

CITY OF NEW RICHMOND

New Richmond, Wisconsin

FINANCIAL STATEMENTS

Including Independent Auditors' Report

As of and for the Year Ended December 31, 2015

CITY OF NEW RICHMOND

TABLE OF CONTENTS As of and for the Year Ended December 31, 2015

	<u>Page(s)</u>
Independent Auditors' Report	i - iii
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	1
Statement of Activities	2 - 3
Fund Financial Statements	
Balance Sheet - Governmental Funds	4 - 5
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	6
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	7 - 8
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	9
Statement of Net Position - Proprietary Funds	10 - 11
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	12
Statement of Cash Flows - Proprietary Funds	13 - 14
Statement of Assets and Liabilities - Agency Funds	15
Index to Notes to Financial Statements	16
Notes to Financial Statements	17 - 63
Required Supplementary Information	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	64
Schedule of Funding Progress - Other Postemployment Benefits	65
Schedule of Employer's Proportionate Share of the Net Pension Asset - Wisconsin Retirement System (WRS)	66
Schedule of Employer Contributions - Wisconsin Retirement System (WRS)	66
Notes to Required Supplementary Information	67
Supplementary Information	
Detailed Schedule of Revenues - Budget and Actual - General Fund	68 - 69
Detailed Schedule of Expenditures - Budget and Actual - General Fund	70 - 71
Combining Balance Sheet - Nonmajor Governmental Funds	72 - 74
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	75 - 77
Combining Statement of Assets and Liabilities - Agency Funds	78
Rate of Return - Regulatory Basis	79

INDEPENDENT AUDITORS' REPORT

To the City Council
City of New Richmond
New Richmond, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of New Richmond, Wisconsin, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City of New Richmond'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 New Richmond'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 New Richmond'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.

To the City Council
City of New Richmond

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, each major fund, and the aggregate remaining fund information of the City of New Richmond, Wisconsin, as of December 31, 2015 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 New Richmond adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*, effective January 1, 2015. 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 schedule of revenues, expenditures and changes in fund balance - budget and actual - general fund; schedule of funding progress - other postemployment benefits; schedule of employer's proportionate share of the net pension asset; and schedule of employer contributions 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.

To the City Council
City of New Richmond

Supplementary Information

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

Baker Tilly Vichow Krause, LLP

June 13, 2016

CITY OF NEW RICHMOND

STATEMENT OF NET POSITION
As of December 31, 2015

	Governmental Activities	Business-type Activities	Totals
ASSETS			
Cash and investments	\$ 3,122,524	\$ 6,769,165	\$ 9,891,689
Receivables (net)			
Taxes receivable	5,613,282	-	5,613,282
Special assessments	59,546	-	59,546
Notes receivable	1,277,007	32,567	1,309,574
Other receivables	138,961	1,732,241	1,871,202
Due from other governmental units	170,348	-	170,348
Internal balances	436,068	(436,068)	-
Inventories and prepaid items	-	305,204	305,204
Restricted Assets			
Cash and investments	355,148	1,389,148	1,744,296
Net pension asset	584,042	234,824	818,866
Capital Assets			
Construction in progress	867,871	225,663	1,093,534
Land	7,345,494	106,146	7,451,640
Other capital assets, net of depreciation	<u>33,826,368</u>	<u>26,818,292</u>	<u>60,644,660</u>
Total Assets	<u>53,796,659</u>	<u>37,177,182</u>	<u>90,973,841</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related amounts	<u>604,795</u>	<u>245,100</u>	<u>849,895</u>
Total Deferred Outflows of Resources	<u>604,795</u>	<u>245,100</u>	<u>849,895</u>
LIABILITIES			
Accounts payable	587,313	767,174	1,354,487
Accrued liabilities	328,692	86,734	415,426
Customer deposits	-	27,766	27,766
Due to other taxing units	196	-	196
Noncurrent Liabilities			
Due within one year	2,263,961	552,171	2,816,132
Due in more than one year	<u>16,273,875</u>	<u>4,416,997</u>	<u>20,690,872</u>
Total Liabilities	<u>19,454,037</u>	<u>5,850,842</u>	<u>25,304,879</u>
DEFERRED INFLOWS OF RESOURCES			
Unearned revenue	<u>5,558,173</u>	-	<u>5,558,173</u>
Total Deferred Inflows of Resources	<u>5,558,173</u>	-	<u>5,558,173</u>
NET POSITION			
Net investment in capital assets	27,210,193	23,196,864	50,070,782
Restricted for			
Debt service	-	146,163	146,163
Library projects	205,564	-	205,564
Park land projects	80,869	-	80,869
Future facility improvements	350,185	432,199	782,384
TIF district projects	698,867	-	698,867
CDBG revolving housing loan program	330,903	-	330,903
Equipment replacement	-	395,625	395,625
Pension	584,042	234,824	818,866
Unrestricted (deficit)	<u>(71,379)</u>	<u>7,165,765</u>	<u>7,430,661</u>
TOTAL NET POSITION	<u>\$ 29,389,244</u>	<u>\$ 31,571,440</u>	<u>\$ 60,960,684</u>

See accompanying notes to financial statements.

CITY OF NEW RICHMOND

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2015

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General government	\$ 1,297,423	\$ 325,213	\$ -	\$ 45,900
Public safety	2,529,750	21,131	101,133	5,584
Public works	2,512,341	364,130	782,078	929,428
Health and human services	12,120	-	-	-
Leisure activities	1,385,900	188,889	393,453	53,934
Conservation and development	713,731	-	-	12,547
Interest and fiscal charges	<u>570,290</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Governmental Activities	<u>9,021,555</u>	<u>899,363</u>	<u>1,276,664</u>	<u>1,047,393</u>
Business-type Activities				
Electric Utility	9,254,479	9,682,954	-	116,993
Water Utility	1,569,630	1,461,574	-	66,668
Sewer Utility	<u>1,663,591</u>	<u>1,449,056</u>	<u>-</u>	<u>61,400</u>
Total Business-type Activities	<u>12,487,700</u>	<u>12,593,584</u>	<u>-</u>	<u>245,061</u>
Totals	<u>\$ 21,509,255</u>	<u>\$ 13,492,947</u>	<u>\$ 1,276,664</u>	<u>\$ 1,292,454</u>

General Revenues

Taxes

 Property taxes, levied for general purposes

 Property taxes, levied for debt service

 Property taxes, levied for TIF districts

 Property taxes, levied for capital assets

 Other taxes

Intergovernmental revenues not restricted to specific programs

Investment income

Gain on disposal of assets

Miscellaneous

Total General Revenues

Transfers

Total General Revenues and Transfers

Change in net position

NET POSITION - Beginning of Year (as restated)

NET POSITION - END OF YEAR

Net (Expenses) Revenues and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Totals</u>
\$ (926,310)	\$ -	\$ (926,310)
(2,401,902)	-	(2,401,902)
(436,705)	-	(436,705)
(12,120)	-	(12,120)
(749,624)	-	(749,624)
(701,184)	-	(701,184)
<u>(570,290)</u>	<u>-</u>	<u>(570,290)</u>
<u>(5,798,135)</u>	<u>-</u>	<u>(5,798,135)</u>
-	545,468	545,468
-	(41,388)	(41,388)
-	<u>(153,135)</u>	<u>(153,135)</u>
-	<u>350,945</u>	<u>350,945</u>
<u>(5,798,135)</u>	<u>350,945</u>	<u>(5,447,190)</u>
2,923,903	-	2,923,903
1,532,420	-	1,532,420
869,414	-	869,414
96,350	-	96,350
133,033	-	133,033
628,501	-	628,501
49,364	53,185	102,549
762,361	-	762,361
<u>87,158</u>	<u>-</u>	<u>87,158</u>
7,082,504	53,185	7,135,689
<u>302,854</u>	<u>(302,854)</u>	<u>-</u>
<u>7,385,358</u>	<u>(249,669)</u>	<u>7,135,689</u>
1,587,223	101,276	1,688,499
<u>27,802,021</u>	<u>31,470,164</u>	<u>59,272,185</u>
<u>\$ 29,389,244</u>	<u>\$ 31,571,440</u>	<u>\$ 60,960,684</u>

See accompanying notes to financial statements.

CITY OF NEW RICHMOND

BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2015

	<u>General Fund</u>	<u>General Debt Service</u>	<u>Capital Projects</u>
ASSETS			
Cash and investments	\$ 1,411,765	\$ 1,928	\$ 113,628
Restricted cash and investments	-	-	-
Receivables (net)			
Taxes	2,975,060	1,532,420	-
Delinquent personal property taxes	43,069	-	-
Accounts	121,326	-	17,635
Notes	16,483	910,000	34,149
Special assessments	45,129	-	-
Due from other governmental units	64,198	12,109	12,389
Due from other funds	453,591	-	-
Advances to other funds	<u>61,719</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 5,192,340</u>	<u>\$ 2,456,457</u>	<u>\$ 177,801</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 227,160	\$ -	\$ 80,121
Accrued liabilities	208,745	-	-
Due to other taxing units	196	-	-
Due to other funds	27,536	-	8,533
Advances from other funds	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>463,637</u>	<u>-</u>	<u>88,654</u>
Deferred Inflows of Resources			
Unearned revenues	2,971,310	1,532,420	-
Unavailable revenues	<u>48,032</u>	<u>922,109</u>	<u>62,739</u>
Total Deferred Inflows of Resources	<u>3,019,342</u>	<u>2,454,529</u>	<u>62,739</u>
Fund Balances			
Nonspendable	72,980	-	-
Restricted	-	1,928	-
Committed	-	-	26,408
Assigned	67,939	-	-
Unassigned (deficit)	<u>1,568,442</u>	<u>-</u>	<u>-</u>
Total Fund Balances (Deficit)	<u>1,709,361</u>	<u>1,928</u>	<u>26,408</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 5,192,340</u>	<u>\$ 2,456,457</u>	<u>\$ 177,801</u>

See accompanying notes to financial statements.

Nonmajor Governmental Funds	Totals
\$ 1,595,203	\$ 3,122,524
355,148	355,148
1,062,733	5,570,213
-	43,069
-	138,961
316,375	1,277,007
14,417	59,546
81,652	170,348
46,902	500,493
-	61,719
<u>\$ 3,472,430</u>	<u>\$ 11,299,028</u>

\$ 280,032	\$ 587,313
2,507	211,252
-	196
28,356	64,425
<u>61,719</u>	<u>61,719</u>
<u>372,614</u>	<u>924,905</u>

1,054,443	5,558,173
<u>420,701</u>	<u>1,453,581</u>
<u>1,475,144</u>	<u>7,011,754</u>

-	72,980
1,337,882	1,339,810
362,308	388,716
-	67,939
<u>(75,518)</u>	<u>1,492,924</u>
<u>1,624,672</u>	<u>3,362,369</u>

<u>\$ 3,472,430</u>	<u>\$ 11,299,028</u>
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See accompanying notes to financial statements.

CITY OF NEW RICHMOND

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION As of December 31, 2015

Total Fund Balances - Governmental Funds	\$	3,362,369
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds.

Land		7,345,494
Construction in progress		867,871
Other capital assets		52,263,413
Less: Accumulated depreciation		(18,437,045)

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.

Special assessments included in taxes receivable		12,040
Special assessments		23,304
Account receivable		18,912
Due from other governments		122,318
Loans receivable		1,277,007

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

584,042

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

604,795

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

General obligation debt		(17,379,685)
Accrued interest on general obligation debt		(117,440)
Compensated absences		(335,861)
Landfill long-term costs		(254,787)
Landfill remediation costs		(115,826)
Unfunded prior service service costs		(143,679)
Other postemployment benefits		(307,998)

NET POSITION OF GOVERNMENTAL ACTIVITIES

\$ 29,389,244

CITY OF NEW RICHMOND

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

For the Year Ended December 31, 2015

	General Fund	General Debt Service	Capital Projects
REVENUES			
Taxes	\$ 3,054,386	\$ 1,532,420	\$ -
Intergovernmental	1,580,523	1,685	10,000
Licenses and permits	271,670	-	-
Fines, forfeitures and penalties	80,152	-	-
Public charges for services	246,451	-	-
Intergovernmental charges for services	24,308	-	-
Special assessments	3,196	-	-
Investment income	15,498	37,550	1,614
Miscellaneous	126,388	60,000	96,412
Total Revenues	5,402,572	1,631,655	108,026
EXPENDITURES			
Current			
General government	1,273,825	-	-
Public safety	2,277,842	-	-
Public works	1,187,776	-	-
Health and human services	12,120	-	-
Leisure activities	1,132,439	-	-
Conservation and development	122,837	-	-
Capital Outlay	13,704	-	580,775
Debt Service			
Principal	-	5,322,150	-
Interest and fiscal charges	-	595,567	-
Total Expenditures	6,020,543	5,917,717	580,775
Excess (deficiency) of revenues over expenditures	(617,971)	(4,286,062)	(472,749)
OTHER FINANCING SOURCES (USES)			
Debt issued	-	530,000	706,424
Premium on debt issued	-	9,236	-
Transfers in	608,829	3,748,772	-
Transfers out	(90,467)	-	(100,000)
Property sales	-	-	-
Total Other Financing Sources (Uses)	518,362	4,288,008	606,424
Net Change in Fund Balances	(99,609)	1,946	133,675
FUND BALANCES (DEFICIT) - Beginning of Year	1,808,970	(18)	(107,267)
FUND BALANCES - END OF YEAR	\$ 1,709,361	\$ 1,928	\$ 26,408

See accompanying notes to financial statements.

