

City of Rhineland

Financial Statements and
Supplementary Information

December 31, 2020

City of Rhinelander

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Independent Auditors' Report

To the City Council of
City of Rhinelander

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Rhinelander, Wisconsin, as of and for the year ended December 31, 2020 and the related notes to the financial statements, which collectively comprise the City of Rhinelander'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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 over financial reporting relevant to the City of Rhinelander'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 Rhinelander's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Rhinelander, Wisconsin, as of December 31, 2020 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 Rhinelander's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 30, 2021 on our consideration of the City of Rhinelander's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the City of Rhinelander's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Rhinelander's internal control over financial reporting and compliance.

Baker Tilly US, LLP

Eau Claire, Wisconsin
August 30, 2021

City of Rhinelander

Statement of Net Position
December 31, 2020

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Rhineland- Oneida County Airport	Rhineland District Library
Assets and Deferred Outflows of Resources					
Assets					
Cash and investments	\$ 6,569,396	\$ 5,312,768	\$ 11,882,164	\$ 113,649	\$ 1,247,038
Receivables (net):					
Taxes	6,805,083	-	6,805,083	197,081	277,058
Delinquent personal property	23,379	-	23,379	-	-
Accounts	164,998	1,486,924	1,651,922	17,009	-
Special assessments	20,277	-	20,277	-	-
Loans	2,044,714	-	2,044,714	-	-
Other	42,834	246,808	289,642	-	-
Due from other governments	407,124	300,031	707,155	386,795	499,867
Due from component units	103,000	-	103,000	-	-
Internal balances	2,285,524	(2,285,524)	-	-	-
Inventories and prepaid items	151,344	116,718	268,062	852	-
Restricted cash and investments:					
Cash and investments	-	3,077,709	3,077,709	-	-
Net pension asset	1,405,327	146,356	1,551,683	89,028	104,128
Capital assets:					
Construction in progress	5,775,982	267,836	6,043,818	2,120,571	-
Land	3,719,433	1,657,329	5,376,762	187,700	8,183
Other capital assets, net of depreciation	<u>21,974,331</u>	<u>55,112,028</u>	<u>77,086,359</u>	<u>10,247,231</u>	<u>295,286</u>
Total assets	<u>51,492,746</u>	<u>65,438,983</u>	<u>116,931,729</u>	<u>13,359,916</u>	<u>2,431,560</u>
Deferred Outflows of Resources					
Pension related amounts	<u>3,192,586</u>	<u>405,669</u>	<u>3,598,255</u>	<u>205,286</u>	<u>239,001</u>
Total deferred outflows of resources	<u>3,192,586</u>	<u>405,669</u>	<u>3,598,255</u>	<u>205,286</u>	<u>239,001</u>

See notes to financial statements

	Primary Government			Component Units	
	Governmental Activities	Business- Type Activities	Total	Rhineland- Oneida County Airport	Rhineland- District Library
Liabilities, Deferred inflows of Resources and Net Position					
Liabilities					
Accounts payable	\$ 340,453	\$ 507,906	\$ 848,359	\$ 17,768	\$ 6,709
Accrued liabilities and deposits	292,640	136,548	429,188	21,460	23,326
Due to primary government	-	-	-	45,000	58,000
Due to other governments	17,628	-	17,628	-	-
Noncurrent liabilities:					
Due within one year	1,726,835	1,593,738	3,320,573	-	-
Due in more than one year	14,834,116	27,213,161	42,047,277	-	-
Total liabilities	<u>17,211,672</u>	<u>29,451,353</u>	<u>46,663,025</u>	<u>84,228</u>	<u>88,035</u>
Deferred Inflows of Resources					
Unearned revenues	6,501,080	2,337	6,503,417	197,081	776,925
Pension related amounts	4,172,622	485,222	4,657,844	271,436	306,086
Total deferred inflows of resources	<u>10,673,702</u>	<u>487,559</u>	<u>11,161,261</u>	<u>468,517</u>	<u>1,083,011</u>
Net Position					
Invested in capital assets, net of related debt	22,283,298	28,360,956	48,788,923	12,555,502	303,469
Restricted for:					
Cemetery perpetual care	19,485	-	19,485	-	-
Tourism	97,769	-	97,769	-	-
Loan programs	2,029,743	-	2,029,743	-	-
Debt service	417,104	1,170,590	1,587,694	-	-
Pension	1,405,327	146,356	1,551,683	89,028	104,128
Parking advisory board operations	68,936	-	68,936	-	-
Hazardous materials response	19,729	-	19,729	-	-
Historical complex facilities and programs	48,654	-	48,654	-	-
K-9 program	11,037	-	11,037	-	-
Landfill clean up	77,530	-	77,530	-	-
DARE program	3,165	-	3,165	-	-
TIF projects	2,498,245	-	2,498,245	-	-
Capital projects	1,716,712	-	1,716,712	-	-
Equipment replacement	-	1,815,896	1,815,896	-	-
Library, expendable	-	-	-	-	879,910
Library, nonexpendable	-	-	-	-	212,008
Unrestricted (deficit)	<u>(3,896,776)</u>	<u>4,411,942</u>	<u>2,370,497</u>	<u>367,927</u>	<u>-</u>
Total net position	<u>\$ 26,799,958</u>	<u>\$ 35,905,740</u>	<u>\$ 62,705,698</u>	<u>\$ 13,012,457</u>	<u>\$ 1,499,515</u>

See notes to financial statements

City of Rhinelander

Statement of Activities

Year Ended December 31, 2020

<u>Functions/Programs</u>	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary Government				
Governmental activities:				
General government	\$ 1,488,176	\$ 598,435	\$ -	\$ -
Public safety	5,089,642	653,812	99,798	5,721
Public works	3,241,973	70,932	1,174,852	9,621
Health and human services	73,306	23,424	-	-
Culture, education and recreation	577,882	15,662	62,465	125,000
Conservation and development	107,919	2,500	-	-
Interest and fiscal charges	<u>450,107</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total governmental activities	<u>11,029,005</u>	<u>1,364,765</u>	<u>1,337,115</u>	<u>140,342</u>
Business-type activities:				
Water Utility	1,449,468	2,007,332	-	-
Wastewater Utility	2,962,600	2,908,631	-	4,305,945
Stormwater Utility	337,840	434,258	-	-
Golf Course	<u>608,290</u>	<u>631,416</u>	<u>500</u>	<u>-</u>
Total business-type activities	<u>5,358,198</u>	<u>5,981,637</u>	<u>500</u>	<u>4,305,945</u>
Total primary government	<u>\$ 16,387,203</u>	<u>\$ 7,346,402</u>	<u>\$ 1,337,615</u>	<u>\$ 4,446,287</u>
Component Units				
Rhinelander-Oneida County Airport	\$ 2,455,912	\$ 1,186,386	\$ -	\$ 3,844,852
Rhinelander District Library	<u>1,029,918</u>	<u>-</u>	<u>383,944</u>	<u>-</u>
Total component units	<u>\$ 3,485,830</u>	<u>\$ 1,186,386</u>	<u>\$ 383,944</u>	<u>\$ 3,844,852</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 the library

Property taxes, levied for the airport

Premier resort area tax

Other taxes

Intergovernmental revenues not restricted to specific programs

Investment income

Miscellaneous

Transfers - internal

Total general revenues and transfers

Change in net position

Net Position, Beginning

Net Position, Ending

See notes to financial statements

Net (Expenses) Revenues and Changes in Net Position				
Primary Government			Component Units	
Governmental Activities	Business-Type Activities	Total	Rhinelanders- Oneida County Airport	Rhinelanders District Library
\$ (889,741)	\$ -	\$ (889,741)	\$ -	\$ -
(4,330,311)	-	(4,330,311)	-	-
(1,986,568)	-	(1,986,568)	-	-
(49,882)	-	(49,882)	-	-
(374,755)	-	(374,755)	-	-
(105,419)	-	(105,419)	-	-
(450,107)	-	(450,107)	-	-
<u>(8,186,783)</u>	<u>-</u>	<u>(8,186,783)</u>	<u>-</u>	<u>-</u>
-	557,864	557,864	-	-
-	4,251,976	4,251,976	-	-
-	96,418	96,418	-	-
-	23,626	23,626	-	-
-	<u>4,929,884</u>	<u>4,929,884</u>	<u>-</u>	<u>-</u>
<u>(8,186,783)</u>	<u>4,929,884</u>	<u>(3,256,899)</u>	<u>-</u>	<u>-</u>
-	-	-	2,575,326	-
-	-	-	-	(645,974)
-	-	-	<u>2,575,326</u>	<u>(645,974)</u>
4,628,931	-	4,628,931	-	-
903,276	-	903,276	-	-
1,022,417	-	1,022,417	-	-
-	-	-	-	279,929
-	-	-	197,081	-
677,667	-	677,667	-	-
299,744	-	299,744	-	-
1,515,632	1,350	1,516,982	-	668,685
116,810	53,781	170,591	2,012	26,800
119,063	-	119,063	-	27,821
<u>3,230,479</u>	<u>(3,230,479)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>12,514,019</u>	<u>(3,175,348)</u>	<u>9,338,671</u>	<u>199,093</u>	<u>1,003,235</u>
4,327,236	1,754,536	6,081,772	2,774,419	357,261
<u>22,472,722</u>	<u>34,151,204</u>	<u>56,623,926</u>	<u>10,238,038</u>	<u>1,142,254</u>
<u>\$ 26,799,958</u>	<u>\$ 35,905,740</u>	<u>\$ 62,705,698</u>	<u>\$ 13,012,457</u>	<u>\$ 1,499,515</u>

See notes to financial statements

City of Rhinelander

Balance Sheet
 Governmental Funds
 December 31, 2020

	<u>General Fund</u>	<u>1985 Community Block Grant Special Revenue Fund</u>	<u>General Debt Service Fund</u>	<u>General Capital Projects</u>
Assets				
Cash and investments	\$ 1,237,272	\$ 180,310	\$ 82,764	\$ 509,217
Receivables (net):				
Taxes	4,955,175	-	883,215	20,885
Delinquent personal property taxes	23,379	-	-	-
Accounts	51,702	-	-	-
Special assessments	-	-	-	20,277
Loans	5,875	1,643,054	-	-
Other	12,994	-	-	-
Due from other governments	108,619	-	-	4,481
Due from component units	-	-	103,000	-
Due from other funds	93,762	-	-	-
Inventories and prepaid items	101,866	-	-	-
Advances to other funds	<u>2,554,357</u>	<u>-</u>	<u>184,000</u>	<u>-</u>
Total assets	<u>\$ 9,145,001</u>	<u>\$ 1,823,364</u>	<u>\$ 1,252,979</u>	<u>\$ 554,860</u>
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	\$ 145,414	\$ 1,200	\$ -	\$ 141,434
Accrued liabilities and deposits	169,336	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
Advances from other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>314,750</u>	<u>1,200</u>	<u>-</u>	<u>141,434</u>
Deferred Inflows of Resources				
Unearned revenues	4,673,010	-	883,215	-
Unavailable revenues	<u>5,875</u>	<u>1,643,053</u>	<u>-</u>	<u>41,162</u>
Total deferred inflows of resources	<u>4,678,885</u>	<u>1,643,053</u>	<u>883,215</u>	<u>41,162</u>
Fund Balances				
Nonspendable	2,656,223	-	-	-
Restricted	-	179,111	369,764	407,630
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned (deficit)	<u>1,495,143</u>	<u>-</u>	<u>-</u>	<u>(35,366)</u>
Total fund balances (deficit)	<u>4,151,366</u>	<u>179,111</u>	<u>369,764</u>	<u>372,264</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 9,145,001</u>	<u>\$ 1,823,364</u>	<u>\$ 1,252,979</u>	<u>\$ 554,860</u>

See notes to financial statements

Nonmajor Governmental Funds	Total
\$ 4,492,317	\$ 6,501,880
945,808	6,805,083
-	23,379
113,296	164,998
-	20,277
395,785	2,044,714
29,840	42,834
294,024	407,124
-	103,000
-	93,762
49,478	151,344
-	<u>2,738,357</u>
<u>\$ 6,320,548</u>	<u>\$ 19,096,752</u>

\$ 44,836	\$ 332,884
10,359	179,695
17,628	17,628
93,762	93,762
<u>452,833</u>	<u>452,833</u>
<u>619,418</u>	<u>1,076,802</u>

944,855	6,501,080
<u>544,396</u>	<u>2,234,486</u>
<u>1,489,251</u>	<u>8,735,566</u>

68,963	2,725,186
4,489,655	5,446,160
132,437	132,437
16,071	16,071
<u>(495,247)</u>	<u>964,530</u>
<u>4,211,879</u>	<u>9,284,384</u>

<u>\$ 6,320,548</u>	<u>\$ 19,096,752</u>
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See notes to financial statements

City of Rhinelander

Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
December 31, 2020

Total Fund Balances, Governmental Funds	\$ 9,284,384
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 3.	31,469,746
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.	2,234,486
The net pension asset does not relate to current financial resources and is not reported in the governmental funds.	1,405,327
Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	3,192,586
Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	(4,172,622)
Internal service funds are reported in the statement of net position as governmental activities.	56,446
Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds.	
Bonds and notes payable	(15,226,887)
Compensated absences	(732,181)
Accrued interest	(109,444)
Unamortized debt discount	(264,883)
Landfill liability	<u>(337,000)</u>
Net Position of Governmental Activities	<u>\$ 26,799,958</u>

City of Rhinelander

Statement of Revenues, Expenditures and Changes in Fund Balances -
 Governmental Funds
 Year Ended December 31, 2020

	<u>General Fund</u>	<u>1985 Community Block Grant Special Revenue Fund</u>	<u>General Debt Service Fund</u>	<u>General Capital Projects</u>
Revenues				
Taxes	\$ 4,750,339	\$ -	\$ 903,276	\$ -
Special assessments	11,560	-	-	19,113
Intergovernmental	2,106,648	-	-	-
Licenses and permits	224,699	-	-	-
Fines, forfeitures and penalties	38,304	-	-	-
Charges for services	430,917	-	-	-
Investment income	64,812	1,558	9,268	10,853
Miscellaneous	<u>79,770</u>	<u>27,448</u>	<u>-</u>	<u>22,053</u>
Total revenues	<u>7,707,049</u>	<u>29,006</u>	<u>912,544</u>	<u>52,019</u>
Expenditures				
Current:				
General government	1,221,063	-	-	-
Public safety	4,193,593	-	-	4,009
Public works	1,539,223	-	-	27,527
Health and human services	65,397	-	-	-
Culture, recreation and education	295,546	-	-	-
Conservation and development	27,370	72,411	-	-
Capital Outlay	6,700	-	-	1,043,158
Debt Service:				
Principal	-	-	850,000	-
Interest and fiscal charges	<u>-</u>	<u>-</u>	<u>216,538</u>	<u>-</u>
Total expenditures	<u>7,348,892</u>	<u>72,411</u>	<u>1,066,538</u>	<u>1,074,694</u>
Excess (deficiency) of revenues over expenditures	<u>358,157</u>	<u>(43,405)</u>	<u>(153,994)</u>	<u>(1,022,675)</u>
Other Financing Sources (Uses)				
Transfers in	356,550	-	104,140	-
Transfers out	<u>(264,495)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>92,055</u>	<u>-</u>	<u>104,140</u>	<u>-</u>
Net change in fund balances	450,212	(43,405)	(49,854)	(1,022,675)
Fund Balances, Beginning	<u>3,701,154</u>	<u>222,516</u>	<u>419,618</u>	<u>1,394,939</u>
Fund Balances, Ending	<u>\$ 4,151,366</u>	<u>\$ 179,111</u>	<u>\$ 369,764</u>	<u>\$ 372,264</u>

