

CITY OF WISCONSIN RAPIDS, WISCONSIN

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2021



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INDEPENDENT AUDITORS' REPORT

City Council
City of Wisconsin Rapids, Wisconsin
Wisconsin Rapids, Wisconsin

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, 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 and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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 *Government Auditing Standards* 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 *Government Auditing Standards*, 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 schedules relating to pension and other postemployment benefits 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

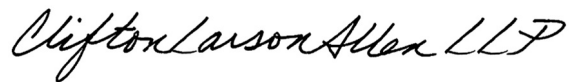
Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The nonmajor governmental fund combining statements are presented for purposes of additional analysis and are 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 GAAS. In our opinion, the nonmajor governmental fund combining statements are 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 October 4, 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.



CliftonLarsonAllen LLP

Stevens Point, Wisconsin
October 4, 2022

BASIC FINANCIAL STATEMENTS

**CITY OF WISCONSIN RAPIDS, WISCONSIN
STATEMENT OF NET POSITION
DECEMBER 31, 2021**

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	\$ 26,648,773	\$ 21,081,411	\$ 47,730,184
Receivables:			
Taxes	9,951,179	-	9,951,179
Delinquent Taxes	34,932	-	34,932
Accounts, Net	970,601	4,545,582	5,516,183
Special Assessments	1,237,690	-	1,237,690
Loans	2,400,911	500,000	2,900,911
Other	-	700,530	700,530
Internal Balances	2,280,228	(2,280,228)	-
Due from Other Governments	947,660	-	947,660
Inventories and Prepaid Items	197,804	2,017,910	2,215,714
Investment in American Transmission Company	-	8,376,117	8,376,117
Assets Held for Future Use	-	104,755	104,755
Preliminary Survey and Investigation	-	2,808	2,808
Restricted Assets:			
Cash and Investments	-	4,424,639	4,424,639
Net Pension Asset	6,544,329	1,673,101	8,217,430
Capital Assets, Nondepreciable	6,028,687	1,434,411	7,463,098
Capital Assets, Depreciable, Net	64,198,990	122,151,778	186,350,768
Total Assets	<u>121,441,784</u>	<u>164,732,814</u>	<u>286,174,598</u>
DEFERRED OUTFLOWS OF RESOURCES			
Loss on Advance Refunding	-	495,096	495,096
Pension Related Amounts	10,904,802	2,771,259	13,676,061
Other Postemployment Related Amounts	1,919,643	509,001	2,428,644
Total Deferred Outflows of Resources	<u>12,824,445</u>	<u>3,775,356</u>	<u>16,599,801</u>
LIABILITIES			
Accounts Payable	1,875,843	1,768,073	3,643,916
Accrued and Other Current Liabilities	640,377	303,833	944,210
Due to Other Governments	449	-	449
Accrued Interest Payable	71,945	114,798	186,743
Special Deposits	18,716	738,914	757,630
Unearned Revenues	921,607	3,690	925,297
Claims Payable	7,326	-	7,326
Long-Term Obligations:			
Due Within One Year	5,157,115	2,848,372	8,005,487
Due in More than One Year	22,072,704	20,578,390	42,651,094
Due Within One Year - Other Postemployment Benefits	560,834	126,732	687,566
Other Postemployment Benefits	9,661,271	2,513,335	12,174,606
Total Liabilities	<u>40,988,187</u>	<u>28,996,137</u>	<u>69,984,324</u>
DEFERRED INFLOWS OF RESOURCES			
Property Taxes Levied for Subsequent Year	14,993,670	-	14,993,670
Pension Related Amounts	14,349,419	3,668,525	18,017,944
Other Postemployment Related Amounts	1,224,963	442,945	1,667,908
Total Deferred Inflows of Resources	<u>30,568,052</u>	<u>4,111,470</u>	<u>34,679,522</u>
NET POSITION			
Net Investment in Capital Assets	45,188,244	100,790,458	145,978,702
Restricted for:			
Net Pension Asset	6,544,329	1,673,101	8,217,430
Debt Service	177,974	1,265,733	1,443,707
Capital Improvements	-	3,070,038	3,070,038
Development Loans	2,812,670	-	2,812,670
American Rescue Plan Act Expenses	96	-	96
Unrestricted	7,986,677	28,601,233	36,587,910
Total Net Position	<u>\$ 62,709,990</u>	<u>\$ 135,400,563</u>	<u>\$ 198,110,553</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF WISCONSIN RAPIDS, WISCONSIN
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
General Government	\$ 3,542,413	\$ 1,290,536	\$ -	\$ -
Public Safety	9,232,745	1,390,491	154,728	-
Public Works	8,791,340	1,178,228	1,971,484	1,076,303
Health and Human Services	568,929	130,974	-	-
Culture and Recreation	4,324,749	363,977	666,367	446,692
Conservation and Development	652,273	-	17,609	-
Interest and Fiscal Charges	614,849	-	-	-
Total Governmental Activities	<u>27,727,298</u>	<u>4,354,206</u>	<u>2,810,188</u>	<u>1,522,995</u>
BUSINESS-TYPE ACTIVITIES				
Electric Utility	24,185,650	26,976,350	-	146,886
Water Utility	3,576,670	5,557,659	-	121,873
Sewer Utility	4,677,588	6,596,589	-	-
Airport	694,797	393,798	-	-
Total Business-Type Activities	<u>33,134,705</u>	<u>39,524,396</u>	<u>-</u>	<u>268,759</u>
Total	<u>\$ 60,862,003</u>	<u>\$ 43,878,602</u>	<u>\$ 2,810,188</u>	<u>\$ 1,791,754</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF WISCONSIN RAPIDS, WISCONSIN
STATEMENT OF ACTIVITIES (CONTINUED)
YEAR ENDED DECEMBER 31, 2021**

Functions/Programs	Net Revenue (Expense) and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES			
General Government	\$ (2,251,877)	\$ -	\$ (2,251,877)
Public Safety	(7,687,526)	-	(7,687,526)
Public Works	(4,565,325)	-	(4,565,325)
Health and Human Services	(437,955)	-	(437,955)
Culture and Recreation	(2,847,713)	-	(2,847,713)
Conservation and Development	(634,664)	-	(634,664)
Interest and Fiscal Charges	(614,849)	-	(614,849)
Total Governmental Activities	(19,039,909)	-	(19,039,909)
BUSINESS-TYPE ACTIVITIES			
Electric Utility	-	2,937,586	2,937,586
Water Utility	-	2,102,862	2,102,862
Sewer Utility	-	1,919,001	1,919,001
Airport	-	(300,999)	(300,999)
Total Business-Type Activities	-	6,658,450	6,658,450
Total	(19,039,909)	6,658,450	(12,381,459)
GENERAL REVENUES			
Taxes:			
Property Taxes	13,000,694	-	13,000,694
Tax Increments	576,972	-	576,972
Other Taxes	519,152	-	519,152
Federal and State Grants and Other Contributions Not Restricted to Specific Functions	4,601,252	-	4,601,252
Interest and Investment Earnings (Loss)	(14,638)	876,102	861,464
Miscellaneous	747,855	22,261	770,116
Gain on Sale of Asset	20,728	4,055	24,783
Transfers	1,930,438	(1,930,438)	-
Total General Revenues and Transfers	21,382,453	(1,028,020)	20,354,433
CHANGE IN NET POSITION	2,342,544	5,630,430	7,972,974
Net Position - Beginning of Year	60,367,446	129,770,133	190,137,579
NET POSITION - END OF YEAR	<u>\$ 62,709,990</u>	<u>\$ 135,400,563</u>	<u>\$ 198,110,553</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF WISCONSIN RAPIDS, WISCONSIN
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2021**

	General	Other Governmental Funds	Total
ASSETS			
Cash and Investments	\$ 14,967,581	\$ 11,681,192	\$ 26,648,773
Receivables:			
Taxes	6,991,933	2,959,246	9,951,179
Delinquent Taxes	34,932	-	34,932
Accounts, Net	472,387	498,214	970,601
Special Assessments	1,230,085	7,605	1,237,690
Loans	-	2,400,911	2,400,911
Due from Other Funds	2,125,222	272,475	2,397,697
Advance to Other Funds	847,793	-	847,793
Due from Other Governments	459,539	488,121	947,660
Inventories and Prepaid Items	197,804	-	197,804
	<u>\$ 27,327,276</u>	<u>\$ 18,307,764</u>	<u>\$ 45,635,040</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 362,402	\$ 1,513,441	\$ 1,875,843
Accrued and Other Current Liabilities	703,635	36,028	739,663
Due to Other Funds	100,539	16,930	117,469
Advance from Other Funds	-	847,793	847,793
Due to Other Governments	449	-	449
Special Deposits	15,224	3,492	18,716
Unearned Revenues	-	921,607	921,607
Claims Payable	7,326	-	7,326
Total Liabilities	<u>1,189,575</u>	<u>3,339,291</u>	<u>4,528,866</u>
DEFERRED INFLOWS OF RESOURCES			
Property Taxes Levied for Subsequent Year	10,541,959	4,451,711	14,993,670
Other	458,512	368,439	826,951
Loans Receivable	-	2,400,911	2,400,911
Special Assessments	1,098,224	7,605	1,105,829
Total Deferred Inflows of Resources	<u>12,098,695</u>	<u>7,228,666</u>	<u>19,327,361</u>
FUND BALANCES			
Nonspendable	1,206,155	-	1,206,155
Restricted	-	2,849,222	2,849,222
Committed	502,111	6,091,586	6,593,697
Assigned	2,616,846	-	2,616,846
Unassigned	9,713,894	(1,201,001)	8,512,893
Total Fund Balances	<u>14,039,006</u>	<u>7,739,807</u>	<u>21,778,813</u>
	<u>\$ 27,327,276</u>	<u>\$ 18,307,764</u>	<u>\$ 45,635,040</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 27,327,276</u>	<u>\$ 18,307,764</u>	<u>\$ 45,635,040</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF WISCONSIN RAPIDS, WISCONSIN
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2021**

RECONCILIATION TO THE STATEMENT OF NET POSITION

Total Fund Balances as Shown on Previous Page	\$ 21,778,813
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	70,227,677
Long-term assets are not current financial resources; therefore, are not reported in the funds:	
Net Pension Asset	6,544,329
Other long-term assets are not available to pay current period expenditures and, therefore, are deferred in the funds.	
Special Assessments	1,105,829
Loans Receivable	2,400,911
Other	826,951
Some deferred outflows and inflows of resources reflect changes in long-term liabilities and are not reported in the funds.	
Deferred Outflows Related to Pensions	10,904,802
Deferred Inflows Related to Pensions	(14,349,419)
Deferred Outflows Related to Other Postemployment Benefits	1,919,643
Deferred Inflows Related to Other Postemployment Benefits	(1,224,963)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Bonds and Notes Payable	(25,136,149)
Premium on Debt	(737,549)
Compensated Absences	(1,256,835)
Other Postemployment Benefits	(10,222,105)
Accrued Interest on Long-Term Obligations	(71,945)
Net Position of Governmental Activities as Reported on the Statement of Net Position	<u>\$ 62,709,990</u>

See accompanying Notes to Basic Financial Statements.

CITY OF WISCONSIN RAPIDS, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2021

	General	Other Governmental Funds	Total
REVENUES			
Taxes	\$ 9,987,173	\$ 4,109,645	\$ 14,096,818
Special Assessments	504,935	4,353	509,288
Intergovernmental	6,754,153	654,423	7,408,576
Licenses and Permits	190,292	200,592	390,884
Fines and Forfeits	335,338	-	335,338
Public Charges for Services	449,715	2,580,546	3,030,261
Intergovernmental Charges for Services	66,804	593,306	660,110
Miscellaneous	143,762	1,795,658	1,939,420
Total Revenues	<u>18,432,172</u>	<u>9,938,523</u>	<u>28,370,695</u>
EXPENDITURES			
Current:			
General Government	2,357,033	789,562	3,146,595
Public Safety	8,612,676	1,439,153	10,051,829
Public Works	5,207,888	1,697,094	6,904,982
Health and Human Services	405,156	153,663	558,819
Culture and Recreation	2,967,937	410,051	3,377,988
Conservation and Development	247,357	430,940	678,297
Debt Service:			
Principal	-	1,909,514	1,909,514
Interest and Fiscal Charges	-	652,255	652,255
Capital Outlay	167,679	5,173,439	5,341,118
Total Expenditures	<u>19,965,726</u>	<u>12,655,671</u>	<u>32,621,397</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,533,554)	(2,717,148)	(4,250,702)
OTHER FINANCING SOURCES (USES)			
Long-Term Debt Issued	-	4,560,000	4,560,000
Premium on Debt Issued	-	247,185	247,185
Proceeds from Sale of Capital Assets	25,166	18,038	43,204
Transfers In	1,930,438	862,520	2,792,958
Transfers Out	(109,000)	(753,520)	(862,520)
Total Other Financing Sources (Uses)	<u>1,846,604</u>	<u>4,934,223</u>	<u>6,780,827</u>
NET CHANGE IN FUND BALANCES	313,050	2,217,075	2,530,125
Fund Balances - Beginning of Year	<u>13,725,956</u>	<u>5,522,732</u>	<u>19,248,688</u>
FUND BALANCE - END OF YEAR	<u>\$ 14,039,006</u>	<u>\$ 7,739,807</u>	<u>\$ 21,778,813</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF WISCONSIN RAPIDS, WISCONSIN
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021**

RECONCILIATION TO THE STATEMENT OF ACTIVITIES

Net Change in Fund Balances as Shown on Previous Page \$ 2,530,125

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 those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital Assets Reported as Capital Outlay in Governmental Fund Statements	4,004,360
Depreciation Expense Reported in the Statement of Activities	(3,658,084)
Net Book Value of Disposals	(42,895)

Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the statement of activities when earned.

