

City of Ashland

Financial Statements and
Supplementary Information

December 31, 2020

City of Ashland

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Independent Auditors' Report

To the City Council of
City of Ashland

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Ashland, Wisconsin, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City of Ashland's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Ashland Ore Dock Charitable Trust. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component unit, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of Ashland Ore Dock Charitable Trust were not audited in accordance with *Government Auditing Standards*.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, 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 discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Ashland, Wisconsin, as of December 31, 2020 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Management has omitted 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 opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Ashland'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 24, 2021 on our consideration of the City of Ashland's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Ashland's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Ashland's internal control over financial reporting and compliance.

Baker Tilly US, LLP

Eau Claire, Wisconsin
September 24, 2021

City of Ashland

 Statement of Net Position
 December 31, 2020

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Ashland Ore Dock Charitable Trust
Assets				
Cash and investments	\$ 8,249,363	\$ 2,848,888	\$ 11,098,251	\$ 2,835,278
Taxes receivable	4,870,409	-	4,870,409	-
Special assessments receivable	40,964	-	40,964	-
Notes receivable, net	1,710,788	-	1,710,788	-
Other receivables, net	303,798	335,409	639,207	3,479
Due from other governments	588,799	105,529	694,328	-
Internal balances	343,673	(343,673)	-	-
Prepaid items and inventories	69,414	165,671	235,085	-
Restricted assets, cash and investments	2,673,904	2,727,488	5,401,392	-
Restricted assets, net pension asset	1,552,522	149,973	1,702,495	-
Other assets	-	24,836	24,836	-
Capital assets:				
Construction in progress	3,720,791	1,086,490	4,807,281	-
Land and right of way	4,563,071	506,830	5,069,901	-
Other capital assets, net of depreciation	66,173,564	30,476,457	96,650,021	-
Total assets	94,861,060	38,083,898	132,944,958	2,838,757
Deferred Outflows of Resources				
OPEB related amounts	152,306	59,498	211,804	-
Pension related amounts	3,641,946	369,844	4,011,790	-
Total deferred outflows of resources	3,794,252	429,342	4,223,594	-
Liabilities				
Accounts payable	1,207,585	773,294	1,980,879	9,057
Accrued liabilities and deposits	345,837	67,828	413,665	-
Noncurrent liabilities:				
Due within one year	1,483,852	460,310	1,944,162	-
Due in more than one year	14,326,870	7,822,789	22,149,659	-
Total liabilities	17,364,144	9,124,221	26,488,365	9,057
Deferred Inflows of Resources				
Unearned revenues	4,817,245	17,635	4,834,880	-
OPEB related amounts	503,000	196,497	699,497	-
Pension related amounts	4,698,553	419,138	5,117,691	-
Total deferred inflows of resources	10,018,798	633,270	10,652,068	-
Net Position				
Net investment in capital assets	64,318,670	24,929,187	89,247,857	-
Restricted:				
Future housing and economic development loans	2,626,184	-	2,626,184	-
Future debt service	96,001	-	96,001	-
Library	310,428	-	310,428	-
Police programs	34,358	-	34,358	-
NSP breakwall	538,653	-	538,653	-
Home improvement program	21,005	-	21,005	-
Future beautification projects	7,282	-	7,282	-
Wetland mitigation	700	-	700	-
Future TIF projects	14,068	-	14,068	-
Waterfront development	292,220	-	292,220	-
Ore Dock	-	-	-	2,829,700
Debt service reserve	-	259,221	259,221	-
Debt service redemption	-	252,809	252,809	-
Equipment replacement	-	1,525,883	1,525,883	-
Pension	1,552,522	149,973	1,702,495	-
Unrestricted	1,460,279	1,638,676	3,098,955	-
Total net position	\$ 71,272,370	\$ 28,755,749	\$ 100,028,119	\$ 2,829,700

See notes to financial statements

City of Ashland

Statement of Activities
Year Ended December 31, 2020

	Program Revenues				Net (Expenses) Revenues and Changes in Net Position			Component Unit Ashland Ore Dock Charitable Trust
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-Type Activities	Total	
Functions/Programs								
Primary government:								
Governmental activities:								
General government	\$ 1,960,683	\$ 413,432	\$ -	\$ -	\$ (1,547,251)	\$ -	\$ (1,547,251)	\$ -
Public safety	4,634,627	1,333,964	185,084	165,613	(2,949,966)	-	(2,949,966)	-
Public works	3,512,443	464,270	728,966	65,709	(2,253,498)	-	(2,253,498)	-
Health and human services	222,543	2,368	76,123	-	(144,052)	-	(144,052)	-
Leisure activities	1,252,135	188,325	193,106	65,196	(805,508)	-	(805,508)	-
Conservation and development	375,185	3,726	111,839	-	(259,620)	-	(259,620)	-
Interest and fiscal charges	335,750	-	-	-	(335,750)	-	(335,750)	-
Total governmental activities	12,293,366	2,406,085	1,295,118	296,518	(8,295,645)	-	(8,295,645)	-
Business-type activities:								
Water	1,752,852	2,305,271	-	100,956	-	653,375	653,375	-
Wastewater	2,430,079	2,121,016	-	800	-	(308,263)	(308,263)	-
Airport	363,731	165,128	-	18,250	-	(180,353)	(180,353)	-
Marina	283,313	229,968	-	-	-	(53,345)	(53,345)	-
Total business-type activities	4,829,975	4,821,383	-	120,006	-	111,414	111,414	-
Total primary government	\$ 17,123,341	\$ 7,227,468	\$ 1,295,118	\$ 416,524	(8,295,645)	111,414	(8,184,231)	-
Component Unit								
Ashland Ore Dock Charitable Trust	\$ 85,096	\$ -	\$ -	\$ -	-	-	-	(85,096)
General Revenues								
Taxes:								
Property taxes, levied for general purposes					3,902,510	-	3,902,510	-
Property taxes, levied for debt service					123,598	-	123,598	-
Property taxes, levied for TIF districts					555,280	-	555,280	-
Other taxes					196,595	-	196,595	-
Intergovernmental revenues not restricted to specific programs					3,943,093	9,778	3,952,871	-
Investment income					37,275	19,429	56,704	29,519
Gain on disposal of assets					-	995	995	-
Miscellaneous					477,827	12,785	490,612	-
Total general revenues					9,236,178	42,987	9,279,165	29,519
Transfers					307,624	(307,624)	-	-
Change in net position					1,248,157	(153,223)	1,094,934	(55,577)
Net Position, Beginning					70,024,213	28,908,972	98,933,185	2,885,277
Net Position, Ending					\$ 71,272,370	\$ 28,755,749	\$ 100,028,119	\$ 2,829,700

See notes to financial statements

City of Ashland

Balance Sheet - Governmental Funds
December 31, 2020

	General Fund	Special Revenue Housing Rehab Revolving Loan Fund	Capital Projects Fund Building Facilities	Debt Service Fund	Nonmajor Governmental Funds	Totals
Assets						
Cash and investments	\$ 2,456,163	\$ 266,302	\$ 1,066,880	\$ 310,834	\$ 3,824,652	\$ 7,924,831
Restricted assets, construction account	-	-	1,906,715	-	767,189	2,673,904
Receivables:						
Taxes	2,869,547	-	-	1,394,137	604,687	4,868,371
Delinquent personal property taxes, net	2,038	-	-	-	-	2,038
Accounts, net	267,673	-	-	-	35,555	303,228
Notes, net	-	1,525,021	-	-	185,767	1,710,788
Special assessments	-	-	-	-	40,964	40,964
Due from other governments	48,163	-	73,209	-	467,427	588,799
Due from other funds	580,845	-	-	-	-	580,845
Advances to other funds	1,684,641	-	-	-	-	1,684,641
Prepaid items and inventory	69,414	-	-	-	-	69,414
Total assets	\$ 7,978,484	\$ 1,791,323	\$ 3,046,804	\$ 1,704,971	\$ 5,926,241	\$ 20,447,823
Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)						
Liabilities						
Accounts payable	\$ 185,589	\$ -	\$ 745,446	\$ -	\$ 276,550	\$ 1,207,585
Accrued liabilities	202,271	-	-	-	15,152	217,423
Due to other funds	-	-	-	-	180,661	180,661
Due to other governments	397	-	-	-	-	397
Advances from other funds	-	-	-	88,656	1,684,641	1,773,297
Total liabilities	388,257	-	745,446	88,656	2,157,004	3,379,363
Deferred Inflows of Resources						
Unearned revenues	2,783,339	-	-	1,394,137	639,769	4,817,245
Unavailable revenues	84,195	1,525,021	73,209	-	602,111	2,284,536
Total deferred inflows of resources	2,867,534	1,525,021	73,209	1,394,137	1,241,880	7,101,781
Fund Balances (Deficit)						
Nonspendable	1,316,311	-	-	-	-	1,316,311
Restricted	-	266,302	1,640,865	222,178	2,610,184	4,739,529
Committed	-	-	-	-	117,885	117,885
Assigned	145,028	-	587,284	-	1,625,976	2,358,288
Unassigned (deficit)	3,261,354	-	-	-	(1,826,688)	1,434,666
Total fund balances (deficit)	4,722,693	266,302	2,228,149	222,178	2,527,357	9,966,679
Total liabilities, deferred inflows of resources and fund balances (deficit)	\$ 7,978,484	\$ 1,791,323	\$ 3,046,804	\$ 1,704,971	\$ 5,926,241	\$ 20,447,823

See notes to financial statements

City of Ashland

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

Total Fund Balance, Governmental Funds \$ 9,966,679

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

Capital assets used in government activities are not financial resources and,
therefore, are not reported in the fund statements. Capital assets at year end
consist of:

Capital assets	\$ 103,594,146	
Accumulated depreciation	(29,136,720)	74,457,426

Special assessments, certain grant receivables, loan receivables and various
other receivables are reported as unavailable revenues in the fund financial
statements and are recognized as revenue when earned in the government-wide
financial statements. See Note 3 for details. 2,284,536

The net pension asset does not relate to current financial resources and is not
reported in the governmental funds. 1,552,522

Deferred outflows of resources related to pensions do not relate to current
financial resources and are not reported in the governmental funds. 3,641,946

Deferred outflows of resources related to other post-employment benefits do not relate
to current financial resources and are not reported in the governmental funds. 152,306

Deferred inflows of resources related to pensions do not relate to current
financial resources and are not reported in the governmental funds. (4,698,553)

Deferred inflows of resources related to other post-employment benefits do not relate
to current financial resources and are not reported in the governmental funds. (503,000)

An internal service fund is used by management to charge the costs of
other post-employment benefits to individual funds. The assets and liabilities
of the internal service fund are included in governmental activities in the
statement of net position. 355,407

Long-term liabilities, including bond and notes payable, are not due in the
current period and, therefore, are not reported in the fund statements.

Long-term liabilities at year end consist of:

General obligation debt	(13,030,097)	
Accrued interest on general obligation debt	(126,177)	
Landfill liability	(819,126)	
Other post employment benefits	(1,271,106)	
Vested compensated absences	(690,393)	(15,936,899)

Total Net Position, Governmental Activities \$ 71,272,370

City of Ashland

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

	<u>Special Revenue</u>		<u>Capital Projects</u>	<u>Debt Service</u>	<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>Housing</u>				
	<u>Fund</u>	<u>Rehab</u>	<u>Building</u>	<u>Fund</u>	<u>Funds</u>	
		<u>Revolving</u>	<u>Facilities</u>			
		<u>Loan Fund</u>				
Revenues						
Taxes	\$ 2,863,132	\$ -	\$ -	\$ 1,149,937	\$ 764,914	\$ 4,777,983
Intergovernmental	4,699,703	-	-	-	620,145	5,319,848
Licenses and permits	167,104	-	-	-	-	167,104
Fines, forfeitures and penalties	18,882	-	-	-	-	18,882
Public charges for services	1,519,524	-	-	-	7,501	1,527,025
Intergovernmental charges for services	702,142	-	-	-	-	702,142
Special assessments	-	-	-	-	8,321	8,321
Investment income	22,504	88	957	23	18,126	41,698
Miscellaneous	82,113	92,837	-	-	441,706	616,656
Total revenues	10,075,104	92,925	957	1,149,960	1,860,713	13,179,659
Expenditures						
Current:						
General government	1,993,745	-	-	-	15,978	2,009,723
Public safety	4,760,554	-	-	-	80,965	4,841,519
Public works	1,863,047	-	11,372	-	273,106	2,147,525
Health and human services	145,691	-	-	-	76,288	221,979
Leisure activities	489,503	-	-	-	658,679	1,148,182
Conservation and development	183,447	23,139	-	-	198,302	404,888
Capital outlay	-	-	2,810,282	-	1,470,345	4,280,627
Debt service:						
Principal retirement	-	-	-	990,900	114,370	1,105,270
Interest and fiscal charges	-	-	30,000	222,528	21,703	274,231
Total expenditures	9,435,987	23,139	2,851,654	1,213,428	2,909,736	16,433,944
Excess (deficiency) of revenues over expenditures	639,117	69,786	(2,850,697)	(63,468)	(1,049,023)	(3,254,285)
Other Financing Sources (Uses)						
Long-term debt issued	-	-	4,760,000	-	1,785,000	6,545,000
Transfers in	400,184	-	40,000	75,473	1,372,520	1,888,177
Transfers out	(1,025,444)	-	(70,600)	-	(484,509)	(1,580,553)
Proceeds from sale of capital assets	-	-	-	-	26,472	26,472
Total other financing sources (uses)	(625,260)	-	4,729,400	75,473	2,699,483	6,879,096
Net change in fund balances	13,857	69,786	1,878,703	12,005	1,650,460	3,624,811
Fund Balances, Beginning	4,708,836	196,516	349,446	210,173	876,897	6,341,868
Fund Balances, Ending	\$ 4,722,693	\$ 266,302	\$ 2,228,149	\$ 222,178	\$ 2,527,357	\$ 9,966,679

See notes to financial statements

City of Ashland

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

Year Ended December 31, 2020

Net Change in Fund Balances, Total Governmental Funds \$ 3,624,811

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 activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. The following differ in their presentation in the two statements:

Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements	4,280,627
Some functional expenditures are capitalized	610,890
Depreciation is reported in the government-wide statements	(1,984,446)
Book value of capital assets disposed of in the current year	(80,420)

Special assessments are reported as unavailable revenues in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.	(6,063)
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Grant and accounts receivables are reported as unavailable revenues in the fund financial statements if not collected within 60 days of year end but are recognized as revenue when earned in the government-wide financial statements.	154,058
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Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment reduces long-term liabilities in the statement of net position.	
Debt issued	(6,545,000)
Principal payments paid	1,105,270

Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	
Change in the landfill liability	9,037
Change in the vested compensated absences	36,531
Change in the other post-employment benefits (and OPEB related deferred inflows and outflows of resources)	292,678
Change in accrued interest payable	(61,519)
Change in net pension liability (and pension related deferred inflows and outflows of resources)	(64,252)

Governmental funds report repayments of economic development and housing loans and notes receivables as revenue and issuing new loans as expenditures. However, in the statement of activities, these amounts are not reported as revenue and expenses; they are reported as changes in the receivables balances.	(146,209)
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An internal service fund is used by management to charge the costs of other post-employment benefits to individual funds. The net revenue of certain activities of internal service fund is reported with governmental activities.	22,164
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Change in Net Position of Governmental Activities \$ 1,248,157

