

CITY OF NEW RICHMOND

New Richmond, Wisconsin

FINANCIAL STATEMENTS

Including Independent Auditors' Report

As of and for the Year Ended December 31, 2019

CITY OF NEW RICHMOND

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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, 2019, 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.

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, 2019 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

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

Supplementary Information

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

Baker Tilly Virchow Krause, LLP

Eau Claire, Wisconsin
July 24, 2020

CITY OF NEW RICHMOND

STATEMENT OF NET POSITION As of December 31, 2019

	Governmental Activities	Business-type Activities	Totals
ASSETS			
Cash and investments	\$ 4,690,258	\$ 8,065,169	\$ 12,755,427
Receivables (net)			
Taxes	7,098,784	-	7,098,784
Special assessments	28,619	-	28,619
Notes	899,261	2,604	901,865
Other	183,814	1,729,524	1,913,338
Due from other governmental units	132,566	-	132,566
Internal balances	(65,280)	65,280	-
Inventories	-	366,457	366,457
Other assets	320,025	-	320,025
Restricted Assets			
Cash and investments	1,154,693	2,258,331	3,413,024
Capital Assets			
Construction in progress	372,988	234,496	607,484
Land	7,587,219	106,145	7,693,364
Other capital assets, net of depreciation	<u>38,211,847</u>	<u>26,893,000</u>	<u>65,104,847</u>
Total Assets	<u>60,614,794</u>	<u>39,721,006</u>	<u>100,335,800</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related amounts	2,673,348	1,024,006	3,697,354
OPEB related amounts	<u>24,017</u>	<u>11,714</u>	<u>35,731</u>
Total Deferred Outflows of Resources	<u>2,697,365</u>	<u>1,035,720</u>	<u>3,733,085</u>
LIABILITIES			
Accounts payable	346,494	674,322	1,020,816
Accrued liabilities and deposits	556,940	225,218	782,158
Due to other governments	162	-	162
Unearned revenue	114,904	-	114,904
Noncurrent Liabilities			
Due within one year	2,679,906	609,593	3,289,499
Due in more than one year	<u>15,298,630</u>	<u>5,442,948</u>	<u>20,741,578</u>
Total Liabilities	<u>18,997,036</u>	<u>6,952,081</u>	<u>25,949,117</u>
DEFERRED INFLOWS OF RESOURCES			
Unearned revenues	7,012,605	-	7,012,605
Pension related amounts	1,374,573	532,563	1,907,136
OPEB related amounts	<u>43,499</u>	<u>21,174</u>	<u>64,673</u>
Total Deferred Inflows of Resources	<u>8,430,677</u>	<u>553,737</u>	<u>8,984,414</u>

See accompanying notes to financial statements.

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Totals</u>
NET POSITION			
Net investment in capital assets	\$ 32,796,167	\$ 22,915,317	\$ 55,256,496
Restricted for			
Debt service	-	304,871	304,871
Library projects	313,164	-	313,164
Park land projects	372,398	-	372,398
Future facility improvements	979,376	892,601	1,871,977
TIF district projects	1,525,799	-	1,525,799
CDBG revolving housing loan program	313,887	-	313,887
Cemetery perpetual care	27,918	-	27,918
Storm water projects	6,337	-	6,337
Capital replacement	-	595,245	595,245
Unrestricted (deficit)	<u>(450,600)</u>	<u>8,542,874</u>	<u>8,547,262</u>
 TOTAL NET POSITION	 <u>\$ 35,884,446</u>	 <u>\$ 33,250,908</u>	 <u>\$ 69,135,354</u>

See accompanying notes to financial statements.

CITY OF NEW RICHMOND

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2019

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General government	\$ 1,385,363	\$ 555,505	\$ 2,000	\$ 163,682
Public safety	3,389,193	76,673	78,492	36,812
Public works	2,082,979	678,541	849,563	299,127
Health and human services	43,040	14,355	-	-
Leisure activities	1,628,174	121,819	415,312	120,169
Conservation and development	266,332	-	-	2,867
Interest and fiscal charges	412,301	-	-	-
Total Governmental Activities	<u>9,207,382</u>	<u>1,446,893</u>	<u>1,345,367</u>	<u>622,657</u>
Business-type Activities				
Electric Utility	9,335,243	9,515,232	-	55,403
Water Utility	1,456,253	1,596,800	-	214,846
Sewer Utility	2,009,384	1,568,888	-	216,030
Total Business-type Activities	<u>12,800,880</u>	<u>12,680,920</u>	<u>-</u>	<u>486,279</u>
Totals	<u>\$ 22,008,262</u>	<u>\$ 14,127,813</u>	<u>\$ 1,345,367</u>	<u>\$ 1,108,936</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 capital assets

Miscellaneous

Total General Revenues

Transfers

Total General Revenues and Transfers

Change in net position

NET POSITION - Beginning of Year

NET POSITION - END OF YEAR

See accompanying notes to financial statements.

Net (Expenses) Revenues and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Totals</u>
\$ (664,176)	\$ -	\$ (664,176)
(3,197,216)	-	(3,197,216)
(255,748)	-	(255,748)
(28,685)	-	(28,685)
(970,874)	-	(970,874)
(263,465)	-	(263,465)
<u>(412,301)</u>	<u>-</u>	<u>(412,301)</u>
<u>(5,792,465)</u>	<u>-</u>	<u>(5,792,465)</u>
-	235,392	235,392
-	355,393	355,393
-	<u>(224,466)</u>	<u>(224,466)</u>
-	<u>366,319</u>	<u>366,319</u>
<u>(5,792,465)</u>	<u>366,319</u>	<u>(5,426,146)</u>
3,176,901	-	3,176,901
1,833,178	-	1,833,178
1,281,348	-	1,281,348
208,000	-	208,000
205,070	-	205,070
554,397	-	554,397
257,665	244,260	501,925
353,956	-	353,956
<u>210,284</u>	<u>-</u>	<u>210,284</u>
8,080,799	244,260	8,325,059
<u>503,820</u>	<u>(503,820)</u>	<u>-</u>
<u>8,584,619</u>	<u>(259,560)</u>	<u>8,325,059</u>
2,792,154	106,759	2,898,913
<u>33,092,292</u>	<u>33,144,149</u>	<u>66,236,441</u>
<u>\$ 35,884,446</u>	<u>\$ 33,250,908</u>	<u>\$ 69,135,354</u>

See accompanying notes to financial statements.

CITY OF NEW RICHMOND

BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2019

	<u>General Fund</u>	<u>General Debt Service</u>	<u>Capital Projects</u>	<u>TIF District #6 Capital Projects</u>
ASSETS				
Cash and investments	\$ 2,195,138	\$ 29,494	\$ 70,321	\$ 13,352
Restricted cash and investments	-	-	89,545	-
Receivables (net)				
Taxes	3,722,755	1,627,876	-	565,776
Delinquent personal property taxes	80,486	-	-	-
Accounts	181,033	-	-	2,066
Notes	6,438	650,000	10,075	7,000
Special assessments	28,619	-	-	-
Due from other governmental units	71,696	6,382	54,150	-
Due from other funds	520,467	-	-	-
Other assets	-	-	320,025	-
Advances to other funds	<u>636,015</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 7,442,647</u>	<u>\$ 2,313,752</u>	<u>\$ 544,116</u>	<u>\$ 588,194</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 284,862	\$ -	\$ 37,368	\$ -
Accrued liabilities	441,185	-	-	-
Due to other governments	162	-	-	-
Due to other funds	167,617	-	5,195	-
Advances from other funds	-	-	506,077	462,093
Unearned revenues	-	-	-	-
Total Liabilities	<u>893,826</u>	<u>-</u>	<u>548,640</u>	<u>462,093</u>
Deferred Inflows of Resources				
Unearned revenues	3,717,062	1,627,876	-	565,776
Unavailable revenues	<u>46,725</u>	<u>656,382</u>	<u>12,642</u>	<u>7,000</u>
Total Deferred Inflows of Resources	<u>3,763,787</u>	<u>2,284,258</u>	<u>12,642</u>	<u>572,776</u>
Fund Balances (Deficit)				
Nonspendable	697,287	-	320,025	-
Restricted	-	29,494	99,886	-
Committed	-	-	-	-
Assigned	498,756	-	-	-
Unassigned (deficit)	<u>1,588,991</u>	<u>-</u>	<u>(437,077)</u>	<u>(446,675)</u>
Total Fund Balances (Deficit)	<u>2,785,034</u>	<u>29,494</u>	<u>(17,166)</u>	<u>(446,675)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 7,442,647</u>	<u>\$ 2,313,752</u>	<u>\$ 544,116</u>	<u>\$ 588,194</u>

See accompanying notes to financial statements.

Nonmajor Governmental Funds	Totals
\$ 2,381,953	\$ 4,690,258
1,065,148	1,154,693
1,101,891	7,018,298
-	80,486
715	183,814
225,748	899,261
-	28,619
338	132,566
249,379	769,846
-	320,025
<u>-</u>	<u>636,015</u>
<u>\$ 5,025,172</u>	<u>\$ 15,913,881</u>

\$ 24,264	\$ 346,494
4,160	445,345
-	162
6,237	179,049
323,922	1,292,092
114,904	114,904
<u>473,487</u>	<u>2,378,046</u>

1,101,891	7,012,605
<u>225,748</u>	<u>948,497</u>
<u>1,327,639</u>	<u>7,961,102</u>

27,918	1,045,230
3,370,538	3,499,918
159,129	159,129
-	498,756
<u>(333,539)</u>	<u>371,700</u>
<u>3,224,046</u>	<u>5,574,733</u>

<u>\$ 5,025,172</u>	<u>\$ 15,913,881</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, 2019

Total Fund Balances - Governmental Funds	\$	5,574,733
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. See Note III. D.		46,172,054
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. See Note III.B.		948,497
Deferred outflows of resources related to net pension liability - WRS do not relate to current financial resources and are not reported in the governmental funds.		2,608,476
Deferred inflows of resources related to net pension liability - WRS do not relate to current financial resources and are not reported in the governmental funds.		(1,365,127)
Deferred outflows of resources related to total pension liability - fire stipend do not relate to current financial resources and are not reported in the governmental funds.		64,872
Deferred inflows of resources related to total pension liability - fire stipend do not relate to current financial resources and are not reported in the governmental funds.		(9,446)
Deferred outflows of resources related to the net OPEB liability do not relate to current financial resources and are not reported in the governmental funds.		24,017
Deferred inflows of resources related to the net OPEB liability do not relate to current financial resources and are not reported in the governmental funds.		(43,499)
Governmental funds report the effect of premiums and discounts when debt is first issued, whereas these items are deferred and amortized in the statement of activities.		(368,356)
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		(15,119,891)
Accrued interest on general obligation debt		(111,595)
Compensated absences		(458,695)
Landfill long-term costs		(195,790)
Landfill remediation costs		(71,083)
Unfunded prior service service costs		(23,214)
Total OPEB liability - healthcare plan		(185,299)
Net OPEB liability - LRLIF		(127,138)
Net pension liability - WRS		(979,181)
Total pension liability - fire stipend		<u>(449,889)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	<u>35,884,446</u>

See accompanying notes to financial statements.

CITY OF NEW RICHMOND

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

For the Year Ended December 31, 2019

	<u>General Fund</u>	<u>General Debt Service</u>	<u>Capital Projects</u>	<u>TIF District #6 Capital Projects</u>
REVENUES				
Taxes	\$ 3,381,971	\$ 1,833,178	\$ -	\$ 443,560
Intergovernmental	1,621,848	1,840	-	9,914
Licenses and permits	413,718	-	-	-
Fines, forfeitures and penalties	141,853	-	-	-
Public charges for services	272,129	-	-	2,867
Intergovernmental charges for services	12,845	-	-	-
Special assessments	17,487	-	-	-
Investment income	160,209	30,044	5,365	-
Miscellaneous	<u>227,633</u>	<u>70,000</u>	<u>55,843</u>	<u>1,750</u>
Total Revenues	<u>6,249,693</u>	<u>1,935,062</u>	<u>61,208</u>	<u>458,091</u>
EXPENDITURES				
Current				
General government	1,166,228	-	-	36,735
Public safety	2,870,920	-	-	-
Public works	1,494,166	-	-	-
Health and human services	4,469	-	-	-
Leisure activities	1,313,985	-	-	-
Conservation and development	202,911	-	-	1,864
Capital Outlay	7,878	-	299,047	-
Debt Service				
Principal	-	2,466,393	-	-
Interest and fiscal charges	-	<u>424,906</u>	<u>10,648</u>	-
Total Expenditures	<u>7,060,557</u>	<u>2,891,299</u>	<u>309,695</u>	<u>38,599</u>
Excess (deficiency) of revenues over expenditures	<u>(810,864)</u>	<u>(956,237)</u>	<u>(248,487)</u>	<u>419,492</u>
OTHER FINANCING SOURCES (USES)				
Debt issued	-	-	100,083	-
Transfers in	634,857	1,008,575	24,451	-
Transfers out	(103,866)	(24,451)	(120,751)	(515,384)
Property sales	<u>365,000</u>	-	-	<u>68,310</u>
Total Other Financing Sources (Uses)	<u>895,991</u>	<u>984,124</u>	<u>3,783</u>	<u>(447,074)</u>
Net Change in Fund Balances	85,127	27,887	(244,704)	(27,582)
FUND BALANCES (DEFICIT) - Beginning of Year	<u>2,699,907</u>	<u>1,607</u>	<u>227,538</u>	<u>(419,093)</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 2,785,034</u>	<u>\$ 29,494</u>	<u>\$ (17,166)</u>	<u>\$ (446,675)</u>

See accompanying notes to financial statements.

