



# 2019 Annual Report

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Town of Algoma  
Winnebago County, Wisconsin  
December 31, 2019

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ANNUAL REPORT  
For the Town of Algoma

For the year ending  
December 31, 2019

Important phone numbers:	
TOWN OF ALGOMA	(920) 235-3789
Building Inspector	(920) 233-1999
Algoma Sanitary District No. 1 Sewer & Water	(920) 426-0335
Advanced Disposal Services	(920) 685-6666
Fire –EMERGENCY	911
NON-EMERGENCY	(920) 233-5905



## TOWN MEETING SCHEDULE

<b>MEETING</b>	<b>LOCATION</b>	<b>DAYS/TIMES</b>
<b>Annual Meeting</b>	Algoma Town Hall 15 N Oakwood Road Oshkosh, WI 54904	Third Wednesday in April at 5:45 PM unless changed for the following year at the Annual Meeting
<b>Economic Development Meeting</b>	Algoma Town Hall 15 N Oakwood Road Oshkosh, WI 54904	Every First Wednesday at 6:00 PM
<b>Planning Commission Meeting</b>	Algoma Town Hall 15 N Oakwood Road Oshkosh, WI 54904	Every Second Wednesday at 6:00 PM
<b>Town Board Meeting</b>	Algoma Town Hall 15 N Oakwood Road Oshkosh, WI 54904	Every Third Wednesday at 6:00 PM
<b>Parks Committee Meeting</b>	Algoma Town Hall 15 N. Oakwood Road Oshkosh, WI 54904	Every Last Wednesday at 6:00 PM

**All meetings are open to the public**

**Agendas are posted at:**

**Town Hall – 15 N. Oakwood Road**

**Service Oil – 2531 Omro Road**

**For Agendas and Minutes please visit**

**[www.townofalgoma.org](http://www.townofalgoma.org)**

## TOWN OFFICIALS

<b>CHAIRPERSON</b>	Joel Rasmussen 3297 Creek Side Drive	(920) 410-2311
<b>SUPERVISORS</b>	Patricia Frohrib 1862 Sunkist Road	(920) 233-7667
	Patricia "Petey" Clark 1680 Rasmussen Road	(920) 379-8359
	Chris Wright 1425 Russett Lane	(920) 642-0280
	Davida Balda 4231 Westview Ln	(920) 235-3789
<b>ADMINISTRATOR</b>	Richard Heath 15 N Oakwood Road	(920) 235-3789
<b>TREASURER</b>	Sue Drexler 15 N Oakwood Road	(920) 235-3789
<b>CLERK</b>	Deborah Stark 15 N Oakwood Rd	(920) 235-3789
<b>ADMINISTRATIVE ASSIT.</b>	Rhonda Schrage 15 N Oakwood Road	(920) 235-3789
<b>FIRE CHIEF</b>	Scott Groth 2622 Omro Road	(920) 233-5905
<b>ASST. FIRE CHIEF</b>	Kevin Sawicki 2622 Omro Road	(920) 233-5905

## TOWN OFFICIALS

<b>ASST. FIRE CHIEF</b>	Keith Breu 2622 Omro Road	(920) 233-5905
<b>FIRE INSPECTORS</b>	Scott Groth 2622 Omro Road	(920) 233-5905
	Kevin Sawicki 2622 Omro Road	(920) 233-5905
	Paul Friday 2622 Omro Road	(920) 233-5905
<b>1ST RESPONDER CHAIR</b>	Tanner Harrington 2622 Omro Road	(920) 233-5905
<b>ROAD/DRAINAGE COORDINATOR</b>	Open Position	
<b>ASSESSOR</b>	Action Appraisers P.O. Box 557 Kaukauna, WI 54130	(920) 766-7323
<b>BUILDING INSPECTOR</b>	Dave Frank 15 N Oakwood Road	(920) 233-1999

**Building Inspector and Road/Drainage Coordinator are available by appointment only.**

**Town Hall Office Hours  
Monday-Thursday 9:00 AM—5:00 PM  
Friday 9:00 AM—1:00 PM**



## PLANNING COMMISSION

The Town Chair with the approval of the Town Board appointed the following individuals to serve on a Planning Commission, which meets the second Wednesday of each month at 6:00 PM. Their focus is to review zoning changes, certified survey maps, and conditional use permits, and ensure that any land use variances follow the Town Comprehensive Plan. They serve as volunteers.

Chair	Patricia “Petey” Clark 1680 Rasmussen Road
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Vice Chair	Audra Hoy 275 Thackery Drive
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Member	Ethan Firgens 1885 Greenbriar Tr
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Member	Mark Thompson 3375 Sheppard Drive
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Member	Kristine Timm 1588 Sheboygan Street
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Member	Daniel Martin 2809 Pine Ridge Road
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Member	Ian McDonald 3041 Rosewood Lane
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## PARKS COMMITTEE

The Town Chair with the approval of the Town Board appointed the following individuals to serve on a Parks Committee, which meets the last Wednesday of each month at 6:00 PM. Their focus is to address current and future (Parks and Recreation) needs in the Town of Algoma by following the Town Comprehensive Plan. They serve as volunteers.

Chair	Curt Clark 1680 Rasmussen Road
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Vice Chair	David Balda 4231 Westview Ln
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Member	Chris Wright 1425 Russett Lane
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Member	Tom McInnis 3103 Rosewood Lane
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Member	Mike Dudzinski 4103 Meadowview Lane
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## ECONOMIC DEVELOPMENT COMMITTEE

The Town Chair with the approval of the Town Board appointed the following individuals to serve on the Economic Development Committee, which meets the first Wednesday of each month at 6:00 PM. Their focus is on commercial, residential and business growth. They also serve as volunteers.

