City of Reedsburg
134 South Locust Street, P.O. Box 490
Reedsburg, WI 53959
Ph. 608-524-6404 Fax. 608-524-8458
www.reedsburgwi.gov

COMMON COUNCIL AGENDA

June 22, 2020

REEDSBURG CITY HALL COUNCIL CHAMBERS

6:00 PM

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 June 8, 2020.

II. MAYOR PRESENTATIONS:

1. Oath of Office: Police Officer Jordan Solchenberger
2. Oath of Office: Police Sergeant Joshua Benson

III. GENERAL BUSINESS:

1. Presentation: 2019 Financial Audit. Amanda Blomberg, Firm Director, Baker Tilly Virchow Krause, LLP.
2. Approve/Deny: Resolution 4415-20 Affirming the decision of Sauk County to waive interest and penalties on property tax installments due on or before April 1, 2020, per Act 185.
3. Approve/Deny: First reading and set a public hearing for July 27, 2020 for Ordinance #1907-20 Amending Ordinance 1902-20 Annexation Request - Designating Ward 15 and identifying 15 City Wards.
4. Approve/Deny: First reading and set a public hearing for July 13, 2020 for Ordinance #1908-20 to Discontinue the Public Safety Committee & Finance Committee.
5. Approve/Deny: First reading and set a public hearing for July 13, 2020 for Ordinance 1909-20 to Amend Chapter 104-10 Ordinance Committee.
6. Approve/Deny: First reading and set a public hearing for July 13, 2020 for Ordinance 1910-20 to Amend Chapter 72-3 Budget.

IV. RECOMMENDATIONS FROM BOARDS, COMMITTEES AND COMMISSIONS:

1. Plan Commission: Approve/Deny: First reading and set a public hearing for July 13, 2020 on Ordinance 1905-20 Temporary Rooming Houses, Chapter 556.

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2. Plan Commission: Approve/Deny: First reading and set a public hearing for July 13, 2020 for Ordinance 1906-20 Rezoning 211 N. Park Street from B-1 to B-3.
3. Public Works Committee: Approve/Deny: First reading and set a public hearing for July 13, 2020 for Ordinance 1911-20 to amend Chapter 615-5 Stop Signs.
4. Public Works Committee: Approve/Deny: Resolution 4414-20 Wastewater Treatment Plant - Compliance Maintenance Annual Report (CMAR).
5. Arts Committee: Approve/Deny: Distribute $1,300 to Artslink for repainting the crosswalk on Railroad Street between the Chamber of Commerce and Harvest Park.
6. Arts Committee: Approve/Deny: Distribute $2,500 to the maintenance and retrofitting of the Ruminant public art installation in Harvest Park.

V. CITY ADMINISTRATOR REPORTS:

1. General direction FY 2021 Budget formation.

VI. COMMISSION, COMMITTEE, BOARD AND STAFF REPORTS:

1. 2nd Meeting Committees: Parks & Recreation, Public Works, Utility Commission, Plan Commission, Historic Preservation, Library Board (any other Boards/Committees/Commissions with a report).

VII. OFFICE OF THE MAYOR:

1. US Census response - Reedsburg at 75% response rate. https://2020census.gov/en/ways-to-respond.html

VIII. ADJOURN:

City of Reedsburg Meeting of the Common Council
June 8, 2020

Present:	Mayor Dave Estes, Aldermen Brandt Werner, Craig Braunschweig, Dave Moon, Jason Schulte, Mike Gargano, Calvin Craker, Phil Peterson, Dave Knudsen, and Tom Seamonson.
Absent:	None
Others Present:	Tim Becker, Jacob Crosetto, Pat Cummings, Brian Duvalle, Derek Horkan, Steve Zibell, Matt Scott, Citizens, Press.

Mayor 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 meetings held on May 11th and May 13th, 2020; approval of the Annual Alcohol, Amusement, and Cigarette Licenses; a proclamation recognizing Communications Supervisor Chris Blood's retirement from the RPD after 35 years of service; May 2020 Bills' May 2020 Building Permit Report; and Application for Temporary Class B/Class B Retailer's License for Reedsburg Pirates baseball season at Nishan Park, 1700 Eighth Street from June to August 2020.

Motion: Craker, Second: Seamonson to approve the consent agenda. Motion carried 9-0.

GENERAL BUSINESS

A. Approve/Deny: Claim filed by Derek Smith for $1,395.06 for damage to his parked vehicle by a City vehicle.
    a. **Motion: Gargano, Second: Werner to approve the claim as presented. Motion carried 9-0.**

B. Approve/Deny: Resolution 4413-20 Recognizing International Migratory Bird Day - May 9, 2020
    a. **Motion: Peterson, Second: Knudsen to approve Resolution 4413-20 as presented. Motion carried 9-0.**

C. Approve/Deny: Writing off $2,497.68 of uncollectable personal property taxes from Shopko Hometown.
    a. **Motion: Gargano, Second: Seamonson to approve the write-off as presented. Motion carried 9-0.**

D. Approve/Deny: Suspension of Finance, Ordinance and Public Safety Committees.
    a. **Motion: Peterson, Second: Gargano to approve the permanent suspension of the Finance Committee and Public Safety Committee and direct staff to draft ordinances for their removal. As well as amend the Ordinance Committee to meet on an "as needed" basis. Motion carried 9-0.**

Motion: Schulte, Second: Garganoto adjourn.

Motion carried 9-0. Meeting adjourned at 6:21 p.m.

Respectfully submitted,

Jacob Crosetto
City Clerk-Treasurer/Finance Director

bakertilly

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June 10, 2020

Mr. Jacob Crosetto, City Clerk-Treasurer
City of Reedsburg
134 S. Locust Street
Reedsburg, WI 53959

Dear Jacob:

Please find enclosed five (5) copies of the compiled financial statements of the City of Reedsburg's Tax Incremental Districts No. 3, No. 4, No. 5, No. 6, No. 7, No. 8, and No. 9 for the period ended December 31, 2019. An Accountants' Compilation Report is included with the financial statements.

Municipalities must e-file a TID Annual Report (Form PE-300). This is due July 1, 2020 for the 2019 reporting year. Please note that there are penalties for late submissions. Additional information and the online form can be found on the State of Wisconsin Department of Revenue website (www.revenue-wi.gov). You will no longer be required to file the compilation report with the overlying districts; instead you are responsible to provide a copy of the TID Annual Report submitted on the DOR website to each overlying taxing district

You should also make these financial statements available to the public.

Please feel free to contact our office should you have any questions regarding the enclosed statements.

Sincerely,

BAKER TILLY VIRCHOW KRAUSE, LLP

Amanda Blomberg

Amanda Blomberg, CPA, Firm Director

Enclosures

CITY OF REEDSBURG
TAX INCREMENTAL DISTRICTS
NO. 3, NO. 4, NO. 5, NO. 6, NO. 7, NO. 8, AND NO. 9

Reedsburg, Wisconsin

COMPILED
FINANCIAL STATEMENTS

Including Accountants' Compilation Report

From Date of Creation Through December 31, 2019

CITY OF REEDSBURG
TAX INCREMENTAL DISTRICTS NO. 3, NO. 4, NO. 5, NO. 6, NO. 7, NO. 8, and NO. 9

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CITY OF REEDSBURG
TAX INCREMENTAL DISTRICTS NO. 3, NO. 4, NO. 5, NO. 6, NO. 7, NO. 8, and NO. 9

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ACCOUNTANTS' COMPILATION REPORT

To the City Council
City of Reedsburg
Reedsburg, Wisconsin

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. 3, No. 4, No. 5, No. 6, No. 7, No. 8, and No. 9 ("districts") as of and for the year ended December 31, 2019 and from the dates of creation through December 31, 2019, 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, 2019, 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.

Baker Tilly Virchow Krause, LLP

Madison, Wisconsin
June 10, 2020

CITY OF REEDSBURG
TAX INCREMENTAL DISTRICT NO. 3

COMPILED
BALANCE SHEET
As of December 31, 2019

		Capital Projects Fund
ASSETS		
Taxes receivable	$	73,091
Due from other funds		32,004
TOTAL ASSETS	$	105,095
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
Liabilities		
Accounts payable	$	1,921
Advances from other funds		127,553
Total Liabilities		129,474
Deferred Inflows of Resources		
Unearned tax revenues		73,091
Total Deferred Inflows of Resources		73,091
Fund Balances		
Unassigned (deficit)		(97,470)
Total Fund Balances (Deficit)		(97,470)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$	105,095

See accompanying notes to financial statements.

CITY OF REEDSBURG
TAX INCREMENTAL DISTRICT NO. 3

COMPILED
HISTORICAL SUMMARY OF PROJECT COSTS, PROJECT
REVENUES, AND NET COST TO BE RECOVERED THROUGH TAX INCREMENTS
For the Year Ended December 31, 2019
and From Date of Creation Through December 31, 2019

	Year Ended	From Date Of Creation
PROJECT COSTS		
Capital expenditures	$ -	$ 2,926,191
Professional services	5,451	22,733
Administrative expenditures	150	290,317
Interest and fiscal charges	1,433	771,730
Debt issuance costs	-	17,079
Total Project Costs	7,034	4,028,050
PROJECT REVENUES		
Tax increments	75,290	690,670
Special assessments	-	526,230
Exempt computer aid	246	1,542
Personal property aid	901	901
Intergovernmental grants	-	877,500
Investment income	-	11,116
Sale of property	-	237,711
Miscellaneous	-	47,341
Subsidies from donor TIFs	286,838	1,477,569
Total Project Revenues	363,275	3,870,580
NET COST RECOVERABLE (RECOVERED) THROUGH TAX INCREMENTS - DECEMBER 31, 2019	$ (356,241)	$ 157,470
RECONCILIATION OF RECOVERABLE COSTS		
General obligation debt		$ 60,000
Capital projects fund balance deficit		97,470
NET COST RECOVERABLE THROUGH TAX INCREMENTS - DECEMBER 31, 2019		$ 157,470

See accompanying notes to financial statements.

CITY OF REEDSBURG
TAX INCREMENTAL DISTRICT NO. 3

COMPILED
HISTORICAL SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS
For the Year Ended December 31, 2019
and From Date of Creation Through December 31, 2019

	Year Ended	From Date Of Creation
SOURCES OF FUNDS		
Tax increments	$ 75,290	$ 690,670
Special assessments	-	526,230
Exempt computer aid	246	1,542
Personal property aid	901	901
Intergovernmental grants	-	877,500
Investment income	-	11,116
Sale of property	-	237,711
Miscellaneous	-	47,341
Subsidies from donor TIFs	286,838	1,477,569
Proceeds from long-term debt	-	1,261,614
Proceeds from capital lease	-	320,000
Total Sources of Funds	363,275	5,452,194
USES OF FUNDS		
Capital expenditures	-	2,926,191
Professional services	5,451	22,733
Administrative expenditures	150	290,317
Interest and fiscal charges	1,433	771,730
Debt issuance costs	-	17,079
Principal on long-term debt and capital lease	55,000	1,521,614
Total Uses of Funds	62,034	5,549,664
Excess (deficiency) of sources of funds over uses of funds	301,241	(97,470)
BALANCE (DEFICIT) - Beginning of Period	(398,711)	-
BALANCE (DEFICIT) - END OF PERIOD	$ (97,470)	$ (97,470)

See accompanying notes to financial statements.

CITY OF REEDSBURG
TAX INCREMENTAL DISTRICT NO. 4

COMPILED
BALANCE SHEET
As of December 31, 2019

	Capital Projects Fund
ASSETS	
Taxes receivable	$ 332,509
Due from other funds	55,505
TOTAL ASSETS	$ 388,014
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	
Liabilities	
Accounts payable	$ 1,921
Total Liabilities	1,921
Deferred Inflows of Resources	
Unearned tax revenues	332,509
Total Deferred Inflows of Resources	332,509
Fund Balances	
Restricted for TIF purposes	53,584
Total Fund Balances	53,584
TOTAL DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 388,014

See accompanying notes to financial statements.

CITY OF REEDSBURG
TAX INCREMENTAL DISTRICT NO. 4

COMPILED
HISTORICAL SUMMARY OF PROJECT COSTS, PROJECT
REVENUES, AND NET COST TO BE RECOVERED THROUGH TAX INCREMENTS
For the Year Ended December 31, 2019
and From Date of Creation Through December 31, 2019

	Year Ended	From Date Of Creation
PROJECT COSTS		
Capital expenditures	$ -	$ 3,624,183
Professional services	5,451	44,861
Administrative expenditures	150	231,509
Developer grants	20,000	60,000
Interest and fiscal charges	488	1,001,926
Debt issuance costs	-	55,223
Subsidies to other TIFs	260,089	1,584,922
Total Project Costs	286,178	6,602,624
PROJECT REVENUES		
Tax increments	345,514	5,127,631
Payment in lieu of taxes	-	310,491
Special assessments	-	138,548
Exempt computer aid	1,092	17,841
Personal property aid	4,115	4,115
Intergovernmental grants	-	61,845
Miscellaneous	-	10,540
Investment income	-	29,274
Sale of property	-	955,923
Total Project Revenues	350,721	6,656,208
NET COST RECOVERABLE (RECOVERED) THROUGH TAX INCREMENTS - DECEMBER 31, 2019	$ (64,543)	$ (53,584)
RECONCILIATION OF RECOVERABLE COSTS		
General obligation debt		$ -
Capital projects fund balance		(53,584)
NET COST RECOVERABLE THROUGH TAX INCREMENTS - DECEMBER 31, 2019		$ (53,584)

See accompanying notes to financial statements.

CITY OF REEDSBURG
TAX INCREMENTAL DISTRICT NO. 4

COMPILED
HISTORICAL SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS
For the Year Ended December 31, 2019
and From Date of Creation Through December 31, 2019

	Year Ended	From Date Of Creation
SOURCES OF FUNDS		
Tax increment	$ 345,514	$ 5,127,631
Payment in lieu of taxes - utility	-	310,491
Special assessments	-	138,548
Exempt computer aid	1,092	17,841
Personal property aid	4,115	4,115
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	350,721	9,640,015
USES OF FUNDS		
Capital expenditures	-	3,624,183
Professional services	5,451	44,861
Administrative expenditures	150	231,509
Developer grants	20,000	60,000
Interest and fiscal charges	488	1,001,926
Debt issuance costs	-	55,223
Subsidies to other TIFs	260,089	1,584,922
Principal on long-term debt and capital lease	65,000	2,983,807
Total Uses of Funds	351,178	9,586,431
Excess (deficiency) of sources of funds over uses of funds	(457)	53,584
BALANCE - Beginning of Period	54,041	-
BALANCE - END OF PERIOD	$ 53,584	$ 53,584

See accompanying notes to financial statements.

CITY OF REEDSBURG
TAX INCREMENTAL DISTRICT NO. 5

COMPILED
BALANCE SHEET
As of December 31, 2019

	Capital Projects Fund
ASSETS	
Taxes receivable	$ 74,997
TOTAL ASSETS	$ 74,997
DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	
Liabilities	
Accounts payable	$ 3,634
Total Liabilities	3,634
Deferred Inflows of Resources	
Unearned tax revenues	74,997
Total Deferred Inflows of Resources	74,997
Fund Balance	
Total Fund Balance	(3,634)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 74,997

See accompanying notes to financial statements.

CITY OF REEDSBURG
TAX INCREMENTAL DISTRICT NO. 5

COMPILED
HISTORICAL SUMMARY OF PROJECT COSTS, PROJECT
REVENUES, AND NET COST TO BE RECOVERED THROUGH TAX INCREMENTS
For the Year Ended December 31, 2019
and From Date of Creation Through December 31, 2019

	Year Ended	From Date Of Creation
PROJECT COSTS		
Capital expenditures	$ -	$ 960,949
Professional services	9,480	11,551
Administrative expenditures	150	2,148
Subsidies to other TIFs	26,749	292,647
Interest and fiscal charges	980	37,486
Total Project Costs	37,359	1,304,781
PROJECT REVENUES		
Tax increments	72,418	608,094
Exempt computer aid	393	5,339
Personal property aid	914	914
Intergovernmental grants	-	646,800
Total Project Revenues	73,725	1,261,147
NET COST RECOVERABLE (RECOVERED) THROUGH TAX INCREMENTS - DECEMBER 31, 2019	$ (36,366)	$ 43,634
RECONCILIATION OF RECOVERABLE COSTS		
General obligation debt		$ 40,000
Capital projects fund balance		3,634
NET COST RECOVERABLE THROUGH TAX INCREMENTS - DECEMBER 31, 2019		$ 43,634

See accompanying notes to financial statements.

CITY OF REEDSBURG
TAX INCREMENTAL DISTRICT NO. 5

COMPILED
HISTORICAL SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS
For the Year Ended December 31, 2019
and From Date of Creation Through December 31, 2019

	Year Ended	From Date Of Creation
SOURCES OF FUNDS		
Tax increments	$ 72,418	$ 608,094
Exempt computer aid	393	5,339
Personal property aid	914	914
Intergovernmental grants	-	646,800
Proceeds from long-term debt	-	581,603
Total Sources of Funds	73,725	1,842,750
USES OF FUNDS		
Capital expenditures	-	960,949
Professional services	9,480	11,551
Administrative expenditures	150	2,148
Subsidies to other TIFs	26,749	292,647
Principal on long-term debt	40,000	541,603
Interest and fiscal charges	980	37,486
Total Uses of Funds	77,359	1,846,384
Excess of sources of funds over uses of funds	(3,634)	(3,634)
BALANCE - Beginning of Period	-	-
BALANCE - END OF PERIOD	$ (3,634)	$ (3,634)

See accompanying notes to financial statements.

CITY OF REEDSBURG
TAX INCREMENTAL DISTRICT NO. 6

COMPILED
BALANCE SHEET
As of December 31, 2019

	Capital Projects Fund
ASSETS	
Taxes receivable	$ 49,704
Due from other funds	8,131
Loans receivable	483,853
Other receivables	187,961
TOTAL ASSETS	$ 729,649
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	
Liabilities	
Accounts payable	$ 3,634
Advances from other funds	1,483,156
Total Liabilities	1,486,790
Deferred Inflows of Resources	
Unearned tax revenues	49,704
Unavailable revenues	154,245
Total Deferred Inflows of Resources	203,949
Fund Balances	
Unassigned (deficit)	(961,090)
Total Fund Balances (Deficit)	(961,090)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 729,649

See accompanying notes to financial statements.

CITY OF REEDSBURG
TAX INCREMENTAL DISTRICT NO. 6

COMPILED
HISTORICAL SUMMARY OF PROJECT COSTS, PROJECT
REVENUES, AND NET COST TO BE RECOVERED THROUGH TAX INCREMENTS
For the Year Ended December 31, 2019
and From Date of Creation Through December 31, 2019

	Year Ended	From Date Of Creation
PROJECT COSTS		
Capital expenditures	$ -	$ 2,365,854
Professional services	15,877	67,914
Administrative expenditures	150	1,561
Debt issuance costs	-	74,398
Interest and fiscal charges	30,771	1,068,459
Total Project Costs	46,798	3,578,186
PROJECT REVENUES		
Tax increments	35,083	515,485
Exempt computer aid	1,136	21,947
Personal property aid	268	268
Intergovernmental grants	-	834,309
Investment income	17,568	60,649
Sale of property	-	255,001
Miscellaneous	-	40,000
Subsidies from donor TIFs	-	400,000
Total Project Revenues	54,055	2,127,659
NET COST RECOVERABLE THROUGH TAX INCREMENTS - DECEMBER 31, 2019	$ (7,257)	$ 1,450,527
RECONCILIATION OF RECOVERABLE COSTS		
State trust fund loan		$ 489,437
Capital projects fund balance deficit		961,090
NET COST RECOVERABLE THROUGH TAX INCREMENTS - DECEMBER 31, 2019		$ 1,450,527

See accompanying notes to financial statements.

