

COMMON COUNCIL AGENDA
August 22, 2022
REEDSBURG CITY HALL COUNCIL CHAMBERS
6:00 PM

DUE TO THE RESTRICTIONS CAUSED BY THE COVID-19 PANDEMIC, SOME VOTING MEMBERS MAY BE PRESENT VIA TELECONFERENCE OR VIDEO CONFERENCE, AS PROVIDED BY THE RECOMMENDATIONS OF THE WISCONSIN DEPARTMENT OF JUSTICE. [HTTPS://WWW.DOJ.STATE.WI.US/NEWS-RELEASES/OFFICE-OPEN-GOVERNMENT-ADVISORY-CORONAVIRUS-DISEASE-2019-COVID-19-AND-OPEN-MEETINGS](https://www.doj.state.wi.us/news-releases/office-open-government-advisory-coronavirus-disease-2019-covid-19-and-open-meetings)

CALL TO ORDER:

ROLL CALL:

PLEDGE OF ALLEGIANCE:

THE COUNCIL WILL RECEIVE INFORMATION ON NON-AGENDA TOPICS BROUGHT BEFORE THE COUNCIL BY MEMBERS OF THE PUBLIC. THE COUNCIL WILL NOT DISCUSS THESE TOPICS, AND WILL NOT TAKE ACTION ON ANY OF THEM AT THIS MEETING.

I. CONSENT AGENDA (ONE MOTION APPROVES ALL ITEMS):

1. Approve minutes for the meeting held on August 8, 2022

II. GENERAL BUSINESS:

1. Receive: 2021 Financial & Tax Incremental District Audit - Financial Statements and Supplementary Information presented by Baker Tilly.
2. Approve/Deny: Authorizing the construction of the Reedsburg Fieldhouse project to go to public bid.
3. Approve/Deny: Memorandum of Understanding with Huntington Park, LLC for construction of building 3 of the Huntington Park Apartment Complex in TID 9.
4. Approve/Deny: Memorandum of Understanding with Lynn Properties, LLC for construction of a Multi-Tenant building at the intersection of K Street and S. Albert Avenue in TID 8.

III. RECOMMENDATIONS FROM BOARDS, COMMITTEES AND COMMISSIONS:

1. Plan Commission: Approve/Deny First Reading and set a Public Hearing for September 26, 2022 for Ordinance 1944-22 - "2042 Comprehensive Plan" adopting the 20-year Comprehensive Plan for the City of Reedsburg.
2. Parks Committee: Approve/Deny/Counter: Offer to purchase approximately 15 +/- acres of parcel 276-2201-00000, in the Webb Park/Poppel Trail area.

IV. COMMISSION, COMMITTEE, BOARD AND STAFF REPORTS:

1. 2nd Meeting Committees: Parks & Recreation, RICDC, Public Works, Utility Commission, Plan



The City of Reedsburg does not discriminate on the basis of disability in the admissions or access to, or treatment of or employment in, its programs or activities. Disability-related aids or services, including printed information in alternate formats, to enable persons with disabilities to participate in public meetings and programs are available by calling (608) 524-6404. To be able to meet the needs of a request for a different format contact the City Clerk-Treasurer at 134 S. Locust Street, Reedsburg, WI at least 48 hours prior to the commencement of the meeting so that any necessary arrangements can be made to accommodate each request.

Commission, Library Board, Zoning Board, CDA (any other committees or commissions with report).

V. OFFICE OF THE MAYOR:

VI. CLOSED SESSION:

1. The Common Council will consider moving into closed session pursuant to Wis. Stat. sec. 19.85(1)(b) for the purposes of considering the dismissal, demotion, leave, licensing or discipline of a City of Reedsburg employee or contractor.

VII. ADJOURN:



The City of Reedsburg does not discriminate on the basis of disability in the admissions or access to, or treatment of or employment in, its programs or activities. Disability-related aids or services, including printed information in alternate formats, to enable persons with disabilities to participate in public meetings and programs are available by calling (608) 524-6404. To be able to meet the needs of a request for a different format contact the City Clerk-Treasurer at 134 S. Locust Street, Reedsburg, WI at least 48 hours prior to the commencement of the meeting so that any necessary arrangements can be made to accommodate each request.

City of Reedsburg Meeting of the Common Council
August 8, 2022

Present: Mayor Dave Estes, Alderpersons Darrin Frye, Craig Braunschweig, Jason Schulte, Mike Gargano, Missy Frenz, Phil Peterson, Dave Knudsen, Tom Seamonson, and Adam Kaney.
Absent: None
Others Present: City Administrator Tim Becker, Finance Director/City Clerk-Treasurer Jacob Crosetto, Public Works Director Steve Zibell, Police Chief Pat Cummings, City Attorney Derek Horkan, Parks and Recreation Director Matt Scott, Building Inspector/Zoning Administrator Brian Duvalle, Citizens, Press.

Mayor Dave Estes called the regular session of the Common Council to order at 6:00 p.m. in the Common Council Chambers.

Approve Consent Agenda: consisting of the minutes from the Common Council meeting held on August 8, 2022; Approval of July 2022 Paid Bills; and receiving the July 2022 Building Permit Report.

Motion: Gargano, Second: Braunschweig to approve the consent agenda. Motion carried 9-0.

GENERAL BUSINESS:

- A. Approve/Deny: Memorandum of Understanding with Saputo Cheese USA, Inc. related to the expansion of their facility at 1120 Commercial Avenue and inclusion into Tax Incremental District #9.
 - a. **Motion: Peterson Second: Knudsen to approve the MOU with Saputo as proposed. Motion carried 9-0.**
- B. Approve/Deny: Successor Lease for 300 Vine Street with the Boys & Girls Club of Reedsburg.
 - a. **Motion: Knudsen, Second: Seamonson to reconsider the adoption of the Lease. Motion carried 9-0.**
 - b. **Motion: Knudsen, Second: Peterson to approve the proposed with lease approved changed. Motion carried 8-0-1 with Kaney abstaining.**
- C. Approve/Deny: Preliminary 2023 Capital Equipment and Capital Improvement Plans and financial strategy.
 - a. **Motion: Peterson, Second: Kaney to approve the preliminary Capital plans as presented. Motion carried 9-0.**

Motion: Gargano, Second: Frenz to adjourn.

Motion carried 9-0. Meeting adjourned at 6:51 p.m.

Respectfully submitted,

Jacob Crosetto
Finance Director/City Clerk-Treasurer

**City of Reedsburg
Tax Incremental Districts No. 4, No. 6,
No. 8, No. 9 and No. 10**

Financial Statements and
Supplementary Information

December 31, 2021

City of Reedsburg
Tax Incremental Districts No. 4, No. 6, No. 8, No. 9 and No. 10

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Accountants' Compilation Report

To the City Council of
City of Reedsburg

Management is responsible for the accompanying Balance Sheet, Historical Summary of Project Costs, Project Revenues and Net Cost to be Recovered Through Tax Increments and Historical Summary of Sources, Uses and Status of Funds of the City of Reedsburg's Tax Incremental Districts No. 4, No. 6, No. 8, No. 9 and No. 10 (the Districts) as of and for the year ended December 31, 2021 and from the dates of creation through December 31, 2020, in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with *Statements on Standards for Accounting and Review Services* promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

As discussed in Note 1, the financial statements present only the transactions of the Districts and do not purport to and do not, present fairly the financial position of the City of Reedsburg as of December 31, 2021, the changes in its financial position or, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 financial statements. This information is the representation of management. This information was subject to our compilation engagement; however, we have not audited or reviewed the information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such information.

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 financial statements. Such missing information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economical or historical context.



Madison, Wisconsin
June 17, 2022

City of Reedsburg Tax Incremental District No. 4

Balance Sheet

December 31, 2021

	Capital Projects Fund
Assets	
Taxes receivable	\$ 299,526
Total assets	<u>\$ 299,526</u>
Deferred Inflows of Resources and Fund Balance	
Deferred Inflows of Resources	
Unearned tax revenues	\$ 299,526
Total deferred inflows of resources	<u>299,526</u>
Fund Balances	
	-
Total deferred inflows of resources and fund balance	<u>\$ 299,526</u>

See notes to financial statements

City of Reedsburg Tax Incremental District No. 4

Historical Summary of Project Costs, Project Revenues
and Net Cost to be Recovered Through Tax Increments
Year Ended December 31, 2021

	Year Ended	From Date of Creation
Project Costs		
Capital expenditures	\$ -	\$ 3,624,183
Professional services	2,151	49,026
Administrative expenditures	150	231,809
Developer grants	-	80,000
Interest and fiscal charges	-	1,001,926
Debt issuance costs	-	55,223
Subsidies to other TIFs	351,977	2,318,971
Total project costs	354,278	7,361,138
Project Revenues		
Tax increments	327,715	5,787,855
Payment in lieu of taxes	-	310,491
Special assessments	9,406	154,915
Exempt computer aid	1,092	20,025
Personal property aid	16,065	30,270
Intergovernmental grants	-	61,845
Miscellaneous	-	10,540
Investment income	-	29,274
Sale of property	-	955,923
Total project revenues	354,278	7,361,138
Net cost recoverable through tax increments, December 31, 2020	\$ -	\$ -

See notes to financial statements

City of Reedsburg Tax Incremental District No. 4

Historical Summary of Sources, Uses and Status of Funds

Year Ended December 31, 2021

	Year Ended	From Date of Creation
Sources of Funds		
Tax increment	\$ 327,715	\$ 5,787,855
Payment in lieu of taxes, utility	-	310,491
Special assessments	9,406	154,915
Exempt computer aid	1,092	20,025
Personal property aid	16,065	30,270
Intergovernmental grants	-	61,845
Miscellaneous	-	10,540
Investment income	-	29,274
Sale of property	-	955,923
Proceeds from long-term debt	-	2,428,807
Proceeds from capital lease	-	555,000
Total sources of funds	354,278	10,344,945
Uses of Funds		
Capital expenditures	-	3,624,183
Professional services	2,151	49,026
Administrative expenditures	150	231,809
Developer grants	-	80,000
Interest and fiscal charges	-	1,001,926
Debt issuance costs	-	55,223
Principal on long-term debt and capital lease	-	2,983,807
Subsidies to other TIFs	351,977	2,318,971
Total uses of funds	354,278	10,344,945
Excess of sources of funds over uses of funds	-	-
Fund Balance, Beginning	-	-
Fund Balance, Ending	\$ -	\$ -

See notes to financial statements

City of Reedsburg Tax Incremental District No. 6

Balance Sheet

December 31, 2021

	Capital Projects Fund
Assets	
Accounts receivable	\$ 100,000
Total assets	<u>\$ 100,000</u>
Liabilities, Deferred Inflows of Resources and Fund Balance	
Liabilities	
Accounts payable	\$ 140
Advances from other funds	<u>188,574</u>
Total liabilities	<u>188,714</u>
Deferred Inflows of Resources	
Unavailable revenue	<u>100,000</u>
Total deferred inflows of resources	<u>100,000</u>
Fund Balance	
Unassigned (deficit)	<u>(188,714)</u>
Total fund balance (deficit)	<u>(188,714)</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 100,000</u>

See notes to financial statements

City of Reedsburg Tax Incremental District No. 6

Historical Summary of Project Costs, Project Revenues
and Net Cost to be Recovered Through Tax Increments
Year Ended December 31, 2021

	Year Ended	From Date of Creation
Project Costs		
Capital expenditures	\$ -	\$ 2,365,854
Developer incentives	38,585	42,173
Professional services	19,588	89,857
Administrative expenditures	150	1,861
Interest and fiscal charges	18,094	1,106,184
Debt issuance costs	9,432	83,830
Total project costs	85,849	3,689,759
Project Revenues		
Tax increments	145,193	710,382
Exempt computer aid	1,136	24,219
Personal property aid	7,567	11,752
Intergovernmental grants	-	834,309
Miscellaneous	-	40,000
Investment income	5,779	78,557
Guaranteed revenue	-	3,836
Sale of property	-	255,001
Debt premium	7,522	7,522
Subsidies from donor TIFs	351,977	1,080,467
Total project revenues	519,174	3,046,045
Net cost recoverable (recovered) through tax increments, December 31, 2020	\$ (433,325)	\$ 643,714
Reconciliation of Recoverable Costs		
General obligation debt outstanding		\$ 455,000
Capital projects fund balance deficit		188,714
Net cost recoverable through tax increments, December 31, 2020		\$ 643,714

See notes to financial statements

City of Reedsburg Tax Incremental District No. 6

Historical Summary of Sources, Uses and Status of Funds

Year Ended December 31, 2021

	Year Ended	From Date of Creation
Sources of Funds		
Tax increments	\$ 145,193	\$ 710,382
Exempt computer aid	1,136	24,219
Personal property aid	7,567	11,752
Intergovernmental grants	-	834,309
Miscellaneous	-	40,000
Investment income	5,779	78,557
Guaranteed revenue	-	3,836
Sale of property	-	255,001
Proceeds from long-term debt	455,000	1,305,000
Proceeds from capital leases	-	1,085,000
Debt premium	7,522	7,522
Subsidies from donor TIFs	351,977	1,080,467
Total sources of funds	974,174	5,436,045
Uses of Funds		
Capital expenditures	-	2,365,854
Developer incentives	38,585	42,173
Professional services	19,588	89,857
Administrative expenditures	150	1,861
Interest and fiscal charges	18,094	1,106,184
Principal on long-term debt and capital leases	470,396	1,935,000
Debt issuance costs	9,432	83,830
Total uses of funds	556,245	5,624,759
Excess (deficiency) of sources of funds over uses of funds	417,929	(188,714)
Fund Balance (Deficit), Beginning	(606,643)	-
Fund Balance (Deficit), Ending	<u>\$ (188,714)</u>	<u>\$ (188,714)</u>

See notes to financial statements

City of Reedsburg Tax Incremental District No. 8

Balance Sheet

Year Ended December 31, 2021

	Capital Projects Fund
Assets	
Taxes receivable	\$ 59,588
Total assets	<u>\$ 59,588</u>
Liabilities, Deferred Inflows of Resources and Fund Balance	
Liabilities	
Advances from other funds	\$ 85,520
Total liabilities	<u>85,520</u>
Deferred Inflows of Resources	
Unearned tax revenues	<u>59,588</u>
Total deferred inflows of resources	<u>59,588</u>
Fund Balance	
Unassigned (deficit)	<u>(85,520)</u>
Total fund balance (deficit)	<u>(85,520)</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 59,588</u>

See notes to financial statements

City of Reedsburg Tax Incremental District No. 8

Historical Summary of Project Costs, Project Revenues
and Net Cost to be Recovered Through Tax Increments
Year Ended December 31, 2021

	Year Ended	From Date of Creation
Project Costs		
Capital expenditures	\$ -	\$ 474,053
Professional services	6,070	19,812
Administrative expenditures	150	601
Interest and fiscal charges	-	2,770
Total project costs	6,220	497,236
Project Revenues		
Tax increments	77,863	315,196
Exempt computer aid	39	803
Personal property aid	752	2,178
Guaranteed revenue	24,056	93,539
Total project revenues	102,710	411,716
Net cost recoverable (recovered) through tax increments, December 31, 2020	\$ (96,490)	\$ 85,520

City of Reedsburg Tax Incremental District No. 8

Historical Summary of Sources, Uses and Status of Funds

Year Ended December 31, 2021

	Year Ended	From Date of Creation
Sources of Funds		
Tax increments	\$ 77,863	\$ 315,196
Exempt computer aid	39	803
Personal property aid	752	2,178
Guaranteed revenue	24,056	93,539
Total sources of funds	102,710	411,716
Uses of Funds		
Capital expenditures	-	474,053
Professional services	6,070	19,812
Administrative expenditures	150	601
Interest and fiscal charges	-	2,770
Total uses of funds	6,220	497,236
Excess (deficiency) of sources of funds over uses of funds	96,490	(85,520)
Fund Balance (Deficit), Beginning	(182,010)	-
Fund Balance (Deficit), Ending	<u>\$ (85,520)</u>	<u>\$ (85,520)</u>

See notes to financial statements

City of Reedsburg Tax Incremental District No. 9

Balance Sheet
December 31, 2021

	Capital Projects Fund
Assets	
Taxes receivable	\$ 466,846
Accounts receivable	24,595
Land held for resale	<u>244,585</u>
Total assets	<u><u>\$ 736,026</u></u>
Liabilities, Deferred Inflows of Resources and Fund Balance	
Liabilities	
Accounts payable	\$ 12,300
Advance from other funds	<u>457,638</u>
Total liabilities	<u>469,938</u>
Deferred Inflows of Resources	
Unearned tax revenues	<u>466,846</u>
Total deferred inflows of resources	<u>466,846</u>
Fund Balance	
Unassigned (deficit)	<u>(200,758)</u>
Total fund balance (deficit)	<u>(200,758)</u>
Total liabilities, deferred inflows of resources and fund balance	<u><u>\$ 736,026</u></u>

See notes to financial statements

City of Reedsburg Tax Incremental District No. 9

Historical Summary of Project Costs, Project Revenues
and Net Cost to be Recovered Through Tax Increments
Year Ended December 31, 2021

	Year Ended	From Date of Creation
Project Costs		
Capital expenditures	\$ 223,672	\$ 2,583,892
Developer incentives	145,775	843,288
Professional services	47,211	128,851
Administrative expenditures	1,150	20,151
Interest and fiscal charges	66,487	192,960
Debt issuance costs	54,414	54,414
Total project costs	538,709	3,823,556
Project Revenues		
Tax increments	426,283	810,439
Guaranteed revenue	25,063	118,460
Sale of property	-	25,500
Debt premium	43,399	43,399
Total project revenues	494,745	997,798
Net cost recoverable through tax increments, December 31, 2020	\$ 43,964	\$ 2,825,758
Reconciliation of Recoverable Costs		
General obligation debt outstanding		\$ 2,625,000
Capital projects fund balance deficit		200,758
Net cost recoverable through tax increments, December 31, 2020		\$ 2,825,758

City of Reedsburg Tax Incremental District No. 9

Historical Summary of Sources, Uses and Status of Funds

Year Ended December 31, 2021

	Year Ended	From Date of Creation
Sources of Funds		
Tax increments	\$ 426,283	\$ 810,439
Guaranteed revenue	25,063	118,460
Sale of property	-	25,500
Proceeds from long-term debt	2,625,000	4,495,000
Debt premium	43,399	43,399
Total sources of funds	3,119,745	5,492,798
Uses of Funds		
Capital expenditures	223,672	2,583,892
Developer incentives	145,775	843,288
Professional services	47,211	128,851
Administrative expenditures	1,150	20,151
Interest and fiscal charges	66,487	192,960
Debt issuance costs	54,414	54,414
Principal on long-term debt	1,728,452	1,870,000
Total uses of funds	2,267,161	5,693,556
Excess (deficiency) of sources of funds over uses of funds	852,584	(200,758)
Fund Balance (Deficit), Beginning	(1,053,342)	-
Fund Balance (Deficit), Ending	<u>\$ (200,758)</u>	<u>\$ (200,758)</u>

See notes to financial statements

City of Reedsburg Tax Incremental District No. 10

Balance Sheet

December 31, 2021

	Capital Projects Fund
Assets	
Total assets	\$ -
Liabilities and Fund Balance	
Liabilities	
Accounts payable	\$ 5,924
Advances from other funds	8,984
Total liabilities	14,908
Fund Balance	
Unassigned (deficit)	(14,908)
Total fund balance	(14,908)
Total liabilities and fund balance	\$ -

See notes to financial statements

City of Reedsburg Tax Incremental District No. 10

Historical Summary of Project Costs, Project Revenues
and Net Cost to be Recovered Through Tax Increments
Year Ended December 31, 2021

	<u>Year Ended</u>	<u>From Date of Creation</u>
Project Costs		
Capital expenditures	\$ 5,784	\$ 5,784
Professional services	7,124	7,124
Administrative expenditures	<u>2,000</u>	<u>2,000</u>
Total project costs	<u>14,908</u>	<u>14,908</u>
Project Revenues		
Total project revenues	<u>-</u>	<u>-</u>
Net cost to be recovered through tax increments, December 31, 2021	<u>\$ 14,908</u>	<u>\$ 14,908</u>

See notes to financial statements

City of Reedsburg Tax Incremental District No. 10

Historical Summary of Sources, Uses and Status of Funds

Year Ended December 31, 2021

	Year Ended	From Date of Creation
Sources of Funds		
Total sources of funds	\$ -	\$ -
Uses of Funds		
Capital expenditures	5,784	5,784
Professional services	7,124	7,124
Administrative expenditures	2,000	2,000
Total uses of funds	14,908	14,908
Excess (deficiency) of sources of funds over uses of funds	(14,908)	(14,908)
Fund Balance, Beginning	-	-
Fund Balance (Deficit), Ending	\$ (14,908)	\$ (14,908)

See notes to financial statements

City of Reedsburg

Tax Incremental Districts No. 4, No. 6, No. 8, No. 9 and No. 10

Notes to Financial Statements
December 31, 2021

1. Summary of Significant Accounting Policies

The accounting policies of the City of Reedsburg's Tax Incremental Districts No. 4, No. 6, No. 8, No. 9 and No. 10 (the Districts) conform to accounting principles as applicable to governmental units and as defined by Wisconsin Statutes Section 66.1105.

The City of Reedsburg (the City) has implemented accounting principles generally accepted in the United States of America to the extent they apply in determining the scope of the activity of Tax Incremental Districts No. 4, No. 6, No. 8, No. 9 and No. 10. The accompanying financial statements reflect all the significant operations of the City's Tax Incremental Districts No. 4, No. 6, No. 8, No. 9 and No. 10. The accompanying financial statements do not include the full presentation of the City.

Description of Fund Structure and Long-Term Debt

This report contains the financial information of the City's Tax Incremental Districts (TID) No. 4, No. 6, No. 8, No. 9 and No. 10. The summary statements were prepared from data recorded in the following City funds and from the City's long-term debt:

TID No. 4 Capital Projects
TID No. 6 Capital Projects
TID No. 8 Capital Projects

TID No. 9 Capital Projects
TID No. 10 Capital Projects

Detailed descriptions of the purpose of these funds and long-term debt can be found in the City's basic financial statements.

The data was consolidated for purposes of this report. Therefore, the amounts shown in the accompanying statements may not directly correlate with amounts shown in the basic financial statements of the City.

The Districts were created under the provisions of Wisconsin Statute Section 66.1105. The purpose of that section is to allow a municipality to recover development and improvement costs in a designated area from the property taxes generated on the increased value of the property after the creation date of the District. The tax on the increased value is called a tax increment.

The statutes allow the Districts to collect tax increments until the net project cost has been fully recovered or until 20-30 years (depending upon the type of District) after the tax increment District is created, whichever occurs first. Project costs uncollected at the dissolution date are absorbed by the City. Project costs may be incurred up to five years before the unextended termination date of the Districts.

City of Reedsburg
Tax Incremental Districts No. 4, No. 6, No. 8, No. 9 and No. 10

Notes to Financial Statements
December 31, 2021

Project Plans and Amendments	Creation Date	Last Date to Incur Project Costs	Last Year to Collect Increment
TID No. 4	May 26, 1998	May 26, 2016	2032
TID No. 4 Amendment	December 13, 2010		
TID No. 4 Amendment	November 10, 2010		
TID No. 4 Amendment	March 8, 2012		
TID No. 6	July 10, 2000	July 10, 2022	2038
TID No. 6 Amendment	June 11, 2007		
TID No. 6 Amendment	December 13, 2010		
TID No. 6 Amendment	July 19, 2021		
TID No. 8	January 8, 2008	January 8, 2023	2029
TID No. 9	July 11, 2016	July 11, 2031	2037
TID No. 9 Amendment	July 3, 2019		
TID No. 10	September 27, 2021	September 27, 2043	2048

Basis of Accounting

The modified accrual basis of accounting was followed in the preparation of these statements. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., 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. Project costs, other than interest on long-term debt, are recorded when expenditures are made or monetary obligations are incurred.

District increments are recorded as revenues in the year due. Intergovernmental aids and grants are recognized as revenues in the period the related expenditures are incurred, if applicable or when the City is entitled to the aids.

Special assessments are recorded as revenues when collected. Annual installments due in future years are accounted for as receivables and unavailable revenues.

Other general revenues are recognized when received in cash or when measurable and available under the criteria described above.

Use of Estimates

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 and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

City of Reedsburg
Tax Incremental Districts No. 4, No. 6, No. 8, No. 9 and No. 10

Notes to Financial Statements
December 31, 2021

Measurement Focus

The measurement focus of all governmental funds is the funds flow concept. Under the funds flow concept, sources and uses of financial resources, including capital outlays, debt proceeds and debt retirements are reflected in operations. Resources not available to finance expenditures and commitments of the current period are recognized as unavailable or unearned revenue or as nonspendable fund equity. Liabilities for claims, judgments, compensated absences and pension contributions which will not be currently liquidated using expendable available financial resources are shown in the long-term debt footnote disclosure. The related expenditures are recognized when the liabilities are liquidated.

Project Plan Budgets

The estimated revenues and expenditures of the Districts are adopted in the project plans. Those estimates are for the entire life of the Districts and may not be comparable to interim results presented in this report.

Long-Term Debt

Short-term liabilities are recorded as fund liabilities. All other long-term liabilities are shown in the long-term debt footnote disclosure.

Proceeds of long-term debt issues not recorded as fund liabilities are reflected as Sources of Funds in the operating statement of the recipient fund. Retirement of these issues is reported as an expenditure in the year in which the debt matures or is repaid, whichever is earlier.

Claims and Judgments

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards pronouncements are met. The liability and expenditures for claims and judgments is only reported in governmental funds if it has matured. Claims and judgments are disclosed in the long-term debt footnote when the related liabilities are incurred.

2. Cash and Temporary Investments

The Districts invest their funds in accordance with the provisions of the Wisconsin Statutes 66.0603(1m) and 67.11(2).

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 quoted market prices. 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.

The Districts, as funds of the City, maintain separate and common cash and investment accounts at the same financial institutions utilized by the City. Federal depository insurance and the State of Wisconsin Guarantee fund insurance apply to the City as an individual municipality and, accordingly, the amount of insured funds is not determinable for the Districts.

City of Reedsburg
Tax Incremental Districts No. 4, No. 6, No. 8, No. 9 and No. 10

Notes to Financial Statements
December 31, 2021

3. Long-Term Debt

All general obligation notes and bonds payable are backed by the full faith and credit of the City. Notes and bonds borrowed to finance the Districts' expenditures will be retired by tax increments accumulated by the capital projects funds. If those revenues are not sufficient, payments will be made by future tax levies.

The City entered into capital lease agreements with the Community Development Authority (CDA) of the City for certain property and improvements in TID Nos. 4 and 6. The CDA issued lease revenue bonds and revenues from TID Nos. 4 and 6 were used to make lease payments to the CDA in the same amounts as the CDA's lease revenue bond payments.

TID No. 4

Title of Issue	Date of Issue	Due Date	Interest Rate	Original Indebtedness	Repaid	Balance 12-31-21
State trust fund loan	09/29/99	2019	6.00 %	\$ 765,115	\$ 765,115	\$ -
Capital lease – Series B	12/01/00	2006	4.40 – 4.85	555,000	555,000	-
State trust fund loan	01/12/09	2018	4.25	105,581	105,581	-
Taxable refunding bonds	03/01/10	2014	1.25 – 2.90	505,000	505,000	-
State trust fund loan	12/21/10	2020	3.75	537,800	537,800	-
Refunding bonds	05/20/13	2019	0.45 – 1.70	515,311	515,311	-
Total				<u>\$ 2,983,807</u>	<u>\$ 2,983,807</u>	<u>\$ -</u>

TID No. 6

Title of Issue	Date of Issue	Due Date	Interest Rate	Original Indebtedness	Repaid	Balance 12-31-21
Capital lease – Series A	12/01/00	2019	8.00 – 8.375 %	\$ 735,000	\$ 735,000	\$ -
Capital lease – Series B	12/01/00	2010	4.40 – 4.850	350,000	350,000	-
Land contract	05/01/16	2019	3.00	350,000	350,000	-
State trust fund loan	10/18/18	2037	4.00	500,000	500,000	-
Refunding bonds	02/17/21	2036	1.00 – 2.00	455,000	-	455,000
Total				<u>\$ 2,390,000</u>	<u>\$ 1,935,000</u>	<u>\$ 455,000</u>

TID No. 6's debt repayments are as follows:

	Principal	Interest	Total
Calendar year:			
2022	\$ 25,000	\$ 10,799	\$ 35,799
2023	25,000	6,430	31,430
2024	30,000	5,880	35,880
2025	30,000	5,280	35,280
2026	30,000	4,680	34,680
2027 – 2031	150,000	16,725	166,725
2032 – 2036	165,000	6,775	171,775
Total	<u>\$ 455,000</u>	<u>\$ 56,569</u>	<u>\$ 511,569</u>

City of Reedsburg
Tax Incremental Districts No. 4, No. 6, No. 8, No. 9 and No. 10

Notes to Financial Statements
December 31, 2021

TID No. 9

<u>Title of Issue</u>	<u>Date of Issue</u>	<u>Due Date</u>	<u>Interest Rate</u>	<u>Original Indebtedness</u>	<u>Repaid</u>	<u>Balance 12-31-21</u>
State trust fund loan	01/16/18	2032	4.00 %	\$ 1,335,000	\$ 1,335,000	\$ -
State trust fund loan	07/26/19	2038	4.00	535,000	535,000	-
Refunding bonds	2/17/21	2036	1.00 – 2.00	<u>2,625,000</u>	<u>-</u>	<u>2,625,000</u>
Total				<u>\$ 4,495,000</u>	<u>\$ 1,870,000</u>	<u>\$ 2,625,000</u>

TID No. 9's debt repayments are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Calendar year:			
2022	\$ 110,000	\$ 62,179	\$ 172,179
2023	190,000	37,020	227,020
2024	195,000	33,170	228,170
2025	200,000	29,220	229,220
2026	200,000	25,220	225,220
2027 – 2031	1,050,000	79,875	1,129,875
2032 – 2036	<u>680,000</u>	<u>23,395</u>	<u>703,395</u>
Total	<u>\$ 2,625,000</u>	<u>\$ 290,079</u>	<u>\$ 2,915,079</u>

4. Advances From Other Funds

Tax incremental District costs have been partially paid for by advances from other City funds.

	<u>Balance 12-31-21</u>
TID No. 6	
Advance from general fund	<u>\$ 188,574</u>
TID No. 8	
Advance from general fund	<u>\$ 85,520</u>
TID No. 9	
Advance from general fund	<u>\$ 457,638</u>
TID No. 10	
Advance from general fund	<u>\$ 8,984</u>

No repayment schedules have been established for the advances from the general fund. No interest is currently charged on any of the advances. Advances will be repaid if sufficient future tax increments are generated.

City of Reedsburg
Tax Incremental Districts No. 4, No. 6, No. 8, No. 9 and No. 10

Notes to Financial Statements
December 31, 2021

5. Loans Receivable

In previous years, the Districts had outstanding loans receivable from developers. The loans were recorded as receivables by the District and repayments were forgivable over a predetermined timeframe assuming the developer continued to meet obligations set forth in the agreements. The loans are considered to be project costs and are reflected in the recoverable cost schedules. All loans have been repaid or forgiven as of December 31, 2021.

During 2017, TID District No. 6 entered into an agreement with a developer to loan \$500,000 at 1% interest rate. This loan was paid in full ahead of schedule on April 26, 2021.

6. Increment Sharing

As allowable under TID statutes, the City may share positive TID increments. The City and joint review board approved sharing increments from TIF District No. 4 (donor district) to TID District No. 6 (donee district). Transfers are reflected as recoverable costs in the donor Districts and as project revenues in the donee Districts. Transfers were approved to begin in 2010. TID increment sharing is valid for the life of the donor district or the recipient district, whichever date comes first and the life of the donor district may not be extended. Transfers between Districts are subject to various conditions in the statutes.

7. Guaranteed Revenue

The City has entered into a development agreement with a developer in relation to the Tax Incremental District No. 6. The agreement guarantees that the developer shall pay the difference between the guaranteed tax increment and the tax increment actually levied. The guarantee obligation requires that the tax increment generated from specific property in the District shall equal \$18,000 annually from tax years 2017 through 2032. If the tax increment does not meet this minimum requirement, the developer agrees to pay the difference.

The City has entered into a development agreement with a developer in relation to the Tax Incremental District No. 8. The agreement guarantees that the developer shall pay the difference between the guaranteed tax increment and the tax increment actually levied. The guarantee obligation requires that the tax increment generated from specific property in the District shall equal \$91,120 annually from tax years 2017 through 2021. If the tax increment does not meet this minimum requirement, the developer agrees to pay the difference.

The City has entered into a development agreement with a developer in relation to the Tax Incremental District No. 9. The agreement guarantees that the developer shall pay the difference between the guaranteed tax increment and the tax increment actually levied. The guarantee obligation requires that the tax increment generated from specific property in the District shall equal \$4,935,000 from tax years 2018 through 2034. The annual guaranteed for 2021 was \$313,020. If the tax increment does not meet this minimum requirement, the developer agrees to pay the difference.

City of Reedsburg All Tax Incremental Districts

Combining Balance Sheet

December 31, 2021

	TIF District No. 4	TIF District No. 6	TIF District No. 8	TIF District No. 9	TIF District No. 10	Total
Assets						
Taxes receivable	\$ 299,526	\$ -	\$ 59,588	\$ 466,846	\$ -	\$ 825,960
Accounts receivable	-	100,000	-	24,595	-	124,595
Land held for resale	-	-	-	244,585	-	244,585
Total assets	<u>\$ 299,526</u>	<u>\$ 100,000</u>	<u>\$ 59,588</u>	<u>\$ 736,026</u>	<u>\$ -</u>	<u>\$ 1,195,140</u>
Liabilities, Deferred Inflows of Resources and Fund Balances						
Liabilities						
Accounts payable	\$ -	\$ 140	\$ -	\$ 12,300	\$ 5,924	\$ 12,440
Advances from other funds	-	188,574	85,520	457,638	8,984	731,732
Total liabilities	<u>-</u>	<u>188,714</u>	<u>85,520</u>	<u>469,938</u>	<u>14,908</u>	<u>744,172</u>
Deferred Inflows of Resources						
Unearned tax revenues	299,526	-	59,588	466,846	-	825,960
Unavailable revenues	-	100,000	-	-	-	100,000
Total deferred inflows of resources	<u>299,526</u>	<u>100,000</u>	<u>59,588</u>	<u>466,846</u>	<u>-</u>	<u>925,960</u>
Fund Balances						
Unassigned (deficit)	<u>-</u>	<u>(188,714)</u>	<u>(85,520)</u>	<u>(200,758)</u>	<u>(14,908)</u>	<u>(474,992)</u>
Total fund balances (deficit)	<u>-</u>	<u>(188,714)</u>	<u>(85,520)</u>	<u>(200,758)</u>	<u>(14,908)</u>	<u>(474,992)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 299,526</u>	<u>\$ 100,000</u>	<u>\$ 59,588</u>	<u>\$ 736,026</u>	<u>\$ -</u>	<u>\$ 1,195,140</u>

City of Reedsburg All Tax Incremental Districts

Combining Historical Summary of Project Costs, Project Revenues
and Net Cost to be Recovered Through Tax Increments
From Dates of Creation Through December 31, 2021

	TIF District No. 4	TIF District No. 6	TIF District No. 8	TIF District No. 9	TIF District No. 10	Total
Project Costs						
Capital expenditures	\$ 3,624,183	\$ 2,365,854	\$ 474,053	\$ 2,583,892	\$ 5,784	\$ 9,047,982
Developer incentives	-	42,173	-	843,288	-	885,461
Professional services	49,026	89,857	19,812	128,851	7,124	287,546
Administrative expenditures	231,809	1,861	601	20,151	2,000	254,422
Developer grants	80,000	-	-	-	-	80,000
Interest and fiscal charges	1,001,926	1,106,184	2,770	192,960	-	2,303,840
Debt issuance costs	55,223	83,830	-	54,414	-	193,467
Subsidies to other TIFs	2,318,971	-	-	-	-	2,318,971
Total project costs	7,361,138	3,689,759	497,236	3,823,556	14,908	15,371,689
Project Revenues						
Tax increments	5,787,855	710,382	315,196	810,439	-	7,623,872
Payment in lieu of taxes	310,491	-	-	-	-	310,491
Special assessments	154,915	-	-	-	-	154,915
Exempt computer aid	20,025	24,219	803	-	-	45,047
Personal property aid	30,270	11,752	2,178	-	-	44,200
Intergovernmental grants	61,845	834,309	-	-	-	896,154
Miscellaneous	10,540	40,000	-	-	-	50,540
Investment income	29,274	78,557	-	-	-	107,831
Guaranteed revenue	-	3,836	93,539	118,460	-	215,835
Sale of property	955,923	255,001	-	25,500	-	1,236,424
Debt premium	-	7,522	-	43,399	-	50,921
Subsidies from donor TIFs	-	1,080,467	-	-	-	1,080,467
Total project revenues	7,361,138	3,046,045	411,716	997,798	-	11,816,697
Net cost recoverable through tax increments, December 31, 2021	\$ -	\$ 643,714	\$ 85,520	\$ 2,825,758	\$ 14,908	\$ 3,554,992
Reconciliation of Recoverable Costs						
General obligation debt outstanding	\$ -	\$ 455,000	\$ -	\$ 2,625,000	\$ -	\$ 3,080,000
Capital projects fund deficit	-	188,714	85,520	200,758	14,908	474,992
Net cost recoverable through tax increments, December 31, 2021	\$ -	\$ 643,714	\$ 85,520	\$ 2,825,758	\$ 14,908	\$ 3,554,992

City of Reedsburg All Tax Incremental Districts

Combining Historical Summary of Sources, Uses and Status of Funds
From Dates of Creation Through December 31, 2021

	TIF District No. 4	TIF District No. 6	TIF District No. 8	TIF District No. 9	TIF District No. 10	Total
Sources of Funds						
Tax increments	\$ 5,787,855	\$ 710,382	\$ 315,196	\$ 810,439	\$ -	\$ 7,623,872
Payment in lieu of taxes, utility	310,491	-	-	-	-	310,491
Special assessments	154,915	3,836	-	-	-	158,751
Exempt computer aid	20,025	24,219	803	-	-	45,047
Personal property aid	30,270	11,752	2,178	-	-	44,200
Intergovernmental grants	61,845	834,309	-	-	-	896,154
Miscellaneous	10,540	40,000	-	-	-	50,540
Investment income	29,274	78,557	-	-	-	107,831
Guaranteed revenue	-	-	93,539	118,460	-	211,999
Sale of property	955,923	255,001	-	25,500	-	1,236,424
Proceeds from long-term debt	2,428,807	1,305,000	-	4,495,000	-	8,228,807
Proceeds from capital leases	555,000	1,085,000	-	-	-	1,640,000
Debt premium	-	7,522	-	43,399	-	50,921
Subsidies from donor TIFs	-	1,080,467	-	-	-	1,080,467
Total sources of funds	10,344,945	5,436,045	411,716	5,492,798	-	21,685,504
Uses of Funds						
Capital expenditures	3,624,183	2,365,854	474,053	2,583,892	5,784	9,047,982
Developer incentives	-	42,173	-	843,288	-	885,461
Professional services	49,026	89,857	19,812	128,851	7,124	287,546
Administrative expenditures	231,809	1,861	601	20,151	2,000	254,422
Developer grants	80,000	-	-	-	-	80,000
Interest and fiscal charges	1,001,926	1,106,184	2,770	192,960	-	2,303,840
Debt issuance costs	55,223	83,830	-	54,414	-	193,467
Principal on long-term debt and capital leases	2,983,807	1,935,000	-	1,870,000	-	6,788,807
Subsidies to other TIFs	2,318,971	-	-	-	-	2,318,971
Total uses of funds	10,344,945	5,624,759	497,236	5,693,556	14,908	22,160,496
Excess (deficiency) of sources of funds over uses of funds	-	(188,714)	(85,520)	(200,758)	(14,908)	(474,992)
Fund Balance, Beginning	-	-	-	-	-	-
Fund Balance (Deficit), Ending	\$ -	\$ (188,714)	\$ (85,520)	\$ (200,758)	\$ (14,908)	\$ (474,992)

City of Reedsburg

Financial Statements and
Supplementary Information

December 31, 2021

City of Reedsburg

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Independent Auditors' Report

To the City Council of
City of Reedsburg

Report on the Audit of the Financial Statements

Opinions

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 (the City), as of and for the year ended December 31, 2021 and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City as of December 31, 2021 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.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and GAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

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

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'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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 22, 2022 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Madison, Wisconsin
August 22, 2022

City of Reedsburg

Statement of Net Position
December 31, 2021

	Governmental Activities	Business- Type Activities	Total	Component Units
Assets and Deferred Outflows of Resources				
Assets				
Cash and investments	\$ 8,248,019	\$ 21,277,682	\$ 29,525,701	\$ 4,003,562
Receivables (net):				
Taxes receivable	7,423,445	-	7,423,445	-
Accounts	196,003	3,112,687	3,308,690	-
Accrued interest	-	51,480	51,480	-
Other	-	385,499	385,499	-
Special assessments	4,000	4,000	8,000	-
Loans	898,722	-	898,722	70,000
Due from other governments	209,684	-	209,684	-
Internal balances	567,693	(567,693)	-	-
Due from component unit	26,909	-	26,909	-
Inventories and prepaid items	1,350,381	2,228,498	3,578,879	17,321
Other assets	-	3,282,186	3,282,186	-
Restricted assets:				
Cash and investments	-	4,605,752	4,605,752	-
Net pension asset	1,547,198	1,170,928	2,718,126	-
Investment in mutual insurance company	200,515	-	200,515	-
Capital assets:				
Land and other nondepreciable assets	14,721,581	383,905	15,105,486	-
Construction in progress	139,130	1,259,683	1,398,813	-
Other capital assets, net of depreciation	24,052,819	67,777,038	91,829,857	-
Total assets	59,586,099	104,971,645	164,557,744	4,090,883
Deferred Outflows of Resources				
Pension related amounts	2,597,616	2,005,828	4,603,444	-
Total deferred outflows of resources	2,597,616	2,005,828	4,603,444	-

See notes to financial statements

City of Reedsburg

Statement of Net Position
December 31, 2021

	Governmental Activities	Business- Type Activities	Total	Component Units
Liabilities, Deferred inflows of Resources and Net Position				
Liabilities				
Accounts Payable	\$ 182,053	\$ 2,565,028	\$ 2,747,081	\$ -
Accrued liabilities	331,690	743,301	1,074,991	-
Due to primary government	-	-	-	26,909
Unearned revenue	498,275	142,406	640,681	-
Noncurrent liabilities:				
Due within one year	1,022,631	2,316,509	3,339,140	-
Due in more than one year	11,449,532	20,225,398	31,674,930	-
Total liabilities	<u>13,484,181</u>	<u>25,992,642</u>	<u>39,476,823</u>	<u>26,909</u>
Deferred Inflows of Resources				
Unearned revenues	7,406,858	-	7,406,858	-
Pension related amounts	3,338,180	2,612,249	5,950,429	-
Total deferred inflows of resources	<u>10,745,038</u>	<u>2,612,249</u>	<u>13,357,287</u>	<u>-</u>
Net Position				
Net investment in capital assets	29,303,234	47,467,227	76,770,461	-
Restricted	5,300,675	5,633,271	10,933,946	3,926,857
Unrestricted	3,350,587	25,272,084	28,622,671	137,117
Total net position	<u>\$ 37,954,496</u>	<u>\$ 78,372,582</u>	<u>\$ 116,327,078</u>	<u>\$ 4,063,974</u>

City of Reedsburg

Statement of Activities

Year Ended December 31, 2021

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities:				
General government	\$ 2,315,192	\$ 181,596	\$ -	\$ 100,905
Public safety	3,754,861	525,036	68,312	-
Public works	2,768,788	530,224	798,959	6,605
Health and human services	23,900	-	-	-
Culture, recreation and education	1,888,601	154,224	286,270	-
Conservation and development	856,219	2,555	888,797	-
Interest and fiscal charges	202,555	-	-	-
Total governmental activities	11,810,116	1,393,635	2,042,338	107,510
Business-type activities:				
Water	1,264,670	1,753,488	-	139,015
Electric	19,964,604	22,635,541	-	12,855
Communications	5,419,125	6,693,771	-	312,924
Sewer	2,889,340	4,790,449	-	-
Stormwater	462,270	540,391	-	-
Total business-type activities	30,000,009	36,413,640	-	464,794
Total primary government	<u>\$ 41,810,125</u>	<u>\$ 37,807,275</u>	<u>\$ 2,042,338</u>	<u>\$ 572,304</u>
Component Units				
Community Development Authority	\$ 13,008	\$ -	\$ -	\$ -
Herbert H Webb Trust	79,317	-	-	-
Total component units	<u>\$ 92,325</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

Public gifts and grants

Gain on disposal of assets

Miscellaneous

Total general revenues

Transfers

Total general revenues and transfers

Change in net position

Net Position, Beginning**Net Position, Ending**

See notes to financial statements

Net (Expenses) Revenues and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Total	Component Units
\$ (2,032,691)	\$ -	\$ (2,032,691)	\$ -
(3,161,513)	-	(3,161,513)	-
(1,433,000)	-	(1,433,000)	-
(23,900)	-	(23,900)	-
(1,448,107)	-	(1,448,107)	-
35,133	-	35,133	-
(202,555)	-	(202,555)	-
(8,266,633)	-	(8,266,633)	-
-	627,833	627,833	-
-	2,683,792	2,683,792	-
-	1,587,570	1,587,570	-
-	1,901,109	1,901,109	-
-	78,121	78,121	-
-	6,878,425	6,878,425	-
(8,266,633)	6,878,425	(1,388,208)	-
-	-	-	(13,008)
-	-	-	(79,317)
-	-	-	(92,325)
5,210,241	-	5,210,241	-
763,055	-	763,055	-
1,160,232	-	1,160,232	-
334,202	-	334,202	-
1,039,346	-	1,039,346	-
72,209	320,176	392,385	494,729
2,624,025	-	2,624,025	-
14,915	(499,909)	(484,994)	-
199,097	174,488	373,585	-
11,417,322	(5,245)	11,412,077	494,729
633,801	(633,801)	-	-
12,051,123	(639,046)	11,412,077	494,729
3,784,490	6,239,379	10,023,869	402,404
34,170,006	72,133,203	106,303,209	3,661,570
\$ 37,954,496	\$ 78,372,582	\$ 116,327,078	\$ 4,063,974

See notes to financial statements

City of Reedsburg

Balance Sheet
Governmental Funds
December 31, 2021

	General	General Debt Service	General Capital Projects Fund	TIF District No. 6
Assets				
Cash and investments	\$ 4,199,918	\$ 94,537	\$ 833,377	\$ 6,167
Receivables:				
Taxes receivable	3,802,366	766,380	851,000	-
Accounts receivable	70,688	-	-	100,000
Special assessments	4,000	-	-	-
Loans	-	-	-	-
Due from other governments	171,792	-	-	-
Due from other funds	731,510	-	-	-
Prepaid items	99,986	-	-	-
Advances to other funds	901,555	-	-	-
Due from component unit	-	-	-	-
Land held for resale	497,976	-	507,834	-
Investment in mutual insurance company	200,515	-	-	-
Total assets	<u>\$ 10,680,306</u>	<u>\$ 860,917</u>	<u>\$ 2,192,211</u>	<u>\$ 106,167</u>
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	\$ 53,329	\$ -	\$ 14,874	\$ 140
Accrued liabilities	214,838	-	-	-
Due to other funds	161,454	-	-	-
Unearned revenue	-	-	-	-
Advances from other funds	-	-	-	188,574
Total liabilities	<u>429,621</u>	<u>-</u>	<u>14,874</u>	<u>188,714</u>
Deferred Inflows of Resources				
Unearned revenue	3,785,779	766,380	851,000	-
Unavailable revenues	161,987	-	-	100,000
Total deferred inflows of resources	<u>3,947,766</u>	<u>766,380</u>	<u>851,000</u>	<u>100,000</u>
Fund Balances (Deficit)				
Nonspendable	1,700,032	-	-	-
Restricted	-	94,537	1,326,337	-
Committed	-	-	-	-
Assigned	1,068,120	-	-	-
Unassigned (deficit)	3,534,767	-	-	(182,547)
Total fund balances (deficit)	<u>6,302,919</u>	<u>94,537</u>	<u>1,326,337</u>	<u>(182,547)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 10,680,306</u>	<u>\$ 860,917</u>	<u>\$ 2,192,211</u>	<u>\$ 106,167</u>

See notes to financial statements

TIF District No. 9	Nonmajor Governmental Funds	Total
\$ -	\$ 3,114,020	\$ 8,248,019
466,846	1,536,853	7,423,445
24,595	720	196,003
-	-	4,000
-	898,722	898,722
-	37,892	209,684
-	-	731,510
-	-	99,986
-	-	901,555
-	26,909	26,909
244,585	-	1,250,395
-	-	200,515
<u>\$ 736,026</u>	<u>\$ 5,615,116</u>	<u>\$ 20,190,743</u>

\$ 12,300	\$ 101,410	\$ 182,053
-	23,422	238,260
-	2,363	163,817
-	498,275	498,275
<u>457,638</u>	<u>255,343</u>	<u>901,555</u>
<u>469,938</u>	<u>880,813</u>	<u>1,983,960</u>
466,846	1,536,853	7,406,858
-	-	261,987
<u>466,846</u>	<u>1,536,853</u>	<u>7,668,845</u>
-	-	1,700,032
-	2,426,033	3,846,907
-	734,141	734,141
-	272,157	1,340,277
<u>(200,758)</u>	<u>(234,881)</u>	<u>2,916,581</u>
<u>(200,758)</u>	<u>3,197,450</u>	<u>10,537,938</u>
<u>\$ 736,026</u>	<u>\$ 5,615,116</u>	<u>\$ 20,190,743</u>

See notes to financial statements

City of Reedsburg

Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
December 31, 2021

Total Fund Balances, Governmental Funds \$ 10,537,938

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	14,721,581
Construction in progress	139,130
Other capital assets, net of depreciation	24,052,819

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.

