

# **City of Ashland**

Financial Statements and  
Supplementary Information

December 31, 2021

# City of Ashland

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## **Independent Auditors' Report**

To the City Council of  
City of Ashland

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

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

In our opinion, 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 as of December 31, 2021 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 are based solely on the report of the other auditors.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (GAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the Ashland Ore Dock Charitable Trust were not audited in accordance with *Government Auditing Standards*.

#### ***Responsibilities of Management for the Financial Statements***

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

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

## ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

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

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

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

### ***Required Supplementary Information***

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

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

### **Supplementary Information**

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

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 22, 2022 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Baker Tilly US, LLP*

Eau Claire, Wisconsin  
September 22, 2022

**City of Ashland**

 Statement of Net Position  
 December 31, 2021

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Ashland Ore Dock Charitable Trust
<b>Assets</b>				
Cash and investments	\$ 7,252,706	\$ 1,576,194	\$ 8,828,900	\$ 2,864,264
Taxes receivable	5,236,135	-	5,236,135	-
Special assessments receivable	43,746	-	43,746	-
Notes receivable, net	1,624,885	-	1,624,885	-
Other receivables, net	374,727	694,267	1,068,994	345
Due from other governments	914,777	1,023,377	1,938,154	-
Internal balances	392,866	(392,866)	-	-
Prepaid items and inventories	67,854	189,875	257,729	680
Restricted assets, cash and investments	68,351	2,518,911	2,587,262	-
Restricted assets, net pension asset	2,957,523	311,275	3,268,798	-
Other assets	-	12,418	12,418	-
Capital assets:				
Construction in progress	391,396	835,214	1,226,610	-
Land and right of way	4,563,071	506,830	5,069,901	-
Other capital assets, net of depreciation	71,774,769	31,959,692	103,734,461	-
<b>Total assets</b>	<b>95,662,806</b>	<b>39,235,187</b>	<b>134,897,993</b>	<b>2,865,289</b>
<b>Deferred Outflows of Resources</b>				
OPEB related amounts	140,114	80,730	220,844	-
Pension related amounts	4,935,889	505,847	5,441,736	-
<b>Total deferred outflows of resources</b>	<b>5,076,003</b>	<b>586,577</b>	<b>5,662,580</b>	<b>-</b>
<b>Liabilities</b>				
Accounts payable	831,912	1,013,587	1,845,499	73,359
Accrued liabilities and deposits	380,757	70,226	450,983	-
Unearned revenue	410,458	-	410,458	-
Short-term notes payable	270,000	-	270,000	-
Noncurrent liabilities:				
Due within one year	1,511,327	462,144	1,973,471	-
Due in more than one year	12,983,852	7,592,838	20,576,690	-
<b>Total liabilities</b>	<b>16,388,306</b>	<b>9,138,795</b>	<b>25,527,101</b>	<b>73,359</b>
<b>Deferred Inflows of Resources</b>				
Unearned revenues	5,196,264	12,635	5,208,899	-
OPEB related amounts	391,923	225,817	617,740	-
Pension related amounts	6,554,413	614,464	7,168,877	-
<b>Total deferred inflows of resources</b>	<b>12,142,600</b>	<b>852,916</b>	<b>12,995,516</b>	<b>-</b>
<b>Net Position</b>				
Net investment in capital assets	65,372,590	26,173,598	91,546,188	-
Restricted:				
Future housing and economic development loans	1,947,625	-	1,947,625	-
Future debt service	111,443	-	111,443	-
Library	326,713	-	326,713	-
Police programs	92,676	-	92,676	-
NSP breakwall	538,855	-	538,855	-
Home improvement program	19,213	-	19,213	-
Future beautification projects	3,552	-	3,552	-
Wetland mitigation	2,514	-	2,514	-
Future TIF projects	26,597	-	26,597	-
Waterfront development	477,626	-	477,626	-
Ore Dock	-	-	-	2,791,930
Debt service reserve	-	269,989	269,989	-
Debt service redemption	-	225,317	225,317	-
Building facilities	45,531	-	45,531	-
Equipment replacement	37,309	1,707,330	1,744,639	-
Street improvements	87,911	-	87,911	-
Pension	2,957,523	311,275	3,268,798	-
Unrestricted	160,225	1,142,544	1,302,769	-
<b>Total net position</b>	<b>\$ 72,207,903</b>	<b>\$ 29,830,053</b>	<b>\$ 102,037,956</b>	<b>\$ 2,791,930</b>

See notes to financial statements

**City of Ashland**

Statement of Activities  
Year Ended December 31, 2021

	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	
<b>Functions/Programs</b>								
Primary government:								
Governmental activities:								
General government	\$ 1,895,470	\$ 382,912	\$ 1,646	\$ -	\$ (1,510,912)	\$ -	\$ (1,510,912)	\$ -
Public safety	4,801,245	1,500,098	129,026	111,145	(3,060,976)	-	(3,060,976)	-
Public works	3,498,751	592,625	731,849	304,717	(1,869,560)	-	(1,869,560)	-
Health and human services	405,212	3,644	263,292	-	(138,276)	-	(138,276)	-
Leisure activities	1,315,859	256,869	191,600	114,479	(752,911)	-	(752,911)	-
Conservation and development	1,919,153	5,450	751,893	36,061	(1,125,749)	-	(1,125,749)	-
Interest and fiscal charges	302,019	-	-	-	(302,019)	-	(302,019)	-
Total governmental activities	<u>14,137,709</u>	<u>2,741,598</u>	<u>2,069,306</u>	<u>566,402</u>	<u>(8,760,403)</u>	<u>-</u>	<u>(8,760,403)</u>	<u>-</u>
Business-type activities:								
Water	1,628,542	2,343,756	-	157,677	-	872,891	872,891	-
Wastewater	2,429,327	2,170,438	-	607,120	-	348,231	348,231	-
Airport	418,761	264,820	-	-	-	(153,941)	(153,941)	-
Marina	254,375	273,859	-	306,510	-	325,994	325,994	-
Total business-type activities	<u>4,731,005</u>	<u>5,052,873</u>	<u>-</u>	<u>1,071,307</u>	<u>-</u>	<u>1,393,175</u>	<u>1,393,175</u>	<u>-</u>
Total primary government	<u>\$ 18,868,714</u>	<u>\$ 7,794,471</u>	<u>\$ 2,069,306</u>	<u>\$ 1,637,709</u>	<u>(8,760,403)</u>	<u>1,393,175</u>	<u>(7,367,228)</u>	<u>-</u>
<b>Component Unit</b>								
Ashland Ore Dock Charitable Trust	<u>\$ 67,432</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(67,432)</u>
<b>General Revenues</b>								
Taxes:								
Property taxes, levied for general purposes					4,146,619	-	4,146,619	-
Property taxes, levied for debt service					126,340	-	126,340	-
Property taxes, levied for TIF districts					502,886	-	502,886	-
Other taxes					189,138	-	189,138	-
Intergovernmental revenues not restricted to specific programs					3,966,446	6,674	3,973,120	-
Investment income					13,765	6,629	20,394	20,898
Gain on disposal of assets					-	14,150	14,150	-
Miscellaneous					354,774	49,644	404,418	8,764
Total general revenues					<u>9,299,968</u>	<u>77,097</u>	<u>9,377,065</u>	<u>29,662</u>
<b>Transfers</b>					<u>395,968</u>	<u>(395,968)</u>	<u>-</u>	<u>-</u>
Change in net position					935,533	1,074,304	2,009,837	(37,770)
<b>Net Position, Beginning</b>					<u>71,272,370</u>	<u>28,755,749</u>	<u>100,028,119</u>	<u>2,829,700</u>
<b>Net Position, Ending</b>					<u>\$ 72,207,903</u>	<u>\$ 29,830,053</u>	<u>\$ 102,037,956</u>	<u>\$ 2,791,930</u>

See notes to financial statements



**City of Ashland**

Balance Sheet - Governmental Funds  
December 31, 2021

	General Fund	Special Revenue		Capital Projects Fund Building Facilities	Debt Service Fund	Nonmajor Governmental Funds	Total
		Housing Rehab Revolving Loan Fund	TIF No. 9 Increment				
<b>Assets</b>							
Cash and investments	\$ 2,990,107	\$ 322,888	\$ -	\$ -	\$ 310,858	\$ 3,282,999	\$ 6,906,852
Restricted assets, construction account	-	-	-	68,351	-	-	68,351
Receivables:							
Taxes	2,915,263	-	218,839	-	1,680,328	421,068	5,235,498
Delinquent personal property taxes, net	637	-	-	-	-	-	637
Accounts, net	261,726	-	-	14,150	-	97,466	373,342
Notes, net	-	1,466,745	-	-	-	158,140	1,624,885
Special assessments	-	-	-	-	-	43,746	43,746
Due from other governments	79,373	-	-	183,001	-	652,403	914,777
Due from other funds	829,081	-	-	-	-	-	829,081
Advances to other funds	1,207,871	-	-	-	-	178,792	1,386,663
Prepaid items and inventory	67,854	-	-	-	-	-	67,854
<b>Total assets</b>	<b>\$ 8,351,912</b>	<b>\$ 1,789,633</b>	<b>\$ 218,839</b>	<b>\$ 265,502</b>	<b>\$ 1,991,186</b>	<b>\$ 4,834,614</b>	<b>\$ 17,451,686</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)</b>							
<b>Liabilities</b>							
Accounts payable	\$ 252,614	\$ -	\$ -	\$ 43,087	\$ -	\$ 535,961	\$ 831,662
Accrued liabilities	236,869	-	-	-	-	15,702	252,571
Unearned revenue	-	-	-	-	-	410,458	410,458
Due to other funds	-	-	-	16,884	-	371,229	388,113
Short-term notes payable	-	-	-	160,000	-	110,000	270,000
Due to other governments	513	-	-	-	-	-	513
Advances from other funds	-	-	1,102,177	-	76,519	284,486	1,463,182
<b>Total liabilities</b>	<b>489,996</b>	<b>-</b>	<b>1,102,177</b>	<b>219,971</b>	<b>76,519</b>	<b>1,727,836</b>	<b>3,616,499</b>
<b>Deferred Inflows of Resources</b>							
Unearned revenues	2,838,785	-	218,839	-	1,680,328	458,312	5,196,264
Unavailable revenues	139,107	1,466,745	-	183,001	-	634,174	2,423,027
<b>Total deferred inflows of resources</b>	<b>2,977,892</b>	<b>1,466,745</b>	<b>218,839</b>	<b>183,001</b>	<b>1,680,328</b>	<b>1,092,486</b>	<b>7,619,291</b>
<b>Fund Balances (Deficit)</b>							
Nonspendable	777,189	-	-	-	-	160,913	938,102
Restricted	-	322,888	-	68,351	234,339	1,235,524	1,861,102
Committed	-	-	-	-	-	66,204	66,204
Assigned	132,284	-	-	-	-	1,001,042	1,133,326
Unassigned (deficit)	3,974,551	-	(1,102,177)	(205,821)	-	(449,391)	2,217,162
<b>Total fund balances (deficit)</b>	<b>4,884,024</b>	<b>322,888</b>	<b>(1,102,177)</b>	<b>(137,470)</b>	<b>234,339</b>	<b>2,014,292</b>	<b>6,215,896</b>
<b>Total liabilities, deferred inflows of resources and fund balances (deficit)</b>	<b>\$ 8,351,912</b>	<b>\$ 1,789,633</b>	<b>\$ 218,839</b>	<b>\$ 265,502</b>	<b>\$ 1,991,186</b>	<b>\$ 4,834,614</b>	<b>\$ 17,451,686</b>

See notes to financial statements

## City of Ashland

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

**Total Fund Balance, Governmental Funds** \$ 6,215,896

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	\$ 107,532,579	
Accumulated depreciation	(30,803,343)	76,729,236

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. 2,423,027

The net pension asset does not relate to current financial resources and is not  
reported in the governmental funds. 2,957,523

Deferred outflows of resources related to pensions do not relate to current  
financial resources and are not reported in the governmental funds. 4,935,889

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. 140,114

Deferred inflows of resources related to pensions do not relate to current  
financial resources and are not reported in the governmental funds. (6,554,413)

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. (391,923)

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. 370,629

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	(11,877,948)	
Accrued interest on general obligation debt	(122,896)	
Landfill liability	(808,781)	
Other post employment benefits	(1,115,060)	
Vested compensated absences	(693,390)	(14,618,075)