Nonmajor Governmental Funds	Totals
\$ 965,764	\$ 5,552,570
56,924	1,649,132
-	271,670
-	80,152
283,074	529,525
-	24,308
7,208	10,404
(3,662)	51,000
<u>321,104</u>	<u>603,904</u>
<u>1,630,412</u>	<u>8,772,665</u>
-	1,273,825
-	2,277,842
436,399	1,624,175
-	12,120
93,659	1,226,098
594,154	716,991
776,624	1,371,103
-	5,322,150
<u>54,095</u>	<u>649,662</u>
<u>1,954,931</u>	<u>14,473,966</u>
<u>(324,519)</u>	<u>(5,701,301)</u>
3,460,000	4,696,424
50,196	59,432
563,339	4,920,940
(4,221,644)	(4,412,111)
<u>779,467</u>	<u>779,467</u>
<u>631,358</u>	<u>6,044,152</u>
306,839	342,851
<u>1,317,833</u>	<u>3,019,518</u>
<u>\$ 1,624,672</u>	<u>\$ 3,362,369</u>

See accompanying notes to financial statements.

CITY OF NEW RICHMOND

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, 2015

Net change in fund balances - total governmental funds	\$	342,851
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Amounts reported for governmental activities in the statement of activities are different because:

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

Capital outlay is capitalized in the government-wide statements	1,371,103
Some capital outlay is not capitalized in the government-wide statements	(71,353)
Some items reported as operating expenditures in the fund financial statements but are capitalized in the government-wide statements	247,081
Some items reported as capital outlay or operating expenditures were transferred to the business-type activities	(205,975)
Contributed capital assets are reported as revenues in the government-wide financial statements	795,000
Depreciation is reported in the government-wide statements	(1,407,615)
Loss on disposal of capital assets is reported in the government-wide statements	(73,285)

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.

Special assessments	(10,916)
Accounts receivable	1,765
Due from other governments	65,842
Loan receivable	(82,688)

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	(4,696,424)
Principal repaid	5,322,150

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.

Change in compensated absences liability	48,553
Change in accrued interest payable	19,940
Change in unfunded prior service costs	23,527
Change in landfill long-term liability	16,148
Change in landfill remediation liability	28,243
Change in other postemployment benefits	(152,667)
Net pension asset (and pension related deferred outflows of resources)	<u>5,943</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	<u>1,587,223</u>
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CITY OF NEW RICHMOND

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 As of December 31, 2015

	Business-type Activities - Enterprise Funds			
	Electric Utility	Water Utility	Sewer Utility	Totals
ASSETS				
Current Assets				
Cash and investments	\$ 2,188,105	\$ 1,726,935	\$ 2,854,125	\$ 6,769,165
Restricted cash - redemption account	48,211	86,741	36,140	171,092
Receivables				
Accounts	1,201,343	247,329	205,374	1,654,046
Other	52,907	20,586	4,702	78,195
Due from other funds	8,639	11,031	27,536	47,206
Inventories	294,220	10,736	248	305,204
Notes receivable - current portion	13,862	-	-	13,862
Total Current Assets	<u>3,807,287</u>	<u>2,103,358</u>	<u>3,128,125</u>	<u>9,038,770</u>
Noncurrent Assets				
Restricted Assets				
Reserve account	176,321	168,651	45,260	390,232
Replacement account	-	-	395,625	395,625
Impact fees	-	384,767	47,432	432,199
Net pension asset	115,114	72,027	47,683	234,824
Capital Assets				
Construction in progress	122,843	55,137	47,683	225,663
Plant in service	14,104,817	16,312,964	18,462,409	48,880,190
Less: Accumulated depreciation	(8,345,504)	(4,384,358)	(9,225,890)	(21,955,752)
Other Assets				
Notes receivable	18,705	-	-	18,705
Total Noncurrent Assets	<u>6,192,296</u>	<u>12,609,188</u>	<u>9,820,202</u>	<u>28,621,686</u>
Total Assets	<u>9,999,583</u>	<u>14,712,546</u>	<u>12,948,327</u>	<u>37,660,456</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension related amounts	<u>118,354</u>	<u>77,505</u>	<u>49,241</u>	<u>245,100</u>
Total Deferred Outflows of Resources	<u>118,354</u>	<u>77,505</u>	<u>49,241</u>	<u>245,100</u>

See accompanying notes to financial statements.

	Business-type Activities - Enterprise Funds			
	Electric Utility	Water Utility	Sewer Utility	Totals
LIABILITIES				
Current Liabilities				
Accounts payable	\$ 673,644	\$ 45,138	\$ 48,392	\$ 767,174
Accrued expenses	36,485	13,905	11,415	61,805
Customer deposits	19,442	8,324	-	27,766
Due to other funds	253,335	229,939	-	483,274
Current portion of accrued compensated absences	55,600	35,662	13,710	104,972
Current portion of notes payable	13,730	-	-	13,730
Liabilities Payable from Restricted Assets				
Current portion of revenue bonds	140,000	100,000	193,469	433,469
Accrued interest	9,910	10,280	4,739	24,929
Total Current Liabilities	<u>1,202,146</u>	<u>443,248</u>	<u>271,725</u>	<u>1,917,119</u>
Noncurrent Liabilities				
Long-Term Debt				
Accrued compensated absences	187,523	120,279	46,239	354,041
Revenue bonds payable	1,625,000	1,520,000	765,000	3,910,000
Notes payable	18,836	-	-	18,836
Other postemployment benefits liability	58,983	46,286	28,851	134,120
Total Noncurrent Liabilities	<u>1,890,342</u>	<u>1,686,565</u>	<u>840,090</u>	<u>4,416,997</u>
Total Liabilities	<u>3,092,488</u>	<u>2,129,813</u>	<u>1,111,815</u>	<u>6,334,116</u>
NET POSITION				
Net investment in capital assets	4,293,477	10,532,394	8,370,993	23,196,864
Restricted for				
Redemption	38,301	76,461	31,401	146,163
Future facility improvements	-	384,767	47,432	432,199
Equipment replacement	-	-	395,625	395,625
Pension	115,114	72,027	47,683	234,824
Unrestricted	<u>2,578,557</u>	<u>1,594,589</u>	<u>2,992,619</u>	<u>7,165,765</u>
TOTAL NET POSITION	<u>\$ 7,025,449</u>	<u>\$ 12,660,238</u>	<u>\$ 11,885,753</u>	<u>\$ 31,571,440</u>

See accompanying notes to financial statements.

CITY OF NEW RICHMOND

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

For the Year Ended December 31, 2015

	Business-type Activities - Enterprise Funds			
	Electric Utility	Water Utility	Sewer Utility	Totals
OPERATING REVENUES	<u>\$ 9,682,954</u>	<u>\$ 1,461,574</u>	<u>\$ 1,449,056</u>	<u>\$ 12,593,584</u>
OPERATING EXPENSES				
Operation and maintenance	8,495,824	1,179,276	1,057,593	10,732,693
Depreciation	578,110	307,220	540,384	1,425,714
Taxes	65,127	17,089	32,317	114,533
Total Operating Expenses	<u>9,139,061</u>	<u>1,503,585</u>	<u>1,630,294</u>	<u>12,272,940</u>
Operating Income (Loss)	<u>543,893</u>	<u>(42,011)</u>	<u>(181,238)</u>	<u>320,644</u>
NONOPERATING REVENUES (EXPENSES)				
Investment income	8,193	14,613	30,379	53,185
Interest and fiscal charges	(109,126)	(64,634)	(33,297)	(207,057)
Non-utility expenses	(6,292)	(1,411)	-	(7,703)
Total Nonoperating Revenues (Expenses)	<u>(107,225)</u>	<u>(51,432)</u>	<u>(2,918)</u>	<u>(161,575)</u>
Income (Loss) Before Contributions and Transfers	<u>436,668</u>	<u>(93,443)</u>	<u>(184,156)</u>	<u>159,069</u>
CONTRIBUTIONS AND TRANSFERS				
Capital contributions	213,242	147,745	90,049	451,036
Transfers out	(246,703)	(262,126)	-	(508,829)
Total Contributions and Transfers	<u>(33,461)</u>	<u>(114,381)</u>	<u>90,049</u>	<u>(57,793)</u>
Change in Net Position	403,207	(207,824)	(94,107)	101,276
NET POSITION - Beginning of Year (as restated)	<u>6,622,242</u>	<u>12,868,062</u>	<u>11,979,860</u>	<u>31,470,164</u>
NET POSITION - END OF YEAR	<u>\$ 7,025,449</u>	<u>\$ 12,660,238</u>	<u>\$ 11,885,753</u>	<u>\$ 31,571,440</u>

See accompanying notes to financial statements.

CITY OF NEW RICHMOND

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended December 31, 2015

	Business-type Activities - Enterprise Funds			
	Electric Utility	Water Utility	Sewer Utility	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Received from customers	\$ 9,606,929	\$ 1,428,269	\$ 1,490,278	\$ 12,525,476
Received from municipality for services	204,875	-	-	204,875
Paid to suppliers for goods and services	(8,130,918)	(752,652)	(784,794)	(9,668,364)
Paid to employees for services	(528,110)	(373,175)	(296,113)	(1,197,398)
Net Cash Flows From Operating Activities	<u>1,152,776</u>	<u>302,442</u>	<u>409,371</u>	<u>1,864,589</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment income	<u>8,193</u>	<u>14,613</u>	<u>30,379</u>	<u>53,185</u>
Net Cash Flows From Investing Activities	<u>8,193</u>	<u>14,613</u>	<u>30,379</u>	<u>53,185</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Paid to municipality for tax equivalent Advances to other funds	(246,192)	(264,221)	-	(510,413)
Net Cash Flows From Noncapital Financing Activities	<u>266,721</u>	<u>-</u>	<u>-</u>	<u>266,721</u>
	<u>20,529</u>	<u>(264,221)</u>	<u>-</u>	<u>(243,692)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Debt issued	1,789,782	-	-	1,789,782
Debt retired	(1,886,079)	(100,000)	(223,560)	(2,209,639)
Interest and fiscal charges paid	(119,196)	(65,261)	(34,288)	(218,745)
Capital contributions received	116,087	66,668	61,400	244,155
Acquisition and construction of capital assets	(590,282)	(139,880)	(43,769)	(773,931)
Net Cash Flows From Capital and Related Financing Activities	<u>(689,688)</u>	<u>(238,473)</u>	<u>(240,217)</u>	<u>(1,168,378)</u>
Net Change in Cash and Cash Equivalents	491,810	(185,639)	199,533	505,704
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>1,920,827</u>	<u>2,552,733</u>	<u>3,179,049</u>	<u>7,652,609</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 2,412,637</u>	<u>\$ 2,367,094</u>	<u>\$ 3,378,582</u>	<u>\$ 8,158,313</u>

See accompanying notes to financial statements.

	Business-type Activities - Enterprise Funds			
	Electric Utility	Water Utility	Sewer Utility	Totals
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income (loss)	\$ 543,893	\$ (42,011)	\$ (181,238)	\$ 320,644
Nonoperating income	(6,292)	(1,411)	-	(7,703)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Activities				
Depreciation	578,110	307,220	540,384	1,425,714
Depreciation charged to other funds	-	31,709	(31,709)	-
Changes in assets and liabilities				
Customer accounts receivable	135,187	(16,239)	6,887	125,835
Other accounts receivable	-	(10,517)	(2,546)	(13,063)
Due from other funds	-	(11,031)	68,590	57,559
Inventories	(92,831)	(1,121)	14	(93,938)
Note receivable	(13,704)	-	34,296	20,592
Accounts payable	(42,898)	29,342	3,847	(9,709)
Compensated absences	14,819	15,385	(43,333)	(13,129)
Other current liabilities	1,267	1,710	664	3,641
Customer deposits	(45)	(23,716)	-	(23,761)
Post employment benefits	30,182	24,392	13,863	68,437
Due to other funds	5,409	4,482	-	9,891
Pension related deferrals and asset	(321)	(3,652)	(348)	(4,321)
Unearned revenues	-	(2,100)	-	(2,100)
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 1,152,776</u>	<u>\$ 302,442</u>	<u>\$ 409,371</u>	<u>\$ 1,864,589</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS				
Cash and investments	\$ 2,188,105	\$ 1,726,935	\$ 2,854,125	\$ 6,769,165
Restricted cash and investments	<u>224,532</u>	<u>640,159</u>	<u>524,457</u>	<u>1,389,148</u>
CASH AND CASH EQUIVALENTS	<u>\$ 2,412,637</u>	<u>\$ 2,367,094</u>	<u>\$ 3,378,582</u>	<u>\$ 8,158,313</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
City contributed property	<u>\$ 96,249</u>	<u>\$ 81,077</u>	<u>\$ 28,649</u>	

See accompanying notes to financial statements.