CITY OF REEDSBURG
TAX INCREMENTAL DISTRICT NO. 6

COMPILED
HISTORICAL SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS
For the Year Ended December 31, 2019
and From Date of Creation Through December 31, 2019

	Year Ended	From Date Of Creation
SOURCES OF FUNDS		
Tax increments	$ 35,083	$ 515,485
Exempt computer aid	1,136	21,947
Personal property aid	268	268
Intergovernmental grants	-	834,309
Investment income	17,568	60,649
Sale of property	-	255,001
Miscellaneous	-	40,000
Subsidies from donor TIFs	-	400,000
Proceeds from long-term debt	-	1,935,000
Total Sources of Funds	54,055	4,062,659
USES OF FUNDS		
Capital expenditures	-	2,365,854
Professional services	15,877	67,914
Administrative expenditures	150	1,561
Debt issuance costs	-	74,398
Principal on long-term debt	98,063	1,445,563
Interest and fiscal charges	30,771	1,068,459
Total Uses of Funds	144,861	5,023,749
Excess (deficiency) of sources of funds over uses of funds	(90,806)	(961,090)
BALANCE (DEFICIT) - Beginning of Period	(870,284)	-
BALANCE (DEFICIT) - END OF PERIOD	$ (961,090)	$ (961,090)

See accompanying notes to financial statements.

CITY OF REEDSBURG
TAX INCREMENTAL DISTRICT NO. 7

COMPILED
BALANCE SHEET
As of December 31, 2019

	Capital Projects Fund
ASSETS	
Cash and investments	$ 234
Taxes receivable	17,907
TOTAL ASSETS	$ 18,141
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	
Liabilities	
Accounts payable	$ 1,500
Total Liabilities	1,500
Deferred Inflows of Resources	
Unearned tax revenues	17,907
Total Deferred Inflows of Resources	17,907
Fund Balances	
Unassigned (deficit)	(1,266)
Total Fund Balances (Deficit)	(1,266)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 18,141

See accompanying notes to financial statements.

CITY OF REEDSBURG
TAX INCREMENTAL DISTRICT NO. 7

COMPILED
HISTORICAL SUMMARY OF PROJECT COSTS, PROJECT
REVENUES, AND NET COST TO BE RECOVERED THROUGH TAX INCREMENTS
For the Year Ended December 31, 2019
and From Date of Creation Through December 31, 2019

	Year Ended	From Date Of Creation
PROJECT COSTS		
Capital expenditures	$ -	$ 183,086
Professional services	3,480	5,070
Administrative expenditures	150	671
Interest and fiscal charges	-	104,256
Total Project Costs	3,630	293,083
PROJECT REVENUES		
Tax increments	17,547	291,607
Personal property aid	210	210
Total Sources of Funds	17,757	291,817
NET COST RECOVERABLE (RECOVERED) THROUGH TAX INCREMENTS - DECEMBER 31, 2019	$ (14,127)	$ 1,266

See accompanying notes to financial statements.

CITY OF REEDSBURG
TAX INCREMENTAL DISTRICT NO. 7

COMPILED
HISTORICAL SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS
For the Year Ended December 31, 2019
and From Date of Creation Through December 31, 2019

	Year Ended	From Date Of Creation
SOURCES OF FUNDS		
Tax increments	$ 17,547	$ 291,607
Personal property aid	210	210
Proceeds from long-term debt	-	303,947
Total Sources of Funds	17,757	595,764
USES OF FUNDS		
Capital expenditures	-	183,086
Professional services	3,480	5,070
Administrative expenditures	150	671
Principal on long-term debt	-	303,947
Interest and fiscal charges	-	104,256
Total Uses of Funds	3,630	597,030
Excess (deficiency) of sources of funds over uses of funds	14,127	(1,266)
BALANCE (DEFICIT) - Beginning of Period	(15,393)	-
BALANCE (DEFICIT) - END OF PERIOD	$ (1,266)	$ (1,266)

See accompanying notes to financial statements.

CITY OF REEDSBURG
TAX INCREMENTAL DISTRICT NO. 8

COMPILED
BALANCE SHEET
As of December 31, 2019

	Capital Projects Fund
ASSETS	
Taxes receivable	$ 70,432
TOTAL ASSETS	$ 70,432
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	
Liabilities	
Accounts payable	$ 1,500
Advances from other funds	270,223
Total Liabilities	271,723
Deferred Inflows of Resources	
Unearned tax revenues	70,432
Total Deferred Inflows of Resources	70,432
Fund Balance	
Unassigned (deficit)	(271,723)
Total Fund Balance (Deficit)	(271,723)
TOTAL LIABILITIES AND FUND BALANCE	$ 70,432

See accompanying notes to financial statements.

CITY OF REEDSBURG
TAX INCREMENTAL DISTRICT NO. 8

COMPILED
HISTORICAL SUMMARY OF PROJECT COSTS, PROJECT
REVENUES, AND NET COST TO BE RECOVERED THROUGH TAX INCREMENTS
For the Year Ended December 31, 2019
and From Date of Creation Through December 31, 2019

	Year Ended	From Date Of Creation
PROJECT COSTS		
Capital expenditures	$ -	$ 474,053
Professional services	3,480	11,727
Administrative expenditures	150	301
Interest and fiscal charges	-	2,770
Total Project Costs	3,630	488,851
PROJECT REVENUES		
Tax increments	63,984	166,901
Exempt computer aid	39	764
Personal property aid	700	700
Guaranteed revenue	21,431	48,763
Total Sources of Funds	86,154	217,128
NET COST RECOVERABLE THROUGH TAX INCREMENTS - DECEMBER 31, 2019	$ (82,524)	$ 271,723

See accompanying notes to financial statements.

CITY OF REEDSBURG
TAX INCREMENTAL DISTRICT NO. 8

COMPILED
HISTORICAL SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS
For the Year Ended December 31, 2019
and From Date of Creation Through December 31, 2019

	Year Ended	From Date Of Creation
SOURCES OF FUNDS		
Tax increments	$ 63,984	$ 166,901
Exempt computer aid	39	764
Personal property aid	700	700
Guaranteed revenue	21,431	48,763
Total Sources of Funds	86,154	217,128
USES OF FUNDS		
Capital expenditures	-	474,053
Professional services	3,480	11,727
Administrative expenditures	150	301
Interest and fiscal charges	-	2,770
Total Uses of Funds	3,630	488,851
Excess (deficiency) of sources of funds over uses of funds	82,524	(271,723)
BALANCE (DEFICIT) - Beginning of Period	(354,247)	-
BALANCE (DEFICIT) - END OF PERIOD	$ (271,723)	$ (271,723)

See accompanying notes to financial statements.

CITY OF REEDSBURG
TAX INCREMENTAL DISTRICT NO. 9

COMPILED
BALANCE SHEET
As of December 31, 2019

	Capital Projects Fund
ASSETS	
Taxes receivable	$ 384,156
Due from other funds	6,545
Other receivables	52,513
TOTAL ASSETS	$ 443,214
LIABILITIES AND FUND BALANCE	
Liabilities	
Accounts payable	$ 2,310
Advance from general fund	1,167,394
Total Liabilities	1,169,704
Deferred Inflows of Resources	
Unearned tax revenues	384,156
Total Deferred Inflows of Resources	384,156
Fund Balance	
Unassigned (deficit)	(1,110,646)
Total Fund Balance (Deficit)	(1,110,646)
TOTAL LIABILITIES AND FUND BALANCE	$ 443,214

See accompanying notes to financial statements.

CITY OF REEDSBURG
TAX INCREMENTAL DISTRICT NO. 9

COMPILED
HISTORICAL SUMMARY OF PROJECT COSTS, PROJECT
REVENUES, AND NET COST TO BE RECOVERED THROUGH TAX INCREMENTS
For the Year Ended December 31, 2019
and From Date of Creation Through December 31, 2019

	Year Ended	From Date Of Creation
PROJECT COSTS		
Capital expenditures	$ 241,698	$ 2,360,220
Developer incentives	500,000	$ 500,000
Professional services	30,151	75,051
Administrative expenditures	1,202	18,851
Interest and fiscal charges	61,885	61,885
Total Project Costs	773,051	3,016,007
PROJECT REVENUES		
Guaranteed revenue	75,156	75,156
Sale of property	25,500	25,500
Total Sources of Funds	100,656	100,656
NET COST RECOVERABLE THROUGH TAX INCREMENTS - DECEMBER 31, 2019	$ 672,395	$ 2,915,351
RECONCILIATION OF RECOVERABLE COSTS		
State Trust Fund Loan		$ 1,804,705
Capital projects fund balance deficit		1,110,646
NET COST RECOVERABLE THROUGH TAX INCREMENTS - DECEMBER 31, 2019		$ 2,915,351

See accompanying notes to financial statements.

CITY OF REEDSBURG
TAX INCREMENTAL DISTRICT NO. 9

COMPILED
HISTORICAL SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS
For the Year Ended December 31, 2019
and From Date of Creation Through December 31, 2019

	Year Ended	From Date Of Creation
SOURCES OF FUNDS		
Guaranteed revenue	$ 75,156	$ 75,156
Proceeds from long-term debt	535,000	1,870,000
Sale of property	25,500	$ 25,500
Total Sources of Funds	635,656	1,970,656
USES OF FUNDS		
Capital expenditures	241,698	2,360,220
Developer incentives	500,000	500,000
Professional services	30,151	75,051
Administrative expenditures	1,202	18,851
Principal on long-term debt	65,295	65,295
Interest and fiscal charges	61,885	61,885
Total Uses of Funds	900,231	3,081,302
Excess (deficiency) of sources of funds over uses of funds	(264,575)	(1,110,646)
BALANCE (DEFICIT) - Beginning of Period	(846,071)	-
BALANCE (DEFICIT) - END OF PERIOD	$ (1,110,646)	$ (1,110,646)

See accompanying notes to financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Reedsburg's Tax Incremental Districts No. 3, No. 4, No. 5, No. 6, No. 7, No. 8, and No. 9 (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. 3, No. 4, No. 5, No. 6, No. 7, No. 8, and No. 9. The accompanying financial statements reflect all the significant operations of the city's Tax Incremental Districts No. 3, No. 4, No. 5, No. 6, No. 7, No. 8, and No. 9. The accompanying financial statements do not include the full presentation of the city.

A. DESCRIPTION OF FUND STRUCTURE AND LONG-TERM DEBT

This report contains the financial information of the city's Tax Incremental Districts (TID) No. 3, No. 4, No. 5, No. 6, No. 7, No. 8, and No. 9. The summary statements were prepared from data recorded in the following city funds and from the city's long-term debt:

TID No. 3 Capital Projects
TID No. 4 Capital Projects
TID No. 5 Capital Projects
TID No. 6 Capital Projects
TID No. 7 Capital Projects
TID No. 8 Capital Projects
TID No. 9 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 many 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

A. DESCRIPTION OF FUND STRUCTURE AND LONG-TERM DEBT (cont.)

Project Plans and Amendments	Creation Date	Last Date to Incur Project Costs	Last Year to Collect Increment
TID No. 3	March 9, 1998	March 9, 2016	2032
TID No. 3 Amendment	April 10, 2006		
TID No. 3 Amendment	December 13, 2010		
TID No. 3 Amendment	July 11, 2016		
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. 5	March 20, 2000	March 20, 2022	2037
TID No. 5 Amendment	December 13, 2010		
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. 7	August 13, 2001	August 13, 2019	2024
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		

B. 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.

C. 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. 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.

E. 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.

F. 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.

G. 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.

NOTE 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).

NOTE 2 – CASH AND TEMPORARY INVESTMENTS (cont.)

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on 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.

NOTE 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. 3, 4, and 6. The CDA issued lease revenue bonds and revenues from TID Nos. 3, 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. 3

Title of Issue	Date of Issue	Final Maturity	Interest Rates	Original Indebted-ness	Repaid	Balance 12-31-19
Land Contract	5/1/98	2005	8.00%	$ 235,000	$ 235,000	$ -
State Trust Fund Loan	5/3/00	2010	5.25%	170,180	170,180	-
Capital Lease – Series B	12/1/00	2009	4.40 – 4.85%	320,000	320,000	-
State Trust Fund Loan	12/1/09	2029	5.50%	292,500	292,500	-
State Trust Fund Loan	12/21/10	2020	3.75%	307,200	307,200	-
Refunding Bonds	5/20/13	2020	0.45 – 1.70%	256,734	196,734	60,000
Totals				$ 1,581,614	$ 1,521,614	$ 60,000

NOTE 3 – LONG-TERM DEBT (cont.)

TID No. 3 (cont.)

TID No. 3's debt repayments are as follows:

	Principal	Interest	Total
2020	$ 60,000	$ 510	$ 60,510
Totals	$ 60,000	$ 510	$ 60,510

TID No. 4

Title of Issue	Date of Issue	Final Maturity	Interest Rates	Original Indebted-ness	Repaid	Balance 12-31-19
State Trust Fund Loan	9/29/99	2019	6.00%	$ 765,115	$ 765,115	$ -
Capital Lease – Series B	12/1/00	2006	4.40 – 4.85%	555,000	555,000	-
State Trust Fund Loan	1/12/09	2018	4.25%	105,581	105,581	-
Taxable Refunding Bonds	3/1/10	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	5/20/13	2019	0.45 – 1.70%	515,311	515,311	-
Totals				$ 2,983,807	$ 2,983,807	$ -

TID No. 5

Title of Issue	Date of Issue	Final Maturity	Interest Rate	Original Indebted-ness	Repaid	Balance 12-31-19
State Trust Fund Loan	12/19/11	2020	3.75%	$ 300,000	$ 300,000	$ -
Refunding Bonds	5/20/13	2020	0.45 – 1.70%	281,603	241,603	40,000
Totals				$ 581,603	$ 541,603	$ 40,000

TID No. 5's debt repayments are as follows:

	Principal	Interest	Total
2020	$ 40,000	$ 340	$ 40,340
Totals	$ 40,000	$ 340	$ 40,340

NOTE 3 – LONG-TERM DEBT (cont.)

TID No. 6

Title of Issue	Date of Issue	Due Date	Interest Rates	Original Indebted-ness	Repaid	Balance 12-31-19
Capital Lease – Series A	12/1/00	2019	8.00 – 8.375%	$ 735,000	$ 735,000	$ -
Capital Lease – Series B	12/1/00	2010	4.40 – 4.850%	350,000	350,000	-
Land Contract	5/1/16	2019	3.00%	350,000	350,000	-
State Trust Fund Loan	10/18/18	2037	4.00%	500,000	10,563	489,437
Totals				$ 1,935,000	$ 1,445,563	$ 489,437

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

	Principal	Interest	Total
2020	$ 19,041	$ 19,631	$ 38,672
2021	19,857	18,816	38,673
2022	20,651	18,022	38,673
2023	21,477	17,196	38,673
2024	22,291	16,381	38,672
2025-2029	125,774	67,590	193,364
2030-2034	153,034	40,328	193,362
2035-3037	107,312	8,704	116,016
Totals	$ 489,437	$ 206,668	$ 696,105

TID No. 7

Title of Issue	Date of Issue	Due Date	Interest Rate	Original Indebted-ness	Repaid	Balance 12-31-19
State Fund Trust Loan	2/13/02	2021	5.50%	$ 194,000	$ 194,000	$ -
Refunding Bonds	5/30/13	2017	0.45 – 1.70%	109,947	109,947	-
Totals				$ 303,947	$ 303,947	$ -

NOTE 3 – LONG-TERM DEBT (cont.)

TID No. 9

Title of Issue	Date of Issue	Due Date	Interest Rate	Original Indebtedness	Repaid	Balance 12-31-19
State Trust Fund Loan	1/16/18	2032	4.00%	$ 1,335,000	$ 65,295	$ 1,269,705
State Trust Fund Loan	7/26/19	2038	4.00%	535,000	-	535,000
Totals				$ 1,870,000	$ 65,295	$ 1,804,705

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

	Principal	Interest	Total
2020	$ 76,253	$ 64,588	$ 140,841
2021	79,442	69,138	148,580
2022	105,205	65,960	171,165
2023	109,412	61,753	171,165
2024	113,632	57,533	171,165
2025-2029	640,830	214,995	855,825
2029-2034	520,283	81,183	601,466
2035-2038	159,648	16,291	175,939
Totals	$ 1,804,705	$ 631,441	$ 2,436,146

NOTE 4 – ADVANCES FROM OTHER FUNDS

Tax incremental district costs have been partially paid for by advances from other city funds.

	Balance 12-31-19
TID No. 3	
Advance from general fund	$ 127,553
TID No. 6	
Advance from general fund	$ 1,483,156
TID No. 8	
Advance from general fund	$ 270,223
TID No. 9	
Advance from general fund	$ 1,167,394

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.

NOTE 5 – LOANS RECEIVABLE

At December 31, 2019, the districts had outstanding loans receivable from developers. The loans are recorded as receivables by the district and repayments are forgivable over a predetermined timeframe assuming the developer continues to meet obligations set forth in the agreements. The loans are considered to be project costs and are reflected in the recoverable cost schedules. Allowances have been set up for the entire outstanding loan balances of $303,380. In prior years, the city expensed as a project cost the amounts forgiven on an annual basis.

During 2017, TID District No. 6 entered into an agreement with a developer to loan $500,000 at 1% interest rate. The district is expected to collect the full $500,000 and no allowance has been set up.

NOTE 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 Districts No. 4 and No. 5 (donor districts) to TID Districts No. 3 and No. 6 (donee districts). Transfers totaling $1,877,569 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.

NOTE 7 – GUARANTEED REVENUE

The city has entered into a development agreement with a developer in relation to the Tax Incremental District No. 5. 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 $45,000 annually from tax years 2012 through 2027. 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 2019 was $94,000. If the tax increment does not meet this minimum requirement, the developer agrees to pay the difference.

