

CITY OF LADYSMITH, WISCONSIN
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2019



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**CITY OF LADYSMITH, WISCONSIN
LIST OF PRINCIPAL OFFICERS
DECEMBER 31, 2019**

ELECTED

Acting Mayor	Allen Hraban
Aldermanic District:	
First District	Mark Platteter
Second District	William Morgan
Third District	Brian Grootousen
Fourth District	Gerard Schueller
Fifth District	Bonnie Stoneberg
Sixth District	Allen Hraban
Seventh District	Marty Reynolds

APPOINTED

City Administrator	Alan Christianson
City Deputy Clerk/Treasurer	Tony Devine
City Clerk	Shari Kavanagh
City Treasurer	Rhonda Grey
Director of Public Works/Building Inspector	Kurt Gorseger
Assistant Director of Public Works	Doug Parker
Water Lead Man	Douglas Wiles
Wastewater Superintendent	Matt Boehmer
Street Superintendent	Eric VanDoorn
Police Chief	Kevin Julien
Fire Chief	Kyle Gibbs
Librarian	Hollis Helmecci



INDEPENDENT AUDITORS' REPORT

The City Council
City of Ladysmith
Ladysmith, Wisconsin

Report on the Financial Statements

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 Ladysmith, Wisconsin (City) as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Ladysmith, Wisconsin as of December 31, 2019, and the respective changes in the financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Change in Accounting Principle

During fiscal year ended December 31, 2019, the City adopted GASB Statement No. 84, *Fiduciary Activities* and GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The implementation of GASB Statement No. 84 resulted in the addition of a Statement of Changes in Fiduciary Net Position related to the Custodial Fund activity. Our auditors' opinion was not modified with respect to the implementation of these standards.

Other Matters

Required Supplementary Information

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

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 2019 individual and combining fund statements and the debt repayment schedules are presented for purposes of additional analysis and are not a required part of the financial statements.

The individual and combining fund statements and debt repayment schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

We have also previously audited, in accordance with auditing standards generally accepted in the United States of America, the City's basic financial statements for the year ended December 31, 2018 which are not presented with the accompanying financial statements. In our report dated October 29, 2019, we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The 2018 individual fund 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 2018 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2018 individual fund statements are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

The list of principal officers and the statistical information are presented for purposes of additional analysis and are not a required part of the 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 not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 14, 2020 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Ladysmith's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Eau Claire, Wisconsin
September 14, 2020

**CITY OF LADYSMITH, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2019**

As management of the City of Ladysmith, Wisconsin (City), we offer the readers of the City's financial statements this narrative overview and analysis of financial activities of the City for the fiscal year ending December 31, 2019. Please consider this information in conjunction with the City's financial statements, which begin on page 18 following this narrative.

FINANCIAL HIGHLIGHTS

Key financial highlights for the year ended December 31, 2019 include the following:

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$27,618,208 (*net position*). Of this amount, \$22,239,583 represented the City's net investment in capital assets, \$2,767,121 was held for restricted purposes, and \$2,611,504 was unrestricted. The unrestricted net position may be used to meet the City's ongoing obligations to citizens and creditors.
- During the fiscal year, the City's total net position increased \$231,768 for current year activities, or approximately 0.8%. Net position related to governmental activities increased \$239,884, and net position related to the business-type activities of the City decreased \$8,116.
- At the close of the fiscal year, the City's governmental funds reported combined ending fund balances of \$4,489,854, an increase of \$1,362,360 from the previous year.
- At the end of 2019, the unassigned general fund balance totaled \$461,128 or 9.9% of the general fund expenditures.
- The City's total long-term debt and other long-term obligations increased \$2,457,341 during the current fiscal year. The City issued \$2,690,000 of General Obligation debt and \$2,109,864 of mortgage revenue bonds during the year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The two government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the City's assets and deferred outflows of resources, less liabilities and deferred inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

**CITY OF LADYSMITH, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2019**

The *Statement of Activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish those functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and service charges (*business-type activities*). The governmental activities of the City include general government, public safety, transportation facilities, sanitation, health and human services, leisure activities, education, urban redevelopment and housing, and conservation and development. The business-type activities of the City include a water utility and a sewer utility.

The government-wide financial statements can be found beginning on page 18 of this report.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other governmental entities, uses fund accounting to ensure and demonstrate compliance with various finance-related legal requirements. All of the funds of the City can be divided into three categories: *governmental funds, proprietary funds and fiduciary funds*.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains thirteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, CDBG deferred loan program fund, mining/MILIF, capital projects fund, and the debt service fund which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the supplementary information section.

The basic governmental fund financial statements can be found beginning on page 20 of this report.

**CITY OF LADYSMITH, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2019**

Proprietary Funds. The City maintains one type of proprietary fund - enterprise funds. Enterprise funds are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its water utility and sewer utility.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for each of the enterprise funds, both of which are considered to be major funds of the City.

The basic proprietary fund financial statements can be found beginning on page 24 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is similar to that used for proprietary funds.

The basic fiduciary fund financial statements can be found on page 29 of this report.

Notes to the Financial Statements

The notes to the basic financial statements provide additional detail that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found beginning on page 31 of this report.

Supplementary Information

In addition to the basic financial statement and accompanying notes, this report presents certain required supplementary information. Required supplementary information can be found beginning on page 75 of this report.

Following the basic government-wide and fund financial statements, accompanying notes, and required supplementary information, additional supplementary information has been provided as part of this report. The supplementary information includes combining statements for the nonmajor governmental funds, individual fund statements for selected funds, various debt repayment schedules and unaudited statistical information tables. This supplementary information section of the report begins on page 82.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$27,618,208 at the close of 2019. The largest portion of net position (81%) reflects the City's investment in capital assets, including land, land improvements, buildings, furniture and equipment, infrastructure, plant in service and construction in progress, net of related outstanding debt used to acquire the assets. These capital assets are used to provide services to citizens and are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. On the following page is a summary of the City's statement of net position:

**CITY OF LADYSMITH, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2019**

**Condensed Statement of Net Position
December 31, 2019 and 2018**

	Governmental Activities		Business-Type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Current and Other Assets	\$ 8,361,336	\$ 6,854,740	\$ 1,524,296	\$ 1,562,681	\$ 9,885,632	\$ 8,417,421
Capital Assets	17,413,189	17,056,154	18,919,112	17,244,173	36,332,301	34,300,327
Total Assets	<u>26,244,764</u>	<u>23,912,335</u>	<u>19,973,169</u>	<u>18,805,413</u>	<u>46,217,933</u>	<u>42,717,748</u>
Total Deferred Outflows of Resources	<u>1,073,966</u>	<u>632,919</u>	<u>224,983</u>	<u>125,468</u>	<u>1,298,949</u>	<u>758,387</u>
Long-Term Debt Outstanding	4,637,542	2,942,882	10,736,751	9,466,556	15,374,293	12,409,438
Other Long-Term Obligations	414,417	444,953	228,536	266,663	642,953	711,616
Other Liabilities	950,686	282,169	119,541	66,445	1,070,227	348,614
Total Liabilities	<u>6,002,645</u>	<u>3,670,004</u>	<u>11,084,828</u>	<u>9,799,664</u>	<u>17,087,473</u>	<u>13,469,668</u>
Total Deferred Inflows of Resources	<u>2,691,974</u>	<u>2,491,023</u>	<u>119,227</u>	<u>129,004</u>	<u>2,811,201</u>	<u>2,620,027</u>
Net Position:						
Net Investment in Capital Assets	14,124,745	14,048,627	8,114,838	7,593,900	22,239,583	21,642,527
Restricted	2,250,813	2,438,387	516,308	547,408	2,767,121	2,985,795
Unrestricted	2,248,553	1,897,213	362,951	860,905	2,611,504	2,758,118
Total Net Position	<u>\$ 18,624,111</u>	<u>\$ 18,384,227</u>	<u>\$ 8,994,097</u>	<u>\$ 9,002,213</u>	<u>\$ 27,618,208</u>	<u>\$ 27,386,440</u>

An additional portion of the City's net position (10%) represents resources that are subject to other restrictions as to how they may be used. The remaining \$2,611,504 of total net position (9%) may be used to meet the City's ongoing obligations to its citizens and creditors. This unrestricted net position includes \$362,951 related to the City's business-type activities, and \$2,248,553 used to fund the City's governmental activities.

The condensed statement of changes in net position shown on the following page shows that total net position of the City increased \$231,768 from current year activity, or approximately 0.8%. The increase consisted of an increase in net position related to governmental activities in the amount of \$239,884 and a decrease in net position related to business-type activities in the amount of \$8,116.

**CITY OF LADYSMITH, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2019**

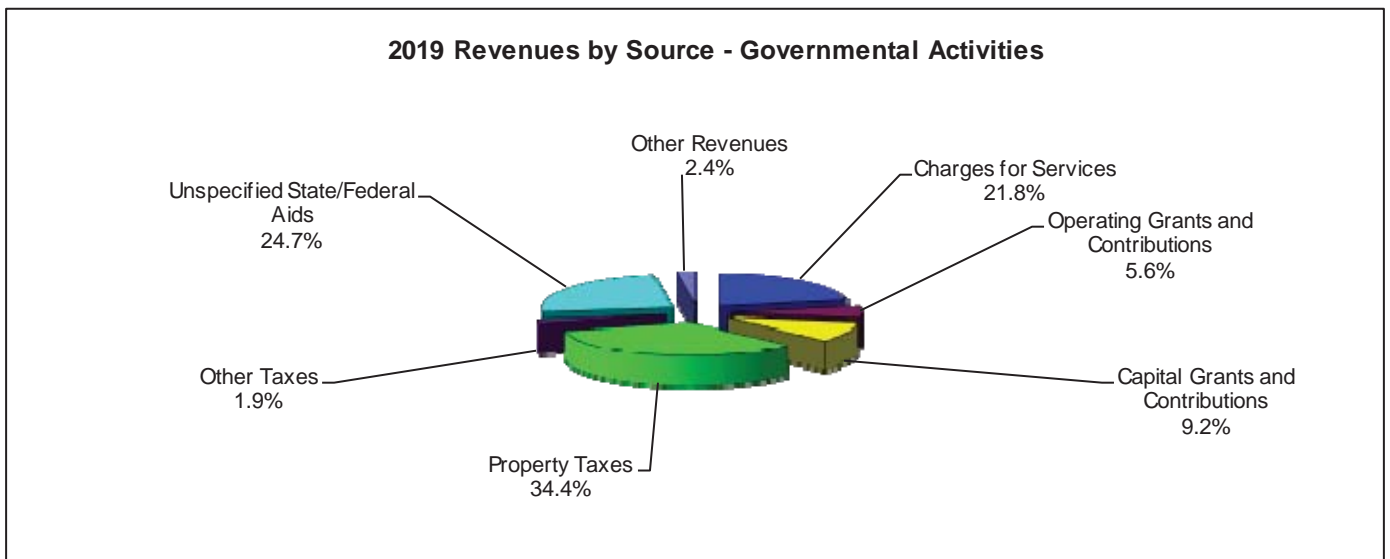
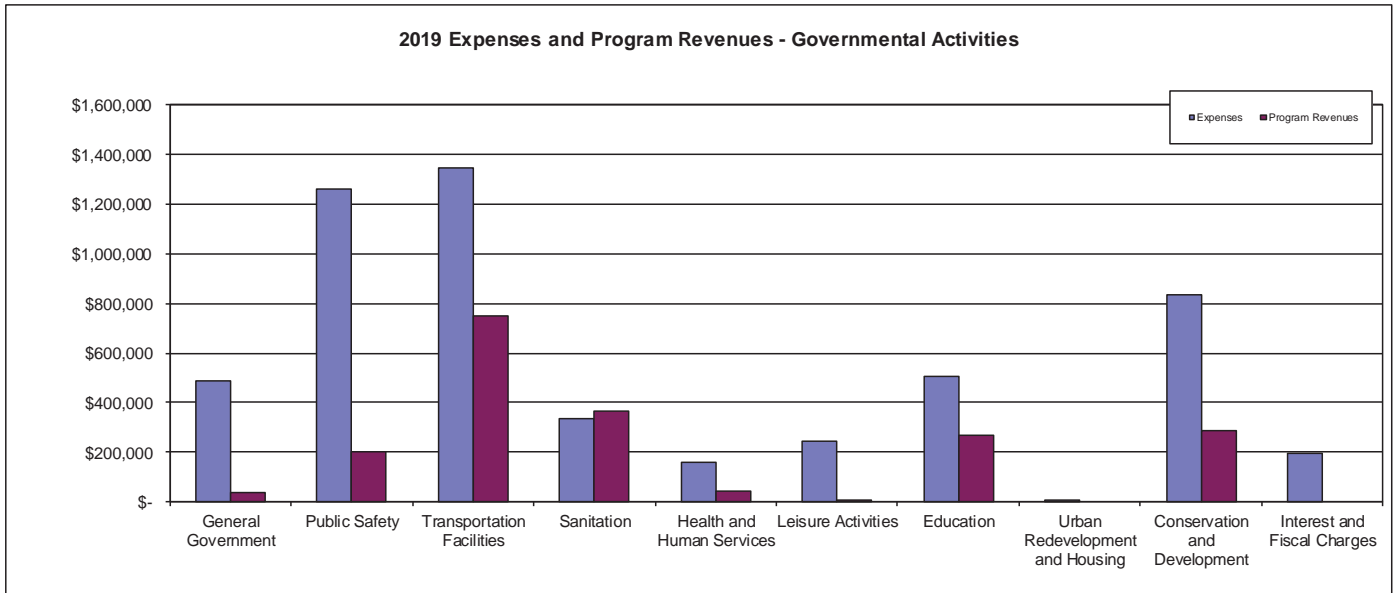
The following is a summary of the changes in the City's net position for the years ended December 31, 2019 and 2018:

**Condensed Statement of Changes in Net Position
Years Ended December 31, 2019 and 2018**

	Governmental Activities		Business-Type Activities		Totals	
	2019	2018	2019	2018	2019	2018
REVENUES						
Program Revenues:						
Charges for Services	\$ 1,172,175	\$ 1,172,101	\$ 1,939,788	\$ 1,891,757	\$ 3,111,963	\$ 3,063,858
Operating Grants and Contributions	303,042	321,340	-	-	303,042	321,340
Capital Grants and Contributions	493,008	134,901	373,728	240,249	866,736	375,150
General Revenues:						
Property Taxes	1,849,995	1,902,030	-	-	1,849,995	1,902,030
Other Taxes	101,421	110,901	-	-	101,421	110,901
State and Federal Aids Not Restricted to Specific Programs	1,324,901	1,252,087	-	-	1,324,901	1,252,087
Other	129,084	137,720	21,091	17,184	150,175	154,904
Total Revenues	<u>5,373,626</u>	<u>5,031,080</u>	<u>2,334,607</u>	<u>2,149,190</u>	<u>7,708,233</u>	<u>7,180,270</u>
EXPENSES						
General Government	486,209	516,399	-	-	486,209	516,399
Public Safety	1,261,387	1,205,164	-	-	1,261,387	1,205,164
Transportation Facilities	1,343,800	1,342,054	-	-	1,343,800	1,342,054
Sanitation	335,004	339,050	-	-	335,004	339,050
Health and Human Services	159,301	125,144	-	-	159,301	125,144
Leisure Activities	245,552	279,411	-	-	245,552	279,411
Education	504,475	481,429	-	-	504,475	481,429
Urban Development and Housing	3,443	1,703	-	-	3,443	1,703
Conservation and Development	837,628	616,712	-	-	837,628	616,712
Interest and Fiscal Charges	193,387	146,486	-	-	193,387	146,486
Water	-	-	1,046,835	944,729	1,046,835	944,729
Sewer	-	-	1,059,444	976,256	1,059,444	976,256
Total Expenses	<u>5,370,186</u>	<u>5,053,552</u>	<u>2,106,279</u>	<u>1,920,985</u>	<u>7,476,465</u>	<u>6,974,537</u>
Change in Net Position before Transfers	3,440	(22,472)	228,328	228,205	231,768	205,733
Transfers	<u>236,444</u>	<u>150,655</u>	<u>(236,444)</u>	<u>(150,655)</u>	<u>-</u>	<u>-</u>
CHANGE IN NET POSITION	<u>\$ 239,884</u>	<u>\$ 128,183</u>	<u>\$ (8,116)</u>	<u>\$ 77,550</u>	<u>\$ 231,768</u>	<u>\$ 205,733</u>

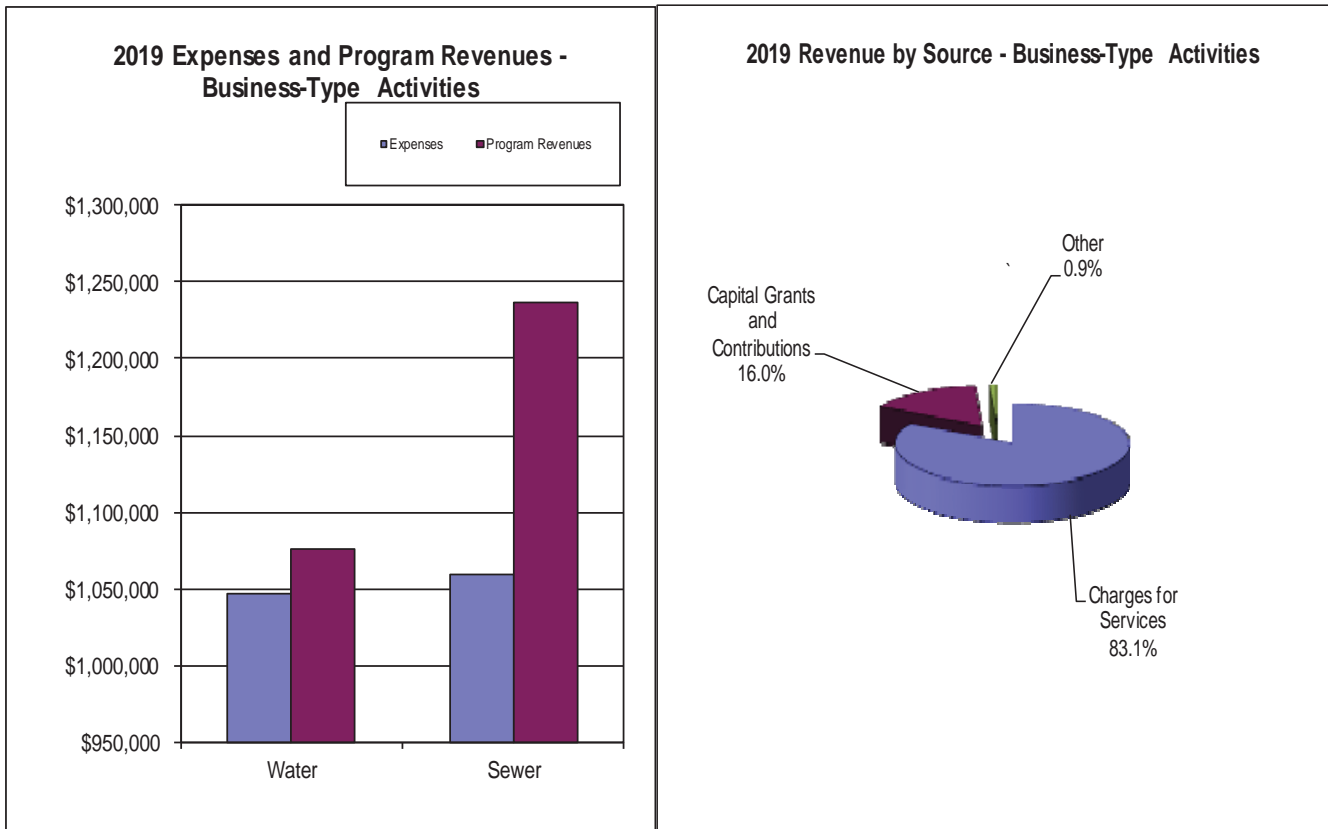
A review of the statement of activities can provide a concise picture of how the various functions/programs of the City are funded. The following charts draw data from the statement of activities. For governmental services the City's funding sources are quite balanced, with unspecified state and federal aids (24.7%), operating and capital grants and contributions (14.8%), charges for services (21.8%), and property taxes (34.4%) being the main sources of funding for ongoing operations. Approximately 4.3% of funding is derived from other sources.

**CITY OF LADYSMITH, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2019**



In the case of business-type activities, the data shows a considerably different picture. Charges for services (83.1%) are the primary source of revenue.

**CITY OF LADYSMITH, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2019**



FINANCIAL ANALYSIS OF THE CITY'S MAJOR FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City's governmental funds is to provide information regarding near-term inflows, outflows and balances of spendable resources. Such information can be useful in assessing the City's financing requirements. In particular, the level of unassigned fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of December 31, 2019, the City's governmental funds reported combined ending fund balances of \$4,489,854, an increase of \$1,362,360 from the previous year. Of this total, \$3,004,312 is either nonspendable or restricted by specific legal requirements and other external commitments, leaving \$1,485,542 available for spending at the discretion of the City's elected officials. As the result of past actions and policy decisions and the nature of individual funds comprising the balances, \$1,359,630 of this balance has been segregated or otherwise committed or assigned for specific uses, leaving an unassigned fund balance of \$125,912 in the governmental funds.

**CITY OF LADYSMITH, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2019**

Changes in the governmental funds are as follows:

	Fund Balance 2019	Fund Balance 2018	Current Year Changes
General Fund	\$ 1,156,149	\$ 1,477,176	\$ (321,027)
CDBG Deferred Loan Program Fund	39,757	121,719	(81,962)
Mining/MILIF Economic Development Fund	420,027	562,042	(142,015)
Capital Projects Fund	1,650,504	-	1,650,504
Nonmajor Funds:			
Special Revenue Funds	283,497	229,954	53,543
Capital Projects Funds	939,920	736,603	203,317
	<u>\$ 4,489,854</u>	<u>\$ 3,127,494</u>	<u>\$ 1,362,360</u>

The general fund is the primary operating fund used to account for the governmental operations of the City. The general fund's total fund balance decreased \$321,027 during the year, and the unassigned portion of the fund increased \$113,905.

As a measure of the general fund's liquidity, it may be useful to compare both total fund balance and unassigned fund balance to measures of operating volume such as fund expenditures or fund revenues. The total year-end general fund balance represented 24.9% of total general fund expenditures reported on the statement of revenues, expenditures and changes in fund balances while the unassigned balance \$461,128 represented 9.9% of the same amount.

The City's CDBG deferred loan program fund, a special revenue fund, is used to account for federal housing grants received through the State as well as the related ongoing revolving loan fund. During 2019, the City received loan repayments of \$38,556. The revolving loan fund had a balance of \$39,757 at year-end. At December 31, 2019, the City had outstanding 1 installment loan totaling \$1,250 subject to current repayment terms and 78 deferred mortgage loans totaling \$1,051,935 subject to repayment upon future events. Collections on these loans are used to make additional loans under terms of the original grant agreements.

The City's mining/MILIF economic development fund, a special revenue fund, is used to account for resources generated by facilities that have been constructed by this fund in prior years. This fund received rent payments from constructed facilities in the amount of \$44,365 during 2019. The City uses these funds to further economic growth in the community. At December 31, 2019, the fund had a balance of \$420,027.

The capital projects fund accounts for financial resources to be used for the acquisition or construction of major capital facilities other than those financed from proprietary funds. At December 31, 2019, the fund had a balance of \$1,650,504.

The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs of governmental funds. The fund did not have a balance at year-end.

**CITY OF LADYSMITH, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2019**

The aggregated other governmental funds column includes various special revenue funds and capital projects funds used to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specific purposes. The accumulated fund balances of these funds increased \$256,860 during 2019 primarily attributable to rental income and tax increments in the current year. These funds are individually detailed in the supplementary information section of this report.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in greater detail. As shown in the following schedule, the net position of the enterprise-type proprietary funds at the end of 2019 totaled \$8,994,097, a decrease of \$8,116 from the previous year.

**Condensed Statement of Changes in Net Position for Enterprise Funds
Years Ended December 31, 2019 and 2018**

	Water Utility		Sewer Utility		Total	
	2019	2018	2019	2018	2019	2018
Operating Revenues	\$ 1,006,897	\$ 985,869	\$ 807,394	\$ 780,391	\$ 1,814,291	\$ 1,766,260
Operating Expenses:						
Depreciation	330,401	315,721	314,831	306,434	645,232	622,155
Other	641,303	573,974	573,295	498,907	1,214,598	1,072,881
Operating Income (Loss)	35,193	96,174	(80,732)	(24,950)	(45,539)	71,224
Nonoperating Revenues (Expenses)	(7,265)	12,347	(92,596)	(95,615)	(99,861)	(83,268)
Net Income/(Loss) before Contributions and Transfers	27,928	108,521	(173,328)	(120,565)	(145,400)	(12,044)
Capital Contributions	9,262	122,387	364,466	117,862	373,728	240,249
Transfers	(236,444)	(188,699)	-	38,044	(236,444)	(150,655)
Change in Net Position	(199,254)	42,209	191,138	35,341	(8,116)	77,550
Net Position - Beginning	4,941,288	4,899,079	4,060,925	4,025,584	9,002,213	8,924,663
Net Position at Year End	<u>\$ 4,742,034</u>	<u>\$ 4,941,288</u>	<u>\$ 4,252,063</u>	<u>\$ 4,060,925</u>	<u>\$ 8,994,097</u>	<u>\$ 9,002,213</u>

**CITY OF LADYSMITH, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2019**

GENERAL FUND BUDGETARY HIGHLIGHTS

As shown in the *Budgetary Comparison Schedule* for the general fund (in required supplementary information), the final 2019 general fund budget was not amended from the original budget adopted by the City. The general fund balance decreased \$321,027 during 2019. The City ended the year with a positive budget variance for revenues and a negative budget variance for expenditures. The positive variance in revenues was due mainly to a CDBG Public Facilities grant that was not budgeted. Expenditures were over budget due mostly to street construction and maintenance projects that occurred but had not been budgeted.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets, net of accumulated depreciation, for its governmental and business-type activities as of December 31, 2019 and 2018 were as shown below:

**Capital Assets, Net of Accumulated Depreciation
December 31, 2019 and 2018**

	Governmental Activities		Business-Type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Not Subject to Depreciation:						
Land and Land Rights	\$ 580,538	\$ 575,393	\$ 167,784	\$ 167,784	\$ 748,322	\$ 743,177
Construction Work in Progress	428,978	329,304	-	-	428,978	329,304
Subject to Depreciation:						
Land Improvements	612,410	581,852	-	-	612,410	581,852
Buildings	8,913,340	9,208,827	-	-	8,913,340	9,208,827
Furniture and Equipment	629,998	634,426	-	-	629,998	634,426
Vehicles	366,403	392,692	-	-	366,403	392,692
Infrastructure	5,881,522	5,333,660	-	-	5,881,522	5,333,660
Water System Plant	-	-	9,160,454	8,157,094	9,160,454	8,157,094
Wastewater System Plant	-	-	9,590,874	8,919,295	9,590,874	8,919,295
	<u>\$ 17,413,189</u>	<u>\$ 17,056,154</u>	<u>\$ 18,919,112</u>	<u>\$ 17,244,173</u>	<u>\$ 36,332,301</u>	<u>\$ 34,300,327</u>

Some of the more significant additions to the City's capital assets during 2019 included: (*in thousands*)

- Street and Related Infrastructure Upgrades (including items in progress) \$3,180.4

Additional information related to the City's capital assets is reported in Note 3.C. following the financial statements.

**CITY OF LADYSMITH, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2019**

Long-Term Obligations

At December 31, 2019, the City had outstanding \$15,308,247 of long-term debt and other long-term obligations. A summary detail of this amount, together with the net change from the previous year, is shown below:

**Outstanding Long-Term Obligations
December 31, 2019 and 2018**

	Governmental Activities		Business-Type Activities		Total Outstanding		%
	2019	2018	2019	2018	2019	2018	
Long-Term Debt:							
General Obligation Debt:							
Bonds	\$ 3,515,000	\$ 2,135,000	\$ -	\$ -	\$ 3,515,000	\$ 2,135,000	64.6%
Notes	648,027	809,096	-	-	648,027	809,096	-19.9
Mortgage Revenue Bonds	-	-	10,620,927	9,469,088	10,620,927	9,469,088	12.2
Less Unamortized Discount	-	(1,214)	-	(2,532)	-	(3,746)	-100.0
Plus Unamortized Premium	92,801	-	34,241	-	127,042	-	100.0
Subtotal	4,255,828	2,942,882	10,655,168	9,466,556	14,910,996	12,409,438	20.2
Other Long-Term Obligations:							
Capital Leases Payable	-	-	149,106	183,717	149,106	183,717	-18.8
Land Contract Payable	55,673	64,645	-	-	55,673	64,645	-13.9
Estimated Employee Leave	143,253	144,105	49,219	49,001	192,472	193,106	-0.3
Total	\$ 4,454,754	\$ 3,151,632	\$ 10,853,493	\$ 9,699,274	\$ 15,308,247	\$ 12,850,906	19.1

Under Wisconsin State Statutes, the outstanding general obligation long-term debt of a municipality may not exceed 5% of the equalized property value of all taxable property within the jurisdiction. The applicable debt of the City outstanding at December 31, 2019 totaled \$4,163,027, approximately 50% of the maximum legal limit of \$8,354,615.