CITY OF NEW RICHMOND

STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
As of December 31, 2015

	<u>Agency Funds</u>
ASSETS	
Cash and investments	\$ 2,291,496
Receivables	
Taxes	<u>6,965,526</u>
TOTAL ASSETS	<u><u>\$ 9,257,022</u></u>
LIABILITIES	
Deposits	\$ 24,895
Due to other taxing units	<u>9,232,127</u>
TOTAL LIABILITIES	<u><u>\$ 9,257,022</u></u>

See accompanying notes to financial statements.

CITY OF NEW RICHMOND

INDEX TO NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE	Page
I Summary of Significant Accounting Policies	17
A. Reporting Entity	17
B. Government-Wide and Fund Financial Statements	17
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	20
D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity	21
1. Deposits and Investments	21
2. Receivables	23
3. Inventories	24
4. Restricted Assets	24
5. Capital Assets	25
6. Other Assets	25
7. Deferred Outflows of Resources	26
8. Compensated Absences	26
9. Long-Term Obligations	26
10. Deferred Inflows of Resources	26
11. Equity Classifications	27
12. Basis for Existing Rates	28
II Stewardship, Compliance, and Accountability	29
A. Deficit Balances	29
B. Limitations on the City's Tax Levy	30
III Detailed Notes on All Funds	30
A. Deposits and Investments	30
B. Receivables	33
C. Restricted Assets	34
D. Capital Assets	35
E. Interfund Receivables/Payables, Advances and Transfers	39
F. Long-Term Obligations	42
G. Closure and Postclosure Care Cost	47
H. Net Position/Fund Balances	47
I. Restatement of Net Position	49
IV Other Information	50
A. Employees' Retirement System	50
B. Risk Management	55
C. Commitments and Contingencies	55
D. Joint Ventures	57
E. Other Postemployment Benefits	58
F. Subsequent Events	61
G. Related Organizations	62
H. Effect of New Accounting Standards on Current-Period Financial Statements	62
I. Nonexchange Financial Guarantee	63

CITY OF NEW RICHMOND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of New Richmond, 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 city has not identified any organizations that meet this criteria.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

In June 2012, the GASB issued statement No. 68 - *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*. This statement establishes standards for measuring and recognizing assets, liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to pensions. In November 2013, the GASB issued statement No. 71 - *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. This statement addresses an issue regarding application of the transition provisions of Statement No. 68. These standards were implemented January 1, 2015.

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.

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

CITY OF NEW RICHMOND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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 restricted, committed, or assigned for the payment of general long-term debt principal, interest, and related costs.
- Capital Projects - used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

The city reports the following major enterprise funds:

- Electric Utility - accounts for operations of the electric system
- Water Utility - accounts for operations of the water system
- Sewer Utility - accounts for operations of the sewer system

CITY OF NEW RICHMOND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

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 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).

- Park Land Trust Fund
- Library Trust Fund
- Storm Water Utility
- CDBG Revolving Housing
- Impact Fees

Debt Service Fund - 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.

- Tax Increment Financing (TIF) District #5

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.

- Landfill Assurance
- Tax Increment Financing (TIF) District #6
- Tax Increment Financing (TIF) District #7
- Tax Increment Financing (TIF) District #8
- Tax Increment Financing (TIF) District #9
- Tax Increment Financing (TIF) District #10
- Capital Replacement Fund

In addition, the city reports the following fund type:

Agency Funds - used to account for and report assets held by the city in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units.

- Tax Collection Fund
- Employee Flex Plan
- Armed Services Memorial

CITY OF NEW RICHMOND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

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 electric, water and sewer utilities and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund Financial Statements

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

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

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

Special assessments are recorded as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and unavailable revenues. Delinquent special assessments being held by the county are reported as receivables and unavailable revenues.

CITY OF NEW RICHMOND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

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

Fund Financial Statements (cont.)

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 fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note. Agency funds follow the accrual basis of accounting, and do not have a measurement focus.

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 electric, water and sewer utility funds are charges to customers for sales and services. Special assessments are recorded as receivables and contribution revenue when levied. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

All Financial Statements

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

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 maturing in three years or less.

CITY OF NEW RICHMOND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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.)

- 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 adopted an investment policy. The policy specifically excludes the funds of the City of New Richmond Utility (electric, water and sewer utilities). That policy contains the following guidelines:

Credit Risk - The investment policy follows the state statute for allowable investments. The policy does not address credit risk for U.S. Agency securities implicitly guaranteed.

Concentration of Credit Risk - The policy states investments should be limited to avoid overconcentration in securities to a specific issuer, industry, or business sector, excluding U.S. Treasury obligations.

Interest Rate Risk - The policy specifies the investment portfolio shall be structured so securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.

The city's investment policy does not address custodial credit risk. The City of New Richmond Utility has not adopted an investment policy.

CITY OF NEW RICHMOND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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 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. 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, 2015, 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 assets and liabilities - agency funds.

Property tax calendar - 2015 tax roll:

Lien date and levy date	December 2015
Tax bills mailed	December 2015
Payment in full, or	January 31, 2016
First installment due	January 31, 2016
Second installment due	July 31, 2016
Personal property taxes in full	January 31, 2016
Tax sale - 2015 delinquent real estate taxes	October 2018

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.

CITY OF NEW RICHMOND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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 \$81,875.

It is the city's policy to record unavailable revenue for the net amount of the receivable balance. As loans are repaid, revenue is recognized. When new loans are made from the repayments, expenditures are recorded. 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.

3. Inventories

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.

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.

CITY OF NEW RICHMOND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

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 \$5,000 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 fair value at the date of donation. Intangible assets having an initial cost of more than \$50,000 and estimated useful life in excess of one year are also capitalized.

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 of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation 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	30-100 Years
Machinery and Equipment	2-30 Years
Infrastructure	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.

6. Other Assets

The city has a long-term receivable from the West Central Biosolids Facility for its share of the funds advanced for construction of the facility.

CITY OF NEW RICHMOND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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.)

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. Upon retirement of an employee, the vested sick leave balance is converted into a Health Reimbursement Account until the balance is exhausted. Upon death of an employee, the vested sick leave balance is paid to a beneficiary.

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, 2015, are determined on the basis of current salary rates and include salary related payments.

9. Long-Term Obligations

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, landfill obligation, unfunded prior service costs 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.

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.

CITY OF NEW RICHMOND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

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

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 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."

The net position section includes an adjustment for capital assets owned by the business-type activities column, but financed by the debt of the governmental activities column. The amount is a reduction of "net investment in capital assets", and an increase in "unrestricted" net position, shown only in the total column. A reconciliation of this adjustment is as follows:

	Governmental Activities	Business-type Activities	Adjustment	Total
Net investment in capital assets	\$ 27,210,193	\$ 23,196,864	\$ (336,275)	\$ 50,070,782
Unrestricted	(71,379)	7,165,765	336,275	7,430,661

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

Fund Statements

Governmental fund balances are displayed as follows:

- a. Nonspendable - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. Restricted - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.

CITY OF NEW RICHMOND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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 (cont.)

- 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 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.

See Note III. H. for further information.

12. Basis for Existing Rates

Electric Utility

Electric rates were approved by the PSCW on November 22, 2013 and placed into effect by the utility on December 1, 2013. The rates are designed to provide a 6.25% return on rate base.

CITY OF NEW RICHMOND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

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.)

12. Basis for Existing Rates (cont.)

Water Utility

On May 22, 2014, the PSCW approved water rates that became effective July 1, 2014. The rates are designed to provide a 6.5% return on rate base.

Sewer Utility

The utility commission approved sewer rates on January 10, 2012 which became effective April 1, 2012.

NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. DEFICIT BALANCES

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

As of December 31, 2015, the following individual funds held a deficit balance:

<u>Fund</u>	<u>Amount</u>	<u>Reason</u>
Landfill Assurance	\$ 13,799	Expenditures in excess of revenues
TIF District #9	41,426	Project costs in excess of increment
TIF District #10	20,293	Project costs in excess of increment

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

CITY OF NEW RICHMOND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

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

B. 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	Bank and Investment Balances	Associated Risks
Demand deposits	\$ 1,866,631	\$ 1,935,634	Custodial credit risk
Money market	68,722	65,016	Custodial credit risk
U.S. agency bonds - explicit guarantee	510,784	510,784	Custodial credit and interest rate risks
U.S. agency bonds - implicit guarantee	484,445	484,445	Credit, custodial credit, concentration of credit and interest rate risks
U.S. treasuries	150,491	150,491	Custodial credit and interest rate risks
State and local bonds	77,642	77,642	Credit, custodial credit, concentration of credit and interest rate risks
Repurchase sweep agreements	832,793	832,793	Credit, custodial credit, concentration of credit and interest rate risks
Negotiable certificates of deposit	2,511,845	2,511,845	Credit, custodial credit, concentration of credit and interest rate risks
Mutual funds	29,173	29,173	N/A
LGIP	7,247,014	7,247,014	Credit risk
Exchange-traded products	145,591	145,591	N/A
Petty cash	2,350	-	N/A
	<u>\$ 13,927,481</u>	<u>\$ 13,990,428</u>	
Total Deposits and Investments			

CITY OF NEW RICHMOND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

A. DEPOSITS AND INVESTMENTS (cont.)

Reconciliation to financial statements

Per statement of net position

Unrestricted cash and investments	\$ 9,891,689
Restricted cash and investments	1,744,296

Per statement of assets and liabilities -
agency funds

Agency Funds	<u>2,291,496</u>
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Total Deposits and Investments	<u>\$ 13,927,481</u>
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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 Securities Investor Protection Corporation (SIPC), created by the Securities Investor Protection Act of 1970, is an independent government-sponsored corporation (not an agency of the U.S. government).

SIPC membership provides account protection up to a maximum of \$500,000 per customer, of which \$100,000 may be in cash. \$700,464 of the city's investments are covered by SIPC.

The city maintains collateral agreements with its banks. At December 31, 2015, the banks had pledged various government securities in the amount of \$1,423,678 to secure the city's deposits.

The banks had also pledged various government securities in the amount of \$832,793 to secure the city's repurchase sweep agreements.

Custodial Credit Risk

Deposits

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

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

CITY OF NEW RICHMOND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

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, \$853,845 of the city's investments were exposed to custodial credit risk due to investment account balances in excess of SIPC coverage.

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, 2015, the city's investments were rated as follows:

<u>Investment Type</u>	<u>Standard & Poors</u>	<u>Moody's Investors Services</u>
Federal Home Loan Bank	AA+	Aaa
Federal Farm Credit Bank	AA+	Aaa

The city also held investments in the following external pool which is not rated:

Wisconsin Local Government Investment Pool (LGIP)

The city also has investments in negotiable certificates of deposit and state and local bonds which have unknown credit ratings.

CITY OF NEW RICHMOND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

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, 2015, the city's investments were as follows:

Investment Type	Fair Value	Maturity (In Years)		
		Less than 1	1 - 3	3 +
U.S. agency bonds - explicit guarantee	\$ 510,784	\$ -	\$ 307,824	\$ 202,960
U.S. agency bonds - implicit guarantee	484,445	-	249,618	234,827
U.S. treasuries	150,491	-	150,491	-
State and local bonds	77,642	-	77,642	-
Repurchase sweep agreements	832,793	832,793	-	-
Negotiable certificates of deposit	<u>2,511,845</u>	<u>936,790</u>	<u>1,575,055</u>	-
Totals	<u>\$ 4,568,000</u>	<u>\$ 1,769,583</u>	<u>\$ 2,360,630</u>	<u>\$ 437,787</u>

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

B. RECEIVABLES

All of the receivables on the balance sheet are expected to be collected within one year except for \$24,250 in the general fund, \$860,736 in the debt service fund, \$37,377 in the capital projects fund, \$18,703 in the electric utility, and \$320,216 in the nonmajor funds.

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	\$ 5,558,173	\$ 12,040
Accounts receivable	-	18,912
Due from other governments	-	122,318
Special assessments not yet due	-	23,304
Loans receivable	-	<u>1,277,007</u>
Total Unearned/Unavailable Revenue for Governmental Funds	<u>\$ 5,558,173</u>	<u>\$ 1,453,581</u>

CITY OF NEW RICHMOND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

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

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.

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.

Impact Fee Account

The city 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 current property owner.