Nonmajor Governmental Funds	Totals
\$ 1,045,788	\$ 6,704,497
117,939	1,751,541
-	413,718
-	141,853
601,882	876,878
-	12,845
-	17,487
62,796	258,414
<u>690,233</u>	<u>1,045,459</u>
<u>2,518,638</u>	<u>11,222,692</u>
-	1,202,963
-	2,870,920
497,716	1,991,882
38,571	43,040
94,940	1,408,925
60,888	265,663
558,621	865,546
-	2,466,393
<u>12,199</u>	<u>447,753</u>
<u>1,262,935</u>	<u>11,563,085</u>
<u>1,255,703</u>	<u>(340,393)</u>
369,917	470,000
551,941	2,219,824
(941,266)	(1,705,718)
-	433,310
<u>(19,408)</u>	<u>1,417,416</u>
1,236,295	1,077,023
<u>1,987,751</u>	<u>4,497,710</u>
<u>\$ 3,224,046</u>	<u>\$ 5,574,733</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, 2019

Net change in fund balances - total governmental funds	\$	1,077,023
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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		865,546
Some capital outlay is not capitalized in the government-wide statements		(199,867)
Some items reported as operating expenditures in the fund financial statements but are capitalized in the government-wide statements		1,303,737
Some items reported as capital outlay or operating expenditures were transferred to the business-type activities		(10,286)
Contributed capital assets are reported as revenues in the government-wide financial statements		52,995
Depreciation is reported in the government-wide statements		(1,642,461)
Net book value of capital assets disposed of reported in the government-wide statements, less trade-ins		(205,227)

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		(6,040)
Accounts receivable		(4,829)
Due from other governments		(3,018)
Loan receivable		(105,178)

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		(470,000)
Principal repaid		2,466,393

Governmental funds report debt premiums as other financing sources. However, in the statement of net position, these are reported as additions to long-term debt. These are allocated over the period the debt is outstanding in the statement of activities and are reported as interest expense.

Amortization		29,937
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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		(37,426)
Change in accrued interest payable		5,515
Change in unfunded prior service costs		37,861
Change in landfill long-term liability		17,026
Change in landfill remediation liability		11,866
Change in total OPEB liability - healthcare plan		34,132
Change in net OPEB liability - LRLIF and related deferred outflows/inflows of resources		(11,191)
Change in net pension asset/liability - WRS and related deferred outflows/inflows of resources		(375,226)
Change in total pension liability - fire stipend and related deferred outflows of resources		(39,128)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	<u>2,792,154</u>
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See accompanying notes to financial statements.

CITY OF NEW RICHMOND

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

	Business-type Activities - Enterprise Funds			
	Electric Utility	Water Utility	Sewer Utility	Totals
ASSETS				
Current Assets				
Cash and investments	\$ 2,848,498	\$ 2,282,031	\$ 2,934,640	\$ 8,065,169
Restricted cash - redemption account	183,809	116,412	27,027	327,248
Receivables				
Accounts	1,152,669	274,978	260,011	1,687,658
Other	19,265	20,490	2,111	41,866
Due from other funds	7,441	-	3,991	11,432
Inventories	355,951	10,258	248	366,457
Notes receivable - current portion	2,604	-	-	2,604
Advances to other funds - current portion	49,667	-	-	49,667
Total Current Assets	<u>4,619,904</u>	<u>2,704,169</u>	<u>3,228,028</u>	<u>10,552,101</u>
Noncurrent Assets				
Restricted Assets				
Reserve account	187,454	172,177	83,606	443,237
Replacement account	-	-	595,245	595,245
Impact fees	-	840,274	52,327	892,601
Capital Assets				
Construction in progress	45,995	55,018	133,483	234,496
Plant in service	16,414,238	18,201,411	19,838,551	54,454,200
Less: Accumulated depreciation	(10,726,352)	(5,622,971)	(11,105,732)	(27,455,055)
Other Assets				
Advances to other funds	181,371	325,257	99,782	606,410
Total Noncurrent Assets	<u>6,102,706</u>	<u>13,971,166</u>	<u>9,697,262</u>	<u>29,771,134</u>
Total Assets	<u>10,722,610</u>	<u>16,675,335</u>	<u>12,925,290</u>	<u>40,323,235</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension related amounts	523,903	295,245	204,858	1,024,006
OPEB related amounts	6,197	3,699	1,818	11,714
Total Deferred Outflows of Resources	<u>530,100</u>	<u>298,944</u>	<u>206,676</u>	<u>1,035,720</u>

See accompanying notes to financial statements.

	Business-type Activities - Enterprise Funds			
	Electric Utility	Water Utility	Sewer Utility	Totals
LIABILITIES				
Current Liabilities				
Accounts payable	\$ 592,451	\$ 21,337	\$ 60,534	\$ 674,322
Accrued expenses	54,756	25,419	21,671	101,846
Deposits	79,345	21,650	-	100,995
Due to other funds	301,328	293,919	6,982	602,229
Current portion of compensated absences	69,234	52,995	30,164	152,393
Current portion of general obligation debt	-	30,000	20,000	50,000
Current portion of notes payable	2,460	-	-	2,460
Liabilities Payable from Restricted Assets				
Current portion of revenue bonds	160,000	179,740	65,000	404,740
Accrued interest	6,743	10,364	5,270	22,377
Total Current Liabilities	<u>1,266,317</u>	<u>635,424</u>	<u>209,621</u>	<u>2,111,362</u>
Noncurrent Liabilities				
Long-Term Debt				
General obligation debt payable	-	430,000	280,000	710,000
Revenue bonds payable	1,015,000	1,971,802	825,000	3,811,802
Unamortized debt premium	-	41,603	16,131	57,734
Other Liabilities				
Compensated absences	156,988	120,165	68,396	345,549
Other postemployment benefits liability	76,392	48,166	29,555	154,113
Net pension liability	185,383	105,363	73,004	363,750
Total Noncurrent Liabilities	<u>1,433,763</u>	<u>2,717,099</u>	<u>1,292,086</u>	<u>5,442,948</u>
Total Liabilities	<u>2,700,080</u>	<u>3,352,523</u>	<u>1,501,707</u>	<u>7,554,310</u>
DEFERRED INFLOWS OF RESOURCES				
Pension related amounts	264,131	162,486	105,946	532,563
OPEB related amounts	11,236	6,692	3,246	21,174
Total Deferred Inflows of Resources	<u>275,367</u>	<u>169,178</u>	<u>109,192</u>	<u>553,737</u>
NET POSITION				
Net investment in capital assets	4,735,202	10,439,032	7,741,083	22,915,317
Restricted for				
Redemption	177,066	106,048	21,757	304,871
Future facility improvements	-	840,274	52,327	892,601
Equipment replacement	-	-	595,245	595,245
Unrestricted	<u>3,364,995</u>	<u>2,067,224</u>	<u>3,110,655</u>	<u>8,542,874</u>
TOTAL NET POSITION	<u>\$ 8,277,263</u>	<u>\$ 13,452,578</u>	<u>\$ 11,521,067</u>	<u>\$ 33,250,908</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, 2019

	Business-type Activities - Enterprise Funds			
	Electric Utility	Water Utility	Sewer Utility	Totals
OPERATING REVENUES	<u>\$ 9,515,232</u>	<u>\$ 1,596,800</u>	<u>\$ 1,568,888</u>	<u>\$ 12,680,920</u>
OPERATING EXPENSES				
Operation and maintenance	8,544,338	1,031,846	1,374,750	10,950,934
Depreciation and amortization	672,421	350,505	571,998	1,594,924
Taxes	83,330	20,685	35,995	140,010
Total Operating Expenses	<u>9,300,089</u>	<u>1,403,036</u>	<u>1,982,743</u>	<u>12,685,868</u>
Operating Income (Loss)	<u>215,143</u>	<u>193,764</u>	<u>(413,855)</u>	<u>(4,948)</u>
NONOPERATING REVENUES (EXPENSES)				
Investment income	40,500	75,983	127,777	244,260
Interest and fiscal charges	(29,464)	(58,746)	(28,639)	(116,849)
Amortization	-	5,529	1,998	7,527
Non-utility expense	<u>(5,690)</u>	<u>-</u>	<u>-</u>	<u>(5,690)</u>
Total Nonoperating Revenues (Expenses)	<u>5,346</u>	<u>22,766</u>	<u>101,136</u>	<u>129,248</u>
Income (Loss) Before Contributions and Transfers	<u>220,489</u>	<u>216,530</u>	<u>(312,719)</u>	<u>124,300</u>
CONTRIBUTIONS AND TRANSFERS				
Capital contributions	65,689	214,846	216,030	496,565
Transfers out	<u>(260,847)</u>	<u>(253,259)</u>	<u>-</u>	<u>(514,106)</u>
Total Contributions and Transfers	<u>(195,158)</u>	<u>(38,413)</u>	<u>216,030</u>	<u>(17,541)</u>
Change in Net Position	25,331	178,117	(96,689)	106,759
NET POSITION - Beginning of Year	<u>8,251,932</u>	<u>13,274,461</u>	<u>11,617,756</u>	<u>33,144,149</u>
NET POSITION - END OF YEAR	<u>\$ 8,277,263</u>	<u>\$ 13,452,578</u>	<u>\$ 11,521,067</u>	<u>\$ 33,250,908</u>

See accompanying notes to financial statements.

CITY OF NEW RICHMOND

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended December 31, 2019

	Business-type Activities - Enterprise Funds			
	Electric Utility	Water Utility	Sewer Utility	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Received from customers	\$ 9,434,981	\$ 1,633,567	\$ 1,502,173	\$ 12,570,721
Received from municipality for services	222,096	-	-	222,096
Paid to suppliers for goods and services	(7,946,894)	(541,989)	(1,042,593)	(9,531,476)
Paid to employees for services	(715,724)	(481,573)	(434,151)	(1,631,448)
Net Cash Flows From Operating Activities	<u>994,459</u>	<u>610,005</u>	<u>25,429</u>	<u>1,629,893</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment income	<u>38,085</u>	<u>70,751</u>	<u>127,777</u>	<u>236,613</u>
Net Cash Flows From Investing Activities	<u>38,085</u>	<u>70,751</u>	<u>127,777</u>	<u>236,613</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Paid to municipality for tax equivalent	<u>(254,896)</u>	<u>(293,209)</u>	<u>-</u>	<u>(548,105)</u>
Net Cash Flows From Noncapital Financing Activities	<u>(254,896)</u>	<u>(293,209)</u>	<u>-</u>	<u>(548,105)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Debt retired	(160,113)	(194,500)	(85,000)	(439,613)
Interest and fiscal charges paid	(30,121)	(59,516)	(29,006)	(118,643)
Capital contributions received	47,545	214,846	216,030	478,421
Acquisition and construction of capital assets	<u>(242,914)</u>	<u>(138,973)</u>	<u>(127,171)</u>	<u>(509,058)</u>
Net Cash Flows From Capital and Related Financing Activities	<u>(385,603)</u>	<u>(178,143)</u>	<u>(25,147)</u>	<u>(588,893)</u>
Net Change in Cash and Cash Equivalents	392,045	209,404	128,059	729,508
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>2,827,716</u>	<u>3,201,490</u>	<u>3,564,786</u>	<u>9,593,992</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 3,219,761</u>	<u>\$ 3,410,894</u>	<u>\$ 3,692,845</u>	<u>\$ 10,323,500</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)	\$ 215,143	\$ 193,764	\$ (413,855)	\$ (4,948)
Nonoperating revenue (expense)	(5,690)	-	-	(5,690)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Activities				
Depreciation and amortization	672,421	350,505	571,998	1,594,924
Depreciation charged to other funds	-	39,025	(39,025)	-
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources				
Accounts receivable	90,104	(20,990)	(27,994)	41,120
Other receivables	-	18,732	288	19,020
Due from other funds	-	-	16	16
Inventories	(62,335)	78	-	(62,257)
Notes receivable	5,114	-	-	5,114
Accounts payable	(51,205)	(74,829)	(102,577)	(228,611)
Due to other funds	1,460	37,432	4,771	43,663
Other current liabilities	2,910	4,601	1,187	8,698
Compensated absences	16,140	18,372	7,357	41,869
Deposits	57,431	-	-	57,431
Postemployment benefit related deferrals and liabilities	(7,515)	(9,491)	(2,977)	(19,983)
Pension related deferrals and assets/liabilities	60,481	52,806	26,240	139,527
	<u>994,459</u>	<u>610,005</u>	<u>25,429</u>	<u>1,629,893</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 994,459</u>	<u>\$ 610,005</u>	<u>\$ 25,429</u>	<u>\$ 1,629,893</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS				
Cash and investments	\$ 2,848,498	\$ 2,282,031	\$ 2,934,640	\$ 8,065,169
Restricted cash and investments	<u>371,263</u>	<u>1,128,863</u>	<u>758,205</u>	<u>2,258,331</u>
CASH AND CASH EQUIVALENTS	<u>\$ 3,219,761</u>	<u>\$ 3,410,894</u>	<u>\$ 3,692,845</u>	<u>\$ 10,323,500</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
City contributed property	<u>\$ 10,286</u>	<u>\$ -</u>	<u>\$ -</u>	
Capital assets acquired through accounts payable	<u>\$ -</u>	<u>\$ 9,440</u>	<u>\$ 9,357</u>	

See accompanying notes to financial statements.

CITY OF NEW RICHMOND

STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
As of December 31, 2019

	<u>Agency Funds</u>
ASSETS	
Cash and investments	\$ 4,356,020
Taxes receivable	<u>6,766,314</u>
TOTAL ASSETS	<u>\$ 11,122,334</u>
LIABILITIES	
Deposits	\$ 26,574
Due to other governments	<u>11,095,760</u>
TOTAL LIABILITIES	<u>\$ 11,122,334</u>

See accompanying notes to financial statements.

