

**MENASHA UTILITIES
CITY OF MENASHA, WISCONSIN**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2021



WEALTH ADVISORY | OUTSOURCING
AUDIT, TAX, AND CONSULTING

CLAconnect.com

**MENASHA UTILITIES
CITY OF MENASHA, WISCONSIN
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2021**

INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	5
FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	18
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION	20
STATEMENT OF CASH FLOWS	21
NOTES TO FINANCIAL STATEMENTS	23
REQUIRED SUPPLEMENTARY INFORMATION	
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) – WISCONSIN RETIREMENT SYSTEM	51
SCHEDULE OF CONTRIBUTIONS – WISCONSIN RETIREMENT SYSTEM	51
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) – LOCAL RETIREE LIFE INSURANCE FUND	52
SCHEDULE OF CONTRIBUTIONS – LOCAL RETIREE LIFE INSURANCE FUND	52
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION	53

**MENASHA UTILITIES
CITY OF MENASHA, WISCONSIN
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2021**

SUPPLEMENTARY INFORMATION

ELECTRIC DISTRIBUTION UTILITY

STATEMENT OF NET POSITION 54

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION 56

STATEMENT OF CASH FLOWS 58

ENERGY SERVICES UTILITY

STATEMENT OF NET POSITION 60

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION 61

STATEMENT OF CASH FLOWS 62

TELECOMMUNICATIONS UTILITY

STATEMENT OF NET POSITION 63

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION 64

STATEMENT OF CASH FLOWS 65

WATER UTILITY

STATEMENT OF NET POSITION 67

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION 69

STATEMENT OF CASH FLOWS 71

ADDITIONAL INDEPENDENT AUDITORS' REPORT FOR FINANCIAL STATEMENTS

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* 73



INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Electric and Water Utilities Commission
City of Menasha, Wisconsin

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Menasha Utilities, City of Menasha, Wisconsin (the Utilities) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Utilities' basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Utilities, as of December 31, 2021, and the respective changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Utilities and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As described in Note 1, the financial statements present only Menasha Utilities of the City of Menasha, Wisconsin, and do not purport to, and do not present fairly the financial position of the City of Menasha, Wisconsin, as of December 31, 2021 and the changes in its financial position or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with Generally Accepted Auditing Standards and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Utilities' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

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

Prior-Year Summarized Financial Information

We have previously audited Menasha Utilities of the City of Menasha, Wisconsin's 2020 financial statements, and we expressed an unmodified opinion on the respective financial statements in our report dated April 13, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, 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 and the schedules relating to pensions and other postemployment benefits as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Menasha Utilities of the City of Menasha, Wisconsin's basic financial statements. The financial information listed in the table of contents as supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. 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 Utilities as of and for the year ended December 31, 2020, (not presented herein), and have issued our report thereon dated April 13, 2021, which contained an unmodified opinion on the financial statements. The 2020 actual amounts in the supplementary information are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2020 financial statements. The information was subjected to the audit procedures applied in the audit of the 2020 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 2020 actual amounts in the supplementary information are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended December 31, 2020.

Board of Commissioners
Electric and Water Utilities Commission
City of Menasha, Wisconsin

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 17, 2022, on our consideration of the Utilities' 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 Utilities' 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 Utilities' internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Green Bay, Wisconsin
March 17, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS



MENASHA UTILITIES
MANAGEMENT DISCUSSION AND ANALYSIS
DECEMBER 31, 2021 AND 2020

The management of Menasha Utilities offers all parties interested in the financial position of the utilities an objective, easy to read overview and analysis of the utilities' financial performance during the years ending December 31, 2021 and 2020. The financial statements in the MD&A show information for 2019, 2020 and 2021 to show trending. This gives a review of finances before the pandemic in 2019, during the pandemic in 2020 and rebounding in 2021. Please read this narrative in conjunction with the utility's financial statements.

Financial Highlights

- The Electric utility's operating revenues have increased by 6.3%, or over \$2.3 million from 2020 due to slightly more consumption and the rate increase that went into effect on January 1, 2021. Consumption increased by 1.1 million kWh, or 0.2% from 2020. Since the pandemic started in 2020, Industrial consumption has been down by about 11%, or over 50 million kWh compared to 2019. In comparing Industrial consumption between 2021 and 2020, it increased very little by 2.4 million kWh. Residential customers had a decrease in consumption from 2020 of 2.9%, or 1.8 million kWh. Our average number of customers served has increased minimally to approximately 9,330 with most expansion taking place on the City's east side. We also completed an acquisition of five customers on Appleton Street and one customer on Manitowoc Road from WE Energies in 2021. We purchased 0.6%, or 3.1 million more kilowatt hours from WPPI Energy in 2021 compared to 2020. The total kWh purchased was 505,319,494, in which all industrial customers used 417,620,665 or 83% of the total. The average cost of power increased by 5.6% to \$68.19/MWh compared to \$64.58/MWh in 2020.
- The Water utility's operating revenue decreased by 6.9%, or \$367,342 from 2020. Total water consumption decreased by over 58.7 million gallons, or 10.7% compared to 2020. The Industrial customer class had the largest decrease with 45 million gallons. The average number of customers remains constant for the last several years at 5,000. Water rates have been in place since May 1, 2018. The Water utility experienced 21 main breaks in 2021, compared to 16 in 2020. We also had 21 service leaks in 2021 compared to 6 in 2020.
- The Water utility filed a Lead Service Lateral (LSL) application with the Public Service Commission of Wisconsin (PSC) on October 19, 2018, for implementing a customer-side lead service line replacement program. There were 181 private LSL's replaced in 2021. Currently, the Water utility, the City of Menasha, and the property owner each contribute one third of the cost of replacement. In 2021 we received a grant from the Safe Drinking Water Loan program for the utility portion for \$149,434 and for the City portion for \$149,433. The customer can obtain a five-year loan from the utility if they need assistance. Since the start of the program, 290 services have been replaced. At the end of 2021, the total customer loans outstanding was \$144,608.
- The Electric utility fund balances decreased by \$804,806 during 2021. This is inclusive of restricted and unrestricted balances. The Depreciation fund, used for larger capital projects, remained constant. We paid off the existing State Trust Revenue Bonds with Revenue Refunding Bonds, Series 2021A for \$8,385,000 in the first quarter of 2021. With the new debt, the Debt Service fund has a lower amount required, so that fund is \$389,955 less than in 2020. The payments on the new debt are lower so the total in the Bond Redemption fund decreased by \$620,033 from 2020.
- The Water utility fund balances, both restricted and unrestricted, increased by \$250,564 from 2020. The Depreciation fund, used for smaller plant replacement projects, increased by \$203,933 from 2020. We obtained financing from the Safe Drinking Water Loan fund for our large main replacement project for \$895,150. Funds were added monthly to the Water Utility Reserve in 2021 for a future water tower painting and maintenance on the tower and the ending balance is \$133,357. The balance in the Joint Bond Redemption fund is \$814,879 to pay debt payments in 2022.



MENASHA UTILITIES
MANAGEMENT DISCUSSION AND ANALYSIS
DECEMBER 31, 2021 AND 2020

- The Water utility has continued to upgrade operations mainly in the Water Distribution system in 2021. New valves, hydrants and 6,974 feet of main were installed into the system. This is replacing infrastructure that is from 1910 – 1940 which has exceeded its useful life that was on Appleton Street, Eighth Street, Lisbon Avenue, Milwaukee Street and Nicolet Boulevard in Menasha. Our system loss ratio was 10.24% which increased from 8.32% in 2020.
- The Electric utility completed the majority of a large Wisconsin Department of Transportation (WI DOT) project for facilities upgrades by the Racine Street bridge area. The total capitalized in 2021 was over \$1.5 million in which \$450,309 was contributed plant and \$1,057,253 was utility financed plant.

Overview of the Financial Statements

The Electric and Water utility are self-supporting entities and are separate enterprise funds of the City of Menasha. The utility provides electric services to properties within the City of Menasha, Village of Fox Crossing (formerly known as the Town of Menasha), and Village of Harrison and water services to the City of Menasha and Village of Fox Crossing. The utility performs the billing and collection functions for the City of Menasha Sewage Treatment Fund and the Storm Water Fund.

The Electric utility established an Energy Services utility several years ago for the purpose of providing a means for municipal, civic, and school customers to obtain relatively expensive lighting systems with little capital expenditures. The leased lighting program is offered within the present boundaries of Menasha Utilities.

The Electric utility has funded a Telecommunication utility that operates under a CLEC that was obtained from the Public Service Commission of Wisconsin in 2000. The Telecommunications utility provides a wide area network communication within the utility and offers high speed Internet and dark fiber communication services to municipal, commercial, and industrial customers.

Menasha Electric and Water Utilities are managed by the Menasha Utilities Commission and operate under service rules and rates that are established by the Public Service Commission of Wisconsin (PSC). The accounting records are maintained in accordance with the Uniform System of Accounts prescribed by the PSC, and in accordance with the Governmental Accounting Standards Board.

The Utility purchases its full electric requirements from WPPI Energy. WPPI Energy is a municipal electric utility of the State of Wisconsin and Menasha Utilities is one of its 51 members/owners. WPPI Energy also provides electric requirements to other municipalities in both Iowa and Upper Michigan. WPPI Energy provides affordable electricity to more than 200,000 residential and business customers and has been in business for over 40 years. The purpose of WPPI Energy is to provide an economical and reliable supply of energy to its members. Through joint action, public power communities are stronger since we can offer cost-effective programs and services for our customers. The WPPI Energy contract was extended in 2002 to 2037. A subsequent amendment was approved in January 2016 to extend the contract through 2055.

The Statement of Net Position (Table 1) and the Statement of Revenues, Expenses, and Changes in Net Position (Table 2) provide an indication of the Utilities' change in financial condition during the last year. The Utilities' net position reflects the difference between assets and deferred outflows and liabilities and deferred inflows. The Statement of Revenues, Expenses and Changes in Net Position reflect the income and expenses of the utility for the year.



MENASHA UTILITIES
MANAGEMENT DISCUSSION AND ANALYSIS
DECEMBER 31, 2021 AND 2020

Utility Financial Analysis

Table 1
Condensed Statement of Net Position

	2021	2020	2019
Current and Other Assets	16,807,511	15,905,677	18,285,527
Net Capital Assets	39,496,634	39,011,089	37,412,214
Net Pension Asset	<u>1,170,945</u>	<u>626,408</u>	<u>-</u>
Total Assets	57,475,090	55,543,174	55,697,741
Deferred Outflows of Resources	2,034,880	1,526,853	1,941,610
Long Term Debt Outstanding	12,957,536	14,508,370	16,551,630
Other Liabilities	<u>8,553,094</u>	<u>7,565,958</u>	<u>8,479,573</u>
Total Liabilities	21,510,630	22,074,328	25,031,203
Deferred Inflows of Resources	2,626,482	1,946,531	1,053,589
Invested in Capital Assets, Net of Related Debt	24,457,419	22,658,063	19,341,305
Restricted for Pension Benefits	1,170,945	626,408	-
Restricted for Debt Reserve	-	153,657	-
Restricted for Debt Service	354,668	974,702	2,968,723
Restricted for Depreciation	2,443,143	2,258,023	-
Restricted for Lead Service Lateral Replacement	2,869	27,558	-
Restricted for Water Tower	133,357	116,453	99,134
Unrestricted	<u>6,810,457</u>	<u>6,234,304</u>	<u>9,244,531</u>
Total Net Position	35,372,858	33,049,168	31,554,559

Above is a condensed version of the financial statements for the utility. Net capital assets have increased mainly due to larger projects completed for the Racine Street Bridge project in Electric and water main replacement projects in Water. Long term debt outstanding has decreased due to paying off debt and refinancing existing debt with favorable new debt. The specifics for Electric can be found on Table 3 and for Water on Table 4.



MENASHA UTILITIES
MANAGEMENT DISCUSSION AND ANALYSIS
DECEMBER 31, 2021 AND 2020

Table 2
Condensed Statement of Revenues,
Expenses and Changes in Net Position

	2021	2020	2019
Operating Revenue	44,817,319	42,824,879	45,289,630
Non-Operating Revenue	<u>283,079</u>	<u>284,753</u>	<u>244,265</u>
Total Revenues	45,100,398	43,109,632	45,533,895
Depreciation Expense	2,323,618	2,289,098	2,249,618
Other Operating Expenses	39,261,215	37,500,841	40,306,359
Non-Operating Expenses	<u>273,643</u>	<u>505,932</u>	<u>395,529</u>
Total Expenses	41,858,476	40,295,871	42,951,506
Income before Contributions and Transfers	3,241,922	2,813,761	2,582,389
Customer Contributions	539,965	95,218	332,188
Transfers Out	<u>(1,458,197)</u>	<u>(1,414,370)</u>	<u>(1,389,245)</u>
Change in Net Position	2,323,690	1,494,609	1,525,332
Beginning Net Position	<u>33,049,168</u>	<u>31,554,559</u>	<u>30,029,227</u>
Ending Net Position	35,372,858	33,049,168	31,554,559

The Condensed Statement of Revenues, Expenses and Changes in Net Position is for the utility. There are three years of comparative data to show our financial position before the pandemic in 2019, during the pandemic in 2020 and rebounding from it in 2021. There is a decline in revenues in 2020 due to major shutdowns that took place across businesses; consequently, our industrial customer revenue for both Electric and Water took a major decrease. Revenues rebounded in 2021 but not to the levels experienced in 2019. Depreciation increased steadily due to the net effect of large projects in both the Electric and Water utility completed. Customer contributions are larger in 2019 and 2021 due to WI DOT projects that we were required to complete for upgrades taking place in Menasha around the Midway Road area and the Racine Street Bridge, respectively. The specifics for Electric can be found on Table 5 and for Water on Table 6.



