncash capital and related financing activities				
None				

# City of Sheboygan, Wisconsin

## COMBINING STATEMENT OF NET POSITION INTERNAL SERVICE FUNDS DECEMBER 31, 2019

	<u>Motor Vehicle</u>	<u>Data Processing</u>	<u>Health Self Insurance</u>
<b>ASSETS</b>			
Current assets			
Cash and investments	\$ 4,114,985	\$ 426,583	\$ 4,541,621
Receivables			
Accounts	422	193	-
Due from other governments	-	1,055	-
Inventories and prepaid items	-	-	-
Total current assets	<u>4,115,407</u>	<u>427,831</u>	<u>4,541,621</u>
Other assets			
Investment in CVMIC	-	-	-
Capital assets			
Depreciable, net	<u>4,046,953</u>	<u>636,689</u>	<u>-</u>
Total assets	<u>8,162,360</u>	<u>1,064,520</u>	<u>4,541,621</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension related amounts	236,157	236,485	55,027
Other postemployment related amounts	1,665	1,641	382
Total deferred outflows of resources	<u>237,822</u>	<u>238,126</u>	<u>55,409</u>
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable	31,306	7,007	25,010
Accrued and other current liabilities	25,957	30,954	429,618
Unearned revenue	-	328	-
Total current liabilities	<u>57,263</u>	<u>38,289</u>	<u>454,628</u>
Long-term obligations,			
Net pension liability	87,810	86,526	20,152
Other postemployment benefits	13,957	13,753	3,203
Total noncurrent liabilities	<u>101,767</u>	<u>100,279</u>	<u>23,355</u>
Total liabilities	<u>159,030</u>	<u>138,568</u>	<u>477,983</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension related amounts	121,024	119,254	27,774
Other postemployment related amounts	4,473	4,407	1,026
Total deferred inflows of resources	<u>125,497</u>	<u>123,661</u>	<u>28,800</u>
<b>NET POSITION</b>			
Net investment in capital assets	4,046,953	636,689	-
Unrestricted	4,068,702	403,728	4,090,247
Total net position	<u>\$ 8,115,655</u>	<u>\$ 1,040,417</u>	<u>\$ 4,090,247</u>

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<u>Workers Compensation Self Insurance</u>	<u>General Liability Self Insurance</u>	<u>Total</u>
\$ 2,333,439	\$ 578,786	\$ 11,995,414
-	-	615
-	-	1,055
-	52,532	52,532
<u>2,333,439</u>	<u>631,318</u>	<u>12,049,616</u>
<u>-</u>	<u>2,205,665</u>	<u>2,205,665</u>
<u>-</u>	<u>-</u>	<u>4,683,642</u>
<u>2,333,439</u>	<u>2,836,983</u>	<u>18,938,923</u>
41,220	-	568,889
289	-	3,977
<u>41,509</u>	<u>-</u>	<u>572,866</u>
6,642	2,554	72,519
55,734	111,422	653,685
-	-	328
<u>62,376</u>	<u>113,976</u>	<u>726,532</u>
15,250	-	209,738
2,424	-	33,337
<u>17,674</u>	<u>-</u>	<u>243,075</u>
<u>80,050</u>	<u>113,976</u>	<u>969,607</u>
21,019	-	289,071
777	-	10,683
<u>21,796</u>	<u>-</u>	<u>299,754</u>
-	-	4,683,642
<u>2,273,102</u>	<u>2,723,007</u>	<u>13,558,786</u>
<u>\$ 2,273,102</u>	<u>\$ 2,723,007</u>	<u>\$ 18,242,428</u>

# City of Sheboygan, Wisconsin

## COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION INTERNAL SERVICE FUNDS FOR THE YEAR ENDED DECEMBER 31, 2019

	Motor Vehicle	Data Processing	Health Self Insurance
<b>OPERATING REVENUES</b>			
Interdepartmental charges for services	\$ 1,810,250	\$ 961,709	\$ 6,798,404
Other	1,238	-	-
Total operating revenues	<u>1,811,488</u>	<u>961,709</u>	<u>6,798,404</u>
<b>OPERATING EXPENSES</b>			
Personal services	549,389	616,226	144,032
Contractual services	644,327	308,535	258,564
Supplies and materials	292,152	27,578	49
Insurance	49,678	-	6,026,266
Other	-	-	210,000
Depreciation	807,418	89,853	-
Total operating expenses	<u>2,342,964</u>	<u>1,042,192</u>	<u>6,638,911</u>
<b>Operating income (loss)</b>	<u>(531,476)</u>	<u>(80,483)</u>	<u>159,493</u>
<b>NONOPERATING REVENUES</b>			
Interest income	106,774	11,062	117,767
Gain on disposal of capital assets	31,289	-	-
Total nonoperating revenues	<u>138,063</u>	<u>11,062</u>	<u>117,767</u>
Income (loss) before transfers	(393,413)	(69,421)	277,260
Transfers in	1,097,000	-	-
Transfers out	(125,000)	-	-
<b>Change in net position</b>	578,587	(69,421)	277,260
<b>Net position - January 1</b>	<u>7,537,068</u>	<u>1,109,838</u>	<u>3,812,987</u>
<b>Net position - December 31</b>	<u>\$ 8,115,655</u>	<u>\$ 1,040,417</u>	<u>\$ 4,090,247</u>

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<u>Workers Compensation Self Insurance</u>	<u>General Liability Self Insurance</u>	<u>Total</u>
\$ 610,992	\$ 149,404	\$ 10,330,759
-	34,499	35,737
<u>610,992</u>	<u>183,903</u>	<u>10,366,496</u>
149,644	-	1,459,291
26,686	11,746	1,249,858
-	-	319,779
264,101	117,240	6,457,285
-	-	210,000
-	-	897,271
<u>440,431</u>	<u>128,986</u>	<u>10,593,484</u>
<u>170,561</u>	<u>54,917</u>	<u>(226,988)</u>
60,507	11,134	307,244
-	-	31,289
<u>60,507</u>	<u>11,134</u>	<u>338,533</u>
231,068	66,051	111,545
-	-	1,097,000
-	-	(125,000)
<u>231,068</u>	<u>66,051</u>	<u>1,083,545</u>
<u>2,042,034</u>	<u>2,656,956</u>	<u>17,158,883</u>
<u>\$ 2,273,102</u>	<u>\$ 2,723,007</u>	<u>\$ 18,242,428</u>

# City of Sheboygan, Wisconsin

## COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS FOR THE YEAR ENDED DECEMBER 31, 2019

	Motor Vehicle	Data Processing	Health Self Insurance
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from other departments	\$ 1,811,066	\$ 960,789	\$ 6,798,404
Cash paid for employee wages and benefits	(517,061)	(582,839)	(364,724)
Cash paid to suppliers	(1,044,544)	(381,782)	(6,480,241)
Net cash provided (used) by operating activities	<u>249,461</u>	<u>(3,832)</u>	<u>(46,561)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfer in	<u>972,000</u>	-	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition of capital assets	(505,177)	(407,175)	-
Sale of capital assets	44,489	-	-
Net cash used by capital and related financing activities	<u>(460,688)</u>	<u>(407,175)</u>	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received	<u>106,774</u>	<u>11,062</u>	<u>117,767</u>
<b>Change in cash and cash equivalents</b>	<u>867,547</u>	<u>(399,945)</u>	<u>71,206</u>
<b>Cash and cash equivalents - January 1</b>	<u>3,247,438</u>	<u>826,528</u>	<u>4,470,415</u>
<b>Cash and cash equivalents - December 31</b>	<u>\$ 4,114,985</u>	<u>\$ 426,583</u>	<u>\$ 4,541,621</u>

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<b>Workers Compensation Self Insurance</b>	<b>General Liability Self Insurance</b>	<b>Total</b>
\$ 610,992	\$ 287,143	\$ 10,468,394
(143,671)	-	(1,608,295)
<u>(286,199)</u>	<u>(219,934)</u>	<u>(8,412,700)</u>
<u>181,122</u>	<u>67,209</u>	<u>447,399</u>
-	-	972,000
-	-	(912,352)
-	-	44,489
<u>-</u>	<u>-</u>	<u>(867,863)</u>
<u>60,507</u>	<u>11,134</u>	<u>307,244</u>
241,629	78,343	858,780
<u>2,091,810</u>	<u>500,443</u>	<u>11,136,634</u>
<u>\$ 2,333,439</u>	<u>\$ 578,786</u>	<u>\$ 11,995,414</u>

# City of Sheboygan, Wisconsin

## COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Motor Vehicle</u>	<u>Data Processing</u>	<u>Health Self Insurance</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ (531,476)	\$ (80,483)	\$ 159,493
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Depreciation	807,418	89,853	-
Change in liability (asset) and deferred outflows and inflows of resources			
Change in WRS Asset/Liability	166,177	163,912	37,014
Change in WRS Deferred Outflow	(97,596)	(99,830)	(24,487)
Change in WRS Deferred Inflow	(33,514)	(33,350)	(5,478)
Change in OPEB Liability	(4,197)	(4,173)	(703)
Change in OPEB Deferred Outflow	298	298	40
Change in OPEB Deferred Inflow	3,927	3,868	909
Change in operating assets and liabilities			
Accounts receivables	(422)	(1,248)	-
Inventories and prepaid items	-	-	-
Accounts payable	(58,387)	(45,669)	14,638
Accrued and other current liabilities	(2,767)	2,662	(227,987)
Unearned revenue	-	328	-
	<u>\$ 249,461</u>	<u>\$ (3,832)</u>	<u>\$ (46,561)</u>
Net cash provided (used) by operating activities			
Reconciliation of cash and cash equivalents to the statement of net position			
Cash and cash equivalents in current assets	<u>\$ 4,114,985</u>	<u>\$ 426,583</u>	<u>\$ 4,541,621</u>
Noncash capital and related financing activities			
None			

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<u>Workers Compensation Self Insurance</u>	<u>General Liability Self Insurance</u>	<u>Total</u>
\$ 170,561	\$ 54,917	\$ (226,988)
-	-	897,271
27,912	-	395,015
(18,196)	-	(240,109)
(3,951)	-	(76,293)
(509)	-	(9,582)
28	-	664
689	-	9,393
-	103,240	101,570
-	(3,376)	(3,376)
6,642	(13,291)	(96,067)
(2,054)	(74,281)	(304,427)
<u>-</u>	<u>-</u>	<u>328</u>
<u>\$ 181,122</u>	<u>\$ 67,209</u>	<u>\$ 447,399</u>
<u>\$ 2,333,439</u>	<u>\$ 578,786</u>	<u>\$ 11,995,414</u>

# City of Sheboygan, Wisconsin

**COMBINING STATEMENT OF NET POSITION  
FIDUCIARY FUNDS  
DECEMBER 31, 2019**

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	<u>Property Tax Collection</u>	<u>Business Improvement District</u>	<u>Totals</u>
<b>ASSETS</b>			
Cash and investments	\$ 15,191,354	\$ 6,542	\$ 15,197,896
Receivables			
Taxes	-	141,523	141,523
Special assessments	-	18,200	18,200
<b>TOTAL ASSETS</b>	<u>\$ 15,191,354</u>	<u>\$ 166,265</u>	<u>\$ 15,357,619</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 90,737	\$ -	\$ 90,737
Due to other governments	15,100,617	166,265	15,266,882
<b>TOTAL LIABILITIES</b>	<u>\$ 15,191,354</u>	<u>\$ 166,265</u>	<u>\$ 15,357,619</u>

*The notes to the basic financial statements are an integral part of this statement.*

# City of Sheboygan, Wisconsin

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 DECEMBER 31, 2019

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	<u>Property Tax Collection</u>	<u>Business Improvement District</u>	<u>Totals</u>
<b>ADDITIONS</b>			
Taxes, special charges and assessments collected	\$ 30,860,332	\$ 153,658	\$ 31,013,990
<b>DEDUCTIONS</b>			
Payments to other taxing districts	<u>30,860,332</u>	<u>153,658</u>	<u>31,013,990</u>
<b>Net position - January 1</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net position - December 31</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

*The notes to the basic financial statements are an integral part of this statement.*

ADDITIONAL INDEPENDENT AUDITORS' REPORT  
FOR BASIC FINANCIAL STATEMENTS

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## Independent auditors' report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*

To the Mayor Michael Vandersteen and the Common Council  
City of Sheboygan, Wisconsin

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Sheboygan, Wisconsin, (the "City") as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated July 30, 2020. Our report includes a reference to other auditors who audited the financial statements of the Water Utility Enterprise Fund of the City of Sheboygan, Wisconsin, as described in our report on the City of Sheboygan, Wisconsin's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors. The financial statements of the Water Utility Enterprise Fund were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Water Utility Enterprise Fund.

### INTERNAL CONTROL OVER FINANCIAL REPORTING

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2019-001, 2019-002, and 2019-003 that we consider to be material weaknesses.

#### **COMPLIANCE AND OTHER MATTERS**

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

#### **CITY OF SHEBOYGAN'S RESPONSE TO FINDINGS**

The City's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

#### **PURPOSE OF THIS REPORT**

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



**CliftonLarsonAllen LLP**

Sheboygan, Wisconsin  
July 30, 2020

FEDERAL AND STATE AWARDS

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## Independent auditors' report on compliance for each major federal and state program and on internal control over compliance required by the Uniform Guidance and the *State Single Audit Guidelines*

To the Mayor and the Common Council  
City of Sheboygan, Wisconsin

### REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM

We have audited City of Sheboygan, Wisconsin's (the "City") compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration that could have a direct and material effect on each of the City's major federal and state programs for the year ended December 31, 2019. The City's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

The City's basic financial statements include the operations of the Housing Authority of the City of Sheboygan, Wisconsin, a component unit, which expended \$1,132,214 in federal awards which are not included in the City's schedule of expenditures of federal awards during the year ended December 31, 2019. Our audit, described below, did not include the operations of the Housing Authority of the City of Sheboygan, Wisconsin because the organizational unit engaged other auditors to perform an audit of compliance.

#### MANAGEMENT'S RESPONSIBILITY

Management is responsible for compliance with the requirements of federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

#### AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on compliance for each of the City's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration. Those standards, Uniform Guidance and the *State Single Audit Guidelines* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the City's compliance.

## OPINION ON EACH MAJOR FEDERAL AND STATE PROGRAM

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2019.

## REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal or state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and the *State Single Audit Guidelines*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the *State Single Audit Guidelines*. Accordingly, this report is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Sheboygan, Wisconsin  
July 30, 2020

City of Sheboygan, Wisconsin

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2019

Grantor Agency/Federal Program Title	CFDA Number	Pass-Through Agency	Pass-Through Entity Identifying Number	(Accrued) Deferred Revenue 1/1/19	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/19	Total Expenditures	Subrecipient Payment
<b>U.S. DEPARTMENT OF COMMERCE</b>								
Costal Zone Management Administration Awards	11.419	WI Department of Administration	AD179125-018.31	\$ (28,438)	\$ 28,438	\$ -	\$ -	\$ -
Costal Zone Management Administration Awards	11.419	Sheboygan County	Unknown	(3,463)	3,463	-	-	-
Total Costal Zone Management Administrative Awards				<u>(31,901)</u>	<u>31,901</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>								
Community Development Block Grant Entitlements Grants Cluster								
Community Development Block Grant	14.218	Direct Program	N/A	-	1,146,540	-	1,146,540	-
Community Development Block Grant - Program Income	14.218	Direct Program	N/A	-	516,021	-	516,021	-
Total Community Development Block Grant Entitlement Grants Cluster				<u>-</u>	<u>1,662,561</u>	<u>-</u>	<u>1,662,561</u>	<u>-</u>
<b>U.S. DEPARTMENT OF JUSTICE</b>								
Public Safety Partnership and Community Policing Grant								
Justice Assistance Grant	16.710	WI Department of Justice	Unknown	-	45,060	-	45,060	2,340
Justice Assistance Grant	16.738	WI Department of Justice	2017-DJ-01-12793	-	14,251	-	14,251	-
Total U.S. Department of Justice				<u>-</u>	<u>59,311</u>	<u>-</u>	<u>59,311</u>	<u>2,340</u>
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>								
Federal Transit Cluster								
Federal Transit Formula Grants	20.507	Direct Program	WI-2019-014-00	-	1,225,789	-	1,225,789	-
Federal Transit Formula Grants	20.507	Direct Program	WI-2019-017-00	-	1,429,750	-	1,429,750	-
Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs	20.526	WI Department of Transportation	WI-34-0013-00	-	324,000	-	324,000	-
Total Federal Transit Cluster				<u>-</u>	<u>2,979,539</u>	<u>-</u>	<u>2,979,539</u>	<u>-</u>
Highway Safety Cluster								
National Priority Safety Programs	20.616	WI Department of Transportation	N/A	-	4,000	-	4,000	-
Total U.S. Department of Transportation				<u>-</u>	<u>2,983,539</u>	<u>-</u>	<u>2,983,539</u>	<u>-</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>				<b>\$ (31,901)</b>	<b>\$ 4,737,312</b>	<b>\$ -</b>	<b>\$ 4,705,411</b>	<b>\$ 2,340</b>

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

## City of Sheboygan, Wisconsin

### SCHEDULE OF EXPENDITURES OF STATE AWARDS FOR THE YEAR ENDED DECEMBER 31, 2019

Grantor Agency/State Program Title	State I.D. Number	Pass-Through Agency	Pass-Through Entity Identifying Number	(Accrued) Deferred Revenue 1/1/19	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/19	Total Expenditures	Subrecipient Payment
<b>DEPARTMENT OF TRANSPORTATION</b>								
Elderly and Handicapped Transportation Aids	395.101	Sheboygan County	Unknown	\$ (81,619)	\$ 330,185	\$ 82,855	\$ 331,421	\$ -
Transit Operating Aids	395.104	Direct Program	N/A	(192,174)	1,094,714	-	902,540	-
Transit Operating Aids - Paratransit	395.104	Direct Program	N/A	-	43,194	-	43,194	-
Total Department of Transportation				(273,793)	1,468,093	82,855	1,277,155	-
<b>DEPARTMENT OF HEALTH SERVICES</b>								
EMS-FAB Grant	435.167	Direct Program	EMS-APPR120-286	-	9,480	-	9,480	-
<b>DEPARTMENT OF JUSTICE</b>								
Drug Crimes Enforcement	455.225	Direct Program	2017-DJ-01-12793	-	9,861	-	9,861	-
Drug Trafficking Resp	455.208	Direct Program	Unknown	-	50,000	-	50,000	-
Beat Patrol Grant	455.275	Direct Program	Unknown	-	169,906	-	169,906	-
Total Department of Justice				-	229,767	-	229,767	-
<b>TOTAL STATE PROGRAMS</b>				<u>\$ (273,793)</u>	<u>\$ 1,707,340</u>	<u>\$ 82,855</u>	<u>\$ 1,516,402</u>	<u>\$ -</u>

The notes to the schedule of expenditures of state awards are an integral part of this schedule.

# City of Sheboygan, Wisconsin

## NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR THE YEAR ENDED DECEMBER 31, 2019

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### **NOTE 1: BASIS OF PRESENTATION**

The accompanying Schedules of Expenditures of Federal and State Awards for the City are presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration.

The Schedules of Expenditures of Federal and State Awards include all federal and state awards of the City. Because the schedules present only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

### **NOTE 2: SIGNIFICANT ACCOUNTING POLICIES**

Revenues and expenditures in the schedules are presented in accordance with the modified accrual basis of accounting and are generally in agreement with revenues and expenditures reported in the City's 2019 fund financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and State Single Audit Guidelines, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Accrued revenue at year-end consists of federal and state program expenditures scheduled for reimbursement to the City in the succeeding year while unearned revenue represents advances for federal and state programs that exceed recorded City expenditures. Because of subsequent program adjustments, these amounts may differ from the prior year's ending balances.

The City has not elected to charge a de minimis rate of 10% of modified total costs.

### **NOTE 3: OVERSIGHT AGENCIES**

The federal and state oversight agencies for the City are as follows:

Federal - U.S. Department of Transportation

State - Wisconsin Department of Transportation

# City of Sheboygan, Wisconsin

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2019

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### SECTION I - SUMMARY OF AUDITORS' RESULTS

#### BASIC FINANCIAL STATEMENTS

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
▶ Material weakness(es) identified?	Yes
▶ Significant deficiency(ies) identified?	None Reported
Noncompliance material to basic financial statements noted?	No

#### FEDERAL AND STATE AWARDS

Internal control over major program:	
▶ Material weakness(es) identified?	No
▶ Significant deficiency(ies) identified?	None Reported
Type of auditors' report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Any audit findings disclosed that are required to be reported in accordance with the <i>State Single Audit Guidelines</i> ?	No

Identification of major federal programs:

CFDA Number	Name of Federal Program
	Federal Transit Cluster
20.507	Federal Transit Formula Grant
20.526	Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs

Identification of major state programs:

State ID Number	Name of State Program
395.104	Transit Operating Assistance

Audit threshold used to determine between Type A and Type B programs:	
Federal Awards	\$750,000
State Awards	\$250,000
Auditee qualified as low-risk auditee	No

# City of Sheboygan, Wisconsin

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2019

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### SECTION II - FINANCIAL STATEMENT FINDINGS

<b>FINDING NO.</b>	<b>CONTROL DEFICIENCIES</b>
<b>2019-001</b>	<b>Preparation of Annual Financial Report</b> Repeat Finding of 2018-001
Type of Finding:	Material Weakness in Internal Control over Financial Reporting
Condition:	Current City staff maintain accounting records which reflect the City's financial transactions; however, preparing the City's comprehensive annual financial report, including note disclosures, involves the selection and application of specific accounting principles which would require additional experience and knowledge. The City contracts with us and our knowledge of applicable accounting principles, financial statement formats, and note disclosures to assist in the preparation of the annual financial report in an efficient manner. For the same reasons, the City contracts with us to compile the Wisconsin Municipal Report Form C.
Context:	The City engages CliftonLarsonAllen LLP (CLA) to assist in preparing its financial statements and accompanying disclosures. However, as independent auditors, CLA cannot be considered part of the City's internal control system. As part of its internal control over preparation of its financial statements, including disclosures, the City has implemented a comprehensive review procedure to ensure that the financial statements, including note disclosures, are complete and accurate. Such review procedures should be performed by an individual possessing a thorough understanding of accounting principles generally accepted in the United States of America and knowledge of the City's activities and operations.
Criteria:	The preparation and review of the annual financial report and Municipal Financial Report by staff with expertise in financial reporting is an internal control intended to prevent, detect and correct a potential omission or misstatement in the financial statements or notes or other required State Financial reports.
Cause:	City management currently does not have the time and experience necessary to prepare a complete comprehensive annual financial report in accordance with applicable accounting standards.
Effect:	The City may not be able to completely prepare an annual financial report in accordance with accounting principles generally accepted in the United States of America.
Recommendation:	We recommend the City continue reviewing the annual financial report. A thorough review of this information by appropriate staff of the City is necessary to obtain a complete and adequate understanding of the City's annual financial report and Municipal Financial Report.
Views of responsible officials:	Management agrees with the finding. Refer to the management response per the corrective action plan.

# City of Sheboygan, Wisconsin

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2019

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<b>FINDING NO.</b>	<b>CONTROL DEFICIENCIES</b>
<b>2019-002</b>	<b>Adjustments to the City's Financial Records</b>
	Repeat Finding of 2018-002
Type of Finding:	Material Weakness in Internal Control over Financial Reporting
Condition:	As part of our audit, we proposed adjusting journal entries that were material to the City's financial statements.
Context:	While performing audit procedures, it was noted that there are weaknesses in internal control related to year end closing procedures.
Criteria:	Material adjusting journal entries proposed by the auditors are considered to be an internal control deficiency.
Cause:	Due to additional turnover within the Finance department, the City has been behind with the preparation of account reconciliations and year end adjusting and closing entries.
Effect:	Year-end financial records prepared by the City contain material misstatements.
Recommendation:	We recommend the City continue to evaluate its internal control environment including month end and year end procedures related to account reconciliations and year end adjusting and closing entries.
Views of responsible officials:	Management agrees with the finding. Refer to the management response per the corrective action plan.