Additional information related to the City's long-term debt is reported in Note 3.E. following the financial statements.

**CITY OF LADYSMITH, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2019**

CURRENTLY KNOWN FACTS

With so many area jobs in the housing industry, recovery from the recession was slow in the area and recovery is not yet complete here, although it is progressing. There are scores of job openings here, as elsewhere, but apparently not enough people to fill them.

An ongoing public facility infrastructure challenge for the City is that it was not able to budget adequately for years for street reconstruction. While the City should probably be rebuilding nearly one mile of street annually, rebuilds were limited for several years to industrial streets where grant assistance was available. This was due largely to a combination of the following reasons:

- *High asphalt prices that have not come down even with drops in oil prices.
- *The base year City budget that was too limited at the time the State imposed local tax levy limits.
- *Limited available borrowing capacity, which is now easing slowly.
- *Unwillingness to impose special assessments on residents for this purpose during the troubled economy that followed the onset of the recession and has not turned around yet.

After significant investments in key water and sewer utility infrastructure in recent years those facilities are generally in excellent condition and should serve well for 20 years or more. Sanitary lift stations and the wastewater treatment facility have all been replaced or significantly upgraded within the past 5 years. New water supply Well No. 8 was added along with an all-new water treatment plant. These new facilities have enough capacity to accommodate additional industrial use should the need arise.

However, like most communities, some water and sewer mains in local streets are decades old and, in a few cases, have surpassed the century mark. Complicating consideration of borrowing for street rebuilds is the fact that, in many cases, the City would also need to borrow to replace utility mains underlying some of them. With some sewer mains, consideration is being given to lining them as opposed to replacing them, as this is a less invasive approach and it can reduce street surface replacement and associated costs. This works if the water main does not also need replacing. If water main needs replacing and the street will be dug up anyway, sewers are usually also fully replaced rather than being lined.

A few years ago mobile homes in what was the Hi-way 8 Trailer Court were replaced by new duplexes making up Winfield Village. The project developer is currently considering replacing the remaining mobiles with one or more new apartment complexes. Additional duplexes are also being considered near North Cedar Academy, an international high school, which occupies the former Mount Senario College campus. The City itself is considering reclaiming an old materials storage yard and converting it to a residential subdivision.

Several projects have been completed or are in process to improve quality of life:

- *A new amphitheater was just christened to provide a venue for many types of events.
- *The local farmer's market has relocated to a new, larger site on a trial basis.
- *The City's vintage rail equipment displays continue to be upgraded and will soon include a unique display of vintage railroad maintenance equipment.
- *Development of Pioneer Park, along the south section of the Flambeau River, will highlight that area's importance in Ladysmith's early years.

**CITY OF LADYSMITH, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2019**

- *Significant upgrades are being considered to Riverview Trail which follows the Flambeau from C.T.H. G to S.T.H. 27.
- *Prevea Health Systems constructed a new medical clinic near the busy intersection of Highways 8 and 27.
- *The former elementary school will be purchased for reuse as a community center, daycare, and conversion to market rate rental housing by a private developer.
- *A new TIF District will be established to include the former elementary school property in Order to help spur private development and infrastructure upgrades.

Unlike recent years there are several signs of increased economic activity indicating the local economy is finally turning the corner following a sluggish decade. These signs include the following:

- *Rusk County has sold its last of its kind County hospital to St. Josephs, which is associated with the Marshfield Clinic system.
- *Several downtown commercial properties have sold or are being upgraded. Other acquisitions and upgrades are under consideration.
- *Rental housing in the community is effectively at full occupancy, although this presents a challenge to attracting entry level workers.

In December 2019 a strain of coronavirus known as Covid-19 was detected and has since spread worldwide. State of Emergency declarations have been implemented on federal, state, county and local levels. The pandemic has had a negative impact on the local economy, with the shutdown of businesses, schools, and churches in our communities. Countless staff hours have been spent preparing for a large scale outbreak. Over \$54,000 in federal and state funding is available to the City for reimbursement for unbudgeted expenditures relating to the pandemic, however these funds can't be used to make up for revenue shortfalls. As a result, a true picture of the economic impact that Covid-19 has on City operations still remains unclear.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Ladysmith's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the office of the City Administrator at 120 Miner Ave. West, P.O. Box 431, Ladysmith, Wisconsin 54848.

**CITY OF LADYSMITH, WISCONSIN
STATEMENT OF NET POSITION
DECEMBER 31, 2019**

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	\$ 5,186,639	\$ 317,444	\$ 5,504,083
Taxes Receivable	1,760,637	10,264	1,770,901
Accounts Receivable	35,394	329,540	364,934
Due from Other Governments	44,561	109,491	154,052
Internal Balances	470,239	(470,239)	-
Inventories	-	21,805	21,805
Prepayments	57,144	-	57,144
Special Assessments Receivable	153,564	187,598	341,162
Long-Term Receivables	1,123,397	-	1,123,397
Restricted Assets:			
Cash and Investments	-	548,154	548,154
Capital Assets:			
Capital Assets Not Being Depreciated	1,009,516	167,784	1,177,300
Capital Assets Being Depreciated	34,746,561	26,452,260	61,198,821
Accumulated Depreciation	<u>(18,342,888)</u>	<u>(7,700,932)</u>	<u>(26,043,820)</u>
Total Assets	<u>26,244,764</u>	<u>19,973,169</u>	<u>46,217,933</u>
DEFERRED OUTFLOWS OF RESOURCES			
Wisconsin Retirement System Pension Plan Related	1,038,654	220,128	1,258,782
State Life Insurance OPEB Related	<u>35,312</u>	<u>4,855</u>	<u>40,167</u>
Total Deferred Inflows of Resources	<u>1,073,966</u>	<u>224,983</u>	<u>1,298,949</u>
LIABILITIES			
Vouchers and Accounts Payable	131,091	60,505	191,596
Construction Payables	627,447	-	627,447
Accrued Wages	45,128	11,588	56,716
Accrued Interest Payable	42,743	47,448	90,191
Due to Other Governments	97,572	-	97,572
Unearned Revenues	4,500	-	4,500
Special Deposits	2,205	-	2,205
Noncurrent Liabilities:			
Total Other Postemployment Benefits Liability	35,891	5,521	41,412
Net Other Postemployment Benefits Liability	179,600	24,690	204,290
Wisconsin Retirement System Net Pension Liability	381,714	81,583	463,297
Due Within One Year	587,738	562,267	1,150,005
Due in More Than One Year	<u>3,867,016</u>	<u>10,291,226</u>	<u>14,158,242</u>
Total Liabilities	<u>6,002,645</u>	<u>11,084,828</u>	<u>17,087,473</u>
DEFERRED INFLOWS OF RESOURCES			
Succeeding Year's Property Tax	2,116,979	-	2,116,979
State Life Insurance OPEB Related	48,041	6,604	54,645
Wisconsin Retirement System Pension Plan Related	<u>526,954</u>	<u>112,623</u>	<u>639,577</u>
Total Deferred Inflows of Resources	<u>2,691,974</u>	<u>119,227</u>	<u>2,811,201</u>
NET POSITION			
Net Investment in Capital Assets	14,124,745	8,114,838	22,239,583
Restricted for:			
Debt Service	-	105,606	105,606
Plant Replacement	-	410,702	410,702
Grants	25,236	-	25,236
Capital Projects	1,132,635	-	1,132,635
Housing/Business Loan Programs	1,092,942	-	1,092,942
Unrestricted	<u>2,248,553</u>	<u>362,951</u>	<u>2,611,504</u>
Total Net Position	<u>\$ 18,624,111</u>	<u>\$ 8,994,097</u>	<u>\$ 27,618,208</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF LADYSMITH, WISCONSIN
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019**

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government:						
Governmental Activities:						
General Government	\$ 486,209	\$ -	\$ -	\$ (447,812)	\$ -	\$ (447,812)
Public Safety	1,261,387	7,839	2,383	(1,058,974)	-	(1,058,974)
Transportation Facilities	1,343,800	259,280	490,625	(591,896)	-	(591,896)
Sanitation	335,004	360,960	5,556	31,512	-	31,512
Health and Human Services	159,301	46,373	-	(112,928)	-	(112,928)
Leisure Activities	245,552	4,305	-	(241,247)	-	(241,247)
Education	504,475	240,581	-	(234,344)	-	(234,344)
Urban Redevelopment and Housing	3,443	29,550	-	(3,443)	-	(3,443)
Conservation and Development	837,628	817	-	(549,442)	-	(549,442)
Interest and Fiscal Charges	193,387	-	-	(193,387)	-	(193,387)
Total Governmental Activities	5,370,186	1,172,175	493,008	(3,401,961)	-	(3,401,961)
Business-Type Activities:						
Water Utility	1,046,835	1,067,151	9,262	-	29,578	29,578
Sewer Utility	1,059,444	872,637	364,466	-	177,659	177,659
Total Business-Type Activities	2,106,279	1,939,788	373,728	-	207,237	207,237
Total Primary Government	\$ 7,476,465	\$ 3,111,963	\$ 866,736	(3,401,961)	207,237	(3,194,724)
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes				560,487	-	560,487
Property Taxes Levied for Debt Purposes				669,624	-	669,624
Property Taxes Levied for TIF Purposes				619,884	-	619,884
Other Taxes				101,421	-	101,421
State and Federal Aids Not Restricted to Specific Functions				1,324,901	-	1,324,901
Interest and Investment Earnings				59,517	21,091	80,608
Miscellaneous				69,567	-	69,567
Transfers				236,444	(236,444)	-
Total General Revenues and Transfers				3,641,845	(215,353)	3,426,492
Change in Net Position				239,884	(8,116)	231,768
Net Position - Beginning of Year				18,384,227	9,002,213	27,386,440
Net Position - End of Year				\$ 18,624,111	\$ 8,994,097	\$ 27,618,208

See accompanying Notes to Basic Financial Statements.

**CITY OF LADYSMITH, WISCONSIN
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2019**

	General Fund	CDBG Deferred Loan Program Fund	Mining/ MILIF Economic Development Fund	Capital Projects Fund	Debt Service Fund	Other Governmental Fund	Totals
ASSETS							
Treasurer's Cash and Investments	\$ 1,759,712	\$ 39,757	\$ 175,913	\$ 1,650,688	\$ -	\$ 1,560,569	\$ 5,186,639
Taxes Receivable	1,090,177	-	-	-	-	670,460	1,760,637
Special Assessments Receivable	153,564	-	-	-	-	-	153,564
Prepaid Items	57,144	-	-	-	-	-	57,144
Accounts Receivable	35,394	-	-	-	-	-	35,394
Due from Other Governments	44,561	-	-	-	-	-	44,561
Due from Other Funds	470,239	-	-	-	-	-	470,239
Advances to Other Funds	83,376	-	251,840	-	-	-	335,216
Installment Loans Receivable	-	1,250	-	-	-	70,212	71,462
Deferred Loans Receivable	-	1,051,935	-	-	-	-	1,051,935
Total Assets	<u>\$ 3,694,167</u>	<u>\$ 1,092,942</u>	<u>\$ 427,753</u>	<u>\$ 1,650,688</u>	<u>\$ -</u>	<u>\$ 2,301,241</u>	<u>\$ 9,166,791</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
Liabilities:							
Vouchers and Accounts Payable	\$ 127,362	\$ -	\$ 1,725	\$ 184	\$ -	\$ 1,820	\$ 131,091
Construction Payables	627,447	-	-	-	-	-	627,447
Accrued Payroll Liabilities	43,511	-	1,501	-	-	116	45,128
Due to Other Governmental Units	97,572	-	-	-	-	-	97,572
Unearned Revenues	-	-	4,500	-	-	-	4,500
Special Deposits	2,205	-	-	-	-	-	2,205
Advances from Other Funds	-	-	-	-	-	335,216	335,216
Total Liabilities	<u>898,097</u>	<u>-</u>	<u>7,726</u>	<u>184</u>	<u>-</u>	<u>337,152</u>	<u>1,243,159</u>
Deferred Inflows of Resources:							
Succeeding Year's Property Tax	1,446,519	-	-	-	-	670,460	2,116,979
Unavailable Special Assessments	193,402	-	-	-	-	-	193,402
Unavailable Loans Receivable	-	1,053,185	-	-	-	70,212	1,123,397
Total Deferred Inflows of Resources	<u>1,639,921</u>	<u>1,053,185</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>740,672</u>	<u>3,433,778</u>
Fund Balances:							
Nonspendable	156,180	-	-	-	-	-	156,180
Restricted	25,236	39,757	-	1,650,504	-	1,132,635	2,848,132
Committed	-	-	420,027	-	-	425,998	846,025
Assigned	513,605	-	-	-	-	-	513,605
Unassigned	461,128	-	-	-	-	(335,216)	125,912
Total Fund Balances	<u>1,156,149</u>	<u>39,757</u>	<u>420,027</u>	<u>1,650,504</u>	<u>-</u>	<u>1,223,417</u>	<u>4,489,854</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 3,694,167</u>	<u>\$ 1,092,942</u>	<u>\$ 427,753</u>	<u>\$ 1,650,688</u>	<u>\$ -</u>	<u>\$ 2,301,241</u>	<u>\$ 9,166,791</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF LADYSMITH, WISCONSIN
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2019**

Total Fund Balances - Governmental Funds \$ 4,489,854

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These assets consist of:

Land	\$ 580,538	
Land Improvements	1,683,636	
Buildings	13,697,650	
Furniture and Equipment	2,067,446	
Vehicles	2,256,612	
Infrastructure	15,041,217	
Construction Work in Progress	428,978	
Accumulated Depreciation	<u>(18,342,888)</u>	17,413,189

Some assets are reported as deferred inflows of resources in the fund financial statements but are recognized as revenue when earned in the government-wide statements. These assets consist of:

Housing Rehabilitation Loans	1,053,185	
Long-Term Receivables - Economic Development Loans to Businesses	70,212	
Special Assessments Receivable	153,564	
Assessments and Special Charges on Tax Roll	<u>39,838</u>	1,316,799

Net Wisconsin Retirement System pension asset/liability and related deferred outflows and inflows of resources are recorded only on the Statement of Net Position. Balances at year-end are:

Net Pension Asset (Liability)	(381,714)	
Deferred Outflows of Resources	1,038,654	
Deferred Inflows of Resources	<u>(526,954)</u>	129,986

Net State Life Insurance OPEB Liability and related deferred outflows and inflows of resources are recorded only on the Statement of Net Position. Balances at year-end are:

Net OPEB Liability	(179,600)	
Deferred Outflows of Resources	35,312	
Deferred Inflows of Resources	<u>(48,041)</u>	(192,329)

Total OPEB Liability and related deferred outflows and inflows of resources are recorded only on the Statement of Net Position. Balances at year-end are:

Total OPEB Liability (35,891)

Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds. These liabilities consist of:

Bonds Payable	3,515,000	
Notes Payable	648,027	
Land Contract Payable	55,673	
Debt Premium	92,801	
Accrued Interest Payable on Notes and Bonds	42,743	
Employee Leave Liabilities	<u>143,253</u>	<u>(4,497,497)</u>

Net Position of Governmental Activities \$ 18,624,111

**CITY OF LADYSMITH, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2019**

	General Fund	CDBG Deferred Loan Program Fund	Mining/ MILIF Economic Development Fund	Capital Projects Fund	Debt Service Fund	Other Governmental Funds	Totals
REVENUES							
Taxes	\$ 1,331,532	-	\$ -	\$ -	\$ -	\$ 619,884	\$ 1,951,416
Special Assessments	27,777	-	-	-	-	-	27,777
Intergovernmental	2,115,656	-	20,266	-	-	20,739	2,156,661
Licenses and Permits	21,186	-	-	-	-	-	21,186
Fines and Forfeits	29,359	-	-	-	-	-	29,359
Public Charges for Services	431,046	-	-	-	-	-	431,046
Intergovernmental Charges for Services	386,311	-	-	-	-	-	386,311
Miscellaneous:							
Interest	58,190	1,342	-	67	-	-	59,599
Rent	10,732	-	44,365	-	-	240,194	295,291
Donations	48,804	-	-	-	-	-	48,804
Other	31,750	38,556	-	-	-	7,165	77,471
Total Revenues	4,492,343	39,898	64,631	67	-	887,982	5,484,921
EXPENDITURES							
General Government	423,275	-	-	-	-	-	423,275
Public Safety	1,116,175	-	-	-	-	-	1,116,175
Transportation Facilities	1,781,024	-	-	94,563	-	104,743	1,980,330
Sanitation	345,018	-	-	-	-	-	345,018
Health and Human Services	160,512	-	-	-	-	-	160,512
Leisure Activities	231,217	-	-	-	-	-	231,217
Education	467,771	-	-	-	-	-	467,771
Urban Redevelopment and Housing Conservation and Development	-	121,860	-	-	-	308,485	121,860
Debt Service:							
Principal Retirement	-	-	-	-	336,069	8,972	345,041
Interest and Fiscal Charges	-	-	-	-	96,240	5,428	101,668
Debt Issuance Costs	-	-	-	-	87,885	-	87,885
Total Expenditures	4,638,917	121,860	206,646	94,563	520,194	427,628	6,009,808
	(146,574)	(81,962)	(142,015)	(94,496)	(520,194)	460,354	(524,887)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES							
OTHER FINANCING SOURCES (USES)							
Long-Term Debt Issued	-	-	-	1,745,000	945,000	-	2,690,000
Premiums on Long-Term Debt Issued	-	-	-	-	95,803	-	95,803
Current Refunding Payments	-	-	-	-	(1,135,000)	-	(1,135,000)
Transfers In	236,444	-	-	-	614,391	-	850,835
Transfers Out	(410,897)	-	-	-	-	(203,494)	(614,391)
Total Other Financing Sources (Uses)	(174,453)	-	-	1,745,000	520,194	(203,494)	1,887,247
NET CHANGE IN FUND BALANCES	(321,027)	(81,962)	(142,015)	1,650,504	-	256,860	1,362,360
Fund Balances, January 1	1,477,176	121,719	562,042	-	-	966,557	3,127,494
FUND BALANCES, DECEMBER 31	\$ 1,156,149	\$ 39,757	\$ 420,027	\$ 1,650,504	\$ -	\$ 1,223,417	\$ 4,489,854

See accompanying Notes to Basic Financial Statements.

**CITY OF LADYSMITH, WISCONSIN
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019**

Net Change in Fund Balances - Total Governmental Funds \$ 1,362,360

Amounts reported for governmental activities in the statement of activities are different

Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital Outlays Reported in Governmental Fund Statements	\$ 1,251,195	
Depreciation Expense Reported in the Statement of Activities	<u>(872,577)</u>	378,618

In the statement of activities, only the gain or loss on the disposal of capital assets is reported whereas in the governmental funds, the proceeds from sales increase financial resources. Thus, the change in net position differs from the change in fund balances by the book value of capital assets disposed of during the year. (21,583)

Pension expenditures in the governmental funds are measured by current year employee contributions. Pension expenses on the statement of activities are measured by the change in net pension asset/liability and related deferred outflows and inflows of resources. (154,974)

OPEB expenditures in the governmental funds are measured by current year employee contributions. OPEB expenses on the statement of activities are measured by the change in OPEB liability and related deferred outflows and inflows of resources.

Total OPEB Liability and Related Items - Single Employer Plan	(3,506)	
Net OPEB Liability and Related Items - Multiple Employer Plan	<u>(19,409)</u>	(22,915)

Some assets not currently available are reported as deferred inflows of resources in the fund financial statements but are recognized as revenue when earned in the government-wide statements. In the current year the change in these amounts consist of:

Housing Rehabilitation Loans	67,881	
Long-Term Receivable Loans for Economic Development	(17,455)	
Special Assessments Receivable	(43,905)	
Assessments and Special Charges on Tax Roll	<u>602</u>	7,123

Long-term debt and related obligations incurred in governmental funds are reported as other financing sources, but are reported as an increase in outstanding long-term obligations in the statement of net position and do not affect the statement of activities. Also governmental funds report the effect of issuance costs, discounts, premiums and similar items when issued, whereas these amounts are deferred and amortized in the statement of activities. In the current year these amounts consist of:

Bonds Payable	2,690,000	
Debt Premiums	<u>95,804</u>	(2,785,804)

Repayment of long-term debt and other long-term obligations are reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position. In the current year, these repayments were:

Bond Principal Retired	1,310,000	
Note Principal Retired	161,069	
Land Contract Principal Retired	<u>8,972</u>	1,480,041

Some items reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These activities consist of:

Net Change in Accrued Interest Payable	(5,623)	
Net Change in Employee Leave Liabilities	852	
Amortization of Debt Related Costs	<u>1,789</u>	(2,982)

Change in Net Position of Governmental Activities \$ 239,884

See accompanying Notes to Basic Financial Statements.

**CITY OF LADYSMITH, WISCONSIN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2019**

ASSETS	Business-Type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Totals
Current Assets:			
Cash and Investments:			
Segregated for Plant Replacement	\$ 317,444	\$ -	\$ 317,444
Customer Accounts Receivable	185,481	135,879	321,360
Accounts Receivable on Tax Roll	5,182	5,082	10,264
Special Assessments Receivable	97,777	89,821	187,598
Other Accounts Receivable	-	8,180	8,180
Due from Other Governments	-	109,491	109,491
Inventories	16,826	4,979	21,805
Total Current Assets	622,710	353,432	976,142
Restricted Assets:			
Investments for Debt Retirement	-	137,452	137,452
Investments for Plant Replacement	-	410,702	410,702
Total Restricted Assets	-	548,154	548,154
Capital Assets:			
Utility Plant in Service	13,206,644	13,245,616	26,452,260
Less: Accumulated Depreciation	4,046,190	3,654,742	7,700,932
Net Utility Plant in Service	9,160,454	9,590,874	18,751,328
Land and Land Rights	117,546	50,238	167,784
Total Capital Assets	9,278,000	9,641,112	18,919,112
Total Assets	9,900,710	10,542,698	20,443,408
DEFERRED OUTFLOWS OF RESOURCES			
Wisconsin Retirement System Pension Plan Related	121,789	98,339	220,128
State Life Insurance Other Postemployment Benefits Related	3,462	1,393	4,855
Total Deferred Outflows of Resources	125,251	99,732	224,983

See accompanying Notes to Basic Financial Statements.

**CITY OF LADYSMITH, WISCONSIN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS (CONTINUED)
DECEMBER 31, 2019**

LIABILITIES	Business-Type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Totals
Current Liabilities Payable from			
Current Assets:			
Accounts Payable	\$ 20,733	\$ 39,772	\$ 60,505
Accrued Wages	6,891	4,697	11,588
Due to Other Funds	76,634	393,605	470,239
Current Portion of Employee Vested Benefits	9,104	6,146	15,250
Current Portion of Capital Lease Payable	-	35,646	35,646
Total Current Liabilities Payable from Current Assets	113,362	479,866	593,228
Current Liabilities Payable from			
Restricted Assets:			
Accrued Interest	15,602	31,846	47,448
Current Portion of Long-Term Debt	309,438	201,933	511,371
Total Current Liabilities Payable from Restricted Assets	325,040	233,779	558,819
Long-Term Obligations (Net of Current Portion):			
Revenue Bonds and Anticipation Notes	4,690,521	5,453,276	10,143,797
Other Postemployment Benefits Payable	4,141	1,380	5,521
Employee Vested Benefits	21,267	12,702	33,969
Wisconsin Retirement System Net Pension Liability	45,067	36,516	81,583
State Life Insurance Net Other Postemployment Benefits Liability	17,606	7,084	24,690
Capital Lease Payable	-	113,460	113,460
Total Long-Term Debt	4,778,602	5,624,418	10,403,020
Total Liabilities	5,217,004	6,338,063	11,555,067
DEFERRED INFLOWS OF RESOURCES			
Wisconsin Retirement System Pension Plan Related	62,214	50,409	112,623
State Life Insurance Net Other Postemployment Benefits Related	4,709	1,895	6,604
Total Deferred Inflows of Resources	66,923	52,304	119,227
NET POSITION			
Net Investment in Capital Assets	4,278,041	3,836,797	8,114,838
Restricted for Plant Replacement	-	410,702	410,702
Restricted for Debt Retirement	-	105,606	105,606
Unrestricted	463,993	(101,042)	362,951
Total Net Position	\$ 4,742,034	\$ 4,252,063	\$ 8,994,097

See accompanying Notes to Basic Financial Statements.

**CITY OF LADYSMITH, WISCONSIN
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2019**

	Business-Type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Totals
OPERATING REVENUES			
Sales of Water/Sewerage Revenues:			
Residential	\$ 304,793	\$ 415,414	\$ 720,207
Commercial	158,397	151,182	309,579
Industrial	100,504	40,855	141,359
Public Authorities	77,603	67,900	145,503
Public Fire Protection	296,610	-	296,610
Private Fire Protection	31,388	-	31,388
Outside Septage Acceptance	-	129,649	129,649
Total Sales of Water/Sewerage Revenues	<u>969,295</u>	<u>805,000</u>	<u>1,774,295</u>
Other Operating Revenues	<u>37,602</u>	<u>2,394</u>	<u>39,996</u>
Total Operating Revenues	<u>1,006,897</u>	<u>807,394</u>	<u>1,814,291</u>
OPERATING EXPENSES			
Operation and Maintenance	641,303	573,295	1,214,598
Depreciation	<u>330,401</u>	<u>314,831</u>	<u>645,232</u>
Total Operating Expenses	<u>971,704</u>	<u>888,126</u>	<u>1,859,830</u>
OPERATING INCOME (LOSS)	<u>35,193</u>	<u>(80,732)</u>	<u>(45,539)</u>
NONOPERATING REVENUES (EXPENSES)			
Interest Income	7,612	13,479	21,091
Interest Expense	(58,247)	(159,034)	(217,281)
TID Utility Benefit Charge	60,254	65,243	125,497
Amortization of Debt Discount and Expense	<u>(16,884)</u>	<u>(12,284)</u>	<u>(29,168)</u>
Total Nonoperating Revenues (Expenses)	<u>(7,265)</u>	<u>(92,596)</u>	<u>(99,861)</u>
INCOME (LOSS) BEFORE TRANSFERS & CONTRIBUTIONS	27,928	(173,328)	(145,400)
TRANSFERS & CONTRIBUTIONS			
Plant Additions Financed by Grants	-	357,202	357,202
Plant Additions Financed by Customers	9,262	7,264	16,526
Transfer to General Fund	<u>(236,444)</u>	<u>-</u>	<u>(236,444)</u>
Total Transfers and Contributions	<u>(227,182)</u>	<u>364,466</u>	<u>137,284</u>
CHANGE IN NET POSITION	(199,254)	191,138	(8,116)
Net Position, January 1	<u>4,941,288</u>	<u>4,060,925</u>	<u>9,002,213</u>
NET POSITION, DECEMBER 31	<u>\$ 4,742,034</u>	<u>\$ 4,252,063</u>	<u>\$ 8,994,097</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF LADYSMITH, WISCONSIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2019**

	Business-Type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers	\$ 1,004,467	\$ 798,429	\$ 1,802,896
Cash Paid to Suppliers for Goods and Services	(368,725)	(348,071)	(716,796)
Cash Paid for Employee Services	(282,121)	(147,202)	(429,323)
Cash Received (Paid) for Sewer Share of Meter Expense	33,091	(33,091)	-
Net Cash Provided by (Used for) Operating Activities	<u>386,712</u>	<u>270,065</u>	<u>656,777</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Cash flow Financing Received from (Repaid to) General Fund	76,634	392,164	468,798
Cash Paid to General Fund for Tax Equivalents	(236,444)	-	(236,444)
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>(159,810)</u>	<u>392,164</u>	<u>232,354</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Cash Received from Special Assessments	28,179	29,903	58,082
Cash Received from Capital Grants	-	247,711	247,711
Cash Paid for Acquisition of Capital Assets	(1,333,761)	(986,410)	(2,320,171)
Cash Received from TIDs for Utility Benefit Charge	60,254	65,243	125,497
Cash Received as Proceeds of Long-Term Debt	1,462,106	647,758	2,109,864
Cash Paid for Principal on Long-Term Debt	(538,288)	(419,737)	(958,025)
Cash Paid for Interest on Long-Term Debt	(44,180)	(149,153)	(193,333)
Cash Paid for Principal on Capital Lease	-	(34,611)	(34,611)
Cash Paid for Interest on Capital Lease	-	(5,493)	(5,493)
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(365,690)</u>	<u>(604,789)</u>	<u>(970,479)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on Invested Funds	<u>7,612</u>	<u>13,479</u>	<u>21,091</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(131,176)	70,919	(60,257)
Cash and Cash Equivalents, January 1	<u>409,870</u>	<u>438,485</u>	<u>848,355</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u><u>\$ 278,694</u></u>	<u><u>\$ 509,404</u></u>	<u><u>\$ 788,098</u></u>

See accompanying Notes to Basic Financial Statements.