City of Ashland

Statement of Net Position
 Proprietary Funds
 Year Ended December 31, 2020

	Business-Type Activities - Enterprise Funds				Dental/FLEX Internal Service Fund
	Water Utility	Wastewater Utility	Nonmajor Funds	Total	
Assets					
Current assets:					
Cash and investments	\$ 768,503	\$ 1,923,338	\$ 157,047	\$ 2,848,888	\$ 324,532
Restricted assets, redemption account	223,541	70,500	35,408	329,449	-
Restricted assets, construction account	211,965	-	400,970	612,935	-
Customer accounts receivable	157,968	173,533	-	331,501	-
Other accounts receivable	-	-	3,908	3,908	570
Due from other governments	95,751	-	9,778	105,529	-
Current portion of advances to other funds	12,136	-	-	12,136	-
Inventories and prepaid items	120,640	21,535	23,496	165,671	-
Total current assets	1,590,504	2,188,906	630,607	4,410,017	325,102
Noncurrent assets:					
Restricted assets:					
Reserve account	251,231	7,990	-	259,221	-
Replacement account	-	1,525,883	-	1,525,883	-
Net pension asset	57,605	67,255	25,113	149,973	-
Capital assets:					
Construction work in progress	116,972	771,160	198,358	1,086,490	-
Land	30,611	38,951	437,268	506,830	-
Capital assets being depreciated	23,449,696	29,837,672	6,945,936	60,233,304	-
Accumulated depreciation	(8,430,837)	(17,941,748)	(3,384,262)	(29,756,847)	-
Other assets:					
Advances to other funds	76,520	-	-	76,520	-
Preliminary survey and investigations	24,836	-	-	24,836	-
Total noncurrent assets	15,576,634	14,307,163	4,222,413	34,106,210	-
Total assets	17,167,138	16,496,069	4,853,020	38,516,227	325,102
Deferred Outflows of Resources					
OPEB related amounts	34,089	25,409	-	59,498	-
Pension related amounts	140,801	172,977	56,066	369,844	-
Total deferred outflows of resources	174,890	198,386	56,066	429,342	-
Liabilities					
Current liabilities:					
Accounts payable	129,699	639,014	4,581	773,294	-
Accrued expenses	5,818	6,384	2,393	14,595	1,840
Deposits	4,000	-	-	4,000	-
Due to other funds	400,184	-	-	400,184	-
Liabilities payable from restricted assets:					
Accrued interest	33,782	7,450	8,001	49,233	-
Current portion of accrued compensated absences	32,385	34,096	11,347	77,828	-
Current portion of long-term debt	271,218	74,264	37,000	382,482	-
Total current liabilities	877,086	761,208	63,322	1,701,616	1,840
Noncurrent liabilities:					
Long-term debt	5,450,964	1,430,093	373,000	7,254,057	-
Accrued compensated absences	23,970	32,308	15,895	72,173	-
Other post-employment benefits	284,504	212,055	-	496,559	-
Total noncurrent liabilities	5,759,438	1,674,456	388,895	7,822,789	-
Total liabilities	6,636,524	2,435,664	452,217	9,524,405	1,840
Deferred Inflows of Resources					
Unearned revenues	12,635	-	5,000	17,635	-
OPEB related amounts	112,583	83,914	-	196,497	-
Pension related amounts	166,965	184,154	68,019	419,138	-
Total deferred inflow of resources	292,183	268,068	73,019	633,270	-
Net Position					
Net investment in capital assets	9,539,239	11,201,678	4,188,270	24,929,187	-
Restricted for:					
Debt service reserve	251,231	7,990	-	259,221	-
Debt service redemption	189,759	63,050	-	252,809	-
Equipment replacement	-	1,525,883	-	1,525,883	-
Pension	57,605	67,255	25,113	149,973	-
Unrestricted (deficit)	375,487	1,124,867	170,467	1,670,821	323,262
Total net position	\$ 10,413,321	\$ 13,990,723	\$ 4,383,850	28,787,894	\$ 323,262
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				(32,145)	
Net position of business-type activities				\$ 28,755,749	

See notes to financial statements

City of Ashland

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

	Business-Type Activities - Enterprise Funds				Dental/FLEX Internal Service Fund
	Water Utility	Wastewater Utility	Nonmajor Funds	Totals	
Operating Revenues	\$ 2,305,271	\$ 2,121,016	\$ 395,096	\$ 4,821,383	\$ 146,183
Operating Expenses					
Operation and maintenance	1,117,009	1,548,151	418,112	3,083,272	125,426
Depreciation	479,658	842,337	211,781	1,533,776	-
Taxes	2,484	-	-	2,484	-
Total operating expenses	1,599,151	2,390,488	629,893	4,619,532	125,426
Operating income (loss)	706,120	(269,472)	(234,797)	201,851	20,757
Nonoperating Revenues (Expenses)					
Investment income	6,236	12,615	578	19,429	614
Interest and fiscal charges	(156,593)	(42,331)	(17,151)	(216,075)	-
Grants revenue	-	-	9,778	9,778	-
Miscellaneous revenue	7,770	4,009	1,006	12,785	6,425
Gain on sale of capital assets	-	-	995	995	-
Total nonoperating revenue (expenses)	(142,587)	(25,707)	(4,794)	(173,088)	7,039
Income (loss) before contributions and transfers	563,533	(295,179)	(239,591)	28,763	27,796
Contributions and Transfers					
Capital contributions	100,956	800	18,250	120,006	-
Transfers in	-	-	92,560	92,560	-
Transfers out	(400,184)	-	-	(400,184)	-
Total contributions and transfers	(299,228)	800	110,810	(187,618)	-
Change in net position	264,305	(294,379)	(128,781)	(158,855)	27,796
Net Position, Beginning	10,149,016	14,285,102	4,512,631	28,946,749	295,466
Net Position, Ending	\$ 10,413,321	\$ 13,990,723	\$ 4,383,850	\$ 28,787,894	\$ 323,262
Change in Net Position, Enterprise Funds				\$ (158,855)	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				5,632	
Change in Net Position of Business-Type Activities				\$ (153,223)	

See notes to financial statements

City of Ashland

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

	Business-Type Activities - Enterprise Funds				Dental/FLEX Internal Service Fund
	Water Utility	Wastewater Utility	Nonmajor Funds	Totals	
Cash Flows From Operating Activities					
Cash received from customers	\$ 1,803,368	\$ 2,135,261	\$ 418,807	\$ 4,357,436	\$ 170,601
Cash received from city	610,119	-	-	610,119	-
Cash paid to suppliers for goods and services	(633,043)	(1,081,770)	(248,575)	(1,963,388)	(129,424)
Cash paid to employees for services	(376,721)	(418,934)	(157,218)	(952,873)	-
Net cash flows from operating activities	1,403,723	634,557	13,014	2,051,294	41,177
Cash Flows From Noncapital Financing Activities					
Transfers from other funds	-	-	92,560	92,560	-
Transfers to other funds	(400,184)	-	-	(400,184)	-
Net cash flows from investing activities	(400,184)	-	92,560	(307,624)	-
Cash Flows From Investing Activities					
Noncash equivalents purchased	(224,195)	(528,799)	-	(752,994)	-
Noncash equivalents sold	224,195	516,119	-	740,314	-
Investment income	6,236	12,615	578	19,429	614
Net cash flows from investing activities	6,236	(65)	578	6,749	614
Cash Flows From Capital and Related Financing Activities					
Debt proceeds	700,000	-	410,000	1,110,000	-
Debt retired	(337,357)	(72,410)	-	(409,767)	-
Interest paid	(131,315)	(41,591)	-	(172,906)	-
Debt issuance costs	(15,300)	-	(9,150)	(24,450)	-
Contributions in aid of construction	-	1,408	18,250	19,658	-
Acquisition and construction of capital assets	(514,088)	(597,907)	(118,243)	(1,230,238)	-
Net cash flows from capital and related financing activities	(298,060)	(710,500)	300,857	(707,703)	-
Net increase (decrease) in cash and cash equivalents	711,715	(76,008)	407,009	1,042,716	41,791
Cash and Cash Equivalents, Beginning	519,330	3,074,920	186,416	3,780,666	282,741
Cash and Cash Equivalents, Ending	\$ 1,231,045	\$ 2,998,912	\$ 593,425	\$ 4,823,382	\$ 324,532
Reconciliation of Cash and Cash Equivalents					
Cash and cash equivalents per statement of net position:					
Cash and investments	\$ 768,503	\$ 1,923,338	\$ 157,047	\$ 2,848,888	\$ 324,532
Restricted cash and investments:					
Reserve account	251,231	7,990	-	259,221	-
Redemption account	223,541	70,500	35,408	329,449	-
Construction account	211,965	-	400,970	612,935	-
Replacement account	-	1,525,883	-	1,525,883	-
Total cash and investments	1,455,240	3,527,711	593,425	5,576,376	324,532
Less noncash equivalents	(224,195)	(528,799)	-	(752,994)	-
Cash and cash equivalents per statement of cash flows	\$ 1,231,045	\$ 2,998,912	\$ 593,425	\$ 4,823,382	\$ 324,532

See notes to financial statements

City of Ashland

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

	Business-Type Activities - Enterprise Funds				Dental/FLEX Internal Service Fund
	Water Utility	Wastewater Utility	Nonmajor Funds	Totals	
Reconciliation of Operating Income (Loss) to Net Cash Flows From Operating Activities					
Operating income (loss)	\$ 706,120	\$ (269,472)	\$ (234,797)	\$ 201,851	\$ 20,757
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:					
Nonoperating income	7,770	4,009	10,784	22,563	6,425
Noncash items included in income:					
Depreciation	479,658	842,337	211,781	1,533,776	-
Depreciation charged to other accounts	18,642	(18,642)	-	-	-
Amortization	12,418	-	-	12,418	-
Change in assets and liabilities:					
Customer accounts receivable	63,052	(13,375)	-	49,677	-
Other accounts receivable	-	10,997	7,927	18,924	17,993
Inventories and prepaid items	9,088	1,088	2,354	12,530	-
Accounts payable	(751)	(34,494)	(1,687)	(36,932)	(455)
Due to other funds	14,831	-	-	14,831	-
Other current liabilities	(11,189)	(15,387)	(3,728)	(30,304)	(3,543)
Accrued compensated absences	7,905	8,118	13,336	29,359	-
Unearned revenues	-	-	5,000	5,000	-
Other post-employment benefits	96,092	120,773	-	216,865	-
Pension related deferrals and asset	87	(1,395)	2,044	736	-
Net cash flows from operating activities	<u>\$ 1,403,723</u>	<u>\$ 634,557</u>	<u>\$ 13,014</u>	<u>\$ 2,051,294</u>	<u>\$ 41,177</u>

Noncash Capital, Investing and Financing Activities

None

City of Ashland

Statement of Fiduciary Net Position - Fiduciary Fund

December 31, 2020

	<u>Custodial Fund</u> <u>Tax Collection</u> <u>Fund</u>
Assets	
Cash and investments	\$ 3,973,416
Taxes receivable	2,985,402
	<hr/>
Total assets	6,958,818
	<hr/>
Liabilities	
Due to other taxing units	6,958,818
	<hr/>
Total liabilities	6,958,818
	<hr/>
Total net position	\$ -
	<hr/> <hr/>

See notes to financial statements

City of Ashland

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

	<u>Custodial Fund</u> <u>Tax Collection</u> <u>Fund</u>
Additions	
Property taxes collected for other governments	\$ 4,467,615
Deductions	
Property taxes distributed to other governments	<u>4,467,615</u>
Change in fiduciary net position	-
Net Position, Beginning	<u>-</u>
Net Position, Ending	<u><u>\$ -</u></u>

See notes to financial statements

City of Ashland

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December 31, 2020

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City of Ashland

Notes to Financial Statements

December 31, 2020

1. Summary of Significant Accounting Policies

The accounting policies of the City of Ashland, 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 unit. 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; and (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, blending 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 Unit

The government-wide financial statements include the Ashland Ore Dock Charitable Trust as a component unit. The Ashland Ore Dock Charitable Trust is a legally separate organization. The board of the Ashland Ore Dock Charitable Trust consists of the mayor of the City of Ashland; a member of the Ashland City Council, nominated by the mayor and confirmed by the Council; the chairperson of the Ashland Harbor Commission; the director of the Ashland Park and Recreation Department; the president of the Ashland Historical Society; the president of Northland College; a representative of the Ashland business community, selected by the Ashland Area Chamber of Commerce; a representative of the Ashland banking, financial services or investment community, selected by the members of the board; and a resident of the City of Ashland, not a member of the City Council or of the Harbor Commission, selected by the members of the board. Wisconsin Statutes provide for circumstances whereby the City can impose its will on the Ashland Ore Dock Charitable Trust, and also create a potential financial benefit to or burden on the City. The Ashland Ore Dock Charitable Trust is part of the reporting entity of the City. See Note 3. As a component unit, the Ashland Ore Dock Charitable Trust's financial statements have been presented as a discrete column in the financial statements. The information presented is for the fiscal year ended December 31, 2020. The Ashland Ore Dock Charitable Trust is a not-for-profit organization that follows Financial Accounting Standards Board (FASB) for accounting and financial reporting principles. Separately issued financial statements of the Ashland Ore Dock Charitable Trust may be requested at 601 Main Street West, Ashland, WI 54806.

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 City 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 expenditure/expenses.

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

- a. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental fund or enterprise fund that met the 10 percent test is at least 5 percent of the corresponding total for all governmental and enterprise funds combined.
- 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 required to be accounted for in another fund.

Special Revenue Fund - Housing Rehab Revolving Loan Fund

Special Revenue Fund - Housing Rehab Revolving Loan Fund accounts for and reports the grants and local revenues legally restricted or committed to supporting expenditures for the City's housing loan program.

Capital Projects Fund – Building Facilities

Capital Projects Fund – Building Facilities Fund is used to account for and report financial resources that are restricted or assigned to expenditure for the acquisition or construction of capital facilities.

Debt Service Fund

Debt Service Fund accounts for and reports financial resources that are restricted, committed or assigned to expenditures for the payment of general long-term debt principal, interest and related costs, other than TIF or enterprise debt.

City of Ashland

Notes to Financial Statements
December 31, 2020

The City reports the following major enterprise funds:

Water Utility

Water Utility accounts for the construction, operations and maintenance of the municipal water pumping, treatment and distribution systems.

Wastewater Utility

Wastewater Utility accounts for the construction, operations and maintenance of the municipal sewage collection and treatment system.

The City reports the following nonmajor governmental and enterprise funds:

Special Revenue Funds

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

Recycling	Evidence Funds
Economic Development Revolving Loan	Bretting Teen Center
Library Grants and Special Revenue	Beautification
TIF No. 6 Increment	Wetlands Mitigation
TIF No. 9 Increment	Vaughn Library
TIF No. 10 Increment	Insured Loss Deductible
Community Planning and Development	Hazardous Materials
NSP Breakwall	Home Improvement Program

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 equipment and/or major capital facilities.