# City of Sheboygan, Wisconsin

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2019

---

<b>FINDING NO.</b>	<b>CONTROL DEFICIENCIES</b>
<b>2019-003</b>	<b>General Ledger Reconciliations</b> Repeat Finding of 2018-003
Type of Finding:	Material Weakness in Internal Control over Financial Reporting
Condition:	Bank accounts and other significant balance sheet accounts were not consistently reconciled on a timely basis throughout the year.
Context:	While performing audit procedures, it was noted that management does not have sufficient internal controls in place related to month end and year end procedures, and as a result, bank reconciliations and reconciliations of significant balance sheet accounts are not consistently completed in a timely manner.
Criteria:	Verification of City balances to supporting documentation is a key control intended to prevent or decrease the occurrence of financial reporting errors or intentional fraud.
Cause:	The City continues to have turnover within the finance department which has effected the City's ability to implement month end and year end procedures.
Effect:	Errors or intentional fraud could occur and not be detected timely by other employees in the normal course of their responsibilities.
Recommendation:	We recommend the City implement procedures to ensure that all significant balance sheet accounts are reconciled consistently throughout the year. In addition, we recommend that the City identify opportunities to cross-train employees to ensure that procedures are consistently followed.
Views of responsible officials:	Management agrees with the finding. Refer to the management response per the corrective action plan.

# City of Sheboygan, Wisconsin

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

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## **SECTION III - FEDERAL AND STATE AWARD FINDINGS AND QUESTIONED COSTS**

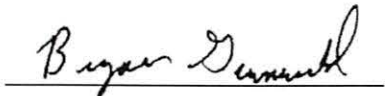
There are no audit findings or questioned costs that are required to be reported under the Uniform Guidance and the State Single Audit Guidelines for the year ended December 31, 2019.

# City of Sheboygan, Wisconsin

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2019

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### SECTION IV - OTHER ISSUES

1. Does the auditor have substantial doubt as to the auditee's ability to continue as a going concern? No
  
2. Does the audit report show audit issues (i.e. material non-compliance, non-material non-compliance, questioned cost, material weakness, significant deficiencies, management letter comment, excess revenue or excess reserve) related to grant/contracts with funding agencies that require audits to be in accordance with the *State Single Audit Guidelines*:  
  
Department of Transportation Yes  
Department of Health Services Yes  
Department of Justice Yes
  
3. Was a Management Letter or other document conveying audit comments issued as a result of this audit? No
  
4. Name and signature of partner   
Bryan Grunewald, CPA
  
5. Date of report July 30, 2020

III

45

Res. No. 81 - 20 - 21. By Alderpersons Donohue and Bohren.  
September 8, 2020.

RESOLUTION PROVIDING FOR THE SALE OF APPROXIMATELY \$11,190,000  
TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2020D

WHEREAS, the City of Sheboygan, Sheboygan County, Wisconsin (the "City") is presently in need of approximately \$11,190,000 for the public purpose of refunding outstanding obligations of the City, specifically, its Note Anticipation Notes, dated July 2, 2018;

WHEREAS, it is desirable to borrow said funds through the issuance of general obligation refunding bonds pursuant to Section 67.04, Wisconsin Statutes; and

WHEREAS, due to certain provisions contained in the Internal Revenue Code of 1986, as amended, it is necessary to issue such general obligation refunding bonds on a taxable rather than tax-exempt basis; and

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City that:

Section 1. The Bonds. The City shall issue its Taxable General Obligation Refunding Bonds, Series 2020D (the "Bonds") in an amount of approximately \$11,190,000 for the purpose above specified.

Section 2. Sale of Bonds. The Common Council hereby authorizes and directs that the Bonds be offered for public sale. At a subsequent meeting, the Common Council shall consider such bids for the Bonds as may have been received and take action thereon.

Section 3. Notice of Sale. The City Clerk (in consultation with the City's financial advisor, Wisconsin Public Finance Professionals, LLC ("WPFP")) be and hereby is directed to cause notice of the sale of the Bonds to be disseminated in such manner and at such times as the City Clerk may determine and to cause copies of a complete Official Notice of Sale and other pertinent data to be forwarded to interested bidders as the City Clerk may determine.

FAP

Section 4. Official Statement. The City Clerk (in consultation with WFPF) shall cause an Official Statement concerning this issue to be prepared by WFPF. The appropriate City officials shall determine when the Official Statement is final for purposes of Securities and Exchange Commission Rule 15c2-12 and shall certify said Statement, such certification to constitute full authorization of such Statement under this resolution.

\_\_\_\_\_  
\_\_\_\_\_

I HEREBY CERTIFY that the foregoing Resolution was duly passed by the Common Council of the City of Sheboygan, Wisconsin, on the \_\_\_\_ day of \_\_\_\_\_, 2020.

Dated \_\_\_\_\_, 2020. \_\_\_\_\_, City Clerk

Approved \_\_\_\_\_, 2020. \_\_\_\_\_, Mayor

OFFICE OF THE CITY CLERK  
Sheboygan, Wisconsin  
City Hall

I hereby certify that this is a true copy of a document  
from the Common Council  
proceedings of the City of Sheboygan.

\_\_\_\_\_  
City Clerk

Res. No. \_\_\_\_\_. By Alderperson \_\_\_\_\_. September 21,  
2020.

RESOLUTION PROVIDING FOR THE SALE OF APPROXIMATELY \$11,435,000  
TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2020D

WHEREAS, the City of Sheboygan, Sheboygan County, Wisconsin (the  
"City") is presently in need of approximately \$11,435,000 for the  
public purpose of refunding outstanding obligations of the City,  
specifically, its Note Anticipation Notes, dated July 2, 2018;

WHEREAS, it is desirable to borrow said funds through the  
issuance of general obligation refunding bonds pursuant to Section  
67.04, Wisconsin Statutes; and

WHEREAS, due to certain provisions contained in the Internal  
Revenue Code of 1986, as amended, it is necessary to issue such  
general obligation refunding bonds on a taxable rather than tax-  
exempt basis; and

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City  
that:

Section 1. The Bonds. The City shall issue its Taxable General  
Obligation Refunding Bonds, Series 2020D (the "Bonds") in an amount  
of approximately \$11,435,000 for the purpose above specified.

Section 2. Sale of Bonds. The Common Council hereby authorizes  
and directs that the Bonds be offered for public sale. At a  
subsequent meeting, the Common Council shall consider such bids for  
the Bonds as may have been received and take action thereon.

Section 3. Notice of Sale. The City Clerk (in consultation  
with the City's financial advisor, Wisconsin Public Finance  
Professionals, LLC ("WFPF")) be and hereby is directed to cause  
notice of the sale of the Bonds to be disseminated in such manner and  
at such times as the City Clerk may determine and to cause copies of  
a complete Official Notice of Sale and other pertinent data to be  
forwarded to interested bidders as the City Clerk may determine.

Section 4. Official Statement. The City Clerk (in consultation with WFPF) shall cause an Official Statement concerning this issue to be prepared by WFPF. The appropriate City officials shall determine when the Official Statement is final for purposes of Securities and Exchange Commission Rule 15c2-12 and shall certify said Statement, such certification to constitute full authorization of such Statement under this resolution.

\_\_\_\_\_

(SEAL)

I HEREBY CERTIFY that the foregoing Resolution was duly passed by the Common Council of the City of Sheboygan, Wisconsin, on the \_\_\_\_ day of \_\_\_\_\_, 2020.

Dated \_\_\_\_\_, 2020. \_\_\_\_\_, City Clerk

Approved \_\_\_\_\_, 2020. \_\_\_\_\_, Mayor

**CITY OF SHEBOYGAN**

**REQUEST FOR FINANCE AND PERSONNEL COMMITTEE CONSIDERATION**

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**ITEM DESCRIPTION:** Res. No. 81-20-21 by Alderpersons Donohue and Bohren. A resolution providing for the sale of approximately \$11,435,000 Taxable General Obligation Refunding Bonds Series 2020D.

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**REPORT PREPARED BY:** Marty Halverson, Finance Director

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**REPORT DATE:** September 8, 2020

**MEETING DATE:** September 14, 2020

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**FISCAL SUMMARY:**

Budget Line Item: N/A  
Budget Summary: N/A  
Budgeted Expenditure: N/A  
Budgeted Revenue: N/A

**STATUTORY REFERENCE:**

Wisconsin Statutes: N/A  
Municipal Code: N/A

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**BACKGROUND / ANALYSIS:**

The City of Sheboygan in June 2018 took out five year \$10,490,000 Note Anticipation Notes (“NANs”) to be used for TID 18 project costs including land acquisition, roads and public utilities, grading, engineering, inspection, landscaping and signage, and to provide for interest on the NANs due in 2018 and 2019. The interest rate on the NANs is 3.625% and there is a call feature on the NANs which begins June 1, 2021.

**STAFF COMMENTS:**

Due to the low interest rate environment along with the delay in developing TID 18 the City began discussions with Carol Wirth from WI Public Finance Professionals, LLC to explore the option to use the call feature on the NANs and lock in permanent financing. The timing being further out than 90 days of the call feature the option of an Advanced Refunding was proposed which would also make this refunding a taxable refunding which traditionally have a slightly higher interest rate. One advantage the City would utilize only available in a taxable refunding is the ability to capitalize interest on an already completed projected. Since the TID development has been slow the related tax increment has not been in line with early projections. Utilizing a revised projection which was developed with the assistance from Dawn Gunderson Schiel at Ehlers, Carol and the City have developed a long-term permanent financing option that captures interest savings and is in-line with revised estimates for development.

**ACTION REQUESTED:**

Motion to recommend the Common Council adopt Res. No. 81-20-21 by Alderpersons Donohue and Bohren authorizing the City to issue sale of approximately \$11,435,000 Taxable General Obligation Refunding Bonds, Series 2020D.

**ATTACHMENTS:**

- I. Res. No. 81-20-21
- II. Financing estimates and debt service schedule based on current market
- III. Amended set-sale resolution with revised dollar amounts

## City of Sheboygan, WI

2020 Taxable Refunding Bonds

Preliminary - 9/8/20

## Sources & Uses

Dated 11/16/2020 | Delivered 11/16/2020

### Sources Of Funds

Par Amount of Bonds	\$11,435,000.00
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<b>Total Sources</b>	<b>\$11,435,000.00</b>
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### Uses Of Funds

Total Underwriter's Discount (1.577%)	180,350.00
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Deposit to Capitalized Interest (CIF) Fund	574,523.13
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Deposit to Net Cash Escrow Fund	10,673,794.24
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Rounding Amount	6,332.63
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<b>Total Uses</b>	<b>\$11,435,000.00</b>
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**City of Sheboygan, WI**  
**2020 Taxable Refunding Bonds**  
**Preliminary - 9/8/20**

**Preliminary Pricing Summary**

<b>Maturity</b>	<b>Type of Bond</b>	<b>Coupon</b>	<b>Yield</b>	<b>Maturity Value</b>	<b>Price</b>	<b>Dollar Price</b>
11/01/2025	Serial Coupon	0.600%	0.600%	110,000.00	100.000%	110,000.00
11/01/2026	Serial Coupon	0.750%	0.750%	225,000.00	100.000%	225,000.00
11/01/2027	Serial Coupon	0.900%	0.900%	340,000.00	100.000%	340,000.00
11/01/2028	Serial Coupon	1.050%	1.050%	460,000.00	100.000%	460,000.00
11/01/2029	Serial Coupon	1.200%	1.200%	575,000.00	100.000%	575,000.00
11/01/2030	Serial Coupon	1.300%	1.300%	690,000.00	100.000%	690,000.00
11/01/2031	Serial Coupon	1.400%	1.400%	815,000.00	100.000%	815,000.00
11/01/2032	Serial Coupon	1.500%	1.500%	850,000.00	100.000%	850,000.00
11/01/2033	Serial Coupon	1.600%	1.600%	865,000.00	100.000%	865,000.00
11/01/2034	Serial Coupon	1.700%	1.700%	880,000.00	100.000%	880,000.00
11/01/2035	Serial Coupon	1.800%	1.800%	895,000.00	100.000%	895,000.00
11/01/2036	Serial Coupon	1.900%	1.900%	910,000.00	100.000%	910,000.00
11/01/2037	Serial Coupon	2.000%	2.000%	925,000.00	100.000%	925,000.00
11/01/2038	Serial Coupon	2.100%	2.100%	945,000.00	100.000%	945,000.00
11/01/2039	Serial Coupon	2.200%	2.200%	965,000.00	100.000%	965,000.00
11/01/2040	Serial Coupon	2.250%	2.250%	985,000.00	100.000%	985,000.00
<b>Total</b>	-	-	-	<b>\$11,435,000.00</b>	-	<b>\$11,435,000.00</b>

**Bid Information**

Par Amount of Bonds	\$11,435,000.00
Gross Production	\$11,435,000.00
Total Underwriter's Discount (1.577%)	\$(180,350.00)
Bid (98.423%)	11,254,650.00
<b>Total Purchase Price</b>	<b>\$11,254,650.00</b>
Bond Year Dollars	\$161,043.54
Average Life	14.083 Years
Average Coupon	1.8142194%
Net Interest Cost (NIC)	1.9262077%
True Interest Cost (TIC)	1.9314666%

## City of Sheboygan, WI

### 2020 Taxable Refunding Bonds

Preliminary - 9/8/20

## Estimated Debt Service Schedule

Calendar Year	Principal	Coupon	Interest	Total P+I
2020	-	-	-	-
2021	-	-	186,113.13	186,113.13
2022	-	-	194,205.00	194,205.00
2023	-	-	194,205.00	194,205.00
2024	-	-	194,205.00	194,205.00
2025	110,000.00	0.600%	194,205.00	304,205.00
2026	225,000.00	0.750%	193,545.00	418,545.00
2027	340,000.00	0.900%	191,857.50	531,857.50
2028	460,000.00	1.050%	188,797.50	648,797.50
2029	575,000.00	1.200%	183,967.50	758,967.50
2030	690,000.00	1.300%	177,067.50	867,067.50
2031	815,000.00	1.400%	168,097.50	983,097.50
2032	850,000.00	1.500%	156,687.50	1,006,687.50
2033	865,000.00	1.600%	143,937.50	1,008,937.50
2034	880,000.00	1.700%	130,097.50	1,010,097.50
2035	895,000.00	1.800%	115,137.50	1,010,137.50
2036	910,000.00	1.900%	99,027.50	1,009,027.50
2037	925,000.00	2.000%	81,737.50	1,006,737.50
2038	945,000.00	2.100%	63,237.50	1,008,237.50
2039	965,000.00	2.200%	43,392.50	1,008,392.50
2040	985,000.00	2.250%	22,162.50	1,007,162.50
-	<b>\$11,435,000.00</b>	-	<b>\$2,921,683.13</b>	<b>\$14,356,683.13</b>

### Yield Statistics

Bond Year Dollars	\$161,043.54
Average Life	14.083 Years
Average Coupon	1.8142194%

Net Interest Cost (NIC)	1.9262077%
True Interest Cost (TIC)	1.9314666%
Bond Yield for Arbitrage Purposes	-
All Inclusive Cost (AIC)	1.9314666%

### IRS Form 8038

Net Interest Cost	1.8142194%
Weighted Average Maturity	14.083 Years

## City of Sheboygan, WI

2020 Taxable Refunding Bonds

Preliminary - 9/8/20

### Summary Of Underwriter's Discount

<b>Maturity</b>	<b>Concession</b>	<b>+ Takedown</b>	<b>= Total</b>	<b>Issuance Value</b>
11/01/2023	-	-	-	-
11/01/2025	-	-	-	110,000.00
11/01/2026	-	-	-	225,000.00
11/01/2027	-	-	-	340,000.00
11/01/2028	-	-	-	460,000.00
11/01/2029	-	-	-	575,000.00
11/01/2030	-	-	-	690,000.00
11/01/2031	-	-	-	815,000.00
11/01/2032	-	-	-	850,000.00
11/01/2033	-	-	-	865,000.00
11/01/2034	-	-	-	880,000.00
11/01/2035	-	-	-	895,000.00
11/01/2036	-	-	-	910,000.00
11/01/2037	-	-	-	925,000.00
11/01/2038	-	-	-	945,000.00
11/01/2039	-	-	-	965,000.00
11/01/2040	-	-	-	985,000.00
<b>Total</b>	-	-	-	<b>\$11,435,000.00</b>

#### Underwriting & Issuance Expenses

Total Underwriting Risk (1.000%)	\$114,350.00
Total Underwriters Expenses (0.577%)	\$66,000.00
<b>TOTAL UNDERWRITING SPREAD (1.577%)</b>	<b>\$180,350.00</b>



WISCONSIN PUBLIC FINANCE PROFESSIONALS, LLC  
1025 SOUTH MOORLAND ROAD, SUITE 504  
BROOKFIELD, WI 53005  
414-434-9644  
FAX: 414-226-2014

## **City of Sheboygan**

# **Report on Refinancing TID No. 18 Note Anticipation Notes (“NANs”)**

**Presented to**

**Finance and Personnel Committee**

September 14, 2020

Prepared By:  
Carol Ann Wirth, President

## 2018 Note Anticipation Notes Issued for TID No. 18 Business Park

The 2018 NANs were issued for the TID No. 18 Business Park including acquisition of land, roads and public utilities, grading, engineering, inspection, landscaping, signage and capitalized interest through June of 2020. The NANs were issued as a short-term note, as a form of construction financing, to fund projects before a revenue stream is known and available to support long-term debt.

The interest payments paid from December 1, 2018 through June 1, 2020, were provided for with borrowed funds (capitalized interest). The December 1, 2020 interest payment will be paid from other City funds.

### **\$10,490,000 Note Anticipation Notes Existing Debt Service Schedule**

<b>Date</b>	<b>Principal</b>	<b>Rate</b>	<b>Interest</b>	<b>Total P+I</b>	<b>Calendar Year Total</b>
12/01/2020	-	-	-	-	-
06/01/2021	-	-	190,131.25	190,131.25	-
12/01/2021	-	-	190,131.25	190,131.25	380,262.50
06/01/2022	-	-	190,131.25	190,131.25	-
12/01/2022	-	-	190,131.25	190,131.25	380,262.50
06/01/2023	10,490,000.00	3.625%	190,131.25	10,680,131.25	-
12/01/2023	-	-	-	-	10,680,131.25
<b>Total</b>	<b>\$10,490,000.00</b>	<b>-</b>	<b>\$950,656.25</b>	<b>\$11,440,656.25</b>	<b>-</b>

The economic downturn due to the pandemic has resulted in a slowing of potential development in the Business Park. Increment is currently not available, nor able to be projected with certainty at this time.

The NANs have a prepayment feature starting June 1, 2021. A special form of refinancing known as “advance refunding” allows the City to **refinance the NANs prior to the prepayment date**, as a taxable General Obligation Refunding Bond. The proceeds of the Refunding Bonds are used to purchase investments from the U.S. Treasury known as “SLGS” (State and Local Government Series), and are escrowed and used to pay off the principal (\$10,490,000) and interest payment (\$190,131.25) on the NANs on June 1, 2021, the first prepayment date.

## 2020 Taxable General Obligation Refunding Bonds

The NANs are not a “general obligation debt” of the City, however the City does reserve debt capacity for their refinancing. Since the NANs are not general obligation debt, the City cannot levy for the principal or interest payments. Since increment is not available, other funds of the City must be appropriated for the payments.

The Refunding Bonds will be general obligation debt of the City, can be levied for outside of levy limits, and are limited to a term of 20 years. Although the tax levy will provide the security for the debt service payments, as increment becomes available, it will be used to offset the levy. In addition, interest will be capitalized (borrowed) for the 2021 through 2023 payments since no increment is projected to be available for those payments.

Below is a Sources and Uses of Funds demonstrating the sizing of the Refunding Bonds and how the funds will be used.

### **\$11,435,000 Taxable General Obligation Refunding Bonds Est. Sources & Uses**

**Dated 11/16/2020 | Delivered 11/16/2020**

#### **Sources Of Funds**

2020 Taxable G.O. Refunding Bonds	\$11,435,000.00
<b>Total Sources</b>	<b>\$11,435,000.00</b>

#### **Uses Of Funds**

Total Est. Issuance Expenses Paid by Underwriter	182,350.00
Deposit to Capitalized Interest Fund for 2021 - 2023 Interest Payments Est.	574,523.13
Deposit to Net Cash Escrow Fund to Purchase SLGs and Beginning Cash in Escrow	10,673,794.24
Excess Proceeds Deposited to Debt Service Est.	4,332.63
<b>Total Uses</b>	<b>\$11,435,000.00</b>

The issue size is subject to change based on actual interest rates received and the amount needed to borrow for capitalized interest.

## **\$11,435,000 Taxable General Obligation Refunding Bonds Estimated Debt Service**

<b>Calendar Year</b>	<b>Principal (11/01)</b>	<b>Rates</b>	<b>Estimated Interest</b>	<b>Total Est. P &amp; I</b>	<b>Capitalized Interest Est.</b>	<b>Net Estimated Debt Service</b>
2020	-	-	-	-	-	-
2021	-	-	186,113.13	186,113.13	(186,113.13)	-
2022	-	-	194,205.00	194,205.00	(194,205.00)	-
2023	-	-	194,205.00	194,205.00	(194,205.00)	-
2024	-	-	194,205.00	194,205.00	-	194,205.00
2025	110,000.00	0.600%	194,205.00	304,205.00	-	304,205.00
2026	225,000.00	0.750%	193,545.00	418,545.00	-	418,545.00
2027	340,000.00	0.900%	191,857.50	531,857.50	-	531,857.50
2028	460,000.00	1.050%	188,797.50	648,797.50	-	648,797.50
2029	575,000.00	1.200%	183,967.50	758,967.50	-	758,967.50
2030	690,000.00	1.300%	177,067.50	867,067.50	-	867,067.50
2031	815,000.00	1.400%	168,097.50	983,097.50	-	983,097.50
2032	850,000.00	1.500%	156,687.50	1,006,687.50	-	1,006,687.50
2033	865,000.00	1.600%	143,937.50	1,008,937.50	-	1,008,937.50
2034	880,000.00	1.700%	130,097.50	1,010,097.50	-	1,010,097.50
2035	895,000.00	1.800%	115,137.50	1,010,137.50	-	1,010,137.50
2036	910,000.00	1.900%	99,027.50	1,009,027.50	-	1,009,027.50
2037	925,000.00	2.000%	81,737.50	1,006,737.50	-	1,006,737.50
2038	945,000.00	2.100%	63,237.50	1,008,237.50	-	1,008,237.50
2039	965,000.00	2.200%	43,392.50	1,008,392.50	-	1,008,392.50
2040	985,000.00	2.250%	22,162.50	1,007,162.50	-	1,007,162.50
<b>-</b>	<b>\$11,435,000.00</b>	<b>TIC 1.93%</b>	<b>\$2,921,683.13</b>	<b>\$14,356,683.13</b>	<b>(574,523.13)</b>	<b>\$13,782,160.00</b>

## **\$11,435,000 Taxable General Obligation Refunding Bonds Preliminary Pricing Summary**

<b>Maturity</b>	<b>Type of Bond</b>	<b>Rate</b>	<b>Yield</b>	<b>Maturity Value</b>	<b>Price</b>	<b>Dollar Price</b>
11/01/2025	Serial Coupon	0.600%	0.600%	110,000.00	100.000%	110,000.00
11/01/2026	Serial Coupon	0.750%	0.750%	225,000.00	100.000%	225,000.00
11/01/2027	Serial Coupon	0.900%	0.900%	340,000.00	100.000%	340,000.00
11/01/2028	Serial Coupon	1.050%	1.050%	460,000.00	100.000%	460,000.00
11/01/2029	Serial Coupon	1.200%	1.200%	575,000.00	100.000%	575,000.00
11/01/2030	Serial Coupon	1.300%	1.300%	690,000.00	100.000%	690,000.00
11/01/2031	Serial Coupon	1.400%	1.400%	815,000.00	100.000%	815,000.00
11/01/2032	Serial Coupon	1.500%	1.500%	850,000.00	100.000%	850,000.00
11/01/2033	Serial Coupon	1.600%	1.600%	865,000.00	100.000%	865,000.00
11/01/2034	Serial Coupon	1.700%	1.700%	880,000.00	100.000%	880,000.00
11/01/2035	Serial Coupon	1.800%	1.800%	895,000.00	100.000%	895,000.00
11/01/2036	Serial Coupon	1.900%	1.900%	910,000.00	100.000%	910,000.00
11/01/2037	Serial Coupon	2.000%	2.000%	925,000.00	100.000%	925,000.00
11/01/2038	Serial Coupon	2.100%	2.100%	945,000.00	100.000%	945,000.00
11/01/2039	Serial Coupon	2.200%	2.200%	965,000.00	100.000%	965,000.00
11/01/2040	Serial Coupon	2.250%	2.250%	985,000.00	100.000%	985,000.00
<b>Total</b>	-	-	-	<b>\$11,435,000.00</b>	-	<b>\$11,435,000.00</b>

Par Amount of Bonds	\$11,435,000.00
Total Est. Issuance Expenses Paid by Underwriter	\$(182,350.00)
Total Purchase Price	\$11,252,650.00
True Interest Cost (TIC)	1.9314666%

Note: Rates shown reflect market sales for Wisconsin general obligation issues sold August 25, 2020 with a similar rating. These rates are not guaranteed. Final rates will be locked in on the date of sale.

