

# **City of Reedsburg**

Financial Statements and  
Supplementary Information

December 31, 2020

# City of Reedsburg

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# City of Reedsburg

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## **Independent Auditors' Report**

To the City Council of  
City of Reedsburg

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Reedsburg, Wisconsin, as of and for the year ended December 31, 2020 and the related notes to the financial statements, which collectively comprise the City of Reedsburg's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Reedsburg, Wisconsin, as of December 31, 2020 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

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

### *Supplementary Information*

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

*Baker Tilly US, LLP*

Madison, Wisconsin  
August 6, 2021

# City of Reedsburg

Statement of Net Position  
December 31, 2020

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>	<u>Component Units</u>
<b>Assets and Deferred Outflows of Resources</b>				
<b>Assets</b>				
Cash and investments	\$ 6,485,492	\$ 20,173,517	\$ 26,659,009	\$ 3,603,862
Receivables (net):				
Taxes receivable	7,594,502	-	7,594,502	-
Accounts	400,378	2,549,232	2,949,610	691
Accrued interest	-	50,521	50,521	-
Other	-	728,569	728,569	-
Special assessments	4,000	4,000	8,000	-
Loans	1,418,080	-	1,418,080	70,000
Due from other governments	26,270	-	26,270	-
Internal balances	749,229	(749,229)	-	-
Due from component unit	30,304	-	30,304	-
Inventories and prepaid items	342,029	1,219,087	1,561,116	17,321
Other assets	-	3,198,473	3,198,473	-
Restricted assets:				
Cash and investments	-	4,306,830	4,306,830	-
Net pension asset	756,548	573,771	1,330,319	-
Investment in mutual insurance company	200,515	-	200,515	-
Capital assets:				
Land and other nondepreciable assets	13,896,855	383,905	14,280,760	-
Construction in progress	6,839,196	2,406,349	9,245,545	-
Other capital assets, net of depreciation	16,722,164	64,730,298	81,452,462	-
Total assets	<u>55,465,562</u>	<u>99,575,323</u>	<u>155,040,885</u>	<u>3,691,874</u>
<b>Deferred Outflows of Resources</b>				
Pension related amounts	<u>1,796,110</u>	<u>1,372,868</u>	<u>3,168,978</u>	<u>-</u>
Total deferred outflows of resources	<u>1,796,110</u>	<u>1,372,868</u>	<u>3,168,978</u>	<u>-</u>

See notes to financial statements

# City of Reedsburg

Statement of Net Position  
December 31, 2020

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>	<u>Component Units</u>
<b>Liabilities, Deferred inflows of Resources and Net Position</b>				
<b>Liabilities</b>				
Accounts Payable	\$ 656,071	\$ 1,873,117	\$ 2,529,188	\$ -
Accrued liabilities	377,260	462,294	839,554	-
Due to primary government	-	-	-	30,304
Deposits	513	-	513	-
Unearned revenue	-	137,360	137,360	-
Noncurrent liabilities:				
Due within one year	1,008,869	2,207,870	3,216,739	-
Due in more than one year	11,287,813	22,369,481	33,657,294	-
Total liabilities	<u>13,330,526</u>	<u>27,050,122</u>	<u>40,380,648</u>	<u>30,304</u>
<b>Deferred Inflows of Resources</b>				
Unearned revenues	7,542,642	-	7,542,642	-
Pension related amounts	2,218,498	1,764,866	3,983,364	-
Total deferred inflows of resources	<u>9,761,140</u>	<u>1,764,866</u>	<u>11,526,006</u>	<u>-</u>
<b>Net Position</b>				
Net investment in capital assets	28,767,071	43,536,758	72,303,829	-
Restricted	3,933,244	4,681,433	8,614,677	3,519,987
Unrestricted	1,469,691	23,915,012	25,384,703	141,583
Total net position	<u>\$ 34,170,006</u>	<u>\$ 72,133,203</u>	<u>\$ 106,303,209</u>	<u>\$ 3,661,570</u>

See notes to financial statements

# City of Reedsburg

## Statement of Activities

Year Ended December 31, 2020

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
Governmental activities:				
General government	\$ 1,622,065	\$ 167,252	\$ -	\$ -
Public safety	5,793,358	500,803	49,596	-
Public works	1,487,121	487,109	828,575	6,478
Health and human services	19,900	-	-	-
Culture, recreation and education	1,674,986	141,716	277,935	-
Conservation and development	494,392	(53,380)	-	-
Interest and fiscal charges	328,342	-	-	-
Total governmental activities	<u>11,420,164</u>	<u>1,243,500</u>	<u>1,156,106</u>	<u>6,478</u>
Business-type activities:				
Water	1,670,892	1,618,216	-	49,496
Electric	18,909,513	21,235,386	-	36,630
Communications	5,121,661	6,231,964	-	445,968
Sewer	3,036,946	4,723,713	-	-
Stormwater	460,390	540,419	-	-
Total business-type activities	<u>29,199,402</u>	<u>34,349,698</u>	<u>-</u>	<u>532,094</u>
Total primary government	<u>\$ 40,619,566</u>	<u>\$ 35,593,198</u>	<u>\$ 1,156,106</u>	<u>\$ 538,572</u>
<b>Component Units</b>				
Community Development Authority	\$ 10,635	\$ -	\$ -	\$ -
Herbert H Webb Trust	87,705	-	-	-
Total component units	<u>\$ 98,340</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>General Revenues</b>				
Taxes:				
Property taxes, levied for general purposes				
Property taxes, levied for debt service				
Property taxes, levied for TIF districts				
Other taxes				
Intergovernmental revenues not restricted to specific programs				
Investment income				
Gain/(loss) on disposal of assets				
Miscellaneous				
Total general revenues				
Transfers				
Total general revenues and transfers				
Change in net position				
<b>Net Position, Beginning</b>				
<b>Net Position, Ending</b>				

See notes to financial statements



<b>Net (Expenses) Revenues and Changes in Net Position</b>			
<b>Primary Government</b>			<b>Component Unit</b>
<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	<b>Component Units</b>
\$ (1,454,813)	\$ -	\$ (1,454,813)	\$ -
(5,242,959)	-	(5,242,959)	-
(164,959)	-	(164,959)	-
(19,900)	-	(19,900)	-
(1,255,335)	-	(1,255,335)	-
(547,772)	-	(547,772)	-
<u>(328,342)</u>	<u>-</u>	<u>(328,342)</u>	<u>-</u>
<u>(9,014,080)</u>	<u>-</u>	<u>(9,014,080)</u>	<u>-</u>
-	(3,180)	(3,180)	-
-	2,362,503	2,362,503	-
-	1,556,271	1,556,271	-
-	1,686,767	1,686,767	-
<u>-</u>	<u>80,029</u>	<u>80,029</u>	<u>-</u>
<u>-</u>	<u>5,682,390</u>	<u>5,682,390</u>	<u>-</u>
<u>(9,014,080)</u>	<u>5,682,390</u>	<u>(3,331,690)</u>	<u>-</u>
-	-	-	(10,635)
<u>-</u>	<u>-</u>	<u>-</u>	<u>(87,705)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(98,340)</u>
4,925,343	-	4,925,343	-
811,614	-	811,614	-
1,002,796	-	1,002,796	-
280,355	-	280,355	-
1,215,029	-	1,215,029	-
194,956	392,162	587,118	424,470
11,258	(158,932)	(147,674)	-
<u>1,125,906</u>	<u>58,492</u>	<u>1,184,398</u>	<u>-</u>
<u>9,567,257</u>	<u>291,722</u>	<u>9,858,979</u>	<u>424,470</u>
<u>516,923</u>	<u>(516,923)</u>	<u>-</u>	<u>-</u>
<u>10,084,180</u>	<u>(225,201)</u>	<u>9,858,979</u>	<u>424,470</u>
1,070,100	5,457,189	6,527,289	326,130
<u>33,099,906</u>	<u>66,676,014</u>	<u>99,775,920</u>	<u>3,335,440</u>
<u>\$ 34,170,006</u>	<u>\$ 72,133,203</u>	<u>\$ 106,303,209</u>	<u>\$ 3,661,570</u>

See notes to financial statements

# City of Reedsburg

Balance Sheet  
 Governmental Funds  
 December 31, 2020

	<u>General</u>	<u>General Debt Service</u>	<u>General Capital Projects Fund</u>	<u>TIF District No. 6</u>
<b>Assets</b>				
Cash and investments	\$ 2,829,664	\$ 254,176	\$ 1,018,727	\$ -
Receivables:				
Taxes receivable	3,874,743	763,055	469,750	145,193
Accounts receivable	137,789	-	67,800	171,268
Special assessments	4,000	-	-	-
Loans	-	-	-	462,267
Due from other governments	7,828	-	-	-
Due from other funds	763,612	-	-	-
Prepaid items	97,444	-	-	-
Advances to other funds	2,768,618	-	-	-
Due from component unit	-	-	-	-
Land held for resale	-	-	-	-
Investment in mutual insurance company	200,515	-	-	-
Total assets	<u>\$ 10,684,213</u>	<u>\$ 1,017,231</u>	<u>\$ 1,556,277</u>	<u>\$ 778,728</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 89,441	\$ -	\$ 541,842	\$ -
Accrued liabilities	193,052	-	-	-
Deposits	-	-	-	-
Claims payable	14,960	-	-	-
Due to other funds	3,141	-	-	-
Advances from other funds	-	-	-	1,140,178
Total liabilities	<u>300,594</u>	<u>-</u>	<u>541,842</u>	<u>1,140,178</u>
<b>Deferred Inflows of Resources</b>				
Unearned revenue	3,822,883	763,055	469,750	145,193
Unavailable revenues	283,003	-	-	100,000
Total deferred inflows of resources	<u>4,105,886</u>	<u>763,055</u>	<u>469,750</u>	<u>245,193</u>
<b>Fund Balances (Deficit)</b>				
Nonspendable	3,066,577	-	-	-
Restricted	-	254,176	544,685	-
Committed	-	-	-	-
Assigned	1,099,584	-	-	-
Unassigned (deficit)	2,111,572	-	-	(606,643)
Total fund balances (deficit)	<u>6,277,733</u>	<u>254,176</u>	<u>544,685</u>	<u>(606,643)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 10,684,213</u>	<u>\$ 1,017,231</u>	<u>\$ 1,556,277</u>	<u>\$ 778,728</u>

See notes to financial statements

<u>TIF District No. 9</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
\$ -	\$ 2,382,925	\$ 6,485,492
426,283	1,915,478	7,594,502
18,241	5,280	400,378
-	-	4,000
-	955,813	1,418,080
-	18,442	26,270
-	-	763,612
-	-	97,444
-	-	2,768,618
-	30,304	30,304
244,585	-	244,585
-	-	200,515
<u>\$ 689,109</u>	<u>\$ 5,308,242</u>	<u>\$ 20,033,800</u>

\$ -	\$ 24,788	\$ 656,071
-	21,332	214,384
-	513	513
-	-	14,960
-	11,242	14,383
<u>1,316,168</u>	<u>312,272</u>	<u>2,768,618</u>
<u>1,316,168</u>	<u>370,147</u>	<u>3,668,929</u>
426,283	1,915,478	7,542,642
-	-	383,003
<u>426,283</u>	<u>1,915,478</u>	<u>7,925,645</u>
-	-	3,066,577
-	2,250,492	3,049,353
-	808,296	808,296
-	275,259	1,374,843
<u>(1,053,342)</u>	<u>(311,430)</u>	<u>140,157</u>
<u>(1,053,342)</u>	<u>3,022,617</u>	<u>8,439,226</u>
<u>\$ 689,109</u>	<u>\$ 5,308,242</u>	<u>\$ 20,033,800</u>

See notes to financial statements

## City of Reedsburg

Reconciliation of the Balance Sheet of Governmental Funds  
to the Statement of Net Position  
December 31, 2020

<b>Total Fund Balances, Governmental Funds</b>	<b>\$ 8,439,226</b>
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds.	
Land and other nondepreciable items	13,896,855
Construction in progress	6,839,196
Other capital assets, net of depreciation	16,722,164
Some receivables that are not currently available are reported as unavailable revenues in the fund financial statements but are recognized as revenue when earned in the government-wide statements.	383,003
The net pension asset does not relate to current financial resources and is not reported in the governmental funds.	756,548
Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	1,796,110
Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	(2,218,498)
Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds.	
Bonds and notes payable	(11,208,848)
Compensated absences	(699,701)
Accrued interest	(147,916)
Unamortized debt premium	<u>(388,133)</u>
<b>Net Position of Governmental Activities</b>	<b><u>\$ 34,170,006</u></b>

## City of Reedsburg

Statement of Revenues, Expenditures and Changes in Fund Balances -  
 Governmental Funds  
 Year Ended December 31, 2020

	<u>General</u>	<u>General Debt Service</u>	<u>General Capital Projects Fund</u>	<u>TIF District No. 6</u>
<b>Revenues</b>				
Taxes	\$ 3,865,447	\$ 811,614	\$ 446,257	\$ 49,704
Intergovernmental	1,588,789	-	198,459	5,053
Licenses and permits	193,873	-	-	-
Fines and forfeitures	14,018	-	-	-
Public charges for services	135,479	-	-	-
Intergovernmental charges for services	152,925	-	-	-
Special assessments	-	-	-	3,836
Investment income	198,727	-	3,732	12,129
Miscellaneous revenues	119,533	-	229,788	-
	<u>6,268,791</u>	<u>811,614</u>	<u>878,236</u>	<u>70,722</u>
<b>Expenditures</b>				
Current:				
General government	1,233,833	1,000	13,761	855
Public safety	3,664,450	-	-	-
Health and human services	19,900	-	-	-
Public works	1,195,233	-	-	-
Culture, recreation and education	552,554	-	-	-
Conservation and development	169,713	-	-	5,238
Capital outlay	-	-	7,313,966	-
Debt service:				
Principal	-	775,000	-	19,041
Interest and fiscal charges	-	32,588	131,488	19,631
	<u>6,835,683</u>	<u>808,588</u>	<u>7,459,215</u>	<u>44,765</u>
Excess (deficiency) of revenues over expenditures	<u>(566,892)</u>	<u>3,026</u>	<u>(6,580,979)</u>	<u>25,957</u>
<b>Other Financing Sources (Uses)</b>				
Property sales	2,992	-	-	-
Transfers in	757,370	100,850	-	328,490
Transfers out	-	-	(5,000)	-
Debt issued	-	-	7,425,000	-
Premium on debt issued	-	256,645	131,488	-
	<u>760,362</u>	<u>357,495</u>	<u>7,551,488</u>	<u>328,490</u>
Total other financing sources (uses)	<u>760,362</u>	<u>357,495</u>	<u>7,551,488</u>	<u>328,490</u>
Net change in fund balances	193,470	360,521	970,509	354,447
<b>Fund Balances (Deficit), Beginning</b>	<u>6,084,263</u>	<u>(106,345)</u>	<u>(425,824)</u>	<u>(961,090)</u>
<b>Fund Balances (Deficit), Ending</b>	<u>\$ 6,277,733</u>	<u>\$ 254,176</u>	<u>\$ 544,685</u>	<u>\$ (606,643)</u>

See notes to financial statements

<u>TIF District No. 9</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
\$ 384,156	\$ 1,462,930	\$ 7,020,108
-	561,668	2,353,969
-	-	193,873
-	241,849	255,867
-	548,804	684,283
-	-	152,925
-	13,439	17,275
-	121,869	336,457
<u>18,241</u>	<u>86,852</u>	<u>454,414</u>
<u>402,397</u>	<u>3,037,411</u>	<u>11,469,171</u>
3,582	274,054	1,527,085
-	14,650	3,679,100
-	-	19,900
-	785,316	1,980,549
-	715,100	1,267,654
197,513	120,788	493,252
3,157	385,967	7,703,090
76,253	-	870,294
<u>64,588</u>	<u>-</u>	<u>248,295</u>
<u>345,093</u>	<u>2,295,875</u>	<u>17,789,219</u>
<u>57,304</u>	<u>741,536</u>	<u>(6,320,048)</u>
-	8,266	11,258
-	622,968	1,809,678
-	(1,052,308)	(1,057,308)
-	-	7,425,000
<u>-</u>	<u>-</u>	<u>388,133</u>
<u>-</u>	<u>(421,074)</u>	<u>8,576,761</u>
57,304	320,462	2,256,713
<u>(1,110,646)</u>	<u>2,702,155</u>	<u>6,182,513</u>
<u>\$ (1,053,342)</u>	<u>\$ 3,022,617</u>	<u>\$ 8,439,226</u>

See notes to financial statements

## City of Reedsburg

Reconciliation of the Statement of Revenues, Expenditures,  
and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
Year Ended December 31, 2020

**Net Change in Fund Balances, Total Governmental Funds** \$ 2,256,713

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

Governmental funds report capital outlays as expenditures. However, in the statement of net position the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities.

Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements	7,703,090
Some items are reported as operating expenditures in the fund financial statements but are capitalized in the government-wide statements	177,960
Depreciation is reported in the government-wide financial statements	(1,412,966)
Net book value of assets retired	(157,507)

Capital assets contributed to business-type activities are reported as capital outlay in the fund financial statements.	(235,447)
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Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.	(195,746)
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Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Debt issued	(7,425,000)
Principal repaid	870,294

Governmental funds report debt premiums as other financing sources (uses) or financing sources or uses. However, in the statement of net position, these are reported as additions to or deductions from long-term debt. These are allocated over the period the debt is outstanding in the statement of activities and are reported as interest expense.	
Change in debt premium	(388,133)

Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	
Compensated absences	(45,154)
Accrued interest	(80,047)
Net pension asset/liability	1,550,583
Deferred outflows of resources related to pensions	(454,360)
Deferred inflows of resources related to pensions	(1,094,180)

**Change in Net Position of Governmental Activities** \$ 1,070,100

# City of Reedsburg

Statement of Net Position  
 Proprietary Funds  
 December 31, 2020

	<b>Business-Type Activities - Enterprise Funds</b>			<b>Total</b>
	<b>Utility Commission</b>	<b>Sewer</b>	<b>Nonmajor Enterprise Fund - Stormwater Fund</b>	
<b>Assets</b>				
Current assets:				
Cash and investments	\$ 15,893,959	\$ 4,000,478	\$ 279,080	\$ 20,173,517
Accounts receivable (net)	2,187,102	362,130	-	2,549,232
Other accounts receivable	728,569	-	-	728,569
Accrued interest	50,521	-	-	50,521
Due from other funds	3,141	153,873	66,113	223,127
Prepaid items	227,924	-	-	227,924
Inventories	991,163	-	-	991,163
Restricted assets:				
Cash and investments	174,647	813,429	-	988,076
<b>Total current assets</b>	<b>20,257,026</b>	<b>5,329,910</b>	<b>345,193</b>	<b>25,932,129</b>
Noncurrent assets:				
Restricted assets:				
Cash and investments	958,608	2,360,146	-	3,318,754
Net pension asset	462,213	79,059	32,499	573,771
Capital assets:				
Land	252,144	72,687	59,074	383,905
Construction work in progress	1,448,494	801,813	156,042	2,406,349
Property and equipment	80,916,026	32,547,447	7,033,079	120,496,552
Less accumulated depreciation	(38,394,960)	(14,341,006)	(3,030,288)	(55,766,254)
Other assets:				
Organization costs	167,867	-	-	167,867
Accumulated amortization of organization costs	(84,755)	-	-	(84,755)
Private parking lighting (net of accumulated depreciation)	18,371	-	-	18,371
Investment in ATC	3,096,990	-	-	3,096,990
Special assessments receivable	-	4,000	-	4,000
<b>Total noncurrent assets</b>	<b>48,840,998</b>	<b>21,524,146</b>	<b>4,250,406</b>	<b>74,615,550</b>
<b>Total assets</b>	<b>69,098,024</b>	<b>26,854,056</b>	<b>4,595,599</b>	<b>100,547,679</b>
<b>Deferred Outflows of Resources</b>				
Pension related amounts	1,100,858	188,599	83,411	1,372,868
<b>Total deferred outflows of resources</b>	<b>1,100,858</b>	<b>188,599</b>	<b>83,411</b>	<b>1,372,868</b>

See notes to financial statements



# City of Reedsburg

Statement of Net Position  
 Proprietary Funds  
 December 31, 2020

	<b>Business-Type Activities - Enterprise Funds</b>			<b>Total</b>
	<b>Utility Commission</b>	<b>Sewer</b>	<b>Nonmajor Enterprise Fund - Stormwater Fund</b>	
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	1,814,387	41,297	17,433	1,873,117
Accrued liabilities	384,423	17,834	7,383	409,640
Due to other funds	972,356	-	-	972,356
Current portion of general obligation debt	750,000	-	-	750,000
Other liabilities	11,486	-	-	11,486
Compensated absences	151,255	6,312	-	157,567
Lease payable	-	-	36,363	36,363
Notes payable	16,123	-	-	16,123
Liabilities payable from restricted assets:				
Revenue bonds payable	80,865	1,166,952	-	1,247,817
Accrued interest payable	5,706	35,462	-	41,168
<b>Total current liabilities</b>	<b>4,186,601</b>	<b>1,267,857</b>	<b>61,179</b>	<b>5,515,637</b>
Noncurrent liabilities:				
Long-term debt:				
General obligation debt	13,005,000	-	-	13,005,000
Unamortized debt premium	234,130	-	-	234,130
Lease payable	-	-	66,564	66,564
Revenue bonds payable	753,257	8,005,669	-	8,758,926
Notes payable	26,871	-	-	26,871
Compensated absences	263,888	14,102	-	277,990
Unearned revenues	137,360	-	-	137,360
<b>Total noncurrent liabilities</b>	<b>14,420,506</b>	<b>8,019,771</b>	<b>66,564</b>	<b>22,506,841</b>
<b>Total liabilities</b>	<b>18,607,107</b>	<b>9,287,628</b>	<b>127,743</b>	<b>28,022,478</b>
<b>Deferred Inflows of Resources</b>				
Pension related amounts	1,389,530	270,306	105,030	1,764,866
<b>Total deferred inflows of resources</b>	<b>1,389,530</b>	<b>270,306</b>	<b>105,030</b>	<b>1,764,866</b>
<b>Net Position</b>				
Net investment in capital assets	29,513,458	9,908,320	4,114,980	43,536,758
Restricted for:				
Depreciation	747,119	-	-	747,119
Debt service	169,168	777,967	-	947,135
Equipment replacement	-	2,360,146	-	2,360,146
Impact fees	53,262	-	-	53,262
Pension	462,213	79,059	32,499	573,771
Unrestricted	19,257,025	4,359,229	298,758	23,915,012
<b>Total net position</b>	<b>\$ 50,202,245</b>	<b>\$ 17,484,721</b>	<b>\$ 4,446,237</b>	<b>\$ 72,133,203</b>

See notes to financial statements

# City of Reedsburg

## Statement of Revenues, Expenses and Changes in Net Position

### Proprietary Funds

Year Ended December 31, 2020

	<b>Business-Type Activities - Enterprise Funds</b>			<b>Total</b>
	<b>Utility Commission</b>	<b>Sewer</b>	<b>Nonmajor Enterprise Fund - Stormwater Fund</b>	
<b>Operating Revenues</b>				
Public charges for services	\$ 29,085,566	\$ 4,723,713	\$ 540,419	\$ 34,349,698
Total operating revenues	<u>29,085,566</u>	<u>4,723,713</u>	<u>540,419</u>	<u>34,349,698</u>
<b>Operating Expenses</b>				
Operation and maintenance	22,717,978	1,875,863	275,702	24,869,543
Depreciation	<u>2,565,011</u>	<u>941,265</u>	<u>180,600</u>	<u>3,686,876</u>
Total operating expenses	<u>25,282,989</u>	<u>2,817,128</u>	<u>456,302</u>	<u>28,556,419</u>
Operating income	<u>3,802,577</u>	<u>1,906,585</u>	<u>84,117</u>	<u>5,793,279</u>
<b>Nonoperating Revenues (Expenses)</b>				
Investment income	348,460	43,702	-	392,162
Interest and amortization expense	(419,077)	(219,818)	(4,088)	(642,983)
Loss on early retirement	(135,242)	-	(23,690)	(158,932)
Amortization of debt premium	30,283	-	-	30,283
Miscellaneous	<u>25,209</u>	<u>3,000</u>	<u>-</u>	<u>28,209</u>
Total nonoperating revenues (expenses)	<u>(150,367)</u>	<u>(173,116)</u>	<u>(27,778)</u>	<u>(351,261)</u>
Income before contributions and transfers	<u>3,652,210</u>	<u>1,733,469</u>	<u>56,339</u>	<u>5,442,018</u>
<b>Contributions and Transfers</b>				
Capital contributions	532,094	-	-	532,094
Capital contributions, muni	2,691	232,756	-	235,447
Transfers out	<u>(752,370)</u>	<u>-</u>	<u>-</u>	<u>(752,370)</u>
Total contributions and transfers	<u>(217,585)</u>	<u>232,756</u>	<u>-</u>	<u>15,171</u>
Change in net position	3,434,625	1,966,225	56,339	5,457,189
<b>Net Position, Beginning</b>	<u>46,767,620</u>	<u>15,518,496</u>	<u>4,389,898</u>	<u>66,676,014</u>
<b>Net Position, Ending</b>	<u>\$ 50,202,245</u>	<u>\$ 17,484,721</u>	<u>\$ 4,446,237</u>	<u>\$ 72,133,203</u>

See notes to financial statements

## City of Reedsburg

### Statement of Cash Flows

#### Proprietary Funds

Year Ended December 31, 2020

	<b>Business-Type Activities - Enterprise Funds</b>			<b>Total</b>
	<b>Utility Commission</b>	<b>Sewer</b>	<b>Nonmajor Enterprise Fund - Stormwater Fund</b>	
<b>Cash Flows From Operating Activities</b>				
Received from customers	\$ 28,389,500	\$ 4,641,657	\$ 543,926	\$ 33,575,083
Received from other funds for services	482,764	-	-	482,764
Paid to suppliers for goods and services	(19,807,594)	(1,488,069)	(71,805)	(21,367,468)
Paid to employees for services	(2,698,834)	(391,600)	(186,792)	(3,277,226)
Net cash flows from operating activities	<u>6,365,836</u>	<u>2,761,988</u>	<u>285,329</u>	<u>9,413,153</u>
<b>Cash Flows From Investing Activities</b>				
Investment income	303,547	43,702	-	347,249
Investment in ATC	(75,367)	-	-	(75,367)
Net cash flows from investing activities	<u>228,180</u>	<u>43,702</u>	<u>-</u>	<u>271,882</u>
<b>Cash Flows From Noncapital Financing Activities</b>				
Paid to municipality for tax equivalent	(745,954)	-	-	(745,954)
Net cash flows from noncapital financing activities	<u>(745,954)</u>	<u>-</u>	<u>-</u>	<u>(745,954)</u>
<b>Cash Flows From Capital and Related Financing Activities</b>				
Debt issued	-	543,098	-	543,098
Debt retired	(2,366,444)	(1,110,166)	(35,079)	(3,511,689)
Interest paid	(427,276)	(223,436)	(5,051)	(655,763)
Acquisition and construction of capital assets	(2,392,658)	(860,781)	(283,523)	(3,536,962)
Capital contributions received	282,216	232,756	-	514,972
Net cash flows from capital and related financing activities	<u>(4,904,162)</u>	<u>(1,418,529)</u>	<u>(323,653)</u>	<u>(6,646,344)</u>
Net change in cash and cash equivalents	943,900	1,387,161	(38,324)	2,292,737
<b>Cash and Cash Equivalents, Beginning</b>	<u>16,083,314</u>	<u>5,786,892</u>	<u>317,404</u>	<u>22,187,610</u>
<b>Cash and Cash Equivalents, Ending</b>	<u>\$ 17,027,214</u>	<u>\$ 7,174,053</u>	<u>\$ 279,080</u>	<u>\$ 24,480,347</u>

See notes to financial statements

# City of Reedsburg

## Statement of Cash Flows

### Proprietary Funds

Year Ended December 31, 2020

	<b>Business-Type Activities - Enterprise Funds</b>			
	<b>Utility Commission</b>	<b>Sewer</b>	<b>Nonmajor Enterprise Fund - Stormwater Fund</b>	<b>Total</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Flows From Operating Activities</b>				
Operating income (loss)	\$ 3,802,577	\$ 1,906,585	\$ 84,117	\$ 5,793,279
Nonoperating revenue (expense)	(110,033)	-	-	(110,033)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:				
Depreciation	2,565,011	941,265	180,600	3,686,876
Depreciation charged to other funds	66,760	-	-	66,760
Depreciation on nonutility plant	9,767	-	-	9,767
Changes in assets and liabilities:				
Accounts receivable	(73,006)	(105,529)	-	(178,535)
Due from other funds	-	23,473	3,507	26,980
Prepaid items	(79,034)	-	-	(79,034)
Inventories	(14,639)	-	-	(14,639)
Accounts payable	144,789	153	17,331	162,273
Other accounts receivable	(67,155)	-	-	(67,155)
Due to other funds	(21,422)	-	-	(21,422)
Compensated absences	69,769	1,760	-	71,529
Other current liabilities	74,658	5,481	1,207	81,346
Unearned revenues	(1,345)	-	-	(1,345)
Pension related deferrals and liabilities	(2,031)	(11,200)	(1,433)	(14,664)
Commitment to community	1,170	-	-	1,170
Net cash flows from operating activities	<u>\$ 6,365,836</u>	<u>\$ 2,761,988</u>	<u>\$ 285,329</u>	<u>\$ 9,413,153</u>
<b>Reconciliation of Cash and Cash Equivalents to the Statement of Net Position, Proprietary Funds</b>				
Cash and investments	\$ 15,893,959	\$ 4,000,478	\$ 279,080	\$ 20,173,517
Restricted cash and investments, current	174,647	813,429	-	988,076
Restricted cash and investments, noncurrent	<u>958,608</u>	<u>2,360,146</u>	<u>-</u>	<u>3,318,754</u>
Cash and cash equivalents	<u>\$ 17,027,214</u>	<u>\$ 7,174,053</u>	<u>\$ 279,080</u>	<u>\$ 24,480,347</u>
<b>Noncash Capital and Related Financing Activities</b>				
ATC dividends reinvested	<u>\$ (55,188)</u>	<u>\$ -</u>	<u>\$ -</u>	
Amortization of debt premium	<u>\$ 30,283</u>	<u>\$ -</u>	<u>\$ -</u>	
Capital contributions	<u>\$ 252,569</u>	<u>\$ -</u>	<u>\$ -</u>	

See notes to financial statements

# City of Reedsburg

Statement of Fiduciary Net Position  
Fiduciary Funds  
December 31, 2020

	<b>Custodial Fund</b>	<b>Private- Purpose Trust Fund</b>
	<b>Tax Collection Fund</b>	<b>Nishan Community Aid for the Poor</b>
<b>Assets</b>		
Cash and investments	\$ 5,242,764	\$ 90
Property taxes receivable	3,277,156	-
Total assets	<u>8,519,920</u>	<u>90</u>
<b>Liabilities</b>		
Due to other taxing units	<u>8,519,920</u>	-
Total liabilities	<u>8,519,920</u>	-
<b>Net Position</b>		
Held in trust for private trust activities	<u>-</u>	<u>90</u>
Total net position	<u>\$ -</u>	<u>\$ 90</u>