261,987

The net pension asset does not relate to current financial resources and is not reported in the governmental funds.

1,547,198

Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.

2,597,616

Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.

(3,338,180)

Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds.

Bonds and notes payable	(11,350,000)
Compensated absences	(756,867)
Accrued interest	(93,430)
Unamortized debt premium	<u>(365,296)</u>

Net Position of Governmental Activities \$ 37,954,496

City of Reedsburg

Statement of Revenues, Expenditures and Changes in Fund Balances -
 Governmental Funds
 Year Ended December 31, 2021

	General	General Debt Service	General Capital Projects Fund	TIF District No. 6
Revenues				
Taxes	\$ 4,060,233	\$ 763,055	\$ 469,750	\$ 145,193
Intergovernmental	2,149,357	-	181,450	8,703
Licenses and permits	192,868	-	-	-
Fines and forfeitures	13,791	-	-	-
Public charges for services	185,093	-	-	-
Intergovernmental charges for services	161,171	-	-	-
Special assessments	-	-	-	-
Investment income	303,322	-	2,077	5,779
Miscellaneous revenues	116,154	-	2,640,207	-
Total revenues	<u>7,181,989</u>	<u>763,055</u>	<u>3,293,484</u>	<u>159,675</u>
Expenditures				
Current:				
General government	1,146,770	322	160,673	1,145
Public safety	3,769,844	-	-	-
Health and human services	23,900	-	-	-
Public works	1,188,870	-	-	-
Culture, recreation and education	591,124	-	-	-
Conservation and development	1,187,944	-	-	51,011
Capital outlay	-	-	2,346,159	-
Debt service:				
Principal	-	740,000	-	470,396
Interest and fiscal charges	-	186,353	-	27,526
Total expenditures	<u>7,908,452</u>	<u>926,675</u>	<u>2,506,832</u>	<u>550,078</u>
Excess (deficiency) of revenues over expenditures	<u>(726,463)</u>	<u>(163,620)</u>	<u>786,652</u>	<u>(390,403)</u>
Other Financing Sources (Uses)				
Property sales	14,915	-	-	-
Transfers in	736,734	-	-	351,977
Transfers out	-	-	(5,000)	-
Debt issued	-	-	-	455,000
Premium on debt issued	-	3,981	-	7,522
Total other financing sources (uses)	<u>751,649</u>	<u>3,981</u>	<u>(5,000)</u>	<u>814,499</u>
Net change in fund balances	25,186	(159,639)	781,652	424,096
Fund Balances (Deficit), Beginning	<u>6,277,733</u>	<u>254,176</u>	<u>544,685</u>	<u>(606,643)</u>
Fund Balances (Deficit), Ending	<u>\$ 6,302,919</u>	<u>\$ 94,537</u>	<u>\$ 1,326,337</u>	<u>\$ (182,547)</u>

See notes to financial statements

TIF District No. 9	Nonmajor Governmental Funds	Total
\$ 426,283	\$ 1,603,216	\$ 7,467,730
-	532,098	2,871,608
-	-	192,868
-	256,755	270,546
-	575,051	760,144
-	-	161,171
-	16,011	16,011
-	44,034	355,212
<u>25,063</u>	<u>75,297</u>	<u>2,856,721</u>
<u>451,346</u>	<u>3,102,462</u>	<u>14,952,011</u>
48,361	290,510	1,647,781
-	2,491	3,772,335
-	-	23,900
-	843,676	2,032,546
-	796,069	1,387,193
145,775	270,833	1,655,563
223,672	369,486	2,939,317
1,728,452	-	2,938,848
<u>120,901</u>	<u>-</u>	<u>334,780</u>
<u>2,267,161</u>	<u>2,573,065</u>	<u>16,732,263</u>
<u>(1,815,815)</u>	<u>529,397</u>	<u>(1,780,252)</u>
-	-	14,915
-	177,897	1,266,608
-	(532,461)	(537,461)
2,625,000	-	3,080,000
<u>43,399</u>	<u>-</u>	<u>54,902</u>
<u>2,668,399</u>	<u>(354,564)</u>	<u>3,878,964</u>
852,584	174,833	2,098,712
<u>(1,053,342)</u>	<u>3,022,617</u>	<u>8,439,226</u>
<u>\$ (200,758)</u>	<u>\$ 3,197,450</u>	<u>\$ 10,537,938</u>

See notes to financial statements

City of Reedsburg

Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended December 31, 2021

Net Change in Fund Balances, Total Governmental Funds \$ 2,098,712

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	2,939,317
Some items are reported as operating expenditures in the fund financial statements but are capitalized in the government-wide statements	309,232
Depreciation is reported in the government-wide financial statements	(1,612,398)
Net book value of assets retired	(85,490)

Capital assets contributed to business-type activities are reported as capital outlay in the fund financial statements.	(95,346)
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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.	(121,016)
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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	(3,080,000)
Principal repaid	2,938,848

Governmental funds report debt premiums as other financing sources (uses) or financing sources or uses. However, in the statement of net position, these are reported as additions to or deductions from long-term debt. These are allocated over the period the debt is outstanding in the statement of activities and are reported as interest expense.	
Change in debt premium	22,837

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	(57,166)
Accrued interest	54,486
Net pension asset/liability	790,650
Deferred outflows of resources related to pensions	801,506
Deferred inflows of resources related to pensions	(1,119,682)

Change in Net Position of Governmental Activities \$ 3,784,490

City of Reedsburg

Statement of Net Position
 Proprietary Funds
 December 31, 2021

	Business-Type Activities - Enterprise Funds			
	Utility Commission	Sewer	Nonmajor Enterprise Fund - Stormwater Fund	Total
Assets				
Current assets:				
Cash and investments	\$ 15,370,772	\$ 5,597,804	\$ 309,106	\$ 21,277,682
Accounts receivable (net)	2,899,203	213,484	-	3,112,687
Other accounts receivable	385,499	-	-	385,499
Accrued interest	51,480	-	-	51,480
Due from other funds	161,454	181,125	69,550	412,129
Prepaid items	237,028	-	-	237,028
Inventories	1,991,470	-	-	1,991,470
Restricted assets:				
Cash and investments	210,694	827,655	-	1,038,349
Total current assets	21,307,600	6,820,068	378,656	28,506,324
Noncurrent assets:				
Restricted assets:				
Cash and investments	1,154,368	2,413,035	-	3,567,403
Net pension asset	952,159	159,377	59,392	1,170,928
Capital assets:				
Land	252,144	72,687	59,074	383,905
Construction work in progress	1,259,683	-	-	1,259,683
Property and equipment	85,115,605	33,510,568	7,337,473	125,963,646
Less accumulated depreciation	(39,680,275)	(15,304,880)	(3,201,453)	(58,186,608)
Other assets:				
Organization costs	167,867	-	-	167,867
Accumulated amortization of organization costs	(89,791)	-	-	(89,791)
Private parking lighting (net of accumulated depreciation)	10,673	-	-	10,673
Investment in ATC	3,193,437	-	-	3,193,437
Special assessments receivable	-	4,000	-	4,000
Total noncurrent assets	52,335,870	20,854,787	4,254,486	77,445,143
Total assets	73,643,470	27,674,855	4,633,142	105,951,467
Deferred Outflows of Resources				
Pension related amounts	1,621,071	270,859	113,898	2,005,828
Total deferred outflows of resources	1,621,071	270,859	113,898	2,005,828

See notes to financial statements

City of Reedsburg

Statement of Net Position
 Proprietary Funds
 December 31, 2021

	Business-Type Activities - Enterprise Funds			
	Utility Commission	Sewer	Nonmajor Enterprise Fund - Stormwater Fund	Total
Liabilities				
Current liabilities:				
Accounts payable	\$ 2,483,474	\$ 79,981	\$ 1,573	\$ 2,565,028
Accrued liabilities	682,656	20,162	6,719	709,537
Due to other funds	979,822	-	-	979,822
Current portion of general obligation debt	770,000	-	-	770,000
Compensated absences	170,377	11,619	-	181,996
Lease payable	-	-	66,564	66,564
Notes payable	16,123	-	-	16,123
Liabilities payable from restricted assets:				
Revenue bonds payable	86,421	1,195,405	-	1,281,826
Accrued interest payable	3,045	30,719	-	33,764
Total current liabilities	5,191,918	1,337,886	74,856	6,604,660
Noncurrent liabilities:				
Long-term debt:				
General obligation debt	12,235,000	-	-	12,235,000
Unamortized debt premium	205,680	-	-	205,680
Revenue bonds payable	666,836	6,810,267	-	7,477,103
Notes payable	10,748	-	-	10,748
Compensated absences	280,628	16,239	-	296,867
Unearned revenues	142,406	-	-	142,406
Total noncurrent liabilities	13,541,298	6,826,506	-	20,367,804
Total liabilities	18,733,216	8,164,392	74,856	26,972,464
Deferred Inflows of Resources				
Pension related amounts	2,078,594	385,644	148,011	2,612,249
Total deferred inflows of resources	2,078,594	385,644	148,011	2,612,249
Net Position				
Net investment in capital assets	33,065,994	10,272,703	4,128,530	47,467,227
Restricted for:				
Depreciation	981,023	-	-	981,023
Debt service	207,649	796,936	-	1,004,585
Equipment replacement	-	2,413,035	-	2,413,035
Impact fees	63,700	-	-	63,700
Pension	952,159	159,377	59,392	1,170,928
Unrestricted	19,182,206	5,753,627	336,251	25,272,084
Total net position	\$ 54,452,731	\$ 19,395,678	\$ 4,524,173	\$ 78,372,582

See notes to financial statements

City of Reedsburg

Statement of Revenues, Expenses and Changes in Net Position

Proprietary Funds

Year Ended December 31, 2021

	Business-Type Activities - Enterprise Funds			
	Utility Commission	Sewer	Nonmajor Enterprise Fund - Stormwater Fund	Total
Operating Revenues				
Public charges for services	\$ 31,082,800	\$ 4,790,449	\$ 540,391	\$ 36,413,640
Total operating revenues	<u>31,082,800</u>	<u>4,790,449</u>	<u>540,391</u>	<u>36,413,640</u>
Operating Expenses				
Operation and maintenance	23,590,272	1,729,395	274,511	25,594,178
Depreciation	<u>2,697,822</u>	<u>966,144</u>	<u>184,990</u>	<u>3,848,956</u>
Total operating expenses	<u>26,288,094</u>	<u>2,695,539</u>	<u>459,501</u>	<u>29,443,134</u>
Operating income	<u>4,794,706</u>	<u>2,094,910</u>	<u>80,890</u>	<u>6,970,506</u>
Nonoperating Revenues (Expenses)				
Investment income	310,328	9,848	-	320,176
Interest and amortization expense	(360,305)	(193,801)	(2,769)	(556,875)
Loss on early retirement	(499,724)	-	(185)	(499,909)
Amortization of debt premium	28,450	-	-	28,450
Miscellaneous	<u>146,038</u>	<u>-</u>	<u>-</u>	<u>146,038</u>
Total nonoperating revenues (expenses)	<u>(375,213)</u>	<u>(183,953)</u>	<u>(2,954)</u>	<u>(562,120)</u>
Income before contributions and transfers	<u>4,419,493</u>	<u>1,910,957</u>	<u>77,936</u>	<u>6,408,386</u>
Contributions and Transfers				
Capital contributions	464,794	-	-	464,794
Capital contributions, muni	95,346	-	-	95,346
Transfers out	<u>(729,147)</u>	<u>-</u>	<u>-</u>	<u>(729,147)</u>
Total contributions and transfers	<u>(169,007)</u>	<u>-</u>	<u>-</u>	<u>(169,007)</u>
Change in net position	4,250,486	1,910,957	77,936	6,239,379
Net Position, Beginning	<u>50,202,245</u>	<u>17,484,721</u>	<u>4,446,237</u>	<u>72,133,203</u>
Net Position, Ending	<u>\$ 54,452,731</u>	<u>\$ 19,395,678</u>	<u>\$ 4,524,173</u>	<u>\$ 78,372,582</u>

See notes to financial statements

City of Reedsburg

Statement of Cash Flows

Proprietary Funds

Year Ended December 31, 2021

	Business-Type Activities - Enterprise Funds			
	Utility Commission	Sewer	Nonmajor Enterprise Fund - Stormwater Fund	Total
Cash Flows From Operating Activities				
Received from customers	\$ 29,940,100	\$ 4,911,843	\$ 536,954	\$ 35,388,897
Received from other funds for services	492,289	-	-	492,289
Paid to suppliers for goods and services	(22,236,056)	(1,314,237)	(117,793)	(23,668,086)
Paid to employees for services	(1,950,660)	(413,942)	(186,643)	(2,551,245)
Net cash flows from operating activities	<u>6,245,673</u>	<u>3,183,664</u>	<u>232,518</u>	<u>9,661,855</u>
Cash Flows From Investing Activities				
Investment income	30,663	9,848	-	40,511
Investment in ATC	<u>182,259</u>	<u>-</u>	<u>-</u>	<u>182,259</u>
Net cash flows from investing activities	<u>212,922</u>	<u>9,848</u>	<u>-</u>	<u>222,770</u>
Cash Flows From Noncapital Financing Activities				
Paid to municipality for tax equivalent	<u>(752,171)</u>	<u>-</u>	<u>-</u>	<u>(752,171)</u>
Net cash flows from noncapital financing activities	<u>(752,171)</u>	<u>-</u>	<u>-</u>	<u>(752,171)</u>
Cash Flows From Capital and Related Financing Activities				
Debt retired	(846,988)	(1,166,949)	(36,363)	(2,050,300)
Interest paid	(362,999)	(198,544)	(3,767)	(565,310)
Acquisition and construction of capital assets	(5,658,282)	(163,578)	(162,362)	(5,984,222)
Capital contributions received	<u>870,465</u>	<u>-</u>	<u>-</u>	<u>870,465</u>
Net cash flows from capital and related financing activities	<u>(5,997,804)</u>	<u>(1,529,071)</u>	<u>(202,492)</u>	<u>(7,729,367)</u>
Net change in cash and cash equivalents	(291,380)	1,664,441	30,026	1,403,087
Cash and Cash Equivalents, Beginning	<u>17,027,214</u>	<u>7,174,053</u>	<u>279,080</u>	<u>24,480,347</u>
Cash and Cash Equivalents, Ending	<u>\$ 16,735,834</u>	<u>\$ 8,838,494</u>	<u>\$ 309,106</u>	<u>\$ 25,883,434</u>

See notes to financial statements

City of Reedsburg

Statement of Cash Flows

Proprietary Funds

Year Ended December 31, 2021

	Business-Type Activities - Enterprise Funds			
	Utility Commission	Sewer	Nonmajor Enterprise Fund - Stormwater Fund	Total
Reconciliation of Operating Income to Net Cash Flows From Operating Activities				
Operating income	\$ 4,794,706	\$ 2,094,910	\$ 80,890	\$ 6,970,506
Nonoperating revenue (expense)	88,282	-	-	88,282
Adjustments to reconcile operating income to net cash flows from operating activities:				
Depreciation	2,697,822	966,144	184,990	3,848,956
Depreciation charged to other funds	73,223	-	-	73,223
Depreciation on nonutility plant	12,734	-	-	12,734
Changes in assets and liabilities:				
Accounts receivable	(712,101)	148,646	-	(563,455)
Due from other funds	-	(27,252)	(3,437)	(30,689)
Prepaid items	(9,104)	-	-	(9,104)
Inventories	(1,000,307)	-	-	(1,000,307)
Accounts payable	331,147	38,684	(15,860)	353,971
Other accounts receivable	90,501	-	-	90,501
Due to other funds	(127,624)	-	-	(127,624)
Compensated absences	35,862	7,444	-	43,306
Other current liabilities	285,411	2,328	334	288,073
Unearned revenues	5,046	-	-	5,046
Pension related deferrals and liabilities	(321,095)	(47,240)	(14,399)	(382,734)
Commitment to community	1,170	-	-	1,170
Net cash flows from operating activities	<u>\$ 6,245,673</u>	<u>\$ 3,183,664</u>	<u>\$ 232,518</u>	<u>\$ 9,661,855</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position, Proprietary Funds				
Cash and investments	\$ 15,370,772	\$ 5,597,804	\$ 309,106	\$ 21,277,682
Restricted cash and investments, current	210,694	827,655	-	1,038,349
Restricted cash and investments, noncurrent	1,154,368	2,413,035	-	3,567,403
Cash and cash equivalents	<u>\$ 16,735,834</u>	<u>\$ 8,838,494</u>	<u>\$ 309,106</u>	<u>\$ 25,883,434</u>
Noncash Capital and Related Financing Activities				
ATC dividends reinvested	<u>\$ (278,706)</u>	<u>\$ -</u>	<u>\$ -</u>	
Amortization of debt premium	<u>\$ 28,450</u>	<u>\$ -</u>	<u>\$ -</u>	

See notes to financial statements

City of Reedsburg

Statement of Fiduciary Net Position
 Fiduciary Funds
 December 31, 2021

	Custodial Fund	Private- Purpose Trust Fund
	Tax Collection Fund	Nishan Community Aid for the Poor
Assets		
Cash and investments	\$ 5,266,633	\$ 90
Property taxes receivable	3,047,984	-
Total assets	<u>8,314,617</u>	<u>90</u>
Liabilities		
Due to other taxing units	<u>8,314,617</u>	<u>-</u>
Total liabilities	<u>8,314,617</u>	<u>-</u>
Net Position		
Held in trust for private trust activities	<u>-</u>	<u>90</u>
Total net position	<u>\$ -</u>	<u>\$ 90</u>

City of Reedsburg

Statement of Changes in Fiduciary Net Position
 Fiduciary Funds
 Year Ended December 31, 2021

	Custodial Fund	Private- Purpose Trust Fund
	Tax Collection Fund	Nishan Community Aid for the Poor
Additions		
Property taxes collected for other governments	\$ 6,114,635	\$ -
Total additions	<u>6,114,635</u>	<u>-</u>
Deductions		
Property taxes distributed to other governments	<u>6,114,635</u>	<u>-</u>
Total deductions	<u>6,114,635</u>	<u>-</u>
Change in fiduciary net position	-	-
Net Position, Beginning	<u>-</u>	<u>90</u>
Net Position, Ending	<u><u>\$ -</u></u>	<u><u>\$ 90</u></u>

City of Reedsburg

Statement of Net Position
 Component Units
 December 31, 2021

	Community Development Authority	Herbert H Webb Trust	Total
Assets			
Cash and investments	\$ 49,796	\$ 3,953,766	\$ 4,003,562
Loans receivable	70,000	-	70,000
Property held for resale	17,321	-	17,321
Total assets	137,117	3,953,766	4,090,883
Liabilities			
Due to primary government	-	26,909	26,909
Total liabilities	-	26,909	26,909
Net Position			
Restricted for:			
Trust purposes	-	3,926,857	3,926,857
Unrestricted net position	137,117	-	137,117
Total net position	\$ 137,117	\$ 3,926,857	\$ 4,063,974

City of Reedsburg

Statement of Revenues, Expenses and Changes in Net Position
 Component Units
 Year Ended December 31, 2021

	Community Development Authority	Herbert H. Webb Trust	Total
Operating Expenses			
Operation and maintenance	<u>13,008</u>	<u>79,317</u>	<u>92,325</u>
Total operating expenses	<u>13,008</u>	<u>79,317</u>	<u>92,325</u>
Operating loss	<u>(13,008)</u>	<u>(79,317)</u>	<u>(92,325)</u>
Nonoperating Revenues			
Investment income	<u>8,542</u>	<u>486,187</u>	<u>494,729</u>
Total nonoperating revenues	<u>8,542</u>	<u>486,187</u>	<u>494,729</u>
Change in net position	<u>(4,466)</u>	<u>406,870</u>	<u>402,404</u>
Net Position, Beginning	<u>141,583</u>	<u>3,519,987</u>	<u>3,661,570</u>
Net Position, Ending	<u><u>\$ 137,117</u></u>	<u><u>\$ 3,926,857</u></u>	<u><u>\$ 4,063,974</u></u>

City of Reedsburg

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December 31, 2021

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City of Reedsburg

Notes to Financial Statements
December 31, 2021

1. Summary of Significant Accounting Policies

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

Reporting Entity

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

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

Discretely Presented Component Units**Community Development Authority of the City of Reedsburg**

The government-wide financial statements include the Community Development Authority of the City of Reedsburg (CDA) as a component unit. The CDA is a legally separate organization. The board of the CDA is appointed by the mayor. Wisconsin Statutes provide for circumstances whereby the City can impose its will on the CDA, and also create a potential financial benefit to or burden on the City. See Note 3. As a component unit, the CDA's financial statements have been presented as a discrete column in the financial statements. The information presented is for the fiscal year ended December 31, 2021. The CDA does not issue separate financial statements.

Herbert H. Webb Trust

The government-wide financial statements include the Herbert H. Webb – Reedsburg Trust (trust) as a component unit. The trust is a legally separate tax exempt component unit of the City of Reedsburg. The trust was established to support the City of Reedsburg for public purposes. Although the city does not control the timing or amount of receipts from the trust, the resources of the trust can only be used by or for the benefit of the city. Therefore, the trust is considered to be a component unit of the city and is discretely presented in the financial statements. The information presented is for the fiscal year ended December 31, 2021. See Note 3. The trust does not issue separate financial statements.

Government-Wide and Fund Financial Statements**Government-Wide Financial Statements**

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

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

Fund Financial Statements

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

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

- a. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 10% 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

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

Debt Service Funds

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

Capital Projects Funds

Tax Incremental District (TID) No. 3 Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures outlined in the TID project plan.

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

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

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

Enterprise Funds

The City reports the following major enterprise funds:

Sewer Utility accounts for operations of the sewer system

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

The City reports the following nonmajor governmental and enterprise funds:

Special Revenue Funds

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

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

Capital Projects Funds

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

Tax Incremental Financing (TIF) District No. 3	Tax Incremental Financing (TIF) District No. 4
Tax Incremental Financing (TIF) District No. 5	Tax Incremental Financing (TIF) District No. 7
Tax Incremental Financing (TIF) District No. 8	Tax Incremental Financing (TIF) District No. 10
Capital Equipment Fund	

Enterprise Funds

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

Stormwater Fund

In addition, the City reports the following fund types:

Private-Purpose Trust Funds

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

Nishan Community Aid for the Poor

Custodial Funds

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

Tax Collection Fund

Measurement Focus, Basis of Accounting and Financial Statement Presentation**Government-Wide Financial Statements**

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

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

Fund Financial Statements

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

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

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

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

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

Proprietary and Fiduciary Funds

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

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

All Financial Statements

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

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

Deposits and Investments

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

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

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

City of Reedsburg

Notes to Financial Statements
December 31, 2021

- 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.

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

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF) and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2021, the fair value of the City's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

See Note 3 for further information.

Receivables

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

Property tax calendar - 2021 tax roll:

Lien date and levy date	December 2021
Tax bills mailed	December 2021
Payment in full, or	January 31, 2022
First installment due	January 31, 2022
Second installment due	July 31, 2022
Personal property taxes in full	January 31, 2022
Tax sale - 2021 delinquent real estate taxes	October 2024

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
December 31, 2021

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 \$422,130.

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

Inventories and Prepaid Items

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

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Restricted Assets

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

Capital Assets**Government-Wide Statements**

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$5,000 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.

City of Reedsburg

Notes to Financial Statements
December 31, 2021

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. 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.

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 nonutility property consisting of private parking lighting which is depreciated over 20 years.

Deferred Outflows of Resources

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

Compensated Absences

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

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

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2021, are determined on the basis of current salary rates and include salary related payments.

Long-Term Obligations/Conduit Debt

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

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

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

The City has approved the issuance of industrial revenue bonds (IRB) for the benefit of private business enterprises. IRB's are secured by mortgages or revenue agreements on the associated projects, and do not constitute indebtedness of the City. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The total amount of IRB's outstanding at the end of the year is approximately \$136,844, made up of three issues.

Deferred Inflows of Resources

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

Equity Classifications

Government-Wide Statements

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

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

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

Fund Statements

Governmental fund balances are displayed as follows:

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

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

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

The City has a formal minimum fund balance policy. That policy is to maintain the general fund unrestricted fund balance at 25% to 30% of the subsequent year's operating expenditure budget. The balance of unrestricted fund balance at year-end was \$4,602,887 or 64%.

See Note 3 for further information.

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

City of Reedsburg

Notes to Financial Statements
December 31, 2021

Pension

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

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

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

Water

Current water rates were approved by the Public Service Commission of Wisconsin on June 25, 2021.

Sewer

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

Communications

Current communications were approved by the utility commission and may change periodically. The utility commission approved current residential and business internet rates March 12, 2021 which were effective as of March 20, 2021. Current video rates were approved by the utility commission on November 2, 2020, which were effective as of January 20, 2021. Current telephone rates were approved by the utility commission as of February 18, 2019 which were effective as of March 20, 2019.

Stormwater

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

Capital Contributions - Enterprise Funds

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

2. Stewardship, Compliance and Accountability**Budgetary Information**

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

City of Reedsburg

Notes to Financial Statements
December 31, 2021

Excess Expenditures and Other Financing Uses Over Budget

Funds	Budgeted Expenditures	Actual Expenditures	Excess Expenditures Over Budget
Taxi Grant Fund	\$ 190,700	\$ 193,793	\$ 3,093
Park Fund	-	36,053	36,053
Triathlon Fund	-	2,253	2,253
Room Tax Fund	61,843	98,620	36,777
CDBG Fund	-	79,686	79,686
HOME loan Fund	-	11,850	11,850
Close Fund	9,413	78,044	68,631
Sidewalk Repair Fund	-	4,439	4,439
Solid Waste Fund	413,106	450,171	37,065
Library - Investment	-	74	74
Firework Fund	-	17,535	17,535
Airport	143,455	195,273	51,818
TIF District No. 7	27,773	32,608	4,835
TIF District No. 8	5,000	6,220	1,220
TIF District No. 10	-	21,075	21,075

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

Deficit Balances

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

As of December 31, 2021, the following individual funds held a deficit balance:

Fund	Amount	Reason
Municipal Court	\$ 122,748	Unfunded capital outlay
Taxi Grant Fund	5,538	Expenditures exceeding grant revenue
Tax Incremental District No. 6	182,547	Costs exceeding increment
Tax Incremental District No. 8	85,520	Costs exceeding increment
Tax Incremental District No. 9	200,758	Costs exceeding increment
Tax Incremental District No. 10	21,075	Costs exceeding increment

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.

City of Reedsburg

Notes to Financial Statements
December 31, 2021

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.

3. Detailed Notes on All Funds**Deposits and Investments**

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

	Carrying Value	Statement Balances	Associated Risks
Deposits	\$ 21,337,674	\$ 20,863,916	Custodial credit
U.S. agencies, implicitly guaranteed	1,505,975	1,505,975	Credit, custodial credit, concentration of credit, interest rate
Certificates of deposit (negotiable)	3,135,698	3,135,698	Credit, custodial credit, concentration of credit, interest rate
LGIP	13,418,329	13,418,329	Credit
Petty cash	500	-	N/A
Total deposits and investments	<u>\$ 39,398,176</u>	<u>\$ 38,923,918</u>	
Reconciliation to financial statements			
Per statement of net position:			
Unrestricted cash and investments	\$ 29,525,701		
Restricted cash and investments	4,605,752		
Per statement of net position, fiduciary funds:			
Custodial Fund	5,266,633		
Private-Purpose Trust Fund	90		
Total deposits and investments	<u>\$ 39,398,176</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, 2021, the banks had pledged various government securities in the amount of \$19,445,222 to secure the City's deposits.

City of Reedsburg

Notes to Financial Statements
December 31, 2021

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, 2021, the fair value of the investment was \$3,193,437. 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% 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, 2021			
	Level 1	Level 2	Level 3	Total
Certificates of deposit (negotiable)	\$ 3,135,698	\$ -	\$ -	\$ 3,135,698
U.S. agencies, implicitly guaranteed	-	1,505,975	-	1,505,975
Total	<u>\$ 3,135,698</u>	<u>\$ 1,505,975</u>	<u>\$ -</u>	<u>\$ 4,641,673</u>

Custodial Credit Risk

Deposits

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

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

Investments

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

As of December 31, 2021, the City's investments were exposed to custodial credit risk as follows:

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

U.S. agencies, implicitly guaranteed	\$ 1,505,975
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Credit Risk

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

City of Reedsburg

Notes to Financial Statements
December 31, 2021

As of December 31, 2021, 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)

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, 2021, the City's investments were as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity (In Years)</u>		
		<u>Less than 1</u>	<u>1-5</u>	<u>6+</u>
U.S. agencies, implicitly guaranteed	\$ 1,505,975	\$ -	\$ -	\$ 1,505,975
Certificates of deposit (negotiable)	3,135,698	2,962,013	173,685	-
Total	<u>\$ 4,641,673</u>	<u>\$ 2,962,013</u>	<u>\$ 173,685</u>	<u>\$ 1,505,975</u>

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

City of Reedsburg

Notes to Financial Statements
December 31, 2021

Receivables

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

	General Fund	Debt Service	General Capital Projects	TIF District No. 6	TIF District No. 9	Utility Commission	Sewer Utility	Nonmajor and Other Funds	Total
Receivables:									
Gross receivables	\$ 4,048,846	\$ 766,380	\$ 851,000	\$ 100,000	\$ 491,441	\$ 3,388,178	\$ 366,130	\$ 2,896,317	\$ 12,908,292
Less allowance for uncollectibles	-	-	-	-	-	(51,996)	-	(422,130)	(474,126)
Net total receivables	<u>\$ 4,048,846</u>	<u>\$ 766,380</u>	<u>\$ 851,000</u>	<u>\$ 100,000</u>	<u>\$ 491,441</u>	<u>\$ 3,336,182</u>	<u>\$ 366,130</u>	<u>\$ 2,474,187</u>	<u>\$ 12,434,166</u>
Amounts not expected to be collected within one year	<u>\$ 4,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,320,852</u>	<u>\$ 1,324,852</u>

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

	Unearned	Unavailable
Property taxes receivable for subsequent year	\$ 7,406,858	\$ -
Loan receivable	-	100,000
Flood Grant Revenue	-	161,987
American Rescue Plan Act grant revenue	<u>498,275</u>	<u>-</u>
Total unearned/unavailable revenue for governmental funds	<u>\$ 7,905,133</u>	<u>\$ 261,987</u>
Unearned revenue included in liabilities	\$ 498,275	
Unearned revenue included in deferred inflows	<u>7,406,858</u>	
Total unearned revenue for governmental funds	<u>\$ 7,905,133</u>	

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.

City of Reedsburg

Notes to Financial Statements
December 31, 2021

Equipment Replacement Account

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

Net Pension Asset

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

Impact Fee Account

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

Following is a list of restricted assets at December 31, 2021:

Restricted assets:

Redemption account	\$ 1,038,349
Reserve account	109,645
Depreciation account	981,023
Replacement account	2,413,035
Impact fee account	63,700
Net pension assets	<u>1,170,928</u>
Total restricted assets	<u>5,776,680</u>
Less restricted assets not funded by revenues	
Reserve from borrowing	<u>(109,645)</u>
Current liabilities payable from restricted assets	<u>(33,764)</u>
Total restricted net position	<u>\$ 5,633,271</u>
Governmental Activities Net Pension Asset	<u>\$ 1,547,198</u>

City of Reedsburg

Notes to Financial Statements
December 31, 2021

Capital Assets

Capital asset activity for the year ended December 31, 2021, 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	\$ 6,718,094	\$ 611,929	\$ -	\$ 7,330,023
Land for right of way	942,232	90,985	-	1,033,217
Road infrastructure not being depreciated	6,236,529	169,563	47,751	6,358,341
Construction work in progress	6,839,196	76,178	6,776,244	139,130
Total capital assets not being depreciated / amortized	<u>20,736,051</u>	<u>948,655</u>	<u>6,823,995</u>	<u>14,860,711</u>
Capital assets being depreciated / amortized:				
Buildings	12,015,718	7,911,945	-	19,927,663
Intangibles	129,121	-	-	129,121
Equipment and furniture	10,232,092	560,160	239,377	10,552,875
Infrastructure	21,483,791	508,687	143,049	21,849,429
Total capital assets being depreciated / amortized	<u>43,860,722</u>	<u>8,980,792</u>	<u>382,426</u>	<u>52,459,088</u>
Total capital assets	<u>64,596,773</u>	<u>9,929,447</u>	<u>7,206,421</u>	<u>67,319,799</u>
Less accumulated depreciation / amortization for:				
Buildings	(7,897,763)	(387,794)	-	(8,285,557)
Intangibles	(61,511)	(16,798)	-	(78,309)
Equipment and furniture	(6,358,142)	(512,479)	201,638	(6,668,983)
Infrastructure	(12,821,142)	(695,327)	143,049	(13,373,420)
Total accumulated depreciation / amortization	<u>(27,138,558)</u>	<u>(1,612,398)</u>	<u>344,687</u>	<u>(28,406,269)</u>
Net capital assets being depreciated / amortized	<u>16,722,164</u>	<u>7,368,394</u>	<u>37,739</u>	<u>24,052,819</u>
Total governmental activities capital assets, net of accumulated depreciation / amortization	<u>\$ 37,458,215</u>	<u>\$ 8,317,049</u>	<u>\$ 6,861,734</u>	<u>\$ 38,913,530</u>

Depreciation / amortization expense was charged to functions as follows:

Governmental Activities	
General government	\$ 74,828
Public safety	316,759
Public works	963,772
Culture, recreation and education	<u>257,039</u>
Total governmental activities depreciation / amortization expense	<u>\$ 1,612,398</u>

City of Reedsburg

Notes to Financial Statements
December 31, 2021

	Beginning Balance	Additions	Deletions	Ending Balance
Business-Type Activities				
Capital assets not being depreciated:				
Land	\$ 383,905	\$ -	\$ -	\$ 383,905
Construction in progress	2,406,349	6,950,649	8,097,315	1,259,683
Total capital assets not being depreciated	2,790,254	6,950,649	8,097,315	1,643,588
Capital assets being depreciated:				
Electric system	30,126,896	2,873,837	1,910,639	31,090,094
Water system	16,381,484	781,351	37,655	17,125,180
Communications system	34,407,646	2,561,641	68,956	36,900,331
Sewer system	32,547,447	965,391	2,270	33,510,568
Stormwater system	7,033,079	318,404	14,010	7,337,473
Total capital assets being depreciated	120,496,552	7,500,624	2,033,530	125,963,646
Total capital assets	123,286,806	14,451,273	10,130,845	127,607,234
Less accumulated for:				
Electric system	(18,548,026)	(1,493,824)	1,910,638	(18,131,212)
Water system	(5,519,238)	(399,939)	37,655	(5,881,522)
Communications system	(14,327,696)	(1,409,218)	69,373	(15,667,541)
Sewer system	(14,341,006)	(966,144)	2,270	(15,304,880)
Stormwater system	(3,030,288)	(184,990)	13,825	(3,201,453)
Total accumulated	(55,766,254)	(4,454,115)	2,033,761	(58,186,608)
Net capital assets being depreciated	64,730,298	3,046,509	(231)	67,777,038
Business-type capital assets, net of accumulated	<u>\$ 67,520,552</u>	<u>\$ 9,997,158</u>	<u>\$ 8,097,084</u>	<u>\$ 69,420,626</u>

Depreciation / amortization expense was charged to functions as follows:

Business-Type Activities	
Electric	\$ 971,249
Water	336,774
Communications	1,389,799
Sewer	966,144
Storm	184,990
Total business-type activities depreciation / amortization expense	<u>\$ 3,848,956</u>

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

City of Reedsburg

Notes to Financial Statements
December 31, 2021

Interfund Receivables/Payables, Advances and Transfers**Interfund Receivables/Payables**

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General fund	Utility commission	\$ 729,147
General fund	CDBG	2,363
Utility commission	General fund	161,454
Stormwater fund	Utility commission	69,550
Sewer	Utility commission	<u>181,125</u>
Total, fund financial statements		1,143,639
Less fund eliminations		<u>(575,946)</u>
Total internal balances, government-wide statement of net position		<u>\$ 567,693</u>

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Governmental activities	Business-type activities	\$ 729,147
Business-type activities	Governmental activities	<u>(151,454)</u>
Total government-wide financial statements		<u>\$ 577,693</u>

All amounts are due within one year.

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

Advances

The general fund is advancing funds to TIF Districts No. 6, No. 8, No. 9, and No.10. The amount advanced is determined by the deficiency of revenues over expenditures and other financing sources since the district's inception. No repayment schedules have been established.

The general fund is also advancing funds to the taxi and municipal court funds to cover operating deficits. No interest is being charged on these advances and no repayment schedules have been established.

City of Reedsburg

Notes to Financial Statements
December 31, 2021

The following is a schedule of interfund advances:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Amount Not Due Within One Year</u>
General fund	Taxi Fund	\$ 43,430	\$ 43,430
General fund	TIF District No. 6	188,574	188,574
General fund	TIF District No. 8	85,520	85,520
General fund	TIF District No. 9	457,638	457,638
General fund	TIF District No. 10	15,151	15,151
General fund	Municipal Court Fund	<u>111,242</u>	<u>111,242</u>
Total, fund financial statements		901,555	
Less fund eliminations		<u>(901,555)</u>	
Total, interfund advances, government-wide statement of net position		<u>\$ -</u>	

Transfers

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
General fund	Utility commission	\$ 729,147	Tax equivalent
General fund	General capital projects	5,000	Annual art funds agreement
TIF District No. 6	Nonmajor governmental funds	351,977	Increment sharing
Nonmajor governmental funds	Nonmajor governmental funds	177,897	Establish Affordable Housing Fund
General fund	Nonmajor governmental funds	<u>2,587</u>	Surplus payment
Total, fund financial statements		1,266,608	
Less fund eliminations		(537,461)	
Less assets transferred from governmental activities to business-type activities		<u>(95,346)</u>	
Total transfers, government-wide statement of activities		<u>\$ 633,801</u>	

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

City of Reedsburg

Notes to Financial Statements
December 31, 2021

Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2021, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and notes payable:					
General obligation debt	\$ 9,010,000	\$ 3,080,000	\$ 740,000	\$ 11,350,000	\$ 845,000
General obligation notes from direct borrowings and direct placements	2,198,848	-	2,198,848	-	-
(Discounts)/Premiums	388,133	-	22,837	365,296	-
Total bonds and notes payable	<u>11,596,981</u>	<u>3,080,000</u>	<u>2,961,685</u>	<u>11,715,296</u>	<u>845,000</u>
Other liabilities:					
Vested compensated absences	699,701	226,736	169,570	756,867	177,631
Total other liabilities	<u>699,701</u>	<u>226,736</u>	<u>169,570</u>	<u>756,867</u>	<u>177,631</u>
Total governmental activities long-term liabilities	<u>\$ 12,296,682</u>	<u>\$ 3,306,736</u>	<u>\$ 3,131,255</u>	<u>\$ 12,472,163</u>	<u>\$ 1,022,631</u>
Business-Type Activities					
Bonds and notes payable:					
General obligation debt	\$ 13,755,000	\$ -	\$ 750,000	\$ 13,005,000	\$ 770,000
Revenue bonds	7,588,348	-	1,082,156	6,506,192	1,111,811
Revenue bonds from direct borrowings and direct placements	2,418,395	-	165,658	2,252,737	170,015
Notes payable	42,994	-	16,123	26,871	16,123
Premiums	234,130	-	28,450	205,680	-
Subtotal	<u>24,038,867</u>	<u>-</u>	<u>2,042,387</u>	<u>21,996,480</u>	<u>2,067,949</u>
Other liabilities:					
Vested compensated absences	435,557	369,240	325,934	478,863	181,996
Capital leases	102,927	-	36,363	66,564	66,564
Total other liabilities	<u>538,484</u>	<u>369,240</u>	<u>362,297</u>	<u>545,427</u>	<u>248,560</u>
Total business-type activities long-term liabilities	<u>\$ 24,577,351</u>	<u>\$ 369,240</u>	<u>\$ 2,404,684</u>	<u>\$ 22,541,907</u>	<u>\$ 2,316,509</u>

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, 2021, was \$36,221,905. Total general obligation debt outstanding at year end was \$24,355,000.

City of Reedsburg

Notes to Financial Statements
December 31, 2021

General Obligation Debt

All general obligation debt payable is backed by the full faith and credit of the City. Debt 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					Balance
General Obligation Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	December 31, 2021
General obligation refunding bonds	05/05/2013	03/01/2023	1.20-1.80%	\$ 3,225,000	\$ 1,025,000
General obligation Corporate Purpose	07/02/2020	03/01/2033	1.5-2.0	7,425,000	7,245,000
General obligation Corporate Purpose - TIF 6	02/17/2021	03/01/2036	1.00-2.00	455,000	455,000
General obligation Corporate Purpose - TIF 9	02/17/2021	03/01/2036	1.00-2.00	2,625,000	<u>2,625,000</u>
Total governmental activities, general obligation debt					<u>\$ 11,350,000</u>

Business-Type Activities					Balance
General Obligation Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	December 31, 2021
General obligation refunding bonds	08/22/2016	03/01/2035	2.00-3.00%	\$ 7,480,000	\$ 6,680,000
General obligation refunding bonds	06/29/2017	03/01/2035	2.00-3.50	2,610,000	2,150,000
General obligation refunding bonds	09/18/2017	03/01/2029	1.55-3.00	6,000,000	<u>4,175,000</u>
Total business-type activities, general obligation debt					<u>\$ 13,005,000</u>

Debt service requirements to maturity are as follows:

Years	Governmental Activities General Obligation Debt		Business-Type Activities General Obligation Debt	
	Principal	Interest	Principal	Interest
2022	\$ 845,000	\$ 222,706	\$ 770,000	\$ 316,038
2023	840,000	181,235	790,000	299,063
2024	865,000	164,700	805,000	283,670
2025	880,000	147,250	820,000	267,214
2026	890,000	131,200	835,000	249,675
2027-2031	4,690,000	421,625	4,625,000	942,455
2032-2036	<u>2,340,000</u>	<u>60,220</u>	<u>4,360,000</u>	<u>267,988</u>
Total	<u>\$ 11,350,000</u>	<u>\$ 1,328,936</u>	<u>\$ 13,005,000</u>	<u>\$ 2,626,103</u>

City of Reedsburg

Notes to Financial Statements
December 31, 2021

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, 2021, 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, 2021</u>	
<u>Sewer Utility</u>						
Revenue bonds	05/01/2005	05/01/2025	2.565%	\$ 11,292,318	\$ 2,861,031	
Revenue bonds	05/01/2006	05/01/2025	2.365	2,981,335	752,838	
Revenue bonds	03/23/2011	05/01/2030	2.499	1,860,236	994,939	
Revenue bonds*	05/01/2013	05/01/2033	2.625	3,096,378	2,064,480	(1)
Revenue bonds	04/11/2018	05/01/2037	1.060	1,500,470	<u>1,332,384</u>	
Total Sewer Utility					<u>8,005,672</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 \$8,764,430. Principal and interest paid in the current year and total customer gross revenues were \$1,365,493 and \$4,800,297, 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, 2021. The repayment schedule is for the amount issued.

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2021</u>	
<u>Water Utility</u>						
Safe Drinking Water Loan*	01/27/2010	05/01/2029	2.67%	\$ 385,163	\$ 188,257	(2)
Main Replacements and SCADA Improvements	07/07/2014	05/01/2029	1.70-3.75	895,000	<u>565,000</u>	
Total Water Utility					<u>753,257</u>	

The water utility has pledged future revenues, net of specified operating expenses, to repay revenue bonds issued in 2010, 2011 and 2014. Proceeds from the bonds provided financing for the water systems. The bonds are solely from water revenues and are payable through 2029. Annual principal and interest payments on the bonds are expected to require 7% of water revenues. The total principal and interest remaining to be paid on the bonds is \$859,482. Principal and interest paid in the current year and total customer gross revenues were \$106,341 and \$1,754,805, respectively.

Total business-type activities, revenue debt \$ 8,758,929

City of Reedsburg

Notes to Financial Statements
December 31, 2021

Debt service requirements to maturity are as follows:

<u>Years</u>	Business-Type Activities Revenue Debt	
	<u>Principal</u>	<u>Interest</u>
2022	\$ 1,111,811	\$ 152,398
2023	1,137,071	111,629
2024	1,162,958	80,497
2025	1,194,483	51,418
2026	260,499	33,397
2027-2031	1,113,313	75,746
2032-2036	436,061	16,361
2037	89,996	475
Total	<u>\$ 6,506,192</u>	<u>\$ 521,921</u>

<u>Years</u>	Business-Type Activities Revenue Debt from Direct Borrowings and Direct Placements	
	<u>Principal</u>	<u>Interest</u>
2022	\$ 170,015	\$ 56,979
2023	174,488	52,449
2024	179,078	47,798
2025	183,788	43,026
2026	188,622	38,128
2027-2031	966,602	113,960
2032-2033	390,144	10,309
Total	<u>\$ 2,252,737</u>	<u>\$ 362,649</u>

Other Long-Term Obligations

<u>Business-Type Activities</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2021</u>
<u>Other Long-Term Obligations</u>					
Notes payable, LED street lights*	08/12/2013	08/28/2023	0%	\$ 161,226	\$ 26,871
Total business-type activities other long-term obligations					<u>\$ 26,871</u>

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

Debt service requirements to maturity are as follows:

<u>Years</u>	Business-Type Activities Other Long-Term Obligations	
	<u>Principal</u>	<u>Interest</u>
2022	\$ 16,123	\$ -
2023	10,748	-
Total	<u>\$ 26,871</u>	<u>\$ -</u>

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.

Debt Coverage Sewer Utility

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

Operating revenues	\$ 4,790,449
Investment income	9,848
Less operation and maintenance expenses	<u>(1,729,395)</u>
Net defined earnings	<u><u>\$ 3,070,902</u></u>
Minimum Required Earnings per Resolution:	
Highest annual debt service 2005 CWF bonds	\$ 753,099
Highest annual debt service 2006 CWF bonds	197,369
Highest annual debt service 2011 CWF bonds	123,598
Highest annual debt service 2013 CWF bonds	200,886
Highest annual debt service 2018 CWF bonds	<u>90,543</u>
Subtotal	1,365,495
Coverage factor	<u>1.10</u>
Minimum required earnings	<u><u>\$ 1,502,045</u></u>
Actual Debt Coverage	<u><u>2.25 %</u></u>

City of Reedsburg

Notes to Financial Statements
December 31, 2021

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, 2021, are as follows:

<u>Years</u>	Business-Type Activities		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 66,564	\$ 2,436	\$ 69,000
Total	<u>\$ 66,564</u>	<u>\$ 2,436</u>	<u>\$ 69,000</u>

Net Position/Fund Balances

Net position reported on the government-wide statement of net position at December 31, 2021, includes the following:

Governmental Activities

Net investment in capital assets:

Land	\$ 14,721,581
Construction in progress	139,130
Capital assets, net of accumulated depreciation	24,052,819
Less long-term debt outstanding	(11,350,000)
Plus noncapital debt proceeds	2,105,000
Less unamortized debt premium	<u>(365,296)</u>
Total net investment in capital assets	<u>29,303,234</u>

Restricted:

Debt service	1,107
Trust purposes	224,252
Housing and economic development	1,473,094
Library	576,567
Pension	1,547,198
Capital projects	1,326,337
Park development	117,658
Room Tax	<u>34,462</u>

Total restricted	<u>5,300,675</u>
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Unrestricted	<u>3,350,587</u>
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Total governmental activities net position	<u>\$ 37,954,496</u>
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City of Reedsburg

Notes to Financial Statements
December 31, 2021

Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2021, include the following:

	<u>General Fund</u>	<u>General Debt Service</u>	<u>General Capital Projects</u>	<u>TIF District No. 6</u>	<u>TID District No. 9</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Fund Balances							
Nonspendable:							
Prepaid items	\$ 99,986	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 99,986
Investment in mutual insurance company	200,515	-	-	-	-	-	200,515
Advances	901,555	-	-	-	-	-	901,555
Land held for resale	497,976	-	-	-	-	-	497,976
Subtotal	<u>1,700,032</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,700,032</u>
Restricted for:							
Capital projects	-	-	1,326,337	-	-	-	1,326,337
Public purpose	-	-	-	-	-	200,309	200,309
General City expenditures	-	-	-	-	-	34,462	34,462
Recreational and playground purposes	-	-	-	-	-	23,943	23,943
Loans	-	-	-	-	-	1,295,197	1,295,197
Library	-	-	-	-	-	576,567	576,567
Park improvements	-	-	-	-	-	117,658	117,658
Debt service	-	94,537	-	-	-	-	94,537
Affordable housing	-	-	-	-	-	177,897	177,897
Subtotal	<u>-</u>	<u>94,537</u>	<u>1,326,337</u>	<u>-</u>	<u>-</u>	<u>2,426,033</u>	<u>3,846,907</u>
Committed to:							
Sidewalk repairs	-	-	-	-	-	30,494	30,494
Solid waste and recycling activities	-	-	-	-	-	172,746	172,746
Drug education	-	-	-	-	-	31,364	31,364
Recreation	-	-	-	-	-	89,774	89,774
Airport	-	-	-	-	-	1,970	1,970
Defederalized loans cash on hand	-	-	-	-	-	407,793	407,793
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>734,141</u>	<u>734,141</u>
Assigned to:							
Capital projects	238,973	-	-	-	-	272,157	511,130
CIVMIC self-insurance retention	100,000	-	-	-	-	-	100,000
PILOT	729,147	-	-	-	-	-	729,147
Subtotal	<u>1,068,120</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>272,157</u>	<u>1,340,277</u>
Unassigned (deficit)	<u>3,534,767</u>	<u>-</u>	<u>-</u>	<u>(182,547)</u>	<u>(200,758)</u>	<u>(234,881)</u>	<u>2,916,581</u>
Total fund balances (deficit)	<u>\$ 6,302,919</u>	<u>\$ 94,537</u>	<u>\$ 1,326,337</u>	<u>\$ (182,547)</u>	<u>\$ (200,758)</u>	<u>\$ 3,197,450</u>	<u>\$ 10,537,938</u>

City of Reedsburg

Notes to Financial Statements
December 31, 2021

Business-Type Activities

Net investment in capital assets:

Land	\$ 383,905
Construction in progress	1,259,683
Capital assets, net of accumulated depreciation	67,777,038
Less Long-term debt outstanding	(21,857,364)
Plus noncapital debt proceeds	109,645
Less unamortized debt premium	<u>(205,680)</u>

Total net investment in capital assets	<u>47,467,227</u>
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Restricted:

Impact fees	63,700
Debt service	1,004,585
Equipment replacement	2,413,035
Pension	1,170,928
Depreciation	<u>981,023</u>

Total restricted	<u>5,633,271</u>
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Unrestricted	<u>25,272,084</u>
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Total business-type activities net position	<u><u>\$ 78,372,582</u></u>
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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	\$ 1,634,324	\$ 22,567,112	\$ 6,656,751	\$ 30,858,187
Other operating revenues	119,164	68,429	37,020	224,613
Depreciation expense	(336,774)	(971,249)	(1,389,799)	(2,697,822)
Other operating expenses	<u>(902,700)</u>	<u>(18,993,125)</u>	<u>(3,694,447)</u>	<u>(23,590,272)</u>
Operating income	<u>514,014</u>	<u>2,671,167</u>	<u>1,609,525</u>	<u>4,794,706</u>

City of Reedsburg

Notes to Financial Statements
December 31, 2021

	<u>Water Utility</u>	<u>Electric Utility</u>	<u>Communications</u>	<u>Total</u>
Nonoperating Revenues				
(Expenses)				
Investment earnings	\$ 1,193	\$ 307,047	\$ 2,088	\$ 310,328
Loss on retirement	(1,670)	(498,054)	-	(499,724)
Miscellaneous nonoperating income				
(expense)	116,662	124	29,252	146,038
Interest and amortization expense	(25,196)	(230)	(334,879)	(360,305)
Amortization of debt premium	-	-	28,450	28,450
Capital contributions	139,015	108,201	312,924	560,140
Payment in lieu of taxes	(245,008)	(484,139)	-	(729,147)
Change in net position	<u>\$ 499,010</u>	<u>\$ 2,104,116</u>	<u>\$ 1,647,360</u>	<u>\$ 4,250,486</u>

Component Units**Community Development Authority of the City of Reedsburg**

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

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

a. Basis of Accounting/Measurement Focus

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

b. Deposits and Investments

	<u>Carrying Value</u>	<u>Statement Balances</u>	<u>Associated Risks</u>
Deposits	\$ 49,796	\$ 49,796	Custodial credit

Custodial Credit Risk**Deposits**

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

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

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

City of Reedsburg

Notes to Financial Statements
December 31, 2021

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.

d. Property Held for Resale

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

Herbert H. Webb Trust

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

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

a. Basis of Accounting/Masurement Focus

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

b. Deposits and Investments

	<u>Carrying Value</u>	<u>Statement Balances</u>	<u>Associated Risks</u>
Mutual funds, other than bonds	<u>\$ 3,953,766</u>	<u>\$ 3,953,766</u>	Custodial credit
Total deposits and investments	<u><u>\$ 3,953,766</u></u>	<u><u>\$ 3,953,766</u></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

<u>Investment Type</u>	<u>December 31, 2021</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds, other than bonds	<u>\$ 3,953,766</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,953,766</u>
Total	<u><u>\$ 3,953,766</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,953,766</u></u>

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 1 for further information on deposit and investment policies.

c. Cash and Cash Equivalents

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

4. Other Information

Employees' Retirement System

Plan Description

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

ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

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.