MENASHA UTILITIES
MANAGEMENT DISCUSSION AND ANALYSIS
DECEMBER 31, 2021 AND 2020

Table 3
Condensed Statement of Net Position – Electric Utility

	2021	2020	2019
Current and Other Assets	12,946,822	12,438,323	14,189,432
Net Capital Assets	16,887,915	16,584,141	15,373,039
Net Pension Asset	<u>727,825</u>	<u>392,091</u>	<u>-</u>
Total Assets	30,562,562	29,414,555	29,562,471
Deferred Outflows of Resources	1,266,200	954,708	1,230,605
Long Term Debt Outstanding	6,555,000	7,792,624	8,596,783
Other Liabilities	<u>6,014,297</u>	<u>5,342,083</u>	<u>6,097,641</u>
Total Liabilities	12,569,297	13,134,707	14,694,424
Deferred Inflows of Resources	1,632,779	1,218,404	669,490
Invested in Capital Assets, Net of Related Debt	9,400,794	7,944,717	6,005,927
Restricted for Pension Benefits	727,825	392,091	-
Restricted for Debt Reserve	-	153,657	-
Restricted for Debt Service	354,668	974,702	975,767
Restricted for Depreciation	925,648	945,574	1,349,009
Unrestricted	<u>6,217,751</u>	<u>5,605,411</u>	<u>7,098,459</u>
Total Net Position	17,626,686	16,016,152	15,429,162

In Current and Other Assets, Customer Accounts Receivable increased by \$597,523, or 19.7% from 2020. New electric rates were put into place on January 1, 2021, and at year end, there were higher pass-through rates for the PCAC, DCA and ECA due to the higher cost of power. Other Accounts Receivable increased by 38.4% because the WI DOT owes MU \$482,861 for a partial billing of the Racine Street bridge project. Cash and investments increased by nearly \$1.1 million due to refinancing our debt in the beginning of 2021. Our Joint Bond Redemption fund to make debt payments was fully funded with the new debt so we didn't need to make transfers throughout the year to accumulate the balance. Inventories and prepaid items decreased by \$166,377, or 21% from 2020 since we purchased more inventory in 2020 including cable and switchgear for the bridge project and that was then used in 2021.

The specifics on the increases in the Capital Assets can be found on the Capital Assets Schedule – Table 9. The Deferred Outflows and Inflows of Resources are for pension activity with the Wisconsin Retirement System (WRS) as well as Other Postemployment Related Amounts (LRLIF). More details on this information can be found under Note 2-E – Pension Plan and Note 2-F – Other Postemployment Benefits, in the audit detail. In 2021, it stayed as a Net Pension Asset which is included as its own line item under Assets.

The increase in Other Liabilities is because the Accounts Payable balance increased by 26% compared to 2020. The amount due to WPPI Energy for power supply and other support charges increased by \$744,009 compared to the year-end balance in 2020 due to higher consumption and higher pass-through rates (PCAC, DCA and ECA) which is passed along to the customer. In addition, accrued interest is lower by \$279,619 due to the debt refinancing with a rate of 1%.



MENASHA UTILITIES
MANAGEMENT DISCUSSION AND ANALYSIS
DECEMBER 31, 2021 AND 2020

Table 4
Condensed Statement of Net Position – Water Utility

	2021	2020	2019
Current and Other Assets	4,049,127	3,761,152	4,515,662
Net Capital Assets	22,286,522	22,089,697	21,670,669
Net Pension Asset	443,120	234,317	-
Total Assets	26,778,769	26,085,166	26,186,331
Deferred Outflows of Resources	768,680	572,145	711,005
Long Term Debt Outstanding	6,598,316	6,890,897	7,954,847
Other Liabilities	2,519,329	2,262,343	2,645,289
Total Liabilities	9,117,645	9,153,240	10,600,136
Deferred Inflows of Resources	993,703	728,127	384,099
Invested in Capital Assets, Net of Related Debt	14,734,429	14,376,094	12,966,872
Restricted for Pension	443,120	234,317	-
Restricted	1,518,743	1,322,595	2,104,605
Unrestricted	739,809	842,938	841,624
Total Net Position	17,436,101	16,775,944	15,913,101

In Current and Other Assets, Inventories and prepaid items increased by 8% from 2020, or \$24,742 due to higher levels of chemical inventory and prepaid balances. Our chemical suppliers stated that prices were going to increase in 2022 so we ordered several loads of the highest increasing chemical to obtain the 2021 price. Customer Accounts Receivable balances in total decreased by \$31,078 due to less consumption by customers at the end of the year. The total of customer loans did increase for the year for their portion of the lead service lateral replacement. The total outstanding for all loans at the end of 2021 is \$144,608 which includes 148 new customer loans taken in 2021. Capital projects were funded through funds from operations and the Depreciation fund except for the large main replacement project that we borrowed from the Safe Drinking Water Loan Fund. In addition, we continued transferring a monthly payment into the Water Utility Reserve fund for future painting of the water tower on Doty Island and maintenance to be completed on the tower in 2022.

The specifics on the increases in the Capital Assets can be found on the Capital Assets Schedule – Table 9. Deferred Outflows and Inflows of Resources relate to pension activity with the WRS and Other Postemployment Related Amounts (LRLIF). Please see Notes 2-E and 2-F in the audit detail for specifics.

The Long-Term Debt Outstanding decreased by the net effect of the principal payments made in 2021 and the new debt taken out to fund the main replacement project. Specifics about debt can be found in the Long-Term Debt Activity section. Other Liabilities increased in part by the balance in Accounts Payable. We had a large invoice outstanding at the end of 2021 for the LSL replacement contractor for work completed to replace both MU side services and the customer side, while the amount due to the City for sewer and other services remained constant.



MENASHA UTILITIES
MANAGEMENT DISCUSSION AND ANALYSIS
DECEMBER 31, 2021 AND 2020

Table 5
Condensed Statement of Revenues,
Expenses and Changes in Net Position
Electric Utility

	2021	2020	2019
Operating Revenue	40,003,359	37,649,916	39,884,573
Non-Operating Revenue	<u>59,872</u>	<u>115,514</u>	<u>251,544</u>
Total Revenues	40,063,231	37,765,430	40,136,117
Depreciation Expense	1,235,146	1,225,113	1,218,522
Other Operating Expenses	36,895,888	34,964,382	37,534,700
Non-Operating Expenses	<u>142,526</u>	<u>404,296</u>	<u>449,299</u>
Total Expenses	38,273,560	36,593,791	39,202,521
Income before Contributions and Transfers	1,789,671	1,171,639	933,596
Customer Contributions	517,559	82,929	291,619
Transfers Out	<u>(696,696)</u>	<u>(667,578)</u>	<u>(658,315)</u>
Change in Net Position	1,610,534	586,990	566,900
Beginning Net Position	<u>16,016,152</u>	<u>15,429,162</u>	<u>14,862,262</u>
Ending Net Position	17,626,686	16,016,152	15,429,162

Total Operating Revenues for all customer classes increased 6.3%, or over \$2.3 million from 2020 due to slightly more consumption and the rate increase that went into effect on January 1, 2021. Large industrial customers were the main driver for the increase in revenues with 7.4%, or nearly \$2.1 million. Small commercial and industrial customers had an increase in revenues from 2020 of 10.9%, or \$176,359. The average cost of power was \$68.19/MWh which is 5.6% higher than the average for 2020 which was \$64.58/MWh. Purchased power costs have increased by \$2,028,355, or 6.3% compared to 2020.

Distribution expenses are higher by 16.2% compared to 2020 due to more in load dispatching, overhead line, supervision and engineering, and miscellaneous distribution expenses. Load dispatching increased due to more time spent performing this task and hiring two new employees who will work in both operations and in metering due to other changes in personnel. Customer Accounts expense is lower by 27.2% mainly due to a large bankruptcy that was processed for an industrial customer in 2020. Administrative and General expenses decreased by 23.8% from 2020 because of costs related to pensions and benefits (mainly GASB 68 WRS & GASB 75 life insurance entries) that were high and have since decreased.

The Transfers Out line item is strictly the PILOT (payment in lieu of taxes) payment to the City. The Customer Contributions increased in 2021 by \$434,630. The large WI DOT project completed for the Racine Street bridge is 29.87% compensable by the WI DOT. In 2021, additional contributions include the Lakeshore Ridge apartment complex and several smaller commercial/residential upgrades.



MENASHA UTILITIES
MANAGEMENT DISCUSSION AND ANALYSIS
DECEMBER 31, 2021 AND 2020

Table 6
Condensed Statement of Revenues,
Expenses and Changes in Net Position
Water Utility

	2021	2020	2019
Operating Revenue	4,975,485	5,342,827	5,533,349
Non-Operating Revenue	<u>3,858</u>	<u>21,821</u>	<u>63,407</u>
Total Revenues	4,979,343	5,364,648	5,596,756
Depreciation Expense	1,053,702	1,029,452	997,065
Other Operating Expenses	2,350,308	2,520,886	2,759,557
Non-Operating Expenses	<u>190,374</u>	<u>235,800</u>	<u>258,420</u>
Total Expenses	3,594,383	3,786,137	4,015,041
Income before Contributions and Transfers	1,384,960	1,578,511	1,581,715
Customer Contributions	19,127	12,289	1,741
Transfers Out	<u>(743,930)</u>	<u>(727,957)</u>	<u>(713,334)</u>
Change in Net Position	660,157	862,843	870,122
Beginning Net Position	<u>16,775,944</u>	<u>15,913,101</u>	<u>15,042,979</u>
Ending Net Position	17,436,101	16,775,944	15,913,101

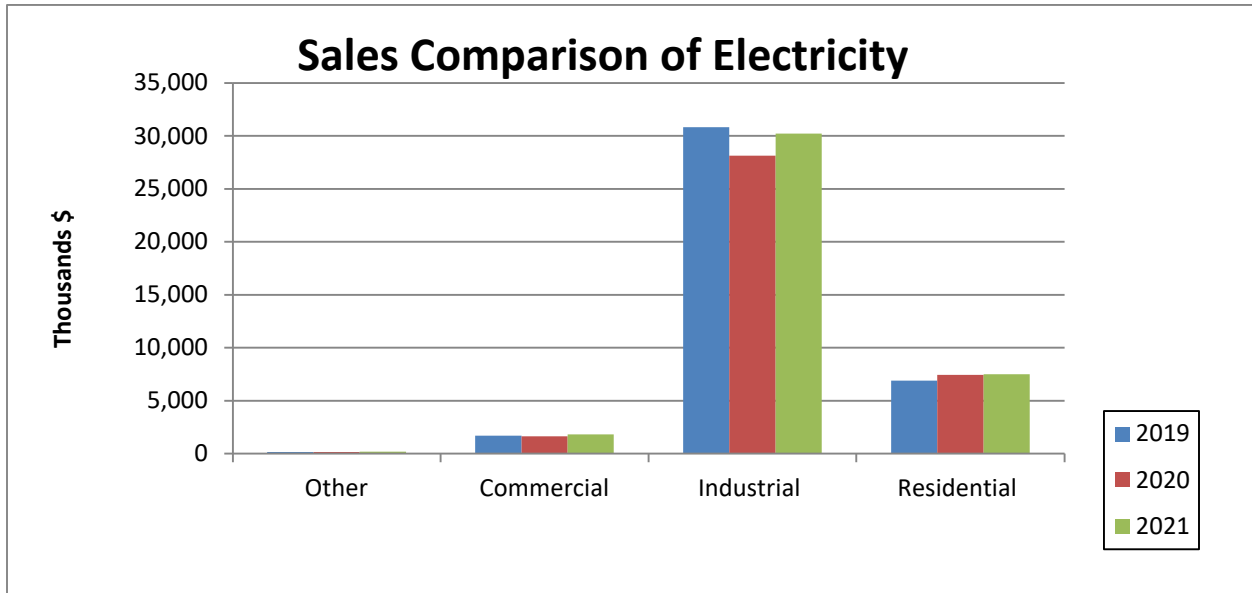
Total Operating Revenues for all customer classes decreased by 6.9% compared to 2020. Industrial, Multi-Family, Residential and Sales for Resale customers all took less water in 2021 compared to 2020. Industrial revenues had the largest impact with decreased revenues by 20.9% or \$245,446 for the year. Residential consumption decreased by 6.7%, or 11.7 million gallons, which equates to a decrease in revenues of \$76,921.

Total Operating Expenses were less in 2021 by \$146,328. Water Treatment costs decreased by \$52,108, or 5% compared to 2020 due to less chemical costs, maintenance at the Water Plant and less in operations costs. The average chemical cost per thousand gallons increased by 6% from \$0.3518 in 2020 to \$0.3731 in 2021. Chemical costs continue to remain low compared to the years of 2000 through 2019. Transmission and Distribution expense decreased by \$27,513 despite having more main breaks and service leaks experienced in 2021 compared to 2020. Administrative expenses decreased due to less pension and benefit expense as mentioned under the Electric section.



MENASHA UTILITIES
 MANAGEMENT DISCUSSION AND ANALYSIS
 DECEMBER 31, 2021 AND 2020

Table 7



Revenues increased by 6.3%, or just over \$2.3 million from 2020. Consumption increased slightly by 1.1 million kWh, or 0.2% compared to last year. Industrial customers increased consumption by 2.4 million kWh compared to 2020. On the consumption graph below, you will see that it is still down from pre-pandemic times. Residential customers decreased their electricity usage by over 1.8 million kWh from 2020. We felt that Residential consumption was higher in 2020 due to the stay-at-home orders that were in place with the pandemic. The above sales figures include higher PCAC, ECA and DCA rates for our customers throughout the year, which is a pass-through from our power provider, WPPI Energy. In addition, we have higher rates in place due to the rate increase effective January 1, 2021.