**Total Net Position, Governmental Activities** \$ 72,207,903

**City of Ashland**

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

	Special Revenue			Capital Projects Fund Building Facilities	Debt Service Fund	Nonmajor Governmental Funds	Total
	General Fund	Housing Rehab Revolving Loan Fund	TIF No. 9 Increment				
<b>Revenues</b>							
Taxes	\$ 2,821,406	\$ -	\$ 211,142	\$ -	\$ 1,394,137	\$ 538,298	\$ 4,964,983
Intergovernmental	4,676,052	-	3,143	73,209	-	1,594,808	6,347,212
Licenses and permits	157,768	-	-	-	-	-	157,768
Fines, forfeitures and penalties	16,549	-	-	-	-	75	16,624
Public charges for services	1,599,778	-	-	-	-	165,571	1,765,349
Intergovernmental charges for services	800,154	-	-	-	-	-	800,154
Special assessments	-	-	-	-	-	18,924	18,924
Investment income (loss)	5,122	59	(562)	99	-	9,047	13,765
Miscellaneous	84,389	112,979	-	26,393	-	215,448	439,209
<b>Total revenues</b>	<b>10,161,218</b>	<b>113,038</b>	<b>213,723</b>	<b>99,701</b>	<b>1,394,137</b>	<b>2,542,171</b>	<b>14,523,988</b>
<b>Expenditures</b>							
Current:							
General government	1,929,632	-	-	-	-	19,987	1,949,619
Public safety	5,031,307	-	-	-	-	116,338	5,147,645
Public works	1,948,302	-	-	4,780	-	366,837	2,319,919
Health and human services	146,584	-	-	-	-	263,292	409,876
Leisure activities	553,527	-	-	-	-	619,180	1,172,707
Conservation and development	201,651	56,452	149	-	-	1,700,159	1,958,411
Capital outlay	-	-	-	2,306,891	-	2,012,171	4,319,062
Debt service:							
Principal retirement	-	-	-	-	1,152,149	-	1,152,149
Interest and fiscal charges	-	-	-	-	305,300	-	305,300
<b>Total expenditures</b>	<b>9,811,003</b>	<b>56,452</b>	<b>149</b>	<b>2,311,671</b>	<b>1,457,449</b>	<b>5,097,964</b>	<b>18,734,688</b>
Excess (deficiency) of revenues over expenditures	350,215	56,586	213,574	(2,211,970)	(63,312)	(2,555,793)	(4,210,700)
<b>Other Financing Sources (Uses)</b>							
Transfers in	458,668	-	299,044	-	75,473	1,942,242	2,775,427
Transfers out	(647,552)	-	(934,566)	(153,649)	-	(643,692)	(2,379,459)
Proceeds from sale of capital assets	-	-	-	-	-	63,949	63,949
<b>Total other financing sources (uses)</b>	<b>(188,884)</b>	<b>-</b>	<b>(635,522)</b>	<b>(153,649)</b>	<b>75,473</b>	<b>1,362,499</b>	<b>459,917</b>
<b>Net change in fund balances</b>	<b>161,331</b>	<b>56,586</b>	<b>(421,948)</b>	<b>(2,365,619)</b>	<b>12,161</b>	<b>(1,193,294)</b>	<b>(3,750,783)</b>
<b>Fund Balances (Deficit), Beginning</b>	<b>4,722,693</b>	<b>266,302</b>	<b>(680,229)</b>	<b>2,228,149</b>	<b>222,178</b>	<b>3,207,586</b>	<b>9,966,679</b>
<b>Fund Balances (Deficit), Ending</b>	<b>\$ 4,884,024</b>	<b>\$ 322,888</b>	<b>\$ (1,102,177)</b>	<b>\$ (137,470)</b>	<b>\$ 234,339</b>	<b>\$ 2,014,292</b>	<b>\$ 6,215,896</b>

See notes to financial statements

**City of Ashland**

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**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
Year Ended December 31, 2021**

**Net Change in Fund Balances, Total Governmental Funds** \$ (3,750,783)

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	4,319,062
Some items reported as capital outlay were not capitalized	(248,493)
Some functional expenditures are capitalized	305,683
Depreciation is reported in the government-wide statements	(2,044,444)
Book value of capital assets disposed of in the current year	(59,998)

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.	3,215
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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.	221,180
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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. Principal payments paid	1,152,149
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Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. Change in the landfill liability	10,345
Change in the vested compensated absences	(2,997)
Change in the other post-employment benefits (and OPEB related deferred inflows and outflows of resources)	254,931
Change in accrued interest payable	3,281
Change in net pension liability (and pension related deferred inflows and outflows of resources)	843,084

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.	(85,904)
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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.	15,222
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**Change in Net Position of Governmental Activities** \$ 935,533

**City of Ashland**

Statement of Net Position  
Proprietary Funds  
Year Ended December 31, 2021

	Business-Type Activities - Enterprise Funds				Dental/FLEX Internal Service Fund
	Water Utility	Wastewater Utility	Nonmajor Funds	Total	
<b>Assets</b>					
Current assets:					
Cash and investments	\$ 743,061	\$ 470,108	\$ 363,025	\$ 1,576,194	\$ 345,854
Restricted assets, redemption account	222,095	41,930	37,919	301,944	-
Restricted assets, construction account	-	-	239,648	239,648	-
Customer accounts receivable	328,521	352,569	-	681,090	-
Other accounts receivable	-	-	13,177	13,177	1,385
Due from other governments	151,591	598,824	272,962	1,023,377	-
Current portion of advances to other funds	12,308	-	-	12,308	-
Inventories and prepaid items	145,131	21,550	23,194	189,875	-
Total current assets	1,602,707	1,484,981	949,925	4,037,613	347,239
Noncurrent assets:					
Restricted assets:					
Reserve account	258,001	11,988	-	269,989	-
Replacement account	-	1,707,330	-	1,707,330	-
Net pension asset	128,138	149,974	33,163	311,275	-
Capital assets:					
Construction work in progress	196,136	118,642	520,436	835,214	-
Land	30,611	38,951	437,268	506,830	-
Capital assets being depreciated	24,151,685	32,093,024	6,978,178	63,222,887	-
Accumulated depreciation	(8,896,578)	(18,775,105)	(3,591,512)	(31,263,195)	-
Other assets:					
Advances to other funds	64,211	-	-	64,211	-
Preliminary survey and investigations	12,418	-	-	12,418	-
Total noncurrent assets	15,944,622	15,344,804	4,377,533	35,666,959	-
Total assets	17,547,329	16,829,785	5,327,458	39,704,572	347,239
<b>Deferred Outflows of Resources</b>					
OPEB related amounts	38,357	42,373	-	80,730	-
Pension related amounts	196,639	237,355	71,853	505,847	-
Total deferred outflows of resources	234,996	279,728	71,853	586,577	-
<b>Liabilities</b>					
Current liabilities:					
Accounts payable	265,148	468,823	279,616	1,013,587	250
Accrued expenses	6,430	10,155	3,233	19,818	4,777
Deposits	4,000	-	-	4,000	-
Due to other funds	440,968	-	-	440,968	-
Liabilities payable from restricted assets:					
Accrued interest	32,412	6,296	7,700	46,408	-
Current portion of accrued compensated absences	29,487	34,794	11,082	75,363	-
Current portion of long-term debt	273,461	76,320	37,000	386,781	-
Total current liabilities	1,051,906	596,388	338,631	1,986,925	5,027
Noncurrent liabilities:					
Long-term debt	5,177,504	1,353,647	336,000	6,867,151	-
Accrued compensated absences	26,565	36,264	20,384	83,213	-
Other post-employment benefits	305,258	337,216	-	642,474	-
Total noncurrent liabilities	5,509,327	1,727,127	356,384	7,592,838	-
Total liabilities	6,561,233	2,323,515	695,015	9,579,763	5,027
<b>Deferred Inflows of Resources</b>					
Unearned revenues	12,635	-	-	12,635	-
OPEB related amounts	107,292	118,525	-	225,817	-
Pension related amounts	247,373	278,262	88,829	614,464	-
Total deferred inflow of resources	367,300	396,787	88,829	852,916	-
<b>Net Position</b>					
Net investment in capital assets	10,030,889	12,045,545	4,097,164	26,173,598	-
Restricted for:					
Debt service reserve	258,001	11,988	-	269,989	-
Debt service redemption	189,683	35,634	-	225,317	-
Equipment replacement	-	1,707,330	-	1,707,330	-
Pension	128,138	149,974	33,163	311,275	-
Unrestricted	247,081	438,740	485,140	1,170,961	342,212
Total net position	\$ 10,853,792	\$ 14,389,211	\$ 4,615,467	29,858,470	\$ 342,212
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				(28,417)	
Net position of business-type activities				\$ 29,830,053	

See notes to financial statements

**City of Ashland**

 Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds  
 Year Ended December 31, 2021

	<b>Business-Type Activities - Enterprise Funds</b>				<b>Dental/FLEX Internal Service Fund</b>
	<b>Water Utility</b>	<b>Wastewater Utility</b>	<b>Nonmajor Funds</b>	<b>Total</b>	
<b>Operating Revenues</b>	\$ 2,343,756	\$ 2,170,438	\$ 538,679	\$ 5,052,873	\$ 137,609
<b>Operating Expenses</b>					
Operation and maintenance	1,001,778	1,549,678	453,025	3,004,481	123,212
Depreciation	485,153	843,245	209,606	1,538,004	-
Taxes	2,694	-	-	2,694	-
Total operating expenses	1,489,625	2,392,923	662,631	4,545,179	123,212
Operating income (loss)	854,131	(222,485)	(123,952)	507,694	14,397
<b>Nonoperating Revenues (Expenses)</b>					
Investment income	2,796	3,644	189	6,629	103
Interest and fiscal charges	(140,771)	(38,278)	(10,505)	(189,554)	-
Grants revenue	-	-	6,674	6,674	-
Miscellaneous revenue	7,606	34,337	7,701	49,644	4,450
Gain on sale of capital assets	-	14,150	-	14,150	-
Total nonoperating revenue (expenses)	(130,369)	13,853	4,059	(112,457)	4,553
Income (loss) before contributions and transfers	723,762	(208,632)	(119,893)	395,237	18,950
<b>Contributions and Transfers</b>					
Capital contributions	157,677	607,120	306,510	1,071,307	-
Transfers in	-	-	45,000	45,000	-
Transfers out	(440,968)	-	-	(440,968)	-
Total contributions and transfers	(283,291)	607,120	351,510	675,339	-
Change in net position	440,471	398,488	231,617	1,070,576	18,950
<b>Net Position, Beginning</b>	10,413,321	13,990,723	4,383,850	28,787,894	323,262
<b>Net Position, Ending</b>	\$ 10,853,792	\$ 14,389,211	\$ 4,615,467	\$ 29,858,470	\$ 342,212
<b>Change in Net Position, Enterprise Funds</b>				\$ 1,070,576	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				3,728	
<b>Change in Net Position of Business-Type Activities</b>				\$ 1,074,304	

See notes to financial statements

**City of Ashland**

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

	<b>Business-Type Activities - Enterprise Funds</b>				<b>Dental/FLEX Internal Service Fund</b>
	<b>Water Utility</b>	<b>Wastewater Utility</b>	<b>Nonmajor Funds</b>	<b>Total</b>	
<b>Cash Flows From Operating Activities</b>					
Cash received from customers	\$ 2,180,692	\$ 2,040,598	\$ 532,111	\$ 4,753,401	\$ 141,244
Cash received from city	19,217	-	-	19,217	-
Cash paid to suppliers for goods and services	(618,275)	(1,028,874)	(291,538)	(1,938,687)	(120,025)
Cash paid to employees for services	(365,384)	(415,305)	(159,370)	(940,059)	-
Net cash flows from operating activities	1,216,250	596,419	81,203	1,893,872	21,219
<b>Cash Flows From Noncapital Financing Activities</b>					
Transfers from other funds	-	-	45,000	45,000	-
Transfers to other funds	(440,968)	-	-	(440,968)	-
Net cash flows from investing activities	(440,968)	-	45,000	(395,968)	-
<b>Cash Flows From Investing Activities</b>					
Noncash equivalents purchased	(224,195)	(530,121)	-	(754,316)	-
Noncash equivalents sold	224,195	528,799	-	752,994	-
Investment income	2,796	3,644	189	6,629	103
Net cash flows from investing activities	2,796	2,322	189	5,307	103
<b>Cash Flows From Capital and Related Financing Activities</b>					
Debt retired	(271,217)	(74,390)	(37,000)	(382,607)	-
Interest paid	(142,141)	(39,432)	(10,806)	(192,379)	-
Contributions in aid of construction	97,198	8,296	50,000	155,494	-
Acquisition and construction of capital assets	(694,001)	(1,790,892)	(81,419)	(2,566,312)	-
Net cash flows from capital and related financing activities	(1,010,161)	(1,896,418)	(79,225)	(2,985,804)	-
Net increase (decrease) in cash and cash equivalents	(232,083)	(1,297,677)	47,167	(1,482,593)	21,322
<b>Cash and Cash Equivalents, Beginning</b>	<b>1,231,045</b>	<b>2,998,912</b>	<b>593,425</b>	<b>4,823,382</b>	<b>324,532</b>
<b>Cash and Cash Equivalents, Ending</b>	<b>\$ 998,962</b>	<b>\$ 1,701,235</b>	<b>\$ 640,592</b>	<b>\$ 3,340,789</b>	<b>\$ 345,854</b>
<b>Reconciliation of Cash and Cash Equivalents</b>					
Cash and cash equivalents per statement of net position:					
Cash and investments	\$ 743,061	\$ 470,108	\$ 363,025	\$ 1,576,194	\$ 345,854
Restricted cash and investments:					
Reserve account	258,001	11,988	-	269,989	-
Redemption account	222,095	41,930	37,919	301,944	-
Construction account	-	-	239,648	239,648	-
Replacement account	-	1,707,330	-	1,707,330	-
Total cash and investments	1,223,157	2,231,356	640,592	4,095,105	345,854
Less noncash equivalents	(224,195)	(530,121)	-	(754,316)	-
Cash and cash equivalents per statement of cash flows	\$ 998,962	\$ 1,701,235	\$ 640,592	\$ 3,340,789	\$ 345,854