City of Reedsburg

Notes to Financial Statements
December 31, 2021

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.

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 %
2011	(1.2)	11.0
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0

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 \$523,104 in contributions from the City.

Contribution rates for the plan year reported as of December 31, 2021 are:

Employee Category	Employee	Employer
General (executives & elected officials)	6.75 %	6.75 %
Protective with Social Security	6.75 %	11.65 %
Protective without Social Security	6.75 %	16.25 %

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

At December 31, 2021, the City reported an asset of \$2,718,126 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2020, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019 rolled forward to December 31, 2020. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2020, the City's proportion was 0.04353782%, which was an increase of 0.00228065% from its proportion measured as of December 31, 2019.

For the year ended December 31, 2021, the City recognized pension expense of \$(332,105).

At December 31, 2021, 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	\$ 3,933,963	\$ 847,368
Changes in assumptions	61,652	-
Net differences between projected and actual earnings on pension plan investments	-	5,103,061
Changes in proportion and differences between employer contributions and proportionate share of contributions	35,364	-
Employer contributions subsequent to the measurement date	572,465	-
Total	<u>\$ 4,603,444</u>	<u>\$ 5,950,429</u>

\$572,465 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Years Ending December 31:	Deferred Outflows of Resources and Deferred Inflows of Resources (Net)
2022	\$ (491,027)
2023	(126,183)
2024	(915,373)
2025	(386,867)

Actuarial Assumptions

The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2019
Measurement Date of Net Pension Liability (Asset):	December 31, 2020
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1%-5.6%
Mortality:	Wisconsin 2018 Mortality Table
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. The Total Pension Liability for December 31, 2020 is based upon a roll-forward of the liability calculated from the December 31, 2019 actuarial valuation.

City of Reedsburg

Notes to Financial Statements
December 31, 2021

Long-Term Expected Return on Plan Assets

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

Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Global Equities	51	7.2	4.7
Fixed Income	25	3.2	0.8
Inflation Sensitive Assets	16	2.0	(0.4)
Real Estate	8	5.6	3.3
Private Equity/Debt	11	10.2	7.6
Multi-Asset	4	5.8	3.3
Total Core Fund	115	6.6	4.1
Variable Fund Asset Class			
U.S Equities	70	6.6	4.1
International Equities	30	7.4	4.9
Total Variable Fund	100	7.1	4.6

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.4%

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 for the current and prior year. This single discount rate was based on the expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.00%. (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2020. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.) Because of the unique structure of WRS, the 7.00% 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 investment rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the City's proportionate share of the net pension asset calculated using the discount rate of 7.00%, as well as what the City's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) 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)	<u>\$ 2,587,279</u>	<u>\$ (2,718,126)</u>	<u>\$ (6,614,907)</u>

Pension Plan Fiduciary Net Position

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

At December 31, 2021, the City reported a payable to the pension plan which represents contractually required contributions outstanding as of the end of the year.

Risk Management

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

Public Entity Risk Pool**Wisconsin Municipal Insurance Commission (WMIC)
Cities and Villages Mutual Insurance Company (CVMIC)**

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

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

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

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 \$0 in the general fund.

The City pays an annual premium to CVMIC for its general liability insurance, which provides coverage up to \$5,000,000 per occurrence, less the City's retained liability. The City's retained liability is limited to \$37,500 per occurrence and an annual aggregate limit of \$150,000. A total liability of approximately \$0 at December 31, 2021, was recorded as claims payable in the general fund.

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

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

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

WPPI Energy's outstanding debt service obligation to be paid by its members through their wholesale power charges through the remainder of the long-term contract was \$291 million as of December 31, 2021.

City of Reedsburg

Notes to Financial Statements
December 31, 2021

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 \$116,136 to the district for 2021. 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.

Economic Dependency**Utility Commission**

The electric utility has one significant customer who was responsible for 29% of operating revenues in 2021.

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. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*
- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*
- Statement No. 96, *Subscription-Based Information Technology Arrangements*
- Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*

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

REQUIRED SUPPLEMENTARY INFORMATION

City of Reedsburg

Detailed Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - General Fund
Year Ended December 31, 2021

	Original and Final Budget	Actual	Variance with Final Budget
Revenues			
Taxes			
General property taxes	\$ 3,821,131	\$ 3,821,131	\$ -
Mobile home taxes	104,000	108,960	4,960
Room taxes	2,000	2,377	377
Payments in lieu of taxes	130,000	124,830	(5,170)
Interest on delinquent taxes	500	96	(404)
Other taxes	-	2,839	2,839
Total taxes	4,057,631	4,060,233	2,602
Intergovernmental Revenues			
State shared revenues	733,590	721,926	(11,664)
Fire insurance tax from state	25,000	31,664	6,664
State aid, exempt computers	17,899	17,899	-
State aid, law enforcement training	15,000	15,587	587
State aid, road allotment	458,294	520,256	61,962
State aid, connecting streets	49,637	49,853	216
Other state payments	-	7,218	7,218
State aid, aid to state facilities	4,500	-	(4,500)
State aid, personal property aid	62,837	58,144	(4,693)
Federal aid, flooding	-	726,810	726,810
Total intergovernmental revenues	1,366,757	2,149,357	782,600
Licenses and Permits			
Liquor and malt beverage	20,000	14,250	(5,750)
Operators' license	10,000	8,100	(1,900)
Cigarette licenses	1,600	1,200	(400)
Amusement device licenses	550	455	(95)
Mobile home park licenses	650	702	52
Cable television franchise fees	155,000	109,155	(45,845)
Recycling	25	-	(25)
Bicycle licenses	60	40	(20)
Dog and cat licenses	6,500	7,234	734
Transient licenses	100	-	(100)
Building permits	50,000	29,722	(20,278)
Electrical permits	10,000	9,721	(279)
Plumbing permits	7,500	5,489	(2,011)
Other permits	283	488	205
Zoning permits and fees	2,500	4,912	2,412
State permit seals	800	1,400	600
Total licenses and permits	265,568	192,868	(72,700)
Fines and Forfeitures			
Parking violations	-	13,631	13,631
Other law and ordinance violations	-	160	160
Total fines and forfeitures	-	13,791	13,791

See notes to required supplementary information

City of Reedsburg

Detailed Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - General Fund
Year Ended December 31, 2021

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Public Charges for Services			
Special assessment search	\$ 6,000	\$ 9,125	\$ 3,125
Clerk and treasurer fees	1,300	732	(568)
License publication fees	1,000	875	(125)
Land use inquiries	5,500	6,504	1,004
Photocopies	2,000	445	(1,555)
Police fees	26,800	64,666	37,866
Adult volleyball fees	900	825	(75)
Weed and nuisance control	8,000	1,686	(6,314)
Swimming pools	38,000	47,648	9,648
Parks	17,500	17,448	(52)
Other recreation programs	30,700	25,938	(4,762)
Youth soccer program	1,500	1,650	150
Youth tennis program	200	65	(135)
Registration fees	7,500	1,455	(6,045)
Bid security deposits	175	30	(145)
Trees	600	2,525	1,925
Sale of materials	-	200	200
Weed and nuisance control	2,500	3,276	776
Total public charges for services	<u>150,175</u>	<u>185,093</u>	<u>34,918</u>
Intergovernmental Charges for Services			
Local government services	<u>146,050</u>	<u>161,171</u>	<u>15,121</u>
Total intergovernmental charges for services	<u>146,050</u>	<u>161,171</u>	<u>15,121</u>
Investment Income			
Investment income	56,000	303,069	247,069
Interest on City billings	<u>1,000</u>	<u>253</u>	<u>(747)</u>
Total investment income	<u>57,000</u>	<u>303,322</u>	<u>246,322</u>
Miscellaneous			
Donations	12,000	18,000	6,000
Workers compensation dividends	30,000	42,477	12,477
Rent	24,500	28,554	4,054
Other miscellaneous	<u>3,891</u>	<u>27,123</u>	<u>23,232</u>
Total miscellaneous	<u>70,391</u>	<u>116,154</u>	<u>45,763</u>
Other Financing Sources			
Property sales	15,000	14,915	(85)
Transfers in	<u>910,000</u>	<u>736,734</u>	<u>(173,266)</u>
Total other financing sources	<u>925,000</u>	<u>751,649</u>	<u>(173,351)</u>
Total revenues	<u>7,038,572</u>	<u>7,933,638</u>	<u>895,066</u>

See notes to required supplementary information

City of Reedsburg

Detailed Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - General Fund
Year Ended December 31, 2021

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Expenditures			
General Government			
Council	\$ 31,070	\$ 30,305	\$ 765
Legal	53,000	48,232	4,768
Mayor	9,074	9,584	(510)
Administrator	138,436	148,563	(10,127)
Legislative support	85,739	100,773	(15,034)
Financial management	138,682	141,451	(2,769)
Assessment of property	47,500	46,131	1,369
GIS/mapping	21,512	22,037	(525)
Buildings and plant	86,850	146,426	(59,576)
Other general government	443,484	453,268	(9,784)
Total general government	1,055,347	1,146,770	(91,423)
Public Safety			
Police	2,401,753	2,436,187	(34,434)
Fire protection	255,939	249,001	6,938
Hydrant rental	306,749	321,030	(14,281)
Ambulance	116,136	116,136	-
Building inspection	59,313	57,456	1,857
Emergency government	8,500	8,307	193
Emergency communication (911)	619,266	581,727	37,539
Total public safety	3,767,656	3,769,844	(2,188)
Health and Human Services			
Regulation and inspection	-	3,900	(3,900)
Animal control	150	-	150
Cemetery	20,000	20,000	-
Total health and human services	20,150	23,900	(3,750)
Public Works			
General public works	5,000	69,066	(64,066)
Engineering	145,465	138,670	6,795
Machinery	221,399	246,098	(24,699)
Garages and sheds	43,936	31,904	12,032
Street maintenance	405,585	278,505	127,080
Sidewalks	10,984	8,955	2,029
Parking lot	2,000	1,837	163
Tree and brush removal	21,968	25,032	(3,064)
Traffic control	35,821	34,791	1,030
Snow and ice control	191,399	182,753	8,646
Street lighting	155,000	171,259	(16,259)
Total public works	1,238,557	1,188,870	49,687

See notes to required supplementary information

City of Reedsburg

Detailed Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - General Fund
Year Ended December 31, 2021

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Culture, Recreation and Education			
Parks	\$ 408,134	\$ 308,037	\$ 100,097
Recreation	60,350	40,785	19,565
Recreation administration	58,284	68,496	(10,212)
Celebration and entertainment	5,500	4,086	1,414
Recreation facilities	36,500	42,502	(6,002)
Swimming areas	101,297	107,443	(6,146)
Art	-	19,775	(19,775)
	<u>670,065</u>	<u>591,124</u>	<u>78,941</u>
Total culture, recreation and education			
Conservation and Development			
Tree planting	30,000	37,587	(7,587)
Nuisance control	2,000	1,068	932
Planning	51,798	50,711	1,087
Historic preservation	3,000	460	2,540
Economic development	38,000	25,019	12,981
Industrial development	25,000	53,273	(28,273)
Other conservation and development	10,000	1,019,826	(1,009,826)
	<u>159,798</u>	<u>1,187,944</u>	<u>(1,028,146)</u>
Total conservation and development			
Total expenditures	<u>6,911,573</u>	<u>7,908,452</u>	<u>(996,879)</u>
Net change in fund balance	126,999	25,186	(101,813)
Fund Balance, Beginning	<u>6,277,733</u>	<u>6,277,733</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 6,404,732</u>	<u>\$ 6,302,919</u>	<u>\$ (101,813)</u>

City of Reedsburg

Schedule of Proportionate Share of the Net Pension Liability/(Asset) -

Wisconsin Retirement System

Year Ended December 31, 2021

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
12/31/21	0.04353782%	\$ (2,718,126)	\$ 6,560,274	41.43%	105.26%
12/31/20	0.04125717%	(1,330,319)	5,953,510	22.35%	102.96%
12/31/19	0.03962762%	1,409,826	5,538,283	25.46%	96.45%
12/31/18	0.03855570%	(1,144,764)	5,211,314	21.97%	102.93%
12/31/17	0.03831581%	315,814	4,959,220	6.37%	99.12%
12/31/16	0.03880459%	630,567	4,957,808	12.72%	98.20%
12/31/15	0.03905310%	(958,988)	4,956,357	19.35%	102.74%

Schedule of Employer Contributions - Wisconsin Retirement System

Year Ended December 31, 2021

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
12/31/21	\$ 572,465	\$ 572,465	\$ -	\$ 7,214,901	7.93%
12/31/20	523,103	523,103	-	6,560,275	7.97%
12/31/19	448,100	448,100	-	5,953,511	7.53%
12/31/18	424,504	424,504	-	5,538,283	7.66%
12/31/17	401,641	401,641	-	5,456,920	7.36%
12/31/16	361,343	361,343	-	4,952,868	7.30%
12/31/15	367,750	367,750	-	4,957,808	7.42%

See notes to the required supplementary information

City of Reedsburg

Notes to Required Supplementary Information
Year Ended December 31, 2021

Budgetary Information

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

The budgeted amounts presented are as presented in the original budget and no amendments were adopted during the year. The City may authorize transfers of budgeted amounts within departments. Transfers between departments and changes to the overall budget must be approved by a two-thirds council action.

Appropriations lapse at year end unless specifically carried over. There were no carryovers to the following year. Budgets are adopted at the department level of expenditure.

Wisconsin Retirement System

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

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

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

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

SUPPLEMENTARY INFORMATION

City of Reedsburg

Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2021

	Special Revenue Funds				
	Taxi Grant Fund	Park Fund	Triathlon Fund	DARE Fund	Webb Endowment Fund
Assets					
Cash and investments	\$ -	\$ 117,658	\$ 35,614	\$ 31,364	\$ 173,400
Receivables:					
Taxes receivable	-	-	-	-	-
Customer accounts receivable	-	-	-	-	-
Loans	-	-	-	-	-
Due from other governments	37,892	-	-	-	-
Due from component units	-	-	-	-	26,909
Total assets	<u>\$ 37,892</u>	<u>\$ 117,658</u>	<u>\$ 35,614</u>	<u>\$ 31,364</u>	<u>\$ 200,309</u>
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable	\$ -	\$ -	\$ 400	\$ -	\$ -
Accrued liabilities	-	-	-	-	-
Due to other funds	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Advances from other funds	43,430	-	-	-	-
Total liabilities	<u>43,430</u>	<u>-</u>	<u>400</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources					
Unearned revenue	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit)					
Restricted	-	117,658	-	-	200,309
Committed	-	-	35,214	31,364	-
Assigned	-	-	-	-	-
Unassigned (deficit)	(5,538)	-	-	-	-
Total fund balances (deficit)	<u>(5,538)</u>	<u>117,658</u>	<u>35,214</u>	<u>31,364</u>	<u>200,309</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 37,892</u>	<u>\$ 117,658</u>	<u>\$ 35,614</u>	<u>\$ 31,364</u>	<u>\$ 200,309</u>

City of Reedsburg

Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2021

Special Revenue Funds

Nishan Park Concession Stand Fund	Room Tax Fund	CDBG Fund	HCRI Fund	Home Loan Fund	CLOSE	Sidewalk Repair Fund
\$ 15,940	\$ 34,462	\$ 438,070	\$ 34,960	\$ 42,167	\$ 291,778	\$ 30,494
-	-	-	-	-	-	837
-	-	-	-	-	-	-
-	-	730,621	5,000	46,742	116,359	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 15,940</u>	<u>\$ 34,462</u>	<u>\$ 1,168,691</u>	<u>\$ 39,960</u>	<u>\$ 88,909</u>	<u>\$ 408,137</u>	<u>\$ 31,331</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	344	-
-	-	2,363	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	2,363	-	-	344	-
-	-	-	-	-	-	837
-	-	-	-	-	-	837
-	34,462	1,166,328	39,960	88,909	-	-
15,940	-	-	-	-	407,793	30,494
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>15,940</u>	<u>34,462</u>	<u>1,166,328</u>	<u>39,960</u>	<u>88,909</u>	<u>407,793</u>	<u>30,494</u>
<u>\$ 15,940</u>	<u>\$ 34,462</u>	<u>\$ 1,168,691</u>	<u>\$ 39,960</u>	<u>\$ 88,909</u>	<u>\$ 408,137</u>	<u>\$ 31,331</u>

	Special Revenue Funds				
	Solid Waste Fund	Mannigal Endowment Fund	Library - County Funding	Library - Investment	Popple Trail Donations
Assets					
Cash and investments	\$ 172,746	\$ 23,943	\$ 238,770	\$ 360,361	\$ 6,000
Receivables:					
Taxes receivable	422,004	-	472,000	-	-
Customer accounts receivable	-	-	-	-	-
Loans	-	-	-	-	-
Due from other governments	-	-	-	-	-
Due from component units	-	-	-	-	-
Total assets	<u>\$ 594,750</u>	<u>\$ 23,943</u>	<u>\$ 710,770</u>	<u>\$ 360,361</u>	<u>\$ 6,000</u>
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable	\$ -	\$ -	\$ 4,516	\$ -	\$ -
Accrued liabilities	-	-	18,048	-	-
Due to other funds	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Advances from other funds	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>22,564</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources					
Unearned revenue	<u>422,004</u>	<u>-</u>	<u>472,000</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>422,004</u>	<u>-</u>	<u>472,000</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit)					
Restricted	-	23,943	216,206	360,361	-
Committed	172,746	-	-	-	6,000
Assigned	-	-	-	-	-
Unassigned (deficit)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances (deficit)	<u>172,746</u>	<u>23,943</u>	<u>216,206</u>	<u>360,361</u>	<u>6,000</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 594,750</u>	<u>\$ 23,943</u>	<u>\$ 710,770</u>	<u>\$ 360,361</u>	<u>\$ 6,000</u>

City of Reedsburg

Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2021

Special Revenue Funds					Capital Projects Funds	
Fireworks Fund	Airport	Municipal Courts	American Rescue Plan Act	Affordable Housing Fund	TIF District No. 3	TIF District No. 4
\$ 32,620	\$ 2,029	\$ -	\$ 498,275	\$ 177,897	\$ -	\$ -
14,500	71,598	-	-	-	-	299,526
-	720	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 47,120</u>	<u>\$ 74,347</u>	<u>\$ -</u>	<u>\$ 498,275</u>	<u>\$ 177,897</u>	<u>\$ -</u>	<u>\$ 299,526</u>
\$ -	\$ 421	\$ 6,834	\$ -	\$ -	\$ -	\$ -
-	358	4,672	-	-	-	-
-	-	-	-	-	-	-
-	-	-	498,275	-	-	-
-	-	111,242	-	-	-	-
-	779	122,748	498,275	-	-	-
14,500	71,598	-	-	-	-	299,526
14,500	71,598	-	-	-	-	299,526
-	-	-	-	177,897	-	-
32,620	1,970	-	-	-	-	-
-	-	-	-	-	-	-
-	-	(122,748)	-	-	-	-
32,620	1,970	(122,748)	-	177,897	-	-
<u>\$ 47,120</u>	<u>\$ 74,347</u>	<u>\$ -</u>	<u>\$ 498,275</u>	<u>\$ 177,897</u>	<u>\$ -</u>	<u>\$ 299,526</u>

	Capital Projects Funds				
	TIF District No. 5	TIF District No. 7	TIF District No. 8	TIF District No. 10	Capital Equipment Fund
Assets					
Cash and investments	\$ -	\$ 3,693	\$ -	\$ -	\$ 351,779
Receivables:					
Taxes receivable	-	-	59,588	-	196,800
Customer accounts receivable	-	-	-	-	-
Loans	-	-	-	-	-
Due from other governments	-	-	-	-	-
Due from component units	-	-	-	-	-
Total assets	<u>\$ -</u>	<u>\$ 3,693</u>	<u>\$ 59,588</u>	<u>\$ -</u>	<u>\$ 548,579</u>
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable	\$ -	\$ 3,693	\$ -	\$ 5,924	\$ 79,622
Accrued liabilities	-	-	-	-	-
Due to other funds	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Advances from other funds	-	-	85,520	15,151	-
Total liabilities	<u>-</u>	<u>3,693</u>	<u>85,520</u>	<u>21,075</u>	<u>79,622</u>
Deferred Inflows of Resources					
Unearned revenue	-	-	59,588	-	196,800
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>59,588</u>	<u>-</u>	<u>196,800</u>
Fund Balances (Deficit)					
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	272,157
Unassigned (deficit)	-	-	(85,520)	(21,075)	-
Total fund balances (deficit)	<u>-</u>	<u>-</u>	<u>(85,520)</u>	<u>(21,075)</u>	<u>272,157</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ -</u>	<u>\$ 3,693</u>	<u>\$ 59,588</u>	<u>\$ -</u>	<u>\$ 548,579</u>

City of Reedsburg

Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2021

**Total
 Nonmajor
 Governmental
 Funds**

\$ 3,114,020
 1,536,853
 720
 898,722
 37,892
26,909
\$ 5,615,116

\$ 101,410
 23,422
 2,363
 498,275
255,343
880,813

1,536,853

1,536,853

2,426,033
 734,141
 272,157
(234,881)

3,197,450

\$ 5,615,116

City of Reedsburg

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 Year Ended December 31, 2021

	Special Revenue Funds				
	Taxi Grant Fund	Park Fund	Triathlon Fund	DARE Fund	Webb Endowment Fund
Revenues					
Taxes	\$ 18,500	\$ -	\$ -	\$ -	\$ -
Intergovernmental	184,210	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Public charges for services	-	45,128	3,000	-	-
Special assessments	-	-	-	-	-
Investment income	-	11	-	-	42,097
Miscellaneous revenues	3,590	-	-	21,061	4,427
Total revenues	206,300	45,139	3,000	21,061	46,524
Expenditures					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	2,491	-
Public works	193,793	-	-	-	-
Culture, recreation and education	-	36,053	2,253	-	-
Conservation and development	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	193,793	36,053	2,253	2,491	-
Excess (deficiency) of revenues over expenditures	12,507	9,086	747	18,570	46,524
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balances	12,507	9,086	747	18,570	46,524
Fund Balances (Deficit), Beginning	(18,045)	108,572	34,467	12,794	153,785
Fund Balances (Deficit), Ending	<u>\$ (5,538)</u>	<u>\$ 117,658</u>	<u>\$ 35,214</u>	<u>\$ 31,364</u>	<u>\$ 200,309</u>

City of Reedsburg

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 Year Ended December 31, 2021

Special Revenue Funds

Nishan Park Concession Stand Fund	Room Tax Fund	CDBG Fund	HCRI Fund	Home Loan Fund	CLOSE	Sidewalk Repair Fund
\$ -	\$ 95,100	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,295	-	-	-	-	-	-
-	-	-	-	-	-	6,605
-	-	284	316	42	-	-
-	-	-	-	-	-	-
1,295	95,100	284	316	42	-	6,605
-	-	-	-	-	428	-
-	-	-	-	-	-	-
-	-	-	-	-	-	4,439
-	22,550	-	-	-	-	-
-	76,070	79,686	-	11,850	77,616	-
-	-	-	-	-	-	-
-	98,620	79,686	-	11,850	78,044	4,439
1,295	(3,520)	(79,402)	316	(11,808)	(78,044)	2,166
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,295	(3,520)	(79,402)	316	(11,808)	(78,044)	2,166
14,645	37,982	1,245,730	39,644	100,717	485,837	28,328
\$ 15,940	\$ 34,462	\$ 1,166,328	\$ 39,960	\$ 88,909	\$ 407,793	\$ 30,494

	Special Revenue Funds				
	Solid Waste Fund	Mannigal Endowment Fund	Library - County Funding	Library - Investment	Popple Trail Donations
Revenues					
Taxes	\$ -	\$ -	\$ 468,000	\$ -	\$ -
Intergovernmental	10,540	-	278,531	-	-
Fines and forfeitures	-	-	-	-	-
Public charges for services	421,307	-	9,272	-	-
Special assessments	-	-	-	-	-
Investment income	-	15	-	1,269	-
Miscellaneous revenues	-	-	3,816	7,739	-
Total revenues	<u>431,847</u>	<u>15</u>	<u>759,619</u>	<u>9,008</u>	<u>-</u>
Expenditures					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	450,171	-	-	-	-
Culture, recreation and education	-	-	717,604	74	-
Conservation and development	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>450,171</u>	<u>-</u>	<u>717,604</u>	<u>74</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(18,324)</u>	<u>15</u>	<u>42,015</u>	<u>8,934</u>	<u>-</u>
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(18,324)</u>	<u>15</u>	<u>42,015</u>	<u>8,934</u>	<u>-</u>
Fund Balances (Deficit), Beginning	<u>191,070</u>	<u>23,928</u>	<u>174,191</u>	<u>351,427</u>	<u>6,000</u>
Fund Balances (Deficit), Ending	<u>\$ 172,746</u>	<u>\$ 23,943</u>	<u>\$ 216,206</u>	<u>\$ 360,361</u>	<u>\$ 6,000</u>

City of Reedsburg

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 Year Ended December 31, 2021

Special Revenue Funds					Capital Projects Funds	
Fireworks Fund	Airport	Municipal Courts	American Rescue Plan Act	Affordable Housing Fund	TIF District No. 3	TIF District No. 4
\$ 14,500	\$ 67,760	\$ -	\$ -	\$ -	\$ 87,464	\$ 327,715
-	34,100	-	-	-	3,579	17,157
-	-	256,755	-	-	-	-
500	94,549	-	-	-	-	-
-	-	-	-	-	-	9,406
-	-	-	-	-	-	-
-	10,608	-	-	-	-	-
15,000	207,017	256,755	-	-	91,043	354,278
-	-	267,902	-	-	6,025	525
-	-	-	-	-	-	-
-	195,273	-	-	-	-	-
17,535	-	-	-	-	-	-
-	-	-	-	-	-	1,776
-	-	10,000	-	-	-	-
17,535	195,273	277,902	-	-	6,025	2,301
(2,535)	11,744	(21,147)	-	-	85,018	351,977
-	-	-	-	177,897	-	-
-	-	-	-	-	(85,018)	(351,977)
-	-	-	-	177,897	(85,018)	(351,977)
(2,535)	11,744	(21,147)	-	177,897	-	-
35,155	(9,774)	(101,601)	-	-	-	-
\$ 32,620	\$ 1,970	\$ (122,748)	\$ -	\$ 177,897	\$ -	\$ -

	Capital Projects Funds				
	TIF District No. 5	TIF District No. 7	TIF District No. 8	TIF District No. 10	Capital Equipment Fund
Revenues					
Taxes	\$ 77,412	\$ 18,302	\$ 77,863	\$ -	\$ 350,600
Intergovernmental	3,190	-	791	-	-
Fines and forfeitures	-	-	-	-	-
Public charges for services	-	-	-	-	-
Special assessments	-	-	-	-	-
Investment income	-	-	-	-	-
Miscellaneous revenues	-	-	24,056	-	-
Total revenues	<u>80,602</u>	<u>18,302</u>	<u>102,710</u>	<u>-</u>	<u>350,600</u>
Expenditures					
Current:					
General government	6,025	8,235	525	845	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Culture, recreation and education	-	-	-	-	-
Conservation and development	-	3,694	5,695	14,446	-
Capital outlay	-	-	-	5,784	353,702
Total expenditures	<u>6,025</u>	<u>11,929</u>	<u>6,220</u>	<u>21,075</u>	<u>353,702</u>
Excess (deficiency) of revenues over expenditures	<u>74,577</u>	<u>6,373</u>	<u>96,490</u>	<u>(21,075)</u>	<u>(3,102)</u>
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	-
Transfers out	<u>(74,577)</u>	<u>(20,889)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(74,577)</u>	<u>(20,889)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	(14,516)	96,490	(21,075)	(3,102)
Fund Balances (Deficit), Beginning	<u>-</u>	<u>14,516</u>	<u>(182,010)</u>	<u>-</u>	<u>275,259</u>
Fund Balances (Deficit), Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (85,520)</u>	<u>\$ (21,075)</u>	<u>\$ 272,157</u>

City of Reedsburg

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

Year Ended December 31, 2021

**Total
Nonmajor
Governmental
Funds**

\$ 1,603,216
 532,098
 256,755
 575,051
 16,011
 44,034
 75,297

3,102,462

290,510
 2,491
 843,676

796,069

270,833
 369,486

2,573,065

529,397

177,897
 (532,461)

(354,564)

174,833

3,022,617

\$ 3,197,450

City of Reedsburg

Statement of Cash Flows

Component Units

Year Ended December 31, 2021

	Community Development Authority	Herbert H Webb Trust	Total
Cash Flows From Operating Activities			
Paid to primary government	\$ -	\$ (45,492)	\$ (45,492)
Paid to suppliers for goods and services	(12,317)	(37,220)	(49,537)
Net cash flows from operating activities	(12,317)	(82,712)	(95,029)
Cash Flows From Investing Activities			
Investments sold and matured	-	60,784	60,784
Investment income	8,542	112,794	121,336
Investments purchased	-	(73,862)	(73,862)
Net cash flows from investing activities	8,542	99,716	108,258
Net change in cash and cash equivalents	(3,775)	17,004	13,229
Cash and Cash Equivalents, Beginning	53,571	80,632	134,203
Cash and Cash Equivalents, Ending	<u>\$ 49,796</u>	<u>\$ 97,636</u>	<u>\$ 147,432</u>
Reconciliation of Operating Loss to Net Cash Flows From Operating Activities			
Operating loss	\$ (13,008)	\$ (79,317)	\$ (92,325)
Changes in assets and liabilities:			
Accounts receivable	691	-	691
Due to primary government	-	(3,395)	(3,395)
Net cash flows from operating activities	<u>\$ (12,317)</u>	<u>\$ (82,712)</u>	<u>\$ (95,029)</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position			
Cash and investments, statement of net position	\$ 49,796	\$ 3,953,766	\$ 4,003,562
Less noncash equivalents	-	(3,856,130)	(3,856,130)
Cash and cash equivalents	<u>\$ 49,796</u>	<u>\$ 97,636</u>	<u>\$ 147,432</u>
Unrealized gain on investments	<u>\$ -</u>	<u>\$ 373,393</u>	



Reporting and insights from 2021 audit: City of Reedsburg

December 31, 2021

Executive summary

August 22, 2022

To the City Council
City of Reedsburg
Reedsburg, Wisconsin

We have completed our audit of the financial statements of the City of Reedsburg (the “City”) for the year ended December 31, 2021, and have issued our report thereon dated August 22, 2022. This letter presents communications required by our professional standards.

Your audit should provide you with confidence in your financial statements. The audit was performed based on information obtained from meetings with management, data from your systems, knowledge of your City’s operating environment and our risk assessment procedures. We strive to provide you clear, concise communication throughout the audit process and of the final results of our audit.

Additionally, we have included information on key risk areas the City of Reedsburg should be aware of in your strategic planning. We are available to discuss these risks as they relate to your organization’s financial stability and future planning.

If you have questions at any point, please connect with us:

- Amanda Blomberg, Director: Amanda.blomberg@bakertilly.com or +1 (608) 240 2386
- Jodi Dobson, Partner: Jodi.Dobson@bakertilly.com or +1 (608) 240 2469

Sincerely,

Baker Tilly US, LLP



Amanda Blomberg, Director

Responsibilities

Our responsibilities

As your independent auditor, our responsibilities include:

- Planning and performing the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. Reasonable assurance is a high level of assurance.
- Assessing the risks of material misstatement of the financial statements, whether due to fraud or error. Included in that assessment is a consideration of the City's internal control over financial reporting.
- Performing appropriate procedures based upon our risk assessment.
- Evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management.
- Forming and expressing an opinion based on our audit about whether the financial statements prepared by management, with the oversight of those charged with governance:
 - Are free from material misstatement
 - Present fairly, in all material respects and in accordance with accounting principles generally accepted in the United States of America
- Performing tests related to compliance with certain provisions of laws, regulations, contracts and grants, as required by *Government Auditing Standards*
- Considering internal control over compliance with requirements that could have a direct and material effect on major federal [and major state] programs to design tests of both controls and compliance with identified requirements
- Forming and expressing an opinion based on our audit in accordance with OMB's *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) and *State Single Audit Guidelines* about the entity's compliance with requirements described in the *OMB Compliance Supplement* and *State Single Audit Guidelines* that could have a direct and material effect on each of its major federal and state programs.
- Our audit does not relieve management or those charged with governance of their responsibilities.

We are also required to communicate significant matters related to our audit that are relevant to the responsibilities of those charged with governance, including:

- Internal control matters
- Qualitative aspects of the City's accounting practice including policies, accounting estimates and financial statement disclosures
- Significant unusual transactions
- Significant difficulties encountered
- Disagreements with management
- Circumstances that affect the form and content of the auditors' report
- Audit consultations outside the engagement team
- Corrected and uncorrected misstatements
- Other audit findings or issues

Audit status

Significant changes to the audit plan

There were no significant changes made to either our planned audit strategy or to the significant risks and other areas of emphasis identified during the performance of our risk assessment procedures.

Audit approach and results

Planned scope and timing

Audit focus

Based on our understanding of the City and environment in which you operate, we focused our audit on the following key areas:

- Key transaction cycles
- Areas with significant estimates
- Implementation of new accounting standards

Our areas of audit focus were informed by, among other things, our assessment of materiality. Materiality in the context of our audit was determined based on specific qualitative and quantitative factors combined with our expectations about the City's current year results.

Key areas of focus and significant findings

Significant risks of material misstatement

A significant risk is an identified and assessed risk of material misstatement that, in the auditor's professional judgment, requires special audit consideration. Within our audit, we focused on the following areas below.

Significant risk areas	Testing approach	Conclusion
Management override of controls	Incorporate unpredictability into audit procedures, emphasize professional skepticism and utilize audit team with industry expertise	Procedures identified provided sufficient evidence for our audit opinion
Improper revenue recognition due to fraud	Confirmation or validation of certain revenues supplemented with detailed predictive analytics based on non-financial data and substantive testing of related receivables	Procedures identified provided sufficient evidence for our audit opinion

Other key areas of emphasis

We also focused on other areas that did not meet the definition of a significant risk, but were determined to require specific awareness and a unique audit response.

Other areas of emphasis		
Cash and investments	Revenues and receivables	General disbursements
Payroll	Pension and OPEB liabilities	Long-term debt
Capital assets including infrastructure	Net position calculations	Financial reporting and required disclosures

Internal control matters

We considered the City's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing an opinion on the financial statements. We are not expressing an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis.

A material weakness is a deficiency or combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We identified the following deficiencies as material weaknesses:

- **Inadequate segregation of duties**

A properly designed system of internal control includes adequate staffing as well as policies and procedures to properly segregate duties. This includes systems that are designed to limit the access or control of any one individual to your government's assets or accounting records, and to achieve a higher likelihood that errors or irregularities in your accounting processes would be discovered by your staff in a timely manner.

At this time, due to staffing and financial limitations, the proper internal controls are not in place to achieve adequate segregation of duties. As a result, errors, irregularities or fraud could occur as part of the financial reporting process that may not be discovered by someone in your organization. Therefore, we are reporting a material weakness related to the internal control environment.

- **Missing key controls**

There are certain controls that are not currently in place related to significant transaction cycles. As a result, there is a risk that erroneous or unauthorized transactions or misstatements could occur without the knowledge of management or the governing body. Our recommendations for strengthening controls are listed below.

Controls over payroll

- Persons preparing the payroll should be independent of other personnel duties or restricted from access to the payroll account.

Controls over property taxes

- There should be a formal process to prepare and approve journal entries to record taxes receivable and the tax settlements.
- Bank reconciliations for the tax account should be performed by someone independent of the tax collection process.

Since the controls listed above or other compensating controls are not currently in place, errors or irregularities could occur as part of the accounting processes that might not be discovered by management or the governing body. Therefore, the absence of these controls is considered to be a material weakness.

We recommend that a designated employee review the segregation of duties, risks, and these potential controls and determine whether additional controls should be implemented. This determination should take into consideration a cost / benefit analysis.

– **Financial statement close process**

Properly designed systems of internal control provide your organization with the ability to process and record accurate monthly and year-end transactions and annual financial reports.

Our audit includes a review and evaluation of the internal controls relating to financial reporting. Common attributes of a properly designed system of internal control for financial reporting are as follows:

- There is adequate staffing to prepare financial reports throughout the year and at year-end.
- Material misstatements are identified and corrected during the normal course of duties.
- Complete and accurate financial statements, including footnotes, are prepared.
- Complete and accurate schedule of expenditures of federal and state awards is prepared.
- Financial reports are independently reviewed for completeness and accuracy.

Our evaluation of the internal controls over financial reporting has identified control deficiencies that are considered material weakness surrounding the preparation of financial statements and footnotes including the schedule of federal and state awards, adjusting journal entries identified by the auditors, and an independent review of financial reports.

Management has not prepared financial statements that are in conformity with generally accepted accounting principles or the schedule of expenditures of federal and state awards that is in conformance with the applicable federal or state requirements. In addition, material misstatements in the general ledger were identified during the financial audit.

Other comments and recommendations

Prior Year Points

Information Technology (Per 12/31/19 Letter)

As part of our audit, we look at the city's controls over information technology. There are some areas that we recommend the city review to determine if information technology controls could be strengthened:

- We noted that while the city backs up its data, it does not test the system to ensure the back ups can be restored.
- Access rights should be reviewed annually to determine if employees have the appropriate rights for their job duties.

Status 12/31/2021

This point is still valid.

Equipment Replacement Account Annual Deposit (Per 12/31/17 Letter)

The sewer department is required to fund an equipment replacement account on an annual basis as required by the department's bond resolutions. The required annual deposit is determined by the department's engineers on a periodic basis. Currently the utility is required to make an annual deposit of \$158,000 and can withdraw funds for qualified repairs or replacements of mechanical equipment. We noted that the segregated account is not being utilized to track this activity as intended. We recommend the annual cash transfer be made and that management track the required activity in the ledger moving forward.

Status 12/31/2021

The replacement fund continues to not incorporate all of the required activity including the annual deposit not being transferred. This point continues to remain valid.

Impact Fees (Per 12/31/17 Letter)

During 2017, the city identified that it potentially has collected park fees in the past that could be impact fees. Impact fees are governed by state statutes and include a number of requirements, such as restriction of cash accounts and requirement to refund unspent funds after a certain number of years. We recommend the city determine the source of the park fees collected based on city resolutions and historical data to determine if additional requirements need to be met.

Status (12/31/2021)

This point is still valid.

Departmental Controls (Per 12/31/12 Letter)

As part of our annual audit process, we focus our efforts on the primary accounting systems, internal controls, and procedures used by the city. This is in keeping with our goal to provide an audit opinion which states that the financial statements of the city are correct in all material respects. In some cases, the primary system of accounting procedures and controls of the city are supported by smaller systems which are decentralized, and reside within a department or location. In many cases, those systems are as simple as handling cash collections and remitting those collections to the city treasurer. (For example, this would be the case in a typical municipal swimming pool.) In other cases, the department may send invoices or statements of amounts due, and track collections of those amounts in a standalone accounts receivable system. (For example, this would be the case in a typical municipal court.) Generally, the more centralized a function is, the easier it is to design and implement accounting controls that provide some level of checks and balances. That is because you are able to divide certain tasks over the people available to achieve some segregation of duties. For those tasks that are decentralized, it is usually very difficult to provide for proper segregation of duties. Therefore, with one person being involved in most or all aspects of a transaction, you lose the ability to rely on the controls to achieve the safeguarding of assets and reliability of financial records.

As auditors, we are required to communicate with you on a variety of topics. Since there is now more emphasis on internal controls and management's responsibilities, we believe it is appropriate to make sure that you are informed about the lack of segregation of duties that may occur at departments or locations that handle cash or do miscellaneous billing. Examples in your city that fit this situation may include the following:

- Swimming pool
- Library
- Police department
- Fire department

As you might expect, similar situations are common in most governments.

As auditors, we are required to focus on the financial statements at a highly summarized level and our audit procedures support our opinion on those financial statements. Departments or locations that handle relatively smaller amounts of money are not the primary focus of our audit. Yet, because of the lack of segregation of duties, the opportunity for loss is higher there than in centralized functions that have more controls.

Because management is responsible for designing and implementing controls and procedures to detect and prevent fraud, we believe that is important for us to communicate this information to you. We have no knowledge of any fraud that has occurred or is suspected to have occurred within the departments mentioned above. However, your role as the governing body is to assess your risk areas and determine that the appropriate level of controls and procedures are in place. As always, the costs of controls and staffing must be weighed against the perceived benefits of safeguarding your assets. Without adding staff or splitting up the duties, your own day-to-day contact and knowledge of the operation are also important mitigating factors.

Status (12/31/2021)

This recommendation still pertains to the cash collections made at the swimming pool.

Required communications

Qualitative aspect of accounting practices

- Accounting policies: Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we have advised management about the appropriateness of accounting policies and their application. The significant accounting policies used by City are described in Note I to the financial statements. No new accounting policies were adopted and the application of existing accounting policies was not changed during 2021. We noted no transactions entered into by the City during the year for which accounting policies are controversial or for which there is a lack of authoritative guidance or consensus or diversity in practice.
- Accounting estimates: Accounting estimates, including fair value estimates, are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements, the degree of subjectivity involved in their development and because of the possibility that future events affecting them may differ significantly from those expected. The following estimates are of most significance to the financial statements:

Estimate	Management's process to determine	Baker Tilly's conclusions regarding reasonableness
Net pension liability and related deferrals	Evaluation of information provided by the Wisconsin Retirement System (modify as necessary)	Reasonable in relation to the financial statements as a whole
Allowance for doubtful accounts	Evaluation of historical revenues and loss levels with the analysis on collectability of individual amounts	Reasonable in relation to the financial statements as a whole
Depreciation	Evaluate estimated useful life of the asset and original acquisition value	Reasonable in relation to the financial statements as a whole

There have been no significant changes made by management to either the processes used to develop the particularly sensitive accounting estimates, or to the significant assumptions used to develop the estimates, noted above.

- Financial statement disclosures: The disclosures in the financial statements are neutral, consistent and clear.

Significant unusual transactions

There have been no significant transactions that are outside the normal course of business for the City or that otherwise appear to be unusual due to their timing, size or nature.

Significant difficulties encountered during the audit

We encountered no significant difficulties in dealing with management and completing our audit.

Disagreements with management

Professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Audit report

There have been no departures from the auditors' standard report.

Audit consultations outside the engagement team

We encountered no difficult or contentious matters for which we consulted outside of the engagement team.

Uncorrected misstatements and corrected misstatements

Professional standards require us to accumulate misstatements identified during the audit, other than those that are clearly trivial and to communicate accumulated misstatements to management. Management is in agreement with the misstatements we have identified, and they have been corrected in the financial statements. The schedule within the Appendix summarizes the material corrected misstatements that, in our judgment, may not have been detected except through our auditing procedures. The internal control matters section of this report describes the effects on the financial reporting process indicated by the corrected misstatements, other than those that we consider to be of a

Other audit findings or issues

We encountered no other audit findings or issues that require communication at this time.

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other information in documents containing audited basic financial statements

Official statements (or other equivalent document which we may not read unless engaged separately)

The City's audited financial statements are "general purpose" financial statements. General purpose financial statements consist of the basic financial statements that can be used by a broad group of people for a broad range of activities. Once we have issued our audit report, we have no further obligation to update our report for events occurring subsequent to the date of our report. The City can use the audited financial statements in other client prepare documents, such as official statements related to the issuance of debt, without our acknowledgement. Unless we have been engaged to perform services in connection with any subsequent transaction requiring the inclusion of our audit report, as well as to issue an auditor's acknowledgment letter, we have neither read the document nor performed subsequent event procedures in order to determine whether or not our report remains appropriate.

Management's consultations with other accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing or accounting matters.

Written communications between management and Baker Tilly

The Appendix includes copies of other material written communications, including a copy of the management representation letter.

Compliance with laws and regulations

We did not identify any non-compliance with laws and regulations during our audit.

We will issue a separate document which contains the results of our audit procedures to comply with the Uniform Guidance and *State Single Audit Guidelines*.

Fraud

We did not identify any known or suspected fraud during our audit.

Going concern

Pursuant to professional standards, we are required to communicate to you, when applicable, certain matters relating to our evaluation of the City's ability to continue as a going concern for a reasonable period of time but no less than 12 months from the date the financial statements are issued or available to be issued, including the effects on the financial statements and the adequacy of the related disclosures, and the effects on the auditor's report. No such matters or conditions have come to our attention during our engagement.

Independence

We are not aware of any relationships between Baker Tilly and the City that, in our professional judgment, may reasonably be thought to bear on our independence.

Related parties

We did not have any significant findings or issues arise during the audit in connection with the City's related parties.

Other matters

We applied certain limited procedures to the required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the supplementary information which accompanies the financial statements but is not RSI. With respect to the supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Nonattest services

The following nonattest services were provided by Baker Tilly:

- Financial statement preparation
- Adjusting journal entries
- Compiled regulatory reports
- Utility rate consulting
- CIVIC software
- Compiled TIF financial statements
- Accounting assistance

In addition, we prepared GASB No. 34 conversion entries which are summarized in the “Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position” and the “Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities” in the financial statements.

None of these nonattest services constitute an audit under generally accepted auditing standards, including *Government Auditing Standards*.

City council resources

Visit our resource page for regulatory updates, trending challenges and opportunities in your industry and other timely updates.

Visit the resource page at <https://www.bakertilly.com/insights/audit-committee-resource-page>.