See notes to financial statements

Nonmajor Governmental Funds	Total
\$ 1,878,420	\$ 7,532,035
-	30,673
634,499	2,741,147
-	224,699
-	38,304
460,917	891,834
30,313	116,804
<u>164,549</u>	<u>293,820</u>
<u>3,168,698</u>	<u>11,869,316</u>
86,474	1,307,537
502,431	4,700,033
630,852	2,197,602
-	65,397
233,434	528,980
31,977	131,758
-	1,049,858
913,753	1,763,753
<u>281,939</u>	<u>498,477</u>
<u>2,680,860</u>	<u>12,243,395</u>
<u>487,838</u>	<u>(374,079)</u>
309,495	770,185
<u>(149,140)</u>	<u>(413,635)</u>
<u>160,355</u>	<u>356,550</u>
648,193	(17,529)
<u>3,563,686</u>	<u>9,301,913</u>
<u>\$ 4,211,879</u>	<u>\$ 9,284,384</u>

See notes to financial statements

City of Rhinelander

Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended December 31, 2020

Net Change in Fund Balances, Total Governmental Funds \$ (17,529)

Amounts Reported for Governmental Activities in the Statement of Activities are Different
Because:

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

Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements	1,049,858
Some items reported as capital outlay were not capitalized	(39,864)
Capital assets transferred from business-type activities	2,873,929
Depreciation is reported in the government-wide financial statements	(1,278,798)
Net book value of assets retired	(13,129)

Contributed capital assets are reported as revenues in the government-wide financial statements.	125,000
--	---------

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.	(33,985)
---	----------

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.	
Principal repaid	1,763,753

Governmental funds report debt premiums and discounts as other financing sources (uses) or financing sources or uses. However, in the statement of net position, these are reported as additions to or deductions from long-term debt. These are allocated over the period the debt is outstanding in the statement of activities and are reported as interest expense.	
Amortization	25,124

Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	
Compensated absences	(106,450)
Accrued interest on debt	23,246
Net pension asset/liability (and pension related deferred outflows and inflows of resources)	(60,179)
Landfill liability	(34,000)

Internal service funds are used by management to charge self insurance costs to individual funds. The change in net position of the internal service fund reported with governmental activities	50,260
---	--------

Change in Net Position of Governmental Activities \$ 4,327,236

City of Rhinelander

Statement of Net Position
 Proprietary Funds
 December 31, 2020

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water Utility	Wastewater Utility	Nonmajor Enterprise Funds	Total	
Assets					
Current assets:					
Cash and investments	\$ 2,631,498	\$ 2,679,471	\$ 1,799	\$ 5,312,768	\$ 67,516
Receivables:					
Accounts	501,795	845,616	139,513	1,486,924	-
Due from other governments	-	300,031	-	300,031	-
Due from other funds	-	100,000	-	100,000	-
Inventories and prepaid items	69,704	12,450	34,564	116,718	-
Restricted cash and investments	<u>342,596</u>	<u>776,021</u>	<u>-</u>	<u>1,118,617</u>	<u>-</u>
Total current assets	<u>3,545,593</u>	<u>4,713,589</u>	<u>175,876</u>	<u>8,435,058</u>	<u>67,516</u>
Noncurrent assets:					
Restricted assets:					
Cash and investments	-	1,959,092	-	1,959,092	-
Net pension asset	61,098	82,184	3,074	146,356	-
Capital assets:					
Construction in progress	9,638	258,198	-	267,836	-
Land	34,070	1,587,593	35,666	1,657,329	-
Capital assets being depreciated	22,365,098	49,869,302	10,479,716	82,714,116	-
Less Accumulated depreciation	(6,577,854)	(15,554,777)	(5,469,457)	(27,602,088)	-
Other assets:					
Advances to other funds	850,575	2,095,080	-	2,945,655	-
Other receivables	<u>-</u>	<u>-</u>	<u>246,808</u>	<u>246,808</u>	<u>-</u>
Total noncurrent assets	<u>16,742,625</u>	<u>40,296,672</u>	<u>5,295,807</u>	<u>62,335,104</u>	<u>-</u>
Total assets	<u>20,288,218</u>	<u>45,010,261</u>	<u>5,471,683</u>	<u>70,770,162</u>	<u>67,516</u>
Deferred Outflows of Resources					
Pension related amounts	<u>144,319</u>	<u>201,220</u>	<u>60,130</u>	<u>405,669</u>	<u>-</u>
Total deferred outflows of resources	<u>144,319</u>	<u>201,220</u>	<u>60,130</u>	<u>405,669</u>	<u>-</u>

See notes to financial statements

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water Utility	Wastewater Utility	Nonmajor Enterprise Funds	Total	
Liabilities					
Current liabilities:					
Accounts payable	\$ 83,917	\$ 380,108	\$ 43,881	\$ 507,906	\$ 7,569
Accrued liabilities and deposits	15,241	19,497	10,587	45,325	773
Due to other funds	-	-	100,000	100,000	-
Current portion of general obligation debt	-	-	20,000	20,000	-
Current portion of compensated absences	7,332	5,729	-	13,061	-
Current portion of leases	-	-	19,586	19,586	-
Claims payable	-	-	-	-	2,728
Liabilities payable from restricted assets					
Current portion of revenue debt	488,957	1,052,134	-	1,541,091	-
Accrued interest	16,623	74,600	-	91,223	-
Total current liabilities	<u>612,070</u>	<u>1,532,068</u>	<u>194,054</u>	<u>2,338,192</u>	<u>11,070</u>
Noncurrent liabilities:					
Long-term debt:					
General obligation debt	-	-	55,000	55,000	-
Revenue debt	8,161,108	18,859,015	-	27,020,123	-
Advances from other funds	67,000	83,000	5,081,179	5,231,179	-
Compensated absences	67,708	49,893	-	117,601	-
Capital leases	-	-	20,437	20,437	-
Total noncurrent liabilities	<u>8,295,816</u>	<u>18,991,908</u>	<u>5,156,616</u>	<u>32,444,340</u>	<u>-</u>
Total liabilities	<u>8,907,886</u>	<u>20,523,976</u>	<u>5,350,670</u>	<u>34,782,532</u>	<u>11,070</u>
Deferred Inflows of Resources					
Unearned revenues	-	-	2,337	2,337	-
Pension related amounts	183,632	231,269	70,321	485,222	-
Total deferred inflows of resources	<u>183,632</u>	<u>231,269</u>	<u>72,658</u>	<u>487,559</u>	<u>-</u>
Net Position					
Net investment in capital assets	7,180,887	16,249,167	4,930,902	28,360,956	-
Restricted for:					
Debt service	325,973	844,617	-	1,170,590	-
Equipment replacement	-	1,815,896	-	1,815,896	-
Pension	61,098	82,184	3,074	146,356	-
Unrestricted (deficit)	3,773,061	5,464,372	(4,825,491)	4,411,942	56,446
Total net position	<u>\$ 11,341,019</u>	<u>\$ 24,456,236</u>	<u>\$ 108,485</u>	<u>\$ 35,905,740</u>	<u>\$ 56,446</u>

See notes to financial statements

City of Rhinelander

Statement of Revenues, Expenses and Changes in Net Position

Proprietary Funds

Year Ended December 31, 2020

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water Utility	Wastewater Utility	Nonmajor Enterprise Funds	Total	
Operating Revenues	<u>\$ 2,007,332</u>	<u>\$ 2,908,631</u>	<u>\$ 1,065,674</u>	<u>\$ 5,981,637</u>	<u>\$ 231,887</u>
Operating Expenses					
Operation and maintenance	868,142	1,024,140	672,973	2,565,255	-
Depreciation	474,742	1,429,738	264,213	2,168,693	-
Taxes	16,631	29,292	-	45,923	-
Self insurance claims	-	-	-	-	181,633
Total operating expenses	<u>1,359,515</u>	<u>2,483,170</u>	<u>937,186</u>	<u>4,779,871</u>	<u>181,633</u>
Operating income	<u>647,817</u>	<u>425,461</u>	<u>128,488</u>	<u>1,201,766</u>	<u>50,254</u>
Nonoperating Revenues (Expenses)					
Investment income	17,173	36,608	-	53,781	6
Interest and fiscal charges	(89,953)	(479,430)	(5,344)	(574,727)	-
Contribution of infrastructure to City	(712,610)	(2,161,319)	-	(2,873,929)	-
Miscellaneous revenues	811	539	500	1,850	-
Loss on disposal of capital assets	-	-	(3,600)	(3,600)	-
Total nonoperating revenues (expenses)	<u>(784,579)</u>	<u>(2,603,602)</u>	<u>(8,444)</u>	<u>(3,396,625)</u>	<u>6</u>
Income (loss) before contributions and transfers	<u>(136,762)</u>	<u>(2,178,141)</u>	<u>120,044</u>	<u>(2,194,859)</u>	<u>50,260</u>
Contributions and Transfers					
Capital contributions	-	4,305,945	-	4,305,945	-
Transfers out	<u>(356,550)</u>	<u>-</u>	<u>-</u>	<u>(356,550)</u>	<u>-</u>
Total contributions and transfers	<u>(356,550)</u>	<u>4,305,945</u>	<u>-</u>	<u>3,949,395</u>	<u>-</u>
Change in net position	(493,312)	2,127,804	120,044	1,754,536	50,260
Net Position, Beginning	<u>11,834,331</u>	<u>22,328,432</u>	<u>(11,559)</u>	<u>34,151,204</u>	<u>6,186</u>
Net Position, Ending	<u>\$ 11,341,019</u>	<u>\$ 24,456,236</u>	<u>\$ 108,485</u>	<u>\$ 35,905,740</u>	<u>\$ 56,446</u>

See notes to financial statements

City of Rhinelander

Statement of Cash Flows
 Proprietary Funds
 Year Ended December 31, 2020

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water Utility	Wastewater Utility	Nonmajor Enterprise Funds	Total	
Cash Flows From Operating Activities					
Received from customers	\$ 1,938,477	\$ 2,883,617	\$ 1,044,386	\$ 5,866,480	\$ 222,173
Paid to suppliers for goods and services	(663,159)	(722,813)	(837,918)	(2,223,890)	(175,293)
Paid to employees for services	(199,133)	(299,693)	(60,608)	(559,434)	-
Net cash flows from operating activities	<u>1,076,185</u>	<u>1,861,111</u>	<u>145,860</u>	<u>3,083,156</u>	<u>46,880</u>
Cash Flows From Investing Activities					
Investment income	<u>17,173</u>	<u>36,608</u>	<u>-</u>	<u>53,781</u>	<u>6</u>
Net cash flows from investing activities	<u>17,173</u>	<u>36,608</u>	<u>-</u>	<u>53,781</u>	<u>6</u>
Cash Flows From Noncapital Financing Activities					
Paid to municipality for tax equivalent Negative cash implicitly financed	(356,550)	-	-	(356,550)	-
Donations received	-	(17,924)	256,292	238,368	-
Advances from (repaid to) other funds	(219,996)	-	500	500	-
Interest on advance	(219,996)	(546,375)	(1,000)	(767,371)	-
	<u>(2,252)</u>	<u>(2,772)</u>	<u>(1,115)</u>	<u>(6,139)</u>	<u>-</u>
Net cash flows from noncapital financing activities	<u>(578,798)</u>	<u>(567,071)</u>	<u>254,677</u>	<u>(891,192)</u>	<u>-</u>
Cash Flows From Capital and Related Financing Activities					
Debt issued	2,112,835	5,529,993	-	7,642,828	-
Debt retired	(387,277)	(6,210,467)	(126,044)	(6,723,788)	-
Interest and fiscal charges paid	(100,910)	(497,915)	(4,228)	(603,053)	-
Acquisition and construction of capital assets	(1,945,507)	(4,479,068)	(965,957)	(7,390,532)	-
Contribution received for construction	-	4,005,914	-	4,005,914	-
Capital advances from other funds	<u>62,880</u>	<u>-</u>	<u>697,491</u>	<u>760,371</u>	<u>-</u>
Net cash flows from capital and related financing activities	<u>(257,979)</u>	<u>(1,651,543)</u>	<u>(398,738)</u>	<u>(2,308,260)</u>	<u>-</u>
Net change in cash and cash equivalents	256,581	(320,895)	1,799	(62,515)	46,886
Cash and Cash Equivalents, Beginning	<u>2,717,513</u>	<u>5,735,479</u>	<u>-</u>	<u>8,452,992</u>	<u>20,630</u>
Cash and Cash Equivalents, Ending	<u>\$ 2,974,094</u>	<u>\$ 5,414,584</u>	<u>\$ 1,799</u>	<u>\$ 8,390,477</u>	<u>\$ 67,516</u>

See notes to financial statements

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water Utility	Wastewater Utility	Nonmajor Enterprise Funds	Total	
Reconciliation of Operating Income to Net Cash Flows From Operating Activities					
Operating income	\$ 647,817	\$ 425,461	\$ 128,487	\$ 1,201,765	\$ 50,254
Nonoperating revenue	811	539	-	1,350	-
Adjustments to reconcile operating income to net cash flows from operating activities:					
Depreciation	474,742	1,429,738	264,214	2,168,694	-
Depreciation charged to other funds	23,020	(23,020)	-	-	-
Accounts receivable	(92,686)	(2,533)	(20,109)	(115,328)	-
Other accounts receivables	-	-	(211,167)	(211,167)	-
Changes in assets and liabilities:					
Inventories and prepaid items	15,251	16,921	(5,252)	26,920	-
Accounts payable	(9,325)	(2,348)	65	(11,608)	6,340
Accrued liabilities and deposits	21,770	5,517	-	27,287	(9,714)
Accrued compensated absences	(4,356)	12,882	-	8,526	-
Other current liabilities	-	-	(2,997)	(2,997)	-
Unearned revenue	-	-	(1,179)	(1,179)	-
Pension related deferrals and asset/liability	(859)	(2,046)	(6,202)	(9,107)	-
Net cash flows from operating activities	<u>\$ 1,076,185</u>	<u>\$ 1,861,111</u>	<u>\$ 145,860</u>	<u>\$ 3,083,156</u>	<u>\$ 46,880</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position, Proprietary Funds					
Cash and investments	\$ 2,631,498	\$ 2,679,471	\$ 1,799	\$ 5,312,768	\$ 67,516
Restricted cash and investments	<u>342,596</u>	<u>2,735,113</u>	<u>-</u>	<u>3,077,709</u>	<u>-</u>
Cash and cash equivalents	<u>\$ 2,974,094</u>	<u>\$ 5,414,584</u>	<u>\$ 1,799</u>	<u>\$ 8,390,477</u>	<u>\$ 67,516</u>
Noncash Capital and Related Financing Activities					
Capital assets acquired via accounts payable	<u>\$ 65,199</u>	<u>\$ 353,963</u>	<u>\$ 43,796</u>		<u>\$ -</u>

