

CITY OF REEDSBURG

Reedsburg, Wisconsin

FINANCIAL STATEMENTS

Including Independent Auditors' Report

As of and for the Year Ended December 31, 2019

CITY OF REEDSBURG

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INDEPENDENT AUDITORS' REPORT

To the City Council
City of Reedsburg
Reedsburg, Wisconsin

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, 2019, 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, 2019 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.

Emphasis of Matter

As discussed in Note I, the City of Reedsburg adopted the provisions of GASB Statement No. 84, *Fiduciary Activities*, effective January 1, 2019. Our opinions are not modified with respect to this matter.

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 Virchow Krause, LLP

Madison, Wisconsin
June 10, 2020

CITY OF REEDSBURG

STATEMENT OF NET POSITION As of December 31, 2019

	Governmental Activities	Business-type Activities	Totals	Component Units
ASSETS				
Cash and investments	\$ 3,889,372	\$ 17,747,154	\$ 21,636,526	\$ 3,281,568
Receivables (net)				
Taxes receivable	7,158,815	-	7,158,815	-
Accounts	324,507	2,370,697	2,695,204	668
Accrued interest	-	60,796	60,796	-
Other	-	408,845	408,845	-
Special assessments	4,000	4,000	8,000	-
Loans	1,622,754	-	1,622,754	70,000
Due from other governments	29,876	-	29,876	-
Internal balances	743,602	(743,602)	-	-
Due from component unit	34,001	-	34,001	-
Inventories and prepaid items	199,732	1,125,414	1,325,146	-
Other assets	-	3,072,954	3,072,954	17,321
Restricted assets				
Cash and investments	-	4,440,456	4,440,456	-
Investment in mutual insurance company	200,515	-	200,515	-
Capital Assets				
Land and other nondepreciable assets	13,746,185	383,906	14,130,091	-
Construction in progress	947,464	1,622,001	2,569,465	-
Other capital assets, net of depreciation	16,689,436	65,798,895	82,488,331	-
Total Assets	<u>45,590,259</u>	<u>96,291,516</u>	<u>141,881,775</u>	<u>3,369,557</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension related amounts	<u>2,250,470</u>	<u>1,600,985</u>	<u>3,851,455</u>	<u>-</u>
LIABILITIES				
Accounts payable	136,923	1,746,653	1,883,576	116
Accrued liabilities	228,794	392,557	621,351	-
Due to primary government	-	-	-	34,001
Deposits	1,013	-	1,013	-
Unearned revenue	-	138,705	138,705	-
Noncurrent Liabilities				
Due within one year	1,016,325	2,714,682	3,731,007	-
Due in more than one year	4,292,364	24,790,014	29,082,378	-
Net pension liability	794,035	615,791	1,409,826	-
Total Liabilities	<u>6,469,454</u>	<u>30,398,402</u>	<u>36,867,856</u>	<u>34,117</u>
DEFERRED INFLOWS OF RESOURCES				
Unearned revenues	7,147,051	-	7,147,051	-
Pension related amounts	<u>1,124,318</u>	<u>818,085</u>	<u>1,942,403</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>8,271,369</u>	<u>818,085</u>	<u>9,089,454</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	28,966,200	41,336,138	70,302,338	-
Restricted	2,108,801	3,721,770	5,830,571	3,191,330
Unrestricted	<u>2,024,905</u>	<u>21,618,106</u>	<u>23,643,011</u>	<u>144,110</u>
TOTAL NET POSITION	<u>\$ 33,099,906</u>	<u>\$ 66,676,014</u>	<u>\$ 99,775,920</u>	<u>\$ 3,335,440</u>

See accompanying notes to financial statements.

CITY OF REEDSBURG

STATEMENT OF ACTIVITIES For the Year Ended December 31, 2019

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	\$ 1,471,238	\$ 193,674	\$ -	\$ -
Public safety	4,264,385	549,555	32,713	-
Public works	2,914,868	492,137	765,317	857
Health and human services	19,900	-	-	-
Culture, recreation and education	1,832,239	184,603	261,939	-
Conservation and development	1,093,259	155,085	-	-
Interest and fiscal charges	115,530	-	-	-
Total Governmental Activities	<u>11,711,419</u>	<u>1,575,054</u>	<u>1,059,969</u>	<u>857</u>
Business-type Activities				
Water	1,437,066	1,650,037	-	576,593
Electric	19,987,405	22,188,760	-	63,481
Communications	5,073,035	5,782,376	-	47,999
Sewer	3,083,845	3,907,167	-	-
Stormwater	565,586	556,741	-	-
Total Business-type Activities	<u>30,146,937</u>	<u>34,085,081</u>	<u>-</u>	<u>688,073</u>
Total Primary Government	<u>\$ 41,858,356</u>	<u>\$ 35,660,135</u>	<u>\$ 1,059,969</u>	<u>\$ 688,930</u>
Component Units				
Herbert H Webb Trust	\$ 94,788	\$ -	\$ -	\$ -
Community Development Authority	11,454	-	-	-
Total Component Units	<u>\$ 106,242</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
General Revenues				
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 (loss)				
Gain/(loss) on disposal of assets				
Miscellaneous				
Total General Revenues				
Transfers				
Total General Revenues and Transfers				
Change in Net Position				
NET POSITION - Beginning of Year				
NET POSITION - END OF YEAR				

See accompanying notes to financial statements.

Net (Expenses) Revenues and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Totals	Component Units
\$ (1,277,564)	\$ -	\$ (1,277,564)	\$ -
(3,682,117)	-	(3,682,117)	-
(1,656,557)	-	(1,656,557)	-
(19,900)	-	(19,900)	-
(1,385,697)	-	(1,385,697)	-
(938,174)	-	(938,174)	-
(115,530)	-	(115,530)	-
<u>(9,075,539)</u>	<u>-</u>	<u>(9,075,539)</u>	<u>-</u>
-	789,564	789,564	-
-	2,264,836	2,264,836	-
-	757,340	757,340	-
-	823,322	823,322	-
-	(8,845)	(8,845)	-
-	<u>4,626,217</u>	<u>4,626,217</u>	<u>-</u>
<u>(9,075,539)</u>	<u>4,626,217</u>	<u>(4,449,322)</u>	<u>-</u>
-	-	-	(94,788)
-	-	-	<u>(11,454)</u>
-	-	-	<u>(106,242)</u>
4,969,214	-	4,969,214	-
811,614	-	811,614	-
609,836	-	609,836	-
324,639	-	324,639	-
1,000,824	-	1,000,824	-
318,230	493,066	811,296	556,949
-	(4,365)	(4,365)	-
<u>302,178</u>	<u>26,720</u>	<u>328,898</u>	<u>-</u>
<u>8,336,535</u>	<u>515,421</u>	<u>8,851,956</u>	<u>556,949</u>
<u>589,715</u>	<u>(589,715)</u>	<u>-</u>	<u>-</u>
<u>8,926,250</u>	<u>(74,294)</u>	<u>8,851,956</u>	<u>556,949</u>
(149,289)	4,551,923	4,402,634	450,707
<u>33,249,195</u>	<u>62,124,091</u>	<u>95,373,286</u>	<u>2,884,733</u>
<u>\$ 33,099,906</u>	<u>\$ 66,676,014</u>	<u>\$ 99,775,920</u>	<u>\$ 3,335,440</u>

See accompanying notes to financial statements.

CITY OF REEDSBURG

BALANCE SHEET GOVERNMENTAL FUNDS As of December 31, 2019

	General	General Debt Service	Nonmajor Governmental Funds	Totals
ASSETS				
Cash and investments	\$ 1,894,018	\$ -	\$ 1,994,385	\$ 3,888,403
Receivables				
Taxes receivable	3,655,987	811,614	2,691,214	7,158,815
Accounts receivable	83,846	-	240,661	324,507
Special assessments	4,000	-	-	4,000
Loans	-	-	1,622,754	1,622,754
Due from other governments	3,104	-	26,772	29,876
Due from other funds	1,163,767	-	102,185	1,265,952
Prepaid items	178,574	-	21,158	199,732
Advances to other funds	3,159,374	-	-	3,159,374
Due from component unit	-	-	34,001	34,001
Investment in mutual insurance company	200,515	-	-	200,515
TOTAL ASSETS	\$ 10,343,185	\$ 811,614	\$ 6,733,130	\$ 17,887,929
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 36,105	\$ -	\$ 99,849	\$ 135,954
Accrued liabilities	145,392	-	15,533	160,925
Deposits	-	-	1,013	1,013
Due to other funds	8,698	95,640	418,012	522,350
Advances from other funds	-	10,705	3,148,669	3,159,374
Total Liabilities	190,195	106,345	3,683,076	3,979,616
Deferred Inflows of Resources				
Unearned revenue	3,644,223	811,614	2,691,214	7,147,051
Unavailable revenues	424,504	-	154,245	578,749
Total Deferred Inflows of Resources	4,068,727	811,614	2,845,459	7,725,800
Fund Balances (Deficit)				
Nonspendable	3,538,463	-	48,840	3,587,303
Restricted	-	-	2,108,801	2,108,801
Committed	-	-	738,214	738,214
Assigned	855,963	-	304,928	1,160,891
Unassigned (deficit)	1,689,837	(106,345)	(2,996,188)	(1,412,696)
Total Fund Balances (Deficit)	6,084,263	(106,345)	204,595	6,182,513
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 10,343,185	\$ 811,614	\$ 6,733,130	\$ 17,887,929

See accompanying notes to financial statements.

CITY OF REEDSBURG

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION As of December 31, 2019

Total Fund Balances - Governmental Funds	\$	6,182,513
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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		13,746,185
Construction in progress		947,464
Other capital assets, net of depreciation		16,689,436

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.		578,749
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The net pension liability does not relate to current financial resources and is not reported in the governmental funds.		(794,035)
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Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.		2,250,470
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Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.		(1,124,318)
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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		(4,654,142)
Compensated absences		(654,547)
Accrued interest		<u>(67,869)</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	<u>33,099,906</u>
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CITY OF REEDSBURG

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

For the Year Ended December 31, 2019

	General	General Debt Service	Nonmajor Governmental Funds	Totals
REVENUES				
Taxes	\$ 3,481,500	\$ 811,614	\$ 2,422,189	\$ 6,715,303
Intergovernmental	1,385,699	-	667,761	2,053,460
Licenses and permits	216,252	-	-	216,252
Fines and forfeitures	14,481	-	334,646	349,127
Public charges for services	140,343	-	590,380	730,723
Intergovernmental charges for services	124,707	-	-	124,707
Special assessments	-	-	857	857
Investment income	220,231	-	97,999	318,230
Miscellaneous revenues	120,303	-	289,898	410,201
Total Revenues	5,703,516	811,614	4,403,730	10,918,860
EXPENDITURES				
Current				
General government	810,483	400	371,859	1,182,742
Public safety	3,516,370	-	333,046	3,849,416
Health and human services	19,900	-	-	19,900
Public works	1,229,482	-	718,000	1,947,482
Culture, recreation and education	601,102	-	980,884	1,581,986
Conservation and development	138,483	-	943,712	1,082,195
Capital Outlay	-	-	2,395,588	2,395,588
Debt Service				
Principal	-	930,000	163,358	1,093,358
Interest and fiscal charges	-	45,715	92,656	138,371
Total Expenditures	6,315,820	976,115	5,999,103	13,291,038
Excess (deficiency) of revenues over expenditures	(612,304)	(164,501)	(1,595,373)	(2,372,178)
OTHER FINANCING SOURCES (USES)				
Transfers in	753,469	162,901	286,838	1,203,208
Transfers out	-	-	(457,453)	(457,453)
Debt issued	-	-	535,000	535,000
Total Other Financing Sources (Uses)	753,469	162,901	364,385	1,280,755
Net Change in Fund Balances	141,165	(1,600)	(1,230,988)	(1,091,423)
FUND BALANCES (DEFICIT) - Beginning of Year	5,943,098	(104,745)	1,435,583	7,273,936
FUND BALANCES (DEFICIT) - END OF YEAR	\$ 6,084,263	\$ (106,345)	\$ 204,595	\$ 6,182,513

See accompanying 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 For the Year Ended December 31, 2019

Net change in fund balances - total governmental funds	\$ (1,091,423)
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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	2,395,588
Some items are reported as capital outlay were not capitalized	(229,903)
Depreciation is reported in the government-wide financial statements	(1,375,806)
Net book value of assets retired	(44,210)

Capital assets contributed to business-type activities are reported as capital outlay in the fund financial statements.	(156,040)
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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.	53,645
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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	(535,000)
Principal repaid	1,093,358

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	(34,704)
Accrued interest	22,841
Net pension asset/liability	(1,428,901)
Deferred outflows of resources related to pensions	1,057,431
Deferred inflows of resources related to pensions	100,495

Internal service funds are used by management to charge self insurance costs to individual funds. The change in net position of the internal service fund reported with governmental activities	23,340
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ (149,289)</u>
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See accompanying notes to financial statements.