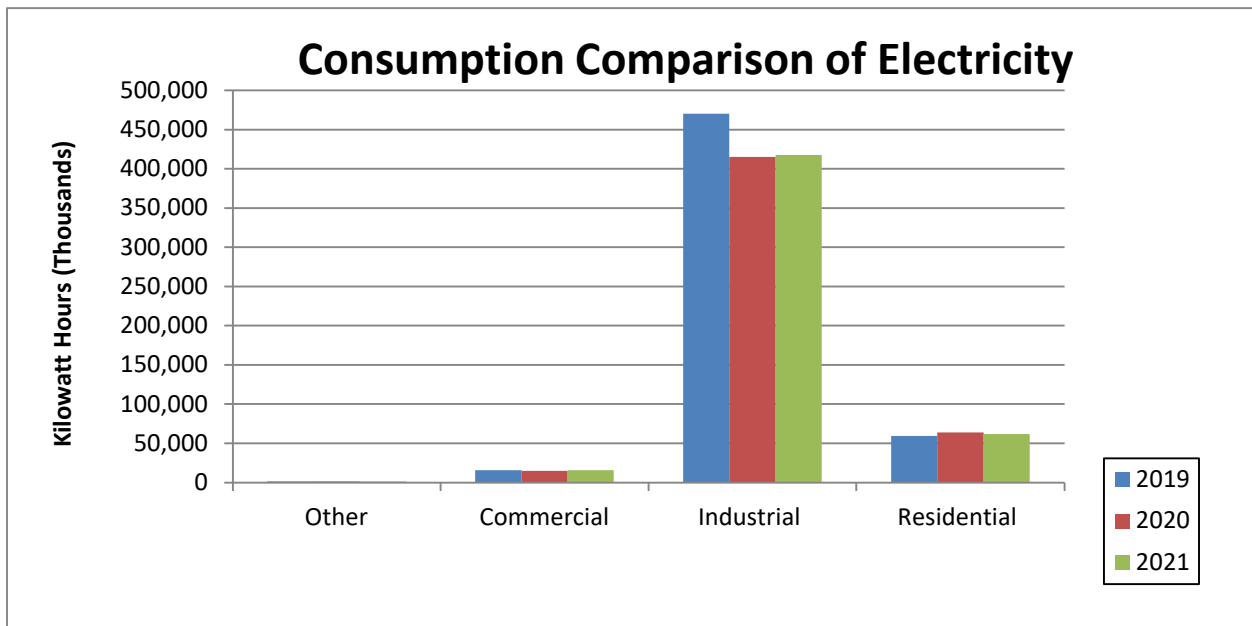
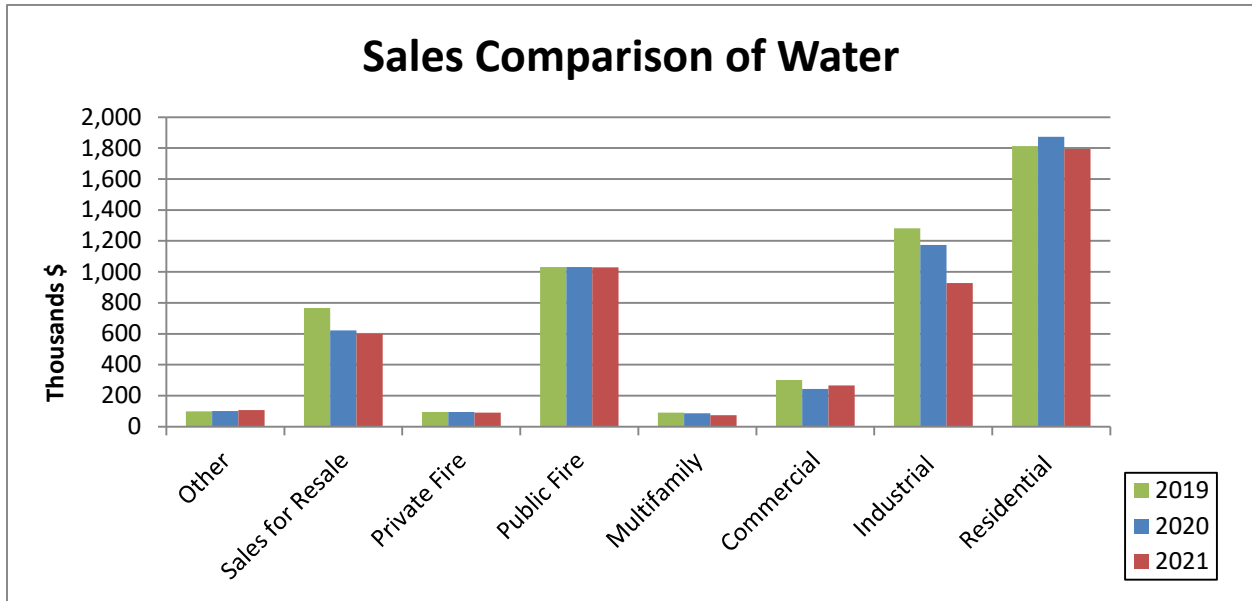
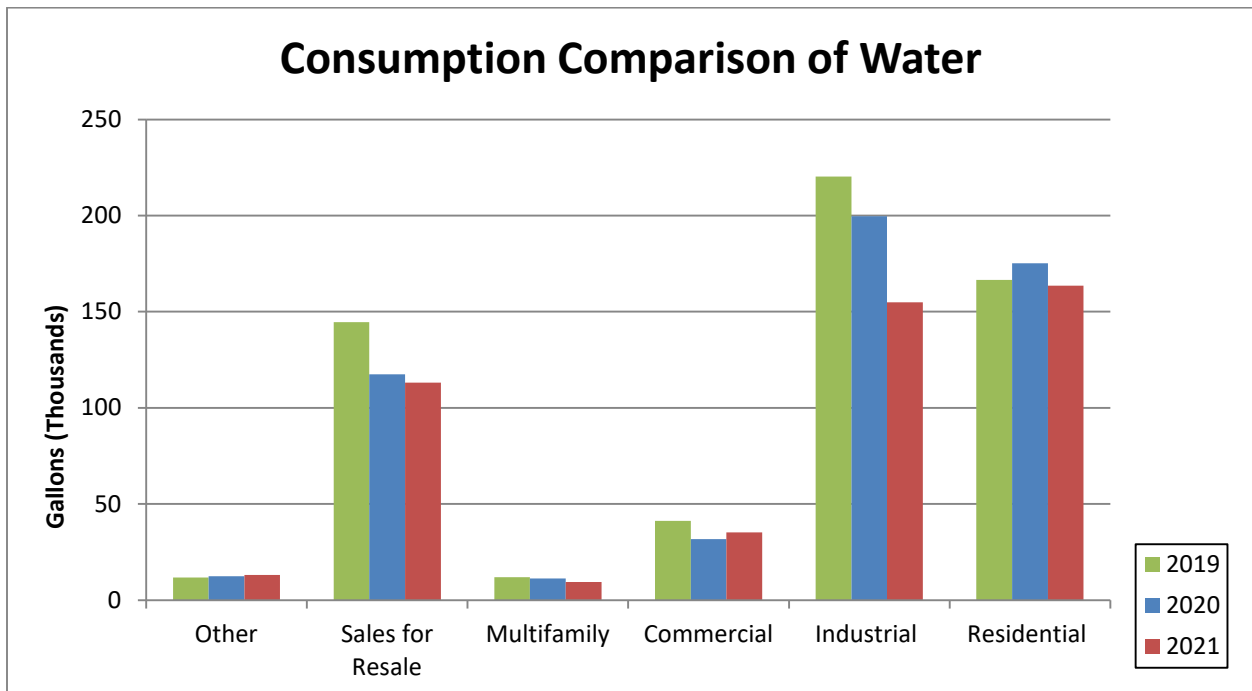


Table 8



Total Revenues decreased by 6.9% from 2020. The Industrial customer class decreased revenues by 21%, or \$245,446. Residential customers and the Sales to Resale customer are both down by 4%. Water consumption has never rebounded from when the pandemic started.

For 2021, the consumption of water sold to all customers decreased by 10.7%, or 58.7 million gallons. The largest decrease in consumption from the prior year was the Industrial customer class; they took 22.5% less, or 45 million gallons. Residential customers took 6.7%, or 11.7 million gallons less than in 2020. The Other reflects municipal water sales.





MENASHA UTILITIES
MANAGEMENT DISCUSSION AND ANALYSIS
DECEMBER 31, 2021 AND 2020

Capital Asset Activity

Table 9
Capital Assets – Water and Electric Utility

	2021	2020	2019
Capital Assets – Water			
Source of Supply	433,137	433,257	433,257
Pumping	3,162,768	3,175,768	3,075,316
Water Treatment	13,424,543	13,561,427	13,589,247
Transmission and Distribution	18,240,320	17,307,911	16,212,291
General Plant	1,038,532	1,020,463	990,090
Total Water Capital Assets	36,299,299	35,498,825	34,300,201
Less: Accumulated depreciation	(14,300,348)	(13,742,692)	(12,973,492)
Property Held for Future Use	235,161	235,161	235,161
Construction in progress	52,409	98,403	108,800
Net Capital Assets	22,286,522	22,089,697	21,670,669
Capital Assets – Electric			
Distribution	31,536,592	29,772,007	28,349,067
General Plant	5,496,402	5,442,618	5,444,050
Total Electric Capital Assets	37,032,994	35,214,625	33,793,116
Less: Accumulated depreciation	(20,511,757)	(20,002,484)	(19,092,359)
Utility Plant Acquisition Adjustment	-	-	584
Property Held for Future Use	16,818	11,203	59,315
Non-Utility Property	12,887	12,887	12,887
Construction in progress	336,972	1,347,910	599,497
Net Capital Assets	16,887,915	16,584,141	15,373,039

In Transmission and Distribution plant for the Water utility, water main, hydrants, valves and services were replaced on Appleton Street, Eighth Street, Lisbon Avenue, Milwaukee Street and Nicolet Boulevard. A total of 6,974 feet of 8" main was installed with those projects. In addition, a total of 23 valves, 11 hydrants and 146 services were installed in the distribution system which includes the large project, lead service lateral replacements, and other miscellaneous projects that came up during flushing and other testing. We purchased 513 AMI water meters during the year. In Water Treatment plant, a room to house the UPS for the Water Plant was built. Separately, in General Plant, computers, a disaster recovery server, and UPS room computer equipment was purchased. Construction in progress includes engineering costs for future main replacement, meter equipment, and costs for the PLC project at the Water Plant.



MENASHA UTILITIES
MANAGEMENT DISCUSSION AND ANALYSIS
DECEMBER 31, 2021 AND 2020

During 2021, the Electric utility put into service a large distribution facility project by the Racine Street bridge which was work requested by the WI DOT. Additionally, other major projects completed were the SCADA upgrade at Northside Substation and the installation of circuit breakers at Northside and Tayco Substations. In General Plant, we purchased of a new pickup truck, miscellaneous computer equipment, upgraded the boilers at the Office Complex and added an air purification system. Construction in progress significantly decreased due to closing most of the Racine Street bridge facilities upgrade. Still included in construction in progress continuing into 2022 are projects for the installation of reclosers, the backlot rebuilds of Meadowview and Lawndale areas, and the Tayco Substation SCADA upgrade.

The Electric utility had developer and customer contributions of \$517,559 with total contributed plant of \$3,817,438. The contributions include the large WI DOT Racine Street bridge project, the Lakeshore Ridge apartment complex, and several smaller commercial/residential upgrades.

The Water utility had customer contributions of \$19,127 during the year and their contributed plant totaled \$1,528,623. Contractors paid for four new residential and two new commercial services, along with one new valve to be installed. Incentives and rebates were also received for the Water Plant lighting upgrade.

Long-Term Debt Activity

The Electric utility paid off the State Trust Fund Revenue Bonds that were taken out on March 1, 2017. We issued Revenue Refunding Bonds, Series 2021A for \$8,385,000 with an interest rate of 1% in February 2021. This debt will be paid off in 2029 which was the same year as the State Trust Fund Revenue Bonds. The interest rate for the debt we retired in March 2021 was 4.25%, so there is a large cost savings for the rate payers of the Electric utility. With the new bonds, we made our first debt payment on September 1, 2021, for \$975,186 in total. The balance at year end is \$7,455,000.

The Water utility made a principal payment on March 1, 2021, for \$140,000 on the General Obligation Refunding Bonds, Series 2020B. The balance outstanding at the end of 2021 is \$1,730,000. The interest rate fluctuates between the years of 2 – 2.3% and will be paid off in 2031.

The Water utility obtained financing for the large water main project from the Safe Drinking Water Loan fund in 2021. The balance as of December 31, 2021, for this project was \$895,150 in which the project has not been closed out yet and a small amount will be added to it in 2022. The rate for the new debt is 1.485% and it will be paid off in 2041. All other projects for the Water utility were funded through normal operations.

The outstanding balance at the end of 2021 for all Safe Drinking loans is \$5,815,937. This balance is made up of seven separate loans including the original Water Plant project; the 3rd Street Water Distribution project; scraper project at the Water Plant; additional Water Plant enhancements for the original project; the 2012 main replacement project for Ida, Grove, Arthur, and 8th Streets; the High Lift Pump modifications and River Crossing project; and most recently the 2021 main replacement project for Appleton, Lisbon, Eighth, Milwaukee and Nicolet. The Water utility paid off \$922,817 of the principal for these loans in 2021.

The Electric utility provided Inter-company Loans to help fund various capital projects within the utility several years ago. As of December 31, 2021, the Water utility has an outstanding balance of \$195,780. The Telecommunications outstanding 2021 balance is \$195,500. This results in a total advance due to the Electric utility of \$391,280.



MENASHA UTILITIES
MANAGEMENT DISCUSSION AND ANALYSIS
DECEMBER 31, 2021 AND 2020

Economic Factors

The Utilities have continued with capital budgeting, strategic planning, and project and financial planning for infrastructure within the City of Menasha and our boundaries. Several regulatory factors were kept in mind when looking at the overall strategy. The 2022 Electric budget was approved to include the purchase of transformers, AMI meters and metering equipment, new accounting system software and a SCADA upgrade at Tayco Substation. In addition, we will continue to rebuild several aging overhead electric distribution facilities and install reclosers in the system. We also plan to update relays, bushings, landscaping, and security at our substations. In the Water utility budget, such projects include replacement of water main, turbidimeters, and the water tower fill/drain line replacement. Facility modifications and HVAC equipment for the Water Plant are included in the budget, but they will only be completed if necessary due to the age of the plant and cash flow restrictions. Along with the Electric utility, AMI water meters are being installed. We are looking to complete the private side and utility side LSL replacement project by the end of 2022.

The Electric utility filed a rate case with the PSC in 2020 to maintain the financial strength of the utility and meet PSC requirements documented in the last rate case. The Electric rate case went into effect on January 1, 2021, with an overall rate increase approved by the PSC for 1.58%, or \$647,661. The rate of return remains at 7%.

The current Water utility rates went into effect on May 1, 2018. The overall increase in customer rates was 5.99%. With this rate case, depreciation rates were also changed, and the rate of return was lowered to 4.9%. The Water utility is planning on filing a simplified rate case with the PSC in the beginning of 2022 due to declining revenues/consumption and higher expenses.