CITY OF NEW RICHMOND

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CITY OF NEW RICHMOND

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

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

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

Fund Financial Statements

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

CITY OF NEW RICHMOND

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

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

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

Fund Financial Statements (cont.)

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

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, 2019

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

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

Fund Financial Statements (cont.)

The city reports the following nonmajor governmental 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
- Cemetery
- Recycling, Compost and Yard Waste

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 #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 controlled by the city and the assets are for the benefit of individuals, private organizations, and/or other governmental units.

- Tax Collection Fund
- Employee Flex Plan
- Employee Fund

CITY OF NEW RICHMOND

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

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

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

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, 2019

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.
- 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.

CITY OF NEW RICHMOND

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

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

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

1. Deposits and Investments (cont.)

- 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.

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

CITY OF NEW RICHMOND

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

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

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

1. Deposits and Investments (cont.)

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

See Note III. A. for further information.

2. Receivables

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

Property tax calendar - 2019 tax roll:

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

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.

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 government-wide financial statements as internal balances.

CITY OF NEW RICHMOND

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

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

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

2. Receivables (cont.)

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.

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 acquisition 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.

CITY OF NEW RICHMOND

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

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

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

5. Capital Assets (cont.)

Government-Wide Statements (cont.)

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

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

Buildings	30-100	Years
Machinery and Equipment	2-30	Years
Infrastructure	20-50	Years
Intangibles	20	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 purchased a building and is holding it for resale. This property is presented as an asset at the lower of cost or market.

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.

CITY OF NEW RICHMOND

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

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

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

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, 2019, 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 obligations, unfunded prior service costs, other postemployment benefits, accrued compensated absences, and pension liabilities.

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.

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.

CITY OF NEW RICHMOND

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

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

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

11. Equity Classifications (cont.)

Government-Wide Statements (cont.)

- 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	\$ 32,796,167	\$ 22,915,317	\$ (454,988)	\$ 55,256,496
Unrestricted	(450,600)	8,542,874	454,988	8,547,262

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

Fund Statements

Governmental fund balances are displayed as follows:

- a. Nonspendable - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. Restricted - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the city council. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the city council that originally created the commitment.

CITY OF NEW RICHMOND

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

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

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

11. Equity Classifications (cont.)

Fund Statements (cont.)

- 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. Pension

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

CITY OF NEW RICHMOND

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

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

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

13. Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the total OPEB liability - healthcare plan and OPEB expense, the city's single employer defined benefit retiree healthcare plan recognizes benefit payments when due and payable in accordance with the benefit terms.

The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense, and information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIFs fiduciary net position have been determined on the same basis as they are reported by LRLIF. 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.

14. 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.

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 were effective April 1, 2012 through October 31, 2019. The utility commission approved new sewer rates on August 7, 2019 which became effective November 1, 2019.

NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. EXCESS EXPENDITURES AND OTHER FINANCING USES OVER APPROPRIATIONS

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

CITY OF NEW RICHMOND

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

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

B. DEFICIT BALANCES

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

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

<u>Fund</u>	<u>Amount</u>	<u>Reason</u>
Capital Projects	\$ 17,166	Expenditures in excess of revenues
TIF District #6	446,675	Project costs in excess of increment
Landfill Assurance	2,117	Expenditures in excess of revenues
TIF District #10	331,442	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. Capital projects and landfill assurance fund deficits are anticipated to be funded with future contributions, general tax revenues, or transfers from other funds.

C. LIMITATIONS ON THE CITY'S TAX LEVY

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

CITY OF NEW RICHMOND

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

NOTE III - DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

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

	Carrying Value	Bank and Investment Balances	Associated Risks
Demand and time deposits	\$ 6,986,664	\$ 6,981,153	Custodial credit
Money market	314,600	314,600	Custodial credit
U.S. agency bonds - explicit guarantee	54,894	54,894	Custodial credit and interest rate
U.S. agency bonds - implicit guarantee	3,518,520	3,518,520	Credit, custodial credit, concentration of credit and interest rate
Negotiable certificates of deposit	491,117	491,117	Credit, custodial credit, concentration of credit and interest rate
LGIP	8,933,931	8,933,931	Credit
Annuities	223,195	223,195	Credit and interest rate
Petty cash	1,550	-	N/A
 Total Deposits and Investments	 \$ 20,524,471	 \$ 20,517,410	
 Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 12,755,427		
Restricted cash and investments	3,413,024		
Per statement of assets and liabilities -			
agency funds			
Agency Funds	4,356,020		
 Total Deposits and Investments	 \$ 20,524,471		

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).

CITY OF NEW RICHMOND

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

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

A. DEPOSITS AND INVESTMENTS (cont.)

SIPC membership provides account protection up to a maximum of \$500,000 per customer, of which \$100,000 may be in cash. \$753,395 of the city's investments are covered by SIPC.

The city maintains a collateral agreement and a letter of credit with its banks. At December 31, 2019, the banks had pledged \$715,524 of various government securities to secure the city's deposits. The city also has a letter of credit for \$10,000,000 for any excess deposits at Bremer Bank.

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

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

- > Quoted market prices

Investment Type	December 31, 2019			
	Level 1	Level 2	Level 3	Total
U.S. agency bonds - explicit guarantee	\$ -	\$ 54,984	\$ -	\$ 54,984
U.S. agency bonds - implicit guarantee	201,836	3,316,684	-	3,518,520
Negotiable certificates of deposit	-	491,117	-	491,117
Total	\$ 201,836	\$ 3,862,785	\$ -	\$ 4,064,621

Custodial Credit Risk

Deposits

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

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

Investments

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

As of December 31, \$3,134,619 of the city's investments were exposed to custodial credit risk due to investment account balances in excess of SIPC coverage.

CITY OF NEW RICHMOND

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

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

A. DEPOSITS AND INVESTMENTS (cont.)

Credit Risk

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

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

Investment Type	Standard & Poors	Moody's Investors Services
Federal Home Loan Bank	AA+	Aaa
Federal Farm Credit Bank	AA+	Aaa
Freddie Mac	AA+	Aaa
Fannie Mae	AA+	Aaa
Federal Home Loan Mortgage Corporation	AA+	Aaa

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

- > Wisconsin Local Government Investment Pool (LGIP)
- > Annuities

The city also has investments in negotiable certificates of deposit and certain implicitly guaranteed U.S. agency bonds, which have unknown credit ratings.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer.

At December 31, 2019, the investment portfolio was concentrated as follows:

Issuer	Investment Type	Percentage of Portfolio
Federal Home Loan Bank	U.S. agency bonds - implicit guarantee	5.29%
Federal Farm Credit Bank	U.S. agency bonds - implicit guarantee	8.44%
Freddie Mac	U.S. agency bonds - implicit guarantee	12.13%

Interest Rate Risk

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

CITY OF NEW RICHMOND

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

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

A. DEPOSITS AND INVESTMENTS (cont.)

Interest Rate Risk (cont.)

As of December 31, 2019, 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	\$ 54,894	\$ -	\$ 10,477	\$ 44,417
U.S. agency bonds - implicit guarantee	3,518,520	150,046	2,401,376	967,099
Negotiable certificates of deposit	491,117	491,117	-	-
Annuities	223,195	-	-	223,195
Totals	<u>\$ 4,287,726</u>	<u>\$ 641,163</u>	<u>\$ 2,411,853</u>	<u>\$ 1,234,711</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 \$25,855 in the general fund, \$584,851 in the debt service fund, \$7,299 in the capital projects fund, \$5,250 in the TIF #6 capital projects funds, and \$225,748 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	\$ 7,012,605	\$ 5,693
Accounts receivable	-	13,154
Due from other governments	-	9,658
Special assessments not yet due	-	20,731
Loans receivable	-	899,261
Total Unearned/Unavailable Revenue for Governmental Funds	<u>\$ 7,012,605</u>	<u>\$ 948,497</u>

CITY OF NEW RICHMOND

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

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

C. RESTRICTED ASSETS

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.
- Construction - Used to report proceeds of revenue bond issuances that are restricted for use in construction.

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.

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

	<u>Restricted Assets</u>
Bond redemption account	\$ 327,248
Bond reserve account	443,237
Equipment replacement account	595,245
Impact fee account - utility	892,601
Impact fee account - other	979,753
Construction account - other	<u>174,940</u>
Total	<u>\$ 3,413,024</u>

CITY OF NEW RICHMOND

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

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

D. CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Adjustments*</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities					
Capital assets not being depreciated					
Construction in progress	\$ 747,852	\$ -	\$ 112,382	\$ 487,246	\$ 372,988
Land	<u>7,658,716</u>	<u>3,766</u>	<u>-</u>	<u>75,263</u>	<u>7,587,219</u>
Total Capital Assets Not Being Depreciated	<u>8,406,568</u>	<u>3,766</u>	<u>112,382</u>	<u>562,509</u>	<u>7,960,207</u>
Capital assets being depreciated					
Buildings	9,932,947	(184,340)	80,452	284,132	9,544,927
Machinery and equipment	5,832,910	(4,474)	404,160	299,297	5,933,299
Land improvements	6,685,363	1,995,557	275,898	-	8,956,818
Roads	26,169,006	-	422,401	112,628	26,478,779
Storm sewers	10,431,344	-	39,704	-	10,471,048
Sidewalks	<u>678,488</u>	<u>-</u>	<u>15,197</u>	<u>206</u>	<u>693,479</u>
Total Capital Assets Being Depreciated	<u>59,730,058</u>	<u>1,806,743</u>	<u>1,237,812</u>	<u>696,263</u>	<u>62,078,350</u>
Total Capital Assets	<u>68,136,626</u>	<u>1,810,509</u>	<u>1,350,194</u>	<u>1,258,772</u>	<u>70,038,557</u>
Less: Accumulated depreciation for					
Buildings	(3,383,285)	(438,437)	(202,688)	202,347	(3,822,063)
Machinery and equipment	(3,843,164)	673,551	(296,405)	291,884	(3,174,134)
Land improvements	(2,112,672)	(833,614)	(285,026)	-	(3,231,312)
Roads	(9,424,683)	-	(632,812)	9,030	(10,048,465)
Storm sewers	(3,191,275)	-	(208,689)	-	(3,399,964)
Sidewalks	<u>(173,930)</u>	<u>-</u>	<u>(16,841)</u>	<u>206</u>	<u>(190,565)</u>
Total Accumulated Depreciation	<u>(22,129,009)</u>	<u>(598,500)</u>	<u>(1,642,461)</u>	<u>503,467</u>	<u>(23,866,503)</u>
Net Capital Assets Being Depreciated	<u>37,601,049</u>	<u>1,208,243</u>	<u>(404,649)</u>	<u>192,796</u>	<u>38,211,847</u>
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 46,007,617</u>	<u>\$ 1,212,009</u>	<u>\$ (292,267)</u>	<u>\$ 755,305</u>	<u>\$ 46,172,054</u>

* Adjustments are to reclassify certain capital assets and related accumulated depreciation between categories and to correct prior year's additions and accumulated depreciation.

CITY OF NEW RICHMOND

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

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

D. CAPITAL ASSETS (cont.)

Depreciation/amortization expense was charged to functions as follows:

Governmental Activities

General government	\$ 33,874
Public safety	206,744
Public works, which includes the depreciation of infrastructure	1,190,211
Leisure activities	<u>211,632</u>
Total Governmental Activities Depreciation Expense	<u><u>\$ 1,642,461</u></u>

Business-type Activities

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<u>Electric</u>				
Capital assets not being depreciated/amortized				
Construction in progress	\$ 463	\$ 45,995	\$ 463	\$ 45,995
Land and land rights	<u>48,414</u>	<u>-</u>	<u>-</u>	<u>48,414</u>
Total Capital Assets Not Being Depreciated/Amortized	<u>48,877</u>	<u>45,995</u>	<u>463</u>	<u>94,409</u>
Capital assets being depreciated/amortized				
Intangibles	10,206	-	-	10,206
Transmission	113,355	-	-	113,355
Distribution	14,322,994	392,038	22,026	14,693,006
Administrative and general assets	<u>1,544,571</u>	<u>4,686</u>	<u>-</u>	<u>1,549,257</u>
Total Capital Assets Being Depreciated/Amortized	<u>15,991,126</u>	<u>396,724</u>	<u>22,026</u>	<u>16,365,824</u>
Total Capital Assets	<u>16,040,003</u>	<u>442,719</u>	<u>22,489</u>	<u>16,460,233</u>
Less: Accumulated depreciation/amortization for				
Electric plant	<u>(10,070,928)</u>	<u>(672,474)</u>	<u>17,050</u>	<u>(10,726,352)</u>
Total Accumulated Depreciation/Amortization	<u>(10,070,928)</u>	<u>(672,474)</u>	<u>17,050</u>	<u>(10,726,352)</u>
Net Capital Assets Being Depreciated/Amortized	<u>5,920,198</u>	<u>(275,750)</u>	<u>4,976</u>	<u>5,639,472</u>
Net Electric Capital Assets	<u><u>\$ 5,969,075</u></u>	<u><u>\$ (229,755)</u></u>	<u><u>\$ 5,439</u></u>	<u><u>\$ 5,733,881</u></u>

