

City of Rhineland

Financial Statements and
Supplementary Information

December 31, 2021

City of Rhinelander

Table of Contents
December 31, 2021

	<u>Page</u>
Independent Auditors' Report	1
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	4
Statement of Activities	6
Fund Financial Statements	
Balance Sheet - Governmental Funds	8
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	10
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	11
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	13
Statement of Net Position - Proprietary Funds	14
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	16
Statement of Cash Flows - Proprietary Funds	17
Statement of Fiduciary Net Position - Fiduciary Fund	19
Statement of Changes in Fiduciary Net Position - Fiduciary Fund	20
Index to Notes to Financial Statements	21
Notes to Financial Statements	22
Required Supplementary Information	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	61
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - 1985 Community Block Grant Special Revenue Fund	62
Schedule of Proportionate Share of the Net Pension Asset (Liability) - Wisconsin Retirement System	63
Schedule of Employer Contributions - Wisconsin Retirement System	63
Notes to Required Supplementary Information	64

City of Rhinelander

Table of Contents
December 31, 2021

	<u>Page</u>
Supplementary Information	
Combining Balance Sheet - Nonmajor Governmental Funds	65
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	70
Combining Statement of Net Position - Nonmajor Enterprise Funds	75
Combining Statement of Revenue, Expenses and Changes in Fund Net Position - Nonmajor Enterprise Funds	77
Combining Statement of Cash Flows - Nonmajor Enterprise Funds	78
Combining Statement of Net Position - Internal Services Funds	79
Combining Statement of Revenues, Expenses and Changes in Fund Net Position - Internal Service Funds	80
Combining Statement of Cash Flows - Internal Service Funds	81
Statement of Revenues, Expenses and Changes in Net Position - Component Units	82
Statement of Cash Flows - Component Units	83
Required Bond Disclosures	84
Detailed Schedule of Operating Revenues and Expenses - Wastewater Utility	85

Independent Auditors' Report

To the City Council of
City of Rhinelander

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Rhinelander, Wisconsin (the City), as of and for the year ended December 31, 2021 and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City, as of December 31, 2021 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

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

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2022 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Baker Tilly US, LLP

Eau Claire, Wisconsin
September 30, 2022

City of Rhinelander

Statement of Net Position
December 31, 2021

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Rhinelanders- Oneida County Airport	Rhinelanders District Library
Assets and Deferred Outflows of Resources					
Assets					
Cash and investments	\$ 8,200,593	\$ 5,629,221	\$ 13,829,814	\$ 81,761	\$ 1,314,967
Receivables (net):					
Taxes	6,854,838	-	6,854,838	197,081	280,076
Delinquent personal property	36,015	-	36,015	-	-
Accounts	178,628	1,580,717	1,759,345	21,971	-
Special assessments	2,405	-	2,405	-	-
Loans	1,909,852	-	1,909,852	-	-
Other	65,797	370,520	436,317	-	-
Due from other governments	561,466	75,883	637,349	751,893	505,045
Due from component units	97,000	-	97,000	-	-
Internal balances	2,324,951	(2,324,951)	-	-	-
Inventories and prepaid items	293,338	133,199	426,537	14,231	2,439
Restricted cash and investments:					
Cash and investments	-	3,289,254	3,289,254	-	-
Net pension asset	2,699,862	249,291	2,949,153	167,082	198,776
Capital assets:					
Construction in progress	207,543	66,719	274,262	2,430,126	-
Land	3,719,433	1,657,329	5,376,762	187,700	8,183
Other capital assets, net of depreciation	<u>27,387,509</u>	<u>53,428,248</u>	<u>80,815,757</u>	<u>9,829,568</u>	<u>309,119</u>
Total assets	<u>54,539,230</u>	<u>64,155,430</u>	<u>118,694,660</u>	<u>13,681,413</u>	<u>2,618,605</u>
Deferred Outflows of Resources					
Pension related amounts	<u>4,403,038</u>	<u>463,962</u>	<u>4,867,000</u>	<u>280,106</u>	<u>327,884</u>
Total deferred outflows of resources	<u>4,403,038</u>	<u>463,962</u>	<u>4,867,000</u>	<u>280,106</u>	<u>327,884</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	\$ 408,521	\$ 159,938	\$ 568,459	\$ 73,750	\$ 4,888
Accrued liabilities and deposits	464,735	99,383	564,118	-	-
Due to primary government	-	-	-	42,000	55,000
Unearned grant revenues	384,212	-	384,212	-	-
Due to other governments	17,628	-	17,628	-	-
Noncurrent liabilities:					
Due within one year	1,731,622	1,641,402	3,373,024	-	-
Due in more than one year	13,749,486	25,819,766	39,569,252	-	-
Total liabilities	<u>16,756,204</u>	<u>27,720,489</u>	<u>44,476,693</u>	<u>115,750</u>	<u>59,888</u>
Deferred Inflows of Resources					
Unearned revenues	6,501,712	2,337	6,504,049	197,081	785,121
Pension related amounts	5,890,384	577,003	6,467,387	373,953	428,052
Total deferred inflows of resources	<u>12,392,096</u>	<u>579,340</u>	<u>12,971,436</u>	<u>571,034</u>	<u>1,213,173</u>
Net Position					
Invested in capital assets, net of related debt	22,648,035	27,807,128	48,756,451	12,447,394	317,302
Restricted for:					
Cemetery perpetual care	20,758	-	20,758	-	-
Tourism	102,460	-	102,460	-	-
Loan programs	2,019,716	-	2,019,716	-	-
Debt service	401,209	1,226,116	1,627,325	-	-
Pension	2,699,862	249,291	2,949,153	167,082	198,776
Parking advisory board operations	48,981	-	48,981	-	-
Hazardous materials response	12,777	-	12,777	-	-
Historical complex facilities and programs	34,718	-	34,718	-	-
K-9 program	15,608	-	15,608	-	-
Landfill clean up	54,073	-	54,073	-	-
DARE program	3,165	-	3,165	-	-
TIF projects	2,062,638	-	2,062,638	-	-
Capital projects	2,200,594	-	2,200,594	-	-
Equipment replacement	-	1,976,485	1,976,485	-	-
Library, expendable	-	-	-	-	929,484
Library, nonexpendable	-	-	-	-	227,866
Unrestricted (deficit)	<u>(2,530,626)</u>	<u>5,060,543</u>	<u>4,228,629</u>	<u>660,259</u>	<u>-</u>
Total net position	<u>\$ 29,793,968</u>	<u>\$ 36,319,563</u>	<u>\$ 66,113,531</u>	<u>\$ 13,274,735</u>	<u>\$ 1,673,428</u>

See notes to financial statements

City of Rhinelander

Statement of Activities

Year Ended December 31, 2021

<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	\$ 1,335,668	\$ 593,549	\$ -	\$ -
Public safety	4,222,779	776,602	51,839	-
Public works	3,404,757	69,456	1,357,124	7,099
Health and human services	45,544	27,200	-	-
Culture, education and recreation	587,511	26,843	6,193	-
Conservation and development	76,112	2,492	-	-
Interest and fiscal charges	<u>438,403</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total governmental activities	<u>10,110,774</u>	<u>1,496,142</u>	<u>1,415,156</u>	<u>7,099</u>
Business-type activities:				
Water Utility	1,490,713	2,145,124	-	-
Wastewater Utility	3,213,492	3,102,951	-	513,104
Stormwater Utility	361,614	598,647	-	-
Golf Course	<u>730,623</u>	<u>780,674</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>5,796,442</u>	<u>6,627,396</u>	<u>-</u>	<u>513,104</u>
Total primary government	<u>\$ 15,907,216</u>	<u>\$ 8,123,538</u>	<u>\$ 1,415,156</u>	<u>\$ 520,203</u>
Component Units				
Rhinelanders-Oneida County Airport	\$ 3,324,042	\$ 1,107,711	\$ 1,400,403	\$ 880,677
Rhinelanders District Library	<u>1,018,100</u>	<u>-</u>	<u>176,777</u>	<u>-</u>
Total component units	<u>\$ 4,342,142</u>	<u>\$ 1,107,711</u>	<u>\$ 1,577,180</u>	<u>\$ 880,677</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

Public gifts and grants

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	Rhinelander-Oneida County Airport	Rhinelander District Library
\$ (742,119)	\$ -	\$ (742,119)	\$ -	\$ -
(3,394,338)	-	(3,394,338)	-	-
(1,971,078)	-	(1,971,078)	-	-
(18,344)	-	(18,344)	-	-
(554,475)	-	(554,475)	-	-
(73,620)	-	(73,620)	-	-
(438,403)	-	(438,403)	-	-
<u>(7,192,377)</u>	<u>-</u>	<u>(7,192,377)</u>	<u>-</u>	<u>-</u>
-	654,411	654,411	-	-
-	402,563	402,563	-	-
-	237,033	237,033	-	-
-	50,051	50,051	-	-
-	<u>1,344,058</u>	<u>1,344,058</u>	<u>-</u>	<u>-</u>
<u>(7,192,377)</u>	<u>1,344,058</u>	<u>(5,848,319)</u>	<u>-</u>	<u>-</u>
-	-	-	64,749	-
-	-	-	-	(841,323)
-	-	-	<u>64,749</u>	<u>(841,323)</u>
4,673,010	-	4,673,010	-	-
883,215	-	883,215	-	-
915,015	-	915,015	-	-
-	-	-	-	277,058
-	-	-	197,081	-
805,194	-	805,194	-	-
353,074	-	353,074	-	-
1,442,389	-	1,442,389	-	682,584
46,218	5,334	51,552	448	27,413
28,305	-	28,305	-	-
104,398	-	104,398	-	28,181
<u>935,569</u>	<u>(935,569)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>10,186,387</u>	<u>(930,235)</u>	<u>9,256,152</u>	<u>197,529</u>	<u>1,015,236</u>
2,994,010	413,823	3,407,833	262,278	173,913
<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>
<u>\$ 29,793,968</u>	<u>\$ 36,319,563</u>	<u>\$ 66,113,531</u>	<u>\$ 13,274,735</u>	<u>\$ 1,673,428</u>

See notes to financial statements

City of Rhinelander

Balance Sheet
Governmental Funds
December 31, 2021

	<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	\$ 1,634,305	\$ 234,763	\$ 80,964	\$ 1,224,440
Receivables (net):				
Taxes	5,076,316	-	878,864	20,885
Delinquent personal property taxes	36,015	-	-	-
Accounts	41,033	-	-	-
Special assessments	2,405	-	-	-
Loans	4,858	1,577,334	-	-
Other	45,679	-	-	-
Due from other governments	123,081	-	-	4,481
Due from component units	-	-	97,000	-
Due from other funds	112,321	-	-	-
Inventories and prepaid items	167,613	-	-	66,191
Advances to other funds	<u>2,590,518</u>	<u>-</u>	<u>175,000</u>	<u>-</u>
Total assets	<u>\$ 9,834,144</u>	<u>\$ 1,812,097</u>	<u>\$ 1,231,828</u>	<u>\$ 1,315,997</u>
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	\$ 175,494	\$ -	\$ -	\$ 126,537
Accrued liabilities and deposits	379,037	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenues	-	-	-	-
Advances from other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>554,531</u>	<u>-</u>	<u>-</u>	<u>126,537</u>
Deferred Inflows of Resources				
Unearned revenues	4,777,720	-	878,864	-
Unavailable revenues	<u>7,309</u>	<u>1,577,332</u>	<u>-</u>	<u>20,885</u>
Total deferred inflows of resources	<u>4,785,029</u>	<u>1,577,332</u>	<u>878,864</u>	<u>20,885</u>
Fund Balances				
Nonspendable	2,758,131	-	-	66,191
Restricted	-	234,765	352,964	1,050,524
Committed	-	-	-	-
Assigned	-	-	-	51,860
Unassigned (deficit)	<u>1,736,453</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances (deficit)	<u>4,494,584</u>	<u>234,765</u>	<u>352,964</u>	<u>1,168,575</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 9,834,144</u>	<u>\$ 1,812,097</u>	<u>\$ 1,231,828</u>	<u>\$ 1,315,997</u>

See notes to financial statements

<u>TIF #9</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
\$ 1,450,179	\$ 3,484,940	\$ 8,109,591
601,034	277,739	6,854,838
-	-	36,015
-	137,595	178,628
-	-	2,405
-	327,660	1,909,852
-	20,118	65,797
-	433,904	561,466
-	-	97,000
-	-	112,321
-	59,534	293,338
-	-	2,765,518
<u>\$ 2,051,213</u>	<u>\$ 4,741,490</u>	<u>\$ 20,986,769</u>

\$ -	\$ 95,677	\$ 397,708
-	-	379,037
-	17,628	17,628
-	112,321	112,321
-	384,212	384,212
-	440,567	440,567
-	<u>1,050,405</u>	<u>1,731,473</u>

601,034	244,094	6,501,712
-	<u>539,518</u>	<u>2,145,044</u>
<u>601,034</u>	<u>783,612</u>	<u>8,646,756</u>

-	80,292	2,904,614
1,450,179	3,081,743	6,170,175
-	153,387	153,387
-	52,037	103,897
-	<u>(459,986)</u>	<u>1,276,467</u>
<u>1,450,179</u>	<u>2,907,473</u>	<u>10,608,540</u>

<u>\$ 2,051,213</u>	<u>\$ 4,741,490</u>	<u>\$ 20,986,769</u>
---------------------	---------------------	----------------------