Street Improvements	Park Grounds Improvements
TIF No. 9 Development	Land Sales and Acquisition
TIF No. 10 Development	Capital Sidewalk Improvements
Public Transportation	Urban Forestry
Waterfront Development	Landfill Improvement
Capital Equipment	Leisure and Recreation Improvements

Enterprise Funds

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

Airport
Marina

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/FLEX Fund

Custodial Funds

Custodial Funds are used to account for and report assets controlled by the City and the assets are for the benefit of individuals, private organizations, and/or other governmental units. The City reports its Tax Collection Fund as a custodial 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 utilities and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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 to the resources and the amounts are available. Amounts owed to the City which are not available are recorded as receivables and unavailable revenues. Amounts received before eligibility requirements (excluding time requirements) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

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

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

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

The proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water and wastewater utilities are charges to customers for sales and services. Special assessments are recorded as receivables and contribution revenue when levied. Operating expenses for enterprise 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 and liabilities 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 state statutes. Available investments are limited to:

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

City of Ashland

Notes to Financial Statements

December 31, 2020

The City has not adopted a formal investment policy; however, the City's budget document indicates that the City follows state statutes regarding allowable investments and abides by the following criteria: preservation of capital, maintenance of liquid position and maximum yield.

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

See Note 3 for further information.

Receivables

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

Property tax calendar, 2020 tax roll:

Lien date and levy date	December 2020
Tax bills mailed	December 2020
Payment in full, or	January 31, 2021
First installment due	January 31, 2021
Second installment due	July 31, 2021
Personal property taxes in full	January 31, 2021
Tax sale, 2020 delinquent real estate taxes	October 2022

Delinquent real estate taxes as of July 31 are paid in full by the county, which assumes the collection thereof. Therefore, no provision has been made for uncollectible real estate taxes.

The water and wastewater utilities have the right, by law, to place substantially all delinquent bills on the tax roll. Therefore, no provision for has been made for uncollectible utility bills.

All receivables have been adjusted for estimated uncollectible accounts. The amounts recorded as receivables in the general fund have been reduced by an allowance for uncollectible accounts of \$1,166,055.

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

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.

City of Ashland

Notes to Financial Statements
December 31, 2020

The City has received federal and state grant funds for economic development and housing rehabilitation loan programs to various businesses and individuals. The City records a loan receivable when the loan has been made and funds have been disbursed. The amount recorded as notes receivable has been reduced by an allowance for uncollectible accounts of \$50,857.

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 inventory items, if significant, are recorded at cost based on average cost 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 average cost based on FIFO, and charged to construction or operation and maintenance expense when used.

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

Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified.

Capital Assets

Government-Wide Statements

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$5,000 for general capital assets and \$25,000 for infrastructure assets, and an estimated useful life in excess of 1 year. All capital assets are valued at historical cost or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

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

City of Ashland

Notes to Financial Statements

December 31, 2020

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

Buildings	50 - 75 years
Land improvements	25 years
Machinery and equipment	4 - 20 years
Utility system	7 - 100 years
Infrastructure	40 - 100 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 vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements.

All vested vacation and sick leave pay is accrued when incurred in the government-wide and proprietary 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 available resources.

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

Long-Term Obligations

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes and bonds payable, other post-employment benefits, landfill liability, and vested 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.

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 and reduced by the outstanding balances (excluding unspent bond 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 definition of "restricted" or "net investment in capital assets."

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

Fund Statements

Governmental fund balances are displayed as follows:

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.

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.

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.

Assigned - Includes spendable fund balance amounts that are intended to be used for specific purposes that are not considered restricted or committed. Fund balance may be assigned through the following: 1) The City Council has adopted a policy authorizing the City Administrator or Finance Director to assign amounts for a specific purpose; and 2) All remaining positive spendable amounts in governmental funds, other than the general fund, that are neither restricted nor committed. Assignments may take place after the end of the reporting period.

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.

City of Ashland

Notes to Financial Statements

December 31, 2020

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

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

See Note 3 for further information.

The City has a formal minimum fund balance policy. That policy is to maintain a total fund balance (excluding nonspendable and restricted fund balances) in the General Fund equal to 30 percent of expenditures. The balance at year-end was \$3,406,382 or 36 percent of expenditures.

Basis for Existing Utility Rates

Current water rates were authorized by Public Service Commission order 250-WR-104 and were in effect for services rendered on or after November 28, 2016.

Current wastewater rates were approved by the City Council and were in effect for services rendered on or after May 24, 2017.

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.

2. Stewardship, Compliance and Accountability

Deficit Balances

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year-end. As of December 31, 2020, the following individual funds held a deficit balance:

Fund	Amount	Reason
TIF No. 9 Increment	\$ 680,229	Expenditures in excess of revenues
Hazardous Materials	5,312	Unavailable revenues related to current year expenditures
TIF No. 9 Development	898,718	Expenditures in excess of revenues
Land Sales and Acquisition	105,902	Expenditures in excess of revenues
Leisure and Recreation Improvements	136,527	Unavailable revenues related to current year expenditures

City of Ashland

Notes to Financial Statements

December 31, 2020

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. TIF No. 9 adopted a plan amendment in 2015 that designated the district as distressed under Wisconsin State Statute Section 66.1105(4e), with TIF No. 6 being the donor district for increment revenue sharing. This extended the life of TIF No. 9 by 10 years to 33 years after its creation date.

Deficits in the remaining funds are anticipated to be funded with future contributions, general tax revenues, grant reimbursements, or land sales.

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.

3. Detailed Notes on All Funds

Deposits and Investments

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

	<u>Carrying Value</u>	<u>Bank Balance</u>	<u>Associated Risks</u>
Demand and time deposits	\$ 20,471,785	<u>\$ 18,947,300</u>	Custodial credit risk
Cash on hand and petty cash	<u>1,175</u>		
Total cash and investments	<u>\$ 20,473,416</u>		
Reconciliation to financial statements:			
Per statement of net position:			
Unrestricted cash and investments	\$ 11,098,251		
Restricted cash and investments	5,401,392		
Per statement of fiduciary net position:			
Tax Collection Fund	<u>3,973,416</u>		
Total cash and investments	<u>\$ 20,473,059</u>		

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit amounts (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.

City of Ashland

Notes to Financial Statements

December 31, 2020

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

The City maintains collateral agreements with its banks. At December 31, 2020, the banks had pledged various government securities of approximately \$21,345,000 to secure the City's deposits.

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.

Receivables

All of the receivables on the balance sheet are expected to be collected within one year, except as follows:

General Fund	\$	50,201
Housing Rehab Revolving Loan Fund		1,525,021
Nonmajor Governmental Funds		200,634

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 receivables	\$ 4,782,657	\$ -
Other receivables	208	49,768
Grant receivables	34,380	483,185
Special assessments not yet due	-	40,794
Economic development and housing rehabilitation loans	-	1,710,789
	<u> </u>	<u> </u>
Total unearned/unavailable revenue for governmental funds	<u>\$ 4,817,245</u>	<u>\$ 2,284,536</u>

For economic development loans, the City is limited by the Wisconsin Department of Administration to the amount of program income from economic development loans it may retain and loan to other businesses. The City may retain \$750,000. Program income includes the principal and interest received from economic development loan repayments. The City did not exceed its maximum retention cap and therefore no payments were made to the Wisconsin Department of Administration during 2020. This program closed in the beginning of 2021.

City of Ashland

Notes to Financial Statements

December 31, 2020

Restricted Assets

The following represent the balances of the restricted assets.

Long-Term Debt Accounts

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

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

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

Equipment Replacement Account

The wastewater utility has established an equipment replacement account to be used for significant wastewater treatment 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.

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

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Restricted cash and investments:		
Redemption account	\$ -	\$ 329,449
Reserve account	-	259,221
Construction account	2,673,904	612,935
Equipment replacement account	-	1,525,883
Net pension asset	<u>1,552,522</u>	<u>149,973</u>
Total restricted assets	<u>\$ 4,226,426</u>	<u>\$ 2,877,461</u>

City of Ashland

Notes to Financial Statements

December 31, 2020

Capital Assets

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Construction in progress	\$ 1,209,221	\$ 3,553,167	\$ 1,041,597	\$ 3,720,791
Land	4,371,607	-	-	4,371,607
Right of way	191,464	-	-	191,464
Total capital assets, not being depreciated	<u>5,772,292</u>	<u>3,553,167</u>	<u>1,041,597</u>	<u>8,283,862</u>
Capital assets, being depreciated:				
Land improvements	6,970,511	1,075,957	-	8,046,468
Buildings	11,704,732	-	-	11,704,732
Machinery and equipment	8,194,918	149,942	199,973	8,144,887
Roads	35,506,717	727,696	98,901	36,135,512
Alleys	589,611	-	-	589,611
Bridges	313,693	-	-	313,693
Trails	1,597,073	-	-	1,597,073
Storm sewers	8,861,441	267,251	13,351	9,115,341
Sidewalks	5,654,908	159,101	51,042	5,762,967
Breakwater	13,900,000	-	-	13,900,000
Total capital assets, being depreciated	<u>93,293,604</u>	<u>2,379,947</u>	<u>363,267</u>	<u>95,310,284</u>
Less accumulated depreciation:				
Land improvements	1,393,699	178,057	-	1,571,756
Buildings	3,054,461	174,719	-	3,229,180
Machinery and equipment	5,503,788	423,224	180,550	5,746,462
Roads	10,579,160	689,275	71,351	11,197,084
Alleys	425,750	11,754	-	437,504
Bridges	117,226	6,274	-	123,500
Trails	521,040	39,927	-	560,967
Storm sewers	3,182,742	180,131	13,351	3,349,522
Sidewalks	2,483,505	142,085	17,595	2,607,995
Breakwater	173,750	139,000	-	312,750
Total accumulated depreciation	<u>27,435,121</u>	<u>1,984,446</u>	<u>282,847</u>	<u>29,136,720</u>
Total capital assets, being depreciated, net	<u>65,858,483</u>	<u>395,501</u>	<u>80,420</u>	<u>66,173,564</u>
Governmental activities capital assets, net	<u>\$ 71,630,775</u>	<u>\$ 3,948,668</u>	<u>\$ 1,122,017</u>	<u>\$ 74,457,426</u>

City of Ashland

Notes to Financial Statements

December 31, 2020

Depreciation expense was charged to functions as follows:

Governmental activities:	
General government	\$ 40,894
Public safety	281,656
Public works, which includes the depreciation of roads, storm sewers and sidewalks	1,400,629
Leisure activities	<u>261,268</u>
Total governmental activities depreciation expense	<u>\$ 1,984,446</u>

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Business-Type Activities:				
Water utility:				
Capital assets, not being depreciated:				
Construction in progress	\$ -	\$ 591,036	\$ 474,064	\$ 116,972
Land and land rights	<u>30,611</u>	<u>-</u>	<u>-</u>	<u>30,611</u>
Total capital assets, not being depreciated	<u>30,611</u>	<u>591,036</u>	<u>474,064</u>	<u>147,583</u>
Capital assets, being depreciated:				
Source of supply	88,116	-	-	88,116
Pumping	832,593	-	-	832,593
Treatment	2,648,489	-	-	2,648,489
Transmission and distribution	18,601,573	510,286	32,525	19,079,334
Administrative and general assets	<u>782,905</u>	<u>18,259</u>	<u>-</u>	<u>801,164</u>
Total capital assets, being depreciated	<u>22,953,676</u>	<u>528,545</u>	<u>32,525</u>	<u>23,449,696</u>
Total capital assets	<u>22,984,287</u>	<u>1,119,581</u>	<u>506,589</u>	<u>23,597,279</u>
Less accumulated depreciation:				
Source of supply	52,919	1,498	-	54,417
Pumping	652,465	32,172	-	684,637
Treatment	1,521,699	83,520	-	1,605,219
Transmission and distribution	5,143,975	337,219	32,525	5,448,669
Administrative and general assets	<u>592,437</u>	<u>45,458</u>	<u>-</u>	<u>637,895</u>
Total accumulated depreciation	<u>7,963,495</u>	<u>499,867</u>	<u>32,525</u>	<u>8,430,837</u>
Total capital assets, being depreciated, net	<u>14,990,181</u>	<u>28,678</u>	<u>-</u>	<u>15,018,859</u>
Total water utility capital assets, net	<u>\$ 15,020,792</u>	<u>\$ 619,714</u>	<u>\$ 474,064</u>	<u>\$ 15,166,442</u>

City of Ashland

Notes to Financial Statements
December 31, 2020

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Wastewater utility:				
Capital assets, not being depreciated:				
Construction in progress	\$ 242,724	\$ 856,704	\$ 328,268	\$ 771,160
Land and land rights	38,951	-	-	38,951
Total capital assets, not being depreciated	<u>281,675</u>	<u>856,704</u>	<u>328,268</u>	<u>810,111</u>
Capital assets, being depreciated:				
Collection system	13,285,562	34,357	-	13,319,919
Collection system pumping	3,665,421	22,850	-	3,688,271
Treatment and disposal	9,728,240	457,281	-	10,185,521
Administrative and general assets	<u>2,637,202</u>	<u>6,759</u>	<u>-</u>	<u>2,643,961</u>
Total capital assets, being depreciated	<u>29,316,425</u>	<u>521,247</u>	<u>-</u>	<u>29,837,672</u>
Total capital assets	<u>29,598,100</u>	<u>1,377,951</u>	<u>328,268</u>	<u>30,647,783</u>
Less accumulated depreciation	<u>17,118,053</u>	<u>823,695</u>	<u>-</u>	<u>17,941,748</u>
Total capital assets, being depreciated, net	<u>12,198,372</u>	<u>(302,448)</u>	<u>-</u>	<u>11,895,924</u>
Total wastewater utility capital assets, net	<u>\$ 12,480,047</u>	<u>\$ 554,256</u>	<u>\$ 328,268</u>	<u>\$ 12,706,035</u>

City of Ashland

Notes to Financial Statements

December 31, 2020

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Airport:				
Capital assets, not being depreciated:				
Construction in progress	\$ 5,096	\$ -	\$ -	\$ 5,096
Land and land rights	45,768	-	-	45,768
Total capital assets, not being depreciated	<u>50,864</u>	<u>-</u>	<u>-</u>	<u>50,864</u>
Capital assets, being depreciated:				
Land improvements	3,090,427	-	-	3,090,427
Buildings	574,074	-	-	574,074
Equipment	822,029	22,765	-	844,794
Total capital assets, being depreciated	<u>4,486,530</u>	<u>22,765</u>	<u>-</u>	<u>4,509,295</u>
Total capital assets	<u>4,537,394</u>	<u>22,765</u>	<u>-</u>	<u>4,560,159</u>
Less accumulated depreciation:				
Land improvements	1,392,139	118,865	-	1,511,004
Buildings	224,610	11,272	-	235,882
Equipment	769,642	7,640	-	777,282
Total accumulated depreciation	<u>2,386,391</u>	<u>137,777</u>	<u>-</u>	<u>2,524,168</u>
Total capital assets, being depreciated, net	<u>2,100,139</u>	<u>(115,012)</u>	<u>-</u>	<u>1,985,127</u>
Total airport capital assets, net	<u>\$ 2,151,003</u>	<u>\$ (115,012)</u>	<u>\$ -</u>	<u>\$ 2,035,991</u>

City of Ashland

Notes to Financial Statements

December 31, 2020

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Marina:				
Capital assets, not being depreciated:				
Construction in progress	\$ 408,580	\$ 57,742	\$ 273,060	\$ 193,262
Land and land rights	391,500	-	-	391,500
Total capital assets, not being depreciated	<u>800,080</u>	<u>57,742</u>	<u>273,060</u>	<u>584,762</u>
Capital assets, being depreciated:				
Land improvements	-	273,060	-	273,060
Buildings	972,695	-	-	972,695
Equipment	1,190,886	-	-	1,190,886
Total capital assets, being depreciated	<u>2,163,581</u>	<u>273,060</u>	<u>-</u>	<u>2,436,641</u>
Total capital assets	<u>2,963,661</u>	<u>330,802</u>	<u>273,060</u>	<u>3,021,403</u>
Less accumulated depreciation:				
Land improvements	-	2,731	-	2,731
Buildings	214,126	19,456	-	233,582
Equipment	571,964	51,817	-	623,781
Total accumulated depreciation	<u>786,090</u>	<u>74,004</u>	<u>-</u>	<u>860,094</u>
Total capital assets, being depreciated, net	<u>1,377,491</u>	<u>199,056</u>	<u>-</u>	<u>1,576,547</u>
Total marina capital assets, net	<u>\$ 2,177,571</u>	<u>\$ 256,798</u>	<u>\$ 273,060</u>	<u>\$ 2,161,309</u>
Business-type capital assets, net	<u>\$ 31,829,413</u>	<u>\$ 1,315,756</u>	<u>\$ 1,075,392</u>	<u>\$ 32,069,777</u>

Accumulated depreciation is not available by capital asset class for the wastewater utility.