472,209

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

Long-Term Debt Issued	(4,560,000)
Premium on Debt Issued	(247,185)
Principal Repaid	1,909,514

Some expenses reported 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:

Accrued Interest on Long-Term Debt	(4,293)
Amortization of Premiums, Discounts, and Loss on Advance Refunding	41,699
Compensated Absences	(172)
Net Pension Asset (Liability)	3,172,871
Deferred Outflows of Resources Related to Pensions	3,023,796
Deferred Inflows of Resources Related to Pensions	(4,214,769)
Other Postemployment Benefits	(633,432)
Deferred Outflows of Resources Related to Other Postemployment Benefits	386,574
Deferred Inflows of Resources Related to Other Postemployment Benefits	<u>162,226</u>

Change in Net Position of Governmental Activities as Reported in the Statement of Activities (See Pages 6 - 7)

\$ 2,342,544

**CITY OF WISCONSIN RAPIDS, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – GENERAL FUND
YEAR ENDED DECEMBER 31, 2021**

	Budget		Actual	Variance
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Taxes	\$ 9,980,753	\$ 9,980,753	\$ 9,987,173	\$ 6,420
Special Assessments	319,925	319,925	504,935	185,010
Intergovernmental	6,732,913	6,732,913	6,754,153	21,240
Licenses and Permits	185,300	185,300	190,292	4,992
Fines and Forfeits	289,000	289,000	335,338	46,338
Public Charges for Services	291,500	291,500	449,715	158,215
Intergovernmental Charges for Services	67,862	67,862	66,804	(1,058)
Miscellaneous	276,225	276,225	143,762	(132,463)
Total Revenues	<u>18,143,478</u>	<u>18,143,478</u>	<u>18,432,172</u>	<u>288,694</u>
EXPENDITURES				
Current:				
General Government	3,456,746	3,312,290	2,357,033	955,257
Public Safety	8,461,403	8,496,791	8,612,676	(115,885)
Public Works	5,603,456	5,683,456	5,207,888	475,568
Health and Human Services	368,822	368,822	405,156	(36,334)
Culture and Recreation	3,043,653	3,156,003	2,967,937	188,066
Conservation and Development	281,953	281,953	247,357	34,596
Capital Outlay	435,548	352,266	167,679	184,587
Total Expenditures	<u>21,651,581</u>	<u>21,651,581</u>	<u>19,965,726</u>	<u>1,685,855</u>
EXCESS OF REVENUES UNDER EXPENDITURES	(3,508,103)	(3,508,103)	(1,533,554)	1,974,549
OTHER FINANCING SOURCES (USES)				
Proceeds from Sale of Capital Assets	-	-	25,166	25,166
Transfers In	1,939,313	1,939,313	1,930,438	(8,875)
Transfers Out	(109,000)	(109,000)	(109,000)	-
Total Other Financing Sources (Uses)	<u>1,830,313</u>	<u>1,830,313</u>	<u>1,846,604</u>	<u>16,291</u>
NET CHANGE IN FUND BALANCE	(1,677,790)	(1,677,790)	313,050	1,990,840
Fund Balance - Beginning of Year	<u>13,725,956</u>	<u>13,725,956</u>	<u>13,725,956</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 12,048,166</u>	<u>\$ 12,048,166</u>	<u>\$ 14,039,006</u>	<u>\$ 1,990,840</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF WISCONSIN RAPIDS, WISCONSIN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2021**

	Waterworks and Lighting Commission	Sewer Utility	Nonmajor Fund Airport	Total
ASSETS				
Current Assets:				
Cash and Investments	\$ 3,311,522	\$ 5,906,684	\$ 409,702	\$ 9,627,908
Receivables:				
Customer Accounts, Net	3,748,577	797,005	-	4,545,582
Other	700,530	-	-	700,530
Due from Other Funds	463,128	327,196	-	790,324
Inventories and Prepaid Items	1,982,772	-	35,138	2,017,910
Total Current Assets	10,206,529	7,030,885	444,840	17,682,254
Noncurrent Assets:				
Restricted Cash and Investments	-	4,424,639	-	4,424,639
Debt Fund	434,337	-	-	434,337
Depreciation Fund	11,019,166	-	-	11,019,166
Total Noncurrent Assets	11,453,503	4,424,639	-	15,878,142
Other Assets:				
Notes Receivable	500,000	-	-	500,000
Investment in American Transmission Company	8,376,117	-	-	8,376,117
Preliminary Survey and Investigation	2,808	-	-	2,808
Assets Held for Future Use	104,755	-	-	104,755
Net Pension Asset	1,423,703	224,009	25,389	1,673,101
Total Other Assets	10,407,383	224,009	25,389	10,656,781
Capital Assets:				
Nondepreciable	1,169,989	14,241	250,181	1,434,411
Depreciable, Net	68,809,209	46,244,863	7,097,706	122,151,778
Total Capital Assets	69,979,198	46,259,104	7,347,887	123,586,189
Total Assets	102,046,613	57,938,637	7,818,116	167,803,366
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Charge on Refunding	495,096	-	-	495,096
Pension Related Amounts	2,357,485	371,588	42,186	2,771,259
Other Postemployment Related Amounts	403,351	103,633	2,017	509,001
Total Deferred Outflows of Resources	3,255,932	475,221	44,203	3,775,356

See accompanying Notes to Basic Financial Statements.

**CITY OF WISCONSIN RAPIDS, WISCONSIN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS (CONTINUED)
DECEMBER 31, 2021**

	Waterworks and Lighting Commission	Sewer Utility	Nonmajor Fund Airport	Total
LIABILITIES				
Current Liabilities:				
Accounts Payable	\$ 1,675,349	\$ 70,975	\$ 21,749	\$ 1,768,073
Accrued and Other Current Liabilities	293,224	6,046	4,563	303,833
Due to Other Funds	2,724,894	344,482	1,176	3,070,552
Accrued Interest	25,930	-	-	25,930
Compensated Absences	362,432	57,130	10,210	429,772
Special Deposits	738,914	-	-	738,914
Unearned Revenue	-	-	3,690	3,690
Current Portion of Long-Term Debt	520,000	-	-	520,000
Current Portion of Other Postemployment Benefits Payable from Restricted Assets:	92,341	34,391	-	126,732
Current Portion of Long-Term Debt	-	1,898,600	-	1,898,600
Accrued Interest	-	88,868	-	88,868
Total Current Liabilities	<u>6,433,084</u>	<u>2,500,492</u>	<u>41,388</u>	<u>8,974,964</u>
Long-Term Obligations, Less Current Portion:				
General Obligation Debt	4,042,094	-	-	4,042,094
Revenue Bonds	-	16,536,296	-	16,536,296
Other Postemployment Benefits	1,947,285	561,639	4,411	2,513,335
Total Long-Term Liabilities	<u>5,989,379</u>	<u>17,097,935</u>	<u>4,411</u>	<u>23,091,725</u>
 Total Liabilities	 12,422,463	 19,598,427	 45,799	 32,066,689
DEFERRED INFLOWS OF RESOURCES				
Pension Related Amounts	3,121,682	491,173	55,670	3,668,525
Other Postemployment Related Amounts	371,879	70,389	677	442,945
Total Deferred Inflows of Resources	<u>3,493,561</u>	<u>561,562</u>	<u>56,347</u>	<u>4,111,470</u>
NET POSITION				
Net Investment in Capital Assets	65,659,455	27,791,140	7,339,863	100,790,458
Restricted for:				
Net Pension Asset	1,423,703	224,009	25,389	1,673,101
Debt Service	-	1,265,733	-	1,265,733
Capital Improvements	-	3,070,038	-	3,070,038
Unrestricted	<u>22,303,363</u>	<u>5,902,949</u>	<u>394,921</u>	<u>28,601,233</u>
 Total Net Position	 <u>\$ 89,386,521</u>	 <u>\$ 38,253,869</u>	 <u>\$ 7,760,173</u>	 <u>\$ 135,400,563</u>

See accompanying Notes to Basic Financial Statements.

CITY OF WISCONSIN RAPIDS, WISCONSIN
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2021

	Waterworks and Lighting Commission	Sewer Utility	Nonmajor Fund Airport	Total
OPERATING REVENUES				
Charges for Services	\$ 31,968,669	\$ 6,596,589	\$ 241,008	\$ 38,806,266
Intergovernmental Charges for Services	-	-	152,790	152,790
Other	565,340	-	-	565,340
Total Operating Revenues	<u>32,534,009</u>	<u>6,596,589</u>	<u>393,798</u>	<u>39,524,396</u>
OPERATING EXPENSES				
General and Administrative	-	-	46,934	46,934
Operation and Maintenance	23,640,181	2,342,307	164,424	26,146,912
Depreciation	3,545,515	1,782,766	483,439	5,811,720
Taxes	408,139	-	-	408,139
Total Operating Expenses	<u>27,593,835</u>	<u>4,125,073</u>	<u>694,797</u>	<u>32,413,705</u>
OPERATING INCOME (LOSS)	4,940,174	2,471,516	(300,999)	7,110,691
NONOPERATING REVENUES (EXPENSES)				
Interest Income	872,711	3,351	40	876,102
Gain (Loss) on Disposal of Capital Assets	-	4,055	-	4,055
Interest and Fiscal Charges	(106,269)	(552,515)	-	(658,784)
Amortization of Debt Discount/Premium	6,533	-	-	6,533
Amortization of Loss on Refunding	(68,749)	-	-	(68,749)
Other Nonoperating Revenues (Expenses)	14,574	-	7,687	22,261
Total Nonoperating Revenues (Expenses)	<u>718,800</u>	<u>(545,109)</u>	<u>7,727</u>	<u>181,418</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	5,658,974	1,926,407	(293,272)	7,292,109
Capital Contributions	268,759	-	-	268,759
Transfers Out	(1,930,438)	-	-	(1,930,438)
CHANGE IN NET POSITION	3,997,295	1,926,407	(293,272)	5,630,430
Net Position - Beginning of Year	<u>85,389,226</u>	<u>36,327,462</u>	<u>8,053,445</u>	<u>129,770,133</u>
NET POSITION - END OF YEAR	<u>\$ 89,386,521</u>	<u>\$ 38,253,869</u>	<u>\$ 7,760,173</u>	<u>\$ 135,400,563</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF WISCONSIN RAPIDS, WISCONSIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2021**

	Waterworks and Lighting Commission	Sewer Utility	Nonmajor Fund Airport	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers	\$ 32,592,139	\$ 6,476,667	\$ 396,436	\$ 39,465,242
Cash Paid for Employee Wages and Benefits	(2,601,786)	(962,777)	(108,004)	(3,672,567)
Cash Paid to Suppliers	(21,564,166)	(1,468,490)	(117,648)	(23,150,304)
Nonoperating Revenues (Expenses)	14,574	-	7,687	22,261
Net Cash Provided by Operating Activities	8,440,761	4,045,400	178,471	12,664,632
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers	(1,930,438)	-	-	(1,930,438)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of Capital Assets	(4,231,525)	(989,141)	(43,898)	(5,264,564)
Proceeds on Sale of Capital Assets	-	4,055	-	4,055
Contributions from Property Owners	268,759	-	-	268,759
Salvage Expense and Other Revenues	(98,093)	-	-	(98,093)
Principal Paid on Revenue Bonds	(510,000)	(1,840,676)	-	(2,350,676)
Interest Paid on Revenue Bonds	(108,819)	(562,169)	-	(670,988)
Net Cash Used by Capital and Related Financing Activities	(4,679,678)	(3,387,931)	(43,898)	(8,111,507)
CASH FLOWS FROM INVESTING ACTIVITIES				
Investments Purchased	(700,000)	-	-	(700,000)
Investments Sold and Matured	2,007,000	-	-	2,007,000
Interest Received on Investments	673,490	3,351	40	676,881
Net Cash Provided by Investing Activities	1,980,490	3,351	40	1,983,881
CHANGE IN CASH AND CASH EQUIVALENTS	3,811,135	660,820	134,613	4,606,568
Cash and Cash Equivalents - Beginning of Year	9,029,515	9,670,503	275,089	18,975,107
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 12,840,650</u>	<u>\$ 10,331,323</u>	<u>\$ 409,702</u>	<u>\$ 23,581,675</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF WISCONSIN RAPIDS, WISCONSIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021**

	Waterworks and Lighting Commission	Sewer Utility	Nonmajor Fund Airport	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ 4,940,174	\$ 2,471,516	\$ (300,999)	\$ 7,110,691
Nonoperating Revenues	14,574	-	7,687	22,261
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Depreciation	3,545,515	1,782,766	483,439	5,811,720
Depreciation Charged to Other Utilities and Clearing Accounts	358,542	-	-	358,542
Change in Pension Asset (Liability)	(678,562)	(108,568)	(12,606)	(799,736)
Change in Pension Deferred Outflow	(632,826)	(102,227)	(12,321)	(747,374)
Change in Pension Deferred Inflow	881,779	144,156	17,244	1,043,179
Change in OPEB Liability	216,624	29,155	1,379	247,158
Change in OPEB Deferred Outflow	(96,718)	(18,133)	(795)	(115,646)
Change in OPEB Deferred Inflow	(42,005)	(10,066)	15	(52,056)
Change in Operating Assets and Liabilities:				
Customer Accounts Receivable	(50,020)	(95,182)	-	(145,202)
Other Accounts Receivable	39,389	-	-	39,389
Inventories and Prepaid Items	(337,641)	-	(102)	(337,743)
Due from Other Funds	5,020	(24,740)	-	(19,720)
Accounts Payable	88,786	(22,706)	3,958	70,038
Special Deposits	41,717	-	-	41,717
Accrued and Other Current Liabilities	32,773	(2,583)	(863)	29,327
Compensated Absences	53,095	(1,388)	(10,350)	41,357
Due to Other Funds	60,545	3,400	147	64,092
Unearned Revenue	-	-	2,638	2,638
Net Cash Provided by Operating Activities	<u>\$ 8,440,761</u>	<u>\$ 4,045,400</u>	<u>\$ 178,471</u>	<u>\$ 12,664,632</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION				
Cash and Cash Equivalents in Current Assets	\$ 3,311,522	\$ 5,906,684	\$ 409,702	\$ 9,627,908
Cash and Cash Equivalents in Depreciation Fund	11,019,166	-	-	11,019,166
Cash and Cash Equivalents in Debt Fund	434,337	-	-	434,337
Cash and Cash Equivalents in Restricted Cash	-	4,424,639	-	4,424,639
Total Cash and Cash Equivalents	<u>14,765,025</u>	<u>10,331,323</u>	<u>409,702</u>	<u>25,506,050</u>
Less: Long-Term Cash and Investments	<u>(1,924,375)</u>	<u>-</u>	<u>-</u>	<u>(1,924,375)</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 12,840,650</u></u>	<u><u>\$ 10,331,323</u></u>	<u><u>\$ 409,702</u></u>	<u><u>\$ 23,581,675</u></u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Increase in Investment in American Transmission Company	<u>\$ 200,473</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 200,473</u>
Capital Assets Purchased on Account	<u>\$ 252,745</u>	<u>\$ 33,068</u>	<u>\$ 8,024</u>	<u>\$ 293,837</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF WISCONSIN RAPIDS, WISCONSIN
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
DECEMBER 31, 2021**

	<u>Tax Collection Custodial Fund</u>
ASSETS	
Current Assets:	
Cash and Investments	\$ 5,962,418
Receivables:	
Taxes and Special Charges	<u>11,731,225</u>
Total Assets	<u>17,693,643</u>
 DEFERRED INFLOWS OF RESOURCES	
Property Taxes Levied for Subsequent Year	<u>17,693,643</u>
 NET POSITION	
Restricted for Other Governments	<u><u>\$ -</u></u>

See accompanying Notes to Basic Financial Statements.