Net Pension Asset

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

Following is a list of restricted assets at December 31, 2015:

	Restricted Assets	Liabilities Payable from Restricted Assets	Restricted Net Position
	<u> </u>	<u> </u>	<u> </u>
Bond redemption account	\$ 171,092	\$ 24,929	\$ 146,163
Bond reserve account	390,232	-	n/a
Equipment replacement account	395,625	-	395,625
Impact fee account - utility	432,199	-	432,199
Impact fee account - other	355,148	4,963	350,185
Net pension asset	<u>818,866</u>	<u>-</u>	<u>818,866</u>
 Total	 <u>\$ 2,563,162</u>	 <u>\$ 29,892</u>	 <u>\$ 2,143,038</u>

CITY OF NEW RICHMOND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

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

D. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2015, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated				
Construction in progress	\$ 111,684	\$ 756,187	\$ -	\$ 867,871
Land	<u>6,567,600</u>	<u>795,000</u>	<u>17,106</u>	<u>7,345,494</u>
Total Capital Assets Not Being Depreciated	<u>6,679,284</u>	<u>1,551,187</u>	<u>17,106</u>	<u>8,213,365</u>
Capital assets being depreciated				
Buildings	9,930,108	25,543	18,716	9,936,935
Machinery and equipment	4,970,203	435,583	460,500	4,945,286
Land improvements	5,974,802	38,296	-	6,013,098
Roads	22,369,469	78,985	-	22,448,454
Storm sewers	8,373,121	20,792	-	8,393,913
Sidewalks	<u>514,957</u>	<u>10,770</u>	<u>-</u>	<u>525,727</u>
Total Capital Assets Being Depreciated	<u>52,132,660</u>	<u>609,969</u>	<u>479,216</u>	<u>52,263,413</u>
Total Capital Assets	<u>58,811,944</u>	<u>2,161,156</u>	<u>496,322</u>	<u>60,476,778</u>
Less: Accumulated depreciation for				
Buildings	(2,685,363)	(186,149)	14,282	(2,857,230)
Machinery and equipment	(3,281,873)	(312,000)	383,455	(3,210,418)
Land improvements	(1,299,071)	(192,765)	-	(1,491,836)
Roads	(7,477,588)	(536,913)	-	(8,014,501)
Storm sewers	(2,559,801)	(167,199)	-	(2,727,000)
Sidewalks	<u>(123,471)</u>	<u>(12,589)</u>	<u>-</u>	<u>(136,060)</u>
Total Accumulated Depreciation	<u>(17,427,167)</u>	<u>(1,407,615)</u>	<u>397,737</u>	<u>(18,437,045)</u>
Net Capital Assets Being Depreciated	<u>34,705,493</u>	<u>(797,646)</u>	<u>81,479</u>	<u>33,826,368</u>
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 41,384,777</u>	<u>\$ 753,541</u>	<u>\$ 98,585</u>	<u>\$ 42,039,733</u>

CITY OF NEW RICHMOND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

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

D. CAPITAL ASSETS (cont.)

Depreciation expense was charged to functions as follows:

Governmental Activities

General government	\$ 27,938
Public safety	184,886
Public works, which includes the depreciation of infrastructure	1,031,762
Leisure activities	<u>163,029</u>
Total Governmental Activities Depreciation Expense	<u>\$ 1,407,615</u>

Business-type Activities

	Beginning Balance	Additions	Deletions	Ending Balance
Electric				
Capital assets not being depreciated				
Construction in progress	\$ 29,929	\$ 122,843	\$ 29,929	\$ 122,843
Land and land rights	<u>48,414</u>	<u>-</u>	<u>-</u>	<u>48,414</u>
Total Capital Assets Not Being Depreciated	<u>78,343</u>	<u>122,843</u>	<u>29,929</u>	<u>171,257</u>
Capital assets being depreciated				
Transmission	113,355	-	-	113,355
Distribution	12,024,235	552,446	115,527	12,461,154
Administrative and general assets	<u>1,473,592</u>	<u>33,365</u>	<u>25,063</u>	<u>1,481,894</u>
Total Capital Assets Being Depreciated	<u>13,611,182</u>	<u>585,811</u>	<u>140,590</u>	<u>14,056,403</u>
Total Capital Assets	<u>13,689,525</u>	<u>708,654</u>	<u>170,519</u>	<u>14,227,660</u>
Less: Accumulated depreciation for				
Electric plant	<u>(7,899,696)</u>	<u>(586,398)</u>	<u>140,590</u>	<u>(8,345,504)</u>
Total Accumulated Depreciation	<u>(7,899,696)</u>	<u>(586,398)</u>	<u>140,590</u>	<u>(8,345,504)</u>
Net Capital Assets Being Depreciated	<u>5,711,486</u>	<u>(587)</u>	<u>-</u>	<u>5,710,899</u>
Net Electric Capital Assets	<u>\$ 5,789,829</u>	<u>\$ 122,256</u>	<u>\$ 29,929</u>	<u>\$ 5,882,156</u>

CITY OF NEW RICHMOND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

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

D. CAPITAL ASSETS (cont.)

Business-type Activities (cont.)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<u>Water</u>				
Capital assets not being depreciated				
Construction in progress	\$ 29,775	\$ 27,374	\$ 2,012	\$ 55,137
Land and land rights	<u>2,425</u>	<u>-</u>	<u>-</u>	<u>2,425</u>
Total Capital Assets Not Being Depreciated	<u>32,200</u>	<u>27,374</u>	<u>2,012</u>	<u>57,562</u>
Capital assets being depreciated				
Source of supply	597,764	-	-	597,764
Pumping	1,281,211	8,500	2,125	1,287,586
Treatment	14,298	-	-	14,298
Transmission and distribution	13,711,872	187,850	38,047	13,861,675
Administrative and general assets	<u>549,699</u>	<u>596</u>	<u>1,079</u>	<u>549,216</u>
Total Capital Assets Being Depreciated	<u>16,154,844</u>	<u>196,946</u>	<u>41,251</u>	<u>16,310,539</u>
Total Capital Assets	<u>16,187,044</u>	<u>224,320</u>	<u>43,263</u>	<u>16,368,101</u>
Less: Accumulated depreciation for				
Water plant	<u>(4,085,329)</u>	<u>(340,280)</u>	<u>41,251</u>	<u>(4,384,358)</u>
Total Accumulated Depreciation	<u>(4,085,329)</u>	<u>(340,280)</u>	<u>41,251</u>	<u>(4,384,358)</u>
Net Capital Assets Being Depreciated	<u>12,069,515</u>	<u>(143,334)</u>	<u>-</u>	<u>11,926,181</u>
Net Water Capital Assets	<u>\$ 12,101,715</u>	<u>\$ (115,960)</u>	<u>\$ 2,012</u>	<u>\$ 11,983,743</u>

CITY OF NEW RICHMOND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

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

D. CAPITAL ASSETS (cont.)

Business-type Activities (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Sewer</u>				
Capital assets not being depreciated				
Construction in progress	\$ 2,110	\$ 45,573	\$ -	\$ 47,683
Land and land rights	55,306	-	-	55,306
Total Capital Assets Not Being Depreciated	<u>57,416</u>	<u>45,573</u>	<u>-</u>	<u>102,989</u>
Capital assets being depreciated				
Collection system	8,834,059	28,650	-	8,862,709
Collection system pumping	2,635,504	-	3,000	2,632,504
Treatment and disposal	6,220,614	-	-	6,220,614
Administrative and general assets	693,622	596	2,942	691,276
Total Capital Assets Being Depreciated	<u>18,383,799</u>	<u>29,246</u>	<u>5,942</u>	<u>18,407,103</u>
Total Capital Assets	<u>18,441,215</u>	<u>74,819</u>	<u>5,942</u>	<u>18,510,092</u>
Less: Accumulated depreciation for				
Sewer plant	<u>(8,720,756)</u>	<u>(511,076)</u>	<u>5,942</u>	<u>(9,225,890)</u>
Total Accumulated Depreciation	<u>(8,720,756)</u>	<u>(511,076)</u>	<u>5,942</u>	<u>(9,225,890)</u>
Net Capital Assets Being Depreciated	<u>9,663,043</u>	<u>(481,830)</u>	<u>-</u>	<u>9,181,213</u>
Net Sewer Capital Assets	<u>\$ 9,720,459</u>	<u>\$ (436,257)</u>	<u>\$ -</u>	<u>\$ 9,284,202</u>
Business-type Capital Assets, Net of Accumulated Depreciation	<u>\$ 27,612,003</u>	<u>\$ (429,961)</u>	<u>\$ 31,941</u>	<u>\$ 27,150,101</u>

Depreciation expense was charged to functions as follows:

Business-type Activities

Electric	\$ 578,110
Water	307,220
Sewer	<u>540,384</u>
 Total Business-type Activities Depreciation Expense	 <u>\$ 1,425,714</u>

CITY OF NEW RICHMOND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

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.

Accumulated depreciation for the electric, water and sewer utilities is not available by asset class or function.

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	Electric Utility	\$ 253,335
General Fund	Water Utility	191,355
General Fund	Landfill Assurance	8,901
Electric Utility	TIF District #6	8,639
Sewer Utility	General Fund	27,536
Storm Water Utility	Water Utility	38,584
TIF District #8	Park Land Trust Fund	8,318
Water Utility	Capital Projects	8,533
Water Utility	Impact Fees	1,142
Water Utility	Park Land Trust Fund	495
Water Utility	TIF District #6	861
Total - Fund Financial Statements		547,699
Less: Fund eliminations		(17,219)
Less: Government-wide eliminations		(94,412)
Total Internal Balances - Government-Wide Statement of Net Position		\$ 436,068
Receivable Fund	Payable Fund	Amount
Governmental Activities	Business-type Activities	\$ 483,274
Business-type Activities	Governmental Activities	(47,206)
Total Government-Wide Financial Statements		\$ 436,068

All amounts are due within one year.

CITY OF NEW RICHMOND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

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

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

Interfund Receivables/Payables (cont.)

The primary purpose of the majority of the interfund balance between the general fund and the electric and water utilities is the amount due for the 2015 property tax equivalent payments. Remaining balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Advances

The general fund is advancing funds to TIF District #9 and TIF District #10. 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 District #9 and TIF District #10 interest on the advance based on the average outstanding advance balance during the year at a rate of 4%. No repayment schedule has been established.

The following is a schedule of interfund advances:

Receivable Fund	Payable Fund	Amount	Amount Not Due Within One Year
General Fund	TIF District #9	\$ 41,426	\$ 16,445
General Fund	TIF District #10	20,293	20,293
Total - Fund Financial Statements		61,719	
Less: Fund eliminations		(61,719)	
Total - Interfund Advances - Government-Wide Statement of Net Position		\$ -	

CITY OF NEW RICHMOND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

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

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

Transfers

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
General Fund	Electric Utility	\$ 246,703	Payment in lieu of taxes
General Fund	Water Utility	262,126	Payment in lieu of taxes
General Fund	Capital Projects	100,000	Budgeted transfer
Landfill Assurance	General Fund	15,467	City share of landfill costs
Capital Replacement	General Fund	75,000	Budgeted transfer
TIF District #8	TIF District #5	472,872	TIF increment sharing
General Debt Service	TIF District #6	436,200	TIF share of debt service
General Debt Service	TIF District #7	32,021	TIF share of debt service
General Debt Service	TIF District #8	<u>3,280,551</u>	TIF share of debt service
Total - Fund Financial Statements		4,920,940	
Less: Fund eliminations		(4,412,111)	
Less: Transfer of property from governmental activities to business-type activities		<u>(205,975)</u>	
Total Transfers - Government-Wide Statement of Activities		<u>\$ 302,854</u>	

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

CITY OF NEW RICHMOND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

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

F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2015, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General obligation debt	\$ 18,005,411	\$ 4,696,424	\$ 5,322,150	\$ 17,379,685	\$ 1,928,572
Other Liabilities					
Compensated absences	384,414	39,492	88,045	335,861	271,549
Landfill long-term costs	270,935	-	16,148	254,787	16,000
Landfill remediation costs	144,069	-	28,243	115,826	14,000
Unfunded prior service cost	167,206	9,650	33,177	143,679	33,840
Other postemployment benefits	155,331	152,667	-	307,998	-
Total Other Liabilities	<u>1,121,955</u>	<u>201,809</u>	<u>165,613</u>	<u>1,158,151</u>	<u>335,389</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 19,127,366</u>	<u>\$ 4,898,233</u>	<u>\$ 5,487,763</u>	<u>\$ 18,537,836</u>	<u>\$ 2,263,961</u>
Business-type Activities					
Bonds and Notes Payable					
Revenue bonds	\$ 4,777,029	\$ 1,765,000	\$ 2,198,560	\$ 4,343,469	\$ 433,469
Other notes or loans payable	18,863	24,782	11,079	32,566	13,730
Sub-totals	<u>4,795,892</u>	<u>1,789,782</u>	<u>2,209,639</u>	<u>4,376,035</u>	<u>447,199</u>
Other Liabilities					
Compensated absences	472,142	111,566	124,695	459,013	104,972
Other postemployment benefits	65,683	68,437	-	134,120	-
Total Other Liabilities	<u>537,825</u>	<u>180,003</u>	<u>124,695</u>	<u>593,133</u>	<u>104,972</u>
Total Business-type Activities Long-Term Liabilities	<u>\$ 5,333,717</u>	<u>\$ 1,969,785</u>	<u>\$ 2,334,334</u>	<u>\$ 4,969,168</u>	<u>\$ 552,171</u>

In accordance with Wisconsin Statutes, total general obligation indebtedness of the city may not exceed 5% of the equalized value of taxable property within the city's jurisdiction. The debt limit as of December 31, 2015, was \$30,363,485. Total general obligation debt outstanding at year end was \$17,379,685.