Depreciation expense was charged to function as follows:

Business-type activities:

Water	\$ 479,658
Wastewater	842,337
Airport	137,777
Marina	<u>74,004</u>
Total business-type activities depreciation expense	<u>\$ 1,533,776</u>

City of Ashland

Notes to Financial Statements

December 31, 2020

Depreciation 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.

Receivable Fund	Payable Fund	Amount
General Fund	Home Improvement Program	\$ 55,162
General Fund	Leisure and Recreation Improvements	125,499
General Fund	Water Utility	400,184
Total fund financial statements		580,845
Less advances		(88,656)
Add interfund receivable created with internal service fund eliminations		32,145
Less fund and government-wide eliminations		(180,661)
Total internal balances for government-wide statement of net position		<u>\$ 343,673</u>
Governmental Activities	Business-Type Activities	\$ 432,329
Business-Type Activities	Governmental Activities	(88,656)
Total internal balances for government-wide statement of net position		<u>\$ 343,673</u>

All amounts are due within one year.

The purpose for the interfund between the General Fund and the Water Utility is the payment in lieu of taxes. The primary purpose of most of the interfunds is a negative balance in pooled cash. Other interfund balances resulted from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

Advances

The Water Utility advance to the Debt Service Fund is to repay the Water Utility for the City's portion of debt related to construction project costs. A repayment schedule has been established for this advance.

City of Ashland

Notes to Financial Statements
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No repayment schedule has been established for the remaining advances. Those advances are a result of a negative balance in pooled cash in those funds. TIF No. 9 Increment Fund is expected to repay \$463,566 of the advance within one year. The remaining balances are not expected to be repaid within one year.

The following is a schedule of interfund advances.

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	TIF No. 9 Increment	\$ 680,229
General Fund	TIF No. 9 Development	898,718
	Land Sales and	
General Fund	Acquisition	105,694
Water Utility	Debt Service Fund	<u>88,656</u>
	Total fund financial statements	1,773,297
	Less fund and government-wide eliminations	<u>(1,684,641)</u>
	Total advances for government-wide statement of net position	<u>\$ 88,656</u>

The repayment schedule for the Water Utility advance to the Debt Service Fund:

	<u>Principal</u>
2021	\$ 12,136
2022	12,308
2023	12,483
2024	12,660
2025	12,840
2026 - 2028	<u>26,229</u>
Total	<u>\$ 88,656</u>

City of Ashland

Notes to Financial Statements
December 31, 2020

Transfers

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>
General Fund	Water Utility	\$ 400,184
Vaughn Library	General Fund	322,320
Community Planning and Development	General Fund	14,000
Home Improvement Program	General Fund	5,000
Recycling	General Fund	80,475
Wetlands Mitigation	General Fund	13,649
Capital Equipment	General Fund	50,000
Street Improvements	General Fund	405,000
Landfill Improvement	General Fund	5,000
Airport	General Fund	45,000
Street Improvements	Buildings and Facilities	70,600
Debt Service Fund	TIF No. 10 Increment	75,473
TIF No. 9 Increment	TIF No. 6 Increment	331,293
TIF No.10 Development	TIF No. 10 Increment	9,808
Buildings and Facilities	General Fund	40,000
Capital Equipment	General Fund	15,000
Leisure and Recreation Improvements	Waterfront Development	20,375
Marina	Waterfront Development	47,560
Park Grounds	General Fund	10,000
Leisure and Recreation Improvements	General Fund	20,000
Total fund financial statements		1,980,737
Less fund and government-wide eliminations		<u>(1,673,113)</u>
Total government-wide statement of activities		<u>\$ 307,624</u>
Business-Type Activities	Governmental Activities	\$ 400,184
Governmental Activities	Business-Type Activities	<u>(92,560)</u>
Total transfers for government-wide statement of activities		<u>\$ 307,624</u>

City of Ashland

Notes to Financial Statements

December 31, 2020

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. In addition, the transfer from the water utility to the general fund is for a payment in lieu of taxes.

Long-Term Obligations

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities					
Bonds and notes payable:					
General obligation bonds payable	\$ 4,079,997	\$ -	\$ 320,000	\$ 3,759,997	\$ 320,000
General obligation notes payable	2,140,000	6,545,000	520,000	8,165,000	665,000
General obligation notes from direct borrowings and direct placements	<u>1,256,000</u>	<u>-</u>	<u>150,900</u>	<u>1,105,100</u>	<u>167,149</u>
Total bonds and notes payable	<u>7,475,997</u>	<u>6,545,000</u>	<u>990,900</u>	<u>13,030,097</u>	<u>1,152,149</u>
Other liabilities:					
Vested compensated absences	726,924	56,696	93,227	690,393	331,703
Other post-employment benefits	1,261,368	9,738	-	1,271,106	-
Landfill liability	828,163	-	9,037	819,126	-
Advance from developer	114,370	-	114,370	-	-
Net pension liability	<u>1,688,382</u>	<u>-</u>	<u>1,688,382</u>	<u>-</u>	<u>-</u>
Total other liabilities	<u>4,619,207</u>	<u>66,434</u>	<u>1,905,016</u>	<u>2,780,625</u>	<u>331,703</u>
Total governmental activities, long-term liabilities	<u>\$ 12,095,204</u>	<u>\$ 6,611,434</u>	<u>\$ 2,895,916</u>	<u>\$ 15,810,722</u>	<u>\$ 1,483,852</u>

City of Ashland

Notes to Financial Statements

December 31, 2020

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Business-Type Activities					
Bonds and notes payable:					
General obligation debt	\$ -	\$ 1,110,000	\$ -	\$ 1,110,000	\$ 101,000
Revenue bonds	5,769,700	-	195,846	5,573,854	202,502
Revenue bonds from direct borrowings and direct placements	1,166,605	-	213,921	952,685	78,980
	<u>6,936,305</u>	<u>1,110,000</u>	<u>409,767</u>	<u>7,636,539</u>	<u>382,482</u>
Total bonds and notes payable					
	<u>6,936,305</u>	<u>1,110,000</u>	<u>409,767</u>	<u>7,636,539</u>	<u>382,482</u>
Other liabilities:					
Vested compensated absences	120,642	31,173	1,814	150,001	77,828
Other post-employment benefits	274,541	222,018	-	496,559	-
Net pension liability	163,502	-	163,502	-	-
	<u>558,685</u>	<u>253,191</u>	<u>165,316</u>	<u>646,560</u>	<u>77,828</u>
Total other liabilities					
	<u>558,685</u>	<u>253,191</u>	<u>165,316</u>	<u>646,560</u>	<u>77,828</u>
Total business-type activities, long-term liabilities	<u>\$ 7,494,990</u>	<u>\$ 1,363,191</u>	<u>\$ 575,083</u>	<u>\$ 8,283,099</u>	<u>\$ 460,310</u>

General Obligation Debt

All general obligation notes and bonds payable are backed by the full faith and credit of the City. Notes and bonds in the governmental funds will be retired by future property tax levies accumulated by the debt service fund and by tax increments generated by the TIF districts. 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.

In accordance with Wisconsin Statutes, total general obligation indebtedness of the City may not exceed 5 percent of the equalized value of taxable property within the City's jurisdiction. The debt limit as of December 31, 2020, was \$23,352,600. Total general obligation debt outstanding at year-end was \$14,140,097.

General obligation debt payable for the City at December 31, 2020, consists of the following:

Governmental Activities General Obligation Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance, December 31, 2020
Note payable	2011	2021	0.60 - 2.30 %	\$ 985,000	\$ 110,000
Note payable*	2015	2025	2.59	890,000	597,000
Bond payable	2015	2035	2.00 - 3.25	4,470,000	3,759,997
Note payable	2017	2027	2.00 - 2.25	2,065,000	1,510,000
Note payable*	2018	2028	4.00	550,000	508,100
Note payable	2020	2030	1.91	6,545,000	6,545,000
					<u>\$ 13,030,097</u>
Total governmental activities, general obligation debt					<u>\$ 13,030,097</u>

* The debt noted is directly placed with a third party

City of Ashland

Notes to Financial Statements

December 31, 2020

Business-type Activities General Obligation Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance, December 31, 2020
Water Utility:					
Note payable	2020	2030	2.75 %	\$ 410,000	\$ 410,000
Marina:					
Note payable	2020	2030	2.27	700,000	<u>700,000</u>
Total governmental activities, general obligation debt					<u>\$ 1,110,000</u>

Debt service requirements to maturity are as follows:

	Governmental Activities			
	General Obligation Debt		General Obligation Notes From Direct Borrowings or Direct Placements	
	Principal	Interest	Principal	Interest
2021	\$ 167,149	\$ 35,786	\$ 985,000	\$ 266,915
2022	173,354	30,680	1,010,000	254,505
2023	178,649	25,381	1,015,000	231,647
2024	184,998	19,950	920,000	205,448
2025	191,515	14,247	940,000	182,154
2026 - 2030	209,435	16,981	5,935,000	635,310
2031 - 2035	-	-	1,119,997	106,094
Total	<u>\$ 1,105,100</u>	<u>\$ 143,025</u>	<u>\$ 11,924,997</u>	<u>\$ 1,882,073</u>
	Business-type Activities			
	General Obligation Debt			
	Principal	Interest		
2021	\$ 101,000	\$ 26,033		
2022	102,000	24,695		
2023	104,000	22,202		
2024	106,000	19,659		
2025	109,000	17,065		
2026 - 2030	588,000	43,866		
Total	<u>\$ 1,110,000</u>	<u>\$ 153,520</u>		

Revenue Debt

Revenue bonds are payable only from revenues derived from the operation of the water and wastewater utilities.

The water utility has pledged future water utility revenues, net of specified operating expenses, to repay water revenue bonds issued in 2008, 2009, 2016 and 2017. Proceeds from the bonds provided financing for the water utility. The bonds are payable solely from water utility revenues and are payable through 2056. Annual principal and interest payments on the water bonds are expected to require 23.3 percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$6,695,630. Principal and interest paid for the current year and total customer net revenues were \$468,672 and \$799,600, respectively.

City of Ashland

Notes to Financial Statements

December 31, 2020

The wastewater utility has pledged future wastewater utility revenues, net of specified operating expenses, to repay wastewater revenue bonds issued in 2014, 2016 and 2018. Proceeds from the bonds provided financing for the wastewater utility. The bonds are payable solely from wastewater utility revenues and are payable through 2058. Annual principal and interest payments on the wastewater bonds are expected to require 8.3 percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$1,868,319. Principal and interest paid for the current year and total customer net revenues were \$114,001 and \$589,492, respectively.

Revenue debt payable at December 31, 2020 consists of the following:

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance, December 31, 2020</u>
Water Utility:					
Revenue bonds*	2008	2027	1.420 %	\$ 442,199	\$ 176,831
Revenue bonds*	2009	2028	1.600	345,702	158,351
Revenue bonds	2016	2056	1.875	1,883,000	1,747,000
Revenue bonds	2017	2038	1.150 - 4.000	3,315,000	<u>2,940,000</u>
Total water utility					<u>5,022,182</u>
Wastewater Utility:					
Revenue bonds*	2014	2034	2.630	581,416	454,984
Revenue bonds*	2016	2036	1.960	193,550	162,519
Revenue bonds	2018	2058	2.750	960,000	<u>886,854</u>
Total wastewater utility					<u>1,504,357</u>
Total business-type activities, revenue debt					<u>\$ 6,526,539</u>

* The debt noted is directly placed with a third party

City of Ashland

Notes to Financial Statements

December 31, 2020

Debt service requirements to maturity are as follows:

	Business-Type Activities			
	Revenue Debt		Revenue Debt From Direct Borrowings and Direct Placements	
	Principal	Interest	Principal	Interest
2021	\$ 202,502	\$ 147,148	\$ 78,980	\$ 19,409
2022	204,269	143,163	80,512	17,862
2023	211,247	138,832	82,075	16,281
2024	213,137	134,138	83,671	14,669
2025	220,038	129,066	85,299	13,022
2026 - 2030	1,190,310	554,803	328,032	41,592
2031 - 2035	1,374,427	367,482	202,480	11,751
2036 - 2040	1,035,524	142,824	11,636	115
2041 - 2045	259,100	74,513	-	-
2046 - 2050	284,600	49,046	-	-
2051 - 2055	312,600	21,071	-	-
2056 - 2058	66,100	623	-	-
Total	<u>\$ 5,573,854</u>	<u>\$ 1,902,709</u>	<u>\$ 952,685</u>	<u>\$ 134,701</u>

Other Debt Information

Estimated payments of accumulated employee benefits are not included in the debt service requirement schedules. The vested compensated absences, and other post-employment benefits liabilities attributable to governmental activities will be liquidated primarily by the general fund.

The City's outstanding 2015 General Obligation notes from direct borrowings and/or direct placements related to governmental activities with a balance totaling \$597,000, contain provisions that in the event of default, the outstanding balance shall become immediately due and payable.

The City's outstanding 2018 State Trust Fund Loan from direct borrowings related to governmental activities of \$508,100 contains 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 2008 and 2009 Safe Drinking Water Loans and 2014 and 2016 Clean Water Fund Loans from direct borrowings and/or direct placements related to business-type activities with balances totaling \$952,752, contain provisions that amounts due may be deducted from any state payments due to the City, that the Wisconsin Department of Administration may add a special charge to the amount of taxes apportioned to and levied upon the county in which the city is located, that the state has the right to bill the users of the City's utility system directly, and that the state has the right to declare the entire principal balance immediately due and payable.