See notes to financial statements

**City of Ashland**

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

	Business-Type Activities - Enterprise Funds				Dental/FLEX Internal Service Fund
	Water Utility	Wastewater Utility	Nonmajor Funds	Total	
<b>Reconciliation of Operating Income (Loss) to Net Cash Flows From Operating Activities</b>					
Operating income (loss)	\$ 854,131	\$ (222,485)	\$ (123,952)	\$ 507,694	\$ 14,397
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:					
Nonoperating income	7,606	3,937	14,375	25,918	4,450
Noncash items included in income:					
Depreciation	485,153	843,245	209,606	1,538,004	-
Depreciation charged to other accounts	19,752	(19,752)	-	-	-
Amortization	12,418	-	-	12,418	-
Change in assets and liabilities:					
Customer accounts receivable	(165,914)	(148,605)	-	(314,519)	-
Other accounts receivable	-	(31)	(15,943)	(15,974)	(815)
Inventories and prepaid items	(24,491)	(15)	302	(24,204)	-
Accounts payable	21,270	41,881	(187)	62,964	250
Due to other funds	40,784	-	-	40,784	-
Other current liabilities	612	3,771	805	5,188	2,937
Accrued compensated absences	(303)	4,654	4,224	8,575	-
Unearned revenues	-	-	(5,000)	(5,000)	-
Other post-employment benefits	11,195	142,808	-	154,003	-
Pension related deferrals and asset	(45,963)	(52,989)	(3,027)	(101,979)	-
Net cash flows from operating activities	<u>\$ 1,216,250</u>	<u>\$ 596,419</u>	<u>\$ 81,203</u>	<u>\$ 1,893,872</u>	<u>\$ 21,219</u>

**Noncash Capital, Investing and Financing Activities**

None

See notes to financial statements



# City of Ashland

Statement of Fiduciary Net Position - Fiduciary Fund  
December 31, 2021

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	<u>Custodial Fund</u> <u>Tax Collection</u> <u>Fund</u>
<b>Assets</b>	
Cash and investments	\$ 4,088,947
Taxes receivable	<u>2,612,900</u>
Total assets	<u>6,701,847</u>
<b>Liabilities</b>	
Due to other taxing units	<u>6,701,847</u>
Total liabilities	<u>6,701,847</u>
Total net position	<u>\$ -</u>

See notes to financial statements

## City of Ashland

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

	<u>Custodial Fund</u> <u>Tax Collection</u> <u>Fund</u>
<b>Additions</b>	
Property taxes collected for other governments	\$ 4,659,021
<b>Deductions</b>	
Property taxes distributed to other governments	<u>4,659,021</u>
Change in fiduciary net position	-
<b>Net Position, Beginning</b>	<u>-</u>
<b>Net Position, Ending</b>	<u><u>\$ -</u></u>

See notes to financial statements

# City of Ashland

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December 31, 2021

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# City of Ashland

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Notes to Financial Statements

December 31, 2021

## 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, 2021. 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

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This standard was implemented January 1, 2021.

## 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% 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% test is at least 5% of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or enterprise fund that the City believes is particularly important to financial statement users may be reported as a major fund.

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

The City reports the following major governmental funds:

### General Fund

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.

### Special Revenue Fund - TIF No. 9 Increment Fund

Special Revenue Fund – TIF No. 9 Increment Fund accounts for and reports financial resources that are restricted, committed or assigned to expenditures outlined in the TID project plan.

### 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.

# City of Ashland

Notes to Financial Statements

December 31, 2021

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## 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.

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

## 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. The City reports its Dental/FLEX Fund as an internal service 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.

### **Fund Financial Statements**

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

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

Intergovernmental aids and grants are recognized as revenues in the period the City is entitled 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, 2021

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, 2021 tax roll:

Lien date and levy date	December 2021
Tax bills mailed	December 2021
Payment in full, or	January 31, 2022
First installment due	January 31, 2022
Second installment due	July 31, 2022
Personal property taxes in full	January 31, 2022
Tax sale, 2021 delinquent real estate taxes	October 2023

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 \$1,298,034.

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, 2021

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 \$47,787.

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 and overhead. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

Depreciation 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, 2021 are determined on the basis of current salary rates and include salary related payments.

## Long-Term Obligations

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

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.

# City of Ashland

Notes to Financial Statements

December 31, 2021

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% of expenditures. The balance at year-end was \$4,106,835 or 42% 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.

## Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, information about the fiduciary net position of the City OPEB Plan and additions to/deductions from City OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the City OPEB Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

## 2. Stewardship, Compliance and Accountability

### Deficit Balances

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year-end. As of December 31, 2021, the following individual funds held a deficit balance:

<u>Fund</u>	<u>Amount</u>	<u>Reason</u>
TIF No. 9 Increment	\$ 1,102,177	Expenditures in excess of increment
Building Facilities	137,470	Unavailable revenues related to current year expenditures
Economic Development Revolving Loan	148	Unavailable revenues related to current year expenditures
TIF No. 10 Increment	178,792	Expenditures in excess of increment
Community Planning and Development	27,429	Unavailable revenues related to current year expenditures
Land Sales and Acquisition	105,902	Expenditures in excess of revenues
Leisure and Recreation Improvements	137,120	Unavailable revenues related to current year expenditures

# City of Ashland

Notes to Financial Statements

December 31, 2021

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	\$ 15,503,934	<u>\$ 14,501,473</u>	Custodial credit risk
Cash on hand and petty cash	1,175		
Total cash and investments	<u>\$ 15,505,109</u>		
Reconciliation to financial statements:			
Per statement of net position:			
Unrestricted cash and investments	\$ 8,828,900		
Restricted cash and investments	2,587,262		
Per statement of fiduciary net position:			
Tax collection fund	<u>4,088,947</u>		
Total cash and investments	<u>\$ 15,505,109</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, 2021

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, 2021, the banks had pledged various government securities of approximately \$14,209,340 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	\$	25,428
Housing Rehab Revolving Loan Fund		1,466,745
Nonmajor Governmental Funds		166,378

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	\$ 5,159,082	\$ -
Other receivables	208	46,466
Grant receivables	36,974	707,667
Grants received in advance of meeting eligibility requirements	410,458	-
Special assessments not yet due	-	44,009
Economic development and housing rehabilitation loans	-	1,624,885
	<u>\$ 5,606,722</u>	<u>\$ 2,423,027</u>
Total unearned/unavailable revenue for governmental funds		
Unearned revenue included in liabilities	\$ 410,458	
Unearned revenue included in deferred inflows	<u>5,196,264</u>	
Total unearned revenue for governmental funds	<u>\$ 5,606,722</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. This program closed in the beginning of 2021, and the City made a payment of \$687,180 to the Wisconsin Department of Administration during 2021 to return program funds.



# City of Ashland

Notes to Financial Statements  
December 31, 2021

## 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, 2021:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Restricted cash and investments:		
Redemption account	\$ -	\$ 301,944
Reserve account	-	269,989
Construction account	68,351	239,648
Equipment replacement account	-	1,707,330
Net pension asset	<u>2,957,523</u>	<u>311,275</u>
Total restricted assets	<u>\$ 3,025,874</u>	<u>\$ 2,830,186</u>

# City of Ashland

Notes to Financial Statements

December 31, 2021

## Capital Assets

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>				
Capital assets, not being depreciated:				
Construction in progress	\$ 3,720,791	\$ 2,157,400	\$ 5,486,795	\$ 391,396
Land	4,371,607	-	-	4,371,607
Right of way	191,464	-	-	191,464
	<u>8,283,862</u>	<u>2,157,400</u>	<u>5,486,795</u>	<u>4,954,467</u>
Total capital assets, not being depreciated				
Capital assets, being depreciated:				
Land improvements	8,046,468	-	-	8,046,468
Buildings	11,704,732	5,373,906	12,295	17,066,343
Machinery and equipment	8,144,887	1,181,253	284,073	9,042,067
Roads	36,135,512	828,771	77,980	36,886,303
Alleys	589,611	-	-	589,611
Bridges	313,693	-	-	313,693
Trails	1,597,073	84,747	-	1,681,820
Storm sewers	9,115,341	148,653	10,052	9,253,942
Sidewalks	5,762,967	88,317	53,419	5,797,865
Breakwater	13,900,000	-	-	13,900,000
	<u>95,310,284</u>	<u>7,705,647</u>	<u>437,819</u>	<u>102,578,112</u>
Total capital assets, being depreciated				
Less accumulated depreciation:				
Land improvements	1,571,756	189,463	-	1,761,219
Buildings	3,229,180	211,184	2,459	3,437,905
Machinery and equipment	5,746,462	419,632	286,649	5,879,445
Roads	11,197,084	695,905	47,114	11,845,875
Alleys	437,504	11,792	-	449,296
Bridges	123,500	967	-	124,467
Trails	560,967	42,045	-	603,012
Storm sewers	3,349,522	190,613	10,052	3,530,083
Sidewalks	2,607,995	143,843	31,547	2,720,291
Breakwater	312,750	139,000	-	451,750
	<u>29,136,720</u>	<u>2,044,444</u>	<u>377,821</u>	<u>30,803,343</u>
Total accumulated depreciation				
Total capital assets, being depreciated, net				
	<u>66,173,564</u>	<u>5,661,203</u>	<u>59,998</u>	<u>71,774,769</u>
Governmental activities capital assets, net				
	<u>\$ 74,457,426</u>	<u>\$ 7,818,603</u>	<u>\$ 5,546,793</u>	<u>\$ 76,729,236</u>

# City of Ashland

Notes to Financial Statements

December 31, 2021

Depreciation expense was charged to functions as follows:

Governmental activities:	
General government	\$ 44,760
Public safety	321,206
Public works, which includes the depreciation of roads, storm sewers and sidewalks	1,401,064
Leisure activities	<u>277,414</u>
Total governmental activities depreciation expense	<u>\$ 2,044,444</u>

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Business-Type Activities:</b>				
<b>Water Utility</b>				
Capital assets, not being depreciated:				
Construction in progress	\$ 116,972	\$ 815,505	\$ 736,341	\$ 196,136
Land and land rights	<u>30,611</u>	<u>-</u>	<u>-</u>	<u>30,611</u>
Total capital assets, not being depreciated	<u>147,583</u>	<u>815,505</u>	<u>736,341</u>	<u>226,747</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	19,079,334	704,888	112,399	19,671,823
Administrative and general assets	<u>801,164</u>	<u>109,500</u>	<u>-</u>	<u>910,664</u>
Total capital assets, being depreciated	<u>23,449,696</u>	<u>814,388</u>	<u>112,399</u>	<u>24,151,685</u>
Total capital assets	<u>23,597,279</u>	<u>1,629,893</u>	<u>848,740</u>	<u>24,378,432</u>
Less accumulated depreciation:				
Source of supply	54,417	1,498	-	55,915
Pumping	684,637	32,172	-	716,809
Treatment	1,605,219	83,520	-	1,688,739
Transmission and distribution	5,448,669	348,626	45,238	5,752,057
Administrative and general assets	<u>637,895</u>	<u>45,163</u>	<u>-</u>	<u>683,058</u>
Total accumulated depreciation	<u>8,430,837</u>	<u>510,979</u>	<u>45,238</u>	<u>8,896,578</u>
Total capital assets, being depreciated, net	<u>15,018,859</u>	<u>303,409</u>	<u>67,161</u>	<u>15,255,107</u>
Total water utility capital assets, net	<u>\$ 15,166,442</u>	<u>\$ 1,118,914</u>	<u>\$ 803,502</u>	<u>\$ 15,481,854</u>

# City of Ashland

Notes to Financial Statements  
December 31, 2021

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Wastewater Utility</b>				
Capital assets, not being depreciated:				
Construction in progress	\$ 771,160	\$ 1,590,130	\$ 2,242,648	\$ 118,642
Land and land rights	38,951	-	-	38,951
	<u>810,111</u>	<u>1,590,130</u>	<u>2,242,648</u>	<u>157,593</u>
Total capital assets, not being depreciated				
Capital assets, being depreciated:				
Collection system	13,319,919	2,179,252	-	15,499,171
Collection system pumping	3,688,271	-	-	3,688,271
Treatment and disposal	10,185,521	-	-	10,185,521
Administrative and general assets	2,643,961	76,100	-	2,720,061
	<u>29,837,672</u>	<u>2,255,352</u>	<u>-</u>	<u>32,093,024</u>
Total capital assets, being depreciated				
Total capital assets	<u>30,647,783</u>	<u>3,845,482</u>	<u>2,242,648</u>	<u>32,250,617</u>
Less accumulated depreciation	<u>17,941,748</u>	<u>833,357</u>	<u>-</u>	<u>18,775,105</u>
Total capital assets, being depreciated, net	<u>11,895,924</u>	<u>1,421,995</u>	<u>-</u>	<u>13,317,919</u>
Total wastewater utility capital assets, net	<u>\$ 12,706,035</u>	<u>\$ 3,012,125</u>	<u>\$ 2,242,648</u>	<u>\$ 13,475,512</u>

# City of Ashland

Notes to Financial Statements

December 31, 2021

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Airport</b>				
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	844,794	25,798	-	870,592
Total capital assets, being depreciated	<u>4,509,295</u>	<u>25,798</u>	<u>-</u>	<u>4,535,093</u>
Total capital assets	<u>4,560,159</u>	<u>25,798</u>	<u>-</u>	<u>4,585,957</u>
Less accumulated depreciation:				
Land improvements	1,511,004	118,865	-	1,629,869
Buildings	235,882	11,271	-	247,153
Equipment	777,282	9,617	-	786,899
Total accumulated depreciation	<u>2,524,168</u>	<u>139,753</u>	<u>-</u>	<u>2,663,921</u>
Total capital assets, being depreciated, net	<u>1,985,127</u>	<u>(113,955)</u>	<u>-</u>	<u>1,871,172</u>
Total airport capital assets, net	<u>\$ 2,035,991</u>	<u>\$ (113,955)</u>	<u>\$ -</u>	<u>\$ 1,922,036</u>

# City of Ashland

## Notes to Financial Statements

December 31, 2021

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Marina</b>				
Capital assets, not being depreciated:				
Construction in progress	\$ 193,262	\$ 322,078	\$ -	\$ 515,340
Land and land rights	391,500	-	-	391,500
	<u>584,762</u>	<u>322,078</u>	<u>-</u>	<u>906,840</u>
Total capital assets, not being depreciated				
Capital assets, being depreciated:				
Land improvements	273,060	-	-	273,060
Buildings	972,695	3,800	2,356	974,139
Equipment	1,190,886	5,000	-	1,195,886
	<u>2,436,641</u>	<u>8,800</u>	<u>2,356</u>	<u>2,443,085</u>
Total capital assets, being depreciated				
Total capital assets				
	<u>3,021,403</u>	<u>330,878</u>	<u>2,356</u>	<u>3,349,925</u>
Less accumulated depreciation:				
Land improvements	2,731	5,461	-	8,192
Buildings	233,582	19,493	2,356	250,719
Equipment	623,781	44,899	-	668,680
	<u>860,094</u>	<u>69,853</u>	<u>2,356</u>	<u>927,591</u>
Total accumulated depreciation				
Total capital assets, being depreciated, net				
	<u>1,576,547</u>	<u>(61,053)</u>	<u>-</u>	<u>1,515,494</u>
Total marina capital assets, net				
	<u>\$ 2,161,309</u>	<u>\$ 261,025</u>	<u>\$ -</u>	<u>\$ 2,422,334</u>
Business-type capital assets, net				
	<u>\$ 32,069,777</u>	<u>\$ 4,278,109</u>	<u>\$ 3,046,150</u>	<u>\$ 33,301,736</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	\$ 485,153
Wastewater	843,245
Airport	139,753
Marina	69,853
	<u>1,538,004</u>
Total business-type activities depreciation expense	<u>\$ 1,538,004</u>

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.