**CITY OF WISCONSIN RAPIDS, WISCONSIN
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUND
 YEAR ENDED DECEMBER 31, 2021**

	Tax Collection Custodial Fund
ADDITIONS	
Property Tax Collections	\$ 17,336,061
DEDUCTIONS	
Payments to Taxing Jurisdictions	17,336,061
CHANGE IN NET POSITION	-
Net Position - Beginning of Year	-
NET POSITION - END OF YEAR	\$ -

See accompanying Notes to Basic Financial Statements.

**CITY OF WISCONSIN RAPIDS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City of Wisconsin Rapids, Wisconsin (the City), have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the City are described below:

A. Reporting Entity

The City is a municipal corporation governed by an elected eight-member board. In accordance with GAAP, the basic financial statements are required to include the City (the primary government) and any separate component units that have a significant operational or financial relationship with the City. The City has not identified any component units that are required to be included in the basic financial statements.

B. Joint Venture

The City of Wisconsin Rapids is a participant with the City of Nekoosa, City of Port Edwards, and the Town of Grand Rapids in a joint venture to operate an airport. Each municipality has equal rights of ownership, operation, maintenance, and regulation of the airport. Each municipality must approve the airport's annual budget. The municipalities are obligated by agreement to finance operating and capital outlay costs of the airport. The annual contribution from each municipality is based on a ratio of each municipality's equalized valuation to the total equalized valuation of all member municipalities. The joint operation is governed by a four-member board composed of one member from each municipality. Since City of Wisconsin Rapids was appointed treasurer of the airport in the agreement, the airport is presented as an enterprise fund in the City's financial statements. Complete financial statements for the joint venture can be obtained from the City's office at 444 West Grand Avenue, Wisconsin Rapids, Wisconsin 54495.

C. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which are primarily supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services.

**CITY OF WISCONSIN RAPIDS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds. Governmental funds include general, special revenue, debt service and capital projects funds. Proprietary funds include enterprise funds. The City has no internal service funds. 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

This is the City's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

The City reports the following major enterprise funds:

Water Works and Lighting Commission (the Commission)

This fund accounts for the financial activities related to the operation of the City's water and electric utility.

Sewer Utility

This fund accounts for the financial activities related to the operation of the City's sewer utility.

The City also reports the following fiduciary fund:

Custodial Fund

The custodial fund accounts for property taxes, special charges, and special assessments collected on behalf of other governments.

**CITY OF WISCONSIN RAPIDS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter 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 except for reimbursable grants and EMS charges for services, for which available is defined as 180 days. This exception is necessary because the grant funding source reimbursement process routinely extends to this period and the revenue then more appropriately matches to the related expenditures. For EMS charges, the reimbursement process routinely extends to this period due to the time it takes for insurance companies to process claims and finalize claim payments. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Revenues susceptible to accrual include intergovernmental grants, intergovernmental charges for services, public charges for services and interest. Other revenues such as licenses and permits, fines and forfeits, and miscellaneous revenues are recognized when received in cash or when measurable and available.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the City's water, electric, and sewer functions and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, and fees and fines, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

**CITY OF WISCONSIN RAPIDS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting (Continued)

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 City's proprietary funds are charges to customers for services. Operating expenses for proprietary funds include the costs of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance

1. Cash and Investments

Cash and investments are combined in the financial statements. Cash deposits consist of demand and time deposits with financial institutions and are carried at cost. Investments are stated at fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. For purposes of the statement of cash flows, all cash deposits and highly liquid investments (including restricted assets) with a maturity of three months or less from date of acquisition are considered to be cash equivalents.

2. Property Taxes and Special Charges/Receivable

Property taxes and special charges consist of taxes on real estate and personal property and user charges assessed against City properties. They are levied during December of the prior year and become an enforceable lien on property the following January 1. Property taxes are payable in various options depending on the type and amount. Personal property taxes and special charges are payable on or before January 31 in full. Real estate taxes are payable in full by January 31 or in three equal installments on or before January 31, April 30, and July 31. Real estate taxes not paid by July 31 are purchased by the County as part of the August tax settlement. Delinquent personal property taxes remain the collection responsibility of the City. Special charges not paid by January 31 are held in trust by the County and remitted to the City, including interest, when collected by the County.

In addition to its levy, the City also levies and collects taxes for the Wisconsin Rapids School District, Wood County, Mid State Technical College, and the state of Wisconsin.

**CITY OF WISCONSIN RAPIDS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

3. Accounts Receivable

Accounts receivable have been shown net of allowance for uncollectible amounts of \$643,472 in governmental activities and \$442,814 in business-type activities.

4. Restricted Assets

Restricted assets are cash and cash equivalents whose use is limited by legal or third-party requirements.

5. Special Assessments

Assessments against property owners for public improvements are generally not subject to full settlement in the year levied. Special assessments are placed on tax rolls on an installment basis. Revenue from special assessments recorded in governmental funds is recognized as collections are made or as current installments are placed on tax rolls. (Installments placed on the 2021 tax roll are recognized as revenue in 2022.)

6. Loans Receivable

The City has received federal and state grant funds for housing rehabilitation loan programs and has passed the funds to various individuals in the form of loans. The City records a loan receivable and expenditure when the loan has been made and the funds disbursed. No allowance for uncollectible accounts has been provided since it is believed that the amount of such allowance would not be material to the basic financial statements. In the governmental funds, the City records a deferred inflow of resources for the net amount of the receivable. As the loans are repaid, revenue is recognized. Any unspent loan proceeds are presented as restricted fund balance in the fund financial statements.

7. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" and "due to other funds" in the fund financial statements.

The amount reported on the statement of net position for internal balances represents the residual balance outstanding between the governmental and business-type activities.

**CITY OF WISCONSIN RAPIDS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

8. Inventories

Inventories are recorded at cost, which approximates market, using the first-in, first-out method. Inventories consist of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are consumed rather than when purchased.

Inventories of governmental funds in the fund financial statements are classified as nonspendable fund balance to indicate that they do not represent spendable available financial resources.

9. Prepaid Items

Payments made to vendors that will benefit periods beyond the end of the current fiscal year are recorded as prepaid items and are expensed in the periods benefited.

Prepaid items of governmental funds in the fund financial statements are classified as nonspendable fund balance to indicate that they do not represent spendable available financial resources.

10. Investment in American Transmission Company (ATC)

The City is a member of ATC. ATC was formed by approximately 25 utilities to plan, construct, maintain, monitor, and own electric transmission facilities in Wisconsin. The City owns less than 1% of ATC.

The investment earns dividends quarterly, some of which are paid in cash and some of which are required to be reinvested. From time to time, the City has the option to contribute additional funds to maintain its proportionate share of ownership. The investment in American Transmission Company LLC is recorded at cost since it is privately held and has no readily available fair market value. The City's ownership share is valued at \$8,376,117 as of December 31, 2021, and is reported on the Statement of Net Position as an asset.

11. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or higher and an estimated useful life in excess of a year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

**CITY OF WISCONSIN RAPIDS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

11. Capital Assets (Continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the City are depreciated using the straight-line method over the following estimated useful lives:

Assets	Governmental Activities	Business-Type Activities
	Years	
Buildings and Improvements	25 to 50	-
Machinery and Equipment	3 to 20	-
Infrastructure	20 to 100	-
Electric Plant:		
Distribution	-	22 to 45
General	-	4 to 34
Water Plant:		
Source of Supply	-	31 to 56
Pumping	-	23 to 31
Water Treatment	-	30 to 31
Transmission and Distribution	-	18 to 77
General	-	4 to 34
Common Plant:		
General	-	4 to 34
Sewer Plant:		
Buildings and Improvements	-	25 to 50
Equipment	-	5 to 20
Infrastructure	-	40 to 100
Airport		
Land Improvements	-	15 to 20
Buildings	-	30
Equipment	-	10

12. Assets Held for Future Use

Assets held for future use or sale consists of land held by the City to sell to the state of Wisconsin for a Highway 54 connector and land options on a future substation site. Assets held for future use or sale are valued as cost of acquisition, demolition, and site improvements. Properties include both land intended for resale and land designated as a public area. Land held for resale is recorded at lower of cost or market value.

**CITY OF WISCONSIN RAPIDS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

13. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick leave benefits in accordance with employee handbook policies and/or bargaining unit agreements. All vacation and sick leave is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds in the fund financial statements only if they have matured, for example, as a result of employee resignations and retirements.

14. Other Postemployment Benefits (OPEB)

Single-Employer Defined Postemployment Benefit Plan

The City provides postemployment health insurance benefits to all eligible employees. The OPEB is a single employer defined benefit plan administered by the City. For purposes of measuring the OPEB liability, related deferred outflows and inflows of resources and OPEB expense, the City has used values provided by its actuary. Benefit payments are recognized when due and payable in accordance with the benefit terms.

Local Retiree Life Insurance Fund

The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other postemployment benefits, and OPEB expense, information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIF's fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

15. Deferred Outflows/Inflows of Resources

Deferred outflows of resources are a consumption of net position by the government that is applicable to a future reporting period. Deferred inflows of resources are an acquisition of net position by the government that is applicable to a future reporting period. The recognition of those outflows and inflows as expenses or expenditures and revenues are deferred until the future periods to which the outflows and inflows are applicable.

**CITY OF WISCONSIN RAPIDS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

15. Deferred Outflows/Inflows of Resources (Continued)

Governmental funds may report deferred inflows of resources for unavailable revenues. The City reports unavailable revenues for special assessments, loan receivables, and other receivables not collected within the period of availability. These inflows are recognized as revenues in the government-wide financial statements.

16. Long-Term Obligations

In the government-wide financial statements, and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

17. Pensions

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

**CITY OF WISCONSIN RAPIDS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

18. Fund Equity

Governmental Fund Financial Statements

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- *Nonspendable Fund Balance* – Amounts that are not in spendable form (such as inventory, prepaid items, or long-term receivables) or are legally or contractually required to remain intact.
- *Restricted Fund Balance* – Amounts that are constrained for specific purposes by external parties (such as grantor or bondholders), through constitutional provisions, or by enabling legislation.
- *Committed Fund Balance* – Amounts that are constrained for specific purposes by action of the City Council. These constraints can only be removed or changed by the City Council using the same action that was used to create them.
- *Assigned Fund Balance* – Amounts that are constrained for specific purposes by action of City management. The City Council has authorized the Finance Director to assign fund balance. Residual amounts in any governmental fund, other than the General Fund, are also reported as assigned.
- *Unassigned Fund Balance* – Amounts that are available for any purpose. Positive unassigned amounts are only reported in the General Fund.

The City has adopted a fund balance spend-down policy regarding the order in which fund balance will be utilized. Where applicable, the policy requires restricted funds to be spent first, followed by committed funds, and then assigned funds. Unassigned funds would be spent last.

Government-Wide and Proprietary Fund Statements

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

- *Net Investment in Capital Assets* – Amount of capital assets, net of accumulated depreciation, and capital related deferred outflows of resources less outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets and any capital related deferred inflows of resources.

**CITY OF WISCONSIN RAPIDS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

18. Fund Equity (Continued)

Government-Wide and Proprietary Fund Statements (Continued)

- *Restricted Net Position* – Amount of net position that is subject to restrictions that are imposed 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.

- *Unrestricted Net Position* – Net position that is neither classified as restricted nor as net investment in capital assets.

F. Sales Tax

The City collects sales tax from certain customers and remits the entire amount to the appropriate governmental entities. The City's accounting policy is to exclude the tax collected and remitted from revenues and cost of sales.

G. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

NOTE 2 STEWARDSHIP AND COMPLIANCE

A. Budgets and Budgetary Accounting

The City follows these procedures in establishing the budgetary data reflected in the basic financial statements:

1. During November, City management submits to the City Council a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. After submission to the governing body, public hearings are held to obtain taxpayer comments. Following the public hearings, the proposed budget, including authorized additions and deletions, is legally enacted by City Council action.

**CITY OF WISCONSIN RAPIDS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 STEWARDSHIP AND COMPLIANCE (CONTINUED)

A. Budgets and Budgetary Accounting (Continued)

2. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds. Budget is defined as the originally approved budget plus or minus approved amendments. Individual amendments throughout the year were not material in relation to the original budget. Budget appropriations not expended during the year are closed to fund balance unless authorized by the governing body to be forwarded into the succeeding year's budget.
3. During the year, formal budgetary integration is employed as a management control device for the governmental funds adopting a budget.
4. Expenditures may not exceed appropriations provided in detailed budget accounts maintained for each activity or department of the City. Amendments to the budget during the year require initial approval by management and are subsequently authorized by the City Council.
5. Encumbrance accounting is not used by the City to record commitments related to unperformed contracts for goods or services.

The City did not have any material violation of legal or contractual provisions for the fiscal year ended December 31, 2021.