CITY OF NEW RICHMOND

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

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

D. CAPITAL ASSETS (cont.)

Business-type Activities (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Water</u>				
Capital assets not being depreciated/amortized				
Construction in progress	\$ 33,865	\$ 27,255	\$ 6,102	\$ 55,018
Land and land rights	<u>2,425</u>	<u>-</u>	<u>-</u>	<u>2,425</u>
Total Capital Assets Not Being Depreciated/Amortized	<u>36,290</u>	<u>27,255</u>	<u>6,102</u>	<u>57,443</u>
Capital assets being depreciated/amortized				
Intangibles	9,072	-	-	9,072
Source of supply	597,764	-	-	597,764
Pumping	1,332,499	-	-	1,332,499
Treatment	14,298	-	-	14,298
Transmission and distribution	15,520,153	104,374	15,829	15,608,698
Administrative and general assets	<u>625,667</u>	<u>32,529</u>	<u>21,541</u>	<u>636,655</u>
Total Capital Assets Being Depreciated/Amortized	<u>18,099,453</u>	<u>136,903</u>	<u>37,370</u>	<u>18,198,986</u>
Total Capital Assets	<u>18,135,743</u>	<u>164,158</u>	<u>43,472</u>	<u>18,256,429</u>
Less: Accumulated depreciation/amortization for				
Water plant	<u>(5,261,168)</u>	<u>(389,530)</u>	<u>27,727</u>	<u>(5,622,971)</u>
Total Accumulated Depreciation/Amortization	<u>(5,261,168)</u>	<u>(389,530)</u>	<u>27,727</u>	<u>(5,622,971)</u>
Net Capital Assets Being Depreciated/Amortized	<u>12,838,285</u>	<u>(252,627)</u>	<u>9,643</u>	<u>12,576,015</u>
Net Water Capital Assets	<u>\$ 12,874,575</u>	<u>\$ (225,372)</u>	<u>\$ 15,745</u>	<u>\$ 12,633,458</u>

CITY OF NEW RICHMOND

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

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

D. CAPITAL ASSETS (cont.)

Business-type Activities (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Sewer</u>				
Capital assets not being depreciated/amortized				
Construction in progress	\$ 83,075	\$ 50,408	\$ -	\$ 133,483
Land and land rights	<u>55,306</u>	<u>-</u>	<u>-</u>	<u>55,306</u>
Total Capital Assets Not Being Depreciated/Amortized	<u>138,381</u>	<u>50,408</u>	<u>-</u>	<u>188,789</u>
Capital assets being depreciated/amortized				
Intangibles	9,072	-	-	9,072
Collection system	9,988,879	49,708	7,000	10,031,587
Collection system pumping	2,734,733	26,180	14,282	2,746,631
Treatment and disposal	6,242,665	-	-	6,242,665
Administrative and general assets	<u>743,058</u>	<u>10,232</u>	<u>-</u>	<u>753,290</u>
Total Capital Assets Being Depreciated/Amortized	<u>19,718,407</u>	<u>86,120</u>	<u>21,282</u>	<u>19,783,245</u>
Total Capital Assets	<u>19,856,788</u>	<u>136,528</u>	<u>21,282</u>	<u>19,972,034</u>
Less: Accumulated depreciation/amortization for				
Sewer plant	<u>(10,594,041)</u>	<u>(532,973)</u>	<u>21,282</u>	<u>(11,105,732)</u>
Total Accumulated Depreciation/Amortization	<u>(10,594,041)</u>	<u>(532,973)</u>	<u>21,282</u>	<u>(11,105,732)</u>
Net Capital Assets Being Depreciated/Amortized	<u>9,124,366</u>	<u>(446,853)</u>	<u>-</u>	<u>8,677,513</u>
Net Sewer Capital Assets	<u>\$ 9,262,747</u>	<u>\$ (396,445)</u>	<u>\$ -</u>	<u>\$ 8,866,302</u>
Business-type Capital Assets, Net of Accumulated Depreciation/Amortization	<u>\$ 28,106,397</u>	<u>\$ (851,572)</u>	<u>\$ 21,184</u>	<u>\$ 27,233,641</u>

Depreciation/amortization expense was charged to functions as follows:

Business-type Activities	
Electric	\$ 672,421
Water	350,505
Sewer	<u>571,998</u>
Total Business-type Activities Depreciation/Amortization Expense	<u>\$ 1,594,924</u>

CITY OF NEW RICHMOND

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

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

D. CAPITAL ASSETS (cont.)

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

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	\$ 301,328
General Fund	Water Utility	212,157
General Fund	Sewer Utility	6,982
Electric Utility	Capital Projects	5,195
Electric Utility	TIF District #10	2,009
Electric Utility	Park Land Trust	237
Sewer Utility	TIF District #10	3,991
Storm Water Utility	Water Utility	46,066
Recycling, Compost and Yard Waste	Water Utility	35,696
Park Land Trust	General Fund	167,617
Total - Fund Financial Statements		781,278
Less: Fund eliminations		(167,617)
Less: Government-wide eliminations		(22,864)
Less: Interfund advances		(656,077)
Total Internal Balances - Government-Wide Statement of Net Position		\$ (65,280)
Receivable Fund	Payable Fund	Amount
Governmental Activities	Business-type Activities	\$ 602,229
Business-type Activities	Governmental Activities	(667,509)
Total Government-Wide Financial Statements		\$ (65,280)

All amounts are due within one year.

CITY OF NEW RICHMOND

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

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

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

Interfund Receivables/Payables (cont.)

The primary purpose of the interfund balance between the general fund and the electric and water utilities is the amount due for the 2019 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 #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 #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 general fund advanced funds to TIF District #6 to finance a development incentive. The general fund is charging interest on the advance at a rate of 2%. Principal repayments are expected through 2023.

The electric utility advanced funds to the capital projects fund to finance the purchase of property. The electric utility is charging interest on the advance at a rate of 1.5%. Principal repayments are expected through 2024.

The electric and sewer utilities advanced funds to TIF District #10 to provide financing for infrastructure relocation. The electric and sewer utilities are charging interest on the advance at a rate of 4%. Repayments are expected from 2021 - 2023.

The water utility advanced funds to the capital projects fund to finance the purchase of property. The water utility is charging interest on the advance at a rate of 3.27%. Repayments are expected from 2020 - 2021.

CITY OF NEW RICHMOND

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

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

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

Advances (cont.)

The following is a schedule of interfund advances:

Receivable Fund	Payable Fund	Amount	Amount Not Due Within One Year
General Fund	TIF District #6	\$ 462,093	\$ 427,093
General Fund	TIF District #10	173,922	173,922
Electric Utility	Capital Projects	180,820	131,153
Electric Utility	TIF District #10	50,218	50,218
Sewer Utility	TIF District #10	99,782	99,782
Water Utility	Capital Projects	325,257	325,257
Total - Fund Financial Statements		1,292,092	
Less: Fund eliminations		(636,015)	
Total - Interfund Advances - Government-Wide Statement of Net Position		\$ 656,077	

CITY OF NEW RICHMOND

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

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

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

Transfers

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
General Fund	Electric Utility	\$ 260,847	Payment in lieu of taxes
General Fund	Water Utility	253,259	Payment in lieu of taxes
General Fund	Capital Projects	120,751	Prior year bond proceeds for streets
Landfill Assurance	General Fund	12,133	City share of landfill costs
Park Land Trust	General Fund	70,000	Move proceeds from building sale
Recycling, Compost and Yard Waste	General Fund	21,733	Start new fund
Capital Projects	Debt Service	24,451	Budgeted transfer
TIF District #8	TIF District #5	448,075	TIF increment sharing
General Debt Service	Storm Water Utility	78,633	Storm Water Utility share of debt service
General Debt Service	TIF District #6	515,384	TIF share of debt service
General Debt Service	TIF District #7	32,021	TIF share of debt service
General Debt Service	TIF District #8	323,119	TIF share of debt service
General Debt Service	TIF District #10	<u>59,418</u>	TIF share of debt service
Total - Fund Financial Statements		2,219,824	
Less: Fund eliminations		(1,705,718)	
Less: Transfer of property from governmental activities to business-type activities		<u>(10,286)</u>	
Total Transfers - Government-Wide Statement of Activities		<u><u>\$ 503,820</u></u>	

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

CITY OF NEW RICHMOND

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

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

F. LONG-TERM OBLIGATIONS

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

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General obligation debt	\$ 15,575,000	\$ 470,000	\$ 2,215,000	\$ 13,830,000	\$ 2,042,000
General obligation debt from direct borrowings and direct placements	1,541,284	-	251,393	1,289,891	253,663
(Discounts)/Premiums	<u>398,293</u>	-	<u>29,937</u>	<u>368,356</u>	-
Sub-totals	<u>17,514,577</u>	<u>470,000</u>	<u>2,496,330</u>	<u>15,488,247</u>	<u>2,295,663</u>
Other Liabilities					
Compensated absences	421,269	365,060	327,634	458,695	334,229
Landfill long-term costs	212,816	-	17,026	195,790	15,000
Landfill remediation costs	82,949	-	11,866	71,083	11,800
Unfunded prior service cost	61,075	1,406	39,267	23,214	23,214
Total OPEB liability - healthcare plan	219,431	-	34,132	185,299	-
Net OPEB liability - LRLIF	138,081	-	10,943	127,138	-
Net pension liability - WRS	-	2,109,082	1,129,901	979,181	-
Total pension liability - fire stipend	<u>368,973</u>	<u>80,916</u>	-	<u>449,889</u>	-
Total Other Liabilities	<u>1,504,594</u>	<u>2,556,464</u>	<u>1,570,769</u>	<u>2,490,289</u>	<u>384,243</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 19,019,171</u>	<u>\$ 3,026,464</u>	<u>\$ 4,067,099</u>	<u>\$ 17,978,536</u>	<u>\$ 2,679,906</u>
Business-type Activities					
Bonds and Notes Payable					
General obligation debt	\$ 810,000	\$ -	\$ 50,000	\$ 760,000	\$ 50,000
Revenue debt	4,300,000	-	370,000	3,930,000	390,000
Revenue debt from direct borrowings and direct placements	301,042	-	14,500	286,542	14,740
Other debt from direct borrowings and direct placements	7,573	-	5,113	2,460	2,460
(Discounts)/Premiums	<u>65,261</u>	-	<u>7,527</u>	<u>57,734</u>	-
Sub-totals	<u>5,483,876</u>	-	<u>447,140</u>	<u>5,036,736</u>	<u>457,200</u>
Other Liabilities					
Compensated absences	456,073	195,106	153,237	497,942	152,393
Total OPEB liability - healthcare plan	106,878	-	14,655	92,223	-
Net OPEB liability - LRLIF	67,218	-	5,328	61,890	-
Net pension liability - WRS	-	783,491	419,741	363,750	-
Total Other Liabilities	<u>630,169</u>	<u>978,597</u>	<u>592,961</u>	<u>1,015,805</u>	<u>152,393</u>
Total Business-type Activities Long-Term Liabilities	<u>\$ 6,114,045</u>	<u>\$ 978,597</u>	<u>\$ 1,040,101</u>	<u>\$ 6,052,541</u>	<u>\$ 609,593</u>

CITY OF NEW RICHMOND

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

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

F. LONG-TERM OBLIGATIONS (cont.)

In accordance with Wisconsin Statutes, total general obligation indebtedness of the city may not exceed 5% of the equalized value of taxable property within the city's jurisdiction. The debt limit as of December 31, 2019, was \$43,969,975. Total general obligation debt outstanding at year-end was \$15,879,891.

General Obligation Debt

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

Governmental Activities

<u>General Obligation Debt</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2019</u>
Promissory Note	Feb 08	May 27	0%	\$ 803,462	\$ 339,240 *
Promissory Note	May 11	Jun 21	0%	163,616	24,542 *
Refunding Bonds	Aug 11	Mar 27	0.65-4.875%	1,150,000	650,000
Refunding Bonds	Sep 11	Dec 23	1.0-3.0%	3,545,000	1,345,000
State Trust Fund Loan	Dec 12	Mar 22	2.75%	404,000	162,060 *
Refunding Bonds	Jul 12	Mar 30	2.0-2.8%	3,125,000	1,425,000
State Trust Fund Loan	Apr 13	Mar 23	2.75%	262,000	6,382 *
State Trust Fund Loan	Jan 13	Mar 22	2.75%	251,000	91,010 *
State Trust Fund Loan	Apr 13	Mar 23	2.75%	272,000	117,573 *
Refunding Bonds	Aug 15	Oct 25	2.0-2.125%	3,455,000	2,185,000
State Trust Fund Loan	Sep 15	Mar 25	3.25%	450,000	319,194 *
Promissory Note	Jan 16	Dec 25	0%	55,792	33,475 *
Promissory Note	Jan 16	Dec 26	0%	280,592	196,415 *
Bonds Payable	Aug 16	Oct 31	2.0-2.25%	4,565,000	3,500,000
Bonds Payable	Jul 17	Oct 32	3.0%	5,740,000	4,255,000
Promissory Note	Nov 19	Nov 25	2.29%	470,000	470,000
Total Governmental Activities - General Obligation Debt					<u>\$ 15,119,891</u>

Business-type Activities

<u>General Obligation Debt</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2019</u>
Bonds Payable	Jul 17	Oct 32	3.0%	\$ 860,000	\$ 760,000
Total Business-type Activities - General Obligation Debt					<u>\$ 760,000</u>

* The debt noted is directly placed with a third party.

CITY OF NEW RICHMOND

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

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

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt (cont.)