SUPPLEMENTAL INFORMATION

CITY OF REEDSBURG
ALL TAX INCREMENTAL DISTRICTS

COMPILED
COMBINING BALANCE SHEET
As of December 31, 2019

	TIF District No. 3	TIF District No. 4	TIF District No. 5	TIF District No. 6	TIF District No. 7	TIF District No. 8	TIF District No. 9	Totals
ASSETS								
Cash and investments	$ -	$ -	$ -	$ -	$ 234	$ -	$ -	$ 234
Taxes receivable	73,091	332,509	74,997	49,704	17,907	70,432	384,156	1,002,796
Due from other funds	32,004	55,505	-	8,131	-	-	6,545	102,185
Loans receivable	-	-	-	483,853	-	-	-	483,853
Other receivables	-	-	-	187,961	-	-	52,513	240,474
TOTAL ASSETS	$ 105,095	$ 388,014	$ 74,997	$ 729,649	$ 18,141	$ 70,432	$ 443,214	$ 1,829,542
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
Liabilities								
Accounts payable	$ 1,921	$ 1,921	$ 3,634	$ 3,634	$ 1,500	$ 1,500	$ 2,310	$ 16,420
Advances from other funds	127,553	-	-	1,483,156	-	270,223	1,167,394	3,048,326
Total Liabilities	129,474	1,921	3,634	1,486,790	1,500	271,723	1,169,704	3,064,746
Deferred Inflows of Resources								
Unearned tax revenues	73,091	332,509	74,997	49,704	17,907	70,432	384,156	1,002,796
Unavailable revenues	-	-	-	154,245	-	-	-	154,245
Total Deferred Inflows of Resources	73,091	332,509	74,997	203,949	17,907	70,432	384,156	1,157,041
Fund Balances								
Restricted for TIF purposes	-	53,584	(3,634)	-	-	-	-	49,950
Unassigned (deficit)	(97,470)	-	-	(961,090)	(1,266)	(271,723)	(1,110,646)	(2,442,195)
Total Fund Balances (Deficit)	(97,470)	53,584	(3,634)	(961,090)	(1,266)	(271,723)	(1,110,646)	(2,392,245)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 105,095	$ 388,014	$ 74,997	$ 729,649	$ 18,141	$ 70,432	$ 443,214	$ 1,829,542

CITY OF REEDSBURG
ALL TAX INCREMENTAL DISTRICTS

COMPILED
COMBINING HISTORICAL SUMMARY OF PROJECT COSTS, PROJECT REVENUES, AND NET COST TO BE RECOVERED THROUGH TAX INCREMENTS
From Dates of Creation Through December 31, 2019

	TIF District No. 3	TIF District No. 4	TIF District No. 5	TIF District No. 6	TIF District No. 7	TIF District No. 8	TIF District No. 9	Totals
PROJECT COSTS								
Capital expenditures	$ 2,926,191	$ 3,624,183	$ 960,949	$ 2,365,854	$ 183,086	$ 474,053	$ 2,360,220	$ 12,894,536
Developer incentives	-	-	-	-	-	-	500,000	500,000
Professional services	22,733	44,861	11,551	67,914	5,070	11,727	75,051	238,907
Administrative expenditures	290,317	231,509	2,148	1,561	671	301	18,851	545,358
Developer grants	-	60,000	-	-	-	-	-	60,000
Interest and fiscal charges	771,730	1,001,926	37,486	1,068,459	104,256	2,770	61,885	3,048,512
Debt issuance costs	17,079	55,223	-	74,398	-	-	-	146,700
Subsidies to other TIFs	-	1,584,922	292,647	-	-	-	-	1,877,569
Total Project Costs	4,028,050	6,602,624	1,304,781	3,578,186	293,083	488,851	3,016,007	19,311,582
PROJECT REVENUES								
Tax increments	690,670	5,127,631	608,094	515,485	291,607	166,901	-	7,400,388
Special assessments	526,230	138,548	-	-	-	-	-	664,778
Payment in lieu of taxes	-	310,491	-	-	-	-	-	310,491
Exempt computer aid	1,542	17,841	5,339	21,947	-	764	-	47,433
Personal property aid	901	4,115	914	268	210	700		7,108
Intergovernmental grants	877,500	61,845	646,800	834,309	-	-	-	2,420,454
Miscellaneous	47,341	10,540	-	40,000	-	-	-	97,881
Investment income	11,116	29,274	-	60,649	-	-	-	101,039
Guaranteed revenue	-	-	-	-	-	48,763	75,156	123,919
Sale of property	237,711	955,923	-	255,001	-	-	25,500	1,474,135
Subsidies from donor TIF's	1,477,569	-	-	400,000	-	-	-	1,877,569
Total Project Revenues	3,870,580	6,656,208	1,261,147	2,127,659	291,817	217,128	100,656	14,525,195
NET COST RECOVERABLE THROUGH TAX INCREMENTS - DECEMBER 31, 2019	$ 157,470	$ (53,584)	$ 43,634	$ 1,450,527	$ 1,266	$ 271,723	$ 2,915,351	$ 4,786,387
RECONCILIATION OF RECOVERABLE COSTS								
General obligation debt	$ 60,000	$ -	$ 40,000	$ -	$ -	$ -	$ -	$ 100,000
Land contract	-	-	-	-	-	-	-	-
State trust fund loan	-	-	-	489,437	-	-	1,804,705	2,294,142
Capital projects fund deficit	97,470	-	-	961,090	1,266	271,723	1,110,646	2,442,195
Capital projects fund balance	-	(53,584)	3,634	-	-	-	-	(49,950)
NET COST RECOVERABLE THROUGH TAX INCREMENTS - DECEMBER 31, 2019	$ 157,470	$ (53,584)	$ 43,634	$ 1,450,527	$ 1,266	$ 271,723	$ 2,915,351	$ 4,786,387

CITY OF REEDSBURG
ALL TAX INCREMENTAL DISTRICTS

COMPILED
COMBINING HISTORICAL SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS
From Dates of Creation Through December 31, 2019

	TIF District No. 3	TIF District No. 4	TIF District No. 5	TIF District No. 6	TIF District No. 7	TIF District No. 8	TIF District No. 9	Totals
SOURCES OF FUNDS								
Tax increments	$ 690,670	$ 5,127,631	$ 608,094	$ 515,485	$ 291,607	$ 166,901	$ -	$ 7,400,388
Special assessments	526,230	138,548	-	-	-	-	-	664,778
Payment in lieu of taxes - utility	-	310,491	-	-	-	-	-	310,491
Exempt computer aid	1,542	17,841	5,339	21,947	-	764	-	47,433
Personal property aid	901	4,115	914	268	210	700	-	7,108
Intergovernmental grants	877,500	61,845	646,800	834,309	-	-	-	2,420,454
Miscellaneous	47,341	10,540	-	40,000	-	-	-	97,881
Investment income	11,116	29,274	-	60,649	-	-	-	101,039
Guaranteed revenue	-	-	-	-	-	48,763	75,156	123,919
Sale of property	237,711	955,923	-	255,001	-	-	25,500	1,474,135
Proceeds from long-term debt	1,261,614	2,428,807	581,603	-	303,947	-	1,870,000	6,445,971
Proceeds from capital lease	320,000	555,000	-	1,935,000	-	-	-	2,810,000
Subsidies from donor TIFs	1,477,569	-	-	400,000	-	-	-	1,877,569
Total Sources of Funds	5,452,194	9,640,015	1,842,750	4,062,659	595,764	217,128	1,970,656	23,781,166
USES OF FUNDS								
Capital expenditures	2,926,191	3,624,183	960,949	2,365,854	183,086	474,053	2,360,220	12,894,536
Developer incentives	-	-	-	-	-	-	500,000	500,000
Professional services	22,733	44,861	11,551	67,914	5,070	11,727	75,051	238,907
Administrative expenditures	290,317	231,509	2,148	1,561	671	301	18,851	545,358
Developer grants	-	60,000	-	-	-	-	-	60,000
Interest and fiscal charges	771,730	1,001,926	37,486	1,068,459	104,256	2,770	61,885	3,048,512
Debt issuance costs	17,079	55,223	-	74,398	-	-	-	146,700
Principal on long-term debt and capital lease	1,521,614	2,983,807	541,603	1,445,563	303,947	-	65,295	6,861,829
Subsidies to other TIFs	-	1,584,922	292,647	-	-	-	-	1,877,569
Total Uses of Funds	5,549,664	9,586,431	1,846,384	5,023,749	597,030	488,851	3,081,302	26,173,411
Excess (deficiency) of sources of funds over uses of funds	(97,470)	53,584	(3,634)	(961,090)	(1,266)	(271,723)	(1,110,646)	(2,392,245)
BALANCE - Beginning of Period	-	-	-	-	-	-	-	-
BALANCE (DEFICIT) - END OF PERIOD	$ (97,470)	$ 53,584	$ (3,634)	$ (961,090)	$ (1,266)	$ (271,723)	$ (1,110,646)	$ (2,392,245)

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June 10, 2020

To the City Council
City of Reedsburg
134 South Locust Street
Reedsburg, WI 53959

Dear Council Members:

Please find enclosed five (5) copies of the financial statements of City of Reedsburg for the year ended December 31, 2019. An Independent Auditors' Report describing the scope of our work is included with the financial statements.

Also enclosed are five (5) copies of the Communication to Those Charged with Governance and Management for the year ended December 31, 2019.

Please feel free to contact our office should you have any questions regarding the enclosed documents.

Sincerely,

BAKER TILLY VIRCHOW KRAUSE, LLP

Amanda Blomberg

Amanda R. Blomberg, CPA, Firm Director

Enclosures

bakertilly

CITY OF REEDSBURG

Reedsburg, Wisconsin

FINANCIAL STATEMENTS

Including Independent Auditors' Report

As of and for the Year Ended December 31, 2019

CITY OF REEDSBURG

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CITY OF REEDSBURG

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INDEPENDENT AUDITORS' REPORT

To the City Council
City of Reedsburg
Reedsburg, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Reedsburg, Wisconsin, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City of Reedsburg's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Reedsburg, Wisconsin, as of December 31, 2019 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

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

Other Matters

Required Supplementary Information

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

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

Supplementary Information

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

Baker Tilly Virchow Krause, LLP

Madison, Wisconsin
June 10, 2020

CITY OF REEDSBURG

STATEMENT OF NET POSITION
As of December 31, 2019

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

See accompanying notes to financial statements.

CITY OF REEDSBURG

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2019

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

General Revenues
Taxes
Property taxes, levied for general purposes
Property taxes, levied for debt service
Property taxes, levied for TIF districts
Other taxes
Intergovernmental revenues not restricted to specific programs
Investment income (loss)
Gain/(loss) on disposal of assets
Miscellaneous
Total General Revenues
Transfers
Total General Revenues and Transfers

Change in Net Position

NET POSITION - Beginning of Year

NET POSITION - END OF YEAR

See accompanying notes to financial statements.

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

See accompanying notes to financial statements.

CITY OF REEDSBURG

BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2019

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

See accompanying notes to financial statements.

CITY OF REEDSBURG

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

Total Fund Balances - Governmental Funds	$ 6,182,513
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds.	
Land and other nondepreciable items	13,746,185
Construction in progress	947,464
Other capital assets, net of depreciation	16,689,436
Some receivables that are not currently available are reported as unavailable revenues in the fund financial statements but are recognized as revenue when earned in the government-wide statements.	578,749
The net pension liability does not relate to current financial resources and is not reported in the governmental funds.	(794,035)
Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	2,250,470
Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	(1,124,318)
Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds.	
Bonds and notes payable	(4,654,142)
Compensated absences	(654,547)
Accrued interest	(67,869)
NET POSITION OF GOVERNMENTAL ACTIVITIES	$ 33,099,906

See accompanying notes to financial statements.

CITY OF REEDSBURG

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

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

See accompanying notes to financial statements.

CITY OF REEDSBURG

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2019

Net change in fund balances - total governmental funds	$	(1,091,423)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of net position the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities.		
Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements		2,395,588
Some items are reported as capital outlay were not capitalized		(229,903)
Depreciation is reported in the government-wide financial statements		(1,375,806)
Net book value of assets retired		(44,210)
Capital assets contributed to business-type activities are reported as capital outlay in the fund financial statements.		(156,040)
Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.		53,645
Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Debt issued		(535,000)
Principal repaid		1,093,358
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Compensated absences		(34,704)
Accrued interest		22,841
Net pension asset/liability		(1,428,901)
Deferred outflows of resources related to pensions		1,057,431
Deferred inflows of resources related to pensions		100,495
Internal service funds are used by management to charge self insurance costs to individual funds. The change in net position of the internal service fund reported with governmental activities		23,340
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	$	(149,289)

See accompanying notes to financial statements.

CITY OF REEDSBURG

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

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

See accompanying notes to financial statements.

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

See accompanying notes to financial statements.

CITY OF REEDSBURG

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended December 31, 2019

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

See accompanying notes to financial statements.

CITY OF REEDSBURG

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2019

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

See accompanying notes to financial statements.

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

See accompanying notes to financial statements.

CITY OF REEDSBURG

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2019

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

See accompanying notes to financial statements.

CITY OF REEDSBURG

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

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

See accompanying notes to financial statements.

CITY OF REEDSBURG

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

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

See accompanying notes to financial statements.

CITY OF REEDSBURG

STATEMENT OF NET POSITION
COMPONENT UNITS
December 31, 2019

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

See accompanying notes to financial statements.

CITY OF REEDSBURG

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
COMPONENT UNITS
For the Year Ended December 31, 2019

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

See accompanying notes to financial statements.

CITY OF REEDSBURG

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As of and for the Year Ended December 31, 2019

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NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

Discretely Presented Component Units

Community Development Authority of the City of Reedsburg

The government-wide financial statements include the Community Development Authority of the City of Reedsburg ("CDA") as a component unit. The CDA is a legally separate organization. The board of the CDA is appointed by the mayor. Wisconsin Statutes provide for circumstances whereby the city can impose its will on the CDA, and also create a potential financial benefit to or burden on the city. See Note III.J. As a component unit, the CDA's financial statements have been presented as a discrete column in the financial statements. The information presented is for the fiscal year ended December 31, 2019. The CDA does not issue separate financial statements.

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

A. Reporting Entity (cont.)

Discretely Presented Component Units (cont.)

Herbert H. Webb Trust

The government-wide financial statements include the Herbert H. Webb – Reedsburg Trust (trust) as a component unit. The trust is a legally separate tax exempt component unit of the City of Reedsburg. The trust was established to support the City of Reedsburg for public purposes. Although the city does not control the timing or amount of receipts from the trust, the resources of the trust can only be used by or for the benefit of the city. Therefore, the trust is considered to be a component unit of the city and is discretely presented in the financial statements. The information presented is for the fiscal year ended December 31, 2019. See Note III.J. The trust does not issue separate financial statements.

B. Government-Wide and Fund Financial Statements

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

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

Government-Wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

a. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type, and

b. The same element of the individual governmental or enterprise fund that met the 10% test is at least 5% of the corresponding total for all governmental and enterprise funds combined.

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

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

The city reports the following major governmental funds:

General Fund - accounts for the city's primary operating activities. It is used to account for and report all financial resources except those accounted for and reported in another fund.
General Debt Service - used to account for and report financial resources that are restricted, committed, or assigned to expenditure for the payment of general long-term debt principal, interest, and related costs, other than TID or enterprise debt.

The city reports the following major enterprise funds:

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

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

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

Fund Financial Statements (cont.)

The city reports the following nonmajor governmental and enterprise funds:

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

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

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

Tax Incremental Financing (TIF) District No. 3
Tax Incremental Financing (TIF) District No. 5
Tax Incremental Financing (TIF) District No. 7
Tax Incremental Financing (TIF) District No. 9
General Capital Projects Fund
Tax Incremental Financing (TIF) District No. 4
Tax Incremental Financing (TIF) District No. 6
Tax Incremental Financing (TIF) District No. 8
Capital Equipment Fund

Enterprise Fund - 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

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

B. Government-Wide and Fund Financial Statements (cont.)

Fund Financial Statements (cont.)

In addition, the city reports the following fund types:

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

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

Nishan Community Aid for the Poor

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

Tax Collection Fund

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements

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

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

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

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (cont.)

Fund Financial Statements

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

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

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

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

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

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

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

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

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (cont.)

All Financial Statements

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

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

1. Deposits and Investments

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

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

a. Time deposits in any credit union, bank, savings bank or trust company.

b. Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, the University of Wisconsin Hospitals and Clinics Authority, or the Wisconsin Aerospace Authority.

c. Bonds or securities issued or guaranteed by the federal government.

d. The local government investment pool.

e. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.

f. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.

g. Repurchase agreements with public depositories, with certain conditions.

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

The city has not adopted an investment policy.

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

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

1. Deposits and Investments (cont.)

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

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2019, the fair value of the city 's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

See Note III. A. for further information.

2. Receivables

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

Property tax calendar - 2019 tax roll:

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

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

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

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (cont.)

2. Receivables (cont.)

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

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

The city has received federal and state grant funds for economic development and housing rehabilitation loan programs to various businesses and individuals. The city records a loan receivable when the loan has been made and funds have been disbursed. The amount recorded as economic development and housing rehabilitation loans receivable has been reduced by an allowance for uncollectible accounts of $614,106.

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

3. Inventories and Prepaid Items

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

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

4. Restricted Assets

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

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

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

5. Capital Assets

Government-Wide Statements

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

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

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

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

Fund Financial Statements

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

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

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (cont.)

6. Other Assets

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

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

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

7. Deferred Outflows of Resources

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

8. Compensated Absences

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

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

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2019, are determined on the basis of current salary rates and include salary related payments.

9. Long-Term Obligations/Conduit Debt

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

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

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

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

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

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

The city has approved the issuance of industrial revenue bonds (IRB) for the benefit of private business enterprises. IRB's are secured by mortgages or revenue agreements on the associated projects, and do not constitute indebtedness of the city. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.The total amount of IRB's outstanding at the end of the year is approximately $550,528, made up of three issues.

10. Deferred Inflows of Resources

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

11. Equity Classifications

Government-Wide Statements

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

a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation/amortization and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

b. Restricted net position - Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.

c. Unrestricted net position - All other net positions that do not meet the definitions of "restricted" or "net investment in capital assets."

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

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

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (cont.)

11. Equity Classifications (cont.)

Fund Statements

Governmental fund balances are displayed as follows:

a. Nonspendable - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.

b. Restricted - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.

c. Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the City Council. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the City Council that originally created the commitment.

d. Assigned - Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. The Council, Finance Committee or management may take official action to assign amounts. Assignments may take place after the end of the reporting period.

e. Unassigned - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

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

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

The city has a formal minimum fund balance policy. That policy is to maintain a working capital fund of 29% of the subsequent year's budgeted general fund expenditures. The balance at year-end was $1,689,837, or 25%, and is included in unassigned general fund balance.

See Note III. H. for further information.

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

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

11. Equity Classifications (cont.)

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

12. Pension

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

13. Basis for Existing Rates - Proprietary Fund

Electric

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

Water

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

Sewer

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

Communications

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

Stormwater

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

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

D. *Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity* (cont.)

14. Capital Contributions - Enterprise Funds

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

NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. *Budgetary Information*

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

B. *Excess Expenditures and Other Financing Uses Over Appropriations*

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

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

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

C. Deficit Balances

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

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

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

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

D. Limitations on the City's Tax Levy

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

NOTE III - DETAILED NOTES ON ALL FUNDS

A. *DEPOSITS AND INVESTMENTS*

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

	Carrying Value	Statement Balances	Associated Risks
Deposits	$ 16,624,316	$ 16,698,366	Custodial credit
U.S. agencies - implicitly guaranteed	1,504,468	1,504,468	Credit, custodial credit, concentration of credit, interest rate
Certificates of deposit (negotiable)	3,402,569	3,402,569	Credit, custodial credit, concentration of credit, interest rate
LGIP	10,950,041	10,950,041	Credit
Petty cash	500	-	N/A
Total Deposits and Investments	$ 32,481,894	$ 32,555,444	

Reconciliation to financial statements	
Per statement of net position	
Unrestricted cash and investments	$ 21,636,526
Restricted cash and investments	4,440,456
Per statement of net position - fiduciary funds	
Custodial Fund	6,404,822
Private-purpose trust fund	90
Total Deposits and Investments	$ 32,481,894

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

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

The city maintains collateral agreements with its banks. At December 31, 2019, the banks had pledged various government securities in the amount of $14,015,232 to secure the city's deposits.

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

A. Deposits and Investments (cont.)

The utility commission's investment in American Transmission Corporation (ATC) is measured at the net asset value (NAV) per share of ownership. As of December 31, 2019, the fair value of the investment was $2,966,435. ATC was formed by approximately 25 utilities to plan, construct, maintain, monitor and own electric transmission facilities in Wisconsin. The utility elected to receive an investment in ATC at its inception rather than directly sell its transmission facilities. The utility owns less than 1/2 of 1 percent of ATC. The utility has no unfunded commitments at year-end. The investment in ATC can only be redeemed by ATC or another existing member.

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

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

> Certificates of deposit (negotiable) - uses a market based approach

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

	December 31, 2019			
Investment Type	Level 1	Level 2	Level 3	Total
U.S. agencies - implicitly guaranteed	$ -	$ 1,504,468	$ -	$ 1,504,468
Certificates of deposit (negotiable)	3,402,569	-	-	3,402,569
Total	$ 3,402,569	$ 1,504,468	$ -	$ 4,907,037

Custodial Credit Risk

Deposits

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

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

Uninsured and uncollateralized	$ 960,910
Total	$ 960,910

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

A. DEPOSITS AND INVESTMENTS (cont.)

Custodial Credit Risk (cont.)