B. Excess of Expenditures Over Budget Appropriations

The following expenditure accounts of the governmental funds had actual expenditures in excess of budget appropriations for the year ended December 31, 2021, as follows:

Departments	Excess Expenditures
General Fund:	
General Government:	
City Council	\$ 2,613
City Clerk	4,700
Assessor	1,954
Information Technology	5,165
Property and Liability Insurance	1,654
City Property	27,719

**CITY OF WISCONSIN RAPIDS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 STEWARDSHIP AND COMPLIANCE (CONTINUED)

B. Excess of Expenditures Over Budget Appropriations (Continued)

<u>Departments</u>	<u>Excess Expenditures</u>
Public Works:	
Public Works Director	\$ 66,755
Street Superintendent	87,924
Street Department Training	49,603
Brush and Weed Control	18,380
Curb and Gutter	39,892
Garbage Collection	18,071
City Landfill Site	13,881
Culture and Recreation:	
Bike Trails	2,905
Park Department	42,211
Tree Care	3,899
Buildings and Grounds	14,631
City Zoo	12,407
Christmas Decorations	8,216
Health and Human Services:	
Lowell Center	15,308
Cemetery	14,403
Centralia Center:	
Senior Resource Lease Space	1,620
Lowell Center Programming	2,582
Emergency Medical Services:	
EMS Services	2,476
Grants and Donations:	
EDA Redevelopment Grant	23,463
Routes to Recovery Grant	118
Mass Transit:	
Mass Transit Grant Outlay	3,738
Storm Water Management:	
Storm Sewer Maintenance	11,753
Storm Sewer Projects	387

**CITY OF WISCONSIN RAPIDS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 STEWARDSHIP AND COMPLIANCE (CONTINUED)

B. Excess of Expenditures Over Budget Appropriations (Continued)

Departments	Excess Expenditures
Aquatic Facility:	
Operation and Maintenance	\$ 36,312
Public Works Construction:	
Building Acquisition Fund	14,564
Highway Rehabilitation	6,189
Sidewalk Construction	2,296
Traffic Control Outlay	276
TIF District No. 6:	
Financial Consultant	225
TIF District No. 7:	
Financial Consultant	175
TIF District No. 8:	
Financial Consultant	150

C. Deficit Fund Equity

The following funds had deficit fund balance as of December 31, 2021:

Fund	Deficit Fund Balance
TIF District No. 8	\$ 1,200,700
Library Special Revenue	301

The City anticipates funding the above deficits from future revenues of the funds.

D. PROPERTY TAX LEVY LIMIT

Wisconsin state statutes provide for a limit on the property tax levies for all Wisconsin cities, villages, towns and counties. For the 2021 and 2022 budget years, Wisconsin Statutes limit the increase in the maximum allowable tax levy to the change in the City's January 1 equalized value as a result of net new construction. The actual limit for the City for the 2021 budget was 1.34%. The actual limit for the City for the 2022 budget was 2.82%. Debt service for debt authorized after July 1, 2005, is exempt from the levy limit. In addition, Wisconsin statutes allow the limit to be adjusted for the increase in debt service authorized prior to July 1, 2005, and in certain other situations.

**CITY OF WISCONSIN RAPIDS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

The City maintains various cash and investment accounts, including pooled funds that are available for use by all funds. Each fund's portion of these accounts is displayed on the financial statements as "Cash and Investments".

Invested cash consists of deposits and investments that are restricted by Wisconsin Statutes to the following:

Time deposits; repurchase agreements; securities issued by federal, state, and local governmental entities; statutorily authorized commercial paper and corporate securities; and the Wisconsin local government investment pool.

The carrying amount of the City's cash and investments totaled \$58,117,241 on December 31, 2021, as summarized below:

Petty Cash and Cash on Hand	\$ 3,785
Deposits with Financial Institutions	14,404,935
Great Lakes Utility Rate Stabilization Fund	501,577
Investments	
Wisconsin Local Government Investment Pool	26,983,840
US Agencies	3,011,392
US Treasuries	249,789
State and Municipal Bonds	5,107,451
Money Market Mutual Funds	335,200
Negotiable Certificates of Deposit	5,060,095
Wood Co. Telephone Stock	3,900
Repurchase Agreements	2,455,277
Total	\$ 58,117,241

Reconciliation to the basic financial statements:

Government-Wide Statement of Net Position:	
Cash and Investments	\$ 47,730,184
Restricted Cash and Investments	4,424,639
Fiduciary Fund Statement of Net Position:	
Custodial Fund	5,962,418
Total	\$ 58,117,241

Fair Value Measurements

The City uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures.

**CITY OF WISCONSIN RAPIDS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

Fair Value Measurements (Continued)

The City follows an accounting standard that defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and requires expanded disclosures about fair value measurements. In accordance with this standard, the City has categorized its investments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Financial assets and liabilities recorded on the combined statements of financial position are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Financial assets and liabilities are valued using inputs that are unadjusted quoted prices in active markets accessible at the measurement date of identical financial assets and liabilities.

Level 2 – Financial assets and liabilities are valued based on quoted prices for similar assets, or inputs that are observable, either directly or indirectly for substantially the full term through corroboration with observable market data.

Level 3 – Financial assets and liabilities are valued using pricing inputs which are unobservable for the asset, inputs that reflect the reporting entity’s own assumptions.

The City has the following fair value measurements as of December 31, 2021:

	Fair Value Measurements Using:		
	Level 1	Level 2	Level 3
Investments:			
Federal Home Loan Mortgage Corp.	\$ -	\$ 505,975	\$ -
Federal Home Loan Banks	-	2,386,503	-
Small Business Administration (SBA)			
Asset Backed Securities	-	118,914	-
State and Municipal Bonds	-	5,107,451	-
U.S. Treasuries	-	249,789	-
Negotiable Certificates of Deposit	3,143,061	1,917,034	-
Wood Co. Telephone Stock	-	-	3,900
Total	\$ 3,143,061	\$ 10,285,666	\$ 3,900

Deposits and investments of the City are subject to various risks. Presented below is a discussion of the City’s deposits and investments and the related risks.

**CITY OF WISCONSIN RAPIDS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Wisconsin statutes require repurchase agreements to be fully collateralized by bonds or securities issued or guaranteed by the federal government or its instrumentalities. The City does not have an additional custodial credit policy.

Deposits with financial institutions within the state of Wisconsin are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 for the combined amount of all time and savings deposits and \$250,000 for interest-bearing and noninterest-bearing demand deposits per official custodian per insured depository institution. Deposits with financial institutions located outside the state of Wisconsin are insured by the FDIC in the amount of \$250,000 for the combined amount of all deposit accounts per official custodian per depository institution. Deposits with credit unions are insured by the National Credit Union Share Insurance Fund (NCUSIF) in the amount of \$250,000 per credit union member. Also, the state of Wisconsin has a State Guarantee Fund which provides a maximum of \$400,000 per public depository above the amount provided by an agency of the U.S. Government. However, due to the relatively small size of the State Guarantee Fund in relation to the Fund's total coverage, total recovery of insured losses may not be available. This coverage has been considered in determining custodial credit risk.

As of December 31, 2021, \$4,141,113 of the City's deposits with financial institutions were in excess of federal and state depository insurance limits. No amounts were collateralized.

On December 31, 2021, the City held repurchase agreement investments of \$2,455,277 of which the underlying securities are held by the investment's counterparty, not in the name of the City.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Wisconsin statutes limit investment in securities to the top two ratings assigned by nationally recognized statistical rating organizations. The City limits investments to Wisconsin Local Government Investment Pool, certificates of deposit, US. Treasury securities, Agency securities, commercial paper, repurchase agreements, and bonds and securities of the State of Wisconsin and any county, city, drainage district, technical college, village, town or school district of the State of Wisconsin.

**CITY OF WISCONSIN RAPIDS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

Credit Risk (Continued)

Presented below is the actual rating as of the year-end for each investment type.

Rating	Federal Home Loan Mortgage Corp.	Federal Home Loan Banks	Small Business Administration (SBA) Asset Backed Securities	State and Municipal Bonds	Negotiable Certificates of Deposit	Wisconsin Local Government Investment Pool	Totals
AAA	\$ -	\$ -	\$ -	\$ 240,963	\$ -	\$ -	\$ 240,963
AA+	505,975	2,386,503	118,914	417,361	-	-	3,428,753
AA	-	-	-	2,548,200	-	-	2,548,200
AA-	-	-	-	1,101,299	-	-	1,101,299
A+	-	-	-	546,740	1,346,423	-	1,893,163
A	-	-	-	-	219,479	-	219,479
A-	-	-	-	-	245,273	-	245,273
BBB+	-	-	-	-	239,997	-	239,997
BBB	-	-	-	-	469,752	-	469,752
BBB-	-	-	-	-	1,003,514	-	1,003,514
Not Rated	-	-	-	252,888	1,535,657	26,983,840	28,772,385
Totals	<u>\$ 505,975</u>	<u>\$ 2,386,503</u>	<u>\$ 118,914</u>	<u>\$ 5,107,451</u>	<u>\$ 5,060,095</u>	<u>\$ 26,983,840</u>	<u>\$ 40,162,778</u>

Concentration of Credit Risk

The investment policy of the City states that no more than 50% of total investments may be invested in a single security type or with a single financial institution for extended periods of time. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) represented 5% or more of total City investments are as follows:

Issuer	Investment Type	Reported Amount	Percent of Total Investments
Federal Home Loan Banks	U.S. Agency Bonds and Notes	\$ 2,386,503	6%

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter-term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. It is the City's policy to not directly invest in securities maturing more than five years from the date of purchase. Reserve funds may be invested in securities exceeding three years if the maturity of such investments are made to coincide as nearly as practicable with the expected use of the funds.

**CITY OF WISCONSIN RAPIDS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

Interest Rate Risk (Continued)

Information about the sensitivity of the fair values of the City's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

Investment Type	Amount	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
Federal Home Loan Mortgage Corp.	\$ 505,975	\$ -	\$ -	\$ 505,975	\$ -
Federal Home Loan Banks	2,386,503	-	-	2,386,503	-
Small Business Administration (SBA)					
Asset Backed Securities	118,914	-	118,914	-	-
State and Municipal Bonds	5,107,451	694,695	2,111,958	1,514,313	786,485
U.S. Treasuries	249,789	-	-	249,789	-
Negotiable Certificates of Deposit	5,060,095	2,884,256	1,506,284	669,555	-
Wisconsin Local Government Investment Pool	26,983,840	26,983,840	-	-	-
Totals	<u>\$ 40,412,567</u>	<u>\$ 30,562,791</u>	<u>\$ 3,737,156</u>	<u>\$ 5,326,135</u>	<u>\$ 786,485</u>

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The City's investments include the following investments that are highly sensitive to interest rate fluctuations (to a greater degree than already indicated in the information provided above):

Highly Sensitive Investments	Fair Value at Year-End
Mortgage backed and SBA asset backed securities. These securities are subject to early payment in a period of declining interest rates. The resultant reduction in expected total cash flows affects the fair value of these securities and makes the fair values of these securities highly sensitive to changes in interest rates.	\$ 624,889

Investment in Wisconsin Local Government Investment Pool

The City has investments in the Wisconsin local government investment pool of \$26,983,840 at year-end. The Wisconsin local government investment pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2021, the fair value of the City's share of the LGIP's assets was substantially equal to the carrying value.

**CITY OF WISCONSIN RAPIDS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Receivables

Receivables as of year-end for the City's governmental funds, including the applicable allowances for uncollectible accounts, are as follows:

	General	Nonmajor Governmental Funds	Waterworks and Lighting Commission	Sewer Utility	Total
Receivables:					
Ambulance	\$ -	\$ 727,756	\$ -	\$ -	\$ 727,756
Municipal Court	558,738	-	-	-	558,738
Accounts	<u>151,324</u>	<u>176,255</u>	<u>4,891,921</u>	<u>797,005</u>	<u>6,016,505</u>
Gross Receivables	710,062	904,011	4,891,921	797,005	7,302,999
Less: Allowance for Uncollectibles	<u>(237,675)</u>	<u>(405,797)</u>	<u>(442,814)</u>	<u>-</u>	<u>(1,086,286)</u>
Net Total Receivables	<u>\$ 472,387</u>	<u>\$ 498,214</u>	<u>\$ 4,449,107</u>	<u>\$ 797,005</u>	<u>\$ 6,216,713</u>

C. Restricted Assets

Restricted assets on December 31, 2021, totaled \$4,424,639 and consisted of cash and investments held for the following purposes:

Funds	Amount	Purpose
Sewer Utility:		
DNR Replacement	\$ 3,070,038	Resources accumulated for capital improvements to meet the terms of the outstanding sewer utility revenue bonds
Bond Redemption	<u>1,354,601</u>	Resources accumulated for future principal and interest payments to meet the terms of the outstanding sewer utility revenue bonds
Total Restricted Assets	<u>\$ 4,424,639</u>	

**CITY OF WISCONSIN RAPIDS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Nondepreciable:				
Land	\$ 3,844,744	\$ -	\$ 24,000	\$ 3,820,744
Construction in Progress	580,896	3,178,977	1,551,930	2,207,943
Total Capital Assets, Nondepreciable	4,425,640	3,178,977	1,575,930	6,028,687
Capital Assets, Depreciable:				
Land Improvements	649,090	-	-	649,090
Buildings and Improvements	25,275,166	-	-	25,275,166
Machinery and Equipment	18,782,046	1,013,129	102,139	19,693,036
Infrastructure	84,016,404	1,364,184	-	85,380,588
Subtotals	128,722,706	2,377,313	102,139	130,997,880
Less Accumulated Depreciation for:				
Land Improvements	290,195	20,455	-	310,650
Buildings and Improvements	8,670,032	787,049	-	9,457,081
Machinery and Equipment	9,732,538	1,340,568	83,244	10,989,862
Infrastructure	44,531,285	1,510,012	-	46,041,297
Subtotals	63,224,050	3,658,084	83,244	66,798,890
Total Capital Assets, Depreciable, Net	65,498,656	(1,280,771)	18,895	64,198,990
Governmental Activities Capital Assets, Net	<u>\$ 69,924,296</u>	<u>\$ 1,898,206</u>	<u>\$ 1,594,825</u>	70,227,677
Less: Capital Related Debt				22,948,701
Less: Debt Premium				737,549
Less: Capital Related Payables, Including Retainage				<u>1,353,183</u>
Net Investment in Capital Assets				<u>\$ 45,188,244</u>