City of Ashland

Notes to Financial Statements

December 31, 2020

A statutory mortgage lien upon the water and wastewater utilities' systems 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 2016 and 2018 revenue bond issues. The utilities' systems and the earnings of the systems remain subject to the lien until payment in full of the principal and interest on the bonds. As provided for the resolutions creating various other bond issues, the utilities' earnings remain subject to a lien until a payment in full of the principal and interest on the bonds.

Closure and Postclosure Care Cost

State and federal laws and regulations require the City to place a final cover on its concrete and demolition disposal landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 40 years after closure. The \$819,126 reported as landfill closure and postclosure care liability at December 31, 2020, represents the cumulative amount reported to date based on the use of 100 percent of the estimated capacity of the landfill. The landfill was closed and capped in 2003. These amounts are based on what it would cost to perform all closure and postclosure care in 2020. Actual costs 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 make annual contributions to a trust to finance closure and postclosure care or to maintain an Irrevocable Letter of Credit for the present value of estimated long-term care costs for the landfill. The City is in compliance with these requirements. If additional postclosure care requirements are determined (due to changes in technology or applicable laws or regulations, for example) these costs may need to be covered by charges to future landfill users or from future tax revenue.

Net Position/Fund Balances

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

Governmental Activities

Net investment in capital assets:	
Construction in progress	\$ 3,720,791
Land	4,563,071
Other capital assets, net of accumulated depreciation	66,173,564
Less related long-term debt outstanding (excluding unspent capital related debt proceeds)	<u>(10,138,756)</u>
Total net investment in capital assets	<u>\$ 64,318,670</u>

City of Ashland

Notes to Financial Statements

December 31, 2020

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

Fund Balances	General Fund	Housing Rehab Revolving Loan	Building Facilities	Debt Service Fund	Nonmajor Funds	Totals
Nonspendable:						
Prepaid items and inventory	\$ 69,414	\$ -	\$ -	\$ -	\$ -	\$ 69,414
Delinquent taxes	2,038	-	-	-	-	2,038
Delinquent utilities included in due from other governments	23,784	-	-	-	-	23,784
Noncurrent advances to other funds	1,221,075	-	-	-	-	1,221,075
Restricted:						
Housing and economic development loans	-	266,302	-	-	649,094	915,396
Debt service	-	-	-	222,178	-	222,178
Library	-	-	-	-	310,428	310,428
Buildings and facilities	-	-	1,640,865	-	-	1,640,865
Police programs	-	-	-	-	34,358	34,358
NSP Breakwall	-	-	-	-	538,653	538,653
Beautification	-	-	-	-	7,282	7,282
Home improvement program	-	-	-	-	21,005	21,005
Wetland mitigation	-	-	-	-	700	700
TIF No. 10	-	-	-	-	14,068	14,068
Waterfront development	-	-	-	-	292,220	292,220
Street improvement	-	-	-	-	91,843	91,843
Capital equipment	-	-	-	-	650,533	650,533
Committed:						
Bretting Teen Center	-	-	-	-	47,358	47,358
Insured loss deductible	-	-	-	-	32,718	32,718
Planning and development	-	-	-	-	37,809	37,809
Assigned:						
Fund balance applied to subsequent year's budget	145,028	-	-	-	-	145,028
Recycling	-	-	-	-	5	5
Capital equipment	-	-	-	-	83,465	83,465
Public transportation	-	-	-	-	22,000	22,000
Buildings and facilities	-	-	587,284	-	-	587,284
Street improvements	-	-	-	-	1,192,668	1,192,668
Urban forestry	-	-	-	-	11,064	11,064
Park grounds improvements	-	-	-	-	235,932	235,932
Sidewalk improvements	-	-	-	-	32,229	32,229
Landfill improvement	-	-	-	-	48,613	48,613
Unassigned (deficit)	3,261,354	-	-	-	(1,826,688)	1,434,666
Total fund balances (deficit)	<u>\$ 4,722,693</u>	<u>\$ 266,302</u>	<u>\$ 2,228,149</u>	<u>\$ 222,178</u>	<u>\$ 2,527,357</u>	<u>\$ 9,966,679</u>

City of Ashland

Notes to Financial Statements

December 31, 2020

Business-Type Activities

Net investment in capital assets:	
Construction in progress	\$ 1,086,490
Land	506,830
Other capital assets, net of accumulated depreciation	30,476,457
Less related long-term debt outstanding (excluding unspent capital related debt proceeds)	<u>(7,140,590)</u>
Total net investment in capital assets	<u>\$ 24,929,187</u>

Component Unit - Ashland Ore Dock Charitable Trust

This report contains the Ashland Ore Dock Charitable Trust, which is included as a component unit. In addition to the basic financial statements and the preceding notes to financial statements which apply, the following additional disclosures are considered necessary for a fair presentation.

Summary of Significant Accounting Principles

Organization

The Ashland Ore Dock Charitable Trust (Trust) was established on May 13, 2014, and is a not-for-profit organization governed by the law of the State of Wisconsin. The purpose of the Trust is to provide funds to the City of Ashland to preserve the legacy of the Ore Dock and to develop the Ore Dock as a vibrant municipal asset to be used by the City and its residents for generations to come.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Support and Revenue

The Trust received its support primarily from a one-time donation made by Wisconsin Central, Ltd. These monies are being invested for use in future years by the Trust. Contributions are recognized when realizable, and are reported as either without donor restrictions or with donor restrictions.

Income Taxes and Uncertain Tax Positions

For tax purposes, the Trust has been given status as an organization exempt from income tax liability under Section 501(c)(3) of the Internal Revenue Code on May 20, 2015. While the Trust is generally exempt from income taxes, it is subject to taxes on unrelated trade or business income. For the year ended December 31, 2020, the Trust did not incur taxes for unrelated trade or business income. The Trust believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. The Trust's federal Form 990, Return of Organization Exempt from Income Tax, is subject to examination for three years after it is filed.

Deposits and Investments

The Trust deposits cash directly into savings and share accounts and certificates of deposit held in FDIC member banks and NCUA member credit unions. The cash and certificate of deposit balances are insured through the FDIC or NCUA up to an amount of \$250,000. As of December 31, 2020, the uninsured portion of this balance was \$1,585,278. Subsequent to year end, the Trust obtained a \$1,250,000 excess deposit insurance bond.

Liquid Resources

The Trust's working capital and cash flows vary each year as their main focus is to reimburse the City of Ashland for approved expenses on the Ashland Ore Dock renovation project. Timing of the requests are dependent on project workflow. Because of this, a large amount is kept in liquid assets. As of December 31, 2020, the Trust had \$1,529,556 of cash and other net financial assets available to meet cash needs for general expenses within one year.

Related Party Transactions

Costs for maintenance, betterment and operation of the Ore Dock are paid by the City of Ashland, after which the City requests reimbursement for such approved costs from the Trust. Amounts owed from the Trust to the City as of December 31, 2020 totaled \$9,057.

Upcoming Accounting Pronouncements

The Financial Accounting Standards Board (FASB) has approved ASU 2016-02, *Leases*. When this becomes effective, application of this standard may restate portions of these financial statements.

Subsequent Events

Management has evaluated subsequent events through August 24, 2021, the date on which the Trust financial statements were available to be issued. In regard to effects of the COVID-19 virus, the Trust's operations have not been significantly impacted. However, due to significant uncertainty surrounding the situation, management's judgement regarding this matter could change in the future. Any negative impact to the Trust's results of operation, cash flows and financial condition cannot be reasonably estimated at this time.

4. Other Information

Employees' Retirement System

Plan Description

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

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

Vesting

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

Benefits Provided

Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and executive service retirement participants, if hired on or before December 31, 2016) are entitled to retirement benefits 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 periods. 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 Ashland

Notes to Financial Statements

December 31, 2020

Post-Retirement Adjustments

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

	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
Year:		
2010	(1.3) %	22.0 %
2011	(1.2)	11.0
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)

Contributions

Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for General category employees and 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 \$547,480 in contributions from the City.

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

	<u>Employee</u>	<u>Employer</u>
Employee category:		
General (executives and elected officials)	6.55 %	6.55 %
Protective with Social Security	6.55	10.55
Protective without Social Security	6.55	14.95

City of Ashland

Notes to Financial Statements

December 31, 2020

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

At December 31, 2020, the City reported an asset of \$1,702,495 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2019, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2018 rolled forward to December 31, 2019. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2020, the City's proportion was .05279944 percent, which was an increase of .00074693 percent from its proportion measured as of December 31, 2019.

For the year ended December 31, 2020, the City recognized pension expense of \$686,853.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 3,231,724	\$ 1,617,261
Changes in actuarial assumptions	132,669	-
Net differences between projected and actual earnings on pension plan investments	-	3,480,505
Changes in proportion and differences between employer contributions and proportionate share of contributions	389	19,925
Employer contributions subsequent to the measurement date	<u>647,008</u>	<u>-</u>
Total	<u>\$ 4,011,790</u>	<u>\$ 5,117,691</u>

\$647,008 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 in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>Deferred Outflows of Resources and Deferred Inflows of Resources, Net</u>
Years ended December 31:	
2021	\$ (524,610)
2022	(388,738)
2023	56,428
2024	(895,989)

City of Ashland

Notes to Financial Statements
December 31, 2020

Actuarial Assumptions

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

Actuarial valuation date	December 31, 2018
Measurement date of net position liability (asset)	December 31, 2019
Actuarial cost method	Entry age normal
Asset valuation method	Fair value
Long-term expected rate of return	7.0%
Discount rate	7.0%
Salary increases:	
Inflation	3.0%
Seniority/merit	0.1% - 5.6%
Mortality	Wisconsin 2019 Mortality Table
Post-retirement adjustments*	1.9%

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

Actuarial assumptions are based upon an experience study conducted in 2019 that covered a three-year period from January 1, 2016 to December 31, 2018. Based on this experience study, actuarial assumptions used to measure the Total Pension Liability changed from prior year, including the discount rate, long-term expected rate of return, post-retirement adjustment, wage inflation rate, mortality and separation rates. The Total Pension Liability for December 31, 2019 is based upon a roll-forward of the liability calculated from the December 31, 2018 actuarial valuation.

City of Ashland

Notes to Financial Statements

December 31, 2020

Long-Term Expected Return on Plan Assets

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

	Current Asset Allocation Percent	Long-Term Expected Nominal Rate of Return Percent	Long-Term Expected Real Rate of Return Percent
Core Fund Asset Class:			
Global equities	49.0 %	8.0 %	5.1 %
Fixed income	24.5	4.9	2.1
Inflation sensitive assets	15.5	4.0	1.2
Real estate	9.0	6.3	3.5
Private equity/debt	8.0	10.6	7.6
Multi-asset	4.0	6.9	4.0
Total Core Fund	<u>110.0 %</u>	<u>7.5 %</u>	<u>4.6 %</u>
Variable Fund Asset Class:			
U.S. equities	70.0 %	7.5 %	4.6 %
International equities	30.0	8.2	5.3
Total Variable Fund	<u>100.0 %</u>	<u>7.8 %</u>	<u>4.9 %</u>

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.75 percent

Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations

Single Discount Rate

A single discount rate of 7.00 percent was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.00 percent and a long-term bond rate of 2.75 percent. Because of the unique structure of WRS, the 7.00 percent expected rate of return implies that a dividend of approximately 1.9 percent will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

City of Ashland

Notes to Financial Statements

December 31, 2020

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

	1% Decrease to Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase to Discount Rate (8.00%)
City's proportionate share of the net pension liability (asset)	\$ 4,384,228	\$ (1,702,495)	\$ (6,253,021)

Pension Plan Fiduciary Net Position

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

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

Risk Management

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

The City self-insures for the dental care of its employees. The maximum benefit per person per year is \$1,200, the maximum orthodontic benefit per dependent up to age 19 per lifetime is \$1,500, and the maximum oral surgery benefit per person per year is \$3,000.

Commitments and Contingencies

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

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

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

City of Ashland

Notes to Financial Statements

December 31, 2020

The City operated a state licensed sanitary landfill and demolition landfill on Woodbury Lane for approximately 20 years. Disposal operations ceased in 2002 and both landfills were closed and capped in 2003. As required by the Wis. DNR, the City maintains an Irrevocable Letter of Credit with a local bank for the present value of estimated Long Term Care Costs for the landfill. The long-term care obligation extends through year 2044. The City has letters of credit at a local bank of \$878,687, to be drawn upon for cleanup costs. No draws have been made on these letters of credit as of December 31, 2020.

The City has active construction projects as of December 31, 2020. Work that has been completed on these projects but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures. The City has open contracts of approximately \$2,286,000 at December 31, 2020 relating to various projects.

On April 13, 2015, the City through its Tax Incremental Financing District (TID) No. 9 entered into a tax abatement agreement with a developer in the form of a tax incremental financing incentive payment to stimulate economic development. The abatement is authorized through the TID project plan. The developer pays property taxes as they become due, and after meeting the criteria established in the development agreement, is entitled to a future incentive payment that directly correlates to the taxes paid. The incentive is calculated based on 90 percent of the tax increment revenue received up to \$197,380 and an achieved value of \$1.184 million. Incentive payments for the year ended December 31, 2020 were \$25,821.

Joint Ventures

The City of Ashland and surrounding communities jointly operate the Bay Area Rural Transit system which provides bus service. Summary financial information of the system was not available. The transactions of the system are not reflected in these financial statements.

Postemployment Benefits Other Than Pensions

General Information About the OPEB Plan

Plan Description and Benefits Provided

The City's other postemployment benefit (OPEB) plan provides group health insurance coverage for all active employees and retirees (or other qualified terminated employees) at blended premium rates, resulting in an implicit rate subsidy for all retirees with group health coverage.

Retirees or single eligible spouses are required to contribute for their coverage 100 percent of the total premium, with the following exceptions: police officers hired before January 1, 1987 or firefighters hired before January 1, 1986 receive free single medical and dental coverage until they are eligible for Medicare, disabled police officers, firefighters, and union City employees received free single medical and dental coverage until eligible for Medicare, and utility employees hired before January 1, 1997 with 20 years of service receive free family medical starting at age 65 for life. This results in an OPEB for the retirees who do not contribute 100 percent of the total premium for their coverage.

City of Ashland

Notes to Financial Statements

December 31, 2020

The City administers its single-employer defined benefit OPEB plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

The benefit terms are established through collective bargaining agreements and the City's employee handbook. Administrative costs of the plan are financed by the City.

Employees Covered by Benefit Terms

At December 31, 2020, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	22
Inactive plan members entitled to but not yet receiving benefit payments	1
Active plan members	<u>39</u>
	<u>62</u>

Total OPEB Liability

The City's total OPEB liability of \$1,767,665 was measured as of December 31, 2020, and was determined by an actuarial valuation as of January 1, 2020 with results actuarially projected on a "no gain / no loss" basis to get to the December 31, 2020 measurement date.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.0 percent
Payroll growth	3.0 percent plus merit/productivity increases based on WRS actuarial valuation as of December 31, 2019
Healthcare cost trend rates	7.5 percent for 2021, decreasing 0.5 percent per year to an ultimate rate of 4.5 percent for 2027 and later years

The discount rate was based on a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Mortality rates were based on the Pub-2010 General, Public Safety, Non-Safety Disabled Retiree, and Public Safety Disabled Retiree and Continuing Survivor Headcount-weighted Mortality Tables fully generational using scale MP-2019, as appropriate

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of the Wisconsin Retirement System actuarial valuation as of December 31, 2020.