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.

CITY OF NEW RICHMOND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

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

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt (cont.)

Governmental Activities

General Obligation Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2015
Refunding Bonds	Apr 07	Dec 26	3.875-4.05%	\$ 3,575,000	\$ 2,510,000
Promissory Note	May 08	Apr 18	3.4-3.6%	390,000	165,000
Bonds Payable	May 08	Oct 27	3.5-4.0%	3,685,000	2,500,000
Promissory Note	Feb 08	May 27	0%	803,462	508,859
Promissory Note	Sep 09	Apr 19	1.5-3.55%	2,420,000	810,000
Promissory Note	May 11	Jun 21	0%	163,616	89,989
Refunding Bonds	Aug 11	Mar 27	0.65-4.875%	1,150,000	910,000
Refunding Bonds	Sep 11	Dec 23	1.0-3.0%	3,545,000	2,545,000
State Trust Fund Loan	Dec 12	Mar 22	2.75%	404,000	358,061
Refunding Bonds	Jul 12	Mar 30	2.0-2.8%	3,125,000	1,865,000
State Trust Fund Loan	Apr 13	Mar 23	2.75%	262,000	12,109
State Trust Fund Loan	Jan 13	Mar 22	2.75%	251,000	201,408
State Trust Fund Loan	Apr 13	Mar 23	2.75%	272,000	223,075
Bank Loan	Jan 15	Dec 18	2.47%	23,122	19,689
Bank Loan	Jan 15	Dec 18	2.47%	22,622	19,253
Bank Loan	Jan 15	Feb 19	2.47%	28,340	23,880
Bank Loan	Jan 15	Mar 19	2.47%	27,341	23,362
Refunding Bonds	Aug 15	Oct 25	2.0-2.125%	3,455,000	3,455,000
State Trust Fund Loan	Sep 15	Mar 25	3.25%	450,000	450,000
State Trust Fund Loan	Dec 15	Mar 17	2.5%	605,000	605,000
Bank Loan	Dec 15	Nov 17	2.625%	85,000	85,000

Total Governmental Activities - General Obligation Debt \$ 17,379,685

Debt service requirements to maturity are as follows:

Years	Governmental Activities General Obligation Debt	
	Principal	Interest
2016	\$ 1,928,572	\$ 461,529
2017	2,594,762	443,263
2018	1,958,865	361,001
2019	1,967,483	303,476
2020	1,725,025	250,949
2021-2025	5,975,167	625,418
2026-2030	1,229,811	72,824
Totals	<u><u>\$ 17,379,685</u></u>	<u><u>\$ 2,518,460</u></u>

CITY OF NEW RICHMOND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

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 electric, water and sewer utilities.

The electric utility has pledged future electric revenues, net of specified operating expenses, to repay revenue bonds issued in 2015. Proceeds from the bonds provided financing for the utility system improvements. The bonds are payable solely from electric revenues and are payable through 2026. Annual principal and interest payments on the bonds are expected to require 16.31% of net revenues. The total principal and interest remaining to be paid on the bonds is \$2,013,087. Principal and interest paid for the current year and total customer net revenues were \$200,140 and \$1,122,003, respectively.

The water and sewer utility has pledged future water and sewer revenues, net of specified operating expenses, to repay revenue bonds issued in 1998 and 2007. Proceeds from the bonds provided financing for the utility system improvements. The bonds are payable solely from water and sewer revenues and are payable through 2027. Annual principal and interest payments on the bonds are expected to require 41.86% of net revenues. The total principal and interest remaining to be paid on the bonds is \$3,136,490. Principal and interest paid for the current year and total customer net revenues were \$423,109 and \$624,355, respectively.

Revenue debt payable at December 31, 2015, consists of the following:

Business-type Activities Revenue Debt

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2015</u>
<u>Electric Utility</u>					
Revenue Bonds	Aug 15	Oct 26	1.3-2.5%	\$ 1,765,000	<u>\$ 1,765,000</u>
				Total Electric Utility	<u>1,765,000</u>
<u>Water Utility</u>					
Revenue Bonds	Apr 07	May 27	3.75-4.00%	2,260,000	<u>1,620,000</u>
				Total Water Utility	<u>1,620,000</u>

CITY OF NEW RICHMOND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

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, 2015
<u>Sewer Utility</u>					
Revenue Bonds	May 98	May 18	2.64%	\$ 2,506,755	\$ 503,469
Revenue Bonds	Apr 07	May 27	3.75-4.00%	605,000	<u>455,000</u>
				Total Sewer Utility	<u>958,469</u>
Total Business-type Activities - Revenue Debt					<u>\$ 4,343,469</u>

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Business-type Activities Revenue Debt</u>	
	<u>Principal</u>	<u>Interest</u>
2016	\$ 433,469	\$ 129,617
2017	452,785	114,805
2018	467,215	102,727
2019	305,000	92,299
2020	320,000	83,714
2021-2025	1,780,000	261,871
2026-2027	<u>585,000</u>	<u>21,075</u>
Totals	<u>\$ 4,343,469</u>	<u>\$ 806,108</u>

Other Notes Payable

<u>Business-type Activities</u>	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2015
Note Payable - WPPI	Jan 13	Feb 17	2%	\$ 34,199	\$ 10,259
Note Payable - WPPI	Jan 15	Jan 20	2%	8,000	6,592
Note Payable - WPPI	Aug 15	Jul 20	2%	16,782	<u>15,715</u>
Total Business-type Activities					<u>\$ 32,566</u>

CITY OF NEW RICHMOND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

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

F. LONG-TERM OBLIGATIONS (cont.)

Debt service requirements to maturity are as follows:

<u>Years</u>	Business-type Activities Other Notes Payable	
	Principal	Interest
2016	\$ 13,730	\$ 539
2017	6,390	306
2018	5,146	206
2019	5,113	99
2020	2,187	14
Totals	\$ 32,566	\$ 1,164

Other Debt Information

Estimated payments of compensated absences, landfill costs, unfunded prior service costs and other postemployment benefits are not included in the debt service requirement schedules. The compensated absences liability, landfill costs, unfunded prior service costs and other postemployments benefits attributable to governmental activities will be liquidated primarily by the general fund.

Current Refunding

On August 26, 2015, the city issued \$3,455,000 in general obligation bonds with an average interest rate of 2.01% to refund \$3,450,000 of outstanding general obligation corporate purpose bonds with an average interest rate of 4.05%. The net proceeds along with existing funds of the city were used to prepay the outstanding debt.

The cash flow requirements on the refunded debt prior to the current refunding was \$4,294,891 from 2016 through 2025. The cash flow requirements on the refunding bonds are \$3,861,139 from 2016 through 2025. The current refunding resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$396,539.

On August 26, 2015, the electric utility issued \$1,765,000 in revenue bonds with an average interest rate of 2.02% to refund \$1,755,000 of outstanding revenue bonds with an average interest rate of 4.24%. The net proceeds along with existing funds of the electric utility were used to prepay the outstanding debt.

The cash flow requirements on the refunded debt prior to the current refunding was \$2,036,308 from 2015 through 2025. The cash flow requirements on the refunding bonds are \$1,833,282 from 2015 through 2025. The current refunding resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$179,838.

CITY OF NEW RICHMOND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

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

G. CLOSURE AND POSTCLOSURE CARE COST

The State of Wisconsin Department of Natural Resources had requested that the city and other interested parties undertake certain environmental remediation of the former landfill and provide municipal water to the affected properties. Recently, at the request of the Wisconsin Department of Natural Resources the city and other interested parties completed a remedial investigation and feasibility study suggesting the completion of those remedial activities. The remediation is likely to include an upgrade of the landfill cover, installation and operation of a soil vapor extraction system below the waste, an alternative water supply, and remediation at private homes. The city's estimate of remaining remediation costs is \$651,662. The city's share of this liability, 17.774% of the total estimated costs, is \$115,826 and is recorded as a liability on the statement of net assets.

State and federal laws and regulations required the city to place a final cover on its landfill site when it stopped accepting waste in 1982 and to perform certain maintenance and monitoring functions at the site annually after closure. The city incurs an average annual cost of approximately \$16,000. An estimated liability of \$254,787, equal to maintenance and monitoring costs for 17 years, is recorded as a liability in the government-wide statements.

H. NET POSITION/FUND BALANCES

Net position reported on the government wide statement of net position at December 31, 2015, includes the following:

Governmental Activities

Net Investment in Capital Assets	
Land	\$ 7,345,494
Construction in progress	867,871
Other capital assets, net of accumulated depreciation	33,826,368
Less: Long-term debt outstanding	(17,379,685)
Plus: Noncapital debt proceeds	<u>2,550,145</u>
Total Net Investment in Capital Assets	<u>\$ 27,210,193</u>

CITY OF NEW RICHMOND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

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, 2015, include the following:

	General Fund	General Debt Service Fund	General Capital Projects Fund	Nonmajor Funds	Totals
Fund Balances					
Nonspendable:					
Long-term advances to other funds	\$ 36,738	\$ -	\$ -	\$ -	\$ 36,738
Delinquent special assessments held by the county	36,242	-	-	-	36,242
Restricted for:					
Debt service	-	1,928	-	-	1,928
Library projects	-	-	-	205,564	205,564
Future facility improvements	-	-	-	350,185	350,185
TIF district projects	-	-	-	676,160	676,160
Park land projects	-	-	-	80,869	80,869
CDBG revolving housing loan program	-	-	-	25,104	25,104
Committed to:					
Capital projects	-	-	26,408	11,214	37,622
Storm water utility	-	-	-	351,094	351,094
Assigned to:					
Police	11,466	-	-	-	11,466
Fire	2,962	-	-	-	2,962
Gravel bed nursery	5,535	-	-	-	5,535
Healthy Hatfield Habitat	1,000	-	-	-	1,000
Signage for bike route	1,000	-	-	-	1,000
Future outlay	45,976	-	-	-	45,976
Unassigned (deficit):	1,568,442	-	-	(75,518)	1,492,924
Total Fund Balances (Deficit)	\$ 1,709,361	\$ 1,928	\$ 26,408	\$ 1,624,672	\$ 3,362,369

CITY OF NEW RICHMOND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

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

H. NET POSITION/FUND BALANCES (cont.)

Business-type Activities

Net Investment in Capital Assets	
Land	\$ 106,146
Construction in progress	225,663
Other capital assets, net of accumulated depreciation	26,818,292
Less: Long-term debt outstanding (excluding unspent capital related debt proceeds)	<u>(3,953,237)</u>
 Total Net Investment in Capital Assets	 <u><u>\$ 23,196,864</u></u>

I. RESTATEMENT OF NET POSITION

Net position has been restated as a result of the implementation of GASB Statement No. 68 - *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27* and implementation of GASB Statement No. 71 - *Pension Transition for Contributions Made Subsequent to the Measurement Date*. These statements require the net pension asset and related deferred outflows and deferred inflows, if any, to be reported in the financial statements. The details of this restatement are as follows:

	Governmental Activities	Business-type Activities	Electric Utility	Water Utility	Sewer Utility
Net Position - December 31, 2014 (as reported)	\$ 26,619,127	\$ 30,994,561	\$ 6,389,095	\$ 12,722,182	\$ 11,883,284
Add: Net pension asset	953,654	383,433	187,964	117,609	77,860
Add: Deferred outflows related to pensions	<u>229,240</u>	<u>92,170</u>	<u>45,183</u>	<u>28,271</u>	<u>18,716</u>
Net Position - December 31, 2014 (as restated)	<u><u>\$ 27,802,021</u></u>	<u><u>\$ 31,470,164</u></u>	<u><u>\$ 6,622,242</u></u>	<u><u>\$ 12,868,062</u></u>	<u><u>\$ 11,979,860</u></u>

CITY OF NEW RICHMOND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE IV - OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

Summary of Significant Accounting Policies

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

General Information About the Pension Plan

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 1200 hours a year and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

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 State executive participants) are entitled to receive an unreduced retirement benefit. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor.

Final average earnings is the average of the participant's three highest years' earnings. Creditable service is the creditable current and prior service expressed in years or decimal equivalents of partial years for which a participant receives earnings and makes contributions as required. The formula factor is a standard percentage based on employment category.