CITY OF REEDSBURG

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 As of December 31, 2019

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Utility Commission	Sewer	Nonmajor Enterprise Fund - Stormwater Fund	Totals	
ASSETS					
Current Assets					
Cash and investments	\$ 14,594,147	\$ 2,835,603	\$ 317,404	\$ 17,747,154	\$ 969
Accounts receivable (net)	2,114,096	256,601	-	2,370,697	-
Other accounts receivable	408,845	-	-	408,845	-
Accrued interest	60,796	-	-	60,796	-
Due from other funds	8,698	177,346	69,620	255,664	-
Prepaid items	148,890	-	-	148,890	-
Inventories	976,524	-	-	976,524	-
Restricted Assets					
Cash and investments	230,934	779,191	-	1,010,125	-
Total Current Assets	<u>18,542,930</u>	<u>4,048,741</u>	<u>387,024</u>	<u>22,978,695</u>	<u>969</u>
Noncurrent Assets					
Restricted Assets					
Cash and investments	1,258,233	2,172,098	-	3,430,331	-
Capital Assets					
Land	252,145	72,687	59,074	383,906	-
Construction work in progress	1,494,146	112,813	15,042	1,622,001	-
Property and equipment	79,107,584	32,383,905	6,928,611	118,420,100	-
Less: Accumulated depreciation	(36,346,172)	(13,410,980)	(2,864,053)	(52,621,205)	-
Other Assets					
Organization costs	167,867	-	-	167,867	-
Accumulated amortization of organization costs	(79,719)	-	-	(79,719)	-
Private parking lighting (net of accumulated depreciation)	18,371	-	-	18,371	-
Investment in ATC	2,966,435	-	-	2,966,435	-
Special assessments receivable	-	4,000	-	4,000	-
Total Noncurrent Assets	<u>48,838,890</u>	<u>21,334,523</u>	<u>4,138,674</u>	<u>74,312,087</u>	<u>-</u>
Total Assets	<u>67,381,820</u>	<u>25,383,264</u>	<u>4,525,698</u>	<u>97,290,782</u>	<u>969</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension related amounts	<u>1,326,261</u>	<u>177,668</u>	<u>97,056</u>	<u>1,600,985</u>	<u>-</u>

See accompanying notes to financial statements.

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Utility Commission	Sewer	Nonmajor Enterprise Fund - Stormwater Fund	Totals	
LIABILITIES					
Current Liabilities					
Accounts payable	\$ 1,705,407	\$ 41,144	\$ 102	\$ 1,746,653	\$ 969
Accrued liabilities	315,730	12,353	7,139	335,222	-
Due to other funds	999,266	-	-	999,266	-
Current portion of general obligation debt	730,000	-	-	730,000	-
Other liabilities	10,653	-	-	10,653	-
Compensated absences	124,629	8,362	-	132,991	-
Lease payable	-	-	35,079	35,079	-
Notes payable	16,123	-	-	16,123	-
Liabilities Payable from Restricted Assets					
Revenue bonds payable	690,323	1,110,166	-	1,800,489	-
Accrued interest payable	7,602	39,080	-	46,682	-
Total Current Liabilities	<u>4,599,733</u>	<u>1,211,105</u>	<u>42,320</u>	<u>5,853,158</u>	<u>969</u>
Noncurrent Liabilities					
Long-Term Debt					
General obligation debt	13,755,000	-	-	13,755,000	-
Unamortized debt premium	264,413	-	-	264,413	-
Lease payable	-	-	102,927	102,927	-
Revenue bonds payable	1,764,121	8,629,523	-	10,393,644	-
Notes payable	42,993	-	-	42,993	-
Other Liabilities					
Net pension liability	484,567	94,406	36,818	615,791	-
Compensated absences	220,745	10,292	-	231,037	-
Unearned revenues	138,705	-	-	138,705	-
Total Noncurrent Liabilities	<u>16,670,544</u>	<u>8,734,221</u>	<u>139,745</u>	<u>25,544,510</u>	<u>-</u>
Total Liabilities	<u>21,270,277</u>	<u>9,945,326</u>	<u>182,065</u>	<u>31,397,668</u>	<u>969</u>
DEFERRED INFLOWS OF RESOURCES					
Pension related amounts	<u>670,184</u>	<u>97,110</u>	<u>50,791</u>	<u>818,085</u>	<u>-</u>
NET POSITION					
Net investment in capital assets	27,916,734	9,418,736	4,000,668	41,336,138	-
Restricted for					
Depreciation	543,639	-	-	543,639	-
Debt service	249,525	740,111	-	989,636	-
Equipment replacement	-	2,172,098	-	2,172,098	-
Impact fees	16,397	-	-	16,397	-
Unrestricted	<u>18,041,325</u>	<u>3,187,551</u>	<u>389,230</u>	<u>21,618,106</u>	<u>-</u>
TOTAL NET POSITION	<u>\$ 46,767,620</u>	<u>\$ 15,518,496</u>	<u>\$ 4,389,898</u>	<u>\$ 66,676,014</u>	<u>\$ -</u>

See accompanying notes to financial statements.

CITY OF REEDSBURG

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION PROPRIETARY FUNDS

For the Year Ended December 31, 2019

	Business-type Activities - Enterprise Funds			Totals	Governmental Activities - Internal Service Fund
	Utility Commission	Sewer	Nonmajor Enterprise Fund - Stormwater Fund		
OPERATING REVENUES					
Public charges for services	\$ 29,621,173	\$ 3,907,167	\$ 556,741	\$ 34,085,081	\$ 545,094
Total Operating Revenues	<u>29,621,173</u>	<u>3,907,167</u>	<u>556,741</u>	<u>34,085,081</u>	<u>545,094</u>
OPERATING EXPENSES					
Operation and maintenance	23,492,101	1,903,834	382,575	25,778,510	521,754
Depreciation	<u>2,548,050</u>	<u>936,600</u>	<u>177,650</u>	<u>3,662,300</u>	<u>-</u>
Total Operating Expenses	<u>26,040,151</u>	<u>2,840,434</u>	<u>560,225</u>	<u>29,440,810</u>	<u>521,754</u>
Operating Income (Loss)	<u>3,581,022</u>	<u>1,066,733</u>	<u>(3,484)</u>	<u>4,644,271</u>	<u>23,340</u>
NONOPERATING REVENUES (EXPENSES)					
Investment income	475,534	17,532	-	493,066	-
Interest and amortization expense	(457,355)	(243,411)	(5,361)	(706,127)	-
Loss on early retirement	-	-	(4,365)	(4,365)	-
Amortization of debt premium	32,163	-	-	32,163	-
Miscellaneous	<u>(5,443)</u>	<u>-</u>	<u>-</u>	<u>(5,443)</u>	<u>-</u>
Total Nonoperating Revenues (Expenses)	<u>44,899</u>	<u>(225,879)</u>	<u>(9,726)</u>	<u>(190,706)</u>	<u>-</u>
Income (Loss) Before Contributions and Transfers	<u>3,625,921</u>	<u>840,854</u>	<u>(13,210)</u>	<u>4,453,565</u>	<u>23,340</u>
CONTRIBUTIONS AND TRANSFERS					
Capital contributions	688,073	-	-	688,073	-
Capital contributions - muni	74,194	34,917	46,929	156,040	-
Transfers out	<u>(745,755)</u>	<u>-</u>	<u>-</u>	<u>(745,755)</u>	<u>-</u>
Total Contributions and Transfers	<u>16,512</u>	<u>34,917</u>	<u>46,929</u>	<u>98,358</u>	<u>-</u>
Change in Net Position	3,642,433	875,771	33,719	4,551,923	23,340
NET POSITION - Beginning of Year	<u>43,125,187</u>	<u>14,642,725</u>	<u>4,356,179</u>	<u>62,124,091</u>	<u>(23,340)</u>
NET POSITION (DEFICIT) - END OF YEAR	<u>\$ 46,767,620</u>	<u>\$ 15,518,496</u>	<u>\$ 4,389,898</u>	<u>\$ 66,676,014</u>	<u>\$ -</u>

See accompanying notes to financial statements.

CITY OF REEDSBURG

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS

For the Year Ended December 31, 2019

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Utility Commission	Sewer	Nonmajor Enterprise Fund - Stormwater Fund	Totals	
CASH FLOWS FROM OPERATING ACTIVITIES					
Received from customers	\$ 29,320,033	\$ 3,821,959	\$ 556,033	\$ 33,698,025	\$ 545,094
Received from other funds for services	479,637	-	-	479,637	-
Paid to suppliers for goods and services	(21,200,654)	(1,533,881)	(186,200)	(22,920,735)	(471,730)
Paid to employees for services	(2,215,483)	(340,543)	(181,569)	(2,737,595)	(72,395)
Net Cash Flows From Operating Activities	<u>6,383,533</u>	<u>1,947,535</u>	<u>188,264</u>	<u>8,519,332</u>	<u>969</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment income	403,128	17,532	-	420,660	-
Investment in ATC	(122,733)	-	-	(122,733)	-
Net Cash Flows From Investing Activities	<u>280,395</u>	<u>17,532</u>	<u>-</u>	<u>297,927</u>	<u>-</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Paid to municipality for tax equivalent	(761,362)	-	-	(761,362)	-
Net Cash Flows From Noncapital Financing Activities	<u>(761,362)</u>	<u>-</u>	<u>-</u>	<u>(761,362)</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Debt retired	(1,400,918)	(1,083,386)	(33,840)	(2,518,144)	-
Interest paid	(465,049)	(247,875)	(6,290)	(719,214)	-
Acquisition and construction of capital assets	(3,095,180)	(322,509)	(190,194)	(3,607,883)	-
Capital contributions received	293,906	-	-	293,906	-
Net Cash Flows From Capital and Related Financing Activities	<u>(4,667,241)</u>	<u>(1,653,770)</u>	<u>(230,324)</u>	<u>(6,551,335)</u>	<u>-</u>
Net Change in Cash and Cash Equivalents	1,235,325	311,297	(42,060)	1,504,562	969
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>14,847,989</u>	<u>5,475,595</u>	<u>359,464</u>	<u>20,683,048</u>	<u>-</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 16,083,314</u>	<u>\$ 5,786,892</u>	<u>\$ 317,404</u>	<u>\$ 22,187,610</u>	<u>\$ 969</u>

See accompanying notes to financial statements.

	Business-type Activities - Enterprise Funds				
	Utility Commission	Sewer	Nonmajor Enterprise Fund - Stormwater Fund	Totals	Governmental Activities - Internal Service Fund
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES					
Operating income (loss)	\$ 3,581,022	\$ 1,066,733	\$ (3,484)	\$ 4,644,271	\$ 23,340
Nonoperating revenue (expense)	(5,443)	-	-	(5,443)	-
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Activities					
Depreciation	2,548,050	936,600	177,650	3,662,300	-
Depreciation charged to other funds	61,179	-	-	61,179	-
Depreciation on non-utility plant	400	-	-	400	-
Changes in assets, liabilities, and deferred items					
Accounts receivable	134,625	(92,645)	-	41,980	-
Due from other funds	(10,111)	-	-	(10,111)	-
Prepaid items	(68,605)	-	-	(68,605)	-
Inventories	74,772	-	-	74,772	-
Accounts payable	(202,500)	(16,921)	(3,870)	(223,291)	(2,667)
Other accounts receivable	28,641	-	-	28,641	-
Due to other funds	-	7,437	(708)	6,729	(18,582)
Compensated absences	46,765	4,173	-	50,938	-
Other current liabilities	19,328	1,116	322	20,766	(1,122)
Unearned revenues	1,579	-	-	1,579	-
Pension related deferrals and liabilities	172,661	41,042	18,354	232,057	-
Commitment to community	1,170	-	-	1,170	-
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 6,383,533</u>	<u>\$ 1,947,535</u>	<u>\$ 188,264</u>	<u>\$ 8,519,332</u>	<u>\$ 969</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS					
Cash and investments	\$ 14,594,147	\$ 2,835,603	\$ 317,404	\$ 17,747,154	\$ 969
Restricted cash and investments					
Restricted cash and investments - current	230,934	779,191	-	1,010,125	-
Restricted cash and investments - noncurrent	<u>1,258,233</u>	<u>2,172,098</u>	<u>-</u>	<u>3,430,331</u>	<u>-</u>
CASH AND CASH EQUIVALENTS	<u>\$ 16,083,314</u>	<u>\$ 5,786,892</u>	<u>\$ 317,404</u>	<u>\$ 22,187,610</u>	<u>\$ 969</u>

See accompanying notes to financial statements.