Management representation letter



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Baker Tilly US, LLP
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PO Box 7398
Madison, WI 53707-7398

Dear Baker Tilly US, LLP:

We are providing this letter in connection with your audit of the financial statements of the City of Reedsburg as of December 31, 2021 and for the year then ended for the purpose of expressing opinions as to whether the financial statements 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 and the respective changes in financial position and cash flows, where applicable, in conformity with accounting principles generally accepted in the United States of America. We confirm that we are responsible for the fair presentation of the previously mentioned financial statements in conformity with accounting principles generally accepted in the United States of America. We are also responsible for adopting sound accounting policies, establishing and maintaining internal control over financial reporting, and preventing and detecting fraud.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter.
- 2) The financial statements referred to above are fairly presented in conformity with accounting principles generally accepted in the United States of America. We have engaged you to advise us in fulfilling that responsibility. The financial statements include all properly classified funds of the primary government and all component units required by accounting principles generally accepted in the United States of America to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, if any, are reasonable.
- 6) All events subsequent to the date of the financial statements and for which accounting principles generally accepted in the United States of America require adjustment or disclosure have been adjusted or disclosed. No other events, including instances of noncompliance, have occurred subsequent to the financial statement date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.
- 7) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 8) All known audit and bookkeeping adjustments have been included in our financial statements, and we are in agreement with those adjustments.
- 9) There are no known or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements. There are no unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with accounting principles generally accepted in the United States of America.
- 10) Guarantees, whether written or oral, under which the City of Reedsburg is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

- 11) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as financial records and related data, documentation, and other matters.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of City Council or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 12) We have not completed an assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 13) We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - a) Management,
 - b) Employees who have significant roles in internal control, or
 - c) Others where the fraud could have a material effect on the financial statements.

- 14) We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, regulators, or others.
- 15) We have no knowledge of known instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
- 16) There are no known related parties or related party relationships and transactions of which we are aware.

Other

- 17) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 18) We have a process to track the status of audit findings and recommendations.
- 19) We have identified to you any previous financial audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 20) The City of Reedsburg has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
- 21) We are responsible for compliance with federal, state, and local laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits, debt contracts, and IRS arbitrage regulations; and we have identified and disclosed to you all federal, state, and local laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
- 22) There are no:
 - a) Violations or possible violations of budget ordinances, federal, state, and local laws or regulations (including those pertaining to adopting, approving and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, or for reporting on noncompliance, except those already disclosed in the financial statement, if any.
 - b) Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by accounting principles generally accepted in the United States of America.
 - c) Nonspendable, restricted, committed, or assigned fund balances that were not properly authorized and approved.
 - d) Rates being charged to customers other than the rates as authorized by the applicable authoritative body.
 - e) Violations of restrictions placed on revenues as a result of bond resolution covenants such as revenue distribution or debt service funding.

23) In regards to the nonattest services performed by you listed below, we have 1) accepted all management responsibility; 2) designated an individual with suitable skill, knowledge, or experience to oversee the services; 3) evaluated the adequacy and results of the services performed, and 4) accepted responsibility for the results of the services.

- a) Financial statement preparation
- b) Adjusting journal entries
- c) Compiled TIF financial statements
- d) Compiled regulatory reports
- e) Civic Systems software
- f) Utility rate consulting
- g) Accounting assistance as requested

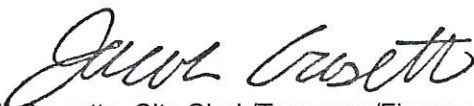
None of these nonattest services constitute an audit under generally accepted auditing standards, including *Government Auditing Standards*.

- 24) The City of Reedsburg has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 25) The City of Reedsburg has complied with all aspects of contractual agreements that would have a material effect on the financial statement in the event of noncompliance.
- 26) The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations, if any. Component units have been properly presented as either blended or discrete.
- 27) The financial statements properly classify all funds and activities.
- 28) All funds that meet the quantitative criteria in GASB Statement No. 34 and No. 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 29) Components of net position (net investment in capital assets; restricted; and unrestricted) and components of fund balance (nonspendable, restricted, committed, assigned and unassigned) are properly classified and, if applicable, approved.
- 30) The City of Reedsburg has no derivative financial instruments such as contracts that could be assigned to someone else or net settled, interest rate swaps, collars or caps.
- 31) Provisions for uncollectible receivables, if any, have been properly identified and recorded.
- 32) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 33) Revenues are appropriately classified in the statement of activities within program revenues and general revenues.

- 34) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 35) Deposits and investments are properly classified, valued, and disclosed (including risk disclosures, collateralization agreements, valuation methods, and key inputs, as applicable).
- 36) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated/amortized. Any known impairments have been recorded and disclosed.
- 37) Tax-exempt bonds issued have retained their tax-exempt status.
- 38) The operations and rate setting process meet the condition for application of accounting for regulated operations as outlined in GASB No. 62. All regulatory items included in the financial statements have been approved and are being accounted for in accordance with specific action taken by the regulatory body and as such the expectation of future recovery or refund is reasonable.
- 39) We have appropriately disclosed the City of Reedsburg's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available and have determined that net position were properly recognized under the policy. We have also disclosed our policy regarding which resources (that is, restricted, committed, assigned or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available.
- 40) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 41) With respect to the supplementary information, (SI):
 - a) We acknowledge our responsibility for presenting the SI in accordance with accounting principles generally accepted in the United States of America, and we believe the SI, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the SI have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
 - b) If the SI is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.
- 42) We assume responsibility for, and agree with, the information provided by the Wisconsin Retirement System as audited by the Legislative Audit Bureau relating to the net pension asset/liability and related deferred outflows and deferred inflows and have adequately considered the reasonableness of the amounts and disclosures used in the financial statements and underlying accounting records. We also assume responsibility for the census data that has been reported to the plan.
- 43) We have evaluated and considered all potential tax abatements and believe all material tax abatements have been properly reported and disclosed.

Sincerely,


Timothy M. Becker, Administrator
City of Reedsburg


Jacob Crosetto, City Clerk/Treasurer/Finance Director
City of Reedsburg

Client service team



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Accounting changes relevant to the City of Reedsburg

Future accounting standards update

GASB Statement Number	Description	Potentially Impacts you	Effective Date
87	Leases	✓	12/31/22*
89	Accounting for Interest Incurred before the End of a Construction Period	✓	12/31/21*
91	Conduit Debt	✓	12/31/22*
92	Omnibus 2020	✓	12/31/22*
93	Replacement of Interfund Bank Offered Rates	✓	12/31/22*
94	Public-Private and Public-Public Partnerships and Availability Payment Arrangements	✓	12/31/23
96	Subscription-Based Information Technology Arrangements	✓	12/31/23
97	Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans	✓	12/31/22

*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. The effective date reflected above is the required revised implementation date.

Further information on upcoming [GASB pronouncements](#).

Ready or not – the new lease standard is here!

GASB's new single model for lease accounting is effective for next year's audit (fiscal years ending June 30, 2022 and later). This standard requires governments to identify and evaluate contracts that convey control of the right to use another entity's nonfinancial asset for a period of time in an exchange or exchange-like transaction. Contracts meeting the criteria for control, term and other items within the standard will result in recognizing a right to use asset and lease liability or a receivable and deferred inflow of resources. The standard specifies that leases should be recognized and measured using the facts and circumstances that exist at the beginning of the period of implementation (or, if applied to earlier periods, the beginning of the earliest period restated).

The implementation process can be broken down into a four-step methodology:



Now is the time to evaluate where your government is in this process and the timeline to complete implementation. The third step for lease evaluation, data extraction and review is typically the most time-consuming step; organizations should begin this process well before year end to ensure adequate lead time. A key decision that will need to be made is whether a lease administration software package is necessary. Depending on the volume and complexity of your lease activity, spreadsheets may not be sufficient to track and calculate all the required information.

We are available to discuss this further and help you develop an action plan. Baker Tilly also has complimentary resources available online including:

- [GASB 87 lease identification questionnaire](#)
- [GASB 87 lease assistance tool](#)
- Variety of GASB 87 podcasts and articles

Access tools and learn more about [GASB 87](#).

Preparing for the new conduit debt reporting

Conduit debt includes arrangements where there are three separate parties involved including a third party that is obligated for payment, a debt holder or lender and an issuing party which is often a government. This standard provides additional criteria for identifying and classifying conduit debt with the intent of providing consistency in how the debt is recorded and reported in governmental financial statements. The City should identify any existing debt arrangements involving third-party obligors and evaluate how those arrangements will be reported under the new standard in order to determine the potential impact of this standard on future financial reporting.

Determining if GASB 94 applies for your organization

GASB 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* provides guidance related to public-private and public-public partnerships (PPP) and availability payment arrangements (APA).

A PPP is an arrangement in which an entity contracts with an operator to provide public services by conveying control of the right to operate or use infrastructure or other capital asset. A common example of PPP is a service concession arrangement.

An APA is an arrangement in which an entity compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an asset.

The City should start to identify any contracts that could meet either definition to ensure they are reviewed for applicability and accounted for correctly when the standard is effective. Initial steps include reviewing contracts that didn't meet the definition of a lease under GASB 87 and identifying any other agreements where the organization contracts with or partners with another entity to provide services.

Future accounting for subscription-based IT arrangements

Subscription-based IT arrangements include contracts that convey control of the right to use another party's IT software. It would not include any licensing arrangements that provide a perpetual license, which would still be accounted for as an intangible asset. Subscription-based IT arrangements are becoming more and more popular with IT vendors. This standard mirrors the new lease standard. The City will be able to utilize the systems put into place to implement the lease standard to properly account for these contracts. Common examples of these contracts in the utility industry include:

- Leasing space in the cloud
- GIS systems
- SCADA systems
- Some work order or inventory systems as well as some general ledger or billing systems

The City should work with its IT department and department managers to determine a population listing of contracts that would fall under this standard to determine the potential future impact to financial reporting.

Material corrected misstatements

Description	Opinion unit	Amount
Correct land held for resale, and accounts receivable.	General fund	\$228,834
Correct land held for resale.	Capital projects fund	507,834
Correct unearned revenue.	Non-major funds	498,275
Correct capital assets, depreciation, and accounts receivables.	Storm utility	220,570
Correct capital assets, depreciation, and accounts receivables.	Sewer utility	346,974

The remaining misstatements that were identified and corrected by management were not material individually or in the aggregate to the financial statements taken as a whole.

Two-way audit communications

As part of our audit of your financial statements, we are providing communications to you throughout the audit process. Auditing requirements provide for two-way communication and are important in assisting the auditor and you with more information relevant to the audit.

As this past audit is concluded, we use what we have learned to begin the planning process for next year's audit. It is important that you understand the following points about the scope and timing of our next audit:

- a. We address the significant risks of material misstatement, whether due to fraud or error, through our detailed audit procedures.
- b. We will obtain an understanding of the five components of internal control sufficient to assess the risk of material misstatement of the financial statements whether due to error or fraud, and to design the nature, timing and extent of further audit procedures. We will obtain a sufficient understanding by performing risk assessment procedures to evaluate the design of controls relevant to an audit of financial statements and to determine whether they have been implemented. We will use such knowledge to:
 - Identify types of potential misstatements.
 - Consider factors that affect the risks of material misstatement.
 - Design tests of controls, when applicable, and substantive procedures.
- c. We will not express an opinion on the effectiveness of internal control over financial reporting or compliance with laws, regulations and provisions of contracts or grant programs. For audits performed in accordance with *Government Auditing Standards*, our report will include a paragraph that states that the purpose of the report is solely to describe the scope of testing of internal control over financial reporting and compliance and the result of that testing and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance and that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance. The paragraph will also state that the report is not suitable for any other purpose.
- d. The concept of materiality recognizes that some matters, either individually or in the aggregate, are important for fair presentation of financial statements in conformity with generally accepted accounting principles while other matters are not important. In performing the audit, we are concerned with matters that, either individually or in the aggregate, could be material to the financial statements. Our responsibility is to plan and perform the audit to obtain reasonable assurance that material misstatements, whether caused by errors or fraud, are detected.

Our audit will be performed in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, *OMB's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the *State Single Audit Guidelines*.

We will not express an opinion on the effectiveness of internal control over financial reporting or compliance with laws, regulations, and provisions of contracts or grant programs. For audits done in accordance with *Government Auditing Standards*, the Uniform Guidance, and the *State Single Audit Guidelines*, our report will include a paragraph that states that the purpose of the report is solely to describe (a) the scope of testing of internal control over financial reporting and compliance and the result of that testing and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance, (b) the scope of testing internal control over compliance for major programs and major program compliance and the result of that testing and to provide an opinion on compliance but not to provide an opinion on the effectiveness of internal control over compliance and, (c) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance and the Uniform Guidance, and the *State Single Audit Guidelines*, in considering internal control over compliance and major program compliance. The paragraph will also state that the report is not suitable for any other purpose.

We are very interested in your views regarding certain matters. Those matters are listed here:

- a. We typically will communicate with your top level of management unless you tell us otherwise.
- b. We understand that the governing board has the responsibility to oversee the strategic direction of your organization, as well as the overall accountability of the entity. Management has the responsibility for achieving the objectives of the entity.
- c. We need to know your views about your organization's objectives and strategies, and the related business risks that may result in material misstatements.
- d. We anticipate that the City will receive an unmodified opinion on its financial statements.
- e. Which matters do you consider warrant particular attention during the audit, and are there any areas where you request additional procedures to be undertaken?
- f. Have you had any significant communications with regulators or grantor agencies?
- g. Are there other matters that you believe are relevant to the audit of the financial statements?

Also, is there anything that we need to know about the attitudes, awareness and actions of the governing body concerning:

- a. The entity's internal control and its importance in the entity, including how those charged with governance oversee the effectiveness of internal control?
- b. The detection or the possibility of fraud?

We also need to know if you have taken actions in response to developments in financial reporting, laws, accounting standards, governance practices, or other related matters, or in response to previous communications with us.

With regard to the timing of our audit, here is some general information. If necessary, we may do preliminary financial audit work during the months of October-December, and sometimes early in January. Our final financial fieldwork is scheduled during the spring to best coincide with your readiness and report deadlines. After fieldwork, we wrap up our financial audit procedures at our office and may issue drafts of our report for your review. Final copies of our report and other communications are issued after approval by your staff. This is typically 6-12 weeks after final fieldwork, but may vary depending on a number of factors.

Keep in mind that while this communication may assist us with planning the scope and timing of the audit, it does not change the auditor's sole responsibility to determine the overall audit strategy and the audit plan, including the nature, timing and extent of procedures necessary to obtain sufficient appropriate audit evidence.

We realize that you may have questions on what this all means, or wish to provide other feedback. We welcome the opportunity to hear from you.

Designing Experiences.
Building Relationships.

PROJECT INFORMATION

CITY OF REEDSBURG, REEDSBURG FIELDHOUSE
1501 VIKING DRIVE
REEDSBURG, WISCONSIN 53959

OWNER

CITY OF REEDSBURG
134 S LOCUST STREET
P.O. BOX 490
REEDSBURG, WISCONSIN 53959
PHONE NUMBER: 608.254.6404

ARCHITECT/INTERIOR DESIGN

ARCHITECTURAL DESIGN CONSULTANTS, INC.
30 WISCONSIN DELLS PARKWAY
P.O. BOX 580
LAKE DELTON, WI 53940
PHONE NUMBER: 608.254.6181

CIVIL CONSULTANT

VIETSCHER ASSOCIATES, INC.
400 VIKING DR.
REEDSBURG, WISCONSIN 53959
PHONE NUMBER: 608.254.6468

STRUCTURAL CONSULTANT

ECHOLON STRUCTURES, LLC
1521 SUNSET CT.
MIDDLETON, WI 53562
PHONE NUMBER: 608.206.0521

HVAC CONSULTANT

RTM ENGINEERING CONSULTANTS
3333 E. BATTLEFIELD ROAD
SUITE 1000
SPRINGFIELD, MO 60773
PHONE NUMBER: 417.429.9228

ELECTRICAL CONSULTANT

CONSULTANT
ADDRESS
ADDRESS
PHONE
EMAIL

PLUMBING CONSULTANT

CONSULTANT
ADDRESS
ADDRESS
PHONE
EMAIL

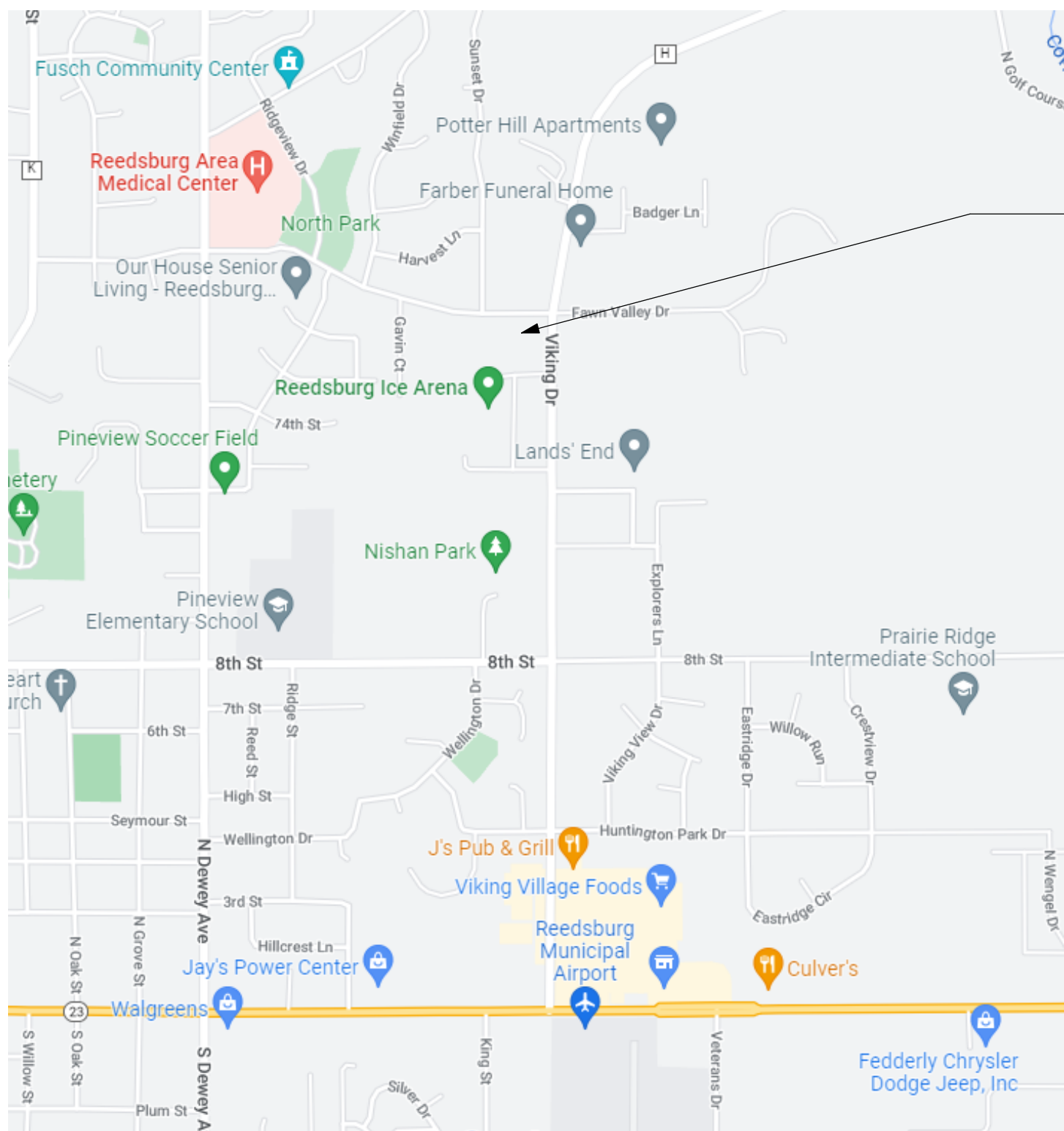
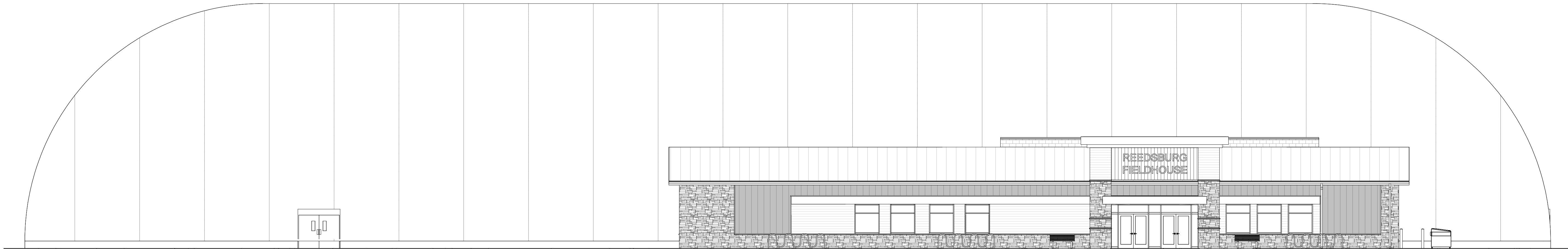
LOW VOLTAGE CONSULTANT

CONSULTANT
ADDRESS
ADDRESS
PHONE
EMAIL

CITY OF REEDSBURG

REEDSBURG FIELDHOUSE

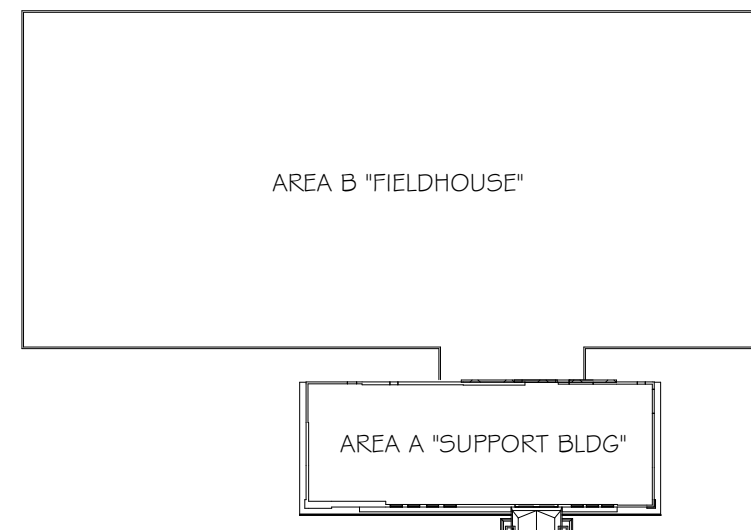
REEDSBURG, WI 53959
VOLUME I - ARCHITECTURAL



PROJECT LOCATION

VICINITY MAP

NOT TO SCALE



KEY PLAN

INDEX OF DRAWINGS

TS100	TITLE SHEET
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CIVIL

C100	EXISTING CONDITIONS
C101	DEMOLITION PLAN
C200	SITE PLAN
C300	GRADING & EROSION CONTROL PLAN
C400	UTILITY PLAN
C500	DETAILS
C501	DETAILS
C502	DETAILS
C503	DETAILS

ARCHITECTURAL

G001	ARCHITECTURAL ABBREVIATIONS & SYMBOLS
G101	FIRST FLOOR CODE PLAN
G200	BARRIER FREE DESIGN NOTES
G201	BARRIER FREE DESIGN DETAILS
G202	BARRIER FREE DESIGN DETAILS
G203	BARRIER FREE DESIGN DETAILS
A5100	ARCHITECTURAL SITE PLAN
A100	OVERALL FIRST FLOOR PLAN
A101	OVERALL ROOF PLAN
A200	EXPANDED FLOOR PLAN
A201	EXPANDED FLOOR PLAN
A202	EXPANDED PLANS
A300	INTERIOR ELEVATIONS
A301	INTERIOR ELEVATIONS
A400	OVERALL EXTERIOR ELEVATIONS
A500	BUILDING SECTIONS
A501	WALL SECTIONS
A600	ARCHITECTURAL DETAILS
A601	ARCHITECTURAL DETAILS
A602	ARCHITECTURAL DETAILS
A603	ARCHITECTURAL DETAILS
A700	OVERALL FIRST FLOOR FINISH PLAN
A800	FIRST FLOOR REFLECTED CEILING PLAN
A900	ASSEMBLIES AND SCHEDULES

STRUCTURAL

S001	STRUCTURAL NOTES
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S102	FRAMING PLANS
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MECHANICAL

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M401	MECHANICAL DETAILS
ME102	SITE PHOTOMETRICS PLAN
ME101	SITE UTILITIES PLAN
ME100	SYMBOLS LEGEND

ELECTRICAL

E101	FIRST FLOOR LIGHTING PLAN
E201	FIRST FLOOR POWER PLAN
E401	ELECTRICAL DETAILS

PLUMBING

P101	FIRST FLOOR PLUMBING PLANS
P301	PLUMBING DETAILS
P401	PLUMBING SCHEDULES

ARCHITECTURAL DESIGN CONSULTANTS, INC.
30 Wisconsin Dells Parkway | P.O. Box 580
Lake Delton, WI 53940
Phone: 608.254.6181 | Fax: 608.254.2139

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ISSUED FOR DATE

REVISIONS DATE

PRELIMINARY
NOT FOR CONSTRUCTION

CLIENT
CITY OF REEDSBURG

PROJECT
REEDSBURG FIELDHOUSE

REEDSBURG, WI 53959

DRAWN BY
B.MEEHAN
CHECKED BY
D.CAMERON
DATE
08.17.2022
JOB NUMBER
21-112
VOLUME / BID SET

VOLUME I

SHEET NAME
TITLE SHEET

SHEET NUMBER

TS100

REVISIONS	DATE
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CITY OF REEDSBURG

PROJECT
REEDSBURG FIELDHOUSE

REEDSBURG, WI 53959

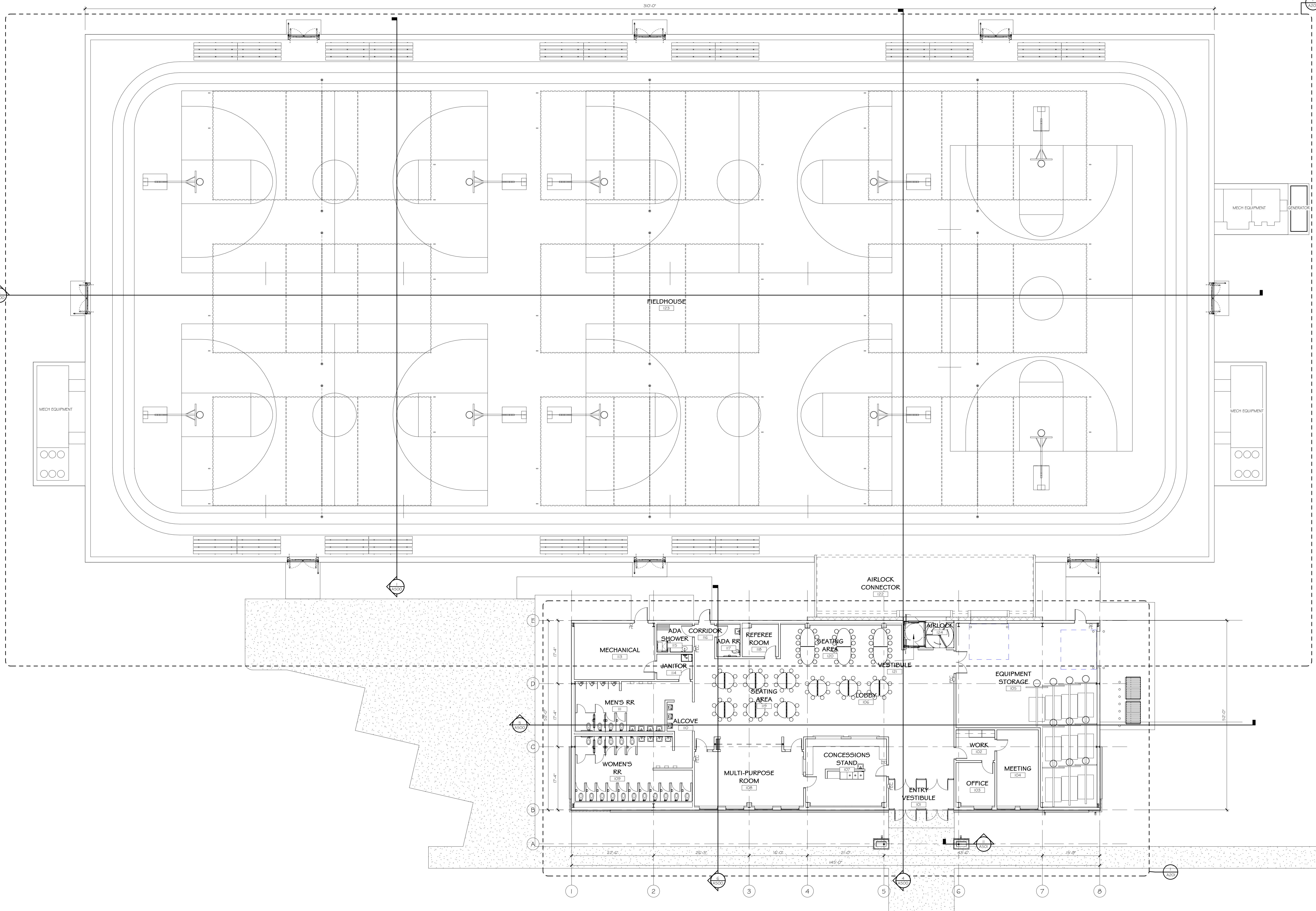
DRAWN BY
B.MEEHAN
CHECKED BY
D.CAMERON
DATE
08.17.2022
JOB NUMBER
21-112

VOLUME / BID SET
VOLUME I

SHEET NAME
OVERALL FIRST FLOOR PLAN

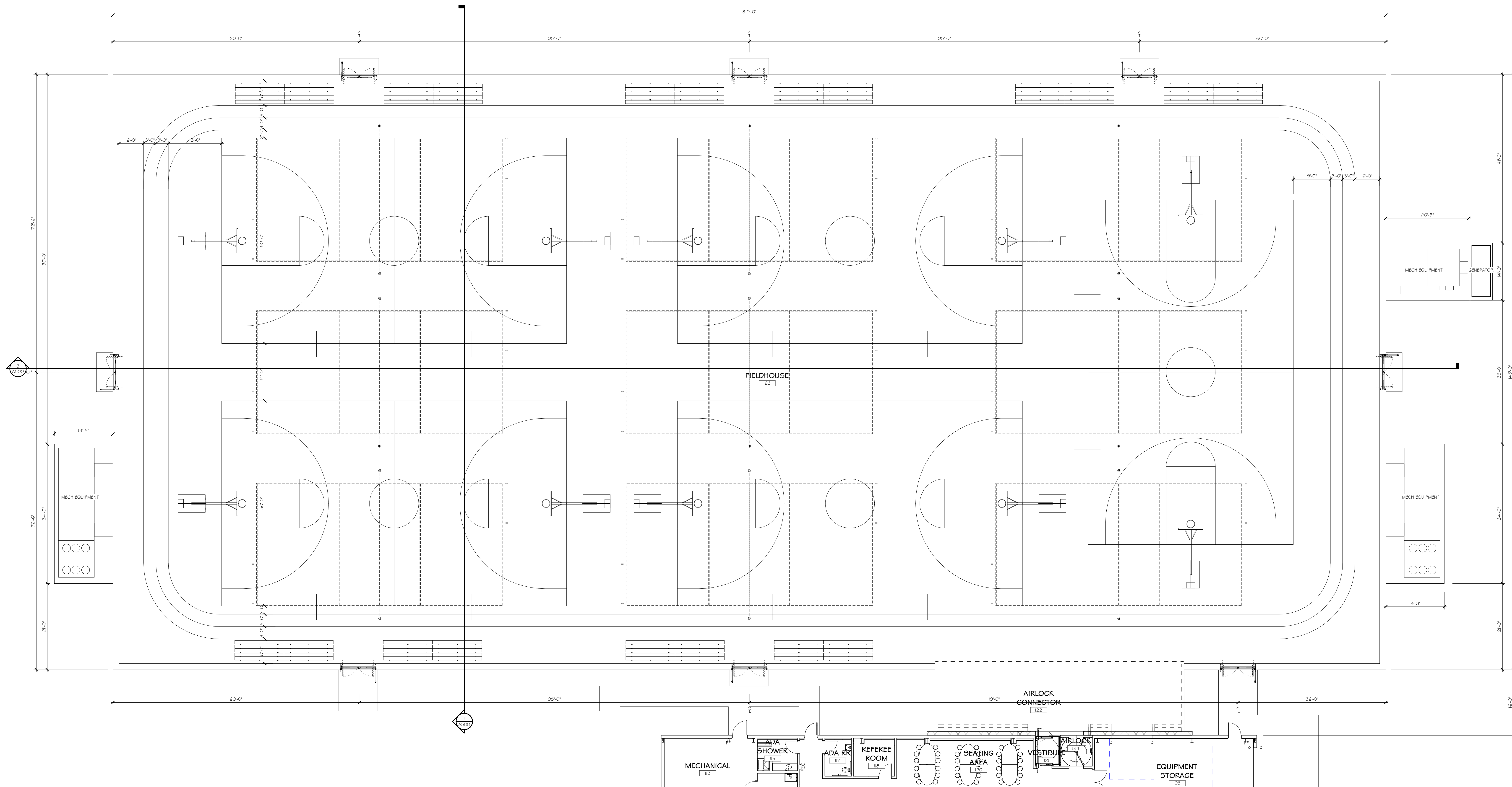
SHEET NUMBER

A100



FIRST FLOOR PLAN

SCALE: 3/32" = 1'-0"



1 EXPANDED FIRST FLOOR PLAN
SCALE: 3/32" = 1'-0"



REVISIONS	DATE
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CLIENT
CITY OF REEDSBURG

PROJECT
REEDSBURG FIELDHOUSE

REEDSBURG, WI 53959

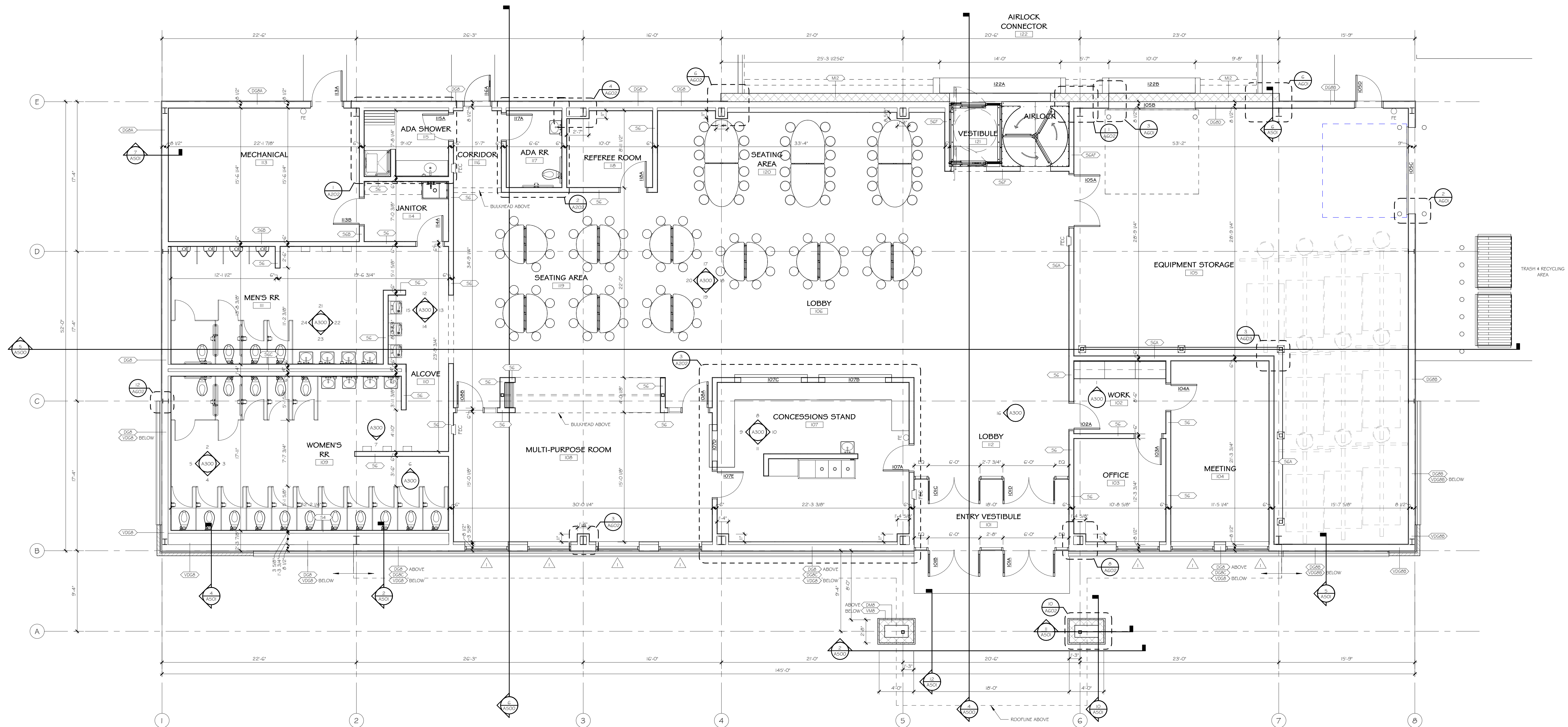
DRAWN BY
B.MEEHAN
CHECKED BY
D.CAMERON
DATE
08.17.2022
JOB NUMBER
21-112

VOLUME / BID SET
VOLUME I

SHEET NAME
EXPANDED FLOOR PLAN

SHEET NUMBER

A200



1 EXPANDED FIRST FLOOR PLAN
SCALE: 3/16" = 1'-0"



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CITY OF REEDSBURG

PROJECT

REEDSBURG FIELDHOUSE

REEDSBURG, WI 53959

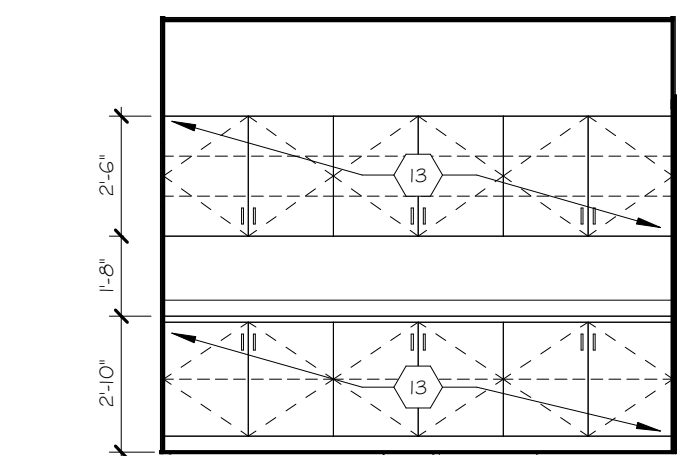
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B.MEEHAN
CHECKED BY
D.CAMERON
DATE
08.17.2022
JOB NUMBER
21-112