Debt service requirements to maturity are as follows:

Years	Governmental Activities General Obligation Debt		Business-type Activities General Obligation Debt	
	Principal	Interest	Principal	Interest
2020	\$ 2,042,000	\$ 352,014	\$ 50,000	\$ 22,800
2021	1,788,000	301,183	50,000	21,300
2022	1,830,000	255,862	50,000	19,800
2023	1,702,000	208,685	55,000	18,300
2024	1,274,000	164,999	55,000	16,650
2025-2029	3,894,000	423,888	305,000	57,000
2030-2032	1,300,000	56,420	195,000	11,700
Totals	<u>\$ 13,830,000</u>	<u>\$ 1,763,051</u>	<u>\$ 760,000</u>	<u>\$ 167,550</u>

Years	Governmental Activities General Obligation Debt from Direct Borrowings and Direct Placements	
	Principal	Interest
2020	\$ 253,663	\$ 20,799
2021	249,750	16,062
2022	245,955	11,257
2023	162,293	6,323
2024	131,770	3,692
2025-2027	246,460	1,870
Totals	<u>\$ 1,289,891</u>	<u>\$ 60,003</u>

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 20.72% of net revenues. The total principal and interest remaining to be paid on the bonds is \$1,287,025. Principal and interest paid for the current year and total customer net revenues were \$184,680 and \$887,564, respectively.

CITY OF NEW RICHMOND

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

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

F. LONG-TERM OBLIGATIONS (cont.)

Revenue Debt (cont.)

The water and sewer utility has pledged future water and sewer revenues, net of specified operating expenses, to repay revenue bonds issued in 2016. 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 2036. Annual principal and interest payments on the bonds are expected to require 29.02% of net revenues. The total principal and interest remaining to be paid on the bonds is \$3,464,797. Principal and interest paid for the current year and total customer net revenues were \$293,723 and \$702,412, respectively.

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

Business-type Activities Revenue Debt

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2019</u>
<u>Electric Utility</u>					
Revenue Bonds	Aug 15	Oct 26	1.3-2.5%	\$ 1,765,000	\$ <u>1,175,000</u>
				Total Electric Utility	<u>1,175,000</u>
<u>Water Utility</u>					
Safe Drinking Water Loan	May 16	May 36	1.65%	\$ 327,700	\$ 286,542 * (1)
Revenue Bonds	Aug 16	May 35	2.0-2.5%	2,240,000	<u>1,865,000</u>
				Total Water Utility	<u>2,151,542</u>

(1) - During 2016 the utility was authorized to issue \$339,538 of water system Safe Drinking Water Loan revenue bonds. The original amount reported above has been issued as of December 31, 2019. The repayment schedule is for the amount issued.

Sewer Utility

Revenue Bonds	Aug 16	May 35	2.0-2.5%	1,020,000	<u>890,000</u>
				Total Sewer Utility	<u>890,000</u>

Total Business-type Activities - Revenue Debt \$ 4,216,542

* The debt noted is directly placed with a third party.

CITY OF NEW RICHMOND

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

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

F. LONG-TERM OBLIGATIONS (cont.)

Revenue Debt (cont.)

Debt service requirements to maturity are as follows:

Years	Business-type Activities Revenue Debt	
	Principal	Interest
2020	\$ 390,000	\$ 81,970
2021	405,000	73,910
2022	405,000	65,645
2023	405,000	57,150
2024	420,000	48,375
2025-2029	1,305,000	122,375
2030-2034	500,000	42,563
2035	100,000	1,250
Totals	<u>\$ 3,930,000</u>	<u>\$ 493,238</u>

Years	Business-type Activities Revenue Debt from Direct Borrowings and Direct Placements	
	Principal	Interest
2020	\$ 14,740	\$ 4,606
2021	14,983	4,361
2022	15,230	4,112
2023	15,481	3,859
2024	15,737	3,601
2025-2029	82,665	13,990
2030-2034	89,714	6,884
2035-2036	37,992	629
Totals	<u>\$ 286,542</u>	<u>\$ 42,042</u>

Business-type Activities Notes Payable	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2019
Note Payable - WPPI	Jan 15	Jan 20	2%	\$ 8,000	\$ 140 *
Note Payable - WPPI	Aug 15	Jul 20	2%	16,782	<u>2,320 *</u>
Total Business-type Activities Notes Payable					<u>\$ 2,460</u>

* The debt noted is directly placed with a third party.

CITY OF NEW RICHMOND

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

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

F. LONG-TERM OBLIGATIONS (cont.)

Debt service requirements to maturity are as follows:

<u>Years</u>	Business-type Activities Notes Payable from Direct Borrowings and Direct Placements	
	Principal	Interest
2020	\$ <u>2,460</u>	\$ <u>13</u>
Totals	\$ <u><u>2,460</u></u>	\$ <u><u>13</u></u>

Other Debt Information

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

The city's outstanding debt related to governmental activities of \$470,000 contain provisions that in an event of default, outstanding amounts may become immediately due and payable.

The city's outstanding debt from direct borrowings and/or direct placements related to governmental activities of \$593,672 and business-type activities of \$289,002 contain provisions that in an event of default, outstanding amounts may become immediately due and payable. In addition, the city's 2008 promissory note and safe drinking water loan contain provisions that in the event the city fails to make a payment when due or fails to comply with any other provisions of the financial assistance agreement, the lender may pursue remedies including, but not limited to, deducting amounts from any state payments due the municipality, increasing the interest rate to the market interest rate, and/or appointing a receiver for the benefit of the lender.

The city's outstanding debt from direct borrowings and/or direct placements related to governmental activities of \$696,219 contain clauses that any delinquent payments are subject to a penalty of one percent per month and shall be deducted from any state payments that are due to the city.

CITY OF NEW RICHMOND

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

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 \$399,930. The city's share of this liability, 17.774% of the total estimated costs, is \$71,083 and is recorded as a liability on the statement of net position.

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 \$15,000. An estimated liability of \$195,790, equal to maintenance and monitoring costs for 13 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, 2019, includes the following:

Governmental Activities

Net Investment in Capital Assets	
Land	\$ 7,587,219
Construction in progress	372,988
Other capital assets, net of accumulated depreciation	38,211,847
Less: Long-term debt outstanding	(15,119,891)
Plus: Unspent capital related debt proceeds	166,604
Plus: Noncapital debt proceeds	1,945,756
Less: Unamortized debt premium	<u>(368,356)</u>
Total Net Investment in Capital Assets	<u>\$ 32,796,167</u>

CITY OF NEW RICHMOND

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

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

H. NET POSITION/FUND BALANCES (cont.)

Governmental Funds

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

	<u>General Fund</u>	<u>General Debt Service</u>	<u>Capital Projects</u>	<u>TIF District #6 Capital Projects</u>	<u>Nonmajor Funds</u>	<u>Totals</u>
Fund Balances						
Nonspendable:						
Long-term advances to other funds	\$ 636,015	\$ -	\$ -	\$ -	\$ -	\$ 636,015
Property held for resale	-	-	320,025	-	-	320,025
Delinquent special assessments held by the county	7,888	-	-	-	-	7,888
Delinquent personal property taxes	53,384	-	-	-	-	53,384
Cemetery perpetual care	-	-	-	-	27,918	27,918
Sub-total	<u>697,287</u>	<u>-</u>	<u>320,025</u>	<u>-</u>	<u>27,918</u>	<u>1,045,230</u>
Restricted for:						
Capital projects	-	-	99,886	-	-	99,886
Park land projects	-	-	-	-	372,398	372,398
Library projects	-	-	-	-	313,164	313,164
Storm water utility	-	-	-	-	6,337	6,337
CDBG revolving housing loan program	-	-	-	-	88,139	88,139
Future facility improvements	-	-	-	-	979,376	979,376
TIF district projects	-	-	-	-	1,525,799	1,525,799
Unspent bond proceeds	-	-	-	-	85,325	85,325
Debt service	-	29,494	-	-	-	29,494
Sub-total	<u>-</u>	<u>29,494</u>	<u>99,886</u>	<u>-</u>	<u>3,370,538</u>	<u>3,499,918</u>
Committed to:						
Storm water utility	-	-	-	-	97,434	97,434
Recycling, compost and yard waste	-	-	-	-	37,489	37,489
Capital projects	-	-	-	-	24,206	24,206
Sub-total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>159,129</u>	<u>159,129</u>

CITY OF NEW RICHMOND

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

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

H. NET POSITION/FUND BALANCES (cont.)

	General Fund	General Debt Service	Capital Projects	TIF District #6 Capital Projects	Nonmajor Funds	Totals
Assigned to:						
Police	\$ 6,737	\$ -	\$ -	\$ -	\$ -	\$ 6,737
Networking/computers	11,855	-	-	-	-	11,855
Airport projects	40,000	-	-	-	-	40,000
Projects - hail damage	77,814	-	-	-	-	77,814
Room tax - tourism	16,817	-	-	-	-	16,817
Fire pension	223,195	-	-	-	-	223,195
Future outlay - fire	22,938	-	-	-	-	22,938
Future retirement	43,808	-	-	-	-	43,808
Future stock funds	10,592	-	-	-	-	10,592
Insurance - sustainability funds	15,000	-	-	-	-	15,000
Park building sale proceeds	30,000	-	-	-	-	30,000
Sub-total	<u>498,756</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>498,756</u>
Unassigned (deficit):	<u>1,588,991</u>	<u>-</u>	<u>(437,077)</u>	<u>(446,675)</u>	<u>(333,539)</u>	<u>371,700</u>
Total Fund Balances (Deficit)	<u>\$ 2,785,034</u>	<u>\$ 29,494</u>	<u>\$ (17,166)</u>	<u>\$ (446,675)</u>	<u>\$ 3,224,046</u>	<u>\$ 5,574,733</u>

Business-type Activities

Net Investment in Capital Assets	
Land	\$ 106,145
Construction in progress	234,496
Other capital assets, net of accumulated depreciation	26,893,000
Less: Long-term debt outstanding (excluding unspent capital related debt proceeds)	(4,260,590)
Less: Unamortized debt premium	<u>(57,734)</u>
 Total Net Investment in Capital Assets	 <u>\$ 22,915,317</u>

NOTE IV - OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

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

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

CITY OF NEW RICHMOND

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

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

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

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

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

The WRS also provides death and disability benefits for employees.

CITY OF NEW RICHMOND

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

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

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

CITY OF NEW RICHMOND

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

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

During the reporting period, the WRS recognized \$383,304 in contributions from the city.

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

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

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

At December 31, 2019, the city reported an liability of \$1,342,931 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017 rolled forward to December 31, 2018. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The city's proportion of the net pension liability was based on the city's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2018, the city's proportion was 0.03774733%, which was an increase of 0.00135395% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the city recognized pension expense of \$887,730.

CITY OF NEW RICHMOND

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

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,045,940	\$ 1,848,846
Changes in assumptions	226,369	-
Net differences between projected and actual earnings on pension plan investments	1,961,259	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	6,162	48,844
Employer contributions subsequent to the measurement date	392,752	-
Totals	\$ 3,632,482	\$ 1,897,690

\$392,752 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31:	Deferred Outflows of Resources and Deferred Inflows of Resources (net)
2020	\$ 489,896
2021	110,375
2022	209,127
2023	532,642

CITY OF NEW RICHMOND

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

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

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

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

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

CITY OF NEW RICHMOND

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

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

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

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

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

CITY OF NEW RICHMOND

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

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

	1% Decrease to Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase to Discount Rate (8.00%)
City's proportionate share of the net pension liability (asset)	\$5,336,951	\$1,342,931	\$(1,626,931)

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

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

At December 31, 2019, the city reported debt payable to the pension plan of \$23,214, 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.

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.

CITY OF NEW RICHMOND

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

NOTE IV - OTHER INFORMATION (cont.)

C. COMMITMENTS AND CONTINGENCIES (cont.)

The city has active construction projects as of December 31, 2019. Work that has been completed on these projects but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures.

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.

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

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

CITY OF NEW RICHMOND

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

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>% Exp Paid</u>
Town of Alden	3.84%
City of New Richmond	50.56
Town of Cylon	2.78
Village of Deer Park	0.97
Town of Erin Prairie	1.75
Town of Richmond	11.61
Village of Roberts	6.37
Town of Stranton	4.07
Town of Star Prairie	13.62
Village of Star Prairie	2.45
Town of Warren	<u>1.98</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 \$103,142 to the district for 2019. 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, 2019 is available directly from the district's office.

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

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 \$396,309 to the facility for 2019. 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, 2019 is available from the facility office.

CITY OF NEW RICHMOND

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

NOTE IV - OTHER INFORMATION (cont.)

E. OTHER POSTEMPLOYMENT BENEFITS

HEALTHCARE PLAN

Plan description. The city's other postemployment benefit ("OPEB") healthcare plan provides medical and dental benefits for eligible retirees (or other qualified terminated employees) through the city's health and dental insurance plan which covers both active and retired members. The city administers its single-employer defined benefit healthcare plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits provided. Contribution requirements are established through personnel policy guidelines and may be amended by the action of the governing body. Retiree plan members receiving benefits contribute 100% of their premium costs for a family plan and a single plan but at blended premiums rates. This results in a benefit commonly known as an implicit rate subsidy.

Employees covered by benefit terms. At December 31, 2019, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	2
Active plan members	66
	68

TOTAL OPEB LIABILITY

The city's total OPEB liability of \$277,522 was measured as of December 31, 2019, and was determined by an alternative measurement method ("AMM") valuation report as of that date. The AMM calculation process is similar to an actuarial valuation, but with simplifications of several assumptions permitted per GASB guidelines. Per GASB 75 Paragraph 43(a), deferred inflows/outflows of resources related to differences between actual and expected experience with regard to economic or demographic factors or changes in assumptions and other inputs should not be used under the AMM. These items should be recognized in OPEB expense immediately.

Actuarial assumptions and other inputs. The total OPEB liability in the December 31, 2019 AMM valuation report was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	3%
Healthcare cost trend rates	Pharmacy is 7.6% decreasing to 4.7% in year 7; Vision is 3%.