Investments

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

As of December 31, 2019, the city's investments were exposed to custodial credit risk as follows:

Neither Insured nor Registered and Held by Counterparty's Trust Department or Agent not in the City's Name	
U.S. agencies - implicitly guaranteed	$ 1,504,468

Credit Risk

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

As of December 31, 2019, the city's investments were rated as follows:

Investment Type	Standard & Poors
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)

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

A. *DEPOSITS AND INVESTMENTS* (cont.)

Interest Rate Risk

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

As of December 31, 2019, the city's investments were as follows:

Investment Type	Fair Value	Maturity (In Years) Less than 1	1-5	6+
U.S. agencies - implicitly guaranteed	$ 1,504,468	$ -	$ -	$ 1,504,468
Certificates of deposit (negotiable)	3,402,569	3,402,569	-	-
Totals	$ 4,907,037	$ 3,402,569	$ -	$ 1,504,468

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

B. *RECEIVABLES*

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

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

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

B. RECEIVABLES (cont.)

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

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

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

At December 31, 2019, the city has not exceeded the maximum amount of program income that it may retain or the amount of time for which funds may be held without use. When it does, a liability to the state will be recorded.

C. RESTRICTED ASSETS

The following represent the balances of the restricted assets:

Long-Term Debt Accounts

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

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

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

Equipment Replacement Account

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

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

C. *RESTRICTED ASSETS* (cont.)

Impact Fee Account

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

Following is a list of restricted assets at December 31, 2019:

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

D. *CAPITAL ASSETS*

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

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

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

D. CAPITAL ASSETS (cont.)

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

Depreciation expense was charged to functions as follows:

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

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

D. Capital Assets (cont.)

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

Depreciation expense was charged to functions as follows:

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

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

D. Capital Assets (cont.)

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

E. Interfund Receivables/Payables, Advances and Transfers

Interfund Receivables/Payables

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

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

Receivable Fund	Payable Fund	Amount
Governmental Activities	Business-type Activities	$ 752,300
Business-type Activities	Governmental Activities	(8,698)
Total Government-Wide Financial Statements		$ 743,602

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.

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

E. *Interfund Receivables/Payables, Advances and Transfers* (cont.)

Advances

The general fund is advancing funds to TIF Districts No. 3, No. 6, and No. 8. The amount advanced is determined by the deficiency of revenues over expenditures and other financing sources since the district's inception. The general fund is charging the TIF No. 3, No. 6, and No. 8 interest on the advance based on the average outstanding advance balance during the year at a rate of 5%. $424,504 of interest is included in the TIF No. 3, No. 6, and No. 8 advances and is recorded as unavailable revenue until it is collected. No repayment schedules have been established.

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

The following is a schedule of interfund advances:

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

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

E. Interfund Receivables/Payables, Advances and Transfers (cont.)

Transfers

The following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount	Principal Purpose
General debt service	Nonmajor governmental funds	$ 162,901	Debt service payments
Nonmajor governmental funds	Nonmajor governmental funds	286,838	Increment sharing
General fund	Utility commission	745,755	Tax equivalent
General fund	Nonmajor governmental funds	7,714	Annual art funds agreement
Total - Fund Financial Statements		1,203,208	
Less: Fund eliminations		(457,453)	
Less: Assets transferred from governmental activities to business-type activities		(156,040)	
Total Transfers - Government-Wide Statement of Activities		$ 589,715	

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.

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

F. LONG-TERM OBLIGATIONS

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

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

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

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

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

F. *LONG-TERM OBLIGATIONS* (cont.)

General Obligation Debt

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

Governmental Activities

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

Business-type Activities

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

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

F. *LONG-TERM OBLIGATIONS* (cont.)

General Obligation Debt (cont.)

Debt service requirements to maturity are as follows:

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

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

The city's outstanding State Trust Fund Loans from direct borrowings related to governmental activities of $2,294,142 contain clauses that any delinquent payments are subject to a penalty of one percent per month and shall be deducted from any state payments that are due to the city.

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

F. Long-Term Obligations (cont.)

Revenue Debt

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

Revenue debt payable at December 31, 2019, consists of the following:

Business-type Activities Revenue Debt

Sewer Utility	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2019	
Revenue bonds	5/1/2005	5/1/2025	2.565%	$ 11,292,318	$ 4,186,459	
Revenue bonds	5/1/2006	5/1/2025	2.365	2,981,335	1,103,670	
Revenue bonds	3/23/2011	5/1/2030	2.499	1,860,236	1,187,593	
Revenue bonds	5/1/2013	5/1/2033	2.625	3,096,378	2,350,363	(1)
Revenue bonds	4/11/2018	5/1/2037	1.060	957,371	911,604	
				Total Sewer Utility	9,739,689	

The sewer utility has pledged future revenues, net of specified operating expenses, to repay revenue bonds issued in 2005, 2006, 2011, 2013, and 2018. Proceeds from the bonds provided financing for the sewer systems. The bonds are solely from sewer revenues and are payable through 2037. Annual principal and interest payments on the bonds are expected to require 15% of sewer revenues. The total principal and interest remaining to be paid on the bonds is $10,867,557. Principal and interest paid in the current year and total customer gross revenues were $1,331,262 and $3,924,699, respectively.

(1) - During 2013 the utility was authorized to issue $3,310,182 of sewer system Clean Water Fund revenue bonds. The original amount reported above has been issued as of December 31, 2019. The repayment schedule is for the amount issued.

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

F. *Long-Term Obligations* (cont.)

Revenue Debt (cont.)

Business-type Activities Revenue Debt (cont.)

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2019
Water Utility					
Safe Drinking Water Loan	1/27/2010	5/1/2029	2.67%	$ 385,163	$ 229,444
Revenue bonds	9/29/2011	5/1/2020	1.00 - 3.00	995,000	120,000
Main Replacements and SCADA Improvements	7/7/2014	5/1/2029	1.70 - 3.75	895,000	680,000
Total Water Utility					1,029,444

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 $1,190,581. Principal and interest paid in the current year and total customer gross revenues were $224,410 and $1,664,803, respectively.

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2019
Electric Utility					
Revenue refunding bonds	11/15/2011	12/1/2020	0.75 - 3.10%	1,470,000	175,000
Revenue bonds	2/21/2013	12/1/2023	0.65 - 2.70	940,000	420,000
Revenue bonds	10/24/2013	12/1/2022	0.80 - 3.50	2,145,000	830,000
Total Electric Utility					1,425,000
Total Business-type Activities - Revenue Debt					$ 12,194,133

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

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

F. Long-Term Obligations (cont.)

Revenue Debt (cont.)

Business-type Activities Revenue Debt (cont.)

Debt service requirements to maturity are as follows:

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

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

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

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

F. Long-Term Obligations (cont.)

Revenue Debt (cont.)

Business-type Activities Revenue Debt (cont.)

Debt service requirements to maturity are as follows:

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

Other Debt Information

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

Bond Covenant Disclosures

Insurance

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

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

F. LONG-TERM OBLIGATIONS (cont.)

Bond Covenant Disclosures (cont.)

Debt Coverage - Sewer Utility

Under terms of the resolutions providing for the issue of revenue bonds, revenues less operating expenses excluding depreciation (defined net earnings) must exceed 1.1 times the highest annual debt service of the bonds. The coverage only includes revenue debt and does not include general obligation or other debt. The coverage requirement was met in 2019 as follows:

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

G. LEASE DISCLOSURES

Lessee - Capital Leases

In 2017 the stormwater utility acquired capital assets through a lease/purchase agreement. The gross amount of these assets under capital leases is $244,641, which are included in capital assets in the business-type activities. The future lease payments as of December 31, 2019, are as follows:

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

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

H. NET POSITION/FUND BALANCES

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

Governmental Activities

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

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

H. Net Position/Fund Balances (cont.)

Governmental Funds

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

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

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

H. NET POSITION/FUND BALANCES (cont.)

Business-type Activities

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

I. SEGMENT INFORMATION

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

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

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

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

I. Segment Information (cont.)

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

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

J. Component Units

COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF REEDSBURG

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

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

a. Basis of Accounting/Measurement Focus

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

b. Deposits and Investments

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

c. Cash and Cash Equivalents

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

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

J. Component Unit (cont.)

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

d. Property Held for Resale

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

HERBERT H. WEBB TRUST

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

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

a. Basis of Accounting/Measurement Focus

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

b. Deposits and Investments

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

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

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

> Documented trade history in exact security

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

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

J. Component Unit (cont.)

HERBERT H. WEBB TRUST (cont.)

b. Deposits and Investments (cont.)

Custodial Credit Risk

Deposits

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

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

Investments

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

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

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

c. Cash and Cash Equivalents

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

NOTE IV - OTHER INFORMATION

A. *Employees' Retirement System*

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

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

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

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

Final average earnings is the average of the participant's three highest annual earnings period. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

Vested participants may retire at age 55 (50 for protective occupations) and receive an actuarially reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

The WRS also provides death and disability benefits for employees.

NOTE IV - OTHER INFORMATION (cont.)

A. Employees' Retirement System (cont.)

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

Year	Core Fund Adjustment	Variable Fund Adjustment
2009	(2.1)%	(42.0)%
2010	(1.3)	22.0
2011	(1.2)	11.0
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0

NOTE IV - OTHER INFORMATION (cont.)

A. Employees' Retirement System (cont.)

Contributions. Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for General category employees, including Teachers, Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category merged into the General Employee category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized $424,509 in contributions from the city.

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

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

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

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

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

NOTE IV - OTHER INFORMATION (cont.)

A. *Employees' Retirement System* (cont.)

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

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

$448,100 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resourcesrelated to pension will be recognized in pension expense as follows:

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

NOTE IV - OTHER INFORMATION (cont.)

A. Employees' Retirement System (cont.)

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

Actuarial Valuation Date:	December 31, 2017
Measurement Date of Net Pension Liability (Asset):	December 31, 2018
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table
Post-retirement Adjustments*:	1.9%

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

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

NOTE IV - OTHER INFORMATION (cont.)

A. *EMPLOYEES' RETIREMENT SYSTEM* (cont.)

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

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

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

Single discount rate. A single discount rate of 7.00% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.00% and a long term bond rate of 3.71%. Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE IV - OTHER INFORMATION (cont.)

A. *EMPLOYEES' RETIREMENT SYSTEM* (cont.)

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

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

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

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

B. *RISK MANAGEMENT*

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

Public Entity Risk Pool

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

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

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

The CVMIC is self-insured up to a maximum of $2,000,000 of each insurance risk. Losses paid by CVMIC plus administrative expenses will be recovered through premiums to the participating pool of municipalities. The city's share of such losses is approximately 1%.

NOTE IV - OTHER INFORMATION (cont.)

B. *Risk Management* (cont.)

Public Entity Risk Pool (cont.)

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

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

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

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

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

C. *Commitments and Contingencies*

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

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

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

Long-Term Contracts - WPPI Energy

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

NOTE IV - OTHER INFORMATION (cont.)

C. Commitments and Contingencies (cont.)

Long-Term Contracts - WPPI Energy (cont.)

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

Forty-nine members, representing approximately 98% of WPPI Energy's existing load, have long-term contracts through December 31, 2055. The remaining two members have long-term contracts through December 31, 2037.

WPPI Energy's outstanding debt service obligation to be paid by its members through their wholesale power charges through the remainder of the long-term contract was $324 million as of December 31, 2019.

D. Joint Ventures

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

The governing body is made up of citizens from each community. Local representatives are appointed by the mayor. The governing body has authority to adopt its own budget and control the financial affairs of the district. The city made a payment totaling $94,750 to the district for 2019. The city believes that the district will continue to provide services in the future at similar rates. The city does not have an equity interest in the joint venture.

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

E. Subsequent Event

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

NOTE IV - OTHER INFORMATION (cont.)

E. Subsequent Events (cont.)

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

F. Economic Dependency

Utility Commission

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

G. Effect of New Accounting Standards on Current-Period Financial Statements

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

- Statement No. 87, *Leases*
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- Statement No. 91, *Conduit Debt Obligations*

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

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

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF REEDSBURG

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

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

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

CITY OF REEDSBURG

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

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

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

CITY OF REEDSBURG

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

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

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

CITY OF REEDSBURG

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

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

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

CITY OF REEDSBURG

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

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

SCHEDULE OF EMPLOYER CONTRIBUTIONS - WISCONSIN RETIREMENT SYSTEM
For the Year Ended December 31, 2019

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

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

CITY OF REEDSBURG

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

BUDGETARY INFORMATION

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

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

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

WISCONSIN RETIREMENT SYSTEM

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

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

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

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

SUPPLEMENTARY INFORMATION

CITY OF REEDSBURG

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

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

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

CITY OF REEDSBURG

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

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

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

CITY OF REEDSBURG

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

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

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

CITY OF REEDSBURG

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

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

CITY OF REEDSBURG

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

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

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

CITY OF REEDSBURG

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

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

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

CITY OF REEDSBURG

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

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

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

CITY OF REEDSBURG

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

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

CITY OF REEDSBURG

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

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

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Reporting and insights from 2019 audit:

City of Reedsburg

June 10, 2020

Executive summary

We have completed our audit of the financial statements of the City of Reedsburg for the year ended December 31, 2019, and have issued our report thereon dated June 10, 2020. 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, Firm Director: Amanda.blomberg@bakertilly,com or +1 (608) 240 2386

Sincerely,

Baker Tilly Virchow Krause, LLP

Amanda Blomberg

Amanda Blomberg, CPA, Firm Director

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THIS COMMUNICATION IS INTENDED SOLELY FOR THE INFORMATION AND USE OF THOSE CHARGED WITH GOVERNANCE, AND, IF APPROPRIATE, MANAGEMENT, AND IS NOT INTENDED TO BE AND SHOULD NOT BE USED BY ANYONE OTHER THAN THESE SPECIFIED PARTIES.

Audit objectives

Audit objectives

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

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

- Qualitative aspects of the City's accounting practice including policies, accounting estimates and financial statement disclosures
- Significant difficulties encountered
- Disagreements with management
- Corrected and uncorrected misstatements
- Internal control matters
- Significant estimates
- Other findings or issues arising from the audit

Management's responsibilities

Management	Auditor
Prepare and fairly present the financial statements	Our audit does not relieve management or those charged with governance of their responsibilities
Establish and maintain effective internal control over financial reporting	An audit includes consideration of internal control over financial reporting, but not an expression of an opinion on those controls
Provide us with written representations at the conclusion of the audit	See Appendix B for a copy of management's representations

Audit status

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

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.

Implementation of GASB No. 84 reporting fiduciary activities

During the current year, your government implemented GASB Statement No. 84 – *Fiduciary Activities*. This standard was issued to provide a clear foundation and reduce inconsistencies in reporting of fiduciary activities. Implementation of this standard required the evaluation of various activities and application of specific criteria to determine the fiduciary activities that required reporting. As a result of this standard you will note the following changes in your financial statements from prior years:

- Reclassification of the Tax Collection Fund activities as custodial funds
- Change in the activity that is reported through the tax collection custodial fund
- Recognition of a liability to the beneficiaries in each fiduciary fund only when an event has occurred that compels the government to disburse fiduciary resources
- Presentation of additions and deductions on the statement of changes in fiduciary net position for all fiduciary funds, including custodial funds
- Additional footnote disclosures

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 segregation of duties	Appropriate audit staffing of the various audit areas, maintenance of professional skepticism, performance of elements of unpredictable audit procedures in the design and performance of testing	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 key areas of emphasis		
Cash and investments	Revenues and receivables	General disbursements
Payroll	Pension 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 our opinions on the financial statements. We are not expressing an opinion on the effectiveness of the City's internal control.

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.

- **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.
- Financial reports are independently reviewed for completeness and accuracy.

- **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 Accounts Payable/Disbursements

- There should be a separate review and approval of retainages at year end.

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

- Bank reconciliations for the tax account should be performed by someone independent of the tax collection process.
- There should be adequate review and approval of the journal entries to record taxes receivable and the tax settlements.

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.

Other comments and recommendations

Prior Year Points

Information Technology (Per 12/31/18 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.
- No one is reviewing access rights annually to determine if employees have the appropriate rights for their job duties.

Status 12/31/2019

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. During the audit we noted the annual deposit of $158,000 was not made during the year. We recommend the annual cash transfer be made annually.

Status 12/31/2019

The annual deposit was not made in 2019 for the Equipment Replacement fund. 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 (12/31/19)

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 (12/31/19)

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. As noted below, the City changed accounting policies in 2019 in relation to its fiduciary activities and direct borrowings or debt placements. 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.

- GASB 84: As described in Note I, the City changed accounting policies related to financial reporting for fiduciary activities by adopting Governmental Accounting Standards Board (GASB) No. 84 - *Fiduciary Activities* in 2019.

- GASB 88: As described in Note I, the City changed accounting policies related to financial reporting for debt disclosures by adopting Governmental Accounting Standards Board (GASB) No. 88 – *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements* in 2019.

- 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	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.

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.

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 engagement letter and a draft of the management representation letter.

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 City's financial statements. The schedule within Appendix C summarizes the material corrected misstatements that, in our judgment, may not have been detected except through our auditing procedures.

Compliance with laws and regulations

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

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 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 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 or the modified cash basis of accounting], 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
- Accounting assistance
- CIVIC Software
- Complied regulatory reports
- Complied TIF financial statements
- Utility rate consulting

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*.

Accounting changes relevant to City of Reedsburg

Accounting changes relevant to City of Reedsburg

Future accounting standards updates

GASB Statement Number	Description	Potentially Impacts you	Effective Date	May delay until*
87	Leases	✓	12/31/20	12/31/21
89	Accounting for Interest Incurred before the End of a Construction Period	✓	12/31/20	12/31/21
91	Conduit Debt	✓	12/31/21	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

Preparing for the new lease standard

GASB's new single model for lease accounting will be effective for the upcoming year. This standard will require governments to identify and evaluate contracts that convey control of the right to use another entity's nonfinancial asset as specified in the contract 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.

We recommend City review this standard and start planning now as to how this will affect your financial reporting. We recommend that you begin by completing an inventory of all contracts that might meet the definition of a lease. The contract listing should include key terms of the contracts such as:

- Description of contract
- Underlying asset
- Contract term
- Options for extensions and terminations
- Service components, if any
- Dollar amount of lease

In addition, City should begin to establish a lease policy to address the treatment of common lease types, including a dollar threshold for each lease. We are available to discuss this further and help you develop an action plan.

Learn more about GASB 87.

Planning for the new conduit debt reporting

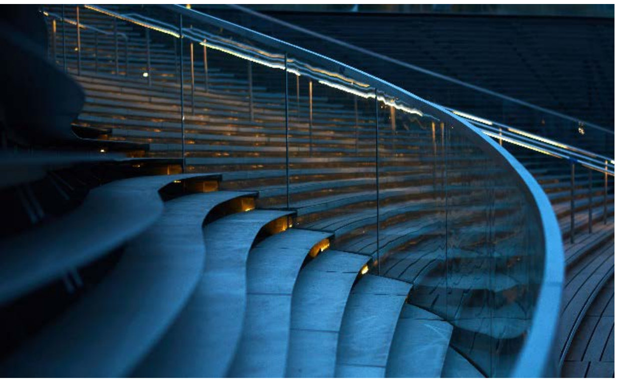
Conduit debt includes arrangements where there are three separate parties involved including a third party that is obligated for payment, a debt holder or lender and an issuing party which is often a government. This standard provides additional criteria for identifying and classifying conduit debt with 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.

Trending challenges for organizations

Trending challenges for organizations

Management and the governing body of the City must keep the future in mind as they evaluate strategies to achieve future growth. Keeping a balance between risk and sustainability is key, and organizations need to think beyond their immediate needs to their long term goals. Economic uncertainty, coupled with key risk areas and fast paced technology change, make strategic planning complex. Begin the discussion with your management team to find your path to your future.

2020 strategic risks for boards



Evaluating and mitigating the greatest risks

Public sector organizations face a multitude of internal and external risks in an evolving landscape. Risks can stem from strategy, finances, legal situations, operations, regulatory compliance, information technology, economic environment, and/or fraud, waste and abuse.