**CITY OF WISCONSIN RAPIDS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Capital Assets (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital Assets, Nondepreciable:				
Land	\$ 1,108,658	\$ -	\$ -	\$ 1,108,658
Construction in Progress	376,929	321,873	373,049	325,753
Total Capital Assets, Nondepreciable	1,485,587	321,873	373,049	1,434,411
Capital Assets, Depreciable:				
Transmission and Distribution	97,954,923	3,595,730	827,513	100,723,140
General	11,473,079	396,293	333,629	11,535,743
Source of Supply	3,340,541	-	-	3,340,541
Pumping	1,843,583	262,572	49,850	2,056,305
Treatment Plant	4,273,008	-	-	4,273,008
Buildings	35,737,995	285,769	-	36,023,764
Equipment	12,816,829	268,365	-	13,085,194
Infrastructure	31,443,476	476,491	-	31,919,967
Subtotals	198,883,434	5,285,220	1,210,992	202,957,662
Less Accumulated Depreciation for:				
Transmission and Distribution	36,480,188	2,985,331	927,627	38,537,892
General	7,836,727	672,741	333,323	8,176,145
Source of Supply	2,814,506	23,300	-	2,837,806
Pumping	1,244,658	74,562	48,135	1,271,085
Treatment Plant	2,148,477	148,123	-	2,296,600
Buildings	11,644,515	869,761	-	12,514,276
Equipment	6,002,479	705,750	-	6,708,229
Infrastructure	7,773,157	690,694	-	8,463,851
Subtotals	75,944,707	6,170,262	1,309,085	80,805,884
Total Capital Assets, Depreciable, Net	122,938,727	(885,042)	(98,093)	122,151,778
Business-Type Activities Capital Assets, Net	\$ 124,424,314	\$ (563,169)	\$ 274,956	123,586,189
Less: Capital Related Debt				22,949,896
Less: Debt Premium				47,094
Add: Deferred Charge on Refunding				495,096
Less: Capital Related Payables, Including Retainage				293,837
Net Investment in Capital Assets				\$ 100,790,458

**CITY OF WISCONSIN RAPIDS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Capital Assets (Continued)

Depreciation expense was charged to functions of the City as follows:

Governmental Activities:	
General Government	\$ 203,340
Public Safety	402,142
Public Works	2,043,448
Culture and Recreation	<u>1,009,154</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 3,658,084</u></u>
Business-Type Activities:	
Waterworks and Lighting Commission:	
Depreciation Expense	\$ 3,545,515
Depreciation Expense Charged to Sewer	93,200
Depreciation Expense Charged to Clearing Accounts	<u>265,342</u>
Total Waterworks and Lighting Commission	3,904,057
Sewer	1,782,766
Airport	<u>483,439</u>
Total Increase in Accumulated Depreciation - Business-Type Activities	<u><u>\$ 6,170,262</u></u>

E. Interfund Receivable, Payables, and Transfers

Interfund receivables and payables between individual funds of the City, as reported in the fund financial statements, as of December 31, 2021, are detailed below:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Operating Accounts Between Funds:		
General	\$ 2,125,222	\$ 100,539
Special Revenue:		
Emergency Medical Services	-	825
Centralia Center	-	4,689
Storm Water Management	83,862	11,167
Capital Projects:		
Public Works Construction	188,613	249
Enterprise Funds:		
Sewer Utility	327,196	344,482
Airport	-	1,176
Waterworks and Lighting Commission	<u>463,128</u>	<u>2,724,894</u>
Subtotal	3,188,021	3,188,021
Advances:		
General Fund	847,793	-
TIF District No. 8	-	847,793
Subtotal	<u>847,793</u>	<u>847,793</u>
Totals	<u><u>\$ 4,035,814</u></u>	<u><u>\$ 4,035,814</u></u>

**CITY OF WISCONSIN RAPIDS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Interfund Receivable, Payables, and Transfers (Continued)

The TIF District No. 8 will repay the advance from the General Fund as tax increments are available.

Interfund transfers for the year ended December 31, 2021, were as follows:

Fund	Transfer In	Transfer Out
General	\$ 1,930,438	\$ 109,000
Special Revenue:		
Centralia Center	-	44,942
Capital Projects:		
Municipal Building Improvement	109,000	-
TIF District No. 6	-	392,310
TIF District No. 7	-	101,500
Capital Projects	-	214,768
Debt Service	753,520	-
Enterprise:		
Waterworks and Lighting Commission	-	1,930,438
Total	<u>\$ 2,792,958</u>	<u>\$ 2,792,958</u>

Interfund transfers were made for the following purposes:

Tax Equivalent Payment Made by WWLC to General Fund	\$ 1,930,438
Transfer from Centralia Center to Debt Service for Debt Retirement	44,942
Transfer from TIF District No. 6 to Debt Service for Debt Retirement	392,310
Transfer from TIF District No. 7 to Debt Service for Debt Retirement	101,500
Transfer from Capital Projects Fund to Debt Service Fund for Bond Premium	214,768
Transfer from General Fund to Municipal Building Improvement Fund for Library Improvements	109,000
Total	<u>\$ 2,792,958</u>

**CITY OF WISCONSIN RAPIDS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Long-Term Obligations

The following is a summary of changes in long-term obligations of the City for the year ended December 31, 2021:

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
Governmental Activities:					
General Obligation Debt:					
Bonds	\$ 16,830,000	\$ 4,560,000	\$ 1,345,000	\$ 20,045,000	\$ 1,550,000
Notes	5,545,000	-	510,000	5,035,000	2,470,000
Notes From Direct Borrowing:					
State Trust Fund Loans	110,663	-	54,514	56,149	56,149
Total General Obligation Debt	22,485,663	4,560,000	1,909,514	25,136,149	4,076,149
Debt Premium	532,063	247,185	41,699	737,549	-
Compensated Absences	1,366,902	166,033	176,814	1,356,121	1,080,966
Governmental Activities Long-Term Obligations	<u>\$ 24,384,628</u>	<u>\$ 4,973,218</u>	<u>\$ 2,128,027</u>	<u>\$ 27,229,819</u>	<u>\$ 5,157,115</u>
Business-Type Activities:					
General Obligation Debt:					
Bonds	\$ 5,025,000	\$ -	\$ 510,000	\$ 4,515,000	\$ 520,000
Notes From Direct Borrowing:					
Environmental Improvement Fund Loan	20,275,572	-	1,840,676	18,434,896	1,898,600
Total General Obligation Debt	25,300,572	-	2,350,676	22,949,896	2,418,600
Debt Premium	53,627	-	6,533	47,094	-
Compensated Absences	388,415	56,714	15,357	429,772	429,772
Business-Type Activities Long-Term Obligations	<u>\$ 25,742,614</u>	<u>\$ 56,714</u>	<u>\$ 2,372,566</u>	<u>\$ 23,426,762</u>	<u>\$ 2,848,372</u>

Total interest paid during the year on long-term debt totaled \$1,231,153.

The City's outstanding notes from direct borrowings related to governmental activities of \$56,149 are subject to a statutory provision that in an event of late or nonpayment, a 1% per month penalty will be charged and the payment will be collected through a reduction in payments from the state of Wisconsin.

**CITY OF WISCONSIN RAPIDS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Long-Term Obligations (Continued)

The City's outstanding notes from direct borrowings related to business type activities of \$18,434,896 contain the following provisions in the event of a default: 1) Wisconsin Department of Administration can deduct amounts due from any state payments due to the City or add the amounts due as a special charge to the property taxes apportioned; 2) may appoint a receiver for the Program's benefit; 3) may declare the principal amount immediately due and payable; 4) may enforce any right or obligation under the financing agreement including the right to seek specific performance or mandamus; and 5) may increase the interest rate set forth in the financing agreement to the market interest rate.

General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/21
General Obligation Notes	5/27/11	5/1/22	2.0 - 3.625%	\$ 1,225,000	\$ 125,000
General Obligation Notes	5/27/11	5/1/26	2.0 - 4.125%	2,715,000	875,000
General Obligation Notes	5/10/12	6/1/23	1.0 - 3.0%	3,930,000	990,000
State Trust Fund Loan	8/30/12	3/15/21	3.00%	500,000	56,149
General Obligation Notes	11/13/12	3/1/22	0.3 - 1.5%	1,010,000	105,000
General Obligation Bonds	11/13/12	3/1/25	0.3 - 1.8%	2,310,000	860,000
General Obligation Notes	6/10/15	6/1/25	0.5 - 2.3%	995,000	420,000
General Obligation Bonds	9/22/15	4/1/29	2.0 - 3.0%	7,475,000	4,515,000
General Obligation Notes	7/14/16	6/1/26	0.8 - 1.85%	1,120,000	640,000
General Obligation Bonds	6/8/17	6/1/37	3.0 - 3.25%	4,515,000	3,800,000
General Obligation Notes	7/11/18	6/1/28	1.90 - 2.85%	2,135,000	1,835,000
General Obligation Bonds	7/17/19	6/1/37	2.5% - 3.0%	5,685,000	5,310,000
General Obligation Bonds	5/6/20	6/1/22	1.70%	3,610,000	3,525,000
General Obligation Notes	5/6/20	5/1/40	2.0 - 3.0%	2,035,000	2,035,000
General Obligation Notes	8/10/21	6/1/36	1.5-2.0%	4,560,000	4,560,000
Total Outstanding General Obligation Debt					<u>\$ 29,651,149</u>

Annual principal and interest maturities of the outstanding general obligation debt on December 31, 2021, are detailed below:

Year Ended December 31,	Governmental Activities					
	Bonds and Notes		Notes from Direct Borrowing		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 4,020,000	\$ 605,383	\$ 56,149	\$ 1,684	\$ 4,076,149	\$ 607,067
2023	2,060,000	509,449	-	-	2,060,000	509,449
2024	1,985,000	456,122	-	-	1,985,000	456,122
2025	2,035,000	403,034	-	-	2,035,000	403,034
2026	1,830,000	350,268	-	-	1,830,000	350,268
2027-2031	7,690,000	1,101,256	-	-	7,690,000	1,101,256
2032-2036	4,570,000	408,807	-	-	4,570,000	408,807
2037-2040	890,000	26,594	-	-	890,000	26,594
Total	<u>\$ 25,080,000</u>	<u>\$ 3,860,913</u>	<u>\$ 56,149</u>	<u>\$ 1,684</u>	<u>\$ 25,136,149</u>	<u>\$ 3,862,597</u>

**CITY OF WISCONSIN RAPIDS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Long-Term Obligations (Continued)

General Obligation Debt (Continued)

<u>Year Ended December 31,</u>	<u>Business-Type Activities</u>		<u>Total</u>
	<u>Bond and Notes</u>		
	<u>Principal</u>	<u>Interest</u>	
2022	\$ 520,000	\$ 98,519	\$ 618,519
2023	535,000	87,969	622,969
2024	545,000	77,169	622,169
2025	555,000	65,822	620,822
2026	570,000	53,513	623,513
2027-2029	1,790,000	75,325	1,865,325
Total	<u>\$ 4,515,000</u>	<u>\$ 458,317</u>	<u>\$ 4,973,317</u>

For governmental activities, the other long-term liabilities are generally funded by the General Fund.

Legal Margin for New Debt

The City's legal margin for creation of additional general obligation debt on December 31, 2021, was \$31,145,291 as follows:

Equalized Valuation of the City	\$ 1,215,928,800
Statutory Limitation Percentage	(x) 5%
General Obligation Debt Limitation, per Section 67.03 of the Wisconsin Statutes	60,796,440
Total Outstanding General Obligation Debt Applicable to Debt Limitation	29,651,149
Legal Margin for New Debt	<u>\$ 31,145,291</u>

Environmental Improvement Fund Loan

Environmental Improvement Fund Loan outstanding on December 31, 2021, was comprised of the following issue:

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/21</u>
Environmental Improvement Fund Loan	12/23/08	5/1/28	3.398%	\$ 26,615,595	\$ 12,334,706
Environmental Improvement Fund Loan	5/23/18	5/1/38	1.87%	6,781,712	6,100,190
Total Environmental Improvement Fund Loan					<u>\$ 18,434,896</u>

**CITY OF WISCONSIN RAPIDS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Long-Term Obligations (Continued)

Environmental Improvement Fund Loan (Continued)

Annual principal and interest maturities of the outstanding environmental improvement fund loan of \$18,434,896 on December 31, 2021, are detailed below:

<u>Year Ended December 31,</u>	<u>Business-Type Activities</u>		
	<u>Notes from Direct Borrowings</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 1,898,600	\$ 503,304	\$ 2,401,904
2023	1,958,406	442,525	2,400,931
2024	2,020,156	379,771	2,399,927
2025	2,083,915	314,974	2,398,889
2026	2,149,749	248,068	2,397,817
2026-2030	5,577,853	471,014	6,048,867
2031-2035	1,924,914	168,115	2,093,029
2036-2038	821,303	15,430	836,733
Total	<u>\$ 18,434,896</u>	<u>\$ 2,543,201</u>	<u>\$ 20,978,097</u>

Utility Revenues Pledged

The City has pledged future sewer customer revenues, net of specified operating expenses, to repay the sewer system revenue bonds. Proceeds from the bonds provided financing for the construction or acquisition of capital assets used with the system. The bonds are payable solely from sewer customer net revenues and are payable through 2038. The total principal and interest remaining to be paid on the bonds is \$20,978,097. Principal and interest paid for the current year and total customer net revenues were \$2,402,845 and \$4,257,633, respectively.

G. Conduit Debt Obligations

From time to time, the City has issued Industrial Revenue Bonds to provide financial assistance to private sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2021, there was one series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of \$2,373,997.

**CITY OF WISCONSIN RAPIDS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Pension Plan

1. Plan Description

The WRS is a cost-sharing, multiple-employer, defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible state of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, expected to work at least 1200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

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

Vesting

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

Benefits Provided

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

Final average earnings is the average of the participant's three highest 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 or after 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 WISCONSIN RAPIDS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Pension Plan (Continued)

2. Post-Retirement Adjustments

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

<u>Year</u>	<u>Core Fund Adjustment %</u>	<u>Variable Fund Adjustment %</u>
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	0.5	(5)
2017	2.0	4
2018	2.4	17
2019	0.0	(10)
2020	1.7	21

3. Contributions

Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, executives, and elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category was merged into the General Employee Category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remained 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 year ending December 31, 2021, the WRS recognized \$1,573,366 in contributions from the City.

**CITY OF WISCONSIN RAPIDS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Pension Plan (Continued)

3. Contributions (Continued)

Contribution rates for the reporting period are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (Including Teachers, Executives, and Elected Officials)	6.75%	6.75%
Protective with Social Security	6.75%	11.75%
Protective without Social Security	6.75%	16.35%

4. Pension Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2021, the City reported an asset of \$8,217,430 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2020, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019, rolled forward to December 31, 2020. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2020, the City's proportion was 0.13162339%, which was a decrease of 0.00002123% from its proportion measured as of December 31, 2019.

For the year ended December 31, 2021, the City recognized pension expense (revenue) of (\$907,621).