See notes to financial statements

City of Rhinelander

Statement of Fiduciary Net Position

Fiduciary Fund

December 31, 2020

	Custodial Fund Tax Collection Fund
Assets	
Cash and investments	\$ 3,450,451
Taxes receivable	<u>3,240,730</u>
Total assets	<u>6,691,181</u>
Liabilities	
Due to other governments	<u>6,691,181</u>
Total liabilities	<u>6,691,181</u>
Net Position	
Total net position	<u><u>\$ -</u></u>

See notes to financial statements

City of Rhinelander

Statement of Changes in Fiduciary Net Position
Fiduciary Fund
Year Ended December 31, 2020

	<u>Custodial Fund Tax Collection Fund</u>
Additions	
Property taxes collected for other governments	\$ 4,697,809
Total additions	<u>4,697,809</u>
Deductions	
Property taxes distributed to other governments	<u>4,697,809</u>
Total deductions	<u>4,697,809</u>
Change in fiduciary net position	-
Net Position, Beginning	<u>-</u>
Net Position, Ending	<u><u>\$ -</u></u>

City of Rhinelander

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December 31, 2020

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City of Rhinelander

Notes to Financial Statements
December 31, 2020

1. Summary of Significant Accounting Policies

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

Reporting Entity

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

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

Discretely Presented Component Units

Rhinelander-Oneida County Airport

The government-wide financial statements include the Rhinelander-Oneida County Airport (airport) as a component unit. The airport is a legally separate organization. The commission of the airport is made up of three members; appointments to the commission are alternated between the City of Rhinelander and Oneida County. The City is the fiscal agent for the airport's operations. See Note 3. As a component unit, the airport's financial statements have been presented as a discrete column in the financial statements. The information presented is for the fiscal year ended December 31, 2020. The airport does not issue separate financial statements.

Rhinelander District Library

The government-wide financial statements include the Rhinelander District Library (library) as a component unit. The library is a legally separate organization. The board of the library is made up of three trustees representing the City of Rhinelander, one trustee representing each member town and one trustee representing the K-12 school district. Under the agreement creating the library, the city is responsible for the largest share of the financial contribution to the library and is also the fiscal agent for the library's operations. See Note 3. As a component unit, the library's financial statements have been presented as a discrete column in the financial statements. The information presented is for the fiscal year ended December 31, 2020. The library does not issue separate financial statements.

Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

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

- a. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent 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 percent test is at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

City of Rhinelander

Notes to Financial Statements
December 31, 2020

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

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

The City reports the following major governmental funds:

General Fund

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

Special Revenue Funds

1985 Community Block Grant Special Revenue Fund is used to account for and report grants and local revenues legally restricted or committed to supporting expenditures for the program.

Debt Service Funds

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

Capital Projects Funds

General Capital Projects Fund is 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, other than TIF or enterprise projects.

The City reports the following major enterprise funds:

Water Utility accounts for operations of the water system.

Wastewater Utility accounts for operations of the wastewater system.

The City reports the following nonmajor governmental and enterprise funds:

Special Revenue Funds

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

Room Tax	Historical Complex
Recycling Grant	Boat Launch
Parking Advisory Board	K-9
Downtown Works	Special Projects
Hazardous Materials	Cemetery Perpetual Care
Shared Ride Transport Grant	DARE
Tank Inspections	Historic Preservation
Landfill Settlement	Ambulance
Playground Equipment	

City of Rhinelander

Notes to Financial Statements
December 31, 2020

Debt Service Funds

Debt Service Funds are 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.

Environmental TIF #1

TIF #5

Capital Projects Funds

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

TIF #6

TIF #8

TIF #9

TIF #10

Premier Resort Area Tax

Enterprise Funds

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

Stormwater Utility

Golf Course

In addition, the City reports the following fund types:

Internal Service Funds

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

Dental

HRA/FSA

Custodial Funds

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

Tax Collection Fund

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-Wide Financial Statements

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water and wastewater 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. At year-end, there were \$296,446 of unrecorded deferred assessments which are not recorded as receivables because collection is subject to certain events occurring in the future and no formal repayment schedule has been established.

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

Proprietary and Fiduciary Funds

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

City of Rhinelander

Notes to Financial Statements
December 31, 2020

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

All Financial Statements

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

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

Deposits and Investments

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

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

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

The City has adopted an investment policy. That policy is more restrictive than the state statute for allowable investments. Custodial credit risk and credit risk are addressed as follows:

- Where allowed by state law, full collateralization will be required on all demand deposit accounts and non-negotiable certificates of deposit.
- Investments will be limited to the safest type of securities.

City of Rhinelander

Notes to Financial Statements
December 31, 2020

- Financial institutions, broker/dealers, intermediaries and advisors with which the City will do business will be pre-qualified.
- The investment portfolio will be diversified so that potential losses on individual securities will be minimized.

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

See Note 3. for further information.

Receivables

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

Property tax calendar - 2020 tax roll:

Lien date and levy date	December 2020
Tax bills mailed	December 2020
Payment in full or or	January 31, 2021
First installment due	January 31, 2021
Second installment due	July 31, 2021
Personal property taxes in full	January 31, 2021
Tax sale - 2020 delinquent real estate taxes	October 2023

Accounts receivable have been shown net of an allowance for uncollectible accounts. Delinquent real estate taxes as of July 31 are paid in full by the County, which assumes the collection thereof. No provision for uncollectible accounts receivable has been made for the water, wastewater and stormwater utilities because they have the right by law to place substantially all delinquent bills on the tax roll.

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

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

The City has received grant funds for 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 housing rehabilitation loans receivable has not been reduced by an allowance for uncollectible accounts.

City of Rhinelander

Notes to Financial Statements
December 31, 2020

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.

Inventories and Prepaid Items

Governmental fund inventories, if material, are recorded at cost based on the FIFO method using the consumption method of accounting. Proprietary fund inventories are generally used for construction and/or for operation and maintenance work. They are not for resale. They are valued at cost based on weighted average and charged to construction and/or operation and maintenance expense when used.

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

Restricted Assets

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

Capital Assets

Government-Wide Statements

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$2,000 for general capital assets purchased prior to 2014 and \$10,000 for general capital assets purchased in 2014 and beyond and \$20,000 for infrastructure assets purchased prior to 2014 and \$100,000 for infrastructure assets purchased in 2014 and beyond, and an estimated useful life in excess of one year. All capital assets are valued at historical cost or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor and overhead. 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 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	25-50 Years
Land Improvements	10-55 Years
Machinery and Equipment	3-25 Years
Utility System	40-100 Years
Infrastructure	10-60 Years
Intangibles	3-7 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.

Deferred Outflows of Resources

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

Compensated Absences

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

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

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2020, are determined on the basis of current salary rates and include salary related payments.

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 and compensated absences.

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

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

Deferred Inflows of Resources

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

City of Rhinelander

Notes to Financial Statements
December 31, 2020

Equity Classifications

Government-Wide Statements

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

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

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:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Adjustment</u>	<u>Total</u>
Net investment in capital assets	\$ 22,283,298	\$ 28,360,956	\$ (1,855,331)	\$ 48,788,923
Unrestricted	(3,896,776)	4,411,942	1,855,331	2,370,497

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 Rhinelander

Notes to Financial Statements
December 31, 2020

- 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 City Council has adopted a financial policy authorizing the Administrator to assign amounts for a specific purpose. 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.

It is the goal of the City to achieve and maintain an unassigned fund balance in the general fund equal to 25 percent of expenditures. The City considers a balance of less than 15 percent to be cause for concern, barring unusual or deliberate circumstances. If unassigned fund balance falls below the 15 percent level the City will implement a corrective plan of action. The general fund's unassigned fund balance at the end of 2020 compared to actual general fund expenditures was 20.3 percent.

See Note 3. for further information.

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.

Basis for Existing Rates

Water Utility

Current rates for the water utility were authorized by the Public Service Commission in 2015 with order 5010-WR-109.

Wastewater Utility

By ordinance, the City's wastewater rates are based on a user charge system. Current rates were approved by the City Council in 2014 and were effective June 1, 2014.

Stormwater Utility

Current rates for the stormwater utility were approved by the City council in 2012. The rates were effective January 1, 2013 and contain step increases for 2014 and 2015.

City of Rhinelander

Notes to Financial Statements
December 31, 2020

2. Stewardship, Compliance and Accountability

Deficit Balances

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

As of December 31, 2020, the following individual funds held a deficit balance:

<u>Fund</u>	<u>Amount</u>	<u>Reason</u>
Share Ride Transport Grant	\$ 226,578	Expenditures in excess of revenues
Environmental TIF #1	173,893	Expenditures in excess of revenues
TIF #8	51,324	Expenditures in excess of revenues
Golf Course	1,716,583	Expenses in excess of revenues

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

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 Rhinelander

Notes to Financial Statements
December 31, 2020

3. Detailed Notes on All Funds

Deposits and Investments

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

	<u>Carrying Value</u>	<u>Statement Balances</u>	<u>Associated Risks</u>
Deposits	\$ 18,204,315	\$ 18,161,322	Custodial credit
Negotiable CD's	202,185	202,185	Custodial credit, credit, concentration of credit, interest rate
Petty cash	<u>3,824</u>	<u>-</u>	N/A
Total deposits and investments	<u>\$ 18,410,324</u>	<u>\$ 18,363,507</u>	
Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 11,882,164		
Restricted cash and investments	3,077,709		
Per statement of net position, fiduciary fund			
Custodial fund	<u>3,450,451</u>		
Total deposits and investments	<u>\$ 18,410,324</u>		

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

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

The Securities Investor Protection Corporation (SIPC), created by the Securities Investor Protection Act of 1970, is an independent government-sponsored corporation (not an agency of the U.S. government).

SIPC membership provides account protection up to a maximum of \$500,000 per customer, of which \$100,000 may be in cash. \$234,821 of the City's investments are covered by SIPC. Additionally, through London insurers, accounts have additional securities coverage of \$149.5 million per customer, subject to a \$500 million aggregate firm limit.

The City maintains collateral agreements with its banks. At December 31, 2020, the banks had pledged various government securities in the amount of \$20,718,273 to secure the City's deposits.

City of Rhinelander

Notes to Financial Statements
December 31, 2020

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, 2020			
	Level 1	Level 2	Level 3	Total
Negotiable CD's	\$ -	\$ 202,185	\$ -	\$ 202,185
Total	\$ -	\$ 202,185	\$ -	\$ 202,185

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.

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

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, 2020, the City held investments in negotiable CD's which were not rated.

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, 2020, the investment portfolio was concentrated as follows:

Issuer	Investment Type	Percentage of Portfolio
Pinnacle Bank	Negotiable CD	100.00 %

Interest Rate Risk

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

City of Rhinelander

Notes to Financial Statements
December 31, 2020

As of December 31, 2020, the City's investments were as follows:

Investment Type	Fair Value	Maturity (In Years)		
		Less than 1	1-3	More than 3
Negotiable CD's	\$ 202,185	\$ 202,185	\$ -	\$ -
Total	\$ 202,185	\$ 202,185	\$ -	\$ -

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

Receivables

All of the receivables on the balance sheet are expected to be collected within one year except for \$1,967,815 of loans receivable.

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	\$ 6,481,190	\$ -
Developer shortfall payment	19,890	-
Special assessments not yet due	-	41,162
Loans receivable	-	2,045,042
Other receivables	-	25,063
Due from other governments	-	123,219
Total unearned/unavailable revenue for governmental funds	\$ 6,501,080	\$ 2,234,486

Restricted Assets

The following represent the balances of the restricted assets:

Long-Term Debt Accounts

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

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

Equipment Replacement Account

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

Net Pension Asset

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

City of Rhinelander

Notes to Financial Statements
December 31, 2020

Following is a list of restricted assets at December 31, 2020:

	<u>Restricted Assets</u>	<u>Liabilities Payable from Restricted Assets</u>	<u>Restricted Net Position</u>
Bond redemption account	\$ 1,118,617	\$ 91,223	\$ 1,027,394
Bond reserve account	143,196	-	143,196
Equipment replacement account	1,815,896	-	1,815,896
Net pension asset	<u>1,551,683</u>	<u>-</u>	<u>1,551,683</u>
Total	<u>\$ 4,629,392</u>	<u>\$ 91,223</u>	<u>\$ 4,538,169</u>

Capital Assets

Capital asset activity for the year ended December 31, 2020, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets not being depreciated/ amortized:				
Construction in progress	\$ 2,870,527	\$ 3,482,201	\$ 576,746	\$ 5,775,982
Land	<u>3,719,433</u>	<u>-</u>	<u>-</u>	<u>3,719,433</u>
Total capital assets not being depreciated / amortized	<u>6,589,960</u>	<u>3,482,201</u>	<u>576,746</u>	<u>9,495,415</u>
Capital assets being depreciated / amortized:				
Land improvements	1,364,160	125,000	-	1,489,160
Buildings and improvements	8,238,638	-	31,496	8,207,142
Machinery and equipment	9,125,271	294,460	209,935	9,209,796
Intangibles	75,945	-	-	75,945
Infrastructure	<u>30,969,497</u>	<u>684,008</u>	<u>56,302</u>	<u>31,597,203</u>
Total capital assets being depreciated / amortized	<u>49,773,511</u>	<u>1,103,468</u>	<u>297,733</u>	<u>50,579,246</u>
Total capital assets	<u>56,363,471</u>	<u>4,585,669</u>	<u>874,479</u>	<u>60,074,661</u>
Less accumulated depreciation/ amortization for:				
Land improvements	(435,695)	(53,991)	-	(489,686)
Buildings and improvements	(6,225,683)	(83,493)	31,496	(6,277,680)
Machinery and equipment	(6,146,458)	(434,165)	209,283	(6,371,340)
Intangibles	(67,206)	(3,567)	-	(70,773)
Infrastructure	<u>(14,735,679)</u>	<u>(703,582)</u>	<u>43,825</u>	<u>(15,395,436)</u>
Total accumulated depreciation / amortization	<u>(27,610,721)</u>	<u>(1,278,798)</u>	<u>284,604</u>	<u>(28,604,915)</u>
Net capital assets being Depreciated/ Amortized	<u>22,162,790</u>	<u>(175,330)</u>	<u>13,129</u>	<u>21,974,331</u>
Total governmental activities capital assets, net of accumulated Depreciation/ Amortization	<u>\$ 28,752,750</u>	<u>\$ 3,306,871</u>	<u>\$ 589,875</u>	<u>\$ 31,469,746</u>