By employing a risk assessment, areas with the greatest needs and highest risks are evaluated. Then a risk mitigation plan can be developed and deployed.

Learn about risk assessment types, tools and strategies.

Cybersecurity

Operational reporting on cybersecurity effectiveness

As boards engage management in cybersecurity risk discussions, directors should expect management to produce reports on the effectiveness of the organization's cybersecurity-risk management program. Management can (and should) collect and analyze relevant performance measures and metrics to determine if cybersecurity safeguards and controls are operating as intended, and whether any corrective action should be taken to strengthen management's risk-mitigation approaches. While not an exhaustive list, some key processes on which management should report include these:

- Incident management
- Risk management and governance
- Independent assurance on the cybersecurity program

WATCH: On demand webinar about board governance over cybersecurity.

Learn more about cybersecurity risk management.

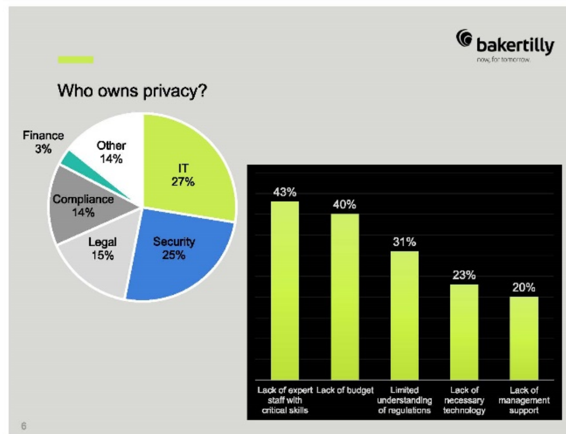
Data privacy

Elevating privacy risks to the forefront of board agendas

Organizations around the world are still scrambling to comply with the General Data Protection Regulation in the European Union, which went into effect in May 2018. While the data privacy regulatory environment changes rapidly, organizations can take proactive steps to ensure that they stay informed of the existing regulations and of those developing on the near horizon.

Adequate oversight remains a key part of staying on top of data privacy developments. Some regulations specify oversight requirements, and can depend on the type of the organization, the quantity and type of personal data processed, and the locations where operations take place. In many cases, a data protection officer (DPO) must lead the effort. Since the DPO is responsible for overseeing practices related to data protection strategy and implementation, having one in place early on will help ensure that the privacy program is comprehensive and consistent.

Learn more about [data privacy risk management](#).



[WATCH: On demand webinar about a risk-based approach to oversight, compliance and management of privacy](#)

The talent problem

Establishing a lifeline for your shifting workforce

Employee recruitment and retention challenges are an all too common struggle in the public sector:

- Aging workers with institutional knowledge retire
- High demand for small qualified candidate pool
- Perception of geographic disadvantages
- Wage/benefit competition with private sector
- Lean operations exclude investments in recruitment, on-the-job training and technology
- Unclear growth and career advancement tracks

Download

Sustainable organizations must have a robust workforce development and succession planning program. Learn how to get started and incorporate a workforce/succession planning program with existing operational practices.

Innovation

Anticipating disruptive innovation and digital transformation

To stay competitive and relevant in a rapidly changing business landscape, organizations in every industry must navigate an increasingly disruptive, technology-enabled environment. Companies that do not address and embrace new and emerging technologies will be less competitive or may even face obsolescence.

Given these challenges to companies, what does innovation mean in this era of digital transformation? Innovation now involves finding the right problems worth solving; building new offerings, business models, and experiences; and generating value at scale for customers.

Furthermore, the rapid digital transformation of advanced technologies such as blockchain, robotic process automation (RPA), and artificial intelligence (AI) now portend similar effects in industries from financial services and healthcare to communications and manufacturing. Boards must become knowledgeable about these digital disruption trends in order to be able to conduct meaningful oversight that management can use successfully as the organization embraces new technologies.

Learn more about innovation opportunities.

Anticipating Disruptive Innovation and Digital Transformation

To stay competitive and relevant in a rapidly changing business landscape, organizations in every industry must navigate an increasingly disruptive, technology-enabled environment.

Read the blog post.

Customer experience

Finding your edge in a competitive market

All industries are facing an increasingly competitive marketplace due to more connected consumers, partners and vendors. Where an organization may have had a geographic advantage in the past, they now need to be able to compete against non-local organizations.

One of the key factors in maintaining your place in the market is ensuring a positive, fast and easy customer experience. Whether this means enhancing your customer support services through online chat bots or developing a mobile app to allow your customer access to their information around the clock, your organization needs to take your customer experience strategy seriously. Management and board members should understand where your experience is currently and what strategies you are evaluating to enhance it.

Learn more about why your customer experience is so important.

Operational and organizational sustainability

Aligning resources with strategy

As new demands confront the public sector industry, it's easy to solve an immediate problem instead of pausing to take a holistic view. Rippling inefficiencies, increasing financial pressures, taxing staff resources and plummeting constituent satisfaction can pile atop organizations already facing pressure to improve efficiency, effectiveness, relevance and financial viability.

An operational review follows a systematic, strategic approach to understanding an entity's operations and performance. Opportunities to improve processes, bolster internal controls and reduce costs are uncovered in order to realign organizational resources and strategic objectives.

Learn invaluable methods for executing an operational review while maintaining day-to-day operations.

COVID-19 Risks and ongoing response

Staying nimble and resilient during unprecedented disruption

COVID-19 has challenged all organizations and the effects continue to unfold. It is critical that management and governing bodies stay nimble to respond to direct and indirect effects of this disruption on operations, cash flow, and people. Some best practices to consider include:

- Establish mechanisms to track COVID-19 related expenses, lost revenues or delayed revenues
- Monitor cash flow projections and seek short term liquidity help
- Create a policy and forms for compliance with Family First Coronavirus Response Act
- Compare anticipated results to bond covenants and track any continuing disclosure items
- Re-evaluate TIF projections with revised development scenarios
- Develop a strategy for leading your community through the crisis

Learn about public sector Coronavirus resources, including the latest news on business continuity and cash flow management, Federal stimulus and tax developments, and more.

Appendix A: Client service team

Client service team

Amanda Blomberg, CPA

Firm Director

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United States

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Appendix B: Management representation letter

City of Reedsburg
134 South Locust Street, P.O. Box 490
Reedsburg, WI 53959
Ph. 608-524-6404 Fax. 608-524-8458
www.reedsburgwi.gov

June 10, 2020

Baker Tilly Virchow Krause, LLP
Ten Terrace Court
P.O. Box 7398
Madison, WI 53707-7398

Dear Baker Tilly Virchow Krause, LLP:

We are providing this letter in connection with your audit of the financial statements of the City of Reedsburg as of December 31, 2019 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.

44) All activities that meet the criteria in GASB Statement No. 84 for presentation as fiduciary activities have been identified and presented as such.

45) Any direct borrowings, direct placements, lines of credit or debt default clauses have been identified and properly disclosed.

46) We have determined that the effects of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions, is not material to the city's financial statements.

Sincerely,

City of Reedsburg

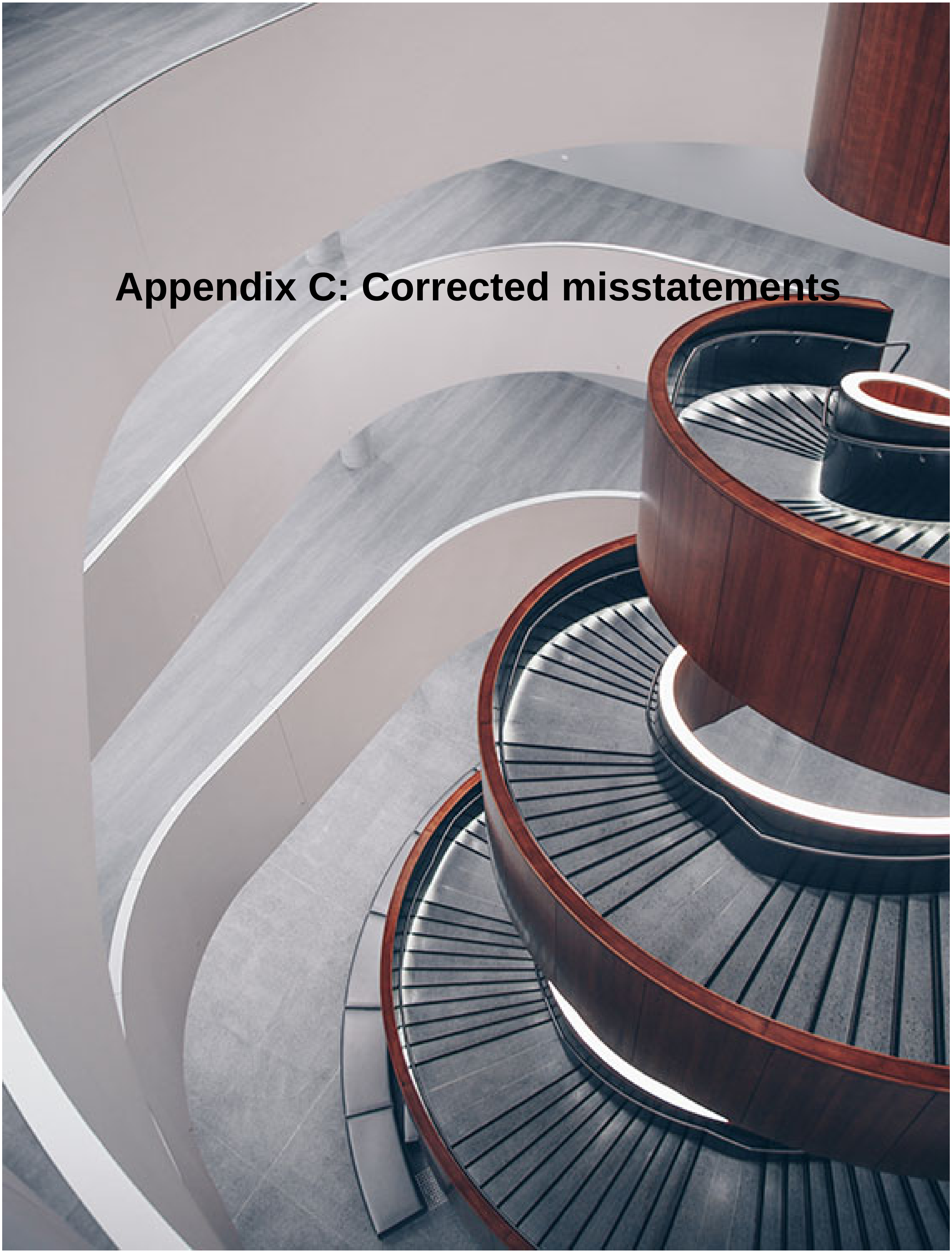
Signed: ______________________

Tim Becker, City Administrator

Signed: ______________________

Jacob Crosetto, City Clerk-Treasurer/Finance Director

Appendix C: Corrected misstatements



Material corrected misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management.

Management has corrected all such misstatements.

The following is a summary of material financial statement misstatements (audit adjustments):

Opinion unit	Description	Amount
General Fund	Correct investments, PILOT, Interfunds/advances.	2,775,455
Debt Service	Correct interfunds.	1,600
Non-major Funds	Correct capital outlay, receivables, loans receivables	4,879,293
Sewer Utility	Correct pension activity, depreciation, account receivables, and investments.	3,783,279
Storm Utility	Correct pension activity, depreciation, account receivables, and lease activity.	1,067,594

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.

Appendix D: Two-way communication regarding your audit

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

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.

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 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.

RESOLUTION

(Waiving Interest and Penalties on Property Tax Payment Installments Due on or After April 1, 2020)

FILE NO. **<u>4415-20</u>**

RESOLUTION NO. 4415-20

WHEREAS, in December, 2019, a novel strain of coronavirus known as COVID-19 was detected, and COVID-19 has continued to spread throughout the world, including to the United States and the State of Wisconsin ("<u>COVID-19 Pandemic</u>"); and

WHEREAS, the federal government, state governments, and local governments are working together to contain the further spread of the disease and treat existing cases; and

WHEREAS, on January 31, 2020, the United States Department of Health and Human Services declared a Public Health Emergency, on March 11, 2020, the World Health Organization declared COVID-19 a pandemic, on March 12, 2020 the Governor of the State of Wisconsin declared a Health Emergency in the State, and on March 17, 2020, Sauk County (the "<u>County</u>") declared a state of emergency under authority granted by Wis. Stats. Chap. 323; and

WHEREAS, the federal government has enacted various laws and regulations in response to the COVID-19 Pandemic including, without limitation, the Families First Coronavirus Response Act and the Coronavirus Aid, Relief, and Economic Security Act; and

WHEREAS, because of the COVID-19 Pandemic, on March 24, 2020, Secretary-designee Andrea Palm of the Wisconsin Department of Health Services issued Emergency Order #12, Safer at Home Order ("<u>Safer at Home Order</u>") requiring that everyone in Wisconsin stay at their home or place of residence except in limited circumstances until April 24, 2020; and

WHEREAS, on April 16, 2020, Secretary-designee Palm extended the Safer at Home Order, with certain modifications, to May 26, 2020, pursuant to Emergency Order #28; and

WHEREAS, the federal, state, local and individual responses to the COVID-19 Pandemic and the uncertainty as to the effectiveness of those responses in mitigating the duration of the COVID-19 Pandemic have created economic hardship and uncertainty for the City of Reedsburg business community, households throughout the municipality and for every property taxpayer; and

WHEREAS, prominent economists have predicted record level unemployment rates for the coming months and this prediction suggests that City of Reedsburg residents will also experience record level unemployment rates in the coming months, and an unprecedented number of businesses and employers throughout the State and in the County have been required to suspend operations; and

WHEREAS, in response to the COVID-19 Pandemic, the various federal laws and regulations implemented as a result of the COVID-19 Pandemic, and the various emergency orders and regulations implemented by state and local governments, on April 15, 2020, the Wisconsin Legislature enacted 2019 Wisconsin Act 185 ("Act 185"), which Governor Evers signed on April 16, 2020; and

WHEREAS, Section 105(25) of Act 185 authorizes, among other things, the County to adopt a resolution enabling taxation districts in the County to waive interest and penalties on 2020 property tax installment payments due and payable after April 1, 2020, until October 1, 2020; and

WHEREAS, a resolution authorizing the above referenced waiver must also establish criteria for determining hardship that would qualify a property tax payer for the waiver; and

WHEREAS, the County's authorization for a taxation district to implement the above referenced waiver is contingent upon a taxation district adopting a resolution in similar form and content as to the County's resolution; and

WHEREAS, the County has adopted a resolution authorizing taxation districts in the County to implement the above-referenced waiver; and

WHEREAS, the City of Reedsburg desires to waive interest and penalties on 2020 property tax installment payments due and payable after April 1, 2020, until October 1, 2020

WHEREAS, pursuant to Section 105(25) of Act 185, this Resolution is intended to waive interest and penalties on installment payments of property taxes due and payable after April 1, 2020, in a manner consistent with Act 185 and declare that all property taxpayers in the City of Reedsburg are experiencing hardship as a result of the economic conditions associated with the COVID-19 Pandemic, the various federal laws and regulations implemented as a result of the COVID-19 Pandemic, the various emergency orders and regulations implemented by state and local governments, and Act 185; and

WHEREAS, while the plain language of Section 105(25) of Act 185 allows for either a general or a "case-by-case" finding of hardship to qualify for the above referenced waiver of interest and penalties, the County has only authorized a taxation district to waive interest and penalties for all property taxpayers in the County otherwise eligible for waiver under Section 105(25) of Act 185 on a finding of general hardship based upon the economic conditions described in this Resolution, which the City of Reedsburg Common Council determines has adversely affected all taxpayers in the City of Reedsburg; and

NOW THEREFORE BE IT RESOLVED that pursuant to Section 105(25) of Act 185, the Common Council hereby finds and authorizes the following:

1. Because of the COVID-19 Pandemic, the various federal laws and regulations implemented as a result of the COVID-19 Pandemic, the various emergency orders and regulations implemented by state and local governments, and Act 185, the Common Council finds that all City property taxpayers are experiencing hardship as that term is used in Section 105(25) of Act 185.

2. The City of Reedsburg hereby waives interest and penalties for property taxes payable in 2020 for an installment payment that is due and payable after April 1, 2020. This Resolution waives interest and penalties as provided in Section 105(25) of Act 185 for all property taxpayers in the City of Reedsburg such that the waiver is available to all property taxpayers in the City of Reedsburg. Notwithstanding the foregoing, nothing in this Resolution waives interest and penalties for property taxes payable in 2020 for an installment payment that was due and payable prior to April 1, 2020, except as otherwise permitted under applicable law.

3. The County has confirmed that upon adoption of this Resolution, the County will settle in full with the City of Reedsburg on August 20, 2020, as provided under Wis. Stat. § 74.29(1).

4. City of Reedsburg officers are authorized and directed to assist the County in the interpretation, application and implementation of this Resolution and Section 105(25) of Act 185.

BE IT FURTHER RESOLVED that all actions heretofore taken by the Common Council and other appropriate public officers and agents of the City of Reedsburg with respect to the matters contemplated under this Resolution are hereby ratified, confirmed and approved.

ADOPTED on this 22nd day of June, 2020.

____
Dave Estes, Mayor

____
Jacob Crosetto, City Clerk - Treasurer

Respectfully Submitted:

The above resolution has been authorized by the governing body of the City of Reedsburg by Resolution No. 4415-20, dated June 22, 2020.

Date Passed: June 22, 2020

Vote: ____________________

ORDINANCE NO. 1907-20
(Brantley Annexation Correction)

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

SECTION I: PURPOSE.

In March 2020, the Common Council approved the Brantley Annexation, 1711 Fawn Valley Drive, and asked Sauk County to adjust the county supervisory district lines. Based on the opinion of the Wisconsin Elections Commission, Sauk County declines and advised that the annexed territory must comprise a separate City ward. This ordinance amends the annexation ordinance and creates a 15^{th} Ward which will be shown on the City's Ward Boundaries Map.

SECTION II: PROVISIONS REPEALED AND RECREATED.

City of Reedsburg Ordinance #1902-20 is amended.

SECTION III: PROVISIONS AS RECREATED.

City Ordinance No. 1902-20 is amended as follows:

A. Section V. Ward Designation. The annexed territory shall be designated City of Reedsburg Ward 15 and made part of Aldermanic District 3. The territory shall remain part of Sauk County Supervisory District 11.

B. City of Reedsburg Code sec. 9-2 is amended as follows:

   9-2 City Wards. There shall be ~~14~~ **15** City wards, The map showing the Ward boundaries is attached hereto as Exhibit A and incorporated herein by reference.

SECTION IV: VALIDITY.

Should any section, clause or provision of the ordinance be declared by the courts to be invalid, the same shall not affect the validity of the ordinance as a whole or any part thereof, other than the part so declared to be invalid.

SECTION V: CONFLICTING PROVISIONS REPEALED.

All ordinances in conflict with any provisions of this ordinance are hereby repealed.

SECTION VI: EFFECTIVE DATE.

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

SECTION VII: PART OF CODE:

This Ordinance becomes part of the City of Reedsburg Code, Chapter 9.

Dated this 27^{th} day of July 2020.

David G. Estes, Mayor	Jacob Crosetto, Clerk/Treasurer

1st Reading at Council:	June 22, 2020
Public Hearing Noticed:	July 2 & 9, 2020
2nd Reading at Council/Public Hearing:	July 27, 2020
Published, Enactment Date:	August 6, 2020

Chapter 104. Mayor and Council

Article III. Common Council Committees

§ 104-3. Committees.

The following shall constitute the standing advisory committees of the Common Council:

~~A. Finance~~.

B. Parks and Recreation.

C. Public Works.

D. Ordinance.

E. Personnel.

F. Reedsburg Arts.

City of Reedsburg, WI
Tuesday, January 28, 2020

Chapter 104. Mayor and Council

Article III. Common Council Committees

§ 104-7. Finance Committee.