# City of Reedsburg

Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
Year Ended December 31, 2020

	<u>Custodial Fund</u>	<u>Private- Purpose Trust Fund</u>
	<u>Tax Collection Fund</u>	<u>Nishan Community Aid for the Poor</u>
<b>Additions</b>		
Property taxes collected for other governments	\$ 5,810,090	\$ -
Total additions	<u>5,810,090</u>	<u>-</u>
<b>Deductions</b>		
Property taxes distributed to other governments	<u>5,810,090</u>	<u>-</u>
Total deductions	<u>5,810,090</u>	<u>-</u>
Change in fiduciary net position	-	-
<b>Net Position, Beginning</b>	<u>-</u>	<u>90</u>
<b>Net Position, Ending</b>	<u><u>\$ -</u></u>	<u><u>\$ 90</u></u>

# City of Reedsburg

Statement of Net Position  
Component Units  
December 31, 2020

	<b>Community Development Authority</b>	<b>Herbert H Webb Trust</b>	<b>Total</b>
<b>Assets</b>			
Cash and investments	\$ 53,571	\$ 3,550,291	\$ 3,603,862
Accounts receivable	691	-	691
Loans receivable	70,000	-	70,000
Property held for resale	17,321	-	17,321
Total assets	<u>141,583</u>	<u>3,550,291</u>	<u>3,691,874</u>
<b>Liabilities</b>			
Due to primary government	-	30,304	30,304
Total liabilities	<u>-</u>	<u>30,304</u>	<u>30,304</u>
<b>Net Position</b>			
Restricted for:			
Trust purposes	-	3,519,987	3,519,987
Unrestricted net position	<u>141,583</u>	<u>-</u>	<u>141,583</u>
Total net position	<u>\$ 141,583</u>	<u>\$ 3,519,987</u>	<u>\$ 3,661,570</u>

## City of Reedsburg

Statement of Revenues, Expenses and Changes in Net Position  
Component Units  
Year Ended December 31, 2020

	<b>Community Development Authority</b>	<b>Herbert H. Webb Trust</b>	<b>Total</b>
<b>Operating Expenses</b>			
Operation and maintenance	<u>10,635</u>	<u>87,705</u>	<u>98,340</u>
Total operating expenses	<u>10,635</u>	<u>87,705</u>	<u>98,340</u>
Operating loss	<u>(10,635)</u>	<u>(87,705)</u>	<u>(98,340)</u>
<b>Nonoperating Revenues</b>			
Investment income	<u>8,108</u>	<u>416,362</u>	<u>424,470</u>
Total nonoperating revenues	<u>8,108</u>	<u>416,362</u>	<u>424,470</u>
Change in net position	(2,527)	328,657	326,130
<b>Net Position, Beginning</b>	<u>144,110</u>	<u>3,191,330</u>	<u>3,335,440</u>
<b>Net Position, Ending</b>	<u><u>\$ 141,583</u></u>	<u><u>\$ 3,519,987</u></u>	<u><u>\$ 3,661,570</u></u>

See notes to financial statements



# City of Reedsburg

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December 31, 2020

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# City of Reedsburg

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Notes to Financial Statements  
December 31, 2020

## 1. Summary of Significant Accounting Policies

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

### Reporting Entity

This report includes all of the funds of the City. The reporting entity for the City consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if (1) it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization, (2) it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on, the primary government, (3) the organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on, the primary government. Certain legally separate, tax exempt organizations should also be reported as a component unit if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units or its constituents; (2) the primary government or its component units, is entitled to or has the ability to access, a majority of the economic resources received or held by the separate organization; and (3) the economic resources received or held by an individual organization that the primary government or its component units, is entitled to or has the ability to otherwise access, are significant to the primary government.

Component units are reported using one of three methods, discrete presentation, blended or fiduciary. Generally, component units should be discretely presented in a separate column in the financial statements. A component unit should be reported as part of the primary government using the blending method if it meets any one of the following criteria: (1) the primary government and the component unit have substantively the same governing body and a financial benefit or burden relationship exists, (2) the primary government and the component unit have substantively the same governing body and management of the primary government has operational responsibility for the component unit, (3) the component unit serves or benefits, exclusively or almost exclusively, the primary government rather than its citizens or (4) the total debt of the component unit will be paid entirely or almost entirely from resources of the primary government.

### Discretely Presented Component Units

#### Community Development Authority of the City of Reedsburg

The government-wide financial statements include the Community Development Authority of the City of Reedsburg (CDA) as a component unit. The CDA is a legally separate organization. The board of the CDA is appointed by the mayor. Wisconsin Statutes provide for circumstances whereby the City can impose its will on the CDA and also create a potential financial benefit to or burden on the City. See Note 3. As a component unit, the CDA's financial statements have been presented as a discrete column in the financial statements. The information presented is for the fiscal year ended December 31, 2020. The CDA does not issue separate financial statements.

## Herbert H. Webb Trust

The government-wide financial statements include the Herbert H. Webb – Reedsburg Trust (trust) as a component unit. The trust is a legally separate tax exempt component unit of the City of Reedsburg. The trust was established to support the City of Reedsburg for public purposes. Although the city does not control the timing or amount of receipts from the trust, the resources of the trust can only be used by or for the benefit of the city. Therefore, the trust is considered to be a component unit of the city and is discretely presented in the financial statements. The information presented is for the fiscal year ended December 31, 2020. See Note 3. The trust does not issue separate financial statements.

## Government-Wide and Fund Financial Statements

### Government-Wide Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

### Fund Financial Statements

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

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

- a. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type and
- b. The same element of the individual governmental or enterprise fund that met the 10 percent test is at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

## City of Reedsburg

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Notes to Financial Statements  
December 31, 2020

- c. In addition, any other governmental or enterprise fund that the City believes is particularly important to financial statement users may be reported as a major fund.

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

The City reports the following major governmental funds:

### **General Fund**

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

### **Debt Service Funds**

General Debt Service is used to account for and report financial resources that are restricted, committed or assigned to expenditure for the payment of general long-term debt principal, interest and related costs, other than TID or enterprise debt.

### **Capital Projects Funds**

General Capital Projects Fund - used to account for and report financial resources that are restricted, committed or assigned for capital outlay and capital equipment acquisitions.

Tax Incremental District (TID) No. 6 Capital Projects Fund - used to account for and report financial resources that are restricted, committed or assigned to expenditures outlined in the TID project plan.

Tax Incremental District (TID) No. 9 Capital Projects Fund - used to account for and report financial resources that are restricted, committed or assigned to expenditures outlined in the TID project plan.

### **Enterprise Funds**

The City reports the following major enterprise funds:

Sewer accounts for operations of the sewer system

Utility Commission accounts for operations of the water, electric and communications systems

# City of Reedsburg

Notes to Financial Statements  
December 31, 2020

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The City reports the following nonmajor governmental and enterprise funds:

## Special Revenue Funds

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes (other than debt service or capital projects).

Taxi Grant Fund	Park Fund
Triathlon Fund	DARE Fund
Webb Endowment Fund	Nishan Park Concession Stand Fund
Room Tax Fund	CDBG Fund
EDA Fund	HCRI Fund
Home Loan Fund	Sidewalk Repair Fund
Solid Waste Fund	Mannigal Endowment Fund
Library, County Funding	Library, Investment
Popple Trail Donations	Fireworks Fund
CLOSE Fund	Airport
Municipal Court	

## Capital Projects Funds

Capital Projects Funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Tax Incremental Financing (TIF) District No. 3	Tax Incremental Financing (TIF) District No. 4
Tax Incremental Financing (TIF) District No. 5	Tax Incremental Financing (TIF) District No. 7
Tax Incremental Financing (TIF) District No. 8	Capital Equipment Fund

## Enterprise Funds

Enterprise Funds are used to account for and report any activity for which a fee is charged to external users for goods or services and must be used for activities which meet certain debt or cost recovery criteria.

Stormwater Fund

In addition, the City reports the following fund types:

## Private-Purpose Trust Funds

Private-Purpose Trust Funds are used to account for and report any trust arrangement not properly reported in a pension trust fund or investment trust fund under which principal and income benefit individuals, private organizations or other governments.

Nishan Community Aid for the Poor

## Custodial Funds

Custodial Funds are used to account for and report assets controlled by the City and the assets are for the benefit of individuals, private organizations and/or other governmental units.

Tax Collection Fund

## Measurement Focus, Basis of Accounting and Financial Statement Presentation

### Government-Wide Financial Statements

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

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

### Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

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

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

Special assessments are recorded as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and unavailable revenues.

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

### Proprietary and Fiduciary Funds

Proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note.

## City of Reedsburg

Notes to Financial Statements  
December 31, 2020

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

### All Financial Statements

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

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

#### Deposits and Investments

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

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

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

Investment of most trust funds including cemetery perpetual care funds, is regulated by Chapter 881 of the Wisconsin Statutes. Investment of library trust funds is regulated by Chapter 112. Those sections give broad authority to use such funds to acquire various kinds of investments including stocks, bonds and debentures.

The City has not adopted an investment policy.

# City of Reedsburg

Notes to Financial Statements  
December 31, 2020

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on methods and inputs as outlined in Note 3. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances. The difference between the bank statement balance and carrying value is due to outstanding checks and/or deposits in transit.

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF) and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2020, the fair value of the City's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

See Note 3. for further information.

## Receivables

Property taxes are levied in December on the assessed value as of the prior January 1. In addition to property taxes for the City, taxes are collected for and remitted to the state and county governments as well as the local school district and technical college district. Taxes for all state and local governmental units billed in the current year for the succeeding year are reflected as receivables and due to other taxing units on the accompanying statement of fiduciary net position.

Property tax calendar - 2020 tax roll:

Lien date and levy date	December 2020
Tax bills mailed	December 2020
Payment in full or	January 31, 2021
First installment due	January 31, 2021
Second installment due	July 31, 2021
Personal property taxes in full	January 31, 2021
Tax sale - 2020 delinquent real estate taxes	October 2023

Accounts receivable have been shown net of an allowance for uncollectible accounts. Delinquent real estate taxes as of July 31 are paid in full by the County, which assumes the collection thereof. No provision for uncollectible accounts receivable has been made for the electric, water and sewer utilities because they have the right by law to place substantially all delinquent bills on the tax roll and other delinquent bills are generally not significant. Delinquent communications bills are not placed on the tax roll. An allowance for uncollectible accounts has been established to account for all delinquent communications billings over 120 days past due. The allowance is adjusted on an annual basis.

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as due to and from other funds. Long-term interfund loans (noncurrent portion) are reported as advances from and to other funds. Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the governmental-wide financial statements as internal balances.

In the governmental fund financial statements, advances to other funds are offset equally by a nonspendable fund balance account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation or by a restricted fund balance account, if the funds will ultimately be restricted when the advance is repaid.



## City of Reedsburg

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Notes to Financial Statements  
December 31, 2020

The City has received federal and state grant funds for economic development and housing rehabilitation loan programs to various businesses and individuals. The City records a loan receivable when the loan has been made and funds have been disbursed. The amount recorded as economic development and housing rehabilitation loans receivable has been reduced by an allowance for uncollectible accounts of \$442,385.

It is the City's policy to record revenue when the initial loan is made from the federal and state grant funds. The net amount of the loan receivable balance is included in restricted fund balance. Interest received from loan repayments is recognized as revenue when received in cash. Any unspent loan repayments at year end are presented as restricted fund balance in the fund financial statements with the exception of defederalized loans. Any unspent loan repayments for these loans are presented as committed.

### **Inventories and Prepaid Items**

Governmental fund inventory items are charged to expenditure accounts when purchased. Year-end inventory was not significant. Proprietary fund inventories are generally used for construction and/or for operation and maintenance work. They are not for resale. They are valued at cost based on weighted average and charged to construction and/or operation and maintenance expense when used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

### **Restricted Assets**

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified. The excess of restricted assets over current liabilities payable from restricted assets will be used first for retirement of related long-term debt. The remainder, if generated from earnings, is shown as restricted net position.

### **Capital Assets**

#### **Government-Wide Statements**

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$5,000 for general capital assets and \$25,000 for infrastructure assets and an estimated useful life in excess of one year. All capital assets are valued at historical cost or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed fund proceeds. No interest was capitalized during the current year. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

## City of Reedsburg

Notes to Financial Statements  
December 31, 2020

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Depreciation and amortization of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation and amortization reflected in the statement of net position. Depreciation and amortization is provided over the assets' estimated useful lives using the straight-line method. The range of estimated useful lives by type of asset is as follows:

Buildings	30 Years
Land Improvements	30 Years
Machinery and Equipment	3-15 Years
Intangibles	5-50 Years
Infrastructure	18-77 Years
Intangibles	20-50 Years

### Fund Financial Statements

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

### Other Assets

The electric utility is a member of American Transmission Company (ATC). ATC was formed by approximately 25 utilities to plan, construct, maintain, monitor and own electric transmission facilities in Wisconsin. The utility owns less than 1/2 of 1 percent of ATC.

As part of a settlement agreement with a vendor, the electric utility obtained customer rights from the prior service provider to serve additional customers. These costs are reported as organization costs and are being amortized over 33 years.

The electric utility has nonutility property consisting of private parking lighting which is depreciated over 20 years.

### Deferred Outflows of Resources

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

### Compensated Absences

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements.

All vested vacation and sick leave pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements and are payable with expendable resources.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2020, are determined on the basis of current salary rates and include salary related payments.

## Long-Term Obligations/Conduit Debt

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes and bonds payable and accrued compensated absences.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) are reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

For the government-wide statements and proprietary fund statements, bond premiums and discounts are amortized over the life of the issue using the effective interest method. The balance at year end is shown as an increase or decrease in the liability section of the statement of net position.

The City has approved the issuance of industrial revenue bonds (IRB) for the benefit of private business enterprises. IRB's are secured by mortgages or revenue agreements on the associated projects and do not constitute indebtedness of the City. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The total amount of IRB's outstanding at the end of the year is approximately \$273,686, made up of three issues.

## Deferred Inflows of Resources

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

## Equity Classifications

### Government-Wide Statements

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

- a. *Net investment in capital assets* - Consists of capital assets including restricted capital assets, net of accumulated depreciation/amortization and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. *Restricted net position* - Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. *Unrestricted net position* - All other net positions that do not meet the definitions of restricted or net investment in capital assets.

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

## Fund Statements

Governmental fund balances are displayed as follows:

- a. *Nonspendable* - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. *Restricted* - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. *Committed* - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the City Council. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the City Council that originally created the commitment.
- d. *Assigned* - Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. The Council, Finance Committee or management may take official action to assign amounts. Assignments may take place after the end of the reporting period.
- e. *Unassigned* - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those purposes.

Proprietary fund equity is classified the same as in the government-wide statements.

The City considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents / contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the City would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The City has a formal minimum fund balance policy. That policy is to maintain the general fund unrestricted fund balance at 25 percent to 30 percent of the subsequent year's operating expenditure budget. The balance of unrestricted fund balance at year-end was \$3,211,156 or 46 percent.

See Note 3. for further information.

Fiduciary fund net position is classified as restricted for community aid on the statement of fiduciary net position. Various donor restrictions apply, including authorizing and spending trust income and the City believes it is in compliance with all significant restrictions.

## **Pension**

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

## **Basis for Existing Rates - Proprietary Fund**

### **Electric**

Current electric rates were approved by the Public Service Commission of Wisconsin on April 27, 2015.

### **Water**

Current water rates were approved by the Public Service Commission of Wisconsin on June 25, 2020.

### **Sewer**

Current rates were approved and made effective by the city council on June 27, 2013.