The discount rate was based on the 20 year tax exempt municipal bond yield.

Mortality rates were based on the RP-2000 Mortality Table for Males and Females projected 18 years; this assumption does not include a margin for future improvements in longevity.

CITY OF NEW RICHMOND

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

NOTE IV - OTHER INFORMATION (cont.)

E. OTHER POSTEMPLOYMENT BENEFITS (cont.)

CHANGES IN THE TOTAL OPEB LIABILITY

	Total OPEB Liability
Balances at December 31, 2018	\$ 326,309
Changes for the year:	
Service cost	1,541
Interest	12,294
Differences between expected and actual experience	(78,605)
Changes in assumptions or other inputs	15,983
Net changes	(48,787)
Balances at December 31, 2019	\$ 277,522

Changes of assumptions and other inputs reflect a change in the discount rate from 3.75 percent in 2018 to 2.73 percent in 2019.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the city, as well as what the city's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.73 percent) or 1-percentage-point higher (3.73 percent) than the current discount rate:

	1% Decrease (1.73%)	Discount Rate (2.73%)	1% Increase (3.73%)
Total OPEB liability	\$ 295,158	\$ 277,522	\$ 261,835

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the city, as well as what the city's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.6 percent decreasing to 3.7 percent) or 1-percentage-point higher (8.6 percent decreasing to 5.7 percent) than the current healthcare cost trend rates:

	1% Decrease (6.6% Decreasing to 3.7%)	Healthcare Cost Trend Rates (7.6% Decreasing to 4.7%)	1% Increase (8.6% Decreasing to 5.7%)
Total OPEB liability	\$ 259,419	\$ 277,522	\$ 297,884

CITY OF NEW RICHMOND

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

NOTE IV - OTHER INFORMATION (cont.)

E. OTHER POSTEMPLOYMENT BENEFITS (cont.)

OPEB EXPENSE

For the year ended December 31, 2019, the city recognized negative OPEB expense of \$48,787.

Local Retiree Life Insurance Fund (LRLIF)

Plan description. The LRLIF is a multiple-employer defined benefit OPEB plan. LRLIF benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. The Wisconsin Department of Employee Trust Funds (ETF) and the Group Insurance Board have statutory authority for program administration and oversight. The plan provides post-employment life insurance benefits for all eligible employees.

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

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

Benefits provided. The LRLIF plan provides fully paid up life insurance benefits for post-age 64 retired employees and pre-65 retirees who pay for their coverage.

CITY OF NEW RICHMOND

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

NOTE IV - OTHER INFORMATION (cont.)

E. OTHER POSTEMPLOYMENT BENEFITS (cont.)

Contributions. The Group Insurance Board approves contribution rates annually, based on recommendations from the insurance carrier. Recommended rates are based on an annual valuation, taking into consideration an estimate of the present value of future benefits and the present value of future contributions. A portion of employer contributions made during a member's working lifetime funds a post-retirement benefit.

Employers are required to pay the following contribution based on employee contributions for active members to provide them with Basic Coverage after age 65. There are no employer contributions required for pre-age 65 annuitant coverage. If a member retires prior to age 65, they must continue paying the employee premiums until age 65 in order to be eligible for the benefit after age 65.

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

Coverage Type	Employer Contribution
50% Post Retirement Coverage	40% of employee contribution
25% Post Retirement Coverage	20% of employee contribution

Employee contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating employees must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The employee contribution rates in effect for the plan year are as listed below:

Life Insurance Employee Contribution Rates For the Plan Year

Attained Age	Basic
Under 30	\$0.05
30-34	0.06
34-39	0.07
40-44	0.08
45-49	0.12
50-54	0.22
55-59	0.39
60-64	0.49
65-69	0.57

During the reporting period, the LRLIF recognized \$1,411 in contributions from the employer.

CITY OF NEW RICHMOND

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

NOTE IV - OTHER INFORMATION (cont.)

E. OTHER POSTEMPLOYMENT BENEFITS (cont.)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs

At December 31, 2019, the city reported a liability of \$189,028 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2017 rolled forward to December 31, 2018. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The city's proportion of the net OPEB liability was based on the city's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2018, the city's proportion was 0.07325700%, which was an increase of 0.00501900% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the city recognized OPEB expense of \$17,910.

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

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 9,589
Net differences between projected and actual earnings on OPEB plan investments	4,517	-
Changes in assumptions	18,036	40,974
Changes in proportion and differences between employer contributions and proportionate share of contributions	11,767	14,110
Employer contributions subsequent to the measurement date	<u>1,411</u>	<u>-</u>
Total	<u>\$ 35,731</u>	<u>\$ 64,673</u>

CITY OF NEW RICHMOND

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

NOTE IV - OTHER INFORMATION (cont.)

E. OTHER POSTEMPLOYMENT BENEFITS (cont.)

\$1,411 reported as deferred outflows related to OPEB resulting from the LRLIF Employer’s contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31:	Deferred Outflows of Resources and Deferred Inflows of Resources (net)
2020	\$ (4,359)
2021	(4,359)
2022	(4,359)
2023	(4,993)
2024	(5,646)
Thereafter	(6,637)

Actuarial assumptions. The total OPEB liability in the January 1, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2018
Measurement Date of Net OPEB Liability	December 31, 2018
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield	4.10%
Long-Term Expected Rate of Return:	5.00%
Discount Rate:	4.22%
Salary Increases:	
Inflation	3.00%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table

CITY OF NEW RICHMOND

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

NOTE IV - OTHER INFORMATION (cont.)

E. OTHER POSTEMPLOYMENT BENEFITS (cont.)

Long-term expected return on plan assets. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Investments for the LRLIF are held with Securian, the insurance carrier. Interest is calculated and credited to the LRLIF based on the rate of return for a segment of the insurance carriers' general fund, specifically 10-year A-Bonds (as a proxy, and not tied to any specific investments). The overall aggregate interest rate is calculated using a tiered approach based on the year the funds were originally invested and the rate of return for that year. Investment interest is credited based on the aggregate rate of return and assets are not adjusted to fair market value. Furthermore, the insurance carrier guarantees the principal amounts of the reserves, including all interest previously credited thereto.

**Local OPEB Life Insurance
Asset Allocation Targets and Expected Returns
As of December 31, 2018**

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return %
U.S. Government Bonds	Barclays Government	1%	1.44%
U.S. Credit Bonds	Barclays Credit	40	2.69
U.S. Long Credit Bonds	Barclays Long Credit	4	3.01
U.S. Mortgages	Barclays MBS	54	2.25
U.S. Municipal Bonds	Bloomberg Barclays Muni	1	1.68
Inflation			2.30
Long-Term Expected Rate of Return			5.00

Single discount rate. A single discount rate of 4.22% was used to measure the total OPEB liability. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient.

CITY OF NEW RICHMOND

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

NOTE IV - OTHER INFORMATION (cont.)

E. OTHER POSTEMPLOYMENT BENEFITS (cont.)

Sensitivity of the city's proportionate share of the net OPEB liability to changes in the discount rate. The following presents the city's proportionate share of the net OPEB liability calculated using the discount rate of 4.22 percent, as well as what the city's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.22 percent) or 1-percentage-point higher (5.22 percent) than the current rate:

	1% Decrease to Discount Rate (3.22%)	Current Discount Rate (4.22%)	1% Increase to Discount Rate (5.22%)
City's proportionate share of the net OPEB liability	\$268,905	\$189,028	\$127,421

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

F. SUBSEQUENT EVENTS

In December 2019, a novel strain of coronavirus was reported in Wuhan, Hubei province, China. In the first several months of 2020, the virus, SARS-CoV-2, and resulting disease, COVID-19, spread to the United States, including areas impacting the city. As of the audit opinion date, the city's evaluation of the effects of these events is ongoing. However, based on current information we believe this situation will see a decline in room tax collections, decrease investment income and potentially increase delinquent accounts. However, the city took significant approaches in March to contain costs to offset the anticipated revenue shortfalls.

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

On June 29, 2020 the city issued general obligation promissory notes in the amount of \$2,695,000 with an interest rate of .99% to 1.89%. This amount will be used for street improvements, purchase of equipment, and various utility projects

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.

CITY OF NEW RICHMOND

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

NOTE IV - OTHER INFORMATION (cont.)

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

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

- > Statement No. 84, *Fiduciary Activities*
- > Statement No. 87, *Leases*
- > Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- > Statement No. 91, *Conduit Debt Obligations*
- > Statement No. 92, *Omnibus 2020*
- > Statement No. 93, *Replacement of Interbank Offered Rates*
- > Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*

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

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

CITY OF NEW RICHMOND

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

NOTE IV - OTHER INFORMATION (cont.)

I. DEFINED BENEFIT PENSION PLAN - FIRE STIPEND

Plan description. The city reports a single employer defined benefit pension plan for fire department employees ("the plan"). Management of the plan is vested in the New Richmond Fire Fighters Group. No assets have been accumulated in a trust for payment of these benefits.

Benefits provided. The plan is administered by the New Richmond Fire Fighters Group and provides stipend benefits to certain fire department employees. The amount paid to retirees or beneficiaries each year is based on the years of service at the time of retirement. Benefit provisions are established by the adoption agreement and may be amended by the employer. The plan was closed to new entrants in December 2006.

At December 31, 2019, the plan's membership consisted of:

Retirees and beneficiaries	26
Inactive, nonretired members	-
Active members	10
Total	36

The city paid \$6,100 for pension benefits as they came due during the reporting period. The city has accumulated assets to pay for these benefits; however, the arrangement does not meet the definition of a trust under GASB Statement No. 73. The specific criteria that are not met include:

- > Contributions from employers and nonemployer contributing entities to the pension plan and earnings on those contributions are irrevocable.
- > Pension plan assets are legally protected from the creditors of employers, nonemployer contributing entities, the pension plan administrator and plan members.

Changes in total pension liability. The city's change in total pension liability for the calendar year ended December 31, 2019 was as follows:

	Total Pension Liability
Beginning of Year Balance	\$ 368,973
Service cost	5,401
Interest on total pension liability	10,063
Changes in benefit terms	-
Differences between expected and actual experience	16,725
Changes of assumptions	56,187
Benefit payments	(7,460)
End of Year Balance	\$ 449,889

CITY OF NEW RICHMOND

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

NOTE IV - OTHER INFORMATION (cont.)

H. DEFINED BENEFIT PENSION PLAN - FIRE STIPEND (cont.)

Assumptions. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Measurement Date:	December 31, 2019
Actuarial Valuation Date:	January 1, 2019
Inflation:	0.0%
Salary Changes:	N/A
Discount Rate:	2.75%
Source of Discount Rate:	20 year AA general obligation bond rate
Source of Mortality Assumptions:	RP2000 projected to 2030
Dates of Experience Studies:	Not available

The discount rate was updated for 2019. Previously the rate was 3.71%.

Sensitivity of the total pension liability to changes in the discount rate. The following is a sensitivity analysis of the total pension liability to changes in the discount rate. The table below presents the pension liability of the city calculated using the current discount rate of 2.75% as well as what the total pension liability would be if it were to be calculated using a discount rate that is 1 percentage point lower (1.75%) or 1 percentage point higher (3.75%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Total pension liability	\$ 481,612	\$ 449,889	\$ 417,456

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions. For the year ended December 31, 2019, the city recognized pension expense of 46,588. The city reported deferred outflows and inflows of resources related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 11,367	\$ -
Changes of assumptions	<u>32,095</u>	<u>9,446</u>
Total	<u>\$ 64,872</u>	<u>\$ 9,446</u>

CITY OF NEW RICHMOND

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

NOTE IV - OTHER INFORMATION (cont.)

H. DEFINED BENEFIT PENSION PLAN - FIRE STIPEND (cont.)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31:

2020	\$	31,122
2021		<u>24,304</u>
Total	\$	<u><u>55,426</u></u>

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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 3,350,119	\$ 3,350,119	\$ 3,381,971	\$ 31,852
Intergovernmental	1,475,170	1,612,508	1,621,848	9,340
Licenses and permits	371,065	392,265	413,718	21,453
Fines, forfeitures and penalties	115,000	135,000	141,853	6,853
Public charges for services	258,901	276,774	272,129	(4,645)
Intergovernmental charges for services	24,720	24,720	12,845	(11,875)
Special assessments	3,200	3,200	17,487	14,287
Investment income	54,020	89,820	160,209	70,389
Miscellaneous	119,050	176,419	227,633	51,214
Total Revenues	<u>5,771,245</u>	<u>6,060,825</u>	<u>6,249,693</u>	<u>188,868</u>
EXPENDITURES				
Current				
General government	1,133,344	1,166,344	1,166,228	116
Public safety	2,760,723	2,870,939	2,870,920	19
Public works	1,199,565	1,494,678	1,494,166	512
Health and human services	5,900	5,900	4,469	1,431
Leisure activities	1,349,225	1,398,368	1,313,985	84,383
Conservation and development	181,725	202,925	202,911	14
Capital Outlay	<u>15,763</u>	<u>18,836</u>	<u>7,878</u>	<u>10,958</u>
Total Expenditures	<u>6,646,245</u>	<u>7,157,990</u>	<u>7,060,557</u>	<u>97,433</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(875,000)</u>	<u>(1,097,165)</u>	<u>(810,864)</u>	<u>286,301</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	890,000	940,750	634,857	(305,893)
Transfers out	(15,000)	(104,000)	(103,866)	134
Property sales	-	185,000	365,000	180,000
Total Other Financing Sources (Uses)	<u>875,000</u>	<u>1,021,750</u>	<u>895,991</u>	<u>(125,759)</u>
Net Change in Fund Balance	-	(75,415)	85,127	160,542
FUND BALANCE - Beginning of Year	<u>2,699,907</u>	<u>2,699,907</u>	<u>2,699,907</u>	-
FUND BALANCE - END OF YEAR	<u>\$ 2,699,907</u>	<u>\$ 2,624,492</u>	<u>\$ 2,785,034</u>	<u>\$ 160,542</u>

See accompanying notes to required supplementary information.