City of Rhinelander

Notes to Financial Statements
December 31, 2020

Depreciation expense was charged to functions as follows:

Governmental Activities

General government	\$ 22,395
Public safety	265,198
Public works	958,209
Health and human services	7,867
Culture, education and recreation	<u>25,129</u>

Total governmental activities depreciation / amortization expense	<u>\$ 1,278,798</u>
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Business-Type Activities

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Water				
Capital assets not being depreciated:				
Construction in progress	\$ 1,617,053	\$ 1,249,070	\$ 2,856,485	\$ 9,638
Land	<u>34,070</u>	<u>-</u>	<u>-</u>	<u>34,070</u>
Total capital assets not being depreciated	<u>1,651,123</u>	<u>1,249,070</u>	<u>2,856,485</u>	<u>43,708</u>
Capital assets being depreciated:				
Property and equipment	<u>20,008,847</u>	<u>2,817,038</u>	<u>460,787</u>	<u>22,365,098</u>
Total capital assets being depreciated	<u>20,008,847</u>	<u>2,817,038</u>	<u>460,787</u>	<u>22,365,098</u>
Total capital assets	<u>21,659,970</u>	<u>4,066,108</u>	<u>3,317,272</u>	<u>22,408,806</u>
Less accumulated depreciation for:				
Property and equipment	<u>(6,540,879)</u>	<u>(497,762)</u>	<u>460,787</u>	<u>(6,577,854)</u>
Total accumulated depreciation / amortization	<u>(6,540,879)</u>	<u>(497,762)</u>	<u>460,787</u>	<u>(6,577,854)</u>
Net capital assets being depreciated	<u>13,467,968</u>	<u>2,319,276</u>	<u>-</u>	<u>15,787,244</u>
Net water capital assets	<u>\$ 15,119,091</u>	<u>\$ 3,568,346</u>	<u>\$ 2,856,485</u>	<u>\$ 15,830,952</u>

City of Rhinelander

Notes to Financial Statements
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	Beginning Balance	Additions	Deletions	Ending Balance
Wastewater				
Capital assets not being depreciated:				
Construction in progress	\$ 4,232,637	\$ 2,625,132	\$ 6,599,571	\$ 258,198
Land	<u>1,587,593</u>	<u>-</u>	<u>-</u>	<u>1,587,593</u>
Total capital assets not being depreciated	<u>5,820,230</u>	<u>2,625,132</u>	<u>6,599,571</u>	<u>1,845,791</u>
Capital assets being depreciated:				
Property and equipment	<u>43,964,547</u>	<u>6,486,906</u>	<u>582,151</u>	<u>49,869,302</u>
Total capital assets being depreciated	<u>43,964,547</u>	<u>6,486,906</u>	<u>582,151</u>	<u>49,869,302</u>
Total capital assets	<u>49,784,777</u>	<u>9,112,038</u>	<u>7,181,722</u>	<u>51,715,093</u>
Less accumulated depreciation for:				
Property and equipment	<u>(14,730,210)</u>	<u>(1,406,718)</u>	<u>582,151</u>	<u>(15,554,777)</u>
Total accumulated depreciation	<u>(14,730,210)</u>	<u>(1,406,718)</u>	<u>582,151</u>	<u>(15,554,777)</u>
Net capital assets being depreciated	<u>29,234,337</u>	<u>5,080,188</u>	<u>-</u>	<u>34,314,525</u>
Net wastewater capital assets	<u>\$ 35,054,567</u>	<u>\$ 7,705,320</u>	<u>\$ 6,599,571</u>	<u>\$ 36,160,316</u>
Stormwater				
Capital assets not being depreciated:				
Construction in progress	\$ 784,472	\$ 1,010,226	\$ 1,794,698	\$ -
Land	<u>35,666</u>	<u>-</u>	<u>-</u>	<u>35,666</u>
Total capital assets not being depreciated	<u>820,138</u>	<u>1,010,226</u>	<u>1,794,698</u>	<u>35,666</u>
Capital assets being depreciated:				
Property and equipment	<u>5,508,334</u>	<u>1,746,772</u>	<u>158,993</u>	<u>7,096,113</u>
Total capital assets being depreciated	<u>5,508,334</u>	<u>1,746,772</u>	<u>158,993</u>	<u>7,096,113</u>
Total capital assets	<u>6,328,472</u>	<u>2,756,998</u>	<u>1,953,691</u>	<u>7,131,779</u>
Less accumulated depreciation for:				
Property and equipment	<u>(2,319,789)</u>	<u>(180,471)</u>	<u>158,993</u>	<u>(2,341,267)</u>
Total accumulated depreciation	<u>(2,319,789)</u>	<u>(180,471)</u>	<u>158,993</u>	<u>(2,341,267)</u>
Net capital assets being depreciated	<u>3,188,545</u>	<u>1,566,301</u>	<u>-</u>	<u>4,754,846</u>
Net stormwater capital assets	<u>\$ 4,008,683</u>	<u>\$ 2,576,527</u>	<u>\$ 1,794,698</u>	<u>\$ 4,790,512</u>

City of Rhinelander

Notes to Financial Statements
December 31, 2020

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Golf Course				
Capital assets being depreciated:				
Property and equipment	\$ 3,407,603	\$ -	\$ 24,000	\$ 3,383,603
Total capital assets being depreciated	<u>3,407,603</u>	<u>-</u>	<u>24,000</u>	<u>3,383,603</u>
Less accumulated depreciation for:				
Property and equipment	<u>(3,064,848)</u>	<u>(83,742)</u>	<u>20,400</u>	<u>(3,128,190)</u>
Total accumulated depreciation	<u>(3,064,848)</u>	<u>(83,742)</u>	<u>20,400</u>	<u>(3,128,190)</u>
Net capital assets being depreciated	<u>342,755</u>	<u>(83,742)</u>	<u>3,600</u>	<u>255,413</u>
Net capital assets	<u>\$ 342,755</u>	<u>\$ (83,742)</u>	<u>\$ 3,600</u>	<u>\$ 255,413</u>
Business-type capital assets, net of accumulated	<u>\$ 54,525,096</u>	<u>\$ 13,766,451</u>	<u>\$ 11,254,354</u>	<u>\$ 57,037,193</u>

Depreciation expense was charged to functions as follows:

Business-Type Activities

Water	\$ 474,742
Wastewater	1,429,738
Stormwater	180,471
Golf course	<u>83,742</u>
Total business-type activities depreciation expense	<u>\$ 2,168,693</u>

Depreciation/amortization expense may be different from business-type activity accumulated depreciation additions because of joint metering, salvage, cost of removal, internal allocations or costs associated with the disposal of assets.

Interfund Receivables/Payables, Advances and Transfers

Interfund Receivables/Payables

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Shared Ride Transport Grant	\$ 93,762
Wastewater Utility	Stormwater Utility	<u>100,000</u>
Total, fund financial statements		193,762
Less fund eliminations		(193,762)
Add interfund advances		<u>2,285,524</u>
Total internal balances, government-wide statement of net position		<u>\$ 2,285,524</u>

All amounts are due within one year.

City of Rhinelander

Notes to Financial Statements
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The principal purpose of these interfunds is to cover deficit cash balances. All 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 the golf course, environmental TIF #1, TIF #8, ambulance and shared ride transport grant funds. The amount advanced is determined by the cash deficit in the funds since their inception. No interest is being charged and no repayment schedule has been established.

The water utility and wastewater utility are advancing funds to the stormwater utility. The amount advanced is determined by an allocation of 2016 and 2019 project costs. In addition, the wastewater utility is also advancing funds to cover the remaining cash deficit in the fund since its inception. No interest is being charged and no repayment schedule has been established.

The general debt service fund advance to the water utility, wastewater utility and golf course reflects the amount each fund is contributing toward the debt service requirements on the 2014 state trust fund loan (refinanced in 2016), which was used for the pay-off of the WRS prior service liability. A repayment schedule has been established to mirror the repayment schedule on the loan.

The following is a schedule of interfund advances:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Amount Not Due Within One Year</u>
General Fund	Golf Course	\$ 2,101,524	\$ 2,101,524
General Fund	Environmental TIF #1	173,823	173,823
General Fund	Ambulance	117,856	117,856
General Fund	Shared Ride Transport Grant	109,900	109,900
General Fund	TIF #8	51,254	51,254
General Debt Service	Golf Course	34,000	34,000
General Debt Service	Water Utility	67,000	67,000
General Debt Service	Wastewater Utility	83,000	83,000
Water Utility	Stormwater Utility	850,575	850,575
Wastewater Utility	Stormwater Utility	<u>2,095,080</u>	2,095,080
	Total - fund financial statements	<u>\$ 5,684,012</u>	
	Less fund eliminations	<u>(3,398,488)</u>	
	Total, interfund advances	<u>\$ 2,285,524</u>	

The principal purpose of these interfunds is described above.

City of Rhinelander

Notes to Financial Statements
December 31, 2020

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	Water Utility	\$ 356,550	Payment in lieu of taxes
Recycling Grant	General Fund	158,000	Grant match
Historical Complex	Room Tax	45,000	Yearly contribution per agreement
General Debt Service	Premier Resort Area Tax	104,140	Contribute to 2019A Stevens Street payment
Ambulance	General Fund	<u>106,495</u>	Operating subsidy
Total, fund financial statements		770,185	
Less fund eliminations		(413,635)	
Transfers of capital assets from business-type activities to governmental activities		<u>2,873,929</u>	
Total transfers, government-wide statement of activities		<u>\$ 3,230,479</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.

Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2020, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities					
Bonds and notes payable:					
General obligation debt	\$ 15,705,000	\$ -	\$ 1,625,000	\$ 14,080,000	\$ 1,515,000
General obligation debt from direct borrowings and direct placements	1,285,640	-	138,753	1,146,887	143,792
(Discounts)/Premiums:	<u>290,007</u>	<u>-</u>	<u>25,124</u>	<u>264,883</u>	<u>-</u>
Subtotal	<u>17,280,647</u>	<u>-</u>	<u>1,788,877</u>	<u>15,491,770</u>	<u>1,658,792</u>
Other liabilities:					
Compensated absences	625,731	106,450	-	732,181	42,120
Net pension liability	1,555,105	-	1,555,105	-	-
Landfill liability	<u>303,000</u>	<u>34,000</u>	<u>-</u>	<u>337,000</u>	<u>25,923</u>
Total other liabilities	<u>2,483,836</u>	<u>140,450</u>	<u>1,555,105</u>	<u>1,069,181</u>	<u>68,043</u>
Total governmental activities long-term liabilities	<u>\$ 19,764,483</u>	<u>\$ 140,450</u>	<u>\$ 3,343,982</u>	<u>\$ 16,560,951</u>	<u>\$ 1,726,835</u>

City of Rhinelander

Notes to Financial Statements
December 31, 2020

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Business-Type Activities					
Bonds and notes payable:					
General obligation debt	\$ 180,000	\$ -	\$ 105,000	\$ 75,000	\$ 20,000
Revenue debt from direct borrowings and direct placements	<u>27,516,130</u>	<u>7,642,828</u>	<u>6,597,744</u>	<u>28,561,214</u>	<u>1,541,091</u>
Subtotal	<u>27,696,130</u>	<u>7,642,828</u>	<u>6,702,744</u>	<u>28,636,214</u>	<u>1,561,091</u>
Other liabilities:					
Compensated absences	122,136	8,526	-	130,662	13,061
Net pension liability	183,035	-	183,035	-	-
Capital leases	<u>61,067</u>	<u>-</u>	<u>21,044</u>	<u>40,023</u>	<u>19,586</u>
Total other liabilities	<u>366,238</u>	<u>8,526</u>	<u>204,079</u>	<u>170,685</u>	<u>32,647</u>
Total business-type activities long- term liabilities	<u>\$ 28,062,368</u>	<u>\$ 7,651,354</u>	<u>\$ 6,906,823</u>	<u>\$ 28,806,899</u>	<u>\$ 1,593,738</u>

In accordance with Wisconsin Statutes, total general obligation indebtedness of the City may not exceed 5 percent of the equalized value of taxable property within the City's jurisdiction. The debt limit as of December 31, 2020, was \$29,208,975. Total general obligation debt outstanding at year-end was \$15,301,887.

City of Rhinelander

Notes to Financial Statements
December 31, 2020

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 funds. 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.

<u>Governmental Activities</u>					Balance
<u>General Obligation Debt</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>December 31, 2020</u>
2010 Taxable G.O. Refunding Bonds	5/26/2010	3/1/2025	2.0-5.2%	\$ 1,285,000	\$ 580,000
2012 G.O. Notes	1/26/2012	12/1/2021	2.00%	1,785,000	160,000
2013 G.O. Bonds	1/29/2013	12/1/2032	2.0-3.0%	4,755,000	3,135,000
2013 Taxable G.O. Bonds	6/11/2013	12/1/2029	2.0-3.7%	2,110,000	1,360,000
2013 G.O. Bonds	6/11/2013	3/1/2029	2.0-3.0%	1,835,000	1,245,000
2013 State Trust Fund Loan*	7/10/2013	3/15/2033	3.75%	401,500	303,533
2013 State Trust Fund Loan*	7/10/2013	3/15/2023	2.75%	50,000	16,308
2013 State Trust Fund Loan*	7/10/2013	3/15/2026	3.75%	252,000	129,806
2013 State Trust Fund Loan*	11/27/2013	3/15/2026	4.25%	113,500	64,577
2013 State Trust Fund Loan*	7/10/2013	3/15/2023	2.75%	280,000	91,327
2013 State Trust Fund Loan*	7/26/2013	3/15/2026	3.75%	439,091	227,676
2013 State Trust Fund Loan*	7/26/2013	3/15/2030	3.75%	474,732	313,660
2014 G.O. Notes	3/13/2014	2/1/2024	0.4-2.6%	1,575,000	695,000
2016 G.O. Bonds	4/27/2016	4/1/2036	2.0-3.0%	2,197,200	1,880,000
2016 G.O. Bonds	4/27/2016	3/1/2033	1.75-3.75%	1,135,000	985,000
2018 G.O. Notes	5/1/2018	5/1/2028	2.5-3.0%	3,085,000	2,540,000
2019 G.O. Bonds	9/4/2019	6/1/2039	2.0-4.0%	1,585,000	1,500,000
Total governmental activities, general obligation debt					<u>\$ 15,226,887</u>

<u>Business-Type Activities</u>					Balance
<u>General Obligation Debt</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>December 31, 2020</u>
2013 G.O. Bonds	6/11/2013	3/1/2029	2.0-3.0%	\$ 125,000	\$ 45,000
2014 G.O. Bonds	3/13/2014	2/1/2024	0.4-2.6%	225,000	30,000
Total business-type activities, general obligation debt					<u>\$ 75,000</u>

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

City of Rhinelander

Notes to Financial Statements
December 31, 2020

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Governmental Activities General Obligation Debt</u>		<u>Business-Type Activities General Obligation Debt</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 1,515,000	\$ 394,734	\$ 20,000	\$ 1,470
2022	1,515,000	356,732	20,000	1,068
2023	1,350,000	317,435	25,000	563
2024	1,385,000	278,076	10,000	130
2025	1,250,000	238,583	-	-
2026-2030	4,940,000	669,482	-	-
2031-2035	1,620,000	180,474	-	-
2036-2039	505,000	24,750	-	-
Total	<u>\$ 14,080,000</u>	<u>\$ 2,460,266</u>	<u>\$ 75,000</u>	<u>\$ 3,231</u>

<u>Years</u>	<u>Governmental Activities General Obligation Debt from Direct Borrowings and Direct Placements</u>	
	<u>Principal</u>	<u>Interest</u>
2021	\$ 143,792	\$ 42,255
2022	148,883	37,163
2023	154,158	31,888
2024	121,681	26,496
2025	126,371	21,806
2026-2030	368,549	52,228
2031-2033	83,453	6,341
Total	<u>\$ 1,146,887</u>	<u>\$ 218,177</u>

Revenue Debt

Business-type activities revenue bonds are payable only from revenues derived from the operation of the water and wastewater utilities.