# City of Ashland

Notes to Financial Statements

December 31, 2021

## Interfund Receivables/Payables, Advances and Transfers

### Interfund Receivables/Payables

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Home Improvement Program	\$ 244,108
	Leisure and Recreation	
General Fund	Improvements	127,121
General Fund	Building and Facilities	16,884
General Fund	Water Utility	440,968
		<hr/>
Total fund financial statements		829,081
Less advances		(76,519)
Add interfund receivable created with internal service fund eliminations		28,417
Less fund and government-wide eliminations		(388,113)
		<hr/>
Total internal balances for government-wide statement of net position		\$ 392,866
		<hr/>
Governmental activities	Business-type activities	\$ 469,385
Business-type activities	Governmental activities	(76,519)
		<hr/>
Total internal balances for government-wide statement of net position		\$ 392,866
		<hr/>

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.

The NSP Breakwall Fund advanced funds to the TIF No. 10 Increment Fund to fund project costs. The NSP Breakwall Fund is charging interest on the advance based on the average outstanding balance during the year at a rate based on the average annual interest income rate of the City's money market account. A repayment schedule has been established for this advance.

# City of Ashland

Notes to Financial Statements  
December 31, 2021

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 \$523,964 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:

Receivable Fund	Payable Fund	Amount
General Fund	TIF No. 9 Increment	\$ 1,102,177
NSP Breakwall	TIF No. 10 Increment	178,792
	Land Sales and	
General Fund	Acquisitions	105,694
Water Utility	Debt Service Fund	76,519
Total fund financial statements		1,463,182
Less fund and government-wide eliminations		<u>(1,386,663)</u>
Total advances for government-wide statement of net position		<u>\$ 76,519</u>

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

	Principal
2022	\$ 12,308
2023	12,483
2024	12,660
2025	12,840
2026	13,022
2027	13,206
Total	<u>\$ 76,519</u>

The repayment schedule for the NSP Breakwall advance to the TIF No. 10 Increment Fund:

	Principal
2022	\$ 17,879
2023	17,879
2024	17,879
2025	17,879
2026	17,879
2027-2031	89,397
Total	<u>\$ 178,792</u>



# City of Ashland

Notes to Financial Statements  
December 31, 2021

## Transfers

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>
Vaughn Library	General Fund	\$ 314,262
Community Planning and Development	General Fund	14,000
Recycling	General Fund	83,390
Wetlands Mitigation	General Fund	12,300
Park Grounds Improvements	General Fund	5,000
Capital Equipment	General Fund	50,000
Street Improvements	General Fund	118,600
Landfill Improvement	General Fund	5,000
Airport	General Fund	45,000
Debt Service	TIF No. 10 Increment	75,473
TIF No.10 Development	TIF No. 10 Increment	215,949
TIF No. 9 Increment	TIF No. 6 Increment	299,044
TIF No. 9 Development	TIF No. 9 Increment	934,565
Capital Equipment	Building Facilities	135,100
Leisure and Recreation Improvements	Building Facilities	18,549
Leisure and Recreation Improvements	Waterfront Development	35,527
General Fund	Waterfront Development	17,700
General Fund	Water Utility	440,968
		<hr/>
Total fund financial statements		2,820,427
Less fund and government-wide eliminations		<hr/> (2,424,459)
Total government-wide statement of activities		395,968
Business-Type Activities	Governmental Activities	440,968
Governmental Activities	Business-Type Activities	<hr/> (45,000)
Total transfers for government-wide statement of activities		<hr/> <hr/> \$ 395,968

## City of Ashland

Notes to Financial Statements

December 31, 2021

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, 2021 was as follows:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
<b>Governmental Activities</b>					
Bonds and notes payable:					
General obligation bonds payable	\$ 3,759,997	\$ -	\$ 320,000	\$ 3,439,997	\$ 330,000
General obligation notes payable	8,165,000	-	665,000	7,500,000	680,000
General obligation notes from direct borrowings and direct placements	1,105,100	-	167,149	937,951	173,354
Total bonds and notes payable	13,030,097	-	1,152,149	11,877,948	1,183,354
Other liabilities:					
Vested compensated absences	690,393	34,008	31,011	693,390	327,973
Other post-employment benefits	1,271,106	-	156,046	1,115,060	-
Landfill liability	819,126	-	10,345	808,781	-
Total other liabilities	2,780,625	34,008	197,402	2,617,231	327,973
Total governmental activities, long-term liabilities	<u>\$ 15,810,722</u>	<u>\$ 34,008</u>	<u>\$ 1,349,551</u>	<u>\$ 14,495,179</u>	<u>\$ 1,511,327</u>

# City of Ashland

Notes to Financial Statements

December 31, 2021

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Business-Type Activities</b>					
Bonds and notes payable:					
General obligation debt	\$ 1,110,000	\$ -	\$ 101,000	\$ 1,009,000	\$ 102,000
Revenue bonds	5,573,854	-	202,502	5,371,159	204,269
Revenue bonds from direct borrowings and direct placements	952,685	-	79,105	873,773	80,512
Total bonds and notes payable	<u>7,636,539</u>	<u>-</u>	<u>382,607</u>	<u>7,253,932</u>	<u>386,781</u>
Other liabilities:					
Vested compensated absences	150,001	8,878	303	158,576	75,363
Other post-employment benefits	496,559	145,915	-	642,474	-
Total other liabilities	<u>646,560</u>	<u>154,793</u>	<u>303</u>	<u>801,050</u>	<u>75,363</u>
Total business-type activities, long-term liabilities	<u>\$ 8,283,099</u>	<u>\$ 154,793</u>	<u>\$ 382,910</u>	<u>\$ 8,054,982</u>	<u>\$ 462,144</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% of the equalized value of taxable property within the City's jurisdiction. The debt limit as of December 31, 2021, was \$22,193,780. Total general obligation debt outstanding at year-end was \$12,886,948.

General obligation debt payable for the City at December 31, 2021, consists of the following:

<b>Governmental Activities General Obligation Debt</b>	<b>Date of Issue</b>	<b>Final Maturity</b>	<b>Interest Rates</b>	<b>Original Indebtedness</b>	<b>Balance, December 31, 2021</b>
Note payable*	2015	2025	2.59 %	\$ 890,000	\$ 485,000
Bond payable	2015	2035	2.00 - 3.25	4,470,000	3,439,997
Note payable	2017	2027	2.00 - 2.25	2,065,000	1,335,000
Note payable*	2018	2028	4.00	550,000	452,951
Note payable	2020	2030	1.91	6,545,000	6,165,000
Total governmental activities, general obligation debt					<u>\$ 11,877,948</u>

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

# City of Ashland

Notes to Financial Statements

December 31, 2021

<b>Business-type Activities General Obligation Debt</b>	<b>Date of Issue</b>	<b>Final Maturity</b>	<b>Interest Rates</b>	<b>Original Indebtedness</b>	<b>Balance, December 31, 2021</b>
Water Utility: Note payable	2020	2030	2.75 %	\$ 410,000	\$ 373,000
Marina: Note payable	2020	2030	2.27	700,000	636,000
Total governmental activities, general obligation debt					<u>\$ 1,009,000</u>

Debt service requirements to maturity are as follows:

	<b>Governmental Activities</b>			
	<b>General Obligation Debt</b>		<b>General Obligation Notes From Direct Borrowings or Direct Placements</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2022	\$ 1,010,000	\$ 254,505	\$ 173,354	\$ 30,680
2023	1,015,000	231,647	178,649	25,381
2024	920,000	205,448	184,998	19,950
2025	940,000	182,154	191,515	14,247
2026	780,000	160,164	67,095	8,377
2027 - 2031	5,365,000	510,477	142,340	8,604
2032 - 2035	909,997	70,763	-	-
Total	<u>\$ 10,939,997</u>	<u>\$ 1,615,158</u>	<u>\$ 937,951</u>	<u>\$ 107,239</u>
	<b>Business-Type Activities</b>			
	<b>General Obligation Debt</b>			
	<b>Principal</b>	<b>Interest</b>		
2022	\$ 102,000	\$ 24,695		
2023	104,000	22,202		
2024	106,000	19,659		
2025	109,000	17,065		
2026	112,000	14,399		
2027 - 2030	476,000	29,467		
Total	<u>\$ 1,009,000</u>	<u>\$ 127,487</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 20.0% of net revenues. The total principal and interest remaining to be paid on the bonds is \$6,361,567. Principal and interest paid for the current year and total customer net revenues were \$334,130 and \$908,718, respectively.

## City of Ashland

Notes to Financial Statements

December 31, 2021

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 7.5% of net revenues. The total principal and interest remaining to be paid on the bonds is \$1,754,408. Principal and interest paid for the current year and total customer net revenues were \$113,908 and \$628,235, respectively.

Revenue debt payable at December 31, 2021 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, 2021</u>
<b>Water Utility</b>					
Revenue bonds*	2008	2027	1.420 %	\$ 442,199	\$ 152,625
Revenue bonds*	2009	2028	1.600	345,702	139,640
Revenue bonds	2016	2056	1.875	1,883,000	1,712,700
Revenue bonds	2017	2038	1.150-4.000	3,315,000	<u>2,810,000</u>
Total water utility					<u>4,814,965</u>
<b>Wastewater Utility</b>					
Revenue bonds*	2014	2034	2.630	581,416	427,672
Revenue bonds*	2016	2036	1.960	193,550	153,836
Revenue bonds	2018	2038	2.750	960,000	<u>848,459</u>
Total wastewater utility					<u>1,429,967</u>
Total business-type activities, revenue debt					<u>\$ 6,244,932</u>

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

# City of Ashland

Notes to Financial Statements

December 31, 2021

Debt service requirements to maturity are as follows:

	<b>Business-Type Activities</b>			
	<b>Revenue Debt</b>		<b>Revenue Debt From Direct Borrowings and Direct Placements</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
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	227,050	123,544	86,963	11,342
2027 - 2031	1,220,650	521,484	287,084	34,858
2032 - 2036	1,420,781	323,269	168,169	7,258
2037 - 2041	781,680	113,639	-	-
2042 - 2046	264,000	69,609	-	-
2047 - 2051	290,000	43,659	-	-
2052 - 2056	318,307	15,348	-	-
Total	<u>\$ 5,371,159</u>	<u>\$ 1,755,751</u>	<u>\$ 873,773</u>	<u>\$ 115,292</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 \$485,000, 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 \$452,951 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 \$873,773, 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, 2021

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.

## Short-Term Debt

The City issued a short-term promissory note in the amount of \$270,000 to be used for capital projects. The note has an interest rate of 2.50% and matures on March 1, 2022.