CITY OF NEW RICHMOND

**SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY - HEALTHCARE PLAN
AND RELATED RATIOS**

For the Year Ended December 31, 2019

	<u>2019</u>	<u>2018</u>
Total OPEB Liability		
Change due to implementation of GASB No. 75	\$ -	\$ (417,566)
Service cost	1,541	250,653
Interest	12,294	16,706
Changes of benefit terms	-	-
Differences between expected and actual experience	(78,605)	(332,050)
Changes of assumptions	15,983	(26,590)
Benefit payments	-	-
Net Change in Total OPEB Liability	<u>(48,787)</u>	<u>(508,847)</u>
Total OPEB Liability - Healthcare Plan - Beginning	326,309	835,156
Total OPEB Liability - Healthcare Plan - Ending	<u>\$ 277,522</u>	<u>\$ 326,309</u>
Covered payroll	\$ 4,723,970	\$ 4,714,110
Total OPEB liability - healthcare plan as a percentage of covered-employee payroll	5.87%	6.92%

See accompanying notes to required supplementary information.

CITY OF NEW RICHMOND

SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
 LOCAL RETIREE LIFE INSURANCE FUND
 For the Year Ended December 31, 2019

Plan Fiscal Year End Date (Measurement Date)	City's Proportion of the Net OPEB Liability	City's Proportionate Share of the Net OPEB Liability	City's Covered Payroll	City's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
12/31/2018	0.07325700%	\$ 189,028	\$ 3,902,000	4.84%	48.69%
12/31/2017	0.06823800%	205,299	3,799,704	5.40%	44.81%

SCHEDULE OF EMPLOYER CONTRIBUTIONS
 LOCAL RETIREE LIFE INSURANCE FUND
 For the Year Ended December 31, 2019

City Year End Date	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/2019	\$ 1,411	\$ 1,411	\$ -	\$ 4,114,110	0.03%
12/31/2018	1,295	1,295	-	3,902,000	0.03%

See accompanying notes to required supplementary information.

CITY OF NEW RICHMOND

SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF THE NET PENSION (ASSET) LIABILITY
WISCONSIN RETIREMENT SYSTEM (WRS)
For the Year Ended December 31, 2019

WRS Fiscal Year End Date (Measurement Date)	City's Proportion of the Net Pension Asset/Liability	City's Proportionate Share of the Net Pension (Asset) Liability	City's Covered Payroll	City's Proportionate Share of the Net Pension Asset/Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/2018	0.03774733%	\$ 1,342,931	\$ 4,845,143	27.72%	96.45%
12/31/2017	0.03639338%	(1,080,562)	4,532,158	23.84%	102.93%
12/31/2016	0.03548459%	292,478	4,408,090	6.64%	99.12%
12/31/2015	0.03283308%	533,531	4,220,809	12.64%	98.20%
12/31/2014	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, 2019

City Year End Date	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/2019	\$ 392,752	\$ 392,752	\$ -	\$ 5,060,486	7.76%
12/31/2018	383,305	383,305	-	4,845,143	7.91%
12/31/2017	358,714	358,714	-	4,532,158	7.91%
12/31/2016	324,889	324,889	-	4,408,090	7.37%
12/31/2015	319,648	319,648	-	4,220,809	7.57%

See accompanying notes to required supplementary information.

CITY OF NEW RICHMOND

SCHEDULE OF CHANGES IN THE TOTAL PENSION LIABILITY - FIRE STIPEND
AND RELATED RATIOS

For the Year Ended December 31, 2019

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total Pension Liability			
Service cost	\$ 5,401	\$ 6,701	\$ 7,221
Interest	10,063	14,176	10,195
Changes of benefit terms	-	-	-
Differences between expected and actual experience	16,725	651	-
Changes of assumptions	56,187	(28,336)	64,191
Benefit payments	<u>(7,460)</u>	<u>(8,843)</u>	<u>(6,697)</u>
Net Change in Total Pension Liability	80,916	(15,651)	74,910
Total Pension Liability - Fire Stipend - Beginning	<u>368,973</u>	<u>384,624</u>	<u>309,714</u>
Total Pension Liability - Fire Stipend - Ending	<u>\$ 449,889</u>	<u>\$ 368,973</u>	<u>\$ 384,624</u>
Covered payroll	\$ 61,852	\$ 60,657	\$ 48,587
Total pension liability - fire stipend as a percentage of covered-employee payroll	727.36%	608.29%	791.62%

See accompanying notes to required supplementary information.

CITY OF NEW RICHMOND

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

BUDGETARY INFORMATION

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

The budgeted amounts presented 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 \$153,224. Budgets are adopted at the department level of expenditure.

WISCONSIN RETIREMENT SYSTEM

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

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

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

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

LOCAL RETIREE LIFE INSURANCE FUND

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

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

Changes in benefit terms. There were no changes of benefit terms for any participating employer in LRLIF.

Changes in assumptions. Actuarial assumptions are based upon an experience study conducted in 2018 using experience from 2015 – 2017. Based on the experience study conducted in 2018, actuarial assumptions used to develop Total OPEB Liability changed, including the discount rate, wage inflation rate, and mortality and separation rates.

SUPPLEMENTARY INFORMATION

CITY OF NEW RICHMOND

DETAILED SCHEDULE OF REVENUES - BUDGET AND ACTUAL -
GENERAL FUND

For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
TAXES				
General property taxes	\$ 3,176,899	\$ 3,176,899	\$ 3,176,901	\$ 2
Mobile home taxes	3,700	3,700	3,479	(221)
Motel tax	100,000	100,000	124,024	24,024
In lieu of tax	68,610	68,610	70,618	2,008
General sales tax	10	10	19	9
Interest on taxes	900	900	6,930	6,030
Total Taxes	<u>3,350,119</u>	<u>3,350,119</u>	<u>3,381,971</u>	<u>31,852</u>
INTERGOVERNMENTAL				
Federal aid - fire	-	642	642	-
State shared revenues	466,080	466,080	466,538	458
State aid - exempt computer aid	8,960	8,960	9,178	218
State aid - personal property aid	40,810	40,810	40,813	3
State aid - police training	2,400	3,040	3,040	-
State aid - general transportation aids	519,511	519,511	519,273	(238)
State aid - streets	50,052	50,052	50,052	-
State aid - other highway aid	-	4,000	4,000	-
State aid - other transportation	-	129,363	129,363	-
State aid - other	6,600	9,293	12,557	3,264
Fire dues for training	28,000	28,000	33,625	5,625
County aid - libraries	352,757	352,757	352,767	10
Total Intergovernmental	<u>1,475,170</u>	<u>1,612,508</u>	<u>1,621,848</u>	<u>9,340</u>
LICENSES AND PERMITS				
Liquor and malt beverage licenses	14,000	14,000	15,790	1,790
Business and cigarette licenses	6,475	6,475	7,855	1,380
Dog and cat licenses	2,500	2,500	2,347	(153)
Building permits	303,500	324,700	342,179	17,479
Cable television franchise fees	42,000	42,000	42,622	622
Other permits	2,590	2,590	2,925	335
Total Licenses and Permits	<u>371,065</u>	<u>392,265</u>	<u>413,718</u>	<u>21,453</u>
FINES, FORFEITURES AND PENALTIES				
Court penalties and costs	90,000	110,000	125,733	15,733
Parking violations	24,000	24,000	14,660	(9,340)
Miscellaneous other	1,000	1,000	1,460	460
Total Fines, Forfeitures and Penalties	<u>115,000</u>	<u>135,000</u>	<u>141,853</u>	<u>6,853</u>

CITY OF NEW RICHMOND

DETAILED SCHEDULE OF REVENUES - BUDGET AND ACTUAL -
GENERAL FUND

For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
PUBLIC CHARGES FOR SERVICES				
General government	\$ 2,500	\$ 2,500	\$ 5,622	\$ 3,122
Clerk's fees	32,000	32,000	34,765	2,765
Police department	44,150	62,023	63,038	1,015
Fire department	2,500	2,500	13,635	11,135
Street department	8,000	8,000	15,243	7,243
Airport	88,650	88,650	91,067	2,417
Library	12,500	12,500	10,431	(2,069)
Parks	2,601	2,601	3,274	673
Recycling	-	-	14	14
Other	66,000	66,000	35,040	(30,960)
Total Public Charges for Services	<u>258,901</u>	<u>276,774</u>	<u>272,129</u>	<u>(4,645)</u>
INTERGOVERNMENTAL CHARGES FOR SERVICES				
Local fire services	<u>24,720</u>	<u>24,720</u>	<u>12,845</u>	<u>(11,875)</u>
Total Intergovernmental Charges for Services	<u>24,720</u>	<u>24,720</u>	<u>12,845</u>	<u>(11,875)</u>
SPECIAL ASSESSMENTS				
Sewer mains and laterals	830	830	832	2
Street improvements	2,370	2,370	1,833	(537)
Sidewalk	-	-	14,822	14,822
Total Special Assessments	<u>3,200</u>	<u>3,200</u>	<u>17,487</u>	<u>14,287</u>
INVESTMENT INCOME				
Interest on investments	50,000	85,800	152,544	66,744
Interest on special assessments	1,000	1,000	1,301	301
Interest on notes receivable	240	240	166	(74)
Interest on advances	2,780	2,780	6,198	3,418
Total Investment Income	<u>54,020</u>	<u>89,820</u>	<u>160,209</u>	<u>70,389</u>
MISCELLANEOUS				
Rent of municipal property	73,340	73,340	71,429	(1,911)
Insurance recoveries and dividends	6,500	44,600	55,746	11,146
Donations	-	19,269	19,269	-
Other miscellaneous	39,210	39,210	81,189	41,979
Total Miscellaneous	<u>119,050</u>	<u>176,419</u>	<u>227,633</u>	<u>51,214</u>
TOTAL REVENUES	<u>\$ 5,771,245</u>	<u>\$ 6,060,825</u>	<u>\$ 6,249,693</u>	<u>\$ 188,868</u>

CITY OF NEW RICHMOND

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL -
GENERAL FUND

For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
GENERAL GOVERNMENT				
Council	\$ 78,888	\$ 78,888	\$ 113,697	\$ (34,809)
Municipal court	138,330	158,330	160,956	(2,626)
City attorney	51,000	63,500	102,855	(39,355)
Administrator	131,890	131,890	110,296	21,594
Clerk - treasurer	61,386	61,386	64,039	(2,653)
City administrative secretary	28,938	28,938	25,504	3,434
Elections	5,000	5,000	3,488	1,512
Data processing	16,754	16,754	11,545	5,209
Internal accounting	2,422	2,422	4,267	(1,845)
Independent auditing	30,000	30,000	31,145	(1,145)
Treasury	22,451	22,451	17,292	5,159
Assessor/building inspector	256,105	256,105	240,871	15,234
Board of review	500	500	338	162
Mapping	6,110	6,110	3,850	2,260
Civic center	122,370	122,870	103,759	19,111
Illegal taxes and refunds	-	-	17,884	(17,884)
Property and liability insurance	88,000	88,000	90,086	(2,086)
Workers' compensation	65,000	65,000	62,331	2,669
Miscellaneous	28,200	28,200	2,025	26,175
Total General Government	<u>1,133,344</u>	<u>1,166,344</u>	<u>1,166,228</u>	<u>116</u>
PUBLIC SAFETY				
Police	2,346,410	2,455,833	2,475,561	(19,728)
Fire protection	279,783	280,576	257,059	23,517
Ambulance	103,145	103,145	103,142	3
Inspection	4,800	4,800	4,000	800
Emergency government	23,150	23,150	29,251	(6,101)
Correction and detention	600	600	780	(180)
Other public safety	2,835	2,835	1,127	1,708
Total Public Safety	<u>2,760,723</u>	<u>2,870,939</u>	<u>2,870,920</u>	<u>19</u>
PUBLIC WORKS				
Street superintendent	46,800	46,800	47,450	(650)
Street shop	15,000	22,000	22,210	(210)
Machinery and equipment	30,000	47,000	46,778	222
Street maintenance	605,040	663,165	637,915	25,250
Traffic control	30,000	30,000	25,440	4,560
Snow and ice control	40,000	40,000	44,684	(4,684)
Street lighting	185,000	230,000	230,735	(735)
Sidewalks	30,000	59,625	59,624	1
Airport	186,625	186,625	191,301	(4,676)
Shared ride - taxi	10,000	139,363	166,328	(26,965)
Landfill	8,100	17,100	17,145	(45)
Weed control	13,000	13,000	4,556	8,444
Total Public Works	<u>1,199,565</u>	<u>1,494,678</u>	<u>1,494,166</u>	<u>512</u>