The water utility has pledged future water revenues, net of specified operating expenses, to repay revenue bonds issued in 2008, 2013, 2014, 2016 and 2019. Proceeds from the bonds provided financing for the construction of a new well and wellhouse, as well as upgrades to existing facilities. The bonds are payable solely from water utility revenues and are payable through 2039. Annual principal and interest payments on the bonds are expected to require 44 percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$9,521,312. Principal and interest paid for the current year and total customer net revenues were \$472,627 and \$1,139,732, respectively.

The wastewater utility has pledged future wastewater revenues, net of specified operating expenses, to repay revenue bonds issued in 2010 - 2012, 2016, 2019 and 2020. Proceeds from the bonds provided financing for the construction of a new wastewater treatment plant, lift station and interceptor, as well as upgrades to existing facilities. The bonds are payable solely from wastewater revenues and are payable through 2059. Annual principal and interest payments on the bonds are expected to require 35 percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$25,531,615. Principal and interest paid for the current year and total customer net revenues were \$1,525,134 and \$1,891,807, respectively.

City of Rhinelander

Notes to Financial Statements
December 31, 2020

Revenue debt payable at December 31, 2020, 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, 2020</u>
Water Utility					
2008 Safe Drinking Water Loan*	11/26/2008	5/1/2028	1.42%	\$ 1,097,024	\$ 477,881
2013 Safe Drinking Water Loan*	11/27/2013	5/1/2033	1.155%	1,026,552	730,056
2014 Safe Drinking Water Loan*	12/23/2014	5/1/2034	1.155%	881,411	646,744
2016 Safe Drinking Water Loan*	5/25/2016	5/1/2036	.99%	2,102,430	1,729,451
2019 Safe Drinking Water Loan*	6/26/2019	5/1/2039	1.188%	5,203,758	<u>5,065,933</u> (1)
				Total water utility	<u>8,650,065</u>

(1) - During 2019 the utility was authorized to issue \$5,677,375 of water system Safe Drinking Water Loan revenue bonds. The original amount reported above has been issued as of December 31, 2020. The repayment schedule is for the amount issued.

Wastewater Utility

2010 Clean Water Fund Loan*	1/13/2010	5/1/2029	2.54%	12,633,196	7,100,799
2011 Clean Water Fund Loan*	9/28/2011	5/1/2031	2.4%	975,332	592,968
2012 Clean Water Fund Loan*	5/23/2012	5/1/2032	3.0%	486,465	325,477
2016 Clean Water Fund Loan*	5/25/2016	5/1/2036	2.1%	1,191,891	1,000,064
2016 Sewerage System Mortgage Revenue Bonds*	5/12/2016	5/1/2053	2.75%	3,431,650	3,205,750
2016 Sewerage System Mortgage Revenue Bonds*	9/26/2016	5/1/2056	2.25%	2,100,000	1,964,600
2019 Clean Water Fund Loan*	10/23/2019	5/1/2039	1.056%	480,294	465,691 (2)
2020 Sewerage System Mortgage Revenue Bonds*	1/31/2020	5/1/2059	1.625%	5,373,000	<u>5,255,800</u>
				Total wastewater utility	<u>19,911,149</u>

(2) - During 2019 the utility was authorized to issue \$514,603 of wastewater system Clean Water Fund revenue bonds. The original amount reported above has been issued as of December 31, 2020. The repayment schedule is for the amount issued.

Total business-type activities, revenue debt \$ 28,561,214

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

City of Rhinelander

Notes to Financial Statements
December 31, 2020

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Business-Type Activities Revenue Debt from Direct Borrowings and Direct Placements</u>	
	<u>Principal</u>	<u>Interest</u>
2021	\$ 1,541,091	\$ 532,237
2022	1,574,783	500,674
2023	1,606,574	468,588
2024	1,639,080	435,786
2025	1,672,315	402,251
2026-2030	7,865,717	1,494,484
2031-2035	4,154,891	974,334
2036-2040	2,844,511	690,795
2041-2045	1,544,100	502,747
2046-2050	1,719,700	327,138
2051-2055	1,612,450	138,656
2056-2059	<u>786,002</u>	<u>24,021</u>
Total	<u>\$ 28,561,214</u>	<u>\$ 6,491,711</u>

Other Debt Information

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

A statutory mortgage lien upon the wastewater's system and any additions, improvements and extensions thereto is created by Section 66.0621 of the Wisconsin Statutes as provided for in the ordinances creating the revenue bond issue. The wastewater's system and the earnings of the system remain subject to the lien until payment in full of the principal and interest on the bonds.

The City's outstanding debt from direct borrowings and/or direct placements related to governmental activities of \$1,146,887 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.

The City's outstanding debt from direct borrowings and/or direct placements related to business-type activities of \$18,135,064 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, declaring the entire balance of the loans immediately due and payable, 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 business-type activities of \$10,426,150 contain a provision that in the event the City fails to make a payment when due or fails to comply with any other provisions of the agreement, the lender at its option may declare the entire loan balance outstanding immediately due and payable, incur and pay expenses necessary to cure the cause of default (payable from the source of funds pledged to pay the bonds or any other legally permissible source) and/or take possession of the facility.

City of Rhinelander

Notes to Financial Statements
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Lease Disclosures

Lessee, Capital Leases

In 2017 the golf course acquired capital assets through a lease/purchase agreement. The gross amount of these assets under capital leases is \$112,120, which are included in capital assets in the business-type activities. The future minimum lease obligations and the net present value on these minimum lease payments as of December 31, 2020, are as follows:

<u>Years</u>	<u>Business-Type Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 19,586	\$ 1,402	\$ 20,988
2022	20,437	550	20,987
Total	<u>\$ 40,023</u>	<u>\$ 1,952</u>	<u>\$ 41,975</u>

Closure and Postclosure Care Cost

State and federal laws and regulations require the City to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 40 years after closure. The city completed final closure of the landfill in 1979. The \$337,000 reported as landfill postclosure care liability at December 31, 2020 represents the total amount needed by the City for postclosure care costs according to state and federal regulations. Actual cost may be higher due to inflation, changes in technology or changes in regulations.

The City is required by state and federal laws and regulations to provide proof of financial assurance for the postclosure care costs. At December 31, 2020, the City had restricted fund balance in the landfill settlement fund in the amount of \$77,530. The maintenance and monitoring expenses for long-term care will be budgeted for each year and the amount will be paid from the landfill settlement funds.

Net Position/Fund Balances

Net position reported on the government-wide statement of net position at December 31, 2020, includes the following:

Governmental Activities

Net investment in capital assets:	
Construction in progress	\$ 5,775,982
Land	3,719,433
Other capital assets, net of accumulated depreciation/amortization	21,974,331
Less long-term debt outstanding (excluding unspent capital related debt proceeds)	(8,926,286)
Less unamortized debt premium	<u>(260,162)</u>
Total net investment in capital assets	<u>\$ 22,283,298</u>

City of Rhinelander

Notes to Financial Statements
December 31, 2020

Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2020, include the following:

	General Fund	1985 Community Block Grant Special Revenue Fund	General Debt Service Fund	General Capital Projects	Nonmajor Government al Funds	Total
Fund Balances						
Nonspendable:						
Prepaid items	\$ 101,866	\$ -	\$ -	\$ -	\$ 49,478	\$ 151,344
Noncurrent advances	2,554,357	-	-	-	-	2,554,357
Cemetery perpetual care	-	-	-	-	19,485	19,485
Subtotal	<u>2,656,223</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>68,963</u>	<u>2,725,186</u>
Restricted for:						
K-9 program	-	-	-	-	11,037	11,037
Loan programs	-	179,111	-	-	138,770	317,881
Debt service	-	-	369,764	-	85,581	455,345
Capital projects	-	-	-	407,630	1,724,700	2,132,330
Tourism	-	-	-	-	97,769	97,769
TIF projects	-	-	-	-	2,213,784	2,213,784
Parking advisory board operations	-	-	-	-	68,936	68,936
Hazardous materials response	-	-	-	-	19,729	19,729
DARE	-	-	-	-	3,165	3,165
Landfill clean-up	-	-	-	-	77,530	77,530
Historical complex facilities and programs	-	-	-	-	48,654	48,654
Subtotal	<u>-</u>	<u>179,111</u>	<u>369,764</u>	<u>407,630</u>	<u>4,489,655</u>	<u>5,446,160</u>
Committed to:						
Tank inspection equipment	-	-	-	-	44,781	44,781
Playground equipment and maintenance	-	-	-	-	37,676	37,676
Boat launch equipment and maintenance	-	-	-	-	47,848	47,848
Historic preservation	-	-	-	-	2,132	2,132
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>132,437</u>	<u>132,437</u>
Assigned to:						
Recycling	-	-	-	-	16,071	16,071
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,071</u>	<u>16,071</u>
Unassigned (deficit):	<u>1,495,143</u>	<u>-</u>	<u>-</u>	<u>(35,366)</u>	<u>(495,247)</u>	<u>964,530</u>
Total fund balances (deficit)	<u>\$ 4,151,366</u>	<u>\$ 179,111</u>	<u>\$ 369,764</u>	<u>\$ 372,264</u>	<u>\$ 4,211,879</u>	<u>\$ 9,284,384</u>

City of Rhinelander

Notes to Financial Statements
December 31, 2020

Business-Type Activities

Net investment in capital assets:	
Land	\$ 1,657,329
Construction in progress	267,836
Other capital assets, net of accumulated depreciation	55,112,028
Less long-term debt outstanding (excluding unspent capital related debt proceeds)	<u>(28,676,237)</u>
Total net investment in capital assets	<u>\$ 28,360,956</u>

Component Units

Rhinelander-Oneida County Airport

This report contains the Rhinelander-Oneida County Airport (airport), which is included as a component unit.

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

a. Basis of Accounting/Measurement Focus

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

b. Deposits and Investments

At year-end, the carrying amount of the airport's deposits was \$113,649 and is part of the City's commingled cash. See Note 3.

c. Capital Assets

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Useful Lives (Years)</u>
Construction in progress	\$ 1,523,655	\$ 3,790,386	\$ 3,193,470	\$ 2,120,571	
Land	187,700	-	-	187,700	
Buildings and improvements	4,790,231	995,910	35,000	5,751,141	25 - 50
Machinery and equipment	3,476,687	957,750	107,432	4,327,005	3 - 25
Infrastructure	12,908,466	1,294,276	-	14,202,742	10 - 60
Less accumulated depreciation	<u>(13,269,563)</u>	<u>(878,666)</u>	<u>114,572</u>	<u>(14,033,657)</u>	
Total	<u>\$ 9,617,176</u>	<u>\$ 6,159,656</u>	<u>\$ 3,221,330</u>	<u>\$ 12,555,502</u>	

d. Employee Retirement System

All eligible airport employees participate in the Wisconsin Retirement System (WRS), a cost-sharing, multiple-employer, defined benefit, public employee retirement system, as part of the primary government's plan. See Note 4.

e. Due to Primary Government

The total reported as due to primary government reflects the amount the airport is contributing toward the debt service requirements on the City's 2016 G.O. bond which was used to refund the state trust fund loan originally issued for the pay-off of the WRS prior service liability. A repayment schedule has been established to mirror the repayment schedule on the loan.

City of Rhinelander

Notes to Financial Statements
December 31, 2020

Rhinelander District Library

This report contains the Rhinelander District Library (library), which is included as a component unit.

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

a. Basis of Accounting/Measurement Focus

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

b. Deposits and Investments

At year-end, the carrying amount of the library's deposits was \$175,420 and is part of the City's commingled cash. See Note 3. Total library cash and investments at year-end were comprised of the following:

	<u>Carrying Value</u>	<u>Statement Balances</u>	<u>Associated Risks</u>
Commingled cash deposits	\$ 175,420	\$ -	N/A
Deposits	1,071,468	1,093,278	Custodial credit risk
Petty cash	<u>150</u>	<u>-</u>	N/A
Total deposits and investments	<u>\$ 1,247,038</u>	<u>\$ 1,093,278</u>	

Custodial Credit Risk

Deposits

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

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

c. Capital Assets

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Useful Lives (Years)</u>
Land	\$ 8,183	\$ -	\$ -	\$ 8,183	
Buildings and improvements	1,464,391	-	-	1,464,391	25 - 50
Machinery and equipment	1,176,534	94,918	231,642	1,039,810	3 - 25
Less accumulated depreciation	<u>(2,387,760)</u>	<u>(52,797)</u>	<u>231,642</u>	<u>(2,208,915)</u>	
Total	<u>\$ 261,348</u>	<u>\$ 42,121</u>	<u>\$ -</u>	<u>\$ 303,469</u>	

d. Employee Retirement System

All eligible library employees participate in the Wisconsin Retirement System (WRS), a cost-sharing, multiple-employer, defined benefit, public employee retirement system, as part of the primary government's plan. See Note 4.

e. Due to Primary Government

The total reported as due to primary government reflects the amount the library is contributing toward the debt service requirements on the City's 2016 G.O. bond which was used to refund the state trust fund loan originally issued for the pay-off of the WRS prior service liability. A repayment schedule has been established to mirror the repayment schedule on the loan.