### **Communications**

Current communications rates were approved by the utility commission and may change periodically. The utility commission approved TV rates October 21, 2019, which were effective as of January 1, 2020. Current telephone rates were approved by the utility commission effective in January 2020. Current residential and commercial internet rates were approved by the utility commission effective January 2020.

### **Stormwater**

Current rates were approved by the city council and made effective as of January 1, 2016.

## **Capital Contributions - Enterprise Funds**

Capital contributions represent the amount received from customers, the city or external parties for construction and the value of property (plant) contributed to the utilities. These amounts are not subject to repayment.

## **2. Stewardship, Compliance and Accountability**

### **Budgetary Information**

A budget has been adopted for the general fund, certain special revenue funds, the general debt service fund and capital projects funds. A budget has not been formally adopted for other special revenue funds. Wisconsin Statute 65.90 requires that an annual budget be adopted for all funds.

## City of Reedsburg

Notes to Financial Statements  
December 31, 2020

### Excess Expenditures and Other Financing Uses Over Appropriations

<u>Funds</u>	<u>Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Excess Expenditures Over Budget</u>
Taxi Grant Fund	\$ 190,700	\$ 268,884	\$ 78,184
Park Fund	-	15,830	15,830
Triathlon Fund	-	2,184	2,184
DARE Fund	3,500	14,650	11,150
CDBG Fund	-	425,101	425,101
EDA Fund	-	117,250	117,250
Close Fund	8,763	42,198	33,435
Sidewalk Repair Fund	-	4,894	4,894
Library - Investment	-	2,061	2,061
Fireworks Fund	-	2,200	2,200
Airport	136,792	180,147	43,355
TIF District No. 4	362,574	404,236	41,662
TIF District No. 9	308,955	345,093	36,138

The City controls expenditures at the department level. Some individual departments experienced expenditures which exceeded appropriations. The detail of those items can be found in the City's year-end budget to actual report.

### Deficit Balances

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year end.

As of December 31, 2020, the following individual funds held a deficit balance:

<u>Fund</u>	<u>Amount</u>	<u>Reason</u>
Taxi Grant Fund	\$ 18,045	Expenditures exceeding grant revenue
Tax Incremental District No. 6	606,643	Costs exceeding increment
Tax Incremental District No. 8	182,010	Costs exceeding increment
Tax Incremental District No. 9	1,053,342	Costs exceeding increment
Airport	9,774	Costs exceeding operation cost
Municipal Courts	101,601	Unfunded capital outlay

TIF district deficits are anticipated to be funded with future incremental taxes levied over the life of the districts, which is 27 years for the districts created before October 1, 1995 and 23 years for districts created thereafter through September 30, 2004. Beginning October 1, 2004, the life of new districts varies by type of district (20-27 years) and may be extended in some cases. Other fund deficits are anticipated to be funded with future contributions, general tax revenues, long-term borrowing or transfers from the general fund.

### Limitations on the City's Tax Levy

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

## City of Reedsburg

Notes to Financial Statements  
December 31, 2020

### 3. Detailed Notes on All Funds

#### Deposits and Investments

The City's deposits and investments at year end were comprised of the following:

	<u>Carrying Value</u>	<u>Statement Balances</u>	<u>Associated Risks</u>
Deposits	\$ 20,245,612	\$ 19,866,324	Custodial credit
U.S. agencies, implicitly guaranteed	1,505,222	1,505,222	Credit, custodial credit, concentration of credit, interest rate
Certificates of deposit (negotiable)	3,379,569	3,379,569	Credit, custodial credit, concentration of credit, interest rate
LGIP	11,077,790	11,077,790	Credit
Petty cash	<u>500</u>	<u>-</u>	N/A
Total deposits and investments	<u>\$ 36,208,693</u>	<u>\$ 35,828,905</u>	
Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 26,659,009		
Restricted cash and investments	4,306,830		
Per statement of net position, fiduciary funds			
Custodial Fund	5,242,764		
Private-purpose trust fund	<u>90</u>		
Total deposits and investments	<u>\$ 36,208,693</u>		

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit accounts (interest-bearing and noninterest-bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts.

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the nature of this fund, recovery of material principal losses may not be significant to individual municipalities. This coverage has been considered in computing custodial credit risk.

The City maintains collateral agreements with its banks. At December 31, 2020, the banks had pledged various government securities in the amount of \$18,708,835 to secure the City's deposits.

The utility commission's investment in American Transmission Corporation (ATC) is measured at the net asset value (NAV) per share of ownership. As of December 31, 2020, the fair value of the investment was \$3,096,990. ATC was formed by approximately 25 utilities to plan, construct, maintain, monitor and own electric transmission facilities in Wisconsin. The utility elected to receive an investment in ATC at its inception rather than directly sell its transmission facilities. The utility owns less than 1/2 of 1 percent of ATC. The utility has no unfunded commitments at year-end. The investment in ATC can only be redeemed by ATC or another existing member.

## City of Reedsburg

Notes to Financial Statements  
December 31, 2020

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

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

- Certificates of deposit (negotiable) - uses a market based approach
- U.S. agency securities - uses a market based approach which considers yield, price of comparable securities, coupon rate, maturity, credit quality and dealer-provided prices

Investment Type	December 31, 2020			
	Level 1	Level 2	Level 3	Total
Certificates of deposit (negotiable)	\$ 3,379,569	\$ -	\$ -	\$ 3,379,569
U.S. agencies, implicitly guaranteed	-	1,505,222	-	1,505,222
Total	<u>\$ 3,379,569</u>	<u>\$ 1,505,222</u>	<u>\$ -</u>	<u>\$ 4,884,791</u>

### Custodial Credit Risk

#### Deposits

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

The City does not have any deposits exposed to custodial credit risk.

#### Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

As of December 31, 2020, the City's investments were exposed to custodial credit risk as follows:

#### Neither Insured nor Registered and Held by Counterparty's Trust Department or Agent not in the City's Name

U.S. agencies, implicitly guaranteed \$ 1,505,222

### Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

As of December 31, 2020, the City's investments were rated as follows:

Investment Type	Standard & Poors
U.S. agencies, implicitly guaranteed	AA+



# City of Reedsburg

Notes to Financial Statements  
December 31, 2020

The City also held investments in the following investments which are not rated:

Local Government Investment Pool

Certificates of deposit (negotiable)

## Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment.

As of December 31, 2020, the City's investments were as follows:

Investment Type	Fair Value	Maturity (In Years)		
		Less than 1	1-5	6+
U.S. agencies, implicitly guaranteed	\$ 1,505,222	\$ -	\$ -	\$ 1,505,222
Certificates of deposit (negotiable)	<u>3,379,569</u>	<u>2,889,569</u>	<u>490,000</u>	<u>-</u>
Total	<u>\$ 4,884,791</u>	<u>\$ 2,889,569</u>	<u>\$ 490,000</u>	<u>\$ 1,505,222</u>

See Note 1. for further information on deposit and investment policies.

## Receivables

Receivables as of year end for the government's individual major funds and nonmajor and other funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Debt Service	General Capital Projects	TIF District No. 6	TIF District No. 9	Utility Commission	Sewer Utility	Nonmajor and Other Funds	Total
Receivables:									
Gross receivables	\$ 4,024,360	\$ 763,055	\$ 537,550	\$ 778,728	\$ 444,524	\$ 3,018,188	\$ 366,130	\$ 3,337,398	\$ 13,269,933
Less allowance for uncollectibles	-	-	-	-	-	(51,996)	-	(442,385)	(494,381)
Net total receivables	<u>\$ 4,024,360</u>	<u>\$ 763,055</u>	<u>\$ 537,550</u>	<u>\$ 778,728</u>	<u>\$ 444,524</u>	<u>\$ 2,966,192</u>	<u>\$ 366,130</u>	<u>\$ 2,895,013</u>	<u>\$ 12,775,552</u>
Amounts not expected to be collected within one year	<u>\$ 4,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,000</u>	<u>\$ 1,560,465</u>	<u>\$ 1,568,465</u>

Governmental funds report *unavailable* or *unearned revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *unavailable revenue* and *unearned revenue* reported in the governmental funds were as follows:

	Unearned	Unavailable
Property taxes receivable for subsequent year	\$ 7,542,642	\$ -
Interfund interest, TIF advances	-	283,003
Loan receivable	-	100,000
Total unearned/unavailable revenue for governmental funds	<u>\$ 7,542,642</u>	<u>\$ 383,003</u>

## City of Reedsburg

Notes to Financial Statements  
December 31, 2020

For economic development loans, the City is limited by the Wisconsin Department of Administration to the amount of program income from economic development loans that it may retain to be loaned to other businesses and/or the amount of time for which funds may be held without use. Program income includes the principal and interest received from economic development loans repayments.

At December 31, 2020, the City has not exceeded the maximum amount of program income that it may retain or the amount of time for which funds may be held without use. When it does, a liability to the state will be recorded.

### Restricted Assets

The following represent the balances of the restricted assets:

#### Long-Term Debt Accounts

*Redemption* - Used to segregate resources accumulated for debt service payments over the next twelve months.

*Reserve* - Used to report resources set aside to make up potential future deficiencies in the redemption account.

*Depreciation* - Used to report resources set aside to fund plant renewals and replacement or make up potential future deficiencies in the redemption account.

#### Equipment Replacement Account

The sewer utility established an equipment replacement account to be used for significant mechanical equipment replacement as required by the Wisconsin Department of Natural Resources.

#### Net Pension Asset

Restricted assets have been reported in connection with the net pension asset balance since this balance must be used to fund employee benefits.

#### Impact Fee Account

The utility commission has received impact fees which must be spent in accordance with the local ordinance and state statutes. Any unspent funds must be refunded to the property owner.

Following is a list of business-type restricted assets at December 31, 2020:

Restricted assets:	
Redemption account	\$ 988,076
Reserve account	158,227
Depreciation account	747,119
Replacement account	2,360,146
Impact fee account	53,262
Net pension assets	<u>573,771</u>
Total restricted assets	<u>4,880,601</u>

## City of Reedsburg

Notes to Financial Statements  
December 31, 2020

Less restricted assets not funded by revenues:	
Reserve from borrowing	\$ (158,000)
Current liabilities payable from restricted assets	<u>(41,168)</u>
Total restricted net position	<u>\$ 4,681,433</u>
Restricted net pension assets for government-type activities	<u>\$ 756,548</u>

### Capital Assets

Capital asset activity for the year ended December 31, 2020, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>				
Capital assets not being depreciated / amortized:				
Land	\$ 6,711,149	\$ 15,245	\$ 8,300	\$ 6,718,094
Land for right of way	942,232	-	-	942,232
Road infrastructure not being depreciated	6,092,804	198,625	54,900	6,236,529
Construction work in progress	<u>947,464</u>	<u>6,214,963</u>	<u>323,231</u>	<u>6,839,196</u>
Total capital assets not being depreciated / amortized	<u>14,693,649</u>	<u>6,428,833</u>	<u>386,431</u>	<u>20,736,051</u>
Capital assets being depreciated / amortized:				
Buildings	11,897,503	118,215	-	12,015,718
Intangibles	95,272	68,946	35,097	129,121
Equipment and furniture	10,068,649	505,464	342,021	10,232,092
Infrastructure	<u>20,800,815</u>	<u>847,376</u>	<u>164,400</u>	<u>21,483,791</u>
Total capital assets being depreciated / amortized	<u>42,862,239</u>	<u>1,540,001</u>	<u>541,518</u>	<u>43,860,722</u>
Total capital assets	<u>57,555,888</u>	<u>7,968,834</u>	<u>927,949</u>	<u>64,596,773</u>
Less accumulated depreciation / amortization for:				
Buildings	(7,667,739)	(230,024)	-	(7,897,763)
Intangibles	(86,248)	(10,360)	35,097	(61,511)
Equipment and furniture	(6,110,331)	(495,525)	247,714	(6,358,142)
Infrastructure	<u>(12,308,485)</u>	<u>(677,057)</u>	<u>164,400</u>	<u>(12,821,142)</u>
Total accumulated depreciation / amortization	<u>(26,172,803)</u>	<u>(1,412,966)</u>	<u>447,211</u>	<u>(27,138,558)</u>
Net capital assets being depreciated / amortized	<u>16,689,436</u>	<u>127,035</u>	<u>94,307</u>	<u>16,722,164</u>
Total governmental activities capital assets, net of accumulated depreciation / amortization	<u>\$ 31,383,085</u>	<u>\$ 6,555,868</u>	<u>\$ 480,738</u>	<u>\$ 37,458,215</u>

# City of Reedsburg

Notes to Financial Statements  
December 31, 2020

Depreciation expense was charged to functions as follows:

## Governmental Activities

General government	\$ 77,369
Public safety	269,104
Public works	817,218
Culture, recreation and education	<u>249,275</u>

Total governmental activities depreciation / amortization expense \$ 1,412,966

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Business-Type Activities</b>				
Capital assets not being depreciation:				
Land	\$ 383,905	\$ -	\$ -	\$ 383,905
Construction in progress	<u>1,622,001</u>	<u>3,323,460</u>	<u>2,539,112</u>	<u>2,406,349</u>
Total capital assets not being depreciated / amortized	<u>2,005,906</u>	<u>3,323,460</u>	<u>2,539,112</u>	<u>2,790,254</u>
Capital assets being depreciated:				
Electric system	29,820,906	981,674	675,684	30,126,896
Water system	15,982,401	445,251	46,168	16,381,484
Communications system	33,304,278	1,134,187	30,819	34,407,646
Sewer system	32,383,905	174,781	11,239	32,547,447
Stormwater system	<u>6,928,611</u>	<u>126,308</u>	<u>21,840</u>	<u>7,033,079</u>
Total capital assets being depreciated / amortized	<u>118,420,101</u>	<u>2,862,201</u>	<u>785,750</u>	<u>120,496,552</u>
Total capital assets	<u>120,426,007</u>	<u>6,185,661</u>	<u>3,324,862</u>	<u>123,286,806</u>
Less accumulated depreciation for:				
Electric system	(18,060,697)	(1,027,769)	540,440	(18,548,026)
Water system	(5,197,995)	(367,412)	46,169	(5,519,238)
Communications system	(13,087,480)	(1,271,033)	30,817	(14,327,696)
Sewer system	(13,410,980)	(941,265)	11,239	(14,341,006)
Stormwater system	<u>(2,864,053)</u>	<u>(180,600)</u>	<u>14,365</u>	<u>(3,030,288)</u>
Total accumulated depreciation	<u>(52,621,205)</u>	<u>(3,788,079)</u>	<u>643,030</u>	<u>(55,766,254)</u>
Net capital assets being depreciated / amortized	<u>65,798,896</u>	<u>(925,878)</u>	<u>142,720</u>	<u>64,730,298</u>
Business-type capital assets, net of accumulated depreciation	<u>\$ 67,804,802</u>	<u>\$ 2,397,582</u>	<u>\$ 2,681,832</u>	<u>\$ 67,520,552</u>

Depreciation expense was charged to functions as follows:

## Business-Type Activities

Electric	\$ 964,246
Water	330,484
Communications	1,270,281
Sewer	941,265
Storm	<u>180,600</u>

Total business-type activities depreciation expense \$ 3,686,876

Depreciation expense does not agree to the increases in accumulated depreciation due to joint metering, salvage and cost of removal.

# City of Reedsburg

Notes to Financial Statements  
December 31, 2020

## Interfund Receivables/Payables, Advances and Transfers

### Interfund Receivables/Payables

The following is a schedule of interfund receivables and payables including any overdrafts on pooled cash and investment accounts:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General fund	Utility commission	\$ 752,370
General fund	Airport	8,879
General fund	CDBG	2,363
Utility commission	General fund	3,141
Stormwater fund	Utility commission	66,113
Sewer	Utility commission	<u>153,873</u>
Total, fund financial statements		986,739
Less fund eliminations		<u>(237,510)</u>
Total internal balances, government-wide statement of net position		<u>\$ 749,229</u>

All amounts are due within one year.