See notes to financial statements

City of Rhinelander

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

Total Fund Balances, Governmental Funds	\$ 10,608,540
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.	31,314,485
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.	2,145,044
The net pension asset does not relate to current financial resources and is not reported in the governmental funds.	2,699,862
Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	4,403,038
Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	(5,890,384)
Internal service funds are reported in the statement of net position as governmental activities.	76,957
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	(14,229,966)
Compensated absences	(694,901)
Accrued interest	(82,466)
Unamortized debt discount	(238,241)
Landfill liability	(318,000)
	<u> </u>
Net Position of Governmental Activities	<u><u>\$ 29,793,968</u></u>

City of Rhinelander

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

	<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	\$ 4,767,341	\$ -	\$ 883,215	\$ -
Special assessments	7,540	-	-	19,686
Intergovernmental	2,167,078	-	-	-
Licenses and permits	204,862	-	-	-
Fines, forfeitures and penalties	34,316	-	-	-
Charges for services	450,508	-	-	-
Investment income	16,969	117	9,031	1,584
Miscellaneous	<u>52,912</u>	<u>98,570</u>	<u>-</u>	<u>16,177</u>
Total revenues	<u>7,701,526</u>	<u>98,687</u>	<u>892,246</u>	<u>37,447</u>
Expenditures				
Current:				
General government	1,197,887	-	-	-
Public safety	4,208,095	-	-	10,970
Public works	1,694,509	-	-	22,500
Health and human services	38,816	-	-	-
Culture, recreation and education	312,335	-	-	3,760
Conservation and development	36,252	43,033	-	-
Capital outlay	30,005	-	-	236,154
Debt service:				
Principal	-	-	2,015,000	-
Interest and fiscal charges	<u>-</u>	<u>-</u>	<u>204,847</u>	<u>15,315</u>
Total expenditures	<u>7,517,899</u>	<u>43,033</u>	<u>2,219,847</u>	<u>288,699</u>
Excess (deficiency) of revenues over expenditures	<u>183,627</u>	<u>55,654</u>	<u>(1,327,601)</u>	<u>(251,252)</u>
Other Financing Sources (Uses)				
Debt issued	-	-	1,295,000	1,025,000
Premium on debt issued	-	-	9,913	7,382
Transfers in	372,681	-	5,888	20,000
Transfers out	<u>(213,090)</u>	<u>-</u>	<u>-</u>	<u>(4,819)</u>
Total other financing sources (uses)	<u>159,591</u>	<u>-</u>	<u>1,310,801</u>	<u>1,047,563</u>
Net change in fund balances	343,218	55,654	(16,800)	796,311
Fund Balances, Beginning	<u>4,151,366</u>	<u>179,111</u>	<u>369,764</u>	<u>372,264</u>
Fund Balances, Ending	<u>\$ 4,494,584</u>	<u>\$ 234,765</u>	<u>\$ 352,964</u>	<u>\$ 1,168,575</u>

See notes to financial statements

<u>TIF #9</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
\$ 583,591	\$ 1,395,361	\$ 7,629,508
-	-	27,226
(3,656)	612,985	2,776,407
-	-	204,862
-	-	34,316
-	633,390	1,083,898
-	18,463	46,164
-	176,290	343,949
<u>579,935</u>	<u>2,836,489</u>	<u>12,146,330</u>
-	37,179	1,235,066
-	464,423	4,683,488
-	673,592	2,390,601
-	-	38,816
-	289,667	605,762
3,956	25,719	108,960
-	377,058	643,217
2,480,289	1,671,632	6,166,921
<u>145,709</u>	<u>161,800</u>	<u>527,671</u>
<u>2,629,954</u>	<u>3,701,070</u>	<u>16,400,502</u>
<u>(2,050,019)</u>	<u>(864,581)</u>	<u>(4,254,172)</u>
2,115,000	735,000	5,170,000
16,646	1,706	35,647
-	234,025	632,594
-	(42,004)	(259,913)
<u>2,131,646</u>	<u>928,727</u>	<u>5,578,328</u>
81,627	64,146	1,324,156
<u>1,368,552</u>	<u>2,843,327</u>	<u>9,284,384</u>
<u>\$ 1,450,179</u>	<u>\$ 2,907,473</u>	<u>\$ 10,608,540</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, 2021

Net Change in Fund Balances, Total Governmental Funds \$ 1,324,156

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	643,217
Some items reported as capital outlay were not capitalized	(9,415)
Capital assets transferred from business-type activities	562,888
Depreciation is reported in the government-wide financial statements	(1,370,985)
Some functional expenditures are capitalized	80,161
Net book value of assets retired	(61,127)

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.

(89,443)

Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Debt issued	(5,170,000)
Principal repaid	6,166,921

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 26,642

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	37,280
Accrued interest on debt	26,979
Net pension asset/liability (and pension related deferred outflows and inflows of resources)	787,225
Landfill liability	19,000

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

20,511

Change in Net Position of Governmental Activities \$ 2,994,010

City of Rhinelander

Statement of Net Position
 Proprietary Funds
 December 31, 2021

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water Utility	Wastewater Utility	Nonmajor Enterprise Funds	Total	
Assets					
Current assets:					
Cash and investments	\$ 2,704,962	\$ 2,894,297	\$ 29,962	\$ 5,629,221	\$ 91,002
Receivables:					
Accounts	488,684	887,922	204,111	1,580,717	-
Due from other governments	-	75,883	-	75,883	-
Inventories and prepaid items	67,807	12,454	52,938	133,199	-
Restricted cash and investments	<u>357,755</u>	<u>789,070</u>	<u>-</u>	<u>1,146,825</u>	<u>-</u>
Total current assets	<u>3,619,208</u>	<u>4,659,626</u>	<u>287,011</u>	<u>8,565,845</u>	<u>91,002</u>
Noncurrent assets:					
Restricted assets:					
Cash and investments	-	2,142,429	-	2,142,429	-
Net pension asset	106,260	136,964	6,067	249,291	-
Capital assets:					
Construction in progress	34,950	10,792	20,977	66,719	-
Land	34,070	1,587,593	35,666	1,657,329	-
Capital assets being depreciated	22,511,558	50,198,987	10,479,716	83,190,261	-
Less Accumulated depreciation	(7,084,945)	(16,934,162)	(5,742,906)	(29,762,013)	-
Other assets:					
Advances to other funds	863,692	1,903,852	-	2,767,544	-
Other receivables	<u>-</u>	<u>-</u>	<u>370,520</u>	<u>370,520</u>	<u>-</u>
Total noncurrent assets	<u>16,465,585</u>	<u>39,046,455</u>	<u>5,170,040</u>	<u>60,682,080</u>	<u>-</u>
Total assets	<u>20,084,793</u>	<u>43,706,081</u>	<u>5,457,051</u>	<u>69,247,925</u>	<u>91,002</u>
Deferred Outflows of Resources					
Pension related amounts	<u>186,742</u>	<u>265,168</u>	<u>12,052</u>	<u>463,962</u>	<u>-</u>
Total deferred outflows of resources	<u>186,742</u>	<u>265,168</u>	<u>12,052</u>	<u>463,962</u>	<u>-</u>

See notes to financial statements

City of Rhinelander

Statement of Net Position
 Proprietary Funds
 December 31, 2021

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water Utility	Wastewater Utility	Nonmajor Enterprise Funds	Total	
Liabilities					
Current liabilities:					
Accounts payable	\$ 49,777	\$ 88,705	\$ 21,456	\$ 159,938	\$ 10,813
Accrued liabilities and deposits	443	342	11,945	12,730	504
Current portion of general obligation debt	-	-	20,000	20,000	-
Current portion of compensated absences	4,728	5,979	-	10,707	-
Current portion of leases	-	-	20,437	20,437	-
Claims payable	-	-	-	-	2,728
Liabilities payable from restricted assets					
Current portion of revenue debt	512,250	1,078,008	-	1,590,258	-
Accrued interest	16,254	70,399	-	86,653	-
Total current liabilities	583,452	1,243,433	73,838	1,900,723	14,045
Noncurrent liabilities:					
Long-term debt:					
General obligation debt	-	-	35,000	35,000	-
Revenue debt	7,888,186	17,791,287	-	25,679,473	-
Advances from other funds	64,000	79,000	4,949,495	5,092,495	-
Compensated absences	35,536	69,757	-	105,293	-
Total noncurrent liabilities	7,987,722	17,940,044	4,984,495	30,912,261	-
Total liabilities	8,571,174	19,183,477	5,058,333	32,812,984	14,045
Deferred Inflows of Resources					
Unearned revenues	-	-	2,337	2,337	-
Pension related amounts	248,831	315,308	12,864	577,003	-
Total deferred inflows of resources	248,831	315,308	15,201	579,340	-
Net Position					
Net investment in capital assets	7,095,197	15,993,915	4,718,016	27,807,128	-
Restricted for:					
Debt service	341,501	884,615	-	1,226,116	-
Equipment replacement	-	1,976,485	-	1,976,485	-
Pension	106,260	136,964	6,067	249,291	-
Unrestricted (deficit)	3,908,572	5,480,485	(4,328,514)	5,060,543	76,957
Total net position	\$ 11,451,530	\$ 24,472,464	\$ 395,569	\$ 36,319,563	\$ 76,957

See notes to financial statements

City of Rhinelander

Statement of Revenues, Expenses and Changes in Net Position

Proprietary Funds

Year Ended December 31, 2021

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water Utility	Wastewater Utility	Nonmajor Enterprise Funds	Total	
Operating Revenues	<u>\$ 2,145,124</u>	<u>\$ 3,102,951</u>	<u>\$ 1,379,321</u>	<u>\$ 6,627,396</u>	<u>\$ 181,766</u>
Operating Expenses					
Operation and maintenance	872,228	1,242,501	816,249	2,930,978	-
Depreciation	502,323	1,503,548	273,449	2,279,320	-
Taxes	15,603	34,019	-	49,622	-
Self insurance claims	-	-	-	-	161,309
Total operating expenses	<u>1,390,154</u>	<u>2,780,068</u>	<u>1,089,698</u>	<u>5,259,920</u>	<u>161,309</u>
Operating income	<u>754,970</u>	<u>322,883</u>	<u>289,623</u>	<u>1,367,476</u>	<u>20,457</u>
Nonoperating Revenues (Expenses)					
Investment income	1,782	3,552	-	5,334	54
Interest and fiscal charges	(100,559)	(433,424)	(2,539)	(536,522)	-
Contribution of infrastructure to City	<u>(173,001)</u>	<u>(389,887)</u>	<u>-</u>	<u>(562,888)</u>	<u>-</u>
Total nonoperating revenues (expenses)	<u>(271,778)</u>	<u>(819,759)</u>	<u>(2,539)</u>	<u>(1,094,076)</u>	<u>54</u>
Income (loss) before contributions and transfers	<u>483,192</u>	<u>(496,876)</u>	<u>287,084</u>	<u>273,400</u>	<u>20,511</u>
Contributions and Transfers					
Capital contributions	-	513,104	-	513,104	-
Transfers out	<u>(372,681)</u>	<u>-</u>	<u>-</u>	<u>(372,681)</u>	<u>-</u>
Total contributions and transfers	<u>(372,681)</u>	<u>513,104</u>	<u>-</u>	<u>140,423</u>	<u>-</u>
Change in net position	110,511	16,228	287,084	413,823	20,511
Net Position, Beginning	<u>11,341,019</u>	<u>24,456,236</u>	<u>108,485</u>	<u>35,905,740</u>	<u>56,446</u>
Net Position, Ending	<u>\$ 11,451,530</u>	<u>\$ 24,472,464</u>	<u>\$ 395,569</u>	<u>\$ 36,319,563</u>	<u>\$ 76,957</u>

See notes to financial statements

City of Rhinelander

Statement of Cash Flows
 Proprietary Funds
 Year Ended December 31, 2021

	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	\$ 2,182,423	\$ 3,036,457	\$ 1,314,723	\$ 6,533,603	\$ 181,497
Paid to suppliers for goods and services	(752,744)	(1,001,481)	(910,234)	(2,664,459)	(158,065)
Paid to employees for services	(204,050)	(302,611)	(56,733)	(563,394)	-
Net cash flows from operating activities	<u>1,225,629</u>	<u>1,732,365</u>	<u>347,756</u>	<u>3,305,750</u>	<u>23,432</u>
Cash Flows From Investing Activities					
Investment income	<u>1,782</u>	<u>3,552</u>	-	<u>5,334</u>	<u>54</u>
Net cash flows from investing activities	<u>1,782</u>	<u>3,552</u>	-	<u>5,334</u>	<u>54</u>
Cash Flows From Noncapital Financing Activities					
Paid to municipality for tax equivalent Negative cash implicitly financed	(372,681)	-	-	(372,681)	-
Advances from (repaid to) other funds	(16,117)	287,228	(34,000)	237,111	-
Interest on advance	(2,136)	(2,648)	(1,115)	(5,899)	-
Net cash flows from noncapital financing activities	<u>(390,934)</u>	<u>284,580</u>	<u>1,646,717</u>	<u>1,540,363</u>	-
Cash Flows From Capital and Related Financing Activities					
Debt issued	247,147	10,278	25,000	282,425	-
Debt retired	(496,776)	(1,052,132)	(64,586)	(1,613,494)	-
Interest and fiscal charges paid	(98,422)	(434,977)	(1,424)	(534,823)	-
Acquisition and construction of capital assets	(399,803)	(869,706)	(45,784)	(1,315,293)	-
Contribution received for construction	-	737,252	-	737,252	-
Capital advances from other funds	-	-	(1,879,516)	(1,879,516)	-
Net cash flows from capital and related financing activities	<u>(747,854)</u>	<u>(1,609,285)</u>	<u>(1,966,310)</u>	<u>(4,323,449)</u>	-
Net change in cash and cash equivalents	88,623	411,212	28,163	527,998	23,486
Cash and Cash Equivalents, Beginning	<u>2,974,094</u>	<u>5,414,584</u>	<u>1,799</u>	<u>8,390,477</u>	<u>67,516</u>
Cash and Cash Equivalents, Ending	<u>\$ 3,062,717</u>	<u>\$ 5,825,796</u>	<u>\$ 29,962</u>	<u>\$ 8,918,475</u>	<u>\$ 91,002</u>