[Amended 10-23-2017 by Ord. No. 1852-17]

A. The Finance Committee shall have six members. The members of the Finance Committee shall be the chairs of the Planning Commission, the Public Works Committee, the Personnel Committee and the Parks and Recreation Committee. In the event that one Council member holds multiple chair positions, the Mayor shall appoint such other members of the Council as are necessary to provide for four Council representatives on the Finance Committee. There shall also be two members of the public, who shall serve staggered terms of three years.

B. The committee shall provide oversight of the financial affairs of the City and advise the Mayor, Council and City staff, accordingly. Among the functions to be performed by the committee are:

(1) Review and recommend bills to be paid by the Council.

(2) Review and recommend the level and type of financing appropriate for long-term capital needs.

(3) Review and recommend the annual operating budget and level of taxation.

(4) Provide and recommend health, workers' compensation, property and liability insurance policies as well as make recommendations regarding claims against the City.

Also Table of Contents

City of Reedsburg, WI
Tuesday, January 28, 2020

Chapter 21. Boards, Commissions, Committees and Authority

Article X. Special/Advisory Bodies

§ 21-28. Public Safety Committee.

[Added 5-10-2010]

A. The Public Safety Committee shall have five voting members consisting of the Mayor (or his/her Council member designee), one alderperson, and three resident members of the City. Nonvoting members shall include the City Police Chief, the City Fire Chief, the Ambulance District Chief, and the City Emergency Management Director. The alderperson shall be appointed annually by the Mayor and confirmed by the Common Council. The three resident members shall be appointed by the Mayor and confirmed by the Common Council and shall serve staggered three-year terms.

B. The Public Safety Committee shall advise the Mayor, Common Council and City staff and have no powers or authority over the Police, Fire, Ambulance or Emergency Management Department operations, nor shall it have any of the powers vested in the Police and Fire Commission as stated in Article **VII** of this chapter, or relevant Wisconsin Statutes cited therein. The role of the Public Safety Committee shall in no way interfere with the lawfully prescribed powers and duties of the Common Council, Police and Fire Commission, Mayor, Police Chief, Fire Chief, Ambulance District Chief or Emergency Management Director.

C. The Public Safety Committee shall:

(1) Review service priorities and capital budget priorities of the Police, Fire, Ambulance and Emergency Management Departments;

(2) Consult with appropriate bodies from neighboring municipalities and counties to discuss and develop recommendations to address regional public safety issues;

(3) Provide recommendations regarding general policies, plans and long-range goals for the Police, Fire, Ambulance and Emergency Management Departments.

ORDINANCE NO. 1908-20

(Discontinue the Public Safety Committee and the Finance Committee)

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

SECTION 1: PURPOSE.

The purpose of this ordinance is to repeal Chapter 21-28 Public Safety Committee and repeal Chapter 104-7 Finance Committee.

SECTION II: PROVISION AMENDED.

City of Reedsburg Code Sections 21-28, 104-3(A) and 104-7 are hereby repealed in their entirety.

SECTION III: VALIDITY.

Should any section, clause or provision of the ordinance be declared by the courts to be invalid, the same shall not affect the validity of the ordinance as a whole or any part thereof, other than the part so declared to be invalid.

SECTION IV: CONFLICTING PROVISIONS REPEALED.

All ordinances in conflict with any provisions of this ordinance are hereby repealed.

SECTION V: EFFECTIVE DATE.

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

SECTION VI: PART OF CODE:

This Ordinance becomes part of the City of Reedsburg Code, repealing Chapters 21-28 and 104-7.

Dated this 27th day of July 2020.

David G. Estes, Mayor	Jacob Crosetto, Clerk/Treasurer
1st Reading at Council:	June 22, 2020
Public Hearing Noticed:	July 2, 2020
2nd Reading at Council/Public Hearing:	July 13, 2020
Published, Enactment Date:	July 23, 2020

City of Reedsburg, WI
Tuesday, January 28, 2020

Chapter 104. Mayor and Council

Article III. Common Council Committees

§ 104-10. Ordinance Committee.

A. The Ordinance Committee shall have five members. Three of the members shall be members of the Common Council appointed annually. Two of the members shall be members of the public, who shall serve staggered terms of three years.

B. The Committee MAY ~~shall~~ review and recommend the issuance and renewal of liquor-related licenses. The Committee shall serve as the Appeals Committee as may be directed by City statute related to permits and licenses.

C. The Committee MAY ~~shall~~ review and recommend new or amended ordinances and perform such other related functions as assigned by the Mayor and Council.

ORDINANCE NO. 1909-20

(Amend Chapter 104-10 Ordinance Committee)

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

SECTION 1: PURPOSE.

The purpose of this ordinance is to amend Chapter 104-10 Ordinance Committee.

SECTION II: PROVISION AMENDED.

City of Reedsburg Code Sections 104-10 are amended as follows:

104-10(A) - The Ordinance Committee shall have five members. Three of the members shall be members of the Common Council appointed annually. Two of the members shall be members of the public, who shall serve staggered terms of three years.

104-10(B) – The Committee ~~shall~~ may review and recommend the issuance and renewal of liquor-related licenses. The Committee shall serve as the Appeals Committee as may be directed by City statute related to permits and licenses.

104-10-(C) - The Committee ~~shall~~ may review and recommend new or amended ordinances and perform such other related functions as assigned by the Mayor and Council.

SECTION III: VALIDITY.

Should any section, clause or provision of the ordinance be declared by the courts to be invalid, the same shall not affect the validity of the ordinance as a whole or any part thereof, other than the part so declared to be invalid.

SECTION IV: CONFLICTING PROVISIONS REPEALED.

All ordinances in conflict with any provisions of this ordinance are hereby repealed.

SECTION V: EFFECTIVE DATE.

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

SECTION VI: PART OF CODE:

This Ordinance becomes part of the City of Reedsburg Code, Chapter 104-10.

Dated this 27th day of July, 2020.

David G. Estes, Mayor	Jacob Crosetto, Clerk/Treasurer
1st Reading at Council:	June 22, 2020
Public Hearing Noticed:	July 2, 2020
2nd Reading at Council/Public Hearing:	July 13, 2020
Published, Enactment Date:	July 23, 2020

City of Reedsburg, WI
Tuesday, January 28, 2020

Chapter 72. Finance and Taxation

§ 72-3. Budget.

A. Departmental estimates. On or before August 15, each officer, department and committee shall file an itemized budget request, detailing any changes from prior year revenues and expenditures.

B. City Administrator to prepare.

(1) Budget to include. The City Administrator shall prepare and submit to the Finance Committee a proposed budget presenting a financial plan for conducting the affairs of the City for the ensuing calendar year. The budget shall include the following information:

(a) All existing indebtedness and all anticipated revenue from all sources during the ensuing year.

(b) All proposed appropriations for each department, activity, and reserve account during the ensuing year.

(c) All actual revenues and expenditures for the preceding year, actual revenues and expenditures for not less than the first six months of the current year, and estimated revenues and expenditures for the balance of the current year.

(d) By fund, all anticipated unexpended or unappropriated balances and surpluses.

(e) Estimated personnel cost schedule for each department and position in the City.

(f) Such other information as may be required by the Council.

(2) The Finance Committee shall review the budget with each department head and shall forward a final version of the budget to the Common Council for public hearing.

C. Hearing. A summary of such budget and notice of the place where such budget in detail is available for public inspection and notice of the time and place for holding the public hearing thereon shall be published as a Class 1 notice under Ch. 985, Wis. Stats., in the official City newspaper at least 15 days prior to the hearing thereon. After the publication of the proposed budget and the notice of hearing thereon, a public hearing shall be held at the time and place stipulated, at which time any resident or taxpayer of the City of Reedsburg shall have an opportunity to be heard on the proposed budget. The budget hearing may be adjourned from time to time.
[Amended at time of adoption of Code (see Ch. 1, General Provisions, Art. II)]

ORDINANCE NO. 1910-20

(Amend Chapter 72-3 Budget)

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

SECTION 1: PURPOSE.

The purpose of this ordinance is to amend Chapter 72-3 Budget.

SECTION II: PROVISION AMENDED.

City of Reedsburg Code Section 72-3 are amended as follows:

§ 72-3 Budget.
A. Departmental estimates. On or before August 15, each officer, department and committee shall file an itemized budget request, detailing any changes from prior year revenues and expenditures.
B. City Administrator to prepare.
(1) Budget to include. The City Administrator shall prepare and submit to the ~~Finance Committee~~ Common Council a proposed budget presenting a financial plan for conducting the affairs of the City for the ensuing calendar year. The budget shall include the following information:

(2) The ~~Finance Committee~~ Common Council shall review the budget with each department head and shall forward a final version of the budget to ~~the Common Council for~~ public hearing.

SECTION III: VALIDITY.

Should any section, clause or provision of the ordinance be declared by the courts to be invalid, the same shall not affect the validity of the ordinance as a whole or any part thereof, other than the part so declared to be invalid.

SECTION IV: CONFLICTING PROVISIONS REPEALED.

All ordinances in conflict with any provisions of this ordinance are hereby repealed.

SECTION V: EFFECTIVE DATE.

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

SECTION VI: PART OF CODE:

This Ordinance becomes part of the City of Reedsburg Code, Chapter 72-3.

Dated this 27th day of July, 2020.

David G. Estes, Mayor	Jacob Crosetto, Clerk/Treasurer

1st Reading at Council:	June 22, 2020
Public Hearing Noticed:	July 2, 2020
2nd Reading at Council/Public Hearing:	July 13, 2020
Published, Enactment Date:	July 23, 2020

City of Reedsburg
134 South Locust Street, P.O. Box 490
Reedsburg, WI 53959
Ph. 608-524-6404 Fax. 608-524-8458
www.reedsburgwi.gov

STAFF REPORT AGENDA ITEM: _______________

To: Common Council
By: Brian Duvalle, Planning/Building
Date of Meeting: June 22, 2020

Subject: Request to amend Tourist Rooming Houses (TRH); ORD 1905-20 (1st Reading)

BACKGROUND AND REQUEST
The current ordinance for tourist housing (e.g. AirBNB, VRBO, etc) only allows them if the structure is owner occupied. The reasons for this are: 1) to help prevent proliferation of them in Reedsburg, and 2) to better police them by having the owner living onsite. Renting by the night can increase the likelihood of neighbor conflicts (e.g. noise, traffic, trash, etc) and reduced property values. In the past, Reedsburg has had three TRHs. Two were owner occupied and never had a nuisance complaint to my knowledge, while the third was not owner occupied and had numerous complaints.

The proposed ordinance was remanded to the Plan Commission on 4/13. After discussion there, the Plan Commission recommends the following:

- Allows one non-owner occupied TRH regardless of ownership status.
- Changes appeals from Ordinance Committee to Plan Commission.
- Prohibits transferring licenses between owners.
- Prohibits more than one non-associated party from renting on the same dates.

ACTION:
If the Mayor and City Council are ready, the following action may be made:
Motion to approve/deny – 1st Reading of Ordinance 1905-20, schedule public hearing for July 13, 2020

Attachments: Ordinance 1905-20

Calendar of Actions:

1st Reading at Council:	June 22, 2020
Public Hearing Noticed:	July 2, 2020
2nd Reading at Council/Public Hearing:	July 13, 2020
Published, Enactment Date:	July 23, 2020

ORDINANCE NO. 1905-20
(Amending Chapter 556 – Tourist Rooming Houses)

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

SECTION 1: PURPOSE.

The main purpose of this ordinance is to amend Chapter 556 by removing the requirement that a Tourist Rooming House be owner-occupied. It also changes review from Ordinance Committee to Plan Commission.

SECTION II: PROVISIONS AMENDED.

City of Reedsburg Code Chapter 556 is hereby amended by this ordinance:

§ 556-2 Definitions; license and registration; room tax.
A "tourist rooming house" (TRH) is any lodging place or tourist cabin and cottage, other than hotels and motels, in which sleeping accommodations are offered for pay to tourists or transients. It does not include private boarding or rooming houses not accommodating tourists or transients, bed-and-breakfast establishments or units operated by a hotel, motel or resort. An "Owner" means the holder of record of an estate in possession in fee simple, or for life, in land or real property, or a vendee of record under a land contract for the sale of an estate in possession in fee simple or for life but does not include the vendor under a land contract. A tenant in common or joint tenant is an owner to the extent of his or her interest.

§ 556-2 C. An Owner may operate one (1) non-owner occupied TRH, otherwise only the owner-occupant of the property may operate a TRH.

§ 556-2 D. An annual TRH license is not transferrable to a new owner.

§ 556-2 E. A non-owner occupied TRH may not be rented to non-associated parties during the same dates.

§ 556-2 F. The license shall remain in effect, subject to annual reviews by the Building Inspector, to verify in writing that a lodging license has been obtained and is current and the conditions attached to the license and all requirements of this chapter are adhered to. Reapplication for renewal shall be required with a change in ownership, alterations to the operational rules, noncompliance with the standards of this chapter, or documented violations. If there are two nuisance violations during an annual licensing period, the license may be revoked following a hearing by the Plan Commission.

§ 556-3 Standards for tourist rooming houses.
E. No TRH shall be located within 250 feet from any other TRH, bed-and-breakfast, or boardinghouse unless approved by the Plan Commission after notifying parties of interest.

SECTION III: VALIDITY.

Should any section, clause or provision of the ordinance be declared by the courts to be invalid, the same shall not affect the validity of the ordinance as a whole or any part thereof, other than the part so declared to be invalid.

SECTION IV: CONFLICTING PROVISIONS REPEALED.

All ordinances in conflict with any provisions of this ordinance are hereby repealed.

SECTION V: EFFECTIVE DATE.

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

SECTION VI: PART OF CODE:

This Ordinance becomes part of the City of Reedsburg Code, Chapter 556.

Dated this 13th day of July 2020.

________________________________	______________________________________
David G. Estes, Mayor	Jacob Crosetto, Clerk/Treasurer

1st Reading at Council:	June 22, 2020
Public Hearing Noticed:	July 2, 2020
2nd Reading at Council/Public Hearing:	July 13, 2020
Published, Enactment Date:	July 23, 2020

City of Reedsburg
134 South Locust Street, P.O. Box 490
Reedsburg, WI 53959
Ph. 608-524-6404 Fax. 608-524-8458
www.reedsburgwi.gov

STAFF REPORT   AGENDA ITEM: ______________

To: Common Council
By: Brian Duvalle, Planning/Building
Date of Meeting: June 22, 2020

SUBJECT: Rezoning request from B-1 Business to B-3 Business; ORD 1906-20 (1st Reading)

BACKGROUND AND REQUEST

The former Parkview Bed & Breakfast has ended operation with the sale of the property. The new owners are now using the property as simply a single-family residence. Residential uses in the B-1 zone can only be an accessory use to a main commercial use.

Therefore this rezoning to B-3 would bring the current use into zoning compliance while also allowing a future B&B or other small business to use the property. This is similar to the mass rezonings the City did a few years ago to downtown and Main St residences.

APPLICANT: City of Reedsburg
LOCATION: 211 N. Park St; parcel #0869
REZONING: B-1 Business to B-3 Business
DESCRIPTION: Consider rezoning of this property from B-1 Business to B-3 Business.

SURROUNDING LAND USES:
- North – Commercial
- West – Commercial
- South – Commercial
- East – City Park

ZONING:
- North- B-1 Business
- West- B-1 Business
- South- B-1 Business, Government
- East- Government

TOPOGRAPHY: Flat slopes
STREET R.O.W./TRAFFIC/ACCESS: N Park St and Second St; 66' ROW
ENVIRONMENTAL HAZARDS/CONDITIONS: None known
COMPREHENSIVE PLAN DESIGNATION: Residential w/ local Commercial

STAFF RECOMMENDATION

Plan Commission recommends approval.

ACTION:

If the Mayor and City Council are ready, the following action may be made:
Motion to approve/deny – 1st Reading of Ordinance 1906-20, schedule public hearing for July 27, 2020

Attachments: Ordinance 1901-20, maps

Calendar of Actions:

1st Reading at Council:	June 22, 2020
Public Hearing Noticed:	July 2 & 9, 2020
2nd Reading at Council/Public Hearing:	July 27, 2020
Published, Enactment Date:	August 6, 2020

ORDINANCE NO. 1906-20
(Zoning Change – 211 North Park St; Parcel #276-0869-00000)

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

SECTION I: PURPOSE.

This property contains a former bed & breakfast. The new owner is using the dwelling as simply a single-family residence. The proposed B-3 zone will allow both the current residence and potentially a future B&B or small business.

SECTION II: PROVISION AMENDED.

The zoning map for the City of Reedsburg as set forth in the official map provided for in the Ordinances for the City of Reedsburg is hereby permanently amended so as to zone the territory listed below in the manner set forth below.

SECTION III: PROPERTY ZONING

Parcel #276-0869-00000 – 211 North Park Street, Reedsburg, Wisconsin, is hereby zoned B-3 Business Local

A property map may be obtained or accessed from the City Clerk at Reedsburg City Hall, 134 S. Locust St, Reedsburg, WI; (608) 524-6404; www.reedsburgwi.gov .

SECTION IV: VALIDITY.

Should any section, clause or provision of the ordinance be declared by the courts to be invalid, the same shall not affect the validity of the ordinance as a whole or any part thereof, other than the part so declared to be invalid.

SECTION V: CONFLICTING PROVISIONS REPEALED.

All ordinances in conflict with any provisions of this ordinance are hereby repealed.

SECTION VI: EFFECTIVE DATE.

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

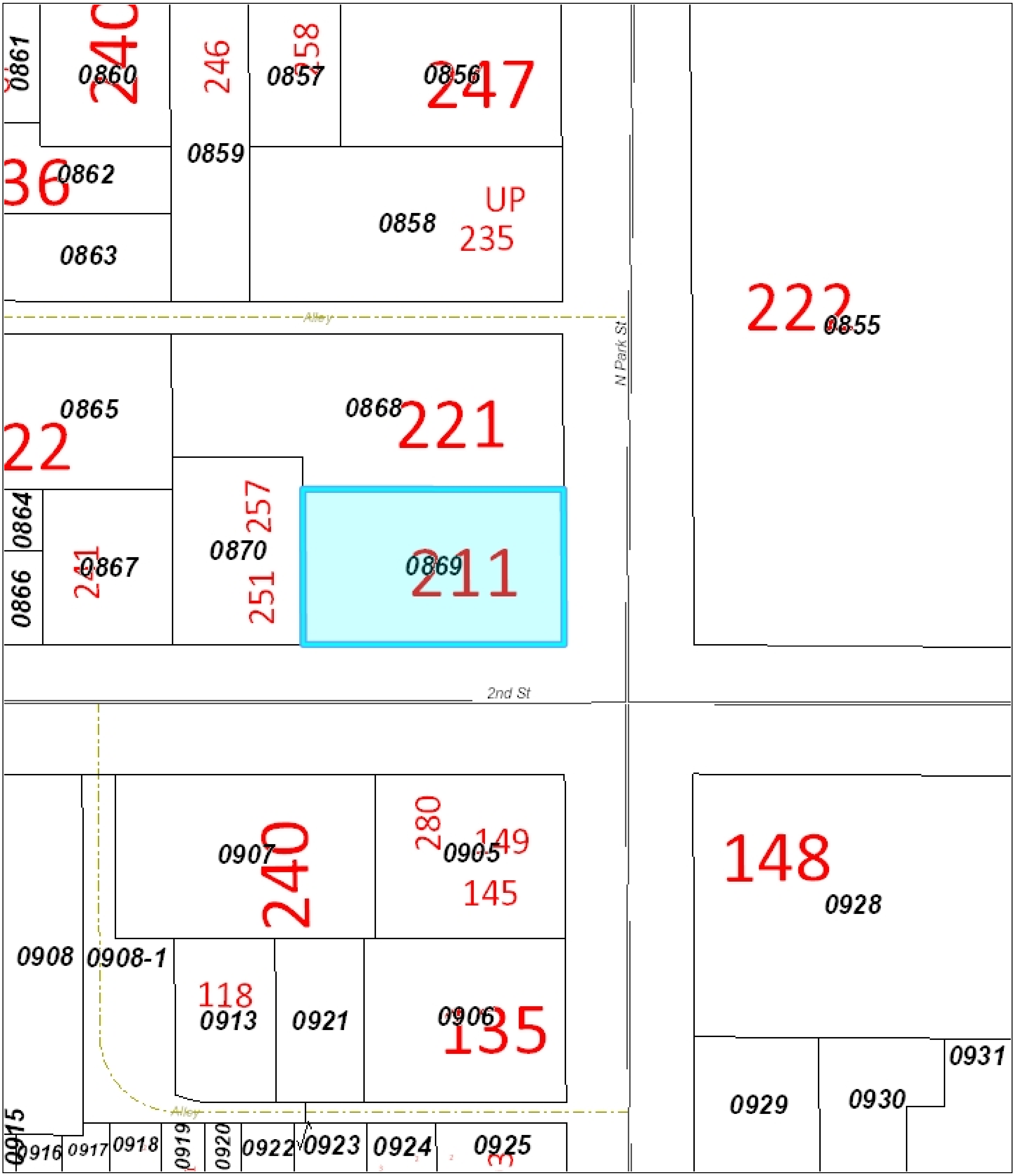
SECTION VII: PART OF CODE:

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

Dated this 27th day of July 2020.