	<u>Beginning Balance</u>		<u>Increases</u>		<u>Decreases</u>		<u>Ending Balance</u>
Promissory note, direct placement	\$	-	\$ 270,000	\$	-	\$	270,000

## 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 \$808,781 reported as landfill closure and postclosure care liability at December 31, 2021, represents the cumulative amount reported to date based on the use of 100% 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 2021. 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, 2021 includes the following:

### Governmental Activities

Net investment in capital assets:	
Construction in progress	\$ 391,396
Land	4,563,071
Other capital assets, net of accumulated depreciation	71,774,769
Less related long-term debt outstanding (excluding unspent capital related debt proceeds)	<u>(11,356,646)</u>
Total net investment in capital assets	<u>\$ 65,372,590</u>

# City of Ashland

## Notes to Financial Statements

December 31, 2021

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

Fund Balances	General Fund	Housing Rehab Revolving Loan	TIF No. 9 Increment	Building Facilities	Debt Service Fund	Nonmajor Funds	Total
<b>Nonspendable</b>							
Prepaid items and inventory	\$ 67,854	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 67,854
Delinquent taxes	637	-	-	-	-	-	637
Delinquent utilities included in due from other governments	24,791	-	-	-	-	-	24,791
Noncurrent advances to other funds	683,907	-	-	-	-	160,913	844,820
<b>Restricted</b>							
Housing and economic development loans	-	322,888	-	-	-	-	322,888
Debt service	-	-	-	-	234,339	-	234,339
Library	-	-	-	-	-	326,713	326,713
Buildings and facilities	-	-	-	68,351	-	-	68,351
Police programs	-	-	-	-	-	92,046	92,046
NSP Breakwall	-	-	-	-	-	377,942	377,942
Beautification	-	-	-	-	-	3,552	3,552
Home improvement program	-	-	-	-	-	19,213	19,213
Wetland mitigation	-	-	-	-	-	2,514	2,514
TIF No. 10 development	-	-	-	-	-	26,597	26,597
Waterfront development	-	-	-	-	-	386,947	386,947
<b>Committed</b>							
Bretting Teen Center	-	-	-	-	-	43,460	43,460
Insured loss deductible	-	-	-	-	-	22,744	22,744
<b>Assigned</b>							
Fund balance applied to subsequent year's budget	132,284	-	-	-	-	-	132,284
Recycling	-	-	-	-	-	2	2
Capital equipment	-	-	-	-	-	186,203	186,203
Public transportation	-	-	-	-	-	22,000	22,000
Street improvements	-	-	-	-	-	480,261	480,261
Urban forestry	-	-	-	-	-	1,213	1,213
Park grounds improvements	-	-	-	-	-	16,638	16,638
Sidewalk improvements	-	-	-	-	-	255,362	255,362
Landfill improvement	-	-	-	-	-	39,363	39,363
<b>Unassigned (Deficit)</b>	<b>3,974,551</b>	<b>-</b>	<b>(1,102,177)</b>	<b>(205,821)</b>	<b>-</b>	<b>(449,391)</b>	<b>2,217,162</b>
Total fund balances (deficit)	<u>\$ 4,884,024</u>	<u>\$ 322,888</u>	<u>\$ (1,102,177)</u>	<u>\$ (137,470)</u>	<u>\$ 234,339</u>	<u>\$ 2,014,292</u>	<u>\$ 6,215,896</u>



# City of Ashland

Notes to Financial Statements

December 31, 2021

## Business-Type Activities

Net investment in capital assets:	
Construction in progress	\$ 835,214
Land	506,830
Other capital assets, net of accumulated depreciation	31,959,692
Less related long-term debt outstanding (excluding unspent capital related debt proceeds)	<u>(7,128,138)</u>
Total net investment in capital assets	<u>\$ 26,173,598</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, 2021, 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. The Trust has an excess deposit insurance bond of \$1,250,000 as of December 31, 2021. As of December 31, 2021, the uninsured portion of this balance was \$364,263.

#### **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, 2021, the Trust had \$1,551,178 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, 2021 totaled \$73,359.

#### **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 12, 2022, 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 Annual Comprehensive Financial Report (ACFR), which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

#### Vesting

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

#### Benefits Provided

Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and executive service retirement participants, if hired on or before 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, 2021

## Post-Retirement Adjustments

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

	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
Years ending December 31:		
2011	(1.2) %	11.0 %
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0

## Contributions

Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for General category employees 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 \$588,358 in contributions from the City.

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

	<u>Employee</u>	<u>Employer</u>
Employee category:		
General (executives and elected officials)	6.75 %	6.75 %
Protective with Social Security	6.75	11.65
Protective without Social Security	6.75	16.25

# City of Ashland

Notes to Financial Statements

December 31, 2021

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

At December 31, 2021, the City reported an asset of \$3,268,798 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2020 and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019 rolled forward to December 31, 2020. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2021, the City's proportion was .05235825%, which was a decrease of .00044119% from its proportion measured as of December 31, 2020.

For the year ended December 31, 2021, the City recognized pension expense of (\$298,055).

At December 31, 2021, 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	\$ 4,730,954	\$ 1,019,039
Changes in actuarial assumptions	74,142	-
Net differences between projected and actual earnings on pension plan investments	-	6,136,903
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	12,935
Employer contributions subsequent to the measurement date	<u>636,640</u>	<u>-</u>
Total	<u>\$ 5,441,736</u>	<u>\$ 7,168,877</u>

\$636,640 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>Deferred Outflows of Resources and Deferred Inflows of Resources, Net</u>
Years ended December 31:	
2022	\$ (610,339)
2023	(168,884)
2024	(1,113,317)
2025	(471,241)

# City of Ashland

Notes to Financial Statements  
December 31, 2021

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## Actuarial Assumptions

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

Actuarial valuation date	December 31, 2019
Measurement date of net position liability (asset)	December 31, 2020
Actuarial cost method	Entry age normal
Asset valuation method	Fair value
Long-term expected rate of return	7.0%
Discount rate	7.0%
Salary increases:	
Inflation	3.0%
Seniority/merit	0.1% - 5.6%
Mortality	Wisconsin 2018 Mortality Table
Post-retirement adjustments*	1.9%

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

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

## City of Ashland

Notes to Financial Statements

December 31, 2021

### Long-Term Expected Return on Plan Assets

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

	<b>Current Asset Allocation Percent</b>	<b>Long-Term Expected Nominal Rate of Return Percent</b>	<b>Long-Term Expected Real Rate of Return Percent</b>
Core Fund Asset Class:			
Global equities	51 %	7.2 %	4.7 %
Fixed income	25	3.2	0.8
Inflation sensitive assets	16	2.0	(0.4)
Real estate	8	5.6	3.3
Private equity/debt	11	10.2	7.6
Multi-asset	4	5.8	3.3
Total Core Fund	115	6.6	4.1
Variable Fund Asset Class:			
U.S. equities	70.0	6.6	4.1
International equities	30.0	7.4	4.9
Total Variable Fund	100.0	7.1	4.6

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.4%

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

### Single Discount Rate

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

# City of Ashland

Notes to Financial Statements

December 31, 2021

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

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

	<b>1% Decrease to Discount Rate (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase to Discount Rate (8.00%)</b>
City's proportionate share of the net pension liability (asset)	\$ 3,111,442	\$ (3,268,798)	\$ (7,955,037)

## Pension Plan Fiduciary Net Position

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

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

## Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; workers' compensation; and health care of its employees. 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.

## 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, 2021

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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 \$729,605, to be drawn upon for cleanup costs. No draws have been made on these letters of credit as of December 31, 2021.

The City has active construction projects as of December 31, 2021. Work that has been completed on these projects but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures. The City has open contracts of approximately \$1,810,700 at December 31, 2021 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% 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, 2021 were \$25,774.

### **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% 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% of the total premium for their coverage.

# City of Ashland

## Notes to Financial Statements

December 31, 2021

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, 2021, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	18
Active plan members	44
	<hr/>
	62
	<hr/> <hr/>

### Total OPEB Liability

The City's total OPEB liability of \$1,757,534 was measured as of December 31, 2021 and was determined by an actuarial valuation as of January 1, 2021 with results actuarially projected on a "no gain / no loss" basis to get to the December 31, 2021 measurement date.

### Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2021 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%
Payroll growth	3.0% plus merit/productivity increases based on WRS actuarial valuation as of December 31, 2020
Healthcare cost trend rates	7.5% for 2022, decreasing 0.5% per year to an ultimate rate of 4.5% for 2028 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-2021, as appropriate.

The actuarial assumptions used in the December 31, 2021 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, 2021

## Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at December 31, 2020	\$ 1,767,665
Changes for the year:	
Service cost	55,768
Interest	37,485
Changes of benefit terms	-
Differences between expected and actual experience	51,514
Changes in assumptions or other inputs	(43,742)
Benefit payments	<u>(111,156)</u>
Net changes	<u>(10,131)</u>
Balance at December 31, 2021	<u>\$ 1,757,534</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, 2021. The discount rate changed from 2.12% in 2020 to 2.25% in 2021.

Health care trend rates are currently decreasing .5% annually from an initial rate of 7.5% in 2021 to an ultimate rate of 4.5% for both pre-65 benefits and post-65 benefits. Dental trend rates were reset to a flat rate of 4.0% in 2021.

The mortality tables were updated from the PUB-2010 amounts weighted mortality tables fully generational (various classifications) using scale MP-2019 to using scale MP-2021.

## 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 (1.25%) or 1-percentage-point higher (3.25%) than the current discount rate:

	<u>1% Decrease (1.25%)</u>	<u>Discount Rate (2.25%)</u>	<u>1% Increase (3.25%)</u>
Total OPEB liability	\$ 1,903,451	\$ 1,757,534	\$ 1,627,488

## City of Ashland

Notes to Financial Statements

December 31, 2021

### 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% decreasing to 3.5%) or 1-percentage-point higher (8.5% decreasing to 5.5%) than the current healthcare cost trend rates:

	<b>1% Decrease (6.5% Decreasing to 3.5%)</b>	<b>Healthcare Cost Trend Rates (7.5% Decreasing to 4.5%)</b>	<b>1% Increase (8.5% Decreasing to 5.5%)</b>
Total OPEB liability	\$ 1,608,866	\$ 1,757,534	\$ 1,931,400

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

For the year ended December 31, 2021, the City recognized OPEB expense of \$10,228. At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 73,034	\$ 346,386
Changes of assumptions or other inputs	147,810	271,354
Total	<u>\$ 220,844</u>	<u>\$ 617,740</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	\$ (83,023)
2022	(91,113)
2023	(91,113)
2024	(91,115)
2025	(70,422)
Thereafter	29,890

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

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

## Subsequent Event

The City Council approved \$623,081 of Sewerage System Mortgage Revenue Bonds on February 8, 2022 to finance sanitary sewerage collection system repairs and replacement project.

In April 2022, the City Council approved two contract bids totaling \$1,811,376 for sanitary sewer collection system repair and replacement project.

**REQUIRED SUPPLEMENTARY INFORMATION**

**City of Ashland**Budgetary Comparison Schedule - General Fund  
Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues</b>				
Taxes:				
General property tax for local purposes	\$ 2,779,725	\$ 2,779,725	\$ 2,780,111	\$ 386
Payments in lieu of taxes	35,000	35,000	2,142	(32,858)
Sales tax-city share	120	120	152	32
Mobile home taxes	24,000	24,000	25,614	1,614
Room tax	10,000	10,000	10,580	580
Interest on taxes	2,500	2,500	2,807	307
Total taxes	2,851,345	2,851,345	2,821,406	(29,939)
Intergovernmental:				
Shared taxes from state	3,756,959	3,756,959	3,753,087	(3,872)
State aid, computer aid	37,633	37,633	38,440	807
State aid, highways	76,465	76,465	76,465	-
State aid, local streets	599,070	599,070	598,285	(785)
State aid, other public safety	49,000	49,000	60,960	11,960
Protection services	12,500	12,500	12,165	(335)
State aid, fire insurance tax	21,000	21,000	20,639	(361)
Expenditure restraint	114,042	114,042	114,042	-
Federal grants	-	-	1,969	1,969
Other local government grants	250	250	-	(250)
Total intergovernmental	4,666,919	4,666,919	4,676,052	9,133
Licenses and permits:				
Liquor and malt beverage licenses	28,000	28,000	34,290	6,290
Nonbusiness licenses	10	10	5	(5)
Cable franchise fee	82,100	82,100	73,569	(8,531)
Building permits	37,000	37,000	45,919	8,919
Zoning permits	8,000	8,000	3,985	(4,015)
Total licenses and permits	155,110	155,110	157,768	2,658
Fines, forfeitures and penalties:				
Court penalties and costs	20,000	20,000	16,549	(3,451)
Total fines, forfeitures and penalties	20,000	20,000	16,549	(3,451)

See notes to required supplementary information

**City of Ashland**Budgetary Comparison Schedule - General Fund  
Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Public charges for services:				
General government fees	\$ 9,000	\$ 9,000	\$ 7,981	\$ (1,019)
Police department fees	3,500	3,500	3,745	245
Fire department fees	1,000	1,000	1,832	832
Ambulance fees	1,069,000	1,069,000	934,108	(134,892)
Ambulance protection fees	13,400	13,400	11,848	(1,552)
Other public safety fees	5,800	5,800	250	(5,550)
Public works fees	55,400	55,400	39,370	(16,030)
Fuel tax refund	3,500	3,500	2,371	(1,129)
Parking revenues	14,500	14,500	8,582	(5,918)
Refuse and garbage fees	369,100	369,100	371,060	1,960
Animal control	2,500	2,500	3,644	1,144
Park fees	119,250	119,250	158,629	39,379
Weed and nuisance control	2,000	2,000	2,179	179
Leisure programs	80,000	80,000	54,179	(25,821)
Total public charges for services	<u>1,747,950</u>	<u>1,747,950</u>	<u>1,599,778</u>	<u>(148,172)</u>
Intergovernmental charges for services:				
Liaison officer	75,000	75,000	83,056	8,056
Fire yearly fees	138,290	138,290	138,699	409
Ambulance yearly fees	305,980	305,980	311,756	5,776
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	244,520	244,520	215,513	(29,007)
Charges to library	42,500	42,500	41,480	(1,020)
Total intergovernmental charges for services	<u>819,290</u>	<u>819,290</u>	<u>800,154</u>	<u>(19,136)</u>
Investment income:				
Interest on temporary investments	15,000	15,000	5,122	(9,878)
Total investment income	<u>15,000</u>	<u>15,000</u>	<u>5,122</u>	<u>(9,878)</u>
Miscellaneous:				
Rent/lease	27,430	27,430	29,044	1,614
Insurance dividends	40,000	40,000	31,632	(8,368)
Donations	1,000	1,000	3	(997)
Insurance workman's compensation	2,000	2,000	9,435	7,435
Other miscellaneous revenue	2,000	2,000	14,275	12,275
Total miscellaneous	<u>72,430</u>	<u>72,430</u>	<u>84,389</u>	<u>11,959</u>
Total revenues	<u>10,348,044</u>	<u>10,348,044</u>	<u>10,161,218</u>	<u>(186,826)</u>