Chair	Patricia Frohrib 1862 Sunkist Road
Vice Chair	Allison Gamble 3365 Nelson Road
Member	Audra Hoy 275 Thackery Drive
Member	Tim Eddy 3062 Woodridge Drive
Member	Jeff Krueger 3180 Omro Road
Member	Sara Vollbrecht 1600 Rasmussen Road

## POLLING LOCATIONS

Town of Algoma Polling Places	Hours
Algoma Municipal Building 15 N. Oakwood Road Oshkosh, WI 54904 Wards: 1, 2, 7-10	7:00 AM—8:00 PM
All Saints Lutheran Church 1072 Honey Creek Road Oshkosh, WI 54904 Wards: 3-6	7:00 AM—8:00 PM

### Registering to vote

If you reside in the Town of Algoma and would like to vote, you must first register. This can be done in the clerk's office during regular business hours, on Election Day at the polls or on [myvote.wi.gov](http://myvote.wi.gov). Be sure to bring your photo identification and proof of residency when registering to vote.

To register to vote, you must meet the following criteria:

1. You must be 18 years of age on or before Election Day.
2. You must have been a resident of the town a minimum of 10 consecutive days prior to Election Day with no present intent to move.
3. You must be a United States Citizen.
4. You cannot be a convicted felon still required to report to a probation or parole officer.
5. Adjudicated Incompetent.



## ADDITIONAL VOTING INFORMATION

There are **ten** wards and **three** County Supervisory Districts in the Town of Algoma. For the voters and for reporting purposes to the County, our wards are combined, except when voting on information pertaining to County Board Supervisory Districts and schools. Most of the town is in the Oshkosh Area School District, but there are a few voters that fall within the Omro School District.

### **Town of Algoma County Supervisors are as follows:**

#### 24th County Supervisory District

Andy Buck 3022 Clairville Road, Oshkosh, WI 54904  
Wards 1,7,& 9

#### 31st County Supervisory District

Joel Rasmussen 3297 Creek Side Drive, Oshkosh, WI 54904  
Wards 2,3,4,5,6 & 8 (920) 410-2311

#### 32nd County Supervisory District

Robert Keller 975 E. County Road Z, Oshkosh, WI 54902  
Ward 10 (920)379-0717

### **Town of Algoma State Representatives are as follows:**

#### 53<sup>rd</sup> Assembly District

Mike Schraa (R) Room 107 West, Capital  
P.O. Box 895  
Madison, WI 53708  
(608) 267-7990 or 1-888-534-0053  
Rep.Schraa@legis.wisconsin.gov

#### 18<sup>th</sup> Senate District

Dan Feyen (R) Room 306 South, Capital  
P.O. Box 7882  
Madison, WI 53707  
(608) 266-5300  
Sen.Feyen@legis.wi.gov



## ADDITIONAL VOTING INFORMATION

### 6<sup>th</sup> Congressional District

Glenn Grothman (R)

1217 Longworth H.O.B.  
Washington, DC 20515  
(202) 225-2476  
<https://grothman.house.gov/>

24 West Pioneer Road  
Fond Du Lac, WI 54935  
(920) 907-0624

### Senators of the 113th Congress

Tammy Baldwin, (D)

709 Hart Senate Office Building  
Washington, D.C. 20510  
(202) 224-5653  
[www.baldwin.senate.gov/](http://www.baldwin.senate.gov/)

Ron Johnson (R)

328 Hart Senate Office Building  
Washington, D.C. 20510  
(202) 224-5323  
[www.ronjohnson.senate.gov/](http://www.ronjohnson.senate.gov/)

## ALGOMA SANITARY DISTRICT #1 OFFICIALS

COMMISSIONER PRESIDENT	Chad Hayes 4385 Harbor Village Dr Omro, WI 54963	(920) 379-8610
COMMISSIONER / TREASURER	Peter Cernohous 1556 Hayden Drive	(920) 651-0636
COMMISSIONER / SECRETARY	Sue Drexler 2222 Moore Is	(920) 292-0608
UTILITY DIRECTOR	Kevin Mraz 3477 Miller Drive	(920) 426-0335
WATER / WASTEWATER OPERATORS	Dan Benson 3477 Miller Drive	(920) 426-0335
	Jared Fahrenkrut 3477 Miller Drive	(920) 426-0335
	Brendan Guenther 3477 Miller Drive	(920) 426-0335
ACCOUNTING MANAGER	Michael Claffey 3477 Miller Drive	(920) 426-0335
UTILITY CLERK	Sara Gonzales 3477 Miller Drive	(920) 426-0335

## ALGOMA SANITARY DISTRICT #1 INFORMATION

Sanitary District meetings are held at  
Algoma Sanitary District #1  
3477 Miller Drive  
Oshkosh, WI 54904  
Second Thursday of each month at 12:00 PM  
**All meetings are open to the public**

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### **District Office Hours**

The office is open Monday through Friday  
8:00 AM –12:00 PM & 12:30 PM - 4:30 PM

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Office Number	(920) 426-0335
Emergency Pager	(920) 258-1030
Fax	(920) 426-1181
E mail:	<a href="mailto:district.office@algomasd.org">district.office@algomasd.org</a>
Website Address	<a href="http://www.algomasd.org">http://www.algomasd.org</a>

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Town of Algoma  
Winnebago County, Wisconsin

ANNUAL FINANCIAL REPORT

December 31, 2019



[CLAAconnect.com](http://CLAAconnect.com)

WEALTH ADVISORY  
OUTSOURCING  
AUDIT, TAX, AND  
CONSULTING

# Town of Algoma

## Winnebago County, Wisconsin

DECEMBER 31, 2019

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CliftonLarsonAllen LLP  
CLAconnect.com

## Independent auditors' report

To the Town Board  
Town of Algoma  
Winnebago County, Wisconsin

### REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Town of Algoma, Winnebago County ("the Town") as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

### MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

### AUDITORS' RESPONSIBILITY

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 auditors consider internal control relevant to the Town'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 Town's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



## **OPINIONS**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Town as of December 31, 2019, and the respective changes in financial position and the 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.B., during 2019, the Town adopted new accounting guidance, Statement No. 84, *Fiduciary Activities*. As a result, the Town established a custodial fund for taxes and special charges collected for other governments. In prior years, these amounts were reported in an agency fund. Our opinions are not modified with respect to this matter.