See notes to financial statements

City of Rhinelander

Statement of Cash Flows
 Proprietary Funds
 Year Ended December 31, 2021

	<u>Business-Type Activities - Enterprise Funds</u>				<u>Governmental Activities - Internal Service Fund</u>
	<u>Water Utility</u>	<u>Wastewater Utility</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total</u>	
Reconciliation of Operating Income to Net Cash Flows From Operating Activities					
Operating income	\$ 754,970	\$ 322,883	\$ 289,623	\$ 1,367,476	\$ 20,457
Adjustments to reconcile operating income to net cash flows from operating activities:					
Depreciation	502,323	1,503,548	273,449	2,279,320	-
Depreciation charged to other funds	24,188	(24,188)	-	-	-
Accounts receivable	13,111	(42,306)	(64,598)	(93,793)	-
Other accounts receivables	-	-	(123,712)	(123,712)	-
Changes in assets and liabilities:					
Inventories and prepaid items	1,897	(4)	(18,374)	(16,481)	-
Accounts payable	1,469	6,162	2,382	10,013	3,244
Accrued wages	(34,776)	20,114	-	(14,662)	-
Accrued liabilities and deposits	(15,167)	(19,155)	1,358	(32,964)	(269)
Pension related deferrals and asset/liability	(22,386)	(34,689)	(12,372)	(69,447)	-
Net cash flows from operating activities	<u>\$ 1,225,629</u>	<u>\$ 1,732,365</u>	<u>\$ 347,756</u>	<u>\$ 3,305,750</u>	<u>\$ 23,432</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position, Proprietary Funds					
Cash and investments	\$ 2,704,962	\$ 2,894,297	\$ 29,962	\$ 5,629,221	\$ 91,002
Restricted cash and investments	<u>357,755</u>	<u>2,931,499</u>	<u>-</u>	<u>3,289,254</u>	<u>-</u>
Cash and cash equivalents	<u>\$ 3,062,717</u>	<u>\$ 5,825,796</u>	<u>\$ 29,962</u>	<u>\$ 8,918,475</u>	<u>\$ 91,002</u>
Noncash Capital and Related Financing Activities					
Capital assets acquired via accounts payable	<u>\$ 29,590</u>	<u>\$ 56,398</u>	<u>\$ 18,989</u>		<u>\$ -</u>

See notes to financial statements

City of Rhinelander

Statement of Fiduciary Net Position

Fiduciary Fund

December 31, 2021

	<u>Custodial Fund</u> <u>Tax Collection Fund</u>
Assets	
Cash and investments	\$ 3,684,702
Taxes receivable	<u>3,179,468</u>
Total assets	<u>6,864,170</u>
Liabilities	
Due to other governments	<u>6,864,170</u>
Total liabilities	<u>6,864,170</u>
Net Position	
Total net position	<u>\$ -</u>

See notes to financial statements

City of Rhinelander

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

	<u>Custodial Fund Tax Collection Fund</u>
Additions	
Property taxes collected for other governments	\$ 4,332,816
Total additions	<u>4,332,816</u>
Deductions	
Property taxes distributed to other governments	<u>4,332,816</u>
Total deductions	<u>4,332,816</u>
Change in fiduciary net position	-
Net Position, Beginning	<u>-</u>
Net Position, Ending	<u><u>\$ -</u></u>

City of Rhinelander

Index to Notes to Financial Statements
December 31, 2021

	<u>Page</u>
1. Summary of Significant Accounting Policies	22
Reporting Entity	22
Government-Wide and Fund Financial Statements	23
Measurement Focus, Basis of Accounting and Financial Statement Presentation	26
Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity	27
Deposits and Investments	27
Receivables	28
Inventories and Prepaid Items	29
Restricted Assets	29
Capital Assets	29
Deferred Outflows of Resources	30
Compensated Absences	30
Long-Term Obligations	30
Deferred Inflows of Resources	31
Equity Classifications	31
Pension	32
Basis for Existing Rates	33
2. Stewardship, Compliance and Accountability	33
Deficit Balances	33
Limitations on the City's Tax Levy	33
3. Detailed Notes on All Funds	34
Deposits and Investments	34
Receivables	36
Restricted Assets	37
Capital Assets	38
Interfund Receivables/Payables, Advances and Transfers	41
Long-Term Obligations	43
Lease Disclosures	49
Closure and Postclosure Care Cost	49
Net Position/Fund Balances	49
Component Units	51
4. Other Information	53
Employees' Retirement System	53
Risk Management	58
Commitments and Contingencies	59
Subsequent Events	59
Related Organization	59
Effect of New Accounting Standards on Current-Period Financial Statements	60

City of Rhinelander

Notes to Financial Statements
December 31, 2021

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 board of the airport is appointed by the Add other language as needed. Wisconsin Statutes provide for circumstances whereby the City can impose its will on the airport and also create a potential financial benefit to or burden on the City. 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, 2021. The airport does not issue separate financial statements.

Component Unit Not Presented

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, 2021. 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% of the corresponding total for all funds of that category or type and
- b. The same element of the individual governmental or enterprise fund that met the 10% test is at least 5% of the corresponding total for all governmental and enterprise funds combined.

City of Rhinelander

Notes to Financial Statements
December 31, 2021

- 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.

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

Enterprise Funds

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.

City of Rhinelander

Notes to Financial Statements
December 31, 2021

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	Property Acquisitions & Improvements

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 #10
TIF #8	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 is 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.

City of Rhinelander

Notes to Financial Statements
December 31, 2021

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

Proprietary and Fiduciary Funds

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

The proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water, 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.

City of Rhinelander

Notes to Financial Statements
December 31, 2021

- 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.

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, 2021 tax roll:

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

Accounts receivable have been shown net of an allowance for uncollectible accounts. Delinquent real estate taxes as of July 31 are paid in full by the County, which assumes the collection thereof. No provision for uncollectible accounts receivable has been made for the 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.

City of Rhinelander

Notes to Financial Statements
December 31, 2021

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.

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. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Restricted Assets

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

Capital Assets

Government-Wide Statements

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$2,000 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.

City of Rhinelander

Notes to Financial Statements
December 31, 2021

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, 2021, 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.

City of Rhinelander

Notes to Financial Statements
December 31, 2021

Deferred Inflows of Resources

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

Equity Classifications

Government-Wide Statements

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

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

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	\$ 22,648,035	\$ 27,807,128	\$ (1,698,712)	\$ 48,756,451
Unrestricted	(2,530,626)	5,060,543	1,698,712	4,228,629

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

Fund Statements

Governmental fund balances are displayed as follows:

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

City of Rhinelander

Notes to Financial Statements
December 31, 2021

- c. **Committed** - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the City Council. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the City Council that originally created the commitment.
- d. **Assigned** - Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. The 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% of expenditures. The City considers a balance of less than 15% to be cause for concern, barring unusual or deliberate circumstances. If unassigned fund balance falls below the 15% level the City will implement a corrective plan of action. The general fund's unassigned fund balance at the end of 2021 compared to actual general fund expenditures was 22.5%.

See Note 3 for further information.

Pension

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

City of Rhinelander

Notes to Financial Statements
December 31, 2021

Basis for Existing Rates

Water Utility

Current rates for the water utility were authorized by the Public Service Commission in 2021 with order 5010-WQ-102.

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 2020 and were effective January 1, 2021.

Stormwater Utility

Current rates for the stormwater utility were approved by the City Council in 2020. The rates were effective January 1, 2021.

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, 2021, the following individual funds held a deficit balance:

<u>Fund</u>	<u>Amount</u>	<u>Reason</u>
Share Ride Transport Grant	\$ 190,950	Expenditures in excess of revenues
Property Acquisitions & Improvements	15,580	Unavailable revenues
Environmental TIF #1	179,920	Expenditures in excess of revenues
TIF #8	73,536	Expenditures in excess of revenues
Golf Course	1,666,532	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, 2021

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	\$ 20,365,489	\$ 20,638,193	Custodial credit
Negotiable CD's	332,876	332,876	Custodial credit, credit, concentration of credit, interest rate
State & local bonds	101,557	101,557	Custodial credit, credit, concentration of credit, interest rate
Petty cash	<u>3,848</u>	<u>-</u>	N/A
Total deposits and investments	<u>\$ 20,803,770</u>	<u>\$ 21,072,626</u>	

Reconciliation to financial statements

Per statement of net position:

Unrestricted cash and investments \$ 13,829,814

Restricted cash and investments 3,289,254

Per statement of net position - fiduciary fund

Custodial fund 3,684,702

Total deposits and investments \$ 20,803,770

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. \$188,240 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, 2021, the banks had pledged various government securities in the amount of \$23,724,851 to secure the City's deposits.

City of Rhinelander

Notes to Financial Statements
December 31, 2021

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 for similar assets in active markets

Investment Type	December 31, 2021			
	Level 1	Level 2	Level 3	Total
Negotiable CD's	\$ -	\$ 332,876	\$ -	\$ 332,876
State & local bonds	-	101,557	-	101,557
Total	<u>\$ -</u>	<u>\$ 434,433</u>	<u>\$ -</u>	<u>\$ 434,433</u>

Custodial Credit Risk

Deposits

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

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

Investments

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

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

Investment Type	Standard & Poors	Moody's Investors Services	Not Rated
State & local bonds	A	A2	-
Negotiable CD's	-	-	X

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.

City of Rhinelander

Notes to Financial Statements
December 31, 2021

At December 31, 2021, the City's investment portfolio was concentrated as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Percentage of Portfolio</u>
Milwaukee Wis	State & local bond	23.40 %
BMW Bank of North America	Negotiable CD	11.70
Goldman Sachs Bank USA	Negotiable CD	17.60
EnerBank USA	Negotiable CD	14.00
Sallie Mae Bank	Negotiable CD	9.10
Goldman Sachs Bank USA	Negotiable CD	24.20

Interest Rate Risk

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

As of December 31, 2021, the City's investments were as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity (In Years)</u>		
		<u>Less than 1</u>	<u>1-5</u>	<u>More than 5</u>
Negotiable CD's	\$ 332,876	\$ 50,655	\$ 282,221	\$ -
State & local bond	<u>101,557</u>	<u>101,557</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 434,433</u>	<u>\$ 152,212</u>	<u>\$ 282,221</u>	<u>\$ -</u>

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 \$1,777,037 of loans receivable.

City of Rhinelander

Notes to Financial Statements
December 31, 2021

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:

	<u>Unearned</u>	<u>Unavailable</u>
Property taxes receivable for subsequent year	\$ 6,481,594	\$ -
Developer shortfall payment	20,118	-
Special assessments not yet due	-	20,885
Loans receivable	-	1,910,179
Other receivables	-	23,975
Due from other governments	-	190,005
Grants received in advance of meeting eligibility requirements	<u>384,212</u>	<u>-</u>
Total unearned/unavailable revenue for governmental funds	<u>\$ 6,885,924</u>	<u>\$ 2,145,044</u>
Unearned revenue included in liabilities	\$ 384,212	
Unearned revenue included in deferred inflows	<u>6,501,712</u>	
Total unearned revenue for governmental funds	<u>\$ 6,885,924</u>	

Restricted Assets

The following represent the balances of the restricted assets:

Long-Term Debt Accounts

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

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

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, 2021

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

	<u>Restricted Assets</u>	<u>Liabilities Payable from Restricted Assets</u>	<u>Restricted Net Position</u>
Bond redemption account	\$ 1,146,825	\$ 86,653	\$ 1,060,172
Bond reserve account	165,944	-	165,944
Equipment replacement account	1,976,485	-	1,976,485
Net pension asset	<u>2,949,153</u>	<u>-</u>	<u>2,949,153</u>
Total	<u>\$ 6,238,407</u>	<u>\$ 86,653</u>	<u>\$ 6,151,754</u>