See notes to required supplementary information



## City of Ashland

Budgetary Comparison Schedule - General Fund  
Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
<b>Expenditures</b>				
General government:				
Council	\$ 63,130	\$ 66,105	\$ 66,103	\$ 2
Police/fire commission	5,300	9,755	9,754	1
Mayor	29,940	29,940	25,171	4,769
Administrator	137,750	137,750	137,517	233
Clerk:				
Legislative support	98,860	98,860	98,149	711
Elections	41,405	41,405	33,567	7,838
Personnel, labor relations	154,795	155,940	102,320	53,620
Data processing	287,560	287,560	272,178	15,382
Other city hall	88,855	73,720	62,838	10,882
Financial administration, finance department	428,765	427,665	423,532	4,133
Assessment of property	63,150	63,150	62,703	447
Legal	60,000	66,270	66,266	4
Municipal buildings	471,079	471,079	445,491	25,588
Uncollectible taxes/special assessment refunds	2,500	2,500	4,539	(2,039)
Property and liability insurance	127,600	127,600	119,504	8,096
	<u>2,060,689</u>	<u>2,059,299</u>	<u>1,929,632</u>	<u>129,667</u>
Total general government				
Public safety:				
Police	2,217,686	2,217,686	2,201,393	16,293
Ambulance and fire	2,939,441	2,939,424	2,693,726	245,698
Hydrant rental	19,200	19,217	19,217	-
Building inspection	119,085	119,085	111,371	7,714
Weights and measures	5,600	5,600	5,600	-
	<u>5,301,012</u>	<u>5,301,012</u>	<u>5,031,307</u>	<u>269,705</u>
Total public safety				
Public works:				
Administration	204,911	194,211	199,780	(5,569)
Road maintenance	1,001,845	1,001,845	1,057,106	(55,261)
Street lighting	154,884	154,884	106,882	48,002
Sidewalk maintenance	20,455	20,455	5,412	15,043
Storm sewers	102,244	102,244	60,971	41,273
Parking facilities	2,950	2,950	2,738	212
Bay Area Transit	31,000	31,000	31,000	-
GIS and engineering	174,685	174,685	92,439	82,246
Garbage and refuse collection	345,412	356,112	348,046	8,066
Landfill	35,864	35,864	43,928	(8,064)
	<u>2,074,250</u>	<u>2,074,250</u>	<u>1,948,302</u>	<u>125,948</u>
Total public works				

See notes to required supplementary information

**City of Ashland**Budgetary Comparison Schedule - General Fund  
Year Ended December 31, 2021

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance With Final Budget</b>
	<b>Original</b>	<b>Final</b>		
Health and human services:				
Animal and pest control	\$ 87,710	\$ 87,710	\$ 83,984	\$ 3,726
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	150,310	150,310	146,584	3,726
Leisure activities:				
Museum	10,000	10,000	10,000	-
Parks	235,534	234,359	219,996	14,363
Leisure services	299,790	300,855	300,854	1
Municipal band	4,950	5,060	6,977	(1,917)
Community events	18,450	18,450	15,700	2,750
Total leisure activities	568,724	568,724	553,527	15,197
Conservation and development:				
Historic preservation	600	600	618	(18)
AADC contribution	50,000	50,000	50,000	-
Community development	179,175	179,175	151,033	28,142
Total conservation and development	229,775	229,775	201,651	28,124
Total expenditures	10,384,760	10,383,370	9,811,003	572,367
Excess of revenues over expenditures	(36,716)	(35,326)	350,215	385,541
<b>Other Financing Sources (Uses)</b>				
Transfers in	538,950	538,950	458,668	(80,282)
Transfers out	(647,262)	(647,552)	(647,552)	-
Total other financing sources (uses)	(108,312)	(108,602)	(188,884)	(80,282)
Net change in fund balance	\$ (145,028)	\$ (143,928)	161,331	\$ 305,259
<b>Fund Balance, Beginning</b>			4,722,693	
<b>Fund Balance, Ending</b>			<u>\$ 4,884,024</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, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Investment income	\$ -	\$ -	\$ 59	\$ 59
Miscellaneous	30,000	113,038	112,979	(59)
Total revenues	<u>30,000</u>	<u>113,038</u>	<u>113,038</u>	<u>-</u>
<b>Expenditures</b>				
Current:				
Conservation and development	<u>150,000</u>	<u>56,452</u>	<u>56,452</u>	<u>-</u>
Total expenditures	<u>150,000</u>	<u>56,452</u>	<u>56,452</u>	<u>-</u>
Net change in fund balance	<u>\$ (120,000)</u>	<u>\$ 56,586</u>	56,586	<u>\$ -</u>
<b>Fund Balance, Beginning</b>			<u>266,302</u>	
<b>Fund Balance, Ending</b>			<u>\$ 322,888</u>	

*See notes to required supplementary information*

**City of Ashland**Budgetary Comparison Schedule - Special Revenue Fund - TIF No. 9 Increment  
Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 79,265	\$ 79,265	\$ 211,142	\$ 131,877
Intergovernmental	-	-	3,143	3,143
Investment income (loss)	-	-	(562)	(562)
Miscellaneous	136,550	134,458	-	(134,458)
	<u>215,815</u>	<u>213,723</u>	<u>213,723</u>	<u>-</u>
Total revenues				
<b>Expenditures</b>				
Current:				
Conservation and development	150	150	149	1
	<u>150</u>	<u>150</u>	<u>149</u>	<u>1</u>
Total expenditures				
Excess of revenues over expenditures	215,665	213,573	213,574	(1)
<b>Other Financing Sources (Uses)</b>				
Transfers in	301,102	299,044	299,044	-
Transfers out	-	(934,565)	(934,566)	(1)
	<u>301,102</u>	<u>(635,521)</u>	<u>(635,522)</u>	<u>(1)</u>
Total other financing sources (uses)				
Net change in fund balance	<u>\$ 516,767</u>	<u>\$ (421,948)</u>	<u>(421,948)</u>	<u>\$ -</u>
<b>Fund Balance (Deficit), Beginning</b>			<u>(680,229)</u>	
<b>Fund Balance (Deficit), Ending</b>			<u>\$ (1,102,177)</u>	

See notes to required supplementary information

**City of Ashland**Schedule of Changes in Total OPEB Liability and Related Ratios  
Year Ended December 31, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Total OPEB Liability</b>					
Service cost	\$ 55,768	\$ 48,355	\$ 140,668	\$ 150,703	\$ 139,541
Interest	37,485	50,186	94,923	85,119	85,273
Differences between expected and actual experience	51,514	97,380	(445,107)	(59,839)	-
Changes of assumptions	(43,742)	126,193	(349,606)	(105,699)	48,530
Benefit payments	<u>(111,156)</u>	<u>(90,358)</u>	<u>(146,257)</u>	<u>(137,344)</u>	<u>(126,004)</u>
Net change in total OPEB liability	(10,131)	231,756	(705,379)	(67,060)	147,340
<b>Total OPEB Liability, Beginning</b>	<u>1,767,665</u>	<u>1,535,909</u>	<u>2,241,288</u>	<u>2,308,348</u>	<u>2,161,008</u>
<b>Total OPEB Liability, Ending</b>	<u>\$ 1,757,534</u>	<u>\$ 1,767,665</u>	<u>\$ 1,535,909</u>	<u>\$ 2,241,288</u>	<u>\$ 2,308,348</u>
<b>Covered-Employee Payroll</b>	\$ 2,598,357	\$ 2,297,650	\$ 2,230,728	\$ 5,124,538	\$ 4,975,280
<b>Total Opeb Liability As A Percentage Of Covered-Employee Payroll</b>	67.64%	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, 2021

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
12/31/20	0.05235825 %	\$ (3,268,798)	\$ 5,704,184	57.31 %	105.26 %
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, 2021

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
12/31/21	\$ 636,640	\$ 636,640	\$ -	\$ 5,581,316	11.41 %
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

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Notes to Required Supplementary Information  
December 31, 2021

## 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

No significant changes in assumptions were noted from the prior year.

## 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, 2021. The discount rate changed from 2.12% in 2020 to 2.25% in 2021.

Health care trend rates have been updated to an initial rate of 7.5% in 2021 decreasing by .5% annually to an ultimate rate of 4.5% for pre-65 benefits and post-65 benefits. Dental trend rates have been updated to a flat rate of 4.0%.

The mortality tables were updated from Pub-2010 General, Public Safety, Non-Safety Disabled Retiree and Public Safety Disabled Retiree and Continuing Survivor Headcount-weighted Mortality Tables fully generational scale MP-2019 to using scale MP-2021.



**SUPPLEMENTARY INFORMATION**

# City of Ashland

## Combining Balance Sheet - Nonmajor Governmental Funds

December 31, 2021

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Capital Projects Funds</b>	<b>Total Nonmajor Funds</b>
<b>Assets</b>			
Cash and investments	\$ 1,304,831	\$ 1,978,168	\$ 3,282,999
Taxes receivable	420,742	326	421,068
Accounts receivable	9,745	87,721	97,466
Notes receivable, net	158,140	-	158,140
Special assessments receivable	-	43,746	43,746
Due from other governments	311,805	340,598	652,403
Advances to other funds	178,792	-	178,792
	<u>2,384,055</u>	<u>2,450,559</u>	<u>4,834,614</u>
Total assets	<u>\$ 2,384,055</u>	<u>\$ 2,450,559</u>	<u>\$ 4,834,614</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ 33,623	\$ 502,338	\$ 535,961
Accrued liabilities	15,702	-	15,702
Unearned revenues	410,458	-	410,458
Due to other funds	244,108	127,121	371,229
Short-term notes payable	-	110,000	110,000
Advances from other funds	178,792	105,694	284,486
	<u>882,683</u>	<u>845,153</u>	<u>1,727,836</u>
Total liabilities	<u>882,683</u>	<u>845,153</u>	<u>1,727,836</u>
<b>Deferred Inflows of Resources</b>			
Unearned revenues	457,716	596	458,312
Unavailable revenues	200,926	433,248	634,174
	<u>658,642</u>	<u>433,844</u>	<u>1,092,486</u>
Total deferred inflows of resources	<u>658,642</u>	<u>433,844</u>	<u>1,092,486</u>
<b>Fund Balances</b>			
Nonspendable	160,913	-	160,913
Restricted	821,980	413,544	1,235,524
Committed	66,204	-	66,204
Assigned	2	1,001,040	1,001,042
Unassigned (deficit)	(206,369)	(243,022)	(449,391)
	<u>842,730</u>	<u>1,171,562</u>	<u>2,014,292</u>
Total fund balances	<u>842,730</u>	<u>1,171,562</u>	<u>2,014,292</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,384,055</u>	<u>\$ 2,450,559</u>	<u>\$ 4,834,614</u>

## City of Ashland

### Combining Statement of Revenues, Expenditures and Changes in Fund Balances

#### Nonmajor Governmental Funds

Year Ended December 31, 2021

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Capital Projects Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Revenues</b>			
Taxes	\$ 390,455	\$ 147,843	\$ 538,298
Intergovernmental	1,199,392	395,416	1,594,808
Fines, forfeitures and penalties	75	-	75
Public charges for services	2,681	162,890	165,571
Special assessments	-	18,924	18,924
Investment income	7,824	1,223	9,047
Miscellaneous	179,413	36,035	215,448
	<u>1,779,840</u>	<u>762,331</u>	<u>2,542,171</u>
Total revenues			
<b>Expenditures</b>			
Current:			
General government	19,987	-	19,987
Public safety	54,100	62,238	116,338
Public works	140,492	226,345	366,837
Health and human services	263,292	-	263,292
Leisure activities	505,931	113,249	619,180
Conservation and development	1,474,960	225,199	1,700,159
Capital outlay	-	2,012,171	2,012,171
	<u>2,458,762</u>	<u>2,639,202</u>	<u>5,097,964</u>
Total expenditures			
Excess (deficiency) of revenues over expenditures	<u>(678,922)</u>	<u>(1,876,871)</u>	<u>(2,555,793)</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in	423,952	1,518,290	1,942,242
Transfers out	(590,466)	(53,226)	(643,692)
Proceeds from sale of capital assets	-	63,949	63,949
	<u>(166,514)</u>	<u>1,529,013</u>	<u>1,362,499</u>
Total other financing sources (uses)			
Net change in fund balances	(845,436)	(347,858)	(1,193,294)
<b>Fund Balances, Beginning</b>	<u>1,688,166</u>	<u>1,519,420</u>	<u>3,207,586</u>
<b>Fund Balances, Ending</b>	<u>\$ 842,730</u>	<u>\$ 1,171,562</u>	<u>\$ 2,014,292</u>