City of Ashland

Notes to Financial Statements

December 31, 2020

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at December 31, 2019	\$ 1,535,909
Changes for the year:	
Service cost	48,355
Interest	50,186
Changes of benefit terms	-
Differences between expected and actual experience	97,380
Changes in assumptions or other inputs	126,193
Benefit payments	<u>(90,358)</u>
Net changes	<u>231,756</u>
Balance at December 31, 2020	<u>\$ 1,767,665</u>

Change in Assumptions

Assumptions related to the termination rate, retirement rate, disability rate and salary scale have been updated to follow the most recent Wisconsin Retirement System actuarial valuation as of December 31, 2020. The discount rate changed from 3.26 percent in 2019 to 2.12 percent in 2020.

The health care coverage election rate remained at 40% for all employees. Health care trend rates are currently decreasing .5 percent annually from an initial rate of 8.0 percent in 2019 to an ultimate rate of 4.5 percent for pre-65 benefits and 7.0 percent in 2019 to an ultimate rate of 3.5 percent for post-65 benefits. Dental trend rates were reset to an initial rate of 5.0 percent in 2019, decreasing by .5 percent annually to an ultimate rate of 3.0 percent.

The mortality tables were updated from RPH-2017 adjusted to 2006 total dataset fully generational using scale MP-2017 to the PUB-2010 amounts weighted mortality tables fully generational (various classifications) using scale MP-2019.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.12 percent) or 1-percentage-point higher (3.12 percent) than the current discount rate:

	<u>1% Decrease (1.12%)</u>	<u>Discount Rate (2.12%)</u>	<u>1% Increase (3.12%)</u>
Total OPEB liability	\$ 1,912,649	\$ 1,767,665	\$ 1,638,308

City of Ashland

Notes to Financial Statements

December 31, 2020

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.5 percent decreasing to 3.5 percent) or 1-percentage-point higher (8.5 percent decreasing to 5.5 percent) than the current healthcare cost trend rates:

	1% Decrease (6.5% Decreasing to 3.5%)	Healthcare Cost Trend Rates (7.5% Decreasing to 4.5%)	1% Increase (8.5% Decreasing to 5.5%)
Total OPEB liability	\$ 1,610,409	\$ 1,767,665	\$ 1,949,938

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB Note

For the year ended December 31, 2020, the City recognized OPEB expense of \$14,545. At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 85,207	\$ 371,230
Changes of assumptions or other inputs	126,597	328,267
Total	<u>\$ 211,804</u>	<u>\$ 699,497</u>

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

Years ending December 31:	
2021	\$ (83,996)
2022	(83,994)
2023	(92,084)
2024	(92,084)
2025	(92,086)
Thereafter	(43,449)

Related Organizations

The City's officials are responsible for appointing the board members of the Housing Authority of Ashland, 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. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus*
- Statement No. 93, *Replacement of Interbank Offered Rates*
- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*
- Statement No. 96, *Subscription-Based Information Technology Arrangements*
- Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*

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

Subsequent Event

Relief through the American Rescue Plan Act

The federal government passed the American Rescue Plan Act on March 11, 2021 to respond to the COVID-19 public health emergency and its negative economic impacts. Amounts were appropriated for fiscal year 2021 to units of local government to mitigate the fiscal effects stemming from the public health emergency. The City's award is \$820,915, which will be used to combat the negative effects of the public health emergency in the local economy. The City received 50% of the funds in June 2021, with the remaining expected a year later. The funds must be committed by December 31, 2024, with a deadline to expend funds by December 31, 2026.

REQUIRED SUPPLEMENTARY INFORMATION

City of AshlandBudgetary Comparison Schedule - General Fund
Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Taxes:				
General property tax for local purposes	\$ 2,776,476	\$ 2,776,476	\$ 2,776,863	\$ 387
Payments in lieu of taxes	32,000	32,000	40,356	8,356
Sales tax-city share	120	120	141	21
Mobile home taxes	24,000	24,000	24,060	60
Room tax	10,000	10,000	7,908	(2,092)
Interest on taxes	2,500	2,500	13,804	11,304
Total taxes	2,845,096	2,845,096	2,863,132	18,036
Intergovernmental:				
Shared taxes from state	3,771,532	3,771,532	3,749,300	(22,232)
State aid, computer aid	28,627	28,627	33,137	4,510
State aid, highways	73,907	73,907	73,907	-
State aid, local streets	598,513	598,513	598,513	-
State aid, other public safety	34,000	34,000	57,568	23,568
Protection services	12,500	12,500	12,386	(114)
State aid, fire insurance tax	20,000	20,000	21,057	1,057
Expenditure restraint	115,497	115,497	115,497	-
Federal grants	-	-	34,562	34,562
Other local government grants	250	250	3,776	3,526
Total intergovernmental	4,654,826	4,654,826	4,699,703	44,877
Licenses and permits:				
Liquor and malt beverage licenses	31,400	31,400	23,160	(8,240)
Nonbusiness licenses	10	10	7	(3)
Cable franchise fee	81,673	81,673	84,163	2,490
Building permits	45,000	45,000	57,024	12,024
Zoning permits	8,845	8,845	2,750	(6,095)
Total licenses and permits	166,928	166,928	167,104	176
Fines, forfeitures and penalties:				
Court penalties and costs	25,000	25,000	18,882	(6,118)
Total fines, forfeitures and penalties	25,000	25,000	18,882	(6,118)

See notes to required supplementary information

City of Ashland

Budgetary Comparison Schedule - General Fund
Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Public charges for services:				
General government fees	\$ 9,000	\$ 9,000	\$ 10,584	\$ 1,584
Police department fees	3,500	3,500	4,998	1,498
Fire department fees	1,000	1,000	-	(1,000)
Ambulance fees	1,069,000	1,069,000	901,148	(167,852)
Ambulance protection fees	13,400	13,400	6,904	(6,496)
Other public safety fees	5,800	5,800	150	(5,650)
Public works fees	54,400	54,400	67,413	13,013
Fuel tax refund	3,500	3,500	3,415	(85)
Parking revenues	14,500	14,500	7,343	(7,157)
Refuse and garbage fees	369,100	369,100	368,448	(652)
Animal control	2,500	2,500	2,368	(132)
Park fees	136,000	136,000	109,834	(26,166)
Weed and nuisance control	-	-	4,658	4,658
Leisure programs	85,000	85,000	32,261	(52,739)
Total public charges for services	<u>1,766,700</u>	<u>1,766,700</u>	<u>1,519,524</u>	<u>(247,176)</u>
Intergovernmental charges for services:				
Liaison officer	75,000	75,000	46,079	(28,921)
Fire yearly fees	170,600	170,600	136,387	(34,213)
Ambulance yearly fees	233,475	233,475	233,477	2
County GIS reimbursement	-	-	1,650	1,650
Airport fees	8,000	8,000	8,000	-
Attorney reimbursement from water utility	5,000	5,000	-	(5,000)
Utility cost sharing	235,620	235,620	234,094	(1,526)
Charges to library	42,500	42,500	42,455	(45)
Total intergovernmental charges for services	<u>770,195</u>	<u>770,195</u>	<u>702,142</u>	<u>(68,053)</u>
Investment income:				
Interest on temporary investments	40,000	40,000	22,504	(17,496)
Total investment income	<u>40,000</u>	<u>40,000</u>	<u>22,504</u>	<u>(17,496)</u>
Miscellaneous:				
Rent/lease	30,000	30,000	20,632	(9,368)
Insurance dividends	30,000	30,000	42,107	12,107
Donations	1,000	1,000	2,051	1,051
Insurance workman's compensation	2,000	2,000	10,940	8,940
Other miscellaneous revenue	320	320	6,383	6,063
Total miscellaneous	<u>63,320</u>	<u>63,320</u>	<u>82,113</u>	<u>18,793</u>
Total revenues	<u>10,332,065</u>	<u>10,332,065</u>	<u>10,075,104</u>	<u>(256,961)</u>

See notes to required supplementary information

City of Ashland

Budgetary Comparison Schedule - General Fund
Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Expenditures				
General government:				
Council	\$ 66,400	\$ 66,400	\$ 36,385	\$ 30,015
Police/fire commission	5,300	7,655	7,652	3
Mayor	30,740	30,740	24,956	5,784
Administrator	136,175	136,225	136,222	3
Clerk:				
Legislative support	98,640	98,640	96,826	1,814
Elections	107,765	78,241	63,136	15,105
Personnel, labor relations	140,120	207,120	208,341	(1,221)
Data processing	282,320	282,320	267,328	14,992
Other city hall	124,230	124,230	111,094	13,136
Financial administration, finance department	419,165	422,910	422,909	1
Assessment of property	62,650	62,650	62,463	187
Legal	70,000	70,000	55,506	14,494
Municipal buildings	457,951	397,951	394,742	3,209
Uncollectible taxes/special assessment refunds	2,500	2,500	1,307	1,193
Property and liability insurance	128,600	111,700	104,878	6,822
	<u>2,132,556</u>	<u>2,099,282</u>	<u>1,993,745</u>	<u>105,537</u>
Total general government				
Public safety:				
Police	2,111,480	2,111,480	2,111,041	439
Ambulance and fire	2,827,850	2,760,450	2,510,176	250,274
Hydrant rental	19,200	19,200	19,141	59
Building inspection	103,450	114,600	114,596	4
Weights and measures	5,600	5,600	5,600	-
	<u>5,067,580</u>	<u>5,011,330</u>	<u>4,760,554</u>	<u>250,776</u>
Total public safety				
Public works:				
Administration	213,846	190,346	190,346	-
Road maintenance	969,854	926,400	926,400	-
Street lighting	161,702	150,278	150,278	-
Sidewalk maintenance	20,308	3,906	3,906	-
Storm sewers	101,893	79,834	79,834	-
Parking facilities	2,915	1,143	1,143	-
Bay Area Transit	30,000	30,000	30,000	-
GIS and engineering	181,384	110,995	110,103	892
Garbage and refuse collection	336,560	336,560	334,096	2,464
Landfill	40,332	40,332	36,941	3,391
	<u>2,058,794</u>	<u>1,869,794</u>	<u>1,863,047</u>	<u>6,747</u>
Total public works				

See notes to required supplementary information

City of AshlandBudgetary Comparison Schedule - General Fund
Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Health and human services:				
Animal control	\$ 86,930	\$ 86,930	\$ 83,091	\$ 3,839
Mount Hope cemetery	61,000	61,000	61,000	-
Other health and human services	1,600	1,600	1,600	-
Total health and human services	149,530	149,530	145,691	3,839
Leisure activities:				
Museum	10,000	10,000	10,000	-
Parks	221,105	195,105	172,045	23,060
Leisure services	301,440	301,440	291,758	9,682
Municipal band	4,950	4,200	-	4,200
Community events	14,950	15,700	15,700	-
Total leisure activities	552,445	526,445	489,503	36,942
Conservation and development:				
Historic preservation	600	600	120	480
Superior days	50,500	50,500	50,000	500
Community development	136,090	136,090	133,327	2,763
Total conservation and development	187,190	187,190	183,447	3,743
Total expenditures	10,148,095	9,843,571	9,435,987	407,584
Excess of revenues over expenditures	183,970	488,494	639,117	150,623
Other Financing Sources (Uses)				
Transfers in	536,950	536,950	400,184	(136,766)
Transfers out	(720,920)	(1,025,444)	(1,025,444)	-
Total other financing sources (uses)	(183,970)	(488,494)	(625,260)	(136,766)
Net change in fund balance	\$ -	\$ -	13,857	\$ 13,857
Fund Balance, Beginning			4,708,836	
Fund Balance, Ending			<u>\$ 4,722,693</u>	

See notes to required supplementary information

City of Ashland

Budgetary Comparison Schedule - Special Revenue Fund - Housing Rehab Revolving Loan Fund
Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Investment income	\$ -	\$ -	\$ 88	\$ 88
Miscellaneous	<u>50,000</u>	<u>92,926</u>	<u>92,837</u>	<u>(89)</u>
Total revenues	<u>50,000</u>	<u>92,926</u>	<u>92,925</u>	<u>(1)</u>
Expenditures				
Current:				
Conservation and development	<u>120,000</u>	<u>23,140</u>	<u>23,139</u>	<u>1</u>
Total expenditures	<u>120,000</u>	<u>23,140</u>	<u>23,139</u>	<u>1</u>
Net change in fund balance	<u>\$ (70,000)</u>	<u>\$ 69,786</u>	<u>69,786</u>	<u>\$ -</u>
Fund Balance, Beginning			<u>196,516</u>	
Fund Balance, Ending			<u>\$ 266,302</u>	

See notes to required supplementary information

City of Ashland**Schedule of Changes in Total OPEB Liability and Related Ratios**
Year Ended December 31, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability				
Service cost	\$ 48,355	\$ 140,668	\$ 150,703	\$ 139,541
Interest	50,186	94,923	85,119	85,273
Differences between expected and actual experience	97,380	(445,107)	(59,839)	-
Changes of assumptions	126,193	(349,606)	(105,699)	48,530
Benefit payments	<u>(90,358)</u>	<u>(146,257)</u>	<u>(137,344)</u>	<u>(126,004)</u>
Net change in total OPEB liability	231,756	(705,379)	(67,060)	147,340
Total OPEB Liability, Beginning	<u>1,535,909</u>	<u>2,241,288</u>	<u>2,308,348</u>	<u>2,161,008</u>
Total OPEB Liability, Ending	<u>\$ 1,767,665</u>	<u>\$ 1,535,909</u>	<u>\$ 2,241,288</u>	<u>\$ 2,308,348</u>
Covered-Employee Payroll	\$ 2,297,650	\$ 2,230,728	\$ 5,124,538	\$ 4,975,280
Total OPEB Liability As A Percentage Of Covered-Employee Payroll	76.93%	68.85%	43.74%	46.40%

See notes to required supplementary information

City of Ashland

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

Wisconsin Retirement System (WRS)

Year Ended December 31, 2020

WRS Fiscal Year End Date (Measurement Date)	City's Proportion of the Net Pension Liability/(Asset)	City's Proportionate Share of the Net Pension Liability/(Asset)	City's Covered Payroll	City's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/19	0.05279944 %	\$ (1,702,495)	\$ 5,627,783	30.25 %	102.96 %
12/31/18	0.05205305 %	1,851,884	5,477,661	33.81 %	96.45 %
12/31/17	0.05058435 %	(1,501,909)	5,435,264	27.63 %	102.93 %
12/31/16	0.04893186 %	403,315	5,287,897	7.63 %	99.12 %
12/31/15	0.04770946 %	775,269	5,222,200	14.85 %	98.20 %
12/31/14	0.04797177 %	(1,178,315)	5,094,425	23.13 %	102.74 %

Schedule of Employer Contributions

Wisconsin Retirement System (WRS)

Year Ended December 31, 2020

City Year End Date	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/20	\$ 647,008	\$ 647,008	\$ -	\$ 5,704,185	11.34 %
12/31/19	621,865	621,865	-	5,626,103	11.05 %
12/31/18	567,882	567,882	-	5,477,661	10.37 %
12/31/17	562,334	562,334	-	5,435,264	10.35 %
12/31/16	479,733	479,733	-	5,287,897	9.07 %
12/31/15	466,331	466,331	-	5,222,200	8.93 %

See notes to required supplementary information

City of Ashland

Notes to Required Supplementary Information
December 31, 2020

1. Budgetary Information

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

The budgeted amounts presented include any amendments made. The City administrator may authorize transfers of budgeted amounts within departments. Transfers between departments may be authorized by resolution by the City Council and a public hearing must be held to increase the total appropriations of any governmental fund type.