The principal purpose of these interfunds resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made.

### Advances

The general fund is advancing funds to TIF Districts No. 6 and No. 8. The amount advanced is determined by the deficiency of revenues over expenditures and other financing sources since the district's inception. The general fund is charging the TIF No. 6 and No. 8 interest on the advance based on the average outstanding advance balance during the year at a rate of 5 percent. \$283,003 of interest is included in the No. 6 and No. 8 advances and is recorded as unavailable revenue until it is collected. No repayment schedules have been established.

The general fund is also advancing funds to the taxi, municipal court and TIF District No. 9 funds. No interest is being charged on these advances and no repayment schedules have been established.

# City of Reedsburg

Notes to Financial Statements  
December 31, 2020

The following is a schedule of interfund advances:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Amount Not Due Within One Year</u>
General fund	Taxi Fund	\$ 40,787	\$ 40,787
General fund	TIF District No. 6	1,140,178	1,140,178
General fund	TIF District No. 8	182,010	182,010
General fund	TIF District No. 9	1,316,168	1,316,168
General fund	Municipal Court Fund	<u>89,475</u>	89,475
Total, fund financial statements		2,768,618	
Less fund eliminations		<u>(2,768,618)</u>	
Total, interfund advances, government-wide statement of net position		<u>\$ -</u>	

## Transfers

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
General fund	Utility commission	\$ 752,370	Tax equivalent
General fund	General capital projects	5,000	Annual art funds agreement
General Debt service	Nonmajor governmental funds	100,850	Debt service payments
TIF District No. 6	Nonmajor governmental funds	328,490	Increment sharing
Nonmajor governmental funds	Nonmajor governmental funds	84,689	Increment sharing
Nonmajor governmental funds	Nonmajor governmental funds	<u>538,279</u>	Establish CDBG close fund
Total, fund financial statements		1,809,678	
Less fund eliminations		(1,057,308)	
Less assets transferred from governmental activities to business-type activities		<u>(235,447)</u>	
Total transfers, government-wide statement of activities		<u>\$ 516,923</u>	

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

# City of Reedsburg

Notes to Financial Statements  
December 31, 2020

## Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2020, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<b>Governmental Activities</b>					
Bonds and notes payable:					
General obligation debt	\$ 2,360,000	\$ 7,425,000	\$ 775,000	\$ 9,010,000	\$ 740,000
General obligation notes from direct borrowings and direct placements	2,294,142	-	95,294	2,198,848	99,299
Premiums	-	388,133	-	388,133	-
Subtotal	<u>4,654,142</u>	<u>7,813,133</u>	<u>870,294</u>	<u>11,596,981</u>	<u>839,299</u>
Other liabilities:					
Vested compensated absences	654,547	191,185	146,031	699,701	169,570
Total other liabilities	<u>654,547</u>	<u>191,185</u>	<u>146,031</u>	<u>699,701</u>	<u>169,570</u>
Total governmental activities long-term liabilities	<u>\$ 5,308,689</u>	<u>\$ 8,004,318</u>	<u>\$ 1,016,325</u>	<u>\$ 12,296,682</u>	<u>\$ 1,008,869</u>
<b>Business-Type Activities</b>					
Bonds and notes payable:					
General obligation debt	\$ 14,485,000	\$ -	\$ 730,000	\$ 13,755,000	\$ 750,000
Revenue bonds	9,614,326	543,098	2,569,076	7,588,348	1,082,159
Revenue bonds from direct borrowings and direct placements	2,579,807	-	161,412	2,418,395	165,658
Notes payable	59,116	-	16,122	42,994	16,123
Premiums	264,413	-	30,283	234,130	-
Subtotal	<u>27,002,662</u>	<u>543,098</u>	<u>3,506,893</u>	<u>24,038,867</u>	<u>2,013,940</u>
Other liabilities:					
Vested compensated absences	364,028	327,435	255,906	435,557	157,567
Capital leases	138,006	-	35,079	102,927	36,363
Total other liabilities	<u>502,034</u>	<u>327,435</u>	<u>290,985</u>	<u>538,484</u>	<u>193,930</u>
Total business-type activities long-term liabilities	<u>\$ 27,504,696</u>	<u>\$ 870,533</u>	<u>\$ 3,797,878</u>	<u>\$ 24,577,351</u>	<u>\$ 2,207,870</u>

In accordance with Wisconsin Statutes, total general obligation indebtedness of the City may not exceed 5 percent of the equalized value of taxable property within the City's jurisdiction. The debt limit as of December 31, 2020, was \$35,558,735. Total general obligation debt outstanding at year end was \$24,963,848.

# City of Reedsburg

Notes to Financial Statements  
December 31, 2020

## General Obligation Debt

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

<u>Governmental Activities</u>					<b>Balance</b>
<b>General Obligation Debt</b>	<b>Date of Issue</b>	<b>Final Maturity</b>	<b>Interest Rates</b>	<b>Original Indebtedness</b>	<b>December 31, 2020</b>
General obligation refunding bonds	5/5/2013	3/1/2023	1.20 - 1.80%	\$ 3,225,000	\$ 1,325,000
General obligation refunding bonds	9/7/2016	12/1/2021	1.05 - 1.50	1,785,000	260,000
State trust fund loan *	10/18/2017	3/15/2037	4.00	500,000	470,396
State trust fund loan *	1/16/18	3/15/2032	4.00	1,335,000	1,193,452
State trust fund loan *	7/26/2019	3/15/2038	4.00	535,000	535,000
General obligation Corporate Purpose	7/2/2020		1.5-2.0	7,425,000	<u>7,425,000</u>
Total governmental activities, general obligation debt					<u>\$ 11,208,848</u>

\* The debt noted is considered a direct borrowing or direct placement.

<u>Business-Type Activities</u>					<b>Balance</b>
<b>General Obligation Debt</b>	<b>Date of Issue</b>	<b>Final Maturity</b>	<b>Interest Rates</b>	<b>Original Indebtedness</b>	<b>December 31, 2020</b>
General obligation refunding bonds	8/22/2016	3/1/2035	2.00 - 3.00%	\$ 7,480,000	\$ 6,830,000
General obligation refunding bonds	6/29/2017	3/1/2035	2.00 - 3.50	2,610,000	2,275,000
General obligation refunding bonds	9/18/2017	3/1/2029	1.55 - 3.00	6,000,000	<u>4,650,000</u>
Total business-type activities, general obligation debt					<u>\$ 13,755,000</u>

Debt service requirements to maturity are as follows:

<b>Years</b>	<b>Governmental Activities General Obligation Debt</b>		<b>Business-Type Activities General Obligation Debt</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2021	\$ 740,000	\$ 186,353	\$ 750,000	\$ 334,869
2022	710,000	149,728	770,000	316,038
2023	625,000	137,785	790,000	299,063
2024	640,000	125,650	805,000	283,670
2025	650,000	112,750	820,000	267,214
2026-2030	3,425,000	389,175	4,445,000	1,049,774
2031-2035	<u>2,220,000</u>	<u>67,200</u>	<u>5,375,000</u>	<u>410,344</u>
Total	<u>\$ 9,010,000</u>	<u>\$ 1,168,641</u>	<u>\$ 13,755,000</u>	<u>\$ 2,960,972</u>



# City of Reedsburg

Notes to Financial Statements  
December 31, 2020

<u>Years</u>	<b>Governmental Activities Notes from Direct Borrowings and Direct Placements</b>	
	<u>Principal</u>	<u>Interest</u>
2021	\$ 99,299	\$ 87,954
2022	125,856	83,982
2023	130,890	78,949
2024	135,923	73,914
2025	141,563	68,275
2026-2030	797,268	251,921
2031-2035	573,068	94,578
2036-2038	194,981	14,316
Total	<u>\$ 2,198,848</u>	<u>\$ 753,889</u>

The City's outstanding State Trust Fund Loans from direct borrowings related to governmental activities of \$2,198,848 contain clauses that any delinquent payments are subject to a penalty of one percent per month and shall be deducted from any state payments that are due to the City.

## Revenue Debt

Business-type activities revenue bonds are payable only from revenues derived from the operation of the water, electric, communication and sewer utilities.

Revenue debt payable at December 31, 2020, consists of the following:

### Business-Type Activities Revenue Debt

<u>Sewer</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2020</u>
Revenue bonds	5/1/2005	5/1/2025	2.565%	\$ 11,292,318	\$ 3,532,137
Revenue bonds	5/1/2006	5/1/2025	2.365	2,981,335	930,304
Revenue bonds	3/23/2011	5/1/2030	2.499	1,860,236	1,092,455
Revenue bonds*	5/1/2013	5/1/2033	2.625	3,096,378	2,209,273 (1)
Revenue bonds	4/11/2018	5/1/2037	1.060	1,500,470	1,408,452
				Total sewer utility	<u>9,172,621</u>

The sewer utility has pledged future revenues, net of specified operating expenses, to repay revenue bonds issued in 2005, 2006, 2011, 2013 and 2018. Proceeds from the bonds provided financing for the sewer systems. The bonds are solely from sewer revenues and are payable through 2037. Annual principal and interest payments on the bonds are expected to require 15 percent of sewer revenues. The total principal and interest remaining to be paid on the bonds is \$10,129,924. Principal and interest paid in the current year and total customer gross revenues were \$1,333,602 and \$4,767,415, respectively.

- (1) - During 2013 the utility was authorized to issue \$3,310,182 of sewer system Clean Water Fund revenue bonds. The original amount reported above has been issued as of December 31, 2020. The repayment schedule is for the amount issued.

# City of Reedsburg

Notes to Financial Statements  
December 31, 2020

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2020</u>
<b>Water Utility</b>					
Safe Drinking Water Loan*	1/27/2010	5/1/2029	2.67%	\$ 385,163	\$ 209,122
Revenue bonds	9/29/2011	5/1/2020	1.00 - 3.00	995,000	-
Main Replacements and SCADA Improvements	7/7/2014	5/1/2029	1.70 - 3.75	895,000	<u>625,000</u>
Total water utility					<u>834,122</u>

The water utility has pledged future revenues, net of specified operating expenses, to repay revenue bonds issued in 2010, 2011 and 2014. Proceeds from the bonds provided financing for the water systems. The bonds are solely from water revenues and are payable through 2029. Annual principal and interest payments on the bonds are expected to require 7 percent of water revenues. The total principal and interest remaining to be paid on the bonds is \$965,823. Principal and interest paid in the current year and total customer gross revenues were \$224,758 and \$1,627,051, respectively.

Total business-type activities, revenue debt \$ 10,006,743

Debt service requirements to maturity are as follows:

<u>Years</u>	<b>Business-Type Activities Revenue Debt</b>	
	<u>Principal</u>	<u>Interest</u>
2021	\$ 1,082,159	\$ 191,205
2022	1,111,811	152,398
2023	1,137,071	111,629
2024	1,162,958	80,497
2025	1,194,483	51,418
2026-2030	1,289,315	103,141
2031-2035	431,504	20,943
2036-2037	<u>179,047</u>	<u>1,895</u>
Total	<u>\$ 7,588,348</u>	<u>\$ 713,126</u>

<u>Years</u>	<b>Business-Type Activities Revenue Debt from Direct Borrowings and Direct Placements</b>	
	<u>Principal</u>	<u>Interest</u>
2021	\$ 165,658	\$ 61,394
2022	170,015	56,979
2023	174,488	52,449
2024	179,078	47,798
2025	183,788	43,026
2026-2030	967,604	139,384
2031-2033	<u>577,764</u>	<u>23,013</u>
Total	<u>\$ 2,418,395</u>	<u>\$ 424,043</u>

## City of Reedsburg

Notes to Financial Statements  
December 31, 2020

### Other Long-Term Obligations

<u>Business-Type Activities</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2020</u>
<u>Other Long-Term Obligations</u>					
Notes payable, LED street lights*	8/12/2013	8/28/2023	0%	\$ 161,226	\$ 42,994
Total business-type activities other long-term obligations					\$ 42,994

\* The debt noted is considered a direct borrowing or direct placement.

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Business-Type Activities Other Long-Term Obligations</u>	
	<u>Principal</u>	<u>Interest</u>
2021	\$ 16,123	\$ -
2022	16,123	-
2023	10,748	-
Total	\$ 42,994	\$ -

### Other Debt Information

Estimated payments of compensated absences are not included in the debt service requirement schedules. The compensated absences liability attributable to governmental activities will be liquidated primarily by the general fund.

### Bond Covenant Disclosures

#### Insurance

The utilities are exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets, errors and omissions, workers compensation, and health care of its employees. These risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded coverage in any of the last three years. There were no significant reductions in coverage compared to the prior year.

## City of Reedsburg

Notes to Financial Statements  
December 31, 2020

### Debt Coverage, Sewer Utility

Under terms of the resolutions providing for the issue of revenue bonds, revenues less operating expenses excluding depreciation (defined net earnings) must exceed 1.1 times the highest annual debt service of the bonds. The coverage only includes revenue debt and does not include general obligation or other debt. The coverage requirement was met in 2020 as follows:

Operating revenues	\$ 4,723,713
Investment income	43,702
Less operation and maintenance expenses	<u>(1,875,863)</u>
Net defined earnings	<u>\$ 2,891,552</u>
Minimum Required Earnings per Resolution:	
Highest annual debt service 2005 CWF bonds	\$ 753,099
Highest annual debt service 2006 CWF bonds	197,369
Highest annual debt service 2011 CWF bonds	123,598
Highest annual debt service 2013 CWF bonds	200,886
Highest annual debt service 2018 CWF bonds	<u>90,543</u>
Subtotal	1,365,495
Coverage factor	<u>1.10</u>
Minimum required earnings	<u>\$ 1,502,045</u>
Actual Debt Coverage	<u>2.12</u>

### Lease Disclosures

#### Lessee, Capital Leases

In 2017 the stormwater utility acquired capital assets through a lease/purchase agreement. The gross amount of these assets under capital leases is \$244,641, which are included in capital assets in the business-type activities. The future lease payments as of December 31, 2020, are as follows:

<u>Years</u>	<u>Business-Type Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 36,363	\$ 3,767	\$ 40,130
2022	<u>66,564</u>	<u>2,436</u>	<u>69,000</u>
Total	<u>\$ 102,927</u>	<u>\$ 6,203</u>	<u>\$ 109,130</u>

## City of Reedsburg

Notes to Financial Statements  
December 31, 2020

### Net Position/Fund Balances

Net position reported on the government-wide statement of net position at December 31, 2020, includes the following:

#### Governmental Activities

##### Net investment in capital assets:

Land	\$ 13,896,855
Construction in progress	6,839,196
Capital assets, net of accumulated depreciation	16,722,164
Less long-term debt outstanding	(11,208,848)
Plus unspent capital related debt proceeds	741,989
Plus noncapital debt proceeds	2,163,848
Less unamortized debt premium	<u>(388,133)</u>
Total net investment in capital assets	<u>28,767,071</u>

##### Restricted:

Debt service	106,260
Trust purposes	177,713
Housing and economic development	1,386,091
TIF projects	14,516
Pension	756,548
Capital projects	819,944
Park development	108,572
Room Tax	37,982
Library	<u>525,618</u>
Total restricted	<u>3,933,244</u>

##### Unrestricted

1,469,691

Total governmental activities net position \$ 34,170,006

# City of Reedsburg

Notes to Financial Statements  
December 31, 2020

## Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2020, include the following:

	<u>General Fund</u>	<u>General Debt Service</u>	<u>General Capital Projects</u>	<u>TIF District No. 6</u>	<u>TID District No. 9</u>	<u>Nonmajor Funds</u>	<u>Total</u>
<b>Fund Balances</b>							
<b>Nonspendable:</b>							
Prepaid items	\$ 97,444	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 97,444
Investment in mutual insurance company	200,515	-	-	-	-	-	200,515
Advances	2,768,618	-	-	-	-	-	2,768,618
Subtotal	<u>3,066,577</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,066,577</u>
<b>Restricted for:</b>							
Debt service	-	254,176	-	-	-	-	254,176
Capital projects	-	-	544,685	-	-	-	544,685
Public purpose	-	-	-	-	-	153,785	153,785
General City expenditures	-	-	-	-	-	37,982	37,982
Recreational and playground purposes	-	-	-	-	-	23,928	23,928
Loans	-	-	-	-	-	1,386,091	1,386,091
Library	-	-	-	-	-	525,618	525,618
Capital projects, TIF	-	-	-	-	-	14,516	14,516
Park improvements	-	-	-	-	-	108,572	108,572
Subtotal	<u>-</u>	<u>254,176</u>	<u>544,685</u>	<u>-</u>	<u>-</u>	<u>2,250,492</u>	<u>3,049,353</u>
<b>Committed to:</b>							
Sidewalk repairs	-	-	-	-	-	28,328	28,328
Solid waste and recycling activities	-	-	-	-	-	191,070	191,070
Drug education	-	-	-	-	-	12,794	12,794
Recreation	-	-	-	-	-	90,267	90,267
Defederalized loans cash on hand	-	-	-	-	-	485,837	485,837
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>808,296</u>	<u>808,296</u>
<b>Assigned to:</b>							
Capital projects	238,973	-	-	-	-	275,259	514,232
CIVMIC self-insurance retention	100,000	-	-	-	-	-	100,000
PILOT	752,370	-	-	-	-	-	752,370
Arts	8,241	-	-	-	-	-	8,241
Subtotal	<u>1,099,584</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>275,259</u>	<u>1,374,843</u>
<b>Unassigned (deficit):</b>	<u>2,111,572</u>	<u>-</u>	<u>-</u>	<u>(606,643)</u>	<u>(1,053,342)</u>	<u>(311,430)</u>	<u>140,157</u>
Total fund balances (deficit)	<u>\$ 6,277,733</u>	<u>\$ 254,176</u>	<u>\$ 544,685</u>	<u>\$ (606,643)</u>	<u>\$ (1,053,342)</u>	<u>\$ 3,022,617</u>	<u>\$ 8,439,226</u>

## City of Reedsburg

Notes to Financial Statements  
December 31, 2020

### Business-Type Activities

Net investment in capital assets:	
Land	\$ 383,905
Construction in progress	2,406,349
Capital assets, net of accumulated depreciation	64,730,298
Less Long-term debt outstanding	(23,907,664)
Plus unspent capital related debt proceeds	158,000
Less unamortized debt premium	<u>(234,130)</u>
 Total net investment in capital assets	 <u>43,536,758</u>
Restricted:	
Impact fees	53,262
Debt service	947,135
Equipment replacement	2,360,146
Pension	573,771
Depreciation	<u>747,119</u>
 Total restricted	 <u>4,681,433</u>
 Unrestricted	 <u>23,915,012</u>
 Total business-type activities net position	 <u><u>\$ 72,133,203</u></u>

### Segment Information

The government issued revenue bonds to finance its water, electric and communications department, which operates the government's . The water, electric and communications department is accounted for in the utility commission fund, a nonmajor enterprise fund. Summary financial information for the water, electric and communications department is presented below.

#### Condensed Statement of Revenues, Expenses and Changes in Net Position

	<u>Water Utility</u>	<u>Electric Utility</u>	<u>Communications</u>	<u>Total</u>
Charges for services	\$ 1,498,673	\$ 21,177,535	\$ 6,204,185	\$ 28,880,393
Other operating revenues	119,543	57,851	27,779	205,173
Depreciation expense	(330,484)	(964,246)	(1,270,281)	(2,565,011)
Other operating expenses	<u>(1,270,063)</u>	<u>(17,943,995)</u>	<u>(3,503,920)</u>	<u>(22,717,978)</u>
 Operating income	 <u>17,669</u>	 <u>2,327,145</u>	 <u>1,457,763</u>	 <u>3,802,577</u>

# City of Reedsburg

Notes to Financial Statements  
December 31, 2020

	<u>Water Utility</u>	<u>Electric Utility</u>	<u>Communications</u>	<u>Total</u>
<b>Nonoperating Revenues</b>				
<b>(Expenses)</b>				
Investment earnings	\$ 2,822	\$ 337,349	\$ 8,289	\$ 348,460
Loss on retirement	-	(135,242)	-	(135,242)
Miscellaneous nonoperating income (expense)	41,051	6,013	(21,855)	25,209
Interest and amortization expense	(70,345)	(1,272)	(347,460)	(419,077)
Amortization of debt premium	-	-	30,283	30,283
Capital contributions	52,187	36,630	445,968	534,785
Payment in lieu of taxes	<u>(248,791)</u>	<u>(503,579)</u>	<u>-</u>	<u>(752,370)</u>
Change in net position	<u>\$ (205,407)</u>	<u>\$ 2,067,044</u>	<u>\$ 1,572,988</u>	<u>\$ 3,434,625</u>

## Component Units

### Community Development Authority of the City of Reedsburg

This report contains the Community Development Authority of the City of Reedsburg (CDA), which is included as a component unit.

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

a. Basis of Accounting/Measurement Focus

The CDA follows the full accrual basis of accounting and the flow of economic resources measurement focus.

b. Deposits and Investments

	<u>Carrying Value</u>	<u>Statement Balances</u>	<u>Associated Risks</u>
Deposits	<u>\$ 53,571</u>	<u>\$ 53,571</u>	Custodial credit

### Custodial Credit Risk

#### Deposits

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

The CDA does not have any deposits exposed to custodial credit risk.

See Note 1. for further information on deposit and investment policies.

c. Cash and Cash Equivalents

For purposes of the statement of cash flows, the component unit considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.



## City of Reedsburg

Notes to Financial Statements  
December 31, 2020

### d. Property Held for Resale

Property held for resale represents properties purchased by the CDA with the intention to rehabilitate the property and resell it. Amounts are recorded at historical cost to the City.

### Herbert H. Webb Trust

This report contains the Herbert H. Webb Trust (trust), which is included as a component unit.

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

#### a. Basis of Accounting/Masurement Focus

The trust follows the full accrual basis of accounting and the flow of economic resources measurement focus.

#### b. Investments

	<u>Carrying Value</u>	<u>Statement Balances</u>	<u>Associated Risks</u>
Mutual funds - other than bonds	<u>\$ 3,550,291</u>	<u>\$ 3,550,291</u>	Custodial credit
Total investments	<u><u>\$ 3,550,291</u></u>	<u><u>\$ 3,550,291</u></u>	

Documented trade history in exact security

<u>Investment Type</u>	<u>December 31, 2020</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds, other than bonds	<u>\$ 3,550,291</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,550,291</u>
Total	<u><u>\$ 3,550,291</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,550,291</u></u>

### Custodial Credit Risk

#### Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the trust will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The trust does not have any investments exposed to custodial credit risk.

See Note 1. for further information on deposit and investment policies.

#### c. Cash and Cash Equivalents

For purposes of the statement of cash flows, the component unit considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

## 4. Other Information

### Employees' Retirement System

#### Plan Description

The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011 and expected to work at least 1,200 hours a year (880 hours teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

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

#### Vesting

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

#### Benefits Provided

Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and executive service retirement participants, if hired on or before 12/31/2016) are entitled to retirement benefit based on a formula factor, their average earnings and creditable service.

Final average earnings is the average of the participant's three highest annual earnings period. 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 age 55 (50 for protective occupations) and receive an actuarially reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

The WRS also provides death and disability benefits for employees.

## City of Reedsburg

Notes to Financial Statements  
December 31, 2020

### Post-Retirement Adjustments

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

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2010	(1.3)%	22.0%
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)

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

During the reporting period, the WRS recognized \$448,101 in contributions from the City.

Contribution rates for the plan year reported as of December 31, 2020 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (Executives & Elected Officials)	6.55 %	6.55 %
Protective with Social Security	6.55 %	10.55 %
Protective without Social Security	6.55 %	14.95 %

## City of Reedsburg

Notes to Financial Statements  
December 31, 2020

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

At December 31, 2020, the City reported an asset of \$1,330,319 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2019 and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2018 rolled forward to December 31, 2019. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2019, the City's proportion was 0.04125717 percent, which was an increase of 0.00162955 percent from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, the City recognized pension expense of \$431,393.

At December 31, 2020, the City reported outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 2,525,250	\$ 1,263,718
Changes in assumptions	103,667	-
Net differences between projected and actual earnings on pension plan investments	-	2,719,646
Changes in proportion and differences between employer contributions and proportionate share of contributions	16,958	-
Employer contributions subsequent to the measurement date	<u>523,103</u>	<u>-</u>
Total	<u>\$ 3,168,978</u>	<u>\$ 3,983,364</u>

\$523,103 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<b>Year Ended December 31:</b>	<b>Deferred Outflows of Resources and Deferred Inflows of Resources (Net)</b>
2021	\$ (395,541)
2022	(295,121)
2023	50,544
2024	(697,371)

## City of Reedsburg

Notes to Financial Statements  
December 31, 2020

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### 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, 2018
Measurement Date of Net Pension Liability (Asset):	December 31, 2019
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
Post-Retirement Adjustments*:	1.9%

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

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

## City of Reedsburg

Notes to Financial Statements  
December 31, 2020

### Long-Term Expected Return on Plan Assets

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

<b>Core Fund Asset Class</b>	<b>Current Asset Allocation %</b>	<b>Long-Term Expected Nominal Rate of Return %</b>	<b>Long-Term Expected Real Rate of Return %</b>
Global Equities	49 %	8.0 %	5.1 %
Fixed Income	24.5	4.9	2.1
Inflation Sensitive Assets	15.5	4.0	1.2
Real Estate	9	6.3	3.5
Private Equity/Debt	8	10.6	7.6
Multi-Asset	4	6.9	4.0
Total Core Fund	110	7.5	4.6
<b>Variable Fund Asset Class</b>			
U.S Equities	70	7.5	4.6
International Equities	30	8.2	5.3
Total Variable Fund	100	7.8	4.9

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.75 percent  
Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations

### Single Discount Rate

A single discount rate of 7.00 percent was used to measure the total pension liability for the current and prior year. This single discount rate was based on the expected rate of return on pension plan investments of 7.00 percent and a long term bond rate of 2.75 percent. (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2019. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.) Because of the unique structure of WRS, the 7.00 percent expected rate of return implies that a dividend of approximately 1.9 percent will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

## City of Reedsburg

Notes to Financial Statements  
December 31, 2020

### Sensitivity of the City's Proportionate Share of the Net Pension Asset to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension asset calculated using the discount rate of 7.00 percent, as well as what the City's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	<u>1% Decrease to Discount Rate (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase to Discount Rate (8.00%)</u>
City's proportionate share of the net pension asset	<u>\$ 3,425,810</u>	<u>\$ (1,330,319)</u>	<u>\$ (4,886,073)</u>

### 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>.

At December 31, 2020, the City reported a payable to the pension plan which represents contractually required contributions outstanding as of the end of the year.

### Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; workers compensation; and health care of its employees. All of these risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

### Public Entity Risk Pool

#### Wisconsin Municipal Insurance Commission (WMIC) Cities and Villages Mutual Insurance Company (CVMIC)

The WMIC is an intergovernmental cooperation commission created by contract under Section 66.30 of the Wisconsin Statutes. It was created in August, 1987 for the purpose of facilitating the organization, establishment and capitalization of the CVMIC and has numerous cities and villages as members.

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

The CVMIC is self-insured up to a maximum of \$2,000,000 of each insurance risk. Losses paid by CVMIC plus administrative expenses will be recovered through premiums to the participating pool of municipalities. The City's share of such losses is approximately 0 percent.

Management of each organization consists of a board of directors or officers comprised of representatives elected by each of three classes of participants based on population. The City does not exercise any control over the activities of the agencies beyond the election of the officers and board.

Financial statements of WMIC and CVMIC can be obtained directly from CVMIC's offices.

## City of Reedsburg

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Notes to Financial Statements  
December 31, 2020

The initial investment in WMIC is refundable upon withdrawal from the commission and has been reported at the original amount of \$0 in the general fund.

The City pays an annual premium to CVMIC for its general liability insurance, which provides coverage up to \$5,000,000 per occurrence, less the City's retained liability. The City's retained liability is limited to \$37,500 per occurrence and an annual aggregate limit of \$150,000.

### Commitments and Contingencies

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability band expenditure for claims and judgments are only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred.

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

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

### Long-Term Contracts, WPPI Energy

The electric utility is one of 51 WPPI Energy member municipalities located throughout the States of Wisconsin, Michigan and Iowa. On December 1, 1989, each initial WPPI Energy member commenced purchasing electric service from WPPI Energy under a long-term Power Supply Contract for Participating Members (long-term contract). Under the long-term contract, WPPI Energy is obligated to provide and sell and each member is obligated to take and pay for, the electric power and energy required for the operation of each member's electric utility.

The long-term contract requires all WPPI Energy members to pay for power and energy requirements supplied or made available by WPPI Energy at rates sufficient to cover WPPI Energy's revenue requirement including power supply costs, administrative expenses and debt service. WPPI Energy's subsequent year's operating budget and rates are approved annually by its Board of Directors, consisting of representatives from each member. The members have agreed to charge rates to retail customers sufficient to meet their WPPI Energy obligations. The long-term contract provides that all payments to WPPI Energy constitute operating expenses of the utility payable from any operating and maintenance fund established for that system.

Fifty members, representing approximately 99.8 percent of WPPI Energy's existing load, have long-term contracts through December 31, 2055. The remaining member has a long-term contract through December 31, 2037.

WPPI Energy's outstanding debt service obligation to be paid by its members through their wholesale power charges through the remainder of the long-term contract was \$305 million as of December 31, 2020.



## **City of Reedsburg**

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Notes to Financial Statements  
December 31, 2020

### **Joint Ventures**

The City of Reedsburg and the Town of Winfield, Town of Washington, Town of Reedsburg, Town of Westfield, Town of Seven Mile Creek, Town of Dellona, Town of LaValle, Town of North Freedom, Town of Excelsior, Village of Lime Ridge, Village of LaValle and the Village of Loganville jointly operate the local ambulance service, which is called the Reedsburg Area Ambulance Service, Inc. The communities share in the annual operation of the district based on the ratio of populations.

The governing body is made up of citizens from each community. Local representatives are appointed by the mayor. The governing body has authority to adopt its own budget and control the financial affairs of the district. The City made a payment totaling \$106,029 to the district for 2020. The City believes that the district will continue to provide services in the future at similar rates. The City does not have an equity interest in the joint venture.

Financial information of the district is available directly from the district's office. The transactions of the district are not reflected in these financial statements.

### **Subsequent Events**

The federal government passed the American Rescue Plan Act on March 11, 2021 to respond to the COVID-19 public health emergency and its negative economic impacts. Amounts were appropriated for fiscal year 2021 to units of local government to mitigate the fiscal effects stemming from the public health emergency. The City of Reedsburg's estimated award is \$996,549, which will be used to combat the negative effects of the public health emergency in the local economy. The City received 50 percent of the funds on June 25, 2021, with the remaining expected a year later. The funds are to cover costs incurred by December 31, 2024.

On February 08, 2021 the City issued Taxable General Obligation Corporate Purpose Bonds in the amount of \$3,080,000 with an interest rate of 1-2 percent percent. Of this amount, \$2,105,000 was used to refund all state trust fund loans outstanding and \$975,000 for financing assistance to community development projects and infrastructure improvements in Tax Incremental District No. 9.