VOLUME I

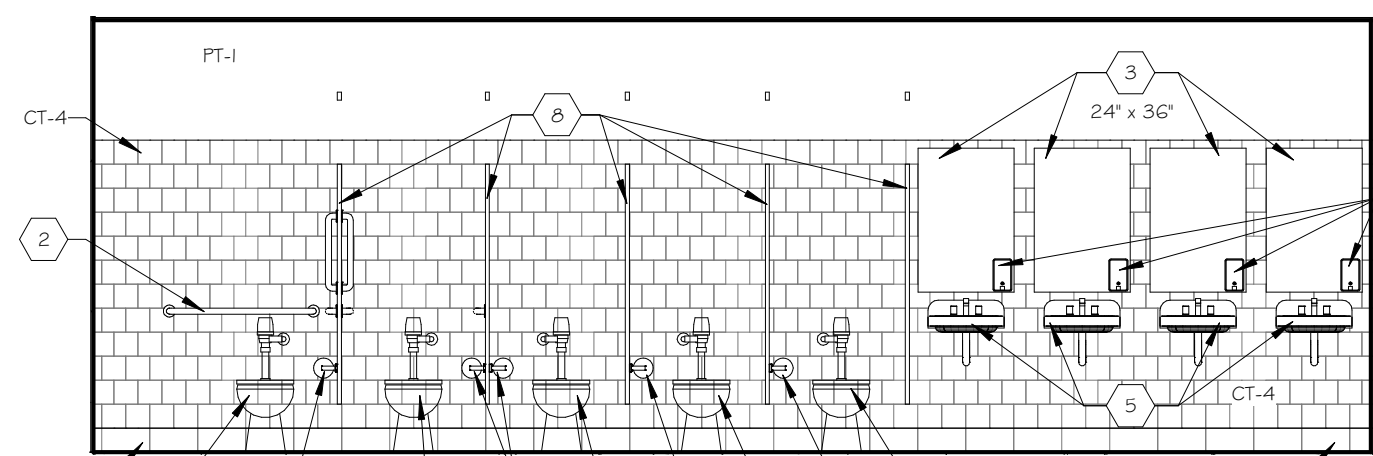
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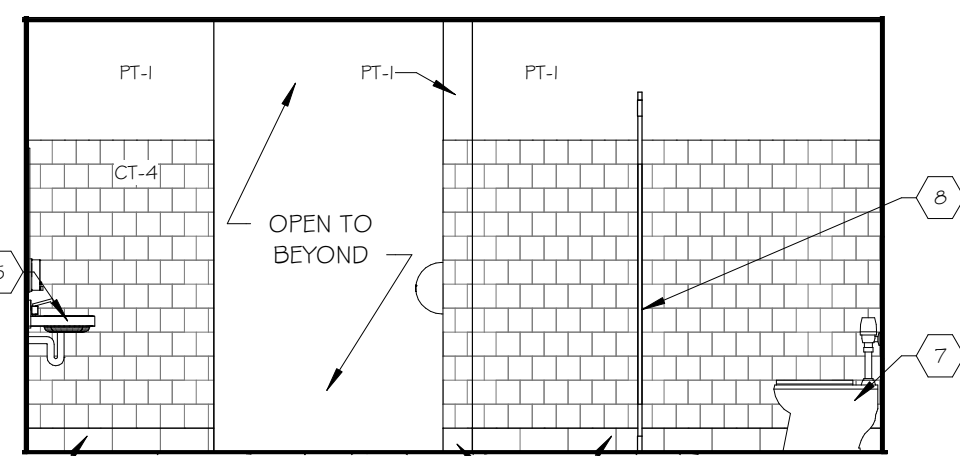
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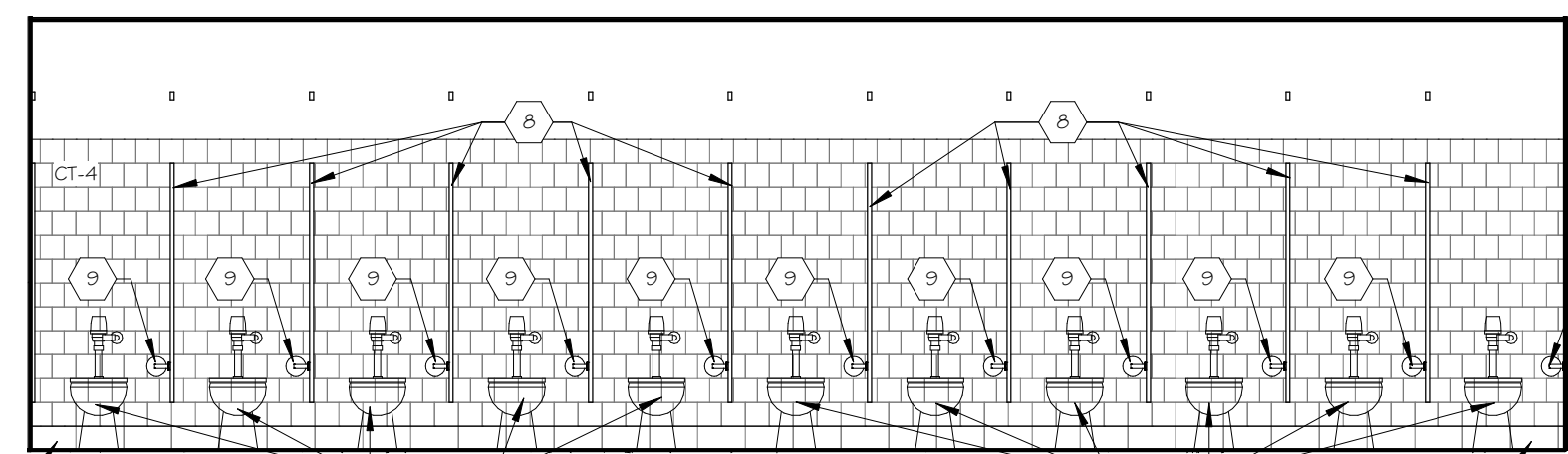
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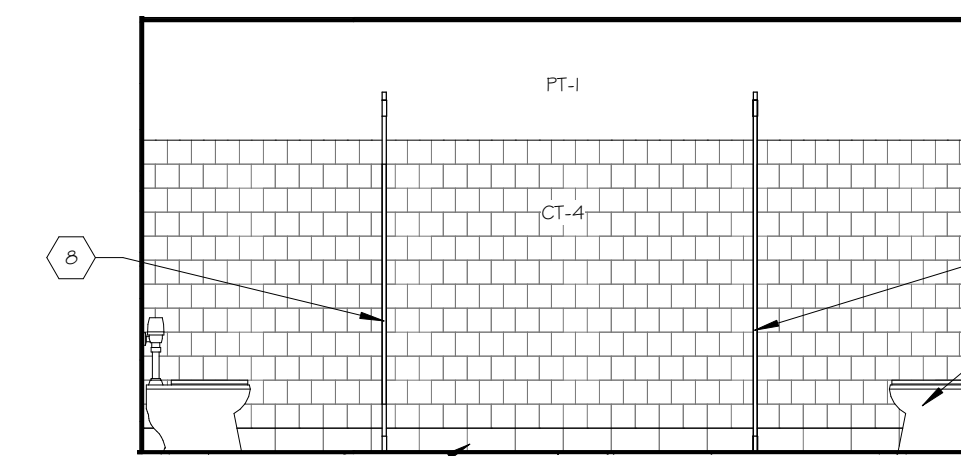
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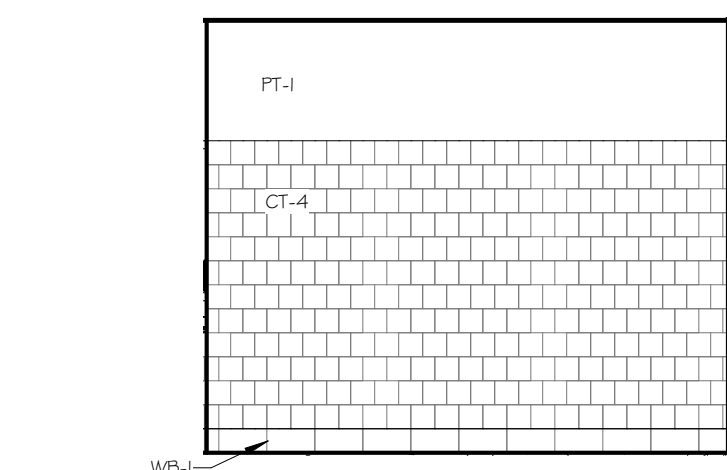
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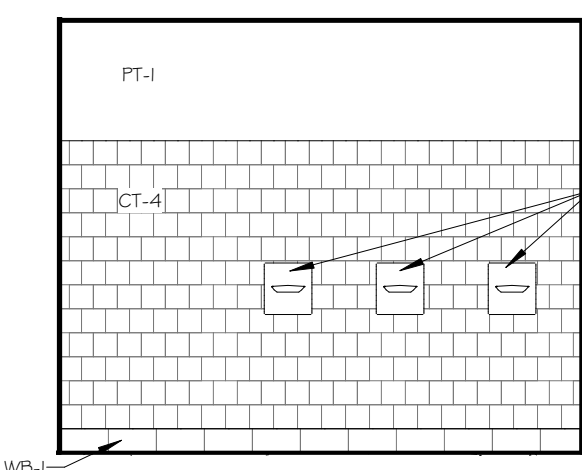
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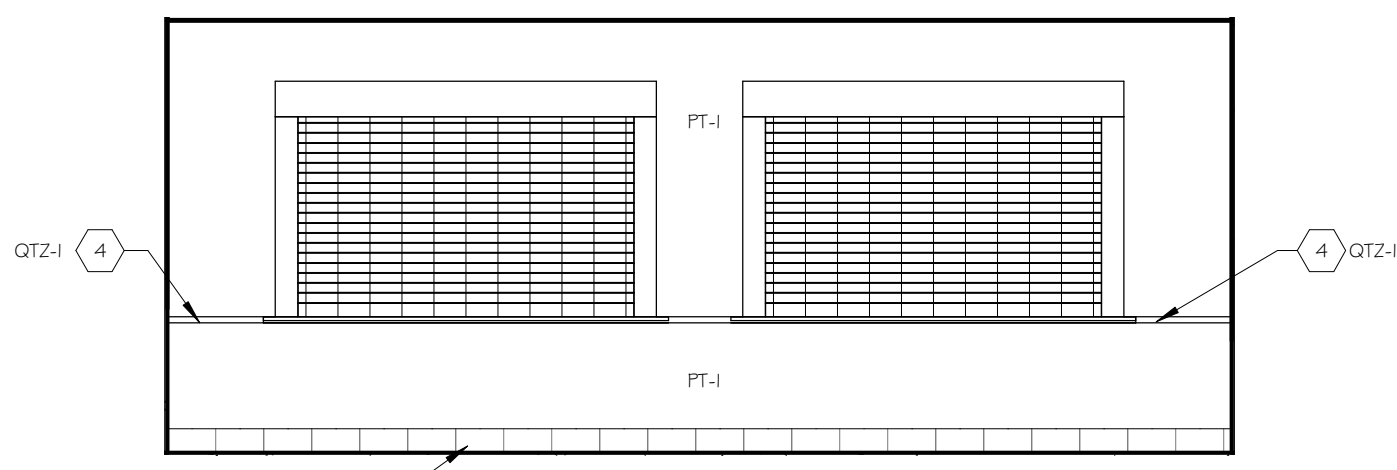
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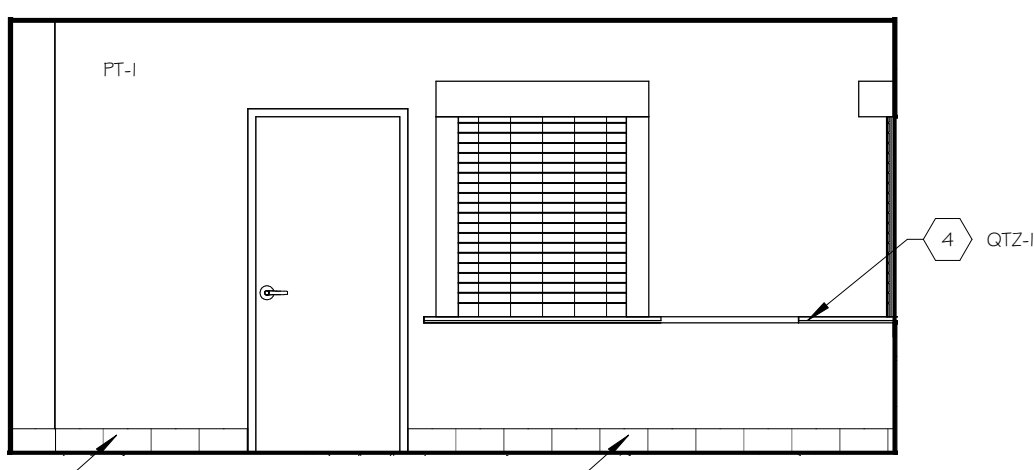
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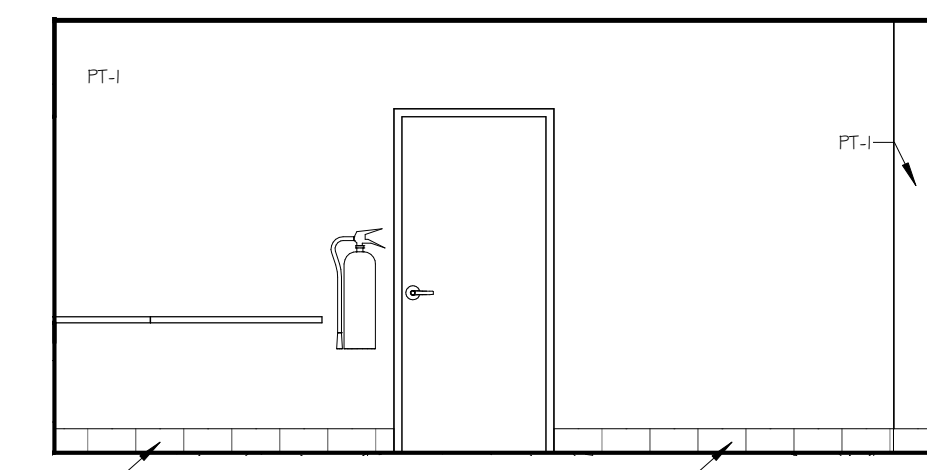
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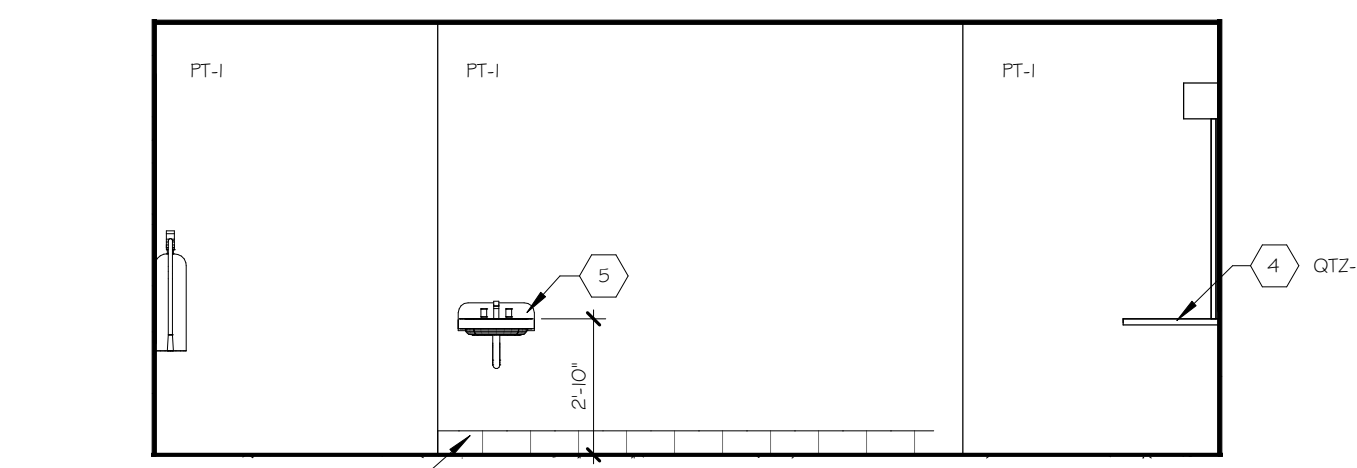
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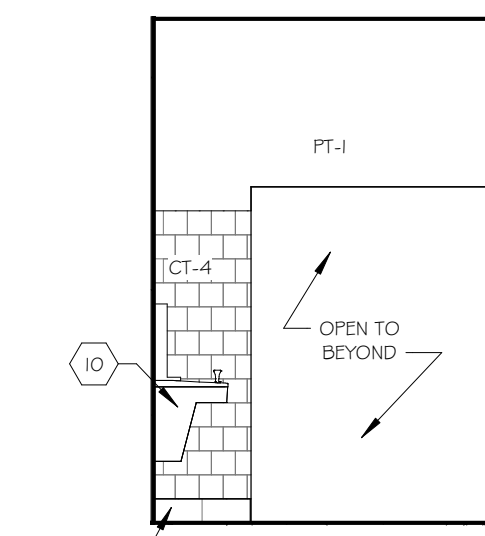
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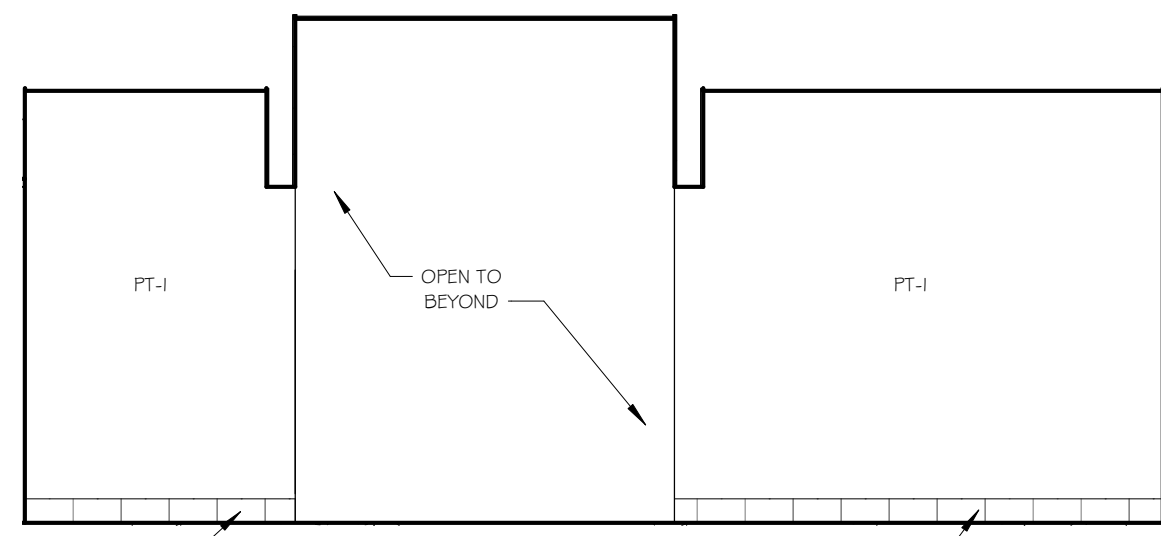
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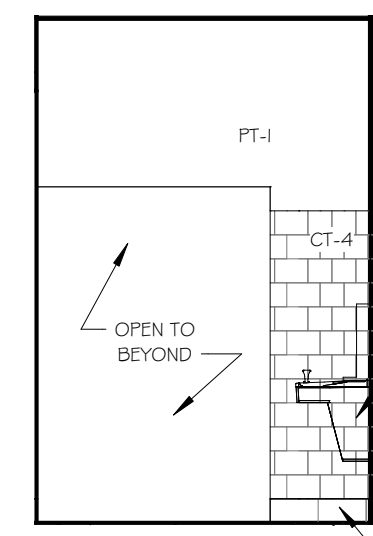
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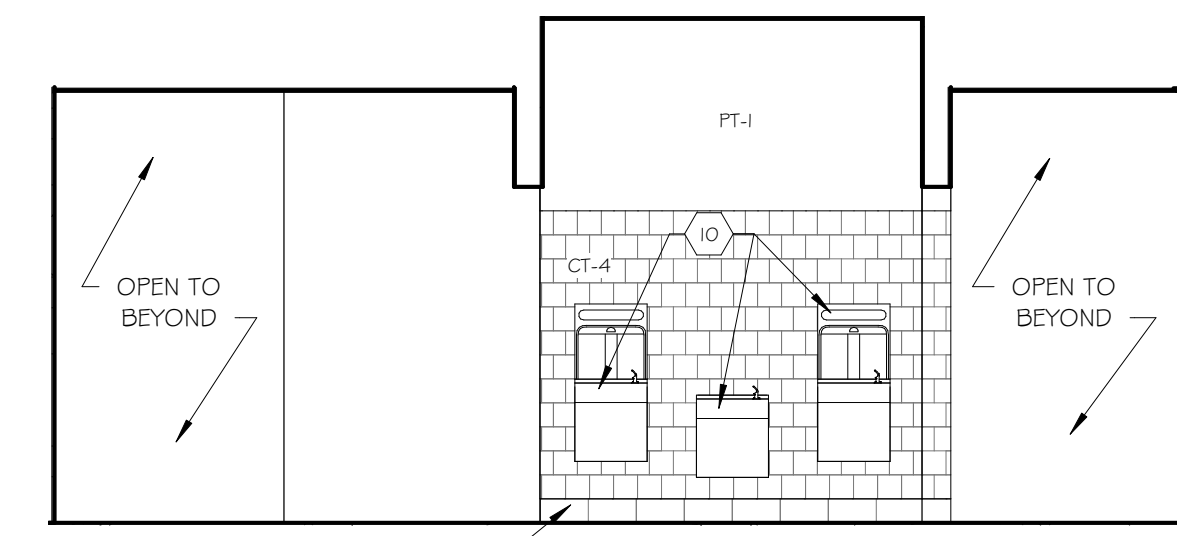
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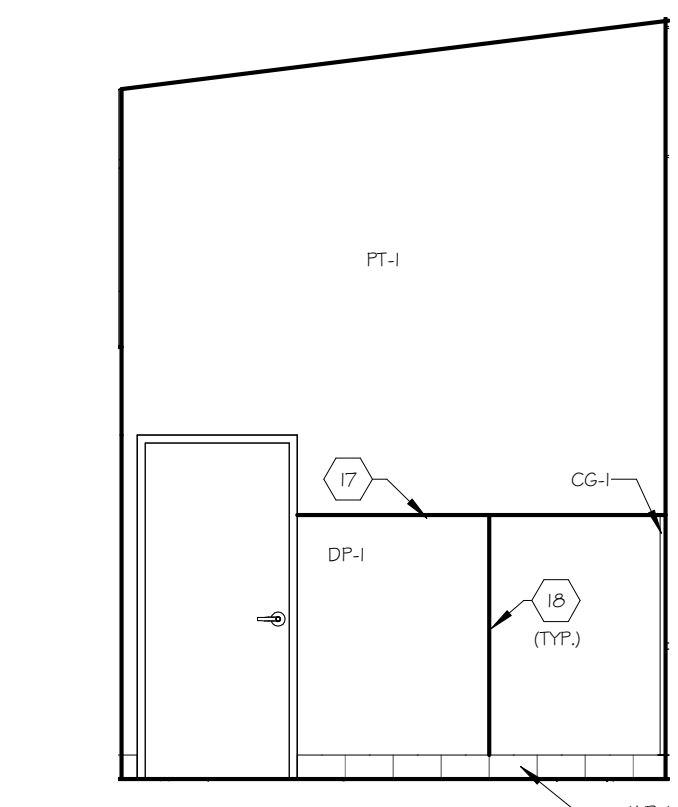
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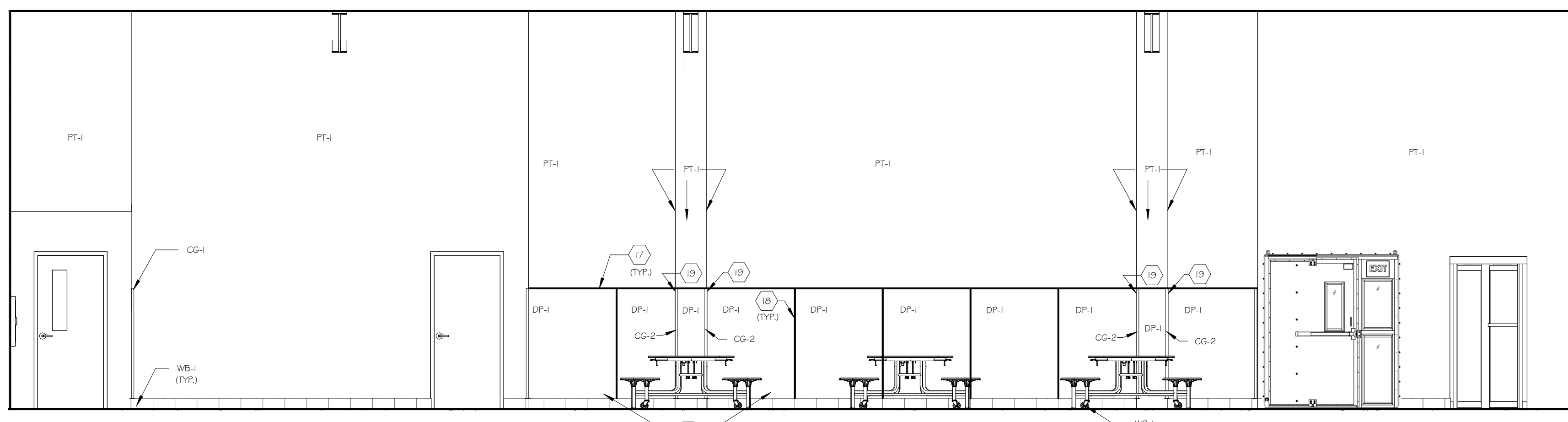
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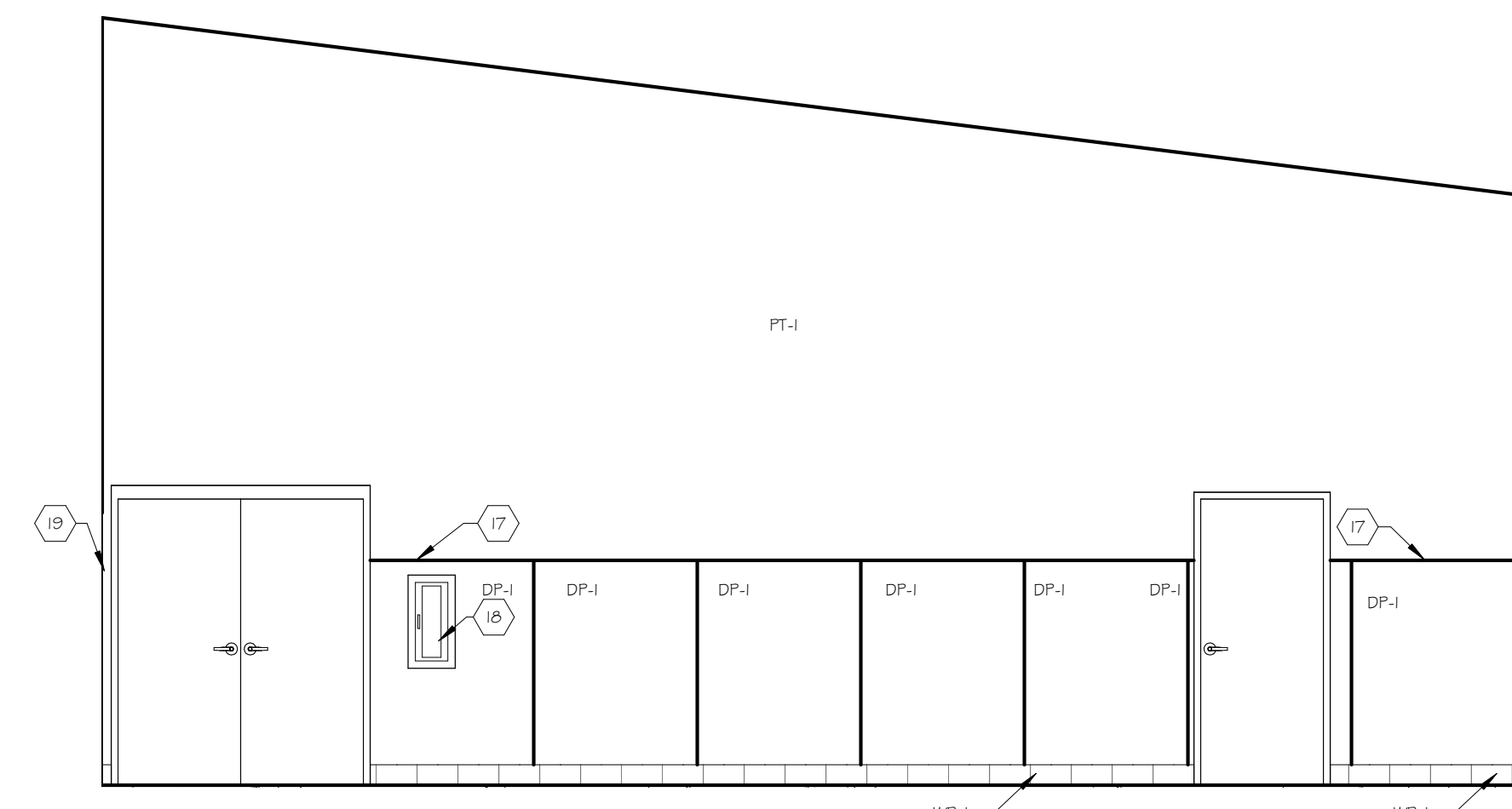
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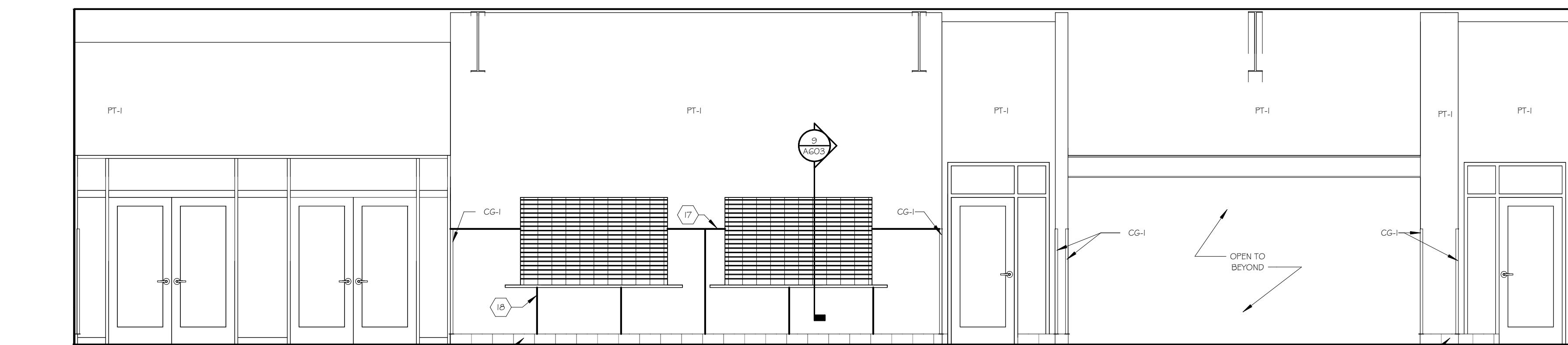
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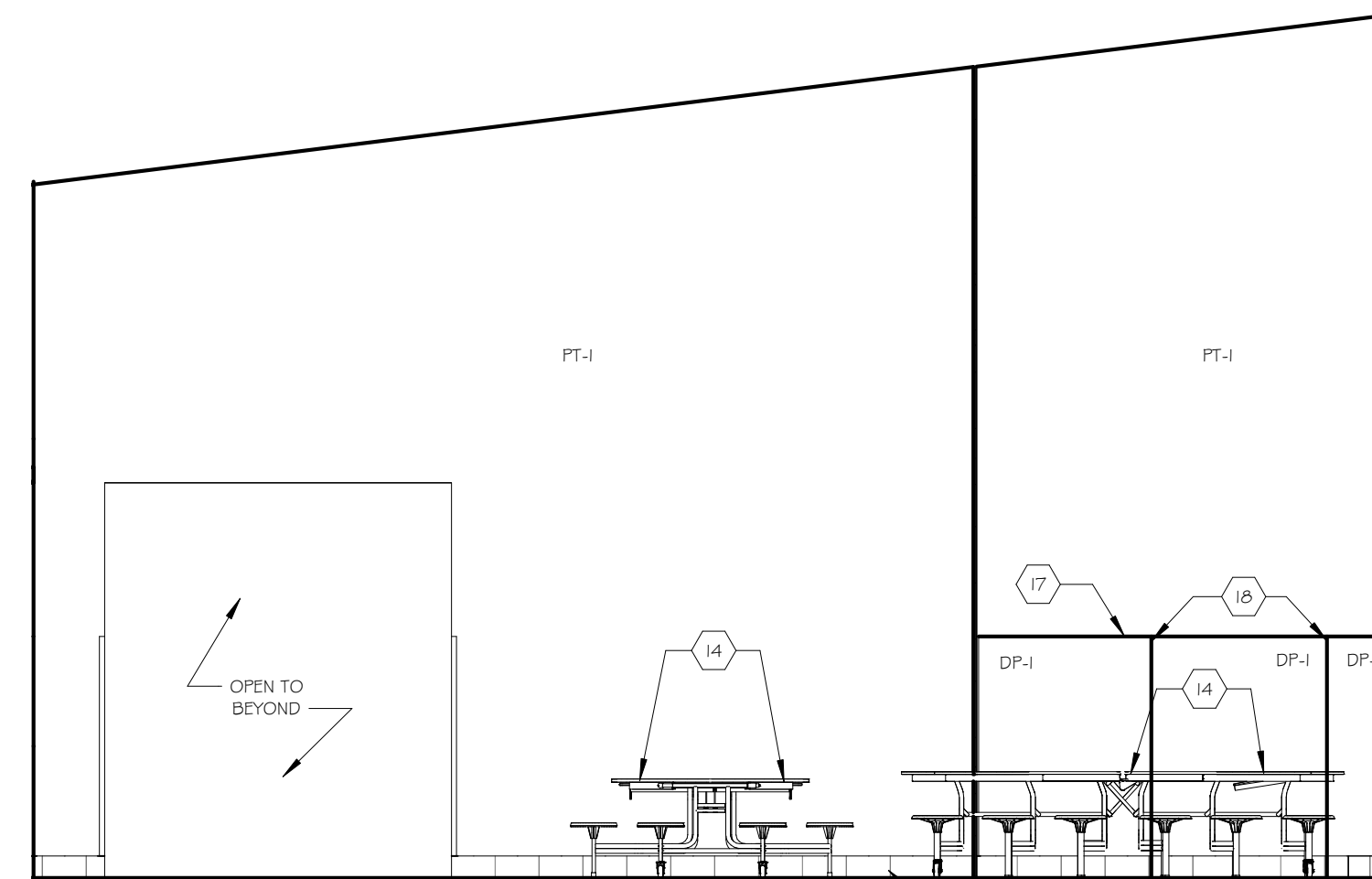
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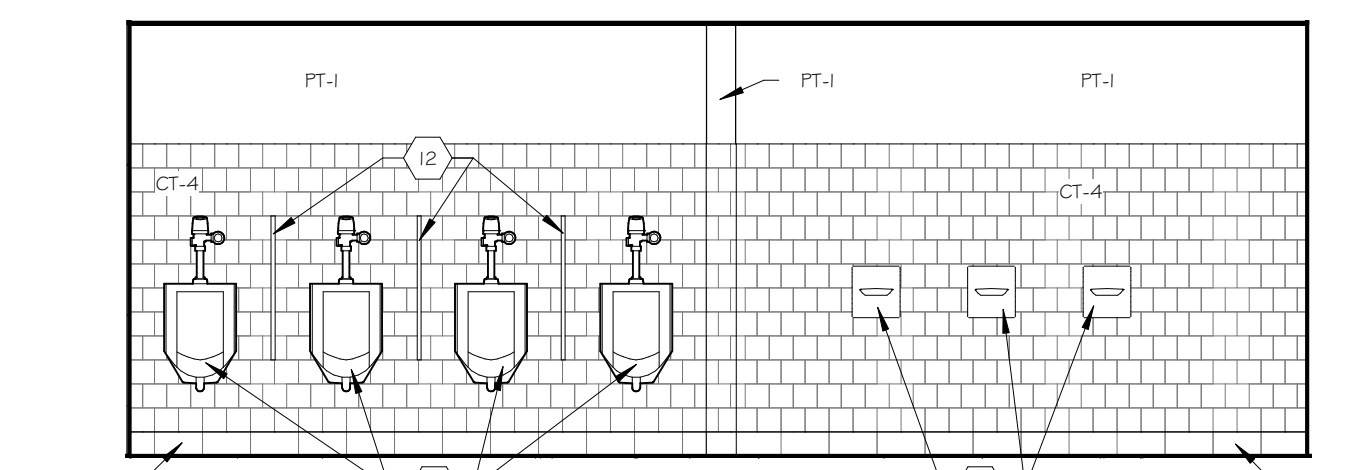
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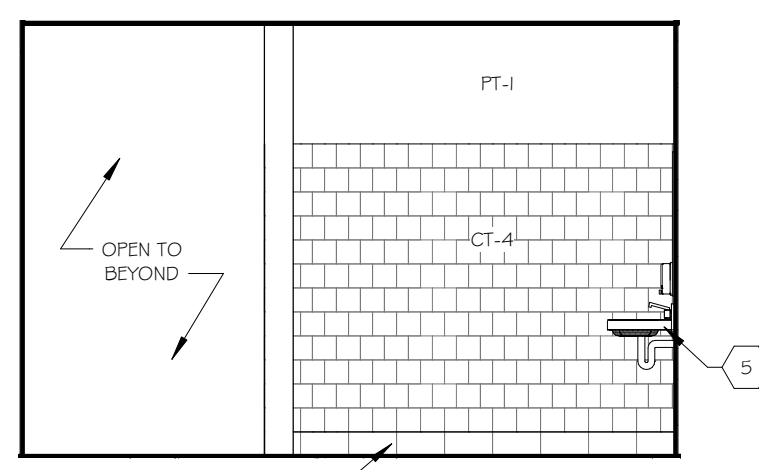
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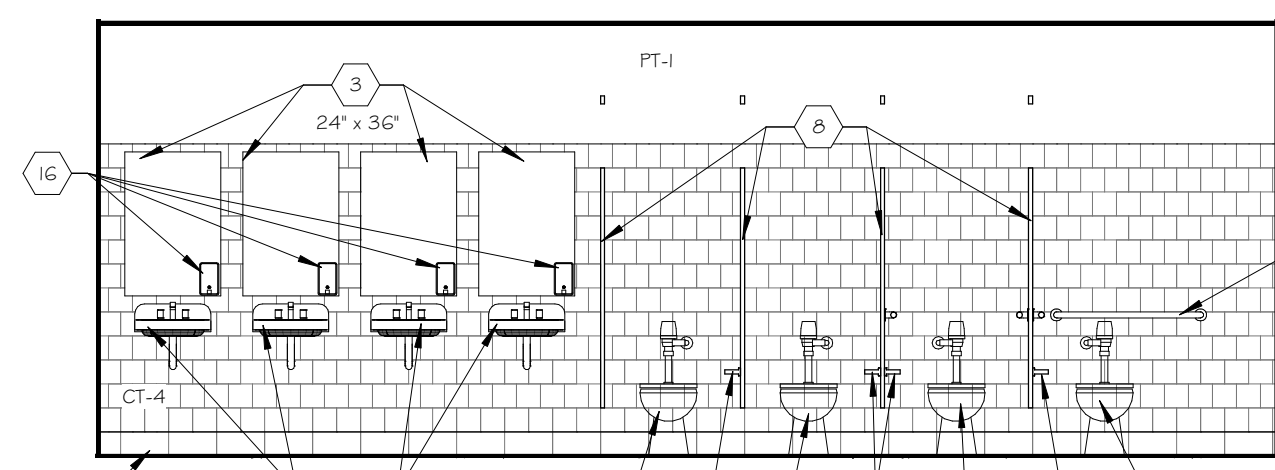
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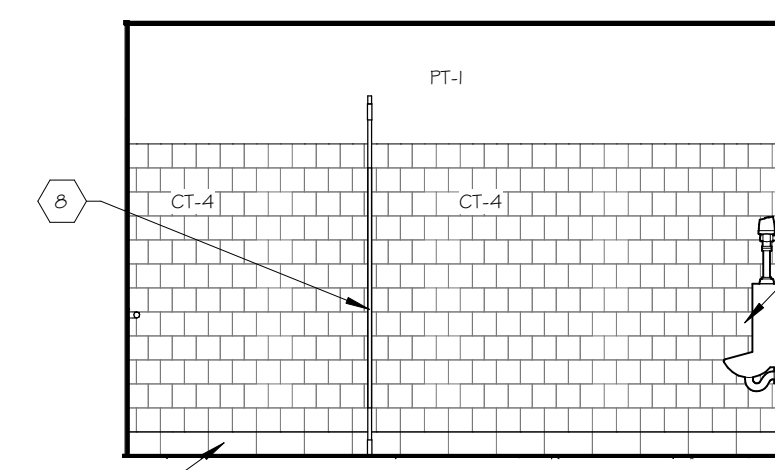
21 MEN'S RR - 117
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22 MEN'S RR - 117
SCALE: 1/4" = 1'-0"



23 MEN'S RR - 117
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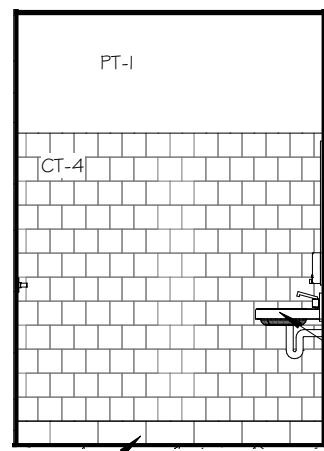


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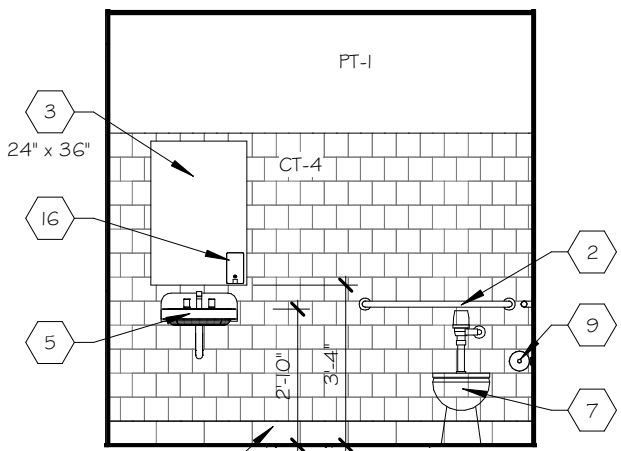
INTERIOR ELEVATION KEYNOTE LEGEND			
HEXAGON	OPCI	OPCI	DESCRIPTION
1			ADA FOLDING SHOWER SEAT
2			ADA GRAB BARS - PER CODE
3			MIRROR
4			COUNTERTOP
5			SINK - SEE PLUMBING PLAN
6			BENCH
7			WATER CLOSET - SEE PLUMBING PLAN
8			WATER CLOSET PARTITION
9			TOILET PAPER HOLDER
10			HI-LOW ELECTRIC WATER COOLER - SEE PLUMBING PLAN
11			HI-LOW ELECTRIC WATER COOLER - SEE PLUMBING PLAN
12			URINAL PARTITION
13			ARCHITECTURAL CASEWORK
14			FURNITURE
15			HAND DRYER
16			SOAP DISPENSER
17			TOP CAP
18			VERTICAL DIVIDER BAR
19			INSIDE CORNER TRIM

NOTE: SEE SHEET G200-G203 FOR BARRIER FREE DESIGN DETAILS AND NOTES

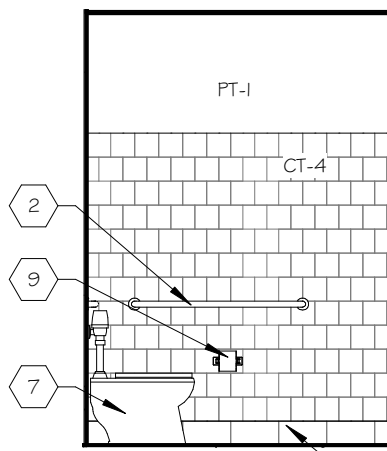
NOTE: SEE SHEET 910 FOR INTERIOR FINISH MATERIAL LIST



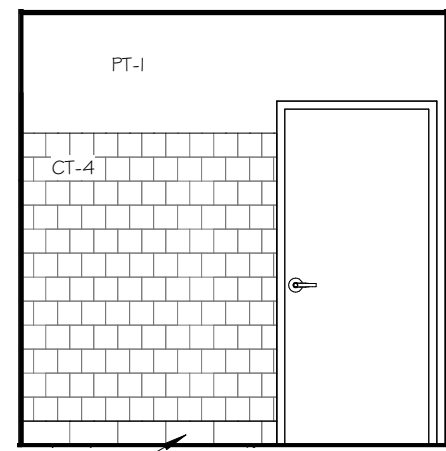
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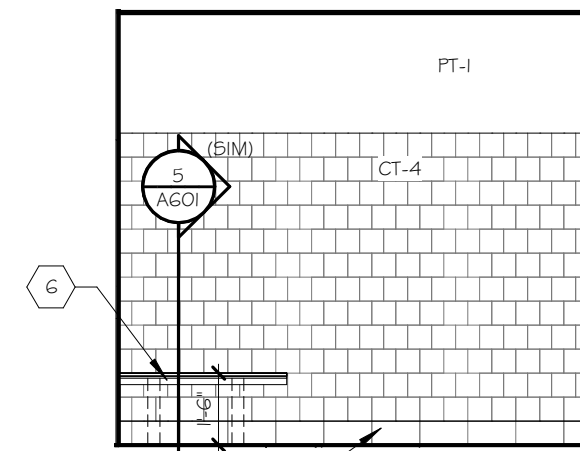
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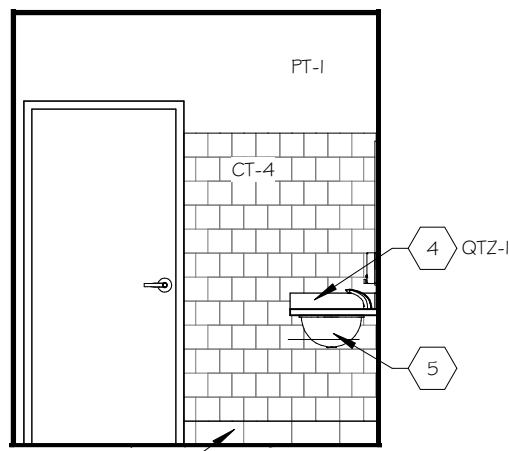
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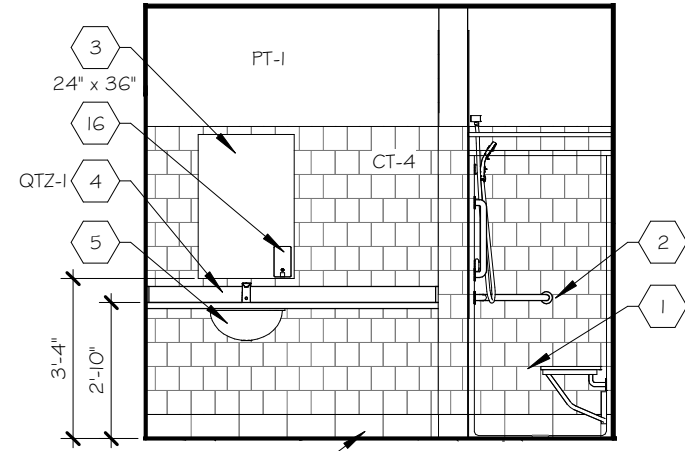
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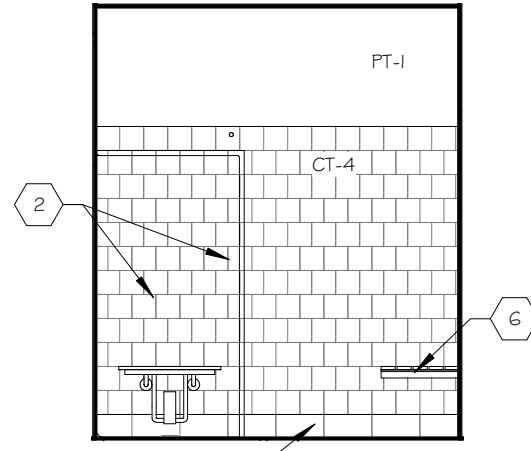
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SCALE: 1/4" = 1'-0"



7 ADA SHOWER - 122
SCALE: 1/4" = 1'-0"



8 ADA SHOWER - 122
SCALE: 1/4" = 1'-0"

REVISIONS	DATE
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PRELIMINARY
NOT FOR CONSTRUCTION

CLIENT
CITY OF REEDSBURG

PROJECT
REEDSBURG FIELDHOUSE

REEDSBURG, WI 53959

DRAWN BY
B.MEEHAN
CHECKED BY
D.CAMERON
DATE
08.17.2022
JOB NUMBER
21-112

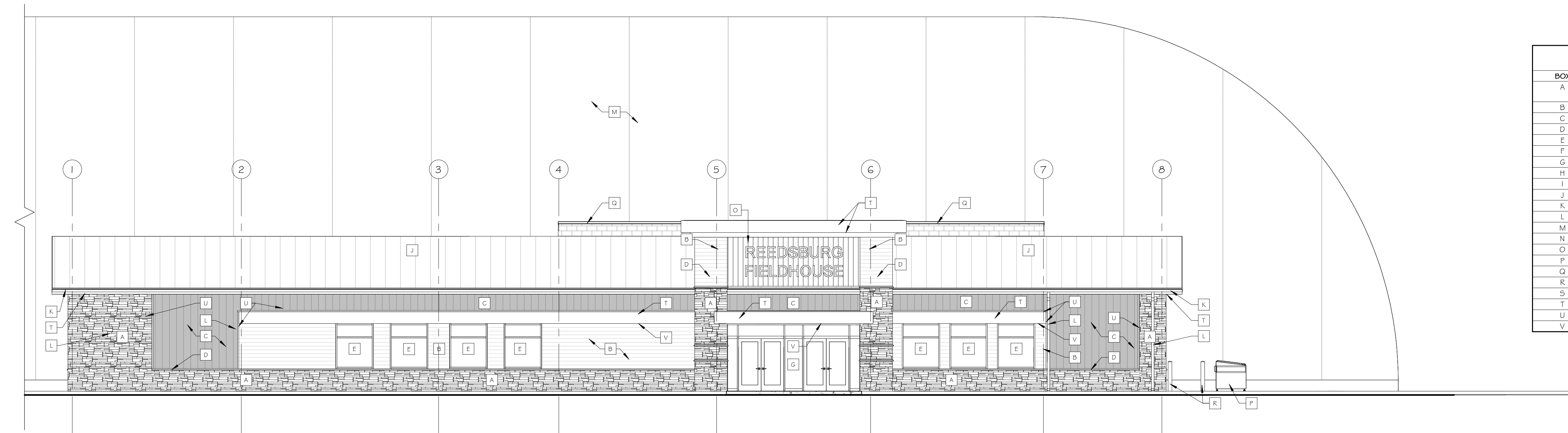
VOLUME / BID SET
VOLUME I

SHEET NAME
INTERIOR ELEVATIONS

SHEET NUMBER

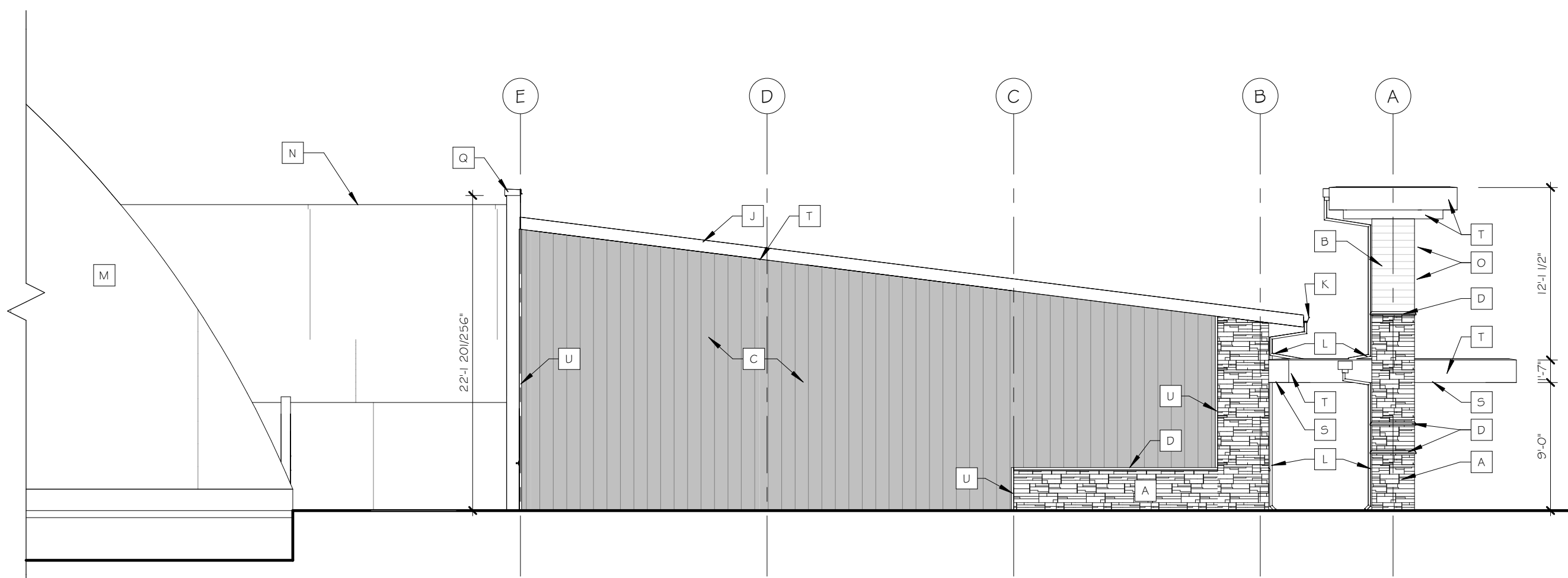
A301

EXTERIOR FINISH SCHEDULE			
BOX	MATERIAL / MANUFACTURER	DESCRIPTION / COLOR	NOTES
A	FULL MASONRY VENEER	REFLECTION STONE - ENCHANTMENT	-
B	HORIZONTAL ARCHITECTURAL SIDING	FAST PLANK - DARK CHERRY	-
C	VERTICAL ARCHITECTURAL SIDING	-	-
D	PRECAST STONE SILL	-	-
E	ALUMINUM WINDOWS	-	-
F	OVERHEAD DOOR	-	-
G	ALUMINUM STOREFRONT ENTRY SYSTEM	-	-
H	HOLLOW METAL DOOR	-	-
I	OVERHEAD ROLLING FIRE DOOR	-	-
J	STANDING SEAM METAL ROOF	-	-
K	EAVE GUTTERS	CHARCOAL	-
L	DOWNSPOUT	-	-
M	DOME STRUCTURE	-	-
N	DOME CONNECTOR	-	-
O	BUILDING SIGNAGE	-	-
P	DUMPSTER	-	-
Q	PREFINISHED METAL COPING	CHARCOAL	-
R	BOLLARD	-	-
S	PREFINISHED FLUSH PANEL METAL SOFFIT	-	-
T	PREFINISHED METAL DOUBLE FASCIA	CHARCOAL	-
U	PREFINISHED METAL TRIM	CHARCOAL	-
V	PREFINISHED FLUSH PANEL METAL SOFFIT	-	-



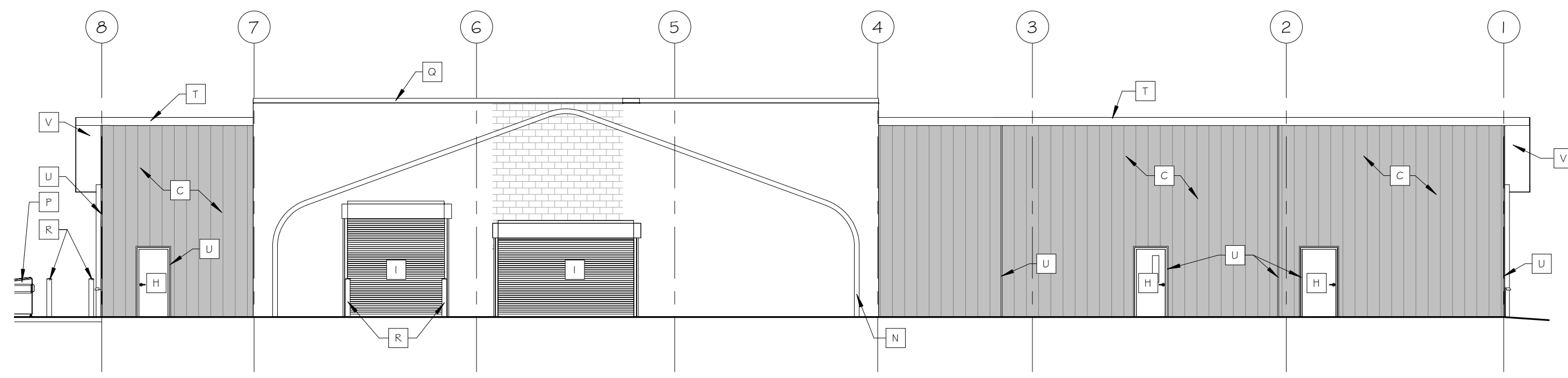
ELEVATION A

SCALE: 1/8" = 1'-0"



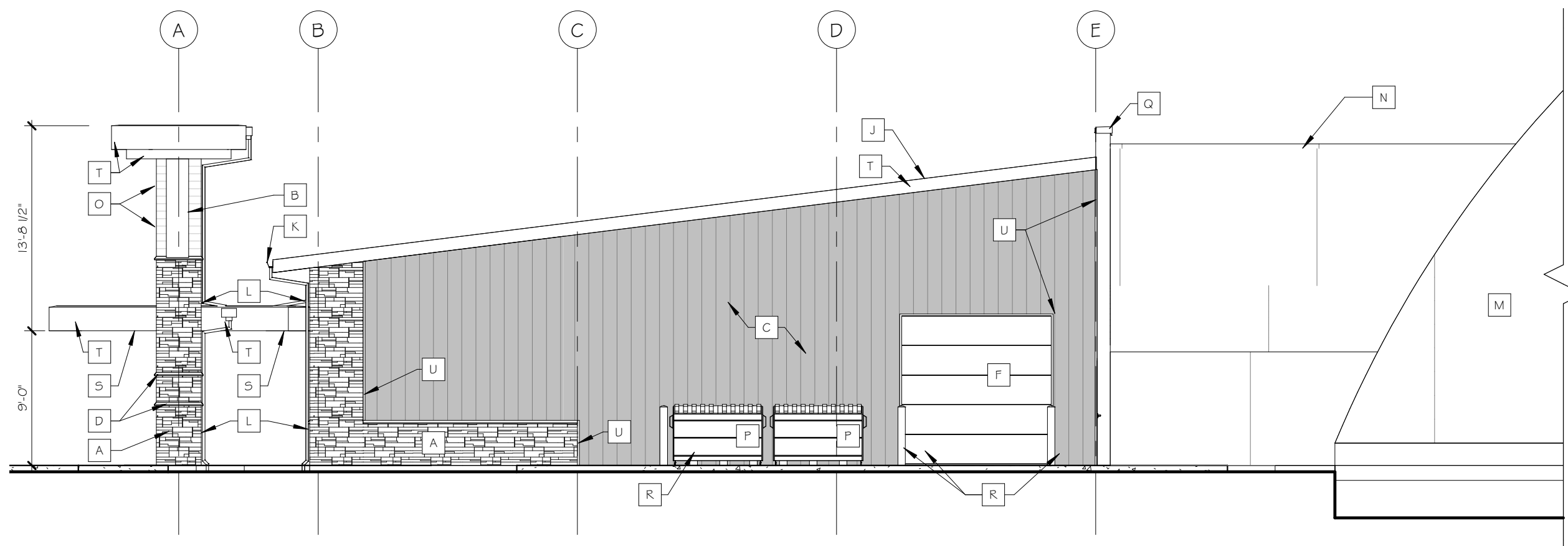
ELEVATION B

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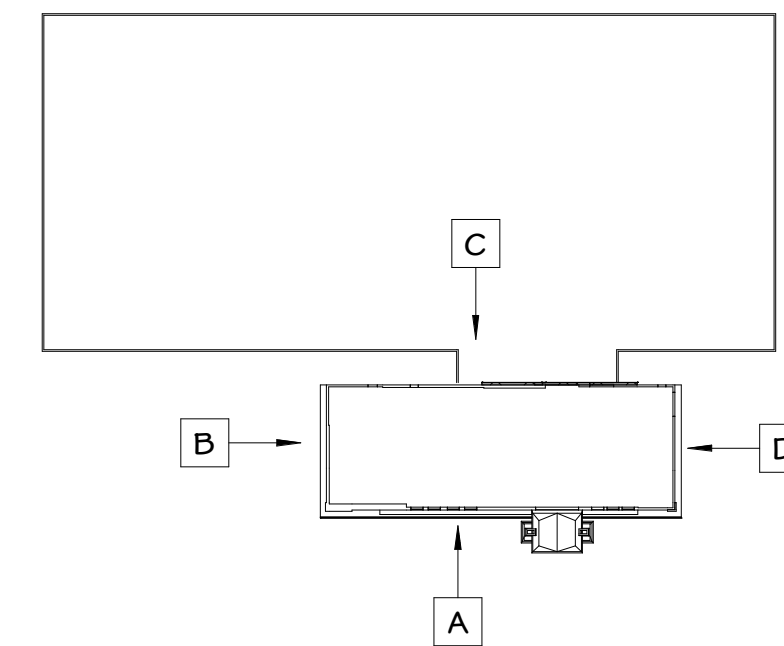
ELEVATION C