4. Other Information

Employees' Retirement System

Plan Description

The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011 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, which can be found at <http://etf.wi.gov/publications/cafr.htm>.

Vesting

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

Benefits Provided

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

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

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

The WRS also provides death and disability benefits for employees.

City of Rhinelander

Notes to Financial Statements
December 31, 2020

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:

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
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
2019	0.0	(10.0)

Contributions

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

During the reporting period, the WRS recognized \$556,252 in contributions from the City.

Contribution rates for the plan year reported as of December 31, 2020 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (Executives & Elected Officials)	6.55 %	6.55 %
Protective with Social Security	6.55 %	10.55 %
Protective without Social Security	6.55 %	14.95 %

City of Rhinelander

Notes to Financial Statements
December 31, 2020

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

At December 31, 2020, the City (including component units) reported an asset of \$1,744,839 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2019 and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2018 rolled forward to December 31, 2019. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2019, the City's proportion was 0.05411266 percent, which was a decrease of 0.00079050 percent from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, the City (including component units) recognized pension expense of \$615,133.

At December 31, 2020, the City (including component units) reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,312,103	\$ 1,657,486
Changes in assumptions	135,969	-
Net differences between projected and actual earnings on pension plan investments	-	3,567,072
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,098	10,808
Employer contributions subsequent to the measurement date	<u>593,372</u>	<u>-</u>
Total	<u>\$ 4,042,542</u>	<u>\$ 5,235,366</u>

\$593,372 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, 2021. 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)
2021	\$ (531,863)
2022	(395,916)
2023	60,307
2024	(918,724)

City of Rhinelander

Notes to Financial Statements
December 31, 2020

Actuarial Assumptions

The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2018
Measurement Date of Net Pension Liability (Asset):	December 31, 2019
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 percent is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.*

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The Total Pension Liability for December 31, 2019 is based upon a roll-forward of the liability calculated from the December 31, 2018 actuarial valuation.

City of Rhinelander

Notes to Financial Statements
December 31, 2020

Long-Term Expected Return on Plan Assets

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

Core Fund Asset Class	Current Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Global Equities	49 %	8.0 %	5.1 %
Fixed Income	24.5	4.9	2.1
Inflation Sensitive Assets	15.5	4.0	1.2
Real Estate	9	6.3	3.5
Private Equity/Debt	8	10.6	7.6
Multi-Asset	4	6.9	4.0
Total Core Fund	110	7.5	4.6
Variable Fund Asset Class			
U.S. Equities	70	7.5	4.6
International Equities	30	8.2	5.3
Total Variable Fund	100	7.8	4.9

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.75 percent
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 percent was used to measure the total pension liability for the current and prior year. This single discount rate was based on the expected rate of return on pension plan investments of 7.00 percent and a long term bond rate of 2.75 percent. (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's 20-year Municipal GO AA Index as of December 31, 2019. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.) Because of the unique structure of WRS, the 7.00 percent expected rate of return implies that a dividend of approximately 1.9 percent 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 Rhinelander

Notes to Financial Statements
December 31, 2020

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

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

	<u>1% Decrease to Discount Rate (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase to Discount Rate (8.00%)</u>
City's proportionate share of the net pension asset (liability)	\$ 4,493,272	\$ 1,744,839	\$ (6,408,545)

Pension Plan Fiduciary Net Position

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

At December 31, 2020, the City reported a payable to the pension plan which represents contractually required contributions outstanding as of the end of the year.

Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; workers compensation; and health care of its employees. The City participates in a public entity risk pool called to provide coverage for losses from errors and omission, liability and workers compensation claims. However, other risks, such as dental claims are accounted for and financed by the City in the internal service fund. Commercial insurance coverage has been purchased for theft and property damage, as well as health insurance.

Public Entity Risk Pool

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

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

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

The CVMIC is self-insured up to a maximum of \$2,000,000 of each insurance risk. Losses paid by CVMIC plus administrative expenses will be recovered through premiums to the participating pool of municipalities.

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

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

City of Rhinelander

Notes to Financial Statements
December 31, 2020

The City pays an annual premium to CVMIC for its general liability insurance, which provides coverage up to \$5,000,000 per occurrence, less the City's retained liability. The City's retained liability is limited to \$17,500 per occurrence and an annual aggregate limit of \$70,000.

Commitments and Contingencies

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

The City has active construction projects as of December 31, 2020. Work that has been completed on these projects but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures.

During 2019, multiple sampling events detected per- and polyfluoroalkyl substances (PFAS) in the City's well #7. The City voluntarily took the well offline. Subsequent sampling at well #8 also detected PFAS and that well was voluntarily taken offline as well. In a December 2019 letter from the DNR, the City of Rhinelander, Oneida County and Rhinelander-Oneida County Airport were all named as responsible parties related to the contamination at well #7. The City's intent is to identify remediation and treatment options, however, formal costs and strategies remain unknown at this time.

Subsequent Events

The federal government passed the American Rescue Plan Act on March 11, 2021 to respond to the COVID-19 public health emergency and its negative economic impacts. Amounts were appropriated for fiscal year 2021 to units of local government to mitigate the fiscal effects stemming from the public health emergency. City's estimated award is \$799,877, which will be used to combat the negative effects of the public health emergency in the local economy. The City received 50 percent of the funds in June 2021, with the remaining expected a year later. The funds must be committed by December 31, 2024, with a deadline to expend funds of December 31, 2026.

During 2021, the City made additional draws in the amount of \$247,148 on its 2019 safe drinking water loan and \$10,278 on its clean water fund loan.

On August 17, 2021, the City issued \$480,000 of taxable general obligation promissory notes for the purpose of refunding the series 2010A taxable general obligation refunding bonds.

Related Organization

Housing Authority

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

Effect of New Accounting Standards on Current-Period Financial Statements

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

- Statement No. 87, *Leases*
- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*
- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*
- Statement No. 96, *Subscription-Based Information Technology Arrangements*
- Statement No. 97, *Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and No. 84 and a supersession of GASB Statement No. 32*

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

REQUIRED SUPPLEMENTARY INFORMATION

City of Rhineland

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - General Fund
Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 4,752,700	\$ 4,752,700	\$ 4,750,339	\$ (2,361)
Special assessments	8,000	8,000	11,560	3,560
Intergovernmental	2,097,909	2,097,909	2,106,648	8,739
Licenses and permits	159,860	159,860	224,699	64,839
Fines, forfeitures and penalties	33,000	33,000	38,304	5,304
Charges for services	395,102	395,102	430,917	35,815
Investment income	125,000	125,000	64,812	(60,188)
Miscellaneous	<u>38,887</u>	<u>38,887</u>	<u>79,770</u>	<u>40,883</u>
Total revenues	<u>7,610,458</u>	<u>7,610,458</u>	<u>7,707,049</u>	<u>96,591</u>
Expenditures				
Current:				
General government	1,222,235	1,222,235	1,221,063	1,172
Public safety	4,165,442	4,193,602	4,193,593	9
Public works	1,789,004	1,760,724	1,539,223	221,501
Health and human services	65,282	65,402	65,397	5
Culture, recreation and education	331,717	331,717	295,546	36,171
Conservation and development	28,000	28,000	27,370	630
Capital Outlay	<u>-</u>	<u>-</u>	<u>6,700</u>	<u>(6,700)</u>
Total expenditures	<u>7,601,680</u>	<u>7,601,680</u>	<u>7,348,892</u>	<u>252,788</u>
Excess of revenues over expenditures	<u>8,778</u>	<u>8,778</u>	<u>358,157</u>	<u>349,379</u>
Other Financing Sources (Uses)				
Transfers in	328,000	328,000	356,550	28,550
Transfers out	<u>(278,317)</u>	<u>(278,317)</u>	<u>(264,495)</u>	<u>13,822</u>
Total other financing sources (uses)	<u>49,683</u>	<u>49,683</u>	<u>92,055</u>	<u>42,372</u>
Net change in fund balance	58,461	58,461	450,212	391,751
Fund Balance, Beginning	<u>3,701,154</u>	<u>3,701,154</u>	<u>3,701,154</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 3,759,615</u>	<u>\$ 3,759,615</u>	<u>\$ 4,151,366</u>	<u>\$ 391,751</u>

See notes to required supplementary information

City of Rhinelander

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - 1985 Community
Block Grant Special Revenue Fund
Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Investment income	\$ 2,000	\$ 2,000	\$ 1,558	\$ (442)
Miscellaneous revenue	<u>50,000</u>	<u>50,000</u>	<u>27,448</u>	<u>(22,552)</u>
Total revenues	<u>52,000</u>	<u>52,000</u>	<u>29,006</u>	<u>(22,994)</u>
Expenditures				
Current				
Conservation and development	<u>140,471</u>	<u>140,471</u>	<u>72,411</u>	<u>68,060</u>
Total expenditures	<u>140,471</u>	<u>140,471</u>	<u>72,411</u>	<u>68,060</u>
Net change in fund balance	(88,471)	(88,471)	(43,405)	45,066
Fund Balance, Beginning	<u>222,516</u>	<u>222,516</u>	<u>222,516</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 134,045</u>	<u>\$ 134,045</u>	<u>\$ 179,111</u>	<u>\$ 45,066</u>

See notes to required supplementary information

City of Rhinelander

Schedule of Employer's Proportionate Share of the Net Pension Asset (Liability)

Wisconsin Retirement System (WRS)

Year Ended December 31, 2020

WRS Fiscal Year End (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
12/30/19	0.05411266 %	\$ 1,744,839	\$ 5,769,084	30.24 %	102.96 %
12/31/18	0.05490316 %	(1,953,282)	5,680,341	34.39 %	96.45 %
12/31/17	0.05583966 %	1,657,945	5,793,805	28.62 %	102.93 %
12/31/16	0.05576150 %	(459,608)	5,983,218	7.68 %	99.12 %
12/31/15	0.05558475 %	(903,241)	6,105,118	14.79 %	98.20 %
12/31/14	0.05522279 %	1,356,423	5,876,759	23.08 %	102.74 %

Schedule of Employer Contributions

Wisconsin Retirement System (WRS)

Year Ended December 31, 2020

City Year End	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/30/20	\$ 593,372	\$ 593,372	\$ -	\$ 5,653,116	10.50 %
12/31/19	556,253	556,253	-	5,769,085	9.64 %
12/31/18	552,578	552,578	-	5,680,341	9.73 %
12/31/17	562,095	562,095	-	5,793,805	9.70 %
12/31/16	528,400	528,400	-	5,983,218	8.83 %
12/31/15	544,900	544,900	-	6,105,118	8.93 %

See notes to required supplementary information

City of Rhinelander

Notes to Required Supplementary Information
Year Ended December 31, 2020

Budgetary Information

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

The budgeted amounts presented include any amendments made. The City may authorize transfers of budgeted amounts within departments. Transfers between departments and changes to the overall budget must be approved by a two-thirds council action.

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

Wisconsin Retirement System

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

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

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

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

SUPPLEMENTARY INFORMATION

City of Rhinelander

Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2020

	Special Revenue			
	Room Tax	Recycling Grant	Parking Advisory Board	Downtown Works
Assets				
Cash and investments	\$ 88,531	\$ 27,631	\$ 69,008	\$ 139,098
Receivables (net):				
Taxes	30,793	-	-	-
Accounts	-	-	-	-
Loans	-	-	-	68,481
Other	-	-	-	-
Due from other governments	-	-	-	-
Inventories and prepaid items	-	-	-	-
Total assets	<u>\$ 119,324</u>	<u>\$ 27,631</u>	<u>\$ 69,008</u>	<u>\$ 207,579</u>
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	\$ 21,555	\$ 9,971	\$ 72	\$ -
Accrued liabilities and deposits	-	1,589	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	-
Total liabilities	<u>21,555</u>	<u>11,560</u>	<u>72</u>	<u>-</u>
Deferred Inflows of Resources				
Unearned revenues	-	-	-	-
Unavailable revenues	-	-	-	68,809
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>68,809</u>
Fund Balances				
Nonspendable	-	-	-	-
Restricted	97,769	-	68,936	138,770
Committed	-	-	-	-
Assigned	-	16,071	-	-
Unassigned (deficit)	-	-	-	-
Total fund balances	<u>97,769</u>	<u>16,071</u>	<u>68,936</u>	<u>138,770</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 119,324</u>	<u>\$ 27,631</u>	<u>\$ 69,008</u>	<u>\$ 207,579</u>

Special Revenue

Hazardous Materials	Shared Ride Transport Grant	Tank Inspections	Landfill Settlement	Playground Equipment	Historical Complex	Boat Launch
\$ 20,054	\$ -	\$ 44,817	\$ 77,530	\$ 37,676	\$ 50,764	\$ 47,848
-	-	-	-	-	-	-
-	1,668	-	-	-	-	-
-	-	-	-	-	-	-
-	123,219	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	6,026	<u>-</u>
<u>\$ 20,054</u>	<u>\$ 124,887</u>	<u>\$ 44,817</u>	<u>\$ 77,530</u>	<u>\$ 37,676</u>	<u>\$ 56,790</u>	<u>\$ 47,848</u>
\$ 325	\$ 6,956	\$ -	\$ -	\$ -	\$ 2,110	\$ -
-	-	36	-	-	-	-
-	17,628	-	-	-	-	-
-	93,762	-	-	-	-	-
<u>-</u>	<u>109,900</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>325</u>	<u>228,246</u>	<u>36</u>	<u>-</u>	<u>-</u>	<u>2,110</u>	<u>-</u>
-	-	-	-	-	-	-
<u>-</u>	<u>123,219</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>123,219</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	6,026	-
19,729	-	-	77,530	-	48,654	-
-	-	44,781	-	37,676	-	47,848
-	-	-	-	-	-	-
<u>-</u>	<u>(226,578)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>19,729</u>	<u>(226,578)</u>	<u>44,781</u>	<u>77,530</u>	<u>37,676</u>	<u>54,680</u>	<u>47,848</u>
<u>\$ 20,054</u>	<u>\$ 124,887</u>	<u>\$ 44,817</u>	<u>\$ 77,530</u>	<u>\$ 37,676</u>	<u>\$ 56,790</u>	<u>\$ 47,848</u>

City of Rhinelander

Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2020

	Special Revenue			
	K-9	Special Projects	Cemetery Perpetual Care	DARE
Assets				
Cash and investments	\$ 11,037	\$ -	\$ 19,485	\$ 3,165
Receivables (net):				
Taxes	-	-	-	-
Accounts	-	-	-	-
Loans	-	-	-	-
Other	-	-	-	-
Due from other governments	-	-	-	-
Inventories and prepaid items	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 11,037</u>	<u>\$ -</u>	<u>\$ 19,485</u>	<u>\$ 3,165</u>
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities and deposits	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources				
Unearned revenues	-	-	-	-
Unavailable revenues	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances				
Nonspendable	-	-	19,485	-
Restricted	11,037	-	-	3,165
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned (deficit)	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>11,037</u>	<u>-</u>	<u>19,485</u>	<u>3,165</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 11,037</u>	<u>\$ -</u>	<u>\$ 19,485</u>	<u>\$ 3,165</u>