Employees may retire at age 55 (50 for protective occupation employees) and receive reduced benefits. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and forfeit all rights to any subsequent benefits.

The WRS also provides death and disability benefits for employees.

CITY OF NEW RICHMOND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

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
2005	2.6%	7%
2006	0.8	3
2007	3.0	10
2008	6.6	0
2009	(2.1)	(42)
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25

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 and Executives and Elected Officials. 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 \$321,410 in contributions from the city.

Contribution rates as of December 31, 2015 are:

Employee Category	Employee	Employer
General	6.8%	6.8%
Executives & Elected Officials	7.7%	7.7%
Protective with Social Security	6.8%	9.5%
Protective without Social Security	6.8%	13.1%

CITY OF NEW RICHMOND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

At December 31, 2015, the city reported an asset of \$818,866 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2014, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013 rolled forward to December 31, 2014. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The city's proportion of the net pension asset was based on the city's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2014, the city's proportion was 0.03333772%, which was a decrease of 0.00057699% from its proportion measured as of December 31, 2013.

For the year ended December 31, 2015, the city recognized pension expense of \$311,146.

At December 31, 2015, the city reported deferred outflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>
Differences between expected and actual experience	\$ 118,710
Net differences between projected and actual earnings on pension plan investments	396,534
Changes in proportion and differences between employer contributions and proportionate share of contributions	15,003
Employer contributions subsequent to the measurement date	<u>319,648</u>
Totals	<u><u>\$ 849,895</u></u>

CITY OF NEW RICHMOND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

\$319,648 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, 2016. Other amounts reported as deferred outflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31:	Deferred Outflows of Resources
2016	\$ 129,619
2017	129,619
2018	129,619
2019	129,617
2020	11,773

Actuarial assumptions. The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2013
Measurement Date of Net Pension Liability (Asset)	December 31, 2014
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Market Value
Long-Term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Salary Increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.8%
Mortality:	Wisconsin 2012 Mortality Table
Post-retirement Adjustments*:	2.1%

** No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 2.1% 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 2012 using experience from 2009 – 2011. The total pension liability for December 31, 2014 is based upon a roll-forward of the liability calculated from the December 31, 2013 actuarial valuation.

CITY OF NEW RICHMOND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

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:

Asset Class	Long-Term Real Rate of Return	Target Allocation
US Equities	5.3%	21%
International Equities	5.7	23
Fixed Income	1.7	36
Inflation Sensitive Assets	2.3	20
Real Estate	4.2	7
Private Equity/Debt	6.9	7
Multi-Asset	3.9	6
Cash	0.9	-20

Single discount rate. A single discount rate of 7.20% 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 7.20% and a long term bond rate of 3.56%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF NEW RICHMOND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Sensitivity of the city's proportionate share of the net pension asset to changes in the discount rate. The following presents the city's proportionate share of the net pension asset calculated using the discount rate of 7.20 percent, as well as what the city's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	1% Decrease to Discount Rate (6.20%)	Current Discount Rate (7.20%)	1% Increase to Discount Rate (8.20%)
City's proportionate share of the net pension asset	\$(2,310,161)	\$818,866	\$3,290,044

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://legis.wisconsin.gov/lab/> and reference report number 15-11.

At December 31, 2015, the city reported a payable to the pension plan which represents contractually required contributions outstanding as of the end of the year.

At December 31, 2015, the city reported debt payable to the pension plan of \$143,679, which represents a contractual arrangement for contribution to the pension plan related to past service cost.

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.

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.

CITY OF NEW RICHMOND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE IV - OTHER INFORMATION (cont.)

C. COMMITMENTS AND CONTINGENCIES (cont.)

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.

The city has active construction projects as of December 31, 2015. Work that has been completed on these projects but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures. The city has open contracts of approximately \$345,000 at December 31, 2015 relating to various projects.

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.

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.

In 2002, all WPPI Energy members ratified a 13 year extension to their original 35 year contracts. The new contract expires at midnight on December 31, 2037. On February 8, 2016, the city approved a second amendment which extends the contract through December 31, 2055, provided that by March 31, 2016 no less than 34 members had executed similar amendments. The threshold was met in 2016 with 49 members extending through 2055.

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 \$437 million as of December 31, 2015.

CITY OF NEW RICHMOND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE IV - OTHER INFORMATION (cont.)

D. JOINT VENTURES

The City of New Richmond, along with the Townships of Cylon, Richmond, Star Prairie, Erin Prairie, Stanton, Warren, and Alden and the Villages of Star Prairie, Deer Park, and Roberts jointly operate the local ambulance service which is called the New Richmond Area Ambulance and Rescue Services and provides ambulance rescue service. Municipal appropriations are based on the equalized valuations of the municipalities. The communities' share in the annual operation of the district as follows:

<u>Municipality</u>	<u>% Share</u>
Town of Alden	4.31 %
City of New Richmond	50.02
Town of Cylon	2.69
Village of Deer Park	1.27
Town of Erin Prairie	2.07
Town of Richmond	11.38
Village of Roberts	6.28
Town of Stanton	4.23
Town of Star Prairie	13.07
Village of Star Prairie	2.72
Town of Warren	<u>1.96</u>
Total	<u><u>100.00</u></u> %

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 payments totaling \$82,691 to the district for 2015. The city believes that the district will continue to provide services in the future at similar rates.

Financial information of the district as of December 31, 2015 is available directly from the district's office.

The city accounts for its share of the operation in the general fund.

CITY OF NEW RICHMOND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

NOTE IV - OTHER INFORMATION (cont.)

D. JOINT VENTURES (cont.)

Investment in Biosolids Facility

The City of New Richmond and the municipalities of Hudson, River Falls, Prescott, Baldwin, Ellsworth, Roberts, Spring Valley, Amery, Osceola and Somerset jointly contract with the West Central Wisconsin Biosolids Facility Commission (facility) for the treatment, storage, disposal, recycling and/or sale of biosolids (sludge). The communities share in the operation of the facility based on usage.

The governing body is made up of citizens from each municipality. Local representatives are appointed by the mayor. The governing body has authority to adopt its own budget and control the financial affairs of the facility. The city made payments of \$270,064 to the facility for 2015. The city believes that the facility will continue to provide services in the future at similar rates.

The transactions of the facility are not reflected in these financial statements.

Facility financial information as of December 31, 2015 is available from the facility office.

E. OTHER POSTEMPLOYMENT BENEFITS

The city administers a single-employer defined benefit healthcare plan. The city's group health insurance plan provides coverage to active employees and retirees (or other qualified terminated employees) at blended premium rates. This results in an other postemployment benefit (OPEB) for the retirees, commonly referred to as an implicit rate subsidy.

Contribution requirements are established through personnel policy guidelines and may be amended by the action of the governing body. Plan members (retirees) receiving benefits contribute 100% of their premium costs for a family plan and a single plan.

CITY OF NEW RICHMOND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

NOTE IV - OTHER INFORMATION (cont.)

E. OTHER POSTEMPLOYMENT BENEFITS (cont.)

The city's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC). The city has elected to calculate the ARC and related information using the alternative measurement method permitted by GASB Statement No. 45 for employers in plans with fewer than one hundred total plan members. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the city's annual OPEB cost for the year, the amount actually contributed to plan, and changes in the city's net OPEB obligation to the Retiree Health Plan:

Annual required contribution	\$	250,653
Interest on net OPEB obligation		5,525
Adjustment to annual required contribution		<u>(6,826)</u>
Annual OPEB cost		249,352
Contributions made		<u>(28,248)</u>
Increase in net OPEB obligation		221,104
Net OPEB Obligation - Beginning of Year		<u>221,014</u>
Net OPEB Obligation - End of Year	\$	<u><u>442,118</u></u>

The city's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015 and the preceding year were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
December 31, 2015	\$ 249,352	11.33	\$ 442,118
December 31, 2014	250,653	11.82	221,014

CITY OF NEW RICHMOND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

NOTE IV - OTHER INFORMATION (cont.)

E. OTHER POSTEMPLOYMENT BENEFITS (cont.)

The funded status of the plan as of January 1, 2015, the most recent actuarial valuation date, was as follows:

Actuarial accrued liability (AAL)	\$ 2,224,817
Actuarial value of plan assets	<u>-</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 2,224,817</u>
Funded ratio (actuarial value of plan assets/AAL)	-%
Covered payroll (active plan members)	\$ 3,833,019
UAAL as a percentage of covered payroll	58.04%

The projection of future benefit payments for an ongoing plan involves estimates for the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

CITY OF NEW RICHMOND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE IV - OTHER INFORMATION (cont.)

E. OTHER POSTEMPLOYMENT BENEFITS (cont.)

The following simplifying assumptions were made:

1. Retirement age for active employees – Based on the historical average retirement age for the covered group, active plan members were assumed to retire at age 62, or at the first subsequent year in which the member would qualify for benefits.
2. Marital status – Marital status of members at the calculation date was assumed to continue throughout retirement.
3. Mortality – Life expectancies were based on the RP2000 Mortality Table for Males and Females Projected 10 years.
4. Turnover – Non-group-specific age-based turnover data from GASB Statement No. 45 were used as a basis for assigning active members a probability of remaining employed until the assumed retirement age and for developing an expected future working lifetime assumption for purposes of allocating to periods the present value of total benefits to be paid.
5. Healthcare cost trend rate – The expected rate of increase in healthcare insurance premiums was based on the Getzen model promulgated by the Society of Actuaries. A rate of 8.0% initially, reduced to an ultimate rate of 4.7% after 10 years, was used.
6. Health insurance premiums – 2015 health insurance premiums for retirees were used as the basis for calculation of the present value of total benefits to be paid.
7. Inflation rate – The expected long-term inflation assumption of 3.0% was based on projected changes in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W).
8. Payroll growth rate – The expected long-term payroll growth rate was assumed to equal the rate of inflation.

Based on the historical and expected returns of the city's short-term investment portfolio, a discount rate of 2.5% was used. In addition, a simplified version of the entry age actuarial cost method was used. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period at December 31, 2015, was 30 years.

F. SUBSEQUENT EVENTS

On January 8, 2016 the city issued a promissory note in the amount of \$55,792 with an interest rate of 0%. This amount will be used for street lighting projects.

On May 25, 2016 the water utility issued a safe drinking water loan in the amount of \$339,558 with an interest rate of 1.65%. This amount will be used for water storage tank projects. As of the date of these financial statements, \$290,840 had been drawn on the loan.

CITY OF NEW RICHMOND

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE IV - OTHER INFORMATION (cont.)

G. RELATED ORGANIZATIONS

Housing Authority

The city's officials are responsible for appointing the board members of the New Richmond Housing Authority, but the city's accountability for this organization does not extend beyond making the appointments.

H. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS

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

- > Statement No. 72, *Fair Value Measurement and Application*
- > Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*
- > Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*
- > Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*
- > Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Government*
- > Statement No. 77, *Tax Abatement Disclosures*
- > Statement No. 78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*
- > Statement No. 79, *Certain External Investment Pools and Pool Participants*
- > Statement No. 80, *Blending Requirements for Certain Component Units*
- > Statement No. 81, *Irrevocable Split-Interest Agreements*
- > Statement No. 82, *Pension Issues - an amendment of GASB Statements 67, 68, 73*

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

CITY OF NEW RICHMOND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

NOTE IV - OTHER INFORMATION (cont.)