SCALE: 3/32" = 1'-0"



ELEVATION D

SCALE: 1/8" = 1'-0"



KEY PLAN

PRELIMINARY
NOT FOR CONSTRUCTION

CLIENT
CITY OF REEDSBURG

PROJECT
REEDSBURG FIELDHOUSE

REEDSBURG, WI 53959

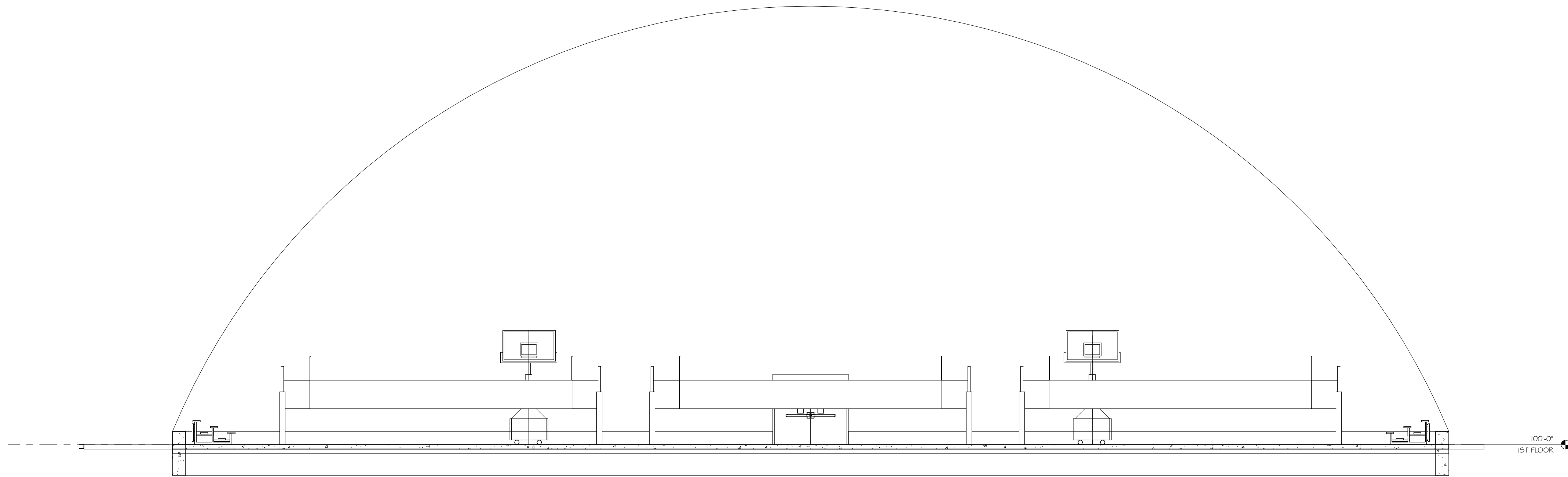
DRAWN BY
B.MEEHAN
CHECKED BY
D.CAMERON
DATE
08.17.2022
JOB NUMBER
21-112

VOLUME / BID SET
VOLUME I

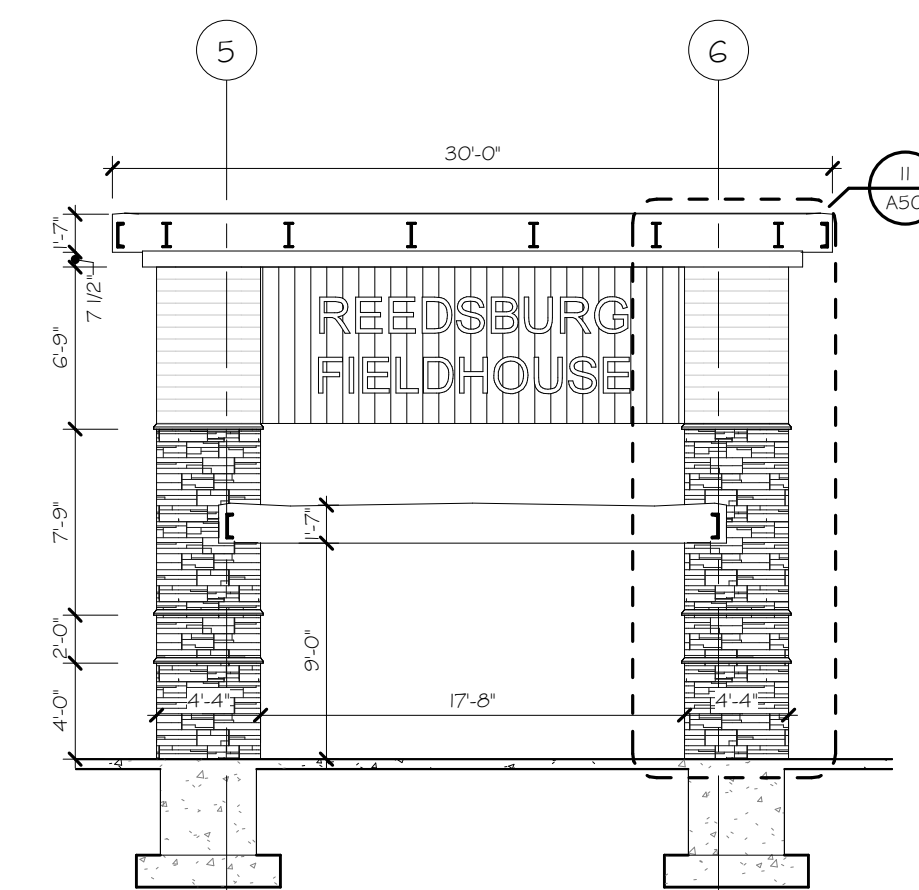
SHEET NAME
OVERALL EXTERIOR
ELEVATIONS

SHEET NUMBER

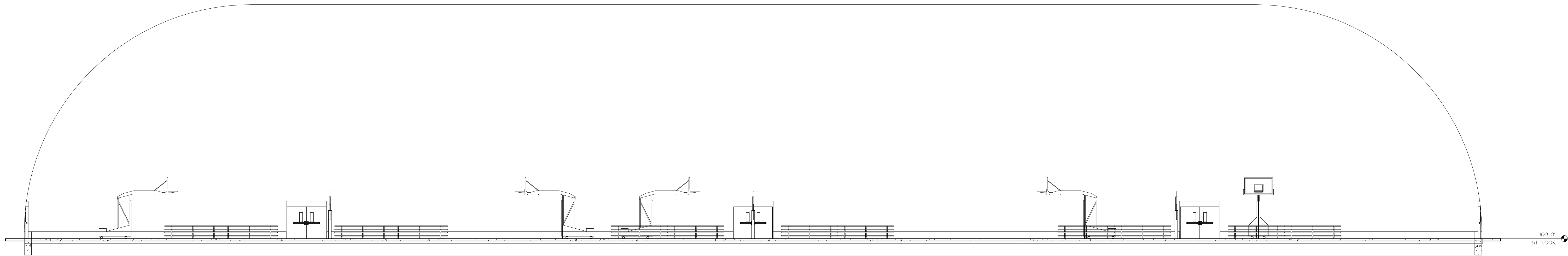
A400



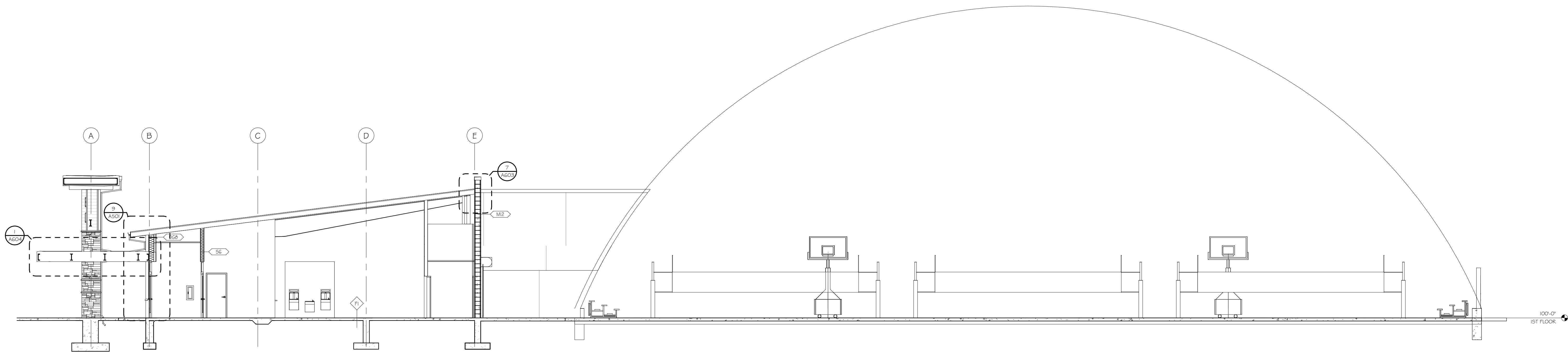
1 BUILDING SECTION
SCALE: 1/8" = 1'-0"



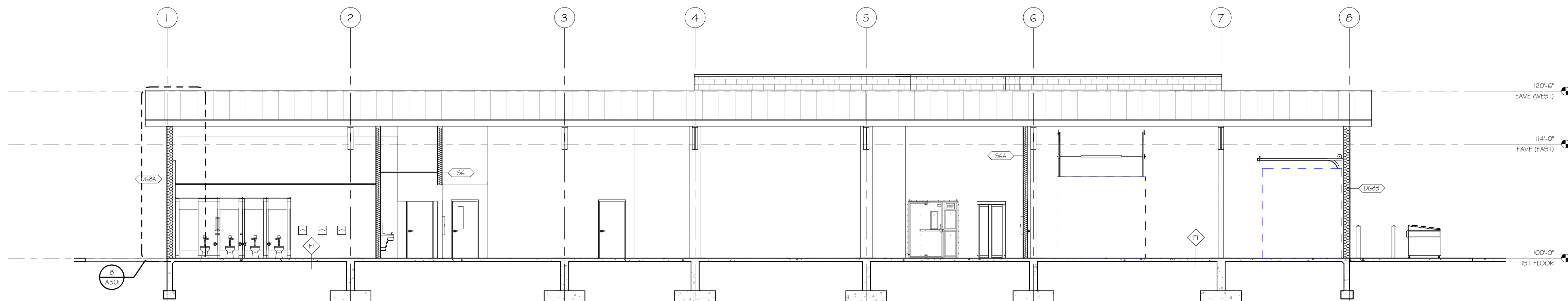
2 BUILDING SECTION
SCALE: 1/8" = 1'-0"



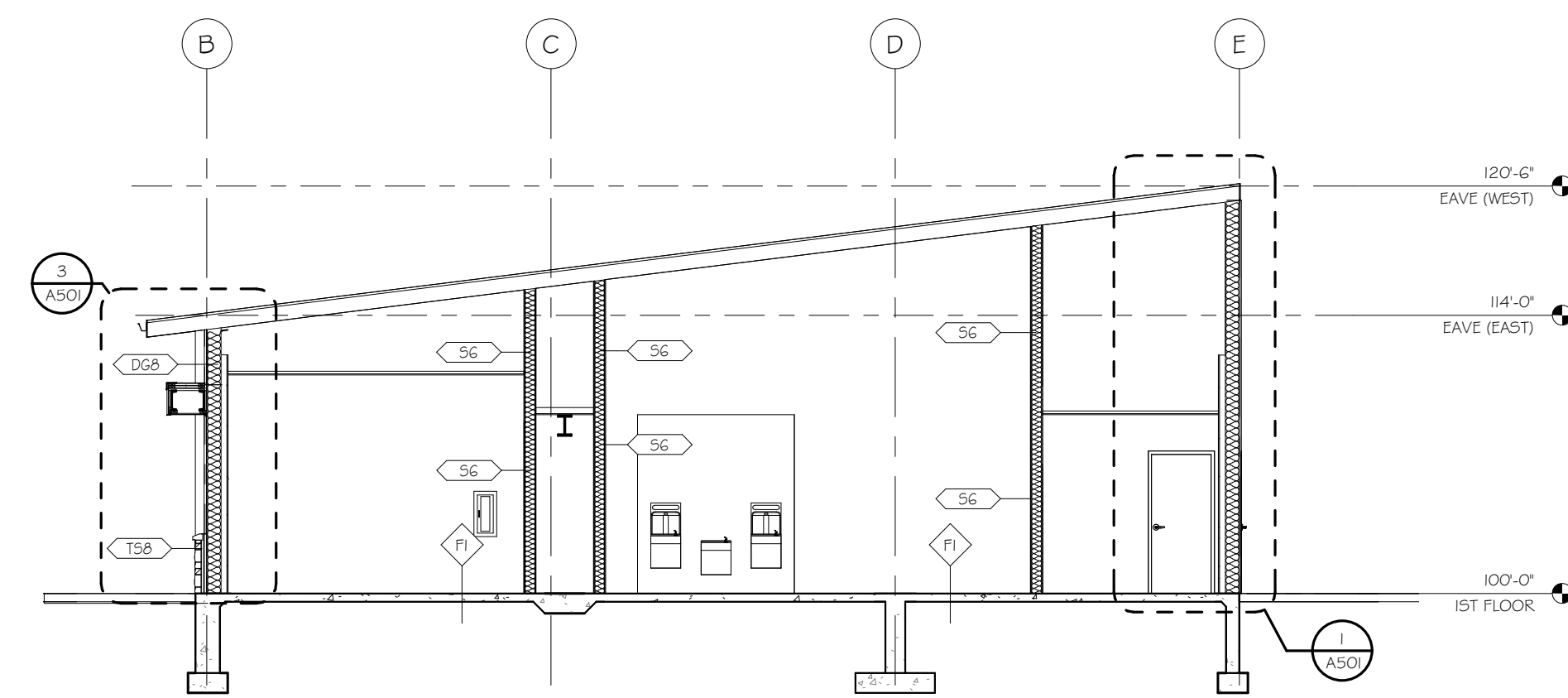
3 BUILDING SECTION
SCALE: 3/32" = 1'-0"



4 BUILDING SECTION
SCALE: 1/8" = 1'-0"



5 BUILDING SECTION
SCALE: 1/8" = 1'-0"



6 BUILDING SECTION
SCALE: 1/8" = 1'-0"

PRELIMINARY
NOT FOR CONSTRUCTION

CLIENT
CITY OF REEDSBURG

PROJECT
REEDSBURG FIELDHOUSE

REEDSBURG, WI 53599

DRAWN BY
B.MEEHAN
CHECKED BY
D.CAMERON
DATE
08.17.2022
JOB NUMBER
21-112
VOLUME / BID SET

VOLUME I

SHEET NAME
BUILDING SECTIONS

SHEET NUMBER

A500





MEMORANDUM OF UNDERSTANDING

Between

Huntington Park, LLC

And The

City Of Reedsburg, Wisconsin

Huntington Park, LLC, a Wisconsin limited liability company, (Developer) is proposing to construct Phase 3 at the Huntington Park Apartment Complex in Reedsburg resulting in the creation of high quality housing units for the workforce. This Memorandum of Understanding is intended to summarize the commitments of the Developer and City of Reedsburg (City). These commitments will be formalized in a Development Agreement which will be executed by the Developer and City.

WITNESSETH:

Whereas, the Developer executed a Development Agreement with the City on April 26, 2019 to construct three apartment buildings at the Huntington Park Apartment Complex; and,

Whereas, the City had previously amended the Tax Increment District No. 9 (TID No. 9) boundary to include the development site; and,

Whereas, the Developer has successfully completed construction of Phase 1 and Phase 2 of the Huntington Park Apartment Complex as provided for in Development Agreement; and

Whereas, Phase 1 and Phase 2 resulted in creation of more housing units and higher tax base than provided for in the Development Agreement; and,

Whereas, the Developer is proposing to construct Phase 3 at the Huntington Park Apartment Complex, however due to higher building costs the project is not financially feasible under the terms of the Development Agreement; and,

Whereas, the City recognizes having an adequate supply of high quality affordable housing units for the workforce is necessary to support continued industrial development within the City; and

Whereas, it has been concluded that it is in the City's best interest to amend the Development Agreement to invest additional TID No. 9 funds to create additional workforce housing in the City.

NOW, THEREFORE, in consideration of the premises and the mutual obligations of the parties hereto, each of them does hereby covenant and agree with the other that the terms of the Development Agreement shall be amended as follows:

I. Developer agreement

1. Developer shall construct Phase 3 consisting of a 51 unit apartment building at the Huntington Park Apartment Complex. The proposed unit mix will be 9 studio, 21 one bedroom and 21 two bedroom apartments. 20 of the two bedroom apartments will have two bathrooms. Parking for the apartments will include a combination of surface parking and underground parking. The buildings architectural style will be the same as the existing buildings in the apartment complex.
2. Developer shall start construction in the fall of 2022 and complete construction before December 31, 2023.
3. Developer's capital expenditure for Phase 3 is estimated to be \$6,250,000.
4. The increase in tax base for Phase 3 is estimated to be \$4,600,000.
5. The increase in tax increment revenue from Phase 3 shall be a minimum of \$92,000, with the first full revenue being paid in 2025.
6. Execute a Development Agreement Amendment between the City and Developer as stipulated in Section IV.
7. Developer shall not seek a reduction of property tax assessment for Phase 3 during the term of this agreement which results in less tax increment revenue than \$92,000 per year. The Developer shall also not seek a reduction of property tax assessments for Phase 1 and Phase 2 which results in an assessed value that is lower than the value as of January 1, 2022.

II. City of Reedsburg agreement

1. Using TID No. 9 funds, the City shall provide a Direct Business Assistance grant in the amount of **\$500,000** in conjunction with Phase 3. The funds shall be used to pay for site development, landscaping and building construction. Within 60 days of the building permit being issued, the **\$500,000** Direct Business Assistance grant shall be paid into a third party escrow account and disbursed as authorized by the Developer's lender.
2. Using TID No. 9 funds, the City shall provide TIF funding to the Developer using the "PayGo" methodology. Based on the higher assessed value of Phase 1 and Phase 2 , plus the guaranteed TIF revenue of \$92,000 per year from Building No. 3, the City shall make the following annual TIF payments to the Developer.
 - a. Amend the Phase 1 "PayGo" Payment: The original Development Agreement included a \$21,775 annual "PayGo" payment for a period of seventeen years. The Development Agreement is being modified to reduce the number of "PayGo" payments from seventeen years to ten years. The rest of the terms of the Phase 1 "PayGo" payments shall stay the same.

- b. Amend Phase 3 “PayGo” Payment: Provide an annual TIF “PayGo” payment of 25% of the calculated property tax payment of parcel and improvements on 276-2200-52300 for a period of ten years. The rest of the terms of the Phase 3 “PayGo” payments shall stay the same.
3. Using the City’s Tax Incremental Financing Affordable Housing Fund. The City shall reimburse the Developer for the Park Impact Fees for Phase 3. Payment shall be made within 60 days of the building permit being issued.

III. Security

1. Insurance. The Developer shall maintain insurance on the Parcel, in an amount not less than the full insurable value of the improvements, for fire, casualty, and external damage coverage and shall name the City as an additional insured, for the term of the Development Agreement. The City shall be in a subordinate position to any bank and/or other lender (collectively, the “Lender”) providing construction or long-term financing for the Facility or to the Developer. A copy of an insurance binder or certificate of insurance demonstrating compliance with this Section shall be submitted to the City within thirty (30) days after commencement of construction at the Facility. Thereafter, the Developer shall provide the City with written evidence of compliance with this Section on an annual basis. In the event the improvements on the Parcel are damaged or destroyed before the City has totally recovered its expenditures for this project, the proceeds from the insurance shall be payable to the Developer, and subject to the Lender’s requirements, shall be applied toward either (a) the reconstruction of the improvements so destroyed or damaged, or (b) the then outstanding unpaid principal balance of the City’s loan taken out to fund the City’s Upfront Development Costs. The parties agree that solely for purposes of this MOU, the amount of the City’s Upfront Development Cost is \$500,000 in conjunction with Phase 3.
2. Irrevocable Letter of Credit. The parties acknowledge and agree that the Tax Increment received by the City from TID No. 9 is intended to be sufficient to pay the City those sums which the City will incur in Development Costs, plus interest incurred during the term of the Irrevocable Letter of Credit. The City’s Development Costs include the cost for the Direct Business Assistance, plus soft costs including administrative, legal and financing costs. The parties agree that solely for purposes of this MOU, the amount of the City’s Development Cost is \$500,000 in conjunction with Phase 3.

Notwithstanding any other provisions herein, if Developer is not in substantial compliance with the conditions set forth in Article I, then the City, at its sole option, may draw upon the Irrevocable Letter of Credit in a sum not exceeding \$500,000, plus interest incurred during the term of the Irrevocable Letter of Credit. DEVELOPER, at the time of Closing shall provide the City an Irrevocable Letter of Credit. The Irrevocable Letter of Credit shall be payable at sight to the City, authorize partial draws, and shall include a provision requiring that the City be given written notice not less than 45 days nor more than 60 days prior to expiration of the Irrevocable Letter of Credit. The termination date of the Irrevocable Letter of Credit is December 31, 2023, or the date of occupancy of the Phase 3 apartment building as described in Section I.

3. **Guaranteed Tax Increment Revenue.** During the term of the Development Agreement, the Developer shall generate at least \$92,000 tax increment revenue annually from Phase 3, with the first full payment being in 2025. In the event the actual tax increment revenue payment is less than \$92,000, the City shall reduce the annual "PayGo" payments to the Developer, as provided for in Section II.2 of this MOU. The amount of the reduction to the annual "PayGo" payment shall be equal to the difference between the actual tax increment revenue and the guaranteed tax increment revenue. In the event the reduction to the annual "PayGo" payment is not sufficient to make up the shortfall of the guaranteed tax increment revenue, Developer shall pay to City annually a sum equal to the difference between the guaranteed tax increment revenue and the deficit left after the reduction in the annual "PayGo" is applied. So long as there is a deficit left after the reduction in the annual "PayGo" payment is applied, the payments shall be made by the Developer to the City and shall continue annually until the expiration date of the Development Agreement. If the Developer fails to make the payment upon the written demand of the City, the City shall add the amount owed by the Developer to the real estate tax bill for the Development Site. In no event shall this paragraph be interpreted to allow the Developer to pay less than the legally established annual property tax levied against the property which may be in excess of the guaranteed minimum amount established above; nor shall the Developer be relieved of its responsibility to pay such taxes levied after termination of the Development Agreement.

IV. Acknowledgements & Contingencies

The parties to this MOU acknowledge the commitments included in this document are preliminary and are subject to change as the project scope is finalized. The parties also acknowledge the following contingencies:

1. Developer receives final financing approval.
2. The project shall be reviewed and approved as a Planned Development Group by the City.
3. The City and Developer approves and executes the Development Agreement amendment and Promissory Note.

With the approval of this MOU, the City of Reedsburg Common Council is granting authority to the Mayor, City Administrator, City Clerk and City Attorney to prepare and execute a Development Agreement and other documents necessary for the implementation of the project, provided they are consistent with the terms of the MOU.

The term of the amended Development Agreement is until the final annual "PayGo" payment is made by the City to the Developer, which is estimated to be on July 31, 2036. In no case can TIF annual "PayGo" payments be made after TID No. 9 is terminated, which is estimated to be in 2037.

Both parties mutually understand the City and Developer will execute a Development Agreement amendment. This MOU will expire once both parties sign a Development Agreement amendment, or on December 31, 2022, whichever comes first. The terms stated herein and the original Development Agreement constitute the entire agreement between the Developer and City.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on:
22nd Day of August, 2022.

For the City of Reedsburg

David G. Estes, Mayor
August 22, 2022

Jacob Crosetto, City Clerk
August 22, 2022

Huntington Park, LLC

Cody Pelton, Member
August 22, 2022

Witness
August 22, 2022

MEMORANDUM OF UNDERSTANDING

Between

Lynn Properties, LLC

And The

City Of Reedsburg, Wisconsin

Lynn Properties, LLC, a Wisconsin limited liability company, (Developer) is proposing to construct a commercial building on South Albert Avenue in the City of Reedsburg resulting in the creation of a multi-tenant commercial lease space. This Memorandum of Understanding is intended to summarize the commitments of the Developer and City of Reedsburg (City). These commitments will be formalized in a Development Agreement which will be executed by the Developer and City.

WITNESSETH:

Whereas, the City created Tax Increment District (TID) No. 8 as a Mixed-Use TID in 2008 to promote commercial development, redevelopment and new housing opportunities on the City's Westside; and,

Whereas, the City recognizes the need to encourage new commercial development of the Westside to offer essential goods and services to the residents in the area; and

Whereas, the Developer is proposing to purchase parcel 276-1845-00000 from the City and develop a new commercial building to create lease spaces for commercial tenants; and,

Whereas, the ability to develop the commercial building in Reedsburg will be based on the financial feasibility of the project; and

Whereas, the City recognizes having new commercial businesses on the Westside is desirable to support continued growth of the City; and

Whereas, the City has concluded that it is in the best interest of the community to invest TID No. 8 funds to create help fund the new commercial building.

NOW, THEREFORE, in consideration of the premises and the mutual obligations of the parties hereto, each of them does hereby covenant and agree with the other as follows:

I. Developer agreement

- A. Developer shall purchase parcel 276-1845-000000 from the City as shown on Exhibit A for One and 00/100 Dollars (\$1.00).
- B. Developer shall construct a new 7,800 square foot commercial building including site grading, access drives, parking, commercial building with multiple lease spaces, landscaping and on-site storm water management facilities.
- C. Developer agrees to enhance the appearance of the development site and building to create an attractive development at the south gateway into the City. Building enhancements include architecture materials and features on the street facades' of the building facing the public streets

acceptable to the City Plan Commission. Landscaping shall include green space, trees and shrubs around the perimeter of the building.

- D. The Developer's timetable to complete the construction of the building is as follows:
 - 1. Start construction by October 31, 2022
 - 2. Complete construction by December 31, 2023.
- E. The Developer shall increase the property tax assessment of real estate on the parcel by One Million Forty Thousand and 00/100 Dollars (\$1,040,000.00) on or before December 31, 2023.
- F. The Developer shall generate an annual Guaranteed Tax Increment Revenue of Twenty One Thousand One Hundred Ninety and 00/100 Dollars (\$21,190.00). The first full Guaranteed Tax Increment Revenue payment shall be made to the City in 2025 and subsequent payments shall be made each year until TID No. 8 is terminated. In the event the actual tax increment revenue is less than Twenty One Thousand One Hundred Ninety and 00/100 Dollars (\$21,190.00), the Developer shall pay to the City annually a sum equal to the difference between the Guaranteed Tax Increment Revenue and the actual tax increment revenue payments. Also see Article III, Section C.
- G. In the event the Developer does not start construction of the commercial building by June 30, 2023, the City shall have the right to purchase the vacant lot and sell it to other developers. The City shall pay the Developer One and 00/100 dollars (\$1.00) to repurchase the lot.
- H. Submit a site plan, landscaping plan and building plan to the City for review and approval.
- J. Obtain all necessary permits; comply with all local, state, and federal requirements. Developer shall be responsible to pay all permit fees and City connection fees.
- K. Execute a Development Agreement between the City and Developer as stipulated in Article IV.
- L. Developer shall not seek a reduction of property tax assessment during the term of this agreement.
- M. The Developer will not be allowed to sell the development to another developer during the term of the Development Agreement unless granted written approval from the City, which will not be unreasonably withheld. If approval to sell is granted, the terms of the Development Agreement between the Developer and the City will be assigned to the buyer.
- N. Any costs expended by the Developer will be exclusive to the Developer and will not be a cost of the City.

II. City of Reedsburg agreement

- A. Using TID No. 8 funds, the City shall purchase parcel 276-1845-00000 for Three Hundred Thousand and 00/100 Dollars (\$300,000.00) on or before September 30, 2022.
- B. Using TID No. 8 funds, the City shall sell parcel 276-1845-00000 to the Developer for One and 00/100 Dollars (\$1.00) on or before September 30, 2022.
- C. Based on the TID No. 8 Developer Guaranteed Annual Tax Increment Revenue in the amount of Twenty One Thousand One Hundred Ninety and 00/100 Dollars (\$21,190.00), the City shall make a one time a TIF PayGo payment to the Developer in an amount of Twenty One Thousand One Hundred Ninety and 00/100 Dollars (\$21,190.00). Said payment shall be made on September 1, 2025. Said payment shall be made provided the Developer is in compliance with the terms of the Development Agreement. Payments are also subject to the Guaranteed Tax Increment Revenue provisions included in Article III, Section C of this MOU.

- D. The terms of the TIF PayGo payment shall be incorporated into a Promissory Note issued by the City.
- E. The Developer will not be allowed to sell the building during the term of the Development Agreement unless granted written approval from the City, which will not be unreasonably withheld. If approval to sell is granted, the terms of the Development Agreement between the Developer and the City will be assigned to the buyer.
- F. Any money expended exclusively by the City for this project will not be reimbursed by the Developer.

III. Security

Insurance. The Developer shall maintain insurance on the Parcel, in an amount not less than the full insurable value of the improvements, for fire, casualty, and external damage coverage and shall name the City as an additional insured, for the term of the Development Agreement. The City shall be in a subordinate position to any bank and/or other lender (collectively, the "Lender") providing construction or long-term financing for the Facility or to the Developer. A copy of an insurance binder or certificate of insurance demonstrating compliance with this Section shall be submitted to the City within thirty (30) days after commencement of construction at the Facility. Thereafter, the Developer shall provide the City with written evidence of compliance with this Section on an annual basis. In the event the improvements on the Parcel are damaged or destroyed before the City has totally recovered its expenditures for this project, the proceeds from the insurance shall be payable to the Developer, and subject to the Lender's requirements, shall be applied toward either (a) the reconstruction of the improvements so destroyed or damaged, or (b) the then unrecovered repayment of the City's upfront Development Costs. The parties agree that solely for purposes of this MOU, the amount of the City's Development Cost is Three Hundred Twenty Six Thousand One Hundred Ninety and 00/100 Dollars (\$326,190.00) in conjunction with in project. ("Net City Upfront Development Cost"). The City's Upfront Development Costs for purposes of the Section includes \$300,000 for land acquisition, \$5,000 for soft costs and the TIF \$21,190.00 PayGo payment.

- B. First Position Real Estate Mortgage. The parties acknowledge and agree that the Tax Increment received by the City from TID No. 8 is intended to be sufficient to pay the City those sums which the City has or will incur for the acquisition of the Development Site. The parties agree that solely for purposes of this Agreement, the net amount the City considers attributable to the Development Site is Three Hundred Five Thousand and 00/100's Dollars (\$305,000.00). The City's Upfront Development Cost for purposes of this Section includes \$300,000 for land acquisition and \$5,000 for soft costs.

It is specifically agreed by and between the parties hereto that the City shall have a first position real estate mortgage against the parcel to guarantee the Developer shall convey the parcel back to the City in the event the Developer does not construct the proposed facility. Said conveyance shall be free and clear of all liens and encumbrances. The first position real estate mortgage shall be in the amount of Three Hundred Five Thousand and 00/100's Dollars (\$305,000.00), which is equal to the City's Net Upfront Development Cost for this Section. It is also specifically agreed by and between the parties hereto that the City shall subordinate to the first mortgage lenders once construction is started and funds are disbursed by the lender. Upon completion on the new facility, the Real Estate Mortgage shall be in a subordinate security position to the first mortgage lenders, but shall remain against the parcel for the term of the Agreement.

- A. Guaranteed Tax Increment Revenue. During the term of the Development Agreement, the Developer shall generate an annual Guaranteed Tax Increment Revenue of Twenty One Thousand One Hundred Ninety and 00/100 Dollars (\$21,190.00). The first full Guaranteed Tax Increment Revenue payment shall be made to the City in 2025 and subsequent payments shall be made each year until TID No. 8 is terminated. In the event the actual tax increment revenue is less than Twenty One Thousand One Hundred Ninety and 00/100 Dollars (\$21,190.00), the Developer shall pay to the

City annually a sum equal to the difference between the Guaranteed Tax Increment Revenue and the actual tax increment revenue payments.

In the event the actual payments to the City in 2025 are less than Twenty One Thousand One Hundred Ninety and 00/100 Dollars (\$21,190.00), the City shall reduce the onetime PayGo payment to the Developer, as provided for in Article II, Section C of this MOU. The amount of the reduction to the onetime PayGo payment shall be equal to the difference between the actual payments to the City and the annual Guaranteed Tax Increment Revenue of Twenty One Thousand One Hundred Ninety and 00/100 Dollars (\$21,190.00).

After 2025, if the actual annual payments to the City are less than Twenty One Thousand One Hundred Ninety and 00/100 Dollars (\$21,190.00), Developer shall pay to City annually a sum equal to the difference between the actual payments and Twenty One Thousand One Hundred Ninety and 00/100 Dollars (\$21,190.00). If the Developer fails to make the payment upon the written demand of the City, the City shall add the amount owed by the Developer to the real estate tax bill for the Development Site. In no event shall this paragraph be interpreted to allow the Developer to pay less than the legally established annual property tax levied against the property which may be in excess of the guaranteed minimum amount established above; nor shall the Developer be relieved of its responsibility to pay such taxes levied after termination of the Development Agreement.

IV. Acknowledgements & Contingencies

The parties to this MOU acknowledge the commitments included in this document are preliminary and are subject to change as the project scope is finalized. The parties also acknowledge the following contingencies:

- A. Developer receives final financing approval.
- B. The City and Developer approves and executes the Development Agreement and Promissory Note.

With the approval of this MOU, the City of Reedsburg Common Council is granting authority to the Mayor, City Administrator, City Clerk and City Attorney to prepare and execute a Development Agreement and other documents necessary for the implementation of the project, provided they are consistent with the terms of the MOU.

The term of the Development Agreement is until TID No. 8 is terminated, which is estimated to be in September 22, 2028.

Both parties mutually understand the City and Developer will execute a Development Agreement. This MOU will expire once both parties sign a Development Agreement, or on August 15, 2022, whichever comes first. The terms stated herein constitute the entire agreement between the Developer and City. The City and the Developer must agree to any amendment to this agreement in writing.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on:
_____, 2022.

For the City of Reedsburg

David G. Estes, Mayor

Date

Jacob Crosetto, City Clerk

Date

Lynn Properties, LLC

Richard Lynn, Member

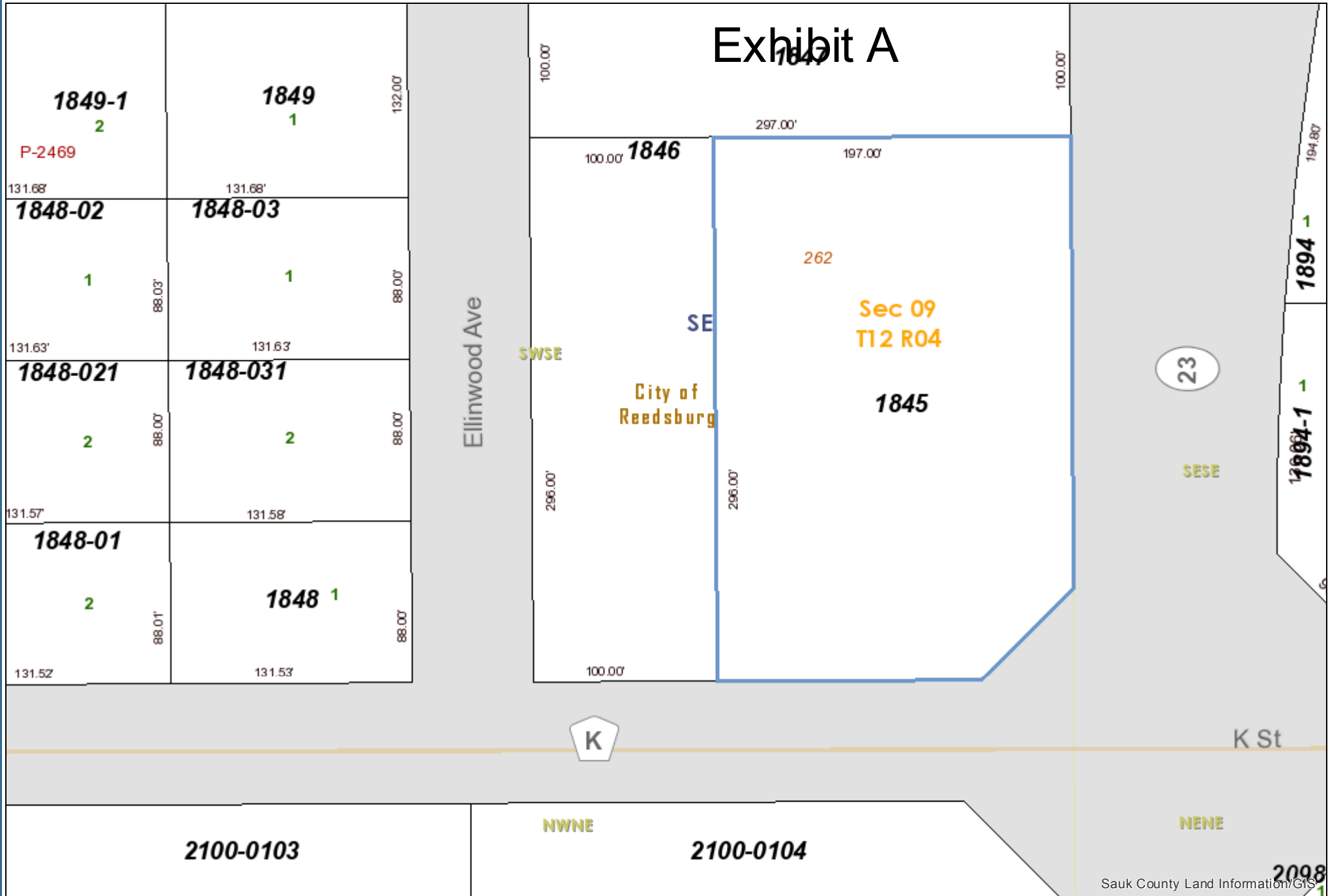
Date

Witness

Date



Exhibit A



0 0.01 0.02 mi



Sauk County Land Information/GIS

8/18/2022

ORDINANCE NO. 1944-22
(2042 Comprehensive Plan)

The City of Reedsburg, Sauk County, Wisconsin, does hereby ordain as follows:

AN ORDINANCE TO ADOPT THE 2042 COMPREHENSIVE PLAN FOR THE CITY OF REEDSBURG AND TO AMEND CHAPTER 690, SECTIONS 690-134 & 690-136 OF THE MUNICIPAL CODE OF THE CITY OF REEDSBURG

SECTION I: PURPOSE.

The attached 2042 Comprehensive Plan for the City of Reedsburg, as approved by the City Plan Commission, is hereby adopted. The Plan Commission held a Public Hearing regarding the 2042 Comprehensive Plan and proposed code amendments on September 13, 2022.

SECTION II: PROVISION AMENDED.

Chapter 690, Sections 690-134 and 690-136 of the Municipal Code of the City of Reedsburg is hereby amended to read as follows:

§ 690-134 Recommendation of adoption.

The City Plan Commission of the City of Reedsburg, by a majority vote of the entire Commission, recorded in its official minutes, adopted a resolution recommending to Common Council the adoption of the document entitled "~~Comprehensive Plan of the City of Reedsburg,~~" "**2042 Comprehensive Plan**" containing all of the elements specified in § 66.1001(2), Wis. Stats.

§ 690-136 Adoption of Plan.

The Common Council of the City of Reedsburg, Wisconsin, does, by enactment of this chapter, formally adopt the document entitled "~~Comprehensive Plan of the City of Reedsburg,~~" "**2042 Comprehensive Plan**" pursuant to § 66.1001(4)(C), Wis. Stats.

SECTION III: VALIDITY

The several sections of this ordinance are declared to be severable. If any section or portion thereof shall be declared by a decision of a court of competent jurisdiction to be invalid, unlawful, or unenforceable, such decision shall apply only to the specific section or portion thereof directly specified in the decision, and not affect the validity of all other provisions, sections, or portion thereof of the ordinance which shall remain in full force and effect. Any other ordinance whose terms are in conflict with the provisions of this ordinance are hereby repealed as to those terms that conflict.

SECTION IV: EFFECTIVE DATE.

This ordinance shall be in force from and after its introduction and publication as provided by statute.

SECTION V: PART OF CODE:

This Ordinance becomes part of the City of Reedsburg Code, Chapter 690.

Dated this 26th day of September 2022.

David G. Estes, Mayor

Jacob Crosetto, Clerk/Treasurer

1st Reading at Council:

August 22, 2022

Public Hearing Noticed:

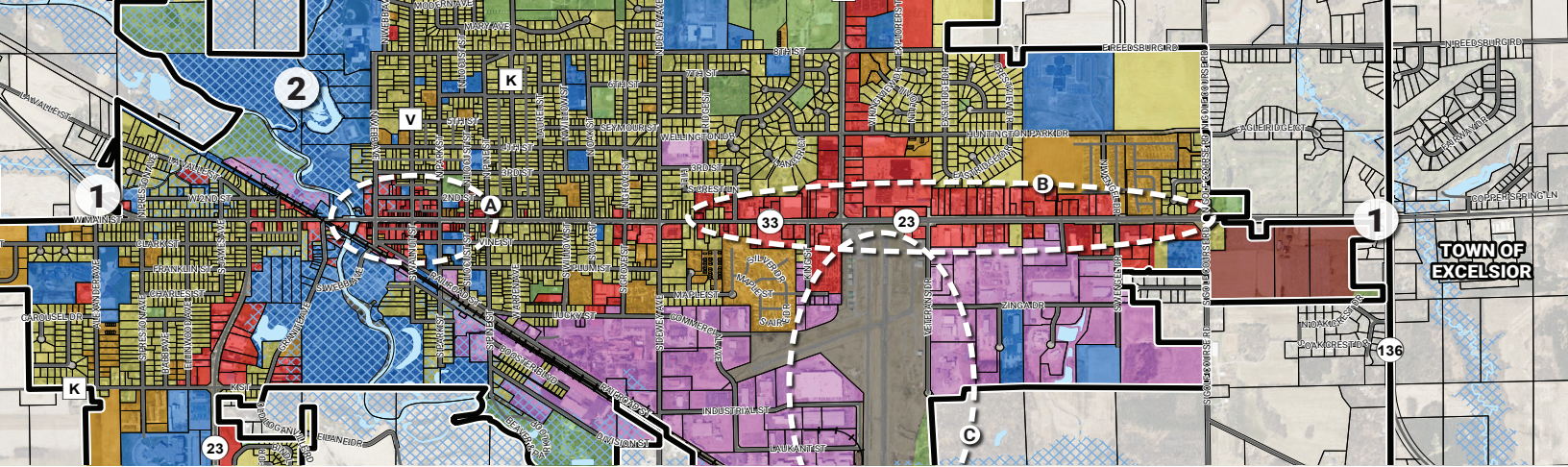
September 1, 2022 & September 8, 2022

2nd Reading at Council/Public Hearing:

September 26, 2022

Published, Enactment Date:

October 6, 2022



1 vision and RECOMMENDATIONS

The vision for this 2042 Comprehensive Plan can be achieved as the identified goals and recommendations are implemented. This section details the resulting recommendations that were derived from the numerous studies, analyses, and community engagement opportunities that took place and each recommendation supports the overall vision of the Plan. Whether or not the objectives, goals, and recommendations of this Plan are realized depends largely on the extent to which the elements of this Plan are put to action by the decision-making units.

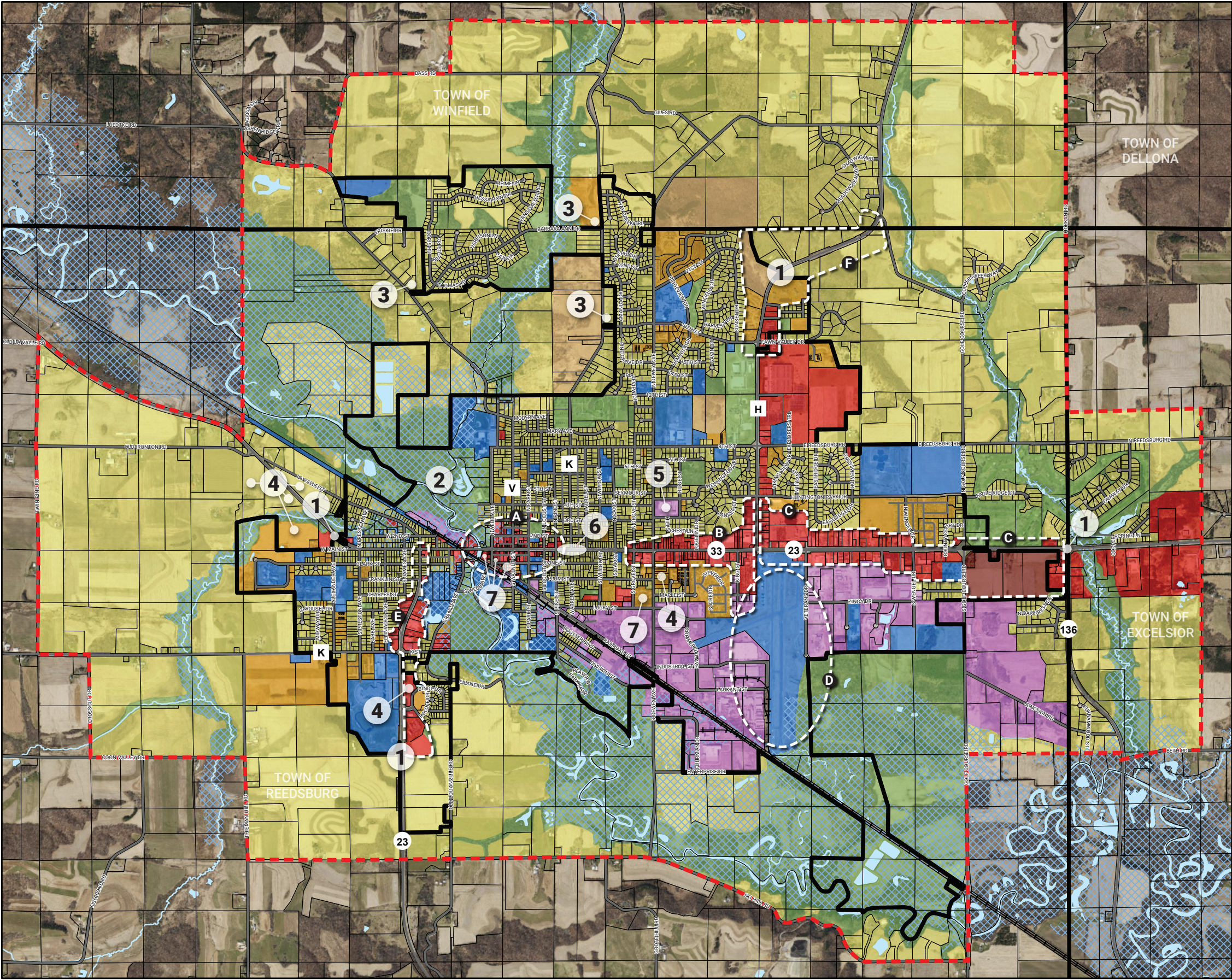
It is the hope of the residents, stakeholders, elected officials, and City staff that the recommendations presented will further the overall vision of this Plan which states:

The Vision that motivates this document is, that through attentiveness to the desires of its citizens, Reedsburg strives to be a community that provides a wholesome and balanced environment in which open space, recreation, residential, commercial and industrial land uses can continue to successfully coexist and prosper.

VISION
STATEMENT

The Plan is intended to guide long-term decisions. Its worth is derived from its comprehensive nature and its stability. It has been constructed much as an extension of the past planning efforts, which have proven to be very stable, so its stability can reasonably be expected. It can be changed, but the threshold of argument required to justify such a change is intentionally set very high. While the Common Council has the prerogative to change the Plan at its discretion, it is expected that no substantial changes would be considered during the lifetime of the Plan.

the future land use map



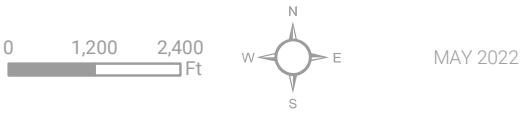
CITY OF REEDSBURG SAUK COUNTY, WI
FUTURE LAND USE

- Low Density Residential
- Medium Density Residential
- High Density Residential
- Commercial
- Business Center
- Industrial
- Government & Institutional
- Recreation & Conservation
- Transportation

- Desired Development Areas
- A - Downtown Focus
 - B - Highway Commercial Revlopment
 - C - East Gateway Commercial
 - D - Industrial Transition
 - E - Southwest Gateway
 - F - North Viking Gateway

- Vision Notes
- 1 Community Gateway
 - 2 Conservation Awareness
 - 3 Neighborhood Commercial / Corner Store
 - 4 Mixed Use
 - 5 High Density Multi-Family
 - 6 Historic Preservation / Local Landmarks
 - 7 Redevelopment

- Municipal Boundaries
- Extraterritorial Area
- Roads
- Railroads
- FEMA 100-Year Floodplain
- Surface Water



vision and recommendations

Goals & Objectives

The goals and recommendations of this document are reflective of extensive citizen input, valuable expert testimony, and consequent thoughtful deliberation. They provide the basis and rationale for the overall vision expressed in the introduction. The goals and recommendations in each section constitute a hierarchy. Goals are broad statements of vision and recommendations are the key actions needed to accomplish the goals.