Capital Assets

Capital asset activity for the year ended December 31, 2021, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets not being depreciated / amortized:				
Construction in progress	\$ 5,775,982	\$ 207,543	\$ 5,775,982	\$ 207,543
Land	<u>3,719,433</u>	<u>-</u>	<u>-</u>	<u>3,719,433</u>
Total capital assets not being depreciated / amortized	<u>9,495,415</u>	<u>207,543</u>	<u>5,775,982</u>	<u>3,926,976</u>
Capital assets being depreciated / amortized:				
Land improvements	1,489,160	48,694	32,000	1,505,854
Buildings and improvements	8,207,142	30,005	-	8,237,147
Machinery and equipment	9,209,796	279,810	180,020	9,309,586
Intangibles	75,945	5,400	-	81,345
Infrastructure	<u>31,597,203</u>	<u>6,481,521</u>	<u>97,050</u>	<u>37,981,674</u>
Total capital assets being depreciated / amortized	<u>50,579,246</u>	<u>6,845,430</u>	<u>309,070</u>	<u>57,115,606</u>
Total capital assets	<u>60,074,661</u>	<u>7,052,973</u>	<u>6,085,052</u>	<u>61,042,582</u>
Less accumulated depreciation / amortization for:				
Land improvements	(489,686)	(57,277)	32,000	(514,963)
Buildings and improvements	(6,277,680)	(81,335)	-	(6,359,015)
Machinery and equipment	(6,371,340)	(437,759)	180,020	(6,629,079)
Intangibles	(70,773)	(3,585)	-	(74,358)
Infrastructure	<u>(15,395,436)</u>	<u>(791,029)</u>	<u>35,783</u>	<u>(16,150,682)</u>
Total accumulated depreciation / amortization	<u>(28,604,915)</u>	<u>(1,370,985)</u>	<u>247,803</u>	<u>(29,728,097)</u>
Net capital assets being depreciated / amortized	<u>21,974,331</u>	<u>5,474,445</u>	<u>61,267</u>	<u>27,387,509</u>
Total governmental activities capital assets, net of accumulated depreciation / amortization	<u>\$ 31,469,746</u>	<u>\$ 5,681,988</u>	<u>\$ 5,837,249</u>	<u>\$ 31,314,485</u>

City of Rhinelander

Notes to Financial Statements
December 31, 2021

Depreciation / amortization expense was charged to functions as follows:

Governmental Activities

General government	\$	24,309
Public safety		258,126
Public works		1,055,553
Health and human services		7,868
Culture, education and recreation		<u>25,129</u>

Total governmental activities depreciation / amortization expense \$ 1,370,985

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	\$ 9,638	\$ 25,312	\$ -	\$ 34,950
Land	<u>34,070</u>	<u>-</u>	<u>-</u>	<u>34,070</u>
Total capital assets not being depreciated	<u>43,708</u>	<u>25,312</u>	<u>-</u>	<u>69,020</u>
Capital assets being depreciated:				
Property and equipment	<u>22,365,098</u>	<u>165,881</u>	<u>19,421</u>	<u>22,511,558</u>
Total capital assets being depreciated	<u>22,365,098</u>	<u>165,881</u>	<u>19,421</u>	<u>22,511,558</u>
Total capital assets	<u>22,408,806</u>	<u>191,193</u>	<u>19,421</u>	<u>22,580,578</u>
Less accumulated depreciation for:				
Property and equipment	<u>(6,577,854)</u>	<u>(526,512)</u>	<u>19,421</u>	<u>(7,084,945)</u>
Total accumulated depreciation / amortization	<u>(6,577,854)</u>	<u>(526,512)</u>	<u>19,421</u>	<u>(7,084,945)</u>
Net capital assets being depreciated	<u>15,787,244</u>	<u>(360,631)</u>	<u>-</u>	<u>15,426,613</u>
Net water capital assets	<u>\$ 15,830,952</u>	<u>\$ (335,319)</u>	<u>\$ -</u>	<u>\$ 15,495,633</u>

City of Rhinelander

Notes to Financial Statements
December 31, 2021

	Beginning Balance	Additions	Deletions	Ending Balance
Wastewater				
Capital assets not being depreciated:				
Construction in progress	\$ 258,198	\$ 52,515	\$ 299,921	\$ 10,792
Land	<u>1,587,593</u>	<u>-</u>	<u>-</u>	<u>1,587,593</u>
Total capital assets not being depreciated	<u>1,845,791</u>	<u>52,515</u>	<u>299,921</u>	<u>1,598,385</u>
Capital assets being depreciated:				
Property and equipment	<u>49,869,302</u>	<u>429,659</u>	<u>99,974</u>	<u>50,198,987</u>
Total capital assets being depreciated	<u>49,869,302</u>	<u>429,659</u>	<u>99,974</u>	<u>50,198,987</u>
Total capital assets	<u>51,715,093</u>	<u>482,174</u>	<u>399,895</u>	<u>51,797,372</u>
Less accumulated depreciation for:				
Property and equipment	<u>(15,554,777)</u>	<u>(1,479,359)</u>	<u>99,974</u>	<u>(16,934,162)</u>
Total accumulated depreciation	<u>(15,554,777)</u>	<u>(1,479,359)</u>	<u>99,974</u>	<u>(16,934,162)</u>
Net capital assets being depreciated	<u>34,314,525</u>	<u>(1,049,700)</u>	<u>-</u>	<u>33,264,825</u>
Net wastewater capital assets	<u>\$ 36,160,316</u>	<u>\$ (997,185)</u>	<u>\$ 299,921</u>	<u>\$ 34,863,210</u>
	Beginning Balance	Additions	Deletions	Ending Balance
Stormwater				
Capital assets not being depreciated:				
Construction in progress	\$ -	\$ 20,977	\$ -	\$ 20,977
Land	<u>35,666</u>	<u>-</u>	<u>-</u>	<u>35,666</u>
Total capital assets not being depreciated	<u>35,666</u>	<u>20,977</u>	<u>-</u>	<u>56,643</u>
Capital assets being depreciated:				
Property and equipment	<u>7,096,113</u>	<u>-</u>	<u>-</u>	<u>7,096,113</u>
Total capital assets being depreciated	<u>7,096,113</u>	<u>-</u>	<u>-</u>	<u>7,096,113</u>
Total capital assets	<u>7,131,779</u>	<u>20,977</u>	<u>-</u>	<u>7,152,756</u>
Less accumulated depreciation for:				
Property and equipment	<u>(2,341,267)</u>	<u>(196,350)</u>	<u>-</u>	<u>(2,537,617)</u>
Total accumulated depreciation	<u>(2,341,267)</u>	<u>(196,350)</u>	<u>-</u>	<u>(2,537,617)</u>
Net capital assets being depreciated	<u>4,754,846</u>	<u>(196,350)</u>	<u>-</u>	<u>4,558,496</u>
Net stormwater capital assets	<u>\$ 4,790,512</u>	<u>\$ (175,373)</u>	<u>\$ -</u>	<u>\$ 4,615,139</u>

City of Rhinelander

Notes to Financial Statements
December 31, 2021

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Golf Course				
Capital assets being depreciated:				
Property and equipment	\$ 3,383,603	\$ -	\$ -	\$ 3,383,603
Total capital assets being depreciated	<u>3,383,603</u>	<u>-</u>	<u>-</u>	<u>3,383,603</u>
Less accumulated depreciation for:				
Property and equipment	<u>(3,128,190)</u>	<u>(77,099)</u>	<u>-</u>	<u>(3,205,289)</u>
Total accumulated depreciation	<u>(3,128,190)</u>	<u>(77,099)</u>	<u>-</u>	<u>(3,205,289)</u>
Net capital assets being depreciated	<u>255,413</u>	<u>(77,099)</u>	<u>-</u>	<u>178,314</u>
Net capital assets	<u>\$ 255,413</u>	<u>\$ (77,099)</u>	<u>\$ -</u>	<u>\$ 178,314</u>
Business-type capital assets, net of accumulated	<u>\$ 57,037,193</u>	<u>\$ (1,584,976)</u>	<u>\$ 299,921</u>	<u>\$ 55,152,296</u>

Depreciation / amortization expense was charged to functions as follows:

Business-Type Activities

Water	\$ 502,323
Wastewater	1,503,548
Stormwater	196,350
Golf course	<u>77,099</u>
Total business-type activities expense	<u>\$ 2,279,320</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	\$ 112,321
Total, fund financial statements		112,321
Less fund eliminations		(112,321)
Add interfund advances		<u>2,324,951</u>
Total internal balances, government-wide statement of net position		<u>\$ 2,324,951</u>

All amounts are due within one year.

City of Rhinelander

Notes to Financial Statements
December 31, 2021

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, property acquisitions & improvements and shared ride transport grant funds. The amount advanced is 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. 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	\$ 2,149,951	\$ 2,149,951
General Fund	Environmental TIF #1	177,546	177,546
General Fund	Ambulance	94,445	94,445
General Fund	Shared Ride Transport Grant	79,460	79,460
	Property Acquisition &		
General Fund	Improvements	15,580	15,580
General Fund	TIF #8	73,536	73,536
General Debt Service	Golf Course	32,000	32,000
General Debt Service	Water Utility	64,000	64,000
General Debt Service	Wastewater Utility	79,000	79,000
Water Utility	Stormwater Utility	863,692	863,692
Wastewater Utility	Stormwater Utility	<u>1,903,852</u>	<u>1,903,852</u>
	Total, fund financial statements	5,533,062	
	Less fund eliminations	<u>(3,208,111)</u>	
	Total, interfund advances	<u>\$ 2,324,951</u>	

The principal purpose of these interfunds is described above.

City of Rhinelander

Notes to Financial Statements
December 31, 2021

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	\$ 372,681	Payment in lieu of taxes
Recycling Grant	General Fund	161,554	Grant match
Historical Complex	Room Tax	40,935	Yearly contribution per agreement
Special Project Fund	General Fund	31,536	Reserve for property assessment revaluation
General Capital Projects	General Fund	20,000	Reserve for police equipment
General Debt Service	General Capital Projects	4,819	2021B transfer of premium
General Debt Service	Ambulance	1,069	2021B transfer of premium
Total, fund financial statements		632,594	
Less fund eliminations		(259,913)	
Transfers of capital assets from business-type activities to governmental activities		<u>562,888</u>	
Total transfers, government-wide statement of activities		<u>\$ 935,569</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, 2021, 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	\$ 14,080,000	\$ 4,690,000	\$ 5,380,000	\$ 13,390,000	\$ 1,475,000
General obligation debt from direct borrowings and direct placements	1,146,887	480,000	786,921	839,966	179,280
(Discounts)/Premiums	<u>264,883</u>	<u>-</u>	<u>26,642</u>	<u>238,241</u>	<u>-</u>
Total bonds and notes payable	<u>15,491,770</u>	<u>5,170,000</u>	<u>6,193,563</u>	<u>14,468,207</u>	<u>1,654,280</u>
Other liabilities:					
Compensated absences	732,181	-	37,280	694,901	50,842
Landfill liability	<u>337,000</u>	<u>-</u>	<u>19,000</u>	<u>318,000</u>	<u>26,500</u>
Total other liabilities	<u>1,069,181</u>	<u>-</u>	<u>56,280</u>	<u>1,012,901</u>	<u>77,342</u>
Total governmental activities long-term liabilities	<u>\$ 16,560,951</u>	<u>\$ 5,170,000</u>	<u>\$ 6,249,843</u>	<u>\$ 15,481,108</u>	<u>\$ 1,731,622</u>

City of Rhinelander

Notes to Financial Statements
December 31, 2021

	<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	\$ 75,000	\$ 25,000	\$ 45,000	\$ 55,000	\$ 20,000
Revenue debt from direct borrowings and direct placements	<u>28,561,214</u>	<u>257,425</u>	<u>1,548,908</u>	<u>27,269,731</u>	<u>1,590,258</u>
Compensated absences	<u>28,636,214</u>	<u>282,425</u>	<u>1,593,908</u>	<u>27,324,731</u>	<u>1,610,258</u>
Other liabilities:					
Compensated absences	130,662	-	14,662	116,000	10,707
Capital leases	<u>40,023</u>	<u>-</u>	<u>19,586</u>	<u>20,437</u>	<u>20,437</u>
Total other liabilities	<u>170,685</u>	<u>-</u>	<u>34,248</u>	<u>136,437</u>	<u>31,144</u>
Total business-type activities long-term liabilities	<u>\$ 28,806,899</u>	<u>\$ 282,425</u>	<u>\$ 1,628,156</u>	<u>\$ 27,461,168</u>	<u>\$ 1,641,402</u>

In accordance with Wisconsin Statutes, total general obligation indebtedness of the City may not exceed 5% of the equalized value of taxable property within the City's jurisdiction. The debt limit as of December 31, 2021, was \$29,437,390. Total general obligation debt outstanding at year end was \$14,284,966.