Appropriations lapse at year-end unless specifically carried over. Budgets are adopted at the department level of expenditure for the general fund and the enterprise funds. The debt service fund budget is adopted at the function level. Budgets are adopted at the fund level for special revenue funds, capital projects funds, and the internal service fund.

2. Wisconsin Retirement System

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

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

Changes in Benefit Terms

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

Changes in Assumptions

There were no changes of actuarial assumptions for any participating employer in the Wisconsin Retirement System.

3. Other Post-Employment Benefit (OPEB) Plan

The City implemented GASB Statement No. 75 in fiscal year 2017. Information prior to fiscal year 2017 is not available.

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

Accumulation of Assets

No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement No. 75.

Changes in Benefit Terms and Assumptions

There were no changes in the benefit terms. Assumptions related to the termination rate, retirement rate, disability rate and salary scale have been updated to follow the most recent Wisconsin Retirement System actuarial valuation as of December 31, 2020. The discount rate changed from 3.26 percent in 2019 to 2.12 percent in 2020.

The health care coverage election rate remained at 40 percent for all employees in 2020. Health care trend rates have changed from an initial rate of 8.0 percent in 2019 decreasing by .5 percent annually to an ultimate rate of 4.5 percent for pre-65 benefits and an initial rate of 7.0 percent in 2019 decreasing by .5 percent annually to an ultimate rate of 3.5 percent for post-65 benefits. Dental trend rates have changed from an initial rate of 5.0 percent in 2019 decreasing by .5 percent annually to an ultimate rate of 3.0 percent.

The mortality tables were updated from RPH-2017 adjusted to 2006 total dataset fully generational using scale MP-2017 to the PUB-2010 amounts weighted mortality tables fully generational (various classifications) using scale MP-2019.

SUPPLEMENTARY INFORMATION

City of Ashland

Combining Balance Sheet - Nonmajor Governmental Funds

December 31, 2020

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Funds
Assets			
Cash and investments	\$ 1,729,339	\$ 2,095,313	\$ 3,824,652
Restricted assets, construction account	-	767,189	767,189
Taxes receivable	601,597	3,090	604,687
Accounts receivable	507	35,048	35,555
Notes receivable, net	185,767	-	185,767
Special assessments receivable	-	40,964	40,964
Due from other governments	98,060	369,367	467,427
	<u>2,615,270</u>	<u>3,310,971</u>	<u>5,926,241</u>
Total assets	<u>\$ 2,615,270</u>	<u>\$ 3,310,971</u>	<u>\$ 5,926,241</u>
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities			
Accounts payable	\$ 30,596	\$ 245,954	\$ 276,550
Accrued liabilities	15,152	-	15,152
Due to other funds	55,162	125,499	180,661
Advances from other funds	680,229	1,004,412	1,684,641
	<u>781,139</u>	<u>1,375,865</u>	<u>2,157,004</u>
Total liabilities	<u>781,139</u>	<u>1,375,865</u>	<u>2,157,004</u>
Deferred Inflows of Resources			
Unearned revenues	635,977	3,792	639,769
Unavailable revenues	190,217	411,894	602,111
	<u>826,194</u>	<u>415,686</u>	<u>1,241,880</u>
Total deferred inflows of resources	<u>826,194</u>	<u>415,686</u>	<u>1,241,880</u>
Fund Balances			
Restricted	1,575,588	1,034,596	2,610,184
Committed	117,885	-	117,885
Assigned	5	1,625,971	1,625,976
Unassigned (deficit)	(685,541)	(1,141,147)	(1,826,688)
	<u>1,007,937</u>	<u>1,519,420</u>	<u>2,527,357</u>
Total fund balances	<u>1,007,937</u>	<u>1,519,420</u>	<u>2,527,357</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,615,270</u>	<u>\$ 3,310,971</u>	<u>\$ 5,926,241</u>

City of Ashland

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

Year Ended December 31, 2020

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues			
Taxes	\$ 654,588	\$ 110,326	\$ 764,914
Intergovernmental	566,074	54,071	620,145
Public charges for services	4,001	3,500	7,501
Special assessments	-	8,321	8,321
Investment income	13,682	4,444	18,126
Miscellaneous	232,723	208,983	441,706
	<u>1,471,068</u>	<u>389,645</u>	<u>1,860,713</u>
Total revenues			
Expenditures			
Current:			
General government	15,978	-	15,978
Public safety	27,034	53,931	80,965
Public works	137,020	136,086	273,106
Health and human services	76,288	-	76,288
Leisure activities	495,616	163,063	658,679
Conservation and development	169,068	29,234	198,302
Capital outlay	28,473	1,441,872	1,470,345
Debt Service:			
Principal	-	114,370	114,370
Interest and fiscal charges	-	21,703	21,703
	<u>949,477</u>	<u>1,960,259</u>	<u>2,909,736</u>
Total expenditures			
Excess (deficiency) of revenues over expenditures	<u>521,591</u>	<u>(1,570,614)</u>	<u>(1,049,023)</u>
Other Financing Sources (Uses)			
Long-term debt issued	-	1,785,000	1,785,000
Transfers in	766,737	605,783	1,372,520
Transfers out	(416,574)	(67,935)	(484,509)
Proceeds from sale of capital assets	-	26,472	26,472
	<u>350,163</u>	<u>2,349,320</u>	<u>2,699,483</u>
Total other financing sources (uses)			
Net change in fund balances	871,754	778,706	1,650,460
Fund Balances, Beginning	<u>136,183</u>	<u>740,714</u>	<u>876,897</u>
Fund Balances, Ending	<u>\$ 1,007,937</u>	<u>\$ 1,519,420</u>	<u>\$ 2,527,357</u>

City of Ashland

Combining Balance Sheet - Nonmajor Special Revenue Funds

December 31, 2020

	<u>Recycling</u>	<u>Economic Development Revolving Loan</u>	<u>Library Grants and Special Revenue</u>	<u>TIF No. 6 Increment</u>	<u>TIF No. 9 Increment</u>	<u>TIF No. 10 Increment</u>	<u>Community Planning and Development</u>	<u>NSP Breakwall</u>	<u>Evidence Funds</u>
Assets									
Cash and investments	\$ 11,455	\$ 649,362	\$ 201,599	\$ -	\$ -	\$ 14,068	\$ 38,723	\$ 538,653	\$ 34,449
Taxes receivable	-	-	-	291,744	211,142	98,711	-	-	-
Accounts receivable	-	-	144	-	-	-	-	-	-
Notes receivable, net	-	185,767	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	8,730	-	-
Total assets	\$ 11,455	\$ 835,129	\$ 201,743	\$ 291,744	\$ 211,142	\$ 112,779	\$ 47,453	\$ 538,653	\$ 34,449
Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)									
Liabilities									
Accounts payable	\$ 11,450	\$ 267	\$ 556	\$ -	\$ -	\$ -	\$ 5,195	\$ -	\$ 91
Accrued liabilities	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-
Advances from other funds	-	-	-	-	680,229	-	-	-	-
Total liabilities	11,450	267	556	-	680,229	-	5,195	-	91
Deferred Inflows of Resources									
Unearned revenues	-	-	-	291,744	211,142	98,711	-	-	-
Unavailable revenues	-	185,768	-	-	-	-	4,449	-	-
Total deferred inflows of resources	-	185,768	-	291,744	211,142	98,711	4,449	-	-
Fund Balances (Deficit)									
Restricted	-	649,094	201,187	-	-	14,068	-	538,653	34,358
Committed	-	-	-	-	-	-	37,809	-	-
Assigned	5	-	-	-	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	(680,229)	-	-	-	-
Total fund balances (deficit)	5	649,094	201,187	-	(680,229)	14,068	37,809	538,653	34,358
Total liabilities, deferred inflows of resources and fund balances (deficit)	\$ 11,455	\$ 835,129	\$ 201,743	\$ 291,744	\$ 211,142	\$ 112,779	\$ 47,453	\$ 538,653	\$ 34,449

City of Ashland

Combining Balance Sheet - Nonmajor Special Revenue Funds

December 31, 2020

	Bretting Teen Center	Beautification	Wetlands Mitigation	Vaughn Library	Insured Loss Deductible	Hazardous Materials	Home Improvement Program	Total Nonmajor Special Revenue Funds
Assets								
Cash and investments	\$ 47,058	\$ 7,285	\$ 9,648	\$ 120,773	\$ 32,718	\$ 23,548	\$ -	\$ 1,729,339
Taxes receivable	-	-	-	-	-	-	-	601,597
Accounts receivable	300	-	-	63	-	-	-	507
Notes receivable, net	-	-	-	-	-	-	-	185,767
Due from other governments	-	-	-	-	-	13,111	76,219	98,060
Total assets	<u>\$ 47,358</u>	<u>\$ 7,285</u>	<u>\$ 9,648</u>	<u>\$ 120,836</u>	<u>\$ 32,718</u>	<u>\$ 36,659</u>	<u>\$ 76,219</u>	<u>\$ 2,615,270</u>
Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)								
Liabilities								
Accounts payable	\$ -	\$ -	\$ 8,948	\$ 3,803	\$ -	\$ 234	\$ 52	\$ 30,596
Accrued liabilities	-	3	-	7,792	-	7,357	-	15,152
Due to other funds	-	-	-	-	-	-	55,162	55,162
Advances from other funds	-	-	-	-	-	-	-	680,229
Total liabilities	<u>-</u>	<u>3</u>	<u>8,948</u>	<u>11,595</u>	<u>-</u>	<u>7,591</u>	<u>55,214</u>	<u>781,139</u>
Deferred Inflows of Resources								
Unearned revenues	-	-	-	-	-	34,380	-	635,977
Unavailable revenues	-	-	-	-	-	-	-	190,217
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,380</u>	<u>-</u>	<u>826,194</u>
Fund Balances (Deficit)								
Restricted	-	7,282	700	109,241	-	-	21,005	1,575,588
Committed	47,358	-	-	-	32,718	-	-	117,885
Assigned	-	-	-	-	-	-	-	5
Unassigned (deficit)	-	-	-	-	-	(5,312)	-	(685,541)
Total fund balances (deficit)	<u>47,358</u>	<u>7,282</u>	<u>700</u>	<u>109,241</u>	<u>32,718</u>	<u>(5,312)</u>	<u>21,005</u>	<u>1,007,937</u>
Total liabilities, deferred inflows of resources and fund balances (deficit)	<u>\$ 47,358</u>	<u>\$ 7,285</u>	<u>\$ 9,648</u>	<u>\$ 120,836</u>	<u>\$ 32,718</u>	<u>\$ 36,659</u>	<u>\$ 76,219</u>	<u>\$ 2,615,270</u>

City of Ashland

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

Year Ended December 31, 2020

	Recycling	Economic Development Revolving Loan	Library Grants & Special Revenue	TIF No. 6 Increment	TIF No. 9 Increment	TIF No. 10 Increment	Community Planning & Development	NSP Breakwall	Evidence Funds
Revenues									
Taxes	\$ -	\$ -	\$ -	\$ 321,836	\$ 233,444	\$ 99,308	\$ -	\$ -	\$ -
Intergovernmental	56,546	-	-	9,195	2,707	-	111,839	-	20,332
Public charges for services	-	-	2,882	-	-	-	-	-	-
Investment income	-	10,404	794	413	-	41	-	1,366	-
Miscellaneous	-	151,052	26,700	-	-	-	8,100	-	6,916
Total revenues	56,546	161,456	30,376	331,444	236,151	99,349	119,939	1,366	27,248
Expenditures									
Current:									
General government	-	-	-	151	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	8,366
Public works	137,020	-	-	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-	-	-	-
Leisure activities	-	-	18,365	-	-	-	-	-	-
Conservation and development	-	2,268	-	-	3,065	-	151,149	-	-
Capital outlay	-	-	-	-	-	-	-	-	15,098
Total expenditures	137,020	2,268	18,365	151	3,065	-	151,149	-	23,464
Excess (deficiency) of revenues over expenditures	(80,474)	159,188	12,011	331,293	233,086	99,349	(31,210)	1,366	3,784
Other Financing Sources (Uses)									
Transfers in	80,475	-	-	-	331,293	-	14,000	-	-
Transfers out	-	-	-	(331,293)	-	(85,281)	-	-	-
Total other financing sources (uses)	80,475	-	-	(331,293)	331,293	(85,281)	14,000	-	-
Net change in fund balances	1	159,188	12,011	-	564,379	14,068	(17,210)	1,366	3,784
Fund Balances (Deficit), Beginning	4	489,906	189,176	-	(1,244,608)	-	55,019	537,287	30,574
Fund Balances (Deficit), Ending	\$ 5	\$ 649,094	\$ 201,187	\$ -	\$ (680,229)	\$ 14,068	\$ 37,809	\$ 538,653	\$ 34,358

City of Ashland

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

Year Ended December 31, 2020

	Bretting Teen Center	Beautification	Wetlands Mitigation	Vaughn Library	Insured Loss Deductible	Hazardous Materials	Home Improvement Program	Total Nonmajor Special Revenue Funds
Revenues								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 654,588
Intergovernmental	-	-	-	156,368	-	26,553	182,534	566,074
Public charges for services	226	-	-	893	-	-	-	4,001
Investment income	113	-	-	551	-	-	-	13,682
Miscellaneous	8,350	2,121	-	118	29,120	178	68	232,723
Total revenues	8,689	2,121	-	157,930	29,120	26,731	182,602	1,471,068
Expenditures								
Current:								
General government	-	-	-	-	15,827	-	-	15,978
Public safety	-	-	-	-	-	18,668	-	27,034
Public works	-	-	-	-	-	-	-	137,020
Health and human services	-	-	-	-	-	-	76,288	76,288
Leisure activities	6,190	7,063	-	463,998	-	-	-	495,616
Conservation and development	-	-	12,448	-	-	-	138	169,068
Capital outlay	-	-	-	-	-	13,375	-	28,473
Total expenditures	6,190	7,063	12,448	463,998	15,827	32,043	76,426	949,477
Excess (deficiency) of revenues over expenditures	2,499	(4,942)	(12,448)	(306,068)	13,293	(5,312)	106,176	521,591
Other Financing Sources (Uses)								
Transfers in	-	-	13,649	322,320	-	-	5,000	766,737
Transfers out	-	-	-	-	-	-	-	(416,574)
Total other financing sources (uses)	-	-	13,649	322,320	-	-	5,000	350,163
Net change in fund balances	2,499	(4,942)	1,201	16,252	13,293	(5,312)	111,176	871,754
Fund Balances (Deficit), Beginning	44,859	12,224	(501)	92,989	19,425	-	(90,171)	136,183
Fund Balances (Deficit), Ending	\$ 47,358	\$ 7,282	\$ 700	\$ 109,241	\$ 32,718	\$ (5,312)	\$ 21,005	\$ 1,007,937