The Water utility continues to offer a customer-side lead service line replacement program. With every private lead service lateral replacement, the Water utility, the City of Menasha, and the property owner each contribute one third of the cost of replacement, up to \$1,000 per residential property for the City and utility. We anticipate we will receive a grant for the utility and City portions of the replacement through the Safe Drinking Water Loan fund. While completing the private side lead service change-out, we will also update the infrastructure for the utility side to remove all the lead from our system. The customer can obtain a five-year, zero-interest loan from the utility if they need assistance and repay it monthly on their utility bill. The program is funded out of the Depreciation Fund for the first five years. The total outstanding for all customer loans at the end of 2021 is \$144,608. There is a large share of customers who have paid their loan off and have a zero balance.

Contacting Financial Management

This financial report is designed to provide our customers, investors, and other interested parties with a general overview of the utilities' financial operations and condition. If you have questions regarding the information provided in this report or wish to request additional financial information, contact the General Manager, Menasha Utilities, P.O. Box 340, Menasha, WI 54952.

General information relating to Menasha Utilities can be found on the Utility web site at www.menashautilities.com.

FINANCIAL STATEMENTS

**MENASHA UTILITIES
CITY OF MENASHA, WISCONSIN
STATEMENT OF NET POSITION
DECEMBER 31, 2021
(WITH SUMMARIZED AMOUNTS AS OF DECEMBER 31, 2020)**

	2021	2020
ASSETS		
Current Assets:		
Cash and Investments	\$ 5,730,156	\$ 4,768,478
Receivables:		
Customer Accounts	4,196,234	3,629,932
Other	619,290	410,078
Due from Other Governments	334,827	388,243
Prepaid Items and Supplies	996,047	1,135,678
Total Current Assets	11,876,554	10,332,409
Noncurrent Assets:		
Restricted and Other Assets:		
Cash and Investments	4,930,957	5,573,268
Other Assets:		
Net Pension Asset	1,170,945	626,408
Capital Assets:		
Nondepreciable	1,860,635	2,914,298
Depreciable, Net	37,635,999	36,096,791
Total Capital Assets	39,496,634	39,011,089
Total Assets	57,475,090	55,543,174
DEFERRED OUTFLOWS OF RESOURCES		
Pension Related Amounts	1,922,543	1,450,979
Other Postemployment Related Amounts	112,337	75,874
Total Deferred Outflows of Resources	2,034,880	1,526,853

See accompanying Notes to Financial Statements.

**MENASHA UTILITIES
CITY OF MENASHA, WISCONSIN
STATEMENT OF NET POSITION (CONTINUED)
DECEMBER 31, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2020)**

	2021	2020
LIABILITIES		
Current Liabilities:		
Accounts Payable	\$ 4,038,304	\$ 3,139,974
Accrued and Other Current Liabilities	1,841,883	1,930,120
Special Deposits	78,728	55,993
Unearned Revenue	693	810
Payable from Restricted Assets:		
Current Portion of Long-Term Obligations:		
General Obligation Debt	160,000	130,182
Revenue Bonds	1,883,401	1,671,834
Accrued Liabilities	227,508	87,791
Accrued Interest	58,504	353,586
Total Current Liabilities	8,289,021	7,370,290
Long-Term Obligations, Less Current Portion:		
General Obligation Debt	1,570,000	1,739,818
Revenue Bonds	11,387,536	12,768,552
Other Postemployment Benefits	264,073	195,668
Total Long-Term Liabilities	13,221,609	14,704,038
Total Liabilities	21,510,630	22,074,328
DEFERRED INFLOWS OF RESOURCES		
Pension Related Amounts	2,572,497	1,887,474
Other Postemployment Related Amounts	53,985	59,057
Total Deferred Inflows of Resources	2,626,482	1,946,531
NET POSITION		
Net Investment in Capital Assets	24,457,419	22,658,063
Restricted		
Pension Benefits	1,170,945	626,408
Debt Reserve	-	153,657
Debt Service	354,668	974,702
Depreciation	2,443,143	2,258,023
Lead Service Lateral Replacement	2,869	27,558
Water Tower	133,357	116,453
Unrestricted	6,810,457	6,234,304
Total Net Position	\$ 35,372,858	\$ 33,049,168

See accompanying Notes to Financial Statements.

**MENASHA UTILITIES
CITY OF MENASHA, WISCONSIN
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2020)**

	<u>2021</u>	<u>2020</u>
OPERATING REVENUES		
Charges for Services	\$ 44,817,319	\$ 42,824,879
Other	283,079	284,753
Total Operating Revenues	<u>45,100,398</u>	<u>43,109,632</u>
OPERATING EXPENSES		
Operation and Maintenance	39,036,884	37,293,732
Depreciation	2,323,618	2,289,098
Amortization	3,728	1,032
Taxes	220,603	206,077
Total Operating Expenses	<u>41,584,833</u>	<u>39,789,939</u>
OPERATING INCOME	3,515,565	3,319,693
NONOPERATING REVENUES (EXPENSES)		
Interest Income	25,990	134,823
Other Income Deductions	(150)	(150)
Merchandising and Jobbing	40,497	7,891
Interest and Fiscal Charges	(297,232)	(616,579)
Miscellaneous	(42,748)	(31,917)
Total Nonoperating Revenues (Expenses)	<u>(273,643)</u>	<u>(505,932)</u>
INCOME BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	3,241,922	2,813,761
Capital Contributions	539,965	95,218
Transfers Out	<u>(1,458,197)</u>	<u>(1,414,370)</u>
CHANGE IN NET POSITION	2,323,690	1,494,609
Net Position - Beginning of Year	<u>33,049,168</u>	<u>31,554,559</u>
NET POSITION - END OF YEAR	<u>\$ 35,372,858</u>	<u>\$ 33,049,168</u>

See accompanying Notes to Financial Statements.

MENASHA UTILITIES
CITY OF MENASHA, WISCONSIN
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2020)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Customers	\$ 44,433,640	\$ 42,956,900
Cash Received from Others	3,320,078	3,065,493
Cash Paid for Services Provided	(3,312,453)	(3,100,380)
Cash Paid for Employee Wages and Benefits	(2,682,708)	(2,814,613)
Cash Paid to Suppliers	(35,705,690)	(35,190,720)
Net Cash Provided by Operating Activities	6,052,867	4,916,680
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfer Out	(1,458,197)	(1,414,370)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of Capital Assets	(2,270,436)	(4,649,498)
Capital Contributions	-	95,218
Disposal of Capital Assets, Including Cost of Disposal	(129,094)	641,608
Proceeds from Long Term Debt	9,280,150	1,870,000
Debt Premium Received	125,113	4,965
Debt Issuance Costs Paid	(115,369)	(34,635)
Principal Paid on General Obligation Debt	(140,000)	(1,958,689)
Principal Paid on Revenue Bonds	(10,449,599)	(1,671,834)
Interest Paid on Long-Term Debt	(584,768)	(657,876)
Net Cash Used by Capital and Related Financing Activities	(4,284,003)	(6,360,741)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received	17,694	103,962
CHANGE IN CASH AND CASH EQUIVALENTS	328,361	(2,754,469)
Cash and Cash Equivalents - Beginning of Year	10,073,486	12,827,955
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 10,401,847	\$ 10,073,486

See accompanying Notes to Financial Statements.

**MENASHA UTILITIES
CITY OF MENASHA, WISCONSIN
STATEMENT OF CASH FLOWS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2020)**

	2021	2020
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income	\$ 3,515,565	\$ 3,319,693
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	2,327,346	2,290,130
Depreciation Charged to Clearing Accounts	164,883	161,525
Merchandising and Jobbing	40,347	7,741
Miscellaneous	(42,748)	(31,917)
Changes in Amounts Reported for Cost-Sharing, Multiple-Employer Plans:		
Pension:		
Net Pension Asset	(544,537)	(626,408)
Deferred Outflows - Pension Related	(471,564)	475,593
Net Pension Liability	-	(715,816)
Deferred Inflows - Pension Related	685,023	893,293
Other Postemployment Benefits:		
Deferred Outflows - OPEB Related	(36,463)	(60,836)
OPEB Liability	68,405	69,626
Deferred Inflows - OPEB Related	(5,072)	(351)
Other Assets - Amortization of Tower Painting	-	53,669
Change in Operating Assets and Liabilities		
Accounts Receivables	(566,302)	(149,515)
Other Receivables	(209,212)	(45,074)
Due from Other Governments	53,416	(53,958)
Prepaid Items and Supplies	139,629	(148,879)
Accounts Payable	860,053	(515,412)
Accrued and Other Current Liabilities	51,480	(59,611)
Customer Deposits	22,735	53,216
Unearned Revenue	(117)	(29)
Net Cash Provided by Operating Activities	\$ 6,052,867	\$ 4,916,680
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION		
Cash and Cash Equivalents in Current Assets	\$ 5,730,156	\$ 4,768,478
Cash and Cash Equivalents in Restricted Assets	4,930,957	5,573,268
Less: Long-Term Cash and Investments	(259,266)	(268,260)
Total Cash and Cash Equivalents	\$ 10,401,847	\$ 10,073,486
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital Assets Contributed	\$ 539,965	\$ 95,219
Capital Assets Included in Accounts Payable	32,121	42,641

See accompanying Notes to Financial Statements.

**MENASHA UTILITIES
CITY OF MENASHA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Menasha Utilities, City of Menasha, Wisconsin (the Utilities), have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. 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 Utilities are described below:

A. Reporting Entity

The Utilities is a municipal corporation governed by a five-member board of commissioners appointed by the City of Menasha common council. In accordance with GAAP, the financial statements are required to include the Utilities and any separate component units that have a significant operational or financial relationship with the Utilities. The Utilities has not identified any component units that are required to be included in the financial statements in accordance with standards established in GASB Statement No. 61, as amended.

B. Enterprise Fund Financial Statements

The Utilities are an enterprise fund of the City of Menasha, Wisconsin and, as such, are accounted for using the accrual basis of accounting. The accounting system conforms with the system of accounts as prescribed by the Public Service commission of Wisconsin.

C. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. An enterprise fund is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets, liabilities, and deferred inflows and outflows of resources associated with the operation are included on the Statement of Net Position. Enterprise fund operating statement present increases (i.e., revenues) and decreases (i.e., expenses) in net total position.

The accrual basis of accounting is utilized by an enterprise fund. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Unpaid enterprise fund service receivables are recorded at year-end. All capital assets are capitalized at historical cost and depreciated over their useful lives.

The Utilities distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivery goods in connection with the Utilities' principal ongoing operations. The principal operating revenues of the Utilities is charges to customers for services. Operating expenses include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**MENASHA UTILITIES
CITY OF MENASHA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

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

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position

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. Accounts Receivable

Accounts receivable are recorded at gross amounts with uncollectible amounts recognized under the direct write-off method.

3. 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.

4. Capital Assets

Capital assets, which include property, plant and equipment assets, are reported in the financial statements. Capital assets are defined by the Utilities as assets with 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.

**MENASHA UTILITIES
CITY OF MENASHA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position
(Continued)**

4. Capital Assets (Continued)

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

Assets	Years
Buildings and Improvements	15 - 40
Improvements Other than Buildings	18 - 77
Machinery and Equipment	4 - 17

5. Sewer and Stormwater Collections

The Utilities perform the billing and collection functions for the City of Menasha Sewage Treatment and Stormwater Funds. The Utilities charge the City for these services at cost plus a return on investment for Sewer collections and at cost for Stormwater collections. The cost reimbursement is credited directly to the related expense accounts.

6. Compensated Absences

It is the Utilities' policy to permit employees to accumulate earned but unused vacation and sick leave benefits in accordance with employee handbook policies. Vacation benefits are accrued when incurred in the financial statements.

7. 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 and revenues are deferred until the future periods to which the outflows and inflows are applicable.

8. Long-Term Obligations

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

**MENASHA UTILITIES
CITY OF MENASHA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position
(Continued)**

9. Pensions

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, pension expense (revenue), 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.

10. Other Postemployment Benefits Other Than Pensions (OPEB)

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. For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other postemployment benefits, OPEB expense (revenue), 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.

11. Net Position

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.

**MENASHA UTILITIES
CITY OF MENASHA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. 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 DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

The Utilities maintain restricted and unrestricted cash and investment accounts held by the City of Menasha Treasurer.

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 Utilities' cash and investments totaled \$10,661,113 on December 31, 2021 as summarized below:

Petty Cash and Cash on Hand	\$ 4,525
Deposits with Financial Institutions	10,397,222
Investments:	
Common Stock	100
U.S. Treasury Stripped Securities	259,266
Total	<u>\$ 10,661,113</u>

**MENASHA UTILITIES
CITY OF MENASHA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

Reconciliation to the basic financial statements:

Statement of Net Position:	
Cash and Investments	\$ 5,730,156
Restricted and Other Cash and Investments	<u>4,930,957</u>
Total	<u><u>\$ 10,661,113</u></u>

Fair Value Measurements

The Utilities 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 Utilities has the following fair value measurements as of December 31, 2021:

	<u>Fair Value Measurements Using:</u>		
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments:			
U.S. Treasury Stripped Securities	<u>\$ -</u>	<u>\$ 259,266</u>	<u>\$ -</u>

Deposits and investments of the Utilities are subject to various risks. Presented below is a discussion of the Utilities' 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 Utilities does not have an additional custodial credit policy.

**MENASHA UTILITIES
CITY OF MENASHA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

Custodial Credit Risk (Continued)

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. 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, 2021, \$1,379,983 of the Utilities' deposits with financial institutions were in excess of federal and state depository insurance limits. The financial institution collateralized \$1,379,983 of its bank deposits with securities held by the pledging financial institution or its trust department or agent but not in the Utilities' name.

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 and the investment policy of the Utilities limits investment in securities to the top two ratings assigned by nationally recognized statistical rating organizations. The Utilities investment in U.S. Treasury stripped securities is exempt from disclosure.

Concentration of Credit Risk

The investment policy of the Utilities contains no limitations on the amount that can be invested in any one issuer. At December 31, 2021, the Utilities had no investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total Utilities investments.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Utilities' investment policy limits investment maturities to three years or less from the date of acquisition.