<u>Special Revenue</u>		<u>Debt Service</u>		<u>Capital Projects</u>	
<u>Historic Preservation</u>	<u>Ambulance</u>	<u>Environmental TIF #1</u>	<u>TIF #5</u>	<u>TIF #6</u>	<u>TIF #8</u>
\$ 2,132	\$ -	\$ -	\$ 85,651	\$ 307,114	\$ -
-	-	103,606	14,398	123,374	-
-	111,628	-	-	-	-
-	-	-	-	327,304	-
-	-	29,840	-	-	-
-	-	-	-	-	-
-	43,452	-	-	-	-
<u>\$ 2,132</u>	<u>\$ 155,080</u>	<u>\$ 133,446</u>	<u>\$ 100,049</u>	<u>\$ 757,792</u>	<u>\$ -</u>
\$ -	\$ 3,847	\$ -	\$ -	\$ -	\$ -
-	8,314	70	70	70	70
-	-	-	-	-	-
-	-	-	-	-	-
-	117,856	173,823	-	-	51,254
-	130,017	173,893	70	70	51,324
-	-	133,446	14,398	123,374	-
-	25,063	-	-	327,305	-
-	25,063	133,446	14,398	450,679	-
-	43,452	-	-	-	-
-	-	-	85,581	307,043	-
2,132	-	-	-	-	-
-	-	-	-	-	-
-	(43,452)	(173,893)	-	-	(51,324)
<u>2,132</u>	<u>-</u>	<u>(173,893)</u>	<u>85,581</u>	<u>307,043</u>	<u>(51,324)</u>
<u>\$ 2,132</u>	<u>\$ 155,080</u>	<u>\$ 133,446</u>	<u>\$ 100,049</u>	<u>\$ 757,792</u>	<u>\$ -</u>

City of Rhinelander

Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2020

	<u>Capital Projects</u>			Total Nonmajor Governmental Funds
	<u>TIF #9</u>	<u>TIF #10</u>	<u>Premier Resort Area Tax</u>	
Assets				
Cash and investments	\$ 1,368,622	\$ 538,259	\$ 1,553,895	\$ 4,492,317
Receivables (net):				
Taxes	583,591	90,046	-	945,808
Accounts	-	-	-	113,296
Loans	-	-	-	395,785
Other	-	-	-	29,840
Due from other governments	-	-	170,805	294,024
Inventories and prepaid items	-	-	-	49,478
	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,478</u>
Total assets	<u>\$ 1,952,213</u>	<u>\$ 628,305</u>	<u>\$ 1,724,700</u>	<u>\$ 6,320,548</u>
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ 44,836
Accrued liabilities and deposits	70	70	-	10,359
Due to other governments	-	-	-	17,628
Due to other funds	-	-	-	93,762
Advances from other funds	-	-	-	452,833
	<u>-</u>	<u>-</u>	<u>-</u>	<u>452,833</u>
Total liabilities	<u>70</u>	<u>70</u>	<u>-</u>	<u>619,418</u>
Deferred Inflows of Resources				
Unearned revenues	583,591	90,046	-	944,855
Unavailable revenues	-	-	-	544,396
	<u>-</u>	<u>-</u>	<u>-</u>	<u>544,396</u>
Total deferred inflows of resources	<u>583,591</u>	<u>90,046</u>	<u>-</u>	<u>1,489,251</u>
Fund Balances				
Nonspendable	-	-	-	68,963
Restricted	1,368,552	538,189	1,724,700	4,489,655
Committed	-	-	-	132,437
Assigned	-	-	-	16,071
Unassigned (deficit)	-	-	-	(495,247)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(495,247)</u>
Total fund balances	<u>1,368,552</u>	<u>538,189</u>	<u>1,724,700</u>	<u>4,211,879</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,952,213</u>	<u>\$ 628,305</u>	<u>\$ 1,724,700</u>	<u>\$ 6,320,548</u>

City of Rhinelander

Combining Statement of Revenues, Expenditures and Changes
in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2020

	Special Revenue			
	Room Tax	Recycling Grant	Parking Advisory Board	Downtown Works
Revenues				
Taxes	\$ 178,336	\$ -	\$ -	\$ -
Intergovernmental	-	21,443	-	-
Charges for services	-	-	2,475	-
Investment income	-	-	-	1,068
Miscellaneous	3,350	-	15,066	26,123
Total revenues	<u>181,686</u>	<u>21,443</u>	<u>17,541</u>	<u>27,191</u>
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	164,909	20,675	-
Culture, recreation and education	147,360	-	-	-
Conservation and development	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>147,360</u>	<u>164,909</u>	<u>20,675</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>34,326</u>	<u>(143,466)</u>	<u>(3,134)</u>	<u>27,191</u>
Other Financing Sources (Uses)				
Transfers in	-	158,000	-	-
Transfers out	<u>(45,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(45,000)</u>	<u>158,000</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(10,674)	14,534	(3,134)	27,191
Fund Balances (Deficit), Beginning	<u>108,443</u>	<u>1,537</u>	<u>72,070</u>	<u>111,579</u>
Fund Balances (Deficit), Ending	<u>\$ 97,769</u>	<u>\$ 16,071</u>	<u>\$ 68,936</u>	<u>\$ 138,770</u>

Special Revenue

Hazardous Materials	Shared Ride Transport Grant	Tank Inspections	Landfill Settlement	Playground Equipment	Historical Complex	Boat Launch
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
16,500	389,827	-	-	-	192	-
-	-	7,175	-	1,265	-	7,140
-	-	-	615	-	-	-
<u>5,350</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100</u>	<u>64,747</u>	<u>-</u>
<u>21,850</u>	<u>389,827</u>	<u>7,175</u>	<u>615</u>	<u>1,365</u>	<u>64,939</u>	<u>7,140</u>
-	-	-	-	-	-	-
26,210	-	5,481	-	-	-	-
-	429,091	-	15,734	-	-	-
-	-	-	-	3,985	78,625	1,753
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>26,210</u>	<u>429,091</u>	<u>5,481</u>	<u>15,734</u>	<u>3,985</u>	<u>78,625</u>	<u>1,753</u>
<u>(4,360)</u>	<u>(39,264)</u>	<u>1,694</u>	<u>(15,119)</u>	<u>(2,620)</u>	<u>(13,686)</u>	<u>5,387</u>
-	-	-	-	-	45,000	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,000</u>	<u>-</u>
(4,360)	(39,264)	1,694	(15,119)	(2,620)	31,314	5,387
<u>24,089</u>	<u>(187,314)</u>	<u>43,087</u>	<u>92,649</u>	<u>40,296</u>	<u>23,366</u>	<u>42,461</u>
<u>\$ 19,729</u>	<u>\$ (226,578)</u>	<u>\$ 44,781</u>	<u>\$ 77,530</u>	<u>\$ 37,676</u>	<u>\$ 54,680</u>	<u>\$ 47,848</u>

City of Rhinelander

Combining Statement of Revenues, Expenditures and Changes
in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2020

	Special Revenue			
	K-9	Special Projects	Cemetery Perpetual Care	DARE
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	114,963	-	-
Charges for services	-	-	-	-
Investment income	-	-	128	-
Miscellaneous	4,900	-	629	-
	<u>4,900</u>	<u>-</u>	<u>629</u>	<u>-</u>
Total revenues	<u>4,900</u>	<u>114,963</u>	<u>757</u>	<u>-</u>
Expenditures				
Current:				
General government	-	86,474	-	-
Public safety	1,892	26,335	-	-
Public works	-	443	-	-
Culture, recreation and education	-	1,711	-	-
Conservation and development	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>1,892</u>	<u>114,963</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>3,008</u>	<u>-</u>	<u>757</u>	<u>-</u>
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	3,008	-	757	-
Fund Balances (Deficit), Beginning	<u>8,029</u>	<u>-</u>	<u>18,728</u>	<u>3,165</u>
Fund Balances (Deficit), Ending	<u>\$ 11,037</u>	<u>\$ -</u>	<u>\$ 19,485</u>	<u>\$ 3,165</u>

<u>Special Revenue</u>		<u>Debt Service</u>		<u>Capital Projects</u>	
<u>Historic Preservation</u>	<u>Ambulance</u>	<u>Environmental TIF #1</u>	<u>TIF #5</u>	<u>TIF #6</u>	<u>TIF #8</u>
\$ -	\$ -	\$ 111,185	\$ 14,466	\$ 213,211	\$ -
-	46,606	-	-	18,160	13,873
-	442,862	-	-	-	-
-	-	-	-	18,515	-
-	-	19,890	-	24,394	-
-	489,468	131,075	14,466	274,280	13,873
-	-	-	-	-	-
-	442,513	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	4,035	4,035	11,801	4,035
-	125,000	100,000	-	86,942	28,819
-	28,450	31,475	-	31,304	3,313
-	595,963	135,510	4,035	130,047	36,167
-	(106,495)	(4,435)	10,431	144,233	(22,294)
-	106,495	-	-	-	-
-	-	-	-	-	-
-	106,495	-	-	-	-
-	-	(4,435)	10,431	144,233	(22,294)
2,132	-	(169,458)	75,150	162,810	(29,030)
<u>\$ 2,132</u>	<u>\$ -</u>	<u>\$ (173,893)</u>	<u>\$ 85,581</u>	<u>\$ 307,043</u>	<u>\$ (51,324)</u>

City of Rhinelander

Combining Statement of Revenues, Expenditures and Changes
in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2020

	<u>Capital Projects</u>			Total Nonmajor Governmental Funds
	<u>TIF #9</u>	<u>TIF #10</u>	<u>Premier Resort Area Tax</u>	
Revenues				
Taxes	\$ 573,313	\$ 110,242	\$ 677,667	\$ 1,878,420
Intergovernmental	5,222	7,713	-	634,499
Charges for services	-	-	-	460,917
Investment income	-	-	9,987	30,313
Miscellaneous	-	-	-	164,549
	<u>578,535</u>	<u>117,955</u>	<u>687,654</u>	<u>3,168,698</u>
Total revenues				
Expenditures				
Current:				
General government	-	-	-	86,474
Public safety	-	-	-	502,431
Public works	-	-	-	630,852
Culture, recreation and education	-	-	-	233,434
Conservation and development	4,035	4,036	-	31,977
Debt service:				
Principal	370,146	17,846	185,000	913,753
Interest and fiscal charges	121,637	12,085	53,675	281,939
	<u>495,818</u>	<u>33,967</u>	<u>238,675</u>	<u>2,680,860</u>
Total expenditures				
Excess (deficiency) of revenues over expenditures	<u>82,717</u>	<u>83,988</u>	<u>448,979</u>	<u>487,838</u>
Other Financing Sources (Uses)				
Transfers in	-	-	-	309,495
Transfers out	-	-	(104,140)	(149,140)
	<u>-</u>	<u>-</u>	<u>(104,140)</u>	<u>160,355</u>
Total other financing sources (uses)				
Net change in fund balances	82,717	83,988	344,839	648,193
Fund Balances (Deficit), Beginning	<u>1,285,835</u>	<u>454,201</u>	<u>1,379,861</u>	<u>3,563,686</u>
Fund Balances (Deficit), Ending	<u>\$ 1,368,552</u>	<u>\$ 538,189</u>	<u>\$ 1,724,700</u>	<u>\$ 4,211,879</u>

City of Rhinelander

Combining Statement of Net Position
Nonmajor Enterprise Funds
December 31, 2020

	<u>Stormwater Utility</u>	<u>Golf Course</u>	<u>Total Nonmajor Enterprise Funds</u>
Assets			
Current assets:			
Cash and investments	\$ -	\$ 1,799	\$ 1,799
Receivables:			
Accounts	139,513	-	139,513
Inventories and prepaid items	<u>-</u>	<u>34,564</u>	<u>34,564</u>
Total current assets	<u>139,513</u>	<u>36,363</u>	<u>175,876</u>
Noncurrent assets:			
Net pension asset	3,074	-	3,074
Capital assets:			
Land	35,666	-	35,666
Capital assets being depreciated	7,096,113	3,383,603	10,479,716
Less Accumulated depreciation	(2,341,267)	(3,128,190)	(5,469,457)
Other assets:			
Other receivables	<u>-</u>	<u>246,808</u>	<u>246,808</u>
Total noncurrent assets	<u>4,793,586</u>	<u>502,221</u>	<u>5,295,807</u>
Total assets	<u>4,933,099</u>	<u>538,584</u>	<u>5,471,683</u>
Deferred Outflows of Resources			
Pension related amounts	<u>9,179</u>	<u>50,951</u>	<u>60,130</u>
Total deferred outflows of resources	<u>9,179</u>	<u>50,951</u>	<u>60,130</u>

	<u>Stormwater Utility</u>	<u>Golf Course</u>	<u>Total Nonmajor Enterprise Funds</u>
Liabilities			
Current liabilities:			
Accounts payable	\$ 43,796	\$ 85	\$ 43,881
Accrued liabilities and deposits	3,618	6,969	10,587
Due to other funds	100,000	-	100,000
Current portion of general obligation debt	5,000	15,000	20,000
Current portion of leases	<u>-</u>	<u>19,586</u>	<u>19,586</u>
Total current liabilities	<u>152,414</u>	<u>41,640</u>	<u>194,054</u>
Noncurrent liabilities:			
Long-term debt:			
General obligation debt	10,000	45,000	55,000
Other liabilities:			
Advances from other funds	2,945,655	2,135,524	5,081,179
Capital leases payable	<u>-</u>	<u>20,437</u>	<u>20,437</u>
Total noncurrent liabilities	<u>2,955,655</u>	<u>2,200,961</u>	<u>5,156,616</u>
Total liabilities	<u>3,108,069</u>	<u>2,242,601</u>	<u>5,350,670</u>
Deferred Inflows of Resources			
Unearned revenues	-	2,337	2,337
Pension related amounts	<u>9,141</u>	<u>61,180</u>	<u>70,321</u>
Total deferred inflows of resources	<u>9,141</u>	<u>63,517</u>	<u>72,658</u>
Net Position			
Net investment in capital assets	4,775,512	155,390	4,930,902
Restricted for:			
Pension	3,074	-	3,074
Unrestricted net position	<u>(2,953,518)</u>	<u>(1,871,973)</u>	<u>(4,825,491)</u>
Total net position	<u>\$ 1,825,068</u>	<u>\$ (1,716,583)</u>	<u>\$ 108,485</u>