CITY OF NEW RICHMOND

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL -
GENERAL FUND

For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
HEALTH AND HUMAN SERVICES				
Health officer	\$ 200	\$ 200	\$ 200	\$ -
Animal shelter	5,700	5,700	4,269	1,431
Total Health and Human Services	<u>5,900</u>	<u>5,900</u>	<u>4,469</u>	<u>1,431</u>
LEISURE ACTIVITIES				
Library	830,925	849,493	771,605	77,888
Other culture	114,500	117,193	88,469	28,724
Cable television	17,000	17,000	12,279	4,721
Parks	362,900	365,400	392,323	(26,923)
Recreation center	8,900	8,900	6,731	2,169
Swimming areas	-	25,382	25,382	-
Sports center	15,000	15,000	17,196	(2,196)
Total Leisure Activities	<u>1,349,225</u>	<u>1,398,368</u>	<u>1,313,985</u>	<u>84,383</u>
CONSERVATION AND DEVELOPMENT				
Economic development	124,825	124,825	122,998	1,827
Other conservation and development	56,900	78,100	79,913	(1,813)
Total Conservation and Development	<u>181,725</u>	<u>202,925</u>	<u>202,911</u>	<u>14</u>
CAPITAL OUTLAY				
General administration	7,000	7,000	-	7,000
Law enforcement	-	3,073	5,021	(1,948)
Fire protection	8,763	8,763	2,857	5,906
Total Capital Outlay	<u>15,763</u>	<u>18,836</u>	<u>7,878</u>	<u>10,958</u>
TOTAL EXPENDITURES	<u>\$ 6,646,245</u>	<u>\$ 7,157,990</u>	<u>\$ 7,060,557</u>	<u>\$ 97,433</u>

CITY OF NEW RICHMOND

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

	Special Revenue Funds		
	Park Land Trust Fund	Library Trust Fund	Storm Water Utility
ASSETS			
Cash and investments	\$ 323,407	\$ 313,164	\$ 62,317
Restricted cash and investments	-	-	-
Receivables (net)			
Taxes	-	-	-
Accounts	-	-	-
Notes	-	-	-
Due from other governmental units	-	-	338
Due from other funds	167,617	-	46,066
TOTAL ASSETS	\$ 491,024	\$ 313,164	\$ 108,721
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 3,085	\$ -	\$ 1,190
Accrued liabilities	400	-	3,760
Due to other funds	237	-	-
Advances from other funds	-	-	-
Unearned revenues	114,904	-	-
Total Liabilities	118,626	-	4,950
Deferred Inflows of Resources			
Unearned revenues	-	-	-
Unavailable revenues	-	-	-
Total Deferred Inflows of Resources	-	-	-
Fund Balances (Deficit)			
Nonspendable	-	-	-
Restricted	372,398	313,164	6,337
Committed	-	-	97,434
Unassigned (deficit)	-	-	-
Total Fund Balances (deficit)	372,398	313,164	103,771
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 491,024	\$ 313,164	\$ 108,721

Special Revenue Funds				Debt Service Fund	Capital Projects Funds	
CDBG Revolving Housing	Impact Fees	Cemetery	Recycling, Compost and Yard Waste	TIF District #5	Landfill Assurance	TIF District #7
\$ 87,911	\$ -	\$ 30,777	\$ 1,829	\$ -	\$ 1,214	\$ 181,740
-	979,753	-	-	-	-	-
-	-	-	-	439,742	-	91,331
715	-	-	-	-	-	-
225,748	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	35,696	-	-	-
<u>\$ 314,374</u>	<u>\$ 979,753</u>	<u>\$ 30,777</u>	<u>\$ 37,525</u>	<u>\$ 439,742</u>	<u>\$ 1,214</u>	<u>\$ 273,071</u>
\$ 487	\$ 377	\$ 2,859	\$ 36	\$ -	\$ 3,331	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>487</u>	<u>377</u>	<u>2,859</u>	<u>36</u>	<u>-</u>	<u>3,331</u>	<u>-</u>
-	-	-	-	439,742	-	91,331
<u>225,748</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>225,748</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>439,742</u>	<u>-</u>	<u>91,331</u>
-	-	27,918	-	-	-	-
88,139	979,376	-	-	-	-	181,740
-	-	-	37,489	-	-	-
-	-	-	-	-	(2,117)	-
<u>88,139</u>	<u>979,376</u>	<u>27,918</u>	<u>37,489</u>	<u>-</u>	<u>(2,117)</u>	<u>181,740</u>
<u>\$ 314,374</u>	<u>\$ 979,753</u>	<u>\$ 30,777</u>	<u>\$ 37,525</u>	<u>\$ 439,742</u>	<u>\$ 1,214</u>	<u>\$ 273,071</u>

CITY OF NEW RICHMOND

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

	Capital Projects Funds		
	TIF District #8	TIF District #9	TIF District #10
ASSETS			
Cash and investments	\$ 1,235,878	\$ 108,181	\$ 1,209
Restricted cash and investments	-	-	-
Receivables (net)			
Taxes	270,820	54,733	130,756
Accounts	-	-	-
Notes	-	-	-
Due from other governmental units	-	-	-
Due from other funds	-	-	-
	-	-	-
TOTAL ASSETS	<u>\$ 1,506,698</u>	<u>\$ 162,914</u>	<u>\$ 131,965</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities			
Accounts payable	\$ -	\$ -	\$ 2,709
Accrued liabilities	-	-	-
Due to other funds	-	-	6,000
Advances from other funds	-	-	323,922
Unearned revenues	-	-	-
Total Liabilities	-	-	332,631
Deferred Inflows of Resources			
Unearned revenues	270,820	54,733	130,756
Unavailable revenues	-	-	-
Total Deferred Inflows of Resources	270,820	54,733	130,756
Fund Balances (Deficit)			
Nonspendable	-	-	-
Restricted	1,235,878	108,181	-
Committed	-	-	-
Unassigned (deficit)	-	-	(331,422)
Total Fund Balances (deficit)	1,235,878	108,181	(331,422)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 1,506,698</u>	<u>\$ 162,914</u>	<u>\$ 131,965</u>

Capital Projects Funds	
Capital Replacement Fund	Total Nonmajor Governmental Funds
\$ 34,326	\$ 2,381,953
85,395	1,065,148
114,509	1,101,891
-	715
-	225,748
-	338
-	249,379
\$ 234,230	\$ 5,025,172

\$ 10,190	\$ 24,264
-	4,160
-	6,237
-	323,922
-	114,904
10,190	473,487

114,509	1,101,891
-	225,748
114,509	1,327,639

-	27,918
85,325	3,370,538
24,206	159,129
-	(333,539)
109,531	3,224,046

\$ 234,230	\$ 5,025,172
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CITY OF NEW RICHMOND

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

	Special Revenue Funds		
	Park Land Trust Fund	Library Trust Fund	Storm Water Utility
REVENUES			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	2,443	-	42,500
Public charges for services	46,848	13,266	309,106
Investment income	7,115	36,277	180
Miscellaneous	107,096	150	374
Total Revenues	163,502	49,693	352,160
EXPENDITURES			
Current			
Public works	-	-	222,817
Health and human services	-	-	-
Leisure activities	94,730	210	-
Conservation and development	-	-	-
Capital Outlay	105,066	-	22,952
Debt Service			
Interest and fiscal charges	-	-	-
Total Expenditures	199,796	210	245,769
Excess (deficiency) of revenues over expenditures	(36,294)	49,483	106,391
OTHER FINANCING SOURCES (USES)			
Debt issued	167,500	-	-
Transfers in	70,000	-	-
Transfers out	-	-	(78,633)
Total Other Financing Sources (Uses)	237,500	-	(78,633)
Net Change in Fund Balances	201,206	49,483	27,758
FUND BALANCES (DEFICIT) - Beginning of Year	171,192	263,681	76,013
FUND BALANCES (DEFICIT) - END OF YEAR	\$ 372,398	\$ 313,164	\$ 103,771

Special Revenue Funds				Debt Service Fund	Capital Projects Funds	
CDBG Revolving Housing	Impact Fees	Cemetery	Recycling, Compost and Yard Waste	TIF District #5	Landfill Assurance	TIF District #7
\$ -	\$ -	\$ -	\$ -	\$ 435,412	\$ -	\$ 86,082
-	-	-	-	13,062	-	998
-	-	14,355	218,307	-	-	-
119	18,173	835	14	-	13	-
<u>27,042</u>	<u>476,692</u>	-	-	-	<u>56,127</u>	-
<u>27,161</u>	<u>494,865</u>	<u>15,190</u>	<u>218,321</u>	<u>448,474</u>	<u>56,140</u>	<u>87,080</u>
-	-	-	202,565	-	72,334	-
-	-	38,571	-	-	-	-
-	-	-	-	-	-	-
5,472	-	-	-	399	-	13,972
-	110,825	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>5,472</u>	<u>110,825</u>	<u>38,571</u>	<u>202,565</u>	<u>399</u>	<u>72,334</u>	<u>13,972</u>
<u>21,689</u>	<u>384,040</u>	<u>(23,381)</u>	<u>15,756</u>	<u>448,075</u>	<u>(16,194)</u>	<u>73,108</u>
-	-	-	-	-	-	-
-	-	-	21,733	-	12,133	-
-	-	-	-	(448,075)	-	(32,021)
-	-	-	<u>21,733</u>	<u>(448,075)</u>	<u>12,133</u>	<u>(32,021)</u>
21,689	384,040	(23,381)	37,489	-	(4,061)	41,087
<u>66,450</u>	<u>595,336</u>	<u>51,299</u>	<u>-</u>	<u>-</u>	<u>1,944</u>	<u>140,653</u>
<u>\$ 88,139</u>	<u>\$ 979,376</u>	<u>\$ 27,918</u>	<u>\$ 37,489</u>	<u>\$ -</u>	<u>\$ (2,117)</u>	<u>\$ 181,740</u>

CITY OF NEW RICHMOND

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

	<u>Capital Projects Funds</u>		
	<u>TIF District #8</u>	<u>TIF District #9</u>	<u>TIF District #10</u>
REVENUES			
Taxes	\$ 186,658	\$ 50,081	\$ 79,555
Intergovernmental	7,777	3,679	2,088
Public charges for services	-	-	-
Investment income	-	-	-
Miscellaneous	-	-	-
Total Revenues	<u>194,435</u>	<u>53,760</u>	<u>81,643</u>
EXPENDITURES			
Current			
Public works	-	-	-
Health and human services	-	-	-
Leisure activities	-	-	-
Conservation and development	8,917	20,602	11,526
Capital Outlay	-	-	-
Debt Service			
Interest and fiscal charges	-	-	12,199
Total Expenditures	<u>8,917</u>	<u>20,602</u>	<u>23,725</u>
Excess (deficiency) of revenues over expenditures	<u>185,518</u>	<u>33,158</u>	<u>57,918</u>
OTHER FINANCING SOURCES (USES)			
Debt issued	-	-	-
Transfers in	448,075	-	-
Transfers out	(323,119)	-	(59,418)
Total Other Financing Sources (Uses)	<u>124,956</u>	<u>-</u>	<u>(59,418)</u>
Net Change in Fund Balances	310,474	33,158	(1,500)
FUND BALANCES (DEFICIT) - Beginning of Year	<u>925,404</u>	<u>75,023</u>	<u>(329,922)</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 1,235,878</u>	<u>\$ 108,181</u>	<u>\$ (331,422)</u>

<u>Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
<u>Capital Replacement Fund</u>	
\$ 208,000	\$ 1,045,788
45,392	117,939
-	601,882
70	62,796
<u>22,752</u>	<u>690,233</u>
<u>276,214</u>	<u>2,518,638</u>
-	497,716
-	38,571
-	94,940
-	60,888
319,778	558,621
<u>-</u>	<u>12,199</u>
<u>319,778</u>	<u>1,262,935</u>
<u>(43,564)</u>	<u>1,255,703</u>
202,417	369,917
-	551,941
-	(941,266)
<u>202,417</u>	<u>(19,408)</u>
158,853	1,236,295
<u>(49,322)</u>	<u>1,987,751</u>
<u>\$ 109,531</u>	<u>\$ 3,224,046</u>

CITY OF NEW RICHMOND

COMBINING STATEMENT OF ASSETS AND LIABILITIES
 AGENCY FUNDS
 As of December 31, 2019

	Tax Collection Fund	Employee Flex Plan	Employee Fund	Totals
ASSETS				
Cash and investments	\$ 4,329,446	\$ 21,515	\$ 5,059	\$ 4,356,020
Taxes receivable	6,766,314	-	-	6,766,314
TOTAL ASSETS	\$ 11,095,760	\$ 21,515	\$ 5,059	\$ 11,122,334
LIABILITIES				
Deposits	\$ -	\$ 21,515	\$ 5,059	\$ 26,574
Due to other governments	11,095,760	-	-	11,095,760
TOTAL LIABILITIES	\$ 11,095,760	\$ 21,515	\$ 5,059	\$ 11,122,334

CITY OF NEW RICHMOND

RATE OF RETURN - REGULATORY BASIS
For the Year Ended December 31, 2019

	<u>Electric Utility</u>	<u>Water Utility</u>
Utility Financed Plant in Service		
Beginning of year	\$ 13,678,429	\$ 9,880,326
End of year	<u>14,023,534</u>	<u>9,979,858</u>
Average	<u>13,850,982</u>	<u>9,930,092</u>
Utility Financed Accumulated Depreciation		
Beginning of year	(8,861,873)	(3,412,670)
End of year	<u>(9,427,525)</u>	<u>(3,659,514)</u>
Average	<u>(9,144,699)</u>	<u>(3,536,092)</u>
Materials and Supplies		
Beginning of year	293,616	10,336
End of year	<u>355,951</u>	<u>10,258</u>
Average	<u>324,784</u>	<u>10,297</u>
Regulatory Liability		
Beginning of year	(49,502)	(90,986)
End of year	<u>(39,603)</u>	<u>(72,789)</u>
Average	<u>(44,553)</u>	<u>(81,888)</u>
AVERAGE NET RATE BASE	<u>\$ 4,986,514</u>	<u>\$ 6,322,410</u>
OPERATING INCOME - REGULATORY BASIS	<u>\$ 104,369</u>	<u>\$ 76,133</u>
RATE OF RETURN (PERCENT)	<u>2.09%</u>	<u>1.20%</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.