**MENASHA UTILITIES
CITY OF MENASHA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

Interest Rate Risk (Continued)

Information about the sensitivity of the fair values of the Utilities' investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Utilities' 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
U.S. Treasury Stripped Securities	\$ 259,266	\$ -	\$ -	\$ -	\$ 259,266

B. Restricted Cash and Investments

Restricted Cash and Investments on December 31, 2021 totaled \$4,930,957 and consisted of cash and investments held for the following purposes:

Segment	Amount	Purpose
Electric Utility:		
Restricted Assets:		
Debt Reserve	\$ 838,500	Resources set aside to make up potential future deficiencies in the debt service account
Debt Service	354,668	Resources accumulated for debt service payments over the next twelve months
Depreciation	925,648	Resources accumulated for repairs, replacements, or additions to capital assets
Postemployment Benefits	207,315	Resources accumulated for postemployment health benefits
Total Electric Utility	2,326,131	

**MENASHA UTILITIES
CITY OF MENASHA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Restricted and Other Assets (Continued)

Segment	Amount	Purpose
Water Utility:		
Restricted Assets:		
Debt Service	\$ 814,879	Resources accumulated for debt service payments over the next twelve months
Other Assets:		
Depreciation	1,518,743	Resources accumulated for repairs, replacements, or additions to capital assets
Lead Service Lateral Replacement	2,869	Resources accumulated for replacement of private lead service laterals
Chemical Stabilization	133,357	Resources accumulated for painting and maintenance of the water tower
Total Water Utility	2,469,848	
Telecommunications Utility:		
Other Assets:		
Depreciation	134,978	Resources accumulated for repairs, replacements, or additions to capital assets water distribution plant
Total Restricted Assets	\$ 4,930,957	

**MENASHA UTILITIES
CITY OF MENASHA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets

Capital asset activity for the year ended December 31, 2021 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital Assets, Nondepreciable:				
Land	\$ 1,464,704	\$ 7,076	\$ 527	\$ 1,471,253
Construction in Progress	1,449,594	326,123	1,386,335	389,382
Total Capital Assets, Nondepreciable	2,914,298	333,199	1,386,862	1,860,635
Capital Assets, Depreciable:				
Buildings and Improvements	9,049,083	150,496	216,304	8,983,275
Improvements Other than Buildings	41,465,218	3,313,633	766,480	44,012,371
Machinery and Equipment	20,085,637	440,531	286,275	20,239,893
Subtotals	70,599,938	3,904,660	1,269,059	73,235,539
Less Accumulated Depreciation for:				
Electric Distribution Utility	20,002,488	1,377,713	868,445	20,511,756
Energy Services Utility	149,560	8,110	-	157,670
Telecommunications Utility	608,410	26,660	5,310	629,760
Water Utility	13,742,688	1,079,746	522,079	14,300,355
Subtotals	34,503,146	2,492,229	1,395,834	35,599,541
Total Capital Assets, Depreciable, Net	36,096,792	1,412,431	(126,775)	37,635,998
Capital Assets, Net	<u>\$ 39,011,090</u>	<u>\$ 1,745,630</u>	<u>\$ 1,260,087</u>	39,496,633
Less: Capital Related Debt				(15,000,937)
Less: Capital Related Accounts Payable				<u>(38,277)</u>
Net Investment in Capital Assets				<u>\$ 24,457,419</u>

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

Business-Type Activities:	
Electric Distribution Utility	\$ 1,235,146
Energy Services Utility	8,110
Telecommunications Utility	26,660
Water Utility	<u>1,053,702</u>
Total Depreciation Expense	2,323,618
Depreciation Charged to Operating and Clearing Accounts	<u>168,611</u>
Total Increase in Accumulated Depreciation	<u>\$ 2,492,229</u>

**MENASHA UTILITIES
CITY OF MENASHA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Long-Term Obligations

The following is a summary of changes in long-term obligations of the Utilities for the year ended December 31, 2021:

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
Business-Type Activities:					
General Obligation Bonds	\$ 1,870,000	\$ -	\$ 140,000	\$ 1,730,000	\$ 160,000
Revenue Bonds					
Direct Borrowing:	14,440,386	895,150	9,519,599	5,815,937	983,401
Revenue Bonds	-	8,385,000	930,000	7,455,000	900,000
Total Long-Term Obligations	<u>\$ 16,310,386</u>	<u>\$ 9,280,150</u>	<u>\$ 10,589,599</u>	<u>\$ 15,000,937</u>	<u>\$ 2,043,401</u>

Total interest paid during the year on long-term debt totaled \$578,588.

Safe Drinking Water Loan Program

The Utilities' outstanding revenue bonds from the Safe Drinking Loan Program of \$5,815,937 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 Utility 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.

General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/21
General Obligation Bonds	04/30/20	03/01/33	2.0 - 2.4%	\$ 1,870,000	<u>\$ 1,730,000</u>

**MENASHA UTILITIES
CITY OF MENASHA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Long-Term Obligations (Continued)

General Obligation Debt (Continued)

Annual principal and interest maturities of the outstanding general obligation debt of \$1,730,000 on December 31, 2021 are detailed below:

<u>Year Ended December 31,</u>	General Obligation Revenue Bonds		
	Principal	Interest	Total
2022	\$ 160,000	\$ 34,837	\$ 194,837
2023	160,000	31,638	191,638
2024	165,000	28,387	193,387
2025	165,000	25,088	190,088
2026	170,000	21,738	191,738
2027-2031	910,000	51,776	961,776
Total	<u>\$ 1,730,000</u>	<u>\$ 193,464</u>	<u>\$ 1,923,464</u>

Legal Margin for New Debt

The Utilities' outstanding general obligation debt of \$1,730,000 is considered part of the City of Menasha, Wisconsin's debt limitation in accordance with Wisconsin Statute 67.03.

Current Refunding

During 2021, the Utilities currently refunded a state trust fund loan from 2017. The Utilities issued \$8,385,000 of revenue bonds to call the refunded debt. This current refunding was undertaken to reduce total debt service payments over the next 8 years by \$1,561,877 and to obtain an economic gain (difference between the present value of the debt service payments of the refunded and refunding debt) of \$1,164,342.

Revenue Bonds

Revenue bonds outstanding on December 31, 2021 totaled \$13,270,937 and were comprised of the following issues:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/21
Direct Borrowings:					
Safe Drinking Water Loan Program	04/26/06	05/01/25	2.365%	\$ 12,061,890	\$ 3,137,520
Safe Drinking Water Loan Program	04/11/07	05/01/26	2.668%	779,363	275,505
Safe Drinking Water Loan Program	04/22/09	05/01/28	2.475%	678,908	373,673
Safe Drinking Water Loan Program	11/09/11	05/01/31	2.20%	233,307	131,840
Safe Drinking Water Loan Program	06/13/12	05/01/32	2.20%	639,000	751,189
Safe Drinking Water Loan Program	07/25/12	05/01/32	2.20%	1,276,480	251,060
Safe Drinking Water Loan Program	06/23/21	05/01/41	1.485%	895,150	895,150
Revenue Bonds	02/17/21	09/01/29	1.00%	8,385,000	7,455,000
Total Outstanding Revenue Bonds					<u>\$ 13,270,937</u>

**MENASHA UTILITIES
CITY OF MENASHA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Long-Term Obligations (Continued)

Revenue Bonds (Continued)

Annual principal and interest maturities of the outstanding revenue bonds of \$13,270,937 on December 31, 2021 are detailed below:

Year Ended December 31,	Revenue Bonds		Direct Borrowings - Revenue Bonds		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 900,000	\$ 74,550	\$ 983,401	\$ 117,424	\$ 1,883,401	\$ 191,974
2023	910,000	65,550	1,006,310	94,076	1,916,310	159,626
2024	920,000	56,450	1,029,755	70,356	1,949,755	126,806
2025	925,000	47,250	1,053,751	46,079	1,978,751	93,329
2026	935,000	38,000	247,010	31,063	1,182,010	69,063
2027-2031	2,865,000	57,500	901,461	92,235	3,766,461	149,735
2032-2036	-	-	345,147	28,439	345,147	28,439
2037-2041	-	-	249,102	9,357	249,102	9,357
Total	<u>\$ 7,455,000</u>	<u>\$ 339,300</u>	<u>\$ 5,815,937</u>	<u>\$ 489,029</u>	<u>\$ 13,270,937</u>	<u>\$ 828,329</u>

Utility Revenues Pledged

Revenue bonds are payable only from revenues derived from the operation of the electric and water utilities and do not constitute debt which with faith and credit or taxing powers of the City are pledged. The Utilities have pledged future utility revenues, net of specified operating expenses, to repay the revenue bonds through 2029 and 2041, respectively. Proceeds from the bonds provided financing for the construction or acquisition of capital assets used by the Utilities. A summary of net customer revenues and remaining principal and interest due on revenue bonds follows:

	Electric Utility	Water Utility
Net Customer Revenues:		
Charges for Services	\$ 39,810,619	\$ 4,888,369
Other Income	192,740	87,116
Total Operating Revenues	<u>40,003,359</u>	<u>4,975,485</u>
Less: Operating Expenses ⁽¹⁾	<u>36,895,888</u>	<u>2,350,307</u>
Net Customer Revenues	<u>\$ 3,107,471</u>	<u>\$ 2,625,178</u>

⁽¹⁾ Excludes Depreciation Expense

Debt Service:		
Principal	\$ 900,000	\$ 983,401
Interest	74,550	117,425
Total Debt Service	<u>\$ 974,550</u>	<u>\$ 1,100,826</u>

Remaining Principal and Interest	<u>\$ 7,794,300</u>	<u>\$ 6,304,966</u>
----------------------------------	---------------------	---------------------

**MENASHA UTILITIES
CITY OF MENASHA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. 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, 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 Annual Comprehensive Financial Report (ACFR), 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 occupations and 62 for elected officials and executive service retirement plan participants, if hired on or before December 31, 2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

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

**MENASHA UTILITIES
CITY OF MENASHA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Pension Plan (Continued)

2. Postretirement Adjustments

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

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

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, 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 remained of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period ending December 31, 2021, the WRS recognized \$201,210 in contributions from the Utilities.

**MENASHA UTILITIES
CITY OF MENASHA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Pension Plan (Continued)

3. Contributions (Continued)

Contribution rates for the reporting period are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (Including Teachers, Executives, and Elected Officials)	6.75%	6.75%
Protective with Social Security	6.75%	11.75%
Protective without Social Security	6.75%	16.35%

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

At December 31, 2021, the Utilities reported an asset of \$1,170,945 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2020, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019 rolled forward to December 31, 2020. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Utilities' proportion of the net pension asset was based on the Utilities' share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2020, the Utilities' proportion was 0.01875572%, which was a decrease of 0.00067106% from its proportion measured as of December 31, 2019.

For the year ended December 31, 2021, the Utilities recognized pension expense (revenue) of (\$129,523).

At December 31, 2021, the Utilities 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	\$ 1,694,716	\$ 365,039
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	-	2,198,354
Changes in Assumptions	26,559	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	58	9,104
Employer Contributions Subsequent to the Measurement Date	201,210	-
Total	<u>\$ 1,922,543</u>	<u>\$ 2,572,497</u>

**MENASHA UTILITIES
CITY OF MENASHA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Pension Plan (Continued)

4. Pension Assets, Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

\$201,210 reported as deferred outflows related to pension resulting from the Utilities' contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2022. 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>
2022	\$ (220,448)
2023	(62,474)
2024	(399,474)
2025	(168,768)
Total	<u>\$ (851,164)</u>

5. Actuarial Assumptions

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

Actuarial Valuation Date:	December 31, 2019
Measurement Date of Net Pension Liability (Asset):	December 31, 2020
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality	Wisconsin 2018 Mortality Table
Postretirement Adjustments*	1.9%

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

**MENASHA UTILITIES
CITY OF MENASHA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Pension Plan (Continued)

5. Actuarial Assumptions (Continued)

Actuarial assumptions are based upon an experience study conducted in 2019 that covered a three-year period from January 1, 2016 to December 31, 2018. The total pension liability for December 31, 2020 is based upon a roll-forward of the liability calculated from the December 31, 2019 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>Core Fund Asset Class</u>	<u>Current Asset Allocation %</u>	<u>Long-Term Expected Nominal Rate of Return %</u>	<u>Long-Term Expected Real Rate of Return %</u>
Global Equities	51%	7.2%	4.7%
Fixed Income	25%	3.2%	0.8%
Inflation Sensitive Assets	16%	2.0%	-0.4%
Real Estate	8%	5.6%	3.1%
Private Equity/Debt	11%	10.2%	7.6%
Multi-Asset	4%	5.8%	3.3%
Cash	-15%	0.9%	N/A
Total Core Fund	100%	6.6%	4.1%
<u>Variable Fund Asset Class</u>			
U.S. Equities	70%	6.6%	4.1%
International Equities	30%	7.4%	4.9%
Total Variable Fund	100%	7.1%	4.6%

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

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

**MENASHA UTILITIES
CITY OF MENASHA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Pension Plan (Continued)

5. Actuarial Assumptions (Continued)

Single discount rate. A single discount rate of 7.0% was used to measure the total pension liability for the current or prior year. This single discount rate is based on the expected rate of return on pension plan investments of 7.0% and a municipal bond rate of 2.00% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2020. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 7.0% 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 municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Utilities' proportionate share of the net pension liability (asset) to changes in the discount rate. The following presents the Utilities' proportionate share of the net pension liability (asset) calculated using the discount rate of 7.0%, as well as what the Utilities' 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%) or 1-percentage-point higher (8.0%) than the current rate:

	1% Decrease to Discount Rate (6.0%)	Current Discount Rate (7.0%)	1% Increase to Discount Rate (8.0%)
Utilities' Proportionate Share of the Net Pension Liability (Asset)	\$ 1,114,577	\$ (1,170,945)	\$ (2,849,645)

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

6. Payables to the Pension Plan

At December 31, 2021, the Utilities reported a payable of \$46,542 for the outstanding amount of contributions to the pension plan for the year ended December 31, 2021.

**MENASHA UTILITIES
CITY OF MENASHA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Other Postemployment Benefits

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 members.

OPEB Plan Fiduciary Net Position

ETF issues a standalone Annual Comprehensive Financial Report (ACFR), 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 members and pre-65 retirees who pay for their coverage.

Contributions

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

Employers are required to pay the following contributions based on member 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 member premiums until age 65 in order to be eligible for the benefit after age 65.