## **OTHER MATTERS**

### **Prior Year Comparative Information**

We have previously audited the Town's 2018 financial statements, and our report dated April 10, 2019, expressed unmodified opinions on those respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information from which the prior year summarized financial information was derived. In our opinion, 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 schedules relating to pensions on page 32 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.

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

### **Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The financial information listed in the table of contents as supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is 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 Town as of and for the year ended December 31, 2018, and have issued our report thereon dated April 10, 2019, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. The nonmajor combining information for the year ended December 31, 2018 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2018 financial statements. The nonmajor combining information has 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 information is fairly stated in all material respects 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 April 8, 2020, on our consideration of the Town'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 Town'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 Town's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Sheboygan, Wisconsin

April 8, 2020

BASIC FINANCIAL STATEMENTS

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# Town of Algoma

## Winnebago County, Wisconsin

### STATEMENT OF NET POSITION DECEMBER 31, 2019 WITH COMPARATIVE AMOUNTS AS OF DECEMBER 31, 2018

	Governmental Activities	
	2019	2018
<b>ASSETS</b>		
Cash and investments	\$ 2,296,013	\$ 2,493,662
Receivables		
Taxes and special charges	683,345	682,549
Delinquent taxes	115	-
Special assessments	97,415	6,215
Prepaid items	19,031	16,289
Restricted assets		
Cash and investments	100,098	85,523
Net pension asset	-	22,724
Capital assets		
Nondepreciable	654,058	518,423
Depreciable, net	4,122,605	4,543,686
Total assets	<u>7,972,680</u>	<u>8,369,071</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension related amounts	<u>89,192</u>	<u>44,787</u>
<b>LIABILITIES</b>		
Accounts payable	74,940	151,151
Accrued and other current liabilities	26,338	22,886
Special deposits	33,111	38,611
Long-term obligations		
Due within one year	120,000	120,000
Due in more than one year	360,000	480,000
Net pension liability	<u>32,987</u>	<u>-</u>
Total liabilities	<u>647,376</u>	<u>812,648</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Property taxes levied for subsequent year	1,221,931	1,216,665
Special charges levied for subsequent year	435,786	365,173
Pension related amounts	<u>47,686</u>	<u>46,353</u>
Total deferred inflows of resources	<u>1,705,403</u>	<u>1,628,191</u>
<b>NET POSITION</b>		
Net investment in capital assets	4,296,663	4,462,109
Restricted	99,162	108,058
Unrestricted	<u>1,313,268</u>	<u>1,402,852</u>
Total net position	<u>\$ 5,709,093</u>	<u>\$ 5,973,019</u>

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



# Town of Algoma

## Winnebago County, 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	\$ 374,332	\$ 84,583	\$ -	\$ -
Public safety	593,339	28,580	26,805	-
Public works	1,492,852	551,362	249,596	-
Health and human services	2,748	-	29,850	-
Culture and recreation	89,920	11,871	-	500
Conservation and development	18,740	2,700	-	-
Interest and fiscal charges	17,885	-	-	-
Total governmental activities	<u>\$ 2,589,816</u>	<u>\$ 679,096</u>	<u>\$ 306,251</u>	<u>\$ 500</u>

General revenues

Taxes

Property taxes

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

Interest and investment earnings

Miscellaneous

Total general revenues

Change in net position

Net position - January 1

Net position - December 31

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

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Net (Expense) Revenue and Changes in Net Position			
Governmental Activities			
2019		2018	
\$	(289,749)	\$	(270,047)
	(537,954)		(390,225)
	(691,894)		(762,182)
	27,102		24,114
	(77,549)		(18,724)
	(16,040)		(31,005)
	<u>(17,885)</u>		<u>(1,633)</u>
	<u>(1,603,969)</u>		<u>(1,449,702)</u>
	1,220,218		1,069,313
	61,160		61,154
	31,143		21,237
	<u>27,522</u>		<u>12,914</u>
	<u>1,340,043</u>		<u>1,164,618</u>
	(263,926)		(285,084)
	<u>5,973,019</u>		<u>6,258,103</u>
\$	<u>5,709,093</u>	\$	<u>5,973,019</u>

# Town of Algoma

## Winnebago County, Wisconsin

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

	General	Other Governmental Funds	Totals	
			2019	2018
<b>ASSETS</b>				
Cash and investments	\$ 2,296,013	\$ -	\$ 2,296,013	\$ 2,493,662
Restricted cash and investments	3,643	96,455	100,098	85,523
Receivables				
Taxes and special charges	683,345	-	683,345	682,549
Delinquent taxes	115	-	115	-
Special assessments	97,415	-	97,415	6,215
Due from other funds	-	1,012	1,012	176
Prepaid items	19,031	-	19,031	16,289
Total assets	<u>\$ 3,099,562</u>	<u>\$ 97,467</u>	<u>\$ 3,197,029</u>	<u>\$ 3,284,414</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
Liabilities				
Accounts payable	\$ 72,992	\$ 1,948	\$ 74,940	\$ 151,151
Accrued and other current liabilities	26,338	-	26,338	22,886
Due to other funds	1,012	-	1,012	176
Special deposits	33,111	-	33,111	38,611
Total liabilities	<u>133,453</u>	<u>1,948</u>	<u>135,401</u>	<u>212,824</u>
Deferred inflows of resources				
Property taxes levied for subsequent year	1,221,931	-	1,221,931	1,216,665
Special charges levied for subsequent year	435,786	-	435,786	365,173
Special assessments	97,415	-	97,415	6,215
Total deferred inflows of resources	<u>1,755,132</u>	<u>-</u>	<u>1,755,132</u>	<u>1,588,053</u>
Fund balances				
Nonspendable	19,031	-	19,031	16,289
Restricted	3,643	95,519	99,162	85,334
Committed	225,198	-	225,198	352,345
Assigned	40,000	-	40,000	40,000
Unassigned	923,105	-	923,105	989,569
Total fund balances	<u>1,210,977</u>	<u>95,519</u>	<u>1,306,496</u>	<u>1,483,537</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,099,562</u>	<u>\$ 97,467</u>	<u>\$ 3,197,029</u>	<u>\$ 3,284,414</u>