CITY OF REEDSBURG

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS

For the Year Ended December 31, 2019

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Utility Commission	Sewer	Nonmajor Enterprise Fund - Stormwater Fund	
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Developer financed additions to utility plant	\$ 397,392	\$ -	\$ -	\$ -
ATC dividends reinvested	\$ (55,188)	\$ -	\$ -	\$ -
Amortization of debt premium	\$ 32,163	\$ -	\$ -	\$ -
Capital contributions	\$ 74,194	\$ 34,917	\$ 46,929	\$ -

See accompanying notes to financial statements.

CITY OF REEDSBURG

STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 As of December 31, 2019

	<u>Custodial Fund</u>	<u>Private- Purpose Trust Fund</u>
	<u>Tax Collection Fund</u>	<u>Nishan Community Aid for the Poor</u>
ASSETS		
Cash and investments	\$ 6,404,822	\$ 90
Property taxes receivable	1,924,600	-
Total Assets	<u>8,329,422</u>	<u>90</u>
LIABILITIES		
Due to other taxing units	<u>8,329,422</u>	-
Total Liabilities	<u>8,329,422</u>	-
NET POSITION		
Held in trust for private trust activities	<u>-</u>	<u>90</u>
TOTAL NET POSITION	<u>\$ -</u>	<u>\$ 90</u>

See accompanying notes to financial statements.

CITY OF REEDSBURG

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 For the Year Ended December 31, 2019

	Custodial Fund	Private- Purpose Trust Fund
	Tax Collection Fund	Nishan Community Aid for the Poor
ADDITIONS		
Property taxes collected for other governments	\$ 5,640,254	\$ -
Total Additions	5,640,254	-
DEDUCTIONS		
Property taxes distributed to other governments	5,640,254	-
Total Deductions	5,640,254	-
Change in Fiduciary Net Position	-	-
NET POSITION - Beginning of Year	-	90
NET POSITION - END OF YEAR	\$ -	\$ 90

See accompanying notes to financial statements.

CITY OF REEDSBURG

STATEMENT OF NET POSITION COMPONENT UNITS December 31, 2019

	Community Development Authority	Herbert H. Webb Trust	Totals
ASSETS			
Cash and investments	\$ 56,237	\$ 3,225,331	\$ 3,281,568
Accounts receivable	668	-	668
Loans receivable	70,000	-	70,000
Property held for resale	17,321	-	17,321
Total Assets	<u>144,226</u>	<u>3,225,331</u>	<u>3,369,557</u>
LIABILITIES			
Accounts payable	116	-	116
Due to primary government	-	34,001	34,001
Total Liabilities	<u>116</u>	<u>34,001</u>	<u>34,117</u>
NET POSITION			
Restricted for Trust purposes	-	3,191,330	3,191,330
Unrestricted net position	<u>144,110</u>	<u>-</u>	<u>144,110</u>
TOTAL NET POSITION	<u>\$ 144,110</u>	<u>\$ 3,191,330</u>	<u>\$ 3,335,440</u>

See accompanying notes to financial statements.

CITY OF REEDSBURG

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION COMPONENT UNITS

For the Year Ended December 31, 2019

	<u>Community Development Authority</u>	<u>Herbert H. Webb Trust</u>	<u>Totals</u>
OPERATING EXPENSES			
Operation and maintenance	\$ 11,454	\$ 94,788	\$ 106,242
Total Operating Expenses	<u>11,454</u>	<u>94,788</u>	<u>106,242</u>
Operating Loss	<u>(11,454)</u>	<u>(94,788)</u>	<u>(106,242)</u>
NONOPERATING REVENUES			
Investment income	<u>8,114</u>	<u>548,835</u>	<u>556,949</u>
Total Nonoperating Revenues	<u>8,114</u>	<u>548,835</u>	<u>556,949</u>
Change in Net Position	(3,340)	454,047	450,707
NET POSITION - Beginning of Year	<u>147,450</u>	<u>2,737,283</u>	<u>2,884,733</u>
NET POSITION - END OF YEAR	<u>\$ 144,110</u>	<u>\$ 3,191,330</u>	<u>\$ 3,335,440</u>

See accompanying notes to financial statements.

CITY OF REEDSBURG

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CITY OF REEDSBURG

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. 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 III.J. 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, 2019. The CDA does not issue separate financial statements.

CITY OF REEDSBURG

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

A. REPORTING ENTITY (cont.)

Discretely Presented Component Units (cont.)

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, 2019. See Note III.J. The trust does not issue separate financial statements.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

In January 2017, the GASB issued statement No. 84 - *Fiduciary Activities*. This statement establishes criteria for identifying fiduciary activities of all state and local governments for accounting and financial reporting purposes and how those activities should be reported. This standard was implemented January 1, 2019.

In March 2018, the GASB issued statement No. 88 - *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This Statement defines debt for purposes of disclosure in notes to financial statements and establishes additional financial statement note disclosure requirements related to debt obligations of governments, including direct borrowings and direct placements. This standard was implemented January 1, 2019.

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.

CITY OF REEDSBURG

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

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% 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% test is at least 5% of the corresponding total for all governmental and enterprise funds combined.
- 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 - 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.
- General Debt Service - 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.

The city reports the following major enterprise funds:

- Utility Commission - accounts for operations of the water, electric, and communications systems
- Sewer Utility - accounts for operations of the sewer system

CITY OF REEDSBURG

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Fund Financial Statements (cont.)

The city reports the following nonmajor governmental and enterprise funds:

Special Revenue Funds - 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
Rescue Fund	Airport
Municipal Court	

Capital Projects Funds - 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. 6
Tax Incremental Financing (TIF) District No. 7	Tax Incremental Financing (TIF) District No. 8
Tax Incremental Financing (TIF) District No. 9	Capital Equipment Fund
General Capital Projects Fund	

Enterprise Fund - 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

CITY OF REEDSBURG

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Fund Financial Statements (cont.)

In addition, the city reports the following fund types:

Internal Service Fund - used to account for and report the financing of goods or services provided by one department or agency to other departments or agencies of the city, or to other governmental units, on a cost-reimbursement basis.

Private-Purpose Trust Fund - 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 Fund - 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

C. 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.

CITY OF REEDSBURG

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)

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

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.

CITY OF REEDSBURG

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)

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.

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY

1. Deposits and Investments

For purposes of the statement of cash flows, the 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 As of and for the Year Ended December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

1. Deposits and Investments (cont.)

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 III. A. 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, 2019, 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 III. A. for further information.

2. 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 - 2019 tax roll:

Lien date and levy date	December 2019
Tax bills mailed	December 2019
Payment in full, or	January 31, 2020
First installment due	January 31, 2020
Second installment due	July 31, 2020
Personal property taxes in full	January 31, 2020
Tax sale - 2019 delinquent real estate taxes	October 2022

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.

CITY OF REEDSBURG

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

2. Receivables (cont.)

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.

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 \$614,106.

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 or nonspendable as appropriate 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

3. 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.

4. 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.

CITY OF REEDSBURG

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

5. 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.

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.

CITY OF REEDSBURG

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

6. 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% 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 non-utility property consisting of private parking lighting which is depreciated over 20 years.

7. 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.

8. 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, 2019, are determined on the basis of current salary rates and include salary related payments.

9. 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.

CITY OF REEDSBURG

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

9. Long-Term Obligations/Conduit Debt (cont.)

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 \$550,528, made up of three issues.

10. 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.

11. 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.

CITY OF REEDSBURG

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

11. Equity Classifications (cont.)

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 a working capital fund of 29% of the subsequent year's budgeted general fund expenditures. The balance at year-end was \$1,689,837, or 25%, and is included in unassigned general fund balance.

See Note III. H. for further information.

CITY OF REEDSBURG

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

11. Equity Classifications (cont.)

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.

12. 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.

13. 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 January 27, 2015.

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 November 19, 2019, which were effective as of January 1, 2019. Current telephone rates were approved by the utility commission effective in June 2003 and January 2016. Current residential and commercial internet rates were approved by the utility commission effective January 2016 and March 2018.

Stormwater

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

CITY OF REEDSBURG

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

14. 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.

NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. 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.

B. EXCESS EXPENDITURES AND OTHER FINANCING USES OVER APPROPRIATIONS

Funds	Budgeted Expenditures	Actual Expenditures	Excess Expenditures Over Budget
Park Fund	\$ 25,000	\$ 52,605	\$ 27,605
Triathlon Fund	10,000	50,199	40,199
DARE Fund	3,500	3,598	98
Webb Endowment	45,000	68,200	23,200
Room Tax Fund	61,843	95,638	33,795
CDBG Fund	-	311,986	311,986
Library - County Funding	741,465	771,383	29,918
Rescue Fund	50,000	329,448	279,448
Municipal court	297,027	396,612	99,585
TIF District No. 3	57,333	62,034	4,701
TIF District No. 5	42,880	77,359	34,479
TIF District No. 7	1,150	3,630	2,480
TIF District No. 8	1,050	3,630	2,580
TIF District No. 9	440,558	900,231	459,673

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, which can be obtained from the city.

CITY OF REEDSBURG

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (cont.)

C. DEFICIT BALANCES

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

As of December 31, 2019, the following individual funds held a deficit balance:

Fund	Amount	Reason
General Debt Service	\$ 106,345	Unfunded debt payments
Municipal Court	61,966	Capital investment
Taxi Grant Fund	41,411	Expenditures exceeding grant revenue
Tax Incremental District No. 3	97,470	Costs exceeding increment
Tax Incremental District No. 5	3,634	Costs exceeding increment
Tax Incremental District No. 6	961,090	Costs exceeding increment
Tax Incremental District No. 7	1,266	Costs exceeding increment
Tax Incremental District No. 8	271,723	Costs exceeding increment
Tax Incremental District No. 9	1,110,646	Costs exceeding increment
General Capital Projects Fund	425,824	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.

D. 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 As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

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

	Carrying Value	Statement Balances	Associated Risks
Deposits	\$ 16,624,316	\$ 16,698,366	Custodial credit
U.S. agencies - implicitly guaranteed	1,504,468	1,504,468	Credit, custodial credit, concentration of credit, interest rate
Certificates of deposit (negotiable)	3,402,569	3,402,569	Credit, custodial credit, concentration of credit, interest rate
LGIP	10,950,041	10,950,041	Credit
Petty cash	500	-	N/A
Total Deposits and Investments	<u>\$ 32,481,894</u>	<u>\$ 32,555,444</u>	
Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 21,636,526		
Restricted cash and investments	4,440,456		
Per statement of net position - fiduciary funds			
Custodial Fund	6,404,822		
Private-purpose trust fund	90		
Total Deposits and Investments	<u>\$ 32,481,894</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, 2019, the banks had pledged various government securities in the amount of \$14,015,232 to secure the city's deposits.

CITY OF REEDSBURG

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

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, 2019, the fair value of the investment was \$2,966,435. 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.

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, 2019			
	Level 1	Level 2	Level 3	Total
U.S. agencies - implicitly guaranteed	\$ -	\$ 1,504,468	\$ -	\$ 1,504,468
Certificates of deposit (negotiable)	<u>3,402,569</u>	-	-	<u>3,402,569</u>
Total	<u>\$ 3,402,569</u>	<u>\$ 1,504,468</u>	<u>\$ -</u>	<u>\$ 4,907,037</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.

As of December 31, 2019, \$960,910 of the city's total bank balances were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	<u>\$ 960,910</u>
Total	<u>\$ 960,910</u>

CITY OF REEDSBURG

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

Custodial Credit Risk (cont.)