**CITY OF LADYSMITH, WISCONSIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2019**

	Business-Type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$ 35,193	\$ (80,732)	\$ (45,539)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Depreciation	330,401	314,831	645,232
Changes in Pension Plan Activity:			
Asset/Liability	80,259	66,644	146,903
Deferred Outflows of Resources	(56,779)	(42,680)	(99,459)
Deferred Inflows of Resources	(7,068)	(8,905)	(15,973)
Changes in OPEB Plan Activity:			
Liability	(2,070)	(1,664)	(3,734)
Deferred Outflows of Resources	(135)	79	(56)
Deferred Inflows of Resources	4,426	1,770	6,196
(Increase) Decrease in Assets:			
Accounts Receivable	(17,043)	(12,889)	(29,932)
Other Accounts Receivable	7,753	3,924	11,677
Inventories	(1,002)	-	(1,002)
Increase (Decrease) in Liabilities:			
Accounts Payable	8,838	31,728	40,566
Accrued Wages	980	700	1,680
Employee Vested Benefits	2,959	(2,741)	218
Net Cash Provided by Operating Activities	\$ 386,712	\$ 270,065	\$ 656,777
 RECONCILIATION OF CASH AND INVESTMENTS TO CASH AND CASH EQUIVALENTS			
Cash and Investments per Statement of Net Position:			
Cash and Investments:			
Segregated for Plant Replacement	\$ 317,444	\$ -	\$ 317,444
Cash and Investments - Restricted	-	548,154	548,154
	317,444	548,154	865,598
Less: Certificates of Deposit with a Maturity of Greater than Three Months	38,750	38,750	77,500
Total Cash and Cash Equivalents	\$ 278,694	\$ 509,404	\$ 788,098

See accompanying Notes to Basic Financial Statements.

**CITY OF LADYSMITH, WISCONSIN
STATEMENT OF NET POSITION
FIDUCIARY FUND
DECEMBER 31, 2019**

	<u>Custodial Fund</u>
ASSETS	
Cash and Investments	\$ 764,289
LIABILITIES	
Due to Other Governmental Units	<u>764,289</u>
NET POSITION	
Restricted	<u><u>\$ -</u></u>

See accompanying Notes to Basic Financial Statements.

**CITY OF LADYSMITH, WISCONSIN
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUND
YEAR ENDED DECEMBER 31, 2019**

	Custodial Fund
ADDITIONS	
Tax Collections for Other Governments	\$ 1,708,425
DEDUCTIONS	
Payments of Taxes to Other Governments	1,708,425
CHANGE IN NET POSITION	-
Net Position, January 1	-
NET POSITION, DECEMBER 31	\$ -

See accompanying Notes to Basic Financial Statements.

**CITY OF LADYSMITH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Ladysmith (the "City") have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental 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 of Ladysmith is a Wisconsin municipal corporation incorporated in 1905. The City is governed by a mayor/council form of government. The council consists of seven members elected from seven wards within the City and the mayor.

The financial reporting of the City is defined by the GASB to consist of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that the exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The basic financial statements of the City consist solely of the primary government. No other organizations were identified for inclusion in the financial reporting entity of the City.

B. Government-Wide and Fund Financial Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements as described below:

Government-Wide Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable to a specific function or segment. Program revenues include (a) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment; and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**CITY OF LADYSMITH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund Financial Statements

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

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

The City reports the following major governmental funds:

General Fund – The General Fund is the operating fund of the City. It is used to account for all financial resources of the City, except those required to be accounted for in another fund.

CDBG Deferred Loan Program Fund – The CDBG Deferred Loan Program Fund, a special revenue fund, is used to account for CDBG housing rehabilitation funding and the related housing rehabilitation revolving loan funds. The major revenue sources for this fund are restricted grants and loan repayments.

Mining/MILIF Economic Development Fund – The Mining/MILIF Economic Development Fund, a special revenue fund, is used to account for resources generated by facilities that have been constructed by this fund in prior years. The major revenue source for this fund is committed rental income.

Capital Projects Fund – The Capital Projects Fund accounts for financial resources to be used for the acquisition or construction of major capital facilities other than those financed from proprietary funds.

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs of governmental funds.

All remaining governmental funds are aggregated and reported as nonmajor funds.

The City reports the following major enterprise funds:

Water Utility – This fund accounts for the operations of the water system. Utility operations are subject to regulation by the Wisconsin Public Service Commission.

Sewer Utility – This fund accounts for the operations of the wastewater collection system and treatment facilities.

The City had no other enterprise funds to report as nonmajor funds.

**CITY OF LADYSMITH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund Financial Statements (Continued)

Custodial Fund – This fund is used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations and/or other governmental units. The custodial fund is primarily used to account for the collection of property taxes for other governmental entities.

C. Measurement Focus and Basis of Accounting

The government-wide financial statements, the proprietary funds and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Nonexchange transactions, in which the City gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements and donations. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows of resources. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

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

Governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized as soon as they are both measurable and available. Revenues are deemed 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 reported in the governmental funds to be available if they are collected within sixty days after the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

**CITY OF LADYSMITH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

Property taxes, miscellaneous taxes, public charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual. Only the portion of special assessment receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are generally considered to be measurable and available only when cash is received by the government.

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

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

1. Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from date of acquisition. Cash and investment balances for individual funds are pooled unless maintained in segregated accounts.

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

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

Additional restrictions may arise from local charters, ordinances, resolutions and grant resolutions.

**CITY OF LADYSMITH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity (Continued)

1. Deposits and Investments (Continued)

Investment of most trust funds is regulated by Chapter 881 of the Wisconsin Statutes. Investment of library trust funds is regulated by Chapter 112. Those sections give broad authority to use such funds to acquire various kinds of investments including stocks, bonds and debentures.

Investments of the City are stated at amortized cost.

2. Receivables and Payables

Property Taxes. Property taxes are levied prior to the end of the calendar year and are due and collectible in the following year. Property taxes attach an enforceable lien as of January 1. Taxes received for other governmental units is recorded as receivable in the City's custodial fund with amounts due other governmental units. Since City property taxes are not considered revenue until January 1 of the year following the levy, they are recorded as deferred inflows of resources in the funds budgeted therefore.

Real property taxes are payable in full on or before January 31 or, alternatively, if over \$100, can be paid in two equal installments with the first installment payable on or before January 31 and the second installment payable on or before July 31. Personal property taxes and special assessments, special charges (including delinquent utility billings) and special taxes placed on the tax roll are payable in full on or before January 31. All uncollected items on the current tax roll, except delinquent personal property taxes, are turned over to the Rusk County Treasurer for collection in February. Rusk County subsequently settles in full with the City in August of the same year, except for uncollected delinquent special assessments and special charges. Delinquent personal property taxes are retained by the City for collection. A portion of the general fund balance is nonspendable for the City's investment in delinquent taxes.

Special Assessments. Assessments against property owners for public improvements are generally not subject to full settlement in the year levied. Unavailable 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 2019 tax roll are recognized as revenue in 2020.) Special assessments recorded in proprietary funds are recorded as revenue at the time the assessments are subject to collection procedures.

Accounts Receivable. All accounts receivable are shown at gross amounts. No allowance for uncollectible accounts has been provided since such allowance would not be material.

**CITY OF LADYSMITH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity (Continued)

2. Receivables and Payables (Continued)

Loans Receivable. The City has received federal and state grant funds for economic development and housing rehabilitation loan programs to various businesses and individuals. The City records a loan receivable when the loan has been made and funds have been disbursed. The amounts recorded as economic development and housing rehabilitation loans receivable have not been reduced by an allowance for uncollectible accounts. It is the City's policy to record deferred inflows of resources for the net amount of the receivable balance. As loans are repaid, revenue is recognized. When new loans are made from the repayments, expenditures are recorded. Interest received from loan repayments is recognized as revenue when received in cash. Any unspent loan repayments at year-end are presented as restricted fund balance in the fund financial statements.

Interfund Balances. Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statement as "internal balances". Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance account in the general fund to indicate that they are not available for appropriation and are not expendable available financial resources.

3. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds, if material, are recorded as expenditures when consumed rather than when purchased.

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

4. Restricted Assets

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

**CITY OF LADYSMITH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity (Continued)

5. Capital Assets

Government-Wide Statements. Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), 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 initial, individual costs as shown below and an estimated useful life of two years or greater. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition cost at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capitalization thresholds (the dollar valued above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the government-wide statements are as follows:

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Land	\$ 1,000	N/A	N/A
Land Improvements	1,000	Straight-Line	20 Years
Buildings	1,000	Straight-Line	18-50 Years
Furniture and Equipment	1,000	Straight-Line	5-20 Years
Vehicles	1,000	Straight-Line	8 Years
Infrastructure	1,000	Straight-Line	50 Years
Utility Systems	1,000	Straight-Line	4-100 Years

Fund Financial Statements. In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for in the same manner as in the government-wide statements.

6. Deferred Outflows of Resources

The City reports decreases in net position or fund equity that relate to future periods as deferred outflows of resources in a separate section of its government-wide and proprietary funds statements of net position or governmental fund balance sheet. The City reports deferred outflows of resources for pension and OPEB related items.

**CITY OF LADYSMITH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity (Continued)

7. Deferred Inflows of Resources

The City's governmental activities and governmental fund financial statements report a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net position or fund equity that applies to a future period. The City will not recognize the related revenue until a future event occurs. The City has two types of items which occur related to revenue recognition. The first occurs because property tax receivables are recorded in the current year, but the revenue will be recorded in the subsequent year. The second type of deferred inflow of resources occurs because governmental fund revenues are not recognized until available (collected not later than 60 days after the end of the City's year) under the modified accrual basis of accounting. In addition to property tax receivables, the City reports deferred inflows of resources for pension and OPEB related items.

8. Compensated Absences

It is the City's policy to permit employees to accumulate vacation and personal leave benefits. Liabilities for accumulated vacation and personal leave are not accrued in the City's governmental fund financial statements but are recorded as expenditures when paid. Such liabilities are accrued in the government-wide and proprietary fund financial statements when earned.

9. Wisconsin Retirement System Pension Plan Benefits

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

10. Other Postemployment Benefits (OPEB) – Single Employer Plan

Under various employee and union contracts the City allows retired employees to enroll in the City's health insurance plan. The retired employees pay 100% of the premiums. The liability is actuarially determined.

CITY OF LADYSMITH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity (Continued)

11. Other Postemployment Benefits (OPEB) – Multiple Employer Plan

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. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and the deferred inflows of resources related to OPEB, OPEB expense and 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 are recognized when due and payable in accordance with the benefit terms.

12. Long-Term Obligations/Conduit Debt

In the government-wide financial statements and proprietary 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 type statement of net position. In the governmental fund financial statements, 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.

The City has approved the issuance of industrial revenue bonds (IRB's) for the benefit of private business enterprises. IRB's are secured by mortgages or revenue agreements on the associated projects and do not constitute indebtedness of the City. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The total amount of IRB's outstanding at December 31, 2019, approved by the City was approximately \$6,560,000, consisting of one issue.

13. Defining Operating Revenues and Expenses

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water utility and sewer utility are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

14. Use of Restricted Resources

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

**CITY OF LADYSMITH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity (Continued)

15. Equity Classifications

Fund equity, representing the difference between assets and deferred outflows of resources, less liabilities and deferred inflows of resources, is classified as follows in the City's financial statements:

Government-Wide and Proprietary Fund Statements. Fund equity is classified as net position in the government-wide and proprietary fund financial statements and is displayed in three components. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement for those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is displayed as unrestricted.

Fund Financial Statements. In the fund financial statements, governmental funds report components of fund balance to provide information about fund balance availability for appropriation. Nonspendable fund balance represents amounts that are inherently nonspendable or assets that are legally or contractually required to be maintained intact. Restricted fund balance represents amounts available for appropriation but intended for a specific use and is legally restricted by outside parties. Committed fund balance represents constraints on spending that the government imposes upon itself by high-level formal action prior to the close of the fiscal period. Assigned fund balance represents resources intended for spending for a purpose set by the government body itself or by some person or body delegated to exercise such authority in accordance with policy established by the Council. Unassigned fund balance is the residual classification for the City's general fund and includes all spendable amounts not contained in the other classifications. The City has established a policy that the general fund minimum unassigned fund balance should be between 25 and 30% of general fund expenditures.

Committed fund balance is required to be established, modified, or rescinded by resolution of the City Council prior to each year end. Based on resolution of the City Council, the City Comptroller has the authority to establish or modify assigned fund balance. When restricted and unrestricted fund balance is available for expenditure, it is the City's practice to first use restricted fund balance. When committed, assigned, and unassigned fund balance is available for expenditure, it is the City's practice to use committed, assigned and finally unassigned fund balance.

**CITY OF LADYSMITH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 2 STEWARDSHIP AND ACCOUNTABILITY

The Tax Incremental Districts #5 and #10 had deficit balances at December 31, 2019 in the amount of \$83,376 and \$109,339, respectively. These deficits will be eliminated with future tax increment collections within each district. The Meadowbrook Center Income fund had a deficit balance at December 31, 2019 in the amount of \$142,501. This deficit will be eliminated with future rent collections.

The General Fund expenditures exceeded the final budget for the following line items. These overages were determined necessary and were authorized by management.

	<u>Budget</u>	<u>Expenditures</u>	<u>Excess</u>
General Government	\$ 395,892	\$ 423,275	\$ (27,383)
Transportation Facilities	1,446,203	1,781,024	(334,821)
Health and Human Services	127,855	160,512	(32,657)
Education	461,580	467,771	(6,191)
Conservation and Development	87,955	113,925	(25,970)

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

The City's cash and investments balances at December 31, 2019 are shown in the financial statements as follows:

Governmental Funds	\$ 5,186,639
Proprietary Funds	865,598
Fiduciary Funds	764,289
Total	<u>\$ 6,816,526</u>

The cash and investments balances consisted of the following:

Deposits in Financial Institutions	\$ 2,263,249
Deposits in Local Government Investment Pool	4,552,520
Petty Cash	757
Total	<u>\$ 6,816,526</u>

**CITY OF LADYSMITH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

Deposits at Financial Institutions

The City's balances at individual financial institutions were subject to coverage under federal depository insurance, a bank deposit guaranty bond and amounts appropriated by Sections 20.144(1)(a) and 34.08 of the Wisconsin Statutes (State Guarantee Fund). Federal depository insurance provides for coverage of up to \$250,000 for time and savings deposits and up to an additional \$250,000 for demand accounts. In addition, funds held for others (such as trust funds) are subject to coverage under the name of the party for whom the funds are held. Coverage has also been provided to the City by a financial institution in the form of a bank deposit guarantee bond. Coverage under the State Guarantee Fund may not exceed \$400,000 above the amount of coverage under federal depository insurance at any institution and is limited by the availability of the appropriations authorized therein. (Due to the relatively small size of the State Guarantee Fund in relation to the total coverage, total recovery of losses may not be available.) Also, Section 34.07 of the Wisconsin Statutes authorizes the City to collateralize its deposits that exceed the amount of coverage provided by federal depository insurance and the State Guarantee Fund.

Custodial credit risk is the risk that, in the event of bank failure, the City's deposits may not be returned. At December 31, 2019, the City's deposits were not exposed to custodial credit risk.

Deposits in State Local Government Pooled-Investment Fund. The State of Wisconsin offers a Local Government Investment Pool (LGIP) to local government units to enable them to voluntarily invest idle funds in the State Investment Fund. Local funds are pooled with state funds and invested by a local government unit. Interest is earned on a daily basis and withdrawals are generally available on the day of request. Deposits in the LGIP are not covered by federal depository insurance but are subject to coverage under the State Guarantee Fund. Also, the State of Wisconsin Investment Board has obtained a surety bond to protect deposits in the LGIP against defaults in principal payments on the LGIP's investments (subject to certain limitations). The average monthly weighted average maturity of the State Investment Fund's investments for 2019 was 22 days.

Credit risk for investments is the risk that an issuer or other counterparty to an investment will not fulfill its obligation to the holder of the investment. The City's policy is to invest its funds in accordance with provisions of the Wisconsin Statutes previously discussed in Note 1.D.1.

The investments in the above external investment pool are valued at amortized cost.

**CITY OF LADYSMITH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Receivables/Deferred Revenues

Other Receivables

Housing Rehabilitation Loans Receivable

The City has participated in the Small Cities Community Development Block Grant (CDBG) program, part of which was used to finance housing rehabilitation as specified within the contracts signed with the Wisconsin Department of Development.

At December 31, 2019, the City had outstanding one installment loan under the CDBG program totaling \$1,250. This loan is being repaid to the City under terms established through the program. Receivables have been recorded in the special revenue fund in the amount of the outstanding balances of these loans and are equally offset by deferred inflows of resources recorded therein. Revenue is recognized in the special revenue fund as collections are received on these loans.

The City also had 78 deferred mortgage loans outstanding at December 31, 2019 totaling \$1,051,935. These notes become due and payable in the event that the maker-

- a. no longer continues to occupy the premises securing this note as a full time residence, or
- b. transfers any legal or equitable interest in the mortgaged premises to anyone for any reason.

These loans are recorded as long-term receivables and deferred inflows of resources in the special revenue fund. Collections on these loans are recognized as revenue in the special revenue fund at the time of their receipt.

Proceeds from the collection of the above loans are restricted for financing similar rehabilitation projects.

Economic Development Long-Term Receivables

Schild Bros, Inc. The City is leasing property (1505 Norse Dr) to Schild Bros, Inc., with the option to purchase the property for one dollar at the end of the lease term. The initial amount of the lease was \$225,960 at 5% for fifteen years, maturing June 30, 2023. The monthly payment is \$1,787, and the unamortized value of the lease at December 31, 2019 was \$70,212, which is recorded as an installment loan receivable in the City's rail site facility revenues fund.

**CITY OF LADYSMITH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets

Capital asset activity for the year ended December 31, 2019 is as follows:

Governmental Activities

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Not Being Depreciated:				
Land	\$ 575,393	\$ 5,145	\$ -	\$ 580,538
Construction Work in Progress	329,304	659,343	559,669	428,978
Total Capital Assets Not Being Depreciated	<u>904,697</u>	<u>664,488</u>	<u>559,669</u>	<u>1,009,516</u>
Capital Assets Being Depreciated:				
Land Improvements	1,596,519	91,617	4,500	1,683,636
Buildings	13,697,650	-	-	13,697,650
Furniture and Equipment	1,994,596	102,949	30,099	2,067,446
Vehicles	2,258,141	58,915	60,444	2,256,612
Infrastructure	14,159,515	892,895	11,193	15,041,217
Total Capital Assets Being Depreciated	<u>33,706,421</u>	<u>1,146,376</u>	<u>106,236</u>	<u>34,746,561</u>
Total Capital Assets	<u>34,611,118</u>	<u>1,810,864</u>	<u>665,905</u>	<u>35,756,077</u>
Land Improvements	1,014,667	60,853	4,294	1,071,226
Buildings	4,488,823	295,487	-	4,784,310
Furniture and Equipment	1,360,170	97,344	20,066	1,437,448
Vehicles	1,865,449	75,632	50,872	1,890,209
Infrastructure	8,825,855	343,261	9,421	9,159,695
Total Accumulated Depreciation	<u>17,554,964</u>	<u>872,577</u>	<u>84,653</u>	<u>18,342,888</u>
Net Capital Assets - Governmental Activities	<u>\$ 17,056,154</u>	<u>\$ 938,287</u>	<u>\$ 581,252</u>	<u>\$ 17,413,189</u>

Depreciation expense was charged to governmental functions as follows:

General Government	\$ 44,077
Public Safety	95,523
Transportation Facilities	425,090
Sanitation	19,178
Health and Human Services	9,669
Leisure Activities	54,208
Education	36,704
Conservation and Development	188,128
Total	<u>\$ 872,577</u>

CITY OF LADYSMITH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets (Continued)

Business-Type Activities

	Beginning Balance	Increases	Decreases	Ending Balance
Water Utility:				
Capital Assets Not Being Depreciated:				
Land and Land Rights	\$ 117,546	\$ -	\$ -	\$ 117,546
Capital Assets Being Depreciated:				
Source of Supply	972,883	-	-	972,883
Pumping Plant	515,154	5,438	-	520,592
Water Treatment	3,356,546	2,950	-	3,359,496
Transmission and Distribution	6,673,941	1,324,873	29,380	7,969,434
Administration and General Assets	383,739	500	-	384,239
Total Capital Assets Being Depreciated	11,902,263	1,333,761	29,380	13,206,644
Total Capital Assets	12,019,809	1,333,761	29,380	13,324,190
Less: Accumulated Depreciation	3,745,169	330,401	29,380	4,046,190
Net Capital Assets - Water Utility	8,274,640	1,003,360	-	9,278,000
Sewer Utility:				
Capital Assets Not Being Depreciated:				
Land and Land Rights	50,238	-	-	50,238
Capital Assets Being Depreciated:				
Collection System	4,146,291	962,662	19,375	5,089,578
Collection System Pumping Installation	3,150,282	10,183	1,500	3,158,965
Treatment and Disposal Plant	4,348,261	7,049	-	4,355,310
Administration and General Assets	635,247	6,516	-	641,763
Total Capital Assets Being Depreciated	12,280,081	986,410	20,875	13,245,616
Total Capital Assets	12,330,319	986,410	20,875	13,295,854
Less: Accumulated Depreciation	3,360,786	314,831	20,875	3,654,742
Net Capital Assets - Sewer Utility	8,969,533	671,579	-	9,641,112
Net Capital Assets - Business-Type Activities	\$ 17,244,173	\$ 1,674,939	\$ -	\$ 18,919,112

Depreciation expense was charged to business-type activities as follows:

Water	\$ 330,401
Sewer	314,831
Total	<u>\$ 645,232</u>

**CITY OF LADYSMITH, WISCONSIN
 NOTES TO BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2019**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of December 31, 2019 was as follows:

Due to/from Other Funds

There was \$393,605 receivable in the General Fund from the Sewer Utility Enterprise Fund for a cash deficit in the payable fund.

There was \$76,634 receivable in the General Fund from the Water Utility Enterprise Fund for a cash deficit in the payable fund.

Advances from/to Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Fund - Tax Incremental District #5	\$ 83,376
Mining/MILIF Economic Development Fund	Nonmajor Fund - Meadowbrook Center	142,501
Mining/MILIF Economic Development Fund	Nonmajor Fund - Tax Incremental District #10	109,339
Total		<u>\$ 335,216</u>

The long-term interfund advance from the City's general fund to one of its TID funds was to finance the fund deficit in the TID fund. The long-term interfund advances from the Mining/MILIF Economic Development fund to the Meadowbrook Center Income fund and the TID #10 fund are also to finance fund deficits in the respective payable fund. It is anticipated that the advances to the TID funds will be reduced as tax incremental revenues become available and that the advance to the Meadowbrook Center Income fund will be reduced as rent revenues become available.

Interfund balances that are owed within the governmental activities and business-type activities are eliminated in the statement of net position.

**CITY OF LADYSMITH, WISCONSIN
 NOTES TO BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2019**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Interfund Receivables, Payables and Transfers (Continued)

Transfers

The following is a schedule of interfund transfers made during 2019:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>
General Fund	Water Utility Enterprise Fund	\$ 236,444
Debt Service Fund	General Fund	410,897
Debt Service Fund	Nonmajor Fund - Meadowbrook Center	145,244
Debt Service Fund	Nonmajor Fund - Tax Incremental District #9	12,468
Debt Service Fund	Nonmajor Fund - Tax Incremental District #10	20,619
Debt Service Fund	Nonmajor Fund - Tax Incremental District #8	25,163
		<u>\$ 850,835</u>

The transfer from the various funds to the debt service fund was made to finance each fund's share of current year debt maturities. The transfer from the water utility enterprise fund to the general fund consisted of the 2019 tax equivalent payable at year-end.

**CITY OF LADYSMITH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations

Changes in Long-Term Obligations

Changes in long-term obligations of the City for the year ended December 31, 2019 were as follows:

	Balances January 1, 2019	Additions	Reductions	Balances December 31, 2019	Amounts Due Within One Year
Long-Term Debt:					
Governmental Activities:					
General Obligation Bonds	\$ 2,135,000	\$ 2,690,000	\$ 1,310,000	\$ 3,515,000	\$ 300,000
General Obligation Notes - Direct Borrowings	809,096	-	161,069	648,027	168,400
Less Unamortized Discount	(1,214)	-	(1,214)	-	-
Plus Unamortized Premium	-	95,804	3,003	92,801	24,219
Subtotal	<u>2,942,882</u>	<u>2,785,804</u>	<u>1,472,858</u>	<u>4,255,828</u>	<u>492,619</u>
Business-Type Activities:					
Mortgage Revenue Bonds	9,469,088	2,109,864	958,025	10,620,927	499,684
Less Unamortized Discount	(2,532)	-	(2,532)	-	-
Plus Unamortized Premium	-	35,493	1,252	34,241	11,686
Subtotal	<u>9,466,556</u>	<u>2,145,357</u>	<u>956,745</u>	<u>10,655,168</u>	<u>511,370</u>
Total Long-Term Debt	<u>\$ 12,409,438</u>	<u>\$ 4,931,161</u>	<u>\$ 2,429,603</u>	<u>\$ 14,910,996</u>	<u>\$ 1,003,989</u>
Other Long-Term Obligations:					
Governmental Activities:					
Accrued Employee Benefits	\$ 144,105	\$ -	\$ 852	\$ 143,253	\$ 39,446
Land Contract Payable	64,645	-	8,972	55,673	55,673
Subtotal	<u>208,750</u>	<u>-</u>	<u>9,824</u>	<u>198,926</u>	<u>95,119</u>
Business-Type Activities:					
Accrued Employee Benefits	49,001	218	-	49,219	15,251
Capital Lease Payable	183,717	-	34,611	149,106	35,646
Subtotal	<u>232,718</u>	<u>218</u>	<u>34,611</u>	<u>198,325</u>	<u>50,897</u>
Total Other Long-Term Obligations	<u>\$ 441,468</u>	<u>\$ 218</u>	<u>\$ 44,435</u>	<u>\$ 397,251</u>	<u>\$ 146,016</u>

The City's estimated liability for accrued employee benefits is discussed in Note 4 B.

Security and Default

The outstanding long-term obligations of the City contain the following provisions:

General Obligation Bonds: The notes are general obligations of the City, and all the taxable property in the City is subject to the levy of a tax to pay the principal and interest on the notes as they become due. The levy, under current tax law, may be levied without limitation to rate or amount. Principal and interest paid for the current year and tax levy were \$428,510 and \$669,624.

State Trust Fund Loans: The City's outstanding notes from direct borrowings related to government activities of \$648,027 are subject to a statutory provision that 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. The notes are payable only from and secured by a pledge of the City. Principal and interest paid for the current year and debt service total transfer in amounts were \$200,369 and \$200,369, respectively.

**CITY OF LADYSMITH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

Security and Default (Continued)

Water Revenue Bonds: The bonds are payable from a pledge of revenues of the water utility system. Principal and interest paid for the current year and total customer net revenues were \$272,071 and \$365,594.