### **Economic Dependency**

#### **Utility Commission**

The electric utility has one significant customer who was responsible for 29 percent of operating revenues in 2020.

### Effect of New Accounting Standards on Current-Period Financial Statements

The Governmental Accounting Standards Board (GASB) has approved the following:

- Statement No. 87, *Leases*
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- Statement No. 90, *Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61*
- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*
- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*
- Statement No. 96, *Subscription-Based Information Technology Arrangements*
- Statement No. 97, *Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and No. 84 and a supersession of GASB Statement No. 32*

When they become effective, application of these standards may restate portions of these financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**

## City of Reedsburg

Detailed Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget and Actual - General Fund  
Year Ended December 31, 2020

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>			
<b>Taxes</b>			
General property taxes	\$ 3,642,926	\$ 3,642,926	\$ -
Mobile home taxes	104,000	113,515	9,515
Room taxes	2,000	1,446	(554)
Payments in lieu of taxes	130,000	104,761	(25,239)
Interest on delinquent taxes	500	431	(69)
Other taxes	-	2,368	2,368
	<u>3,879,426</u>	<u>3,865,447</u>	<u>(13,979)</u>
<b>Intergovernmental Revenues</b>			
State shared revenues	733,625	715,837	(17,788)
Fire insurance tax from state	25,000	29,665	4,665
State aid, exempt computers	17,899	17,899	-
State aid, law enforcement training	15,000	3,691	(11,309)
State aid, road allotment	458,294	507,243	48,949
State aid, connecting streets	49,637	49,637	-
State aid, aid to state facilities	4,000	31,039	27,039
State aid, personal property aid	62,837	62,838	1
Federal aid, FEMA	-	3,594	3,594
Federal aid, COVID-19	-	167,346	167,346
	<u>1,366,292</u>	<u>1,588,789</u>	<u>222,497</u>
<b>Licenses and Permits</b>			
Liquor and malt beverage	20,000	9,395	(10,605)
Operators' license	3,000	1,830	(1,170)
Cigarette licenses	1,600	1,300	(300)
Amusement device licenses	550	415	(135)
Mobile home park licenses	650	722	72
Cable television franchise fees	140,000	112,906	(27,094)
Recycling	25	-	(25)
Bicycle licenses	60	20	(40)
Dog and cat licenses	6,500	6,401	(99)
Transient licenses	100	60	(40)
Building permits	50,000	37,445	(12,555)
Electrical permits	10,000	11,338	1,338
Plumbing permits	7,500	8,392	892
Heating and air conditioning permits	450	-	(450)
Other permits	283	122	(161)
Zoning permits and fees	2,500	2,827	327
State permit seals	800	700	(100)
	<u>244,018</u>	<u>193,873</u>	<u>(50,145)</u>
<b>Fines and Forfeitures</b>			
Parking violations	-	13,795	13,795
Other law and ordinance violations	-	223	223
	<u>-</u>	<u>14,018</u>	<u>14,018</u>

See notes to required supplementary information

## City of Reedsburg

Detailed Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget and Actual - General Fund  
Year Ended December 31, 2020

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Public Charges for Services</b>			
Special assessment search	\$ 6,000	\$ 6,775	\$ 775
Clerk and treasurer fees	1,300	661	(639)
License publication fees	1,000	825	(175)
Land use inquiries	5,500	7,041	1,541
Photocopies	2,000	514	(1,486)
Police fees	21,800	49,554	27,754
Adult volleyball fees	900	-	(900)
Weed and nuisance control	8,000	1,248	(6,752)
Swimming pools	38,000	42,116	4,116
Parks	17,500	13,628	(3,872)
Other recreation programs	30,700	5,759	(24,941)
Youth soccer program	1,500	630	(870)
Youth tennis program	200	-	(200)
Registration fees	6,000	3,543	(2,457)
Bid security deposits	175	90	(85)
Trees	600	775	175
Sale of materials	-	20	20
Weed and nuisance control	2,500	2,300	(200)
	<u>143,675</u>	<u>135,479</u>	<u>(8,196)</u>
Total public charges for services			
<b>Intergovernmental Charges for Services</b>			
Local government services	<u>142,333</u>	<u>152,925</u>	<u>10,592</u>
Total intergovernmental charges for services	<u>142,333</u>	<u>152,925</u>	<u>10,592</u>
<b>Investment Income</b>			
Investment income	56,000	198,415	142,415
Interest on City billings	1,000	312	(688)
Total investment income	<u>57,000</u>	<u>198,727</u>	<u>141,727</u>
<b>Miscellaneous</b>			
Donations	12,000	15,772	3,772
Insurance recoveries	-	9,956	9,956
Workers compensation dividends	30,000	37,914	7,914
Rent	24,500	20,886	(3,614)
Other miscellaneous	36,907	35,005	(1,902)
Total miscellaneous	<u>103,407</u>	<u>119,533</u>	<u>16,126</u>
<b>Other Financing Sources</b>			
Property sales	15,000	2,992	(12,008)
Transfers in	760,000	757,370	(2,630)
Total other financing sources	<u>775,000</u>	<u>760,362</u>	<u>(14,638)</u>
Total revenues	<u>6,711,151</u>	<u>7,029,153</u>	<u>318,002</u>

See notes to required supplementary information

## City of Reedsburg

Detailed Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget and Actual - General Fund  
Year Ended December 31, 2020

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Expenditures</b>			
<b>General Government</b>			
Council	\$ 31,070	\$ 30,079	\$ 991
Legal	55,000	39,412	15,588
Mayor	9,074	8,142	932
Administrator	126,611	130,659	(4,048)
Legislative support	81,134	113,514	(32,380)
General administration	365,102	510,926	(145,824)
Financial management	(12,132)	134,584	(146,716)
Assessment of property	130,000	94,600	35,400
GIS/mapping	20,617	21,351	(734)
Buildings and plant	86,850	86,385	465
Other general government	116,040	64,181	51,859
	<u>1,009,366</u>	<u>1,233,833</u>	<u>(224,467)</u>
Total general government			
<b>Public Safety</b>			
Police	2,272,036	2,331,693	(59,657)
Fire protection	267,868	231,401	36,467
Hydrant rental	307,000	311,540	(4,540)
Ambulance	110,000	106,029	3,971
Building inspection	58,930	58,515	415
Emergency government	9,500	7,050	2,450
Emergency communication (911)	584,717	618,222	(33,505)
	<u>3,610,051</u>	<u>3,664,450</u>	<u>(54,399)</u>
Total public safety			
<b>Health and Human Services</b>			
Regulation and inspection	-	3,900	(3,900)
Animal control	150	-	150
Cemetery	16,000	16,000	-
	<u>16,150</u>	<u>19,900</u>	<u>(3,750)</u>
Total health and human services			
<b>Public Works</b>			
General public works	6,500	71,136	(64,636)
Engineering	146,601	130,842	15,759
Machinery	207,823	216,565	(8,742)
Garages and sheds	41,737	32,644	9,093
Street maintenance	399,104	324,058	75,046
Sidewalks	10,435	9,129	1,306
Parking lot	2,000	1,837	163
Tree and brush removal	20,868	25,547	(4,679)
Traffic control	34,055	34,850	(795)
Snow and ice control	187,823	177,401	10,422
Street lighting	155,000	171,224	(16,224)
	<u>1,211,946</u>	<u>1,195,233</u>	<u>16,713</u>
Total public works			

See notes to required supplementary information

## City of Reedsburg

Detailed Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget and Actual - General Fund  
Year Ended December 31, 2020

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Culture, Recreation and Education</b>			
Parks	\$ 384,731	\$ 288,802	\$ 95,929
Recreation	58,031	45,327	12,704
Recreation administration	56,213	67,268	(11,055)
Celebration and entertainment	5,500	5,143	357
Recreation facilities	35,000	39,183	(4,183)
Swimming areas	98,452	95,092	3,360
Art	-	11,739	(11,739)
	<u>637,927</u>	<u>552,554</u>	<u>85,373</u>
Total culture, recreation and education			
	<u>637,927</u>	<u>552,554</u>	<u>85,373</u>
<b>Conservation and Development</b>			
Tree planting	30,000	36,228	(6,228)
Nuisance control	3,000	2,046	954
Planning	49,511	53,157	(3,646)
Historic preservation	3,000	1,524	1,476
Economic development	38,000	41,852	(3,852)
Industrial development	27,200	24,947	2,253
Other conservation and development	23,000	9,959	13,041
	<u>173,711</u>	<u>169,713</u>	<u>3,998</u>
Total conservation and development			
	<u>173,711</u>	<u>169,713</u>	<u>3,998</u>
Total expenditures	<u>6,659,151</u>	<u>6,835,683</u>	<u>(176,532)</u>
Net change in fund balance	52,000	193,470	141,470
<b>Fund Balance, Beginning</b>	<u>6,084,263</u>	<u>6,084,263</u>	<u>-</u>
<b>Fund Balance, Ending</b>	<u>\$ 6,136,263</u>	<u>\$ 6,277,733</u>	<u>\$ 141,470</u>

See notes to required supplementary information

**City of Reedsburg**

Schedule of Proportionate Share of the Net Pension Liability/(Asset) -  
 Wisconsin Retirement System  
 Year Ended December 31, 2020

<u>Fiscal Year Ending</u>	<u>Proportion of the Net Pension Liability/(Asset)</u>	<u>Proportionate Share of the Net Pension Liability/(Asset)</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
12/31/20	0.04125717%	\$ (1,330,319)	\$ 5,953,510	22.35%	102.96%
12/31/19	0.03962762%	1,409,826	5,538,283	25.46%	96.45%
12/31/18	0.03855570%	(1,144,764)	5,211,314	21.97%	102.93%
12/31/17	0.03831581%	315,814	4,959,220	6.37%	99.12%
12/31/16	0.03880459%	630,567	4,957,808	12.72%	98.20%
12/31/15	0.03905310%	(958,988)	4,956,357	19.35%	102.74%

Schedule of Employer Contributions - Wisconsin Retirement System  
 Year Ended December 31, 2020

<u>Fiscal Year Ending</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/20	\$ 523,103	\$ 523,103	\$ -	\$ 6,560,275	7.97%
12/31/19	448,100	448,100	-	5,953,511	7.53%
12/31/18	424,504	424,504	-	5,538,283	7.66%
12/31/17	401,641	401,641	-	5,456,920	7.36%
12/31/16	361,343	361,343	-	4,952,868	7.30%
12/31/15	367,750	367,750	-	4,957,808	7.42%

See notes to the required supplementary information



## City of Reedsburg

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Notes to Required Supplementary Information  
Year Ended December 31, 2020

### **Budgetary Information**

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

The budgeted amounts presented are as presented in the original budget and no amendments were adopted during the year. The City may authorize transfers of budgeted amounts within departments. Transfers between departments and changes to the overall budget must be approved by a two-thirds council action. Appropriations lapse at year end unless specifically carried over. There were no carryovers to the following year. Budgets are adopted at the department level of expenditure.

### **Wisconsin Retirement System**

The amounts determined for each fiscal year were determined as of the calendar year-end and occurred within the fiscal year.

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

*Changes in benefit terms.* There were no changes of benefit terms for any participating employer in the Wisconsin Retirement System.

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

**SUPPLEMENTARY INFORMATION**

# City of Reedsburg

Combining Balance Sheet  
 Nonmajor Governmental Funds  
 December 31, 2020

	<b>Special Revenue Funds</b>				
	<b>Taxi Grant Fund</b>	<b>Park Fund</b>	<b>Triathlon Fund</b>	<b>DARE Fund</b>	<b>Webb Endowment Fund</b>
<b>Assets</b>					
Cash and investments	\$ -	\$ 108,572	\$ 34,467	\$ 12,794	\$ 123,481
Receivables:					
Taxes receivable	18,500	-	-	-	-
Customer accounts receivable	5,280	-	-	-	-
Loans	-	-	-	-	-
Due from other governments	18,442	-	-	-	-
Due from component units	-	-	-	-	30,304
Total assets	<u>\$ 42,222</u>	<u>\$ 108,572</u>	<u>\$ 34,467</u>	<u>\$ 12,794</u>	<u>\$ 153,785</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 980	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-	-
Deposits	-	-	-	-	-
Due to other funds	-	-	-	-	-
Advances from other funds	40,787	-	-	-	-
Total liabilities	<u>41,767</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>					
Unearned revenue	18,500	-	-	-	-
Total deferred inflows of resources	<u>18,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances (Deficit)</b>					
Restricted	-	108,572	-	-	153,785
Committed	-	-	34,467	12,794	-
Assigned	-	-	-	-	-
Unassigned (deficit)	(18,045)	-	-	-	-
Total fund balances (deficit)	<u>(18,045)</u>	<u>108,572</u>	<u>34,467</u>	<u>12,794</u>	<u>153,785</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 42,222</u>	<u>\$ 108,572</u>	<u>\$ 34,467</u>	<u>\$ 12,794</u>	<u>\$ 153,785</u>

**Special Revenue Funds**

<b>Nishan Park Concession Stand Fund</b>	<b>Room Tax Fund</b>	<b>CDBG Fund</b>	<b>EDA Fund</b>	<b>HCRI Fund</b>	<b>Home Loan Fund</b>	<b>CLOSE</b>
\$ 14,645	\$ 37,982	\$ 480,593	\$ -	\$ 34,644	\$ 42,125	\$ 365,042
-	-	-	-	-	-	-
-	-	768,013	-	5,000	58,592	124,208
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 14,645</u>	<u>\$ 37,982</u>	<u>\$ 1,248,606</u>	<u>\$ -</u>	<u>\$ 39,644</u>	<u>\$ 100,717</u>	<u>\$ 489,250</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,116
-	-	-	-	-	-	297
-	-	513	-	-	-	-
-	-	2,363	-	-	-	-
-	-	-	-	-	-	-
-	-	<u>2,876</u>	-	-	-	<u>3,413</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	37,982	1,245,730	-	39,644	100,717	-
14,645	-	-	-	-	-	485,837
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>14,645</u>	<u>37,982</u>	<u>1,245,730</u>	<u>-</u>	<u>39,644</u>	<u>100,717</u>	<u>485,837</u>
<u>\$ 14,645</u>	<u>\$ 37,982</u>	<u>\$ 1,248,606</u>	<u>\$ -</u>	<u>\$ 39,644</u>	<u>\$ 100,717</u>	<u>\$ 489,250</u>

# City of Reedsburg

Combining Balance Sheet  
 Nonmajor Governmental Funds  
 December 31, 2020

	<b>Special Revenue Funds</b>				
	<b>Sidewalk Repair Fund</b>	<b>Solid Waste Fund</b>	<b>Mannigal Endowment Fund</b>	<b>Library - County Funding</b>	<b>Library - Investment</b>
<b>Assets</b>					
Cash and investments	\$ 28,328	\$ 191,657	\$ 23,928	\$ 194,137	\$ 351,427
Receivables:					
Taxes receivable	2,016	405,346	-	468,000	-
Customer accounts receivable	-	-	-	-	-
Loans	-	-	-	-	-
Due from other governments	-	-	-	-	-
Due from component units	-	-	-	-	-
Total assets	<u>\$ 30,344</u>	<u>\$ 597,003</u>	<u>\$ 23,928</u>	<u>\$ 662,137</u>	<u>\$ 351,427</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ -	\$ 587	\$ -	\$ 2,706	\$ -
Accrued liabilities	-	-	-	17,240	-
Deposits	-	-	-	-	-
Due to other funds	-	-	-	-	-
Advances from other funds	-	-	-	-	-
Total liabilities	<u>-</u>	<u>587</u>	<u>-</u>	<u>19,946</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>					
Unearned revenue	<u>2,016</u>	<u>405,346</u>	<u>-</u>	<u>468,000</u>	<u>-</u>
Total deferred inflows of resources	<u>2,016</u>	<u>405,346</u>	<u>-</u>	<u>468,000</u>	<u>-</u>
<b>Fund Balances (Deficit)</b>					
Restricted	-	-	23,928	174,191	351,427
Committed	28,328	191,070	-	-	-
Assigned	-	-	-	-	-
Unassigned (deficit)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances (deficit)	<u>28,328</u>	<u>191,070</u>	<u>23,928</u>	<u>174,191</u>	<u>351,427</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 30,344</u>	<u>\$ 597,003</u>	<u>\$ 23,928</u>	<u>\$ 662,137</u>	<u>\$ 351,427</u>