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, 2019, 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 \$ 1,504,468

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, 2019, the city's investments were rated as follows:

<u>Investment Type</u>	<u>Standard & Poors</u>
U.S. agencies - implicitly guaranteed	AA+

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

Local Government Investment Pool
Certificates of deposit (negotiable)

CITY OF REEDSBURG

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

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, 2019, 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	\$ 1,504,468	\$ -	\$ -	\$ 1,504,468
Certificates of deposit (negotiable)	<u>3,402,569</u>	<u>3,402,569</u>	-	-
Totals	<u>\$ 4,907,037</u>	<u>\$ 3,402,569</u>	<u>\$ -</u>	<u>\$ 1,504,468</u>

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

B. 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	Utility Commission	Sewer Utility	Nonmajor and Other Funds	Totals
Receivables						
Gross receivables	3,746,937	811,614	2,635,733	260,601	5,203,787	12,658,672
Less: Allowance for uncollectibles	-	-	(51,996)	-	(622,386)	(674,382)
Net Total Receivables	<u>\$ 3,746,937</u>	<u>\$ 811,614</u>	<u>\$ 2,583,737</u>	<u>\$ 260,601</u>	<u>\$ 4,581,401</u>	<u>\$11,984,290</u>
Amounts not expected to be collected within one year	<u>\$ 4,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,000</u>	<u>\$ 2,245,140</u>	<u>\$ 2,253,140</u>

CITY OF REEDSBURG

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

B. RECEIVABLES (cont.)

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	\$ 7,147,051	\$ -
Interfund interest - TIF advances	-	424,504
Loan receivable	-	154,245
 Total Unearned/Unavailable Revenue for Governmental Funds	 \$ 7,147,051	 \$ 578,749

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, 2019, 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.

C. 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.

CITY OF REEDSBURG

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

C. RESTRICTED ASSETS (cont.)

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 restricted assets at December 31, 2019:

	<u>Restricted Assets</u>
Redemption account	\$ 1,010,125
Reserve account	698,197
Depreciation account	543,639
Replacement account	2,172,098
Impact fee account	<u>16,397</u>
 Total	 <u>\$ 4,440,456</u>

D. CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets not being depreciated/amortized				
Land	\$ 6,649,449	\$ 61,700	\$ -	\$ 6,711,149
Land for right of way	942,232	-	-	942,232
Road infrastructure not being depreciated	6,007,787	124,117	39,100	6,092,804
Construction work in progress	-	<u>947,464</u>	-	<u>947,464</u>
Total Capital Assets Not Being Depreciated/Amortized	<u>13,599,468</u>	<u>1,133,281</u>	<u>39,100</u>	<u>14,693,649</u>
Capital assets being depreciated/amortized				
Buildings	11,804,265	93,238	-	11,897,503
Intangibles	95,272	-	-	95,272
Equipment and furniture	10,345,577	410,775	687,703	10,068,649
Infrastructure	<u>20,642,732</u>	<u>372,351</u>	<u>214,268</u>	<u>20,800,815</u>
Total Capital Assets Being Depreciated/Amortized	<u>42,887,846</u>	<u>876,364</u>	<u>901,971</u>	<u>42,862,239</u>
Total Capital Assets	<u>56,487,314</u>	<u>2,009,645</u>	<u>941,071</u>	<u>57,555,888</u>

CITY OF REEDSBURG

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities (cont.)				
Less: Accumulated depreciation/amortization for				
Buildings	\$ (7,439,448)	\$ (228,291)	\$ -	\$ (7,667,739)
Intangibles	(80,230)	(6,018)	-	(86,248)
Equipment and furniture	(6,313,435)	(479,489)	682,593	(6,110,331)
Infrastructure	(11,860,745)	(662,008)	214,268	(12,308,485)
Total Accumulated Depreciation/Amortization	(25,693,858)	(1,375,806)	896,861	(26,172,803)
Net Capital Assets Being Depreciated/Amortized	17,193,988	(499,442)	5,110	16,689,436
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation/Amortization	\$ 30,793,456	\$ 633,839	\$ 44,210	\$ 31,383,085

Depreciation expense was charged to functions as follows:

Governmental Activities	
General government	\$ 79,437
Public safety	252,196
Public works	801,918
Culture, recreation, and education	242,255
Total Governmental Activities Depreciation/Amortization Expense	\$ 1,375,806

CITY OF REEDSBURG

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type Activities				
Capital assets not being depreciation				
Land	\$ 383,906	\$ -	\$ -	\$ 383,906
Construction in progress	<u>677,948</u>	<u>1,526,724</u>	<u>582,671</u>	<u>1,622,001</u>
Total Capital Assets Not Being Depreciation	<u>1,061,854</u>	<u>1,526,724</u>	<u>582,671</u>	<u>2,005,907</u>
Capital assets being depreciated				
Electric system	29,558,912	921,132	659,138	29,820,906
Water system	14,945,076	1,127,163	89,839	15,982,400
Communications system	32,778,425	568,856	43,003	33,304,278
Sewer system	32,254,879	129,026	-	32,383,905
Stormwater system	<u>6,715,740</u>	<u>222,081</u>	<u>9,210</u>	<u>6,928,611</u>
Total Capital Assets Being Depreciated	<u>116,253,032</u>	<u>2,968,258</u>	<u>801,190</u>	<u>118,420,100</u>
Total Capital Assets	<u>117,314,886</u>	<u>4,494,982</u>	<u>1,383,861</u>	<u>120,426,007</u>
Less: Accumulated depreciation for				
Electric system	(17,695,079)	(1,024,753)	659,135	(18,060,697)
Water system	(4,930,368)	(357,463)	89,836	(5,197,995)
Communications system	(11,831,632)	(1,294,714)	38,866	(13,087,480)
Sewer system	(12,474,380)	(936,600)	-	(13,410,980)
Stormwater system	<u>(2,691,248)</u>	<u>(177,650)</u>	<u>4,845</u>	<u>(2,864,053)</u>
Total Accumulated Depreciation	<u>(49,622,707)</u>	<u>(3,791,180)</u>	<u>792,682</u>	<u>(52,621,205)</u>
Net Capital Assets Being Depreciated	<u>66,630,325</u>	<u>(822,922)</u>	<u>8,508</u>	<u>65,798,895</u>
Business-type Capital Assets, Net of Accumulated Depreciation	<u>\$ 67,692,179</u>	<u>\$ 703,802</u>	<u>\$ 591,179</u>	<u>\$ 67,804,802</u>

Depreciation expense was charged to functions as follows:

Business-type Activities	
Electric	\$ 968,607
Water	320,208
Communications	1,259,235
Sewer	936,600
Storm	<u>177,650</u>
Total Business-type Activities Depreciation Expense	<u>\$ 3,662,300</u>

CITY OF REEDSBURG

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS (cont.)

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

E. 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:

Receivable Fund	Payable Fund	Amount
General fund	Utility commission	\$ 745,755
General fund	Capital Project Fund	418,012
Utility commission	General fund	8,698
TIF District No. 3	General debt service	32,004
TIF District No. 4	General debt service	55,505
TIF District No. 6	General debt service	8,131
Stormwater fund	Utility commission	69,620
Sewer	Utility commission	177,346
TIF District No. 9	Utility commission	<u>6,545</u>
Total - Fund Financial Statements		1,521,616
Less: Fund eliminations		<u>(778,014)</u>
Total Internal Balances - Government-Wide Statement of Net Position		<u><u>\$ 743,602</u></u>
Receivable Fund	Payable Fund	Amount
Governmental Activities	Business-type Activities	\$ 752,300
Business-type Activities	Governmental Activities	<u>(8,698)</u>
Total Government-Wide Financial Statements		<u><u>\$ 743,602</u></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.

CITY OF REEDSBURG

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS (cont.)

Advances

The general fund is advancing funds to TIF Districts No. 3, 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. 3, No. 6, and No. 8 interest on the advance based on the average outstanding advance balance during the year at a rate of 5%. \$424,504 of interest is included in the TIF No. 3, 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, TIF District No. 9, and general debt service funds. No interest is being charged on these advances and no repayment schedules have been established.

The following is a schedule of interfund advances:

Receivable Fund	Payable Fund	Amount	Amount Not Due Within One Year
General fund	Taxi Fund	\$ 50,344	\$ 50,344
General fund	General debt service fund	10,705	10,705
General fund	TIF District No. 3	127,553	127,553
General fund	TIF District No. 6	1,483,156	1,483,156
General fund	TIF District No. 8	270,223	270,223
General fund	TIF District No. 9	1,167,394	1,167,394
General fund	Municipal Court Fund	49,999	49,999
Total - Fund Financial Statements		3,159,374	
Less: Fund eliminations		(3,159,374)	
Total - Interfund Advances - Government-Wide Statement of Net Position		\$ -	

CITY OF REEDSBURG

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS (cont.)

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 debt service	Nonmajor governmental funds	\$ 162,901	Debt service payments
Nonmajor governmental funds	Nonmajor governmental funds	286,838	Increment sharing
General fund	Utility commission	745,755	Tax equivalent
General fund	Nonmajor governmental funds	<u>7,714</u>	Annual art funds agreement
Total - Fund Financial Statements		1,203,208	
Less: Fund eliminations		(457,453)	
Less: Assets transferred from governmental activities to business-type activities		<u>(156,040)</u>	
Total Transfers - Government-Wide Statement of Activities		<u><u>\$ 589,715</u></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 As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2019, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General obligation debt	\$ 3,290,000	\$ -	\$ 930,000	\$ 2,360,000	\$ 775,000
General obligation notes from direct borrowings and direct placements	<u>1,835,000</u>	<u>535,000</u>	<u>75,858</u>	<u>2,294,142</u>	<u>95,294</u>
Sub-totals	<u>5,125,000</u>	<u>535,000</u>	<u>1,005,858</u>	<u>4,654,142</u>	<u>870,294</u>
Other Liabilities					
Vested compensated absences	619,843	173,615	138,911	654,547	146,031
Land contract	<u>87,500</u>	<u>-</u>	<u>87,500</u>	<u>-</u>	<u>-</u>
Total Other Liabilities	<u>707,343</u>	<u>173,615</u>	<u>226,411</u>	<u>654,547</u>	<u>146,031</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 5,832,343</u>	<u>\$ 708,615</u>	<u>\$ 1,232,269</u>	<u>\$ 5,308,689</u>	<u>\$ 1,016,325</u>
Business-type Activities					
Bonds and Notes Payable					
General obligation debt	\$ 15,195,000	\$ -	\$ 710,000	\$ 14,485,000	\$ 730,000
Revenue bonds	11,215,231	-	1,600,905	9,614,326	1,639,076
Revenue bonds from direct borrowings and direct placements	2,737,083	-	157,276	2,579,807	161,413
Notes payable	75,239	-	16,123	59,116	16,123
(Discounts)/Premiums	<u>296,576</u>	<u>-</u>	<u>32,163</u>	<u>264,413</u>	<u>-</u>
Sub-totals	<u>29,519,129</u>	<u>-</u>	<u>2,516,467</u>	<u>27,002,662</u>	<u>2,546,612</u>
Other Liabilities					
Vested compensated absences	313,090	60,469	9,531	364,028	132,991
Capital leases	<u>171,846</u>	<u>-</u>	<u>33,840</u>	<u>138,006</u>	<u>35,079</u>
Total Other Liabilities	<u>484,936</u>	<u>60,469</u>	<u>43,371</u>	<u>502,034</u>	<u>168,070</u>
Total Business-type Activities Long-Term Liabilities	<u>\$ 30,004,065</u>	<u>\$ 60,469</u>	<u>\$ 2,559,838</u>	<u>\$ 27,504,696</u>	<u>\$ 2,714,682</u>

In addition to the liabilities above, information on the net pension liability (asset) is provided in Note IV.A.

In accordance with Wisconsin Statutes, total general obligation indebtedness of the city may not exceed 5% of the equalized value of taxable property within the city's jurisdiction. The debt limit as of December 31, 2019, was \$33,122,285. Total general obligation debt outstanding at year end was \$19,139,142.

CITY OF REEDSBURG

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

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.

Governmental Activities

<u>General Obligation Debt</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2019</u>
General obligation refunding bonds	5/20/2013	3/1/2020	0.45 - 1.70%	\$ 1,835,000	\$ 165,000
General obligation refunding bonds	5/5/2013	3/1/2023	1.20 - 1.80	3,225,000	1,625,000
General obligation refunding bonds	9/7/2016	12/1/2021	1.05 - 1.50	1,785,000	570,000
State trust fund loan	10/18/2017	3/15/2037	4.00	500,000	489,437
State trust fund loan	1/16/18	3/15/2032	4.00	1,335,000	1,269,705
State trust fund loan	7/26/2019	3/15/2038	4.00	535,000	<u>535,000</u>
Total Governmental Activities - General Obligation Debt					<u>\$ 4,654,142</u>

Business-type Activities

<u>General Obligation Debt</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2019</u>
General obligation refunding bonds	8/22/2016	3/1/2035	2.00 - 3.00%	\$ 7,480,000	\$ 6,980,000
General obligation refunding bonds	6/29/2017	3/1/2035	2.00 - 3.50	2,610,000	2,395,000
General obligation refunding bonds	9/18/2017	3/1/2029	1.55 - 3.00	6,000,000	<u>5,110,000</u>
Total Business-type Activities - General Obligation Debt					<u>\$ 14,485,000</u>

CITY OF REEDSBURG

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt (cont.)