Housing Goal | Provide a diverse housing supply that meets the City's future population requirements. This includes homes for new residents without prejudice as well as for longtime residents whose housing requirements might have changed because of age, etc.

Housing Recommendations

- **Promote the preservation, rehabilitation, and investment in the city's housing stock and neighborhoods.**
 - Encourage a range of affordable, accessible, and quality rental housing options throughout the community.
 - Establish and encourage participation in a grant program to assist low to moderate income residents with needed exterior projects to improve the aesthetics of their property and neighborhood.
 - Promote the adaptive reuse of existing vacant or under-utilized structures, such as schools, and industrial buildings, into housing with an affordable and/or workforce component, where appropriate.
 - Promote historic preservation as the cornerstone of housing and neighborhood revitalization programs, to promote economic development and attract younger residents.
- **Provide a variety of housing types, costs, and locations throughout the City.**
 - Promote the planning, design, and construction of a wider range of housing unit types in adequate supply for all income levels and age groups.
 - Ensure all new housing development is protected from potential flood hazard.
 - Promote compact development with a variety of higher density housing options in and around downtown, that utilize existing infrastructure.
- **Identify Reedsburg's neighborhoods.**
 - When requested, assist neighborhoods with defining their boundaries based on key features and unique identities.
 - Promote road connectivity between neighborhoods.
 - Incorporate pedestrian and recreational amenities in new developments.
 - Promote shared utilities, open spaces, and transportation opportunities in new developments.
 - Adhere to strict landscape standards for new development that can work to minimize impacts of adjoining land uses (industrial, commercial, or more intense residential) and/or adjoining traffic networks (highways, streets).
 - Mandate that residential developments adhere to all City adopted plans (Parks/conservation, utilities, transportation networks, etc.).
 - Enforce zoning ordinances in relation to housing, when appropriate, so that current/future housing developments preserve their originally intended qualities and the residents are allowed to keep their investments protected.
 - Continue to require that the burden of infrastructure improvements and/or park/conservation needs be on the developer of a new residential land division.
 - Research the feasibility of developing a program for the establishment of neighborhood entry signs at key gateways into a neighborhood.
 - Identify, document, and preserve existing neighborhood landmarks such as historic or distinctive buildings and features that foster neighborhood pride and sense of ownership.

vision and recommendations

- **Respect and protect the existing character of Reedsburg's stable neighborhoods.**
 - Only support the rezoning of single-family properties in stable neighborhoods when the rezoning request is consistent with existing surrounding land uses and the character of the neighborhood.
 - Through the site plan review process and design guidelines, ensure that new multifamily, mixed-use, and commercial developments adjacent to single-family neighborhoods are compatible by incorporating appropriate design, scale, height transition, and connectivity to seamlessly integrate with the neighborhood.
 - Develop new residential design guidelines that reflect sensitive design principles and, through the site plan review process, work to mitigate the impact of infill development on existing single-family properties.
 - Encourage developers to solicit input from neighborhood organizations for rezoning and conditional use permit proposals.
- **Promote healthy and active neighborhoods.**
 - Work with local partners and residents to assess the need for additional community gardens. Support partner and residents' efforts to identify appropriate locations, funding sources, and garden development.
 - Partner with schools to promote the benefits of a healthy and active lifestyle to Reedsburg's youth.
 - Through the site plan review process, incorporate safe, convenient and attractive pedestrian and bicycle connections in new developments, redevelopments, and City projects.
 - Identify missing pedestrian and bicycle facilities that link neighborhoods, recreation centers and parks, and develop a prioritization list for implementation.
- **Adopt the 2042 Future Land Use Map proposed in this Plan which allows for a mix of densities of developable land that provide a diverse array of housing options, which include affordable opportunities and housing for elderly. This will work to keep families together and allow diverse populations to exist. While some lands will allow low-density single-family development, opportunities will still exist in some of the more urban areas of Reedsburg for higher density residential uses and mixed-use developments.**
- **Utilize the 2018 SCDC housing study, and the specific identified goals and strategic plans for Reedsburg enhancing all housing in the community, in future housing decision making.**

vision and recommendations (con't)



Transportation Goal | Provide an accessible interconnected network of highways, streets, and trails within the community in order to present a safe, affordable, and efficient transportation system that meets the needs of multiple users including residents, visitors, and business; Assure mobility of the transportation network within Reedsburg and the surrounding region while minimizing the impacts a transportation system can bear.

Transportation Recommendations

- **Promote the development of roadways that are designed to safely accommodate street function for all users including pedestrians, bicyclists, and drivers.**
 - Consider the adoption of a Complete Streets policy.
 - Evaluate and determine how Complete Street efforts can be fully implemented on arterial and major collector streets unless significant physical constraints exist. Viking Street and Main Street most appropriate.
 - Review site plans to ensure that new developments and redevelopments within the designated areas to improve the transportation landscape while aiding in the promotion of economic development.
 - Re-route truck traffic away from downtown to allow a quieter and more enjoyable pedestrian and outdoor dining experience.
 - Consider a "road diet" for Main Street downtown from Locust Street to the Baraboo River that reduces traffic to one lane in each direction with a bike lane each way.
 - Install safety improvements and traffic calming measures at all downtown intersections such as curb extensions (bump outs), bollards, median refuge islands, advance caution signs and Zebra or Ladder crosswalk markings to increase safety while enhancing the experience downtown.
 - Consider streetscape and other infrastructure investments that produce a stronger north-south connection between City Park and the civic core.
- **Establish efficient and safe pedestrian and bike routes in the city to encourage alternative modes of transportation.**
 - Continue to develop a comprehensive system of bikeways and/or multipurpose trails which minimize conflicts between motor vehicles, bicycles, and pedestrians.
 - Continue to develop a bike and pedestrian system that links neighborhoods, parks, schools, major commercial areas, and other communities while providing the opportunity for recreational activity.
 - Promote a more bicycle and pedestrian friendly transportation network.
 - Consider relevant bicycle and pedestrian friendly transportation elements in all new transportation projects.
 - Encourage development patterns more compatible with non-motorized travel (e.g., complete streets, transit-oriented development, mixed use development, etc.).
 - Promote interconnected multipurpose trails along arterials and as part of new subdivision development wherever possible.
 - Promote bike and pedestrian network continuity within the region and support connections to regional bike and pedestrian networks (e.g., The '400' State Trail, and The Great Sauk State Trail).
- **Utilize the use of sustainable design concepts to reduce the transportation system's impact on the natural environment.**
 - Encourage the use of green infrastructure best management practices (BMPs) that allow for storm water infiltration (e.g., rain gardens, green roofs, rainwater harvesting, permeable paving, infiltration basins, stormwater greenstreets, green alleys, etc.).
- **Utilize the transportation system to encourage new businesses to locate to the City and helps existing businesses to succeed.**
 - Complete South Viking Drive extension.

vision and recommendations (con't)

- **Maintain efficient and effective roadway constructions/reconstructions.**
 - Maintain a road improvement program that utilizes capital budget monies for improvements and/or new construction of City roadways and trails. The road program can be changed yearly, but should show improvements desired out to a 5-year period. To ensure future road maintenance, the road program should be reviewed yearly.
 - Maintain a GIS file on when roads and trails received maintenance, were constructed or reconstructed, or were resurfaced in order for proper future road program budgeting.
 - Utilize best management practices during transportation construction in order to reduce environmental aspects such as air, water, and noise impacts.
 - Minimize driveway and access points in the vicinity of major intersections.
 - Provide adequate street lighting which minimizes light pollution, maximizes energy efficiency, and ensures compatibility with neighborhoods.
- **In order to maintain the “play” aspect of Reedsburg, the facilitation of a system of safe and functional off-street recreation trail connections is needed. Facilities should provide for such activities as walking, running, biking, hiking, and nature observation. These opportunities will contribute to the overall quality of life in the City and preserve the many rural aspects Reedsburg has to offer.**
 - Implement a five-year capital budget plan for recreation trail construction.
 - Work to attain easements where right-of-way acquisition is unavailable for completion of trails.
 - Install clearly marked signage where trails exist noting the allowed users of each trail segment where applicable.
 - Mandate interior circulation of all multi-family, commercial, industrial, and mixed-use developments with interior roadways and/or cross-access easements to reduce the amount of local traffic.
 - Do not allow future street closures or right-of-way vacations where pedestrian access might be appropriate for the future.
- **Beautification is not a term often thought of when thinking of a roadway system and transportation methods. However, the City should carefully plan current and future roadways with beautification in mind. The recommendations below are encouraged as Reedsburg recognizes that street improvements are not limited solely to expand capacity and improved traffic flow. How a road is constructed and how it is visually presented within some areas of the City is also key:**
 - Focus on appearance, as well as function, in all transportation facility projects.
 - Budget, at the same time as the yearly road program, to enhance and continually maintain the main gateways to the City so that they are attractively designed.
 - Continue to incorporate community way finding signage where appropriate.
 - Utilize traffic calming options. When applicable, streets should be developed with boulevards or curves to avoid speeding and other traffic impacts.
 - Develop ordinances, which ensure that the street trees and landscaping installed as part of roadway developments is maintained in perpetuity.
 - Promote building/site designs that facilitate pedestrian friendly areas.
 - Commercial corridors play an important role in Reedsburg's economy, providing shopping, dining, and entertainment options for residents and visitors. The entrances or gateways to these corridors from other adjacent communities should raise individual's awareness of the city, orient visitors and residents to the corridor, and strengthen community identity. Gateways may also be located within the city to identify key districts or areas of interest.
- **Promote the strategic importance of rail service to the existing local economy, and encourage continued efforts to target businesses who use rail.**
- **Coordinate transportation decisions with land use decisions and utilize the 2042 Streets and Highways Map herein to serve as the Official Street Map of the City of Reedsburg.**

vision and recommendations (con't)



Utilities and Community Facilities Goal Provide efficient and cost-effective services, utilities, and community facilities necessary to improve the quality of life of Reedsburg's residents, business and property owners, and guests. Supply and coordinate the location of public utilities and facilities consistent with Reedsburg's projected growth, resident expectations, and market driven development patterns.

Utilities and Community Facilities Recommendations

- **Reedsburg will provide residents with high-quality, accessible public services and community facilities, utilizing partnerships and intergovernmental coordination to preserve and enhance the City's sense of community and quality of life.**
 - Retain government uses in the "civic core" of the city.
 - Provide community services and facilities in a logical, reliable, efficient, and cost-effective manner to serve a compact development pattern.
 - Assure costs for new community services, facilities, and utilities are distributed fairly and equitably.
- **Work with the School District of Reedsburg, local private schools, and Madison Area Technical College to support and encourage strong educational and vocational opportunities for Reedsburg residents.**
 - Explore methods to form partnerships to promote community involvement in educational opportunities.
 - Coordinate with the School District of Reedsburg to identify and plan for future population growth, changing demographics, and future school facilities.
 - Evaluate opportunities to partner with the School District of Reedsburg to develop educational tools and programs to teach students about city planning.
- **Consider the use of sustainable design principles in community facilities.**
 - Consider the use of "Universal Design Principles" to ensure accessibility of new and existing community facilities.
 - Consider the use of Green Building Codes to reduce energy consumption and promote energy efficiency in new and existing community facilities.
 - Explore the feasibility of increasing Reedsburg's generation and use of renewable energy (i.e. solar).
 - Conserve environmentally significant lands and other open spaces via land acquisitions via fee simple purchase, land dedications, easements, and other planning techniques such as conservation developments.
- **Maintain a high level of utility service to existing and new facility users. Existing users should not be negatively impacted while expanding existing facilities or developing new facilities to serve future users.**
 - Manage Reedsburg's resources on a long-term basis and implement a Capital Improvement Program for sewer, water, and storm projects.
 - Provide a park system that meets the needs of the future population of Reedsburg providing City residents with a wide variety of accessible recreational opportunities. Implement Reedsburg's Comprehensive Outdoor Recreation Plan (CORP) as it is developed on a rotating five year basis.
 - Coordinate utility and community facility systems planning with land use, transportation, and natural resource planning.
- **Coordinate frequent dialog between Plan Commission / Common Council and the School Board regarding facilities and services to reduce redundancies.**
 - Plan the locations of new school facilities in advance of their need.

vision and recommendations (con't)



Agricultural, Natural, and Cultural Resources Goal | Preserve and protect the significant natural features in the community in order to maintain Reedsburg's rural, scenic, and historic rural character in order to assure future public enjoyment of these valuable areas.

Agricultural, Natural, and Cultural Resources Recommendations

- **Encourage the creation of a sustainable environment that successfully balances urban economic growth with the preservation of agricultural and natural resources.**
 - Encourage expansion and recruitment of environmentally conscious businesses.
 - Encourage existing businesses to incorporate sustainability efforts into their operations.
 - Identify, preserve, and promote linkages or connections of open/green spaces.
 - Promote outdoor lighting practices that minimize light pollution.
 - Develop more recreational trails along the Baraboo River, its associated wetlands, and other natural areas to allow the public to better utilize these areas and promote their preservation.
 - Maintain the city's urban forest inventory and plant a diverse variety of trees (native species).
 - Work with the State Archaeologist on identification and protection of archaeological sites, mounds, unmarked cemeteries, and cultural sites listed on the State's Archaeological Site Inventory (ASI).
- **Preserve the agricultural character of the region.**
 - Develop land and economic development strategies that preserve working farms, natural landscapes, and scenic vistas that represent the community's character.
 - Encourage land use policies and regulations that support family farm operations.
 - Promote rural products in the city through "buy local" campaigns and the farmers' market.
 - Work with surrounding towns to preserve agricultural uses in mutually agreed upon areas.
 - Discourage the creation of scattered rural home sites and subdivisions that are not served by public water and sanitary sewer within the City's extraterritorial jurisdiction.
 - Continue to support agricultural business development (e.g., industries that support agricultural operations and process agricultural materials) and direct marketing opportunities for farm products and tourism opportunities (e.g., farmers markets, Fermentation Fest, etc.).
 - Achieve Certified Local Government (CLG) status from The Wisconsin State Historic Preservation Officer (SHPO).
 - Apply for Wisconsin Historic Preservation Fund Subgrants to be used for CLG eligible activities.
 - Protect, restore and enhance the natural environment within the Baraboo River Corridor and focus on opportunities with will spur recreation, tourism, and development to establish the region as THE premiere natural and scenic, water recreation destination in south central Wisconsin.
 - Make the Baraboo River Corridor an attractive, accessible, and safe destination to increase its use by residents and visitors for recreation.
 - Improve the water quality of the Baraboo River Corridor.
 - Integrate public art, historical markers and interpretive signage into the corridor along designated routes that celebrates the rich history of the Baraboo River.
 - Identify and install designated fishing areas along the Baraboo River.
 - Improve existing launches and create new canoe/kayak launches that are easy to use, provide additional parking options, staging areas, trash and recycling receptacles, and are ADA accessible.
 - Create a Baraboo River Recreational Corridor Improvement Fund.
 - Recruit new businesses or expand existing ones to fill gaps in goods and services that trail users need and use.
 - Consider adding a Riverwalk between Smith Conservancy and Popple Nature Area.
 - Maintain the City's status as a Tree City USA recipient.

vision and recommendations (con't)



Economic Development Goal | Improve the overall quality of life and 'climate' for economic development through public outreach, business development programming, and through the actions and behaviors of city representatives; Establish a memorable community image that builds on the City's small town atmosphere and natural amenities while diversifying the tax base.

Economic Development Recommendations

- **Prioritize recruitment of businesses to those that provide living wage jobs.**
 - Develop marketing campaign targeting key industry clusters.
 - Determine if a new overall economic development plan may be required to guide economic development decisions long term or if the existing 2018 Economic Positioning & Gateway Developability Study is sufficient.
 - Continue to utilize and develop additional marketing materials and financial incentives policies to assist with business attraction and recruitment.
- **Focus on creating a healthy City that provides a quality of life that attracts and retains a creative skilled labor force.**
 - Create a vibrant environment that is conducive to attracting and retaining talented people.
 - Promote tourism, eco-tourism and related businesses that capitalize on the City's cultural, environmental, and geographic resources.
 - Create a vibrant downtown that provides economic and social value while expressing the unique character and history of Reedsburg.
 - Install pedestrian scale lighting to make the downtown feel open for business at night.
 - Install string lights for ambiance to improve the experience for those dining downtown.
 - Explore the idea of a pop-up night market allowing people to gather, shop, walk, and dine and activate downtown beyond normal business hours.
- **Establish and implement a formal downtown façade improvement grant program to revitalize the downtown, attract new businesses, increase property values, and restore downtown's historic character.**
- **Discourage poorly planned, incremental strip commercial development along major community entryways.**
- **Strengthen the retail power of established commercial areas.**
- **Encourage infill development on underutilized or blighted business district properties.**
- **Continue to encourage the development and promotion of arts and culture in Reedsburg.**
- **Continue to support a strong mix of industrial and commercial uses in the city.**
- **Concentrate expansion of the business center and industrial park uses along the southeast portion of Reedsburg.**
- **Investigate possibility of redeveloping portions of the Reedsburg Municipal Airport for future new industrial and commercial uses. Such land could allow larger footprint industrial development allowing existing businesses to expand as well as attract new business.**
- **Encourage compact and mixed-use development and redevelopment opportunities.**
 - Continue to enhance and beautify the streetscape along major corridors and community gateways, particularly Main Street/STH 33 and Albert Ave./STH 23.
 - Capitalize on the Baraboo River by improving connections between downtown and the riverfront that provide new economic development opportunity for the community.
 - Identify business opportunities in the area for canoe rental, restaurants, and other water recreation-oriented enterprises.

vision and recommendations (con't)

- Support economic development strategies to encourage more “third spaces” that promote community gathering, collaboration, and inspire creativity.
- Advance development strategies at identified targeted investment areas to promote high-quality development.
- Work with the Reedsburg Area Chamber of Commerce, Reedsburg Young Professionals, and other organizations to address the concerns and issues of areas businesses to foster a healthy and vibrant business community.
- **Continue the use of Tax Increment Districts where projects would result in the creation of quality jobs (e.g. stable employment and/or attractive wages and benefits), quality structures, and the attraction, retention, and expansion of business in the City.**
 - Investigate if TID guidelines may be necessary for the City.
- **Investigate ideal locations for future Redevelopment Plan areas and subsequent pursuance where applicable. The downtown or commercial corridors along Hwy 33 may be initial locations.**
- **Continue exploration of programs that meet the goals of increasing private economic investment strategies in the community.**
- **Explore the creation and adoption of design guides for specific areas of the community in order to create cohesive environments where the businesses exist.**
 - Separate design guides may be appropriate for areas such as the downtown, the Hwy 33 commercial corridor, and expanded guidelines for the southwest industrial park parcels.
 - Design guidelines should be adopted outside of the zoning code in order to allow governing committees flexibility as all developments are unique and market driven in different ways.
- **Encourage, where applicable, a high degree of commercial, retail, office, and residential use in the downtown area. Continue to allow amendments to the Zoning Code, when required, to permit greater flexibility in the uses of downtown property.**
- **Promote the strategic importance of rail service to the existing local economy, and encourage continued efforts to target businesses who use rail.**
- **Market that Reedsburg is a regional opportunity for business within the economic corridor of central Wisconsin north of Madison. Many firms otherwise attracted to these communities may also consider locating in Reedsburg because of its convenient location and its proximity to skilled labor, urban amenities, and rural-oriented lifestyle. Many studies have been completed regarding the current economic makeup and economic desires of the community. The following is set forth encouraging business types that fit the future needs of Reedsburg:**
 - Encourage target industries in which Reedsburg well positioned to absorb new growth:
 - Small Businesses – smaller firms and new ventures are important to the makeup of the City of Reedsburg.
 - Service and Retail - furniture stores, electronics/appliance stores, general merchandise stores, sports equipment stores.
 - Manufacturing and Wholesale Trade.
- **Give special consideration to environmentally contaminated sites where future development might occur (including brownfield locations).**

vision and recommendations (con't)



- Work with surrounding jurisdictions and area regional economic development program initiatives that benefit the City and region and evaluate the initiatives' return on investment by considering social, environmental, economic and fiscal factors.

Intergovernmental Cooperation Goal | Improve the effectiveness of delivering governmental services while achieving significant overall cost reduction within the region, and specifically within the City.

Intergovernmental Cooperation Recommendations

- **Reedsburg will work effectively with nearby and overlapping jurisdictions to promote mutually beneficial cooperation and will explore new opportunities to expand partnerships to increase the city's impact for residents and the southwest region.**
 - Work with surrounding towns, other nearby local governments, Sauk County, School District of Reedsburg, and state agencies on land use, natural resources, transportation, and community development issues of mutual concern building relationships of trust and cooperation.
 - Cooperate with neighboring governments, Sauk County, School District of Reedsburg, and state agencies on providing shared services and facilities.
 - Continue shared service agreements with the surrounding towns for both ambulance and fire protection services.
 - Participate in county-level transportation, land use, and economic development efforts.
 - Continue to be a state and regional leader in broadband Internet access through the Reedsburg Utility Commission's LightSpeed communication services.
 - Explore future options for cooperation and coordination among key regional partners for a regional shared airport.
 - Resolve conflicts with government entities and jurisdictions in a non-confrontational manner in order to attain mutual goals. Keep an open line of communication with other government officials.
 - Provide copies of this Comprehensive Plan to all surrounding local governments during final implementation phases.
 - Develop/Amend intergovernmental agreements, if needed, with surrounding towns regarding services and/or extraterritorial powers.
 - Work with other jurisdictions and surrounding cities/towns in preserving the natural resources. Protecting the state waters and surrounding lands that contributes to the ecosystem and include purchases of lands and easements as they become apparent and necessary.
 - Cooperate with other units of government on recreational and transportation facilities that are under shared authority, cross-jurisdictional boundaries, or provide direct benefit to Reedsburg or the neighboring communities.
 - Work in partnership with the Reedsburg School District in determining school service needs for

vision and recommendations (con't)



the community and the burdens and requirements on school related facilities. Encourage district participation in future land division and density decisions.

Land Use Goal | Combine the goals from the previous elements in this Plan as each directly influences the future desires of land use; promote growth and development of the community in a way that allows change while preserving the overall community character.

Land Use Recommendations

- **Implement and adhere to the Future Land Use Map contained in this 2042 Comprehensive Plan. Allow land uses as per the densities on the 2042 Future Land Use Map.**
- **Follow the Desired Development Areas (DDAs) and Vision Notes when applying the Future Land Use Map to new developments and capital planning projects as follows:**

A - Downtown Focus DDA

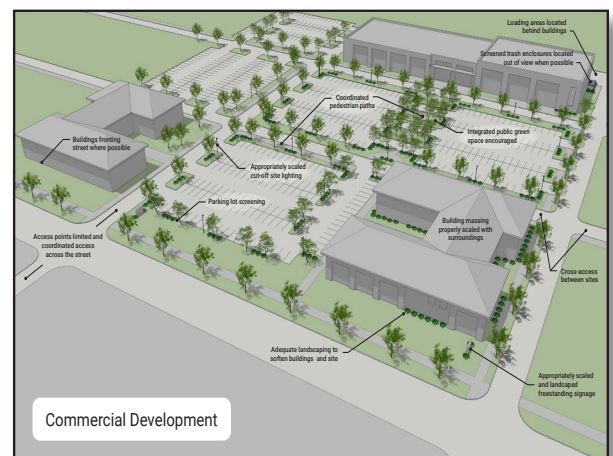
Much discussion in this document relates to the future development of the City's downtown. The intent of the Downtown DDA is to promote development and redevelopment in what is known as Reedsburg's downtown. The downtown DDA was created to allow the revival and redevelopment of these properties in order to create new opportunities for the parcel owners. This area is intended to encourage mixed-use, compact development that is sensitive to the preferred design characteristics already found in the built environment here. The downtown has diverse and integrated land uses within close proximity to each other, and it provides for the daily retail and customer service needs of the residents. The City should utilize design guides, redevelopment plans, financial aides, public investment in infrastructure (streetscaping, etc.) and other economic development partnerships/initiatives. All strategic initiatives and approvals here should contribute to the continued enhanced sense of place here allowing the downtown to be a destination for residents and visitors.

B Highway Commercial Redevelopment DDA

The Highway Commercial Redevelopment DDA extends from Viking Drive (CTH H) to Grove Street along the Main Street (STH 33) corridor. The intent of the North Viking Gateway DDA is to promote parcel combination to create attractive development sites and the redevelopment of the older single-family housing stock into commercial uses. Future development and redevelopment should promote consistent site design and architecture. Future road improvements should be planned in a way that demonstrates this corridor as a neighborhood commercial area and gateway to the City (Ex. Streetscaping, boulevards, landscaping, etc.).

C - East Gateway Commercial DDA

The main commercial thoroughfare in Reedsburg is the eastern portion of State Highway 33. The majority of commercial service needs for the community residents and visitors are found here along with supporting residential and industrial uses in the peripheral areas. This DDA is set up to encourage a mix of uses along this STH 33 corridor while promoting a cohesive environment as public and private investments are made. Developments and redevelopments should be approved to inspire consistent design in both site and



vision and recommendations (con't)

architecture. Future road improvements should be planned in a way that demonstrates this corridor as a neighborhood commercial atmosphere and gateway to the City (Ex. streetscaping, boulevards, landscaping, etc.).

D - Industrial Transition DDA

The Reedsburg Municipal airport consist of 150 acres of land surrounded heavily by existing industrial park lands to the west, south, and east as well as commercial lands along STH 33 to the north. During the authoring of this Plan extensive community engagement demonstrated that more industrial business park land opportunities may be required. Existing Reedsburg businesses expressed caution on ability to expand their businesses within the community and overall industrial land demand for future jobs and tax base was stressed. This desired development area simply notes that the airport lands should be reserved as opportunities for industrial uses in the community if it is found that the need for portions of the airport are not required during the planning period of this Plan. Portions of this land adjacent to STH 33 may be reserved for larger box retail.

E - Southwest Gateway DDA

The Southwest Gateway extends from Main Street (STH 33) to the area just south of the municipal limits along the Albert Drive (STH 23) corridor. The Southwest Gateway is the City's primary commercial thoroughfare on the west side of the Baraboo River. However, the STH 23 corridor lacks the retail and personal service opportunities found in the Downtown Focus DDA and East Gateway Commercial DDA. The intent of the South Gateway DDA is to promote a mix of commercial/retail and residential uses, primarily to serve the residents of the westside of the city. Future development and redevelopment should promote consistent site design and architecture. Properties north of the Case de Oakes Memory Care property are all currently served by Municipal sanitary sewer, and water service. The properties to the south are attractive opportunities based upon their physical setting as well as proximity to necessary utilities. Future road improvements should be planned in a way that demonstrates this corridor as a neighborhood commercial atmosphere and gateway to the city (Ex. Streetscaping, boulevards, landscaping, etc.).

F - North Viking Gateway DDA

The North Viking Gateway DDA extends from Golf Course Road to 19th Street along the Viking Drive (CTH H) corridor. The intent of the North Viking Gateway DDA is to promote mixed-use development and a wide range of housing unit types for all income levels and age groups. Future development and redevelopment should promote consistent site design and architecture. The City's new sports complex at Nishan Park is envisioned to be a catalytic project for the North Viking Gateway DDA. Future road improvements should be planned in a way that demonstrates this corridor as a neighborhood commercial atmosphere and gateway to the city (Ex. Streetscaping, boulevards, landscaping, etc.).

Community Gateway Vision Note (Shown as Note #1 on 2042 Future Land Use Map):

Commercial corridors play an important role in Reedsburg's economy, providing shopping, dining, and entertainment options for residents and visitors. The entrances or gateways to these corridors from other adjacent communities should raise individual's awareness of the city, orient visitors, and residents to the corridor, and strengthen community identity. Gateways may also be located within the city to identify key districts or areas of interest.

Interesting and high-quality gateways include more than entry markers and signs. Gateways should also be created by surrounding buildings, enhanced landscape treatments, plazas, and streets.

vision and recommendations (con't)

Major gateways to the city (e.g., East Gateway, North Gateway, Southwest Gateway, and West Gateway) should incorporate a variety of elements including signage, enhanced landscaping, potential change in paving or sidewalk style or color, and special urban design elements. Minor gateways should, at a minimum, include signage. These gateways should also discourage poorly planned, incremental strip commercial development. Internal gateways should be designed similarly to major gateways to identify key districts (e.g., Historic Downtown, Park Street Historic District, etc.) within the community.

Conservation Awareness Vision Note (Shown as Note #2 on 2042 Future Land Use Map): The area surrounding the Baraboo River on the western portion of the community has many lands resting within the floodplain today. This conservation awareness note recognizes the importance of this area of the community environmentally. Land Uses in this general area should be planned carefully with preservation and/or remediation where necessary.

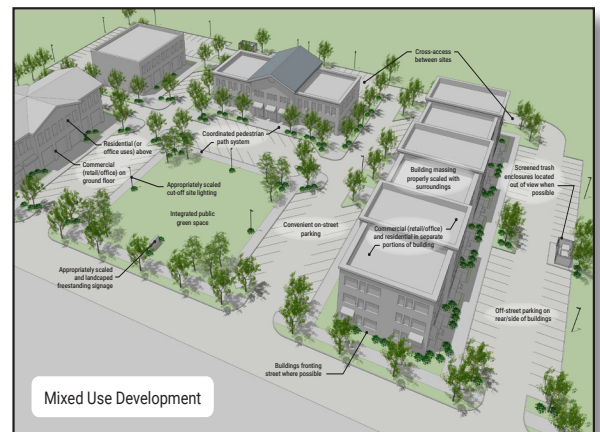
Neighborhood Commercial / Corner Store Vision Note (Shown as Note #3 on 2042 Future Land Use Map): Corner stores and neighborhood commercial businesses were once common fixtures in Wisconsin communities. However, restrictive zoning policies, which segregate residential and nonresidential uses have contributed to their disappearance. Corner stores are the smallest and most useful type of retail and range from 1,500 to 3,000 square feet on the first level. The city should encourage new commercial corner stores when they find it appropriate to the neighborhood. Amending the Reedsburg Zoning Ordinance may be required to allow corner stores by right in certain areas of the city. Possible considerations for such future development may include:

- Allowing corner stores in multi-family residential zoning districts subject to certain restrictions on size, location, design, and operations (e.g., hours of operation and deliveries),
- Allowing corner stores on residential streets if they are in existing buildings that were originally built as storefronts.
- Encouraging corner stores in mixed-use residential/commercial districts through plan policies and zoning regulations.
- Allowing corner stores at intersections in residential areas and/or limit their frontage on a block or their number in a neighborhood.



Mixed Use Vision Note (Shown as Note #4 on 2042 Future Land Use Map): Mixed Use is "development that integrates two or more land uses, such as residential, commercial, and office, with a strong pedestrian orientation". The city should encourage compact and mixed-use development and redevelopment opportunities. Qualities essential to mixed use development:

- Good pedestrian orientation and connectivity



vision and recommendations (con't)

- The accommodation of all modes of travel
- The inclusion of residential development in the mix
- Physical and functional integration of uses through careful site layout and the design of buildings and streets

High Density Multi-Family Vision Note (Shown as Note #5 on 2042 Future Land Use Map): It is the intent of this note to acknowledge the potential of this site for a high-density multi-family redevelopment within an established neighborhood with municipal services. However, the city would only consider such a redevelopment if the mutually beneficial opportunity to retain and relocate the existing industrial business elsewhere in the city presented itself.

Historic Preservation / Local Landmarks Vision Note (Shown as Note #6 on 2042 Future Land Use Map): It is recognized that there are certain homes in the city with historical significance that haven't been formally designated or protected. It is the intent of this note to acknowledge the significance of the local landmarks within this neighborhood to the history and character of Reedsburg.

Redevelopment Vision Note (Shown as Note #7 on 2042 Future Land Use Map): The 2042 Future Land Use Map identifies locations where the city will encourage infill development on underutilized or blighted business district properties. It is recognized that it is neither possible nor practicable to list all the potential sites for redevelopment in the city, and therefore it is intended that those identified only be illustrative.

- **Specifically, when conflicts arise between land uses in the 2042 Comprehensive Plan and existing Zoning Ordinances the provisions of the 2042 Comprehensive Plan should govern and facilitate a zoning amendment.**
- **Continue to protect and improve the variety of single-family residential neighborhoods while also creating a sense of urban diversity and intensity in certain districts and corridors.**
- **Continue to create and enhance the City's network of parks, trails, and greenways to beautify the community, provide recreation, enhance quality of life, and balance the effects of increased density.**
- **Continue to improve the appearance of the major commercial and mixed-use corridors within the City by requiring higher quality private landscaping, improving public landscaping, amending the Zoning Ordinance to limit the amount of off-street parking located adjacent to streets, and educating developers about the community and economic benefits of quality site planning and architecture.**
- **Continue to respect all modes of transportation by accommodating the automobile, but not allowing it to dictate all aspects of urban design, and by giving higher priority to pedestrians and pedestrian-oriented development.**
- **Continue to consider views within and surrounding the city as part of the character of Reedsburg and evaluate view planes and corridors as part of rezoning considerations.**
- **Infill, contiguous, and brownfield development will be encouraged over greenfield development where feasible and appropriate.**
- **Adopt design guidelines to improve commercial development quality within the east gateway area of the city.**
- **Distribute land uses in a way that they are accessible to supporting infrastructure systems in order to assure the most efficient allocation of services.**
- **The market should drive population growth in Reedsburg. However, if the rate of growth exceeds 5% in any 12-month period, or 8% in any 24-month period, the Plan Commission and Common**

WB-13 VACANT LAND OFFER TO PURCHASE

1 **LICENSEE DRAFTING THIS OFFER ON** 8-17-2022 **[DATE] IS (AGENT-OF-BUYER)**
2 **(AGENT-OF-SELLER/LISTING FIRM) (AGENT OF BUYER AND SELLER)** **STRIKE THOSE NOT APPLICABLE**

3 The Buyer, Gatlin and Sasha Fenwick,
4 offers to purchase the Property known as Part of Parcel 276-2201-00000, City of Reedsburg,
5 Lying north of Baraboo River bank and west of drainage ditch

6 [e.g., Street Address, Parcel Number(s), legal description, or insert additional description, if any, at lines 650-664, or
7 attach as an addendum per line 686] in the City of Reedsburg,
8 County of Sauk Wisconsin, on the following terms:

9 **PURCHASE PRICE** The purchase price is \$1,250 / acre TBD by survey
10 Dollars (\$1,250 per acre).

11 **INCLUDED IN PURCHASE PRICE** Included in purchase price is the Property, all Fixtures on the Property as of the date
12 stated on line 1 of this Offer (unless excluded at lines 17-18), and the following additional items: _____

13
14 **NOTE: The terms of this Offer, not the listing contract or marketing materials, determine what items are included**
15 **or not included. Annual crops are not part of the purchase price unless otherwise agreed.**

16 **NOT INCLUDED IN PURCHASE PRICE** Not included in purchase price is Seller's personal property (unless included at
17 lines 12-13) and the following: _____

18
19 **CAUTION: Identify Fixtures that are on the Property (see lines 21-25) to be excluded by Seller or that are rented**
20 **and will continue to be owned by the lessor.**

21 "Fixture" is defined as an item of property which is physically attached to or so closely associated with land so as to be
22 treated as part of the real estate, including, without limitation, physically attached items not easily removable without damage
23 to the premises, items specifically adapted to the premises and items customarily treated as fixtures, including, but not
24 limited to, all: perennial crops, garden bulbs; plants; shrubs and trees; fences; storage buildings on permanent foundations
25 and docks/piers on permanent foundations.

26 **CAUTION: Exclude any Fixtures to be retained by Seller or that are rented on lines 17-18 or at lines 650-664 or in**
27 **an addendum per line 686.**

28 **BINDING ACCEPTANCE** This Offer is binding upon both Parties only if a copy of the accepted Offer is delivered to Buyer
29 on or before 8-22-22.

30 Seller may keep the Property on the market and accept secondary offers after binding acceptance of this Offer.

31 **CAUTION: This Offer may be withdrawn prior to delivery of the accepted Offer.**

32 **ACCEPTANCE** Acceptance occurs when all Buyers and Sellers have signed one copy of the Offer, or separate but identical
33 copies of the Offer.

34 **CAUTION: Deadlines in the Offer are commonly calculated from acceptance. Consider whether short term**
35 **Deadlines running from acceptance provide adequate time for both binding acceptance and performance.**

36 **CLOSING** This transaction is to be closed on within 30 days after Sauk County approval of Certified Survey Map

37
38 at the place selected by Seller, unless otherwise agreed by the Parties in writing. If the date for closing falls on a Saturday,
39 Sunday, or a federal or a state holiday, the closing date shall be the next Business Day.

40 **CAUTION: To reduce the risk of wire transfer fraud, any wiring instructions received should be independently**
41 **verified by phone or in person with the title company, financial institution, or entity directing the transfer. The real**
42 **estate licensees in this transaction are not responsible for the transmission or forwarding of any wiring or money**
43 **transfer instructions.**

44 **EARNEST MONEY**

45 ■ EARNEST MONEY of \$ _____ accompanies this Offer.

46 If Offer was drafted by a licensee, receipt of the earnest money accompanying this Offer is acknowledged.

47 ■ EARNEST MONEY of \$ \$500 will be mailed, or commercially, electronically
48 or personally delivered within 10 days ("5" if left blank) after acceptance.

49 All earnest money shall be delivered to and held by (listing Firm) (drafting Firm) (other identified as _____)

50 City of Reedsburg, City Hall **STRIKE THOSE NOT APPLICABLE**
51 (listing Firm if none chosen; if no listing Firm, then drafting Firm; if no Firm then Seller).

52 **CAUTION: If a Firm does not hold earnest money, an escrow agreement should be drafted by the Parties or an**
53 **attorney as lines 56-76 do not apply. If someone other than Buyer pays earnest money, consider a special**
54 **disbursement agreement.**

55 ■ THE BALANCE OF PURCHASE PRICE will be paid in cash or equivalent at closing unless otherwise agreed in writing.

56 ■ **DISBURSEMENT IF EARNEST MONEY HELD BY A FIRM:** If negotiations do not result in an accepted offer and the
57 earnest money is held by a Firm, the earnest money shall be promptly disbursed (after clearance from payer's depository
58 institution if earnest money is paid by check) to the person(s) who paid the earnest money. At closing, earnest money shall
59 be disbursed according to the closing statement. If this Offer does not close, the earnest money shall be disbursed according
60 to a written disbursement agreement signed by all Parties to this Offer. If said disbursement agreement has not been
61 delivered to the Firm holding the earnest money within 60 days after the date set for closing, that Firm may disburse the
62 earnest money: (1) as directed by an attorney who has reviewed the transaction and does not represent Buyer or Seller;
63 (2) into a court hearing a lawsuit involving the earnest money and all Parties to this Offer; (3) as directed by court order; (4)
64 upon authorization granted within this Offer; or (5) any other disbursement required or allowed by law. The Firm may retain
65 legal services to direct disbursement per (1) or to file an interpleader action per (2) and the Firm may deduct from the
66 earnest money any costs and reasonable attorneys' fees, not to exceed \$250, prior to disbursement.

67 ■ **LEGAL RIGHTS/ACTION:** The Firm's disbursement of earnest money does not determine the legal rights of the Parties
68 in relation to this Offer. Buyer's or Seller's legal right to earnest money cannot be determined by the Firm holding the earnest
69 money. At least 30 days prior to disbursement per (1), (4) or (5) above, where the Firm has knowledge that either Party
70 disagrees with the disbursement, the Firm shall send Buyer and Seller written notice of the intent to disburse by certified
71 mail. If Buyer or Seller disagrees with the Firm's proposed disbursement, a lawsuit may be filed to obtain a court order
72 regarding disbursement. Small Claims Court has jurisdiction over all earnest money disputes arising out of the sale of
73 residential property with one-to-four dwelling units. Buyer and Seller should consider consulting attorneys regarding their
74 legal rights under this Offer in case of a dispute. Both Parties agree to hold the Firm harmless from any liability for good
75 faith disbursement of earnest money in accordance with this Offer or applicable Department of Safety and Professional
76 Services regulations concerning earnest money. See Wis. Admin. Code Ch. REEB 18.

77 **TIME IS OF THE ESSENCE** "Time is of the Essence" as to: (1) earnest money payment(s); (2) binding acceptance; (3)
78 occupancy; (4) date of closing; (5) contingency Deadlines **STRIKE AS APPLICABLE** and all other dates and Deadlines in
79 this Offer except:

80 _____ . If "Time is of the Essence" applies to a date or Deadline,
81 failure to perform by the exact date or Deadline is a breach of contract. If "Time is of the Essence" does not apply to a date
82 or Deadline, then performance within a reasonable time of the date or Deadline is allowed before a breach occurs.

83 **VACANT LAND DISCLOSURE REPORT** Wisconsin law requires owners of real property that does not include any
84 buildings to provide Buyers with a Vacant Land Disclosure Report. Excluded from this requirement are sales exempt from
85 the real estate transfer fee and sales by certain court-appointed fiduciaries, for example, personal representatives, who
86 have never occupied the Property. The form of the Report is found in Wis. Stat. § 709.033. The law provides: "§ 709.02
87 Disclosure . . . the owner of the property shall furnish, not later than 10 days after acceptance of a contract of sale . . . , to
88 the prospective buyer of the property a completed copy of the report . . . A prospective buyer who does not receive a report
89 within the 10 days may, within 2 business days after the end of that 10-day period, rescind the contract of sale . . . by
90 delivering a written notice of rescission to the owner or the owner's agent." Buyer may also have certain rescission rights if
91 a Vacant Land Disclosure Report disclosing defects is furnished before expiration of the 10 days, but after the Offer is
92 submitted to Seller. Buyer should review the report form or consult with an attorney for additional information regarding
93 rescission rights.

94 **PROPERTY CONDITION REPRESENTATIONS** Seller represents to Buyer that as of the date of acceptance Seller has
95 no notice or knowledge of Conditions Affecting the Property or Transaction (lines 101-181) other than those identified in
96 Seller's Vacant Land Disclosure Report dated ^{n/a} _____, which was received by Buyer prior to Buyer
97 signing this Offer and that is made a part of this Offer by reference **COMPLETE DATE OR STRIKE AS APPLICABLE**
98 and _____

99 _____
100 **INSERT CONDITIONS NOT ALREADY INCLUDED IN THE DISCLOSURE REPORT**

101 "Conditions Affecting the Property or Transaction" are defined to include:

- 102 a. Flooding, standing water, drainage problems, or other water problems on or affecting the Property.
- 103 b. Impact fees or another condition or occurrence that would significantly increase development costs or reduce the value
104 of the property to a reasonable person with knowledge of the nature and scope of the condition or occurrence.
- 105 c. Brownfields (abandoned, idled, or underused land that may be subject to environmental contamination) or other
106 contaminated land on the property, or that contaminated soils on the property have been cleaned up under the Petroleum
107 Environmental Cleanup Fund Act (PECFA), a Wisconsin Department of Natural Resources (DNR) remedial or cleanup
108 program, the DATCP Agricultural Chemical Cleanup Program, or other similar program.
- 109 d. Subsoil conditions that would significantly increase the cost of development, including, but not limited to, subsurface
110 foundations or waste material; any type of fill; dumpsites where pesticides, herbicides, fertilizer, or other toxic or hazardous
111 materials or containers for these materials were disposed of in violation of manufacturer or government guidelines or other
112 laws regulating such disposal; high groundwater; adverse soil conditions, such as low load-bearing capacity, earth or soil
113 movement, settling, upheavals, or slides; excessive rocks or rock formations; or other soil problems.
- 114 e. Material violation of an environmental rule or other rule or agreement regulating the use of the Property.
- 115 f. Defects caused by unsafe concentrations of, or unsafe conditions relating to, radon, radium in water supplies, lead in

116 soil, or other potentially hazardous or toxic substances on the Property; manufacture of methamphetamine or other
117 hazardous or toxic substances on the Property; or high voltage electric (100 KV or greater) or steel natural gas transmission
118 lines located on but not directly serving the Property.

119 g. Defects caused by unsafe concentrations of, unsafe conditions relating to, or the storage of, hazardous or toxic
120 substances on neighboring properties.

121 h. The Property is served by a joint well; Defects related to a joint well serving the Property; or Defects in a well on the
122 Property or in a well that serves the Property, including unsafe well water due to contaminants such as coliform, nitrates, or
123 atrazine, or any out-of-service wells or cisterns that are required to be abandoned (see § NR 812.26, Wis. Adm. Code) but
124 that are not closed or abandoned according to applicable regulations.

125 i. Defects in any septic system or other private sanitary disposal system on the Property; or any out-of-service septic
126 system serving the Property not closed or abandoned according to applicable regulations.

127 j. Underground or aboveground fuel storage tanks presently or previously on the Property for storage of flammable or
128 combustible liquids including, but not limited to, gasoline or heating oil; or Defects in the underground or aboveground fuel
129 storage tanks on or previously located on the Property. Defects in underground or aboveground fuel storage tanks may
130 include items such as abandoned tanks not closed in conformance with applicable local, state, and federal law; leaking;
131 corrosion; or failure to meet operating standards. (The owner, by law, may have to register the tanks with the Department
132 of Agriculture, Trade and Consumer Protection at P.O. Box 8911, Madison, Wisconsin, 53708, whether the tanks are in use
133 or not. Department regulations may require closure or removal of unused tanks.)

134 k. Existing or abandoned manure storage facilities located on the property.

135 l. Notice of property tax increases, other than normal annual increases, or pending Property tax reassessment;
136 remodeling that may increase the Property's assessed value; pending special assessments; or Property is within a special
137 purpose district, such as a drainage district, that has authority to impose assessments on the Property.

138 m. Proposed, planned, or commenced public improvements or public construction projects that may result in special
139 assessments or that may otherwise materially affect the Property or the present use of the Property; or any land division
140 involving the Property without required state or local permits.

141 n. The Property is part of or subject to a subdivision homeowners' association; or the Property is not a condominium unit
142 and there are common areas associated with the Property that are co-owned with others.

143 o. Any zoning code violations with respect to the Property; the Property or any portion thereof is located in a floodplain,
144 wetland or shoreland zoning area under local, state or federal regulations; or the Property is subject to a mitigation plan
145 required by Wisconsin Department of Natural Resources (DNR) rules related to county shoreland zoning ordinances, that
146 obligates the Property owner to establish or maintain certain measures related to shoreland conditions, enforceable by the
147 county.

148 p. Nonconforming uses of the Property (a nonconforming use is a use of land that existed lawfully before the current zoning
149 ordinance was enacted or amended, but that does not conform to the use restrictions in the current ordinance); conservation
150 easements (a conservation easement is a legal agreement in which a property owner conveys some of the rights associated
151 with ownership of his or her property to an easement holder such as a governmental unit or a qualified nonprofit organization
152 to protect the natural habitat of fish, wildlife, or plants or a similar ecosystem, preserve areas for outdoor recreation or
153 education, or for similar purposes); restrictive covenants or deed restrictions on the Property; or, other than public rights-of-
154 way, nonowners having rights to use part of the Property, including, but not limited to, private rights-of-way and easements
155 other than recorded utility easements.

156 q. All or part of the Property has been assessed as agricultural land; has been assessed a use-value assessment
157 conversion charge; or payment of a use-value assessment conversion charge has been deferred.

158 r. All or part of the Property is subject to, enrolled in, or in violation of a farmland preservation agreement, Forest Crop
159 Law, Managed Forest Law, the Conservation Reserve Program, or a comparable program.

160 s. A dam is totally or partially located on the Property; or an ownership interest in a dam not located on the Property will
161 be transferred with the Property because the dam is owned collectively by a homeowners' association, lake district, or
162 similar group of which the Property owner is a member.

163 t. No legal access to the Property; or boundary or lot line disputes, encroachments or encumbrances (including a joint
164 driveway) affecting the Property. Encroachments often involve some type of physical object belonging to one person but
165 partially located on or overlapping on land belonging to another; such as, without limitation, fences, houses, garages,
166 driveways, gardens, and landscaping. Encumbrances include, without limitation, a right or claim of another to a portion of
167 the Property or to the use of the Property such as a joint driveway, liens, and licenses.

168 u. Government agency, court order, or federal, state, or local regulations requiring repair, alteration or correction of an
169 existing condition.

170 v. A pier attached to the Property not in compliance with state or local pier regulations; a written agreement affecting
171 riparian rights related to the Property; or the bed of the abutting navigable waterway is owned by a hydroelectric operator.

172 w. Material damage from fire, wind, flood, earthquake, expansive soil, erosion, or landslide.

173 x. Significant odor, noise, water diversion, water intrusion, or other irritants emanating from neighboring property.

174 y. Significant crop damage from disease, insects, soil contamination, wildlife, or other causes; diseased or dying trees or
175 shrubs; or substantial injuries or disease in livestock on the Property or neighboring property.

176 z. Animal, reptile, or other insect infestations; drainage easement or grading problems; excessive sliding; or any other
177 Defect or material condition.

- 178 aa. Archeological artifacts, mineral rights, orchards, or endangered species, or one or more burial sites on the Property.
179 bb. Owner is a foreign person as defined in the Foreign Investment in Real Property Tax Act in 26 IRC § 1445(f).
180 cc. Other Defects affecting the Property such as any agreements that bind subsequent owners of the property, such as a
181 lease agreement or an extension of credit from an electric cooperative.

182 ☐ **GOVERNMENT PROGRAMS:** Seller shall deliver to Buyer, within _____ days ("15" if left blank) after acceptance
183 of this Offer, a list of all federal, state, county, and local conservation, farmland, environmental, or other land use programs,
184 agreements, restrictions, or conservation easements, which apply to any part of the Property (e.g., farmland preservation
185 agreements, farmland preservation or exclusive agricultural zoning, use value assessments, Forest Crop, Managed Forest,
186 Conservation Reserve Program, wetland mitigation, shoreland zoning mitigation plan or comparable programs), along with
187 disclosure of any penalties, fees, withdrawal charges, or payback obligations pending, or currently deferred, if any. This
188 contingency will be deemed satisfied unless Buyer delivers to Seller, within 7 days after the deadline for delivery, a notice
189 terminating this Offer based upon the use restrictions, program requirements, and/or amount of any penalty, fee, charge, or
190 payback obligation.