______________________________ ______________________________
David G. Estes, Mayor Jacob Crosetto, Clerk/Treasurer

1st Reading at Council:	June 22, 2020
Public Hearing Noticed:	July 2 & 9, 2020
2nd Reading at Council/Public Hearing:	July 27, 2020
Published, Enactment Date:	August 6, 2020



City of Reedsburg GIS

DISCLAIMER: The City of Reedsburg does not guarantee the accuracy of the material contained here in and is not responsible for any misuse or misrepresentation of this information or its derivatives.

SCALE: 1" = 69 '

CITY OF REEDSBURG
134 S. Locust Street
PO Box 490
Reedsburg, WI 53959
608-524-6404

Print Date: 5/28/2020

ORDINANCE NO. 1911-20

(Amend Chapter 615-5 – Stop Signs)

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

SECTION 1: PURPOSE.

The purpose of this ordinance is to amend Chapter 615-5 Stop Signs – placing stop signs on Zinga Drive where it intersects with S. Wengel Drive.

SECTION II: PROVISION AMENDED.

City of Reedsburg Code Section 615-5 is created as follows:

§615-5(191) Zinga Drive where it intersects with S. Wengel Drive

SECTION III: VALIDITY.

Should any section, clause or provision of the ordinance be declared by the courts to be invalid, the same shall not affect the validity of the ordinance as a whole or any part thereof, other than the part so declared to be invalid.

SECTION IV: CONFLICTING PROVISIONS REPEALED.

All ordinances in conflict with any provisions of this ordinance are hereby repealed.

SECTION V: EFFECTIVE DATE.

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

SECTION VI: PART OF CODE:

This Ordinance becomes part of the City of Reedsburg Code, Chapter 615-5.

Dated this 13th day of July, 2020.

David G. Estes, Mayor	Jacob Crosetto, Clerk/Treasurer

1st Reading at Council:	June 22, 2020
Public Hearing Noticed:	July 2, 2020
2nd Reading at Council/Public Hearing:	July 13, 2020
Published, Enactment Date:	July 23, 2020

City of Reedsburg
134 South Locust Street, P.O. Box 490
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Ph. 608-524-6404 Fax. 608-524-8458
www.reedsburgwi.gov

STAFF REPORT

AGENDA ITEM: ______________

To: Mayor and Common Council
Prepared By: Steven Zibell, Public Works
Date of Meeting: June 22, 2020

Subject: WWTP Compliance Maintenance Annual Report (CMAR) Resolution 4414-20

BACKGROUND AND REQUEST

Annual Compliance Maintenance Annual Report (CMAR) required DNR report.

We continue to be downgraded for influent loadings due to an increase in loadings over the last few years. We are currently working on our Facility Plan which will give us a DNR approved planning document and also re-evaluate to plants capacity. Our sludge storage grade has improved from last year due to our sludge hauling contract. Overall the plant has performed very well in 2019 even with the increased loadings.

STAFF RECOMMENDATION

Public Works Committee recommends approving resolution 4414-20

Attachments

Resolution 4414-20
Compliance Maintenance Annual Report (CMAR)

Compliance Maintenance Annual Report

Reedsburg Wastewater Treatment Facility

Last Updated: 6/5/2020 Reporting For: **2019**

Influent Flow and Loading

1. Monthly Average Flows and BOD Loadings

1.1 Verify the following monthly flows and BOD loadings to your facility.

Influent No. 701	Influent Monthly Average Flow, MGD	x	Influent Monthly Average BOD Concentration mg/L	x	8.34	=	Influent Monthly Average BOD Loading, lbs/day
January	2.5185	x	352	x	8.34	=	7,388
February	2.4089	x	396	x	8.34	=	7,964
March	2.7800	x	335	x	8.34	=	7,767
April	2.7911	x	307	x	8.34	=	7,137
May	2.9652	x	323	x	8.34	=	7,986
June	2.7168	x	395	x	8.34	=	8,960
July	3.3732	x	306	x	8.34	=	8,622
August	2.8364	x	359	x	8.34	=	8,488
September	2.6476	x	455	x	8.34	=	10,057
October	3.2430	x	331	x	8.34	=	8,942
November	2.5179	x	374	x	8.34	=	7,847
December	2.4813	x	387	x	8.34	=	8,002

2. Maximum Monthly Design Flow and Design BOD Loading

2.1 Verify the design flow and loading for your facility.

Design	Design Factor	x	%	=	% of Design
Max Month Design Flow, MGD	2.65	x	90	=	2.385
		x	100	=	2.65
Design BOD, lbs/day	6331	x	90	=	5697.9
		x	100	=	6331

2.2 Verify the number of times the flow and BOD exceeded 90% or 100% of design, points earned, and score:

	Months of Influent	Number of times flow was greater than 90% of	Number of times flow was greater than 100% of	Number of times BOD was greater than 90% of design	Number of times BOD was greater than 100% of design
January	1	1	0	1	1
February	1	1	0	1	1
March	1	1	1	1	1
April	1	1	1	1	1
May	1	1	1	1	1
June	1	1	1	1	1
July	1	1	1	1	1
August	1	1	1	1	1
September	1	1	0	1	1
October	1	1	1	1	1
November	1	1	0	1	1
December	1	1	0	1	1
Points per each		2	1	3	2
Exceedances		12	7	12	12
Points		24	7	36	24
Total Number of Points					**91**

91

6.2 Did your facility accept hauled industrial wastes, landfill leachate, etc.?

● Yes

o No

If yes, describe the types of wastes received and any procedures or other restrictions that were in place to protect the facility from the discharge of hauled industrial wastes.

We accept leachate from the foundry and cheese whey from Cedar Grove cheese regularly. We also took one load of cheese waste from Carr Valley cheese.

Total Points Generated	91
Score (100 - Total Points Generated)	9
Section Grade	**F**

If Yes, please explain:

4.2 At any time in the past year was there a failure of an effluent acute or chronic whole effluent toxicity (WET) test?

- ○ Yes
- ● No

If Yes, please explain:

4.3 If the biomonitoring (WET) test did not pass, were steps taken to identify and/or reduce source(s) of toxicity?

- ○ Yes
- ○ No
- ● N/A

Please explain unless not applicable:

Total Points Generated	0
Score (100 - Total Points Generated)	100
Section Grade	**A**

Compliance Maintenance Annual Report

Reedsburg Wastewater Treatment Facility

Last Updated: 6/5/2020 Reporting For: **2019**

Effluent Quality and Plant Performance (Ammonia - NH3)

1. Effluent Ammonia Results

1.1 Verify the following monthly and weekly average effluent values, exceedances and points for ammonia

Outfall No. 001	Monthly Average NH3 Limit (mg/L)	Weekly Average NH3 Limit (mg/L)	Effluent Monthly Average NH3 (mg/L)	Monthly Permit Limit Exceedance	Effluent Weekly Average for Week 1	Effluent Weekly Average for Week 2	Effluent Weekly Average for Week 3	Effluent Weekly Average for Week 4	Weekly Permit Limit Exceedance
January	17		.98857142 9	0					
February	17		.75916666 7	0					
March	22		.48583333 3	0					
April	28		1.46	0					
May									
June	18		.86416666 7	0					
July	14		.17	0					
August	14		.11916666 7	0					
September	23		.22076923 1	0					
October	17		.1375	0					
November	22		.2	0					
December	17		.36571428 6	0					

Points per each exceedance of Monthly average:	10
Exceedances, Monthly:	0
Points:	0
Points per each exceedance of weekly average (when there is no monthly average):	2.5
Exceedances, Weekly:	0
Points:	0
Total Number of Points	**0**

0

NOTE: Limit exceedances are considered for monthly OR weekly averages but not both. When a monthly average limit exists it will be used to determine exceedances and generate points. This will be true even if a weekly limit also exists. When a weekly average limit exists and a monthly limit does not exist, the weekly limit will be used to determine exceedances and generate points.

1.2 If any violations occurred, what action was taken to regain compliance?

Total Points Generated	0
Score (100 - Total Points Generated)	100
Section Grade	**A**

Biosolids Quality and Management

1. Biosolids Use/Disposal

1.1 How did you use or dispose of your biosolids? (Check all that apply)

- ☒ Land applied under your permit
- ☒ Publicly Distributed Exceptional Quality Biosolids
- ☐ Hauled to another permitted facility
- ☐ Landfilled
- ☐ Incinerated
- ☐ Other

NOTE: If you did not remove biosolids from your system, please describe your system type such as lagoons, reed beds, recirculating sand filters, etc.

1.1.1 If you checked Other, please describe:

3. Biosolids Metals

Number of biosolids outfalls in your WPDES permit:

3.1 For each outfall tested, verify the biosolids metal quality values for your facility during the last calendar year.

Outfall No. 005 - CLASS B SLUDGE

Parameter	80% of Limit	H.Q. Limit	Ceiling Limit	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	80% Value	High Quality	Ceiling
Arsenic		41	75														0	0
Cadmium		39	85														0	0
Copper		1500	4300														0	0
Lead		300	840														0	0
Mercury		17	57														0	0
Molybdenum	60		75													0		0
Nickel	336		420													0		0
Selenium	80		100													0		0
Zinc		2800	7500														0	0

Outfall No. 004 - CLASS A SLUDGE

Parameter	80% of Limit	H.Q. Limit	Ceiling Limit	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	80% Value	High Quality	Ceiling
Arsenic		41	75		2.3				<2			<1.9		12.5			0	0
Cadmium		39	85		1.2				<.14			<.13		1.1			0	0
Copper		1500	4300		61				95.2			106		612			0	0
Lead		300	840		7.6				9.8			9.1		90.2			0	0
Mercury		17	57		.053				.18			.1		.086			0	0
Molybdenum	60		75		3.2				2.9			2.7		22.4		0		0
Nickel	336		420		6.9				9.9			8.2		61.7		0		0
Selenium	80		100		<3.6				<4.9			<4.6		10.4		0		0
Zinc		2800	7500		116				208			149		940			0	0

3.1.1 Number of times any of the metals exceeded the high quality limits OR 80% of the limit for molybdenum, nickel, or selenium = 0

Exceedence Points

- ● 0 (0 Points)
- ○ 1-2 (10 Points)
- ○ > 2 (15 Points)

3.1.2 If you exceeded the high quality limits, did you cumulatively track the metals loading at each land application site? (check applicable box)

- ○ Yes

Compliance Maintenance Annual Report

Reedsburg Wastewater Treatment Facility

Last Updated: 6/5/2020 | Reporting For: **2019**

Outfall Number:	**004**
Biosolids Class:	A
Bacteria Type and Limit:	Fecal Coliform
Sample Dates:	04/01/2019 - 06/30/2019
Density:	0
Sample Concentration Amount:	MPN/G TS
Requirement Met:	Yes
Land Applied:	Yes
Process:	Alkaline Stabilization
Process Description:	Sludge is heated to 131 degrees or higher

Outfall Number:	**004**
Biosolids Class:	A
Bacteria Type and Limit:	Fecal Coliform
Sample Dates:	07/01/2019 - 09/30/2019
Density:	0
Sample Concentration Amount:	MPN/G TS
Requirement Met:	Yes
Land Applied:	Yes
Process:	Alkaline Stabilization
Process Description:	Sludge is heated to 131 degrees or higher.

0

Outfall Number:	**004**
Biosolids Class:	A
Bacteria Type and Limit:	Fecal Coliform
Sample Dates:	10/01/2019 - 12/31/2019
Density:	0
Sample Concentration Amount:	MPN/G TS
Requirement Met:	Yes
Land Applied:	Yes
Process:	Alkaline Stabilization
Process Description:	Sludge is heated to 131 degrees or more

4.2 If exceeded Class B limit or did not meet the process criteria at the time of land application.

4.2.1 Was the limit exceeded or the process criteria not met at the time of land application?

○ Yes (40 Points)

● No

If yes, what action was taken?

5. Vector Attraction Reduction (per outfall):

5.1 Verify the following information. If any of the information is incorrect, use the Report Issue button under the Options header in the left-side menu.

Compliance Maintenance Annual Report

Reedsburg Wastewater Treatment Facility

Last Updated: 6/5/2020 | Reporting For: **2019**

6.1 How many days of actual, current biosolids storage capacity did your wastewater treatment facility have either on-site or off-site? ● >= 180 days (0 Points) ○ 150 - 179 days (10 Points) ○ 120 - 149 days (20 Points) ○ 90 - 119 days (30 Points) ○ < 90 days (40 Points) ○ N/A (0 Points) 6.2 If you checked N/A above, explain why.	**0**
7. Issues 7.1 Describe any outstanding biosolids issues with treatment, use or overall management:	

Total Points Generated	0
Score (100 - Total Points Generated)	100
Section Grade	**A**

Compliance Maintenance Annual Report

Reedsburg Wastewater Treatment Facility

Last Updated: 6/5/2020 | Reporting For: **2019**

Plant staff does an excellent job with O&M procedures and much of the equipment is new or rebuilt.

Total Points Generated	0
Score (100 - Total Points Generated)	100
Section Grade	**A**

4.1 If you had a designated operator-in-charge, was the operator-in-charge earning Continuing Education Credits at the following rates?

OIT and Basic Certification:

- ○ Averaging 6 or more CECs per year.
- ○ Averaging less than 6 CECs per year.

Advanced Certification:

- ● Averaging 8 or more CECs per year.
- ○ Averaging less than 8 CECs per year.

Total Points Generated	0
Score (100 - Total Points Generated)	100
Section Grade	**A**

3.2.5 Subtractions from Fund (e.g., equipment replacement, major repairs - use description box 3.2.6.1 below*) - $ 0.00

3.2.6 Ending Balance as of December 31st for CMAR Reporting Year $ 2,172,098.00

All Sources: This ending balance should include all Equipment Replacement Funds whether held in a bank account(s), certificate(s) of deposit, etc.

3.2.6.1 Indicate adjustments, equipment purchases, and/or major repairs from 3.2.5 above.

3.3 What amount should be in your Replacement Fund? $ 2,172,098.00

Please note: If you had a CWFP loan, this amount was originally based on the Financial Assistance Agreement (FAA) and should be regularly updated as needed. Further calculation instructions and an example can be found by clicking the SectionInstructions link under Info header in the left-side menu.

3.3.1 Is the December 31 Ending Balance in your Replacement Fund above, (#3.2.6) equal to, or greater than the amount that should be in it (#3.3)?

- ● Yes
- ○ No

If No, please explain.

0

4. Future Planning

4.1 During the next ten years, will you be involved in formal planning for upgrading, rehabilitating, or new construction of your treatment facility or collection system?

- ● Yes - If Yes, please provide major project information, if not already listed below.☐☐
- ○ No

Project #	Project Description	Estimated Cost	Approximate Construction Year
1	Phosphorus filtration equipment		2025
2	Plant upgrade or relocation based on facility plan.		2030

5. Financial Management General Comments

ENERGY EFFICIENCY AND USE

6. Collection System

6.1 Energy Usage

6.1.1 Enter the monthly energy usage from the different energy sources:

COLLECTION SYSTEM PUMPAGE: Total Power Consumed

Number of Municipally Owned Pump/Lift Stations: 8

6.4 Future Energy Related Equipment

6.4.1 What energy efficient equipment or practices do you have planned for the future for your pump/lift stations?

We plan on adding VFD's where needed as new equipment is installed.

7. Treatment Facility

7.1 Energy Usage

7.1.1 Enter the monthly energy usage from the different energy sources:

TREATMENT PLANT: Total Power Consumed/Month

	Electricity Consumed (kWh)	Total Influent Flow (MG)	Electricity Consumed/ Flow (kWh/MG)	Total Influent BOD (1000 lbs)	Electricity Consumed/ Total Influent BOD (kWh/1000lbs)	Natural Gas Consumed (therms)
January	133,584	78.07	1,711	229.03	583	3,352
February	130,272	67.45	1,931	222.99	584	2,431
March	146,832	86.18	1,704	240.78	610	1,146
April	140,208	83.73	1,675	214.11	655	493
May	150,696	91.92	1,639	247.57	609	60
June	148,488	81.50	1,822	268.80	552	5
July	164,496	104.57	1,573	267.28	615	5
August	161,184	87.93	1,833	263.13	613	504
September	150,144	79.43	1,890	301.71	498	387
October	141,864	100.53	1,411	277.20	512	1,690
November	121,922	75.54	1,614	235.41	518	2,142
December	126,960	76.92	1,651	248.06	512	2,239
Total	**1,716,650**	**1,013.77**		**3,016.07**		**14,454**
Average	**143,054**	**84.48**	**1,705**	**251.34**	**572**	**1,205**

7.1.2 Comments:

7.2 Energy Related Processes and Equipment

7.2.1 Indicate equipment and practices utilized at your treatment facility (Check all that apply):

☒ Aerobic Digestion
☐ Anaerobic Digestion
☒ Biological Phosphorus Removal
☒ Coarse Bubble Diffusers
☒ Dissolved O2 Monitoring and Aeration Control
☐ Effluent Pumping
☒ Fine Bubble Diffusers
☒ Influent Pumping
☒ Mechanical Sludge Processing
☒ Nitrification
☒ SCADA System
☒ UV Disinfection
☒ Variable Speed Drives
☐ Other:

Compliance Maintenance Annual Report

Reedsburg Wastewater Treatment Facility

Last Updated: 6/5/2020

Reporting For: **2019**

Total Points Generated	0
Score (100 - Total Points Generated)	100
Section Grade	**A**

☒ A management system (computer database and/or file system) for collection system information for O&M activities, investigation and rehabilitation
☒ A description of routine operation and maintenance activities (see question 2 below)
☒ Capacity assessment program
☐ Basement back assessment and correction
☐ Regular O&M training

☒ Design and Performance Provisions [NR 210.23 (4) (e)]☐☐

What standards and procedures are established for the design, construction, and inspection of the sewer collection system, including building sewers and interceptor sewers on private property?
☒ State Plumbing Code, DNR NR 110 Standards and/or local Municipal Code Requirements
☒ Construction, Inspection, and Testing
☐ Others:

☒ Overflow Emergency Response Plan [NR 210.23 (4) (f)]☐☐

Does your emergency response capability include:
☒ Responsible personnel communication procedures
☒ Response order, timing and clean-up
☒ Public notification protocols
☒ Training
☒ Emergency operation protocols and implementation procedures

☒ Annual Self-Auditing of your CMOM Program [NR 210.23 (5)]☐☐

☒ Special Studies Last Year (check only those that apply):
☒ Infiltration/Inflow (I/I) Analysis
☐ Sewer System Evaluation Survey (SSES)
☐ Sewer Evaluation and Capacity Managment Plan (SECAP)
☐ Lift Station Evaluation Report
☐ Others:

0

2. Operation and Maintenance

2.1 Did your sanitary sewer collection system maintenance program include the following maintenance activities? Complete all that apply and indicate the amount maintained.