Safe Drinking Water Loan Program: The water utility's outstanding notes related to business type activities of \$1,379,270 contain the following provisions in the event of 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.

Sewer Revenue Bonds: The bonds are payable from a pledge of revenues of the sewer utility system. Principal and interest paid for the current year and total customer net revenues were \$305,492 and \$234,099.

Clean Water Fund Program: The sewer utility's outstanding notes related to business type activities of \$302,758 contain the following provisions in the event of 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.

Current Year Borrowing

The City issued General Obligation Corporate Purpose Bonds, Series 2019A, in the amount of \$1,350,000 at 3.0% interest with a final maturity of December 2027. The bonds were issued to refinance the outstanding portions of the Series 2008 bonds. The refunding resulted in a cash savings of \$131,143 with a present value savings of \$120,093.

The City issued General Obligation Corporate Purpose Bonds, Series 2019D, in the amount of \$2,220,000 at 2.5%-4.0% interest with a final maturity of December 2039. The bonds were issued to finance street projects and a public works garage.

**CITY OF LADYSMITH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

Current Year Borrowing (Continued)

The Water Utility issued Water System Revenue Bonds through the Safe Drinking Water Loan Program (SDWL) with a maximum loan amount of \$1,313,529. The bonds were issued to finance utility replacement of water mains and services along Summit, Worden and Fritz Avenues. During 2019, the Utility received \$927,106 in draws on the loan. The debt accrues interest at 1.188% and matures May 2039.

The Sewer Utility issued Sewer System Revenue Bonds through the Clean Water Fund Program (CWF) with a maximum loan amount of \$793,782 with up to \$357,202 principal forgiveness. The bonds were issued to finance utility replacement of sanitary sewers on Summit, Worden and Fritz Avenues. During 2019, the Utility received \$550,469 in draws on the loan. The debt accrues interest at 1.188% and matures May 2039.

**CITY OF LADYSMITH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

General Obligation Long-Term Debt

Annual Requirements for Retirement. Individual general obligation long-term debt issued outstanding at December 31, 2019 and annual requirements for their retirement were as follows:

<u>Description</u>	<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
State trust fund loan, \$303,000, dated 3/29/05, due 3/15/25, interest at 5.00%	2020	\$ 18,099	\$ 6,177	\$ 24,276
	2021	19,021	5,255	24,276
	2022	19,972	4,304	24,276
	2023	20,971	3,305	24,276
	2024	22,013	2,263	24,276
	2025	23,120	1,156	24,276
			123,196	22,460
General obligation corporate purpose bonds, \$945,000, dated 6/24/19, due 12/1/2027, interest at 3.00%	2020	90,000	40,714	130,714
	2021	110,000	25,650	135,650
	2022	115,000	22,350	137,350
	2023	115,000	18,900	133,900
	2024	125,000	15,450	140,450
	2025-2027	390,000	23,250	413,250
		945,000	146,314	1,091,314
State trust fund loan, \$803,000 dated 3/30/10, due 3/15/20, interest at 4.50%	2020	118,000	5,325	123,325
General Obligation Refunding Bonds, \$715,000, dated 3/1/11, due 6/1/22, interest at 1.70%-4.00%	2020	70,000	8,625	78,625
	2021	75,000	6,000	81,000
	2022	75,000	1,500	76,500
			220,000	16,125

**CITY OF LADYSMITH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

General Obligation Long-Term Debt (Continued)

Annual Requirements for Retirement (Continued)

<u>Description</u>	<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
State trust fund loan, \$594,000 dated 3/15/12, due 3/15/29, interest at 5.00%	2020	\$ 32,301	\$ 20,397	\$ 52,698
	2021	33,972	18,727	52,699
	2022	35,670	17,028	52,698
	2023	37,454	15,244	52,698
	2024	39,290	13,408	52,698
	2025-2029	228,144	35,346	263,490
		<u>406,831</u>	<u>120,150</u>	<u>526,981</u>
General Obligation Refunding Bonds, \$1,745,000, dated 12/31/19, due 12/1/39, interest at 2.50%-4.00%	2020	30,000	44,513	74,513
	2021	25,000	47,213	72,213
	2022	30,000	46,212	76,212
	2023	10,000	45,013	55,013
	2024	5,000	44,613	49,613
	2025-2029	470,000	185,864	655,864
	2030-2034	555,000	115,088	670,088
2035-2039	620,000	46,975	666,975	
		<u>1,745,000</u>	<u>575,488</u>	<u>2,320,488</u>
General Obligation Refunding Bonds, \$1,890,000, dated 9/5/12, due 12/1/24, interest at 0.60%-2.50%	2020	110,000	13,340	123,340
	2021	110,000	11,360	121,360
	2022	110,000	9,160	119,160
	2023	135,000	6,740	141,740
	2024	140,000	3,500	143,500
			<u>605,000</u>	<u>44,100</u>
Total General Obligation Debt		<u>\$ 4,163,027</u>	<u>\$ 929,962</u>	<u>\$ 5,092,989</u>

**CITY OF LADYSMITH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

General Obligation Long-Term Debt (Continued)

Annual Requirements for Retirement (Continued)

Annual requirements for retirement of general obligation debt outstanding at December 31, 2019 are summarized as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 468,400	\$ 139,090	\$ 607,490
2021	372,993	114,205	487,198
2022	385,642	100,554	486,196
2023	318,425	89,202	407,627
2024	331,303	79,234	410,537
2025-2029	1,111,264	245,616	1,356,880
2030-2034	555,000	115,088	670,088
2035-2039	620,000	46,975	666,975
Total	<u>\$ 4,163,027</u>	<u>\$ 929,962</u>	<u>\$ 5,092,989</u>

The annual requirements for retirement of general obligation debt outstanding will be funded as follows:

Year	<u>Funding Sources</u>				Total
	<u>City</u>	<u>TID #8</u>	<u>TID #9</u>	<u>TID #10</u>	
2020	\$ 607,490	\$ -	\$ -	\$ -	\$ 607,490
2021	487,198	-	-	-	487,198
2022	420,157	28,620	16,279	21,140	486,196
2023	337,684	28,506	15,836	25,600	407,627
2024	341,565	28,730	15,382	24,860	410,537
2025-2029	1,068,265	96,135	74,599	117,880	1,356,880
2030-2034	670,088	-	-	-	670,088
2035-2039	666,975	-	-	-	666,975
	<u>\$ 4,599,422</u>	<u>\$ 181,992</u>	<u>\$ 122,095</u>	<u>\$ 189,480</u>	<u>\$ 5,092,989</u>

General Obligation Debt Limitation. Section 67.03(1) of the Wisconsin Statutes provides that the amount of indebtedness of a municipality shall not exceed 5% of the equalized valuation of the taxable property in the municipality. At December 31, 2019, the City's debt limit amounted to \$8,354,615 and indebtedness subject to the limitation totaled \$4,163,027.

**CITY OF LADYSMITH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

Sewer System and Water System Revenue Bonds

Outstanding mortgage revenue bonds and notes totaled \$10,620,927 at December 31, 2019. The City's full faith and credit do not back these which are backed only by the assets and revenues of the water and sewer utility enterprise funds. Annual requirements for principal and interest as of December 31, 2019 were as summarized on the following pages:

<u>Description</u>	<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Water System Revenue Bonds \$3,985,974, dated 6/26/13, due 5/1/33 interest at 1.155%	2020	\$ 202,903	\$ 34,218	\$ 237,121
	2021	205,248	31,861	237,109
	2022	207,618	29,477	237,095
	2023	210,016	27,065	237,081
	2024	212,442	24,625	237,067
	2025-2029	1,099,587	85,534	1,185,121
	2030-2033	926,278	21,549	947,827
		<u>3,064,092</u>	<u>254,329</u>	<u>3,318,421</u>
Sewer System Revenue Bonds, Series 2014B \$2,377,674, dated 11/26/14, due 5/1/34 interest at 2.625%	2020	109,646	50,645	160,291
	2021	112,524	47,729	160,253
	2022	115,478	44,736	160,214
	2023	118,509	41,665	160,174
	2024	121,620	38,513	160,133
	2025-2029	657,696	120,848	778,544
	2030-2034	748,671	71,619	820,290
		<u>1,984,144</u>	<u>415,755</u>	<u>2,399,899</u>
Water System Revenue Bonds \$507,691 (available), dated 12/27/17 due 5/1/37, interest at 1.056%	2020	22,940	4,654	27,594
	2021	23,183	4,410	27,593
	2022	23,427	4,164	27,591
	2023	23,675	3,915	27,590
	2024	23,925	3,664	27,589
	2025-2029	123,467	14,456	137,923
	2030-2034	130,126	7,760	137,886
2035-2037	81,420	1,296	82,716	
		<u>452,163</u>	<u>44,319</u>	<u>496,482</u>
Sewer System Revenue Refunding Bonds Series 2018, \$3,058,560, dated 6/1/18, due 5/1/2054, interest at 3.00%	2020	49,355	89,579	138,934
	2021	50,858	88,077	138,935
	2022	52,407	86,527	138,934
	2023	54,003	84,932	138,935
	2024	55,648	83,286	138,934
	2025-2029	304,720	389,952	694,672
	2030-2034	354,037	340,635	694,672
	2035-2039	411,336	283,336	694,672
	2040-2044	477,912	216,760	694,672
	2045-2049	555,260	139,412	694,672
2050-2054	645,128	49,544	694,672	
		<u>3,010,664</u>	<u>1,852,040</u>	<u>4,862,704</u>
Sewer System and Water System Revenue Bonds, \$405,000 dated 6/24/2019, due 12/1/26, interest at 3.00%	2020	45,000	17,449	62,449
	2021	55,000	10,800	65,800
	2022	65,000	9,150	74,150
	2023	60,000	7,200	67,200
	2024	55,000	5,400	60,400
	2025-2026	125,000	5,700	130,700
		<u>405,000</u>	<u>55,699</u>	<u>460,699</u>

**CITY OF LADYSMITH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

Sewer System and Water System Revenue Bonds (Continued)

<u>Description</u>	<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Sewer System and Water System Revenue Bonds, \$475,000 dated 12/31/2019, due 12/1/39, interest at 2.50-4.00%	2020	\$ 15,000	\$ 12,792	\$ 27,792
	2021	15,000	13,313	28,313
	2022	15,000	12,713	27,713
	2023	20,000	12,113	32,113
	2024	20,000	11,313	31,313
	2025-2029	110,000	44,363	154,363
	2030-2034	130,000	27,656	157,656
	2035-2039	<u>150,000</u>	<u>11,213</u>	<u>161,213</u>
		475,000	145,473	620,473
Water System Revenue Bonds Series \$927,107, Dated 12/31/2019, due 12/1/39 interest at 1.188%	2020	41,340	10,960	52,300
	2021	41,831	10,274	52,105
	2022	42,328	9,775	52,103
	2023	42,831	9,269	52,100
	2024	43,339	8,757	52,096
	2025-2029	224,543	35,892	260,435
	2030-2034	238,203	22,152	260,355
	2035-2039	<u>252,692</u>	<u>7,575</u>	<u>260,267</u>
		927,107	114,654	1,041,761
Water System Revenue Bonds Series \$302,758, Dated 12/31/2019, due 12/1/39 interest at 1.188%	2020	13,500	3,583	17,083
	2021	13,660	3,355	17,015
	2022	13,823	3,192	17,015
	2023	13,987	3,027	17,014
	2024	14,153	2,860	17,013
	2025-2029	73,327	11,721	85,048
	2030-2034	77,787	7,234	85,021
	2035-2039	<u>82,520</u>	<u>2,474</u>	<u>84,994</u>
		302,757	37,446	340,203
Total Revenue Bonds		<u>\$ 10,620,927</u>	<u>\$ 2,919,715</u>	<u>\$ 13,540,642</u>

The bonds are subject to redemption and prepayment at the option of the City, in whole or in part, and if in part, at the option of the City and in such manner as the City shall determine and by lot as to bonds maturing in the same year at a price of par plus accrued interest.

According to the resolution authorizing the issuance of the sewer system revenue bonds, the sewer utility is to set aside gross revenues in separate and special funds as follows on the next page:

**CITY OF LADYSMITH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

**Sewer System and Water System Revenue Bonds and Anticipation Notes
(Continued)**

- (1) Revenue Fund
- (2) Operation and Maintenance Fund
- (3) Special Redemption Fund:
 - a) Principal and Interest Debt Service Account
 - b) Reserve Account
- (4) Depreciation Fund

Special requirements pertaining to the establishment, use and balances required in the above funds are detailed in the authorizing resolutions. The City has established all of the above required funds, except for the Revenue Fund. Revenues of the utility are deposited into and transfers to other funds are made out of the Operation and Maintenance Fund. The City has established the Special Redemption Fund as required by the ordinance. The balance in the sewer utility debt reserve at December 31, 2019 was \$137,452.

Capital Leases

During 2016, the City entered into a capital lease agreement for the purchase of a Sewer Utility Jetter costing \$249,954. The following is a schedule of future annual minimum lease payments with the present value of the net minimum lease payments as of December 31, 2019:

<u>Year Ending December 31,</u>	<u>Principal</u>
2020	\$ 40,104
2021	40,104
2022	40,104
2023	40,104
Total Minimum Lease Payments	<u>160,416</u>
Less: Amount Representing Interest	<u>11,310</u>
Present Value Net Minimum Lease Payments	<u>\$ 149,106</u>

**CITY OF LADYSMITH, WISCONSIN
 NOTES TO BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2019**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

Land Contract Payable

During 2010, the City entered into a land contract agreement as part of an economic development project. The contract was for \$124,412 at an interest rate of 5%. The contract is to be repaid by monthly installments of \$1,000 with the outstanding balance due November 1, 2020. During 2019, the City made principal payments of \$8,972 resulting in a land contract payable balance of \$55,673 at December 31, 2019. The following is a schedule of future annual minimum contract payments with the present value of the net minimum lease payments as of December 31, 2019:

<u>Year Ending December 31,</u>	<u>Principal</u>
2020	\$ 58,046
Total Minimum Contract Payments	<u>58,046</u>
Less: Amount Representing Interest	<u>2,373</u>
Present Value Net Minimum Contract Payments	<u><u>\$ 55,673</u></u>

**CITY OF LADYSMITH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Governmental Fund Balances

The governmental fund balances reported on the fund financial statements at December 31, 2019 consisted of the following:

	Total	Nonspendable	Restricted	Committed	Assigned	Unassigned
Major Funds:						
General Fund:	\$ 1,156,149	\$ -	\$ -	\$ -	\$ -	\$ -
Delinquent Taxes	-	15,660	-	-	-	-
Advances to Other Funds	-	83,376	-	-	-	-
Prepayments	-	57,144	-	-	-	-
Fire Department - Special 2% Fund	-	-	25,236	-	-	-
Subsequent Years Budget	-	-	-	-	108,077	-
Subsequent Years Budget - Library Fine/Fees	-	-	-	-	8,965	-
Library Maintenance - Controlled by Joint Management	-	-	-	-	25,000	-
Vacation Reserve	-	-	-	-	24,061	-
Quiet Zone Study	-	-	-	-	10,000	-
Police Department:						
Uniform Fund	-	-	-	-	1,631	-
Employee Benefits	-	-	-	-	7,731	-
Police Department Meth Program	-	-	-	-	689	-
Police Department Bike Rodeo	-	-	-	-	439	-
Special Investigations	-	-	-	-	1,036	-
Safe Assured Donation	-	-	-	-	2,000	-
Library Donations	-	-	-	-	22,984	-
Library Fines/Fees	-	-	-	-	6,565	-
Library Lower Level Rent	-	-	-	-	5,145	-
Skate Park	-	-	-	-	9,654	-
Winter Magic	-	-	-	-	4,252	-
Carryover Funds:						
Veterans' Mural	-	-	-	-	2,312	-
Recycling Program	-	-	-	-	10,967	-
Street Equipment	-	-	-	-	103,525	-
Police Department Vehicle	-	-	-	-	20,541	-
Cracksealing	-	-	-	-	114,546	-
Parks Lawn Mower	-	-	-	-	12,676	-
Post Office Parking Lot	-	-	-	-	8,525	-
Cemetery Equipment	-	-	-	-	2,284	-
Unassigned	-	-	-	-	-	461,128
CDBG Deferred Loan Program Fund	39,757	-	39,757	-	-	-
Mining/MLIF Economic Development Fund	420,027	-	-	420,027	-	-
Capital Projects Fund	1,650,504	-	1,650,504	-	-	-
Nonmajor Funds:						
Special Revenue Funds:						
Meadowbrook Center Income Fund	(142,501)	-	-	-	-	(142,501)
Fritz Avenue Revenue Fund	323,772	-	-	323,772	-	-
Rail Site Facility Revenue Fund	102,226	-	-	102,226	-	-
Capital Projects Funds:						
Capital Projects Fund	-	-	-	-	-	-
Tax Incremental District #5 Fund	(83,376)	-	-	-	-	(83,376)
Tax Incremental District #8 Fund	202,673	-	202,673	-	-	-
Tax Incremental District #9 Fund	417,839	-	417,839	-	-	-
Tax Incremental District #10 Fund	(109,339)	-	-	-	-	(109,339)
Tax Incremental District #11 Fund	512,123	-	512,123	-	-	-
Total Governmental Fund Balances at December 31, 2019	\$ 4,489,854	\$ 156,180	\$ 2,848,132	\$ 846,025	\$ 513,605	\$ 125,912

**CITY OF LADYSMITH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Tax Incremental Districts

The City has created several tax incremental financing districts (TIF districts or TIDs) in accordance with Section 66.1105 of the Wisconsin Statutes. The purpose of that section is to allow a municipality to recover development and improvements costs in a designated area from the property taxes generated on the increased value of the property after creation of the district. The tax on the increased value is called a tax increment.

At the creation of the districts, the statutes provided that no project costs could be expended later than seven years after the creation date of the district. The statutes further allowed the municipality to collect tax increments for sixteen years after the last project expenditure was made or until the net project cost of the district had been recovered, whichever occurred first. The state enacted several changes relating to tax incremental district for 2004 (with amending legislation in 2005). One of these changes extends the expenditure period for all current and future districts to five years prior to the termination of the district's unextended maximum life. For those districts that had reached the end of its expenditure period prior to October 1, 2004, it allows a municipality to expend additional project costs included in the project plan (subject to certain conditions). The project plans, on file in the administration office of the City, detail the proposed projects, the estimated year of construction or site acquisition and the estimated costs of the individual projects. Project costs uncollected at the dissolution date are absorbed by the municipality.

The following is a summary of project costs and revenues of the districts still in existence during 2019 from their inception through December 31, 2019:

	<u>TID #5</u>	<u>TID #8</u>	<u>TID #9</u>	<u>TID #10</u>	<u>TID #11</u>
Accumulated Project Costs	\$ 1,444,204	\$ 1,872,299	\$ 3,969,578	\$ 1,648,425	\$ 553,609
Accumulated Project Revenues and Residual Equity Transfers:					
Tax Increments	1,094,639	1,374,103	3,262,431	414,777	1,057,458
Other Taxes	-	-	33,648	47,671	-
State Transportation Grants	168,165	240,000	858,948	907,623	-
State Personal Property Aid	623	1,453	4,240	640	2,553
State Aid for Exempt Computers	5,641	40,253	73,361	4,388	5,721
Interest Income	91,760	6,627	-	-	-
Donation	-	12,621	25,147	-	-
Sale of Property	-	239,399	25,213	-	-
Other Miscellaneous	-	-	-	1,487	-
Transfers from Other Funds	-	-	-	2,500	-
	<u>1,360,828</u>	<u>1,914,456</u>	<u>4,282,988</u>	<u>1,379,086</u>	<u>1,065,732</u>
Future Project Revenues Necessary to Recover Net Project Costs to Date	<u>\$ 83,376</u>	<u>\$ (42,157)</u>	<u>\$ (313,410)</u>	<u>\$ 269,339</u>	<u>\$ (512,123)</u>

**CITY OF LADYSMITH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Tax Incremental Districts

The above summary of transactions is reconcilable to the fund balances in the TID capital projects funds at December 31, 2019 as follows:

	TID #5	TID #8	TID #9	TID #10	TID #11
Long-Term Debt Payable from TID Funds:					
State Trust Fund Loan Dated 3/29/05	\$ -	\$ 123,195	\$ -	\$ -	\$ -
General Obligation Corporate Purpose Bonds, 2/21/08	-	37,321	104,429	160,000	-
Less: Unrecovered Costs Above	83,376	(42,157)	(313,410)	269,339	(512,123)
Fund Balance (Deficit) December 31, 2019	<u>\$ (83,376)</u>	<u>\$ 202,673</u>	<u>\$ 417,839</u>	<u>\$ (109,339)</u>	<u>\$ 512,123</u>

The TID #5 fund deficit is being financed by the general fund, while the TID #10 fund deficit is being financed by the Mining/MILIF Economic Development fund.

The City and Rusk County (County) entered into a development agreement with a developer to encourage the construction and operation of a Wal-Mart Supercenter within the boundaries of TID #9. Pursuant to the development agreement, the City and County agreed to construct and pay for certain improvements to encourage the development. The County issued debt in 2007 to provide financing for the improvements. As a part of this project, the City and County entered into a cooperation agreement wherein the City agrees to make annual contributions to the County on October 1 of each year from 2009 through 2020 based on repayment requirements on \$585,000 debt issued by the County at 4% to finance project costs. Scheduled contribution payments are approximately \$60 to \$65 thousand annually. The agreement calls for said contributions to be made from TID #9 tax increments, the City's annual general tax levy or other available funds, provided, however, any such payments shall be subject to future annual budgetary appropriations therefore and provided further that neither such authority nor any such payment shall constitute an obligation of the City to make any such appropriation or any other payments. The obligation is considered a contingent liability of the City. During 2019, the City made a contribution payment of \$2,400.

**CITY OF LADYSMITH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 4 OTHER INFORMATION

A. Wisconsin Retirement System Pension Plan Benefits

General Information about the Pension Plan

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

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

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

Benefits Provided. Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and executive service retirement plan participants, if hired on or before 12/31/16) are entitled to a retirement benefit based on formula factor, their final average earnings, and creditable service.

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

Vested participants may retire at 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 LADYSMITH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Wisconsin Retirement System Pension Plan Benefits (Continued)

General Information about the Pension Plan (Continued)

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 remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period January 1, 2019 through December 31, 2019, the WRS recognized \$131,658 in contributions from the employer.

Contribution rates for 2019 are:

	<u>Employee</u>	<u>Employer</u>
General	6.55%	6.55%
Protective with Social Security	6.55%	10.72%
Protective without Social Security	6.55%	15.12%

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:

**CITY OF LADYSMITH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Wisconsin Retirement System Pension Plan Benefits (Continued)

General Information about the Pension Plan (Continued)

<u>Year Ending December 31</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2009	(2.1)%	(42)%
2010	(1.3)	22.0
2011	(1.2)	11.0
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0

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

At December 31, 2019, the City reported a liability of \$463,297 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017 rolled forward to December 31, 2018. 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 liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2018, the City's proportion was 0.01302243%, which was a decrease of 0.00010118 from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the City recognized pension expense of \$319,080. At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 360,838	\$ (637,829)
Changes of Assumptions	78,094	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	676,615	-
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	11,577	(1,748)
City Contributions Subsequent to the Measurement Date	131,658	-
Total	<u>\$ 1,258,782</u>	<u>\$ (639,577)</u>

**CITY OF LADYSMITH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Wisconsin Retirement System Pension Plan Benefits (Continued)

Pension Asset/Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

\$131,658 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31:</u>	<u>Pension Expense Amount</u>
2020	\$ 178,315
2021	47,080
2022	77,152
2023	185,000
2024	-
Thereafter	-

Actuarial assumptions. The total pension liability in the December 31, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2017
Measurement Date of Net Pension Liability (Asset):	December 31, 2018
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Inflation:	3.0%
Salary Increases:	3.1% to 8.6% including inflation
Mortality:	Wisconsin 2018 Mortality Table
Post-retirement Adjustments*:	1.9%

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

**CITY OF LADYSMITH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Wisconsin Retirement System Pension Plan Benefits (Continued)

Pension Asset/Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (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. Based on this experience study, actuarial assumptions used to measure the total pension liability changed from prior year, including the discount rate, long-term expected rate of return, post-retirement adjustment, wage inflation rate, mortality and separation rates. The total pension liability for December 31, 2018 is based upon a roll-forward of the liability calculated from the December 31, 2017 actuarial valuation.

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

Asset Class	Core Asset Allocation		Variable Asset Allocation	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Global Equities	49%	5.5%	N/A	N/A
U.S. Equities	N/A	N/A	70%	5.0%
International Equities	N/A	N/A	30%	5.9%
Fixed Income	25%	1.5%	N/A	N/A
Inflation Sensitive Assets	15%	1.3%	N/A	N/A
Real Estate	9%	3.9%	N/A	N/A
Private Equity/Debt	8%	6.7%	N/A	N/A
Multi-Asset	4%	4.1%	N/A	N/A
Totals	110%		100%	

**CITY OF LADYSMITH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Wisconsin Retirement System Pension Plan Benefits (Continued)

Pension Asset/Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Single Discount rate. A single discount rate of 7.00% was used to measure the total pension liability, as opposed to a discount rate of 7.20% for the 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 3.71%. Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
City's Proportionate Share of the Net Pension Liability (Asset)	\$ 1,841,191	\$ 463,297	\$ (561,274)

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

CITY OF LADYSMITH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 4 OTHER INFORMATION (CONTINUED)

B. Employee Leave Liabilities

Vacation is expected to be used annually, but will be paid out in the event of retirement or termination. Employees in the Police Union earn sick leave at the rate of one day (10 hours) per month with a maximum accumulation of 1000 hours. General employees earn sick leave at the rate of one day per month with a maximum accumulation of 960 hours. Additionally, all employees are awarded one bonus day if they work a calendar year without a sick day taken. Upon retirement (under WRS eligibility), employees receive payout of sick leave at 60% of the accumulated hours plus any bonus days awarded. The City allows employee's compensatory time off in lieu of pay at the rate of one and one-half hours for each hour of overtime worked. Such time is expected to be used in the year it is earned. The maximum accumulation of compensatory hours is 40. Upon normal retirement any remaining, unused compensatory time may be paid out at the employee's regular rate of pay and at the discretion of the governing body.

Liabilities for accumulated vacation and sick leave are not accrued in the City's governmental fund financial statements but are recorded as expenditures when paid. Such liabilities are accrued in the government-wide financial statements when earned. The estimated liability for unused vacation, sick leave, and compensatory time payable from the governmental funds at December 31, 2019 was \$143,253. The estimated liability in the proprietary funds at that date was \$49,219.

C. Other Postemployment Benefit Plan

The City adopted Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*. The City engaged an actuary to determine the City's liability for postemployment healthcare benefits other than pensions.

**CITY OF LADYSMITH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 4 OTHER INFORMATION (CONTINUED)

C. Other Postemployment Benefit Plan (Continued)

General Information about the OPEB Plan

Single-Employer Plan Description. The City offers a single employer supplemental program for certain employees which includes certain health insurance benefits. The City provides these benefits according to negotiated agreements. The amounts vary based on age, years of service, and classification of employees.

Employees Covered by Benefit Terms. At December 31, 2019, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payment	1
Inactive plan members entitled to but not yet receiving benefit payments	-
Active plan members	<u>26</u>
Total	<u><u>27</u></u>

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

Total OPEB Liability

The City's total OPEB liability of \$41,412 was measured as of December 31, 2019.

Actuarial Assumptions. The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation:	2.50%
Salary Increases:	3.00%
Discount Rate:	4.00%
	7.5% decreasing by 0.50% per year down to 6.5%, then by 0.10% per year down to 5.0%, and level thereafter
Healthcare Cost Trend Rates:	
Mortality Rates:	Wisconsin 2012 Mortality Table

The discount rate was based on the Bond Buyer GO 20-year AA Bond Index published by the Federal Reserve.

**CITY OF LADYSMITH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 4 OTHER INFORMATION (CONTINUED)

C. Other Postemployment Benefit Plan (Continued)

Change in the Total OPEB Liability

	Total OPEB Liability
Balance at December 31, 2018	\$ 37,368
Changes for the year:	
Service Cost	4,094
Interest	1,380
Changes of Assumptions or Other Input	(1,430)
Net Changes	4,044
Balance at December 31, 2019	\$ 41,412

There were no changes in benefit terms during the reporting period. The discount rate for the reporting period was 4.00% compared to 3.50% in the prior period.