## All General Obligation Debt Service – TID 18 Purposes - After Refunding 2018 NANs

Year Due	\$3,800,000 Taxable G.O. Ref. Bonds - 12/05/18		(\$430,000 TID No. 18 Portion) \$4,225,000 G.O. Comm. Development Bonds, Series 2019B - 07/29/19		<b>NEW ISSUE</b> \$11,435,000 Taxable G.O. Ref. Bonds, Series 2020D – 11/16/2020		Total TID No. 18 Purposes		
	Principal (12/01)	Interest	Principal (12/01)	Interest	Principal (11/01)	Interest Est. 1.9%	Total Principal	Total Interest	Total Est. Debt Service
2020		\$149,862		\$17,272				\$547,397 *	\$547,397**
2021	\$ 155,000	149,863		12,900		\$186,113	\$155,000	348,876	503,876**
2022	160,000	144,980		12,900		194,205	160,000	352,085	512,085**
2023	165,000	139,780		12,900		194,205	165,000	346,885	511,885**
2024	170,000	134,252	\$20,000	12,900		194,205	190,000	341,357	531,357
2025	175,000	128,388	25,000	12,300	\$110,000	194,205	310,000	334,893	644,893
2026	185,000	122,175	25,000	11,550	225,000	193,545	435,000	327,270	762,270
2027	190,000	115,422	25,000	10,800	340,000	191,857	555,000	318,079	873,079
2028	195,000	108,298	25,000	10,050	460,000	188,798	680,000	307,146	987,146
2029	200,000	100,790	25,000	9,300	575,000	183,967	800,000	294,057	1,094,057
2030	210,000	92,990	30,000	8,550	690,000	177,068	930,000	278,608	1,208,608
2031	215,000	84,695	30,000	7,650	815,000	168,097	1,060,000	260,442	1,320,442
2032	225,000	76,095	30,000	6,750	850,000	156,688	1,105,000	239,533	1,344,533
2033	235,000	66,982	30,000	5,850	865,000	143,937	1,130,000	216,769	1,346,769
2034	245,000	57,348	30,000	4,950	880,000	130,098	1,155,000	192,396	1,347,396
2035	255,000	47,057	30,000	4,050	895,000	115,137	1,180,000	166,244	1,346,244
2036	260,000	36,093	35,000	3,150	910,000	99,028	1,205,000	138,271	1,343,271
2037	275,000	24,782	35,000	2,100	925,000	81,737	1,235,000	108,619	1,343,619
2038	285,000	12,683	35,000	1,050	945,000	63,238	1,265,000	76,971	1,341,971
2039					965,000	43,392	965,000	43,392	1,008,392
2040					985,000	22,163	985,000	22,163	1,007,163
	<u>\$3,800,000</u>	<u>\$1,792,535</u>	<u>\$430,000</u>	<u>\$166,972</u>	<u>\$11,435,000</u>	<u>\$2,921,683</u>	<u>\$15,665,000</u>	<u>\$5,261,453</u>	<u>\$20,926,453</u>

\*Includes \$380,263 of interest on NANs due in 2020.

\*\* Includes capitalized interest

## TID 18 Projected Cash Flow

	TID 18	Less: Estimated	Less: Projected	
Year	Est. Debt Service	Capitalized Interest	Tax Increments	Balance
2020	\$547,397	\$357,265	97,738	(\$92,394)
2021	503,876	186,113	188,347	(\$129,416)
2022	512,085	194,205	188,347	(\$129,533)
2023	511,885	194,205	322,881	\$5,201
2024	531,357		518,567	(\$12,790)
2025	644,893		653,590	\$8,697
2026	762,270		766,109	\$3,839
2027	873,079		878,629	\$5,550
2028	987,146		991,148	\$4,002
2029	1,094,057		1,103,667	\$9,610
2030	1,208,608		1,216,186	\$7,578
2031	1,320,442		1,328,706	\$8,264
2032	1,344,533		1,441,225	\$96,692
2033	1,346,769		1,553,744	\$206,975
2034	1,347,396		1,666,263	\$318,867
2035	1,346,244		1,666,263	\$320,019
2036	1,343,271		1,666,263	\$322,992
2037	1,343,619		1,666,263	\$322,644
2038	1,341,971		1,666,263	\$324,292
2039	1,008,392		1,666,263	\$657,871
2040	1,007,163		1,666,263	\$659,100

## Financing Timeline

<b>September 14</b>	Finance	Presentation to Finance and Personnel Committee
<b>September 20</b>	Council	Adopt Resolution Setting the Sale - \$11,435,000
<b>October 5</b>	Council	Introduce Draft Award Resolution
<b>October 6 - 8</b>		Moody's Rating Conference Call
<b>October 19</b>		Sale Date – Bids Received in A.M.
<b>October 19</b>	Finance	Review Sale Results / Final Award Resolution
<b>October 19</b>	Council	Adopt Final Award Resolution
<b>November 16</b>		Closing – Funds wired to Associated Trust for Deposit into Escrow Account
<b>December 1</b>		City Makes Final Interest Payment on 2018 NANs.

R. O. No. 64 - 20 - 21. By CITY ADMINISTRATOR. September 8, 2020.

Submitting for your information the Revised 2021 Budget Schedule which contains revisions to the original 2021 Budget Schedule submitted as R. O. No. 6-20-21.

**2021 City of Sheboygan Budget Schedule – Revised\***

- May 4, 2020 City Administrator submits 2021 Budget Schedule to Common Council.
- June 8, 2020 City Administrator discusses budget parameters with Finance and Personnel Committee.
- June 15, 2020 City Administrator communicates to Management Team the parameters for 2021 Budget submittals.
- August 3, 2020 Preliminary departmental budget submittals due.
- August - October, 2020 City Administrator review of preliminary department budgets.
- October 5, 2020 City Administrator submits Budget Resolution to Common Council.
- October 6 - 16, 2020 Standing Committee review of 2021 Proposed Budget and submit recommendations to Common Council on October 19.
- October 9, 2020 Publish Notice of Public Hearing on 2021 Proposed Budget.
- October 19, 2020 Committee of the Whole review.
- October 26, 2020 Committee of the Whole\*\* refers final 2021 Proposed Budget to Common Council.
- October 26, 2020 Public Hearing on 2021 Proposed Budget - Special Common Council Meeting.
- November 2, 2020 Common Council to adopt the Budget Resolution.

FHP

\_\_\_\_\_  
Todd Wolf, City Administrator

**CITY OF SHEBOYGAN**

**REQUEST FOR FINANCE AND PERSONNEL COMMITTEE CONSIDERATION**

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**ITEM DESCRIPTION:** R.O. 64-20-21 / SEPTEMBER 8, 2020: Submitting for your information the Revised 2021 Budget Schedule which contains revisions to the original 2021 Budget Schedule submitted as R.O. 6-20-21

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**REPORT PREPARED BY:** Carrie Arenz, Assistant to the City Administrator

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**REPORT DATE:** 9/10/2020

**MEETING DATE:** 9/14/2020

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**FISCAL SUMMARY:**

Budget Line Item: N/A  
Budget Summary: N/A  
Budgeted Expenditure: N/A  
Budgeted Revenue: N/A

**STATUTORY REFERENCE:**

Wisconsin Statutes: N/A  
Municipal Code: N/A

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**BACKGROUND / ANALYSIS:**

The original 2021 City of Sheboygan Budget Schedule (R.C. 10-20-21/R.O. 6-20-21) was filed by Common Council on May 18, 2020. Unanticipated staff changes occurred during the months following. As a result of the transitions, combined with use of a new budget reporting tool, two additional weeks are required to prepare the 2021 Executive Budget for presentation to the Common Council. The revised 2021 Budget Schedule includes the addition of a Special Common Council meeting on October 26, 2020.

**STAFF COMMENTS:**

The revised schedule contained in R.O. 64-21-21 accommodates the two week extension of the presentation of the 2021 Executive Budget in an effort to capture the most timely and accurate information. The adoption date of the 2021 City of Sheboygan Budget remains consistent to allow time for tax preparation.

**ACTION REQUESTED:**

Recommendation to the Common Council to receive and file R.O. 64-20-21

**ATTACHMENTS:**

- I. R.O. 64-20-21

II

3.9

R. O. No. 65 - 20 - 21. By CITY CLERK. September 8, 2020.

Submitting a claim from Brian Wunsch for alleged damages to his vehicle when the tire hit a sharp edge of a large pothole.

FAP

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CITY CLERK

DATE RECEIVED

8-17-2020

RECEIVED BY

MCC

CLAIM NO.

10-20

CITY OF SHEBOYGAN NOTICE OF DAMAGE OR INJURY

INSTRUCTIONS: TYPE OR PRINT IN BLACK INK

08/17/2020 2:32

- 1. Notice of death, injury to persons or to property must be filed not later than 120 days after the occurrence.
- 2. Attach and sign additional supportive sheets, if necessary.
- 3. This notice form must be signed and filed with the Office of the City Clerk.

**4. TWO ESTIMATES MUST BE ATTACHED IF YOU ARE CLAIMING DAMAGE TO A VEHICLE.**

- 1. Name of Claimant: BRIAN WUNSCH
- 2. Home address of Claimant: W 1024 COFF SHEB
- 3. Home phone number: (920) 565-3794
- 4. Business address and phone number of Claimant: \_\_\_\_\_

5. When did damage or injury occur? (date, time of day) 8-7-2020 7:30 AM

6. Where did damage or injury occur? (give full description) West Board  
N Ave East of 30<sup>TH</sup> ST

7. How did damage or injury occur? (give full description) Front tire Hit  
Sharp Edge of A Large Pothole

8. If the basis of liability is alleged to be an act or omission of a City officer or employee, complete the following:

(a) Name of such officer or employee, if known: \_\_\_\_\_

(b) Claimant's statement of the basis of such liability: \_\_\_\_\_

9. If the basis of liability is alleged to be a dangerous condition of public property, complete the following:

(a) Public property alleged to be dangerous: \_\_\_\_\_

(b) Claimant's statement of basis for such liability: \_\_\_\_\_

10. Give a description of the injury, property damage or loss, so far as is known at this time. (If there were no injuries, state "NO INJURIES").

NO INJURIES

11. Name and address of any other person injured: \_\_\_\_\_

12. Damage estimate: (You are not bound by the amounts provided here.)

Auto: \$ 194.64

Property: \$ \_\_\_\_\_

Personal injury: \$ \_\_\_\_\_

Other: (Specify below TOWING \$ 68.58

TOTAL \$ 263.22

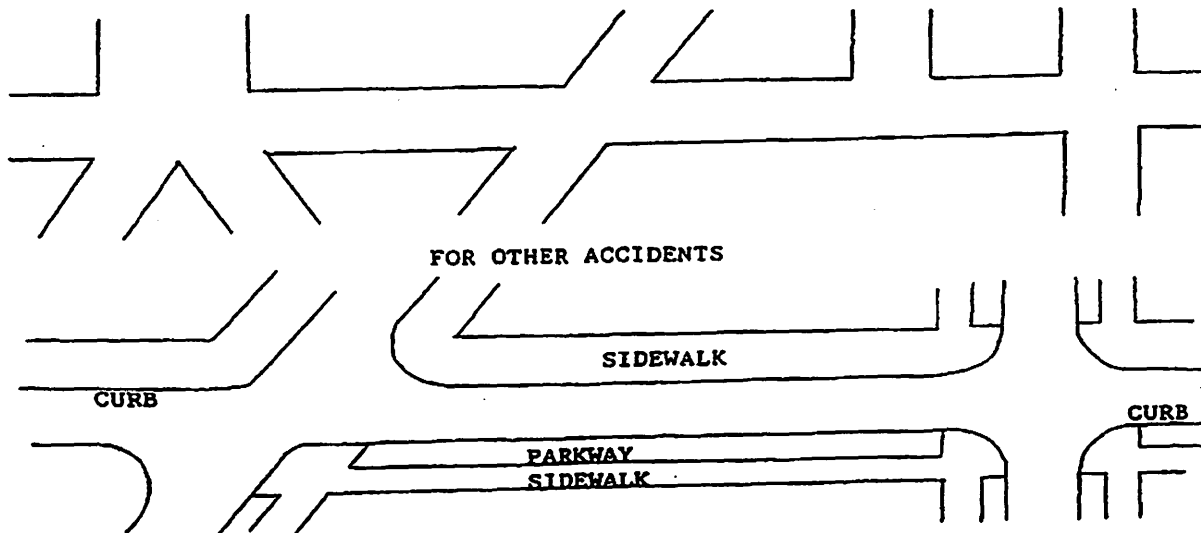
Damaged vehicle (if applicable)

Make: FORD Model: FUSION Year: 2013 Mileage: 69,664

Names and addresses of witnesses, doctors and hospitals: N/A

FOR ALL ACCIDENT NOTICES, COMPLETE THE FOLLOWING DIAGRAM IN DETAIL. BE SURE TO INCLUDE NAMES OF ALL STREETS, HOUSE NUMBERS, LOCATION OF VEHICLES, INDICATING WHICH IS CITY VEHICLE (IF APPLICABLE), WHICH IS CLAIMANT VEHICLE, LOCATION OF INDIVIDUALS, ETC.

NOTE: If diagrams below do not fit the situation, attach proper diagram and sign.



SIGNATURE OF CLAIMANT

*Jason Wunsel*

DATE

8-17-2020

DATE RECEIVED 8-17-2020

RECEIVED BY MICC

CLAIM NO. 10-20

CLAIM

Claimant's Name: Brian Wunsel  
Claimant's Address: W 1024 CO FF  
Sheb. 53083  
Claimant's Phone No. (920) 565-3794

Auto \$ 194.64  
Property \$ \_\_\_\_\_  
Personal Injury \$ \_\_\_\_\_  
Other (Specify below) \$ 68.58  
TOWING  
**TOTAL** \$ 263.22

PLEASE INCLUDE COPIES OF ALL BILLS, INVOICES, ESTIMATES, ETC.

WARNING: IT IS A CRIMINAL OFFENSE TO FILE A FALSE CLAIM.  
(WISCONSIN STATUTES 943.395)

The undersigned hereby makes a claim against the City of Sheboygan arising out of the circumstances described in the Notice of Damage or Injury. The claim is for relief in the form of money damages in the total amount of \$ 263.22.

SIGNED Brian Wunsel DATE: 8-17-2020

ADDRESS: W 1024 CO FF Sheboygan

MAIL TO: CLERK'S OFFICE  
828 CENTER AVE #100  
SHEBOYGAN WI 53081



Sharp Edge







# POMP'S TIRE SERVICE, INC.

REMITTANCE ADDRESS:  
POMP'S TIRE SERVICE, INC.  
ATTN: AR DEPARTMENT  
P.O. BOX 1630  
GREEN BAY, WI 54305-1630

POMP'S TIRE-SHEBOYGAN  
4016 HWY 42  
SHEBOYGAN, WI 53083  
920/457-4814

INVOICE #: 70095885  
PAGE: 1

CUSTOMER: BRIAN WUNSCH  
482 W1024 COUNTY FF  
SHEBOYGAN, WI 53083

CREATED BY SR  
PRIMARY: 920/565-3794 0 VEHICLE: 2013 FORD FUSION SE HYBRID  
SALESMAN: DIRK VAN DER SANDE LICENSE: 716BXL WI MILEAGE: 69664  
VIN: 3FA6P0LU7DR339533  
INVOICE DATE: 08/07/20 TERMS: DUE ON DELIVERY

PRODUCT	MECHANIC	QUANTITY	PRICE	F.E.T.	EXTENSION
P225/50VR17 CHAMP FUEL FIGHTER F015556		1	148.17		148.17
PASS SPIN BALANCE	729	1.00	16.99		16.99
PASSENGER SCRAP DISPOSAL FEE		4	3.00		12.00
TIRE GUARD PROTECTION PLAN		1	15.00		15.00
Registration: Serial V640CF14318	Quantity	1			
TIRE GUARD WARRANTY-TIRE-CLAIM		<del>1.00</del>	<del>148.17</del>		<del>148.17</del>
TGRC					
SHOP SUPPLIES			1.00		1.00
SUPL					

MERCHANDISE: 148.17  
 LABOR: 16.99  
 OTHER: 120.17-  
 SALES TAX: 2.48  
 INVOICE TOTAL: 47.47  
 \*\*\*\*\*THIS IS A REPRINTED INVOICE\*\*\*\*\*  
 + 140.17  
 + 47.47

EXTRA COPY

VISA/MASTERCARD/DISCOVER #1  
Acct #: Discover Net\*\*\*\*8334 Auth: SALE:00740R:279026632::1534858

Motor vehicle repair practices are regulated by chapter ATCP 132, Wis. Adm. Code, administered by the Bureau of Consumer Protection, Wis Dept of Agriculture, Trade and Consumer Protection, P O Box 8911, Madison, WI 53708-8911.

LUG NUTS MUST BE RE-TORQUED AFTER 50-100 MILES.

Printed Name \_\_\_\_\_ Signature \_\_\_\_\_

70095885  
140.17  
47.47  
187.64

# BRET'S TOWING

2233 S. Business Dr.  
Sheboygan, WI 53081  
920-457-4407



## TOWING REPORT

Name <i>Brian Wunsch</i>		Date <i>8/7/2020</i>																
Address		City	State Zip															
Home Phone		Insurance Company																
Business Phone		Year	Make <i>Ford</i> Model <i>Fusion</i> Color <i>Maroon</i>															
License	Mileage	VIN																

CALL NO.	TOWED FROM
CALL TIME	<i>3000 North Ave</i>
TYPE OF CALL	
SERVICE TIME	
EXTRA MAN	TOWED TO
MILEAGE FINISH	<i>Panipr</i>
MILEAGE START	
MILEAGE TOTAL	

REMARKS	<input type="checkbox"/> START	<input type="checkbox"/> WRECK
	<input type="checkbox"/> BATTERY	<input type="checkbox"/> TOW
	<input type="checkbox"/> FLAT TIRE	<input type="checkbox"/> CARRIER
	<input type="checkbox"/> GAS	<input type="checkbox"/> FLAT BED
	<input type="checkbox"/> LOCKOUT	<input type="checkbox"/> INSURED

*PAID credit*

MILEAGE CHARGE	
TOWING CHARGE	<i>65.00</i>
ROAD SERVICE CHARGE	
STORAGE CHARGE	
SUB TOTAL	<i>65.00</i>
TAX	<i>3.18</i>
TOTAL	<i>68.18</i>

MECHANIC'S SIGNATURE  
*X*

AUTHORIZED SIGNATURE  
*X [Signature]*

0004731

**CITY OF SHEBOYGAN**

**REQUEST FOR FINANCE AND PERSONNEL COMMITTEE CONSIDERATION**

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**ITEM DESCRIPTION:** R.O. No. 65-20-21 is a claim from Brian Wunsch for alleged damages to his property.

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**REPORT PREPARED BY:** Laurie Suhrke, Accountant II

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**REPORT DATE:** September 9, 2020

**MEETING DATE:** September 14, 2020

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**FISCAL SUMMARY:**

Budget Line Item: N/A  
Budget Summary: N/A  
Budgeted Expenditure: N/A  
Budgeted Revenue: N/A

**STATUTORY REFERENCE:**

Wisconsin Statutes: N/A  
Municipal Code: N/A

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**BACKGROUND / ANALYSIS:**

R.O. No. 65-20-21 is a claim from Brian Wunsch for alleged damages to his vehicle due to a sharp edge on a large pot hole.

**STAFF COMMENTS:**

City staff has reviewed the above claim and under the authorization by the Common Council, Res. No. 64-17-18, has determined it is in the best interest of the City of Sheboygan to deny the claim.

**ACTION REQUESTED:**

Motion to recommend the Common Council accept and file document R.O. No. 65-20-21.

**ATTACHMENTS:**

- I. R.O. No. 65-20-21

III

4.4

Res. No. 80 - 20 - 21. By Alderpersons Donohue and Bohren.  
September 8, 2020.

A RESOLUTION authorizing the appropriate City officials to execute a Hold Harmless Agreement with Eighth Street Investments, LLC regarding the use of the former Wisconsin Bank & Trust building at 604 North 8th Street as a polling place.

RESOLVED: That the Mayor and City Clerk are hereby authorized to execute the Hold Harmless Agreement, a copy of which is attached hereto.

FHP

\_\_\_\_\_  
\_\_\_\_\_

I HEREBY CERTIFY that the foregoing Resolution was duly passed by the Common Council of the City of Sheboygan, Wisconsin, on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Dated \_\_\_\_\_ 20 . \_\_\_\_\_, City Clerk

Approved \_\_\_\_\_ 20 . \_\_\_\_\_, Mayor

**HOLD HARMLESS AGREEMENT**

In consideration of Eighth Street Investments, LLC (the "Owner") allowing the City of Sheboygan to use the former Wisconsin Bank and Trust Building at 604 N. 8th Street, Sheboygan, Wisconsin on November 3, 2020 as a polling place (including setup with no public access the day prior), the City hereby agrees to hold harmless and defend the Owner from and against any and all claims, liabilities, damages, or loss directly related to any negligence or willful misconduct of the City or its officials in conducting the election activities on the Owner's premises.

Owner: EIGHTH STREET INVESTMENTS, LLC

CITY OF SHEBOYGAN

By: \_\_\_\_\_  
Paul Weaver  
Sole Member

By: \_\_\_\_\_  
Michael J. Vandersteen  
Mayor

Date: \_\_\_\_\_

Attest: \_\_\_\_\_  
Meredith DeBruin  
City Clerk

Date: \_\_\_\_\_

Signatures of City officials are authorized by Res. No. \_\_\_\_-20-21.

**CITY OF SHEBOYGAN**

**REQUEST FOR FINANCE AND PERSONNEL COMMITTEE CONSIDERATION**

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**ITEM DESCRIPTION:** R.C. No. 312-19-20 (R.O. No. 92-19-20) and R.C. No. 313-19-20 (R.O. No. 122-19-20) are documents related to a claim from American Family Insurance on behalf of Mollie Leffin for alleged damages to her property.

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**REPORT PREPARED BY:** Laurie Suhrke, Accountant II

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**REPORT DATE:** September 10, 2020

**MEETING DATE:** September 14, 2020

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**FISCAL SUMMARY:**

Budget Line Item: N/A  
Budget Summary: N/A  
Budgeted Expenditure: N/A  
Budgeted Revenue: N/A

**STATUTORY REFERENCE:**

Wisconsin Statutes: N/A  
Municipal Code: N/A

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**BACKGROUND / ANALYSIS:**

R.C. No. 312-19-20 (R.O. No. 92-19-20) and R.C. No. 313-19-20 (R.O. No. 122-19-20) are documents related to a claim from American Family Insurance on behalf of Mollie Leffin for alleged damages to her vehicle when it was struck by a police squad.

**STAFF COMMENTS:**

City staff has reviewed the above claim and under the authorization by the Common Council, Res. No. 64-17-18, has determined it is in the best interest of the City of Sheboygan to pay the claim in the amount of \$3,845.69.

**ACTION REQUESTED:**

Motion to recommend the Common Council accept and file document R.C. No. 312-19-20 (R.O. No. 92-19-20) and R.C. No. 313-19-20 (R.O. No. 122-19-20)

**ATTACHMENTS:**

- I. R.C. No. 312-19-20 (R.O. No. 92-19-20)
- II. R.C. No. 313-19-20 (R.O. No. 122-19-20)

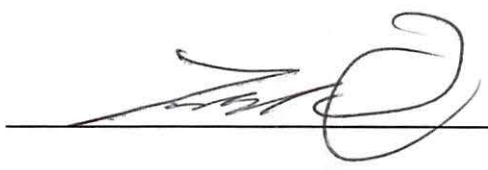
VI

622

R. C. No. 312 - 19 - 20. By FINANCE AND PERSONNEL COMMITTEE.  
April 8, 2020.

Your Committee to whom was referred R. O. No. 92-19-20 by City Clerk submitting a notice of claim from American Family Insurance for alleged damages to their insured (Mollie R. Leffin) vehicle when it was struck by a City of Sheboygan vehicle; recommends referring to the Finance and Personnel Committee of the 2020-2021 Council.

20-21  
F+P

  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ Committee

I HEREBY CERTIFY that the foregoing Committee Report was duly accepted and adopted by the Common Council of the City of Sheboygan, Wisconsin, on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Dated \_\_\_\_\_ 20\_\_\_\_. \_\_\_\_\_, City Clerk

Approved \_\_\_\_\_ 20\_\_\_\_. \_\_\_\_\_, Mayor

II

4.2

R. O. No. 92 - 19 - 20. By CITY CLERK. October 21, 2019.

Submitting a notice of claim from American Family Insurance for alleged damages to their insured (Mollie R. Leffin) vehicle when it was struck by a City of Sheboygan vehicle.