General Obligation Debt

All general obligation debt payable is backed by the full faith and credit of the City. Debt in the governmental funds will be retired by future property tax levies or tax increments accumulated by the debt service 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>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2021</u>
General Obligation Debt					
2013 Taxable G.O. Bonds	06/11/2013	12/01/2029	2.0-3.7%	\$ 2,110,000	\$ 1,225,000
2013 G.O. Bonds	06/11/2013	03/01/2029	2.0-3.0%	1,835,000	1,120,000
2013 State Trust Fund Loan*	07/10/2013	03/15/2023	2.75%	50,000	11,019
2013 State Trust Fund Loan*	07/10/2013	03/15/2023	2.75%	280,000	61,707
2013 State Trust Fund Loan*	07/26/2013	03/15/2030	3.75%	474,732	287,240
2016 G.O. Bonds	04/27/2016	04/01/2036	2.0-3.0%	2,197,200	1,720,000
2016 G.O. Bonds	4/27/2016	03/01/2033	1.75-3.75%	1,135,000	940,000
2018 G.O. Notes	05/01/2018	05/01/2028	2.5-3.0%	3,085,000	2,255,000
2019 G.O. Bonds	09/04/2019	06/01/2039	2.0-4.0%	1,585,000	1,440,000
2021 G.O. Notes*	08/17/2021	03/01/2025	2.15%	480,000	480,000
2021 G.O. Notes	09/08/2021	12/01/2031	1.00-1.25%	4,690,000	<u>4,690,000</u>
Total governmental activities, general obligation debt					<u>\$ 14,229,966</u>

City of Rhinelander

Notes to Financial Statements
December 31, 2021

<u>Business-Type Activities</u>						Balance December 31, 2021
<u>General Obligation Debt</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>		
2013 G.O. Bonds	06/11/2013	03/01/2029	2.0-3.0%	\$ 125,000	\$	30,000
2021 G.O. Notes	09/08/2021	12/01/2031	1.00-1.25%	25,000		<u>25,000</u>
Total business-type activities, general obligation debt						<u>\$ 55,000</u>

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

Debt service requirements to maturity are as follows:

<u>Years</u>	Governmental Activities General Obligation Debt		Business-Type Activities General Obligation Debt	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
	2022	\$ 1,475,000	\$ 285,393	\$ 20,000
2023	1,505,000	259,477	25,000	438
2024	1,385,000	231,004	10,000	50
2025	1,285,000	202,236	-	-
2026	1,315,000	174,224	-	-
2027-2031	4,910,000	450,157	-	-
2032-2036	1,225,000	127,696	-	-
2037-2039	<u>290,000</u>	<u>13,375</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 13,390,000</u>	<u>\$ 1,743,562</u>	<u>\$ 55,000</u>	<u>\$ 1,212</u>

<u>Years</u>	Governmental Activities General Obligation Debt from Direct Borrowings and Direct Placements	
	<u>Principal</u>	<u>Interest</u>
	2022	\$ 179,280
2023	183,294	17,315
2024	149,481	12,700
2025	156,610	8,926
2026	31,758	6,424
2027-2031	<u>139,543</u>	<u>13,342</u>
Total	<u>\$ 839,966</u>	<u>\$ 80,953</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 41% of net revenues. The total principal and interest remaining to be paid on the bonds is \$9,201,174. Principal and interest paid for the current year and total customer net revenues were \$595,568 and \$1,259,075, respectively.

City of Rhinelander

Notes to Financial Statements
December 31, 2021

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% of net revenues. The total principal and interest remaining to be paid on the bonds is \$24,055,751. Principal and interest paid for the current year and total customer net revenues were \$1,487,079 and \$1,829,983, respectively.

Revenue debt payable at December 31, 2021, consists of the following:

Business-Type Activities Revenue Debt

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2021</u>
<u>Water Utility</u>					
2008 Safe Drinking Water Loan*	11/26/2008	05/01/2028	1.42%	\$ 1,097,024	\$ 421,049
2013 Safe Drinking Water Loan*	11/27/2013	05/01/2033	1.155%	1,026,552	677,685
2014 Safe Drinking Water Loan*	12/23/2014	05/01/2034	1.155%	881,411	603,917
2016 Safe Drinking Water Loan*	05/25/2016	05/01/2036	.99%	2,102,430	1,629,162
2019 Safe Drinking Water Loan*	06/26/2019	05/01/2039	1.188%	5,450,906	<u>5,068,623</u> (1)
				Total Water Utility	<u>8,400,436</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, 2021. The repayment schedule is for the amount issued.

City of Rhinelander

Notes to Financial Statements
December 31, 2021

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2021</u>
<u>Wastewater Utility</u>					
2010 Clean Water Fund Loan*	01/13/2010	05/01/2029	2.54%	\$ 12,633,196	\$ 6,388,575
2011 Clean Water Fund Loan*	09/28/2011	05/01/2031	2.4%	975,332	545,225
2012 Clean Water Fund Loan*	05/23/2012	05/01/2032	3.0%	486,465	302,543
2016 Clean Water Fund Loan*	05/25/2016	05/01/2036	2.1%	1,191,891	946,826
2016 Sewerage System Mortgage Revenue Bonds*	05/12/2016	05/01/2053	2.75%	3,431,650	3,145,250
2016 Sewerage System Mortgage Revenue Bonds*	09/26/2016	05/01/2056	2.25%	2,100,000	1,928,800
2019 Clean Water Fund Loan*	10/23/2019	05/01/2039	1.056%	490,572	453,576 (2)
2020 Sewerage System Mortgage Revenue Bonds*	01/31/2020	05/01/2059	1.625%	5,373,000	<u>5,158,500</u>
				Total Wastewater Utility	<u>18,869,295</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, 2021. The repayment schedule is for the amount issued.

Total business-type activities, revenue debt \$ 27,269,731

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

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Business-Type Activities Revenue Debt</u>	
	<u>Principal</u>	<u>Interest</u>
2022	\$ 1,590,258	\$ 503,575
2023	1,619,382	471,339
2024	1,652,039	438,385
2025	1,685,427	404,696
2026	1,719,560	370,255
2057-2031	7,135,420	1,356,762
2046-2036	4,086,723	916,000
2051-2041	2,419,789	647,285
2042-2046	1,577,700	469,203
2047-2051	1,757,200	289,555
2052-2056	1,496,250	107,059
2057-2059	<u>529,983</u>	<u>13,080</u>
Total	<u>\$ 27,269,731</u>	<u>\$ 5,987,194</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 \$359,966 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 governmental activities of \$480,000 contain clauses that, in the event of default, the unpaid balance shall automatically mature and become immediately payable.

The City's outstanding debt from direct borrowings and/or direct placements related to business-type activities of \$17,037,181 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 \$10,232,550 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.

Current Refunding

On August 17, 2021, the City issued \$480,000 in general obligation notes with an average coupon rate of 2.15% to refund \$475,000 of outstanding bonds with an average coupon rate of 3.90%. The net proceeds along with existing funds of the City were used to prepay the outstanding debt.

The cash flow requirements on the refunded debt prior to the current refunding was \$525,351 from 2022 through 2025. The cash flow requirements on the 2021 refunding notes are \$501,020 from 2022 through 2025. The current refunding resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$23,185.

On September 8, 2021, the City issued \$4,715,000 in general obligation notes with an average coupon rate of 1.05% to refund \$3,435,000 of outstanding bonds with an average coupon rate of 2.5%. The net proceeds along with existing funds of the City were used to prepay the outstanding debt.

The cash flow requirements on the refunded debt prior to the current refunding was \$3,901,423 from 2022 through 2032. The cash flow requirements on the 2021 refunding notes are \$3,578,503 from 2022 through 2031. The current refunding resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$280,203.

City of Rhinelander

Notes to Financial Statements
December 31, 2021

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, 2021, are as follows:

<u>Years</u>	<u>Business-Type Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 20,437	\$ 550	\$ 20,987
Total	<u>\$ 20,437</u>	<u>\$ 550</u>	<u>\$ 20,987</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. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$318,000 reported as landfill closure and postclosure care liability at December 31, 2021, 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, 2021, the City had restricted fund balance in the landfill settlement fund in the amount of \$54,073. 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, 2021, includes the following:

Governmental Activities

Net investment in capital assets:	
Construction in progress	\$ 207,543
Land	3,719,433
Other capital assets, net of accumulated depreciation/amortization	27,387,509
Less long-term debt outstanding (excluding unspent capital related debt proceeds)	(8,432,713)
Less unamortized debt premium	<u>(233,737)</u>
Total net investment in capital assets	<u>\$ 22,648,035</u>

City of Rhinelander

Notes to Financial Statements
December 31, 2021

Governmental Funds

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

	General Fund	1985 Community Block Grant Special Revenue Fund	General Debt Service Fund	General Capital Projects	TIF #9	Nonmajor Governmental Funds	Total
Fund Balances							
Nonspendable:							
Inventories & prepaid items	\$ 167,613	\$ -	\$ -	\$ 66,191	\$ -	\$ 59,534	\$ 293,338
Noncurrent advances	2,590,518	-	-	-	-	-	2,590,518
Cemetery perpetual care	-	-	-	-	-	20,758	20,758
Subtotal	<u>2,758,131</u>	<u>-</u>	<u>-</u>	<u>66,191</u>	<u>-</u>	<u>80,292</u>	<u>2,904,614</u>
Restricted for:							
Loan programs	-	234,765	-	-	-	181,210	415,975
Debt service	-	-	352,964	-	-	95,792	448,756
Capital projects	-	-	-	1,050,524	-	2,207,632	3,258,156
Tourism	-	-	-	-	-	102,460	102,460
TIF projects	-	-	-	-	1,450,179	325,327	1,775,506
Parking advisory board operations	-	-	-	-	-	48,981	48,981
Hazardous materials response	-	-	-	-	-	12,777	12,777
DARE	-	-	-	-	-	3,165	3,165
Landfill clean-up	-	-	-	-	-	54,073	54,073
Historical complex facilities and programs	-	-	-	-	-	34,718	34,718
K-9 program	-	-	-	-	-	15,608	15,608
Subtotal	<u>-</u>	<u>234,765</u>	<u>352,964</u>	<u>1,050,524</u>	<u>1,450,179</u>	<u>3,081,743</u>	<u>6,170,175</u>
Committed to:							
Tank inspection equipment, training and labor costs	-	-	-	-	-	45,817	45,817
Playground equipment and maintenance	-	-	-	-	-	40,032	40,032
Boat launch equipment and maintenance	-	-	-	-	-	53,781	53,781
Historic preservation	-	-	-	-	-	2,132	2,132
Ambulance	-	-	-	-	-	11,625	11,625
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>153,387</u>	<u>153,387</u>
Assigned to:							
Recycling	-	-	-	-	-	33,793	33,793
Capital projects	-	-	-	51,860	-	-	51,860
Special projects	-	-	-	-	-	18,244	18,244
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>51,860</u>	<u>-</u>	<u>52,037</u>	<u>103,897</u>
Unassigned (deficit):	<u>1,736,453</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(459,986)</u>	<u>1,276,467</u>
Total fund balances (deficit)	<u>\$ 4,494,584</u>	<u>\$ 234,765</u>	<u>\$ 352,964</u>	<u>\$ 1,168,575</u>	<u>\$ 1,450,179</u>	<u>\$ 2,907,473</u>	<u>\$ 10,608,540</u>

City of Rhinelander

Notes to Financial Statements
December 31, 2021

Business-Type Activities

Net investment in capital assets:	
Construction in progress	\$ 66,719
Land	1,657,329
Other capital assets, net of accumulated depreciation	53,428,248
Less long-term debt outstanding (excluding unspent capital related debt proceeds)	<u>(27,345,168)</u>
Total net investment in capital assets	<u>\$ 27,807,128</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 \$81,761 and is part of the City's commingled cash. See Note 4.

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	\$ 2,120,571	\$ 1,662,606	\$ 1,353,051	\$ 2,430,126	
Land	187,700	-	-	187,700	
Buildings and improvements	5,751,141	528,815	-	6,279,956	25 - 50
Machinery and equipment	4,327,005	78,816	-	4,405,821	3 - 25
Infrastructure	14,202,742	-	-	14,202,742	10 - 60
Less accumulated depreciation	<u>(14,033,657)</u>	<u>(1,025,294)</u>	<u>-</u>	<u>(15,058,951)</u>	
Total	<u>\$ 12,555,502</u>	<u>\$ 1,244,943</u>	<u>\$ 1,353,051</u>	<u>\$ 12,447,394</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 5.

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, 2021

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	\$ 191,809	\$ -	N/A
Deposits	1,123,008	1,123,675	Custodial credit risk
Petty cash	<u>150</u>	<u>-</u>	N/A
Total deposits and investments	<u>\$ 1,314,967</u>	<u>\$ 1,123,675</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	1,039,810	68,234	216,129	891,915	3-25
Less accumulated depreciation	<u>(2,208,915)</u>	<u>(54,401)</u>	<u>216,129</u>	<u>(2,047,187)</u>	
Total	<u>\$ 303,469</u>	<u>\$ 13,833</u>	<u>\$ -</u>	<u>\$ 317,302</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, expected to work at least 1,200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

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

Vesting

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

Benefits Provided

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

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

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, 2021

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

Contributions

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

During the reporting period, the WRS recognized \$593,372 in contributions from the City.

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

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (Executives & Elected Officials)	6.75 %	6.75 %
Protective with Social Security	6.75 %	11.65 %
Protective without Social Security	6.75 %	16.25 %

City of Rhinelander

Notes to Financial Statements
December 31, 2021

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

At December 31, 2021, the City (including component units) reported an asset of \$3,315,011 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2020 and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019 rolled forward to December 31, 2020. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2020, the City's proportion was 0.05309848%, which was a decrease of 0.00101418% from its proportion measured as of December 31, 2019.

For the year ended December 31, 2021, the City recognized pension expense of \$(375,222).

At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,797,839	\$ 1,033,446
Changes in assumptions	75,190	-
Net differences between projected and actual earnings on pension plan investments	-	6,223,665
Changes in proportion and differences between employer contributions and proportionate share of contributions	723	12,281
Employer contributions subsequent to the measurement date	<u>601,238</u>	<u>-</u>
Total	<u>\$ 5,474,990</u>	<u>\$ 7,269,392</u>

\$601,238 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Years Ending December 31:	Deferred Outflows of Resources and Deferred Inflows of Resources (Net)
2022	\$ (617,312)
2023	(169,617)
2024	(1,130,293)
2025	(478,418)

City of Rhinelander

Notes to Financial Statements
December 31, 2021

Actuarial Assumptions

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

Actuarial Valuation Date:	December 31, 2019
Measurement Date of Net Pension Liability (Asset):	December 31, 2020
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table
Post-Retirement Adjustments*:	1.9%

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

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The Total Pension Liability for December 31, 2020 is based upon a roll-forward of the liability calculated from the December 31, 2019 actuarial valuation.