Debt service requirements to maturity are as follows:

Years	Governmental Activities General Obligation Debt		Business-type Activities General Obligation Debt	
	Principal	Interest	Principal	Interest
2020	\$ 775,000	\$ 32,588	\$ 730,000	\$ 253,750
2021	560,000	23,055	750,000	334,869
2022	510,000	13,478	770,000	316,038
2023	515,000	4,635	790,000	299,063
2024	-	-	805,000	283,670
2025-2029	-	-	4,275,000	1,149,588
2030-2034	-	-	5,230,000	560,256
2035	-	-	1,135,000	17,488
Totals	<u>\$ 2,360,000</u>	<u>\$ 73,756</u>	<u>\$ 14,485,000</u>	<u>\$ 3,214,722</u>

Years	Governmental Activities Notes from Direct Borrowings and Direct Placements	
	Principal	Interest
2020	\$ 95,294	\$ 84,219
2021	99,299	87,954
2022	125,856	83,982
2023	130,890	78,949
2024	135,923	73,914
2025-2029	766,604	282,585
2030-2034	673,316	121,510
2035-2038	266,960	24,995
Totals	<u>\$ 2,294,142</u>	<u>\$ 838,108</u>

The city's outstanding State Trust Fund Loans from direct borrowings related to governmental activities of \$2,294,142 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.

CITY OF REEDSBURG

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

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, 2019, consists of the following:

Business-type Activities Revenue Debt

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2019</u>	
<u>Sewer Utility</u>						
Revenue bonds	5/1/2005	5/1/2025	2.565%	\$ 11,292,318	\$ 4,186,459	
Revenue bonds	5/1/2006	5/1/2025	2.365	2,981,335	1,103,670	
Revenue bonds	3/23/2011	5/1/2030	2.499	1,860,236	1,187,593	
Revenue bonds	5/1/2013	5/1/2033	2.625	3,096,378	2,350,363	(1)
Revenue bonds	4/11/2018	5/1/2037	1.060	957,371	<u>911,604</u>	
				Total Sewer Utility	<u>9,739,689</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% of sewer revenues. The total principal and interest remaining to be paid on the bonds is \$10,867,557. Principal and interest paid in the current year and total customer gross revenues were \$1,331,262 and \$3,924,699, 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, 2019. The repayment schedule is for the amount issued.

CITY OF REEDSBURG

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

Revenue Debt (cont.)

Business-type Activities Revenue Debt (cont.)

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2019
<u>Water Utility</u>					
Safe Drinking Water Loan	1/27/2010	5/1/2029	2.67%	\$ 385,163	\$ 229,444
Revenue bonds	9/29/2011	5/1/2020	1.00 - 3.00	995,000	120,000
Main Replacements and SCADA Improvements	7/7/2014	5/1/2029	1.70 - 3.75	895,000	680,000
				Total Water Utility	1,029,444
<u>Electric Utility</u>					
Revenue refunding bonds	11/15/2011	12/1/2020	0.75 - 3.10%	1,470,000	175,000
Revenue bonds	2/21/2013	12/1/2023	0.65 - 2.70	940,000	420,000
Revenue bonds	10/24/2013	12/1/2022	0.80 - 3.50	2,145,000	830,000
				Total Electric Utility	1,425,000
Total Business-type Activities - Revenue Debt					\$ 12,194,133

The electric utility has pledged future revenues, net of specified operating expenses, to repay revenue bonds issued in 2011 and 2013. Proceeds from the bonds provided financing for the electric systems. The bonds are solely from electric revenues and are payable through 2023. Annual principal and interest payments on the bonds are expected to require 2% of electric revenues. The total principal and interest remaining to be paid on the bonds is \$1,515,970. Principal and interest paid in the current year and total customer gross revenues were \$540,045 and \$22,628,992, respectively.

CITY OF REEDSBURG

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

Revenue Debt (cont.)

Business-type Activities Revenue Debt (cont.)

Debt service requirements to maturity are as follows:

<u>Years</u>	Business-type Activities Revenue Debt	
	Principal	Interest
2020	\$ 1,639,076	\$ 227,304
2021	1,452,826	185,623
2022	1,497,168	147,129
2023	1,222,115	106,675
2024	1,132,686	75,859
2025-2029	2,122,189	127,859
2030-2034	384,116	17,173
2035-2037	164,150	2,613
Totals	\$ 9,614,326	\$ 890,235

<u>Years</u>	Business-type Activities Revenue Debt from Direct Borrowings and Direct Placements	
	Principal	Interest
2020	\$ 161,413	\$ 65,695
2021	165,658	61,394
2022	170,015	56,979
2023	174,488	52,449
2024	179,078	47,798
2025-2029	968,570	164,844
2030-2033	760,585	40,577
Totals	\$ 2,579,807	\$ 489,736

Business-type Activities	<u>Date of</u>	<u>Final</u>	<u>Interest</u>	<u>Original</u>	<u>Balance</u>
Other Long-Term Obligations	<u>Issue</u>	<u>Maturity</u>	<u>Rates</u>	<u>Indebtedness</u>	<u>December 31,</u>
					<u>2019</u>
Notes payable - LED street lights	8/12/2013	8/28/2023	0%	\$ 161,226	\$ 59,116
Total Business-type Activities Other Long-Term Obligations					\$ 59,116

CITY OF REEDSBURG

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

Revenue Debt (cont.)

Business-type Activities Revenue Debt (cont.)

Debt service requirements to maturity are as follows:

<u>Years</u>	Business-type Activities Other Long-Term Obligations	
	Principal	Interest
2020	\$ 16,123	\$ -
2021	16,123	-
2022	16,123	-
2023	10,747	-
Totals	\$ 59,116	\$ -

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
As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

Bond Covenant Disclosures (cont.)

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 2019 as follows:

Operating revenues	\$ 3,907,167
Investment income	17,532
Less: Operation and maintenance expenses	<u>(1,903,834)</u>
 Net Defined Earnings	 <u><u>\$ 2,020,865</u></u>
 Minimum Required Earnings per Resolution:	
Highest annual debt service 2005 CWF bonds	\$ 753,313
Highest annual debt service 2006 CWF bonds	197,417
Highest annual debt service 2011 CWF bonds	123,627
Highest annual debt service 2013 CWF bonds	200,935
Highest annual debt service 2018 CWF bonds	<u>55,632</u>
Subtotal	1,330,924
Coverage factor	<u>1.10</u>
 Minimum Required Earnings	 <u><u>\$ 1,464,016</u></u>
 Actual Debt Coverage	 <u><u>1.52</u></u>

G. 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, 2019, are as follows:

<u>Years</u>	Business-type Activities		
	Principal	Interest	Totals
2020	\$ 35,079	\$ 5,051	\$ 40,130
2021	36,363	3,767	40,130
2022	<u>66,564</u>	<u>2,436</u>	<u>69,000</u>
 Totals	 <u><u>\$ 138,006</u></u>	 <u><u>\$ 11,254</u></u>	 <u><u>\$ 149,260</u></u>

CITY OF REEDSBURG

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

H. NET POSITION/FUND BALANCES

Net position reported on the government wide statement of net position at December 31, 2019, includes the following:

Governmental Activities

Net Investment in Capital Assets	
Land	\$ 13,746,185
Construction in progress	947,464
Capital assets, net of accumulated depreciation	16,689,436
Less: Long-term debt outstanding	(4,654,142)
Plus: Noncapital debt outstanding	<u>2,237,257</u>
Total Net Investment in Capital Assets	<u>28,966,200</u>
Restricted	
Trust purposes	121,518
Housing and economic development	1,385,428
TIF projects	53,584
Park development	66,770
Room tax	41,184
Library	<u>440,317</u>
Total Restricted	<u>2,108,801</u>
Unrestricted	<u>2,024,905</u>
Total Governmental Activities Net Position	<u>\$ 33,099,906</u>

CITY OF REEDSBURG

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

H. NET POSITION/FUND BALANCES (cont.)

Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2019, include the following:

	General	General Debt Service	Nonmajor Funds	Totals
Fund Balances				
Nonspendable:				
Investment in mutual insurance company	\$ 200,515	\$ -	\$ -	\$ 200,515
Advances	3,159,374	-	-	3,159,374
Prepaid items	178,574	-	21,158	199,732
Defederalized economic loans outstanding	-	-	27,682	27,682
Sub-total	3,538,463	-	48,840	3,587,303
Restricted for:				
Public purpose	-	-	98,316	98,316
General city expenditures	-	-	41,184	41,184
Recreational and playground purposes	-	-	23,202	23,202
Loans	-	-	1,385,428	1,385,428
Library	-	-	440,317	440,317
Capital projects - TIF	-	-	53,584	53,584
Park improvements	-	-	66,770	66,770
Sub-total	-	-	2,108,801	2,108,801
Committed to:				
Sidewalk repairs	-	-	26,744	26,744
Solid waste and recycling activities	-	-	170,314	170,314
Drug education	-	-	11,204	11,204
Recreation	-	-	108,299	108,299
Defederalized loans cash on hand	-	-	421,653	421,653
Sub-total	-	-	738,214	738,214
Assigned to:				
Capital projects	-	-	304,928	304,928
CIVMIC self-insurance retention	100,000	-	-	100,000
PILOT	745,755	-	-	745,755
Arts	10,208	-	-	10,208
Sub-total	855,963	-	304,928	1,160,891
Unassigned (deficit):	1,689,837	(106,345)	(2,996,188)	(1,412,696)
Total Fund Balances (Deficit)	\$ 6,084,263	\$ (106,345)	\$ 204,595	\$ 6,182,513

CITY OF REEDSBURG

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

H. NET POSITION/FUND BALANCES (cont.)

Business-type Activities

Net Investment in Capital Assets	
Land	\$ 383,906
Construction in progress	1,622,001
Capital assets, net of accumulated depreciation	65,798,895
Less: Long-term debt outstanding	(26,876,255)
Plus: Unspent capital related debt proceeds	672,004
Plus: Unamortized debt premium	<u>(264,413)</u>
Total Net Investment in Capital Assets	<u>41,336,138</u>
Restricted	
Impact fees	16,397
Debt service	989,636
Equipment replacement	2,172,098
Depreciation	<u>543,639</u>
Total Restricted	<u>3,721,770</u>
Unrestricted	<u>21,618,106</u>
Total Business-type Activities Net Position	<u><u>\$ 66,676,014</u></u>

I. 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	\$ 1,540,304	\$ 22,122,852	\$ 5,756,202	\$ 29,419,358
Other operating revenues	109,733	65,908	26,174	201,815
Depreciation expense	(320,208)	(968,607)	(1,259,235)	(2,548,050)
Other operating expenses	<u>(1,028,802)</u>	<u>(19,016,118)</u>	<u>(3,447,181)</u>	<u>(23,492,101)</u>
Operating Income	<u>301,027</u>	<u>2,204,035</u>	<u>1,075,960</u>	<u>3,581,022</u>

CITY OF REEDSBURG

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

I. SEGMENT INFORMATION (cont.)

**CONDENSED STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION (cont.)**

	Water Utility	Electric Utility	Communications	Total
Nonoperating Revenues (Expenses)				
Investment earnings	\$ 8,450	\$ 433,288	\$ 33,796	\$ 475,534
Miscellaneous non-operating income (expense)	6,945	6,316	(18,704)	(5,443)
Interest and amortization expense	(88,056)	(2,680)	(366,619)	(457,355)
Amortization of debt premium	-	-	32,163	32,163
Capital contributions	650,787	63,481	47,999	762,267
Payment in lieu of taxes	(239,092)	(506,663)	-	(745,755)
	CHANGE IN NET POSITION	\$ 640,061	\$ 2,197,777	\$ 804,595
		\$ 3,642,433		\$ 3,642,433

J. 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

At year end, the carrying amount of the CDA's deposits was \$56,237 and is part of the city's commingled cash. The deposits are not exposed to custodial credit risk.

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
As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

J. COMPONENT UNIT (cont.)

COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF REEDSBURG (cont.)

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/Measurement Focus

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

b. Deposits and Investments

	Carrying Value	Statement Balances	Associated Risks
Mutual funds - other than bonds	\$ 3,225,331	\$ 3,225,331	Custodial credit
Total Deposits and Investments	<u>\$ 3,225,331</u>	<u>\$ 3,225,331</u>	

The trust 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:

- > Documented trade history in exact security

Investment Type	Level 1	Level 2	Level 3	Total
Mutual funds - other than bonds	\$ 3,150,264	\$ 75,067	\$ -	\$ 3,225,331
Total	<u>\$ 3,150,264</u>	<u>\$ 75,067</u>	<u>\$ -</u>	<u>\$ 3,225,331</u>

CITY OF REEDSBURG

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

J. COMPONENT UNIT (cont.)

HERBERT H. WEBB TRUST (cont.)

b. Deposits and Investments (cont.)