*Finance  
Personnel*

\_\_\_\_\_  
CITY CLERK



AMERICAN FAMILY MUTUAL INSURANCE COMPANY, S.I.  
 6000 AMERICAN PARKWAY  
 MADISON WI 53783

OCT 10 '19 PM 4:18

AmFam.com

1-800-MY AMFAM™ (692-6326)

Claim 16-19  
 MKC  
 10/10/19

October 8, 2019

CITY OF SHEBOYGAN  
 828 CENTER AVE STE 100  
 SHEBOYGAN WI 53081-4442

REGARDING YOUR INSURED OFFICER MATTHEW BRAESCH

**Notice of our intent to subrogate**

Please review the information below and contact me with any questions

Claim number	Date of loss	Your file number	Our Insured
01-001-850278	9/6/2019	Unknown - Date of loss 9/6/19	MOLLIE R LEFFIN

Our investigation into the loss that occurred on the above referenced date determined that your insured was the party at fault. We anticipate making payment to our insured.

Once payment is made, our subrogation department will send supporting documentation for reimbursement of our claim payments and our insured's deductible, if applicable.

Please send us a written acknowledgement confirming or denying that you are the company insuring the above named party in this matter.

I am here to assist you with any questions you may have. Please use the contact information listed below to reach me. Thank you.

Trent Ritzenthaler  
 Subrogation Adjuster  
 1-800-MYAMFAM (1-800-692-6326) Ext. 45181  
 tritzent@amfam.com

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C19-17870

WISCONSIN MOTOR VEHICLE  
CRASH REPORT

SHEBOYGAN POLICE DEPARTMENT  
1315 N 23RD ST  
SHEBOYGAN, WI 53081  
(920) 459-3333

G7L0D6N00M

Document Number Override		Primary Crash Document #		Agency Crash Number		Investigating Officer/Deputy <b>SERGEANT TIMOTHY PATTON</b>	
Crash Date <b>09/06/2019</b>		Crash Time <b>07:58 AM</b>		Date Arrived <b>09/06/2019</b>		Time Arrived <b>07:58 AM</b>	
Date Notified <b>09/06/2019</b>		Time Notified <b>07:58 AM</b>		Total Units <b>03</b>		Total Injured <b>00</b>	Total Killed <b>00</b>
<input type="checkbox"/> On Emergency	<input type="checkbox"/> Hit and Run	<input type="checkbox"/> Lane Closure	<input type="checkbox"/> Work Zone	<input type="checkbox"/> Trailer or Towed		<input type="checkbox"/> Reporting Threshold	
<input type="checkbox"/> Government Property		<input type="checkbox"/> Active School Zone		School Bus Related <b>NO</b>		Tags	
<input checked="" type="checkbox"/> Reportable		Crash Type <b>DT4000 (STANDARD CRASH)</b>		<input type="checkbox"/> Amended		<input type="checkbox"/> Secondary Crash	

Description

Diagram	Reconstruction By
	Photos By <b>246</b>
	Additional Information <b>PHOTOS</b>

I, a sworn law enforcement officer, agree that I have not added any CJ IS data in this report.

ON FRIDAY 9/6/19, AT APPROXIMATELY 0758HRS, DURING MORNING RUSH HOUR, THERE WAS A THREE CAR COLLISION IN THE EASTBOUND NUMBER TWO LANE OF THE 1500 BLOCK OF ERIE AVENUE/HIGHWAY 23. ALL THREE VEHICLES WERE DRIVING EAST IN THE SAME LANE, NUMBER 2. THE DRIVERS WERE APPROACHING THE NORTH 14TH STREET INTERSECTION WITH ERIE AVENUE. THE ROADWAY HAS A DOWNHILL DECLINE. TRAFFIC STANDARDS CONTROLLED INTERSECTION. THE TRAFFIC LIGHT WAS RED FOR EASTBOUND TRAFFIC. V-3 SAID SHE STOPPED QUICKLY FOR A CAR THAT HAD STOPPED IN FRONT OF HER. TRAFFIC HAD BEEN STOP AND GO AS IT BACKED UP FROM THE INTERSECTION. SUDDENLY, V-3 WAS REAR ENDED BY V-2. V-2 SAID SHE STOPPED FOR V-3. TRAFFIC WAS HEAVY AND VEHICLES WERE CLOSE TOGETHER. SUDDENLY, V-2 WAS REAR ENDED AND PUSHED INTO V-3. V-1 SAID HE WAS DRIVING EAST WHEN HE SUDDENLY REALIZED THE VEHICLE IN FRONT OF HIM HAD STOPPED. V-1 WAS UNABLE TO STOP BEFORE REAR ENDING V-2, WHICH WAS PUSHED BY V-1 INTO V-3. THERE WERE NO REPORTED INJURIES. NO WITNESSES WERE LOCATED. V-1 FOLLOWED TOO CLOSELY AND STRUCK V-2 THAT STOPPED FOR V-3. V-1 PUSHED V-2 INTO V-3.

G7L0D6N00M  
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WISCONSIN MOTOR VEHICLE  
CRASH REPORT

SHEBOYGAN POLICE DEPARTMENT  
1315 N 23RD ST  
SHEBOYGAN, WI 53081  
(920) 459-3333

Location

ON STH23 EB 48 FT W OF N 15TH ST IN THE CITY OF SHEBOYGAN IN SHEBOYGAN COUNTY	Latitude 43.756352584	Longitude -87.724787785
	X Coordinate 441653.4375	Y Coordinate 4845067.5
	Structure Type NO STRUCTURE	

Crash Scene

First Harmful Event <b>MOTOR VEH IN TRANSPORT</b>	First Harmful Event Location <b>ON ROADWAY</b>	
Manner of Collision <b>02--FRONT TO REAR</b>	Light Condition <b>DAYLIGHT</b>	
Road Surface Condition(s) <b>DRY</b>	Roadway Factor(s)  <b>BACKUP DUE TO REGULAR CONGESTION</b>	
Environment Factor(s) <b>NONE</b>		
Weather Condition(s) <b>CLOUDY</b>		
Animal Type	Relation To Trafficway <b>TRAFFICWAY - ON ROAD</b>	
Crash Classification - Location <b>PUBLIC PROPERTY</b>	Crash Classification - Jurisdiction <b>NO SPECIAL JURISDICTION</b>	
Tribal Land	Access Control <b>NO CONTROL</b>	Special Study
Within Interchange Area <b>NO</b>	Junction Location <b>INTERSECTION</b>	Intersection Type <b>T-INTERSECTION</b>

Unit Summary

UNIT 01	Unit Status <b>IN TRANSIT</b>	Vehicle Operating As Classification <b>D CLASS</b>		Unit Type <b>AUTOMOBILE</b>		
	Vehicle Type <b>(SPORT) UTILITY VEHICLE</b>			Operating As Endorsements		
	Total Occs <b>1</b>	Train/Bus # Recorded	Total # Citations Issued <b>0</b>	Total Trailers <b>0</b>	Total HazMat Types <b>0</b>	
	Insurance? <b>YES</b>	Direction Of Travel <b>EASTBOUND</b>	<input type="checkbox"/> Pre Crash Tire Mark	Speed Limit <b>25</b>	Total Lanes <b>5</b>	
	Most Harmful Event: Collision With <b>MOTOR VEH IN TRANSPORT</b>		Special Function <b>POLICE</b>	Emergency Motor Vehicle Use <b>NOT APPLICABLE</b>		
	Traffic Way <b>TWO-WAY, NOT DIVIDED</b>		Traffic Control <b>NO CONTROL</b>	Traffic Control Inoperative/Missing <b>NO</b>		
	Surface Type <b>CONCRETE</b>		Road Curvature <b>STRAIGHT</b>	Road Grade <b>DOWNHILL</b>		
	Truck Bus or HazMat <b>NO</b>					

Vehicle

UNIT 01 VEHICLE 01	License Plate Number <b>E6649</b>	Plate Type <b>OFF - MUNICIPAL OFFICI</b>	St <b>WI</b>	Country of Issuance <b>UNITED STATES</b>		
	Vehicle Identification Number <b>1FM5K8AR5HGC25959</b>	Make <b>FORD</b>	Year <b>2017</b>	Model <b>EXPLORER</b>		
	Color <b>BLK - BLACK</b>	Body Style <b>UT - SPORT UTILITY VEHICLE</b>		Bus Use <b>NOT A BUS</b>		
	Initial Contact Point <b>12--FRONT</b>	Vehicle Damage				
	Extent Of Damage <b>NO DAMAGE</b>	<b>NO DAMAGE</b>				

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C19-17870

WISCONSIN MOTOR VEHICLE  
CRASH REPORT

SHEBOYGAN POLICE DEPARTMENT  
1315 N 23RD ST  
SHEBOYGAN, WI 53081  
(920) 459-3333

UNIT VEHICLE	Towed Due To Damage <b>NOT TOWED</b>	Vehicle Removed By <b>OPERATOR</b>	
	What Driver Was Doing <b>GOING STRAIGHT</b>	Vehicle Factors <b>NOT APPLICABLE</b>	
01 01	Driver Prior Action Other		
	Driver Actions <b>FOLLOWING TOO CLOSE</b>		
	Owner Name <b>CITY OF SHEBOYGAN (920) 459-3333</b>	Owner Address <b>828 CENTER AVE SHEBOYGAN, WI 53081 , US</b>	
<b>Sequence Of Events</b>			
01	Event <b>MOTOR VEH IN TRANSPORT</b>		
02	Event		
03	Event		
04	Event		
<b>Policy Holder</b>			
UNIT	Insurance Company <b>CIVMC</b>	Government <b>CITY OF SHEBOYGAN</b>	
<b>Individual</b>			
UNIT INDIVIDUAL	Driver <b>MATTHEW S BRAESCH (920) 459-3333</b>	Citations Issued <b>0</b>	Sex <b>MALE</b>
		Date of Birth <b>02/20/1973</b>	Race <b>WHITE</b>
	Address <b>1315 N 23RD SHEBOYGAN, WI 53081 , US</b>	Driver License Number <b>B6205577306009</b> STATE: WISCONSIN COUNTRY: UNITED STATES	
01 001	<b>Safety Equipment</b>	On Duty Crash <b>POLICE</b>	Safety Equipment <b>SHOULDER &amp; LAP BELT</b>
	Seat Position <b>1--FRONT SEAT-LEFT SIDE (DRIVER/MOTORCY</b>		
	Helmet Use		Helmet Compliance
	Eye Protection		Tint Compliance
	Injury Severity <b>Injury NO APPARENT INJURY</b>	Airbag <b>NON DEPLOYED</b>	
	Ejected <b>NOT EJECTED</b>	Ejection Path <b>NOT EJECTED/NOT APPLICABLE</b>	Trapped/Extricated <b>NOT TRAPPED</b>
	Medical Transport <b>NOT TRANSPORTED</b>	EMS Agency Identifier	EMS Run #
	Hospital	Date of Death	Time of Death
	<b>Distracted By</b>	Distracted By Source <b>NOT APPLICABLE (NOT DISTRACTED)</b>	
	Distracted By Action <b>NOT DISTRACTED</b>		

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WISCONSIN MOTOR VEHICLE  
CRASH REPORT

SHEBOYGAN POLICE DEPARTMENT  
1315 N 23RD ST  
SHEBOYGAN, WI 53081  
(920) 459-3333

UNIT INDIVIDUAL          01 001	<b>Non Motorist</b>		Striking Unit #	Location	
	Prior Action				
	Action				
	Action Other			To/From School	
	<b>Drug &amp; Alcohol</b>		Suspected Alcohol Use NO	Suspected Drug Use NO	
	Alcohol Test Given <b>TEST NOT GIVEN</b>		Alcohol Test Type	Alcohol Test Results	
	Drug Test Given <b>TEST NOT GIVEN</b>		Drug Test Type	Drug Test Results	
	Drug Type				
	Individual Condition <b>APPEARED NORMAL</b>				

Unit Summary

UNIT          02	Unit Status <b>IN TRANSIT</b>		Vehicle Operating As Classification <b>D CLASS</b>		Unit Type <b>AUTOMOBILE</b>	
	Vehicle Type <b>PASSENGER CAR</b>				Operating As Endorsements	
	Total Occs <b>1</b>	Train/Bus # Recorded	Total # Citations Issued <b>0</b>	Total Trailers <b>0</b>	Total HazMat Types <b>0</b>	
	Insurance? <b>YES</b>	Direction Of Travel <b>EASTBOUND</b>	<input type="checkbox"/> Pre Crash Tire Mark	Speed Limit <b>25</b>	Total Lanes <b>5</b>	
	Most Harmful Event: Collision With <b>MOTOR VEH IN TRANSPORT</b>		Special Function <b>NO SPECIAL FUNCTION</b>		Emergency Motor Vehicle Use <b>NOT APPLICABLE</b>	
	Traffic Way <b>TWO-WAY, NOT DIVIDED</b>		Traffic Control <b>NO CONTROL</b>		Traffic Control Inoperative/Missing <b>NO</b>	
	Surface Type <b>CONCRETE</b>		Road Curvature <b>STRAIGHT</b>		Road Grade <b>LEVEL</b>	
	Truck Bus or HazMat <b>NO</b>					

Vehicle

UNIT VEHICLE 02 02	License Plate Number <b>654UED</b>		Plate Type <b>AUT - AUTOMOBILE</b>	St <b>WI</b>	Country of Issuance <b>UNITED STATES</b>	
	Vehicle Identification Number <b>JM1BM1V72E1115192</b>		Make <b>MAZDA</b>	Year <b>2014</b>	Model <b>MAZDA3 TOU</b>	
	Color <b>WHI - WHITE</b>		Body Style <b>4D - 4DR</b>		Bus Use <b>NOT A BUS</b>	
	Initial Contact Point <b>6--REAR</b>		Vehicle Damage			
	Extent Of Damage <b>FUNCTIONAL DAMAGE</b>		<b>1--RIGHT FRONT CORNER, 6--REAR, 11--LEFT FRONT CORNER, 12--FRONT</b>			
	Towed Due To Damage <b>NOT TOWED</b>		Vehicle Removed By <b>OPERATOR</b>			

G7L0D6N00M  
C19-17870

WISCONSIN MOTOR VEHICLE  
CRASH REPORT

SHEBOYGAN POLICE DEPARTMENT  
1315 N 23RD ST  
SHEBOYGAN, WI 53081  
(920) 459-3333

UNIT VEHICLE	What Driver Was Doing <b>SLOW/STOPPING</b>	Vehicle Factors	
	Driver Prior Action Other	<b>NOT APPLICABLE</b>	
	Driver Actions <b>NO CONTRIBUTING ACTION</b>		
	Owner Name <b>MOLLIE ROSE LEFFIN (920) 918-5022</b>	Owner Address <b>882 IROQUOIS TRL SHEBOYGAN FALLS, WI 53085 , US</b>	
UNIT VEHICLE	<b>Sequence Of Events</b>		
	Event <b>MOTOR VEH IN TRANSPORT</b>		
	Event		
	Event		
UNIT VEHICLE	Event		
	<b>Policy Holder</b>		
	Insurance Company <b>AMERICAN-FAMILY-INS-CO</b>	Individual <b>MOLLIE LEFFIN</b>	
	<b>Individual</b>		
UNIT INDIVIDUAL	Driver <b>MOLLIE ROSE LEFFIN (920) 918-5022</b>	Citations Issued <b>0</b>	Sex <b>FEMALE</b>
		Date of Birth <b>02/02/1995</b>	Race <b>WHITE</b>
	Address <b>882 IROQUOIS TRL SHEBOYGAN FALLS, WI 53085 , US</b>		Driver License Number <b>L1505569554208 STATE: WISCONSIN COUNTRY: UNITED STATES</b>
	<b>Safety Equipment</b>		
	On Duty Crash	Safety Equipment	
	Seat Position <b>1--FRONT SEAT-LEFT SIDE (DRIVER/MOTORCY</b>	<b>SHOULDER &amp; LAP BELT</b>	
	Helmet Use	Helmet Compliance	
	Eye Protection	Tint Compliance	
UNIT INDIVIDUAL	<b>Injury</b>	Injury Severity <b>NO APPARENT INJURY</b>	Airbag <b>NON DEPLOYED</b>
	Ejected <b>NOT EJECTED</b>	Ejection Path <b>NOT EJECTED/NOT APPLICABLE</b>	Trapped/Extricated <b>NOT TRAPPED</b>
	Medical Transport <b>NOT TRANSPORTED</b>	EMS Agency Identifier	EMS Run #
	Hospital	Date of Death	Time of Death
	<b>Distracted By</b> Distracted By Source <b>NOT APPLICABLE (NOT DISTRACTED)</b>		
	Distracted By Action <b>NOT DISTRACTED</b>		
	<b>Non Motorist</b>	Striking Unit #	Location

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WISCONSIN MOTOR VEHICLE  
CRASH REPORT

SHEBOYGAN POLICE DEPARTMENT  
1315 N 23RD ST  
SHEBOYGAN, WI 53081  
(920) 459-3333

UNIT INDIVIDUAL          02 002	Prior Action		
	Action		
	Action Other		To/From School
	<b>Drug &amp; Alcohol</b>	Suspected Alcohol Use <b>NO</b>	Suspected Drug Use <b>NO</b>
	Alcohol Test Given <b>TEST NOT GIVEN</b>	Alcohol Test Type	Alcohol Test Results
	Drug Test Given <b>TEST NOT GIVEN</b>	Drug Test Type	Drug Test Results
	Drug Type		
	Individual Condition <b>APPEARED NORMAL</b>		

Unit Summary

UNIT 03	Unit Status <b>IN TRANSIT</b>		Vehicle Operating As Classification <b>D CLASS</b>		Unit Type <b>AUTOMOBILE</b>	
	Vehicle Type <b>(SPORT) UTILITY VEHICLE</b>				Operating As Endorsements	
	Total Occs <b>1</b>	Train/Bus # Recorded	Total # Citations Issued <b>0</b>	Total Trailers <b>0</b>	Total HazMat Types <b>0</b>	
	Insurance? <b>YES</b>	Direction Of Travel <b>EASTBOUND</b>	<input type="checkbox"/> Pre Crash Tire Mark	Speed Limit <b>25</b>	Total Lanes <b>5</b>	
	Most Harmful Event: Collision With <b>MOTOR VEH IN TRANSPORT</b>		Special Function <b>NO SPECIAL FUNCTION</b>		Emergency Motor Vehicle Use <b>NOT APPLICABLE</b>	
	Traffic Way <b>TWO-WAY, NOT DIVIDED</b>		Traffic Control <b>NO CONTROL</b>		Traffic Control Inoperative/Missing <b>NO</b>	
	Surface Type <b>CONCRETE</b>		Road Curvature <b>STRAIGHT</b>		Road Grade <b>LEVEL</b>	
	Truck Bus or HazMat <b>NO</b>					

UNIT VEHICLE 03 03	<b>Vehicle</b>					
	License Plate Number <b>589VDG</b>		Plate Type <b>AUT - AUTOMOBILE</b>	St <b>WI</b>	Country of Issuance <b>UNITED STATES</b>	
	Vehicle Identification Number <b>2T2BK1BA3FC304710</b>		Make <b>LEXUS</b>	Year <b>2015</b>	Model <b>RX 350</b>	
	Color <b>RED - RED</b>		Body Style <b>LL - CARRYALL</b>		Bus Use <b>NOT A BUS</b>	
	Initial Contact Point <b>6--REAR</b>		Vehicle Damage  <b>6--REAR</b>			
	Extent Of Damage <b>MINOR DAMAGE</b>					
	Towed Due To Damage <b>NOT TOWED</b>		Vehicle Removed By <b>OPERATOR</b>			
	What Driver Was Doing <b>SLOW/STOPPING</b>					

G7L0D6N00M  
C19-17870

WISCONSIN MOTOR VEHICLE  
CRASH REPORT

SHEBOYGAN POLICE DEPARTMENT  
1315 N 23RD ST  
SHEBOYGAN, WI 53081  
(920) 459-3333

UNIT VEHICLE	Vehicle Factors	
	Driver Prior Action Other	NOT APPLICABLE
	Driver Actions NO CONTRIBUTING ACTION	
03	Owner Name KATHLEEN E KIST (330) 283-0817	Owner Address N6257 KAPUR DR SHEBOYGAN FALLS, WI 53085 , US
	<b>Sequence Of Events</b>	
03	01	Event MOTOR VEH IN TRANSPORT
	02	Event
	03	Event
	04	Event
UNIT	<b>Policy Holder</b>	
	Insurance Company ALLSTATE-INDEMNITY-CO	Individual KATHLEEN KIST
UNIT INDIVIDUAL	<b>Individual</b>	
	Driver KATHLEEN E KIST (330) 283-0817	Citations Issued 0
		Sex FEMALE
		Date of Birth 10/20/1959
	Race WHITE	
	Address N6257 KAPUR DR SHEBOYGAN FALLS, WI 53085 , US	Driver License Number K2305055988007 STATE: WISCONSIN COUNTRY: UNITED STATES
03	<b>Safety Equipment</b>	
	On Duty Crash	Safety Equipment
	Seat Position 1--FRONT SEAT-LEFT SIDE (DRIVER/MOTORCY	SHOULDER & LAP BELT
	Helmet Use	Helmet Compliance
	Eye Protection	Tint Compliance
003	<b>Injury</b>	
	Injury Severity NO APPARENT INJURY	Airbag NON DEPLOYED
	Ejected NOT EJECTED	Ejection Path NOT EJECTED/NOT APPLICABLE
	Trapped/Extricated NOT TRAPPED	
	Medical Transport NOT TRANSPORTED	EMS Agency Identifier
	Hospital	EMS Run #
		Date of Death
		Time of Death
	<b>Distracted By</b>	
	Distracted By Source NOT APPLICABLE (NOT DISTRACTED)	
	Distracted By Action NOT DISTRACTED	
	<b>Non Motorist</b>	
	Striking Unit #	Location

G7L0D6N00M  
C19-17870

### WISCONSIN MOTOR VEHICLE CRASH REPORT

SHEBOYGAN POLICE DEPARTMENT  
1315 N 23RD ST  
SHEBOYGAN, WI 53081  
(920) 459-3333

<b>UNIT</b> <b>INDIVIDUAL</b>       <b>03</b> <b>003</b>	Prior Action		
	Action		
	Action Other		To/From School
	<b>Drug &amp; Alcohol</b>	Suspected Alcohol Use <b>NO</b>	Suspected Drug Use <b>NO</b>
	Alcohol Test Given <b>TEST NOT GIVEN</b>	Alcohol Test Type	Alcohol Test Results
	Drug Test Given <b>TEST NOT GIVEN</b>	Drug Test Type	Drug Test Results
	Drug Type		
	Individual Condition <b>APPEARED NORMAL</b>		

**HEUER LAW OFFICES, S.C.** DEC 12 '19 PM 8:19

ATTORNEYS AT LAW  
9312 W. NATIONAL AVE.  
WEST ALLIS, WISCONSIN 53227

JOHN M. HEUER  
KIRSTEN FAGERLAND PEZEWSKI  
JONATHAN D. MCCOLLISTER

TELEPHONE 414/224-3500  
FAX 414/224-3510

JONATHAN FICKE  
RYAN M. PETERSON  
JONATHAN S. GOURLAY  
DANIEL C. NEDSET

December 6, 2019

CITY OF SHEBOYGAN  
ATTENTION: City Clerk – Meredith DeBruin  
1315 NORTH 23RD STREET, SUITE 102  
SHEBOYGAN, WI 53081

**RE: NOTICE OF CLAIM**  
**My Client: American Family Mutual Insurance Company**  
**Damages: \$3845.69**

Dear CITY OF SHEBOYGAN:

My office represents American Family Mutual Insurance Company in the above matter. We have been retained to sue the city of Sheboygan for damages you caused in an automobile collision on September 6, 2019, at 7:58 a.m. at eastbound STH 23, 48 feet west of 15<sup>th</sup> street, in the city of Sheboygan. Your employee, Matthew Braesch, was driving a 2017 Ford Explorer – owned by the city of Sheboygan – when he rear-ended my client's insured (Mollie R. Leffin). As a result of your negligence, you caused \$3845.69 in property damages.

My client paid \$3595.69 in property damage losses, and my client's insured incurred a \$250.00 deductible loss.

Please allow this letter to serve as formal notice of my client's claim.

Thank you.

Very truly yours.

HEUER LAW OFFICES, S. C.