**City of Ashland**

Combining Balance Sheet - Nonmajor Special Revenue Funds  
December 31, 2021

	<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. 10 Increment</u>	<u>Community Planning and Development</u>	<u>NSP Breakwall</u>	<u>Evidence Funds</u>
<b>Assets</b>								
Cash and investments	\$ 11,736	\$ 754	\$ 193,504	\$ -	\$ -	\$ 385,654	\$ 360,063	\$ 92,001
Taxes receivable	-	-	-	311,426	109,316	-	-	-
Accounts receivable	-	695	7,130	-	-	-	-	250
Notes receivable, net	-	158,140	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	39,746	-	940
Advances to other funds	-	-	-	-	-	-	178,792	-
Total assets	<u>\$ 11,736</u>	<u>\$ 159,589</u>	<u>\$ 200,634</u>	<u>\$ 311,426</u>	<u>\$ 109,316</u>	<u>\$ 425,400</u>	<u>\$ 538,855</u>	<u>\$ 93,191</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)</b>								
<b>Liabilities</b>								
Accounts payable	\$ 11,734	\$ 1,597	\$ 6,052	\$ -	\$ -	\$ 1,861	\$ -	\$ 515
Accrued liabilities	-	-	-	-	-	-	-	-
Unearned revenues	-	-	-	-	-	410,458	-	-
Due to other funds	-	-	-	-	-	-	-	-
Advances from other funds	-	-	-	-	178,792	-	-	-
Total liabilities	<u>11,734</u>	<u>1,597</u>	<u>6,052</u>	<u>-</u>	<u>178,792</u>	<u>412,319</u>	<u>-</u>	<u>515</u>
<b>Deferred Inflows of Resources</b>								
Unearned revenues	-	-	-	311,426	109,316	-	-	-
Unavailable revenues	-	158,140	-	-	-	40,510	-	630
Total deferred inflows of resources	<u>-</u>	<u>158,140</u>	<u>-</u>	<u>311,426</u>	<u>109,316</u>	<u>40,510</u>	<u>-</u>	<u>630</u>
<b>Fund Balances (Deficit)</b>								
Nonspendable	-	-	-	-	-	-	160,913	-
Restricted	-	-	194,582	-	-	-	377,942	92,046
Committed	-	-	-	-	-	-	-	-
Assigned	2	-	-	-	-	-	-	-
Unassigned (deficit)	-	(148)	-	-	(178,792)	(27,429)	-	-
Total fund balances (deficit)	<u>2</u>	<u>(148)</u>	<u>194,582</u>	<u>-</u>	<u>(178,792)</u>	<u>(27,429)</u>	<u>538,855</u>	<u>92,046</u>
Total liabilities, deferred inflows of resources and fund balances (deficit)	<u>\$ 11,736</u>	<u>\$ 159,589</u>	<u>\$ 200,634</u>	<u>\$ 311,426</u>	<u>\$ 109,316</u>	<u>\$ 425,400</u>	<u>\$ 538,855</u>	<u>\$ 93,191</u>

**City of Ashland**

Combining Balance Sheet - Nonmajor Special Revenue Funds

December 31, 2021

	Bretting Teen Center	Beautification	Wetlands Mitigation	Vaughn Library	Insured Loss Deductible	Hazardous Materials	Home Improvement Program	Total Nonmajor Special Revenue Funds
<b>Assets</b>								
Cash and investments	\$ 43,460	\$ 3,555	\$ 6,514	\$ 146,740	\$ 22,744	\$ 38,106	\$ -	\$ 1,304,831
Taxes receivable	-	-	-	-	-	-	-	420,742
Accounts receivable	-	-	-	24	1,646	-	-	9,745
Notes receivable, net	-	-	-	-	-	-	-	158,140
Due from other governments	-	-	-	-	-	7,798	263,321	311,805
Advances to other funds	-	-	-	-	-	-	-	178,792
Total assets	<u>\$ 43,460</u>	<u>\$ 3,555</u>	<u>\$ 6,514</u>	<u>\$ 146,764</u>	<u>\$ 24,390</u>	<u>\$ 45,904</u>	<u>\$ 263,321</u>	<u>\$ 2,384,055</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)</b>								
<b>Liabilities</b>								
Accounts payable	\$ -	\$ -	\$ 4,000	\$ 4,604	\$ -	\$ 3,260	\$ -	\$ 33,623
Accrued liabilities	-	3	-	10,029	-	5,670	-	15,702
Unearned revenues	-	-	-	-	-	-	-	410,458
Due to other funds	-	-	-	-	-	-	244,108	244,108
Advances from other funds	-	-	-	-	-	-	-	178,792
Total liabilities	<u>-</u>	<u>3</u>	<u>4,000</u>	<u>14,633</u>	<u>-</u>	<u>8,930</u>	<u>244,108</u>	<u>882,683</u>
<b>Deferred Inflows of Resources</b>								
Unearned revenues	-	-	-	-	-	36,974	-	457,716
Unavailable revenues	-	-	-	-	1,646	-	-	200,926
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,646</u>	<u>36,974</u>	<u>-</u>	<u>658,642</u>
<b>Fund Balances (Deficit)</b>								
Nonspendable	-	-	-	-	-	-	-	160,913
Restricted	-	3,552	2,514	132,131	-	-	19,213	821,980
Committed	43,460	-	-	-	22,744	-	-	66,204
Assigned	-	-	-	-	-	-	-	2
Unassigned (deficit)	-	-	-	-	-	-	-	(206,369)
Total fund balances (deficit)	<u>43,460</u>	<u>3,552</u>	<u>2,514</u>	<u>132,131</u>	<u>22,744</u>	<u>-</u>	<u>19,213</u>	<u>842,730</u>
Total liabilities, deferred inflows of resources and fund balances (deficit)	<u>\$ 43,460</u>	<u>\$ 3,555</u>	<u>\$ 6,514</u>	<u>\$ 146,764</u>	<u>\$ 24,390</u>	<u>\$ 45,904</u>	<u>\$ 263,321</u>	<u>\$ 2,384,055</u>

**City of Ashland**

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

	<u>Recycling</u>	<u>Economic Development Revolving Loan</u>	<u>Library Grants &amp; Special Revenue</u>	<u>TIF No. 6 Increment</u>	<u>TIF No. 10 Increment</u>	<u>Community Planning &amp; Development</u>	<u>NSP Breakwall</u>	<u>Evidence Funds</u>
<b>Revenues</b>								
Taxes	\$ -	\$ -	\$ -	\$ 291,744	\$ 98,711	\$ -	\$ -	\$ -
Intergovernmental	57,099	-	-	7,391	-	678,684	-	3,190
Fines, forfeitures and penalties	-	-	-	-	-	-	-	75
Public charges for services	-	-	2,343	-	-	-	-	-
Investment income	-	7,387	71	59	-	-	202	-
Miscellaneous	-	30,697	25,108	-	-	17,285	-	85,136
Total revenues	<u>57,099</u>	<u>38,084</u>	<u>27,522</u>	<u>299,194</u>	<u>98,711</u>	<u>695,969</u>	<u>202</u>	<u>88,401</u>
<b>Expenditures</b>								
Current:								
General government	-	-	-	150	-	-	-	-
Public safety	-	-	-	-	-	-	-	30,713
Public works	140,492	-	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-	-	-
Leisure activities	-	-	34,127	-	-	-	-	-
Conservation and development	-	687,326	-	-	149	775,207	-	-
Total expenditures	<u>140,492</u>	<u>687,326</u>	<u>34,127</u>	<u>150</u>	<u>149</u>	<u>775,207</u>	<u>-</u>	<u>30,713</u>
Excess (deficiency) of revenues over expenditures	<u>(83,393)</u>	<u>(649,242)</u>	<u>(6,605)</u>	<u>299,044</u>	<u>98,562</u>	<u>(79,238)</u>	<u>202</u>	<u>57,688</u>
<b>Other Financing Sources (Uses)</b>								
Transfers in	83,390	-	-	-	-	14,000	-	-
Transfers out	-	-	-	(299,044)	(291,422)	-	-	-
Total other financing sources (uses)	<u>83,390</u>	<u>-</u>	<u>-</u>	<u>(299,044)</u>	<u>(291,422)</u>	<u>14,000</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(3)	(649,242)	(6,605)	-	(192,860)	(65,238)	202	57,688
<b>Fund Balances (Deficit), Beginning</b>	<u>5</u>	<u>649,094</u>	<u>201,187</u>	<u>-</u>	<u>14,068</u>	<u>37,809</u>	<u>538,653</u>	<u>34,358</u>
<b>Fund Balances (Deficit), Ending</b>	<u>\$ 2</u>	<u>\$ (148)</u>	<u>\$ 194,582</u>	<u>\$ -</u>	<u>\$ (178,792)</u>	<u>\$ (27,429)</u>	<u>\$ 538,855</u>	<u>\$ 92,046</u>

**City of Ashland**

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

	<b>Bretting Teen Center</b>	<b>Beautification</b>	<b>Wetlands Mitigation</b>	<b>Vaughn Library</b>	<b>Insured Loss Deductible</b>	<b>Hazardous Materials</b>	<b>Home Improvement Program</b>	<b>Total Nonmajor Special Revenue Funds</b>
<b>Revenues</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 390,455
Intergovernmental	-	-	-	161,140	-	28,596	263,292	1,199,392
Fines, forfeitures and penalties	-	-	-	-	-	-	-	75
Public charges for services	100	-	-	238	-	-	-	2,681
Investment income	17	-	-	88	-	-	-	7,824
Miscellaneous	7,870	3,175	-	176	9,863	103	-	179,413
<b>Total revenues</b>	<b>7,987</b>	<b>3,175</b>	<b>-</b>	<b>161,642</b>	<b>9,863</b>	<b>28,699</b>	<b>263,292</b>	<b>1,779,840</b>
<b>Expenditures</b>								
Current:								
General government	-	-	-	-	19,837	-	-	19,987
Public safety	-	-	-	-	-	23,387	-	54,100
Public works	-	-	-	-	-	-	-	140,492
Health and human services	-	-	-	-	-	-	263,292	263,292
Leisure activities	11,885	6,905	-	453,014	-	-	-	505,931
Conservation and development	-	-	10,486	-	-	-	1,792	1,474,960
<b>Total expenditures</b>	<b>11,885</b>	<b>6,905</b>	<b>10,486</b>	<b>453,014</b>	<b>19,837</b>	<b>23,387</b>	<b>265,084</b>	<b>2,458,762</b>
Excess (deficiency) of revenues over expenditures	(3,898)	(3,730)	(10,486)	(291,372)	(9,974)	5,312	(1,792)	(678,922)
<b>Other Financing Sources (Uses)</b>								
Transfers in	-	-	12,300	314,262	-	-	-	423,952
Transfers out	-	-	-	-	-	-	-	(590,466)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>12,300</b>	<b>314,262</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(166,514)</b>
<b>Net change in fund balances</b>	<b>(3,898)</b>	<b>(3,730)</b>	<b>1,814</b>	<b>22,890</b>	<b>(9,974)</b>	<b>5,312</b>	<b>(1,792)</b>	<b>(845,436)</b>
<b>Fund Balances (Deficit), Beginning</b>	<b>47,358</b>	<b>7,282</b>	<b>700</b>	<b>109,241</b>	<b>32,718</b>	<b>(5,312)</b>	<b>21,005</b>	<b>1,688,166</b>
<b>Fund Balances (Deficit), Ending</b>	<b>\$ 43,460</b>	<b>\$ 3,552</b>	<b>\$ 2,514</b>	<b>\$ 132,131</b>	<b>\$ 22,744</b>	<b>\$ -</b>	<b>\$ 19,213</b>	<b>\$ 842,730</b>

**City of Ashland**

Combining Balance Sheet - Nonmajor Capital Projects Funds

December 31, 2021

	<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>
<b>Assets</b>						
Cash and investments	\$ 975,029	\$ -	\$ 26,597	\$ 22,000	\$ 379,604	\$ 259,237
Taxes receivable	-	-	-	-	-	-
Accounts receivable	34,343	-	-	-	7,343	16,754
Special assessments receivable	-	-	-	-	-	-
Due from other governments	73,688	-	-	-	90,679	38,559
Total assets	<u>\$ 1,083,060</u>	<u>\$ -</u>	<u>\$ 26,597</u>	<u>\$ 22,000</u>	<u>\$ 477,626</u>	<u>\$ 314,550</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)</b>						
<b>Liabilities</b>						
Accounts payable	\$ 480,488	\$ -	\$ -	\$ -	\$ -	\$ 9,050
Due to other funds	-	-	-	-	-	-
Short-term notes payable	34,400	-	-	-	-	75,600
Advances from other funds	-	-	-	-	-	-
Total liabilities	<u>514,888</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>84,650</u>
<b>Deferred Inflows of Resources</b>						
Unearned revenues	-	-	-	-	-	-
Unavailable revenues	87,911	-	-	-	90,679	43,697
Total deferred inflows of resources	<u>87,911</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>90,679</u>	<u>43,697</u>
<b>Fund Balances (Deficit)</b>						
Restricted	-	-	26,597	-	386,947	-
Assigned	480,261	-	-	22,000	-	186,203
Unassigned (deficit)	-	-	-	-	-	-
Total fund balances (deficit)	<u>480,261</u>	<u>-</u>	<u>26,597</u>	<u>22,000</u>	<u>386,947</u>	<u>186,203</u>
Total liabilities, deferred inflows of resources and fund balances (deficit)	<u>\$ 1,083,060</u>	<u>\$ -</u>	<u>\$ 26,597</u>	<u>\$ 22,000</u>	<u>\$ 477,626</u>	<u>\$ 314,550</u>