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	\$ 11,893,144	\$ 2,561,762
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	-	15,427,555
Changes in Assumptions	186,387	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	23,164	28,627
Employer Contributions Subsequent To the Measurement Date	1,573,366	-
Total	<u>\$ 13,676,061</u>	<u>\$ 18,017,944</u>

**CITY OF WISCONSIN RAPIDS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Pension Plan (Continued)

4. Pension Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

\$1,573,366 reported as deferred outflows related to pension resulting from the City's contributions subsequent to the measurement date will be recognized as an addition of the net pension asset in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Expense</u>
2022	\$ (1,526,385)
2023	(417,643)
2024	(2,792,258)
2025	<u>(1,178,963)</u>
Total	<u>\$ (5,915,249)</u>

5. Actuarial Assumptions

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

Actuarial Valuation Date:	December 31, 2019
Measurement Date of Net Pension Liability (Asset):	December 31, 2020
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table
Postretirement 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 WISCONSIN RAPIDS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Pension Plan (Continued)

5. Actuarial Assumptions (Continued)

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

<u>Core Fund Asset Class</u>	<u>Current Asset Allocation %</u>	<u>Long-Term Expected Nominal Rate of Return %</u>	<u>Long-Term Expected Real Rate of Return %</u>
Global Equities	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%	3.1%
Private Equity/Debt	11%	10.2%	7.6%
Multi-Asset	4%	5.8%	3.3%
Cash	-15%	0.9%	N/A
Total Core Fund	100%	6.6%	4.1%
<u>Variable Fund Asset Class</u>			
U.S. Equities	70%	6.6%	4.1%
International Equities	30%	7.4%	4.9%
Total Variable Fund	100%	7.1%	4.6%

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.40%

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

**CITY OF WISCONSIN RAPIDS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Pension Plan (Continued)

5. Actuarial Assumptions (Continued)

Single Discount Rate. A single discount rate of 7.00% is 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 members 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.

Sensitivity of the City’s Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the City’s proportionate share of the net pension liability (asset) calculated using the discount rate of 7.0%, as well as what the City’s proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0%) or 1-percentage-point higher (8.0%) than the current rate:

	1% Decrease to Discount Rate (6.0%)	Current Discount Rate (7.0%)	1% Increase to Discount Rate (8.0%)
City’s Proportionate Share of the Net Pension Liability (Asset)	\$ 7,821,855	\$ (8,217,430)	\$ (19,988,166)

Pension Plan Fiduciary Net Position. Detailed information about the pension plan’s fiduciary net position is available in separately issued financial statements available at <http://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

**CITY OF WISCONSIN RAPIDS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Pension Plan (Continued)

6. Payables to the Pension Plan

At December 31, 2021, the City reported a payable of \$308,548 for the outstanding amount of contributions to the pension plan for the year ended December 31, 2021.

I. Other Postemployment Benefits

The City reports OPEB related balances at December 31, 2021, as summarized below:

	OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
Single-Employer Defined OPEB Plan	\$ 11,434,761	\$ 1,776,009	\$ 1,448,806	\$ 678,640
Local Retiree Life Insurance Fund (LRLIF)	1,427,411	652,635	219,102	178,186
Total	\$ 12,862,172	\$ 2,428,644	\$ 1,667,908	\$ 856,826

1. Single-Employer Defined Postemployment Benefit Plan

Plan Description

The plan is a single-employer, defined benefit postemployment health plan that covers retired employees of the City. Eligible retired employees have access to group medical coverage through the City's group plan. City paid medical benefits are paid for as indicated below. All employees of the City are eligible for the plan if they meet the following age and service requirements below. Employees hired after December 31, 2012, or December 31, 2014 (varies by employment group) are not eligible for this benefit. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75. The plan does not issue separate financial statements.

Benefits Provided

The City provides medical (including prescription drugs), dental, and life insurance coverage for retired employees through the City's group plan. Benefits vary depending on employment group. Employees must retire from the City to be eligible for this other postemployment benefit.

Employees Covered by Benefit Terms

At December 31, 2021, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefit Payment	43
Active Employees	207
Total	250

**CITY OF WISCONSIN RAPIDS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

I. Other Postemployment Benefits (Continued)

1. Single-Employer Defined Postemployment Benefit Plan (Continued)

Contributions

Certain retired plan members and beneficiaries currently receiving benefits are required to contribute specified amounts monthly towards the cost of insurance premiums based on the employee group and their retirement date. City paid benefits are paid until the retiree or surviving spouse becomes eligible for Medicare.

Total OPEB Liability

The City's total OPEB liability was measured as of December 31, 2020 and was determined by an actuarial valuation as of December 31, 2019.

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

Inflation:	2.0%
Salary Increases:	.04% to 4.8% depending on years of service and job classification plus 3% inflation
Discount Rate:	2.25%
Healthcare Cost Trend Rates:	0.00% for year 1 increasing to 6.40% for year 2, and decreasing by 0.10% down to 5.00% and level thereafter

Mortality rates are the same as those used in the Wisconsin 2018 Mortality Table adjusted for future mortality improvements using the MP-2018 fully generated improvement scale (multiplied 60%).

The actuarial assumptions used in the December 31, 2020 valuation were based on an experience study conducted in 2018 using the Wisconsin Retirement System (WRS) experience from 2015-17.

Discount Rate. The discount rate used to measure the total OPEB liability was 2.25%, as opposed to 4.0% in the prior year. The discount rate is based on the Bond Buyer GO 20-year AA Bond Index as of the week of the measurement date.

**CITY OF WISCONSIN RAPIDS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

I. Other Postemployment Benefits (Continued)

1. Single-Employer Defined Postemployment Benefit Plan (Continued)

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance - January 1, 2021	\$ 10,974,668
Changes for the Year:	
Service Cost	445,665
Interest	298,002
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	-
Changes of Assumptions or Other Input	438,531
Benefit Payment	(722,105)
Net Changes	460,093
Balance - December 31, 2021	\$ 11,434,761

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 rate:

	1% Decrease to Discount Rate (1.25%)	Current Discount Rate (2.25%)	1% Increase to Discount Rate (3.25%)
Total OPEB Liability	\$ 12,359,426	\$ 11,434,761	\$ 10,573,721

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 (-1.0% in Year 1, then 5.4% decreasing to 4.0%) or 1-percentage-point higher (1.0% in Year 1, then 7.4% decreasing to 6.0%) than the current healthcare cost trend rates:

	1% Decrease (-1.0% in Year 1, then 5.4% Decreasing to 4.0%)	Healthcare Cost Trend Rates (0.0% in Year 1, then 6.40% Decreasing to 5.0%)	1% Increase (1.0% in Year 1, then 7.4% Decreasing to 6.0%)
Total OPEB Liability	\$ 10,125,507	\$ 11,434,761	\$ 12,991,118

**CITY OF WISCONSIN RAPIDS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

I. Other Postemployment Benefits (Continued)

1. Single-Employer Defined Postemployment Benefit Plan (Continued)

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

For the year ended December 31, 2021, the City recognized OPEB expense of \$678,640. At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 1,172,133
Changes in Assumptions or Other Input	1,088,443	276,673
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	-	-
City Contributions Subsequent to the Measurement Date	687,566	-
Total	\$ 1,776,009	\$ 1,448,806

\$687,566 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended December 31, 2021, and reported in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended December 31,</u>	<u>Expense</u>
2022	\$ (65,027)
2023	(65,027)
2024	(65,027)
2025	(65,027)
2026	(65,027)
Thereafter	(35,228)
Total	\$ (360,363)

Payable to the OPEB Plan

At December 31, 2021, the City reported a payable of \$-0- for the outstanding amount of contribution to the plan required for the year ended December 31, 2021.

**CITY OF WISCONSIN RAPIDS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

I. Other Postemployment Benefits (Continued)

2. Local Retiree Life Insurance Fund

Plan Description

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

OPEB Plan Fiduciary Net Position

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

Additionally, ETF issued a standalone Retiree Life Insurance Financial Report, which can be found at <https://etfonline.wi.gov/ETFGASBPublicWeb/gasb75Local.do>.

Benefits Provided

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

Contributions

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

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

Contribution rates as of December 31, 2021, are:

Coverage Type	Employer Contribution
50% Postretirement Coverage	40% of Employee Contribution
25% Postretirement Coverage	20% of Employee Contribution

**CITY OF WISCONSIN RAPIDS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

I. Other Postemployment Benefits (Continued)

2. Local Retiree Life Insurance Fund (Continued)

Contributions (Continued)

Member contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating members must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The member contribution rates in effect for the year ended December 31, 2020 are listed below:

Life Insurance Member Contribution Rates For the Year Ended December 31, 2020*		
Attained Age	Basic	Supplemental
Under 30	\$0.05	\$0.05
30 - 34	0.06	0.06
35 - 39	0.07	0.07
40 - 44	0.08	0.08
45 - 49	0.12	0.12
50 - 54	0.22	0.22
55 - 59	0.39	0.39
60 - 64	0.49	0.49
65 - 69	0.57	0.57

*Disabled members under age 70 receive a waiver-of-premium benefit.

During the reporting period, the LRLIF recognized \$3,587 in contributions from the employer.

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

At December 31, 2021, the City reported a liability of \$1,427,411 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2020, rolled forward to December 31, 2020. No material changes in assumptions or benefits terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net OPEB liability was based on the City's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2020, the City's proportion was 0.25949500%, which was an increase of 0.02303000% from its proportion measured as of December 31, 2019.

For the year ended December 31, 2021, the Commission recognized OPEB expense of \$178,186.

**CITY OF WISCONSIN RAPIDS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

I. Other Postemployment Benefits (Continued)

2. Local Retiree Life Insurance Fund (Continued)

OPEB Liabilities, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 68,111
Net Differences Between Projected and Actual Earnings on OPEB Plan Investments	20,782	-
Changes in Assumptions	555,282	97,940
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	76,571	53,051
Total	\$ 652,635	\$ 219,102

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

Year Ended December 31,	Expense
2022	\$ 80,268
2023	78,021
2024	75,706
2025	67,117
2026	84,094
Thereafter	48,327
Total	\$ 433,533

Actuarial Assumptions. The total OPEB liability in the January 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Valuation Date:	January 1, 2020
Measurement Date of Net OPEB Liability (Asset):	December 31, 2020
Actuarial Cost Method:	Entry Age Normal
20-Year Tax-Exempt Municipal Bond Yield:	2.12%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	2.25%
Salary Increases:	
Inflation	3.00%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table

**CITY OF WISCONSIN RAPIDS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

I. Other Postemployment Benefits (Continued)

2. Local Retiree Life Insurance Fund (Continued)

OPEB Liabilities, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

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 LRLIF OPEB Liability for December 31, 2020 is based upon a roll-forward of the liability calculated from the January 1, 2020 actuarial valuation.

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

<u>Asset Class</u>	<u>Index</u>	<u>Target Allocation</u>	<u>Long-Term Expected Geometric Real Rate of Return %</u>
U.S. Credit Bonds	Barclays Credit	50%	1.47%
U.S. Mortgages	Barclays MBS	50%	0.82%
Inflation			2.20%
Long-Term Expected Rate of Return			4.25%

The long-term expected rate of return and expected inflation rate remained unchanged from 4.25 and 2.20%, respectively. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation.

**CITY OF WISCONSIN RAPIDS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

I. Other Postemployment Benefits (Continued)

2. Local Retiree Life Insurance Fund (Continued)

OPEB Liabilities, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Single Discount Rate. A single discount rate of 2.25% was used to measure the Total OPEB Liability for the current year, as opposed to a discount rate of 2.87% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 2.74% as of December 31, 2019, to 2.12% as of December 31, 2020. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive members. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

The projection of cash flows used to determine the single discount rate assumed that employer contributions will be made according to the current employer contribution schedule and that the contributions are made by plan members retiring prior to age 65.

Sensitivity of the City's Proportionate Share of Net OPEB Liability (Asset) to Changes in the Discount Rate. The following presents the City's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 2.25%, as well as what the City's proportionate share of the net OPEB liability (asset) 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 rate:

	1% Decrease to Discount Rate (1.25%)	Current Discount Rate (2.25%)	1% Increase to Discount Rate (3.25%)
City's Proportionate Share of the Net OPEB Liability (Asset)	\$ 1,941,685	\$ 1,427,411	\$ 1,038,478

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

**CITY OF WISCONSIN RAPIDS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

I. Other Postemployment Benefits (Continued)

2. Local Retiree Life Insurance Fund (Continued)

Payable to the OPEB Plan

At December 31, 2021, the City reported a payable of \$-0- for the outstanding amount of contribution to the plan required for the year ended December 31, 2021.

J. Fund Equity

Nonspendable Fund Balance

In the fund financial statements, portions of the governmental fund balances are amounts that cannot be spent because they are either 1) not in spendable form or 2) legally or contractually required to be maintained intact. At December 31, 2021, nonspendable fund balance was as follows:

Nonspendable:

Inventories and Prepaid Items	\$	197,804
County Held Special Assessments		160,558
Advance to TIF District No. 8		847,793
Total Nonspendable Fund Balance	\$	1,206,155

Restricted Fund Balance

In the fund financial statements, portions of governmental fund balances are not available for appropriation or are legally restricted for use for a specific purpose. At December 31, 2021, restricted fund balance was as follows:

Special Revenue Funds:

Restricted for:

Housing Rehabilitation Loan Program	\$	364,421
HCRI Loan Program		47,338
American Rescue Plan Act		96
Total Special Revenue Fund Restricted Fund Balance		411,855

Debt Service Fund:

Restricted for:

Retirement of Long-Term Debt		249,919
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Capital Projects Funds:

Restricted for:

General Capital Projects		1,933,657
Public Works Construction		253,791

Total Restricted Fund Balance	\$	2,849,222
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**CITY OF WISCONSIN RAPIDS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

J. Fund Equity (Continued)

Committed Fund Balance

In the fund financial statements, portions of government fund balances are committed by City Council action. At December 31, 2021, governmental fund balance was committed as follows:

General Fund:

Committed for:

Medical Insurance	\$ 278,949
Future Unreported Dental Claims	223,162
Total General Fund Committed Fund Balance	<u>502,111</u>

Special Revenue Funds:

Committed for:

Centralia Center Operations and Maintenance	384,830
Emergency Medical Services	372,053
Storm Water Management Projects	656,960
Undistributed Room Tax Collections - Tourism Promotion	308,517
Retiree Health Insurance - City Portion of Insurance Premiums	359,221
Grants and Donations Projects	403,735
River Cities Community Access Operations and Maintenance	467,316
Mass Transit Fund Operations	192,937
Aquatics Facility	143,675
Total Special Revenue Funds Committed Fund Balance	<u>3,289,244</u>

Capital Projects Funds:

Committed for:

Public Works Construction Activities	665,565
Tif District No. 6 Economic Development and Debt Service	91,021
Tif District No. 7 Economic Development and Debt Service	44,029
Municipal Building Improvement and Construction	245,890
Equipment Replacement	1,197,857
Capital Projects	557,980
Total Capital Projects Funds Committed Fund Balance	<u>2,802,342</u>
Total Committed Fund Balance	<u>\$ 6,593,697</u>

**CITY OF WISCONSIN RAPIDS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

J. Fund Equity (Continued)

Assigned Fund Balance

Portions of governmental fund balances have been assigned to represent tentative management plans that are subject to change. At December 31, 2021, fund balance was assigned as follows:

General Fund:	
Assigned for 2021/2022 Projects	\$ 500,000
Assigned for Subsequent Years Budget	<u>2,116,846</u>
Total	<u><u>\$ 2,616,846</u></u>

Minimum General Fund Balance Policy

The City has also adopted a minimum fund balance policy of 25% - 30% of the annual General Fund budgeted expenditures be maintained for cash flow and working capital purposes. The minimum fund balance amount is calculated as follows:

Budgeted 2021 General Fund Expenditures	\$ 21,651,581
Minimum Fund Balance %	<u>(x) 25% - 30%</u>
Minimum Fund Balance Amount	<u><u>\$5,412,895 to \$6,495,474</u></u>

The City's unassigned General Fund balance of \$9,713,894 is above the minimum fund balance amount.