Contribution rates as of December 31, 2021 are:

Coverage Type	Employer Contribution
50% Postretirement Coverage	40% of Member Contribution
25% Postretirement Coverage	20% of Member Contribution

**MENASHA UTILITIES
CITY OF MENASHA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Other Postemployment Benefits (Continued)

Local Retiree Life Insurance Fund (Continued)

Contributions (Continued)

Member contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating members must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The member contribution rates in effect for the year ended December 31, 2020 are listed below:

Life Insurance Member Contribution Rates* For the Year Ended December 31, 2020		
Attained Age	Basic	Supplemental
Under 30	\$0.05	\$0.05
30 - 34	0.06	0.06
35 - 39	0.07	0.07
40 - 44	0.08	0.08
45 - 49	0.12	0.12
50 - 54	0.22	0.22
55 - 59	0.39	0.39
60 - 64	0.49	0.49
65 - 69	0.57	0.57

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

During the year ended December 31, 2021, the LRLIF recognized \$1,075 in contributions from the employer.

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

At December 31, 2021, the Utilities reported a liability of \$264,073 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2020 rolled forward to December 31, 2020. No material changes in assumptions or benefits terms occurred between the actuarial valuation date and the measurement date. The Utilities' proportion of the net OPEB liability was based on the Utilities' share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2020, the Utilities' proportion was 0.04800700%, which was an increase of 0.00205600% from its proportion measured as of December 31, 2019.

**MENASHA UTILITIES
CITY OF MENASHA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Other Postemployment Benefits (Continued)

Local Retiree Life Insurance Fund (Continued)

OPEB Liabilities, OPEB Expense (Revenue) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

For the year ended December 31, 2021, the Utilities recognized OPEB expense of \$27,828.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ -	\$ 12,601
Net Differences Between Projected and Actual Earnings on OPEB Plan Investments	3,846	-
Changes in Assumptions	102,728	18,119
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	5,763	23,265
Total	<u>\$ 112,337</u>	<u>\$ 53,985</u>

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

<u>Year Ended December 31,</u>	<u>Expense</u>
2022	\$ 9,713
2023	9,297
2024	8,869
2025	8,120
2026	14,453
Thereafter	7,900
Total	<u>\$ 58,352</u>

**MENASHA UTILITIES
CITY OF MENASHA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Other Postemployment Benefits (Continued)

Local Retiree Life Insurance Fund (Continued)

OPEB Liabilities, OPEB Expense (Revenue) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

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

Actuarial Valuation Date:	January 1, 2020
Measurement Date of Net OPEB Liability:	December 31, 2020
Actuarial Cost Method:	Entry Age Normal
20-Year Tax-Exempt Municipal Bond Yield:	2.12%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	2.25%
Salary Increases:	
Inflation	3.00%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2016 to December 31, 2018. The Total OPEB Liability for December 31, 2020 is based upon a roll-forward of the liability calculated from the January 1, 2020 actuarial valuation.

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

**MENASHA UTILITIES
CITY OF MENASHA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Other Postemployment Benefits (Continued)

Local Retiree Life Insurance Fund (Continued)

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

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

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

Single discount rate. A single discount rate of 2.25% was used to measure the total OPEB liability as opposed to a discount rate of 2.87% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 2.74% as of December 31, 2019 to 2.12% as of December 31, 2020. The plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive 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. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

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

**MENASHA UTILITIES
CITY OF MENASHA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Other Postemployment Benefits (Continued)

Local Retiree Life Insurance Fund (Continued)

OPEB Liabilities, OPEB Expense (Revenue) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Sensitivity of the Utilities' proportionate share of net OPEB liability to changes in the discount rate. The following presents the Utilities' proportionate share of the net OPEB liability calculated using the discount rate of 2.25%, as well as what the Utilities' proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.25%) or 1-percentage-point higher (3.25%) than the current rate:

	1% Decrease to Discount Rate (1.25%)	Current Discount Rate (2.25%)	1% Increase to Discount Rate (3.25%)
Utilities' Proportionate Share of the Net OPEB Liability	\$ 359,215	\$ 264,073	\$ 192,120

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, 2021, the Utilities reported a payable of \$-0- for the outstanding amount of contribution to the plan required for the year ended December 31, 2021.

**MENASHA UTILITIES
CITY OF MENASHA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 OTHER INFORMATION

A. Risk Management

The Utilities are part of the City of Menasha's self-funded liability insurance program with claims processed by the Cities and Utilities of Mutual Insurance Company (CVMIC) on behalf of the City. CVMIC is a municipal insurance company established on September 19, 1987 under Section 611.23 of the Wisconsin Statutes. CVMIC provides liability insurance coverage above the self-insured limit to cities and Utilities which make up the membership.

The Utilities have also purchased commercial insurance policies for various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and acts of God. The Utilities completes an annual review of its insurance coverage to ensure adequate coverage. Insurance settlements have not exceeded coverage in any of the past three years.

B. Segment Information

The Utilities issues separate revenue bonds to finance its electric and water utilities. The Electric and Water Utilities are accounted for in a single fund but investors in those bonds rely solely on the revenue generated by the individual activities for repayment. Segment information for the Electric Utility and Water Utility are presented below.

	Electric Utility	Water Utility
CONDENSED STATEMENT OF NET POSITION		
Assets:		
Current	\$ 10,229,411	\$ 1,579,279
Restricted	2,326,131	2,469,848
Noncurrent:		
Net Capital Assets	16,887,915	22,286,522
Other Assets	1,119,105	443,120
Total Assets	30,562,562	26,778,769
Deferred Outflows of Resources	1,266,200	768,680
Liabilities:		
Current	5,849,004	2,616,329
Noncurrent:		
Long-Term	6,720,293	6,501,316
Total Liabilities	12,569,297	9,117,645
Deferred Inflows of Resources	1,632,779	993,703
Net Position:		
Net Investment in Capital Assets	9,400,794	14,734,429
Restricted:		
Pension Benefits	727,825	443,120
Debt Service	354,668	-
Depreciation Reserve	925,648	1,518,743
Unrestricted	6,217,751	739,809
Total Net Position	\$ 17,626,686	\$ 17,436,101

**MENASHA UTILITIES
CITY OF MENASHA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 OTHER INFORMATION (CONTINUED)

B. Segment Information (Continued)

	Electric Utility	Water Utility
CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION		
Operating Revenues:		
Charges for Services	\$ 39,810,619	\$ 4,888,369
Other	192,740	87,116
Total Operating Revenues	40,003,359	4,975,485
Operating Expenses:		
Operation and Maintenance	36,723,265	2,298,843
Depreciation and Amortization	1,235,146	1,053,702
Amortization	3,728	-
Taxes	168,895	51,464
Total Operating Expenses	38,131,034	3,404,009
Operating Income	1,872,325	1,571,476
Nonoperating Income (Expenses):		
Interest Revenue	22,612	3,265
Merchandising and Jobbing	37,260	593
Interest and Fiscal Charges	(110,175)	(179,827)
Miscellaneous	(32,351)	(10,547)
Total Nonoperating Income (Expenses)	(82,654)	(186,516)
Income Before Contributions and Transfers	1,789,671	1,384,960
Capital Contributions	517,559	19,127
Transfers Out	(696,696)	(743,930)
Change in Net Position	1,610,534	660,157
Net Position - January 1	16,016,152	16,775,944
Net position - December 31	\$ 17,626,686	\$ 17,436,101

C. Contingencies

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

D. Significant Customers

During 2021, the electric utility billed one customer \$16,168,821, and one customer \$4,835,483. This represents 40% and 12% of electric utility operating revenue, respectively. In addition, the water utility billed one customer \$644,345 which represents 13% of water utility operating revenue. No other utility customer accounted for more than 10% of operating revenue.

**MENASHA UTILITIES
CITY OF MENASHA, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 OTHER INFORMATION (CONTINUED)

E. WPPI Energy Contract

The Utilities purchase their electric requirements from WPPI Energy (WPPI). WPPI is a municipal electric company and political subdivision of the state of Wisconsin created by contract by its members on September 5, 1980 pursuant to the Municipal Electric Company Act, Sec. 66.0825 of the Wisconsin Statutes (the Act). WPPI's purposes include providing an adequate, economical, and reliable supply of electric energy to its members.

The Utilities are one of 51 members of WPPI located throughout the states of Wisconsin, Michigan, and Iowa. On December 31, 1989, each of WPPI's members, including the City of Menasha, commenced purchasing electric services from WPPI under a new Long-term Power Supply Contract for Participating Members (the Long-term Contract) under which WPPI has agreed to sell and deliver to each member, and each member has agreed to take and pay for, the electric power and energy requirements to the members for an initial 35-year term. The contract was amended during 2016 to extend the term of the contract through 2055.

Under the Long-term Contract, the Utilities and other members of WPPI are required to pay for all power and energy requirements supplied or made available by WPPI at rates sufficient to cover all of WPPI's revenue requirements which include power supply costs, administrative expenses, and debt service on outstanding bonds. WPPI's subsequent year's rates and operating budget are approved annually by its board of directors, which consists of representatives from each member municipality. The Utilities have agreed to charge rates to retail ratepayers of its electric system sufficient to meet its obligations to WPPI. The Long-term Contract provides that all payments to WPPI under the Contract constitute operating expenses of the Utilities' electric system payable from any operating and maintenance fund established by the Utilities.

The Long-term Contract may be terminated by either party upon five years prior written notice effective at the end of the initial 35-year term, or at any time thereafter, provided that no WPPI bonds are outstanding at the time of the proposed termination and certain other contract provisions are met.

The electric operation purchases power through WPPI Energy for distribution to its customers. Total purchases under this arrangement amounted to approximately \$34.5 million in 2021.

F. Subsequent Event

On February 18th, 2022, the Utilities approved to submit Safe Drinking Water Fund loans in the amount of \$965,363 for the purpose of 2022 water main projects.

REQUIRED SUPPLEMENTARY INFORMATION

**MENASHA UTILITIES
CITY OF MENASHA, WISCONSIN
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
AND SCHEDULE OF CONTRIBUTIONS – WISCONSIN RETIREMENT SYSTEM
LAST TEN FISCAL YEARS**

**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
WISCONSIN RETIREMENT SYSTEM
LAST 10 MEASUREMENT PERIODS**

Measurement Period 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	0.02060246%	\$ (506,053)	\$ 2,796,060	18.10%	102.74%
12/31/15	0.01994373%	324,082	2,733,140	11.86%	98.20%
12/31/16	0.01997819%	164,668	2,996,516	5.50%	99.12%
12/31/17	0.02026312%	(601,636)	3,089,467	19.47%	102.93%
12/31/18	0.02012029%	715,816	2,903,570	24.65%	96.45%
12/31/19	0.01942678%	(626,408)	2,982,961	21.00%	102.96%
12/31/20	0.01875572%	(1,170,945)	3,130,941	37.40%	105.26%

**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	\$ 185,854	\$ 185,854	\$ -	\$ 2,733,140	6.80%
12/31/16	197,770	197,770	-	2,996,516	6.60%
12/31/17	210,084	210,084	-	3,089,467	6.80%
12/31/18	194,539	194,539	-	2,903,570	6.70%
12/31/19	195,384	195,384	-	2,982,961	6.55%
12/31/20	211,339	211,339	-	3,130,942	6.75%
12/31/21	201,210	201,210	-	2,980,884	6.75%

See accompanying Notes to Required Supplementary Information.

**MENASHA UTILITIES
CITY OF MENASHA, WISCONSIN
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
AND SCHEDULE OF CONTRIBUTIONS – LOCAL RETIREE LIFE INSURANCE FUND
LAST TEN FISCAL YEARS**

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

Plan Fiscal 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	0.05709500%	\$ 171,775	\$ 2,401,008	7.15%	44.81%
12/31/18	0.04884700%	126,042	2,508,000	5.03%	48.69%
12/31/19	0.04595100%	195,668	2,539,000	7.71%	37.58%
12/31/20	0.04800700%	264,073	2,604,000	10.14%	31.36%

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

District 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	\$ 931	\$ 931	-	\$ 2,508,000	0.04%
12/31/19	906	906	-	2,539,000	0.04%
12/31/20	957	957	-	3,130,942	0.03%
12/31/21	1,075	1,075	-	2,980,884	0.04%

**MENASHA UTILITIES
CITY OF MENASHA, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2021**

NOTE 1 WISCONSIN RETIREMENT SYSTEM

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

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

The Utilities are required to present the last 10 fiscal years of data; however accounting standards allow the presentation of as many years as are available until 10 fiscal years are presented.

NOTE 2 OTHER POSTEMPLOYMENT BENEFITS

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

Changes of assumptions. Actuarial assumptions are based upon an experience study conducted in 2018 using Wisconsin Retirement System (WRS) experience from 2015 –2017 and the discount rate was updated to reflect the municipal bond rate at the completion of the actuarial valuation.

The Utilities are required to present the last 10 fiscal years of data; however accounting standards allow the presentation of as many years as are available until 10 fiscal years are presented.