City of Rhinelander

Notes to Financial Statements
December 31, 2021

Long-Term Expected Return on Plan Assets

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

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

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.4%
Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations

City of Rhinelander

Notes to Financial Statements
December 31, 2021

Single Discount Rate

A single discount rate of 7.00% was used to measure the total pension liability for the current and prior year. This single discount rate was based on the expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.00%. (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2020. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.) Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the investment rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

	<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 liability (asset)	<u>\$ 3,155,431</u>	<u>\$ (3,315,011)</u>	<u>\$ (8,067,504)</u>

Pension Plan Fiduciary Net Position

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

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

Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; workers compensation; and health care of its employees. The City purchases commercial insurance to provide coverage for losses from majority of these risks. However, other risks, such as dental claims are accounted for and financed by the City in an internal service fund.

Commitments and Contingencies

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

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

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

The City has active construction projects as of December 31, 2021. 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. During 2021, the City was notified that it was awarded \$1.6 million in federal funding for fiscal year 2022 for water quality infrastructure investments to protect against PFAS.

Subsequent Events

During 2022, the City made an additional draw in the amount of \$56,148 on its 2019 safe drinking water loan.

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*
- Statement No. 99, *Omnibus*
- Statement No. 100, *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62*
- Statement No. 101, *Compensated Absences*

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

REQUIRED SUPPLEMENTARY INFORMATION

City of Rhinelander

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 4,770,600	\$ 4,770,600	\$ 4,767,341	\$ (3,259)
Special assessments	8,000	8,000	7,540	(460)
Intergovernmental	2,154,207	2,154,207	2,167,078	12,871
Licenses and permits	169,460	169,460	204,862	35,402
Fines, forfeitures and penalties	30,000	30,000	34,316	4,316
Charges for services	471,367	471,367	450,508	(20,859)
Investment income	60,000	60,000	16,969	(43,031)
Miscellaneous	<u>23,077</u>	<u>23,077</u>	<u>52,912</u>	<u>29,835</u>
Total revenues	<u>7,686,711</u>	<u>7,686,711</u>	<u>7,701,526</u>	<u>14,815</u>
Expenditures				
Current:				
General government	1,298,141	1,266,605	1,197,887	68,718
Public safety	4,247,388	4,227,388	4,208,095	19,293
Public works	1,761,091	1,761,091	1,694,509	66,582
Health and human services	49,484	49,484	38,816	10,668
Culture, recreation and education	335,703	335,703	312,335	23,368
Conservation and development	39,000	39,000	36,252	2,748
Capital outlay	<u>-</u>	<u>-</u>	<u>30,005</u>	<u>(30,005)</u>
Total expenditures	<u>7,730,807</u>	<u>7,679,271</u>	<u>7,517,899</u>	<u>161,372</u>
Excess of revenues over expenditures	<u>(44,096)</u>	<u>7,440</u>	<u>183,627</u>	<u>176,187</u>
Other Financing Sources (Uses)				
Transfers in	328,000	328,000	372,681	44,681
Transfers out	<u>(283,842)</u>	<u>(335,378)</u>	<u>(213,090)</u>	<u>122,288</u>
Total other financing sources (uses)	<u>44,158</u>	<u>(7,378)</u>	<u>159,591</u>	<u>166,969</u>
Net change in fund balance	62	62	343,218	343,156
Fund Balance, Beginning	<u>4,151,366</u>	<u>4,151,366</u>	<u>4,151,366</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 4,151,428</u>	<u>\$ 4,151,428</u>	<u>\$ 4,494,584</u>	<u>\$ 343,156</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, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Investment income	\$ 500	\$ 500	\$ 117	\$ (383)
Miscellaneous revenue	<u>50,000</u>	<u>50,000</u>	<u>98,570</u>	<u>48,570</u>
Total revenues	<u>50,500</u>	<u>50,500</u>	<u>98,687</u>	<u>48,187</u>
Expenditures				
Current:				
Conservation and development	<u>150,471</u>	<u>150,471</u>	<u>43,033</u>	<u>107,438</u>
Total expenditures	<u>150,471</u>	<u>150,471</u>	<u>43,033</u>	<u>107,438</u>
Net change in fund balance	(99,971)	(99,971)	55,654	155,625
Fund Balance, Beginning	<u>179,111</u>	<u>179,111</u>	<u>179,111</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 79,140</u>	<u>\$ 79,140</u>	<u>\$ 234,765</u>	<u>\$ 155,625</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, 2021

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
12/30/20	0.05309848 %	\$ 3,315,011	\$ 5,653,115	58.64 %	105.26 %
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, 2021

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
12/30/21	\$ 601,238	\$ 601,238	\$ -	\$ 5,849,101	10.28 %
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, 2021

Budgetary Information

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

The budgeted amounts presented 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, 2021

	Special Revenue			
	Room Tax	Recycling Grant	Parking Advisory Board	Downtown Works
Assets				
Cash and investments	\$ 87,266	\$ 43,613	\$ 49,345	\$ 181,538
Receivables (net):				
Taxes	53,763	-	-	-
Accounts	-	-	-	-
Loans	-	-	-	26,081
Other	-	-	-	-
Due from other governments	-	-	-	-
Inventories and prepaid items	-	-	-	-
Total assets	<u>\$ 141,029</u>	<u>\$ 43,613</u>	<u>\$ 49,345</u>	<u>\$ 207,619</u>
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	\$ 38,569	\$ 9,820	\$ 364	\$ -
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	-
Unearned revenues	-	-	-	-
Total liabilities	<u>38,569</u>	<u>9,820</u>	<u>364</u>	<u>-</u>
Deferred Inflows of Resources				
Unearned revenues	-	-	-	-
Unavailable revenues	-	-	-	26,409
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,409</u>
Fund Balances				
Nonspendable	-	-	-	-
Restricted	102,460	-	48,981	181,210
Committed	-	-	-	-
Assigned	-	33,793	-	-
Unassigned (deficit)	-	-	-	-
Total fund balances	<u>102,460</u>	<u>33,793</u>	<u>48,981</u>	<u>181,210</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 141,029</u>	<u>\$ 43,613</u>	<u>\$ 49,345</u>	<u>\$ 207,619</u>

Special Revenue

<u>Hazardous Materials</u>	<u>Shared Ride Transport Grant</u>	<u>Tank Inspections</u>	<u>Landfill Settlement</u>	<u>Playground Equipment</u>	<u>Historical Complex</u>	<u>Boat Launch</u>
\$ 12,777	\$ -	\$ 45,817	\$ 54,073	\$ 40,032	\$ 35,266	\$ 53,781
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	143,446	-	-	-	-	-
-	-	-	-	-	7,379	-
<u>\$ 12,777</u>	<u>\$ 143,446</u>	<u>\$ 45,817</u>	<u>\$ 54,073</u>	<u>\$ 40,032</u>	<u>\$ 42,645</u>	<u>\$ 53,781</u>
\$ -	\$ 33,885	\$ -	\$ -	\$ -	\$ 548	\$ -
-	17,628	-	-	-	-	-
-	112,321	-	-	-	-	-
-	79,460	-	-	-	-	-
-	-	-	-	-	-	-
-	243,294	-	-	-	548	-
-	-	-	-	-	-	-
-	91,102	-	-	-	-	-
-	91,102	-	-	-	-	-
-	-	-	-	-	7,379	-
12,777	-	-	54,073	-	34,718	-
-	-	45,817	-	40,032	-	53,781
-	-	-	-	-	-	-
-	(190,950)	-	-	-	-	-
<u>12,777</u>	<u>(190,950)</u>	<u>45,817</u>	<u>54,073</u>	<u>40,032</u>	<u>42,097</u>	<u>53,781</u>
<u>\$ 12,777</u>	<u>\$ 143,446</u>	<u>\$ 45,817</u>	<u>\$ 54,073</u>	<u>\$ 40,032</u>	<u>\$ 42,645</u>	<u>\$ 53,781</u>

City of Rhinelander

Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2021

	Special Revenue			
	K-9	Special Projects	Cemetery Perpetual Care	DARE
Assets				
Cash and investments	\$ 15,784	\$ 402,471	\$ 20,758	\$ 3,165
Receivables (net):				
Taxes	-	-	-	-
Accounts	-	-	-	-
Loans	-	-	-	-
Other	-	-	-	-
Due from other governments	-	21,453	-	-
Inventories and prepaid items	-	-	-	-
Total assets	<u>\$ 15,784</u>	<u>\$ 423,924</u>	<u>\$ 20,758</u>	<u>\$ 3,165</u>
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	\$ 176	\$ 15	\$ -	\$ -
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	-
Unearned revenues	-	384,212	-	-
Total liabilities	<u>176</u>	<u>384,227</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources				
Unearned revenues	-	-	-	-
Unavailable revenues	-	21,453	-	-
Total deferred inflows of resources	<u>-</u>	<u>21,453</u>	<u>-</u>	<u>-</u>
Fund Balances				
Nonspendable	-	-	20,758	-
Restricted	15,608	-	-	3,165
Committed	-	-	-	-
Assigned	-	18,244	-	-
Unassigned (deficit)	-	-	-	-
Total fund balances	<u>15,608</u>	<u>18,244</u>	<u>20,758</u>	<u>3,165</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 15,784</u>	<u>\$ 423,924</u>	<u>\$ 20,758</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>Property Acquisitions & Improvements</u>	<u>Environmental TIF #1</u>	<u>TIF #5</u>	<u>TIF #6</u>
\$ 2,132	\$ -	\$ -	\$ -	\$ 95,792	\$ 9,275
-	-	-	105,357	14,491	11,480
-	137,595	-	-	-	-
-	-	-	-	-	301,579
-	-	-	20,118	-	-
-	-	-	-	-	-
-	52,155	-	-	-	-
<u>\$ 2,132</u>	<u>\$ 189,750</u>	<u>\$ -</u>	<u>\$ 125,475</u>	<u>\$ 110,283</u>	<u>\$ 322,334</u>
\$ -	\$ 7,550	\$ -	\$ 2,374	\$ -	\$ 2,376
-	-	-	-	-	-
-	-	-	-	-	-
-	94,445	15,580	177,546	-	-
-	-	-	-	-	-
-	101,995	15,580	179,920	-	2,376
-	-	-	125,475	14,491	11,480
-	23,975	-	-	-	301,579
-	23,975	-	125,475	14,491	313,059
-	52,155	-	-	-	-
-	-	-	-	95,792	6,899
2,132	11,625	-	-	-	-
-	-	-	-	-	-
-	-	(15,580)	(179,920)	-	-
<u>2,132</u>	<u>63,780</u>	<u>(15,580)</u>	<u>(179,920)</u>	<u>95,792</u>	<u>6,899</u>
<u>\$ 2,132</u>	<u>\$ 189,750</u>	<u>\$ -</u>	<u>\$ 125,475</u>	<u>\$ 110,283</u>	<u>\$ 322,334</u>

City of Rhinelander

Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2021

	<u>Capital Projects</u>			Total Nonmajor Governmental Funds
	<u>TIF #8</u>	<u>TIF #10</u>	<u>Premier Resort Area Tax</u>	
Assets				
Cash and investments	\$ -	\$ 318,428	\$ 2,013,627	\$ 3,484,940
Receivables (net):				
Taxes	-	92,648	-	277,739
Accounts	-	-	-	137,595
Loans	-	-	-	327,660
Other	-	-	-	20,118
Due from other governments	75,000	-	194,005	433,904
Inventories and prepaid items	-	-	-	59,534
	<u>-</u>	<u>-</u>	<u>-</u>	<u>59,534</u>
Total assets	<u>\$ 75,000</u>	<u>\$ 411,076</u>	<u>\$ 2,207,632</u>	<u>\$ 4,741,490</u>
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ 95,677
Due to other governments	-	-	-	17,628
Due to other funds	-	-	-	112,321
Advances from other funds	73,536	-	-	440,567
Unearned revenues	-	-	-	384,212
	<u>-</u>	<u>-</u>	<u>-</u>	<u>384,212</u>
Total liabilities	<u>73,536</u>	<u>-</u>	<u>-</u>	<u>1,050,405</u>
Deferred Inflows of Resources				
Unearned revenues	-	92,648	-	244,094
Unavailable revenues	75,000	-	-	539,518
	<u>75,000</u>	<u>92,648</u>	<u>-</u>	<u>783,612</u>
Total deferred inflows of resources	<u>75,000</u>	<u>92,648</u>	<u>-</u>	<u>783,612</u>
Fund Balances				
Nonspendable	-	-	-	80,292
Restricted	-	318,428	2,207,632	3,081,743
Committed	-	-	-	153,387
Assigned	-	-	-	52,037
Unassigned (deficit)	(73,536)	-	-	(459,986)
	<u>(73,536)</u>	<u>318,428</u>	<u>2,207,632</u>	<u>2,907,473</u>
Total fund balances	<u>(73,536)</u>	<u>318,428</u>	<u>2,207,632</u>	<u>2,907,473</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 75,000</u>	<u>\$ 411,076</u>	<u>\$ 2,207,632</u>	<u>\$ 4,741,490</u>