191 **CAUTION: If Buyer does not terminate this Offer, Buyer is hereby agreeing that Buyer will continue in such**
192 **programs, as may apply, and Buyer agrees to reimburse Seller should Buyer fail to continue any such program**
193 **such that Seller incurs any costs, penalties, damages, or fees that are imposed because the program is not**
194 **continued after sale. The Parties agree this provision survives closing.**

195 **MANAGED FOREST LAND:** If all, or part, of the Property is managed forest land under the Managed Forest Law (MFL)
196 program, this designation will continue after closing. Buyer is advised as follows: The MFL is a landowner incentive
197 program that encourages sustainable forestry on private woodlands by reducing and deferring property taxes. Orders
198 designating lands as managed forest lands remain in effect for 25 or 50 years. When ownership of land enrolled in the
199 MFL program changes, the new owner must sign and file a report of the change of ownership on a form provided by the
200 Department of Natural Resources and pay a fee. By filing this form, the new owner agrees to the associated MFL
201 management plan and the MFL program rules. The DNR Division of Forestry monitors forest management plan
202 compliance. Changes a landowner makes to property that is subject to an order designating it as managed forest land,
203 or to its use, may jeopardize benefits under the program or may cause the property to be withdrawn from the program
204 and may result in the assessment of penalties. For more information call the local DNR forester or visit
205 <https://dnr.wisconsin.gov/topic/forestry>.

206 **USE VALUE ASSESSMENTS:** The use value assessment system values agricultural land based on the income that
207 would be generated from its rental for agricultural use rather than its fair market value. When a person converts agricultural
208 land to a non-agricultural use (e.g., residential or commercial development), that person may owe a conversion charge.
209 To obtain more information about the use value law or conversion charge, contact the Wisconsin Department of Revenue's
210 Equalization Bureau or visit <http://www.revenue.wi.gov/>.

211 **FARMLAND PRESERVATION:** The early termination of a farmland preservation agreement or removal of land from such
212 an agreement can trigger payment of a conversion fee equal to 3 times the per acre value of the land. Contact the
213 Wisconsin Department of Agriculture, Trade and Consumer Protection Division of Agricultural Resource Management or
214 visit <http://www.datcp.state.wi.us/> for more information.

215 **CONSERVATION RESERVE PROGRAM (CRP):** The CRP encourages farmers, through contracts with the U.S.
216 Department of Agriculture, to stop growing crops on highly erodible or environmentally sensitive land and instead to plant
217 a protective cover of grass or trees. CRP contracts run for 10 to 15 years, and owners receive an annual rent as well as
218 certain incentive payments and cost share assistance for establishing long-term, resource-conserving ground cover.
219 Removing lands from the CRP in breach of a contract can be quite costly. For more information call the state Farm Service
220 Agency office or visit <http://www.fsa.usda.gov/>.

221 **SHORELAND ZONING ORDINANCES:** All counties must adopt uniform shoreland zoning ordinances in compliance with
222 Wis. Admin. Code Chapter NR 115. County shoreland zoning ordinances apply to all unincorporated land within 1,000
223 feet of a navigable lake, pond or flowage or within 300 feet of a navigable river or stream and establish minimum standards
224 for building setbacks and height limits, cutting trees and shrubs, lot sizes, water runoff, impervious surface standards (that
225 may be exceeded if a mitigation plan is adopted and recorded) and repairs to nonconforming structures. Buyers must
226 conform to any existing mitigation plans. For more information call the county zoning office or visit <https://dnr.wi.gov/>.
227 Buyer is advised to check with the applicable city, town or village for additional shoreland zoning or shoreland-wetland
228 zoning restrictions, if any.

229 **FENCES:** Wis. Stat. § 90.03 requires the owners of adjoining properties to keep and maintain legal fences in equal shares
230 where one or both of the properties is used and occupied for farming or grazing purposes.

231 **CAUTION: Consider an agreement addressing responsibility for fences if Property or adjoining land is used and**
232 **occupied for farming or grazing purposes.**

233 **PROPERTY DEVELOPMENT WARNING:** If Buyer contemplates developing Property for a use other than the current use,
234 there are a variety of issues that should be addressed to ensure the development or new use is feasible. Buyer is solely
235 responsible to verify the current zoning allows for the proposed use of the Property at lines 251-255. Municipal and zoning
236 ordinances, recorded building and use restrictions, covenants and easements may prohibit certain improvements or uses
237 and therefore should be reviewed. Building permits, zoning or zoning variances, Architectural Control Committee approvals,
238 estimates for utility hook-up expenses, special assessments, changes for installation of roads or utilities, environmental
239 audits, subsoil tests, or other development related fees may need to be obtained or verified in order to determine the
240 feasibility of development of, or a particular use for, a property. Optional contingencies that allow Buyer to investigate certain
241 of these issues can be found at lines 244-304 and Buyer may add contingencies as needed in addenda (see line 686).

242 Buyer should review any plans for development or use changes to determine what issues should be addressed in these
243 contingencies.

244 **PROPOSED USE CONTINGENCIES:** This Offer is contingent upon Buyer obtaining, at Buyer's expense, the reports or
245 documentation required by any optional provisions checked on lines 256-281 below. The optional provisions checked on
246 lines 256-281 shall be deemed satisfied unless Buyer, within _____ days ("30" if left blank) after acceptance, delivers: (1)
247 written notice to Seller specifying those optional provisions checked below that cannot be satisfied and (2) written evidence
248 substantiating why each specific provision referred to in Buyer's notice cannot be satisfied. Upon delivery of Buyer's notice,
249 this Offer shall be null and void. Seller agrees to cooperate with Buyer as necessary to satisfy the contingency provisions
250 checked at lines 256-281.

251 **Proposed Use:** Buyer is purchasing the Property for the purpose of: Recreational and agricultural use

252 _____
253 _____ **[insert proposed use**
254 **and type or style of building(s), size and proposed building location(s), if a requirement of Buyer's condition to**
255 **purchase, e.g. 1400-1600 sq. ft. three-bedroom single family ranch home in northwest corner of lot].**

256 ☐ **ZONING:** Verification of zoning and that the Property's zoning allows Buyer's proposed use described at lines
257 251-255.

258 ☐ **SUBSOILS:** Written evidence from a qualified soils expert that the Property is free of any subsoil condition that
259 would make the proposed use described at lines 251-255 impossible or significantly increase the costs of such
260 development.

261 ☐ **PRIVATE ONSITE WASTEWATER TREATMENT SYSTEM (POWTS) SUITABILITY:** Written evidence from a
262 certified soils tester that: (a) the soils at the Property locations selected by Buyer, and (b) all other conditions that must
263 be approved, meet the legal requirements in effect on the date of this Offer to obtain a permit for a POWTS for use of
264 the Property as stated on lines 251-255. The POWTS (septic system) allowed by the written evidence must be one of
265 the following POWTS that is approved by the State for use with the type of property identified at lines 251-255 **CHECK**
266 **ALL THAT APPLY:** ☐ conventional in-ground; ☐ mound; ☐ at grade; ☐ in-ground pressure distribution; ☐ holding
267 tank; ☐ other: _____.

268 ☐ **EASEMENTS AND RESTRICTIONS:** Copies of all public and private easements, covenants and restrictions
269 affecting the Property and a written determination by a qualified independent third party that none of these prohibit or
270 significantly delay or increase the costs of the proposed use or development identified at lines 251-255.

271 ☐ **APPROVALS/PERMITS:** Permits, approvals and licenses, as appropriate, or the final discretionary action by the
272 granting authority prior to the issuance of such permits or building permit, approvals and licenses, for the following items
273 related to Buyer's proposed use: _____
274 _____.

275 ☐ **UTILITIES:** Written verification of the location of the following utility service connections (e.g., on the Property, at
276 the lot line, across the street, etc.) **CHECK AND COMPLETE AS APPLICABLE:**

277 ☐ electricity _____; ☐ gas _____; ☐ sewer _____;
278 ☐ water _____; ☐ telephone _____; ☐ cable _____;
279 ☐ other _____.

280 ☐ **ACCESS TO PROPERTY:** Written verification that there is legal vehicular access to the Property from public
281 roads.

282 ☒ **LAND USE APPROVAL/PERMITS:** This Offer is contingent upon (Buyer)(Seller) **STRIKE ONE** ("Buyer" if neither
283 stricken) obtaining the following, including all costs: a **CHECK ALL THAT APPLY** ☐ rezoning; ☐ conditional use permit;
284 ☒ variance; ☐ other _____ for the Property for its proposed use described at lines 251-255.
285 Seller agrees to cooperate with Buyer as necessary to satisfy this contingency. Buyer shall deliver, within 30 days of
286 acceptance, written notice to Seller if any item cannot be obtained, in which case this Offer shall be null and void.

287 ☒ **MAP OF THE PROPERTY:** This Offer is contingent upon (Buyer obtaining) (Seller providing) **STRIKE ONE** ("Seller
288 providing" if neither is stricken) a Map of the Property dated subsequent to the date of acceptance of this Offer prepared by
289 a registered land surveyor, within 90 days ("30" if left blank) after acceptance, at (Buyer's) (Seller's) **STRIKE ONE**
290 ("Seller's" if neither is stricken) expense. The map shall show minimum of n/a acres, maximum of n/a
291 acres, the legal description of the Property, the Property's boundaries and dimensions, visible encroachments upon the
292 Property, the location of improvements, if any, and: the CSM shall generally depict the land area as outlined in the map attached as part of this offer.

293 GIS measurements show approximately 15 acres, to be determined by survey

294 **STRIKE AND COMPLETE AS APPLICABLE.** Additional map features that may
295 be added include but are not limited to: staking of all corners of the Property; identifying dedicated and apparent streets; lot
296 dimensions; total acreage or square footage; easements or rights-of-way.

297 **CAUTION: Consider the cost and the need for map features before selecting them. Also consider the time required**
298 **to obtain the map when setting the deadline.**

299 This contingency shall be deemed satisfied unless Buyer, within 5 days after the deadline for delivery of said map, delivers
300 to Seller a copy of the map and a written notice which identifies: (1) the significant encroachment; (2) information materially
301 inconsistent with prior representations; or (3) failure to meet requirements stated within this contingency. Upon delivery of
302 Buyer's notice, this Offer shall be null and void. Once the deadline for delivery has passed, if Seller was responsible to

provide the map and failed to timely deliver the map to Buyer, Buyer may terminate this Offer if Buyer delivers a written notice of termination to Seller prior to Buyer's Actual Receipt of said map from Seller.

INSPECTIONS AND TESTING Buyer may only conduct inspections or tests if specific contingencies are included as a part of this Offer. An "inspection" is defined as an observation of the Property, which does not include an appraisal or testing of the Property, other than testing for leaking carbon monoxide, or testing for leaking LP gas or natural gas used as a fuel source, which are hereby authorized. A "test" is defined as the taking of samples of materials such as soils, water, air or building materials from the Property for laboratory or other analysis of these materials. Seller agrees to allow Buyer's inspectors, testers and appraisers reasonable access to the Property upon advance notice, if necessary, to satisfy the contingencies in this Offer. Buyer or licensees or both may be present at all inspections and testing. Except as otherwise provided, Seller's authorization for inspections does not authorize Buyer to conduct testing of the Property.

NOTE: Any contingency authorizing testing should specify the areas of the Property to be tested, the purpose of the test, (e.g., to determine if environmental contamination is present), any limitations on Buyer's testing and any other material terms of the contingency.

Buyer agrees to promptly restore the Property to its original condition after Buyer's inspections and testing are completed unless otherwise agreed to with Seller. Buyer agrees to promptly provide copies of all inspection and testing reports to Seller. Seller acknowledges that certain inspections or tests may detect environmental pollution that may be required to be reported to the Wisconsin Department of Natural Resources.

☐ **INSPECTION CONTINGENCY:** This contingency only authorizes inspections, not testing (see lines 305-319).

(1) This Offer is contingent upon a qualified independent inspector conducting an inspection of the Property after the date on line 1 of this Offer that discloses no Defects.

(2) This Offer is further contingent upon a qualified independent inspector or independent qualified third party performing an inspection of _____

_____ (list any Property component(s) to be separately inspected, e.g., dumpsite, timber quality, invasive species, etc.) that discloses no Defects.

(3) Buyer may have follow-up inspections recommended in a written report resulting from an authorized inspection, provided they occur prior to the Deadline specified at line 333. Inspection(s) shall be performed by a qualified independent inspector or independent qualified third party.

Buyer shall order the inspection(s) and be responsible for all costs of inspection(s).

CAUTION: Buyer should provide sufficient time for the Property inspection and/or any specialized inspection(s), as well as any follow-up inspection(s).

This contingency shall be deemed satisfied unless Buyer, within _____ days ("15" if left blank) after acceptance, delivers to Seller a copy of the written inspection report(s) dated after the date on line 1 of this Offer and a written notice listing the Defect(s) identified in those report(s) to which Buyer objects (Notice of Defects).

CAUTION: A proposed amendment is not a Notice of Defects and will not satisfy this notice requirement.

For the purposes of this contingency, Defects do not include structural, mechanical or other conditions the nature and extent of which Buyer had actual knowledge or written notice before signing this Offer.

NOTE: "Defect" as defined on lines 553-555 means a condition that would have a significant adverse effect on the value of the Property; that would significantly impair the health or safety of future occupants of the Property; or that if not repaired, removed or replaced would significantly shorten or adversely affect the expected normal life of the premises.

■ **RIGHT TO CURE:** Seller (shall)(shall not) **STRIKE ONE** ("shall" if neither is stricken) have the right to cure the Defects.

If Seller has the right to cure, Seller may satisfy this contingency by:

(1) delivering written notice to Buyer within _____ ("10" if left blank) days after Buyer's delivery of the Notice of Defects stating Seller's election to cure Defects;

(2) curing the Defects in a good and workmanlike manner; and

(3) delivering to Buyer a written report detailing the work done no later than three days prior to closing.

This Offer shall be null and void if Buyer makes timely delivery of the Notice of Defects and written inspection report(s) and:

(1) Seller does not have the right to cure; or

(2) Seller has the right to cure but:

(a) Seller delivers written notice that Seller will not cure; or

(b) Seller does not timely deliver the written notice of election to cure.

IF LINE 355 IS NOT MARKED OR IS MARKED N/A LINES 403-414 APPLY.

☐ **FINANCING COMMITMENT CONTINGENCY:** This Offer is contingent upon Buyer being able to obtain a written _____ [loan type or specific lender, if any] first mortgage loan commitment as described below, within _____ days after acceptance of this Offer. The financing selected shall be in an amount of not less than \$ _____ for a term of not less than _____ years, amortized over not less than _____ years. Initial monthly payments of principal and interest shall not exceed \$ _____. Buyer acknowledges that lender's required monthly payments may also include 1/12th of the estimated net annual real estate taxes, hazard insurance premiums, and private mortgage insurance premiums. The mortgage shall not include a prepayment premium. Buyer agrees to pay discount points in an amount not to exceed _____% ("0" if left blank) of the loan. If Buyer is using multiple loan

sources or obtaining a construction loan or land contract financing, describe at lines 650-664 or in an addendum attached per line 686. Buyer agrees to pay all customary loan and closing costs, wire fees, and loan origination fees, to promptly apply for a mortgage loan, and to provide evidence of application promptly upon request of Seller. Seller agrees to allow lender's appraiser access to the Property.

■ **LOAN AMOUNT ADJUSTMENT:** If the purchase price under this Offer is modified, any financed amount, unless otherwise provided, shall be adjusted to the same percentage of the purchase price as in this contingency and the monthly payments shall be adjusted as necessary to maintain the term and amortization stated above.

CHECK AND COMPLETE APPLICABLE FINANCING PROVISION AT LINE 371 or 372.

☐ **FIXED RATE FINANCING:** The annual rate of interest shall not exceed _____%.

☐ **ADJUSTABLE RATE FINANCING:** The initial interest rate shall not exceed _____%. The initial interest rate shall be fixed for _____ months, at which time the interest rate may be increased not more than _____% ("2" if left blank) at the first adjustment and by not more than _____% ("1" if left blank) at each subsequent adjustment. The maximum interest rate during the mortgage term shall not exceed the initial interest rate plus _____% ("6" if left blank). Monthly payments of principal and interest may be adjusted to reflect interest changes.

■ **SATISFACTION OF FINANCING COMMITMENT CONTINGENCY:** If Buyer qualifies for the loan described in this Offer or another loan acceptable to Buyer, Buyer agrees to deliver to Seller a copy of a written loan commitment.

This contingency shall be satisfied if, after Buyer's review, Buyer delivers to Seller a copy of a written loan commitment (even if subject to conditions) that is:

(1) signed by Buyer; or,

(2) accompanied by Buyer's written direction for delivery.

Delivery of a loan commitment by Buyer's lender or delivery accompanied by a notice of unacceptability shall not satisfy this contingency.

CAUTION: The delivered loan commitment may contain conditions Buyer must yet satisfy to obligate the lender to provide the loan. Buyer understands delivery of a loan commitment removes the Financing Commitment Contingency from the Offer and shifts the risk to Buyer if the loan is not funded.

■ **SELLER TERMINATION RIGHTS:** If Buyer does not deliver a loan commitment on or before the Deadline on line 357. Seller may terminate this Offer if Seller delivers a written notice of termination to Buyer prior to Seller's Actual Receipt of written loan commitment from Buyer.

■ **FINANCING COMMITMENT UNAVAILABILITY:** If a financing commitment is not available on the terms stated in this Offer (and Buyer has not already delivered an acceptable loan commitment for other financing to Seller), Buyer shall promptly deliver written notice to Seller of same including copies of lender(s)' rejection letter(s) or other evidence of unavailability.

☐ **SELLER FINANCING:** Seller shall have 10 days after the earlier of:

(1) Buyer delivery of written notice of evidence of unavailability as noted in lines 391-394: or

(2) the Deadline for delivery of the loan commitment on line 357,

to deliver to Buyer written notice of Seller's decision to (finance this transaction with a note and mortgage under the same terms set forth in this Offer, and this Offer shall remain in full force and effect, with the time for closing extended accordingly.

If Seller's notice is not timely given, the option for Seller to provide financing shall be considered waived. Buyer agrees to cooperate with and authorizes Seller to obtain any credit information reasonably appropriate to determine Buyer's credit worthiness for Seller financing.

IF THIS OFFER IS NOT CONTINGENT ON FINANCING COMMITMENT Within _____ days ("7" if left blank) after acceptance, Buyer shall deliver to Seller either:

(1) reasonable written verification from a financial institution or third party in control of Buyer's funds that Buyer has, at the time of verification, sufficient funds to close; or

(2) _____ [Specify documentation Buyer agrees to deliver to Seller].

If such written verification or documentation is not delivered, Seller has the right to terminate this Offer by delivering written notice to Buyer prior to Seller's Actual Receipt of a copy of Buyer's written verification. Buyer may or may not obtain mortgage financing but does not need the protection of a financing commitment contingency. Seller agrees to allow Buyer's appraiser access to the Property for purposes of an appraisal. Buyer understands and agrees that this Offer is not subject to the appraisal meeting any particular value, unless this Offer is subject to an appraisal contingency, nor does the right of access for an appraisal constitute a financing commitment contingency.

☐ **APPRAISAL CONTINGENCY:** This Offer is contingent upon Buyer or Buyer's lender having the Property appraised at Buyer's expense by a Wisconsin licensed or certified independent appraiser who issues an appraisal report dated subsequent to the date stated on line 1 of this Offer, indicating an appraised value for the Property equal to or greater than the agreed upon purchase price.

This contingency shall be deemed satisfied unless Buyer, within _____ days after acceptance, delivers to Seller a copy of the appraisal report indicating an appraised value less than the agreed upon purchase price, and a written notice objecting to the appraised value.

■ **RIGHT TO CURE:** Seller (shall) (shall not) ~~STRIKE ONE~~ ("shall" if neither is stricken) have the right to cure.

If Seller has the right to cure, Seller may satisfy this contingency by delivering written notice to Buyer adjusting the purchase price to the value shown on the appraisal report within _____ days ("5" if left blank) after Buyer's delivery of the appraisal

425 report and the notice objecting to the appraised value. Seller and Buyer agree to promptly execute an amendment initiated
426 by either party after delivery of Seller's notice, solely to reflect the adjusted purchase price.

427 This Offer shall be null and void if Buyer makes timely delivery of the notice objecting to appraised value and the written
428 appraisal report and:

429 (1) Seller does not have the right to cure; or

430 (2) Seller has the right to cure but:

431 (a) Seller delivers written notice that Seller will not adjust the purchase price; or

432 (b) Seller does not timely deliver the written notice adjusting the purchase price to the value shown on the appraisal
433 report.

434 **NOTE: An executed FHA, VA or USDA Amendatory clause may supersede this contingency.**

435 ☐ **CLOSING OF BUYER'S PROPERTY CONTINGENCY:** This Offer is contingent upon the closing of the sale of
436 Buyer's property located at _____

437 no later than _____ (the Deadline). If closing does not occur by the Deadline, this Offer shall
438 become null and void unless Buyer delivers to Seller, on or before the Deadline, reasonable written verification from a
439 financial institution or third party in control of Buyer's funds that Buyer has, at the time of verification, sufficient funds to close
440 or proof of bridge loan financing, along with a written notice waiving this contingency. Delivery of verification or proof of
441 bridge loan shall not extend the closing date for this Offer.

442 ☐ **BUMP CLAUSE:** If Seller accepts a bona fide secondary offer, Seller may give written notice to Buyer that another
443 offer has been accepted. If Buyer does not deliver to Seller the documentation listed below within _____ hours ("72" if
444 left blank) after Buyer's Actual Receipt of said notice, this Offer shall be null and void. Buyer must deliver the following:

445 (1) Written waiver of the Closing of Buyer's Property Contingency if line 435 is marked;

446 (2) Written waiver of _____
447 _____ (name other contingencies, if any); and

448 (3) Any of the following checked below:

449 ☐ Proof of bridge loan financing.

450 ☐ Proof of ability to close from a financial institution or third party in control of Buyer's funds which shall provide
451 Seller with reasonable written verification that Buyer has, at the time of verification, sufficient funds to close.

452 Other: _____

453

454 [insert other requirements, if any (e.g., payment of additional earnest money, etc.)]

455 ☐ **SECONDARY OFFER:** This Offer is secondary to a prior accepted offer. This Offer shall become primary upon
456 delivery of written notice to Buyer that this Offer is primary. Unless otherwise provided, Seller is not obligated to give Buyer
457 notice prior to any Deadline, nor is any particular secondary buyer given the right to be made primary ahead of other
458 secondary buyers. Buyer may declare this Offer null and void by delivering written notice of withdrawal to Seller prior to
459 delivery of Seller's notice that this Offer is primary. Buyer may not deliver notice of withdrawal earlier than _____ days ("7"
460 if left blank) after acceptance of this Offer. All other Offer Deadlines that run from acceptance shall run from the time this
461 Offer becomes primary.

462 **HOMEOWNERS ASSOCIATION** If this Property is subject to a homeowners association, Buyer is aware the Property may
463 be subject to periodic association fees after closing and one-time fees resulting from transfer of the Property. Any one-time
464 fees resulting from transfer of the Property shall be paid at closing by (Seller) (Buyer) **STRIKE ONE** ("Buyer" if neither is
465 stricken).

466 **CLOSING PRORATIONS** The following items, if applicable, shall be prorated at closing, based upon date of closing values:
467 real estate taxes, rents, prepaid insurance (if assumed), private and municipal charges, property owners or homeowners
468 association assessments, fuel and _____.

469 **CAUTION: Provide basis for utility charges, fuel or other prorations if date of closing value will not be used.**

470 Any income, taxes or expenses shall accrue to Seller, and be prorated at closing, through the day prior to closing.

471 Real estate taxes shall be prorated at closing based on **CHECK BOX FOR APPLICABLE PRORATION FORMULA:**

472 ☐ The net general real estate taxes for the preceding year, or the current year if available (Net general real estate
473 taxes are defined as general property taxes after state tax credits and lottery credits are deducted.) NOTE: THIS CHOICE
474 APPLIES IF NO BOX IS CHECKED.

475 ☐ Current assessment times current mill rate (current means as of the date of closing).

476 ☐ Sale price, multiplied by the municipality area-wide percent of fair market value used by the assessor in the prior
477 year, or current year if known, multiplied by current mill rate (current means as of the date of closing).

478 ☐

479 **CAUTION: Buyer is informed that the actual real estate taxes for the year of closing and subsequent years may be**
480 **substantially different than the amount used for proration especially in transactions involving new construction,**
481 **extensive rehabilitation, remodeling or area-wide re-assessment. Buyer is encouraged to contact the local**
482 **assessor regarding possible tax changes.**

483 ☐ Buyer and Seller agree to re-prorate the real estate taxes, through the day prior to closing based upon the taxes on
484 the actual tax bill for the year of closing, with Buyer and Seller each owing his or her pro-rata share. Buyer shall, within 5

485 days of receipt, forward a copy of the bill to the forwarding address Seller agrees to provide at closing. The Parties shall
486 re-prorate within 30 days of Buyer's receipt of the actual tax bill. Buyer and Seller agree this is a post-closing obligation
487 and is the responsibility of the Parties to complete, not the responsibility of the real estate Firms in this transaction.

488 **TITLE EVIDENCE**

489 ■ **CONVEYANCE OF TITLE:** Upon payment of the purchase price, Seller shall convey the Property by warranty deed
490 (trustee's deed if Seller is a trust, personal representative's deed if Seller is an estate or other conveyance as
491 provided herein), free and clear of all liens and encumbrances, except: municipal and zoning ordinances and agreements
492 entered under them, recorded easements for the distribution of utility and municipal services, recorded building and use
493 restrictions and covenants, present uses of the Property in violation of the foregoing disclosed in Seller's Vacant Land
494 Disclosure Report and in this Offer, general taxes levied in the year of closing and _____

495 _____
496 _____ (insert other allowable exceptions from title, if
497 any) that constitutes merchantable title for purposes of this transaction. Seller, at Seller's cost, shall complete and execute
498 the documents necessary to record the conveyance and pay the Wisconsin Real Estate Transfer Fee.

499 **WARNING: Municipal and zoning ordinances, recorded building and use restrictions, covenants and easements**
500 **may prohibit certain improvements or uses and therefore should be reviewed, particularly if Buyer contemplates**
501 **making improvements to Property or a use other than the current use.**

502 ■ **TITLE EVIDENCE:** Seller shall give evidence of title in the form of an owner's policy of title insurance in the amount of
503 the purchase price on a current ALTA form issued by an insurer licensed to write title insurance in Wisconsin. Seller shall
504 pay all costs of providing title evidence to Buyer. Buyer shall pay the costs of providing the title evidence required by Buyer's
505 lender and recording the deed or other conveyance.

506 ■ **GAP ENDORSEMENT:** Seller shall provide a "gap" endorsement or equivalent gap coverage at (Seller's)(Buyer's)
507 ~~STRIKE ONE~~ ("Seller's" if neither stricken) cost to provide coverage for any liens or encumbrances first filed or recorded
508 after the commitment date of the title insurance commitment and before the deed is recorded, subject to the title insurance
509 policy conditions, exclusions and exceptions, provided the title company will issue the coverage. If a gap endorsement or
510 equivalent gap coverage is not available, Buyer may give written notice that title is not acceptable for closing (see lines 516-
511 523).

512 ■ **DELIVERY OF MERCHANTABLE TITLE:** The required title insurance commitment shall be delivered to Buyer's attorney
513 or Buyer not more than _____ days after acceptance ("15" if left blank), showing title to the Property as of a date no more
514 than 15 days before delivery of such title evidence to be merchantable per lines 489-498, subject only to liens which will be
515 paid out of the proceeds of closing and standard title insurance requirements and exceptions, as appropriate.

516 ■ **TITLE NOT ACCEPTABLE FOR CLOSING:** If title is not acceptable for closing, Buyer shall notify Seller in writing of
517 objections to title within _____ days ("15" if left blank) after delivery of the title commitment to Buyer or Buyer's attorney. In
518 such event, Seller shall have _____ days ("15" if left blank) from Buyer's delivery of the notice stating title objections, to
519 deliver notice to Buyer stating Seller's election to remove the objections by the time set for closing. If Seller is unable to
520 remove said objections, Buyer shall have five days from receipt of notice thereof, to deliver written notice waiving the
521 objections, and the time for closing shall be extended accordingly. If Buyer does not waive the objections, Buyer shall deliver
522 written notice of termination and this Offer shall be null and void. Providing title evidence acceptable for closing does not
523 extinguish Seller's obligations to give merchantable title to Buyer.

524 ■ **SPECIAL ASSESSMENTS/OTHER EXPENSES:** Special assessments, if any, levied or for work actually commenced
525 prior to the date stated on line 1 of this Offer shall be paid by Seller no later than closing. All other special assessments
526 shall be paid by Buyer. "Levied" means the local municipal governing body has adopted and published a final resolution
527 describing the planned improvements and the assessment of benefits.

528 **CAUTION: Consider a special agreement if area assessments, property owners association assessments, special**
529 **charges for current services under Wis. Stat. § 66.0627 or other expenses are contemplated. "Other expenses" are**
530 **one-time charges or ongoing use fees for public improvements (other than those resulting in special assessments)**
531 **relating to curb, gutter, street, sidewalk, municipal water, sanitary and storm water and storm sewer (including all**
532 **sewer mains and hook-up/connection and interceptor charges), parks, street lighting and street trees, and impact**
533 **fees for other public facilities, as defined in Wis. Stat. § 66.0617(1)(f).**

534 **LEASED PROPERTY** If Property is currently leased and lease(s) extend beyond closing, Seller shall assign Seller's rights
535 under said lease(s) and transfer all security deposits and prepaid rents thereunder to Buyer at closing. The terms of the
536 (written) (oral) ~~STRIKE ONE~~ lease(s), if any, are _____

537 _____
538 _____. Insert additional terms, if any, at lines 650-664 or attach as an addendum per line 686.

539 **DEFINITIONS**

540 ■ **ACTUAL RECEIPT:** "Actual Receipt" means that a Party, not the Party's recipient for delivery, if any, has the document
541 or written notice physically in the Party's possession, regardless of the method of delivery. If the document or written notice
542 is electronically delivered, Actual Receipt shall occur when the Party opens the electronic transmission.

543 ■ **BUSINESS DAY:** "Business Day" means a calendar day other than Saturday, Sunday, any legal public holiday under
544 Wisconsin or Federal law, and any other day designated by the President such that the postal service does not receive

545 registered mail or make regular deliveries on that day.

546 ■ **DEADLINES:** "Deadlines" expressed as a number of "days" from an event, such as acceptance, are calculated by
547 excluding the day the event occurred and by counting subsequent calendar days. The Deadline expires at Midnight on the
548 last day. Additionally, Deadlines expressed as a specific number of Business Days are calculated in the same manner
549 except that only Business Days are counted while other days are excluded. Deadlines expressed as a specific number of
550 "hours" from the occurrence of an event, such as receipt of a notice, are calculated from the exact time of the event, and by
551 counting 24 hours per calendar day. Deadlines expressed as a specific day of the calendar year or as the day of a specific
552 event, such as closing, expire at Midnight of that day. "Midnight" is defined as 11:59 p.m. Central Time.

553 ■ **DEFECT:** "Defect" means a condition that would have a significant adverse effect on the value of the Property; that would
554 significantly impair the health or safety of future occupants of the Property; or that if not repaired, removed or replaced would
555 significantly shorten or adversely affect the expected normal life of the premises.

556 ■ **FIRM:** "Firm" means a licensed sole proprietor broker or a licensed broker business entity.

557 ■ **PARTY:** "Party" means the Buyer or the Seller; "Parties" refers to both the buyer and the Seller.

558 ■ **PROPERTY:** Unless otherwise stated, "Property" means the real estate described at lines 4-8.

559 **INCLUSION OF OPTIONAL PROVISIONS** Terms of this Offer that are preceded by an OPEN BOX (☐) are part of
560 this offer ONLY if the box is marked such as with an "X". They are not part of this offer if marked "N/A" or are left blank.

561 **PROPERTY DIMENSIONS AND SURVEYS** Buyer acknowledges that any land dimensions, or total acreage or square
562 footage figures, provided to Buyer by Seller or by a Firm or its agents, may be approximate because of rounding, formulas
563 used or other reasons, unless verified by survey or other means.

564 **CAUTION: Buyer should verify total square footage formula, total square footage/acreage figures, and land**
565 **dimensions, if material.**

566 **DISTRIBUTION OF INFORMATION** Buyer and Seller authorize the agents of Buyer and Seller to: (i) distribute copies of
567 the Offer to Buyer's lender, appraisers, title insurance companies and any other settlement service providers for the
568 transaction as defined by the Real Estate Settlement Procedures Act (RESPA); (ii) report sales and financing concession
569 data to multiple listing service sold databases; (iii) provide active listing, pending sale, closed sale and financing concession
570 information and data, and related information regarding seller contributions, incentives or assistance, and third party gifts,
571 to appraisers researching comparable sales, market conditions and listings, upon inquiry; and (iv) distribute copies of this
572 Offer to the seller or seller's agent of another property that Seller intends on purchasing.

573 **MAINTENANCE** Seller shall maintain the Property and all personal property included in the purchase price until the earlier
574 of closing or Buyer's occupancy, in materially the same condition it was in as of the date on line 1 of this Offer, except for
575 ordinary wear and tear.

576 **PROPERTY DAMAGE BETWEEN ACCEPTANCE AND CLOSING** If, prior to closing, the Property is damaged in an
577 amount not more than five percent of the purchase price, other than normal wear and tear, Seller shall promptly notify Buyer
578 in writing, and will be obligated to restore the Property to materially the same condition it was in as of the date on line 1 of
579 this Offer. Seller shall provide Buyer with copies of all required permits and lien waivers for the lienable repairs no later than
580 closing. If the amount of damage exceeds five percent of the purchase price, Seller shall promptly notify Buyer in writing of
581 the damage and this Offer may be terminated at option of Buyer. Should Buyer elect to carry out this Offer despite such
582 damage, Buyer shall be entitled to the insurance proceeds, if any, relating to the damage to the Property, plus a credit
583 towards the purchase price equal to the amount of Seller's deductible on such policy, if any. However, if this sale is financed
584 by a land contract or a mortgage to Seller, any insurance proceeds shall be held in trust for the sole purpose of restoring
585 the Property.

586 **BUYER'S PRE-CLOSING WALK-THROUGH** Within three days prior to closing, at a reasonable time pre-approved by
587 Seller or Seller's agent, Buyer shall have the right to walk through the Property to determine that there has been no
588 significant change in the condition of the Property, except for ordinary wear and tear and changes approved by Buyer, and
589 that any Defects Seller has agreed to cure have been repaired in the manner agreed to by the Parties.

590 **OCCUPANCY** Occupancy of the entire Property shall be given to Buyer at time of closing unless otherwise provided in
591 this Offer at lines 534-538 or in an addendum attached per line 686, or lines 650-664 if the Property is leased. At time of
592 Buyer's occupancy, Property shall be free of all debris, refuse, and personal property except for personal property belonging
593 to current tenants, or sold to Buyer or left with Buyer's consent. Occupancy shall be given subject to tenant's rights, if any.

594 **DEFAULT** Seller and Buyer each have the legal duty to use good faith and due diligence in completing the terms and
595 conditions of this Offer. A material failure to perform any obligation under this Offer is a default that may subject the defaulting
596 party to liability for damages or other legal remedies.

597 If Buyer defaults, Seller may:

- 598 (1) sue for specific performance and request the earnest money as partial payment of the purchase price; or
599 (2) terminate the Offer and have the option to: (a) request the earnest money as liquidated damages; or (b) sue for actual
600 damages.

601 If Seller defaults, Buyer may:

- 602 (1) sue for specific performance; or
603 (2) terminate the Offer and request the return of the earnest money, sue for actual damages, or both.

604 In addition, the Parties may seek any other remedies available in law or equity. The Parties understand that the availability
605 of any judicial remedy will depend upon the circumstances of the situation and the discretion of the courts. If either Party
606 defaults, the Parties may renegotiate the Offer or seek nonjudicial dispute resolution instead of the remedies outlined above.
607 By agreeing to binding arbitration, the Parties may lose the right to litigate in a court of law those disputes covered by the
608 arbitration agreement.

609 **NOTE: IF ACCEPTED, THIS OFFER CAN CREATE A LEGALLY ENFORCEABLE CONTRACT. BOTH PARTIES**
610 **SHOULD READ THIS DOCUMENT CAREFULLY. THE FIRM AND ITS AGENTS MAY PROVIDE A GENERAL**
611 **EXPLANATION OF THE PROVISIONS OF THE OFFER BUT ARE PROHIBITED BY LAW FROM GIVING ADVICE OR**
612 **OPINIONS CONCERNING YOUR LEGAL RIGHTS UNDER THIS OFFER OR HOW TITLE SHOULD BE TAKEN AT**
613 **CLOSING. AN ATTORNEY SHOULD BE CONSULTED IF LEGAL ADVICE IS NEEDED.**

614 **ENTIRE CONTRACT** This Offer, including any amendments to it, contains the entire agreement of the Buyer and Seller
615 regarding the transaction. All prior negotiations and discussions have been merged into this Offer. This agreement binds
616 and inures to the benefit of the Parties to this Offer and their successors in interest.

617 **NOTICE ABOUT SEX OFFENDER REGISTRY** You may obtain information about the sex offender registry and persons
618 registered with the registry by contacting the Wisconsin Department of Corrections on the Internet at <http://www.doc.wi.gov>
619 or by telephone at (608) 240-5830.

620 **FOREIGN INVESTMENT IN REAL PROPERTY TAX ACT (FIRPTA)** Section 1445 of the Internal Revenue Code (IRC)
621 provides that a transferee (Buyer) of a United States real property interest must pay or withhold as a tax up to 15% of the
622 total "Amount Realized" in the sale if the transferor (Seller) is a "Foreign Person" and no exception from FIRPTA withholding
623 applies. A "Foreign Person" is a nonresident alien individual, foreign corporation, foreign partnership, foreign trust, or foreign
624 estate. The "Amount Realized" is the sum of the cash paid, the fair market value of other property transferred, and the
625 amount of any liability assumed by Buyer.

626 **CAUTION: Under this law if Seller is a Foreign Person, and Buyer does not pay or withhold the tax amount, Buyer**
627 **may be held directly liable by the U.S. Internal Revenue Service for the unpaid tax and a tax lien may be placed**
628 **upon the Property.**

629 Seller hereby represents that Seller is a non-Foreign Person, unless (1) Seller represents Seller is a Foreign Person in a
630 condition report incorporated in this Offer per lines 94-97, or (2) no later than 10 days after acceptance, Seller delivers
631 notice to Buyer that Seller is a Foreign Person, in which cases the provisions on lines 637-639 apply.

632 **IF SELLER IS A NON-FOREIGN PERSON.** Seller shall, no later than closing, execute and deliver to Buyer, or a qualified
633 substitute (attorney or title company as stated in IRC § 1445), a sworn certification under penalties of perjury of Seller's
634 non-foreign status in accordance with IRC § 1445. If Seller fails to timely deliver certification of Seller's non-foreign status,
635 Buyer shall: (1) withhold the amount required to be withheld pursuant to IRC § 1445; or, (2) declare Seller in default of this
636 Offer and proceed under lines 601-608.

637 **IF SELLER IS A FOREIGN PERSON.** If Seller has represented that Seller is a Foreign Person, Buyer shall withhold the
638 amount required to be withheld pursuant to IRC § 1445 at closing unless the Parties have amended this Offer regarding
639 amounts to be withheld, any withholding exemption to be applied, or other resolution of this provision.

640 **COMPLIANCE WITH FIRPTA.** Buyer and Seller shall complete, execute, and deliver, on or before closing, any instrument,
641 affidavit, or statement needed to comply with FIRPTA, including withholding forms. If withholding is required under IRC
642 §1445, and the net proceeds due Seller are not sufficient to satisfy the withholding required in this transaction, Seller shall
643 deliver to Buyer, at closing, the additional funds necessary to satisfy the applicable withholding requirement. Seller also
644 shall pay to Buyer an amount not to exceed \$1,000 for actual costs associated with the filing and administration of forms,
645 affidavits, and certificates necessary for FIRPTA withholding and any withholding agent fees.

646 **Any representations made by Seller with respect to FIRPTA shall survive the closing and delivery of the deed.**

647 Firms, Agents, and Title Companies are not responsible for determining FIRPTA status or whether any FIRPTA exemption
648 applies. The Parties are advised to consult with their respective independent legal counsel and tax advisors regarding
649 FIRPTA.

650 **ADDITIONAL PROVISIONS/CONTINGENCIES**

651
652 As already stated herein, this offer is contingent upon Sauk County's approval of a Certified Survey Map that generally depicts the area outlined in the
653 map included as part of this offer.

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DELIVERY OF DOCUMENTS AND WRITTEN NOTICES

Unless otherwise stated in this Offer, delivery of documents and written notices to a Party shall be effective only when accomplished by one of the authorized methods specified at lines 688-683.

(1) **Personal**: giving the document or written notice personally to the Party, or the Party's recipient for delivery if named at line 670 or 671.

Name of Seller's recipient for delivery, if any: _____

Name of Buyer's recipient for delivery, if any: _____

(2) **Fax**: fax transmission of the document or written notice to the following number:

Seller: (_____) Buyer: (_____) _____

(3) **Commercial**: depositing the document or written notice, fees prepaid or charged to an account, with a commercial delivery service, addressed either to the Party, or to the Party's recipient for delivery, for delivery to the Party's address at line 679 or 680.

(4) **U.S. Mail**: depositing the document or written notice, postage prepaid, in the U.S. Mail, addressed either to the Party, or to the Party's recipient for delivery, for delivery to the Party's address.

Address for Seller: _____

Address for Buyer: _____

(5) **Email**: electronically transmitting the document or written notice to the email address.

Email Address for Seller: derek@lga.law and tbecker@ci.reedsburg.wi.us

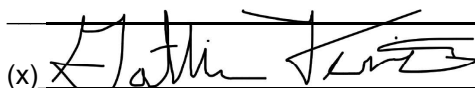
Email Address for Buyer: gatlin.pare@gmail.com

PERSONAL DELIVERY/ACTUAL RECEIPT

Personal delivery to, or Actual Receipt by, any named Buyer or Seller constitutes personal delivery to, or Actual Receipt by, all Buyers or Sellers.

☒ **ADDENDA**: The attached Proposed CSM Map is/are made part of this Offer.

This Offer was drafted by ~~[Licensee and Firm]~~ Buyer, Gatlin Fenwick



8-17-22

(x) Buyer's Signature ▲ Print Name Here ► Gatlin Fenwick

Date ▲

(x) Buyer's Signature ▲ Print Name Here ► Sasha Fenwick

8-17-22

Date ▲

SELLER ACCEPTS THIS OFFER. THE WARRANTIES, REPRESENTATIONS AND COVENANTS MADE IN THIS OFFER SURVIVE CLOSING AND THE CONVEYANCE OF THE PROPERTY. SELLER AGREES TO CONVEY THE PROPERTY ON THE TERMS AND CONDITIONS AS SET FORTH HEREIN AND ACKNOWLEDGES RECEIPT OF A COPY OF THIS OFFER.

(x) Seller's Signature ▲ Print Name Here ►

Date ▲

(x) Seller's Signature ▲ Print Name Here ►

Date ▲

This Offer was presented to Seller by [Licensee and Firm] _____
_____ on _____ at _____ a.m./p.m.

This Offer is rejected _____ This Offer is countered [See attached counter] _____
Seller Initials ▲ Date ▲ Seller Initials ▲ Date ▲

Map Exhibit to accompany offer dated 8-17-22



The area outlined in yellow is approximately 15+/- acres lying west of the drainage ditch, part of Parcel 276-2201-00000

City of Reedsburg Land Use Application

134 S. Locust St.
PO Box 490
Reedsburg, WI 53959

Ph: 608-524-6404
Fax: 608-524-8458
bduvalle@ci.reedsburg.wi.us

APPLICANT: Gatlin Fenwick

ADDRESS: S2720 County Rd V **CITY:** Reedsburg **STATE:** WI

ZIP: 53959 **PHONE:** 608-572-2665 **FAX:** _____

E-MAIL: gatlinfenwick@yahoo.com

PROPERTY OWNER: (if different from Applicant) City of Reedsburg

LOCATION: west part of 276-2201-00000, +/- 44 acres **Size** TBD **PARCEL #:** part of 276-2201-00000

LAND USE REQUEST

(Please describe one or more as applicable – attach extra pages/maps if necessary)

☒ **Certified Survey Map (CSM):** TBD
Proposed CSM for +/- 44 acres, lying west part of 276-2201-00000, including mowed trail

☐ **Conditional Use Permit:** _____

For *CONDITIONAL USE PERMIT* requests, also answer “A & B” on back page.

☐ **Preliminary Plat:** _____ **Final Plat:** _____ **Name of Plat:** _____

☐ **Rezoning - From:** _____ **To:** _____ **TID #** _____

☐ **Site Plan Review:** (See “B” on back page) _____

☐ **Zoning Appeal / Interpretation:** _____

☒ **Zoning Variance:** Variance to allow for sale of lot without frontage along public street

For *VARIANCE* requests, also answer “C” on back page.

☐ **Other or Annexation:** _____

AFFIDAVIT

I certify that the information and plans submitted are true and accurate to the best of my knowledge. I also give permission to City zoning officials to enter my property for inspection purposes and for a temporary Zoning sign to be placed in my yard prior to the meeting.

 6-28-2022

Applicant Signature / Date

_____/

Owner Signature / Date

Extraterritorial Committee Date: _____
Plan Commission Date: _____
Board of Zoning Appeals Date: _____
City Council Action & Date: _____

Account #10-461500-00

**The applicant or representative MUST
ATTEND the meeting.**

G:\wpnet\Zoning - Planning\Land Use Appl.doc

Cond Use Permit	\$200	_____
Cond Use-Agriculture	\$400	_____
Variance	\$125	<u>X</u> _____
Rezoning	\$200	_____
C.S.M.	\$175	<u>X</u> _____
Subdivision Plat	\$610	_____
- w/ Stormwater Plan	\$100	_____
Site Plan Review	\$175	_____
Annexation	\$200	_____
Plan Amend	\$200	_____
Date Paid		_____
Receipt #		_____

A. Please describe how your request meets each of the following Conditional Use standards as applicable. Attach additional pages if needed.

- (A) *Proposed operation* - No Conditional Use shall be approved by the Plan Commission unless it finds that the use for which such permit is sought will not be injurious to the neighborhood or otherwise detrimental to the public welfare and will be in harmony with the general purpose of this ordinance and will not place demands on fire, police, or other public resources in excess of current capacity.
-
- (B) *Architectural plans; existing and proposed structures* - The proposed conditional land use shall be designed, constructed, operated, and maintained so as not to diminish the opportunity for surrounding properties to be used and developed as zoned.
-
- (C) *Character and use of adjoining buildings and those in the vicinity* - The proposed conditional land use shall not involve uses, activities, processes, materials, or equipment that would create a substantially negative impact on other conforming properties in the area by reason of traffic, noise, smoke, fumes, glare, and odors.
-
- (D) *Traffic generation, circulation and parking areas* - The arrangement of public or common ways for vehicular and pedestrian circulation shall respect the pattern of existing or planned streets and pedestrian or bicycle pathways in the area.
-
- (E) *Traffic generation and circulation, highway access and driveway locations* - The proposed conditional land use shall be adequately served by public or private streets.
-
- (F) *Sewerage and water systems* - The proposed conditional land use will be adequately served by water and sewer facilities, and refuse collection and disposal services.
-

B. Site Plan Requirements.

- (A) North arrow
- (B) Location of property lines, dimensions, and setbacks.
- (C) Location of existing and proposed public roads, rights-of-way and private easements of record.
- (D) Location of existing water bodies, surface drainage ways, stormwater controls, floodplains, and wetlands.
- (E) Location of existing and proposed buildings.
- (F) Location of parking areas and all exterior lighting.
- (G) Location of all loading / unloading areas.
- (H) Location of all sidewalks, walkways, bicycle paths and areas for public use.
- (I) Location of all utilities on the site.
- (J) Location and specifications for all fences, walls, and other screening features.
- (K) Location and specifications for all existing and proposed perimeter and internal landscaping.
- (L) Location and specifications for screening of all trash receptacles and other solid waste disposal facilities.
- (M) Location and specifications for proposed signs.
- (N) Elevation drawings for proposed commercial structures.
- (P) Floor plans, when needed to determine the number of parking spaces required.

C. Please describe how your request meets each of the following Variance standards. Attach additional pages if needed.

To grant a variance, the Board of Appeals must find four things:

- 1) The variance will not be contrary to the public interest. The variance will allow for the sale of recreational land not currently used by public
 - 2) Substantial justice will be done by granting the variance. It is in the City of Reedsburg's interest to dispose of this particular property due to non-use
 - 3) The variance is needed so that the spirit of the ordinance is observed. The lot in question is not a buildable lot, as it is in floodplain
 - 4) Due to special conditions, a literal enforcement of the provisions of the zoning ordinance will result in unnecessary hardship. The sale of the lot in question is only for recreational purposes, and the variance is required for sale to commence
-

- (C) Variance Hardship. A property owner bears the burden of proving "unnecessary hardship" by demonstrating either of the following:
- 1) For an area variance, that strict compliance with a zoning ordinance would unreasonably prevent the property owner from using the property for a permitted purpose or would render conformity with the zoning ordinance unnecessarily burdensome.
 - 2) For a use variance, that strict compliance with a zoning ordinance would leave the property owner with no reasonable use of the property in the absence of a variance. In both situations, the property owner bears the burden of proving that the unnecessary hardship is based on conditions unique to the property, rather than personal considerations, and that the unnecessary hardship was not created by the property owner.