City of Rhinelander

Combining Statement of Revenues, Expenses and
Changes in Fund Net Position
Nonmajor Enterprise Funds
Year Ended December 31, 2020

	<u>Stormwater Utility</u>	<u>Golf Course</u>	<u>Total Nonmajor Enterprise Funds</u>
Operating Revenues			
Charges for services	\$ 434,258	\$ 631,416	\$ 1,065,674
Total operating revenues	<u>434,258</u>	<u>631,416</u>	<u>1,065,674</u>
Operating Expenses			
Operation and maintenance	156,994	515,979	672,973
Depreciation	<u>180,471</u>	<u>83,742</u>	<u>264,213</u>
Total operating expenses	<u>337,465</u>	<u>599,721</u>	<u>937,186</u>
Operating income	<u>96,793</u>	<u>31,695</u>	<u>128,488</u>
Nonoperating Revenues (Expenses)			
Interest and fiscal charges	(375)	(4,969)	(5,344)
Miscellaneous revenues	-	500	500
Loss on disposal of capital assets	<u>-</u>	<u>(3,600)</u>	<u>(3,600)</u>
Total nonoperating revenues (expenses)	<u>(375)</u>	<u>(8,069)</u>	<u>(8,444)</u>
Change in net position	96,418	23,626	120,044
Net Position (Deficit), Beginning	<u>1,728,650</u>	<u>(1,740,209)</u>	<u>(11,559)</u>
Net Position (Deficit), Ending	<u>\$ 1,825,068</u>	<u>\$ (1,716,583)</u>	<u>\$ 108,485</u>

City of Rhinelander

Combining Statement of Cash Flows
 Nonmajor Enterprise Funds
 Year Ended December 31, 2020

	<u>Stormwater Utility</u>	<u>Golf Course</u>	<u>Total</u>
Cash Flows From Operating Activities			
Received from customers	\$ 414,149	\$ 630,237	\$ 1,044,386
Paid to suppliers for goods and services	(97,624)	(740,294)	(837,918)
Paid to employees for services	(60,608)	-	(60,608)
	<u>255,917</u>	<u>(110,057)</u>	<u>145,860</u>
Net cash flows from operating activities			
Cash Flows From Noncapital Financing Activities			
Negative cash implicitly financed	17,924	238,368	256,292
Advances repaid to other funds	-	(1,000)	(1,000)
Interest on advance	-	(1,115)	(1,115)
Donations received	-	500	500
	<u>17,924</u>	<u>236,753</u>	<u>254,677</u>
Net cash flows from noncapital financing activities			
Cash Flows From Capital and Related Financing Activities			
Debt retired	(5,000)	(121,044)	(126,044)
Interest and fiscal charges paid	(375)	(3,853)	(4,228)
Acquisition and construction of capital assets	(965,957)	-	(965,957)
Capital advances from other funds	697,491	-	697,491
	<u>(273,841)</u>	<u>(124,897)</u>	<u>(398,738)</u>
Net cash flows from capital and related financing activities			
Net change in cash and cash equivalents	-	1,799	1,799
Cash and Cash Equivalents, Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Cash and Cash Equivalents, Ending	<u>\$ -</u>	<u>\$ 1,799</u>	<u>\$ 1,799</u>
Reconciliation of Operating Income to Net Cash Flows from Operating Activities			
Operating income	\$ 96,793	\$ 31,695	\$ 128,488
Adjustments to reconcile operating income to net cash flows from operating activities:			
Depreciation	180,471	83,742	264,213
Changes in assets and liabilities:			
Customer accounts receivable	(20,109)	-	(20,109)
Other accounts receivable	-	(211,167)	(211,167)
Inventories and prepaid items	-	(5,252)	(5,252)
Accounts payable	-	65	65
Other current liabilities	931	(3,928)	(2,997)
Unearned revenue	-	(1,179)	(1,179)
Pension related deferrals and asset/liability	(2,169)	(4,033)	(6,202)
	<u>\$ 255,917</u>	<u>\$ (110,057)</u>	<u>\$ 145,860</u>
Net cash flows from operating activities			
Noncash Capital and Related Financing Activities			
Capital assets acquired via accounts payable	<u>\$ 43,796</u>	<u>\$ -</u>	

City of Rhinelander

Combining Statement of Net Position
Internal Service Funds
December 31, 2020

	<u>Dental</u>	<u>HRA/FSA</u>	<u>Total</u>
Assets			
Current assets:			
Cash and investments	\$ 16,349	\$ 51,167	\$ 67,516
Total assets	<u>16,349</u>	<u>51,167</u>	<u>67,516</u>
Liabilities			
Current liabilities:			
Accounts payable	-	7,569	7,569
Accrued liabilities and deposits	-	773	773
Claims payable	<u>2,728</u>	<u>-</u>	<u>2,728</u>
Total current liabilities	<u>2,728</u>	<u>8,342</u>	<u>11,070</u>
Total liabilities	<u>2,728</u>	<u>8,342</u>	<u>11,070</u>
Net Position			
Unrestricted	<u>13,621</u>	<u>42,825</u>	<u>56,446</u>
Total net position	<u>\$ 13,621</u>	<u>\$ 42,825</u>	<u>\$ 56,446</u>

City of Rhinelander

Combining Statement of Revenues, Expenses and
Changes in Fund Net Position
Internal Service Funds
Year Ended December 31, 2020

	<u>Dental</u>	<u>HRA/FSA</u>	<u>Totals</u>
Operating Revenues			
Charges for services	\$ 81,284	\$ 150,603	\$ 231,887
Total operating revenues	<u>81,284</u>	<u>150,603</u>	<u>231,887</u>
Operating Expenses			
Self insurance and flex claims	<u>73,850</u>	<u>107,783</u>	<u>181,633</u>
Total operating expenses	<u>73,850</u>	<u>107,783</u>	<u>181,633</u>
Operating income	<u>7,434</u>	<u>42,820</u>	<u>50,254</u>
Nonoperating Revenues			
Investment income	<u>1</u>	<u>5</u>	<u>6</u>
Total nonoperating revenues	<u>1</u>	<u>5</u>	<u>6</u>
Change in net position	7,435	42,825	50,260
Net Position, Beginning	<u>6,186</u>	<u>-</u>	<u>6,186</u>
Net Position, Ending	<u>\$ 13,621</u>	<u>\$ 42,825</u>	<u>\$ 56,446</u>

City of Rhinelander

Combining Statement of Cash Flows
Internal Service Funds
Year Ended December 31, 2020

	<u>Dental</u>	<u>HRA/FSA</u>	<u>Total</u>
Cash Flows From Operating Activities			
Received from customers	\$ 81,284	\$ 140,889	\$ 222,173
Paid to suppliers for goods and services	<u>(75,079)</u>	<u>(100,214)</u>	<u>(175,293)</u>
Net cash flows from operating activities	<u>6,205</u>	<u>40,675</u>	<u>46,880</u>
Cash Flows From Investing Activities			
Investment income	<u>1</u>	<u>5</u>	<u>6</u>
Net cash flows from investing activities	<u>1</u>	<u>5</u>	<u>6</u>
Net change in cash and cash equivalents	6,206	40,680	46,886
Cash and Cash Equivalents, Beginning	<u>10,143</u>	<u>10,487</u>	<u>20,630</u>
Cash and Cash Equivalents, Ending	<u>\$ 16,349</u>	<u>\$ 51,167</u>	<u>\$ 67,516</u>
Reconciliation of Operating Income to Net Cash Flows From Operating Activities			
Operating income	\$ 7,434	\$ 42,820	\$ 50,254
Changes in assets and liabilities:			
Accounts payable	(1,229)	7,569	6,340
Deposits	<u>-</u>	<u>(9,714)</u>	<u>(9,714)</u>
Net cash flows from operating activities	<u>\$ 6,205</u>	<u>\$ 40,675</u>	<u>\$ 46,880</u>
Noncash Capital and Related Financing Activities			
None			

City of Rhinelander

Statement of Revenues, Expenses and
Changes in Net Position - Component Units
Year Ended December 31, 2020

	<u>Rhineland- Oneida County Airport</u>	<u>Rhineland- District Library</u>	<u>Totals</u>
Operating Revenues			
City appropriation	\$ 197,081	\$ 279,929	\$ 477,010
Township appropriations	-	487,568	487,568
County appropriation	-	181,117	181,117
Charges for services	1,186,386	-	1,186,386
Fines, donations and miscellaneous	-	411,765	411,765
	<u>1,383,467</u>	<u>1,360,379</u>	<u>2,743,846</u>
Operating Expenses			
Salaries and wages	446,036	605,325	1,051,361
Fringe benefits	156,492	195,760	352,252
Depreciation	878,666	52,797	931,463
Other expenses	945,433	174,185	1,119,618
	<u>2,426,627</u>	<u>1,028,067</u>	<u>3,454,694</u>
Operating Income (Loss)	<u>(1,043,160)</u>	<u>332,312</u>	<u>(710,848)</u>
Nonoperating Income (Expenses)			
Investment income	2,012	26,800	28,812
Interest and fiscal charges	(1,425)	(1,851)	(3,276)
Loss on disposal of capital assets	(27,860)	-	(27,860)
	<u>(27,273)</u>	<u>24,949</u>	<u>(2,324)</u>
Income (loss) before contributions	(1,070,433)	357,261	(713,172)
Contributions			
Capital contributions	<u>3,844,852</u>	<u>-</u>	<u>3,844,852</u>
Change in net position	2,774,419	357,261	3,131,680
Net Position, Beginning	<u>10,238,038</u>	<u>1,142,254</u>	<u>11,380,292</u>
Net Position, Ending	<u>\$ 13,012,457</u>	<u>\$ 1,499,515</u>	<u>\$ 14,511,972</u>

City of Rhinelander

Statement of Cash Flows

Component Units

Year Ended December 31, 2020

	Rhinelander- Oneida County Airport	Rhinelander District Library	Total
Cash Flows From Operating Activities			
Received from customers	\$ 1,300,954	\$ 1,080,450	\$ 2,381,404
Received from municipality	197,081	279,929	477,010
Paid to suppliers for goods and services	(1,100,941)	(367,207)	(1,468,148)
Paid to employees for services	(450,852)	(609,801)	(1,060,653)
Net cash flows from operating activities	<u>(53,758)</u>	<u>383,371</u>	<u>329,613</u>
Cash Flows From Investing Activities			
Investment income	<u>2,012</u>	<u>26,800</u>	<u>28,812</u>
Net cash flows from investing activities	<u>2,012</u>	<u>26,800</u>	<u>28,812</u>
Cash Flows From Noncapital Financing Activities			
Advances repaid to primary government	(2,000)	(3,000)	(5,000)
Interest on advance from primary government	<u>(1,425)</u>	<u>(1,851)</u>	<u>(3,276)</u>
Net cash flows from noncapital financing activities	<u>(3,425)</u>	<u>(4,851)</u>	<u>(8,276)</u>
Cash Flows From Capital and Related Financing Activities			
Acquisition and construction of capital assets	<u>-</u>	<u>(94,918)</u>	<u>(94,918)</u>
Net cash flows from capital and related financing activities	<u>-</u>	<u>(94,918)</u>	<u>(94,918)</u>
Net change in cash and cash equivalents	(55,171)	310,402	255,231
Cash and Cash Equivalents, Beginning	<u>168,820</u>	<u>936,636</u>	<u>1,105,456</u>
Cash and Cash Equivalents, Ending	<u>\$ 113,649</u>	<u>\$ 1,247,038</u>	<u>\$ 1,360,687</u>
Reconciliation of Operating Income (Loss) to Net Cash Flows From Operating Activities			
Operating income (loss)	\$ (1,043,160)	\$ 332,312	\$ (710,848)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:			
Depreciation	878,666	52,797	931,463
Changes in assets and liabilities:			
Accounts receivable	2,841	-	2,841
Taxes receivable	-	2,871	2,871
Due from other governments	111,727	(12,299)	99,428
Prepaid items	10,593	6,187	16,780
Accounts payable	(26,222)	(13,228)	(39,450)
Accrued liabilities	4,816	4,476	9,292
Unearned revenue	-	9,428	9,428
Pension related deferrals and asset/liability	<u>6,981</u>	<u>827</u>	<u>7,808</u>
Net cash flows from operating activities	<u>\$ (53,758)</u>	<u>\$ 383,371</u>	<u>\$ 329,613</u>
Noncash Capital and Related Financing Activities			
Capital assets acquired via capital contributions	<u>\$ 3,844,852</u>	<u>\$ -</u>	

City of Rhinelander

Required Bond Disclosures
Year Ended December 31, 2020

Insurance Coverage

<u>Description</u>	<u>Amount of Coverage</u>	<u>Coverage Dates</u>	<u>Name of Insurer</u>
Liability	\$ 5,000,000	1/1/20 to 1/1/21	Cities & Villages Mutual Insurance Co.
Workers Compensation	WI Statutory Limit	1/1/20 to 1/1/21	Cities & Villages Mutual Insurance Co.
Auto Physical Damage:			
Per Vehicle	1,500,000	1/1/20 to 1/1/21	Cities & Villages Mutual Insurance Co.
Per Occurrence	20,000,000	1/1/20 to 1/1/21	Cities & Villages Mutual Insurance Co.
Employment Practices	1,000,000	1/1/20 to 1/1/21	Ironshore Specialty Insurance Co.
Boiler and Machinery	500,000,000	1/1/20 to 1/1/21	XL Insurance America, Inc.
Excess Liability	5,000,000	1/1/20 to 1/1/21	Old Republic Union Insurance Company
Cyber (paid by CVMIC)	3,000,000	1/1/20 to 1/1/21	Illinois Union Insurance Company
Crime	5,000,000	1/1/20 to 1/1/21	Hanover Insurance Co.

Other Information

<u>User Classification</u>	<u>Wastewater</u>
Residential	3,069
Commercial	506
Industrial	32
Public Authority	46
Multifamily Residential	41
Volume of Water Used By Wastewater Customers - Gallons (000's)	196,803

City of Rhinelander

Detailed Schedule of Operating Revenues and Expenses - Wastewater Utility Year Ended December 31, 2020

Operating Revenues

Sewer service charges	\$ 2,763,401
Forfeited discounts	22,933
Other	<u>122,297</u>

Total operating revenues 2,908,631

Operating Expenses

Supervision and labor	221,992
Power	130,775
Chemicals	38,482
Operating supplies	56,408
Transportation	11,400
Maintenance	190,266
Billing, collection and accounting	27,790
Meter reading	13,879
Administrative and general salaries	72,184
Office supplies	37,701
Outside services employed	44,001
Insurance	35,460
Employee benefits	115,139
Miscellaneous general	<u>28,663</u>

Total operation and maintenance expenses 1,024,140

Depreciation	1,429,738
Taxes	<u>29,292</u>

Total operating expenses 2,483,170

Operating income \$ 425,461