Jonathan D. McCollister  
Attorney

Our file 174973

# HEUER LAW OFFICES, S.C.

ATTORNEYS AT LAW  
9312 W. NATIONAL AVE.  
WEST ALLIS, WISCONSIN 53227

JAN 3 '20 PM 1:26

JOHN M. HEUER  
KIRSTEN FAGERLAND PEZEWSKI  
JONATHAN D. MCCOLLISTER

TELEPHONE 414/224-3500  
FAX 414/224-3510

JONATHAN FICKE  
RYAN M. PETERSON  
JONATHAN S. GOURLAY  
DANIEL C. NEDSET

December 26, 2019

CITY OF SHEBOYGAN  
ATTENTION: City Clerk – Meredith DeBruin  
1315 NORTH 23RD STREET, SUITE 102  
SHEBOYGAN, WI 53081

**RE: Supplement to Dec. 6, 2019, Notice of Claim  
Damages: \$3845.69**

Dear Ms. DeBruin:

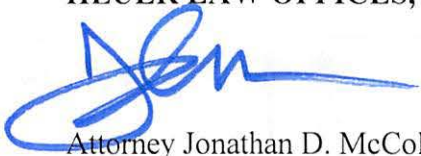
Thank you for your telephone call on December 17, 2019. As requested, I am attaching my client's proofs of damages.

I have attached a copy of a notice of claim/demand my client sent you on October 28, 2019, a copy of the collision report, and a copy of the damage estimate.

American Family paid \$3595.69 in collision damages, and its insured incurred a \$250.00 collision deductible.

Very truly yours,

**HEUER LAW OFFICES, S. C.**



Attorney Jonathan D. McCollister

Our file 174973

UNITED STATES DEPARTMENT OF AGRICULTURE

OFFICE OF THE SECRETARY

WASHINGTON, D. C.

1. The Secretary of Agriculture  
has the honor to acknowledge  
the receipt of your letter  
of the 10th inst.

and in reply to inform you  
that the same has been  
forwarded to the  
proper authorities

for their consideration  
and that you will be  
kept advised of the  
progress of the same

Very respectfully,  
The Secretary

UNITED STATES DEPARTMENT OF AGRICULTURE

WASHINGTON, D. C.

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AMERICAN FAMILY MUTUAL INSURANCE COMPANY, S.I.  
 6000 AMERICAN PARKWAY  
 MADISON WI 53783

**AmFam.com**

1-800-MY AMFAM (692-6326)

October 28, 2019

CITY OF SHEBOYGAN  
 828 CENTER AVE STE 100  
 SHEBOYGAN WI 53081-4442

REGARDING YOUR INSURED OFFICER MATTHEW BRAESCH

**Notice of subrogation**

Please review the information below and contact me with any questions

Claim number	Date of loss	Your claim number	Our insured
01-001-850278	09/06/2019	Unknown - Date of Loss 9/6/19	MOLLIE R LEFFIN

We are notifying you that we have made payment on the above referenced claim and our supporting documentation and proof of payment are enclosed.

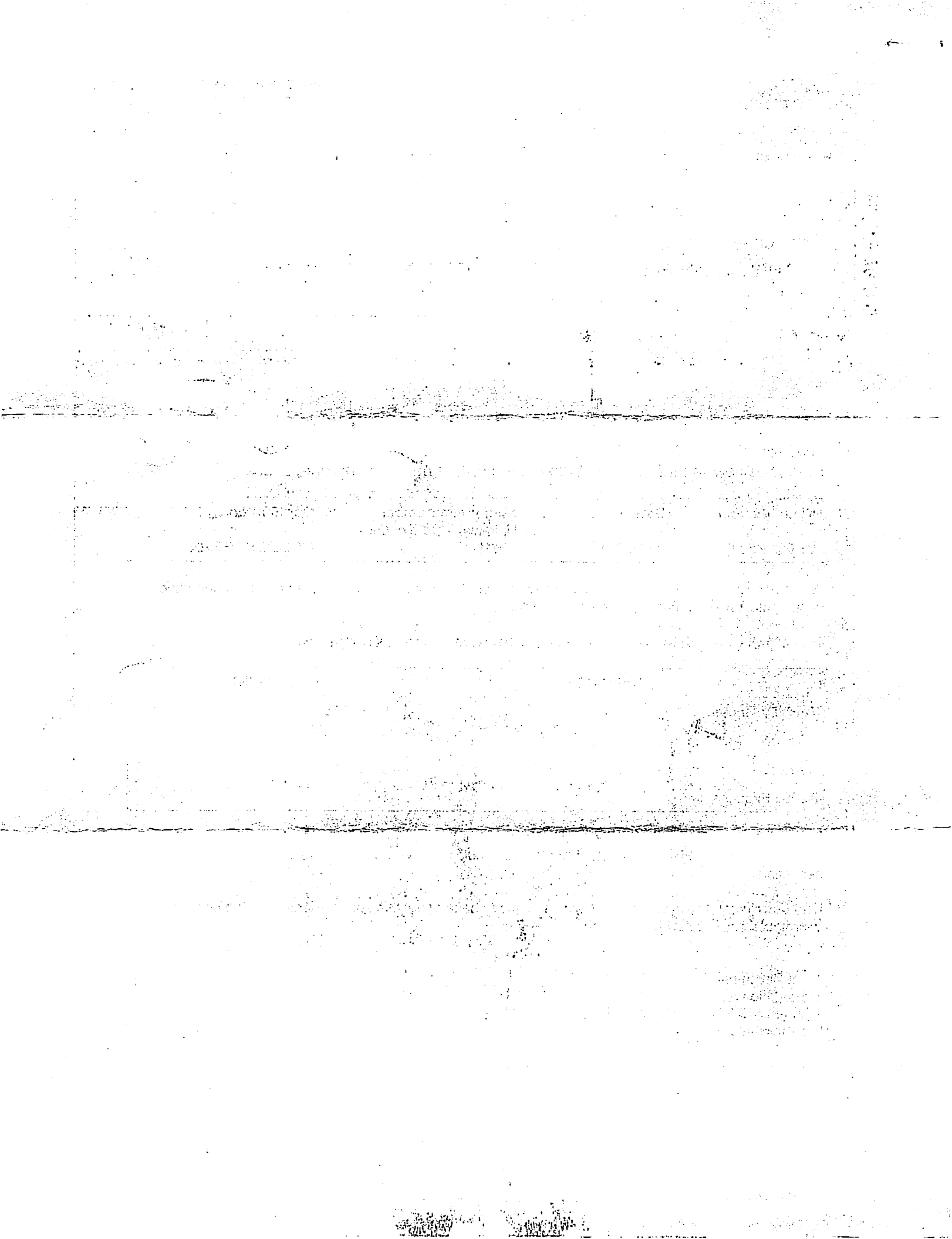
The following breakdown shows the damages that were incurred by our insured:

DAMAGE	AMOUNT
<b>Total Damages:</b>	<b>\$3,845.69</b>
American Family Mutual Insurance Company, S.I. payment(s)	\$3,595.69
Deductible	\$250.00
Rental Expense	\$0.00

Our investigation and the facts of this claim support that this incident was caused by your insured's negligence. Please forward the total claim amount indicated. We will reimburse our insured their deductible.

I am here to assist you with any questions you may have about this notice. Please use the contact information listed below to reach me. Thank you.

Trent Ritzenthaler  
 Subrogation Adjuster  
 1-800-MYAMFAM (1-800-692-6326) Ext. 45181  
 tritzent@amfam.com



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C19-17870

WISCONSIN MOTOR VEHICLE  
CRASH REPORT

SHEBOYGAN POLICE DEPARTMENT  
1315 N 23RD ST  
SHEBOYGAN, WI 53081  
(920) 459-3333

G7L0D6N00M

Document Number Override		Primary Crash Document #		Agency Crash Number		Investigating Officer/Deputy <b>SERGEANT TIMOTHY PATTON</b>	
Crash Date 09/06/2019		Crash Time 07:58 AM		Date Arrived 09/06/2019		Time Arrived 07:58 AM	
Date Notified 09/06/2019		Time Notified 07:58 AM		Total Units 03		Total Injured 00	Total Killed 00
<input type="checkbox"/> On Emergency	<input type="checkbox"/> Hit and Run	<input type="checkbox"/> Lane Closure		<input type="checkbox"/> Work Zone	<input type="checkbox"/> Trailer or Towed		<input type="checkbox"/> Reporting Threshold
<input type="checkbox"/> Government Property		<input type="checkbox"/> Active School Zone		School Bus Related NO		Tags	
<input checked="" type="checkbox"/> Reportable		Crash Type DT4000 (STANDARD CRASH)			<input type="checkbox"/> Amended		<input type="checkbox"/> Secondary Crash

Description

Diagram		Reconstruction By	
		Photos By 246	
		Additional Information PHOTOS	

I, a sworn law enforcement officer, agree that I have not added any CJ IS data in this report.

ON FRIDAY 9/6/19, AT APPROXIMATELY 0758HRS, DURING MORNING RUSH HOUR, THERE WAS A THREE CAR COLLISION IN THE EASTBOUND NUMBER TWO LANE OF THE 1500 BLOCK OF ERIE AVENUE/HIGHWAY 23. ALL THREE VEHICLES WERE DRIVING EAST IN THE SAME LANE, NUMBER 2. THE DRIVERS WERE APPROACHING THE NORTH 14TH STREET INTERSECTION WITH ERIE AVENUE. THE ROADWAY HAS A DOWNHILL DECLINE. TRAFFIC STANDARDS CONTROLLED INTERSECTION. THE TRAFFIC LIGHT WAS RED FOR EASTBOUND TRAFFIC. V-3 SAID SHE STOPPED QUICKLY FOR A CAR THAT HAD STOPPED IN FRONT OF HER. TRAFFIC HAD BEEN STOP AND GO AS IT BACKED UP FROM THE INTERSECTION. SUDDENLY, V-3 WAS REAR ENDED BY V-2. V-2 SAID SHE STOPPED FOR V-3. TRAFFIC WAS HEAVY AND VEHICLES WERE CLOSE TOGETHER. SUDDENLY, V-2 WAS REAR ENDED AND PUSHED INTO V-3. V-1 SAID HE WAS DRIVING EAST WHEN HE SUDDENLY REALIZED THE VEHICLE IN FRONT OF HIM HAD STOPPED. V-1 WAS UNABLE TO STOP BEFORE REAR ENDING V-2, WHICH WAS PUSHED BY V-1 INTO V-3. THERE WERE NO REPORTED INJURIES. NO WITNESSES WERE LOCATED. V-1 FOLLOWED TOO CLOSELY AND STRUCK V-2 THAT STOPPED FOR V-3. V-1 PUSHED V-2 INTO V-3.

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WISCONSIN MOTOR VEHICLE  
CRASH REPORT

SHEBOYGAN POLICE DEPARTMENT  
1315 N 23RD ST  
SHEBOYGAN, WI 53081  
(920) 459-3333

Location

ON STH23 EB 48 FT W OF N 15TH ST IN THE CITY OF SHEBOYGAN IN SHEBOYGAN COUNTY	Latitude 43.756352584	Longitude -87.724787785
	X Coordinate 441653.4375	Y Coordinate 4845067.5
	Structure Type NO STRUCTURE	

Crash Scene

First Harmful Event MOTOR VEH IN TRANSPORT		First Harmful Event Location ON ROADWAY	
Manner of Collision 02--FRONT TO REAR		Light Condition DAYLIGHT	
Road Surface Condition(s) DRY		Roadway Factor(s)  BACKUP DUE TO REGULAR CONGESTION	
Environment Factor(s) NONE			
Weather Condition(s) CLOUDY			
Animal Type		Relation To Trafficway TRAFFICWAY - ON ROAD	
Crash Classification - Location PUBLIC PROPERTY		Crash Classification - Jurisdiction NO SPECIAL JURISDICTION	
Tribal Land		Access Control NO CONTROL	Special Study
Within Interchange Area NO	Junction Location INTERSECTION	Intersection Type T-INTERSECTION	

Unit Summary

01 UNIT	Unit Status IN TRANSIT		Vehicle Operating As Classification D CLASS		Unit Type AUTOMOBILE	
	Vehicle Type (SPORT) UTILITY VEHICLE				Operating As Endorsements	
	Total Occs 1	Train/Bus # Recorded	Total # Citations Issued 0	Total Trailers 0	Total HazMat Types 0	
	Insurance? YES	Direction Of Travel EASTBOUND	<input type="checkbox"/> Pre Crash Tire Mark	Speed Limit 25	Total Lanes 5	
	Most Harmful Event: Collision With MOTOR VEH IN TRANSPORT		Special Function POLICE		Emergency Motor Vehicle Use NOT APPLICABLE	
	Traffic Way TWO-WAY, NOT DIVIDED		Traffic Control NO CONTROL		Traffic Control Inoperative/Missing NO	
	Surface Type CONCRETE		Road Curvature STRAIGHT		Road Grade DOWNHILL	
	Truck Bus or HazMat NO					

Vehicle

01 UNIT VEHICLE	License Plate Number E6649		Plate Type OFF - MUNICIPAL OFFICI	St WI	Country of Issuance UNITED STATES	
	Vehicle Identification Number 1FM5K8AR5HGC25959		Make FORD	Year 2017	Model EXPLORER	
	Color BLK - BLACK		Body Style UT - SPORT UTILITY VEHICLE		Bus Use NOT A BUS	
	Initial Contact Point 12--FRONT		Vehicle Damage			
	Extent Of Damage NO DAMAGE		NO DAMAGE			

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WISCONSIN MOTOR VEHICLE  
CRASH REPORT

SHEBOYGAN POLICE DEPARTMENT  
1315 N 23RD ST  
SHEBOYGAN, WI 53081  
(920) 459-3333

UNIT VEHICLE	Towed Due To Damage <b>NOT TOWED</b>	Vehicle Removed By <b>OPERATOR</b>	
	What Driver Was Doing <b>GOING STRAIGHT</b>	Vehicle Factors	
	Driver Prior Action Other	<b>NOT APPLICABLE</b>	
	Driver Actions <b>FOLLOWING TOO CLOSE</b>		
01	Owner Name <b>CITY OF SHEBOYGAN (920) 459-3333</b>	Owner Address <b>828 CENTER AVE SHEBOYGAN, WI 53081 , US</b>	
<b>Sequence Of Events</b>			
01	Event <b>MOTOR VEH IN TRANSPORT</b>		
02	Event		
03	Event		
04	Event		
<b>Policy Holder</b>			
UNIT	Insurance Company <b>CIVMC</b>	Government <b>CITY OF SHEBOYGAN</b>	
<b>Individual</b>			
UNIT INDIVIDUAL	Driver <b>MATTHEW S BRAESCH (920) 459-3333</b>	Citations Issued <b>0</b>	Sex <b>MALE</b>
		Date of Birth <b>02/20/1973</b>	Race <b>WHITE</b>
	Address <b>1315 N 23RD SHEBOYGAN, WI 53081 , US</b>	Driver License Number <b>B6205577306009</b> STATE: WISCONSIN COUNTRY: UNITED STATES	
		Safety Equipment	
01	<b>Safety Equipment</b>	On Duty Crash <b>POLICE</b>	Safety Equipment <b>SHOULDER &amp; LAP BELT</b>
001	Seat Position <b>1--FRONT SEAT-LEFT SIDE (DRIVER/MOTORCY</b>	Helmet Compliance	
	Helmet Use	Tint Compliance	
	Eye Protection	Airbag <b>NON DEPLOYED</b>	
	<b>Injury</b>	Injury Severity <b>NO APPARENT INJURY</b>	
	Ejected <b>NOT EJECTED</b>	Ejection Path <b>NOT EJECTED/NOT APPLICABLE</b>	Trapped/Extricated <b>NOT TRAPPED</b>
	Medical Transport <b>NOT TRANSPORTED</b>	EMS Agency Identifier	EMS Run #
	Hospital	Date of Death	Time of Death
	<b>Distacted By</b>	Distacted By Source <b>NOT APPLICABLE (NOT DISTRACTED)</b>	
	Distacted By Action <b>NOT DISTRACTED</b>		

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C19-17870

WISCONSIN MOTOR VEHICLE  
CRASH REPORT

SHEBOYGAN POLICE DEPARTMENT  
1315 N 23RD ST  
SHEBOYGAN, WI 53081  
(920) 459-3333

UNIT INDIVIDUAL          01 001	<b>Non Motorist</b>		Striking Unit #	Location	
	Prior Action				
	Action				
	Action Other			To/From School	
	<b>Drug &amp; Alcohol</b>		Suspected Alcohol Use NO	Suspected Drug Use NO	
	Alcohol Test Given TEST NOT GIVEN		Alcohol Test Type		Alcohol Test Results
	Drug Test Given TEST NOT GIVEN		Drug Test Type		Drug Test Results
	Drug Type				
	Individual Condition APPEARED NORMAL				

Unit Summary

UNIT 02	Unit Status IN TRANSIT		Vehicle Operating As Classification D CLASS		Unit Type AUTOMOBILE	
	Vehicle Type PASSENGER CAR				Operating As Endorsements	
	Total Occs 1	Train/Bus # Recorded	Total # Citations Issued 0	Total Trailers 0	Total HazMat Types 0	
	Insurance? YES	Direction Of Travel EASTBOUND	<input type="checkbox"/> Pre Crash Tire Mark	Speed Limit 25	Total Lanes 5	
	Most Harmful Event: Collision With MOTOR VEH IN TRANSPORT		Special Function NO SPECIAL FUNCTION		Emergency Motor Vehicle Use NOT APPLICABLE	
	Traffic Way TWO-WAY, NOT DIVIDED		Traffic Control NO CONTROL		Traffic Control Inoperative/Missing NO	
	Surface Type CONCRETE		Road Curvature STRAIGHT		Road Grade LEVEL	
	Truck Bus or HazMat NO					

UNIT VEHICLE 02 02	<b>Vehicle</b>				
	License Plate Number 654UED		Plate Type AUT - AUTOMOBILE	St WI	Country of Issuance UNITED STATES
	Vehicle Identification Number JM1BM1V72E1115192		Make MAZDA	Year 2014	Model MAZDA3 TOU
	Color WHI - WHITE		Body Style 4D - 4DR		Bus Use NOT A BUS
	Initial Contact Point 6--REAR		Vehicle Damage		
	Extent Of Damage FUNCTIONAL DAMAGE		1--RIGHT FRONT CORNER, 6--REAR, 11--LEFT FRONT CORNER, 12--FRONT		
Towed Due To Damage NOT TOWED		Vehicle Removed By OPERATOR			

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WISCONSIN MOTOR VEHICLE  
CRASH REPORT

SHEBOYGAN POLICE DEPARTMENT  
1315 N 23RD ST  
SHEBOYGAN, WI 53081  
(920) 459-3333

UNIT VEHICLE	What Driver Was Doing <b>SLOW/STOPPING</b>	Vehicle Factors	
	Driver Prior Action Other	<b>NOT APPLICABLE</b>	
	Driver Actions <b>NO CONTRIBUTING ACTION</b>		
02	Owner Name <b>MOLLIE ROSE LEFFIN (920) 918-5022</b>	Owner Address <b>882 IROQUOIS TRL SHEBOYGAN FALLS, WI 53085 , US</b>	
	<b>Sequence Of Events</b>		
01 02 03 04	Event <b>MOTOR VEH IN TRANSPORT</b>		
	Event		
	Event		
	Event		
UNIT	<b>Policy Holder</b>		
	Insurance Company <b>AMERICAN-FAMILY-INS-CO</b>	Individual <b>MOLLIE LEFFIN</b>	
UNIT INDIVIDUAL	<b>Individual</b>		
	Driver <b>MOLLIE ROSE LEFFIN (920) 918-5022</b>	Citations Issued <b>0</b>	Sex <b>FEMALE</b>
		Date of Birth <b>02/02/1995</b>	Race <b>WHITE</b>
	Address <b>882 IROQUOIS TRL SHEBOYGAN FALLS, WI 53085 , US</b>	Driver License Number <b>L1505569554208</b> STATE: WISCONSIN COUNTRY: UNITED STATES	
02 002	<b>Safety Equipment</b>		On Duty Crash
	Seat Position <b>1--FRONT SEAT-LEFT SIDE (DRIVER/MOTORCY</b>		Safety Equipment <b>SHOULDER &amp; LAP BELT</b>
	Helmet Use		Helmet Compliance
	Eye Protection		Tint Compliance
	<b>Injury</b>		Airbag
Injury Severity <b>NO APPARENT INJURY</b>		<b>NON DEPLOYED</b>	
Ejected <b>NOT EJECTED</b>		Ejection Path <b>NOT EJECTED/NOT APPLICABLE</b>	Trapped/Extricated <b>NOT TRAPPED</b>
Medical Transport <b>NOT TRANSPORTED</b>		EMS Agency Identifier	EMS Run #
Hospital		Date of Death	Time of Death
<b>Distracted By</b>		Distracted By Source <b>NOT APPLICABLE (NOT DISTRACTED)</b>	
Distracted By Action <b>NOT DISTRACTED</b>			
<b>Non Motorist</b>		Striking Unit #	Location

G7L0D6N00M  
C19-17870

WISCONSIN MOTOR VEHICLE  
CRASH REPORT

SHEBOYGAN POLICE DEPARTMENT  
1315 N 23RD ST  
SHEBOYGAN, WI 53081  
(920) 459-3333

UNIT INDIVIDUAL          02 002	Prior Action	
	Action	
	Action Other	To/From School
	<b>Drug &amp; Alcohol</b>	Suspected Alcohol Use NO
		Suspected Drug Use NO
	Alcohol Test Given <b>TEST NOT GIVEN</b>	Alcohol Test Type
		Alcohol Test Results
	Drug Test Given <b>TEST NOT GIVEN</b>	Drug Test Type
		Drug Test Results
	Drug Type	
Individual Condition <b>APPEARED NORMAL</b>		

Unit Summary

UNIT 03	Unit Status <b>IN TRANSIT</b>	Vehicle Operating As Classification <b>D CLASS</b>	Unit Type <b>AUTOMOBILE</b>	
	Vehicle Type <b>(SPORT) UTILITY VEHICLE</b>	Operating As Endorsements		
	Total Occs <b>1</b>	Train/Bus # Recorded	Total # Citations Issued <b>0</b>	Total Trailers <b>0</b>
	Insurance? <b>YES</b>	Direction Of Travel <b>EASTBOUND</b>	<input type="checkbox"/> Pre Crash Tire Mark	Total HazMat Types <b>0</b>
	Most Harmful Event: Collision With <b>MOTOR VEH IN TRANSPORT</b>		Special Function <b>NO SPECIAL FUNCTION</b>	Emergency Motor Vehicle Use <b>NOT APPLICABLE</b>
	Traffic Way <b>TWO-WAY, NOT DIVIDED</b>	Traffic Control <b>NO CONTROL</b>	Speed Limit <b>25</b>	Total Lanes <b>5</b>
	Surface Type <b>CONCRETE</b>	Road Curvature <b>STRAIGHT</b>	Traffic Control Inoperative/Missing <b>NO</b>	
	Truck Bus or HazMat <b>NO</b>	Road Grade <b>LEVEL</b>		

UNIT VEHICLE 03 03	<b>Vehicle</b>			
	License Plate Number <b>589VDG</b>	Plate Type <b>AUT - AUTOMOBILE</b>	St <b>WI</b>	Country of Issuance <b>UNITED STATES</b>
	Vehicle Identification Number <b>2T2BK1BA3FC304710</b>	Make <b>LEXUS</b>	Year <b>2015</b>	Model <b>RX 350</b>
	Color <b>RED - RED</b>	Body Style <b>LL - CARRYALL</b>	Bus Use <b>NOT A BUS</b>	
	Initial Contact Point <b>6--REAR</b>	Vehicle Damage		
	Extent Of Damage <b>MINOR DAMAGE</b>	<b>6--REAR</b>		
	Towed Due To Damage <b>NOT TOWED</b>	Vehicle Removed By <b>OPERATOR</b>		
	What Driver Was Doing <b>SLOW/STOPPING</b>			

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C19-17870

WISCONSIN MOTOR VEHICLE  
CRASH REPORT

SHEBOYGAN POLICE DEPARTMENT  
1315 N 23RD ST  
SHEBOYGAN, WI 53081  
(920) 459-3333

03	UNIT VEHICLE	Vehicle Factors		
		Driver Prior Action Other	NOT APPLICABLE	
		Driver Actions NO CONTRIBUTING ACTION		
03	03	Owner Name KATHLEEN E KIST (330) 283-0817	Owner Address N6257 KAPUR DR SHEBOYGAN FALLS, WI 53085 , US	
<b>Sequence Of Events</b>				
01	Event	MOTOR VEH IN TRANSPORT		
02	Event			
03	Event			
04	Event			
03	UNIT	<b>Policy Holder</b>		
		Insurance Company ALLSTATE-INDEMNITY-CO	Individual KATHLEEN KIST	
03	UNIT INDIVIDUAL	<b>Individual</b>		
		Driver KATHLEEN E KIST (330) 283-0817	Crations Issued 0 Sex FEMALE	
		Date of Birth 10/20/1959	Race WHITE	
		Address N6257 KAPUR DR SHEBOYGAN FALLS, WI 53085 , US	Driver License Number K2305055988007 STATE: WISCONSIN COUNTRY: UNITED STATES	
03	UNIT	<b>Safety Equipment</b>		
		On Duty Crash	Safety Equipment	
		Seat Position 1--FRONT SEAT-LEFT SIDE (DRIVER/MOTORCY)	SHOULDER & LAP BELT	
		Helmet Use	Helmet Compliance	
		Eye Protection	Tint Compliance	
		Injury Severity NO APPARENT INJURY	Airbag NON DEPLOYED	
		Ejected NOT EJECTED	Ejection Path NOT EJECTED/NOT APPLICABLE	Trapped/Extricated NOT TRAPPED
		Medical Transport NOT TRANSPORTED	EMS Agency Identifier	EMS Run #
		Hospital	Date of Death	Time of Death
		<b>Distracted By</b> Distracted By Source NOT APPLICABLE (NOT DISTRACTED)		
		Distracted By Action NOT DISTRACTED		
		Striking Unit #	Location	
		<b>Non Motorist</b>		