<b>Special Revenue Funds</b>				<b>Capital Projects Funds</b>		
<b>Popple Trail Donations</b>	<b>Fireworks Fund</b>	<b>Airport</b>	<b>Municipal Courts</b>	<b>TIF District No. 3</b>	<b>TIF District No. 4</b>	<b>TIF District No. 5</b>
\$ 6,000	\$ 35,155	\$ -	\$ -	\$ -	\$ -	\$ -
-	14,500	67,760	-	87,464	327,715	77,412
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 6,000</u>	<u>\$ 49,655</u>	<u>\$ 67,760</u>	<u>\$ -</u>	<u>\$ 87,464</u>	<u>\$ 327,715</u>	<u>\$ 77,412</u>
\$ -	\$ -	\$ 567	\$ 8,659	\$ -	\$ -	\$ -
-	-	328	3,467	-	-	-
-	-	-	-	-	-	-
-	-	8,879	-	-	-	-
-	-	-	89,475	-	-	-
-	-	9,774	101,601	-	-	-
-	14,500	67,760	-	87,464	327,715	77,412
-	14,500	67,760	-	87,464	327,715	77,412
-	-	-	-	-	-	-
6,000	35,155	-	-	-	-	-
-	-	-	-	-	-	-
-	-	(9,774)	(101,601)	-	-	-
6,000	35,155	(9,774)	(101,601)	-	-	-
<u>\$ 6,000</u>	<u>\$ 49,655</u>	<u>\$ 67,760</u>	<u>\$ -</u>	<u>\$ 87,464</u>	<u>\$ 327,715</u>	<u>\$ 77,412</u>

# City of Reedsburg

Combining Balance Sheet  
 Nonmajor Governmental Funds  
 December 31, 2020

	<u>Capital Projects Funds</u>			<u>Total Nonmajor Governmental Funds</u>
	<u>TIF District No. 7</u>	<u>TIF District No. 8</u>	<u>Capital Equipment Fund</u>	
<b>Assets</b>				
Cash and investments	\$ 14,516	\$ -	\$ 283,432	\$ 2,382,925
Receivables:				
Taxes receivable	18,302	77,863	350,600	1,915,478
Customer accounts receivable	-	-	-	5,280
Loans	-	-	-	955,813
Due from other governments	-	-	-	18,442
Due from component units	-	-	-	30,304
	<u>32,818</u>	<u>77,863</u>	<u>634,032</u>	<u>5,308,242</u>
Total assets	<u>\$ 32,818</u>	<u>\$ 77,863</u>	<u>\$ 634,032</u>	<u>\$ 5,308,242</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ 8,173	\$ 24,788
Accrued liabilities	-	-	-	21,332
Deposits	-	-	-	513
Due to other funds	-	-	-	11,242
Advances from other funds	-	182,010	-	312,272
	<u>-</u>	<u>182,010</u>	<u>8,173</u>	<u>370,147</u>
Total liabilities	<u>-</u>	<u>182,010</u>	<u>8,173</u>	<u>370,147</u>
<b>Deferred Inflows of Resources</b>				
Unearned revenue	<u>18,302</u>	<u>77,863</u>	<u>350,600</u>	<u>1,915,478</u>
Total deferred inflows of resources	<u>18,302</u>	<u>77,863</u>	<u>350,600</u>	<u>1,915,478</u>
<b>Fund Balances (Deficit)</b>				
Restricted	14,516	-	-	2,250,492
Committed	-	-	-	808,296
Assigned	-	-	275,259	275,259
Unassigned (deficit)	-	(182,010)	-	(311,430)
	<u>14,516</u>	<u>(182,010)</u>	<u>275,259</u>	<u>3,022,617</u>
Total fund balances (deficit)	<u>14,516</u>	<u>(182,010)</u>	<u>275,259</u>	<u>3,022,617</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 32,818</u>	<u>\$ 77,863</u>	<u>\$ 634,032</u>	<u>\$ 5,308,242</u>

## City of Reedsburg

Combining Statement of Revenues, Expenditures and Changes  
in Fund Balances  
Nonmajor Governmental Funds  
Year Ended December 31, 2020

	<b>Special Revenue Funds</b>				
	<b>Taxi Grant Fund</b>	<b>Park Fund</b>	<b>Triathlon Fund</b>	<b>DARE Fund</b>	<b>Webb Endowment Fund</b>
<b>Revenues</b>					
Taxes	\$ 18,500	\$ -	\$ -	\$ -	\$ -
Intergovernmental	253,499	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Public charges for services	-	57,600	3,745	-	-
Special assessments	-	-	-	-	-
Investment income	-	32	-	-	55,469
Miscellaneous revenues	11,985	-	-	16,240	-
Total revenues	<u>283,984</u>	<u>57,632</u>	<u>3,745</u>	<u>16,240</u>	<u>55,469</u>
<b>Expenditures</b>					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	14,650	-
Public works	192,986	-	-	-	-
Culture, recreation and education	-	15,830	2,184	-	-
Conservation and development	-	-	-	-	-
Capital outlay	75,898	-	-	-	-
Total expenditures	<u>268,884</u>	<u>15,830</u>	<u>2,184</u>	<u>14,650</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>15,100</u>	<u>41,802</u>	<u>1,561</u>	<u>1,590</u>	<u>55,469</u>
<b>Other Financing Sources (Uses)</b>					
Property sales	8,266	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>8,266</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	23,366	41,802	1,561	1,590	55,469
<b>Fund Balances (Deficit), Beginning</b>	<u>(41,411)</u>	<u>66,770</u>	<u>32,906</u>	<u>11,204</u>	<u>98,316</u>
<b>Fund Balances (Deficit), Ending</b>	<u>\$ (18,045)</u>	<u>\$ 108,572</u>	<u>\$ 34,467</u>	<u>\$ 12,794</u>	<u>\$ 153,785</u>



**Special Revenue Funds**

<b>Nishan Park Concession Stand Fund</b>	<b>Room Tax Fund</b>	<b>CDBG Fund</b>	<b>EDA Fund</b>	<b>HCRI Fund</b>	<b>Home Loan Fund</b>	<b>CLOSE</b>
\$ -	\$ 57,834	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,053	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	63,352	16	25	42	-
-	-	-	-	-	-	20,000
<u>1,053</u>	<u>57,834</u>	<u>63,352</u>	<u>16</u>	<u>25</u>	<u>42</u>	<u>20,000</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	14,768	-	-	-	-	-
-	46,268	34,316	-	-	-	11,954
-	-	-	-	-	-	-
-	<u>61,036</u>	<u>34,316</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,954</u>
<u>1,053</u>	<u>(3,202)</u>	<u>29,036</u>	<u>16</u>	<u>25</u>	<u>42</u>	<u>8,046</u>
-	-	-	-	-	-	-
-	-	-	-	30,244	-	508,035
-	-	(390,785)	(117,250)	-	-	(30,244)
-	-	<u>(390,785)</u>	<u>(117,250)</u>	<u>30,244</u>	<u>-</u>	<u>477,791</u>
1,053	(3,202)	(361,749)	(117,234)	30,269	42	485,837
<u>13,592</u>	<u>41,184</u>	<u>1,607,479</u>	<u>117,234</u>	<u>9,375</u>	<u>100,675</u>	<u>-</u>
<u>\$ 14,645</u>	<u>\$ 37,982</u>	<u>\$ 1,245,730</u>	<u>\$ -</u>	<u>\$ 39,644</u>	<u>\$ 100,717</u>	<u>\$ 485,837</u>

## City of Reedsburg

Combining Statement of Revenues, Expenditures and Changes  
in Fund Balances  
Nonmajor Governmental Funds  
Year Ended December 31, 2020

	<b>Special Revenue Funds</b>				
	<b>Sidewalk Repair Fund</b>	<b>Solid Waste Fund</b>	<b>Mannigal Endowment Fund</b>	<b>Library - County Funding</b>	<b>Library - Investment</b>
<b>Revenues</b>					
Taxes	\$ -	\$ -	\$ -	\$ 465,000	\$ -
Intergovernmental	-	10,502	-	277,009	-
Fines and forfeitures	-	-	-	-	-
Public charges for services	-	417,543	-	11,166	-
Special assessments	6,478	-	-	-	-
Investment income	-	-	726	-	2,207
Miscellaneous revenues	-	-	-	9,111	926
Total revenues	<u>6,478</u>	<u>428,045</u>	<u>726</u>	<u>762,286</u>	<u>3,133</u>
<b>Expenditures</b>					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	4,894	407,289	-	-	-
Culture, recreation and education	-	-	-	678,057	2,061
Conservation and development	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>4,894</u>	<u>407,289</u>	<u>-</u>	<u>678,057</u>	<u>2,061</u>
Excess (deficiency) of revenues over expenditures	<u>1,584</u>	<u>20,756</u>	<u>726</u>	<u>84,229</u>	<u>1,072</u>
<b>Other Financing Sources (Uses)</b>					
Property sales	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	1,584	20,756	726	84,229	1,072
<b>Fund Balances (Deficit), Beginning</b>	<u>26,744</u>	<u>170,314</u>	<u>23,202</u>	<u>89,962</u>	<u>350,355</u>
<b>Fund Balances (Deficit), Ending</b>	<u>\$ 28,328</u>	<u>\$ 191,070</u>	<u>\$ 23,928</u>	<u>\$ 174,191</u>	<u>\$ 351,427</u>

Special Revenue Funds				Capital Projects Funds		
Popple Trail Donations	Fireworks Fund	Airport	Municipal Courts	TIF District No. 3	TIF District No. 4	TIF District No. 5
\$ -	\$ 14,500	\$ 67,760	\$ -	\$ 73,091	\$ 332,509	\$ 74,997
-	-	4,100	-	2,363	11,182	2,248
-	-	-	241,849	-	-	-
-	2,476	55,221	-	-	-	-
-	-	-	-	-	6,961	-
-	-	-	-	-	-	-
-	-	7,870	-	-	-	-
-	16,976	134,951	241,849	75,454	350,652	77,245
-	-	-	271,484	513	514	514
-	-	-	-	-	-	-
-	-	180,147	-	-	-	-
-	2,200	-	-	-	-	-
-	-	-	-	1,650	21,650	1,650
-	-	-	10,000	-	-	-
-	2,200	180,147	281,484	2,163	22,164	2,164
-	14,776	(45,196)	(39,635)	73,291	328,488	75,081
-	-	-	-	-	-	-
-	-	-	-	84,689	-	-
-	-	-	-	(60,510)	(382,072)	(71,447)
-	-	-	-	24,179	(382,072)	(71,447)
-	14,776	(45,196)	(39,635)	97,470	(53,584)	3,634
6,000	20,379	35,422	(61,966)	(97,470)	53,584	(3,634)
<u>\$ 6,000</u>	<u>\$ 35,155</u>	<u>\$ (9,774)</u>	<u>\$ (101,601)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

## City of Reedsburg

Combining Statement of Revenues, Expenditures and Changes  
in Fund Balances  
Nonmajor Governmental Funds  
Year Ended December 31, 2020

	<b>Capital Projects Funds</b>			<b>Total Nonmajor Governmental Funds</b>
	<b>TIF District No. 7</b>	<b>TIF District No. 8</b>	<b>Capital Equipment Fund</b>	
<b>Revenues</b>				
Taxes	\$ 17,907	\$ 70,432	\$ 270,400	\$ 1,462,930
Intergovernmental	39	726	-	561,668
Fines and forfeitures	-	-	-	241,849
Public charges for services	-	-	-	548,804
Special assessments	-	-	-	13,439
Investment income	-	-	-	121,869
Miscellaneous revenues	-	20,720	-	86,852
	<u>17,946</u>	<u>91,878</u>	<u>270,400</u>	<u>3,037,411</u>
<b>Expenditures</b>				
Current:				
General government	514	515	-	274,054
Public safety	-	-	-	14,650
Public works	-	-	-	785,316
Culture, recreation and education	-	-	-	715,100
Conservation and development	1,650	1,650	-	120,788
Capital outlay	-	-	300,069	385,967
	<u>2,164</u>	<u>2,165</u>	<u>300,069</u>	<u>2,295,875</u>
Excess (deficiency) of revenues over expenditures	<u>15,782</u>	<u>89,713</u>	<u>(29,669)</u>	<u>741,536</u>
<b>Other Financing Sources (Uses)</b>				
Property sales	-	-	-	8,266
Transfers in	-	-	-	622,968
Transfers out	-	-	-	(1,052,308)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(421,074)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(421,074)</u>
Net change in fund balances	15,782	89,713	(29,669)	320,462
<b>Fund Balances (Deficit), Beginning</b>	<u>(1,266)</u>	<u>(271,723)</u>	<u>304,928</u>	<u>2,702,155</u>
<b>Fund Balances (Deficit), Ending</b>	<u>\$ 14,516</u>	<u>\$ (182,010)</u>	<u>\$ 275,259</u>	<u>\$ 3,022,617</u>

## City of Reedsburg

### Statement of Cash Flows

#### Component Units

Year Ended December 31, 2020

	<b>Community Development Authority</b>	<b>Herbert H Webb Trust</b>	<b>Total</b>
<b>Cash Flows From Operating Activities</b>			
Paid to primary government	\$ -	\$ (59,167)	\$ (59,167)
Paid to suppliers for goods and services	(10,774)	(32,235)	(43,009)
Net cash flows from operating activities	<u>(10,774)</u>	<u>(91,402)</u>	<u>(102,176)</u>
<b>Cash Flows From Investing Activities</b>			
Investments sold and matured	-	157,065	157,065
Investment income	8,108	103,774	111,882
Investments purchased	-	(163,872)	(163,872)
Net cash flows from investing activities	<u>8,108</u>	<u>96,967</u>	<u>105,075</u>
Net change in cash and cash equivalents	(2,666)	5,565	2,899
<b>Cash and Cash Equivalents, Beginning</b>	<u>56,237</u>	<u>75,067</u>	<u>131,304</u>
<b>Cash and Cash Equivalents, Ending</b>	<u>\$ 53,571</u>	<u>\$ 80,632</u>	<u>\$ 134,203</u>
<b>Reconciliation of Operating Loss to Net Cash Flows From Operating Activities</b>			
Operating loss	\$ (10,635)	\$ (87,705)	\$ (98,340)
Changes in assets and liabilities:			
Accounts receivable	(23)	-	(23)
Accounts payable	(116)	-	(116)
Due to primary government	-	(3,697)	(3,697)
Net cash flows from operating activities	<u>\$ (10,774)</u>	<u>\$ (91,402)</u>	<u>\$ (102,176)</u>
<b>Reconciliation of Cash and Cash Equivalents to the Statement of Net Position</b>			
Cash and investments, statement of net position	\$ 53,571	\$ 3,550,291	\$ 3,603,862
Less noncash equivalents	-	(3,469,659)	(3,469,659)
Cash and cash equivalents	<u>\$ 53,571</u>	<u>\$ 80,632</u>	<u>\$ 134,203</u>
<b>Noncash Capital and Related Financing Activities</b>			
Unrealized gain on investments	<u>\$ -</u>	<u>\$ 312,984</u>	