I. NONEXCHANGE FINANCIAL GUARANTEE

During 2014, the city guaranteed a bank loan drawn by the New Richmond Golf Club, Inc. (golf club), a legally separate organization, in accordance with City Council approval on October 13, 2014. Annual payments are to be made by the golf club through November 1, 2017. In the event the golf club were unable to make payments, the city would be obligated to make the payments. At December 31, 2015, the outstanding balance on the loan was \$138,809.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF NEW RICHMOND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 3,076,102	\$ 3,076,102	\$ 3,054,386	\$ (21,716)
Intergovernmental	1,464,841	1,556,584	1,580,523	23,939
Licenses and permits	213,500	213,500	271,670	58,170
Fines, forfeitures and penalties	90,000	90,000	80,152	(9,848)
Public charges for services	249,664	257,795	246,451	(11,344)
Intergovernmental charges for services	24,000	24,000	24,308	308
Special assessments	3,196	3,196	3,196	-
Investment income	58,153	58,153	15,498	(42,655)
Miscellaneous	90,139	137,218	126,388	(10,830)
Total Revenues	<u>5,269,595</u>	<u>5,416,548</u>	<u>5,402,572</u>	<u>(13,976)</u>
EXPENDITURES				
Current:				
General government	1,301,516	1,290,966	1,273,825	17,141
Public safety	2,184,607	2,278,090	2,277,842	248
Public works	1,147,580	1,195,259	1,187,776	7,483
Health and human services	12,250	12,250	12,120	130
Leisure activities	1,106,596	1,136,120	1,132,439	3,681
Conservation and development	133,704	131,204	122,837	8,367
Capital Outlay	10,342	18,723	13,704	5,019
Total Expenditures	<u>5,896,595</u>	<u>6,062,612</u>	<u>6,020,543</u>	<u>42,069</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(627,000)</u>	<u>(646,064)</u>	<u>(617,971)</u>	<u>28,093</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	640,000	640,000	608,829	(31,171)
Transfers out	(13,000)	(90,500)	(90,467)	33
Total Other Financing Sources (Uses)	<u>627,000</u>	<u>549,500</u>	<u>518,362</u>	<u>(31,138)</u>
Net Change in Fund Balance	-	(96,564)	(99,609)	(3,045)
FUND BALANCE - Beginning of Year	<u>1,808,970</u>	<u>1,808,970</u>	<u>1,808,970</u>	-
FUND BALANCE - END OF YEAR	<u>\$ 1,808,970</u>	<u>\$ 1,712,406</u>	<u>\$ 1,709,361</u>	<u>\$ (3,045)</u>

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

CITY OF NEW RICHMOND

SCHEDULE OF FUNDING PROGRESS
OTHER POSTEMPLOYMENT BENEFITS
For the Year Ended December 31, 2015

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
1/1/2015	\$ -	\$ 2,224,817	\$ 2,224,817	0.00%	\$ 3,833,019	58.04%
1/1/2014	-	2,224,817	2,224,817	0.00%	3,907,396	56.94%

The city is required to present the above information for the three most recent OPEB reports. The study completed as of January 1, 2014 was the first study implemented by the city.

Data in the schedule of funding progress was taken from a simplified alternative measurement template.

CITY OF NEW RICHMOND

SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF THE NET PENSION ASSET
WISCONSIN RETIREMENT SYSTEM (WRS)
For the Year Ended December 31, 2015

Year End	City's Proportion of the Net Pension Asset	City's Proportionate Share of the Net Pension Asset	City's Covered Payroll	City's Proportionate Share of the Net Pension Asset as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Asset
12/31/15	0.03333772%	\$ 818,866	\$ 4,111,276	19.92%	102.74%

SCHEDULE OF EMPLOYER CONTRIBUTIONS
WISCONSIN RETIREMENT SYSTEM (WRS)
For the Year Ended December 31, 2015

Year End	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/15	\$ 319,648	\$ 319,648	\$ -	\$ 4,220,809	7.57%

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

CITY OF NEW RICHMOND

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION For the Year Ended December 31, 2015

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 include any amendments made. The city administrator 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. Carryovers to the following year were \$21,963. 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 that occurred within the fiscal year.

The city is required to present the last ten fiscal 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. There were no changes in assumptions.

SUPPLEMENTARY INFORMATION

CITY OF NEW RICHMOND

DETAILED SCHEDULE OF REVENUES - BUDGET AND ACTUAL - GENERAL FUND

For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
TAXES				
General property taxes	\$ 2,923,901	\$ 2,923,901	\$ 2,923,903	\$ 2
Mobile home taxes	4,000	4,000	3,615	(385)
Motel tax	50,000	50,000	67,398	17,398
In lieu of tax	97,691	97,691	58,549	(39,142)
General sales tax	10	10	10	-
Interest on taxes	500	500	911	411
Total Taxes	<u>3,076,102</u>	<u>3,076,102</u>	<u>3,054,386</u>	<u>(21,716)</u>
INTERGOVERNMENTAL REVENUES				
Shared taxes from state	602,792	602,792	601,929	(863)
State aid - ambulance	-	4,325	4,325	-
State aid - police training	-	6,560	6,560	-
State aid - highway aids	439,716	439,716	438,865	(851)
State aid - streets	49,304	49,304	49,304	-
State aid - other transportation	-	74,358	94,138	19,780
State aid - library	-	6,500	6,500	-
State aid - other	9,970	9,970	10,423	453
State aid - exempt computer aid	5,542	5,542	8,630	3,088
Fire dues for training	20,000	20,000	22,308	2,308
County aid	337,517	337,517	337,541	24
Total Intergovernmental Revenues	<u>1,464,841</u>	<u>1,556,584</u>	<u>1,580,523</u>	<u>23,939</u>
LICENSES AND PERMITS				
Liquor and malt beverage licenses	15,000	15,000	14,230	(770)
Business and cigarette licenses	6,700	6,700	6,794	94
Dog and cat licenses	2,500	2,500	2,627	127
Building permits	145,000	145,000	203,578	58,578
Cable TV franchise	42,000	42,000	41,811	(189)
Other regulatory permits and fees	2,300	2,300	2,630	330
Total Licenses and Permits	<u>213,500</u>	<u>213,500</u>	<u>271,670</u>	<u>58,170</u>
FINES, FORFEITURES AND PENALTIES				
Court penalties and costs	75,000	75,000	69,247	(5,753)
Parking violations	14,000	14,000	9,680	(4,320)
Miscellaneous other fines	1,000	1,000	1,225	225
Total Fines, Forfeitures and Penalties	<u>90,000</u>	<u>90,000</u>	<u>80,152</u>	<u>(9,848)</u>

CITY OF NEW RICHMOND

DETAILED SCHEDULE OF REVENUES - BUDGET AND ACTUAL -
GENERAL FUND

For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
PUBLIC CHARGES FOR SERVICES				
Recycling fees	\$ 91,000	\$ 91,000	\$ 91,244	\$ 244
General government	2,500	2,500	2,713	213
Clerk's fees	14,000	14,000	11,089	(2,911)
Police department	8,000	8,500	8,227	(273)
Fire department	12,500	20,131	12,904	(7,227)
Street department earnings	4,600	4,600	5,495	895
Parks	2,001	2,001	2,319	318
Airport	81,396	81,396	78,635	(2,761)
Library	9,500	9,500	12,058	2,558
Other	24,167	24,167	21,767	(2,400)
Total Public Charges for Services	<u>249,664</u>	<u>257,795</u>	<u>246,451</u>	<u>(11,344)</u>
INTERGOVERNMENTAL CHARGES FOR SERVICES				
Local fire services	<u>24,000</u>	<u>24,000</u>	<u>24,308</u>	<u>308</u>
Total Intergovernmental Charges for Services	<u>24,000</u>	<u>24,000</u>	<u>24,308</u>	<u>308</u>
SPECIAL ASSESSMENTS				
Blacktop	2,364	2,364	2,364	-
Sewer mains and laterals	<u>832</u>	<u>832</u>	<u>832</u>	<u>-</u>
Total Special Assessments	<u>3,196</u>	<u>3,196</u>	<u>3,196</u>	<u>-</u>
INVESTMENT INCOME				
Investment on temporary investments	53,875	53,875	11,390	(42,485)
Interest on advances	2,900	2,900	2,995	95
Interest on notes receivable	378	378	378	-
Interest on special assessments	<u>1,000</u>	<u>1,000</u>	<u>735</u>	<u>(265)</u>
Total Investment Income	<u>58,153</u>	<u>58,153</u>	<u>15,498</u>	<u>(42,655)</u>
MISCELLANEOUS				
Rent of municipal property	71,010	70,510	58,840	(11,670)
Insurance recoveries and dividends	-	13,925	13,925	-
Donations	3,000	33,326	33,329	3
Miscellaneous	<u>16,129</u>	<u>19,457</u>	<u>20,294</u>	<u>837</u>
Total Miscellaneous	<u>90,139</u>	<u>137,218</u>	<u>126,388</u>	<u>(10,830)</u>
TOTAL REVENUES	<u>\$ 5,269,595</u>	<u>\$ 5,416,548</u>	<u>\$ 5,402,572</u>	<u>\$ (13,976)</u>

CITY OF NEW RICHMOND

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL - GENERAL FUND

For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
GENERAL GOVERNMENT				
Council	\$ 79,081	\$ 80,410	\$ 81,820	\$ (1,410)
Municipal court	114,240	114,240	136,720	(22,480)
City attorney	31,000	31,000	36,977	(5,977)
City administrator	80,074	119,674	126,840	(7,166)
Clerk - treasurer	179,585	169,585	161,561	8,024
City administrative secretary	70,771	70,771	68,331	2,440
Elections	19,500	19,500	17,774	1,726
Internal accounting	52,174	40,174	37,427	2,747
Independent auditing	24,500	24,500	25,103	(603)
Treasury	119,202	79,602	74,404	5,198
Assessor/building inspector	178,532	178,532	183,638	(5,106)
Board of review	500	500	341	159
Civic center	142,444	147,244	139,542	7,702
Property and liability insurance	85,000	78,000	77,700	300
Workers' compensation	50,000	62,821	63,474	(653)
Mapping	36,890	36,890	36,353	537
Data processing	5,000	5,000	2,864	2,136
Miscellaneous	33,023	32,523	2,956	29,567
Total General Government	<u>1,301,516</u>	<u>1,290,966</u>	<u>1,273,825</u>	<u>17,141</u>
PUBLIC SAFETY				
Police	1,854,425	1,936,869	1,953,088	(16,219)
Fire department	217,840	224,555	216,041	8,514
Ambulance	82,692	87,016	87,016	-
Inspection	4,800	4,800	4,800	-
Emergency disaster	19,550	19,550	14,371	5,179
Correction and detention	500	500	1,080	(580)
Other public safety	4,800	4,800	1,446	3,354
Total Public Safety	<u>2,184,607</u>	<u>2,278,090</u>	<u>2,277,842</u>	<u>248</u>
PUBLIC WORKS				
Street superintendent	27,652	27,652	32,329	(4,677)
Street shop	12,720	12,720	14,066	(1,346)
Machinery and equipment	26,000	26,000	38,469	(12,469)
Street maintenance	541,670	541,670	518,705	22,965
Snow and ice control	46,515	20,515	20,289	226
Street lighting	188,000	189,104	210,150	(21,046)
Sidewalks	20,000	20,000	-	20,000
Traffic control	18,000	21,998	24,576	(2,578)
Airport	147,023	141,242	131,700	9,542
Shared ride - taxi	19,000	93,358	93,357	1
Landfill	14,000	14,000	16,247	(2,247)
Recycling	75,000	75,000	68,664	6,336
Weed control	12,000	12,000	19,224	(7,224)
Total Public Works	<u>1,147,580</u>	<u>1,195,259</u>	<u>1,187,776</u>	<u>7,483</u>

CITY OF NEW RICHMOND

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
HEALTH AND HUMAN SERVICES				
Health officer	\$ 200	\$ 200	\$ 200	\$ -
Animal shelter	<u>12,050</u>	<u>12,050</u>	<u>11,920</u>	<u>130</u>
Total Health and Human Services	<u>12,250</u>	<u>12,250</u>	<u>12,120</u>	<u>130</u>
LEISURE ACTIVITIES				
Library	649,811	670,035	677,549	(7,514)
Community center	4,000	4,000	4,000	-
Cable TV	16,000	16,000	11,213	4,787
Parks	364,422	373,722	367,513	6,209
Sports center	15,000	15,000	15,709	(709)
Recreation center	20,571	20,571	22,196	(1,625)
Other leisure activities	<u>36,792</u>	<u>36,792</u>	<u>34,259</u>	<u>2,533</u>
Total Leisure Activities	<u>1,106,596</u>	<u>1,136,120</u>	<u>1,132,439</u>	<u>3,681</u>
CONSERVATION AND DEVELOPMENT				
Economic development	111,704	109,204	101,927	7,277
Other conservation and development	<u>22,000</u>	<u>22,000</u>	<u>20,910</u>	<u>1,090</u>
Total Conservation and Development	<u>133,704</u>	<u>131,204</u>	<u>122,837</u>	<u>8,367</u>
CAPITAL OUTLAY				
Fire protection	-	2,600	2,600	-
Other public safety	5,985	5,985	5,323	662
Airport	-	5,781	5,781	-
Other general government	<u>4,357</u>	<u>4,357</u>	<u>-</u>	<u>4,357</u>
Total Capital Outlay	<u>10,342</u>	<u>18,723</u>	<u>13,704</u>	<u>5,019</u>
TOTAL EXPENDITURES	<u>\$ 5,896,595</u>	<u>\$ 6,062,612</u>	<u>\$ 6,020,543</u>	<u>\$ 42,069</u>