SUPPLEMENTARY INFORMATION

**MENASHA UTILITIES
CITY OF MENASHA, WISCONSIN
STATEMENT OF NET POSITION
ELECTRIC DISTRIBUTION UTILITY
DECEMBER 31, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2020)**

	<u>2021</u>	<u>2020</u>
ASSETS		
Current Assets:		
Cash and Investments	\$ 5,262,401	\$ 4,177,301
Receivables:		
Customer Accounts	3,629,977	3,032,454
Other	530,278	383,128
Due from Other Governments	172,746	208,071
Prepaid Items and Supplies	<u>634,009</u>	<u>800,386</u>
Total Current Assets	10,229,411	8,601,340
Noncurrent Assets:		
Restricted and Other Assets:		
Cash and Investments	2,326,131	3,355,872
Other Assets:		
Advance to Other Funds	391,280	481,111
Net Pension Asset	<u>727,825</u>	<u>392,091</u>
Total Other Assets	1,119,105	873,202
Capital Assets:		
Nondepreciable	914,966	1,918,830
Depreciable, Net	<u>15,972,949</u>	<u>14,665,311</u>
Total Capital Assets	<u>16,887,915</u>	<u>16,584,141</u>
Total Assets	30,562,562	29,414,555
DEFERRED OUTFLOWS OF RESOURCES		
Pension Related Amounts	1,195,884	907,216
Other Postemployment Related Amounts	<u>70,316</u>	<u>47,492</u>
Total Deferred Outflows of Resources	<u>1,266,200</u>	<u>954,708</u>

**MENASHA UTILITIES
CITY OF MENASHA, WISCONSIN
STATEMENT OF NET POSITION
ELECTRIC DISTRIBUTION UTILITY (CONTINUED)
DECEMBER 31, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2020)**

	<u>2021</u>	<u>2020</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	\$ 3,664,472	\$ 2,897,901
Accrued and Other Current Liabilities	953,703	927,926
Unearned Revenue	78,471	55,853
Payable from Restricted Assets:		
Current Portion of Long-Term Obligations:		
Revenue Bonds	900,000	804,159
Accrued Liabilities	227,508	229,299
Accrued Interest	24,850	304,469
Total Current Liabilities	<u>5,849,004</u>	<u>5,219,607</u>
Long-Term Obligations, Less Current Portion:		
Revenue Bonds	6,555,000	7,792,624
Other Postemployment Benefits	165,293	122,476
Total Long-Term Liabilities	<u>6,720,293</u>	<u>7,915,100</u>
Total Liabilities	12,569,297	13,134,707
DEFERRED INFLOWS OF RESOURCES		
Pension Related Amounts	1,598,988	1,181,438
Other Postemployment Related Amounts	33,791	36,966
Total Deferred Inflows of Resources	<u>1,632,779</u>	<u>1,218,404</u>
NET POSITION		
Net Investment in Capital Assets	9,400,794	7,944,717
Restricted		
Pension Benefits	727,825	392,091
Debt Reserve	-	153,657
Debt Service	354,668	974,702
Depreciation	925,648	945,574
Unrestricted	<u>6,217,751</u>	<u>5,605,411</u>
Total Net Position	<u>\$ 17,626,686</u>	<u>\$ 16,016,152</u>

**MENASHA UTILITIES
CITY OF MENASHA, WISCONSIN
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
ELECTRIC DISTRIBUTION UTILITY
YEAR ENDED DECEMBER 31, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2020)**

	2021	2020
OPERATING REVENUES		
Charges for Services:		
Residential	\$ 7,495,614	\$ 7,426,332
Small Commercial and Industrial	1,801,961	1,625,602
Large Commercial and Industrial	30,219,539	28,146,579
Public Street and Highway	167,212	157,799
Other Sales to Public Authorities	2,929	2,826
Interdepartmental Sales	123,364	124,753
Total Charges for Services	39,810,619	37,483,891
Other	192,740	166,025
Total Operating Revenues	40,003,359	37,649,916
OPERATING EXPENSES		
Operation and Maintenance:		
Purchased Power	34,458,862	32,430,507
Distribution:		
Operation Supervision and Engineering	96,428	103,414
Load Dispatching	202,622	161,903
Station	38,976	33,155
Overhead Line	105,708	73,839
Underground Line	61,976	51,423
Street Lighting and Signal System	5,830	8,620
Meter	107,747	97,915
Customer Installations	4,069	6,076
Rents	10,132	10,041
Maintenance Supervision and Engineering	71,511	36,941
Maintenance	406,522	395,822
Miscellaneous	245,710	189,037
Total Distribution	1,357,231	1,168,186
Customer Accounts:		
Supervision	25,412	26,372
Meter Reading	43,741	38,163
Customer Records and Collection	268,697	253,629
Uncollectible Accounts	1,067	147,555
Total Customer Accounts	338,917	465,719

**MENASHA UTILITIES
CITY OF MENASHA, WISCONSIN
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
ELECTRIC DISTRIBUTION UTILITY (CONTINUED)
YEAR ENDED DECEMBER 31, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2020)**

	<u>2021</u>	<u>2020</u>
OPERATING EXPENSES (CONTINUED)		
Operation and Maintenance (Continued)		
Administrative and General:		
Salaries	\$ 234,616	\$ 253,376
Office Supplies	40,695	43,814
Outside Services Employed	31,023	25,094
Property Insurance	19,986	24,590
Injuries and Damages	16,928	14,199
Employee Pensions and Benefits	137,146	296,505
Regulatory Commission	2,747	24,441
Rents	2,642	2,642
Maintenance	45,191	30,656
Miscellaneous	37,281	30,577
Total Administrative and General	<u>568,255</u>	<u>745,894</u>
Total Operation and Maintenance	36,723,265	34,810,306
Depreciation	1,235,146	1,225,113
Amortization	3,728	1,032
Taxes	168,895	153,044
Total Operating Expenses	<u>38,131,034</u>	<u>36,189,495</u>
OPERATING INCOME	1,872,325	1,460,421
NONOPERATING REVENUES (EXPENSES)		
Interest Revenue	22,612	113,133
Merchandising and Jobbing	37,260	2,381
Interest and Fiscal Charges	(110,175)	(372,379)
Miscellaneous	(32,351)	(31,917)
Total Nonoperating Revenues (Expenses)	<u>(82,654)</u>	<u>(288,782)</u>
INCOME BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	1,789,671	1,171,639
Capital Contributions	517,559	82,929
Transfers Out	<u>(696,696)</u>	<u>(667,578)</u>
CHANGE IN NET POSITION	1,610,534	586,990
Net Position - Beginning of Year	<u>16,016,152</u>	<u>15,429,162</u>
NET POSITION - END OF YEAR	<u>\$ 17,626,686</u>	<u>\$ 16,016,152</u>

**MENASHA UTILITIES
CITY OF MENASHA, WISCONSIN
STATEMENT OF CASH FLOWS
ELECTRIC DISTRIBUTION UTILITY
YEAR ENDED DECEMBER 31, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2020)**

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Customers	\$ 39,372,712	\$ 37,557,715
Cash Received from Others	1,725,078	1,498,126
Cash Paid for Services Provided	(1,743,901)	(1,517,122)
Cash Paid for Employee Wages and Benefits	(1,443,660)	(1,522,974)
Cash Paid to Suppliers	<u>(34,607,233)</u>	<u>(33,931,428)</u>
Net Cash Provided by Operating Activities	3,302,996	2,084,317
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfer Out	<u>(606,865)</u>	<u>(580,952)</u>
Net Cash Used by Noncapital Financing Activities	(606,865)	(580,952)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of Capital Assets	(1,004,341)	(3,113,339)
Capital Contributions	-	82,929
Disposal of Capital Assets, Including Cost of Disposal	(127,466)	583,674
Proceeds from General Obligation Refunding Bonds	8,385,000	-
Debt Premium Received	125,113	-
Debt Issuance Costs Paid	(115,369)	-
Principal Paid on Revenue Bonds	(9,526,783)	(770,329)
Interest Paid on Long-Term Debt	<u>(399,538)</u>	<u>(400,571)</u>
Net Cash Used by Capital and Related Financing Activities	(2,663,384)	(3,617,636)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received	<u>31,606</u>	<u>82,272</u>
CHANGE IN CASH AND CASH EQUIVALENTS	64,353	(2,031,999)
Cash and Cash Equivalents - Beginning of Year	<u>7,264,913</u>	<u>9,296,912</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 7,329,266</u>	<u>\$ 7,264,913</u>

**MENASHA UTILITIES
CITY OF MENASHA, WISCONSIN
STATEMENT OF CASH FLOWS
ELECTRIC DISTRIBUTION UTILITY (CONTINUED)
YEAR ENDED DECEMBER 31, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2020)**

	2021	2020
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income	\$ 1,872,325	\$ 1,460,421
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	1,238,874	1,226,145
Depreciation Charged to Clearing Accounts	138,839	135,059
Merchandising and Jobbing	37,260	2,381
Miscellaneous	(32,351)	(31,917)
Changes in Amounts Reported for Cost-Sharing, Multiple-Employer Plans:		
Pension:		
Net Pension Asset	(335,734)	(392,091)
Deferred Outflows - Pension Related	(288,668)	313,833
Net Pension Liability	-	(454,856)
Deferred Inflows - Pension Related	417,550	549,698
Other Postemployment Benefits:		
Deferred Outflows - OPEB Related	(22,824)	(37,936)
OPEB Liability	42,817	42,384
Deferred Inflows - OPEB Related	(3,175)	(784)
Change in Operating Assets and Liabilities:		
Accounts Receivables	(597,523)	(78,117)
Other Receivables	(147,150)	(32,277)
Due from Other Governments	35,325	(56,371)
Inventories and Prepaid Items	166,377	(169,890)
Accounts Payable	734,450	(401,460)
Accrued and Other Current Liabilities	23,986	(43,092)
Customer Deposits	22,618	53,187
Net Cash Provided by Operating Activities	\$ 3,302,996	\$ 2,084,317
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION		
Cash and Cash Equivalents in Current Assets	\$ 5,262,401	\$ 4,177,301
Cash and Cash Equivalents in Restricted Assets	2,326,131	3,355,872
Less: Long-Term Cash and Investments	(259,266)	(268,260)
Total Cash and Cash Equivalents	\$ 7,329,266	\$ 7,264,913
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital Assets Contributed	\$ 517,559	\$ 82,929
Capital Assets Included in Accounts Payable	32,121	42,641

**MENASHA UTILITIES
CITY OF MENASHA, WISCONSIN
STATEMENT OF NET POSITION
ENERGY SERVICES UTILITY
DECEMBER 31, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2020)**

	2021	2020
ASSETS		
Current Assets:		
Cash and Investments	\$ 42,072	\$ 29,189
Prepaid Items and Supplies	-	171
Total Current Assets	42,072	29,360
Capital Assets:		
Depreciable, Net	45,074	53,184
Total Assets	87,146	82,544
NET POSITION		
Net Investment in Capital Assets	45,074	53,184
Unrestricted	42,072	29,360
Total Net Position	\$ 87,146	\$ 82,544

**MENASHA UTILITIES
CITY OF MENASHA, WISCONSIN
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
ENERGY SERVICES UTILITY
YEAR ENDED DECEMBER 31, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2020)**

	<u>2021</u>	<u>2020</u>
OPERATING REVENUES		
Charges for Services:		
Other Sales to Public Authorities	\$ 12,968	\$ 12,968
OPERATING EXPENSES		
Operation and Maintenance:		
Maintenance	-	66
Property Insurance	256	235
Total Operation and Maintenance	<u>256</u>	<u>301</u>
Depreciation	8,110	8,110
Total Operating Expenses	<u>8,366</u>	<u>8,411</u>
CHANGE IN NET POSITION	4,602	4,557
Net Position - Beginning of Year	<u>82,544</u>	<u>77,987</u>
NET POSITION - END OF YEAR	<u><u>\$ 87,146</u></u>	<u><u>\$ 82,544</u></u>

**MENASHA UTILITIES
CITY OF MENASHA, WISCONSIN
STATEMENT OF CASH FLOWS
ENERGY SERVICES UTILITY
YEAR ENDED DECEMBER 31, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2020)**

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Customers	\$ 12,968	\$ 12,968
Cash Paid for Employee Wages and Benefits	(52)	(52)
Cash Paid to Suppliers	<u>(33)</u>	<u>(147)</u>
Net Cash Provided by Operating Activities	12,883	12,769
CHANGE IN CASH AND CASH EQUIVALENTS	12,883	12,769
Cash and Cash Equivalents - Beginning of Year	<u>29,189</u>	<u>16,420</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 42,072</u>	<u>\$ 29,189</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income	\$ 4,602	\$ 4,557
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	8,110	8,110
Prepaid Items and Supplies	<u>171</u>	<u>102</u>
Net Cash Provided by Operating Activities	<u>\$ 12,883</u>	<u>\$ 12,769</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION		
Cash and Cash Equivalents in Current Assets	<u>\$ 42,072</u>	<u>\$ 29,189</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES		
None		

**MENASHA UTILITIES
CITY OF MENASHA, WISCONSIN
STATEMENT OF NET POSITION
TELECOMMUNICATIONS UTILITY
DECEMBER 31, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2020)**

	<u>2021</u>	<u>2020</u>
ASSETS		
Current Assets:		
Cash and Investments	\$ 85	\$ 413
Receivables:		
Customer Accounts	4,658	4,801
Prepaid Items and Supplies	<u>21,050</u>	<u>18,873</u>
Total Current Assets	25,793	24,087
Noncurrent Assets:		
Restricted and Other Assets:		
Cash and Investments	134,978	133,865
Capital Assets:		
Nondepreciable	11,873	15,152
Depreciable, Net	<u>265,250</u>	<u>268,916</u>
Total Capital Assets	<u>277,123</u>	<u>284,068</u>
Total Assets	437,894	442,020
LIABILITIES		
Current Liabilities:		
Accounts Payable	943	6,578
Accrued and Other Current Liabilities	18,526	19,914
Advance from Other Funds	<u>195,500</u>	<u>241,000</u>
Total Current Liabilities	214,969	267,492
NET POSITION		
Net Investment in Capital Assets	277,123	284,068
Restricted		
Depreciation	134,978	133,865
Unrestricted	<u>(189,176)</u>	<u>(243,405)</u>
Total Net Position	<u>\$ 222,925</u>	<u>\$ 174,528</u>

**MENASHA UTILITIES
CITY OF MENASHA, WISCONSIN
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
TELECOMMUNICATIONS UTILITY
YEAR ENDED DECEMBER 31, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2020)**

	<u>2021</u>	<u>2020</u>
OPERATING REVENUES		
Charges for Services:		
Local Service Revenues	\$ 105,363	\$ 103,914
Other	3,223	7
Total Operating Revenues	<u>108,586</u>	<u>103,921</u>
OPERATING EXPENSES		
Operation and Maintenance:		
Distribution:		
Line Expense	3,328	2,112
Miscellaneous	8,450	7,907
Total Distribution	<u>11,778</u>	<u>10,019</u>
Administrative and General:		
Salaries	1,000	843
Office Supplies and Expense	83	-
Outside Services Employed	1,633	3,922
Property Insurance	5	267
Injuries and Damages	21	-
Total Administrative and General	<u>2,742</u>	<u>5,032</u>
Total Operation and Maintenance	14,520	15,051
Depreciation	26,660	26,423
Taxes	244	222
Total Operating Expenses	<u>41,424</u>	<u>41,696</u>
OPERATING INCOME	67,162	62,225
NONOPERATING REVENUES (EXPENSES)		
Interest Revenue	113	502
Merchandising and Jobbing	2,644	4,877
Interest and Fiscal Charges	(7,230)	(8,550)
Total Nonoperating Revenues (Expenses)	<u>(4,473)</u>	<u>(3,171)</u>
INCOME BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	62,689	59,054
Capital Contributions	3,279	-
Transfers Out	<u>(17,571)</u>	<u>(18,835)</u>
CHANGE IN NET POSITION	48,397	40,219
Net Position - Beginning of Year	<u>174,528</u>	<u>134,309</u>
NET POSITION - END OF YEAR	<u>\$ 222,925</u>	<u>\$ 174,528</u>