Custodial Credit Risk

Deposits

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

The trust 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 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 I.D.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
As of and for the Year Ended December 31, 2019

NOTE IV - OTHER INFORMATION

A. 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 (CAFR), 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 As of and for the Year Ended December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

Year	Core Fund Adjustment	Variable Fund Adjustment
2009	(2.1)%	(42.0)%
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

CITY OF REEDSBURG

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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 \$424,509 in contributions from the city.

Contribution rates for the plan year reported as of December 31, 2019 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (Executives & Elected Officials)	6.7%	6.7%
Protective with Social Security	6.7%	10.7%
Protective without Social Security	6.7%	14.9%

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

At December 31, 2019, the city reported a liability of \$1,409,826 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017 rolled forward to December 31, 2018. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The city's proportion of the net pension liability was based on the city's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2018, the city's proportion was 0.03962762%, which was an increase of 0.00107192% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the city recognized pension expense of \$927,536.

CITY OF REEDSBURG

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,098,041	\$ 1,940,942
Changes in assumptions	237,645	-
Net differences between projected and actual earnings on pension plan investments	2,058,955	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	8,714	1,461
Employer contributions subsequent to the measurement date	448,100	-
Totals	\$ 3,851,455	\$ 1,942,403

\$448,100 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, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31:	Deferred Outflows of Resources and Deferred Inflows of Resources (net)
2020	\$ 528,095
2021	136,044
2022	232,425
2023	564,388

CITY OF REEDSBURG

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

Actuarial Valuation Date:	December 31, 2017
Measurement Date of Net Pension Liability (Asset):	December 31, 2018
Actuarial Cost Method:	Entry Age 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% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.*

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

CITY OF REEDSBURG

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

<u>Core Fund Asset Class</u>	<u>Current Asset Allocation %</u>	<u>Long-Term Expected Nominal Rate of Return %</u>	<u>Long-Term Expected Real Rate of Return %</u>
Global Equities	49%	8.1%	5.5%
Fixed Income	24.5	4.0	1.5
Inflation Sensitive Assets	15.5	3.8	1.3
Real Estate	9	6.5	3.9
Private Equity/Debt	8	9.4	6.7
Multi-Asset	4	6.7	4.1
Total Core Fund	110	7.3	4.7
 <u>Variable Fund Asset Class</u>			
U.S Equities	70	7.6	5.0
International Equities	30	8.5	5.9
Total Variable Fund	100	8.0	5.4

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.5%
Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations

Single discount rate. A single discount rate of 7.00% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.00% and a long term bond rate of 3.71%. Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan 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
As of and for the Year Ended December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

	1% Decrease to Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase to Discount Rate (8.00%)
City's proportionate share of the net pension liability (asset)	\$5,602,798	\$1,409,826	\$(1,707,973)

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

At December 31, 2019, the city reported a payable to the pension plan which represents contractually required contributions outstanding as of the end of the year.

B. 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 1%.

CITY OF REEDSBURG

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

B. RISK MANAGEMENT (cont.)

Public Entity Risk Pool (cont.)

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

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.

The initial investment in WMIC is refundable upon withdrawal from the commission and has been reported at the original amount of \$200,515 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.

C. COMMITMENTS AND CONTINGENCIES

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and 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 State of Wisconsin. 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.

CITY OF REEDSBURG

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

C. COMMITMENTS AND CONTINGENCIES (cont.)

Long-Term Contracts - WPPI Energy (cont.)

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.

Forty-nine members, representing approximately 98% of WPPI Energy's existing load, have long-term contracts through December 31, 2055. The remaining two members have long-term contracts 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 \$324 million as of December 31, 2019.

D. 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 \$94,750 to the district for 2019. 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.

E. SUBSEQUENT EVENT

In December 2019, a novel strain of coronavirus was reported in Wuhan, Hubei province, China. In the first several months of 2020, the virus, SARS-CoV-2, and resulting disease, COVID-19, spread to the United States, including to areas impacting the Utilities. As of the date of issuance, the Utilities' evaluation of the effects of these event is ongoing; however, we anticipate this situation could cause a decline in electric revenues and an increase in delinquencies or uncollectible accounts receivable or loans receivable.

CITY OF REEDSBURG

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

E. SUBSEQUENT EVENTS (cont.)

The extent of the impact of COVID-19 on the city's operational and financial performance will depend on future developments, including the duration and spread of the outbreak and related governmental or other regulatory actions.

F. ECONOMIC DEPENDENCY

Utility Commission

The electric utility has one significant customer who was responsible for 32% of operating revenues in 2019.

G. 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. 91, *Conduit Debt Obligations*

The statements listed above through Statement No. 93 had their required effective dates postponed by one year with the issuance of Statement No. 95, *Postponement of Effective Dates of Certain Authoritative Guidance*, with the exception of Statement No. 87 which was postponed by one and a half years.

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 For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
TAXES				
General property taxes	\$ 3,249,528	\$ 3,249,528	\$ 3,249,529	\$ 1
Mobile home taxes	90,000	90,000	110,144	20,144
Room taxes	2,000	2,000	2,291	291
Payments in lieu of taxes	130,000	130,000	115,852	(14,148)
Interest on delinquent taxes	500	500	376	(124)
Other taxes	-	-	3,308	3,308
Total Taxes	<u>3,472,028</u>	<u>3,472,028</u>	<u>3,481,500</u>	<u>9,472</u>
INTERGOVERNMENTAL REVENUES				
State shared revenues	735,200	735,200	695,839	(39,361)
Fire insurance tax from state	25,000	25,000	26,495	1,495
State aid - exempt computers	17,500	17,500	17,899	399
State aid - law enforcement training	15,000	15,000	-	(15,000)
State aid - road allotment	462,000	462,000	448,163	(13,837)
State aid - connecting streets	46,000	46,000	49,761	3,761
Other state payments	-	-	120	120
State aid - aid to state facilities	9,500	9,500	4,787	(4,713)
State aid - personal property aid	-	-	67,530	67,530
FEMA	-	-	75,105	75,105
Total Intergovernmental Revenues	<u>1,310,200</u>	<u>1,310,200</u>	<u>1,385,699</u>	<u>75,499</u>
LICENSES AND PERMITS				
Liquor and malt beverage	20,000	20,000	14,720	(5,280)
Operators' license	8,000	8,000	10,535	2,535
Cigarette licenses	1,600	1,600	1,500	(100)
Amusement device licenses	550	550	635	85
Mobile home park licenses	400	400	670	270
Cable television franchise fees	140,000	140,000	131,998	(8,002)
Bicycle licenses	60	60	25	(35)
Dog and cat licenses	6,500	6,500	7,109	609
Transient licenses	100	100	148	48
Recycling	25	25	-	(25)
Building permits	57,000	57,000	30,436	(26,564)
Electrical permits	20,000	20,000	9,708	(10,292)
Plumbing permits	9,800	9,800	5,124	(4,676)
Zoning permits and fees	2,500	2,500	1,770	(730)
Heating and air conditioning permits	450	450	600	150
State permit seals	800	800	350	(450)
Other permits	100	100	924	824
Total Licenses and Permits	<u>267,885</u>	<u>267,885</u>	<u>216,252</u>	<u>(51,633)</u>
FINES AND FORFEITURES				
Parking violations	-	-	14,175	14,175
Other law and ordinance violations	-	-	306	306
Total Fines and Forfeitures	<u>-</u>	<u>-</u>	<u>14,481</u>	<u>14,481</u>

See independent auditors' report and accompanying notes to required supplementary information.

CITY OF REEDSBURG

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
PUBLIC CHARGES FOR SERVICES				
Special assessment search	\$ 6,000	\$ 6,000	\$ 5,725	\$ (275)
Clerk and treasurer fees	1,000	1,000	1,575	575
License publication fees	1,000	1,000	825	(175)
Land use inquiries	5,500	5,500	4,450	(1,050)
Photocopies	2,000	2,000	1,550	(450)
Police fees	17,800	17,800	32,854	15,054
Sidewalks	200	200	-	(200)
Weed and nuisance control	8,900	8,900	3,716	(5,184)
Swimming pools	38,000	38,000	35,429	(2,571)
Parks	17,500	17,500	16,772	(728)
Other recreation programs	28,600	28,600	24,714	(3,886)
Weed and nuisance control	2,500	2,500	1,994	(506)
Adult volleyball fees	900	900	1,800	900
Adult basketball fees	500	500	-	(500)
Youth soccer program	1,500	1,500	735	(765)
Youth tennis program	300	300	120	(180)
Registration fees	6,000	6,000	7,244	1,244
Bid security deposits	175	175	140	(35)
Trees	600	600	700	100
Sale of materials	200	200	-	(200)
Total Public Charges for Services	<u>139,175</u>	<u>139,175</u>	<u>140,343</u>	<u>1,168</u>
INTERGOVERNMENTAL CHARGES FOR SERVICES				
Local government services	<u>114,900</u>	<u>114,900</u>	<u>124,707</u>	<u>9,807</u>
INVESTMENT INCOME				
Investment income	50,000	6,500	219,777	213,277
Interest on city billings	500	500	454	(46)
Total Investment Income	<u>50,500</u>	<u>7,000</u>	<u>220,231</u>	<u>213,231</u>
MISCELLANEOUS				
Donations	13,000	13,500	12,058	(1,442)
Insurance recoveries	-	-	295	295
Workers compensation dividends	-	-	31,806	31,806
Rent	18,000	18,000	26,058	8,058
Other miscellaneous	<u>7,578</u>	<u>7,503</u>	<u>50,086</u>	<u>42,583</u>
Total Miscellaneous	<u>38,578</u>	<u>39,003</u>	<u>120,303</u>	<u>81,300</u>
OTHER FINANCING SOURCES				
Property sales	-	6,000	-	(6,000)
Transfers in	<u>815,182</u>	<u>767,182</u>	<u>753,469</u>	<u>(13,713)</u>
Total Other Financing Sources	<u>815,182</u>	<u>773,182</u>	<u>753,469</u>	<u>(19,713)</u>
Total Revenues and Other Financing Sources	<u>6,208,448</u>	<u>6,123,373</u>	<u>6,456,985</u>	<u>333,612</u>

See independent auditors' report and accompanying notes to required supplementary information.

CITY OF REEDSBURG

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES				
GENERAL GOVERNMENT				
Council	\$ 31,066	\$ 31,066	\$ 31,050	\$ 16
Municipal court	-	-	198	(198)
Legal	55,000	55,000	29,523	25,477
Mayor	7,460	7,460	8,350	(890)
Administrator	75,186	75,186	74,628	558
Legislative support	104,109	98,005	76,978	21,027
General administration	137,930	137,930	157,137	(19,207)
Financial management	223,109	170,911	155,286	15,625
Assessment of property	40,000	40,000	118,094	(78,094)
GIS/mapping	16,153	16,153	20,716	(4,563)
Buildings and plant	86,850	86,850	85,732	1,118
Other general government	11,800	1,602	52,791	(51,189)
Total General Government	<u>788,663</u>	<u>720,163</u>	<u>810,483</u>	<u>(90,320)</u>
PUBLIC SAFETY				
Police	2,287,195	2,283,695	2,326,944	(43,249)
Fire protection	194,768	194,768	148,133	46,635
Hydrant rental	307,000	307,000	306,749	251
Ambulance	93,030	93,030	94,750	(1,720)
Building inspection	58,697	58,697	53,478	5,219
Emergency government	14,000	14,000	11,059	2,941
Emergency communication (911)	648,259	644,759	575,257	69,502
Total Public Safety	<u>3,602,949</u>	<u>3,595,949</u>	<u>3,516,370</u>	<u>79,579</u>
HEALTH AND HUMAN SERVICES				
Regulation and inspection	-	-	3,900	(3,900)
Capital Outlay	3,000	3,000	-	3,000
Animal control	150	150	-	150
Cemetery	16,000	16,000	16,000	-
Total Health and Human Services	<u>19,150</u>	<u>19,150</u>	<u>19,900</u>	<u>(750)</u>
PUBLIC WORKS				
General public works	11,800	11,800	67,961	(56,161)
Engineering	52,661	52,661	61,079	(8,418)
Machinery	189,685	179,685	215,862	(36,177)
Garages and sheds	1,620	1,620	33,143	(31,523)
Street maintenance	389,525	389,525	357,626	31,899
Tree and brush removal	-	-	25,242	(25,242)
Traffic control	-	-	33,386	(33,386)
Snow and ice control	174,773	174,773	251,544	(76,771)
Street lighting	155,000	155,000	172,888	(17,888)
Sidewalks	-	-	8,914	(8,914)
Parking lot	1,871	1,871	1,837	34
Total Public Works	<u>976,935</u>	<u>966,935</u>	<u>1,229,482</u>	<u>(262,547)</u>

See independent auditors' report and accompanying notes to required supplementary information.