City of Rhinelander

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

	Special Revenue			
	<u>Room Tax</u>	<u>Recycling Grant</u>	<u>Parking Advisory Board</u>	<u>Downtown Works</u>
Revenues				
Taxes	\$ 258,743	\$ -	\$ -	\$ -
Intergovernmental	-	22,654	-	-
Charges for services	-	-	2,815	-
Investment income	-	-	-	78
Miscellaneous	1,503	-	15,560	42,392
	<u>260,246</u>	<u>22,654</u>	<u>18,375</u>	<u>42,470</u>
Total revenues				
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	166,486	38,330	-
Culture, recreation and education	214,620	-	-	-
Conservation and development	-	-	-	30
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
	<u>214,620</u>	<u>166,486</u>	<u>38,330</u>	<u>30</u>
Total expenditures				
Excess (deficiency) of revenues over expenditures	<u>45,626</u>	<u>(143,832)</u>	<u>(19,955)</u>	<u>42,440</u>
Other Financing Sources (Uses)				
Debt issued	-	-	-	-
Premium on debt issued	-	-	-	-
Transfers in	-	161,554	-	-
Transfers out	(40,935)	-	-	-
	<u>(40,935)</u>	<u>161,554</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)				
Net change in fund balances	4,691	17,722	(19,955)	42,440
Fund Balances (Deficit), Beginning	<u>97,769</u>	<u>16,071</u>	<u>68,936</u>	<u>138,770</u>
Fund Balances (Deficit), Ending	<u>\$ 102,460</u>	<u>\$ 33,793</u>	<u>\$ 48,981</u>	<u>\$ 181,210</u>

Special Revenue

<u>Hazardous Materials</u>	<u>Shared Ride Transport Grant</u>	<u>Tank Inspections</u>	<u>Landfill Settlement</u>	<u>Playground Equipment</u>	<u>Historical Complex</u>	<u>Boat Launch</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
16,500	465,323	-	-	-	-	-
-	-	6,995	-	3,150	-	6,666
-	-	-	44	-	-	-
<u>114</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,935</u>	<u>-</u>
<u>16,614</u>	<u>465,323</u>	<u>6,995</u>	<u>44</u>	<u>3,150</u>	<u>17,935</u>	<u>6,666</u>
-	-	-	-	-	-	-
23,566	-	5,959	-	-	-	-
-	429,695	-	23,501	-	-	-
-	-	-	-	794	71,453	733
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>23,566</u>	<u>429,695</u>	<u>5,959</u>	<u>23,501</u>	<u>794</u>	<u>71,453</u>	<u>733</u>
<u>(6,952)</u>	<u>35,628</u>	<u>1,036</u>	<u>(23,457)</u>	<u>2,356</u>	<u>(53,518)</u>	<u>5,933</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	40,935	-
<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>40,935</u>	<u>-</u>
(6,952)	35,628	1,036	(23,457)	2,356	(12,583)	5,933
<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>\$ 12,777</u>	<u>\$ (190,950)</u>	<u>\$ 45,817</u>	<u>\$ 54,073</u>	<u>\$ 40,032</u>	<u>\$ 42,097</u>	<u>\$ 53,781</u>

City of Rhinelander

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

	Special Revenue			
	K-9	Special Projects	Cemetery Perpetual Care	DARE
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	15,726	-	-
Charges for services	-	-	-	-
Investment income	-	-	13	-
Miscellaneous	6,111	10,228	1,260	-
	<u>6,111</u>	<u>10,228</u>	<u>1,260</u>	<u>-</u>
Total revenues	<u>6,111</u>	<u>25,954</u>	<u>1,273</u>	<u>-</u>
Expenditures				
Current:				
General government	-	37,179	-	-
Public safety	1,540	-	-	-
Public works	-	-	-	-
Culture, recreation and education	-	2,067	-	-
Conservation and development	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>1,540</u>	<u>39,246</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>4,571</u>	<u>(13,292)</u>	<u>1,273</u>	<u>-</u>
Other Financing Sources (Uses)				
Debt issued	-	-	-	-
Premium on debt issued	-	-	-	-
Transfers in	-	31,536	-	-
Transfers out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>31,536</u>	<u>-</u>	<u>-</u>
Net change in fund balances	4,571	18,244	1,273	-
Fund Balances (Deficit), Beginning	<u>11,037</u>	<u>-</u>	<u>19,485</u>	<u>3,165</u>
Fund Balances (Deficit), Ending	<u>\$ 15,608</u>	<u>\$ 18,244</u>	<u>\$ 20,758</u>	<u>\$ 3,165</u>

Special Revenue			Debt Service		Capital Projects
Historic Preservation	Ambulance	Property Acquisitions & Improvements	Environmental TIF #1	TIF #5	TIF #6
\$ -	\$ -	\$ -	\$ 103,606	\$ 14,398	\$ 123,374
-	-	-	(2,049)	(233)	23,771
-	613,764	-	-	-	-
-	-	-	-	-	17,183
-	<u>25,622</u>	-	<u>29,840</u>	-	<u>25,725</u>
-	<u>639,386</u>	-	<u>131,397</u>	<u>14,165</u>	<u>190,053</u>
-	-	-	-	-	-
-	433,358	-	-	-	-
-	-	15,580	-	-	-
-	-	-	-	-	-
-	-	-	6,329	3,954	7,499
-	248,336	-	-	-	-
-	120,000	-	580,000	-	448,479
-	<u>29,549</u>	-	<u>31,095</u>	-	<u>34,219</u>
-	<u>831,243</u>	<u>15,580</u>	<u>617,424</u>	<u>3,954</u>	<u>490,197</u>
-	<u>(191,857)</u>	<u>(15,580)</u>	<u>(486,027)</u>	<u>10,211</u>	<u>(300,144)</u>
-	255,000	-	480,000	-	-
-	1,706	-	-	-	-
-	-	-	-	-	-
-	<u>(1,069)</u>	-	-	-	-
-	<u>255,637</u>	-	<u>480,000</u>	-	-
-	63,780	(15,580)	(6,027)	10,211	(300,144)
<u>2,132</u>	-	-	<u>(173,893)</u>	<u>85,581</u>	<u>307,043</u>
<u>\$ 2,132</u>	<u>\$ 63,780</u>	<u>\$ (15,580)</u>	<u>\$ (179,920)</u>	<u>\$ 95,792</u>	<u>\$ 6,899</u>

City of Rhinelander

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

	<u>Capital Projects</u>			Total Nonmajor Governmental Funds
	<u>TIF #8</u>	<u>TIF #10</u>	<u>Premier Resort Area Tax</u>	
Revenues				
Taxes	\$ -	\$ 90,046	\$ 805,194	\$ 1,395,361
Intergovernmental	13,873	13,980	43,440	612,985
Charges for services	-	-	-	633,390
Investment income	-	-	1,145	18,463
Miscellaneous	-	-	-	176,290
	<u>13,873</u>	<u>104,026</u>	<u>849,779</u>	<u>2,836,489</u>
Total revenues				
Expenditures				
Current:				
General government	-	-	-	37,179
Public safety	-	-	-	464,423
Public works	-	-	-	673,592
Culture, recreation and education	-	-	-	289,667
Conservation and development	3,954	3,953	-	25,719
Capital outlay	-	-	128,722	377,058
Debt service:				
Principal	29,620	303,533	190,000	1,671,632
Interest and fiscal charges	2,511	16,301	48,125	161,800
	<u>36,085</u>	<u>323,787</u>	<u>366,847</u>	<u>3,701,070</u>
Total expenditures				
Excess (deficiency) of revenues over expenditures	<u>(22,212)</u>	<u>(219,761)</u>	<u>482,932</u>	<u>(864,581)</u>
Other Financing Sources (Uses)				
Debt issued	-	-	-	735,000
Premium on debt issued	-	-	-	1,706
Transfers in	-	-	-	234,025
Transfers out	-	-	-	(42,004)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>928,727</u>
Total other financing sources (uses)				
Net change in fund balances	(22,212)	(219,761)	482,932	64,146
Fund Balances (Deficit), Beginning	<u>(51,324)</u>	<u>538,189</u>	<u>1,724,700</u>	<u>2,843,327</u>
Fund Balances (Deficit), Ending	<u>\$ (73,536)</u>	<u>\$ 318,428</u>	<u>\$ 2,207,632</u>	<u>\$ 2,907,473</u>

City of Rhinelander

Combining Statement of Net Position
Nonmajor Enterprise Funds
December 31, 2021

	<u>Stormwater Utility</u>	<u>Golf Course</u>	<u>Total Nonmajor Enterprise Funds</u>
Assets			
Current assets:			
Cash and investments	\$ 28,139	\$ 1,823	\$ 29,962
Receivables:			
Accounts	204,111	-	204,111
Inventories and prepaid items	<u>7,904</u>	<u>45,034</u>	<u>52,938</u>
Total current assets	<u>240,154</u>	<u>46,857</u>	<u>287,011</u>
Noncurrent assets:			
Net pension asset	6,067	-	6,067
Capital assets:			
Construction in progress	20,977	-	20,977
Land	35,666	-	35,666
Capital assets being depreciated	7,096,113	3,383,603	10,479,716
Less accumulated depreciation	<u>(2,537,617)</u>	<u>(3,205,289)</u>	<u>(5,742,906)</u>
Other assets:			
Other receivables	<u>-</u>	<u>370,520</u>	<u>370,520</u>
Total noncurrent assets	<u>4,621,206</u>	<u>548,834</u>	<u>5,170,040</u>
Total assets	<u>4,861,360</u>	<u>595,691</u>	<u>5,457,051</u>
Deferred Outflows of Resources			
Pension related amounts	<u>12,052</u>	<u>-</u>	<u>12,052</u>
Total deferred outflows of resources	<u>12,052</u>	<u>-</u>	<u>12,052</u>

City of Rhinelander

Combining Statement of Net Position
 Nonmajor Enterprise Funds
 December 31, 2021

	<u>Stormwater Utility</u>	<u>Golf Course</u>	<u>Total Nonmajor Enterprise Funds</u>
Liabilities			
Current liabilities:			
Accounts payable	\$ 20,903	\$ 553	\$ 21,456
Accrued liabilities and deposits	-	11,945	11,945
Current portion of general obligation debt	5,000	15,000	20,000
Current portion of leases	<u>-</u>	<u>20,437</u>	<u>20,437</u>
Total current liabilities	<u>25,903</u>	<u>47,935</u>	<u>73,838</u>
Noncurrent liabilities:			
Long-term debt:			
General obligation debt	5,000	30,000	35,000
Other liabilities:			
Advances from other funds	<u>2,767,544</u>	<u>2,181,951</u>	<u>4,949,495</u>
Total noncurrent liabilities	<u>2,772,544</u>	<u>2,211,951</u>	<u>4,984,495</u>
Total liabilities	<u>2,798,447</u>	<u>2,259,886</u>	<u>5,058,333</u>
Deferred Inflows of Resources			
Unearned revenues	-	2,337	2,337
Pension related amounts	<u>12,864</u>	<u>-</u>	<u>12,864</u>
Total deferred inflows of resources	<u>12,864</u>	<u>2,337</u>	<u>15,201</u>
Net Position (Deficit)			
Net investment in capital assets	4,605,139	112,877	4,718,016
Restricted for:			
Pension	6,067	-	6,067
Unrestricted net position (deficit)	<u>(2,549,105)</u>	<u>(1,779,409)</u>	<u>(4,328,514)</u>
Total net position	<u>\$ 2,062,101</u>	<u>\$ (1,666,532)</u>	<u>\$ 395,569</u>

City of Rhinelander

Combining Statement of Revenues, Expenses and
Changes in Fund Net Position
Nonmajor Enterprise Funds
Year Ended December 31, 2021

	<u>Stormwater Utility</u>	<u>Golf Course</u>	<u>Total Nonmajor Enterprise Funds</u>
Operating Revenues			
Charges for services	\$ 598,647	\$ 780,674	\$ 1,379,321
Total operating revenues	<u>598,647</u>	<u>780,674</u>	<u>1,379,321</u>
Operating Expenses			
Operation and maintenance	164,989	651,260	816,249
Depreciation	<u>196,350</u>	<u>77,099</u>	<u>273,449</u>
Total operating expenses	<u>361,339</u>	<u>728,359</u>	<u>1,089,698</u>
Operating income	<u>237,308</u>	<u>52,315</u>	<u>289,623</u>
Nonoperating Revenues (Expenses)			
Interest and fiscal charges	<u>(275)</u>	<u>(2,264)</u>	<u>(2,539)</u>
Total nonoperating revenues (expenses)	<u>(275)</u>	<u>(2,264)</u>	<u>(2,539)</u>
Change in net position	237,033	50,051	287,084
Net Position (Deficit), Beginning	<u>1,825,068</u>	<u>(1,716,583)</u>	<u>108,485</u>
Net Position (Deficit), Ending	<u>\$ 2,062,101</u>	<u>\$ (1,666,532)</u>	<u>\$ 395,569</u>

City of Rhinelander

Combining Statement of Cash Flows
 Nonmajor Enterprise Funds
 Year Ended December 31, 2021