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

# Town of Algoma

## Winnebago County, Wisconsin

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

	<u>2019</u>	<u>2018</u>
<b>RECONCILIATION TO THE STATEMENT OF NET POSITION</b>		
Total fund balances as shown on previous page	\$ 1,306,496	\$ 1,483,537
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.	4,776,663	5,062,109
Other long-term assets are not available to pay current period expenditures and therefore are deferred in the funds.	97,415	6,215
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	89,192	44,787
Deferred inflows related to pensions	(47,686)	(46,353)
Long-term assets are not considered available and; therefore, are not reported in the funds.		
Net pension asset	-	22,724
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Notes payable	(480,000)	(600,000)
Net pension liability	(32,987)	-
Net position of governmental activities as reported on the statement of net position (see page 4)	<u>\$ 5,709,093</u>	<u>\$ 5,973,019</u>

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

# Town of Algoma

## Winnebago County, 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	Other Governmental Funds	Totals	
			2019	2018
<b>REVENUES</b>				
Taxes	\$ 1,216,930	\$ -	\$ 1,216,930	\$ 1,069,354
Special assessments	172,515	-	172,515	9,986
Intergovernmental	252,697	-	252,697	196,160
Licenses and permits	114,228	-	114,228	112,690
Public charges for services	379,848	10,605	390,453	378,781
Miscellaneous	59,296	28,571	87,867	65,724
Total revenues	<u>2,195,514</u>	<u>39,176</u>	<u>2,234,690</u>	<u>1,832,695</u>
<b>EXPENDITURES</b>				
Current				
General government	357,848	-	357,848	357,009
Public safety	367,420	25,659	393,079	388,891
Public works	1,234,155	-	1,234,155	970,390
Health and human services	2,748	-	2,748	2,775
Culture and recreation	29,310	-	29,310	70,608
Conservation and development	18,740	-	18,740	33,555
Debt service				
Principal	120,000	-	120,000	-
Interest and fiscal charges	17,885	-	17,885	1,633
Capital outlay	237,966	-	237,966	804,951
Total expenditures	<u>2,386,072</u>	<u>25,659</u>	<u>2,411,731</u>	<u>2,629,812</u>
Excess of revenues over (under) expenditures	<u>(190,558)</u>	<u>13,517</u>	<u>(177,041)</u>	<u>(797,117)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Long-term debt issued	-	-	-	600,000
Transfers in	-	-	-	25,000
Transfers out	-	-	-	(25,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>600,000</u>
<b>Net change in fund balances</b>	<u>(190,558)</u>	<u>13,517</u>	<u>(177,041)</u>	<u>(197,117)</u>
<b>Fund balances - January 1</b>	<u>1,401,535</u>	<u>82,002</u>	<u>1,483,537</u>	<u>1,680,654</u>
<b>Fund balances - December 31</b>	<u>\$ 1,210,977</u>	<u>\$ 95,519</u>	<u>\$ 1,306,496</u>	<u>\$ 1,483,537</u>

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

# Town of Algoma

## Winnebago County, 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	\$ (177,041)	\$ (197,117)
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	187,336	978,842
Depreciation expense reported in the statement of activities	(472,782)	(456,646)
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.		
	91,200	(9,985)
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	-	(600,000)
Principal repaid	120,000	-
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:		
Net pension asset	(22,724)	22,724
Net pension liability	(32,987)	4,245
Deferred outflows of resources related to pensions	44,405	5,820
Deferred inflows of resources related to pensions	(1,333)	(32,957)
Change in net position of governmental activities as reported in the statement of activities (see pages 5 - 6)	<u>\$ (263,926)</u>	<u>\$ (285,074)</u>