CITY OF REEDSBURG

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
CULTURE, RECREATION, AND EDUCATION				
Parks	\$ 251,339	\$ 251,339	\$ 273,694	\$ (22,355)
Recreation	54,684	54,684	47,448	7,236
Recreation administration	114,621	114,621	132,091	(17,470)
Celebration and entertainment	3,500	3,500	5,405	(1,905)
Recreation facilities	32,000	32,000	40,109	(8,109)
Swimming areas	102,860	102,860	91,360	11,500
Art	<u>1,000</u>	<u>1,500</u>	<u>10,995</u>	<u>(9,495)</u>
Total Culture, Recreation, and Education	<u>560,004</u>	<u>560,504</u>	<u>601,102</u>	<u>(40,598)</u>
CONSERVATION AND DEVELOPMENT				
Tree planting	30,000	30,000	33,965	(3,965)
Nuisance control	3,000	3,000	820	2,180
Planning	49,288	49,288	43,831	5,457
Historic preservation	3,000	3,000	1,189	1,811
Economic development	38,000	38,000	16,153	21,847
Industrial development	25,000	25,000	22,956	2,044
Other conservation and development	<u>31,300</u>	<u>23,000</u>	<u>19,569</u>	<u>3,431</u>
Total Conservation and Development	<u>179,588</u>	<u>171,288</u>	<u>138,483</u>	<u>32,805</u>
OTHER FINANCING USES				
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures and Other Financing Uses	<u>6,127,289</u>	<u>6,033,989</u>	<u>6,315,820</u>	<u>(281,831)</u>
Net Change in Fund Balance	81,159	89,384	141,165	51,781
FUND BALANCE - Beginning of Year	<u>5,943,098</u>	<u>5,943,098</u>	<u>5,943,098</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 6,024,257</u></u>	<u><u>\$ 6,032,482</u></u>	<u><u>\$ 6,084,263</u></u>	<u><u>\$ 51,781</u></u>

See independent auditors' report and accompanying notes to required supplementary information.

CITY OF REEDSBURG

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY/(ASSET) -
WISCONSIN RETIREMENT SYSTEM
For the Year Ended December 31, 2019

Fiscal Year Ending	Proportion of the Net Pension Liability/(Asset)	Proportionate Share of the Net Pension Liability/(Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
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
For the Year Ended December 31, 2019

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/19	\$ 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 independent auditors' report and accompanying notes to the required supplementary information.

CITY OF REEDSBURG

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION For the Year Ended December 31, 2019

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 I. C.

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. Actuarial assumptions are based upon an experience study conducted in 2018 using experience from 2015 – 2017. Based on the experience study conducted in 2018, actuarial assumptions used to develop Total Pension Liability changed, including the discount rate, long-term expected rate of return, post-retirement adjustment, wage inflation rate, mortality and separation rates.

SUPPLEMENTARY INFORMATION

CITY OF REEDSBURG

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
As of December 31, 2019

	Special Revenue Funds		
	Taxi Grant Fund	Park Fund	Triathlon Fund
ASSETS			
Cash and investments	\$ -	\$ 66,770	\$ 32,906
Receivables			
Taxes receivable	18,500	-	-
Customer accounts receivable	-	-	-
Loans	-	-	-
Due from other governments	26,772	-	-
Due from component units	-	-	-
Due from other funds	-	-	-
Prepaid items	-	-	-
	-	-	-
TOTAL ASSETS	\$ 45,272	\$ 66,770	\$ 32,906
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 17,839	\$ -	\$ -
Accrued liabilities	-	-	-
Deposits	-	-	-
Due to other funds	-	-	-
Advances from other funds	50,344	-	-
Total Liabilities	68,183	-	-
Deferred Inflows of Resources			
Unearned revenue	18,500	-	-
Unavailable revenues	-	-	-
Total Deferred Inflows of Resources	18,500	-	-
Fund Balances (Deficit)			
Nonspendable	-	-	-
Restricted	-	66,770	-
Committed	-	-	32,906
Assigned	-	-	-
Unassigned (deficit)	(41,411)	-	-
Total Fund Balances (deficit)	(41,411)	66,770	32,906
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 45,272	\$ 66,770	\$ 32,906

Special Revenue Funds

DARE Fund	Webb Endowment Fund	Nishan Park Concession Stand Fund	Room Tax Fund	CDBG Fund	EDA Fund	HCRI Fund
\$ 11,204	\$ 64,315	\$ 13,592	\$ 41,184	\$ 629,709	\$ 20,708	\$ 4,593
-	-	-	-	-	-	-
-	-	-	-	978,783	96,526	5,000
-	34,001	-	-	-	-	-
-	-	-	-	-	-	-
<u>11,204</u>	<u>98,316</u>	<u>13,592</u>	<u>41,184</u>	<u>1,608,492</u>	<u>117,234</u>	<u>9,593</u>
<u>\$ 11,204</u>	<u>\$ 98,316</u>	<u>\$ 13,592</u>	<u>\$ 41,184</u>	<u>\$ 1,608,492</u>	<u>\$ 117,234</u>	<u>\$ 9,593</u>
-	-	-	-	-	-	-
-	-	-	-	1,013	-	218
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,013</u>	<u>-</u>	<u>218</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	27,682	-	-
-	98,316	-	41,184	1,275,378	-	9,375
11,204	-	13,592	-	304,419	117,234	-
-	-	-	-	-	-	-
<u>11,204</u>	<u>98,316</u>	<u>13,592</u>	<u>41,184</u>	<u>1,607,479</u>	<u>117,234</u>	<u>9,375</u>
<u>\$ 11,204</u>	<u>\$ 98,316</u>	<u>\$ 13,592</u>	<u>\$ 41,184</u>	<u>\$ 1,608,492</u>	<u>\$ 117,234</u>	<u>\$ 9,593</u>

CITY OF REEDSBURG

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
As of December 31, 2019

	Special Revenue Funds		
	Home Loan Fund	Sidewalk Repair Fund	Solid Waste Fund
ASSETS			
Cash and investments	\$ 42,083	\$ 26,744	\$ 170,127
Receivables			
Taxes receivable	-	1,517	404,484
Customer accounts receivable	-	-	187
Loans	58,592	-	-
Due from other governments	-	-	-
Due from component units	-	-	-
Due from other funds	-	-	-
Prepaid items	-	-	-
	-	-	-
TOTAL ASSETS	\$ 100,675	\$ 28,261	\$ 574,798
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities			
Accounts payable	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-
Deposits	-	-	-
Due to other funds	-	-	-
Advances from other funds	-	-	-
Total Liabilities	-	-	-
Deferred Inflows of Resources			
Unearned revenue	-	1,517	404,484
Unavailable revenues	-	-	-
Total Deferred Inflows of Resources	-	1,517	404,484
Fund Balances (Deficit)			
Nonspendable	-	-	-
Restricted	100,675	-	-
Committed	-	26,744	170,314
Assigned	-	-	-
Unassigned (deficit)	-	-	-
Total Fund Balances (deficit)	100,675	26,744	170,314
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 100,675	\$ 28,261	\$ 574,798

Special Revenue Funds

Mannigal Endowment Fund	Library - County Funding	Library - Investment	Popple Trail Donations	Fireworks Fund	Rescue Fund	Airport
\$ 23,202	\$ 125,070	\$ 350,355	\$ 6,000	\$ 20,379	\$ -	\$ 35,773
-	465,000	-	-	14,500	-	67,760
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>23,202</u>	<u>590,070</u>	<u>350,355</u>	<u>6,000</u>	<u>34,879</u>	<u>-</u>	<u>103,533</u>
\$ -	\$ 22,213	\$ -	\$ -	\$ -	\$ -	\$ 103
-	12,895	-	-	-	-	248
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	<u>35,108</u>	-	-	-	-	<u>351</u>
-	465,000	-	-	14,500	-	67,760
-	-	-	-	-	-	-
-	<u>465,000</u>	-	-	<u>14,500</u>	-	<u>67,760</u>
-	-	-	-	-	-	-
23,202	89,962	350,355	-	-	-	-
-	-	-	6,000	20,379	-	35,422
-	-	-	-	-	-	-
<u>23,202</u>	<u>89,962</u>	<u>350,355</u>	<u>6,000</u>	<u>20,379</u>	<u>-</u>	<u>35,422</u>
<u>\$ 23,202</u>	<u>\$ 590,070</u>	<u>\$ 350,355</u>	<u>\$ 6,000</u>	<u>\$ 34,879</u>	<u>\$ -</u>	<u>\$ 103,533</u>

CITY OF REEDSBURG

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
As of December 31, 2019

	Special Revenue Funds	Capital Projects Funds	
	Municipal Courts	TIF District No. 3	TIF District No. 4
ASSETS			
Cash and investments	\$ -	\$ -	\$ -
Receivables			
Taxes receivable	-	73,091	332,509
Customer accounts receivable	-	-	-
Loans	-	-	-
Due from other governments	-	-	-
Due from component units	-	-	-
Due from other funds	-	32,004	55,505
Prepaid items	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u><u>\$ -</u></u>	<u><u>\$ 105,095</u></u>	<u><u>\$ 388,014</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 9,795	\$ 1,921	\$ 1,921
Accrued liabilities	2,172	-	-
Deposits	-	-	-
Due to other funds	-	-	-
Advances from other funds	49,999	127,553	-
Total Liabilities	<u>61,966</u>	<u>129,474</u>	<u>1,921</u>
Deferred Inflows of Resources			
Unearned revenue	-	73,091	332,509
Unavailable revenues	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>73,091</u>	<u>332,509</u>
Fund Balances (Deficit)			
Nonspendable	-	-	-
Restricted	-	-	53,584
Committed	-	-	-
Assigned	-	-	-
Unassigned (deficit)	(61,966)	(97,470)	-
Total Fund Balances (deficit)	<u>(61,966)</u>	<u>(97,470)</u>	<u>53,584</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u><u>\$ -</u></u>	<u><u>\$ 105,095</u></u>	<u><u>\$ 388,014</u></u>

Capital Projects Funds

TIF District No. 5	TIF District No. 6	TIF District No. 7	TIF District No. 8	TIF District No. 9	Capital Equipment Fund
\$ -	\$ -	\$ 234	\$ -	\$ -	\$ 309,437
74,997	49,704	17,907	70,432	384,156	270,400
-	187,961	-	-	52,513	-
-	483,853	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	8,131	-	-	6,545	-
-	-	-	-	-	-
<u>\$ 74,997</u>	<u>\$ 729,649</u>	<u>\$ 18,141</u>	<u>\$ 70,432</u>	<u>\$ 443,214</u>	<u>\$ 579,837</u>
\$ 3,634	\$ 3,634	\$ 1,500	\$ 1,500	\$ 2,310	\$ 4,509
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	1,483,156	-	270,223	1,167,394	-
<u>3,634</u>	<u>1,486,790</u>	<u>1,500</u>	<u>271,723</u>	<u>1,169,704</u>	<u>4,509</u>
74,997	49,704	17,907	70,432	384,156	270,400
-	154,245	-	-	-	-
<u>74,997</u>	<u>203,949</u>	<u>17,907</u>	<u>70,432</u>	<u>384,156</u>	<u>270,400</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	304,928
(3,634)	(961,090)	(1,266)	(271,723)	(1,110,646)	-
<u>(3,634)</u>	<u>(961,090)</u>	<u>(1,266)</u>	<u>(271,723)</u>	<u>(1,110,646)</u>	<u>304,928</u>
<u>\$ 74,997</u>	<u>\$ 729,649</u>	<u>\$ 18,141</u>	<u>\$ 70,432</u>	<u>\$ 443,214</u>	<u>\$ 579,837</u>