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 (3.00%) or 1-percentage-point higher (5.00%) than the current discount rate:

		1% Decrease 3.00%	Current Discount Rate 4.00%	1% Increase 5.00%
Total OPEB Liability	12/31/19	\$ 44,313	\$ 41,412	\$ 38,689

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

		1% Decrease (6.5% decreasing to 4.00%)	Healthcare Cost Trend Rates (7.5% decreasing to 5.00%)	1% Increase (8.5% decreasing 6.00%)
Total OPEB Liability	12/31/19	\$ 36,998	\$ 41,412	\$ 46,547

**CITY OF LADYSMITH, WISCONSIN
 NOTES TO BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2019**

NOTE 4 OTHER INFORMATION (CONTINUED)

C. Other 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, 2019, the City recognized an increase to OPEB expense of \$4,044. At December 31, 2019, the City did not report any deferred outflows of resources or deferred inflows of resources related to OPEB.

The plan does not issue separate financial statements.

D. Other Postemployment Benefits – Multiple Employer Plan

Plan Description. The LRLIF is a 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 post-employment life insurance benefits for all eligible employees.

Benefits Provided. The LRLIF plan provides fully paid up life insurance benefits for post-age 64 retired employees 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 employee 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 employee premiums until age 65 in order to be eligible for the benefit after age 65.

Contribution rates as of December 31, 2019 are:

Coverage Type	Employer Contribution
50% Post Retirement Coverage	40% of employee contribution
25% Post Retirement Coverage	20% of employee contribution

**CITY OF LADYSMITH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 4 OTHER INFORMATION (CONTINUED)

D. Other Postemployment Benefits – Multiple Employer Plan (Continued)

Employee contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating employees must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The employee contribution rates in effect for the year ended December 31, 2019 are:

<u>Attained Age</u>	<u>Basic</u>
Under 30	\$ 0.05
30-34	0.06
35-39	0.07
40-44	0.08
45-49	0.12
50-54	0.22
55-59	0.39
60-64	0.49
65-69	0.57

During the reporting period, the LRLIF recognized \$1,525 in contributions from the City.

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

At December 31, 2019, the City reported a liability of \$204,290 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2017 and rolled forward to December 31, 2018. 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 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, 2018, the City's proportion was 0.079172%, which was an increase of 0.00180 from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the City recognized OPEB expense of \$22,798. At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

<u>Description</u>	<u>Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ -	\$ (10,363)
Changes of Assumptions	19,492	(44,282)
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	4,882	-
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	14,268	-
City Contributions Subsequent to the Measurement Date	1,525	-
Total	<u>\$ 40,167</u>	<u>\$ (54,645)</u>

**CITY OF LADYSMITH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 4 OTHER INFORMATION (CONTINUED)

D. Other Postemployment Benefits – Multiple Employer Plan (Continued)

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

\$1,525 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction to the net OPEB liability in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEBs will be recognized in OPEB expense as follows:

Year Ending December 31:	OPEB Expense Amount
2020	\$ (1,517)
2021	(1,517)
2022	(1,517)
2023	(2,203)
2024	(2,909)
Thereafter	(6,340)

Actuarial assumptions. The total OPEB liability in the January 1, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2018
Measurement Date of Net OPEB Liability (Asset):	December 31, 2018
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield	4.10%
Long-Term Expected Rate of Return:	5.00%
Discount Rate:	4.22%
Salary Increases:	
Inflation	3.00%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table

The discount rate was based on the Bond Buyer Go 20-year AA municipal bond rate Index published by the Federal Reserve.

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. Based on this experience study, actuarial assumptions used to measure the total OPEB liability changed from prior year, including the discount rate, wage inflation rate, mortality and separation rates. The total OPEB liability for December 31, 2018 is based upon a roll-forward of the liability calculated from the December 31, 2018 actuarial valuation.

**CITY OF LADYSMITH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 4 OTHER INFORMATION (CONTINUED)

D. Other Postemployment Benefits – Multiple Employer Plan (Continued)

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

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. Government Bonds	Barclays Government	1.0%	1.44%
U.S. Credit Bonds	Barclays Credit	40.0%	2.69%
U.S. Long Credit Bonds	Barclays Long Credit	4.0%	3.01%
U.S. Mortgages	Barclays MBS	54.0%	2.25%
U.S. Municipal Bonds	Bloomberg Barclays Muni	1.0%	1.68%
Inflation			2.30%
Long-Term Expected Rate of Return			5.00%

Single Discount rate. A single discount rate of 4.22% was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 3.63% for the prior year. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive employees. 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.

**CITY OF LADYSMITH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 4 OTHER INFORMATION (CONTINUED)

D. Other Postemployment Benefits – Multiple Employer Plan (Continued)

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

Sensitivity of the City's proportionate share of the 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 4.22%, 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 (3.225) or 1-percentage-point higher (5.22%) than the current rate:

	1% Decrease (3.22%)	Current Discount Rate (4.22%)	1% Increase (5.22%)
City's Proportionate Share of the Net OPEB Liability (Asset)	\$ 290,617	\$ 204,290	\$ 137,709

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>.

E. Joint Facility Projects and Other Commitments

As a part of financing costs for industrial development capital improvements, the City and Rusk County (County) have combined their resources in several joint facility projects. The projects are accounted for by the City in special revenue funds. A description of these funds and related financing follows.

Meadowbrook Center Income Fund. This is a City owned and operated facility that has received funds from the County to assist in financing capital improvements. The funds received from the County are subject to reimbursement, at no interest, as rentals of the facility are received by the City. During 2019, the City did not make any payments to the County. There was no outstanding balance due the County at December 31, 2019. The fund had a deficit balance of \$142,501 at December 31, 2019, which is expected to be recovered in future years with rental income.

**CITY OF LADYSMITH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 4 OTHER INFORMATION (CONTINUED)

E. Joint Facility Projects and Other Commitments (Continued)

Fritz Avenue Revenues Fund. This fund is used to account for the transactions of the Fritz Avenue Manufacturing Plant. The County has the lead role in maintaining the plant. The County collects the rental payments and pays the operating costs. At the end of each year the County makes a payment to the City for its equal share of the net proceeds of the annual operations. The City's fund balance at December 31, 2019 was \$323,772. This balance is available to the City for future economic development projects.

F. Operating Leases

The City of Ladysmith leases to Northern States Power Company (Xcel Energy) 1,784 square feet of building space at the old Flambeau Mine site. The previous agreement expired June 30, 2011 and the lease was renewed July 1, 2011 for a ten year period. Under the new lease agreement, Xcel Energy will make annual rent payments of \$3.60 per square foot, increasing in \$0.05 increments each year thereafter. The lease will expire June 30, 2021.

The City of Ladysmith leases to Rockwell Automation, Inc (Allen-Bradley Company, Inc) 117,000 square feet of building space located at 1506 E 16th Street South. In 2019, the City received \$17,500 per month. The monthly rent will continue at \$17,500 per month through April 30, 2020 and then decrease \$4,200 annually until the lease expires April 30, 2025.

The City of Ladysmith leases to Rockwell Automation, Inc (Allen-Bradley Company, Inc), 20,000 square feet of warehouse space located at 501 Fritz Avenue West. In 2019, the City received \$3,000 per month, resulting in rent income of \$36,000 for the year. Per the terms of the agreement, the \$3,000 monthly rent will continue through December 31, 2020, when the current agreement will expire.

The City of Ladysmith leases to Westlake Enterprises the premises located at 1502 E 16th Street South. The lease was renewed May 20, 2010 for a ten year term set to expire May 20, 2020. The base rate is \$1,800 per month increasing by \$50 increments January 1st of each subsequent year through the term of the lease. During 2019, the City received a total of \$27,000 in rent.

The City of Ladysmith leases to Indeck Ladysmith, LLC the premises located at 1951 Meadowbrook Road. The lease started on August 1, 2019 and expires on July 31, 2022. Per the terms of the agreement, \$7,663 of monthly rent will continue until the end of the lease.

**CITY OF LADYSMITH, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 4 OTHER INFORMATION (CONTINUED)

F. Operating Leases (Continued)

A summary of capital assets available for lease at December 31, 2019 follows:

Land Improvements	\$ 68,775
Buildings	<u>5,635,013</u>
Total	5,703,788
Less: Accumulated Depreciation	<u>1,307,698</u>
Net	<u><u>\$ 4,396,090</u></u>

These leases are accounted for as operating leases. Annual commitments on long-term leases are as follows:

Year Ending December 31,	As Lessor:
2020	\$ 353,742
2021	297,941
2022	252,440
2023	194,600
2024	190,400
Thereafter	63,000
Total	<u><u>\$ 1,352,123</u></u>

G. Contingencies

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

H. Risk Management

The City is exposed to various risks of loss related to torts; thefts of, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the City. Settled claims have not exceeded this commercial coverage in any of the last three years.

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF LADYSMITH, WISCONSIN
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED DECEMBER 31, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		(Negative)
REVENUES				
Taxes	\$ 1,309,540	\$ 1,309,540	\$ 1,331,532	\$ 21,992
Special Assessments	37,600	37,600	27,777	(9,823)
Intergovernmental	1,529,515	1,529,515	2,115,656	586,141
Licenses and Permits	14,825	14,825	21,186	6,361
Fines and Forfeits	36,900	36,900	29,359	(7,541)
Public Charges for Services	383,900	383,900	431,046	47,146
Intergovernmental Charges for Services	421,073	421,073	386,311	(34,762)
Miscellaneous:				
Interest	21,750	21,750	58,190	36,440
Rent	9,300	9,300	10,732	1,432
Donations	11,000	11,000	48,804	37,804
Other	14,950	14,950	31,750	16,800
Total Revenues	<u>3,790,353</u>	<u>3,790,353</u>	<u>4,492,343</u>	<u>701,990</u>
EXPENDITURES				
General Government	395,892	395,892	423,275	(27,383)
Public Safety	1,160,686	1,160,686	1,116,175	44,511
Transportation Facilities	1,446,203	1,446,203	1,781,024	(334,821)
Sanitation	354,997	354,997	345,018	9,979
Health and Human Services	127,855	127,855	160,512	(32,657)
Leisure Activities	238,900	238,900	231,217	7,683
Education	461,580	461,580	467,771	(6,191)
Conservation and Development	87,955	87,955	113,925	(25,970)
Debt Service	25,000	25,000	-	25,000
Total Expenditures	<u>4,299,068</u>	<u>4,299,068</u>	<u>4,638,917</u>	<u>(339,849)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	<u>(508,715)</u>	<u>(508,715)</u>	<u>(146,574)</u>	<u>362,141</u>
OTHER FINANCING SOURCES (USES)				
Long-Term Debt Issued	277,682	277,682	-	(277,682)
Transfer In	506,069	506,069	236,444	(269,625)
Transfer Out	(669,624)	(669,624)	(410,897)	258,727
Total Other Financing Sources (Uses)	<u>114,127</u>	<u>114,127</u>	<u>(174,453)</u>	<u>(288,580)</u>
NET CHANGE IN FUND BALANCE				
	(394,588)	(394,588)	(321,027)	73,561
Fund Balance - January 1	<u>1,477,176</u>	<u>1,477,176</u>	<u>1,477,176</u>	<u>-</u>
FUND BALANCE - DECEMBER 31	<u><u>\$ 1,082,588</u></u>	<u><u>\$ 1,082,588</u></u>	<u><u>\$ 1,156,149</u></u>	<u><u>\$ 73,561</u></u>

See Notes to Required Supplementary Information

CITY OF LADYSMITH, WISCONSIN
SCHEDULE OF CHANGE IN THE CITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS
(PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)

	<u>2018</u>	<u>2019</u>
Total OPEB Liability		
Service Cost	\$ 4,094	\$ 4,094
Interest	1,331	1,380
Changes of Assumptions or Other Input	-	(1,430)
Benefit Payments	<u>(8,071)</u>	<u>-</u>
Net Change in Total OPEB Liability	(2,646)	4,044
Total OPEB Liability - beginning	40,014	37,368
Total OPEB Liability - ending	<u>\$ 37,368</u>	<u>\$ 41,412</u>
Covered Payroll	1,458,818	1,458,818
Total OPEB Liability as a Percentage of Covered Payroll	2.56%	2.84%

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

SCHEDULE 3

CITY OF LADYSMITH, WISCONSIN
 SCHEDULE OF PROPORTIONATE SHARE OF
 WISCONSIN RETIREMENT SYSTEM NET PENSION PLAN ASSET/LIABILITY
 LAST TEN FISCAL YEARS
 (PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)

	2014	2015	2016	2017	2018
Measurement Date: December 31,					
City's proportion of the net pension liability (asset)	0.01444519%	0.01395477%	0.01349814%	0.01312361%	0.01302243%
City's proportionate share of the net pension liability (asset)	\$ (354,812)	\$ 226,762	\$ 111,256	\$ (389,656)	\$ 463,297
City's covered payroll	\$ 1,786,575	\$ 1,644,952	\$ 1,689,492	\$ 1,690,040	\$ 1,674,063
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	19.86%	13.79%	6.59%	23.06%	27.68%
Plan fiduciary net position as a percentage of the total pension liability (asset)	102.74%	98.20%	99.12%	102.93%	96.45%

CITY OF LADYSMITH, WISCONSIN
SCHEDULE OF CONTRIBUTIONS TO WISCONSIN RETIREMENT SYSTEM
PENSION PLAN
LAST TEN FISCAL YEARS
(PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)

Fiscal Year Ended: December 31,	2015	2016	2017	2018	2019
Contractually Required Contribution	\$ 124,863	\$ 125,401	\$ 134,255	\$ 129,528	\$ 131,658
Contributions in Relation to the Contractually Required Contributions	<u>(124,863)</u>	<u>(125,401)</u>	<u>(134,255)</u>	<u>(129,528)</u>	<u>(131,658)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll	\$ 1,644,952	\$ 1,689,492	\$ 1,690,040	\$ 1,674,064	\$ 1,727,219
Contributions as a Percentage of Covered Payroll	7.59%	7.42%	7.94%	7.74%	7.62%

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

Changes of Assumptions. Actuarial assumptions are based upon an experience study conducted in 2018 using experience from 2015-2017. Based on the experience study conducted in 2018, actuarial assumptions used to develop total pension liability changed, including the discount rate, long-term expected rate of return, post-retirement adjustment, wage inflation rate, mortality and separation rates.

CITY OF LADYSMITH, WISCONSIN
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
WISCONSIN LOCAL RETIREE LIFE INSURANCE FUND OPEB PLAN
LAST TEN FISCAL YEARS
(PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)

Measurement Date: December 31,	2017	2018
City's proportion of the net OPEB liability (asset)	0.077372%	0.079172%
City's proportionate share of the net OPEB liability (asset)	\$ 232,780	\$ 204,290
City's covered payroll	\$ 3,253,714	\$ 1,577,000
City's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	7.15%	12.95%
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	44.81%	48.69%

CITY OF LADYSMITH, WISCONSIN
SCHEDULE OF THE CITY'S CONTRIBUTIONS TO THE
WISCONSIN LOCAL RETIREE LIFE INSURANCE FUND OPEB PLAN
LAST TEN FISCAL YEARS
(PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)

Year Ended: December 31,	<u>2018</u>	<u>2019</u>
Contractually Required Contributions	\$ 1,530	\$ 1,525
Contributions in Relation to the Contractually Required Contributions	<u>1,530</u>	<u>1,525</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
 City's Covered Payroll	 \$ 3,253,714	 \$ 1,577,000
 Contributions as a Percentage of Covered Payroll	 0.05%	 0.10%

**CITY OF LADYSMITH, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2019**

BUDGETARY INFORMATION

GASB Statement No. 34 requires the presentation of budgetary comparison schedules for the general fund and for each major special revenue fund. Budgetary information is derived from the City's annual operating budget. The City did not formally adopt a budget for the CDBG fund, or the Mining/MILIF Economic Development fund.

The City's budget is adopted in accordance with Chapter 65 of the Wisconsin Statutes and on a basis consistent with generally accepted accounting principles. Changes to appropriations authorized in the adopted budget generally require a vote of two-thirds of the entire membership of the governing body. The City's legal budget is adopted at the major function level in the general fund (i.e., general government) and at the fund level in all other funds. The City exercises budgetary expenditure control at the department level.

Budget amounts in the financial statements include both original adopted budget and the final budget. Changes to the budget during the year, if any, generally include amendments authorized by the governing body, additions of approved carryover amounts and appropriations of revenues and other sources for specified expenditures/uses. Appropriated budget amounts in the general fund lapse at the end of the year unless specifically carried over for financing subsequent year expenditures.

The following general fund expenditure line items exceeded budgeted amounts. These overages were determined necessary and authorized by management.

	<u>Budget</u>	<u>Expenditures</u>	<u>Excess</u>
General Government	\$ 395,892	\$ 423,275	\$ (27,383)
Transportation Facilities	1,446,203	1,781,024	(334,821)
Health and Human Services	127,855	160,512	(32,657)
Education	461,580	467,771	(6,191)
Conservation and Development	87,955	113,925	(25,970)

SUPPLEMENTARY INFORMATION

COMBINING AND INDIVIDUAL FUND STATEMENTS

CITY OF LADYSMITH, WISCONSIN
 NONMAJOR GOVERNMENTAL FUNDS
 COMBINING BALANCE SHEET
 YEAR ENDED DECEMBER 31, 2019

	Special Revenue Funds			Capital Projects Funds		Total Nonmajor Governmental Funds
	Meadowbrook Center Income	Rail Site Facility Revenues	Fritz Avenue Revenues	Combined Total		
Cash and Investments	\$ -	\$ 102,226	\$ 323,772	\$ 425,998	\$ 1,134,571	\$ 1,560,569
Taxes Receivable	-	-	-	-	670,460	670,460
Installment Loans Receivable	-	70,212	-	70,212	-	70,212
Total Assets	\$ -	\$ 172,438	\$ 323,772	\$ 496,210	\$ 1,805,031	\$ 2,301,241

ASSETS

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES

Liabilities:

Accounts Payable	\$ -	\$ -	\$ -	\$ -	1,820	\$ 1,820
Accrued Payroll Liabilities	-	-	-	-	116	116
Advances from Other Funds	142,501	-	-	142,501	192,715	335,216
Total Liabilities	142,501	-	-	142,501	194,651	337,152

Deferred Inflows of Resources

Succeeding Year's Taxes	-	-	-	-	670,460	670,460
Unavailable Loans Receivable	-	70,212	-	70,212	-	70,212
Total Deferred Inflows of Resources	-	70,212	-	70,212	670,460	740,672

Fund Balances:

Restricted	-	-	-	-	1,132,635	1,132,635
Committed	-	102,226	323,772	425,998	-	425,998
Unassigned	(142,501)	-	-	(142,501)	(192,715)	(335,216)
Total Fund Balances	(142,501)	102,226	323,772	283,497	939,920	1,223,417

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

\$ -	\$ 172,438	\$ 323,772	\$ 496,210	\$ 1,805,031	\$ 2,301,241
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**CITY OF LADYSMITH, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2019**

	Special Revenue Funds			Capital Projects Funds		Total Nonmajor Governmental Funds
	Meadowbrook Center Income	Rail Site Facility Revenues	Fritz Avenue Revenues	Combined Total		
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ 619,884	\$ 619,884	\$ 619,884
Intergovernmental	-	-	-	20,739	20,739	20,739
Miscellaneous:						
Rent	182,750	21,444	36,000	-	-	240,194
Other	618	-	-	618	6,547	7,165
Total Revenues	<u>183,368</u>	<u>21,444</u>	<u>36,000</u>	<u>647,170</u>	<u>647,170</u>	<u>887,982</u>
EXPENDITURES						
Transportation Facilities	-	-	-	104,743	104,743	104,743
Community and Economic Development	29,464	561	-	278,460	308,485	308,485
Debt Service - Principal	8,972	-	-	8,972	-	8,972
Debt Service - Interest	3,028	-	-	2,400	5,428	5,428
Total Expenditures	<u>41,464</u>	<u>561</u>	<u>-</u>	<u>385,603</u>	<u>427,628</u>	<u>427,628</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	141,904	20,883	36,000	261,567	460,354	460,354
OTHER FINANCING SOURCES (USES)						
Transfers Out	(145,244)	-	-	(58,250)	(203,494)	(203,494)
NET CHANGE IN FUND BALANCES	(3,340)	20,883	36,000	203,317	256,860	256,860
Fund Balances, January 1	(139,161)	81,343	287,772	736,603	966,557	966,557
FUND BALANCES (DEFICITS), DECEMBER 31	<u>\$ (142,501)</u>	<u>\$ 102,226</u>	<u>\$ 323,772</u>	<u>\$ 939,920</u>	<u>\$ 1,223,417</u>	<u>\$ 1,223,417</u>

CITY OF LADYSMITH, WISCONSIN
 NONMAJOR CAPITAL PROJECTS FUNDS
 COMBINING BALANCE SHEET
 DECEMBER 31, 2019

	TID #8	TID #9	TID #10	TID #5	TID #11	Total Nonmajor Capital Projects Funds
ASSETS						
Cash and Investments	\$ 202,760	\$ 419,659	\$ -	\$ -	\$ 512,152	\$ 1,134,571
Taxes Receivable	145,193	207,242	42,635	48,502	226,888	670,460
Total Assets	<u>\$ 347,953</u>	<u>\$ 626,901</u>	<u>\$ 42,635</u>	<u>\$ 48,502</u>	<u>\$ 739,040</u>	<u>\$ 1,805,031</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities:						
Accounts Payable	\$ -	\$ 1,820	\$ -	\$ -	\$ -	\$ 1,820
Accrued Payroll Liabilities	87	-	-	-	29	116
Advances from Other Funds	-	-	109,339	83,376	-	192,715
Total Liabilities	<u>87</u>	<u>1,820</u>	<u>109,339</u>	<u>83,376</u>	<u>29</u>	<u>194,651</u>
Deferred Inflows of Resources:						
Succeeding Year's Tax Increment	145,193	207,242	42,635	48,502	226,888	670,460
Fund Balances:						
Restricted	202,673	417,839	-	-	512,123	1,132,635
Unassigned	-	-	(109,339)	(83,376)	-	(192,715)
Total Fund Balances	<u>202,673</u>	<u>417,839</u>	<u>(109,339)</u>	<u>(83,376)</u>	<u>512,123</u>	<u>939,920</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 347,953</u>	<u>\$ 626,901</u>	<u>\$ 42,635</u>	<u>\$ 48,502</u>	<u>\$ 739,040</u>	<u>\$ 1,805,031</u>

SCHEDULE A-4

CITY OF LADYSMITH, WISCONSIN
 NONMAJOR CAPITAL PROJECTS FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 YEAR ENDED DECEMBER 31, 2019

	TID #8	TID #9	TID #10	TID #5	TID #11	Total Nonmajor Capital Projects Funds
REVENUES						
Taxes	\$ 93,280	\$ 270,900	\$ 43,170	\$ 46,081	\$ 166,453	\$ 619,884
Intergovernmental	6,069	9,248	817	848	3,757	20,739
Miscellaneous:						
Other	-	6,547	-	-	-	6,547
Total Revenues	<u>99,349</u>	<u>286,695</u>	<u>43,987</u>	<u>46,929</u>	<u>170,210</u>	<u>647,170</u>
EXPENDITURES						
Transportation Facilities	-	104,743	-	-	-	104,743
Conservation and Development	126,425	123,974	15,293	880	11,888	278,460
Debt Payments	-	2,400	-	-	-	2,400
Total Expenditures	<u>126,425</u>	<u>231,117</u>	<u>15,293</u>	<u>880</u>	<u>11,888</u>	<u>385,603</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(27,076)	55,578	28,694	46,049	158,322	261,567
OTHER FINANCING SOURCES (USES)						
Transfers Out	<u>(25,163)</u>	<u>(12,468)</u>	<u>(20,619)</u>	-	-	<u>(58,250)</u>
NET CHANGE IN FUND BALANCES	(52,239)	43,110	8,075	46,049	158,322	203,317
Fund Balances (Deficits), January 1	<u>254,912</u>	<u>374,729</u>	<u>(117,414)</u>	<u>(129,425)</u>	<u>353,801</u>	<u>736,603</u>
FUND BALANCES (DEFICITS), DECEMBER 31	<u>\$ 202,673</u>	<u>\$ 417,839</u>	<u>\$ (109,339)</u>	<u>\$ (83,376)</u>	<u>\$ 512,123</u>	<u>\$ 939,920</u>

**CITY OF LADYSMITH, WISCONSIN
GENERAL FUND
DETAILED BALANCE SHEET
DECEMBER 31, 2019
(WITH COMPARATIVE AMOUNTS AS OF DECEMBER 31, 2018)**

	<u>2019</u>	<u>2018</u>
ASSETS		
Treasurer's Cash and Investments	\$ 1,759,712	\$ 1,838,677
Taxes Receivable:		
Current Tax Roll Items	1,074,517	933,645
Personal Property Taxes Receivable	666	5,400
Tax Roll Items Held by County:		
Special Assessments	3,914	12,372
Special Charges	2,096	1,781
Utility Charges	8,984	8,441
Special Assessments Receivable	153,564	197,469
Prepaid Items	57,144	-
Other Accounts Receivable	35,394	28,909
Due from Other Governments	44,561	24,912
Due from Other Funds:		
Enterprise Funds	470,239	1,441
Advances to Other Funds:		
Tax Increment District #5 Capital Projects Fund	83,376	129,405
	<u>\$ 3,694,167</u>	<u>\$ 3,182,452</u>
Total Assets		
	<u>\$ 3,694,167</u>	<u>\$ 3,182,452</u>
	<u>2019</u>	<u>2018</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
Liabilities:		
Vouchers Payable	\$ 127,362	\$ 124,217
Construction Payables	627,447	-
Accrued Payroll Liabilities	43,511	47,320
Due to Other Governmental Units	97,572	62,313
Special Deposits	2,205	4,980
Total Liabilities	<u>898,097</u>	<u>238,830</u>
Deferred Inflows of Resources:		
Succeeding Year's Property Tax	1,446,519	1,229,741
Unavailable Special Assessments	193,402	236,705
Total Deferred Inflows of Resources	<u>1,639,921</u>	<u>1,466,446</u>
Fund Balance:		
Nonspendable:		
Prepaid Items	57,144	-
Delinquent Taxes	15,660	27,994
Advances to Other Funds	83,376	129,405
Restricted	25,236	23,586
Assigned	513,605	948,968
Unassigned	461,128	347,223
Total Fund Balance	<u>1,156,149</u>	<u>1,477,176</u>
	<u>\$ 3,694,167</u>	<u>\$ 3,182,452</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance		
	<u>\$ 3,694,167</u>	<u>\$ 3,182,452</u>