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



# Town of Algoma

## Winnebago County, 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			Variance Final Budget - Positive (Negative)	2018 Actual
	Original	Final	Actual		
<b>REVENUES</b>					
Taxes	\$ 1,216,665	\$ 1,216,665	\$ 1,216,930	\$ 265	\$ 1,069,354
Special assessments	230,215	230,215	172,515	(57,700)	9,986
Intergovernmental	255,322	255,322	252,697	(2,625)	196,160
Licenses and permits	105,860	105,860	114,228	8,368	112,690
Public charges for services	331,200	331,200	379,848	48,648	367,291
Intergovernmental charges for services	1,000	1,000	-	(1,000)	-
Miscellaneous	29,342	29,342	59,296	29,954	45,493
Total revenues	2,169,604	2,169,604	2,195,514	25,910	1,800,974
<b>EXPENDITURES</b>					
Current					
General government	391,220	391,220	357,848	33,372	357,009
Public safety	381,053	381,053	367,420	13,633	371,352
Public works	1,319,130	1,319,130	1,234,155	84,975	970,390
Health and human services	5,700	5,700	2,748	2,952	2,775
Culture and recreation	57,520	57,520	29,310	28,210	70,608
Conservation and development	56,220	56,220	18,740	37,480	33,555
Debt service					
Principal	120,000	120,000	120,000	-	-
Interest and fiscal charges	18,083	18,083	17,885	198	1,633
Capital outlay	438,853	438,853	237,966	200,887	804,951
Total expenditures	2,787,779	2,787,779	2,386,072	401,707	2,612,273
Excess of revenues over (under) expenditures	(618,175)	(618,175)	(190,558)	427,617	(811,299)
<b>OTHER FINANCING SOURCES</b>					
Long-term debt issued	-	-	-	-	600,000
Transfers in	-	-	-	-	25,000
Total other financing sources	-	-	-	-	625,000
<b>Net change in fund balance</b>	(618,175)	(618,175)	(190,558)	427,617	(186,299)
<b>Fund balance - January 1</b>	1,401,535	1,401,535	1,401,535	-	1,587,834
<b>Fund balance - December 31</b>	<u>\$ 783,360</u>	<u>\$ 783,360</u>	<u>\$ 1,210,977</u>	<u>\$ 427,617</u>	<u>\$ 1,401,535</u>

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

# Town of Algoma

## Winnebago County, Wisconsin

### STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUND DECEMBER 31, 2019 WITH COMPARATIVE AMOUNTS AS OF DECEMBER 31, 2018

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	Custodial Fund	
	2019	2018
<b>ASSETS</b>		
Cash and investments	\$ 7,052,707	\$ 6,491,854
<b>LIABILITIES</b>		
Due to other governments	7,052,707	6,491,854
<b>NET POSITION</b>		
Total net position	\$ -	\$ -

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

# Town of Algoma

## Winnebago County, Wisconsin

### STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUND FOR THE YEAR ENDED DECEMBER 31, 2019 WITH COMPARATIVE AMOUNTS AS OF DECEMBER 31, 2018

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	Custodial Fund	
	2019	2018
<b>ADDITIONS</b>		
Taxes and special charges collected	\$ 9,658,295	\$ 8,905,557
<b>DEDUCTOINS</b>		
Payments to other taxing districts	9,658,295	8,905,557
<b>Change in net position</b>	-	-
<b>Net position - January 1</b>	-	-
<b>Net position - December 31</b>	\$ -	\$ -

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

# Town of Algoma

## Winnebago County, 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 Town of Algoma, Winnebago County, Wisconsin (the "Town"), 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 Town are described below:

##### A. REPORTING ENTITY

The Town is a municipal corporation governed by an elected five member board. In accordance with GAAP, the basic financial statements are required to include the Town and any separate component units that have a significant operational or financial relationship with the Town. The Town has not identified any component units that are required to be included in the basic financial statements in accordance with standards.

##### 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 Town. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities* are primarily supported by taxes and intergovernmental revenues.

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 and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Governmental funds include the general fund. The major individual governmental fund is reported as a separate column in the fund financial statements.

The Town reports the following major governmental fund:

##### General Fund

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

The Town also reports the following fiduciary fund:

##### Custodial Fund

The custodial fund accounts for property taxes and specials collected on behalf of other governments. These amounts were recorded in an agency fund in prior years. Due to the implementation of GASB 84, *Fiduciary Activities*, the presentation and reporting has been adjusted to meet the requirements of the new standard and are presented in a custodial fund.

# Town of Algoma

## Winnebago County, Wisconsin

### NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2019

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#### 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 fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town 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.

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.

#### 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.

##### 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 Town 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 Town. Special charges not paid by January 31 are held in trust by the County and remitted to the Town, including interest, when collected by the County.

In addition to its levy, the Town also levies and collects taxes for the School District of Omro, Oshkosh Area School District, Winnebago County, Fox Valley Technical College and Algoma Sanitary District #1.



# Town of Algoma

## Winnebago County, Wisconsin

### NOTES TO BASIC FINANCIAL STATEMENTS

#### DECEMBER 31, 2019

---

#### 3. Accounts Receivable

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

#### 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.) Special assessments are subject to collection procedures.

#### 5. 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.

#### 6. 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 classified as nonspendable fund balance to indicate that they do not represent spendable available financial resources.

#### 7. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of \$10,000 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. General infrastructure assets acquired prior to January 1, 2004 are not reported in the basic financial statements.

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.

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

Assets	Governmental Activities
	Years
Land improvements	15 - 40
Buildings	40
Equipment and vehicles	15
Infrastructure	15

# Town of Algoma

## Winnebago County, Wisconsin

### NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2019

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#### 8. 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 Town reports unavailable revenues for special assessments. These inflows are recognized as revenues in the government-wide financial statements.

#### 9. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the 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.

#### 10. 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.

#### 11. 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.

# Town of Algoma

## Winnebago County, Wisconsin

### NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2019

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- ▶ **Committed fund balance.** Amounts that are constrained for specific purposes by action of the Town Board. These constraints can only be removed or changed by the Town Board using the same action that was used to create them.
- ▶ **Assigned fund balance.** Amounts that are constrained for specific purposes by action of Town management. The Town Board 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 Town has not adopted a fund balance spend-down policy regarding the order in which fund balance will be utilized. When a policy does not specify the spend-down policy, GASB Statement No. 54 indicates that restricted funds would be spent first, followed by committed funds, and then assigned funds. Unassigned funds would be spent last.

#### *Government-Wide Statements*

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

- ▶ **Net investment in capital assets.** Amount of capital assets, net of accumulated depreciation, 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.

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

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

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

1. Prior to November 15, the Town Board reviews 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. A public hearing is held to obtain taxpayer comments. Following the public hearing, the proposed budget, including authorized additions and deletions, is legally enacted by Town Board action.