	<u>Stormwater Utility</u>	<u>Golf Course</u>	<u>Total</u>
Cash Flows From Operating Activities			
Received from customers	\$ 534,049	\$ 780,674	\$ 1,314,723
Paid to suppliers for goods and services	(120,007)	(790,227)	(910,234)
Paid to employees for services	<u>(56,733)</u>	<u>-</u>	<u>(56,733)</u>
Net cash flows from operating activities	<u>357,309</u>	<u>(9,553)</u>	<u>347,756</u>
Cash Flows From Noncapital Financing Activities			
Negative cash implicitly financed	1,601,405	80,427	1,681,832
Advances repaid to other funds	-	(34,000)	(34,000)
Interest on advance	<u>-</u>	<u>(1,115)</u>	<u>(1,115)</u>
Net cash flows from noncapital financing activities	<u>1,601,405</u>	<u>45,312</u>	<u>1,646,717</u>
Cash Flows From Capital and Related Financing Activities			
Debt issued	-	25,000	25,000
Debt retired	(5,000)	(59,586)	(64,586)
Interest and fiscal charges paid	(275)	(1,149)	(1,424)
Acquisition and construction of capital assets	(45,784)	-	(45,784)
Advances to other funds	<u>(1,879,516)</u>	<u>-</u>	<u>(1,879,516)</u>
Net cash flows from capital and related financing activities	<u>(1,930,575)</u>	<u>(35,735)</u>	<u>(1,966,310)</u>
Net change in cash and cash equivalents	28,139	24	28,163
Cash and Cash Equivalents, Beginning	<u>-</u>	<u>1,799</u>	<u>1,799</u>
Cash and Cash Equivalents, Ending	<u>\$ 28,139</u>	<u>\$ 1,823</u>	<u>\$ 29,962</u>
Reconciliation of Operating Income to Net Cash Flows from Operating Activities			
Operating income	\$ 237,308	\$ 52,315	\$ 289,623
Adjustments to reconcile operating income to net cash flows from operating activities:			
Depreciation	196,350	77,099	273,449
Changes in assets and liabilities:			
Customer accounts receivable	(64,598)	-	(64,598)
Other accounts receivable	-	(123,712)	(123,712)
Inventories and prepaid items	(7,904)	(10,470)	(18,374)
Accounts payable	1,914	468	2,382
Other current liabilities	(3,618)	4,976	1,358
Pension related deferrals and asset/liability	<u>(2,143)</u>	<u>(10,229)</u>	<u>(12,372)</u>
Net cash flows from operating activities	<u>\$ 357,309</u>	<u>\$ (9,553)</u>	<u>\$ 347,756</u>
Noncash Capital and Related Financing Activities			
Capital assets acquired via accounts payable	<u>\$ 18,989</u>	<u>\$ -</u>	

City of Rhinelander

Combining Statement of Net Position
Internal Service Funds
December 31, 2021

	<u>Dental</u>	<u>HRA/FSA</u>	<u>Total</u>
Assets			
Current assets:			
Cash and investments	\$ 23,127	\$ 67,875	\$ 91,002
Total assets	<u>23,127</u>	<u>67,875</u>	<u>91,002</u>
Liabilities			
Current liabilities:			
Accounts payable	-	10,813	10,813
Accrued liabilities and deposits	-	504	504
Claims payable	<u>2,728</u>	<u>-</u>	<u>2,728</u>
Total current liabilities	<u>2,728</u>	<u>11,317</u>	<u>14,045</u>
Total liabilities	<u>2,728</u>	<u>11,317</u>	<u>14,045</u>
Net Position			
Unrestricted	<u>20,399</u>	<u>56,558</u>	<u>76,957</u>
Total net position	<u>\$ 20,399</u>	<u>\$ 56,558</u>	<u>\$ 76,957</u>

City of Rhinelander

Combining Statement of Revenues, Expenses and Changes in Fund Net Position

Internal Service Funds

Year Ended December 31, 2021

	<u>Dental</u>	<u>HRA/FSA</u>	<u>Total</u>
Operating Revenues			
Charges for services	\$ 77,521	\$ 104,245	\$ 181,766
Total operating revenues	<u>77,521</u>	<u>104,245</u>	<u>181,766</u>
Operating Expenses			
Self insurance and flex claims	<u>70,756</u>	<u>90,553</u>	<u>161,309</u>
Total operating expenses	<u>70,756</u>	<u>90,553</u>	<u>161,309</u>
Operating income	<u>6,765</u>	<u>13,692</u>	<u>20,457</u>
Nonoperating Revenues			
Investment income	<u>13</u>	<u>41</u>	<u>54</u>
Total nonoperating revenues	<u>13</u>	<u>41</u>	<u>54</u>
Change in net position	6,778	13,733	20,511
Net Position, Beginning	<u>13,621</u>	<u>42,825</u>	<u>56,446</u>
Net Position, Ending	<u>\$ 20,399</u>	<u>\$ 56,558</u>	<u>\$ 76,957</u>

City of Rhinelander

Combining Statement of Cash Flows
Internal Service Funds
Year Ended December 31, 2021

	<u>Dental</u>	<u>HRA/FSA</u>	<u>Total</u>
Cash Flows From Operating Activities			
Received from customers	\$ 77,521	\$ 103,976	\$ 181,497
Paid to suppliers for goods and services	<u>(70,756)</u>	<u>(87,309)</u>	<u>(158,065)</u>
Net cash flows from operating activities	<u>6,765</u>	<u>16,667</u>	<u>23,432</u>
Cash Flows From Investing Activities			
Investment income	<u>13</u>	<u>41</u>	<u>54</u>
Net cash flows from investing activities	<u>13</u>	<u>41</u>	<u>54</u>
Net change in cash and cash equivalents	6,778	16,708	23,486
Cash and Cash Equivalents, Beginning	<u>16,349</u>	<u>51,167</u>	<u>67,516</u>
Cash and Cash Equivalents, Ending	<u><u>\$ 23,127</u></u>	<u><u>\$ 67,875</u></u>	<u><u>\$ 91,002</u></u>
Reconciliation of Operating Income to Net Cash Flows From Operating Activities			
Operating income	\$ 6,765	\$ 13,692	\$ 20,457
Changes in assets and liabilities:			
Accounts payable	-	3,244	3,244
Deposits	<u>-</u>	<u>(269)</u>	<u>(269)</u>
Net cash flows from operating activities	<u><u>\$ 6,765</u></u>	<u><u>\$ 16,667</u></u>	<u><u>\$ 23,432</u></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, 2021

	<u>Rhineland- Oneida County Airport</u>	<u>Rhineland- District Library</u>	<u>Total</u>
Operating Revenues			
City appropriation	\$ 197,081	\$ 277,058	\$ 474,139
Township appropriations	-	499,866	499,866
County appropriation	-	182,718	182,718
Charges for services	1,107,711	-	1,107,711
Fines, donations and miscellaneous	-	204,958	204,958
	<u>1,304,792</u>	<u>1,164,600</u>	<u>2,469,392</u>
Operating Expenses			
Salaries and wages	525,670	604,279	1,129,949
Fringe benefits	149,047	189,751	338,798
Depreciation	1,025,294	54,401	1,079,695
Other expenses	798,414	167,870	966,284
	<u>2,498,425</u>	<u>1,016,301</u>	<u>3,514,726</u>
Operating Income (Loss)	<u>(1,193,633)</u>	<u>148,299</u>	<u>(1,045,334)</u>
Nonoperating Income (Expenses)			
Non-capital grants	1,400,403	-	1,400,403
Investment income	448	27,413	27,861
Interest and fiscal charges	(1,381)	(1,799)	(3,180)
Loss on disposal of capital assets	(824,236)	-	(824,236)
	<u>575,234</u>	<u>25,614</u>	<u>600,848</u>
Income (loss) before contributions	<u>(618,399)</u>	<u>173,913</u>	<u>(444,486)</u>
Contributions			
Capital contributions	<u>880,677</u>	<u>-</u>	<u>880,677</u>
Change in net position	<u>262,278</u>	<u>173,913</u>	<u>436,191</u>
Net Position, Beginning	<u>13,012,457</u>	<u>1,499,515</u>	<u>14,511,972</u>
Net Position, Ending	<u>\$ 13,274,735</u>	<u>\$ 1,673,428</u>	<u>\$ 14,948,163</u>

City of Rhinelander

Statement of Cash Flows

Component Units

Year Ended December 31, 2021

	Rhinelander- Oneida County Airport	Rhinelander District Library	Total
Cash Flows From Operating Activities			
Received from customers	\$ 737,651	\$ 887,542	\$ 1,625,193
Received from municipality	197,081	277,058	474,139
Paid to suppliers for goods and services	(1,047,996)	(470,098)	(1,518,094)
Paid to employees for services	<u>(504,210)</u>	<u>(580,953)</u>	<u>(1,085,163)</u>
Net cash flows from operating activities	<u>(617,474)</u>	<u>113,549</u>	<u>(503,925)</u>
Cash Flows From Investing Activities			
Investment income	<u>448</u>	<u>27,413</u>	<u>27,861</u>
Net cash flows from investing activities	<u>448</u>	<u>27,413</u>	<u>27,861</u>
Cash Flows From Noncapital Financing Activities			
Advances repaid to primary government	(3,000)	(3,000)	(6,000)
Interest on advance from primary government	(1,381)	(1,799)	(3,180)
Non-capital grants received	<u>1,400,403</u>	<u>-</u>	<u>1,400,403</u>
Net cash flows from noncapital financing activities	<u>1,396,022</u>	<u>(4,799)</u>	<u>1,391,223</u>
Cash Flows From Capital and Related Financing Activities			
Acquisition and construction of capital assets	<u>(810,884)</u>	<u>(68,234)</u>	<u>(879,118)</u>
Net cash flows from capital and related financing activities	<u>(810,884)</u>	<u>(68,234)</u>	<u>(879,118)</u>
Net change in cash and cash equivalents	(31,888)	67,929	36,041
Cash and Cash Equivalents, Beginning	<u>113,649</u>	<u>1,247,038</u>	<u>1,360,687</u>
Cash and Cash Equivalents, Ending	<u>\$ 81,761</u>	<u>\$ 1,314,967</u>	<u>\$ 1,396,728</u>
Reconciliation of Operating Income (Loss) to Net Cash Flows From Operating Activities			
Operating income (loss)	\$ (1,193,633)	\$ 148,299	\$ (1,045,334)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:			
Depreciation	1,025,294	54,401	1,079,695
Changes in assets and liabilities:			
Accounts receivable	(4,962)	-	(4,962)
Taxes receivable	-	(3,018)	(3,018)
Due from other governments	(365,098)	(5,178)	(370,276)
Prepaid items	(13,379)	(2,439)	(15,818)
Accounts payable	6,121	(1,821)	4,300
Accrued liabilities	(21,460)	(23,326)	(44,786)
Unearned revenue	-	8,196	8,196
Pension related deferrals and asset/liability	<u>(50,357)</u>	<u>(61,565)</u>	<u>(111,922)</u>
Net cash flows from operating activities	<u>\$ (617,474)</u>	<u>\$ 113,549</u>	<u>\$ (503,925)</u>
Noncash Capital and Related Financing Activities			
Capital assets acquired via capital contributions	<u>\$ 880,677</u>	<u>\$ -</u>	
Capital assets acquired via accounts payable	<u>\$ 49,861</u>	<u>\$ -</u>	

City of Rhinelander

Required Bond Disclosures
Year Ended December 31, 2021

Insurance Coverage

<u>Description</u>	<u>Amount of Coverage</u>	<u>Coverage Dates</u>	<u>Name of Insurer</u>
Bodily Injury and Property Damage	\$ 10,000,000	1/1/21 to 1/1/22	League of WI Municipalities Mutual Insurance
Personal and Advertising Injury	10,000,000	1/1/21 to 1/1/22	League of WI Municipalities Mutual Insurance
Public Officials Errors & Omissions	10,000,000	1/1/21 to 1/1/22	League of WI Municipalities Mutual Insurance
Employee Benefits Liability	10,000,000	1/1/21 to 1/1/22	League of WI Municipalities Mutual Insurance
Automotive Liability	10,000,000	1/1/21 to 1/1/22	League of WI Municipalities Mutual Insurance
Cyber Liability Endorsement	1,000,000	1/1/21 to 1/1/22	League of WI Municipalities Mutual Insurance
Workers Compensation	WI Statutory	1/1/21 to 1/1/22	League of WI Municipalities Mutual Insurance
Buildings, Personal Property & Property in the Open	72,852,110	1/1/21 to 1/1/22	Municipal Property Insurance Company
Contractor Equipment - Replacement	3,369,072	1/1/21 to 1/1/22	Municipal Property Insurance Company
Equipment Breakdown	72,852,110	1/1/21 to 1/1/22	Municipal Property Insurance Company
Crime Protection Policy	500,000	1/1/21 to 1/1/22	Liberty Mutual

Other Information

<u>User Classification</u>	<u>Wastewater</u>
Residential	3,129
Commercial	499
Industrial	31
Public Authority	52
Multifamily Residential	40
Volume of Water Used By Wastewater Customers - Gallons (000's)	200,840

City of Rhinelander

Detailed Schedule of Operating Revenues and Expenses - Wastewater Utility
Year Ended December 31, 2021

Operating Revenues

Sewer service charges	\$ 2,895,805
Forfeited discounts	34,851
Other	<u>172,295</u>

Total operating revenues 3,102,951

Operating Expenses

Supervision and labor	226,960
Power	137,203
Chemicals	34,422
Operating supplies	40,414
Transportation	20,490
Maintenance	365,251
Billing, collection and accounting	41,057
Meter reading	13,650
Administrative and general salaries	94,806
Office supplies	40,771
Outside services employed	34,351
Insurance	44,713
Employee benefits	109,788
Miscellaneous general	<u>38,625</u>

Total operation and maintenance expenses 1,242,501

Depreciation	1,503,548
Taxes	<u>34,019</u>

Total operating expenses 2,780,068

Operating income \$ 322,883