**City of Ashland**

Combining Balance Sheet - Nonmajor Capital Projects Funds  
December 31, 2021

	<b>Park Grounds Improvements</b>	<b>Land Sales &amp; Acquisition</b>	<b>Capital Sidewalk Improvements</b>	<b>Urban Forestry</b>	<b>Landfill Improvement</b>	<b>Leisure and Recreation Improvements</b>	<b>Total Nonmajor Capital Project Funds</b>
<b>Assets</b>							
Cash and investments	\$ 16,638	\$ -	\$ 255,687	\$ 4,013	\$ 39,363	\$ -	\$ 1,978,168
Taxes receivable	-	-	326	-	-	-	326
Accounts receivable	-	-	-	-	-	29,281	87,721
Special assessments receivable	-	-	43,746	-	-	-	43,746
Due from other governments	-	-	-	9,850	-	127,822	340,598
<b>Total assets</b>	<b>\$ 16,638</b>	<b>\$ -</b>	<b>\$ 299,759</b>	<b>\$ 13,863</b>	<b>\$ 39,363</b>	<b>\$ 157,103</b>	<b>\$ 2,450,559</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)</b>							
<b>Liabilities</b>							
Accounts payable	\$ -	\$ -	\$ -	\$ 2,800	\$ -	\$ 10,000	\$ 502,338
Due to other funds	-	-	-	-	-	127,121	127,121
Short-term notes payable	-	-	-	-	-	-	110,000
Advances from other funds	-	105,694	-	-	-	-	105,694
<b>Total liabilities</b>	<b>-</b>	<b>105,694</b>	<b>-</b>	<b>2,800</b>	<b>-</b>	<b>137,121</b>	<b>845,153</b>
<b>Deferred Inflows of Resources</b>							
Unearned revenues	-	208	388	-	-	-	596
Unavailable revenues	-	-	44,009	9,850	-	157,102	433,248
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>208</b>	<b>44,397</b>	<b>9,850</b>	<b>-</b>	<b>157,102</b>	<b>433,844</b>
<b>Fund Balances (Deficit)</b>							
Restricted	-	-	-	-	-	-	413,544
Assigned	16,638	-	255,362	1,213	39,363	-	1,001,040
Unassigned (deficit)	-	(105,902)	-	-	-	(137,120)	(243,022)
<b>Total fund balances (deficit)</b>	<b>16,638</b>	<b>(105,902)</b>	<b>255,362</b>	<b>1,213</b>	<b>39,363</b>	<b>(137,120)</b>	<b>1,171,562</b>
<b>Total liabilities, deferred inflows of resources and fund balances (deficit)</b>	<b>\$ 16,638</b>	<b>\$ -</b>	<b>\$ 299,759</b>	<b>\$ 13,863</b>	<b>\$ 39,363</b>	<b>\$ 157,103</b>	<b>\$ 2,450,559</b>

## City of Ashland

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

	<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>
<b>Revenues</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 147,843	\$ -
Intergovernmental	94,913	-	-	-	-	190,328
Public charges for services	157,540	-	-	-	-	5,350
Special assessments	-	-	-	-	-	-
Investment income	489	-	-	-	110	118
Miscellaneous	-	-	-	-	-	14,786
Total revenues	<u>252,942</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>147,953</u>	<u>210,582</u>
<b>Expenditures</b>						
Current:						
Public safety	-	-	-	-	-	62,238
Public works	212,095	-	-	-	-	-
Leisure activities	-	-	-	-	-	-
Conservation and development	-	35,847	189,352	-	-	-
Capital outlay	963,697	-	-	-	-	925,708
Total expenditures	<u>1,175,792</u>	<u>35,847</u>	<u>189,352</u>	<u>-</u>	<u>-</u>	<u>987,946</u>
Excess (deficiency) of revenues over expenditures	<u>(922,850)</u>	<u>(35,847)</u>	<u>(189,352)</u>	<u>-</u>	<u>147,953</u>	<u>(777,364)</u>
<b>Other Financing Sources (Uses)</b>						
Transfers in	118,600	934,565	215,949	-	-	185,100
Transfers out	-	-	-	-	(53,226)	-
Proceeds from sale of capital assets	-	-	-	-	-	44,469
Total other financing sources (uses)	<u>118,600</u>	<u>934,565</u>	<u>215,949</u>	<u>-</u>	<u>(53,226)</u>	<u>229,569</u>
Net change in fund balances	(804,250)	898,718	26,597	-	94,727	(547,795)
<b>Fund Balances (Deficit), Beginning</b>	<u>1,284,511</u>	<u>(898,718)</u>	<u>-</u>	<u>22,000</u>	<u>292,220</u>	<u>733,998</u>
<b>Fund Balances (Deficit), Ending</b>	<u>\$ 480,261</u>	<u>\$ -</u>	<u>\$ 26,597</u>	<u>\$ 22,000</u>	<u>\$ 386,947</u>	<u>\$ 186,203</u>

## City of Ashland

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

	Park Grounds Improvements	Land Sales & Acquisition	Capital Sidewalk Improvements	Urban Forestry	Landfill Improvement	Leisure and Recreation Improvements	Total Nonmajor Capital Project Funds
<b>Revenues</b>							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 147,843
Intergovernmental	-	-	-	-	-	110,175	395,416
Public charges for services	-	-	-	-	-	-	162,890
Special assessments	-	-	18,924	-	-	-	18,924
Investment income	-	-	506	-	-	-	1,223
Miscellaneous	-	-	-	-	-	21,249	36,035
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>19,430</b>	<b>-</b>	<b>-</b>	<b>131,424</b>	<b>762,331</b>
<b>Expenditures</b>							
Current:							
Public safety	-	-	-	-	-	-	62,238
Public works	-	-	-	-	14,250	-	226,345
Leisure activities	20,591	-	-	9,851	-	82,807	113,249
Conservation and development	-	-	-	-	-	-	225,199
Capital outlay	-	-	-	-	-	122,766	2,012,171
<b>Total expenditures</b>	<b>20,591</b>	<b>-</b>	<b>-</b>	<b>9,851</b>	<b>14,250</b>	<b>205,573</b>	<b>2,639,202</b>
Excess (deficiency) of revenues over expenditures	(20,591)	-	19,430	(9,851)	(14,250)	(74,149)	(1,876,871)
<b>Other Financing Sources (Uses)</b>							
Transfers in	5,000	-	-	-	5,000	54,076	1,518,290
Transfers out	-	-	-	-	-	-	(53,226)
Proceeds from sale of capital assets	-	-	-	-	-	19,480	63,949
<b>Total other financing sources (uses)</b>	<b>5,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,000</b>	<b>73,556</b>	<b>1,529,013</b>
Net change in fund balances	(15,591)	-	19,430	(9,851)	(9,250)	(593)	(347,858)
<b>Fund Balances (Deficit), Beginning</b>	<b>32,229</b>	<b>(105,902)</b>	<b>235,932</b>	<b>11,064</b>	<b>48,613</b>	<b>(136,527)</b>	<b>1,519,420</b>
<b>Fund Balances (Deficit), Ending</b>	<b>\$ 16,638</b>	<b>\$ (105,902)</b>	<b>\$ 255,362</b>	<b>\$ 1,213</b>	<b>\$ 39,363</b>	<b>\$ (137,120)</b>	<b>\$ 1,171,562</b>

**City of Ashland**Combining Statement of Net Position - Nonmajor Enterprise Funds  
December 31, 2021

	<u>Airport</u>	<u>Marina</u>	<u>Total Nonmajor Enterprise Funds</u>
<b>Assets</b>			
Current assets:			
Cash and investments	\$ 88,955	\$ 274,070	\$ 363,025
Restricted assets, redemption account	-	37,919	37,919
Restricted assets, construction account	-	239,648	239,648
Other accounts receivable	13,177	-	13,177
Due from other governments	16,452	256,510	272,962
Inventories and prepaid items	14,829	8,365	23,194
	<u>133,413</u>	<u>816,512</u>	<u>949,925</u>
Total current assets			
Noncurrent assets:			
Restricted assets:			
Net pension asset	10,054	23,109	33,163
Capital assets:			
Construction work in progress	5,096	515,340	520,436
Land	45,768	391,500	437,268
Capital assets being depreciated	4,535,093	2,443,085	6,978,178
Accumulated depreciation	<u>(2,663,921)</u>	<u>(927,591)</u>	<u>(3,591,512)</u>
	<u>1,932,090</u>	<u>2,445,443</u>	<u>4,377,533</u>
Total noncurrent assets			
Total assets			
	<u>2,065,503</u>	<u>3,261,955</u>	<u>5,327,458</u>
<b>Deferred Outflows of Resources</b>			
Pension related amounts	29,069	42,784	71,853
	<u>29,069</u>	<u>42,784</u>	<u>71,853</u>
Total deferred outflows of resources			
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	2,391	277,225	279,616
Accrued expenses	2,203	1,030	3,233
Accrued interest	-	7,700	7,700
Current portion of accrued compensated absences	4,146	6,936	11,082
Current portion of long-term debt	-	37,000	37,000
	<u>8,740</u>	<u>329,891</u>	<u>338,631</u>
Total current liabilities			
Noncurrent liabilities:			
Long-term debt	-	336,000	336,000
Accrued compensated absences	2,598	17,786	20,384
	<u>2,598</u>	<u>353,786</u>	<u>356,384</u>
Total noncurrent liabilities			
Total liabilities			
	<u>11,338</u>	<u>683,677</u>	<u>695,015</u>
<b>Deferred Inflows of Resources</b>			
Pension related amounts	33,290	55,539	88,829
	<u>33,290</u>	<u>55,539</u>	<u>88,829</u>
Total deferred inflows of resources			
<b>Net Position</b>			
Net investment in capital assets	1,922,036	2,175,128	4,097,164
Restricted for pension	10,054	23,109	33,163
Unrestricted	117,854	367,286	485,140
	<u>\$ 2,049,944</u>	<u>\$ 2,565,523</u>	<u>\$ 4,615,467</u>
Total net position			

## City of Ashland

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

#### Nonmajor Enterprise Funds

Year Ended December 31, 2021

	<u>Airport</u>	<u>Marina</u>	<u>Total Nonmajor Enterprise Funds</u>
<b>Operating Revenues</b>			
Charges for services	\$ 264,820	\$ 273,859	\$ 538,679
Total operating revenues	<u>264,820</u>	<u>273,859</u>	<u>538,679</u>
<b>Operating Expenses</b>			
Operation and maintenance	279,008	174,017	453,025
Depreciation	<u>139,753</u>	<u>69,853</u>	<u>209,606</u>
Total operating expenses	<u>418,761</u>	<u>243,870</u>	<u>662,631</u>
Operating income (loss)	<u>(153,941)</u>	<u>29,989</u>	<u>(123,952)</u>
<b>Nonoperating Revenues (Expenses)</b>			
Investment income	40	149	189
Interest and fiscal charges	-	(10,505)	(10,505)
Grants revenue	6,674	-	6,674
Miscellaneous revenue	<u>1,921</u>	<u>5,780</u>	<u>7,701</u>
Total nonoperating revenue (expenses)	<u>8,635</u>	<u>(4,576)</u>	<u>4,059</u>
Income (loss) before contributions and transfers	<u>(145,306)</u>	<u>25,413</u>	<u>(119,893)</u>
<b>Contributions and Transfers</b>			
Capital contributions	-	306,510	306,510
Transfers in	<u>45,000</u>	<u>-</u>	<u>45,000</u>
Total contributions and transfers	<u>45,000</u>	<u>306,510</u>	<u>351,510</u>
Change in net position	(100,306)	331,923	231,617
<b>Net Position, Beginning</b>	<u>2,150,250</u>	<u>2,233,600</u>	<u>4,383,850</u>
<b>Net Position, Ending</b>	<u>\$ 2,049,944</u>	<u>\$ 2,565,523</u>	<u>\$ 4,615,467</u>

## City of Ashland

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

	Airport	Marina	Total Nonmajor Enterprise Funds
<b>Cash Flows From Operating Activities</b>			
Cash received from customers	\$ 256,723	\$ 275,388	\$ 532,111
Cash paid to suppliers for goods and services	(201,757)	(89,781)	(291,538)
Cash paid to employees for services	(77,449)	(81,921)	(159,370)
Net cash flows from operating activities	<u>(22,483)</u>	<u>103,686</u>	<u>81,203</u>
<b>Cash Flows From Noncapital Financing Activities</b>			
Transfers from other funds	<u>45,000</u>	<u>-</u>	<u>45,000</u>
Net cash flows from noncapital financing activities	<u>45,000</u>	<u>-</u>	<u>45,000</u>
<b>Cash Flows From Investing Activities</b>			
Investment income	<u>40</u>	<u>149</u>	<u>189</u>
Net cash flows from investing activities	<u>40</u>	<u>149</u>	<u>189</u>
<b>Cash Flows From Capital and Related Financing Activities</b>			
Debt retired	-	(37,000)	(37,000)
Interest paid	-	(10,806)	(10,806)
Contributions in aid of construction	-	50,000	50,000
Acquisition and construction of capital assets	(25,798)	(55,621)	(81,419)
Net cash flows from capital and related related financing activities	<u>(25,798)</u>	<u>(53,427)</u>	<u>(79,225)</u>
Net decrease in cash and cash equivalents	(3,241)	50,408	47,167
<b>Cash and Cash Equivalents, Beginning</b>	<u>92,196</u>	<u>501,229</u>	<u>4,383,850</u>
<b>Cash and Cash Equivalents, Ending</b>	<u>\$ 88,955</u>	<u>\$ 551,637</u>	<u>\$ 640,592</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Flows From Operating Activities</b>			
Operating income (loss)	\$ (153,941)	\$ 29,989	\$ (123,952)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:			
Nonoperating income	8,595	5,780	14,375
Noncash items included in income:			
Depreciation	139,753	69,853	209,606
Change in assets and liabilities:			
Other accounts receivable	(16,692)	749	(15,943)
Inventories and prepaid items	(1,438)	1,740	302
Accounts payable	(1,448)	1,261	(187)
Other current liabilities	509	296	805
Accrued compensated absences	2,134	2,090	4,224
Unearned revenues	-	(5,000)	(5,000)
Pension related deferrals and asset	45	(3,072)	(3,027)
Net cash flows from operating activities	<u>\$ (22,483)</u>	<u>\$ 103,686</u>	<u>\$ 81,203</u>
<b>Noncash Capital, Investing and Financing Activities</b>			
None.			