# Town of Algoma

## Winnebago County, Wisconsin

### NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2019

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2. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the general fund. Budget is defined as the originally approved budget plus or minus approved amendments. 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.
3. During the year, formal budgetary integration is employed as a management control device for the general fund.
4. Expenditures may not exceed appropriations by major departmental classifications. Amendments to the budget during the year can only be made by the Town Board.
5. Encumbrance accounting is not used by the Town to record commitments related to unperformed contracts for goods or services.

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

#### **B. PROPERTY TAX LEVY LIMIT**

Wisconsin state statutes provide for a limit on the property tax levies for all Wisconsin cities, villages, 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 Town's January 1 equalized value as a result of net new construction. The actual limit for the Town for the 2019 budget was 1.19%. The actual limit for the Town for the 2020 budget was 0.88%. 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.

### **NOTE 3: DETAILED NOTES ON ALL FUNDS**

#### **A. CASH AND INVESTMENTS**

The Town 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.

The carrying amount of the Town's cash and investments totaled \$9,448,818 on December 31, 2019 as summarized below:

Petty cash and cash on hand	\$ 170
Deposits with financial institutions	9,445,505
Beneficial interest in investments held by Community Foundation	3,143
	<u>\$ 9,448,818</u>

# Town of Algoma

## Winnebago County, Wisconsin

### NOTES TO BASIC FINANCIAL STATEMENTS

#### DECEMBER 31, 2019

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Reconciliation to the basic financial statements:

Government-wide Statement of Net Position	
Cash and investments	\$ 2,296,013
Restricted cash and investments	100,098
Fiduciary Fund Statement of Net Position	
Agency fund	<u>7,052,707</u>
	<u>\$ 9,448,818</u>

#### Fair Value Measurements

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

	Fair Value Measurements Using:		
	Level 1	Level 2	Level 3
Investments			
Beneficial interest in investments held by			
Community Foundation	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,143</u>

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

#### 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 Town 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.



# Town of Algoma

## Winnebago County, Wisconsin

### NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

As of December 31, 2019, \$8,226,972 of the Town's deposits with financial institutions were in excess of federal and state depository insurance. The entire balance was collateralized with securities held by the pledging financial institution or its trust department or agent in the Town's name.

#### Beneficial Interest in Investments Held by Community Foundation

Beneficial interest in investments held by Community Foundation represents amounts held at the Oshkosh Area Community Foundation, Inc. The purpose of this funding is primarily to pay expenditures of the Town of Algoma Jones Park project. These investments are the legal assets of the Foundation, and the Foundation has explicit authority to redirect the assets of the Fund.

#### B. RESTRICTED ASSETS

Restricted assets on December 31, 2019 totaled \$100,098 and consisted of cash and investments held for the following purposes:

Fund	Amount	Purpose
General Fund		
Park equipment	\$ 500	To be used for the purchase of a park bench
Park improvements	3,143	To account for donations received for Jones Park improvements
Total General Fund	3,643	
Special Revenue Funds		
Park improvements	61,042	To account for park impact fees collected for park improvements
Fire department	28,083	To account for fire department fundraisers and donations to be used for fire department expenditures
First responders	7,330	To account for first responder fundraisers and donations to be used for first responder expenditures
Total Special Revenue Funds	96,455	
Total	\$ 100,098	

# Town of Algoma

## Winnebago County, Wisconsin

### NOTES TO BASIC FINANCIAL STATEMENTS

#### DECEMBER 31, 2019

#### 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	\$ 341,740	\$ -	\$ -	\$ 341,740
Construction in progress	176,683	135,635	-	312,318
Total capital assets, nondepreciable	<u>518,423</u>	<u>135,635</u>	<u>-</u>	<u>654,058</u>
Capital assets, depreciable:				
Land improvements	1,236,918	51,701	-	1,288,619
Buildings and improvements	490,174	-	-	490,174
Machinery and equipment	991,179	-	-	991,179
Infrastructure	5,803,492	-	-	5,803,492
Subtotals	<u>8,521,763</u>	<u>51,701</u>	<u>-</u>	<u>8,573,464</u>
Less accumulated depreciation for:				
Land improvements	89,552	33,329	-	122,881
Buildings and improvements	298,191	12,471	-	310,662
Machinery and equipment	829,020	40,083	-	869,103
Infrastructure	<u>2,761,314</u>	<u>386,899</u>	<u>-</u>	<u>3,148,213</u>
Subtotals	<u>3,978,077</u>	<u>472,782</u>	<u>-</u>	<u>4,450,859</u>
Total capital assets, depreciable, net	<u>4,543,686</u>	<u>(421,081)</u>	<u>-</u>	<u>4,122,605</u>
Governmental activities capital assets, net	<u>\$ 5,062,109</u>	<u>\$ (285,446)</u>	<u>\$ -</u>	<u>4,776,663</u>
Less: Capital related debt				<u>480,000</u>
Net investment in capital assets				<u>\$ 4,296,663</u>

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

Governmental activities	
General government	\$ 3,845
Public safety	46,708
Public works	394,332
Culture and recreation	27,897
Total depreciation expense - governmental activities	<u>\$ 472,782</u>

# Town of Algoma

## Winnebago County, Wisconsin

### NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

#### D. INTERFUND RECEIVABLE AND PAYABLES

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

	Interfund Receivables	Interfund Payables
Operating accounts between funds		
Governmental Funds		
General	\$ -	\$ 1,012
Nonmajor - Fire	1,012	-
Total	<u>\$ 1,012</u>	<u>\$ 1,012</u>

#### E. LONG-TERM OBLIGATIONS

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

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
General obligation debt					
Notes from direct borrowings and direct placements	<u>\$ 600,000</u>	<u>\$ -</u>	<u>\$ 120,000</u>	<u>\$ 480,000</u>	<u>\$ 120,000</u>

Total interest paid during the year on long-term debt totaled \$17,885.