**MENASHA UTILITIES
CITY OF MENASHA, WISCONSIN
STATEMENT OF CASH FLOWS
TELECOMMUNICATIONS UTILITY
YEAR ENDED DECEMBER 31, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2020)**

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Customers	\$ 108,729	\$ 141,966
Cash Paid for Employee Wages and Benefits	(589)	141
Cash Paid to Suppliers	<u>(20,731)</u>	<u>(3,197)</u>
Net Cash Provided by Operating Activities	87,409	138,910
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfer Out	<u>(63,071)</u>	<u>(62,835)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of Capital Assets	(16,436)	(3,279)
Interest Paid on Interfund Advances	<u>(7,230)</u>	<u>(8,550)</u>
Net Cash Used by Capital and Related Financing Activities	(23,666)	(11,829)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received	<u>113</u>	<u>502</u>
CHANGE IN CASH AND CASH EQUIVALENTS	785	64,748
Cash and Cash Equivalents - Beginning of Year	<u>134,278</u>	<u>69,530</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 135,063</u></u>	<u><u>\$ 134,278</u></u>

**MENASHA UTILITIES
CITY OF MENASHA, WISCONSIN
STATEMENT OF CASH FLOWS
TELECOMMUNICATIONS UTILITY (CONTINUED)
YEAR ENDED DECEMBER 31, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2020)**

	2021	2020
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income	\$ 67,162	\$ 62,225
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	26,660	26,423
Merchandising and Jobbing	2,644	4,877
Change in Operating Assets and Liabilities:		
Accounts Receivables	143	38,045
Accounts Payable	(5,635)	5,785
Accrued and Other Current Liabilities	(1,388)	1,327
Prepaid Items and Supplies	(2,177)	228
Net Cash Provided by Operating Activities	\$ 87,409	\$ 138,910
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION		
Cash and Cash Equivalents in Current Assets	\$ 85	\$ 413
Cash and Cash Equivalents in Restricted Assets	134,978	133,865
Total Cash and Cash Equivalents	\$ 135,063	\$ 134,278
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES		
None		

**MENASHA UTILITIES
CITY OF MENASHA, WISCONSIN
STATEMENT OF NET POSITION
WATER UTILITY
DECEMBER 31, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2020)**

	<u>2021</u>	<u>2020</u>
ASSETS		
Current Assets:		
Cash and Investments	\$ 425,598	\$ 561,575
Receivables:		
Customer Accounts	561,599	592,677
Other	89,012	26,950
Due from Other Governments	162,081	180,172
Prepaid Items and Supplies	<u>340,989</u>	<u>316,247</u>
Total Current Assets	1,579,279	1,677,621
Noncurrent Assets:		
Restricted and Other Assets:		
Cash and Investments	2,469,848	2,083,531
Other Assets:		
Net Pension Asset	<u>443,120</u>	<u>234,317</u>
Capital Assets:		
Nondepreciable	933,796	980,316
Depreciable, Net	<u>21,352,726</u>	<u>21,109,381</u>
Total Capital Assets	<u>22,286,522</u>	<u>22,089,697</u>
Total Assets	26,778,769	26,085,166
DEFERRED OUTFLOWS OF RESOURCES		
Pension Related Amounts	726,659	543,763
Other Postemployment Related Amounts	<u>42,021</u>	<u>28,382</u>
Total Deferred Outflows of Resources	<u>768,680</u>	<u>572,145</u>

**MENASHA UTILITIES
CITY OF MENASHA, WISCONSIN
STATEMENT OF NET POSITION
WATER UTILITY (CONTINUED)
DECEMBER 31, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2020)**

	<u>2021</u>	<u>2020</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	\$ 372,890	\$ 235,495
Accrued and Other Current Liabilities	869,654	840,772
Advance from Other Funds	195,780	240,111
Special Deposits	950	950
Payable from Restricted Assets:		
Current Portion of Long-Term Obligations:		
General Obligation Debt	160,000	140,000
Revenue Bonds	983,401	922,817
Accrued Interest	33,654	49,117
Total Current Liabilities	<u>2,616,329</u>	<u>2,429,262</u>
Long-Term Obligations, Less Current Portion:		
General Obligation Debt	1,570,000	1,730,000
Revenue Bonds	4,832,536	4,920,786
Unfunded Pension Liability	98,780	73,192
Total Long-Term Liabilities	<u>6,501,316</u>	<u>6,723,978</u>
Total Liabilities	9,117,645	9,153,240
DEFERRED INFLOWS OF RESOURCES		
Pension Related Amounts	973,509	706,036
Other Postemployment Related Amounts	20,194	22,091
Total Deferred Inflows of Resources	<u>993,703</u>	<u>728,127</u>
NET POSITION		
Net Investment in Capital Assets	14,734,429	14,376,094
Restricted		
Pension Benefits	443,120	234,317
Depreciation Fund	1,382,517	1,178,584
Lead Service Lateral Replacement	2,869	27,558
Water Tower	133,357	116,453
Unrestricted	<u>739,809</u>	<u>842,938</u>
Total Net Position	<u>\$ 17,436,101</u>	<u>\$ 16,775,944</u>

**MENASHA UTILITIES
CITY OF MENASHA, WISCONSIN
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
WATER UTILITY
YEAR ENDED DECEMBER 31, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2020)**

	2021	2020
OPERATING REVENUES		
Charges for Services:		
Metered Sales to General Customers:		
Residential	\$ 1,795,349	\$ 1,872,270
Multi-Family	73,355	85,494
Commercial	265,486	243,739
Industrial	927,843	1,173,289
Total Metered Sales to General Customers	3,062,033	3,374,792
Private Fire Protection	90,959	93,649
Public Fire Protection	1,028,933	1,031,751
Other Sales to Public Authorities	106,643	101,106
Sales for Resale	599,801	622,808
Total Charges for Services	4,888,369	5,224,106
Other	87,116	118,721
Total Operating Revenues	4,975,485	5,342,827
OPERATING EXPENSES		
Operation and Maintenance:		
Source of Supply:		
Operation Supervision and Engineering	14,450	13,908
Operation Labor and Expenses	45,032	37,701
Maintenance	2,857	3,059
Total Source of Supply	62,339	54,668
Pumping:		
Operation Supervision and Engineering	6,428	11,086
Fuel for Power Purchased	124,460	125,564
Pumping Labor and Expenses	134,103	128,398
Maintenance Supervision and Engineering	6,428	7,548
Maintenance	78	73
Miscellaneous	8,311	6,373
Total Pumping	279,808	279,042
Water Treatment:		
Operation Supervision and Engineering	55,589	54,420
Chemicals	224,612	230,637
Operation Labor and Expenses	421,932	485,861
Maintenance Supervision and Engineering	23,537	23,588
Maintenance	171,430	181,742
Miscellaneous	88,016	60,976
Total Water Treatment	985,116	1,037,224
Transmission and Distribution:		
Operation Supervision and Engineering	15,470	11,795
Storage Facilities	7,956	5,001
Transmission and Distribution Lines	54,238	28,785
Meter	9,092	10,071
Customer Installations	96,738	112,223
Maintenance Supervision and Engineering	13,092	10,615
Maintenance	189,820	226,034
Miscellaneous	56,919	66,314
Total Transmission and Distribution	443,325	470,838

**MENASHA UTILITIES
CITY OF MENASHA, WISCONSIN
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
WATER UTILITY (CONTINUED)
YEAR ENDED DECEMBER 31, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2020)**

	<u>2021</u>	<u>2020</u>
OPERATING EXPENSES (CONTINUED)		
Operation and Maintenance (Continued):		
Customer Accounts:		
Supervision	\$ 8,052	\$ 8,360
Meter Reading	9,693	8,060
Customer Records and Collection	79,914	75,392
Uncollectible	<u>2,389</u>	<u>10,095</u>
Total Customer Accounts	100,048	101,907
Administrative and General:		
Salaries	100,347	108,778
Office Supplies and Expenses	35,011	33,517
Outside Services Employed	15,794	10,499
Property Insurance	28,818	26,448
Injuries and Damages	13,649	11,925
Employee Pensions and Benefits	201,920	312,433
Regulatory Commission	716	394
Rents	1,401	1,401
Maintenance	22,342	14,813
Miscellaneous	<u>8,209</u>	<u>4,187</u>
Total Administrative and General	<u>428,207</u>	<u>524,395</u>
Total Operation and Maintenance	2,298,843	2,468,074
Depreciation	1,053,702	1,029,452
Taxes	<u>51,464</u>	<u>52,811</u>
Total Operating Expenses	<u>3,404,009</u>	<u>3,550,337</u>
OPERATING INCOME	1,571,476	1,792,490
NONOPERATING REVENUES (EXPENSES)		
Interest Revenue	3,265	21,188
Other Income Deductions	(150)	(150)
Merchandising and Jobbing	593	633
Interest and Fiscal Charges	(179,827)	(235,650)
Miscellaneous	<u>(10,397)</u>	<u>-</u>
Total Nonoperating Revenues (Expenses)	<u>(186,516)</u>	<u>(213,979)</u>
INCOME BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	1,384,960	1,578,511
Capital Contributions	19,127	12,289
Transfers Out	<u>(743,930)</u>	<u>(727,957)</u>
CHANGE IN NET POSITION	660,157	862,843
Net Position - Beginning of Year	<u>16,775,944</u>	<u>15,913,101</u>
NET POSITION - END OF YEAR	<u>\$ 17,436,101</u>	<u>\$ 16,775,944</u>

**MENASHA UTILITIES
CITY OF MENASHA, WISCONSIN
STATEMENT OF CASH FLOWS
WATER UTILITY
YEAR ENDED DECEMBER 31, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2020)**

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Customers	\$ 4,936,587	\$ 5,239,374
Cash Received from Others	1,595,000	1,567,367
Cash Paid for Services Provided	(1,568,552)	(1,583,258)
Cash Paid for Employee Wages and Benefits	(1,238,407)	(1,291,727)
Cash Paid to Suppliers	<u>(1,064,651)</u>	<u>(1,251,072)</u>
Net Cash Provided by Operating Activities	2,659,977	2,680,684
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfer Out	<u>(788,261)</u>	<u>(770,583)</u>
Net Cash Used by Noncapital Financing Activities	(788,261)	(770,583)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of Capital Assets	(1,249,659)	(1,480,305)
Capital Contributions	-	12,289
Disposal of Capital Assets, Including Cost of Disposal	(1,629)	5,359
Proceeds from General Obligation Refunding Bonds	895,150	1,870,000
Debt Premium Received	4,965	4,965
Debt Issuance Costs Paid	(34,635)	(34,635)
Principal Paid on General Obligation Debt	(1,062,816)	(1,958,689)
Interest Paid on Long-Term Debt	<u>(165,620)</u>	<u>(248,755)</u>
Net Cash Used by Capital and Related Financing Activities	(1,614,244)	(2,731,276)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received	3,265	21,188
Miscellaneous	<u>(10,397)</u>	<u>-</u>
Net Cash Used by Investing Activities	(7,132)	21,188
CHANGE IN CASH AND CASH EQUIVALENTS	250,340	(799,987)
Cash and Cash Equivalents - Beginning of Year	<u>2,645,106</u>	<u>3,445,093</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 2,895,446</u>	<u>\$ 2,645,106</u>

**MENASHA UTILITIES
CITY OF MENASHA, WISCONSIN
STATEMENT OF CASH FLOWS
WATER UTILITY (CONTINUED)
YEAR ENDED DECEMBER 31, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2020)**

	2021	2020
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income	\$ 1,571,476	\$ 1,792,490
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	1,053,702	1,029,452
Depreciation Charged to Clearing Accounts	26,044	26,466
Merchandising and Jobbing	443	483
Changes in Amounts Reported for Cost-Sharing, Multiple-Employer Plans:		
Pension:		
Net Pension Asset	(208,803)	(234,317)
Deferred Outflows - Pension Related	(182,896)	161,760
Net Pension Liability	-	(260,960)
Deferred Inflows - Pension Related	267,473	343,595
Other Postemployment Benefits:		
Deferred Outflows - OPEB Related	(13,639)	(22,900)
OPEB Liability	25,588	27,242
Deferred Inflows - OPEB Related	(1,897)	433
Other Assets - Amortization of Tower Painting	-	53,669
Change in Operating Assets and Liabilities:		
Accounts Receivables	31,078	(109,443)
Other Receivables	(62,062)	(12,797)
Due from Other Governments	18,091	2,413
Prepaid Items and Supplies	(24,742)	20,681
Accounts Payable	131,239	(119,737)
Accrued and Other Current Liabilities	28,882	(17,846)
Net Cash Provided by Operating Activities	\$ 2,659,977	\$ 2,680,684
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION		
Cash and Cash Equivalents in Current Assets	\$ 425,598	\$ 561,575
Cash and Cash Equivalents in Restricted Assets	2,469,848	2,083,531
Total Cash and Cash Equivalents	\$ 2,895,446	\$ 2,645,106
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital Assets included in Accounts Payable	\$ 6,156	\$ 12,289

**ADDITIONAL INDEPENDENT AUDITORS' REPORT
FOR FINANCIAL STATEMENTS**



**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**

Board of Commissioners
Electric and Water Utilities Commission
City of Menasha, 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 Menasha Utilities, City of Menasha, Wisconsin, (the Utilities) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Utilities' financial statements, and have issued our report thereon dated March 17, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Utilities' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Utilities' internal control. Accordingly, we do not express an opinion on the effectiveness of the Utilities' 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Utilities' 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Utilities' 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 of financial statements. 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*.

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 Utilities' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Utilities' internal control and on compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Green Bay, Wisconsin
March 17, 2022