NOTE 4 OTHER INFORMATION

A. Tax Incremental Financing Districts

The City has established separate capital projects funds for Tax Incremental District (TID) No. 6, No. 7, and No. 8 which were created by the City in accordance with Section 66.1105 of the Wisconsin Statutes. At the time the Districts were created, the property tax base within the District was "frozen" and increment taxes resulting from increases to the property tax base are used to finance District improvements, including principal and interest on long-term debt issued by the City to finance such improvements. The Statutes allow eligible project costs to be incurred up to five years prior to the maximum termination date. The City's Districts are still eligible to incur project costs.

**CITY OF WISCONSIN RAPIDS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Tax Incremental Financing Districts (Continued)

Since creation of the above Districts, the City has provided various financing sources to the TID. The foregoing amounts are not recorded as liabilities in the TID capital project fund but can be recovered by the City from any future excess tax increment revenues. As of December 31, 2021, the City can recover \$3,131,448 from future excess tax increment revenues of the following:

	Recoverable Costs
TID No. 6	\$ 1,628,461
TID No. 7	302,287
TID No. 8	1,200,700
Total	\$ 3,131,448

The intent of the City is to recover the above amounts from future TID surplus funds, if any, prior to termination of the respective Districts. Unless terminated by the City prior thereto, each TID has a statutory termination year as follows:

	Termination Year
TID No. 6	2027
TID No. 7	2032
TID No. 8	2040

B. Wholesale Power Supply Contracts

On January 6, 2000, the Commission entered into a contract for the establishment and operation of Great Lakes Utilities (GLU), a municipal electric company formed pursuant to Section 66.073 of the Wisconsin Statutes. It is a separate electric company of 17 Wisconsin municipal electric utilities to purchase and sell power and energy from and to its members and others. The GLU Board of Directors voted on September 30, 2003, to accept assignments of power supply contracts from five of its members including Wisconsin Rapids Water Works and Lighting Commission effective February 1, 2004. The current contract with GLU was signed on August 29, 2007, for a 25-year term.

**CITY OF WISCONSIN RAPIDS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 4 OTHER INFORMATION (CONTINUED)

C. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. A description of the City's risk management programs is presented below:

Dental Self-Insurance Fund

City employees are eligible for dental benefits from a dental self-insurance fund. Funding is provided by charges to City departments. The program is supplemented by stop loss protection, which limits the City's annual liability. Fund expenses consist of payments to a third-party administrator for dental claims, stop loss insurance premiums and administrative fees. On December 31, 2021, the program had a committed fund balance of \$223,162 for future unreported dental claims.

The claims liability of \$7,326 reported in the general fund at December 31, 2021, is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the fund's claims liability amount are as follows:

	Liability January 1	Current Year Claims and Changes in Estimates	Claims Payments	Liability December 31
2020	\$ 5,245	\$ 160,638	\$ 159,892	\$ 5,991
2021	5,991	208,142	206,807	7,326

The City has purchased commercial insurance policies for various risks of loss. Payments of premiums for these policies are recorded as expenditures or expenses in various funds of the City. Settlements have not exceeded insurance coverage for each of the past three years. There have also been no significant changes in insurance coverage from the prior year.

D. Contingencies

The City participates in a number of federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. An audit under the Uniform Guidance has been conducted but final acceptance is still pending. Accordingly, the City's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

**CITY OF WISCONSIN RAPIDS, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 4 OTHER INFORMATION (CONTINUED)

D. Contingencies (Continued)

From time to time, the City is party to other various pending claims and legal proceedings. Although the outcome of such matters cannot be forecast with certainty, it is the opinion of management 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.

E. Subsequent Events

In June 2022, the City issued \$3,180,000 in General Obligation Promissory Notes for street improvement projects and refunding a portion of the May 6, 2020 General Obligation Notes.

F. Commitments

The City has active construction projects as of December 31, 2021. Work that has been completed but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures. Estimated future costs to complete the construction projects is approximately \$2,035,000.

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF WISCONSIN RAPIDS, WISCONSIN
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
WISCONSIN RETIREMENT SYSTEM
LAST 10 MEASUREMENT PERIODS**

Measurement Period Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll (Plan Year)	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 (Asset)
12/31/14	0.12563247%	\$ (3,085,878)	\$ 14,261,723	21.64%	102.74%
12/31/15	0.12561623%	2,041,239	14,370,306	14.20%	98.20%
12/31/16	0.12744633%	1,050,462	14,878,296	7.06%	99.12%
12/31/17	0.13013733%	(3,863,931)	15,303,790	25.25%	102.93%
12/31/18	0.13186648%	4,691,396	15,304,894	30.65%	96.45%
12/31/19	0.13164462%	(4,244,823)	15,564,918	27.27%	102.96%
12/31/20	0.13162339%	(8,217,430)	16,207,345	50.70%	105.26%

**SCHEDULE OF CONTRIBUTIONS
WISCONSIN RETIREMENT SYSTEM
LAST 10 FISCAL YEARS**

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll (Fiscal Year)	Contributions as a Percentage of Covered Payroll
12/31/15	\$ 1,218,145	\$ 1,218,145	\$ -	\$ 14,370,306	8.48%
12/31/16	1,229,654	1,229,654	-	14,878,296	8.26%
12/31/17	1,365,212	1,365,212	-	15,303,790	8.92%
12/31/18	1,353,160	1,353,160	-	15,304,894	8.84%
12/31/19	1,347,545	1,347,545	-	15,564,918	8.66%
12/31/20	1,516,383	1,516,383	-	16,207,345	9.36%
12/31/21	1,573,366	1,573,366	-	16,832,115	9.35%

See accompanying Notes to Required Supplementary Information.

CITY OF WISCONSIN RAPIDS, WISCONSIN
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS*

	2021	2020	2019	2018
Total OPEB Liability				
Service Cost	\$ 445,665	\$ 459,179	\$ 485,414	\$ 485,414
Interest	298,002	450,312	399,643	383,857
Changes of Benefit Terms	-	13,167	-	-
Differences Between Expected and Actual Experience	-	(1,507,026)	-	-
Change of Assumptions or Other Input	438,531	898,250	(415,009)	-
Benefit Payments	(722,105)	(734,835)	(500,166)	(336,313)
Net Change in Total OPEB Liability	460,093	(420,953)	(30,118)	532,958
Total OPEB Liability - Beginning	10,974,668	11,395,621	11,425,739	10,892,781
Total OPEB Liability - Ending	<u>\$ 11,434,761</u>	<u>\$ 10,974,668</u>	<u>\$ 11,395,621</u>	<u>\$ 11,425,739</u>
Covered-Employee Payroll	\$ 14,901,068	\$ 14,901,068	\$ 14,000,516	\$ 14,000,516
City's Total OPEB Liability as a Percentage of Covered-Employee Payroll	76.74%	73.65%	81.39%	81.61%

* The amounts presented for each fiscal year were determined as of the current fiscal year end. Amounts for prior years were not available.

See accompanying Notes to Required Supplementary Information.

**CITY OF WISCONSIN RAPIDS, WISCONSIN
SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)
LOCAL RETIREE LIFE INSURANCE FUND
LAST 10 MEASUREMENT PERIODS**

Measurement Period Ending	Proportion of the Net OPEB Liability (Asset)	Proportionate Share of the Net OPEB Liability (Asset)	Covered-Employee Payroll	Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
12/31/17	0.26319500%	\$ 791,843	\$ 15,303,790	5.17%	44.81%
12/31/18	0.25621600%	661,124	15,304,894	4.32%	48.69%
12/31/19	0.23646500%	1,006,914	15,564,918	6.47%	37.58%
12/31/20	0.25949500%	1,427,411	16,207,345	8.81%	31.36%

**SCHEDULE OF CONTRIBUTIONS
LOCAL RETIREE LIFE INSURANCE FUND
LAST 10 FISCAL YEARS**

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
12/31/18	\$ 3,560	\$ 3,560	\$ -	\$ 15,304,894	0.02%
12/31/19	3,406	3,406	-	15,564,918	0.02%
12/31/20	3,183	3,183	-	16,207,345	0.02%
12/31/21	3,587	3,587	-	16,832,115	0.02%

See accompanying Notes to Required Supplementary Information.

**CITY OF WISCONSIN RAPIDS, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2021**

A. WISCONSIN RETIREMENT SYSTEM

Changes of Benefit Terms. There were no changes of benefit terms for any participating employer in WRS.

Changes of Assumptions. No significant changes in assumptions were noted from the prior 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.

B. SINGLE EMPLOYER DEFINED BENEFIT POSTEMPLOYMENT PLAN

Changes of Benefit Terms. There were no changes of benefit terms.

Changes of Assumptions. The discount rate used to develop the Total OPEB Liability changed as of the December 31, 2020 measurement date, decreasing from 2.75% to 2.25%.

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

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.

C. LOCAL RETIREE LIFE INSURANCE FUND

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

Changes of Assumptions. *The Single Discount Rate* assumption used to develop Total OPEB Liability changed from the prior year. Please refer to the Actuarial Assumptions section above for additional detail.

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.

SUPPLEMENTARY INFORMATION

**CITY OF WISCONSIN RAPIDS, WISCONSIN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2021**

	Special Revenue					
	Centralia Center	Housing Rehabilitation	Emergency Medical Services	Storm Water Management	Room Tax	Retiree Health Insurance
ASSETS						
Cash and Investments	\$ 425,617	\$ 364,421	\$ 180,202	\$ 584,952	\$ 281,550	\$ 400,336
Receivables:						
Taxes	60,278	-	199,079	642	-	76,377
Accounts, Net	9,028	-	345,809	-	92,723	-
Special Assessments	-	-	-	7,605	-	-
Loans	-	2,378,606	-	-	-	-
Due from Other Funds	-	-	-	83,862	-	-
Due from Other Governments	-	-	-	-	-	-
Total Assets	<u>\$ 494,923</u>	<u>\$ 2,743,027</u>	<u>\$ 725,090</u>	<u>\$ 677,061</u>	<u>\$ 374,273</u>	<u>\$ 476,713</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts Payable	\$ 12,468	\$ -	\$ 25,717	\$ 252	\$ 65,256	\$ -
Accrued and Other Current Liabilities	1,016	-	26,257	435	-	-
Due to Other Funds	4,689	-	825	11,167	-	-
Advance from Other Funds	-	-	-	-	-	-
Special Deposits	746	-	-	-	500	2,246
Unearned Revenues	-	-	-	-	-	-
Total Liabilities	<u>18,919</u>	<u>-</u>	<u>52,799</u>	<u>11,854</u>	<u>65,756</u>	<u>2,246</u>
DEFERRED INFLOWS OF RESOURCES						
Property Taxes Levied for Subsequent Year	91,174	-	300,238	642	-	115,246
Other	-	-	-	-	-	-
Loans Receivable	-	2,378,606	-	-	-	-
Special Assessments	-	-	-	7,605	-	-
Total Deferred Inflows of Resources	<u>91,174</u>	<u>2,378,606</u>	<u>300,238</u>	<u>8,247</u>	<u>-</u>	<u>115,246</u>
FUND BALANCES						
Restricted	-	364,421	-	-	-	-
Committed	384,830	-	372,053	656,960	308,517	359,221
Unassigned	-	-	-	-	-	-
Total Fund Balances	<u>384,830</u>	<u>364,421</u>	<u>372,053</u>	<u>656,960</u>	<u>308,517</u>	<u>359,221</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 494,923</u>	<u>\$ 2,743,027</u>	<u>\$ 725,090</u>	<u>\$ 677,061</u>	<u>\$ 374,273</u>	<u>\$ 476,713</u>

**CITY OF WISCONSIN RAPIDS, WISCONSIN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2021**

	Special Revenue					
	HCRI Program	Grants and Donations	River Cities Community Access	Mass Transit	Aquatic Facility	
ASSETS						
Cash and Investments	\$ 47,338	\$ 427,198	\$ 423,074	\$ 137,111	\$ 230,165	\$ 921,703
Receivables:						
Taxes	-	-	-	40,569	89,760	-
Accounts, Net	-	-	50,654	-	-	-
Special Assessments	-	-	-	-	-	-
Loans	22,305	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-
Due from Other Governments	-	15,531	-	119,682	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 69,643</u>	<u>\$ 442,729</u>	<u>\$ 473,728</u>	<u>\$ 297,362</u>	<u>\$ 319,925</u>	<u>\$ 921,703</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts Payable	\$ -	\$ 23,463	\$ 708	\$ 43,425	\$ 39,945	\$ -
Accrued and Other Current Liabilities	-	-	5,704	-	700	-
Due to Other Funds	-	-	-	-	-	-
Advance from Other Funds	-	-	-	-	-	-
Special Deposits	-	-	-	-	-	-
Unearned Revenues	-	-	-	-	-	921,607
Total Liabilities	<u> </u>	<u>23,463</u>	<u>6,412</u>	<u>43,425</u>	<u>40,645</u>	<u>921,607</u>
DEFERRED INFLOWS OF RESOURCES						
Property Taxes Levied for Subsequent Year	-	-	-	61,000	135,605	-
Other	-	15,531	-	-	-	-
Loans Receivable	22,305	-	-	-	-	-
Special Assessments	-	-	-	-	-	-
Total Deferred Inflows of Resources	<u>22,305</u>	<u>15,531</u>	<u> </u>	<u>61,000</u>	<u>135,605</u>	<u> </u>
FUND BALANCES						
Restricted	47,338	-	-	-	-	96
Committed	-	403,735	467,316	192,937	143,675	-
Unassigned	-	-	-	-	-	-
Total Fund Balances	<u>47,338</u>	<u>403,735</u>	<u>467,316</u>	<u>192,937</u>	<u>143,675</u>	<u>96</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 69,643</u>	<u>\$ 442,729</u>	<u>\$ 473,728</u>	<u>\$ 297,362</u>	<u>\$ 319,925</u>	<u>\$ 921,703</u>