#### General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/19
General obligation note	4/1/18	3/31/23	3.50%	\$ 600,000	\$ 480,000

Annual principal and interest maturities of the outstanding general obligation debt of \$480,000 on December 31, 2019 are detailed below:

Year Ended December 31,	Direct borrowing Principal	Interest
2020	\$ 120,000	\$ 13,872
2021	120,000	9,567
2022	120,000	5,308
2023	120,000	1,050
	<u>\$ 480,000</u>	<u>\$ 29,797</u>

The Town's outstanding note from direct borrowing and direct placements of \$480,000 contain a provision that in an event of default, outstanding amounts become immediately due if the Town is unable to make a payment.

# Town of Algoma

## Winnebago County, Wisconsin

### NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

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#### Legal Margin for New Debt

The Town's legal margin for creation of additional general obligation debt on December 31, 2019 was \$35,432,960 as follows:

Equalized valuation of the Town	\$ 718,259,200
Statutory limitation percentage	(x) 5%
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes	35,912,960
Total outstanding general obligation debt applicable to debt limitation	480,000
Legal margin for new debt	<u>\$ 35,432,960</u>

#### F. 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.

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.

# Town of Algoma

## Winnebago County, Wisconsin

### NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2019

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:

Year	Core Fund Adjustment	Variable Fund Adjustment
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	2.0	4
2018	2.4	17

#### 3. Contributions

Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Town of 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 \$9,430 in contributions from the Town.

Contribution rates for the reporting period are:

Employee Category	Employee	Employer
General (including teachers, executives, and elected officials)	6.7%	6.7%
Protective with Social Security	6.7%	10.7%
Protective without Social Security	6.7%	14.9%



# Town of Algoma

## Winnebago County, Wisconsin

### NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2019

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

At December 31, 2019, the Town reported a liability of \$32,987 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 Town's proportion of the net pension liability was based on the Town's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2018, the Town's proportion was 0.00092722%, which was an increase of 0.00016186% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the Town recognized pension expense of \$22,095.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 25,691	\$ 45,413
Net differences between projected and actual earnings on pension plan investments	48,177	-
Changes in assumptions	5,560	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	334	2,273
Employer contributions subsequent to the measurement date	9,430	-
Total	<u>\$ 89,192</u>	<u>\$ 47,686</u>

\$9,430 reported as deferred outflows related to pension resulting from the Town's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year ended December 31,	Expense
2020	\$ 11,936
2021	2,455
2022	4,739
2023	12,946
Total	<u>\$ 32,076</u>

# Town of Algoma

## Winnebago County, Wisconsin

### NOTES TO BASIC FINANCIAL STATEMENTS

#### DECEMBER 31, 2019

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#### 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:	December 31, 2018
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Market 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.

# Town of Algoma

## Winnebago County, Wisconsin

### NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2019

**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

**Single Discount Rate.** A single discount rate of 7.0% was used to measure the total pension asset. This single discount rate was based on the expected rate of return on pension plan investments of 7.0% and a long-term bond rate of 3.71%. Because of the unique structure of WRS, the 7.0% 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.

# Town of Algoma

## Winnebago County, Wisconsin

### NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2019

**Sensitivity of the Town's proportionate share of the net pension liability (asset) to changes in the discount rate.** The following presents the Town's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.0 percent, as well as what the Town's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate:

	1% Decrease to Discount Rate (6.0%)	Current Discount Rate (7.0%)	1% Increase to Discount Rate (8.0%)
Town's proportionate share of the net pension liability (asset)	\$ 131,096	\$ 32,987	\$ (39,963)

**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 Town did not report a payable for the outstanding amount of contributions to the pension plan for the year ended December 31, 2019.

#### G. 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 Fund	
Nonspendable	
Prepaid items	<u>\$ 19,031</u>

# Town of Algoma

## Winnebago County, 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:

General Fund	
Restricted for	
Park bench	\$ 500
Jones Park improvements	3,143
Total General Fund Restricted Fund Balance	<u>3,643</u>
Special Revenue Funds	
Restricted for	
Fire	27,147
First Responders	7,330
Dedication Fees	61,042
Total Special Revenue Funds Restricted Fund Balance	<u>95,519</u>
Total Restricted Fund Balance	<u>\$ 99,162</u>

#### Committed Fund Balance

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

General Fund	
Committed for	
Fire equipment	\$ 20,023
Park upgrades	11,322
Public works	193,853
Total General Fund Committed Fund Balance	<u>\$ 225,198</u>

#### 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 revaluation	<u>\$ 40,000</u>

#### Minimum General Fund Balance Policy

The Town has also adopted a minimum fund balance policy of 20% of budgeted operating expenditures for the subsequent year 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:

2020 Budgeted Operating Expenditures	\$ 2,698,896
Minimum Fund Balance %	(x) 20%
Minimum Fund Balance Amount	<u>\$ 539,779</u>

# Town of Algoma

## Winnebago County, Wisconsin

### NOTES TO BASIC FINANCIAL STATEMENTS

#### DECEMBER 31, 2019

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The Town's unassigned general fund balance of \$923,105 is above the minimum fund balance amount. The Town's unassigned fund balance includes \$257,886 of policy reserves and \$135,000 bank balance minimum requirement.

#### Net Position

The Town reports restricted net position at December 31, 2019 as follows:

##### Governmental Activities

##### Restricted for

Park bench	\$ 500
Jones Park improvements	3,143
Fire	27,147
First responders	7,330
Dedication fees	61,042
Total Governmental Activities Restricted Net Position	<u>\$ 99,162</u>

### NOTE 4: OTHER INFORMATION

#### A. RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. The Town completes an annual review of its insurance coverage to ensure adequate coverage. The Town has not made any reductions in insurance coverage from the prior year. The amount of actual settlements has not exceeded the insurance coverage amounts in any of the three most recent years.