**CITY OF LADYSMITH, WISCONSIN
GENERAL FUND
SCHEDULE OF CHANGES IN FUND BALANCE
YEAR ENDED DECEMBER 31, 2019**

	Balance January 1, 2019	General Property Taxes	Other Revenues/ Sources	Transfers General Fund		Transfers Other Funds		Total Available	Expenditures	Balance December 31, 2019
				In	Out	In	Out			
NONSPENDABLE										
Prepaid Items	\$ 27,994	-	-	\$ 57,144	\$ -	\$ -	\$ -	\$ 57,144	\$ -	\$ 57,144
Delinquent Taxes					12,334			15,660		15,660
Advances to Other Funds:										
TID #5	129,405	-	-	-	46,029	-	-	83,376	-	83,376
Total Nonspendable Fund Balance	157,399	-	-	57,144	58,363	-	-	156,180	-	156,180
RESTRICTED										
Fire Department - Special 2% Fund	23,586	-	15,400	-	-	-	-	38,986	13,750	25,236
ASSIGNED										
Fund Balance Applied to Subsequent Year's Budget	394,589	-	-	108,077	394,589	-	-	108,077	-	108,077
Subsequent Year's Budget - Library Fine/Fees	6,455	-	-	11,727	9,217	-	-	8,965	-	8,965
Library Maintenance - Controlled by Joint Management	25,000	-	-	-	-	-	-	25,000	-	25,000
Vacation Reserve	24,061	-	-	-	-	-	-	24,061	-	24,061
Quiet Zone Study	10,000	-	-	-	-	-	-	10,000	-	10,000
Police Department:										
Uniform Fund	1,892	3,325	-	-	-	-	-	5,217	3,586	1,631
Employee Benefits	7,734	-	-	-	-	-	-	7,734	3	7,731
Police Department Meth Program	1,189	-	-	-	-	-	-	1,189	500	689
Police Department Canine Unit	5,081	-	-	-	-	-	-	5,081	5,081	-
Police Department Bike Rodeo	439	-	-	-	-	-	-	439	-	439
Special Investigations	1,956	-	-	-	-	-	-	1,956	920	1,036
Safe Assured Donation	2,000	-	-	-	-	-	-	2,000	-	2,000
Library Donations	8,434	-	35,835	-	-	-	-	44,269	21,285	22,984
Library Fines/Fees	7,697	-	12,184	-	11,727	-	-	8,154	1,589	6,565
Library - Lower Level Rent	3,905	-	3,740	-	-	-	-	7,645	2,500	5,145
Skate Park	9,883	-	-	-	-	-	-	9,883	229	9,654
Winter Magic	4,236	-	2,830	-	-	-	-	7,066	2,814	4,252
Carryover Funds:										
Veterans' Mural	2,312	-	650	-	-	-	-	2,962	650	2,312
Recycling Program	10,967	-	-	-	-	-	-	10,967	-	10,967
Street Improvements	249,003	500,000	1,209,978	-	-	-	-	1,958,981	1,958,981	-
Street Equipment	46,016	85,000	35,000	-	-	-	-	166,016	62,491	103,525
Police Department Vehicle	25,069	15,000	10,382	-	-	-	-	50,451	29,910	20,541
Cracksealing/Patching	82,459	95,000	-	-	-	-	-	177,459	62,913	114,546
Parks Lawn Mower	7,676	5,000	-	-	-	-	-	12,676	-	12,676
Post Office Parking Lot	8,525	-	-	-	-	-	-	8,525	-	8,525
Cemetery - Lawn Mower	2,390	16,000	-	-	-	-	-	18,390	16,106	2,284
Total Assigned Fund Balance	948,968	719,325	1,310,599	119,804	415,533	-	-	2,683,163	2,169,558	513,605
UNASSIGNED										
Total General Fund	347,223	510,786	1,936,233	381,732	84,784	236,444	410,897	2,916,737	2,455,609	461,128
Total General Fund	\$ 1,477,176	\$ 1,230,111	\$ 3,262,232	\$ 558,680	\$ 558,680	\$ 236,444	\$ 410,897	\$ 5,795,066	\$ 4,638,917	\$ 1,156,149

**CITY OF LADYSMITH, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2018)**

	2019			Variance Positive (Negative)	2018 Actual
	Adopted Budget	Final Budget	Actual		
REVENUES					
Taxes:					
General Property Taxes	\$ 1,229,740	\$ 1,229,740	\$ 1,230,111	\$ 371	\$ 1,229,741
Motel Room Tax	19,800	19,800	46,816	27,016	44,569
Other Payments in Lieu of Taxes	60,000	60,000	54,605	(5,395)	66,332
Total Taxes	<u>1,309,540</u>	<u>1,309,540</u>	<u>1,331,532</u>	<u>21,992</u>	<u>1,340,642</u>
Special Assessments:					
Curb and Gutter	6,000	6,000	15,675	9,675	7,737
Watermain	9,300	9,300	-	(9,300)	5,703
Sewermain	15,800	15,800	-	(15,800)	12,195
Sidewalk and Crosswalk	6,500	6,500	12,102	5,602	16,049
Total Special Assessments	<u>37,600</u>	<u>37,600</u>	<u>27,777</u>	<u>(9,823)</u>	<u>41,684</u>
Intergovernmental:					
Shared Taxes from State	1,236,274	1,236,274	1,301,953	65,679	1,236,922
Fire Insurance Taxes from State	7,000	7,000	6,879	(121)	6,771
State Aid for Exempt Computers	8,000	8,000	9,095	1,095	8,880
State Transportation Aids	238,639	238,639	259,280	20,641	259,509
CDBG Public Facilities Grant	-	-	500,000	500,000	140,766
Police Training Grants	1,280	1,280	960	(320)	1,120
Police Other Grants	1,836	1,836	-	(1,836)	-
Highway Safety Grants	3,216	3,216	-	(3,216)	-
Fire Suppression Grant	-	-	2,383	2,383	1,080
Recycling Grant	3,750	3,750	5,556	1,806	27,454
Library Grants	29,520	29,520	29,550	30	26,313
Total Intergovernmental	<u>1,529,515</u>	<u>1,529,515</u>	<u>2,115,656</u>	<u>586,141</u>	<u>1,708,815</u>
Licenses and Permits:					
Liquor and Malt Beverage Licenses	5,800	5,800	5,947	147	5,842
Operators Licenses	2,700	2,700	4,045	1,345	3,325
Cigarette Licenses	300	300	550	250	300
Amusement Device Licenses	375	375	315	(60)	375
Pet Licenses	900	900	1,144	244	1,172
Building Permits	4,500	4,500	8,719	4,219	6,628
Other Permits	250	250	466	216	255
Total Licenses and Permits	<u>14,825</u>	<u>14,825</u>	<u>21,186</u>	<u>6,361</u>	<u>17,897</u>
Fines and Forfeits:					
Court Fines and Costs	35,000	35,000	26,594	(8,406)	32,506
Parking Violations	1,900	1,900	2,765	865	2,116
Total Fines and Forfeits	<u>36,900</u>	<u>36,900</u>	<u>29,359</u>	<u>(7,541)</u>	<u>34,622</u>

**CITY OF LADYSMITH, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2018)**

	2019			Variance Positive (Negative)	2018 Actual
	Adopted Budget	Final Budget	Actual		
REVENUES (CONTINUED)					
Public Charges for Services:					
Clerk's Office	\$ 200	\$ 200	\$ 307	\$ 107	\$ 384
Police Department	3,500	3,500	4,918	1,418	3,808
Street Department Earnings	1,000	1,000	1,999	999	2,840
Garbage Collection	319,200	319,200	360,960	41,760	338,593
Library Fees	10,000	10,000	12,184	2,184	11,688
Parks and Playgrounds	5,000	5,000	4,305	(695)	4,920
Cemetery	45,000	45,000	46,373	1,373	39,446
Total Public Charges for Services	<u>383,900</u>	<u>383,900</u>	<u>431,046</u>	<u>47,146</u>	<u>401,679</u>
Intergovernmental Charges for Services:					
Fire Department Contracts	172,746	172,746	157,914	(14,832)	174,594
Library	248,327	248,327	228,397	(19,930)	238,100
Total Intergovernmental Charges for Services	<u>421,073</u>	<u>421,073</u>	<u>386,311</u>	<u>(34,762)</u>	<u>412,694</u>
Interest:					
Investments	10,000	10,000	45,377	35,377	51,568
Penalties for Tax Roll Items	1,500	1,500	2,354	854	2,424
Special Assessments	10,250	10,250	10,459	209	11,329
Total Interest	<u>21,750</u>	<u>21,750</u>	<u>58,190</u>	<u>36,440</u>	<u>65,321</u>
Rent:					
City Owned Buildings	6,800	6,800	6,992	192	6,905
Library Lower Level Rent	2,500	2,500	3,740	1,240	3,905
Total Rent	<u>9,300</u>	<u>9,300</u>	<u>10,732</u>	<u>1,432</u>	<u>10,810</u>
Donations:					
Donations for the Fire Department	-	-	2,353	2,353	2,672
Donations for the Police Department	1,500	1,500	2,353	853	2,527
Donations for Parks and Recreation	-	-	-	-	4,800
Donations for Winter Magic Event	2,500	2,500	2,830	330	2,265
Donations for Veterans Mural	-	-	650	650	950
Library Donations	500	500	35,835	35,335	3,940
Other Donations	6,500	6,500	4,783	(1,717)	-
Total Donations	<u>11,000</u>	<u>11,000</u>	<u>48,804</u>	<u>37,804</u>	<u>17,154</u>
Other Revenues:					
Utility Reimbursements:					
City Garage Expenses	5,500	5,500	4,137	(1,363)	4,777
City Hall Expenses	8,750	8,750	12,767	4,017	8,661
Sale of City Property	-	-	7,065	7,065	20,119
Insurance Recoveries\Dividends	-	-	7,064	7,064	8,525
Miscellaneous	700	700	717	17	7,245
Total Other Revenues	<u>14,950</u>	<u>14,950</u>	<u>31,750</u>	<u>16,800</u>	<u>49,327</u>
Total Revenues	<u>3,790,353</u>	<u>3,790,353</u>	<u>4,492,343</u>	<u>701,990</u>	<u>4,100,645</u>

**CITY OF LADYSMITH, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2018)**

	2019			Variance Positive (Negative)	2018 Actual
	Adopted Budget	Final Budget	Actual		
EXPENDITURES					
General Government:					
City Council	\$ 24,930	\$ 24,930	\$ 20,089	\$ 4,841	\$ 29,396
Commissions/Committees	7,570	7,570	9,696	(2,126)	7,282
Mayor	5,950	5,950	7,860	(1,910)	6,462
Clerk-Treasurer-Comptroller	181,550	181,550	192,586	(11,036)	226,736
City Hall Offices	37,550	37,550	47,161	(9,611)	82,553
Elections	19,700	19,700	16,955	2,745	25,973
Human Resource Management	10,790	10,790	8,553	2,237	8,009
Assessment of Property	22,600	22,600	22,975	(375)	22,413
Independent Auditing and Actuarial Valuation	15,000	15,000	16,380	(1,380)	16,750
City Attorney	25,790	25,790	25,773	17	26,111
Special Legal Counsel	6,000	6,000	3,312	2,688	2,501
Municipal Court	23,062	23,062	22,400	662	21,412
Uncollectible Taxes	2,500	2,500	13,954	(11,454)	17,770
Property and Liability Insurance	12,900	12,900	14,886	(1,986)	18,483
Miscellaneous	-	-	695	(695)	-
Total General Government	<u>395,892</u>	<u>395,892</u>	<u>423,275</u>	<u>(27,383)</u>	<u>511,851</u>
Public Safety:					
Police Department	897,451	897,451	855,068	42,383	826,553
Police Department Outlay	21,550	21,550	14,564	6,986	17,094
Police Department Uniform Fund	7,472	7,472	8,085	(613)	5,523
Police Department Vehicle Fund	35,000	35,000	29,910	5,090	24,931
Police Department Canine Unit	-	-	151	(151)	723
Fire Department	149,031	149,031	150,224	(1,193)	131,924
Fire Department Equipment	5,000	5,000	3,654	1,346	22,614
Fire Department 2% Fund	6,000	6,000	13,750	(7,750)	25,907
Building Inspection	25,649	25,649	28,763	(3,114)	21,235
Regulation Office	13,083	13,083	12,006	1,077	11,946
Storm Damage Cleanup	450	450	-	450	1,062
Total Public Safety	<u>1,160,686</u>	<u>1,160,686</u>	<u>1,116,175</u>	<u>44,511</u>	<u>1,089,512</u>
Transportation Facilities:					
Engineering Department	31,620	31,620	34,095	(2,475)	26,987
Street Commissioner	4,150	4,150	45,832	(41,682)	26,818
Street Department Time Off	49,725	49,725	42,948	6,777	43,568
Street Department Administration	31,200	31,200	19,742	11,458	31,627
Street Machinery Maintenance	113,700	113,700	72,167	41,533	65,227
Street Machinery Outlay	65,000	65,000	50,103	14,897	50,001
Garage	99,090	99,090	95,273	3,817	97,388

**CITY OF LADYSMITH, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2018)**

	2019			Variance Positive (Negative)	2018 Actual
	Adopted Budget	Final Budget	Actual		
EXPENDITURES (CONTINUED)					
Transportation Facilities (Continued):					
Street Maintenance	\$ 37,040	\$ 37,040	\$ 43,489	\$ (6,449)	\$ 44,885
Street Construction	500,000	500,000	884,684	(384,684)	521,700
Street Cleaning	17,710	17,710	12,420	5,290	9,373
Snow Removal	152,200	152,200	221,654	(69,454)	157,200
Street Tack Coating and Patching	117,230	117,230	85,055	32,175	86,248
Street Lighting	79,000	79,000	74,407	4,593	74,440
Sidewalks and Crosswalks	20,180	20,180	14,535	5,645	23,945
Storm Sewers	75,050	75,050	40,181	34,869	34,064
Curbs and Gutters	7,050	7,050	5,225	1,825	7,190
Bridges and Culverts	5,000	5,000	5,404	(404)	1,475
Street Signs and Markings	21,390	21,390	20,513	877	24,577
Parking Lots	6,690	6,690	119	6,571	1,574
Public Transportation	13,178	13,178	13,178	-	13,178
Total Transportation Facilities	<u>1,446,203</u>	<u>1,446,203</u>	<u>1,781,024</u>	<u>(334,821)</u>	<u>1,341,465</u>
Sanitation:					
Refuse Collection	211,132	211,132	199,746	11,386	205,947
Refuse Collection - Outlay	4,000	4,000	4,000	-	3,270
Transfer/Landfill Charges	85,000	85,000	93,428	(8,428)	90,862
Spring/Fall Clean-up	-	-	327	(327)	-
Landfill Remediation	7,500	7,500	6,500	1,000	7,541
Recycling Services	36,250	36,250	31,556	4,694	4,540
Weed Control	11,115	11,115	9,461	1,654	9,172
Total Sanitation	<u>354,997</u>	<u>354,997</u>	<u>345,018</u>	<u>9,979</u>	<u>321,332</u>
Health and Human Services:					
Animal Pound	50,000	50,000	46,251	3,749	40,596
Cemetery	77,855	77,855	114,261	(36,406)	90,329
Total Health and Human Services	<u>127,855</u>	<u>127,855</u>	<u>160,512</u>	<u>(32,657)</u>	<u>130,925</u>
Leisure Activities:					
Ball Diamonds	23,840	23,840	18,106	5,734	17,709
Parks	132,065	132,065	137,963	(5,898)	153,392
O.J. Falge Park Improvements	12,000	12,000	10,171	1,829	875
Swimming Beach	12,000	12,000	6,212	5,788	7,801
Skate Park	1,000	1,000	229	771	6,417
Public Celebrations	48,995	48,995	49,947	(952)	44,925
Winter Special Events	2,500	2,500	2,814	(314)	3,973
Bike / Pedestrian Path	1,000	1,000	224	776	-
Recreation Facility Development	5,500	5,500	5,551	(51)	46,767
Total Leisure Activities	<u>238,900</u>	<u>238,900</u>	<u>231,217</u>	<u>7,683</u>	<u>281,859</u>

**CITY OF LADYSMITH, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2018)**

	2019			Variance Positive (Negative)	2018 Actual
	Adopted Budget	Final Budget	Actual		
EXPENDITURES (CONTINUED)					
Education:					
Library Operations	\$ 450,160	\$ 450,160	\$ 443,764	\$ 6,396	\$ 441,301
Library Automation	920	920	1,133	(213)	-
Library Fines Fund	10,500	10,500	22,874	(12,374)	3,424
Total Education	<u>461,580</u>	<u>461,580</u>	<u>467,771</u>	<u>(6,191)</u>	<u>444,725</u>
Conservation and Development:					
City Advertising and Promotion	33,722	33,722	30,196	3,526	29,268
Tourism and Recreation-Room Tax	-	-	44,995	(44,995)	42,574
Planning and Development Office	16,790	16,790	17,306	(516)	12,253
Industrial Development	10,000	10,000	6,515	3,485	3,414
Tree Management	27,443	27,443	14,913	12,530	15,199
Total Conservation and Development	<u>87,955</u>	<u>87,955</u>	<u>113,925</u>	<u>(25,970)</u>	<u>102,708</u>
Debt Service:					
Capital Lease Principal	25,000	25,000	-	25,000	20,055
Capital Lease Interest	-	-	-	-	580
Total Debt Service	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>25,000</u>	<u>20,635</u>
Total Expenditures	<u>4,299,068</u>	<u>4,299,068</u>	<u>4,638,917</u>	<u>(339,849)</u>	<u>4,245,012</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(508,715)</u>	<u>(508,715)</u>	<u>(146,574)</u>	<u>362,141</u>	<u>(144,367)</u>
OTHER FINANCING SOURCES (USES)					
Proceeds of Long-Term Debt	277,682	277,682	-	(277,682)	-
Transfers In	506,069	506,069	236,444	(269,625)	243,791
Transfers Out	(669,624)	(669,624)	(410,897)	258,727	(504,347)
Total Other Financing Sources (Uses)	<u>114,127</u>	<u>114,127</u>	<u>(174,453)</u>	<u>(288,580)</u>	<u>(260,556)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (394,588)</u>	<u>\$ (394,588)</u>	<u>(321,027)</u>	<u>\$ 73,561</u>	<u>(404,923)</u>
Fund Balance, January 1			<u>1,477,176</u>		<u>1,882,099</u>
FUND BALANCE, DECEMBER 31			<u>\$ 1,156,149</u>		<u>\$ 1,477,176</u>

**CITY OF LADYSMITH, WISCONSIN
WATER UTILITY ENTERPRISE FUND
STATEMENT OF NET POSITION
DECEMBER 31, 2019
(WITH COMPARATIVE AMOUNTS AS OF DECEMBER 31, 2018)**

	2019	2018
ASSETS		
Current Assets:		
Cash and Investments for Operations	\$ -	\$ 96,717
Cash and Investments for Plant Replacement	317,444	310,452
Customer Accounts Receivable	185,481	168,438
Accounts Receivable on Tax Roll	5,182	12,935
Special Assessments Receivable	97,777	116,694
Inventories	16,826	15,824
Total Current Assets	622,710	721,060
Restricted Assets:		
Debt Reserve	-	38,750
Debt Redemption	-	2,701
Wisconsin Retirement System Net Pension Asset	-	35,192
Total Restricted Assets	-	76,643
Capital Assets:		
Utility Plant in Service	13,324,190	12,019,809
Less: Accumulated Depreciation	4,046,190	3,745,169
Total Capital Assets	9,278,000	8,274,640
Total Assets	9,900,710	9,072,343
DEFERRED OUTFLOWS OF RESOURCES		
Wisconsin Retirement System Pension Related	121,789	65,010
State Life Insurance Other Postemployment Benefits Related	3,462	3,327
Total Deferred Outflows of Resources	125,251	68,337
LIABILITIES		
Current Liabilities Payable from Current Assets:		
Accounts Payable	20,733	11,895
Accrued Wages	6,891	5,911
Due to General Fund - Cash Overdraft	76,634	-
Current Portion of Employee Vested Benefits	9,104	8,106
Total Current Liabilities	113,362	25,912
Current Liabilities Payable from Restricted Assets:		
Accrued Interest	15,602	7,433
Current Portion of Long-Term Debt	309,438	253,288
Total Current Liabilities Payable from Restricted Assets	325,040	260,721
Long-Term Obligations (Net of Current Portion):		
Mortgage Revenue Bonds	4,690,521	3,800,071
Other Postemployment Benefits Liability	4,141	3,737
Wisconsin Retirement System Net Pension Liability	45,067	-
State Life Insurance Net Other Postemployment Benefits Liability	17,606	20,080
Employee Vested Benefits	21,267	19,306
Total Long-Term Obligations	4,778,602	3,843,194
Total Liabilities	5,217,004	4,129,827
DEFERRED INFLOWS OF RESOURCES		
Wisconsin Retirement System Pension Related	62,214	69,282
State Life Insurance Other Postemployment Benefits Related	4,709	283
Total Deferred Inflows of Resources	66,923	69,565
NET POSITION		
Net Investment in Capital Assets	4,278,041	4,221,281
Restricted for Debt Service	-	34,018
Restricted for Pension Plan	-	35,192
Unrestricted	463,993	650,797
Total Net Position	\$ 4,742,034	\$ 4,941,288

**CITY OF LADYSMITH, WISCONSIN
WATER UTILITY ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2018)**

	2019	2018
OPERATING REVENUES		
Sales of Water:		
Residential	\$ 304,793	\$ 310,647
Commercial	158,397	151,853
Industrial	100,504	59,434
Public Authorities	77,603	84,002
Public Fire Protection	296,610	308,137
Private Fire Protection	31,388	31,156
Total Sales of Water	969,295	945,229
Other Operating Revenues:		
Forfeited Discounts	2,755	3,032
Meter Charge to Sewer Utility	33,091	35,318
Miscellaneous Revenues	1,756	2,290
Total Other Operating Revenues	37,602	40,640
 Total Operating Revenues	 1,006,897	 985,869
OPERATING EXPENSES		
Operation and Maintenance:		
Operation	179,440	162,164
Maintenance	166,390	131,642
Customer Accounting and Collection	6,299	7,916
Administrative and General	289,174	272,252
Total Operation and Maintenance	641,303	573,974
Depreciation	330,401	315,721
Total Operating Expenses	971,704	889,695
OPERATING INCOME	35,193	96,174
NONOPERATING REVENUES (EXPENSES)		
Interest Income	7,612	7,127
Interest Expense	(58,247)	(54,798)
TID Utility Benefit Charge	60,254	60,254
Amortization of Debt Discount and Expense	(16,884)	(236)
Total Nonoperating Revenues (Expenses)	(7,265)	12,347
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	27,928	108,521
CAPITAL CONTRIBUTIONS AND TRANSFERS		
Plant Additions Financed by Customer Special Assessments	9,262	120,237
Plant Additions Financed by Customer	-	2,150
Transfers from Other Funds	-	55,092
Transfer to General Fund - Tax Equivalents	(236,444)	(243,791)
Total Capital Contributions and Transfers	(227,182)	(66,312)
CHANGE IN NET POSITION	(199,254)	42,209
Net Position, January 1	4,941,288	4,899,079
NET POSITION, DECEMBER 31	\$ 4,742,034	\$ 4,941,288

**CITY OF LADYSMITH, WISCONSIN
WATER UTILITY ENTERPRISE FUND
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2018)**

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Customers	\$ 1,004,467	\$ 991,987
Cash Received for Sewer Share of Meter Expense	33,091	35,318
Cash Paid to Suppliers for Goods and Services	(368,725)	(324,678)
Cash Paid for Employee Services	(282,121)	(274,799)
Net Cash Provided by Operating Activities	386,712	427,828
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Cash Flow Financing Received from (Repaid to) General Fund	76,634	-
Cash Paid to General Fund for Tax Equivalents	(236,444)	(243,791)
Net Cash Used for Noncapital Financing Activities	(159,810)	(243,791)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Cash Paid for Acquisition of Capital Assets	(1,333,761)	(434,006)
Cash Received from Special Assessments	28,179	58,635
Cash Received from TIDs for Utility Benefit Charge	60,254	60,254
Cash Received from Long-Term Debt Proceeds	1,462,106	428,718
Principal Paid on Long-Term Debt	(538,288)	(233,228)
Interest Paid on Long-Term Debt	(44,180)	(55,202)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(365,690)	(174,829)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on Invested Funds	7,612	7,127
NET CHANGE IN CASH AND CASH EQUIVALENTS	(131,176)	16,335
Cash and Cash Equivalents - January 1	409,870	393,535
CASH AND CASH EQUIVALENTS - DECEMBER 31	\$ 278,694	\$ 409,870

**CITY OF LADYSMITH, WISCONSIN
WATER UTILITY ENTERPRISE FUND
STATEMENT OF CASH FLOWS (CONTINUED)
YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2018)**

	2019	2018
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income	\$ 35,193	\$ 96,174
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	330,401	315,721
Changes in Pension Plan Activity:		
Asset/Liability	80,259	(45,240)
Deferred Outflows of Resources	(56,779)	12,990
Deferred Inflows of Resources	(7,068)	37,682
Changes in OPEB Plan Activity:		
Liability	(2,070)	4,791
Deferred Outflows of Resources	(135)	(3,327)
Deferred Inflows of Resources	4,426	283
(Increase) Decrease in Assets:		
Accounts Receivable	(17,043)	4,998
Other Accounts Receivable	7,753	(4,411)
Inventory	(1,002)	5,266
Increase (Decrease) in Liabilities:		
Accounts Payable	8,838	(1,288)
Accrued Wages	980	1,276
Employee Vested Benefits	2,959	2,913
Net Cash Provided by Operating Activities	\$ 386,712	\$ 427,828
RECONCILIATION OF CASH AND INVESTMENTS TO CASH AND CASH EQUIVALENTS		
Cash and Investments per Statement of Net Position:		
Cash and Investments - Unrestricted	\$ 317,444	\$ 407,169
Cash and Investments - Restricted	-	41,451
	317,444	448,620
Less: Certificates of Deposit with a Maturity of Greater than Three Months	38,750	38,750
Cash and Cash Equivalents	\$ 278,694	\$ 409,870
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Capital Assets Financed by Customers and Developers	\$ -	\$ 2,150

**CITY OF LADYSMITH, WISCONSIN
 WATER UTILITY ENTERPRISE FUND
 SCHEDULE OF OPERATION AND MAINTENANCE EXPENSES
 YEAR ENDED DECEMBER 31, 2019
 (WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2018)**

	2019	2018
OPERATIONAL EXPENSES		
Operational Labor - Pumping	\$ 34,469	\$ 26,586
Power for Pumping	71,491	63,400
Chemicals - Treatment	13,207	12,710
Supplies and Expenses - Treatment	35,074	34,146
Transmission and Distribution - Labor	3,150	414
Supplies and Expense - Distribution	5,325	8,344
Shop Expenses	16,724	16,564
Total Operational Expenses	179,440	162,164
MAINTENANCE EXPENSES		
Pumps	11,800	12,161
Reservoirs	3,275	2,535
Mains	66,816	43,420
Services	45,238	27,847
Meters	18,861	22,972
Hydrants	15,772	20,259
Other Plant	4,628	2,448
Total Maintenance Expenses	166,390	131,642
CUSTOMER ACCOUNTS EXPENSES		
Meter Reading Labor	3,981	4,463
Supplies and Expense - Customers	2,318	3,453
Total Customer Accounts Expenses	6,299	7,916
ADMINISTRATIVE AND GENERAL EXPENSES		
Administrative and General Salaries	56,347	61,828
Office Supplies and Expenses	9,531	7,508
Outside Services Employed	10,183	11,011
Insurance Expense	19,572	14,589
Employee Pensions, Benefits and Taxes	166,795	152,027
Miscellaneous General Expenses	3,876	2,782
Educational Expenses	2,263	2,815
Transportation Expenses	13,312	14,743
Rent of City Hall	7,295	4,949
Total Administrative and General Expenses	289,174	272,252
TOTAL OPERATION AND MAINTENANCE EXPENSES	\$ 641,303	\$ 573,974

**CITY OF LADYSMITH, WISCONSIN
SEWER UTILITY ENTERPRISE FUND
STATEMENT OF NET POSITION
DECEMBER 31, 2019
(WITH COMPARATIVE AMOUNTS AS OF DECEMBER 31, 2018)**

	2019	2018
ASSETS		
Current Assets:		
Customer Accounts Receivable	\$ 135,879	\$ 122,990
Other Accounts Receivable	8,180	7,160
Accounts Receivable on Tax Roll	5,082	10,026
Special Assessments Receivable	89,821	112,460
Due from Other Governments	109,491	-
Inventories	4,979	4,979
Total Current Assets	353,432	257,615
Restricted Assets:		
Debt Reserve	137,452	147,017
Debt Redemption	-	3,000
Plant Replacement	410,702	327,218
Wisconsin Retirement System Net Pension Asset	-	30,128
Total Restricted Assets	548,154	507,363
Capital Assets:		
Utility Plant in Service	13,295,854	12,330,319
Less: Accumulated Depreciation	3,654,742	3,360,786
Total Capital Assets	9,641,112	8,969,533
Total Assets	10,542,698	9,734,511
DEFERRED OUTFLOWS OF RESOURCES		
Wisconsin Retirement System Pension Related	98,339	55,659
State Life Insurance Other Postemployment Benefits Related	1,393	1,472
Total Deferred Outflows of Resources	99,732	57,131
LIABILITIES		
Current Liabilities Payable from Current Assets:		
Accounts Payable	39,772	8,044
Accrued Wages	4,697	3,997
Due to General Fund - Cash Overdraft	393,605	1,441
Current Portion of Employee Vested Benefits	6,146	6,846
Current Portion of Capital Lease Payable	35,646	34,611
Total Current Liabilities	479,866	54,939
Current Liabilities Payable from Restricted Assets:		
Accrued Interest	31,846	29,165
Current Portion of Long-Term Debt	201,933	179,737
Total Current Liabilities Payable from Restricted Assets	233,779	208,902
Long-Term Obligations (Net of Current Portion):		
Revenue Bonds and Anticipation Notes	5,453,276	5,233,460
Capital Lease Payable	113,460	149,106
Other Postemployment Benefits Liability	1,380	1,246
Wisconsin Retirement System Net Pension Liability	36,516	-
State Life Insurance Net Other Postemployment Benefits Liability	7,084	8,882
Employee Vested Benefits	12,702	14,743
Total Long-Term Liabilities	5,624,418	5,407,437
Total Liabilities	6,338,063	5,671,278
DEFERRED INFLOWS OF RESOURCES		
Wisconsin Retirement System Pension Related	50,409	59,314
State Life Insurance Other Postemployment Benefits Related	1,895	125
Total Deferred Outflows of Resources	52,304	59,439
NET POSITION		
Net Investment in Capital Assets	3,836,797	3,372,619
Restricted for Plant Replacement	410,702	327,218
Restricted for Debt Retirement	105,606	120,852
Restricted for Pension Plan	-	30,128
Unrestricted	(101,042)	210,108
Total Net Position	\$ 4,252,063	\$ 4,060,925