**CITY OF WISCONSIN RAPIDS, WISCONSIN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2021**

	Special Revenue		Capital Projects			
	Library	Debt Service	TIF District No. 6	TIF District No. 7	TIF District No. 8	Capital Projects
ASSETS						
Cash and Investments	\$ -	\$ 916,671	\$ 198,159	\$ 125,753	\$ 663,906	\$ 2,677,589
Receivables:						
Taxes	-	1,311,960	231,935	161,404	466,391	-
Accounts, Net	-	-	-	-	-	-
Special Assessments	-	-	-	-	-	-
Loans	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-
Due from Other Governments	-	-	-	-	352,908	-
Total Assets	\$ -	\$ 2,228,631	\$ 430,094	\$ 287,157	\$ 1,483,205	\$ 2,677,589
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts Payable	\$ 301	\$ -	\$ -	\$ -	\$ 780,112	\$ 185,952
Accrued and Other Current Liabilities	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-
Advance from Other Funds	-	-	-	-	847,793	-
Special Deposits	-	-	-	-	-	-
Unearned Revenues	-	-	-	-	-	-
Total Liabilities	301	-	-	-	1,627,905	185,952
DEFERRED INFLOWS OF RESOURCES						
Property Taxes Levied for Subsequent Year	-	1,978,712	339,073	243,128	703,092	-
Other	-	-	-	-	352,908	-
Loans Receivable	-	-	-	-	-	-
Special Assessments	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	1,978,712	339,073	243,128	1,056,000	-
FUND BALANCES						
Restricted	-	249,919	-	-	-	1,933,657
Committed	-	-	91,021	44,029	-	557,980
Unassigned	(301)	-	-	-	(1,200,700)	-
Total Fund Balances	(301)	249,919	91,021	44,029	(1,200,700)	2,491,637
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ -	\$ 2,228,631	\$ 430,094	\$ 287,157	\$ 1,483,205	\$ 2,677,589

**CITY OF WISCONSIN RAPIDS, WISCONSIN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2021**

	Capital Projects			Total
	Municipal Building Improvement	Equipment Replacement	Public Works Construction	
ASSETS				
Cash and Investments	\$ 245,890	\$ 1,305,598	\$ 1,123,959	\$ 11,681,192
Receivables:				
Taxes	-	150,700	170,151	2,959,246
Accounts, Net	-	-	-	498,214
Special Assessments	-	-	-	7,605
Loans	-	-	-	2,400,911
Due from Other Funds	-	-	188,613	272,475
Due from Other Governments	-	-	-	488,121
	<u>-</u>	<u>-</u>	<u>-</u>	<u>488,121</u>
 Total Assets	 <u>\$ 245,890</u>	 <u>\$ 1,456,298</u>	 <u>\$ 1,482,723</u>	 <u>\$ 18,307,764</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ -	\$ 31,000	\$ 304,842	\$ 1,513,441
Accrued and Other Current Liabilities	-	-	1,916	36,028
Due to Other Funds	-	-	249	16,930
Advance from Other Funds	-	-	-	847,793
Special Deposits	-	-	-	3,492
Unearned Revenues	-	-	-	921,607
Total Liabilities	<u>-</u>	<u>31,000</u>	<u>307,007</u>	<u>3,339,291</u>
 DEFERRED INFLOWS OF RESOURCES				
Property Taxes Levied for Subsequent Year	-	227,441	256,360	4,451,711
Other	-	-	-	368,439
Loans Receivable	-	-	-	2,400,911
Special Assessments	-	-	-	7,605
Total Deferred Inflows of Resources	<u>-</u>	<u>227,441</u>	<u>256,360</u>	<u>7,228,666</u>
 FUND BALANCES				
Restricted	-	-	253,791	2,849,222
Committed	245,890	1,197,857	665,565	6,091,586
Unassigned	-	-	-	(1,201,001)
Total Fund Balances	<u>245,890</u>	<u>1,197,857</u>	<u>919,356</u>	<u>7,739,807</u>
 Total Liabilities, Deferred Inflows of Resources, and Fund Balances	 <u>\$ 245,890</u>	 <u>\$ 1,456,298</u>	 <u>\$ 1,482,723</u>	 <u>\$ 18,307,764</u>

**CITY OF WISCONSIN RAPIDS, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2021**

	Special Revenue					
	Centralia Center	Housing Rehabilitation	Emergency Medical Services	Storm Water Management	Room Tax	Retiree Health Insurance
REVENUES						
Taxes	\$ 102,693	\$ -	\$ 444,922	\$ -	\$ 377,194	\$ 136,881
Special Assessments	-	-	-	4,353	-	-
Intergovernmental	-	-	21,634	-	15,000	-
Licenses and Permits	-	-	-	-	-	-
Public Charges for Services	-	-	1,322,312	977,450	-	-
Intergovernmental Charges for Services	-	-	-	-	-	157,025
Miscellaneous	131,238	81,621	-	-	-	229,227
Total Revenues	<u>233,931</u>	<u>81,621</u>	<u>1,788,868</u>	<u>981,803</u>	<u>392,194</u>	<u>523,133</u>
EXPENDITURES						
Current:						
General Government	-	-	-	-	-	574,276
Public Safety	-	-	1,427,201	-	-	-
Public Works	-	-	-	872,759	-	-
Health and Human Services	153,663	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Conservation and Development	-	80,877	-	-	326,488	-
Debt Service:						
Principal	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Capital Outlay	-	-	256,664	-	68,733	-
Total Expenditures	<u>153,663</u>	<u>80,877</u>	<u>1,683,865</u>	<u>872,759</u>	<u>395,221</u>	<u>574,276</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	80,268	744	105,003	109,044	(3,027)	(51,143)
OTHER FINANCING SOURCES (USES)						
Long-Term Debt Issued	-	-	-	-	-	-
Premium on Debt Issued	-	-	-	-	-	-
Proceeds from Sale of Capital Assets	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-
Transfers Out	(44,942)	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>(44,942)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	35,326	744	105,003	109,044	(3,027)	(51,143)
Fund Balances - Beginning of Year	<u>349,504</u>	<u>363,677</u>	<u>267,050</u>	<u>547,916</u>	<u>311,544</u>	<u>410,364</u>
FUND BALANCES - END OF YEAR	<u>\$ 384,830</u>	<u>\$ 364,421</u>	<u>\$ 372,053</u>	<u>\$ 656,960</u>	<u>\$ 308,517</u>	<u>\$ 359,221</u>

**CITY OF WISCONSIN RAPIDS, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021**

	Special Revenue					
	HCRI Program	Grants and Donations	River Cities Community Access	Mass Transit	Aquatic Facility	American Rescue Plan Act
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ 61,000	\$ 131,360	\$ -
Special Assessments	-	-	-	-	-	-
Intergovernmental	-	27,437	-	546,787	-	-
Licenses and Permits	-	-	200,592	-	-	-
Public Charges for Services	-	-	-	-	280,784	-
Intergovernmental Charges for Services	-	-	-	-	-	-
Miscellaneous	5,328	11,104	180	5,874	-	96
Total Revenues	<u>5,328</u>	<u>38,541</u>	<u>200,772</u>	<u>613,661</u>	<u>412,144</u>	<u>96</u>
EXPENDITURES						
Current:						
General Government	-	118	213,040	-	-	-
Public Safety	-	11,952	-	-	-	-
Public Works	-	-	-	569,043	-	-
Health and Human Services	-	-	-	-	-	-
Culture and Recreation	-	17,441	-	-	392,309	-
Conservation and Development	112	23,463	-	-	-	-
Debt Service:						
Principal	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Capital Outlay	-	-	-	3,738	-	-
Total Expenditures	<u>112</u>	<u>52,974</u>	<u>213,040</u>	<u>572,781</u>	<u>392,309</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	5,216	(14,433)	(12,268)	40,880	19,835	96
OTHER FINANCING SOURCES (USES)						
Long-Term Debt Issued	-	-	-	-	-	-
Premium on Debt Issued	-	-	-	-	-	-
Proceeds from Sale of Capital Assets	-	-	-	2,062	-	-
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,062</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	5,216	(14,433)	(12,268)	42,942	19,835	96
Fund Balances - Beginning of Year	42,122	418,168	479,584	149,995	123,840	-
FUND BALANCES - END OF YEAR	<u>\$ 47,338</u>	<u>\$ 403,735</u>	<u>\$ 467,316</u>	<u>\$ 192,937</u>	<u>\$ 143,675</u>	<u>\$ 96</u>

**CITY OF WISCONSIN RAPIDS, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021**

	<u>Special Revenue</u>		<u>Capital Projects</u>			
	<u>Library</u>	<u>Debt Service</u>	<u>TIF District No. 6</u>	<u>TIF District No. 7</u>	<u>TIF District No. 8</u>	<u>Capital Projects</u>
REVENUES						
Taxes	\$ -	\$ 1,786,491	\$ 342,554	\$ 106,261	\$ 128,157	\$ -
Special Assessments	-	-	-	-	-	-
Intergovernmental	-	-	21,978	21,587	-	-
Licenses and Permits	-	-	-	-	-	-
Public Charges for Services	-	-	-	-	-	-
Intergovernmental Charges for Services	-	-	-	-	-	-
Miscellaneous	-	80,245	63	6	-	447,613
Total Revenues	-	1,866,736	364,595	127,854	128,157	447,613
EXPENDITURES						
Current:						
General Government	-	-	925	1,053	150	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Health and Human Services	-	-	-	-	-	-
Culture and Recreation	301	-	-	-	-	-
Conservation and Development	-	-	-	-	-	-
Debt Service:						
Principal	-	1,909,514	-	-	-	-
Interest and Fiscal Charges	-	560,166	-	-	-	92,089
Capital Outlay	-	-	-	-	783,719	795,863
Total Expenditures	301	2,469,680	925	1,053	783,869	887,952
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(301)	(602,944)	363,670	126,801	(655,712)	(440,339)
OTHER FINANCING SOURCES (USES)						
Long-Term Debt Issued	-	-	-	-	-	2,759,672
Premium on Debt Issued	-	-	-	-	-	247,185
Proceeds from Sale of Capital Assets	-	-	-	-	-	-
Transfers In	-	753,520	-	-	-	-
Transfers Out	-	-	(392,310)	(101,500)	-	(214,768)
Total Other Financing Sources (Uses)	-	753,520	(392,310)	(101,500)	-	2,792,089
NET CHANGE IN FUND BALANCES	(301)	150,576	(28,640)	25,301	(655,712)	2,351,750
Fund Balances - Beginning of Year	-	99,343	119,661	18,728	(544,988)	139,887
FUND BALANCES - END OF YEAR	<u>\$ (301)</u>	<u>\$ 249,919</u>	<u>\$ 91,021</u>	<u>\$ 44,029</u>	<u>\$ (1,200,700)</u>	<u>\$ 2,491,637</u>

**CITY OF WISCONSIN RAPIDS, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021**

	Capital Projects			Total
	Municipal Building Improvement	Equipment Replacement	Public Works Construction	
REVENUES				
Taxes	\$ -	\$ 215,550	\$ 276,582	\$ 4,109,645
Special Assessments	-	-	-	4,353
Intergovernmental	-	-	-	654,423
Licenses and Permits	-	-	-	200,592
Public Charges for Services	-	-	-	2,580,546
Intergovernmental Charges for Services	-	436,281	-	593,306
Miscellaneous	23,599	88,596	690,868	1,795,658
Total Revenues	<u>23,599</u>	<u>740,427</u>	<u>967,450</u>	<u>9,938,523</u>
EXPENDITURES				
Current:				
General Government	-	-	-	789,562
Public Safety	-	-	-	1,439,153
Public Works	-	-	255,292	1,697,094
Health and Human Services	-	-	-	153,663
Culture and Recreation	-	-	-	410,051
Conservation and Development	-	-	-	430,940
Debt Service:				
Principal	-	-	-	1,909,514
Interest and Fiscal Charges	-	-	-	652,255
Capital Outlay	115,213	638,748	2,510,761	5,173,439
Total Expenditures	<u>115,213</u>	<u>638,748</u>	<u>2,766,053</u>	<u>12,655,671</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(91,614)	101,679	(1,798,603)	(2,717,148)
OTHER FINANCING SOURCES (USES)				
Long-Term Debt Issued	-	-	1,800,328	4,560,000
Premium on Debt Issued	-	-	-	247,185
Proceeds from Sale of Capital Assets	-	15,976	-	18,038
Transfers In	109,000	-	-	862,520
Transfers Out	-	-	-	(753,520)
Total Other Financing Sources (Uses)	<u>109,000</u>	<u>15,976</u>	<u>1,800,328</u>	<u>4,934,223</u>
NET CHANGE IN FUND BALANCES	17,386	117,655	1,725	2,217,075
Fund Balances - Beginning of Year	<u>228,504</u>	<u>1,080,202</u>	<u>917,631</u>	<u>5,522,732</u>
FUND BALANCES - END OF YEAR	<u>\$ 245,890</u>	<u>\$ 1,197,857</u>	<u>\$ 919,356</u>	<u>\$ 7,739,807</u>

**ADDITIONAL INDEPENDENT AUDITORS' REPORT
FOR BASIC FINANCIAL STATEMENTS**



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

City Council
City of Wisconsin Rapids, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wisconsin Rapids, 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, and have issued our report thereon dated October 4, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

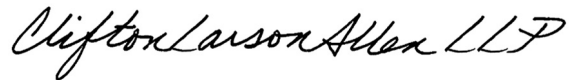
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Stevens Point, Wisconsin
October 4, 2022



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