G7L0D6N00M  
C19-17870

WISCONSIN MOTOR VEHICLE  
CRASH REPORT

SHEBOYGAN POLICE DEPARTMENT  
1315 N 23RD ST  
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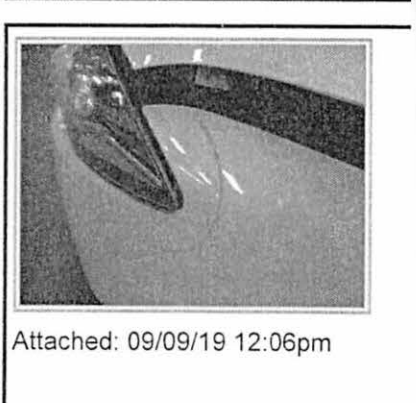
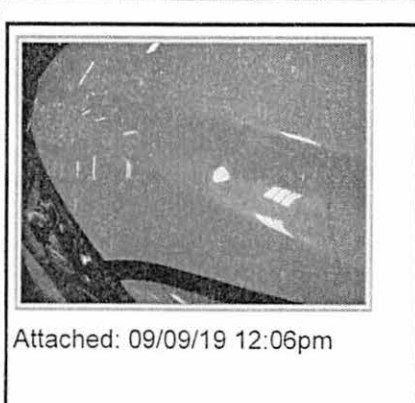
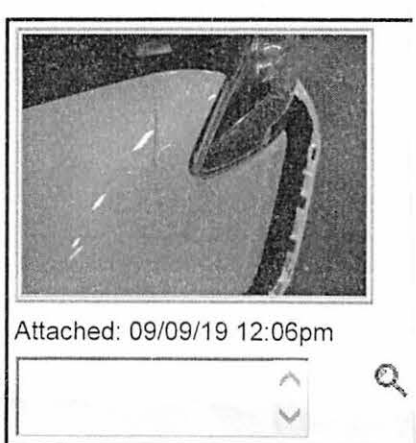
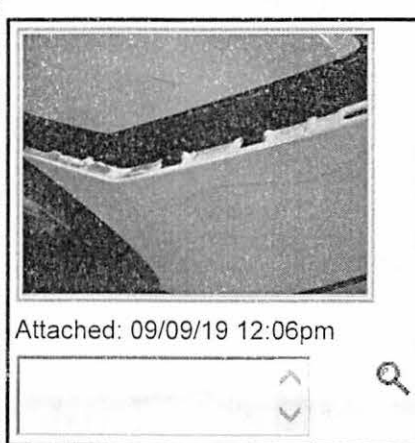
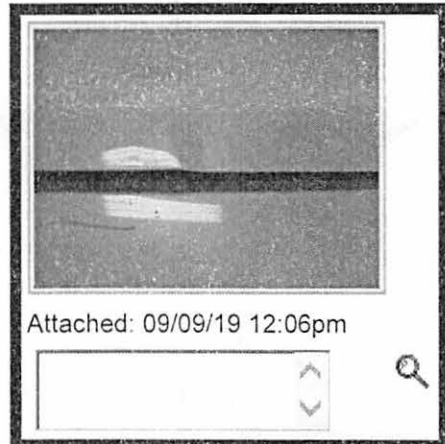
UNIT INDIVIDUAL          03 003	Prior Action		
	Action		
	Action Other		To/From School
	<b>Drug &amp; Alcohol</b>	Suspected Alcohol Use NO	Suspected Drug Use NO
	Alcohol Test Given TEST NOT GIVEN	Alcohol Test Type	Alcohol Test Results
	Drug Test Given TEST NOT GIVEN	Drug Test Type	Drug Test Results
	Drug Type		
	Individual Condition APPEARED NORMAL		

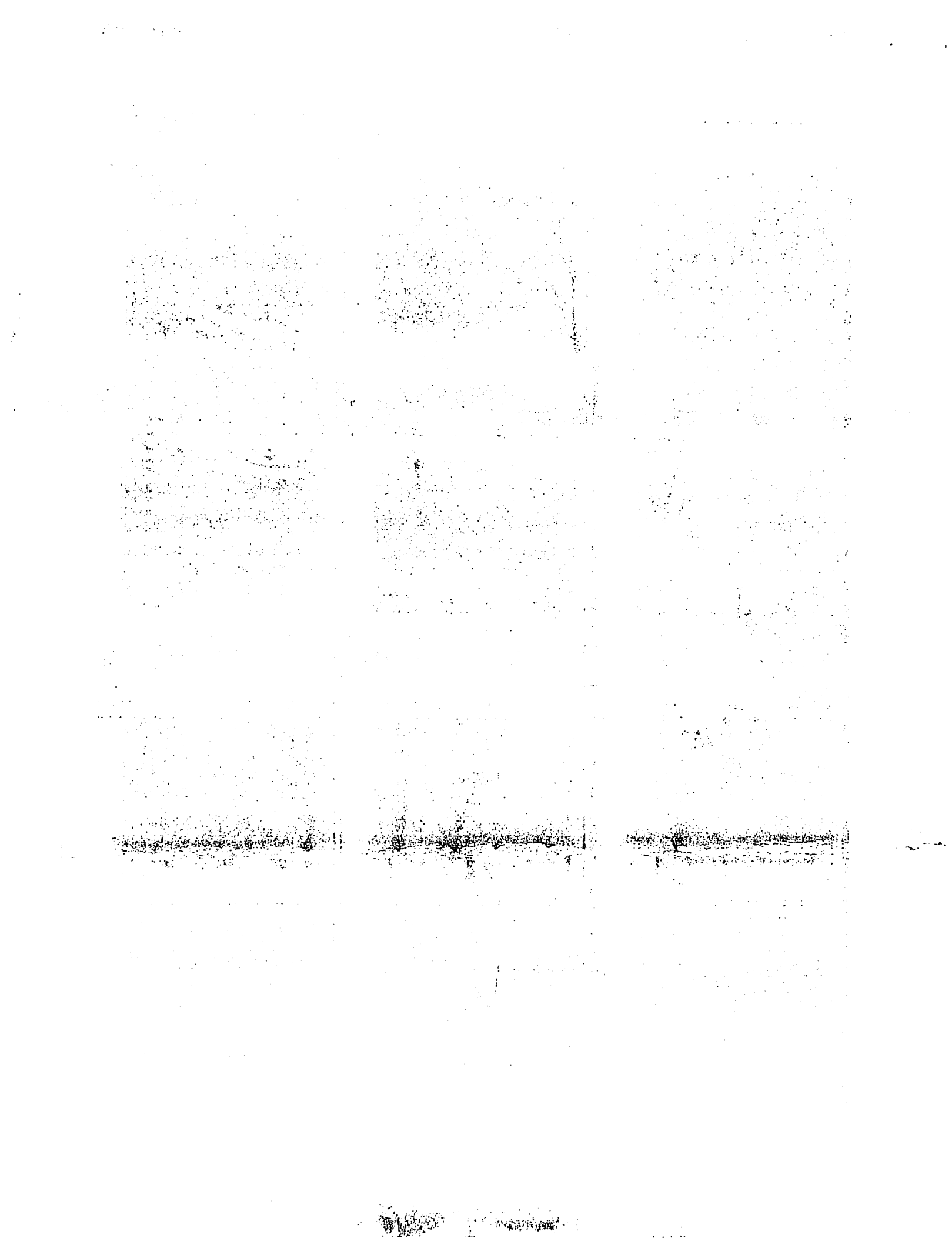


## Financials (Total Incurred: \$3,595.69): Transactions

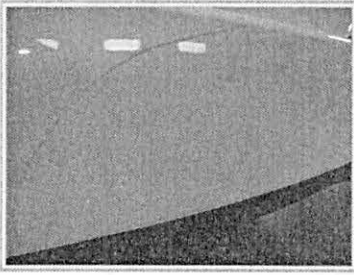
Custom

Type	Date	Amount	Exposure	Coverage	Cost Type	Status	User
Payment	10/21/2019	\$3,595.69	1	Collision	Loss Cost	Submitted	System User

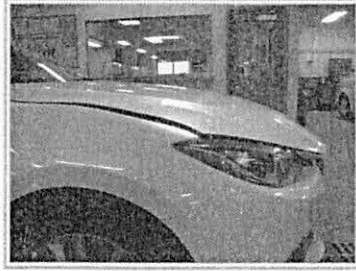




Attached: 09/09/19 12:06pm 	Attached: 09/09/19 12:06pm 	Attached: 09/09/19 12:06pm 
Attached: 09/09/19 12:06pm 	Attached: 09/09/19 12:06pm 	Attached: 09/09/19 12:06pm 
Attached: 09/09/19 12:06pm 	Attached: 09/09/19 12:06pm 	Attached: 09/09/19 12:06pm 



Attached: 09/09/19 12:06pm

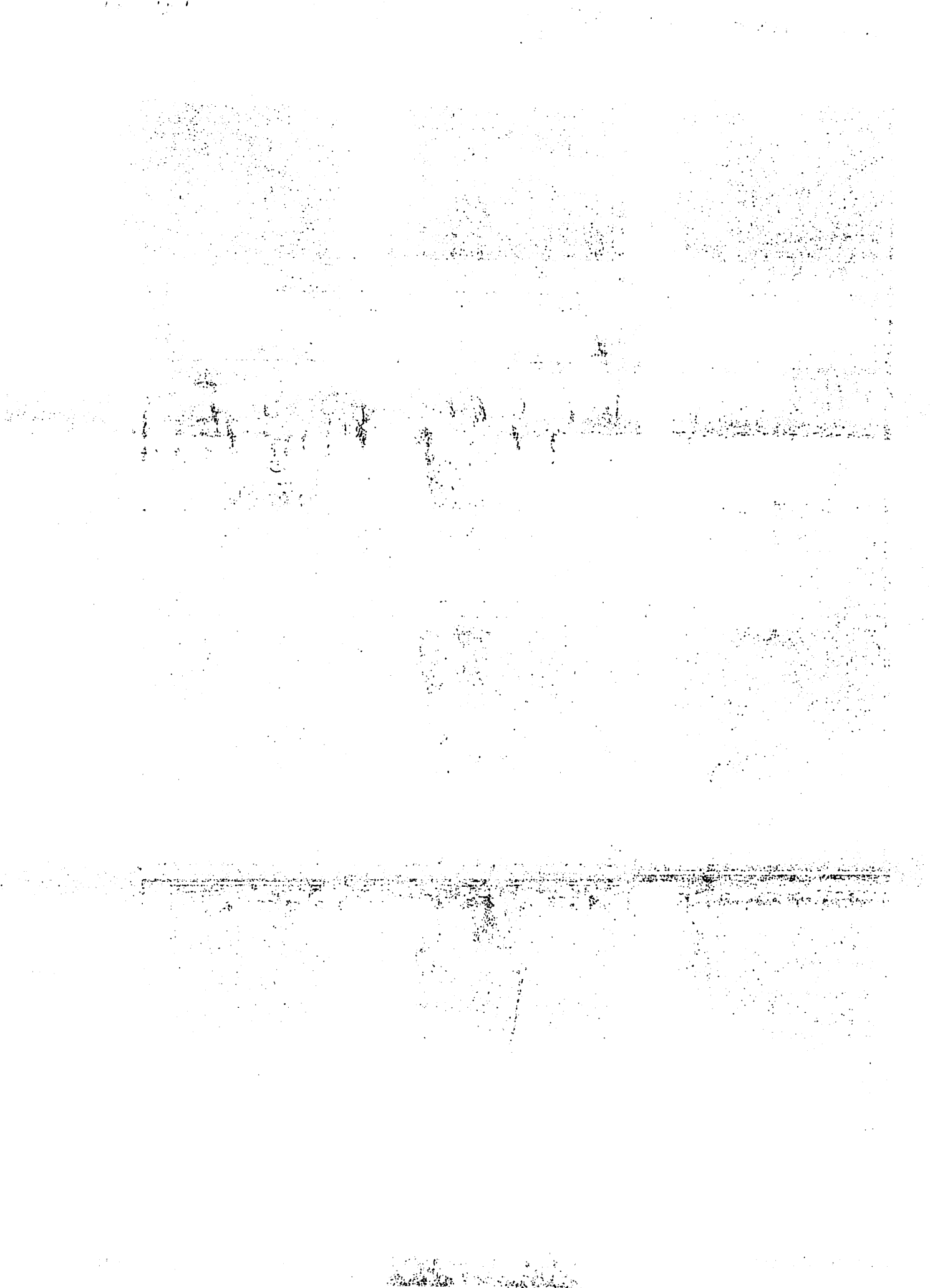


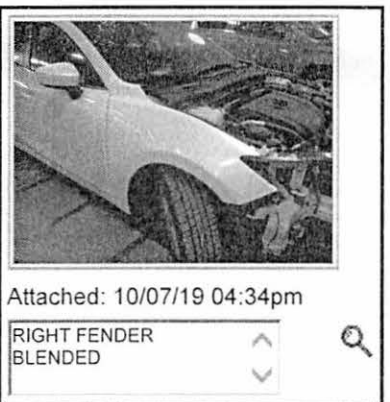
Attached: 09/09/19 12:06pm



Attached: 09/09/19 12:06pm







SHEBOYGAN COLLISION CENTER  
CHEVROLET - BUICK - GMC - CADILLAC INC  
3400 SOUTH BUSINESS DRIVE -- SHEBOYGAN, WI 53081  
OFFICE: 920-459-6855 FAX: 920-459-6286 TOLL FREE: 888-459-6855  
FED I.D.# 83-0747810 EMAIL: COLLISIONCENTER@SHEBOYGANAUTO.COM

\*\*\* FINAL BILL \*\*\*

RO# 904549

S3

09/06/2019 10:33 AM

10/09/2019 03:20 PM

Owner

Owner: KENNETH A LEFFIN  
Address: 882 IROQUOIS TRL  
City State Zip: SHEBOYGAN FALLS, WI 53085-1863  
Email: leffin882@yahoo.com  
Cell: (920)918-8383  
Cell: (920)918-8383xKEN  
FAX:

Control Information

Claim # : 01001850278-1C  
Loss Date/Time: 09/06/2019 07:00 AM  
Deductible: \$250.00  
Insured Policy # : 4851542903  
Loss Type: Collision  
Ins. Company: American Family Mutual Insurance Company, S.I.  
Insured: MOLLIE R LEFFIN  
Address:  
City State Zip:  
Email: leffin882@yahoo.com  
Home/Day: (920)467-0270  
Work/Day: (920)918-5022  
Cell: (920)918-8383  
Claimant: MOLLIE R LEFFIN  
Address: 882 IROQUOIS TRL  
City State Zip: SHEBOYGAN FALLS, WI 53085-1863  
Email: leffin882@yahoo.com  
Home/Day: (920)467-0270  
Work/Day: (920)918-5022  
Cell: (920)918-8383

Inspection

Inspection Date: 09/06/2019 10:32 AM  
Inspection Location: Sheboygan Chev/Buick/GMC/Cad  
Address: 3400 SOUTH BUSINESS DRIVE  
City State Zip: SHEBOYGAN, WI 53081  
Email: collisioncenter@sheboyganauto.com  
Primary Impact: Rear  
Driveable: Yes  
Inspection Type: Direct Repair Program  
Contact:  
Work/Day: (920)459-6855x  
Work/Day: (888)459-6855x  
FAX: (920)459-6286x  
Secondary Impact: Front  
Rental Assisted: Yes  
Assigned Date/Time:  
First Contact Date/Time: 09/06/2019 10:32 AM  
Received Date/Time: 09/06/2019 04:05 PM  
Appointment Date/Time: 09/09/2019 07:00 AM  
Appraiser Name: Cliff Netzer  
Address: 3400 South Business Drive  
City State Zip: Sheboygan, WI 53081  
Orig Appraiser Name: Cliff Netzer  
Appraiser License # :  
Work/Day: (920)459-6855x348  
Work/Day: (888)459-6855x348  
FAX: (920)459-6286  
Appraiser License # :

Address: 3400 South Business Drive

Work/Day: (920)459-6855x348

Work/Day: (888)459-6855x348

FAX: (920)459-6286

City State Zip: Sheboygan, WI 53081

**Repairer**

Repairer: Sheboygan Chev/Buick/GMC/Cad

Address: 3400 SOUTH BUSINESS DRIVE

Contact:

Work/Day: (920)459-6855

Work/Day: (888)459-6855

FAX: (920)459-6286

City State Zip: SHEBOYGAN, WI 53081

Email: collisioncenter@sheboyganauto.com

Repair Start Date/Time: 10/01/2019

Repair Complete Date/Time: 10/07/2019

Target Complete Date/Time: 10/08/2019

Vehicle Drop Off Date/Time: 10/01/2019

Vehicle Pick Up Date/Time: 10/08/2019

Days To Repair: 6

**Remarks**

ESTIMATE OPEN FOR HIDDEN DAMAGES:  
VEHICLE WILL REQUIRE BLENDING OF RT/LT FENDER / PEARL WHITE

**Vehicle**

2014 Mazda Mazda3 i Touring 4 DR Sedan  
4cyl Gasoline 2.0 Dohc  
6-Speed Automatic

Lic.Plate: 654UED

Lic Expire:

Prod Date:

Veh Insp# :

Condition:

Ext. Color: WHITEWATER PRL

Ext. Refinish: Three-Stage User Defined

Ext. Paint Code: 25D

Lic State: WI

VIN: JM1BM1V72E1115192

Mileage: 72,688

Mileage Type: Actual

Code: D1643C

Int. Color: Black

Int. Refinish: Two-Stage

Int. Trim Code: BV0

**Options - AudaVIN Information Received**

2nd Row Head Airbags	AM/FM CD Player	Air Conditioning
Aluminum/Alloy Wheels	Anti-Lock Brakes	Auto Headlamp Control
Auxiliary Audio Input	Blind Spot Sensor	Bucket Seats
Center Console	Compact Spare Tire	Cross Traffic Alert
Cruise Control	Daytime Running Lights	Dual Airbags
Elect. Stability Control	Ext Mirror Turn Signals	Floor Mats
Halogen Headlights	Head Airbags	Heated Power Mirrors
Intermittent Wipers	Keyless Entry System	Keyless Ignition System
Leather Shift Knob	Leather Steering Wheel	Lighted Entry System
MP3 Decoder	<b><i>Pearlescent Paint</i></b>	Power Brakes
Power Door Locks	Power Steering	Power Windows
Rear Spoiler	Rear Window Defroster	Rem Trunk-L/Gate Release
Side Airbags	Split Folding Rear Seat	Stability Cntrl Suspensn
Strg Wheel Radio Control	Tachometer	Telescopic Steering Whl
Theft Deterrent System	Tilt & Telescopic Steer	Tinted Glass
Tire Pressure Monitor	Traction Control System	Trip Computer
USB Audio Input(s)	Velour/Cloth Seats	Wireless Audio Streaming
Wireless Phone Connect		

**AudaVIN options are listed in bold-italic fonts**

**Damages**

Line Op	Guide	MC	Description	MFR.Part No.	Price	ADJ% B%	Hours	R
<b>Front Bumper</b>								
1	EP	6	Cover,Front Bumper >> Niks Aftermarket 800-242-4379 >> 3581 West Breezewood Lane >> Neenah WI 54956	Replace PXN	\$260.00	S2	1.1	SM
2	L	6	14 Cover,Front Bumper >> Quote# 141567917850038, Stock# MA1000239C, Steve	Refinish			4.4	RF
				2.5 Surface				
				1.0 Three-stage setup				
				0.9 Three-stage				
3	E	5	Reinf,Front Bumper	BJS750070C	\$233.50	S2	2.8	SM
4	L	5	Reinf,Front Bumper	Refinish		S2	0.8	RF
				0.7 Surface				
				0.1 Two-stage				
5	E	7	Absorber,Front Bumper >> ABSORBER HAD TO BE REPLACE WITH REINF. (UPDATED)	BJS750111	\$74.48	S2	INC	SM
<b>Front End Panel And Lamps</b>								
6	E	28	01 Grille Assembly	BJE150712B	\$175.53		0.5	SM
7	E	1104	Brkt,Grille Mounting LT	BJS750163	\$14.42	S2	INC	SM
8	E	1105	Brkt,Grille Mounting RT	BJS750153	\$14.42	S2	INC	SM
9	EP	36	Mldg,Grille Upper >> Keystone - Appleton 800-422-1995 >> 5085 Wren Drive >> Appleton WI 54913	Replace PXN	\$116.00		INC	SM
			>> Quote# 141567917850038, Stock# LKQ# 408250281					
10	EP	1092	Mldg,Grille Lower LT >> Niks Aftermarket 800-242-4379 >> 3581 West Breezewood Lane >> Neenah WI 54956	Replace PXN	\$42.00		INC	SM
			>> Quote# 141567917850038, Stock# MA1214105C, Steve					
11	EP	1093	Mldg,Grille Lower RT >> Niks Aftermarket 800-242-4379 >> 3581 West Breezewood Lane >> Neenah WI 54956	Replace PXN	\$42.00		INC	SM
			>> Quote# 141567917850038, Stock# MA1215105C, Steve					
12	RI	29	Emblem,Grille	R & I Assembly			0.2	SM
13	N	973	Headlamps Aim	Additional Labor			0.4	SM
14	RI	48	Lens,Headlamp LT	R & I Assembly		S2	INC	SM
15	RI	49	Lens,Headlamp RT	R & I Assembly		S2	INC	SM
<b>Radiator Support</b>								
16	E	344	Adapter,Grille Supt	BJS8501C0	\$37.09	S2	INC	SM
17	E	82	Crsmbr,Rad Panel Up	B45A53150A	\$45.09		0.3	SM
<b>Front Body And Windshield</b>								
18	EP	83	Panel,Hood >> PAM's Auto 320-363-7336 >> 7505 Ridgewood Rd >> St Cloud MN 56303	Replace PXN	\$347.00		1.0	SM
			>> Quote# 141567917850038, Stock# 153261					
19	L	83	Panel,Hood High Strength Steel	Refinish			5.5	RF
				3.0 Surface				
				1.2 Edge				
				1.1 Three-stage				
				0.2 Two-stage				
20	E	99	Label,Hood	PE1869036	\$2.75		0.1	SM
21	BR	103	Fender,Front LT	Blend Refinish		S2	1.3	RF

			0.6 Blend			
			0.7 Three-stage			
22 BR	104	>> TRI- STAGE PAINT Fender,Front RT	Blend Refinish	S2	1.3	RF
			0.6 Blend			
			0.7 Three-stage			
		>> TRI- STAGE PAINT				
<b>Rear Bumper</b>						
23 EP	566	Cover,Rear Bumper	Replace PXN		1.3	SM
		>> PAM's Auto 320-363-7336				
		>> 7505 Ridgewood Rd				
		>> St Cloud MN 56303				
		>> Quote# 141567917850038, Stock# 192268				
24 L	566	Cover,Rear Bumper	Refinish		3.5	RF
			2.6 Surface			
			0.9 Three-stage			
25 RI	606	Reflector,Rear Bumper LT	R & I Assembly		INC	SM
26 RI	607	Reflector,Rear Bumper RT	R & I Assembly		INC	SM
27 BR	1261	Cover,Tow Hook Access LT	Blend Refinish		0.1	RF
			0.1 Blend			
28 RI	1261	Cover,Tow Hook Access LT	R & I Assembly			SM
29 BR	1262	Cover,Tow Hook Access RT	Blend Refinish		0.1	RF
			0.1 Blend			
30 RI	1262	Cover,Tow Hook Access RT	R & I Assembly			SM

**Manual Entries**

31 EC	M03	Flex Additive	Replace Economy	\$6.00*		RF
32 L	M17	Cover Car Exterior	Refinish	\$5.00*		RF
33 SB	M60	Hazardous Waste Removal	Sublet Repair	\$5.00*		SM
<b>33 Items</b>						

**MC Message**

01 CALL DEALER FOR EXACT PART # / PRICE  
 14 INCLUDES 1.0 HOURS FIRST PANEL THREE-STAGE ALLOWANCE

**Estimate Total & Entries**

Gross Parts		\$597.28
Other Parts		\$1,060.92
Paint & Materials	17.0 Hours @ \$39.00	\$500.00**
Parts & Material Total		\$2,158.20
Tax on Parts & Material	@ 5.500%	\$118.70

Labor	Rate	Replace Hrs	Repair Hrs	Total Hrs	
Sheet Metal (SM)	\$60.00	7.3	0.4	7.7	\$462.00
Mech/Elec (ME)	\$90.00				
Frame (FR)	\$65.00				
Refinish (RF)	\$60.00	17.0		17.0	\$1,020.00

Labor Total		24.7 Hours	\$1,482.00
Tax on Labor	@ 5.500%		\$81.51
Sublet Repairs			\$5.00
Tax on Sublet	@ 5.500%		\$0.28
Gross Total			<b>\$3,845.69</b>
Less: Deductible			\$250.00-
Net Total			<b>\$3,595.69</b>
Less: Previous Net Total			\$3,595.69-
Net Supplement Total (Final Bill)			<b>\$0.00</b>

Alternate Parts Y/00/00/00/00/00 CUM 06/06/00/00/00 Zip Code: 53081 AM FAM CAPA  
Recycled Parts Y/3/0 Zip Code: 53081 INV DATE: 09/11/2019  
Rate Name Default

Audatex Estimating 8.0.643 S3 10/09/2019 03:44 PM REL 8.0.643 DT 04/01/2019 DB 08/01/2019  
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**\*\* USER-ESTABLISHED THRESHOLD FOR PAINT AND MATERIALS HAS BEEN REACHED AND CALCULATED IN THIS ESTIMATE.  
ANY ADDITIONAL MATERIALS MAY REQUIRE FURTHER APPROVAL. \*\***

**0.3 HRS WERE ADDED TO THIS ESTIMATE BASED ON AUDATEX'S TWO-STAGE REFINISH FORMULA.  
5.3 HRS WERE ADDED TO THIS ESTIMATE BASED ON AUDATEX'S THREE-STAGE REFINISH FORMULA.**

THIS ESTIMATE HAS BEEN PREPARED BASED ON THE USE OF ONE OR MORE REPLACEMENT PARTS SUPPLIED BY A SOURCE OTHER THAN THE MANUFACTURER OF YOUR MOTOR VEHICLE. WARRANTIES APPLICABLE TO THESE REPLACEMENT PARTS ARE PROVIDED BY THE MANUFACTURER OR DISTRIBUTOR OF THE REPLACEMENT PARTS RATHER THAN BY THE MANUFACTURER OF YOUR MOTOR VEHICLE.