CITY OF NEW RICHMOND

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
As of December 31, 2015

	Special Revenue Funds			
	Park Land Trust Fund	Library Trust Fund	Storm Water Utility	CDBG Revolving Housing
ASSETS				
Cash and investments	\$ 91,072	\$ 205,564	\$ 364,846	\$ 25,264
Restricted cash and investments	-	-	-	-
Receivables (net)				
Taxes	-	-	-	-
Notes	-	-	-	305,799
Special assessments	-	-	-	-
Due from other governmental units	-	-	81,652	-
Due from other funds	-	-	38,584	-
	<u>91,072</u>	<u>205,564</u>	<u>485,082</u>	<u>331,063</u>
TOTAL ASSETS	<u>\$ 91,072</u>	<u>\$ 205,564</u>	<u>\$ 485,082</u>	<u>\$ 331,063</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 1,390	\$ -	\$ 50,893	\$ 160
Accrued liabilities	-	-	1,476	-
Due to other funds	8,813	-	-	-
Advances from other funds	-	-	-	-
Total Liabilities	<u>10,203</u>	<u>-</u>	<u>52,369</u>	<u>160</u>
Deferred Inflows of Resources				
Unearned revenues	-	-	-	-
Unavailable revenues	-	-	81,619	305,799
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>81,619</u>	<u>305,799</u>
Fund Balances				
Restricted	80,869	205,564	-	25,104
Committed	-	-	351,094	-
Unassigned (deficit)	-	-	-	-
Total Fund Balances (Deficit)	<u>80,869</u>	<u>205,564</u>	<u>351,094</u>	<u>25,104</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 91,072</u>	<u>\$ 205,564</u>	<u>\$ 485,082</u>	<u>\$ 331,063</u>

Special Revenue Funds	Debt Service Fund	Capital Projects Funds				
Impact Fees	TIF District #5	Landfill Assurance	TIF District #6	TIF District #7	TIF District #8	TIF District #9
\$ -	\$ -	\$ -	\$ 728,462	\$ 59,567	\$ 109,214	\$ -
355,148	-	-	-	-	-	-
-	444,934	-	270,556	63,963	123,299	24,981
-	-	-	-	-	-	10,576
-	-	-	-	-	14,417	-
-	-	-	-	-	-	-
-	-	-	-	-	8,318	-
<u>\$ 355,148</u>	<u>\$ 444,934</u>	<u>\$ -</u>	<u>\$ 999,018</u>	<u>\$ 123,530</u>	<u>\$ 255,248</u>	<u>\$ 35,557</u>
\$ 3,821	\$ -	\$ 4,898	\$ 218,870	\$ -	\$ -	\$ -
-	-	-	1,031	-	-	-
1,142	-	8,901	9,500	-	-	-
-	-	-	-	-	-	41,426
<u>4,963</u>	<u>-</u>	<u>13,799</u>	<u>229,401</u>	<u>-</u>	<u>-</u>	<u>41,426</u>
-	444,934	-	270,556	63,963	115,009	24,981
-	-	-	-	-	22,707	10,576
-	<u>444,934</u>	<u>-</u>	<u>270,556</u>	<u>63,963</u>	<u>137,716</u>	<u>35,557</u>
350,185	-	-	499,061	59,567	117,532	-
-	-	-	-	-	-	-
-	-	(13,799)	-	-	-	(41,426)
<u>350,185</u>	<u>-</u>	<u>(13,799)</u>	<u>499,061</u>	<u>59,567</u>	<u>117,532</u>	<u>(41,426)</u>
<u>\$ 355,148</u>	<u>\$ 444,934</u>	<u>\$ -</u>	<u>\$ 999,018</u>	<u>\$ 123,530</u>	<u>\$ 255,248</u>	<u>\$ 35,557</u>

CITY OF NEW RICHMOND

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
As of December 31, 2015

	<u>Capital Projects Funds</u>		
	<u>TIF District #10</u>	<u>Capital Replacement Fund</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS			
Cash and investments	\$ -	\$ 11,214	\$ 1,595,203
Restricted cash and investments	-	-	355,148
Receivables (net)			
Taxes	-	135,000	1,062,733
Notes	-	-	316,375
Special assessments	-	-	14,417
Due from other governmental units	-	-	81,652
Due from other funds	-	-	<u>46,902</u>
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 146,214</u>	<u>\$ 3,472,430</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities			
Accounts payable	\$ -	\$ -	\$ 280,032
Accrued liabilities	-	-	2,507
Due to other funds	-	-	28,356
Advances from other funds	<u>20,293</u>	-	<u>61,719</u>
Total Liabilities	<u>20,293</u>	-	<u>372,614</u>
Deferred Inflows of Resources			
Unearned revenues	-	135,000	1,054,443
Unavailable revenues	-	-	<u>420,701</u>
Total Deferred Inflows of Resources	-	<u>135,000</u>	<u>1,475,144</u>
Fund Balances			
Restricted	-	-	1,337,882
Committed	-	11,214	362,308
Unassigned (deficit)	<u>(20,293)</u>	-	<u>(75,518)</u>
Total Fund Balances (Deficit)	<u>(20,293)</u>	<u>11,214</u>	<u>1,624,672</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ -</u>	<u>\$ 146,214</u>	<u>\$ 3,472,430</u>

CITY OF NEW RICHMOND

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2015

	Special Revenue Funds			
	Park Land Trust Fund	Library Trust Fund	Storm Water Utility	CDBG Revolving Housing
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	34,980	-
Public charges for services	112	21,074	259,341	-
Special assessments	-	-	-	-
Investment income	34	(5,979)	-	19
Miscellaneous	<u>101,857</u>	<u>750</u>	<u>384</u>	<u>13,214</u>
Total Revenues	<u>102,003</u>	<u>15,845</u>	<u>294,705</u>	<u>13,233</u>
EXPENDITURES				
Current				
Public works	-	-	304,808	-
Leisure activities	76,960	11,145	-	-
Conservation and development	-	-	-	9,750
Capital Outlay	2,000	-	27,764	-
Debt Service				
Interest and fiscal charges	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>78,960</u>	<u>11,145</u>	<u>332,572</u>	<u>9,750</u>
Excess (deficiency) of revenues over expenditures	<u>23,043</u>	<u>4,700</u>	<u>(37,867)</u>	<u>3,483</u>
OTHER FINANCING SOURCES (USES)				
Debt issued	-	-	-	-
Premium on debt issued	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Property sales	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	23,043	4,700	(37,867)	3,483
FUND BALANCES (DEFICIT) - Beginning of Year	<u>57,826</u>	<u>200,864</u>	<u>388,961</u>	<u>21,621</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 80,869</u>	<u>\$ 205,564</u>	<u>\$ 351,094</u>	<u>\$ 25,104</u>

Special Revenue Funds	Debt Service Fund	Capital Projects Funds			
Impact Fees	TIF District #5	Landfill Assurance	TIF District #6	TIF District #7	TIF District #8
\$ -	\$ 466,136	\$ -	\$ 240,535	\$ 60,148	\$ 83,518
-	7,093	-	4,109	209	4,040
-	-	-	2,547	-	-
-	-	-	-	-	7,208
809	-	13	-	-	1,442
<u>133,347</u>	<u>-</u>	<u>71,552</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>134,156</u>	<u>473,229</u>	<u>71,565</u>	<u>247,191</u>	<u>60,357</u>	<u>96,208</u>
39,845	-	91,746	-	-	-
5,554	-	-	-	-	-
-	357	-	76,201	4,939	50,280
84,855	-	-	412,517	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>51,101</u>
<u>130,254</u>	<u>357</u>	<u>91,746</u>	<u>488,718</u>	<u>4,939</u>	<u>101,381</u>
<u>3,902</u>	<u>472,872</u>	<u>(20,181)</u>	<u>(241,527)</u>	<u>55,418</u>	<u>(5,173)</u>
-	-	-	-	-	2,925,000
-	-	-	-	-	50,196
-	-	15,467	-	-	472,872
-	(472,872)	-	(436,200)	(32,021)	(3,280,551)
<u>-</u>	<u>-</u>	<u>-</u>	<u>779,467</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>(472,872)</u>	<u>15,467</u>	<u>343,267</u>	<u>(32,021)</u>	<u>167,517</u>
3,902	-	(4,714)	101,740	23,397	162,344
<u>346,283</u>	<u>-</u>	<u>(9,085)</u>	<u>397,321</u>	<u>36,170</u>	<u>(44,812)</u>
<u>\$ 350,185</u>	<u>\$ -</u>	<u>\$ (13,799)</u>	<u>\$ 499,061</u>	<u>\$ 59,567</u>	<u>\$ 117,532</u>

CITY OF NEW RICHMOND

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2015

	Capital Projects Funds			Total Nonmajor Governmental Funds
	TIF District #9	TIF District #10	Capital Replacement Fund	
REVENUES				
Taxes	\$ 19,077	\$ -	\$ 96,350	\$ 965,764
Intergovernmental	2,141	-	4,352	56,924
Public charges for services	-	-	-	283,074
Special assessments	-	-	-	7,208
Investment income	-	-	-	(3,662)
Miscellaneous	-	-	-	321,104
Total Revenues	<u>21,218</u>	<u>-</u>	<u>100,702</u>	<u>1,630,412</u>
EXPENDITURES				
Current				
Public works	-	-	-	436,399
Leisure activities	-	-	-	93,659
Conservation and development	155	452,472	-	594,154
Capital Outlay	-	-	249,488	776,624
Debt Service				
Interest and fiscal charges	2,309	685	-	54,095
Total Expenditures	<u>2,464</u>	<u>453,157</u>	<u>249,488</u>	<u>1,954,931</u>
Excess (deficiency) of revenues over expenditures	<u>18,754</u>	<u>(453,157)</u>	<u>(148,786)</u>	<u>(324,519)</u>
OTHER FINANCING SOURCES (USES)				
Debt issued	-	450,000	85,000	3,460,000
Premium on debt issued	-	-	-	50,196
Transfers in	-	-	75,000	563,339
Transfers out	-	-	-	(4,221,644)
Property sales	-	-	-	779,467
Total Other Financing Sources (Uses)	<u>-</u>	<u>450,000</u>	<u>160,000</u>	<u>631,358</u>
Net Change in Fund Balances	18,754	(3,157)	11,214	306,839
FUND BALANCES (DEFICIT) - Beginning of Year	<u>(60,180)</u>	<u>(17,136)</u>	<u>-</u>	<u>1,317,833</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ (41,426)</u>	<u>\$ (20,293)</u>	<u>\$ 11,214</u>	<u>\$ 1,624,672</u>

CITY OF NEW RICHMOND

COMBINING STATEMENT OF ASSETS AND LIABILITIES
 AGENCY FUNDS
 As of December 31, 2015

	<u>Tax Collection Fund</u>	<u>Employee Flex Plan</u>	<u>Armed Services Memorial</u>	<u>Totals</u>
ASSETS				
Cash and investments	\$ 2,266,601	\$ 21,491	\$ 3,404	\$ 2,291,496
Taxes receivable	<u>6,965,526</u>	<u>-</u>	<u>-</u>	<u>6,965,526</u>
TOTAL ASSETS	<u><u>\$ 9,232,127</u></u>	<u><u>\$ 21,491</u></u>	<u><u>\$ 3,404</u></u>	<u><u>\$ 9,257,022</u></u>
LIABILITIES				
Deposits	\$ -	\$ 21,491	\$ 3,404	\$ 24,895
Due to other taxing units	<u>9,232,127</u>	<u>-</u>	<u>-</u>	<u>9,232,127</u>
TOTAL LIABILITIES	<u><u>\$ 9,232,127</u></u>	<u><u>\$ 21,491</u></u>	<u><u>\$ 3,404</u></u>	<u><u>\$ 9,257,022</u></u>

CITY OF NEW RICHMOND

RATE OF RETURN - REGULATORY BASIS For the Year Ended December 31, 2015

	Electric Utility	Water Utility
Utility Financed Plant in Service		
Beginning of year	\$ 11,689,837	\$ 8,240,459
End of year	<u>12,007,676</u>	<u>8,387,124</u>
Average	<u>11,848,757</u>	<u>8,313,792</u>
Utility Financed Accumulated Depreciation		
Beginning of year	(7,014,750)	(2,684,062)
End of year	<u>(7,390,328)</u>	<u>(2,872,910)</u>
Average	<u>(7,202,539)</u>	<u>(2,778,486)</u>
Materials and Supplies		
Beginning of year	201,389	9,615
End of year	<u>294,220</u>	<u>10,736</u>
Average	<u>247,805</u>	<u>10,176</u>
Customer Advances for Construction		
Beginning of year	(16,094)	(32,040)
End of year	<u>-</u>	<u>(8,324)</u>
Average	<u>(8,047)</u>	<u>(20,182)</u>
Regulatory Liability		
Beginning of year	(89,098)	(163,774)
End of year	<u>(79,199)</u>	<u>(145,577)</u>
Average	<u>(84,149)</u>	<u>(154,676)</u>
 AVERAGE NET RATE BASE	 <u>\$ 4,801,827</u>	 <u>\$ 5,370,624</u>
 OPERATING INCOME - REGULATORY BASIS	 <u>\$ 385,575</u>	 <u>\$ (216,959)</u>
 RATE OF RETURN (PERCENT)	 <u>8.03%</u>	 <u>-4.04%</u>

This schedule is computed based on Public Service Commission of Wisconsin regulatory accounting which differs from accounting principles generally accepted in the United States of America due to GASB No. 34, GASB No. 68, and PSC order 05-US-105.