**CITY OF LADYSMITH, WISCONSIN
SEWER UTILITY ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2018)**

	2019	2018
OPERATING REVENUES		
Sewerage Revenues:		
Residential	\$ 415,414	\$ 422,249
Commercial	151,182	150,955
Industrial	40,855	26,531
Public Authorities	67,900	76,773
Outside Septage Acceptance	129,649	101,301
Total Sewerage Revenues	805,000	777,809
Other Operating Revenues:		
Forfeited Discounts	2,394	2,582
Total Operating Revenues	807,394	780,391
OPERATING EXPENSES		
Operation and Maintenance:		
Operation	81,301	80,524
Maintenance	247,639	182,092
Customer Accounting and Collecting	36,686	39,612
Administrative and General	207,669	196,679
Total Operation and Maintenance	573,295	498,907
Depreciation	314,831	306,434
Total Operating Expenses	888,126	805,341
OPERATING INCOME (LOSS)	(80,732)	(24,950)
NONOPERATING REVENUES (EXPENSES)		
Interest Income	13,479	10,057
Interest Expense	(159,034)	(165,444)
TID Utility Benefit Charge	65,243	65,243
Amortization of Debt Discount and Expense	(12,284)	(5,471)
Total Nonoperating Revenues (Expenses)	(92,596)	(95,615)
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(173,328)	(120,565)
CAPITAL CONTRIBUTIONS AND TRANSFERS		
Plant Additions Financed by Customer Special Assessments	7,264	117,862
Plant Additions Financed by Grants	357,202	-
Transfers from Other Funds	-	38,044
Total Capital Contributions and Transfers	364,466	155,906
CHANGE IN NET POSITION	191,138	35,341
Net Position - January 1	4,060,925	4,025,584
NET POSITION - DECEMBER 31	\$ 4,252,063	\$ 4,060,925

**CITY OF LADYSMITH, WISCONSIN
SEWER UTILITY ENTERPRISE FUND
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2018)**

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Customers	\$ 798,429	\$ 801,013
Cash Paid to Suppliers for Goods and Services	(348,071)	(310,878)
Cash Paid for Employee Services	(147,202)	(154,174)
Cash Paid for Sewer Share of Meter Expense	(33,091)	(35,318)
Net Cash Provided by Operating Activities	270,065	300,643
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Cash Flow Financing Received from (Repaid to) General Fund	392,164	1,441
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Cash Received from Special Assessments	29,903	43,446
Cash Received from Capital Grants	247,711	3,587
Cash Paid for Acquisition of Capital Assets	(986,410)	(38,786)
Cash Received from TIDs for Utility Benefit Charge	65,243	65,243
Cash Received as Proceeds of Long-Term Debt	647,758	-
Cash Paid for Principal on Long-Term Debt	(419,737)	(151,231)
Cash Paid for Interest on Long-Term Debt	(149,153)	(182,513)
Cash Paid for Principal on Capital Lease	(34,611)	(33,607)
Cash Paid for Interest on Capital Lease	(5,493)	(6,498)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(604,789)	(300,359)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on Invested Funds	13,479	10,057
NET CHANGE IN CASH AND CASH EQUIVALENTS	70,919	11,782
Cash and Cash Equivalents - January 1	438,485	426,703
CASH AND CASH EQUIVALENTS - DECEMBER 31	\$ 509,404	\$ 438,485

**CITY OF LADYSMITH, WISCONSIN
SEWER UTILITY ENTERPRISE FUND
STATEMENT OF CASH FLOWS (CONTINUED)
YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2018)**

	2019	2018
CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income (Loss)	\$ (80,732)	\$ (24,950)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Changes in Pension Plan Activity:		
Asset/Liability	66,644	(38,730)
Deferred Outflows of Resources	(42,680)	11,121
Deferred Inflows of Resources	(8,905)	32,260
Changes in OPEB Plan Activity:		
Liability	(1,664)	2,148
Deferred Outflows of Resources	79	(1,472)
Deferred Inflows of Resources	1,770	125
Depreciation	314,831	306,434
(Increase) Decrease in Assets:		
Customer Accounts Receivable	(12,889)	7,576
Other Accounts Receivable	3,924	13,046
Inventory	-	(2,527)
Increase (Decrease) in Liabilities:		
Accounts Payable	31,728	(5,038)
Accrued Wages	700	1,321
Employee Vested Benefits	(2,741)	(671)
Net Cash Provided by Operating Activities	\$ 270,065	\$ 300,643
RECONCILIATION OF CASH AND INVESTMENTS TO CASH AND CASH EQUIVALENTS		
Cash and Investments per Statement of Net Position:		
Cash and Investments - Restricted	\$ 548,154	\$ 477,235
Less: Certificates of Deposit with a Maturity of Greater than Three Months	38,750	38,750
Cash and Cash Equivalents	\$ 509,404	\$ 438,485

**CITY OF LADYSMITH, WISCONSIN
SEWER UTILITY ENTERPRISE FUND
SCHEDULE OF OPERATION AND MAINTENANCE EXPENSES
YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2018)**

	2019	2018
OPERATIONAL EXPENSES		
Power for Pumping	\$ 62,180	\$ 61,168
Operating Supplies and Expense	15,026	16,227
Transportation Expense	2,716	1,537
Garage Expense	1,379	1,592
Total Operational Expenses	81,301	80,524
MAINTENANCE EXPENSES		
Collection System	121,404	94,699
Treatment and Distribution	119,300	84,918
Plant and Grounds	6,935	2,475
Total Maintenance Expenses	247,639	182,092
CUSTOMER ACCOUNTS EXPENSE		
Sewer Share of Meter Reading and Maintenance	33,091	35,318
Billing and Collection	3,595	4,294
Total Customer Accounts Expense	36,686	39,612
ADMINISTRATIVE AND GENERAL EXPENSES		
Administration and General Salaries	55,216	61,509
Office Supplies Expenses	11,082	6,537
Outside Services Employed	8,293	9,273
Employee Pensions and Benefits	105,189	98,767
Insurance Expense	19,962	15,066
Rent	6,711	4,376
Educational Expenses	1,216	1,151
Total Administrative and General Expenses	207,669	196,679
TOTAL OPERATION AND MAINTENANCE EXPENSES	\$ 573,295	\$ 498,907

DEBT REPAYMENT SCHEDULES

**CITY OF LADYSMITH, WISCONSIN
STATE TRUST FUND LOAN
DATED MARCH 29, 2005
OUTSTANDING DECEMBER 31, 2019**

Funding Source: Tax Incremental District No. 8

Interest Rate: 5.00%

<u>Payment Date</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
3/15/20	\$ 24,275.72	\$ 18,099.09	\$ 6,176.63
3/15/21	24,275.72	19,020.92	5,254.80
3/15/22	24,275.72	19,971.96	4,303.76
3/15/23	24,275.72	20,970.56	3,305.16
3/15/24	24,275.72	22,012.91	2,262.81
3/15/25	<u>24,275.67</u>	<u>23,119.69</u>	<u>1,155.98</u>
Total	<u>\$ 145,654.27</u>	<u>\$ 123,195.13</u>	<u>\$ 22,459.14</u>

**CITY OF LADYSMITH, WISCONSIN
STATE TRUST FUND LOAN
DATED MARCH 30, 2010
OUTSTANDING DECEMBER 31, 2019**

Funding Source: General Fund and Meadowbrook Center Fund

Interest Rate: 4.50%

<u>Payment Date</u>	<u>Total</u>	<u>General Fund</u>		<u>Meadowbrook Center Special Revenue Fund</u>	
		<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
3/15/20	<u>\$ 123,324.55</u>	<u>\$ 29,500.00</u>	<u>\$ 1,331.14</u>	<u>\$ 88,500.00</u>	<u>\$ 3,993.41</u>

**CITY OF LADYSMITH, WISCONSIN
 GENERAL OBLIGATION REFUNDING BONDS, SERIES 2011A
 DATED MARCH 1, 2011
 OUTSTANDING DECEMBER 31, 2019**

Funding Source: General City

Payment Date	Rate	Total	General City	
			Principal	Interest
6/1/20		\$ 4,312.50	\$ -	\$ 4,312.50
12/1/20	3.75%	74,312.50	70,000.00	4,312.50
6/1/21		3,000.00	-	3,000.00
12/1/21	4.00%	78,000.00	75,000.00	3,000.00
6/1/22	4.00%	<u>76,500.00</u>	<u>75,000.00</u>	<u>1,500.00</u>
Total		<u>\$ 236,125.00</u>	<u>\$ 220,000.00</u>	<u>\$ 16,125.00</u>

**CITY OF LADYSMITH, WISCONSIN
STATE TRUST FUND LOAN
DATED MARCH 15, 2012
OUTSTANDING DECEMBER 31, 2019**

Interest Rate: 5.00%

Payment Date	Total	Meadowbrook Center Special Revenue Fund	
		Principal	Interest
3/15/20	\$ 52,698.21	\$ 32,300.93	\$ 20,397.28
3/15/21	52,698.21	33,971.70	18,726.51
3/15/22	52,698.21	35,670.29	17,027.92
3/15/23	52,698.21	37,453.80	15,244.41
3/15/24	52,698.21	39,289.86	13,408.35
3/15/25	52,698.21	41,290.98	11,407.23
3/15/26	52,698.21	43,355.53	9,342.68
3/15/27	52,698.21	45,523.31	7,174.90
3/15/28	52,698.21	47,786.05	4,912.16
3/15/29	<u>52,698.06</u>	<u>50,188.63</u>	<u>2,509.43</u>
Total	<u>\$ 526,981.95</u>	<u>\$ 406,831.08</u>	<u>\$ 120,150.87</u>

**CITY OF LADYSMITH, WISCONSIN
 GENERAL OBLIGATION REFUNDING BONDS, SERIES 2012B
 DATED SEPTEMBER 5, 2012
 OUTSTANDING DECEMBER 31, 2019**

Payment Date	Rate	Total	General City	
			Principal	Interest
6/1/20		\$ 6,670.00	\$ -	\$ 6,670.00
12/1/20	1.80%	116,670.00	110,000.00	6,670.00
6/1/21		5,680.00	-	5,680.00
12/1/21	2.00%	115,680.00	110,000.00	5,680.00
6/1/22		4,580.00	-	4,580.00
12/1/22	2.20%	114,580.00	110,000.00	4,580.00
6/1/23		3,370.00	-	3,370.00
12/1/23	2.40%	138,370.00	135,000.00	3,370.00
6/1/24		1,750.00	-	1,750.00
12/1/24	2.50%	<u>141,750.00</u>	<u>140,000.00</u>	<u>1,750.00</u>
Total		<u>\$ 649,100.00</u>	<u>\$ 605,000.00</u>	<u>\$ 44,100.00</u>

**CITY OF LADYSMITH, WISCONSIN
GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2019A
DATED JUNE 24, 2019
OUTSTANDING DECEMBER 31, 2019**

Payment Date	Rate	Totals		General City		TID #9		TID #10	
		Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
6/1/20	3.000%	\$ -	\$ 26,538.75	\$ -	\$ 19,798.75	\$ -	\$ 2,387.08	\$ -	\$ 4,352.92
12/1/20	3.000%	90,000.00	14,175.00	70,000.00	10,575.00	10,000.00	1,275.00	10,000.00	2,325.00
6/1/21	3.000%	-	12,825.00	-	9,525.00	-	1,125.00	-	2,175.00
12/1/21	3.000%	110,000.00	12,825.00	80,000.00	9,525.00	10,000.00	1,125.00	20,000.00	2,175.00
6/1/22	3.000%	-	11,175.00	-	8,325.00	-	975.00	-	1,875.00
12/1/22	3.000%	115,000.00	11,175.00	85,000.00	8,325.00	10,000.00	975.00	20,000.00	1,875.00
6/1/23	3.000%	-	9,450.00	-	7,050.00	-	825.00	-	1,575.00
12/1/23	3.000%	115,000.00	9,450.00	85,000.00	7,050.00	10,000.00	825.00	20,000.00	1,575.00
6/1/24	3.000%	-	7,725.00	-	5,775.00	-	675.00	-	1,275.00
12/1/24	3.000%	125,000.00	7,725.00	90,000.00	5,775.00	15,000.00	675.00	20,000.00	1,275.00
6/1/25	3.000%	-	5,850.00	-	4,425.00	-	450.00	-	975.00
12/1/25	3.000%	130,000.00	5,850.00	95,000.00	4,425.00	15,000.00	450.00	20,000.00	975.00
6/1/26	3.000%	-	3,900.00	-	3,000.00	-	225.00	-	675.00
12/1/26	3.000%	135,000.00	3,900.00	100,000.00	3,000.00	15,000.00	225.00	20,000.00	675.00
6/1/27	3.000%	-	1,875.00	-	1,500.00	-	-	-	375.00
12/1/27	3.000%	125,000.00	1,875.00	100,000.00	1,500.00	-	-	25,000.00	375.00
Total		\$ 945,000.00	\$ 146,313.75	\$ 705,000.00	\$ 109,573.75	\$ 85,000.00	\$ 12,212.08	\$ 155,000.00	\$ 24,527.92

**CITY OF LADYSMITH, WISCONSIN
 GENERAL OBLIGATION REFUNDING BONDS, SERIES 2019D
 DATED DECEMBER 30, 2019
 OUTSTANDING DECEMBER 31, 2019**

<u>Payment Date</u>	<u>Rate</u>	<u>Totals</u>	
		<u>Principal</u>	<u>Interest</u>
6/1/20	4.000%	\$ -	\$ 20,306.36
12/1/20	4.000%	30,000.00	24,206.25
6/1/21	4.000%	-	23,606.25
12/1/21	4.000%	25,000.00	23,606.25
6/1/22	4.000%	-	23,106.25
12/1/22	4.000%	30,000.00	23,106.25
6/1/23	4.000%	-	22,506.25
12/1/23	4.000%	10,000.00	22,506.25
6/1/24	4.000%	-	22,306.25
12/1/24	4.000%	5,000.00	22,306.25
6/1/25	4.000%	-	22,206.25
12/1/25	4.000%	90,000.00	22,206.25
6/1/26	4.000%	-	20,406.25
12/1/26	4.000%	90,000.00	20,406.25
6/1/27	4.000%	-	18,606.25
12/1/27	4.000%	90,000.00	18,606.25
6/1/28	4.000%	-	16,806.25
12/1/28	4.000%	95,000.00	16,806.25
6/1/29	4.000%	-	14,906.25
12/1/29	4.000%	105,000.00	14,906.25
6/1/30	4.000%	-	13,856.25
12/1/30	4.000%	105,000.00	13,856.25
6/1/31	4.000%	-	12,740.63
12/1/31	4.000%	110,000.00	12,740.63

**CITY OF LADYSMITH, WISCONSIN
 GENERAL OBLIGATION REFUNDING BONDS, SERIES 2019D (CONTINUED)
 DATED DECEMBER 30, 2019
 OUTSTANDING DECEMBER 31, 2019**

<u>Payment Date</u>	<u>Rate</u>	<u>Totals</u>	
		<u>Principal</u>	<u>Interest</u>
6/1/32	4.000%	\$ -	\$ 11,571.88
12/1/32	4.000%	110,000.00	11,571.88
6/1/33	4.000%	-	10,334.38
12/1/33	4.000%	115,000.00	10,334.38
6/1/34	4.000%	-	9,040.63
12/1/34	4.000%	115,000.00	9,040.63
6/1/35	4.000%	-	7,675.01
12/1/35	4.000%	120,000.00	7,675.01
6/1/36	4.000%	-	6,250.00
12/1/36	4.000%	120,000.00	6,250.00
6/1/37	4.000%	-	4,750.00
12/1/37	4.000%	125,000.00	4,750.00
6/1/38	4.000%	-	3,187.50
12/1/38	4.000%	125,000.00	3,187.50
6/1/39	4.000%	-	1,625.00
12/1/39	4.000%	130,000.00	1,625.00
Total		<u>\$ 1,745,000.00</u>	<u>\$ 575,487.67</u>

**CITY OF LADYSMITH, WISCONSIN
WATER SYSTEM REVENUE BONDS, SERIES 2013A
DATED JUNE 26, 2013
OUTSTANDING DECEMBER 31, 2019**

Payment Date	Rate	Total	Water	
			Principal	Interest
5/1/20	1.155%	\$ 220,599.18	\$ 202,904.05	\$ 17,695.13
11/1/20	1.155%	16,523.36	-	16,523.36
5/1/21	1.155%	221,770.96	205,247.60	16,523.36
11/1/21	1.155%	15,338.06	-	15,338.06
5/1/22	1.155%	222,956.26	207,618.21	15,338.05
11/1/22	1.155%	14,139.06	-	14,139.06
5/1/23	1.155%	224,155.26	210,016.20	14,139.06
11/1/23	1.155%	12,926.22	-	12,926.22
5/1/24	1.155%	225,368.09	212,441.88	12,926.21
11/1/24	1.155%	11,699.37	-	11,699.37
5/1/25	1.155%	226,594.95	214,895.59	11,699.36
11/1/25	1.155%	10,458.34	-	10,458.34
5/1/26	1.155%	227,835.98	217,377.63	10,458.35
11/1/26	1.155%	9,202.99	-	9,202.99
5/1/27	1.155%	229,091.33	219,888.34	9,202.99
11/1/27	1.155%	7,933.13	-	7,933.13
5/1/28	1.155%	230,361.18	222,428.05	7,933.13
11/1/28	1.155%	6,648.61	-	6,648.61
5/1/29	1.155%	231,645.71	224,997.10	6,648.61
11/1/29	1.155%	5,349.25	-	5,349.25
5/1/30	1.155%	232,945.06	227,595.81	5,349.25
11/1/30	1.155%	4,034.89	-	4,034.89
5/1/31	1.155%	234,259.43	230,224.55	4,034.88
11/1/31	1.155%	2,705.34	-	2,705.34
5/1/32	1.155%	235,588.98	232,883.64	2,705.34
11/1/32	1.155%	1,360.44	-	1,360.44
5/1/33	1.155%	236,933.87	235,573.44	1,360.43
Total		<u>\$ 3,318,425.30</u>	<u>\$ 3,064,092.09</u>	<u>\$ 254,333.21</u>

**CITY OF LADYSMITH, WISCONSIN
SEWER SYSTEM REVENUE BONDS, SERIES 2014B
DATED NOVEMBER 26, 2014
OUTSTANDING DECEMBER 31, 2019**

Payment Date	Rate	Total	Sewer	
			Principal	Interest
5/1/20	2.625%	\$ 135,687.51	\$ 109,645.64	\$ 26,041.87
11/1/20	2.625%	24,602.77	-	24,602.77
5/1/21	2.625%	137,126.60	112,523.83	24,602.77
11/1/21	2.625%	23,125.89	-	23,125.89
5/1/22	2.625%	138,603.48	115,477.58	23,125.90
11/1/22	2.625%	21,610.25	-	21,610.25
5/1/23	2.625%	140,119.12	118,508.87	21,610.25
11/1/23	2.625%	20,054.82	-	20,054.82
5/1/24	2.625%	141,674.55	121,619.73	20,054.82
11/1/24	2.625%	18,458.56	-	18,458.56
5/1/25	2.625%	143,270.82	124,812.25	18,458.57
11/1/25	2.625%	16,820.40	-	16,820.40
5/1/26	2.625%	144,908.97	128,088.57	16,820.40
11/1/26	2.625%	15,139.24	-	15,139.24
5/1/27	2.625%	146,590.13	131,450.89	15,139.24
11/1/27	2.625%	13,413.95	-	13,413.95
5/1/28	2.625%	148,315.42	134,901.48	13,413.94
11/1/28	2.625%	11,643.36	-	11,643.36
5/1/29	2.625%	150,086.01	138,442.64	11,643.37
11/1/29	2.625%	9,826.31	-	9,826.31
5/1/30	2.625%	151,903.06	142,076.76	9,826.30
11/1/30	2.625%	7,961.55	-	7,961.55
5/1/31	2.625%	153,767.83	145,806.28	7,961.55
11/1/31	2.625%	6,047.84	-	6,047.84
5/1/32	2.625%	155,681.53	149,633.69	6,047.84
11/1/32	2.625%	4,083.90	-	4,083.90
5/1/33	2.625%	157,645.47	153,561.57	4,083.90
11/1/33	2.625%	2,068.40	-	2,068.40
5/1/34	2.625%	159,660.97	157,592.57	2,068.40
Total		<u>\$ 2,399,898.71</u>	<u>\$ 1,984,142.35</u>	<u>\$ 415,756.36</u>

**CITY OF LADYSMITH, WISCONSIN
 WATER SYSTEM REVENUE BONDS, SERIES 2017A
 DATED DECEMBER 27, 2017
 OUTSTANDING DECEMBER 31, 2019**

Payment Date	Rate	Total	Water	
			Principal	Interest
5/1/20	1.056%	\$ 25,327.81	\$ 22,940.39	\$ 2,387.42
11/1/20	1.056%	2,266.30	-	2,266.30
5/1/21	1.056%	25,448.94	23,182.64	2,266.30
11/1/21	1.056%	2,143.90	-	2,143.90
5/1/22	1.056%	25,571.34	23,427.45	2,143.89
11/1/22	1.056%	2,020.20	-	2,020.20
5/1/23	1.056%	25,695.05	23,674.85	2,020.20
11/1/23	1.056%	1,895.20	-	1,895.20
5/1/24	1.056%	25,820.04	23,924.85	1,895.19
11/1/24	1.056%	1,768.87	-	1,768.87
5/1/25	1.056%	25,946.38	24,177.50	1,768.88
11/1/25	1.056%	1,641.22	-	1,641.22
5/1/26	1.056%	26,074.02	24,432.81	1,641.21
11/1/26	1.056%	1,512.21	-	1,512.21
5/1/27	1.056%	26,203.04	24,690.83	1,512.21
11/1/27	1.056%	1,381.84	-	1,381.84
5/1/28	1.056%	26,333.41	24,951.56	1,381.85
11/1/28	1.056%	1,250.10	-	1,250.10
5/1/29	1.056%	26,465.15	25,215.05	1,250.10
11/1/29	1.056%	1,116.96	-	1,116.96
5/1/30	1.056%	26,598.29	25,481.32	1,116.97
11/1/30	1.056%	982.42	-	982.42
5/1/31	1.056%	26,732.82	25,750.40	982.42
11/1/31	1.056%	846.46	-	846.46
5/1/32	1.056%	26,868.79	26,022.33	846.46
11/1/32	1.056%	709.06	-	709.06
5/1/33	1.056%	27,006.18	26,297.12	709.06
11/1/33	1.056%	570.21	-	570.21
5/1/34	1.056%	27,145.04	26,574.82	570.22
11/1/34	1.056%	429.90	-	429.90
5/1/35	1.056%	27,285.35	26,855.45	429.90
11/1/35	1.056%	288.10	-	288.10
5/1/36	1.056%	27,427.15	27,139.05	288.10
11/1/36	1.056%	144.81	-	144.81
5/1/37	1.056%	27,570.43	27,425.63	144.80
Total		<u>\$ 496,486.99</u>	<u>\$ 452,164.05</u>	<u>\$ 44,322.94</u>

CITY OF LADYSMITH, WISCONSIN
SEWER SYSTEM REVENUE REFUNDING BONDS, SERIES 2018A
DATED JUNE 1, 2018
OUTSTANDING DECEMBER 31, 2019

Payment Date	Rate	Total	Sewer	
			Principal	Interest
5/1/20	3.000%	\$ 94,514.89	\$ 49,354.93	\$ 45,159.96
11/1/20	3.000%	44,419.64	-	44,419.64
5/1/21	3.000%	95,277.77	50,858.13	44,419.64
11/1/21	3.000%	43,656.76	-	43,656.76
5/1/22	3.000%	96,063.87	52,407.11	43,656.76
11/1/22	3.000%	42,870.66	-	42,870.66
5/1/23	3.000%	96,873.92	54,003.26	42,870.66
11/1/23	3.000%	42,060.61	-	42,060.61
5/1/24	3.000%	97,708.63	55,648.02	42,060.61
11/1/24	3.000%	41,225.89	-	41,225.89
5/1/25	3.000%	98,568.78	57,342.89	41,225.89
11/1/25	3.000%	40,365.74	-	40,365.74
5/1/26	3.000%	99,455.11	59,089.37	40,365.74
11/1/26	3.000%	39,479.40	-	39,479.40
5/1/27	3.000%	100,368.46	60,889.06	39,479.40
11/1/27	3.000%	38,566.07	-	38,566.07
5/1/28	3.000%	101,309.62	62,743.55	38,566.07
11/1/28	3.000%	37,624.91	-	37,624.91
5/1/29	3.000%	102,279.41	64,654.50	37,624.91
11/1/29	3.000%	36,655.10	-	36,655.10
5/1/30	3.000%	103,278.78	66,623.68	36,655.10
11/1/30	3.000%	35,655.74	-	35,655.74
5/1/31	3.000%	104,308.59	68,652.85	35,655.74
11/1/31	3.000%	34,625.95	-	34,625.95
5/1/32	3.000%	105,369.73	70,743.78	34,625.95
11/1/32	3.000%	33,564.79	-	33,564.79
5/1/33	3.000%	106,463.22	72,898.43	33,564.79
11/1/33	3.000%	32,471.32	-	32,471.32
5/1/34	3.000%	107,589.99	75,118.67	32,471.32
11/1/34	3.000%	31,344.54	-	31,344.54
5/1/35	3.000%	108,751.08	77,406.54	31,344.54
11/1/35	3.000%	30,183.44	-	30,183.44

**CITY OF LADYSMITH, WISCONSIN
SEWER SYSTEM REVENUE REFUNDING BONDS, SERIES 2018A
DATED JUNE 1, 2018 (CONTINUED)
OUTSTANDING DECEMBER 31, 2019**

Payment Date	Rate	Total	Sewer	
			Principal	Interest
5/1/36	3.000%	\$ 109,947.55	\$ 79,764.11	\$ 30,183.44
11/1/36	3.000%	28,986.96	-	28,986.96
5/1/37	3.000%	111,180.45	82,193.47	28,986.98
11/1/37	3.000%	27,754.07	-	27,754.07
5/1/38	3.000%	112,450.90	84,696.83	27,754.07
11/1/38	3.000%	26,483.62	-	26,483.62
5/1/39	3.000%	113,760.05	87,276.43	26,483.62
11/1/39	3.000%	25,174.48	-	25,174.48
5/1/40	3.000%	115,109.07	89,934.59	25,174.48
11/1/40	3.000%	23,825.46	-	23,825.46
5/1/41	3.000%	116,499.17	92,673.71	23,825.46
11/1/41	3.000%	22,435.35	-	22,435.35
5/1/42	3.000%	117,931.63	95,496.28	22,435.35
11/1/42	3.000%	21,002.91	-	21,002.91
5/1/43	3.000%	119,407.69	98,404.78	21,002.91
11/1/43	3.000%	19,526.84	-	19,526.84
5/1/44	3.000%	120,928.72	101,401.88	19,526.84
11/1/44	3.000%	18,005.81	-	18,005.81
5/1/45	3.000%	122,496.08	104,490.27	18,005.81
11/1/45	3.000%	16,438.45	-	16,438.45
5/1/46	3.000%	124,111.15	107,672.70	16,438.45
11/1/46	3.000%	14,823.36	-	14,823.36
5/1/47	3.000%	125,775.45	110,952.09	14,823.36
11/1/47	3.000%	13,159.08	-	13,159.08
5/1/48	3.000%	127,489.41	114,331.32	13,158.09
11/1/48	3.000%	11,444.11	-	11,444.11
5/1/49	3.000%	129,257.62	117,813.51	11,444.11
11/1/49	3.000%	9,676.91	-	9,676.91
5/1/50	3.000%	131,078.65	121,401.74	9,676.91
11/1/50	3.000%	7,855.88	-	7,855.88
5/1/51	3.000%	132,955.13	125,099.25	7,855.88
11/1/51	3.000%	5,979.39	-	5,979.39