#### Op Codes

* = User-Entered Value	E = Replace OEM	NG = Replace NAGS
EC = Replace Economy	OE = Replace PXN OE Srpls	UE = Replace OE Surplus
ET = Partial Replace Labor	EP = Replace PXN	EU = RECYCLED PART
TE = Partial Replace Price	PM = Replace PXN Reman/Reblt	UM = Replace Reman/Rebuilt
L = Refinish	PC = Replace PXN Reconditioned	UC = Replace Reconditioned
TT = Two-Tone	SB = Sublet Repair	N = Additional Labor
BR = Blend Refinish	I = Repair	IT = Partial Repair
CG = Chipguard	RI = R & I Assembly	P = Check
AA = Appearance Allowance	RP = Related Prior Damage	



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**Audatex Alternate Parts Locate Report**

**Vehicle**

2014 Mazda Mazda3 i Touring 4 DR Sedan  
 4cyl Gasoline 2.0 Dohc  
 6-Speed Automatic

**Options**

2nd Row Head Airbags	AM/FM CD Player	Air Conditioning
Aluminum/Alloy Wheels	Anti-Lock Brakes	Auto Headlamp Control
Auxiliary Audio Input	Blind Spot Sensor	Bucket Seats
Center Console	Compact Spare Tire	Cross Traffic Alert
Cruise Control	Daytime Running Lights	Dual Airbags
Elect. Stability Control	Ext Mirror Turn Signals	Floor Mats
Halogen Headlights	Head Airbags	Heated Power Mirrors
Intermittent Wipers	Keyless Entry System	Keyless Ignition System
Leather Shift Knob	Leather Steering Wheel	Lighted Entry System
MP3 Decoder	Pearlescent Paint	Power Brakes
Power Door Locks	Power Steering	Power Windows
Rear Spoiler	Rear Window Defroster	Rem Trunk-L/Gate Release
Side Airbags	Split Folding Rear Seat	Stability Cntrl Suspensn
Strg Wheel Radio Control	Tachometer	Telescopic Steering Whl
Theft Deterrent System	Tilt & Telescopic Steer	Tinted Glass
Tire Pressure Monitor	Traction Control System	Trip Computer
USB Audio Input(s)	Velour/Cloth Seats	Wireless Audio Streaming
Wireless Phone Connect		

Line	Part Description	Supplier Part Number	Substituted For OEM Part Number	Supplier Code	CLS	SRC
1	Cover,Front Bumper	MA1000239C	BJS750031ABB	3	C	1
9	Mldg,Grille Upper	LKQ# 408250281	BJS75003313	6	C	1
10	Mldg,Grille Lower LT	MA1214105C	BHN1507K1A	4	C	1
11	Mldg,Grille Lower RT	MA1215105C	BHN1507J1A	5	C	1
18	Panel,Hood	153261	BJY05231XB	1	C	1
23	Cover,Rear Bumper	192268	BJS750221ABB	2	C	1

> = ESTIMATE TOTAL IS BASED ON PRICE QUOTED BY THIS SUPPLIER

**Key to Classification / Source Codes**

**CLS = Classification Code**

C - CAPA CERTIFIED PART QUOTED BY LISTED SUPPLIER  
 M - REMANUFACTURED / REBUILT PART  
 R - RECONDITIONED PART  
 S - OEM SURPLUS PART

**SRC = Source Code**

1 - NON ORIGINAL EQUIPMENT MANUFACTURER PART  
 3 - ORIGINAL EQUIPMENT MANUFACTURER (OEM) PART

**Detailed Distributor List**

1      APU2313634935448153261



PAM'S AUTO 320-363-7336

		7505 RIDGEWOOD RD ST CLOUD MN 56303	Quote# 141567917850038, Stock# 153261
2	APU2313634935448192268	PAM'S AUTO 320-363-7336 7505 RIDGEWOOD RD ST CLOUD MN 56303	Quote# 141567917850038, Stock# 192268
3	APU2313833260090MA1000239C	NIKS AFTERMARKET 800-242-4379 3581 WEST BREEZEWOOD LANE NEENAH WI 54956	Quote# 141567917850038, Stock# MA1000239C, Steve
4	APU2313833260090MA1214105C	NIKS AFTERMARKET 800-242-4379 3581 WEST BREEZEWOOD LANE NEENAH WI 54956	Quote# 141567917850038, Stock# MA1214105C, Steve
5	APU2313833260090MA1215105C	NIKS AFTERMARKET 800-242-4379 3581 WEST BREEZEWOOD LANE NEENAH WI 54956	Quote# 141567917850038, Stock# MA1215105C, Steve
6	APU7712811878210LKQ# 408250281	KEYSTONE - APPLETON 800-422-1995 5085 WREN DRIVE APPLETON WI 54913	Quote# 141567917850038, Stock# LKQ# 408250281

Audatex Estimating 8.0.643 S3 10/09/2019 03:44 PM REL 8.0.643 DT 04/01/2019 DB 08/01/2019  
Zip Code: 53081 Search Area:

AM FAM CAPA

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\*\*\* SUPPLEMENT RECONCILIATION \*\*\*

Supplement S3

Claim # : 01001850278-1C  
File # :  
Insured: MOLLIE R LEFFIN  
Owner Name: KENNETH A LEFFIN  
Appraiser Name: Cliff Netzer  
Vehicle: 2014 Mazda Mazda3 i Touring 4 DR Sedan

Insured Policy # : 4851542903  
Claim Rep:  
Inspection Date/Time: 09/06/2019 10:32 AM

Actual Supplement 3 Net Total \$0.00+

Summary				
	Net Total	Date	Time	Appraiser
Supplement 2	\$3,595.69	10/01/2019	03:57 PM	Cliff Netzer
Supplement 3	\$3,595.69	10/09/2019	03:20 PM	Cliff Netzer



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**Labor Report**

SHEBOYGAN COLLISION CENTER  
 CHEVROLET - BUICK - GMC - CADILLAC INC  
 3400 SOUTH BUSINESS DRIVE -- SHEBOYGAN, WI 53081  
 OFFICE: 920-459-6855 FAX: 920-459-6286 TOLL FREE: 888-459-6855  
 FED I.D.# 83-0747810 EMAIL: COLLISIONCENTER@SHEBOYGANAUTO.COM

Claim # : 01001850278-1C  
 Owner Name: KENNETH A LEFFIN  
 Appraiser Name: Cliff Netzer

Insured Policy # : 4851542903

Each Op Code / Guide Number displays ALL operations WHICH MAY BE CONSIDERED in the Net Labor: Including parts and operations which MAY NOT HAVE been selected for this specific estimate.

NET VALUE TOTALS include ONLY those operations for the EXACT MODEL, ENGINE and OPTIONS actually entered.

**Operation Types:**

BASE	Any unique labor necessary AFTER all other operations are performed.
OVERLAP	Operation common to the replacement of more than one part.
OVERRIDE	Values entered by the estimate writer
OVERHAUL	Operation which includes disassembling and reassembling to allow replacement.
R & I	Remove and install part or assembly.
REMOVE	Value assigned for removal of old stripe / overlay.
REPLACE	An operation or group of operations necessary for replacement of this item.

**Elimination:**

PARTS	Included in another part selection
LABOR	Included in another labor operation

**Vehicle**

2014 Mazda Mazda3 i Touring 4 DR Sedan  
 4cyl Gasoline 2.0 Dohc  
 6-Speed Automatic

**Options - AudaVIN Information Received**

2nd Row Head Airbags	AM/FM CD Player	Air Conditioning
Aluminum/Alloy Wheels	Anti-Lock Brakes	Auto Headlamp Control
Auxiliary Audio Input	Blind Spot Sensor	Bucket Seats
Center Console	Compact Spare Tire	Cross Traffic Alert
Cruise Control	Daytime Running Lights	Dual Airbags
Elect. Stability Control	Ext Mirror Turn Signals	Floor Mats
Halogen Headlights	Head Airbags	Heated Power Mirrors
Intermittent Wipers	Keyless Entry System	Keyless Ignition System
Leather Shift Knob	Leather Steering Wheel	Lighted Entry System
MP3 Decoder	<b>Pearlescent Paint</b>	Power Brakes
Power Door Locks	Power Steering	Power Windows
Rear Spoiler	Rear Window Defroster	Rem Trunk-L/Gate Release
Side Airbags	Split Folding Rear Seat	Stability Cntrl Suspensn
Strg Wheel Radio Control	Tachometer	Telescopic Steering Whl
Theft Deterrent System	Tilt & Telescopic Steer	Tinted Glass
Tire Pressure Monitor	Traction Control System	Trip Computer
USB Audio Input(s)	Velour/Cloth Seats	Wireless Audio Streaming
Wireless Phone Connect		

*AudaVIN options are listed in bold-italic fonts*

**LABOR**

Line	Op	Guide	Description	Operation Type	Full Value	Elim. Value	Net Value	R	Elimination
1	E	5	Reinf.Front Bumper HEADLAMP ASSY LT	BASE R & I	0.0 0.2	0.0 0.0	0.0 0.2		



			REINF.FRONT BUMPER	R & I	2.2	0.0	2.2	
			COVER.FRONT BUMPER	R & I	1.1			
			PLATE,RAD SUPT PANEL	R & I	0.1			
			CVR,FRT BMPR-SHIELD,ENG LWR	OVERLAP	0.2			
			SKIRT,INR FNDR-CVR,FRT BMPR RT	OVERLAP	0.2			
			SKIRT,INR FNDR-CVR,FRT BMPR LT	OVERLAP	0.2			
			DUCT,AIR INTAKE	R & I	0.1			
			SHIELD,LOWER AIR	R & I	0.2			
			ADAPTER,GRILLE SUPT	R & I	0.3			
			ABSORBER,FRONT BUMPER	R & I	0.1			
			HEADLAMP ASSY RT	R & I	0.2	0.0	0.2	
			SHIELD,ENGINE LOWER (FRT)	R & I	0.2	0.0	0.2	
			TOTALS		2.8	0.0	2.8	SM
2	EP	6	Cover,Front Bumper	BASE	0.0	0.0	0.0	
			COVER.FRONT BUMPER	OVERHAUL	1.1	0.0	1.1	
			LAMP,INDICATOR RT	R & I	0.2			
			FILLER,FRONT BUMPER RT	R & I	0.1			
			FILLER,FRONT BUMPER LT	R & I	0.1			
			LAMP ASSEMBLY,FOG RT	R & I	0.2			
			SPOILER,LOWER FRONT	R & I	0.2			
			LAMP ASSEMBLY,FOG LT	R & I	0.2			
			LAMP,INDICATOR LT	R & I	0.2			
			GRILLE ASSEMBLY	R & I	0.3			
			BRKT,GRILLE MOUNTING RT	R & I	0.1			
			BRKT,GRILLE MOUNTING LT	R & I	0.1			
			COVER.FRONT BUMPER	R & I	1.1	1.1	0.0	LABOR 5 E
			PLATE,RAD SUPT PANEL	R & I	0.1			
			CVR,FRT BMPR-SHIELD,ENG LWR	OVERLAP	0.2			
			SKIRT,INR FNDR-CVR,FRT BMPR RT	OVERLAP	0.2			
			SKIRT,INR FNDR-CVR,FRT BMPR LT	OVERLAP	0.2			
			DUCT,AIR INTAKE	R & I	0.1			
			TOTALS		2.2	1.1	1.1	SM
3	E	7	Absorber,Front Bumper	BASE	0.0	0.0	0.0	
			ABSORBER,FRONT BUMPER	R & I	0.1	0.1	0.0	LABOR 5 E
			COVER.FRONT BUMPER	R & I	1.1	1.1	0.0	LABOR 5 E
			PLATE,RAD SUPT PANEL	R & I	0.1			
			CVR,FRT BMPR-SHIELD,ENG LWR	OVERLAP	0.2			
			SKIRT,INR FNDR-CVR,FRT BMPR RT	OVERLAP	0.2			
			SKIRT,INR FNDR-CVR,FRT BMPR LT	OVERLAP	0.2			
			DUCT,AIR INTAKE	R & I	0.1			
			TOTALS		1.2	1.2	0.0	SM
4	E	28	Grille Assembly	BASE	0.0	0.0	0.0	
			GRILLE ASSEMBLY	OVERHAUL	0.5	0.0	0.5	
			MLDG,GRILLE LOWER (2017-) LT	R & I	0.1			
			MLDG,GRILLE UPPER	R & I	0.2			
			BRKT,GRILLE MTG (2017-) LT/RT	OVERLAP	0.1			
			COVER,RAD SUPT PANEL	R & I	0.1			
			MOULDINGS,GRILLE (2017-) LT	R & I	0.1			
			MLDG,GRILLE LOWER RT	R & I	0.1			
			MOULDINGS,GRILLE (2017-) CTR	R & I	0.1			
			MOULDINGS,GRILLE (2017-) RT	R & I	0.1			
			MLDG,GRILLE LOWER LT	R & I	0.1			
			MLDG,GRILLE LOWER (2017-) RT	R & I	0.1			
			GRILLE ASSEMBLY	R & I	0.3	0.3	0.0	LABOR 6 EP
			BRKT,GRILLE MOUNTING RT	R & I	0.1			
			BRKT,GRILLE MOUNTING LT	R & I	0.1			
			COVER,FRONT BUMPER	R & I	1.1	1.1	0.0	LABOR 5 E
			PLATE,RAD SUPT PANEL	R & I	0.1			
			CVR,FRT BMPR-SHIELD,ENG LWR	OVERLAP	0.2			
			SKIRT,INR FNDR-CVR,FRT BMPR RT	OVERLAP	0.2			
			SKIRT,INR FNDR-CVR,FRT BMPR LT	OVERLAP	0.2			
			DUCT,AIR INTAKE	R & I	0.1			
			TOTALS		1.9	1.4	0.5	SM
5	RI	29	Emblem,Grille	BASE	0.0	0.0	0.0	

			EMBLEM,GRILLE	R & I	0.2	0.0	0.2	
				TOTALS	0.2	0.0	0.2	SM
6	EP	36	Mldg,Grille Upper	BASE	0.0	0.0	0.0	
			MLDG,GRILLE UPPER	R & I	0.2	0.2	0.0	LABOR 28 E
				TOTALS	0.2	0.2	0.0	SM
7	RI	48	Lens,Headlamp LT	BASE	0.0	0.0	0.0	
			HEADLAMP ASSY LT	R & I	0.2	0.2	0.0	LABOR 5 E
			COVER,FRONT BUMPER	R & I	1.1	1.1	0.0	LABOR 5 E
			PLATE,RAD SUPT PANEL	R & I	0.1			
			CVR,FRT BMPR-SHIELD,ENG LWR	OVERLAP	0.2			
			SKIRT,INR FNDR-CVR,FRT BMPR RT	OVERLAP	0.2			
			SKIRT,INR FNDR-CVR,FRT BMPR LT	OVERLAP	0.2			
			DUCT,AIR INTAKE	R & I	0.1			
				TOTALS	1.3	1.3	0.0	SM
8	RI	49	Lens,Headlamp RT	BASE	0.0	0.0	0.0	
			HEADLAMP ASSY RT	R & I	0.2	0.2	0.0	LABOR 5 E
			COVER,FRONT BUMPER	R & I	1.1	1.1	0.0	LABOR 5 E
			PLATE,RAD SUPT PANEL	R & I	0.1			
			CVR,FRT BMPR-SHIELD,ENG LWR	OVERLAP	0.2			
			SKIRT,INR FNDR-CVR,FRT BMPR RT	OVERLAP	0.2			
			SKIRT,INR FNDR-CVR,FRT BMPR LT	OVERLAP	0.2			
			DUCT,AIR INTAKE	R & I	0.1			
				TOTALS	1.3	1.3	0.0	SM
9	E	82	Crsmbr,Rad Panel Upr	BASE	0.0	0.0	0.0	
			HEADLAMP ASSY LT	R & I	0.2	0.2	0.0	LABOR 5 E
			HEADLAMP ASSY RT	R & I	0.2	0.2	0.0	LABOR 5 E
			COVER,FRONT BUMPER	R & I	1.1	1.1	0.0	LABOR 5 E
			PLATE,RAD SUPT PANEL	R & I	0.1			
			CVR,FRT BMPR-SHIELD,ENG LWR	OVERLAP	0.2			
			SKIRT,INR FNDR-CVR,FRT BMPR RT	OVERLAP	0.2			
			SKIRT,INR FNDR-CVR,FRT BMPR LT	OVERLAP	0.2			
			DUCT,AIR INTAKE	R & I	0.1			
			CRSMBR,RAD PANEL UP	R & I	0.3	0.0	0.3	
			HORN,HIGH NOTE	R & I	0.1			
			HORN,LOW NOTE	R & I	0.1			
				TOTALS	1.8	1.5	0.3	SM
10	EP	83	Panel,Hood	BASE	0.0	0.0	0.0	
			PANEL,HOOD	REPLACE	1.0	0.0	1.0	
			W/STRIP,HOOD PANEL	R & I	0.2			
			W/STRIP,HOOD PANEL	R & I	0.2			
			PANEL,HOOD	R & I	0.5			
				TOTALS	1.0	0.0	1.0	SM
11	E	99	Label,Hood	BASE	0.1	0.0	0.1	
				TOTALS	0.1	0.0	0.1	SM
12	E	344	Adapter,Grille Supt	BASE	0.0	0.0	0.0	
			ADAPTER,GRILLE SUPT	R & I	0.3	0.3	0.0	LABOR 5 E
			COVER,FRONT BUMPER	R & I	1.1	1.1	0.0	LABOR 5 E
			PLATE,RAD SUPT PANEL	R & I	0.1			
			CVR,FRT BMPR-SHIELD,ENG LWR	OVERLAP	0.2			
			SKIRT,INR FNDR-CVR,FRT BMPR RT	OVERLAP	0.2			
			SKIRT,INR FNDR-CVR,FRT BMPR LT	OVERLAP	0.2			
			DUCT,AIR INTAKE	R & I	0.1			
				TOTALS	1.4	1.4	0.0	SM
13	EP	566	Cover,Rear Bumper	BASE	0.0	0.0	0.0	
			COVER,REAR BUMPER	R & I	0.8	0.0	0.8	
			SHIELD,BMPR CVR SPLASH RT	R & I	0.1			

			TAILLAMP ASSEMBLY,OTR LT	R & I	0.1				
			TAILLAMP ASSEMBLY,OTR RT	R & I	0.1				
			SHIELD,BMPR CVR SPLASH LT	R & I	0.1				
			COVER,REAR BUMPER	OVERHAUL	0.5	0.0	0.5		
			REFLECTOR,REAR BUMPER RT	R & I	0.1				
			BRKT,REAR BUMPER MTG LT	R & I	0.1				
			BRKT,REAR BUMPER MTG RT	R & I	0.1				
			REFLECTOR,REAR BUMPER LT	R & I	0.1				
			SPOILER,LOWER REAR	R & I	0.3				
			TOTALS		1.3	0.0	1.3	SM	
14	RI	606	Reflector,Rear Bumper LT	BASE	0.0	0.0	0.0		
			REFLECTOR,REAR BUMPER LT	R & I	0.1	0.1	0.0		LABOR 566 EP
			TOTALS		0.1	0.1	0.0	SM	
15	RI	607	Reflector,Rear Bumper RT	BASE	0.0	0.0	0.0		
			REFLECTOR,REAR BUMPER RT	R & I	0.1	0.1	0.0		LABOR 566 EP
			TOTALS		0.1	0.1	0.0	SM	
16	N	973	Headlamps Aim	BASE	0.4	0.0	0.4		
			TOTALS		0.4	0.0	0.4	SM	
17	EP	1092	Mldg,Grille Lower LT	BASE	0.0	0.0	0.0		
			MLDG,GRILLE LOWER LT	R & I	0.1	0.1	0.0		LABOR 28 E
			GRILLE ASSEMBLY	R & I	0.3	0.3	0.0		LABOR 6 EP
			BRKT,GRILLE MOUNTING RT	R & I	0.1				
			BRKT,GRILLE MOUNTING LT	R & I	0.1				
			COVER,FRONT BUMPER	R & I	1.1	1.1	0.0		LABOR 5 E
			PLATE,RAD SUPT PANEL	R & I	0.1				
			CVR,FRT BMPR-SHIELD,ENG LWR	OVERLAP	0.2				
			SKIRT,INR FNDR-CVR,FRT BMPR RT	OVERLAP	0.2				
			SKIRT,INR FNDR-CVR,FRT BMPR LT	OVERLAP	0.2				
			DUCT,AIR INTAKE	R & I	0.1				
			TOTALS		1.5	1.5	0.0	SM	
18	EP	1093	Mldg,Grille Lower RT	BASE	0.0	0.0	0.0		
			GRILLE ASSEMBLY	R & I	0.3	0.3	0.0		LABOR 6 EP
			BRKT,GRILLE MOUNTING RT	R & I	0.1				
			BRKT,GRILLE MOUNTING LT	R & I	0.1				
			MLDG,GRILLE LOWER RT	R & I	0.1	0.1	0.0		LABOR 28 E
			COVER,FRONT BUMPER	R & I	1.1	1.1	0.0		LABOR 5 E
			PLATE,RAD SUPT PANEL	R & I	0.1				
			CVR,FRT BMPR-SHIELD,ENG LWR	OVERLAP	0.2				
			SKIRT,INR FNDR-CVR,FRT BMPR RT	OVERLAP	0.2				
			SKIRT,INR FNDR-CVR,FRT BMPR LT	OVERLAP	0.2				
			DUCT,AIR INTAKE	R & I	0.1				
			TOTALS		1.5	1.5	0.0	SM	
19	E	1104	Brkt,Grille Mounting LT	BASE	0.0	0.0	0.0		
			BRKT,GRILLE MOUNTING LT	R & I	0.1	0.1	0.0		LABOR 6 EP
			COVER,FRONT BUMPER	R & I	1.1	1.1	0.0		LABOR 5 E
			PLATE,RAD SUPT PANEL	R & I	0.1				
			CVR,FRT BMPR-SHIELD,ENG LWR	OVERLAP	0.2				
			SKIRT,INR FNDR-CVR,FRT BMPR RT	OVERLAP	0.2				
			SKIRT,INR FNDR-CVR,FRT BMPR LT	OVERLAP	0.2				
			DUCT,AIR INTAKE	R & I	0.1				
			TOTALS		1.2	1.2	0.0	SM	
20	E	1105	Brkt,Grille Mounting RT	BASE	0.0	0.0	0.0		
			BRKT,GRILLE MOUNTING RT	R & I	0.1	0.1	0.0		LABOR 6 EP
			COVER,FRONT BUMPER	R & I	1.1	1.1	0.0		LABOR 5 E
			PLATE,RAD SUPT PANEL	R & I	0.1				
			CVR,FRT BMPR-SHIELD,ENG LWR	OVERLAP	0.2				
			SKIRT,INR FNDR-CVR,FRT BMPR RT	OVERLAP	0.2				
			SKIRT,INR FNDR-CVR,FRT BMPR LT	OVERLAP	0.2				

# HEUER LAW OFFICES, S.C.

ATTORNEYS AT LAW  
9312 W. NATIONAL AVE.  
WEST ALLIS, WISCONSIN 53227

JOHN M. HEUER  
KIRSTEN FAGERLAND PEZEWSKI  
JONATHAN D. MCCOLLISTER

TELEPHONE 414/224-3500  
FAX 414/224-3510

JONATHAN FICKE  
RYAN M. PETERSON  
JONATHAN S. GOURLAY  
DANIEL C. NEDSET

January 3, 2020

City of Sheboygan  
Attention: City Clerk – Meredith DeBruin  
1315 North 23<sup>rd</sup> Street, Suite 102  
Sheboygan, WI 53081

**RE: Date of Collision: 9/6/2019**  
**My Client: American Family Mutual Insurance Company**  
**Your driver: Matthew Braesch**  
**Damages: \$3845.69**

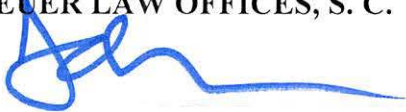
Dear Ms. DeBruin:

I have enclosed a payment proof regarding my client's claim for damages in the above matter.