Cleaning	80	% of system/year
Root removal	80	% of system/year
Flow monitoring	1	% of system/year
Smoke testing	0	% of system/year
Sewer line televising	1	% of system/year
Manhole inspections	2	% of system/year
Lift station O&M	1	# per L.S./year
Manhole rehabilitation	1	% of manholes rehabbed
Mainline rehabilitation	1	% of sewer lines rehabbed
Private sewer inspections	0	% of system/year

Heavy rains and high groundwater tables have continued to allow more than normal I/I rates in the community.

5.2 Has infiltration/inflow and resultant high flows affected performance or created problems in your collection system, lift stations, or treatment plant at any time in the past year?

○ Yes

● No

If Yes, please describe:

5.3 Explain any infiltration/inflow (I/I) changes this year from previous years:

I/I was less prevalent in 2019 because there was no localized flooding that took place.

5.4 What is being done to address infiltration/inflow in your collection system?

The city continues to do flow monitoring in the collection system and has a list of manholes to be raised, sealed or repaired. Certain homes and businesses are also being removed from lower areas in the city where I/I has posed issues during flood events.

Total Points Generated	0
Score (100 - Total Points Generated)	100
Section Grade	**A**

Compliance Maintenance Annual Report

Reedsburg Wastewater Treatment Facility | Last Updated: 6/5/2020 | Reporting For: **2019**

Resolution or Owner's Statement

Name of Governing Body or Owner:

Date of Resolution or Action Taken:

Resolution Number:

Date of Submittal:

ACTIONS SET FORTH BY THE GOVERNING BODY OR OWNER RELATING TO SPECIFIC CMAR SECTIONS (Optional for grade A or B. Required for grade C, D, or F):

Influent Flow and Loadings: Grade = F

Effluent Quality: BOD: Grade = A

Effluent Quality: TSS: Grade = A

Effluent Quality: Ammonia: Grade = A

Effluent Quality: Phosphorus: Grade = B

Biosolids Quality and Management: Grade = A

Staffing: Grade = A

Operator Certification: Grade = A

Financial Management: Grade = A

Collection Systems: Grade = A
(Regardless of grade, response required for Collection Systems if SSOs were reported)

ACTIONS SET FORTH BY THE GOVERNING BODY OR OWNER RELATING TO THE OVERALL GRADE POINT AVERAGE AND ANY GENERAL COMMENTS
(Optional for G.P.A. greater than or equal to 3.00, required for G.P.A. less than 3.00)
G.P.A. = 3.59

RESOLUTION
CMAR – Wastewater Treatment Plant

FILE NO. 4414-20

WHEREAS, the City of Reedsburg operates a Wastewater Treatment Facility; and

WHEREAS, the Compliance Maintenance Annual Report was reviewed by the City Council and attached to this Resolution; and

WHEREAS, City of Reedsburg has set forth the following actions necessary to maintain effluent requirement contained in the WPDES Permit:

(a) Reaffirm our commitment to operator certification upgrading.
(b) Knowing that the Treatment Plant operates 24 hours a day, 7 days a week, we commend our State Certified Treatment Plant Operators for thorough planning, innovative and cost-efficient approaches to the collection, treatment and recycling of effluent and bio-solids.
(c) Review bio-solids storage facility and evaluate design capacity. Review B. O. D. of the plant influent and industrial users for accuracy and that sampling is representative of the waste received.
(d) The City is currently working on a new Facility Plan to improve operations for current and future loadings.

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City of Reedsburg, Sauk County, Wisconsin that the City informs the Wisconsin Department of Natural Resources that the above actions were taken by the Common Council of the City of Reedsburg.

ADOPTED on this 22nd day of June, 2020.

____
Dave Estes, Mayor

____
Jacob Crosetto, City Clerk - Treasurer

Respectfully Submitted:

The above resolution has been authorized by the governing body of the City of Reedsburg by Resolution No. 4414-20, dated June 22, 2020.

Date Passed: June 22, 2020

Vote: ____________________

Reedsburg Arts Committee Grant Application

Harvest Park Crosswalk

2/27/20

Describe the Applicant

Reedsburg ArtsLink, founded in 2014, is a local arts nonprofit serving all disciplines and serving the Reedsburg area. ArtsLink was the brainchild of 2 local artists and an arts advocate seeking to grow the culture of creativity in the Reedsburg Area.

ArtsLink functions both as a cultural anchor and a catalyst for creative endeavors within the Reedsburg community by maximizing existing arts activities and creating its own free or low-cost programming. In addition, it advocates for local art and artists, and function as a liaison between stakeholders in government, business and education. Our first major initiative was Ruminant/Harvest Park Project which began in 2014 and brought a nationally recognized, award-winning sculpture to Reedsburg's downtown and established it as the focal point of a new city park, Harvest Park.

Since then, ArtsLink has initiated multiple permanent and temporary public art projects including murals, crosswalks and large-scale participatory public art installations. Additional programming has included Youth Arts Programming, Artist Socials, 2nd Sundays @ The Painted Forest in partnership with Edgewood College, and the Reedikulus Arts Crawl.

Mission: Reedsburg ArtsLink works to unify, enrich and enliven its community via the arts.

Vision: The Reedsburg Area is vibrant with creative activity year-round and increasingly recognized as an arts hub in South Central Wisconsin.

For more information about Reedsburg ArtsLink, visit *www.reedsburgartslink.org*.

Project Description

The goal of this project is to create a charming, harvest-related crosswalk mural that connects Reedsburg's Chamber of Commerce and Harvest Park on Railroad Street. The dimensions of the crosswalk will be the length of the street and otherwise standard and as required by the City of Reedsburg for a "zebra" style crossing. The materials required for this project are simply the artists design, street paint and brushes.

The purposes of this project are multi-faceted. The street mural builds upon the harvest theme of Harvest Park and strengthens Reedsburg's identity as a community with strong agricultural roots. It also creates a themed connection between what functions as Reedsburg's visitors' center and a park designed to help welcome them.

This project builds upon the success of a mural ArtsLink commissioned for this location in 2016 and dubbed "the corncob crosswalk", please see image attached. It also answers a call from community members for the renewal of the crosswalk, as noted in Distinctly Downtown Reedsburg meetings and during a 2019 Reedsburg ArtsLink listening session.

The 2020 Harvest Park Crosswalk project will be managed by Reedsburg ArtsLink. Baraboo-based artist Laura Annis has been invited to design and lead the painting of the crosswalk. Laura was selected for a variety of reasons; she's a local artist who's completed many outstanding community projects, her aesthetic is fitting, she has an excellent reputation, and charges a price that is more than fair. Working with Reedsburg ArtsLink, Laura designed the 400 Trail Mural in 2015. Please see image attached.

The actual painting of the mural is expected to take one 8-hour day, with the support of at least 3 painters in addition to the artist. Since painting must occur when conditions are dry, multiple rain dates will be planned. Because Railroad is a busy street, barricades will be set up along with volunteer traffic controllers on each end and one lane of traffic will remain open at all times.

The crosswalk walk mural is expected to wear naturally over the years. Based on our experience with the last mural installed there, we expect the mural to have a life of approximately 2 years before significant fading. Laura's preliminary design draft is attached for your review. This design will be refined by the artist with input from all stakeholders once funding is approved. Please see attached the artist's preliminary design.

Timeline

March-May 2020
Working with the artist, the Reedsburg Arts Committee, the Chamber and the Public Works Department, finalize the crosswalk design.

May-June 2020
Recruit 5-10 volunteers to help with traffic control and painting.

June-July 2020
Complete the installation of the mural

Project Partners

Reedsburg Arts Committee: funding and approval of final design

Reedsburg Public Works Department: review of any needed street repairs for the section of street to be painted, approval of final design for safety; donation of paint; use of city barricades and cones, possible use of city pressure washer for painting prep

Reedsburg Police Department: notification of street painting and traffic disruption; use of water spicket on police building

Reedsburg Chamber of Commerce: input on design concept, promotion as part of city's cultural attributes, as appropriate
85 words

Discussions with project partners will begin once project is approved by the arts committee

Benefits to the City of Reedsburg/Community Engagement

The Harvest Park Cross Walk will enhance the streetscape on the Railroad Street corridor, which is transitioning from industrial to commercial/residential in its downtown segment. The new, beautiful and modern Walnut Street Flat Apartments have just been completed and are renting. The crosswalk creates visual interest and reflects further investment in that neighborhood. It also helps draw attention to the Chamber of Commerce, which welcomes so many of Reedsburg's visitors. In addition, it serves the greater Reedsburg community by adding to Reedsburg's growing cultural assets and making it a more vibrant place to visit and live. Communities that feel authentic are more likely to make a positive—and lasting--impression. The crosswalk strengthens Reedsburg's identity by reflecting its agricultural roots, which remain strong. Reedsburg is one of very few communities of its size that still supports a working feed mill; ours located just half a block west of Harvest Park.

The 400 Trail is already drawing thousands of visitors each year, and each of those visitors will decide whether they'd like to return at some point in the future, as a guest, or even as a new resident. A rich cultural environment supports a stronger connection to our community for them, and for those who currently call Reedsburg home.

Laura Annis, Artist

Laura Annis grew up in Trevor, WI and studied art at Columbia College in Chicago. After college, she remained in Chicago to work for 10 years. Her first introduction to Reedsburg was as a resident artist at the Wormfarm Institute in 2011. As part of her residency, she participated as a Farm Art DTour artist, and in the same year, relocated to Baraboo with her husband John, where she established a studio. She has produced a body of work that includes paintings, installations, set design and murals. Her murals are featured locally and internationally. She exhibits regularly within and beyond the Baraboo community and has been a Fall Art Tour artist since 2014. She is a member of Walldogs, a group of sign and mural artists from all over the globe, and the Global Mural Association.

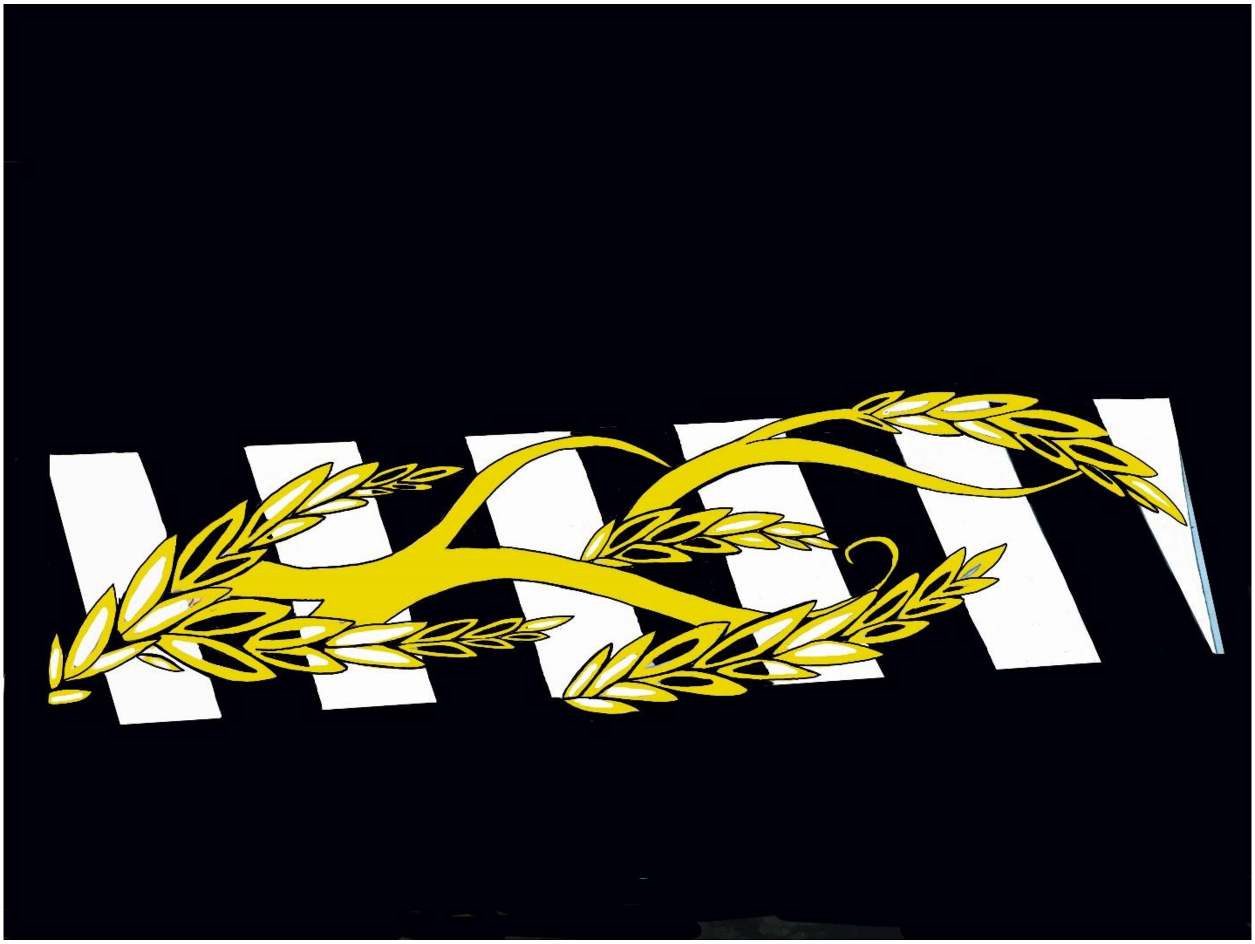
To view samples of Laura's work, visit www.lauraannis.com

Joann Mundth Douglas, Project Manager

Joann co-founded Reedsburg ArtsLink in 2014 an is currently the volunteer Director. Since then, she has managed multiple large and medium scale public art projects in Reedsburg including the award-winning Ruminant/Harvest Park project, the Blue Wing Mural project (in collaboration with Little Eagle Arts Foundation), the 400 Trail Community Mural, City Park's *To Re-Wild,* The Wishing Tree, and the Reedikulus Polychrome Walleye and Wildflower. She has a B.S. from UW Eau Claire and a certificate in Rural Arts Management awarded by Arts Wisconsin.


Corn Cob Crosswalk by Austen Weymueller, 2017

400 Trail Mural by Laura Annis, installed in downtown Reedsburg 2015-2017.



Preliminary rendering of 2020 Harvest park Crosswalk featuring a stalk of ripe wheat laid across thick zebra crossing lines. According to the artist, this rendering is offered as a “jumping off point”.

5/27/2020

Ruminant Maintenance Funding Request & Proposal

Presented to the Reedsburg Arts Committee

Following up on meetings with the Arts Committee and City Staff in 2019, Reedsburg ArtsLink requests funding for upgrades to Ruminant, the large-scale public art installation that is the focal point of Harvest Park.

Drawing from the artist's proposal, the attached budget outlines the upgrades and the associated costs.

Upgrades will occur as funds are raised in the coming 3 years. Our goal is to raise the funds needed to upgrade 2/3 of Ruminant's light boxes in 2020.

This spring/summer, the 4^{th} and final phase of Harvest Park Development will occur. This includes two new benches and landscaping on the north and west sides of the park.

BUDGET, RUMINANT UPGRADE 2020

INCOME			
	City of Reedsburg Arts Committee	$	2,500
	City of Reedsburg Room Tax	$	2,500
	Sauk County AHHP Grant	$	5,000
	TOTAL	**$**	**10,000**
EXPENSES			
	Fabrication of lightboxes	$	2,800
	powdercoating of lightboxes	$	2,000
	polycarbonate storm layer	$	1,600
	white diffuser layer (acrylic)	$	1,600
	hardware	$	200
	Artist fee	$	1,600
	Contingency	$	200
	TOTAL	**$**	**10,000**

Budget assumes to upgrade and repair roughly 2/3 of the existing square footage of Ruminant's lightboxes

CITY OF REEDSBURG – BUDGET PREPARATION CALENDAR
2021 - Budget Development

RESPONSIBLE DEPARTMENT / STAFF	ACTION / ACTIVITY	DATE
Administrator Budget Calendar and Municipal Code Chapter 72 Email	Initial email to Department Heads, Manager and Supervisors. Departments begin seeking information from Commissions, Boards and Committees for new 2021 Budget Year. Departments begin reviewing the current FY 2020 Begin preparing for new Budget FY 2021 Assumptions and Requests. Blank Budget Request Forms placed into “G” Drive under Budget 2021 Development	**July 6, 2020 Email** **July 2020**
Common Council Administrator	**FY 2020 Six Month Budget Review** General direction of Common Council for FY2021.	**June 22, 2020**
All Departments	**BUDGET MEETINGS WITH CITY ADMIN.** Meeting between with City Administrator and Department Heads on current city financials and budget requests, changes. (New request forms must be in place, Save to “G” Drive – Budget 2021 Folder) **Review annual Program:** 1. -- Labor or Reorganization Requests 2. -- Capital Equipment (CEP) Programs 3. -- Capital Improvement (CIP) Programs Justifications and assumptions help answer questions for new Labor, Capital Equipment and Capital Improvement Programs. Submit program upgrade/changes; new program requests; revenue projections to Commissions, Boards and Committees.	**Months of July and August** **City Administrator will establish appointments.**
All Departments	Operating Budget Justifications requests over and above the current 2020 budget numbers should be prepared on Budget Worksheets (Maintain a copy for your files). Additional summaries or listings of memberships/dues, publications, travel & training, annual agreements & contracts reviewed <u>Submittals Due to City Administrator by August 15, 2020</u> <u>(Chapter 72-3 Municipal Code)</u>	**August 15, 2020**

CITY OF REEDSBURG – BUDGET PREPARATION CALENDAR
2021 - Budget Development

	FINANCE COMMITTEE REVIEW	
All Departments with Capital Equipment, Capital Improvement Requests	**Focus: Capital Equipment and Capital Improvements** Review Proposed FY 2020 Capital Equipment and Capital Improvements. City Administrator and Departments to present "DRAFT" CEP and CIP to City Council.	**August 24, 2020**
Common Council	Request APPROVAL OF FY 2020 Capital Equipment and Capital Improvements BUDGETS from Common Council.	**September 14, 2020**
All Departments with new labor or Reorganizations,	**Focus: Labor and Operating Costs** Operating Budget will be prepared to present to Finance Committee: Justifications and or answer questions related to Personal, Labor, Operating and Budgets. Results of meetings in August and September will be changes or adjustments in preparation of the "Proposed 2021 Budget".	**October 2020**
	FINANCE COMMITTEE AND CITY COUNCIL MEETINGS	
City Council	Proposed FY 2021 Budget released by City Council, public hearing set for November 9, 2020. *Budget must be published 15 days prior to budget meetings. Public Budget Publish Date no later than Oct. 1, 2020.* City Council, Commissions (Jointly or Separately) set FY 2021 Budget Study Sessions and Set Public Hearing dates.	***October 26, 2020 City Council to set public hearing and possible approval November 9, 2020***
	CITY COUNCIL PUBLIC MEETINGS	
City Council Action **All Departments**	City Council has Public Hearing on proposed FY2020 Budget.	**November 9, 2020**
City Council Action	Adoption of Final 2021 Annual Budget by City Resolution. Direct Budget to be Published.	**November 9, 2020**
City Council (If Needed)	*If Needed: Adoption of Final 2021 Annual Budget by City Resolution. Direct Budget to be Published.*	***November 23, 2020***