#### B. CONTINGENCIES

From time to time, the Town 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 legal counsel that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the Town's financial position or results of operations.

## REQUIRED SUPPLEMENTARY INFORMATION

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# Town of Algoma

## Winnebago County, 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	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	0.00045656%	\$ (11,214)	\$ 42,318	26.50%	102.74%
12/31/15	0.00045378%	7,374	77,420	9.52%	98.20%
12/31/16	0.00051505%	4,245	101,652	4.18%	99.12%
12/31/17	0.00076536%	(22,724)	153,701	14.78%	102.93%
12/31/18	0.00092722%	32,987	158,208	20.85%	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	Contributions as a Percentage of Covered Payroll
12/31/15	\$ 5,265	\$ 5,265	\$ -	\$ 77,420	6.80%
12/31/16	6,709	6,709	-	101,652	6.60%
12/31/17	10,452	10,452	-	153,701	6.80%
12/31/18	10,600	10,600	-	158,208	6.70%
12/31/19	9,430	9,430	-	143,969	6.55%

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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

The amounts reported for each fiscal year were determined as of the calendar year-end that occurred within the prior fiscal year. The Town 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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# Town of Algoma

## Winnebago County, Wisconsin

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

	Special Revenue			Totals	
	Fire	First Responders	Dedication Fees	2019	2018
<b>ASSETS</b>					
Restricted cash and investments	\$ 28,083	\$ 7,330	\$ 61,042	\$ 96,455	\$ 82,191
Due from other funds	1,012	-	-	1,012	176
Total assets	<u>\$ 29,095</u>	<u>\$ 7,330</u>	<u>\$ 61,042</u>	<u>\$ 97,467</u>	<u>\$ 82,367</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities					
Accounts payable	\$ 1,948	\$ -	\$ -	\$ 1,948	\$ 365
Fund balances					
Restricted	27,147	7,330	61,042	95,519	82,002
Total liabilities and fund balances	<u>\$ 29,095</u>	<u>\$ 7,330</u>	<u>\$ 61,042</u>	<u>\$ 97,467</u>	<u>\$ 82,367</u>

# Town of Algoma

## Winnebago County, 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			Totals	
	Fire	First Responders	Dedication Fees	2019	2018
<b>REVENUES</b>					
Public charges for services	\$ -	\$ -	\$ 10,605	\$ 10,605	\$ 11,490
Miscellaneous	21,864	5,441	1,266	28,571	20,231
Total revenues	21,864	5,441	11,871	39,176	31,721
<b>EXPENDITURES</b>					
Current					
Public safety	20,060	5,599	-	25,659	17,539
Excess of revenues over (under) expenditures	1,804	(158)	11,871	13,517	14,182
<b>OTHER FINANCING USES</b>					
Transfers out	-	-	-	-	(25,000)
<b>Net change in fund balances</b>	1,804	(158)	11,871	13,517	(10,818)
<b>Fund balances - January 1</b>	25,343	7,488	49,171	82,002	92,820
<b>Fund balances - December 31</b>	<u>\$ 27,147</u>	<u>\$ 7,330</u>	<u>\$ 61,042</u>	<u>\$ 95,519</u>	<u>\$ 82,002</u>

ADDITIONAL INDEPENDENT AUDITORS' REPORT  
FOR BASIC FINANCIAL STATEMENTS

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CliftonLarsonAllen LLP  
CLAconnect.com

## 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 Town Board  
Town of Algoma  
Winnebago County, Wisconsin

We have audited, in accordance with the 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 major fund, and the aggregate remaining fund information of the Town of Algoma, Winnebago County, Wisconsin (the "Town") as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated April 8, 2020.

### INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered the Town'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 Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town'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 Town'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2019-001 that we consider to be a significant deficiency.

## COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the Town'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

## TOWN OF ALGOMA'S RESPONSE TO FINDING

The Town's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The Town'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 Town'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 Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Sheboygan, Wisconsin  
April 8, 2020



# Town of Algoma

## Winnebago County, Wisconsin

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

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#### SECTION I. INTERNAL CONTROL OVER FINANCIAL REPORTING

FINDING NO.	CONTROL DEFICIENCIES
2019-001	<b>Preparation of Annual Financial Report</b> Repeat of Finding 2018-001
Type of Finding:	Significant Deficiency in Internal Control over Financial Reporting
Condition:	Current Town staff maintains accounting records which reflect the Town's financial transactions; however, preparing the Town's annual financial report, including note disclosures, involves the selection and application of specific accounting principles which would require additional experience and knowledge. The Town contracts with us and our knowledge of applicable accounting principles, financial statement format, and note disclosures to assist in the preparation of the annual financial report in an efficient manner.
Context:	The Town 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 Town's internal control system. As part of its internal control over preparation of its financial statements, including disclosures, the Town 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 Town's activities and operations.
Criteria:	The preparation and review of the annual 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.
Cause:	Town management has determined that the additional costs associated with training staff to become experienced in applicable accounting principles and note disclosures outweigh the derived benefits.
Effect:	Without our involvement, the Town 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 Town continue reviewing the annual financial report. While it may not be cost beneficial to train additional staff to completely prepare the report, a thorough review of this information by appropriate staff of the Town is necessary to obtain a complete and adequate understanding of the Town's annual financial report.
Management Response:	The Town Treasurer has reviewed and approved the annual financial report prior to issuance.

# Town of Algoma Winnebago County, Wisconsin

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

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### SECTION II. COMPLIANCE AND OTHER MATTERS

There are no findings related to compliance and other matters that are required to be reported under governmental auditing standards generally accepted in the United States of America for the year ended December 31, 2019.