I have previously provided you with an accident report. The report states your driver was the cause of this rear-end collision. Will the City be sending me \$3845.69 in full payment of this claim?

Very truly yours,

**HEUER LAW OFFICES, S. C.**



Jonathan D. McCollister  
Attorney  
jdmccollister@heuerlawoffices.com

Our file 174973

# THE UNIVERSITY OF CHICAGO

PHILOSOPHY DEPARTMENT

1100 S. EAST ASIAN BLVD.  
CHICAGO, ILL. 60607

PHILOSOPHY DEPARTMENT  
5400 S. UNIVERSITY AVE.  
CHICAGO, ILL. 60637

PHILOSOPHY DEPARTMENT

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Clm: 01-001-850278 WI | Ins: MOLLIE R LEFFIN | DoL: 09/06/2019 |



Pol: 4851542903 | St: Open | Adj: Trent Ritzenhaler (Subro Madison 1)

## Financials (Total Incurred: \$3,595.69): Transactions

Custom

Type	Date	Amount	Exposure	Coverage	Cost Type	Status	User
Payment	10/21/2019	\$3,595.69	1	Collision	Loss Cost	Submitted	System User

DUCT,AIR INTAKE				R & I	0.1		
				TOTALS	1.2	1.2	0.0 SM
21	RI	1261	Cover,Tow Hook Access LT	BASE	0.0	0.0	0.0
				TOTALS	0.0	0.0	0.0 SM
22	RI	1262	Cover,Tow Hook Access RT	BASE	0.0	0.0	0.0
				TOTALS	0.0	0.0	0.0 SM



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**CITY OF SHEBOYGAN**

**REQUEST FOR FINANCE AND PERSONNEL COMMITTEE CONSIDERATION**

---

**ITEM DESCRIPTION:** R.C. 319-19-20 (R.C. 281-17-18, R.C. 413-16-17 and R.O. 161-16-17) is a Notice of Injury and Notice of Claim for damages of Kurt Klessig.

---

**REPORT PREPARED BY:** Laurie Suhrke, Accountant II

---

**REPORT DATE:** August 20, 2020

**MEETING DATE:** September 14, 2020

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**FISCAL SUMMARY:**

Budget Line Item: N/A  
Budget Summary: N/A  
Budgeted Expenditure: N/A  
Budgeted Revenue: N/A

**STATUTORY REFERENCE:**

Wisconsin Statutes: N/A  
Municipal Code: N/A

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**BACKGROUND / ANALYSIS:**

R.C. No. 319-19-20 (R.C. 281-17-18, R.C. 413-16-17 and R. O. 161-16-17) is a Notice of Injury and Notice of Claim for damages of Kurt Klessig.

**STAFF COMMENTS:**

City staff has reviewed the above claim and under the authorization by the Common Council, Res. No. 64-17-18, has determined it is in the best interest of the City of Sheboygan to file the claim.

**ACTION REQUESTED:**

Motion to recommend the Common Council accept and file document R.C. No. 319-19-20 (R.C. 281-17-18, R.C. 413-16-17 and R.O. 161-16-17).

**ATTACHMENTS:**

- I. R.C. No. 319-19-20 (R.C. 281-17-18, R.C. 413-16-17 and R.O. 161-16-17).


IV

6.29

R. C. No. 319 - 19 - 20. By FINANCE AND PERSONNEL COMMITTEE.  
April 8, 2020.

Your Committee to whom was referred R. C. No. 281-17-18 by Finance and Personnel Committee and R. C. No. 413-16-17 by Finance and R. O. No. 161-16-17 by City Clerk submitting a Notice of Injury and Notice of Claim for damages of Kurt Klessig; recommends referring to the Finance and Personnel Committee of the 2020-2021 Council.

2021  
FAP

  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Committee

I HEREBY CERTIFY that the foregoing Committee Report was duly accepted and adopted by the Common Council of the City of Sheboygan, Wisconsin, on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Dated \_\_\_\_\_ 20\_\_\_\_. \_\_\_\_\_, City Clerk

Approved \_\_\_\_\_ 20\_\_\_\_. \_\_\_\_\_, Mayor

VI

5.8

R. C. No. 312 - 18 - 19. By FINANCE AND PERSONNEL COMMITTEE.  
April 15, 2019.

Your Committee to whom was referred R. C. No. 281-17-18 by Finance and Personnel Committee and R. C. No. 413-16-17 by Finance and R. O. No. 161-16-17 by City Clerk submitting a Notice of Injury and Notice of Claim for Damages of Kurt Klessig; recommends referring to Finance and Personnel Committee of the new council.

*Finance & Personnel  
2019-2020*

*James A. Bohan* \_\_\_\_\_  
\_\_\_\_\_ Committee

I HEREBY CERTIFY that the foregoing Committee Report was duly accepted and adopted by the Common Council of the City of Sheboygan, Wisconsin, on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Dated \_\_\_\_\_ 20\_\_\_\_, \_\_\_\_\_, City Clerk

Approved \_\_\_\_\_ 20\_\_\_\_, \_\_\_\_\_, Mayor

**VI**

55

R. C. No. 281- 17 - 18. By FINANCE AND PERSONNEL COMMITTEE.  
April 4, 2018.

Your Committee to whom was referred R. C. No. 413-16-17 by Finance and R. O. No. 161-16-17 by City Clerk submitting a Notice of Injury and Notice of Claim for Damages of Kurt Klessig; recommends referring to Finance and Personnel Committee of the new council.

*Finance + Personnel  
2018-2019  
4-8-19 refer to finance +  
personnel of new council*

*James A. Boh*  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Committee

I HEREBY CERTIFY that the foregoing Committee Report was duly accepted and adopted by the Common Council of the City of Sheboygan, Wisconsin, on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Dated \_\_\_\_\_ 20\_\_\_\_, \_\_\_\_\_, City Clerk

Approved \_\_\_\_\_ 20\_\_\_\_, \_\_\_\_\_, Mayor



IV

22

2004

II

3.2

R. O. No. 161-16-17. By CITY CLERK. November 21, 2016.

Submitting a Notice of Injury and Notice of Claim for Damages of Kurt Klessig.

*Inance*

---

City Clerk

Claim # 16-14

NOV 14 '16 PM 2:52

NOTICE OF INJURY  
AND  
NOTICE OF CLAIM FOR DAMAGES  
OF KURT KLESSIG

Process Server *Pahlfeld*  
Time 2: 15 A.M. - 5 P.M. Date 11/14/16  
Served Upon *Mike Vandersteen*  
*828 Center Avenue, Suite 301, Sheboygan*  
 Personal  Substitute  
 Posted  Corporate

TO: CITY OF SHEBOYGAN  
Mayor Mike Vandersteen  
838 Center Avenue  
Suite 301  
Sheboygan, WI 53081

PLEASE TAKE NOTICE that on or about July 17, 2016, Kurt Klessig, residing at 1731 S. 13<sup>th</sup> Street in Sheboygan, WI 53081, was present as an innocent bystander working as a bartender inside the Union Ave Tap, 1401 Union Avenue in the city of Sheboygan at which time an armed, masked robber entered the Union Ave Tap. Kurt Klessig dialed 911 and contacted law enforcement authorities to advise of that circumstance. Officers of the City of Sheboygan Police Department responded and observed Kurt Klessig in the Union Ave Tap, behind the bar and Mary Heitzmann, another bartender at the Union Ave Tap, sitting in front of Kurt Klessig on the patron's side of the bar, along with two patrons.

PLEASE TAKE FURTHER NOTICE these same City of Sheboygan police officers, are believed to be Officer Anthony Hamilton and Officer Brandon Kehoe, positioned themselves in front of the entry door on 14<sup>th</sup> Avenue to the Union Ave Tap expecting the armed robber to exit through that door. Officer Hamilton and Officer Kehoe knew or should have known that by positioning themselves as they did, Kurt Klessig and Mary Heitzmann were in the officers' field of fire.

PLEASE TAKE FURTHER NOTICE the armed robber, believed to be Kevin Higgins, opened the door from the Union Ave Tap, immediately outside of which stood Officer Hamilton and Officer Kehoe aiming their guns into the tavern knowing that the man they had seen behind the bar and

the woman they had seen sitting at the bar were in their field of fire. Officer Hamilton and Officer Kehoe could see the man behind the bar, Kurt Klessig, and the woman sitting at the bar, Mary Heitzmann, when Higgins opened the door to the Union Ave Tap, before either Officer Hamilton or Officer Kehoe fired their guns at Kevin Higgins.

**PLEASE TAKE FURTHER NOTICE** Officer Hamilton and/or Officer Kehoe then shot towards Kevin Higgins, and towards Kurt Klessig and Mary Heitzmann, severely wounding Kurt Klessig, in violation of the City of Sheboygan Police Department's Rules and Regulations, and the industry standards applicable to police officers with regard to discharging their weapons under the described circumstances.

**PLEASE TAKE FURTHER NOTICE** such conduct on the part of Officer Hamilton and Officer Kehoe caused severe physical and mental injury to Kurt Klessig, causing him to incur severe pain, suffering, disfigurement and disability in the past and which he reasonably believes he will suffer on a permanent basis in the future.

**PLEASE TAKE FURTHER NOTICE** such conduct on the part of Officer Hamilton and Officer Kehoe has caused a loss of earning capacity to Kurt Klessig which he reasonably believes he will continue to suffer on a permanent basis in the future.

**PLEASE TAKE FURTHER NOTICE** that such conduct by Officer Hamilton and Officer Kehoe was negligence.

**PLEASE TAKE FURTHER NOTICE** that such conduct by Officer Hamilton and Officer Kehoe violated the constitutional rights of Kurt Klessig, contrary to 42 U.S.C. ¶1983, entitling each party to compensatory damages together with actual attorney's fees and costs.

**LIABILITY FOR THE INJURIES IS CLAIMED AS TO KURT KLESSIG AS FOLLOWS:**

1. Pain, suffering, disfigurement and disability, loss of earning capacity: \$2,500,000.00
2. Actual attorney's fees: \$ 800,000.00

**WHEREFORE**, claimant Kurt Klessig requests fair compensation for the above-described injuries in the amount of \$3,300,000.00 together with actual attorney's fees and costs.

STATE OF WISCONSIN     )  
                                  )     SS  
MILWAUKEE COUNTY)

ROBERT L. ELLIOTT being duly sworn on oath deposes and says:

That he is the attorney for the above named claimant and that he makes this Affidavit in claimant's behalf being duly authorized to do so; that he is a resident of the City and County of Milwaukee, State of Wisconsin; that he has read the foregoing Notice of Injury and Notice of Claim for Damages and believes upon information and belief that the matters stated therein are true. That the source of affiant's information are statements made by the claimant and that he has been duly authorized to verify this Notice of Injury and Notice of Claim for Damages.




ROBERT L. ELLIOTT

ADDRESS:

Attorney at Law  
735 N. Water Street  
Suite 1212  
Milwaukee, WI 53202  
(414) 225-9000

Subscribed and sworn to before me this  
10th day of ~~August~~, 2016

*November*  
  
Notary Public, State of Wisconsin  
My Commission expires: 10/29/19  
Deborah L. Ciszewski

STATE OF WISCONSIN     )  
  )     SS  
SHEBOYGAN COUNTY     )

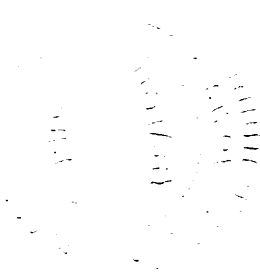
KURT KLESSIG, being duly sworn on oath deposes and says: That he is an adult resident of the State of Wisconsin; that he has read the foregoing Notice of Injury and Notice of Claim for Damages and believes upon information and belief that the matters stated therein are true.

  
KURT KLESSIG

Subscribed and sworn to before me  
this 31<sup>st</sup> day of August, 2016



Notary Public, State of Wisconsin  
My Commission Expires: 11/13/2016



*[Handwritten signature]*

*[Handwritten text]*



SEP 07 2016

**CITY OF SHEBOYGAN**

**REQUEST FOR FINANCE AND PERSONNEL COMMITTEE CONSIDERATION**

---

**ITEM DESCRIPTION:** R.C. 320-19-20 (R.C. 282-17-18, R.C. 414-16-17 and R.O. 162-16-17) is a Notice of Injury and Notice of Claim for damages of Mary Heitzmann.

---

**REPORT PREPARED BY:** Laurie Suhrke, Accountant II

---

**REPORT DATE:** August 20, 2020

**MEETING DATE:** September 14, 2020

---

**FISCAL SUMMARY:**

Budget Line Item: N/A  
Budget Summary: N/A  
Budgeted Expenditure: N/A  
Budgeted Revenue: N/A

**STATUTORY REFERENCE:**

Wisconsin Statutes: N/A  
Municipal Code: N/A

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**BACKGROUND / ANALYSIS:**

R.C. No. 320-19-20 (R.C. 282-178, R.C. 414-16-17 and R. O. 162-16-17) is a Notice of Injury and Notice of Claim for damages of Mary Heitzmann.

**STAFF COMMENTS:**

City staff has reviewed the above claim and under the authorization by the Common Council, Res. No. 64-17-18, has determined it is in the best interest of the City of Sheboygan to file the claim.

**ACTION REQUESTED:**

Motion to recommend the Common Council accept and file document R.C. No. 320-19-20 (R.C. 282-17-18, R.C. 414-16-17 and R.O. 162-16-17).

**ATTACHMENTS:**

- I. R.C. No. 320-19-20 (R.C. 282-17-18, R.C. 414-16-17 and R.O. 162-16-17).


**VI**

6.30.

R. C. No. 320 - 19 - 20. By FINANCE AND PERSONNEL COMMITTEE.  
April 8, 2020.

Your Committee to whom was referred R. C. No. 282-17-18 by Finance and Personnel Committee and R. C. No. 414-16-17 by Finance and R. O. No. 162-16-17 by City Clerk submitting a Notice of Injury and Notice of Claim for damages of Mary Heitzmann; recommends referring to the Finance and Personnel Committee of the 2020-2021 Council.

20-21F+P

  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Committee

I HEREBY CERTIFY that the foregoing Committee Report was duly accepted and adopted by the Common Council of the City of Sheboygan, Wisconsin, on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Dated \_\_\_\_\_ 20\_\_\_\_. \_\_\_\_\_, City Clerk

Approved \_\_\_\_\_ 20\_\_\_\_. \_\_\_\_\_, Mayor

**VI**

5.9

R. C. No. 313 - 18 - 19. By FINANCE AND PERSONNEL COMMITTEE.  
April 15, 2019.

Your Committee to whom was referred R. C. No. 282-17-18 by Finance and Personnel Committee and R. C. No. 414-16-17 by Finance and R. O. No. 162-16-17 by City Clerk submitting a Notice of Injury and Notice of Claim for Damages of Mary Heitzmann; recommends referring to Finance and Personnel Committee of the new council.

*Finance & Personnel  
2019-2020*

*Ronald Rauscher*  
*James A. Bohrer*  
*[Signature]*

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Committee

I HEREBY CERTIFY that the foregoing Committee Report was duly accepted and adopted by the Common Council of the City of Sheboygan, Wisconsin, on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Dated \_\_\_\_\_ 20\_\_\_\_, \_\_\_\_\_, City Clerk

Approved \_\_\_\_\_ 20\_\_\_\_, \_\_\_\_\_, Mayor

VI

5.6

R. C. No. 282- 17 - 18. By FINANCE AND PERSONNEL COMMITTEE.  
April 4, 2018.

Your Committee to whom was referred R. C. No. 414-16-17 by Finance and R. O. No. 162-16-17 by City Clerk submitting a Notice of Injury and Notice of Claim for Damages of Mary Heitzmann; recommends referring to Finance and Personnel Committee of the new council.

*Finance + Personnel  
2018-2019  
4-8-19 Refer to Finance + Personnel  
of new council.*

James A. Bohre

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Committee

I HEREBY CERTIFY that the foregoing Committee Report was duly accepted and adopted by the Common Council of the City of Sheboygan, Wisconsin, on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Dated \_\_\_\_\_ 20\_\_\_\_. \_\_\_\_\_, City Clerk

Approved \_\_\_\_\_ 20\_\_\_\_. \_\_\_\_\_, Mayor

**VI**

5.5

R. C. No. 414 - 16 - 17. By FINANCE. April 17, 2017.

Your Committee to whom was referred R.O. No. 162-16-17 by City Clerk submitting a Notice of Injury and Notice of Claim for Damages of Mary Heitzmann; recommends referring to Finance of the new council.

*Finance of  
New Council  
2018-Finance Personnel  
of New Council*

\_\_\_\_\_  
*James A. Bol*  
\_\_\_\_\_  
*John B. [Signature]*  
\_\_\_\_\_ Committee

I HEREBY CERTIFY that the foregoing Committee Report was duly accepted and adopted by the Common Council of the City of Sheboygan, Wisconsin, on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Dated \_\_\_\_\_ 20\_\_\_\_, \_\_\_\_\_, City Clerk

Approved \_\_\_\_\_ 20\_\_\_\_, \_\_\_\_\_, Mayor

II

3.3

R. O. No. 162- 16 - 17. By CITY CLERK. November 21, 2016.

Submitting a Notice of Injury and Notice of Claim for Damages of Mary Heitzmann.

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City Clerk

*Inance*

Claim # 17-16

NOV 14 '16 PM 2:52

NOTICE OF INJURY  
AND  
NOTICE OF CLAIM FOR DAMAGES  
OF MARY HEITZMANN

Process Server *Paddy H*  
Time 2:15 A.M. P.M. Date 11/14/16  
Served Upon Mik Vandersteen  
828 Center Avenue Suite 101, Sheboygan  
 Personal  Substitute  
 Posted  Corporate

TO: CITY OF SHEBOYGAN  
Mayor Mike Vandersteen  
838 Center Avenue  
Suite 301  
Sheboygan, WI 53081

PLEASE TAKE NOTICE that on or about July 17, 2016, Mary Heitzmann, residing at 2206 Sunflower Avenue in Sheboygan, WI 53081, was present as an innocent bystander working as a bartender inside the Union Ave Tap, 1401 Union Avenue in the city of Sheboygan at which time an armed, masked robber entered the Union Ave Tap. Kurt Klessig dialed 911 and contacted law enforcement authorities to advise of that circumstance. Officers of the City of Sheboygan Police Department responded and observed Kurt Klessig in the Union Ave Tap, behind the bar and Mary Heitzmann, another bartender at the Union Ave Tap, sitting in front of Kurt Klessig on the patron's side of the bar, along with two patrons.

PLEASE TAKE FURTHER NOTICE these same City of Sheboygan police officers, are believed to be Officer Anthony Hamilton and Officer Brandon Kehoe, positioned themselves in front of the entry door on 14<sup>th</sup> Avenue to the Union Ave Tap expecting the armed robber to exit through that door. Officer Hamilton and Officer Kehoe knew or should have known that by positioning themselves as they did, Kurt Klessig and Mary Heitzmann were in the officers' field of fire.

PLEASE TAKE FURTHER NOTICE the armed robber, believed to be Kevin Higgins, opened the door from the Union Ave Tap, immediately outside of which stood Officer Hamilton and Officer Kehoe aiming their guns

into the tavern knowing that the man they had seen behind the bar and the woman they had seen sitting at the bar were in their field of fire. Officer Hamilton and Officer Kehoe could see the man behind the bar, Kurt Klessig, and the woman sitting at the bar, Mary Heitzmann, when Higgins opened the door to the Union Ave Tap, before either Officer Hamilton or Officer Kehoe fired their guns at Kevin Higgins.

**PLEASE TAKE FURTHER NOTICE** Officer Hamilton and/or Officer Kehoe then shot towards Kevin Higgins, and towards Kurt Klessig and Mary Heitzmann, severely wounding Kurt Klessig, in violation of the City of Sheboygan Police Department's Rules and Regulations, and the industry standards applicable to police officers with regard to discharging their weapons under the described circumstances.

**PLEASE TAKE FURTHER NOTICE** such conduct on the part of Officer Hamilton and Officer Kehoe caused severe mental injury to Mary Heitzmann, causing her to incur severe mental suffering and disability in the past and which she reasonably believes she will suffer on a permanent basis in the future.

**PLEASE TAKE FURTHER NOTICE** such conduct on the part of Officer Hamilton and Officer Kehoe has caused a loss of earning capacity to Mary Heitzmann which she reasonably believes she will continue to suffer on a permanent basis in the future.

**PLEASE TAKE FURTHER NOTICE** that such conduct by Officer Hamilton and Officer Kehoe was negligence.

**PLEASE TAKE FURTHER NOTICE** that such conduct by Officer Hamilton and Officer Kehoe violated the constitutional rights of Mary

Heitzmann, contrary to 42 U.S.C. ¶1983, entitling each party to compensatory damages together with actual attorney's fees and costs.

**LIABILITY FOR THE INJURIES IS CLAIMED AS TO KURT KLESSIG AS FOLLOWS:**


1. Pain, suffering, disfigurement and disability, loss of earning capacity: \$2,500,000.00
2. Actual attorney's fees: \$ 800,000.00

**WHEREFORE**, claimant Mary Heitzmann requests fair compensation for the above-described injuries in the amount of \$3,300,000.00 together with actual attorney's fees and costs.

STATE OF WISCONSIN     )  
  )     SS  
MILWAUKEE COUNTY )

ROBERT L. ELLIOTT being duly sworn on oath deposes and says:


That he is the attorney for the above named claimant and that he makes this Affidavit in claimant's behalf being duly authorized to do so; that he is a resident of the City and County of Milwaukee, State of Wisconsin; that he has read the foregoing Notice of Injury and Notice of Claim for Damages and believes upon information and belief that the matters stated therein are true. That the source of affiant's information are statements made by the claimant and that he has been duly authorized to verify this Notice of Injury and Notice of Claim for Damages.



ROBERT L. ELLIOTT

ADDRESS:  
Attorney at Law  
735 N. Water Street  
Suite 1212  
Milwaukee, WI 53202  
(414) 225-9000

Subscribed and sworn to before me this  
10 day of ~~August~~, 2016

*November*  
  
Notary Public, State of Wisconsin  
My Commission expires: 10/29/19  
Deborah L. Ciszewski

STATE OF WISCONSIN     )  
  )     SS  
SHEBOYGAN COUNTY     )

MARY HEITZMANN, being duly sworn on oath deposes and says: That she is an adult resident of the State of Wisconsin; that she has read the foregoing Notice of Injury and Notice of Claim for Damages and believes upon information and belief that the matters stated therein are true.

Mary Heitzmann  
MARY HEITZMANN

Subscribed and sworn to before me  
this 31 day of August, 2016

Berta K. Savorel

Notary Public, State of Wisconsin  
My Commission Expires: 11/13/2016

*Handwritten scribbles*

10



SEP 07 2016