CITY OF REEDSBURG

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
As of December 31, 2019

	<u>Capital Projects Funds</u>		Total
	<u>General Capital</u>	<u>Projects Fund</u>	Nonmajor
			<u>Funds</u>
ASSETS			
Cash and investments	\$ -		\$ 1,994,385
Receivables			
Taxes receivable	446,257		2,691,214
Customer accounts receivable	-		240,661
Loans	-		1,622,754
Due from other governments	-		26,772
Due from component units	-		34,001
Due from other funds	-		102,185
Prepaid items	<u>21,158</u>		<u>21,158</u>
TOTAL ASSETS	<u>\$ 467,415</u>		<u>\$ 6,733,130</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 28,970		\$ 99,849
Accrued liabilities	-		15,533
Deposits	-		1,013
Due to other funds	418,012		418,012
Advances from other funds	-		<u>3,148,669</u>
Total Liabilities	<u>446,982</u>		<u>3,683,076</u>
Deferred Inflows of Resources			
Unearned revenue	446,257		2,691,214
Unavailable revenues	-		<u>154,245</u>
Total Deferred Inflows of Resources	<u>446,257</u>		<u>2,845,459</u>
Fund Balances (Deficit)			
Nonspendable	21,158		48,840
Restricted	-		2,108,801
Committed	-		738,214
Assigned	-		304,928
Unassigned (deficit)	<u>(446,982)</u>		<u>(2,996,188)</u>
Total Fund Balances (deficit)	<u>(425,824)</u>		<u>204,595</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 467,415</u>		<u>\$ 6,733,130</u>

CITY OF REEDSBURG

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2019

	Special Revenue Funds		
	Taxi Grant Fund	Park Fund	Triathlon Fund
REVENUES			
Taxes	\$ 18,500	\$ -	\$ -
Intergovernmental	177,685	-	-
Fines and forfeitures	-	-	-
Public charges for services	-	52,800	18,658
Special assessments	-	-	-
Investment income	-	238	-
Miscellaneous revenues	526	-	-
Total Revenues	196,711	53,038	18,658
EXPENDITURES			
Current			
General government	-	-	-
Public safety	-	-	-
Public works	182,137	-	-
Culture, recreation and education	-	52,605	50,199
Conservation and development	-	-	-
Capital Outlay	-	-	-
Debt Service			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total Expenditures	182,137	52,605	50,199
Excess (deficiency) of revenues over expenditures	14,574	433	(31,541)
OTHER FINANCING SOURCES (USES)			
Debt issued	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	14,574	433	(31,541)
FUND BALANCES (DEFICIT) - Beginning of Year	(55,985)	66,337	64,447
FUND BALANCES (DEFICIT) - END OF YEAR	\$ (41,411)	\$ 66,770	\$ 32,906

Special Revenue Funds

DARE Fund	Webb Endowment Fund	Nishan Park Concession Stand Fund	Room Tax Fund	CDBG Fund	EDA Fund	HCRI Fund
\$ -	\$ -	\$ -	\$ 92,668	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	1,275	-	-	-	-
-	-	-	-	-	-	-
-	63,684	-	-	13,248	79	120
<u>6,218</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>6,218</u>	<u>63,684</u>	<u>1,275</u>	<u>92,668</u>	<u>13,248</u>	<u>79</u>	<u>120</u>
-	-	-	-	-	-	-
3,598	-	-	-	-	-	-
-	-	-	-	-	-	-
-	68,200	-	22,335	-	-	-
-	-	-	73,303	311,986	-	11,147
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>3,598</u>	<u>68,200</u>	<u>-</u>	<u>95,638</u>	<u>311,986</u>	<u>-</u>	<u>11,147</u>
<u>2,620</u>	<u>(4,516)</u>	<u>1,275</u>	<u>(2,970)</u>	<u>(298,738)</u>	<u>79</u>	<u>(11,027)</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
2,620	(4,516)	1,275	(2,970)	(298,738)	79	(11,027)
<u>8,584</u>	<u>102,832</u>	<u>12,317</u>	<u>44,154</u>	<u>1,906,217</u>	<u>117,155</u>	<u>20,402</u>
<u>\$ 11,204</u>	<u>\$ 98,316</u>	<u>\$ 13,592</u>	<u>\$ 41,184</u>	<u>\$ 1,607,479</u>	<u>\$ 117,234</u>	<u>\$ 9,375</u>

CITY OF REEDSBURG

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS For the Year Ended December 31, 2019

	Special Revenue Funds		
	Home Loan Fund	Sidewalk Repair Fund	Solid Waste Fund
REVENUES			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	10,503
Fines and forfeitures	-	-	-
Public charges for services	-	-	419,071
Special assessments	-	857	-
Investment income	194	-	-
Miscellaneous revenues	-	-	-
Total Revenues	194	857	429,574
EXPENDITURES			
Current			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	393,801
Culture, recreation and education	-	-	-
Conservation and development	-	-	-
Capital Outlay	-	-	-
Debt Service			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total Expenditures	-	-	393,801
Excess (deficiency) of revenues over expenditures	194	857	35,773
OTHER FINANCING SOURCES (USES)			
Debt issued	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	194	857	35,773
FUND BALANCES (DEFICIT) - Beginning of Year	100,481	25,887	134,541
FUND BALANCES (DEFICIT) - END OF YEAR	\$ 100,675	\$ 26,744	\$ 170,314

Special Revenue Funds

Mannigal Endowment Fund	Library - County Funding	Library - Investment	Popple Trail Donations	Fireworks Fund	Rescue Fund	Airport
\$ -	\$ 466,525	\$ -	\$ -	\$ 14,500	\$ -	\$ 70,560
-	260,824	-	-	-	-	4,100
-	-	-	-	-	-	-
-	20,162	-	-	4,894	6,164	67,356
-	-	-	-	-	-	-
-	-	2,868	-	-	-	-
-	24,807	1,115	-	-	27,900	6,645
-	<u>772,318</u>	<u>3,983</u>	-	<u>19,394</u>	<u>34,064</u>	<u>148,661</u>
-	-	-	-	-	-	-
-	-	-	-	-	329,448	-
-	-	-	-	-	-	142,062
-	771,383	298	-	15,864	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	<u>771,383</u>	<u>298</u>	-	<u>15,864</u>	<u>329,448</u>	<u>142,062</u>
-	935	3,685	-	3,530	(295,384)	6,599
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	935	3,685	-	3,530	(295,384)	6,599
<u>23,202</u>	<u>89,027</u>	<u>346,670</u>	<u>6,000</u>	<u>16,849</u>	<u>295,384</u>	<u>28,823</u>
<u>\$ 23,202</u>	<u>\$ 89,962</u>	<u>\$ 350,355</u>	<u>\$ 6,000</u>	<u>\$ 20,379</u>	<u>\$ -</u>	<u>\$ 35,422</u>

CITY OF REEDSBURG

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS For the Year Ended December 31, 2019

	Special Revenue Funds	Capital Projects Funds	
	Municipal Courts	TIF District No. 3	TIF District No. 4
REVENUES			
Taxes	\$ -	\$ 75,290	\$ 345,514
Intergovernmental	-	1,147	5,207
Fines and forfeitures	334,646	-	-
Public charges for services	-	-	-
Special assessments	-	-	-
Investment income	-	-	-
Miscellaneous revenues	-	-	-
Total Revenues	<u>334,646</u>	<u>76,437</u>	<u>350,721</u>
EXPENDITURES			
Current			
General government	316,612	2,379	2,379
Public safety	-	-	-
Public works	-	-	-
Culture, recreation and education	-	-	-
Conservation and development	-	3,222	23,222
Capital Outlay	80,000	-	-
Debt Service			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total Expenditures	<u>396,612</u>	<u>5,601</u>	<u>25,601</u>
Excess (deficiency) of revenues over expenditures	<u>(61,966)</u>	<u>70,836</u>	<u>325,120</u>
OTHER FINANCING SOURCES (USES)			
Debt issued	-	-	-
Transfers in	-	286,838	-
Transfers out	-	(56,433)	(325,577)
Total Other Financing Sources (Uses)	<u>-</u>	<u>230,405</u>	<u>(325,577)</u>
Net Change in Fund Balances	(61,966)	301,241	(457)
FUND BALANCES (DEFICIT) - Beginning of Year	-	(398,711)	54,041
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ (61,966)</u>	<u>\$ (97,470)</u>	<u>\$ 53,584</u>

Capital Projects Funds

TIF District No. 5	TIF District No. 6	TIF District No. 7	TIF District No. 8	TIF District No. 9	Capital Equipment Fund
\$ 72,418	\$ 35,083	\$ 17,547	\$ 63,984	\$ -	\$ 325,000
1,307	1,404	210	739	-	93,051
-	-	-	-	-	-
-	-	-	-	-	-
-	17,568	-	-	-	-
-	-	-	21,431	100,656	-
<u>73,725</u>	<u>54,055</u>	<u>17,757</u>	<u>86,154</u>	<u>100,656</u>	<u>418,051</u>
6,409	6,409	409	409	31,353	1,000
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
3,221	9,618	3,221	3,221	501,551	-
-	-	-	-	240,147	331,994
-	98,063	-	-	65,295	-
-	30,771	-	-	61,885	-
<u>9,630</u>	<u>144,861</u>	<u>3,630</u>	<u>3,630</u>	<u>900,231</u>	<u>332,994</u>
<u>64,095</u>	<u>(90,806)</u>	<u>14,127</u>	<u>82,524</u>	<u>(799,575)</u>	<u>85,057</u>
-	-	-	-	535,000	-
-	-	-	-	-	-
<u>(67,729)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(67,729)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>535,000</u>	<u>-</u>
(3,634)	(90,806)	14,127	82,524	(264,575)	85,057
-	(870,284)	(15,393)	(354,247)	(846,071)	219,871
<u>\$ (3,634)</u>	<u>\$ (961,090)</u>	<u>\$ (1,266)</u>	<u>\$ (271,723)</u>	<u>\$ (1,110,646)</u>	<u>\$ 304,928</u>

CITY OF REEDSBURG

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2019

	Capital Projects Funds	Total Nonmajor Governmental Funds
	General Capital Projects Fund	Funds
REVENUES		
Taxes	\$ 824,600	\$ 2,422,189
Intergovernmental	111,584	667,761
Fines and forfeitures	-	334,646
Public charges for services	-	590,380
Special assessments	-	857
Investment income	-	97,999
Miscellaneous revenues	100,600	289,898
Total Revenues	1,036,784	4,403,730
EXPENDITURES		
Current		
General government	4,500	371,859
Public safety	-	333,046
Public works	-	718,000
Culture, recreation and education	-	980,884
Conservation and development	-	943,712
Capital Outlay	1,743,447	2,395,588
Debt Service		
Principal	-	163,358
Interest and fiscal charges	-	92,656
Total Expenditures	1,747,947	5,999,103
Excess (deficiency) of revenues over expenditures	(711,163)	(1,595,373)
OTHER FINANCING SOURCES (USES)		
Debt issued	-	535,000
Transfers in	-	286,838
Transfers out	(7,714)	(457,453)
Total Other Financing Sources (Uses)	(7,714)	364,385
Net Change in Fund Balances	(718,877)	(1,230,988)
FUND BALANCES (DEFICIT) - Beginning of Year	293,053	1,435,583
FUND BALANCES (DEFICIT) - END OF YEAR	\$ (425,824)	\$ 204,595

CITY OF REEDSBURG

STATEMENT OF CASH FLOWS COMPONENT UNITS For the Year Ended December 31, 2019

	Community Development Authority	Herbert H Webb Trust	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Paid to primary government	\$ -	\$ (60,236)	\$ (60,236)
Paid to suppliers for goods and services	(13,078)	(31,105)	(44,183)
Net Cash Flows From Operating Activities	<u>(13,078)</u>	<u>(91,341)</u>	<u>(104,419)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investments sold and matured	-	(111,812)	(111,812)
Investment income	8,114	151,427	159,541
Investments purchased	-	58,456	58,456
Net Cash Flows From Investing Activities	<u>8,114</u>	<u>98,071</u>	<u>106,185</u>
Net Change in Cash and Cash Equivalents	(4,964)	6,730	1,766
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>61,201</u>	<u>68,337</u>	<u>129,538</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 56,237</u>	<u>\$ 75,067</u>	<u>\$ 131,304</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating loss	\$ (11,454)	\$ (94,788)	\$ (106,242)
Changes in assets and liabilities			
Accounts receivable	(668)	-	(668)
Accounts payable	(956)	-	(956)
Due to primary government	-	3,447	3,447
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ (13,078)</u>	<u>\$ (91,341)</u>	<u>\$ (104,419)</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION			
Cash and investments - statement of net position	\$ 56,237	\$ 3,225,331	\$ 3,281,568
Less: Noncash equivalents	-	(3,150,264)	(3,150,264)
CASH AND CASH EQUIVALENTS	<u>\$ 56,237</u>	<u>\$ 75,067</u>	<u>\$ 131,304</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES			
Unrealized loss on investments	<u>\$ -</u>	<u>\$ 397,408</u>	