City of Ashland

Combining Balance Sheet - Nonmajor Capital Projects Funds
December 31, 2020

	<u>Street Improvements</u>	<u>TIF #9 Development</u>	<u>TIF #10 Development</u>	<u>Public Transportation</u>	<u>Waterfront Development</u>	<u>Capital Equipment</u>
Assets						
Cash and investments	\$ 1,201,817	\$ -	\$ -	\$ 22,000	\$ 288,158	\$ 255,176
Restricted assets, construction account	116,656	-	-	-	-	650,533
Taxes receivable	-	-	-	-	-	-
Accounts receivable	-	-	-	-	4,062	21,929
Special assessments receivable	-	-	-	-	-	-
Due from other governments	22,423	-	-	-	-	193,353
	<u>1,340,896</u>	<u>-</u>	<u>-</u>	<u>22,000</u>	<u>292,220</u>	<u>1,120,991</u>
Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)						
Liabilities						
Accounts payable	\$ 37,721	\$ -	\$ -	\$ -	\$ -	\$ 197,205
Due to other funds	-	-	-	-	-	-
Advances from other funds	-	898,718	-	-	-	-
	<u>37,721</u>	<u>898,718</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>197,205</u>
Deferred Inflows of Resources						
Unearned revenues	-	-	-	-	-	-
Unavailable revenues	18,664	-	-	-	-	189,788
	<u>18,664</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>189,788</u>
Fund Balances (Deficit)						
Restricted	91,843	-	-	-	292,220	650,533
Assigned	1,192,668	-	-	22,000	-	83,465
Unassigned (deficit)	-	(898,718)	-	-	-	-
	<u>1,284,511</u>	<u>(898,718)</u>	<u>-</u>	<u>22,000</u>	<u>292,220</u>	<u>733,998</u>
Total liabilities, deferred inflows of resources and fund balances (deficit)	<u>\$ 1,340,896</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,000</u>	<u>\$ 292,220</u>	<u>\$ 1,120,991</u>

City of Ashland

Combining Balance Sheet - Nonmajor Capital Projects Funds
December 31, 2020

	<u>Park Grounds Improvements</u>	<u>Land Sales & Acquisition</u>	<u>Capital Sidewalk Improvements</u>	<u>Urban Forestry</u>	<u>Landfill Improvement</u>	<u>Leisure and Recreation Improvements</u>	<u>Total Nonmajor Capital Project Funds</u>
Assets							
Cash and investments	\$ 32,229	\$ -	\$ 236,256	\$ 11,064	\$ 48,613	\$ -	\$ 2,095,313
Restricted assets, construction account	-	-	-	-	-	-	767,189
Taxes receivable	-	-	3,090	-	-	-	3,090
Accounts receivable	-	-	-	-	-	9,057	35,048
Special assessments receivable	-	-	40,964	-	-	-	40,964
Due from other governments	-	-	-	-	-	153,591	369,367
Total assets	<u>\$ 32,229</u>	<u>\$ -</u>	<u>\$ 280,310</u>	<u>\$ 11,064</u>	<u>\$ 48,613</u>	<u>\$ 162,648</u>	<u>\$ 3,310,971</u>
Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)							
Liabilities							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,028	\$ 245,954
Due to other funds	-	-	-	-	-	125,499	125,499
Advances from other funds	-	105,694	-	-	-	-	1,004,412
Total liabilities	<u>-</u>	<u>105,694</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>136,527</u>	<u>1,375,865</u>
Deferred Inflows of Resources							
Unearned revenues	-	208	3,584	-	-	-	3,792
Unavailable revenues	-	-	40,794	-	-	162,648	411,894
Total deferred inflows of resources	<u>-</u>	<u>208</u>	<u>44,378</u>	<u>-</u>	<u>-</u>	<u>162,648</u>	<u>415,686</u>
Fund Balances (Deficit)							
Restricted	-	-	-	-	-	-	1,034,596
Assigned	32,229	-	235,932	11,064	48,613	-	1,625,971
Unassigned (deficit)	-	(105,902)	-	-	-	(136,527)	(1,141,147)
Total fund balances (deficit)	<u>32,229</u>	<u>(105,902)</u>	<u>235,932</u>	<u>11,064</u>	<u>48,613</u>	<u>(136,527)</u>	<u>1,519,420</u>
Total liabilities, deferred inflows of resources and fund balances (deficit)	<u>\$ 32,229</u>	<u>\$ -</u>	<u>\$ 280,310</u>	<u>\$ 11,064</u>	<u>\$ 48,613</u>	<u>\$ 162,648</u>	<u>\$ 3,310,971</u>

City of Ashland

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Capital Projects Funds

Year Ended December 31, 2020

	Street Improvements	TIF #9 Development	TIF #10 Development	Public Transportation	Waterfront Development	Capital Equipment
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 110,326	\$ -
Intergovernmental	22,309	-	-	-	-	31,762
Public charges for services	-	-	-	-	-	3,500
Special assessments	-	-	-	-	-	-
Investment income	2,664	-	-	-	611	289
Miscellaneous	-	-	-	-	-	63,987
Total revenues	24,973	-	-	-	110,937	99,538
Expenditures						
Current:						
Public safety	-	-	-	-	-	53,931
Public works	136,086	-	-	-	-	-
Leisure activities	-	-	-	-	-	-
Conservation and development	-	29,060	174	-	-	-
Capital outlay	1,058,950	-	-	-	-	260,359
Debt Service:						
Principal	-	114,370	-	-	-	-
Interest and fiscal charges	7,913	9,203	-	-	-	4,587
Total expenditures	1,202,949	152,633	174	-	-	318,877
Excess (deficiency) of revenues over expenditures	(1,177,976)	(152,633)	(174)	-	110,937	(219,339)
Other Financing Sources (Uses)						
Long-term debt issued	1,130,000	-	-	-	-	655,000
Transfers in	475,600	-	9,808	-	-	65,000
Transfers out	-	-	-	-	(67,935)	-
Proceeds from sale of capital assets	-	-	-	-	-	26,472
Total other financing sources (uses)	1,605,600	-	9,808	-	(67,935)	746,472
Net change in fund balances	427,624	(152,633)	9,634	-	43,002	527,133
Fund Balances (Deficit), Beginning	856,887	(746,085)	(9,634)	22,000	249,218	206,865
Fund Balances (Deficit), Ending	\$ 1,284,511	\$ (898,718)	\$ -	\$ 22,000	\$ 292,220	\$ 733,998

City of Ashland

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Capital Projects Funds

Year Ended December 31, 2020

	Park Grounds Improvements	Land Sales & Acquisition	Capital Sidewalk Improvements	Urban Forestry	Landfill Improvement	Leisure and Recreation Improvements	Total Nonmajor Capital Project Funds
Revenues							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 110,326
Intergovernmental	-	-	-	-	-	-	54,071
Public charges for services	-	-	-	-	-	-	3,500
Special assessments	-	-	8,321	-	-	-	8,321
Investment income	-	-	880	-	-	-	4,444
Miscellaneous	16,460	4,597	-	-	-	123,939	208,983
Total revenues	16,460	4,597	9,201	-	-	123,939	389,645
Expenditures							
Current:							
Public safety	-	-	-	-	-	-	53,931
Public works	-	-	-	-	-	-	136,086
Leisure activities	11,338	-	-	-	-	151,725	163,063
Conservation and development	-	-	-	-	-	-	29,234
Capital outlay	-	-	-	-	-	122,563	1,441,872
Debt Service:							
Principal	-	-	-	-	-	-	114,370
Interest and fiscal charges	-	-	-	-	-	-	21,703
Total expenditures	11,338	-	-	-	-	274,288	1,960,259
Excess (deficiency) of revenues over expenditures	5,122	4,597	9,201	-	-	(150,349)	(1,570,614)
Other Financing Sources (Uses)							
Long-term debt issued	-	-	-	-	-	-	1,785,000
Transfers in	10,000	-	-	-	5,000	40,375	605,783
Transfers out	-	-	-	-	-	-	(67,935)
Proceeds from sale of capital assets	-	-	-	-	-	-	26,472
Total other financing sources (uses)	10,000	-	-	-	5,000	40,375	2,349,320
Net change in fund balances	15,122	4,597	9,201	-	5,000	(109,974)	778,706
Fund Balances (Deficit), Beginning	17,107	(110,499)	226,731	11,064	43,613	(26,553)	740,714
Fund Balances (Deficit), Ending	\$ 32,229	\$ (105,902)	\$ 235,932	\$ 11,064	\$ 48,613	\$ (136,527)	\$ 1,519,420

City of Ashland

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

	Airport	Marina	Total Nonmajor Enterprise Funds
Assets			
Current assets:			
Cash and investments	\$ 92,196	\$ 64,851	\$ 157,047
Restricted assets, redemption account	-	35,408	35,408
Restricted assets, construction account	-	400,970	400,970
Other accounts receivable	3,159	749	3,908
Due from other governments	9,778	-	9,778
Inventories and prepaid items	13,391	10,105	23,496
	<u>118,524</u>	<u>512,083</u>	<u>630,607</u>
Total current assets			
Noncurrent assets:			
Restricted assets:			
Net pension asset	10,261	14,852	25,113
Capital assets:			
Construction work in progress	5,096	193,262	198,358
Land	45,768	391,500	437,268
Capital assets being depreciated	4,509,295	2,436,641	6,945,936
Accumulated depreciation	(2,524,168)	(860,094)	(3,384,262)
	<u>2,046,252</u>	<u>2,176,161</u>	<u>4,222,413</u>
Total noncurrent assets			
Total assets			
	<u>2,164,776</u>	<u>2,688,244</u>	<u>4,853,020</u>
Deferred Outflows of Resources			
Pension related amounts	22,598	33,468	56,066
	<u>22,598</u>	<u>33,468</u>	<u>56,066</u>
Total deferred outflows of resources			
Liabilities			
Current liabilities:			
Accounts payable	3,874	707	4,581
Accrued expenses	1,659	734	2,393
Accrued interest	-	8,001	8,001
Current portion of accrued compensated absences	4,246	7,101	11,347
Current portion of long-term debt	-	37,000	37,000
	<u>9,779</u>	<u>53,543</u>	<u>63,322</u>
Total current liabilities			
Noncurrent liabilities:			
Long-term debt	-	373,000	373,000
Accrued compensated absences	364	15,531	15,895
	<u>364</u>	<u>388,531</u>	<u>388,895</u>
Total noncurrent liabilities			
Total liabilities			
	<u>10,143</u>	<u>442,074</u>	<u>452,217</u>
Deferred Inflows of Resources			
Unearned revenues	-	5,000	5,000
Pension related amounts	26,981	41,038	68,019
	<u>26,981</u>	<u>46,038</u>	<u>73,019</u>
Total deferred inflows of resources			
Net Position			
Net investment in capital assets	2,035,991	2,152,279	4,188,270
Restricted for pension	10,261	14,852	25,113
Unrestricted	103,998	66,469	170,467
	<u>\$ 2,150,250</u>	<u>\$ 2,233,600</u>	<u>\$ 4,383,850</u>
Total net position			

City of Ashland

Combining Statement of Revenues, Expenses and Changes in Net Position

Nonmajor Enterprise Funds

Year Ended December 31, 2020

	<u>Airport</u>	<u>Marina</u>	<u>Total Nonmajor Enterprise Funds</u>
Operating Revenues			
Charges for services	\$ 165,128	\$ 229,968	\$ 395,096
Total operating revenues	<u>165,128</u>	<u>229,968</u>	<u>395,096</u>
Operating Expenses			
Operation and maintenance	225,954	192,158	418,112
Depreciation	137,777	74,004	211,781
Total operating expenses	<u>363,731</u>	<u>266,162</u>	<u>629,893</u>
Operating loss	<u>(198,603)</u>	<u>(36,194)</u>	<u>(234,797)</u>
Nonoperating Revenues (Expenses)			
Investment income	304	274	578
Interest and fiscal charges	-	(17,151)	(17,151)
Grants revenue	9,778	-	9,778
Miscellaneous revenue	25	981	1,006
Gain on sale of property	995	-	995
Total nonoperating revenue (expenses)	<u>11,102</u>	<u>(15,896)</u>	<u>(4,794)</u>
Income (loss) before contributions and transfers	<u>(187,501)</u>	<u>(52,090)</u>	<u>(239,591)</u>
Contributions and Transfers			
Capital contributions	18,250	-	18,250
Transfers in	45,000	47,560	92,560
Total contributions and transfers	<u>63,250</u>	<u>47,560</u>	<u>110,810</u>
Change in net position	<u>(124,251)</u>	<u>(4,530)</u>	<u>(128,781)</u>
Net Position, Beginning	<u>2,274,501</u>	<u>2,238,130</u>	<u>4,512,631</u>
Net Position, Ending	<u>\$ 2,150,250</u>	<u>\$ 2,233,600</u>	<u>\$ 4,383,850</u>

City of Ashland

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

	<u>Airport</u>	<u>Marina</u>	<u>Total Nonmajor Enterprise Funds</u>
Cash Flows From Operating Activities			
Cash received from customers	\$ 181,800	\$ 237,007	\$ 418,807
Cash paid to suppliers for goods and services	(161,050)	(87,525)	(248,575)
Cash paid to employees for services	(70,143)	(87,075)	(157,218)
	<u>(49,393)</u>	<u>62,407</u>	<u>13,014</u>
Cash Flows From Noncapital Financing Activities			
Transfers from other funds	45,000	47,560	92,560
	<u>45,000</u>	<u>47,560</u>	<u>92,560</u>
Cash Flows From Investing Activities			
Investment income	304	274	578
	<u>304</u>	<u>274</u>	<u>578</u>
Cash Flows From Capital and Related Financing Activities			
Debt proceeds	-	410,000	410,000
Debt issuance costs	-	(9,150)	(9,150)
Contributions in aid of construction	18,250	-	18,250
Acquisition and construction of capital assets	(21,770)	(96,473)	(118,243)
	<u>(3,520)</u>	<u>304,377</u>	<u>300,857</u>
Net decrease in cash and cash equivalents	(7,609)	414,618	407,009
Cash and Cash Equivalents, Beginning	<u>99,805</u>	<u>86,611</u>	<u>186,416</u>
Cash and Cash Equivalents, Ending	<u>\$ 92,196</u>	<u>\$ 501,229</u>	<u>\$ 593,425</u>
Reconciliation of Operating Loss to Net Cash Flows From Operating Activities			
Operating loss	\$ (198,603)	\$ (36,194)	\$ (234,797)
Adjustments to reconcile operating loss to net cash flows from operating activities:			
Nonoperating income	9,803	981	10,784
Noncash items included in income:			
Depreciation	137,777	74,004	211,781
Change in assets and liabilities:			
Other accounts receivable	6,869	1,058	7,927
Inventories and prepaid items	(2,693)	5,047	2,354
Accounts payable	223	(1,910)	(1,687)
Other current liabilities	(1,693)	(2,035)	(3,728)
Accrued compensated absences	(1,811)	15,147	13,336
Unearned revenues	-	5,000	5,000
Pension related deferrals and asset	735	1,309	2,044
	<u>\$ (49,393)</u>	<u>\$ 62,407</u>	<u>\$ 13,014</u>
Noncash Capital, Investing and Financing Activities			
None.			