**CITY OF LADYSMITH, WISCONSIN
SEWER SYSTEM REVENUE REFUNDING BONDS, SERIES 2018A
DATED JUNE 1, 2018 (CONTINUED)
OUTSTANDING DECEMBER 31, 2019**

<u>Payment Date</u>	<u>Rate</u>	<u>Total</u>	<u>Sewer</u>	
			<u>Principal</u>	<u>Interest</u>
5/1/52	3.000%	\$ 134,888.77	\$ 128,909.38	\$ 5,979.39
11/1/52	3.000%	4,045.75	-	4,045.75
5/1/53	3.000%	136,881.30	132,835.55	4,045.75
11/1/53	3.000%	2,053.22	-	2,053.22
5/1/54	3.000%	138,934.53	136,881.31	2,053.22
Total		<u>\$ 4,862,707.38</u>	<u>\$ 3,010,663.97</u>	<u>\$ 1,852,043.41</u>

SCHEDULE F-12

CITY OF LADYSMITH, WISCONSIN
 SEWER SYSTEM AND WATER SYSTEM REVENUE BONDS, SERIES 2019A
 DATED JUNE 24, 2019
 OUTSTANDING DECEMBER 31, 2019

Payment Date	Rate	Totals		Water		Sewer	
		Principal	Interest	Principal	Interest	Principal	Interest
6/1/20	3.000%	\$ -	\$ 11,373.75	\$ -	\$ 6,178.33	\$ -	\$ 5,195.42
12/1/20	3.000%	45,000.00	6,075.00	25,000.00	3,300.00	20,000.00	2,775.00
6/1/21	3.000%	-	5,400.00	-	2,925.00	-	2,475.00
12/1/21	3.000%	55,000.00	5,400.00	30,000.00	2,925.00	25,000.00	2,475.00
6/1/22	3.000%	-	4,575.00	-	2,475.00	-	2,100.00
12/1/22	3.000%	65,000.00	4,575.00	35,000.00	2,475.00	30,000.00	2,100.00
6/1/23	3.000%	-	3,600.00	-	1,950.00	-	1,650.00
12/1/23	3.000%	60,000.00	3,600.00	30,000.00	1,950.00	30,000.00	1,650.00
6/1/24	3.000%	-	2,700.00	-	1,500.00	-	1,200.00
12/1/24	3.000%	55,000.00	2,700.00	30,000.00	1,500.00	25,000.00	1,200.00
6/1/25	3.000%	-	1,875.00	-	1,050.00	-	825.00
12/1/25	3.000%	60,000.00	1,875.00	35,000.00	1,050.00	25,000.00	825.00
6/1/26	3.000%	-	975.00	-	525.00	-	450.00
12/1/26	3.000%	65,000.00	975.00	35,000.00	525.00	30,000.00	450.00
Total		\$ 405,000.00	\$ 55,698.75	\$ 220,000.00	\$ 30,328.33	\$ 185,000.00	\$ 25,370.42

**CITY OF LADYSMITH, WISCONSIN
WATER SYSTEM REVENUE BONDS, SERIES 2019B
DATED JUNE 26, 2019
OUTSTANDING DECEMBER 31, 2019**

Payment Date	Rate	Water	
		Principal	Interest
5/1/20	1.188%	\$ 41,339.68	\$ 5,699.03
11/1/20	1.188%	-	5,261.45
5/1/21	1.188%	41,830.79	5,261.45
11/1/21	1.188%	-	5,012.97
5/1/22	1.188%	42,327.74	5,012.97
11/1/22	1.188%	-	4,761.55
5/1/23	1.188%	42,830.59	4,761.55
11/1/23	1.188%	-	4,507.13
5/1/24	1.188%	43,339.42	4,507.13
11/1/24	1.188%	-	4,249.70
5/1/25	1.188%	43,854.29	4,249.70
11/1/25	1.188%	-	3,989.20
5/1/26	1.188%	44,375.28	3,989.20
11/1/26	1.188%	-	3,725.61
5/1/27	1.188%	44,902.46	3,725.61
11/1/27	1.188%	-	3,458.89
5/1/28	1.188%	45,435.90	3,458.89
11/1/28	1.188%	-	3,189.00
5/1/29	1.188%	45,975.68	3,189.00
11/1/29	1.188%	-	2,915.91
5/1/30	1.188%	46,521.87	2,915.91
11/1/30	1.188%	-	2,639.57
5/1/31	1.188%	47,074.55	2,639.57
11/1/31	1.188%	-	2,359.95
5/1/32	1.188%	47,633.80	2,359.95
11/1/32	1.188%	-	2,077.00
5/1/33	1.188%	48,199.68	2,077.00
11/1/33	1.188%	-	1,790.70
5/1/34	1.188%	48,772.30	1,790.70
11/1/34	1.188%	-	1,500.99
5/1/35	1.188%	49,351.70	1,500.99
11/1/35	1.188%	-	1,207.84

**CITY OF LADYSMITH, WISCONSIN
 WATER SYSTEM REVENUE BONDS, SERIES 2019B (CONTINUED)
 DATED JUNE 26, 2019
 OUTSTANDING DECEMBER 31, 2019**

<u>Payment Date</u>	<u>Rate</u>	<u>Water</u>	
		<u>Principal</u>	<u>Interest</u>
5/1/36	1.188%	\$ 49,938.01	\$ 1,207.84
11/1/36	1.188%	-	911.21
5/1/37	1.188%	50,531.28	911.21
11/1/37	1.188%	-	611.05
5/1/38	1.188%	51,131.58	611.05
11/1/38	1.188%	-	307.33
5/1/39	1.188%	51,739.02	307.33
Total		<u>\$ 927,105.62</u>	<u>\$ 114,653.13</u>

**CITY OF LADYSMITH, WISCONSIN
SEWER SYSTEM REVENUE BONDS, SERIES 2019C
DATED JUNE 26, 2019
OUTSTANDING DECEMBER 31, 2019**

Payment Date	Rate	Sewer	
		Principal	Interest
5/1/20	1.188%	\$ 13,499.98	\$ 1,864.59
11/1/20	1.188%	-	1,718.19
5/1/21	1.188%	13,660.36	1,718.19
11/1/21	1.188%	-	1,637.05
5/1/22	1.188%	13,822.66	1,637.05
11/1/22	1.188%	-	1,554.95
5/1/23	1.188%	13,986.86	1,554.95
11/1/23	1.188%	-	1,471.86
5/1/24	1.188%	14,153.02	1,471.86
11/1/24	1.188%	-	1,387.79
5/1/25	1.188%	14,321.18	1,387.79
11/1/25	1.188%	-	1,302.73
5/1/26	1.188%	14,491.30	1,302.73
11/1/26	1.188%	-	1,216.65
5/1/27	1.188%	14,663.46	1,216.65
11/1/27	1.188%	-	1,129.55
5/1/28	1.188%	14,837.67	1,129.55
11/1/28	1.188%	-	1,041.41
5/1/29	1.188%	15,013.93	1,041.41
11/1/29	1.188%	-	952.23
5/1/30	1.188%	15,192.31	952.23
11/1/30	1.188%	-	861.98
5/1/31	1.188%	15,372.78	861.98
11/1/31	1.188%	-	770.67
5/1/32	1.188%	15,555.42	770.67
11/1/32	1.188%	-	678.27
5/1/33	1.188%	15,740.21	678.27
11/1/33	1.188%	-	584.78
5/1/34	1.188%	15,927.21	584.78
11/1/34	1.188%	-	490.17
5/1/35	1.188%	16,116.43	490.17
11/1/35	1.188%	-	394.44

**CITY OF LADYSMITH, WISCONSIN
SEWER SYSTEM REVENUE BONDS, SERIES 2019C (CONTINUED)
DATED JUNE 26, 2019
OUTSTANDING DECEMBER 31, 2019**

<u>Payment Date</u>	<u>Rate</u>	<u>Sewer</u>	
		<u>Principal</u>	<u>Interest</u>
5/1/36	1.188%	\$ 16,307.89	\$ 394.44
11/1/36	1.188%	-	297.57
5/1/37	1.188%	16,501.62	297.57
11/1/37	1.188%	-	199.54
5/1/38	1.188%	16,697.67	199.54
11/1/38	1.188%	-	100.36
5/1/39	1.188%	16,896.04	100.36
Total		<u>\$ 302,758.00</u>	<u>\$ 37,444.97</u>

SCHEDULE F-15

CITY OF LADYSMITH, WISCONSIN
 SEWER SYSTEM AND WATER SYSTEM REVENUE BONDS, SERIES 2019D
 DATED DECEMBER 30, 2019
 OUTSTANDING DECEMBER 31, 2019

Payment Date	Rate	Totals		Water		Sewer	
		Principal	Interest	Principal	Interest	Principal	Interest
6/1/20	4.000%	-	\$ 5,835.52	-	\$ 3,927.05	-	\$ 1,908.47
12/1/20	4.000%	15,000.00	6,956.25	10,000.00	4,681.25	5,000.00	2,275.00
6/1/21	4.000%	-	6,656.25	-	4,481.25	-	2,175.00
12/1/21	4.000%	15,000.00	6,656.25	10,000.00	4,481.25	5,000.00	2,175.00
6/1/22	4.000%	-	6,356.25	-	4,281.25	-	2,075.00
12/1/22	4.000%	15,000.00	6,356.25	10,000.00	4,281.25	5,000.00	2,075.00
6/1/23	4.000%	-	6,056.25	-	4,081.25	-	1,975.00
12/1/23	4.000%	20,000.00	6,056.25	15,000.00	4,081.25	5,000.00	1,975.00
6/1/24	4.000%	-	5,656.25	-	3,781.25	-	1,875.00
12/1/24	4.000%	20,000.00	5,656.25	15,000.00	3,781.25	5,000.00	1,875.00
6/1/25	4.000%	-	5,256.25	-	3,481.25	-	1,775.00
12/1/25	4.000%	20,000.00	5,256.25	15,000.00	3,481.25	5,000.00	1,775.00
6/1/26	4.000%	-	4,856.25	-	3,181.25	-	1,675.00
12/1/26	4.000%	20,000.00	4,856.25	15,000.00	3,181.25	5,000.00	1,675.00
6/1/27	4.000%	-	4,456.25	-	2,881.25	-	1,575.00
12/1/27	4.000%	20,000.00	4,456.25	15,000.00	2,881.25	5,000.00	1,575.00
6/1/28	4.000%	-	4,056.25	-	2,581.25	-	1,475.00
12/1/28	4.000%	25,000.00	4,056.25	15,000.00	2,581.25	10,000.00	1,475.00
6/1/29	4.000%	-	3,556.25	-	2,281.25	-	1,275.00
12/1/29	4.000%	25,000.00	3,556.25	15,000.00	2,281.25	10,000.00	1,275.00
6/1/30	4.000%	-	3,306.25	-	2,131.25	-	1,175.00
12/1/30	4.000%	25,000.00	3,306.25	15,000.00	2,131.25	10,000.00	1,175.00
6/1/31	4.000%	-	3,040.63	-	1,971.88	-	1,068.75
12/1/31	4.000%	25,000.00	3,040.63	15,000.00	1,971.88	10,000.00	1,068.75

SCHEDULE F-15

CITY OF LADYSMITH, WISCONSIN
 SEWER SYSTEM AND WATER SYSTEM REVENUE BONDS, SERIES 2019D (CONTINUED)
 DATED DECEMBER 30, 2019
 OUTSTANDING DECEMBER 31, 2019

Payment Date	Rate	Totals		Water		Sewer	
		Principal	Interest	Principal	Interest	Principal	Interest
6/1/32	4.000%	\$ -	\$ 2,775.00	\$ -	1,812.50	\$ -	\$ 962.50
12/1/32	4.000%	25,000.00	2,775.00	15,000.00	1,812.50	10,000.00	962.50
6/1/33	4.000%	-	2,493.75	-	1,643.75	-	850.00
12/1/33	4.000%	25,000.00	2,493.75	15,000.00	1,643.75	10,000.00	850.00
6/1/34	4.000%	-	2,212.50	-	1,475.00	-	737.50
12/1/34	4.000%	30,000.00	2,212.50	20,000.00	1,475.00	10,000.00	737.50
6/1/35	4.000%	-	1,856.25	-	1,237.50	-	618.75
12/1/35	4.000%	30,000.00	1,856.25	20,000.00	1,237.50	10,000.00	618.75
6/1/36	4.000%	-	1,500.00	-	1,000.00	-	500.00
12/1/36	4.000%	30,000.00	1,500.00	20,000.00	1,000.00	10,000.00	500.00
6/1/37	4.000%	-	1,125.00	-	750.00	-	375.00
12/1/37	4.000%	30,000.00	1,125.00	20,000.00	750.00	10,000.00	375.00
6/1/38	4.000%	-	750.00	-	500.00	-	250.00
12/1/38	4.000%	30,000.00	750.00	20,000.00	500.00	10,000.00	250.00
6/1/39	4.000%	-	375.00	-	250.00	-	125.00
12/1/39	4.000%	30,000.00	375.00	20,000.00	250.00	10,000.00	125.00
Total		\$ 475,000.00	\$ 145,473.03	\$ 315,000.00	\$ 96,214.56	\$ 160,000.00	\$ 49,258.47

STATISTICAL INFORMATION (UNAUDITED)

CITY OF LADYSMITH, WISCONSIN
CITY TAX RATES – ALL OVERLAPPING GOVERNMENTS
 (THE INFORMATION IN THIS TABLE IS UNAUDITED)

	2010/ 2011	2011/ 2012	2012/ 2013	2013/ 2014	2014/ 2015	2015/ 2016	2016/ 2017	2017/ 2018	2018/ 2019	2019/ 2020
State of Wisconsin	0.152	0.155	0.141	0.143	0.158	0.156	0.144	0.000	0.000	0.000
Rusk County	4.377	4.302	4.218	4.311	4.938	5.479	4.862	5.393	6.490	7.260
City of Ladysmith	6.924	7.155	7.019	7.071	7.068	7.315	7.250	7.679	8.920	10.569
Ladysmith School District	13.208	11.456	10.767	10.735	12.343	12.473	11.959	12.162	13.402	12.419
Indianhead Technical College	<u>1.023</u>	<u>1.077</u>	<u>1.032</u>	<u>1.057</u>	<u>0.338</u>	<u>0.344</u>	<u>0.320</u>	<u>0.330</u>	<u>0.369</u>	<u>0.398</u>
Total Tax Rate	<u>25.684</u>	<u>24.145</u>	<u>23.177</u>	<u>23.318</u>	<u>24.845</u>	<u>25.767</u>	<u>24.535</u>	<u>25.564</u>	<u>29.181</u>	<u>30.646</u>
Ratio of Assessed Value to Equalized Value	111.39%	109.52%	120.34%	118.49%	107.12%	108.71%	118.16%	115.19%	103.03%	95.00%

**CITY OF LADYSMITH, WISCONSIN
TREND OF VALUES
ASSESSED VALUES AND EQUALIZED VALUES
(THE INFORMATION IN THIS TABLE IS UNAUDITED)**

<u>Year</u>	<u>Equalized Value</u>	<u>Assessed Value</u>
2019	\$ 167,092,300	\$ 158,741,200
2018	154,414,900	159,098,800
2017	161,863,200	186,448,900
2016	158,221,100	186,953,600
2015	170,615,300	185,482,990
2014	171,294,200	183,485,160
2013	155,524,300	184,280,620
2012	147,868,400	177,939,290
2011	162,330,400	177,783,047
2010	158,635,400	176,707,650
2009	174,814,000	175,830,470
2008	168,063,300	173,712,840
2007	164,137,500	163,769,490
2006	151,941,800	164,471,070
2005	141,732,888	128,962,755
2004	137,069,800	126,595,760
2003	127,603,500	120,649,158
2002	124,259,500	122,537,690
2001	113,748,242	119,853,060
2000	109,365,700	81,521,150

TABLE 3

**CITY OF LADYSMITH, WISCONSIN
TEN LARGEST TAXPAYERS IN THE CITY
(THE INFORMATION IN THIS TABLE IS UNAUDITED)**

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2019 Equalized Value</u>	<u>Percent of Equalized Value</u>
Kelley Care LLC	Nursing Home	\$ 6,417,200	3.84%
Wal-Mart Real Estate Business Trust	Retail Store	5,188,100	3.10%
Robert A Williams	Rental Properties	4,558,900	2.73%
City Forest Corporation (Dunn Paper)	Paper Products	3,296,300	1.97%
Beechworth Windows LLC	Millwork	2,958,000	1.77%
Weathershield Mfg., Inc.	Millwork, Insulated Doors	2,800,800	1.68%
Black Bear Motel LLC	Motel	2,195,400	1.31%
Reinhart Partners	Retail Grocer	1,960,600	1.17%
Flambeau Village	Apartments	1,957,700	1.17%
Marshfield Clinic	Medical Facility	1,596,100	0.96%

TABLE 4

**CITY OF LADYSMITH, WISCONSIN
GENERAL FUND REVENUES BY SOURCE
(THE INFORMATION IN THIS TABLE IS UNAUDITED)**

Fiscal Year	Taxes	Special Assessments	Inter-Governmental	Licenses and Permits	Fines and Forfeits	Charges for Services	Interest	Miscellaneous	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
2019	1,331,532	27,777	2,115,656	21,186	29,359	817,357	58,190	91,286	4,492,343
2018	1,340,642	41,684	1,708,815	17,897	34,622	814,373	65,321	77,291	4,100,645
2017	1,273,325	47,390	1,697,696	16,308	37,311	786,809	37,861	99,099	3,995,799
2016	1,322,769	68,806	1,582,158	12,938	33,976	782,040	19,569	82,616	3,904,872
2015	1,288,288	54,454	1,672,396	11,762	43,523	793,186	13,870	72,792	3,950,271
2014	1,273,255	24,639	1,597,089	14,755	43,913	774,764	15,225	123,043	3,866,683
2013	1,269,293	35,147	1,588,374	20,098	41,708	786,601	17,790	108,573	3,867,584
2012	1,264,112	38,165	1,629,704	20,698	39,512	817,893	23,559	117,272	3,950,915
2011	1,241,979	33,658	1,894,014	26,652	35,112	845,531	23,192	108,831	4,208,969
2010	1,234,177	56,748	1,885,157	21,140	37,429	808,643	37,518	114,308	4,195,120
2009	1,157,744	80,814	1,871,089	15,715	54,895	833,091	35,380	93,172	4,141,900
2008	1,126,876	93,791	1,831,477	23,837	57,552	805,042	87,214	207,420	4,233,209
2007	1,152,050	104,087	1,877,044	33,358	67,458	804,417	124,505	423,796	4,586,715
2006	1,138,651	70,021	1,816,964	22,646	63,813	751,508	112,828	97,138	4,073,569
2005	1,020,665	93,808	1,762,459	18,372	68,348	685,171	50,142	74,602	3,773,567
2004	888,773	52,187	2,192,350	17,600	48,847	698,931	31,905	124,558	4,055,151
2003	826,037	92,977	2,959,545	20,408	55,084	679,815	45,857	145,112	4,824,835
2002	826,832	79,954	2,565,547	27,507	60,415	647,918	40,874	458,926	4,707,973
2001	833,552	142,345	1,920,905	19,701	57,305	613,040	85,421	391,399	4,063,668
2000	777,453	49,447	1,853,469	19,402	57,660	505,220	86,310	75,645	3,424,606

TABLE 5

**CITY OF LADYSMITH, WISCONSIN
GENERAL GOVERNMENT EXPENDITURES BY FUNCTION
(THE INFORMATION IN THIS TABLE IS UNAUDITED)**

Fiscal Year	General Government	Public Safety	Transportation Facilities	Sanitation	Health and Human Services	Leisure and Activities	Conservation and Development	Education	Economic Development	Debt Service	Total
2019	\$ 423,275	\$ 1,116,175	\$ 1,781,024	\$ 345,018	\$ 160,512	\$ 231,217	\$ 113,925	\$ 467,771	\$ -	\$ 520,194	\$ 5,159,111
2018	511,851	1,089,512	1,341,465	321,332	130,925	281,859	102,708	444,725	-	648,424	4,872,801
2017	382,878	1,424,615	1,178,437	307,522	104,094	235,425	54,863	433,821	-	647,359	4,769,014
2016	365,877	1,117,775	1,238,071	298,957	109,759	186,052	63,440	433,628	-	738,827	4,552,386
2015	353,112	1,060,310	934,480	417,872	96,499	162,355	78,638	437,292	-	789,554	4,330,112
2014	445,168	1,163,688	1,188,304	289,501	87,942	143,962	58,238	443,788	-	721,979	4,542,570
2013	434,114	1,218,902	810,362	294,004	113,621	140,981	72,244	438,146	-	931,631	4,454,005
2012	431,800	1,087,031	864,121	272,333	116,033	154,186	77,171	459,465	-	855,814	4,317,954
2011	415,815	1,206,948	853,491	280,013	105,499	139,008	77,699	501,992	-	976,846	4,557,311
2010	425,211	1,478,867	1,023,188	288,631	119,999	221,982	97,931	435,190	-	823,157	4,914,156
2009	504,899	989,012	1,000,298	391,650	125,120	154,955	97,547	445,257	-	748,227	4,456,965
2008	580,965	1,299,509	1,410,720	232,008	113,816	215,492	278,644	444,754	-	525,344	5,101,252
2007	634,323	1,215,845	1,473,658	259,188	126,005	327,193	143,957	403,233	-	551,110	5,134,512
2006	586,697	932,960	807,507	245,827	121,038	225,435	99,290	408,472	-	633,652	4,060,878
2005	577,420	886,981	927,782	497,463	120,095	314,769	24,974	386,076	163,214	441,653	4,340,427
2004	621,611	1,489,207	881,644	268,918	85,522	276,886	83,890	374,110	136,626	453,235	4,671,649
2003	538,899	2,412,878	766,343	250,731	87,176	337,068	74,156	364,029	138,244	440,084	5,409,608
2002	658,427	1,623,145	747,427	281,234	84,899	184,144	30,538	346,870	118,468	291,659	4,366,811
2001	538,513	891,573	952,987	244,419	107,713	285,980	48,663	325,003	434,915	379,932	4,209,698
2000	488,328	711,216	713,748	194,209	98,150	237,098	24,047	309,591	176,456	362,237	3,315,080

**CITY OF LADYSMITH, WISCONSIN
MISCELLANEOUS SUPPLEMENTAL INFORMATION (UNAUDITED)
YEAR ENDED DECEMBER 31, 2019**

DATE OF INCORPORATION	1905
FORM OF GOVERNMENT	Council--Mayor
AREA	4 1/2 square miles
MILES OF STREETS	31.5 miles
NUMBER OF STREET LIGHTS	468
FIRE PROTECTION	
Number of stations	1
Volunteer firefighters	25
POLICE PROTECTION	
Number of stations	1
Number of policemen and officers	8
EDUCATION	
Grade Schools:	
Public	1
Religious	1
Middle Schools	1
High Schools	1
MUNICIPAL WATER DEPARTMENT	
Number of consumers	1,622
Average daily gallons pumped	398,710
Miles of water mains	41.5 miles
Wells	4
SEWERS	
Sanitary sewers	35.5 miles
Storm sewers	24.5 miles
RECREATION AND CULTURE	
Number of Parks	5 with 92 acres
Number of Libraries	1
Number of Volumes	31,381
EMPLOYEES	
Full-Time	32
Part-Time	4
Volunteer Firefighters	25
Seasonal Summer	19

OTHER REPORTS



**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***

The City Council
City of Ladysmith
Ladysmith, Wisconsin

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Ladysmith (City), as of and for the year ended December 31, 2019, and the related notes to the basic financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated September 14, 2020.

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) to determine the 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses.

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 City's financial statements will not be prevented, or detected and corrected on a timely basis. We consider items 2019-001 through 2019-003 in the accompanying schedule of findings and responses to be material weaknesses.

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 determination of financial statement amounts. 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*.

The City of Ladysmith's Response to Findings

The City's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Responses. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on it.

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 entity'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

Eau Claire, Wisconsin
September 14, 2020

**CITY OF LADYSMITH, WISCONSIN
SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2019**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS

FINDING: 2019-001 Limited Segregation of Duties

- Criteria:** Generally, a system of internal control contemplates separation of duties such that no individual has responsibility to execute a transaction, have physical access to the related assets, and have responsibility or authority to record the transaction.
- Condition:** The auditors noted that the available staff precludes a proper separation of duties to assure adequate internal control.
- Context:** The limited size of the City's staff responsible for accounting and financial duties precludes a complete segregation of incompatible duties. The City has informed us that it may not be cost effective to hire the additional personnel required to achieve complete segregation of duties.
- Cause:** The condition is due to limited staff available.
- Effect:** The potential exists that the design of the internal controls over financial reporting that could affect the ability of the City to record, process, summarize and report financial data consistently with the assertions of management in the financial statements. In addition, this lack of segregation of duties may result in the City's inability to prevent/detect misappropriation of City assets.
- Recommendation:** The City should continue to evaluate its staffing in order to segregate incompatible duties whenever possible.

CORRECTIVE ACTION PLAN (CAP):

Explanation of Disagreement with Audit Findings

There is no disagreement with the audit finding.

Actions Planned in Response to Finding:

The City continues to work to achieve segregation of duties whenever cost effective.

Official Responsible for Ensuring CAP:

The City Council is responsible for ensuring corrective action of the deficiency.

Planned Completion Date for CAP:

The CAP is ongoing.

Plan to Monitor Completion of CAP:

The City Council will be monitoring this corrective action plan.

Compensating Controls and Mitigating Factors:

The cash disbursements process includes approval of the disbursement by the department head and approval of each voucher and coding by the treasurer. The payroll disbursements process includes council approval of all contracts and hourly wage rates, supervisor approval of timesheets, and review of coding by the comptroller. In addition to the above, administration and the council monitor budget to actual reports on a regular basis in order to identify unusual variances or activities.

**CITY OF LADYSMITH, WISCONSIN
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
YEAR ENDED DECEMBER 31, 2019**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS (CONTINUED)

FINDING: 2019-002 Material Audit Adjustments

- Criteria:** The City should have controls in place to prevent or detect a material misstatement in the financial statements in a timely manner.
- Condition:** The audit firm proposed and the City posted to its general ledger accounts journal entries for correcting certain misstatements.
- Context:** The City has informed us that they will continue to rely upon the audit firm to propose such audit adjustments as are necessary to adjust accounts in accordance with Generally Accepted Accounting Principles (GAAP). Management will review and approve those entries prior to recording them.
- Cause:** The City has not established controls to ensure that all accounts are adjusted to their appropriate year-end balances in accordance with GAAP.
- Effect:** The potential exists that financial statements of the City may include inaccurate information not detected or prevented by City staff.
- Recommendation:** The City should continue to evaluate its internal control processes to determine if additional internal control procedures should be implemented to ensure that accounts are adjusted to their appropriate year-end balances in accordance with GAAP.

CORRECTIVE ACTION PLAN (CAP):

Explanation of Disagreement with Audit Findings

There is no disagreement with the audit finding.

Actions Planned in Response to Finding:

The City will continue to rely upon the audit firm to propose audit adjustments necessary to adjust accounts in accordance with GAAP. Management will review and approve these entries prior to recording them.

Official Responsible for Ensuring CAP:

The City Council is responsible for ensuring corrective action of the deficiency.

Planned Completion Date for CAP:

The CAP is ongoing.

Plan to Monitor Completion of CAP:

The City Council will be monitoring this corrective action plan

**CITY OF LADYSMITH, WISCONSIN
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
YEAR ENDED DECEMBER 31, 2019**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS (CONTINUED)

FINDING: 2019-003 Annual Financial Reporting Under Generally Accepted Accounting Principles (GAAP)

Criteria: The City must be able to prevent or detect a material misstatement in the annual financial statements, including footnote disclosures.

Condition: The City does not have an internal control policy in place over annual financial reporting that would enable management to conclude its annual financial statements and related footnote disclosures are complete and presented in accordance with Generally Accepted Accounting Principles (GAAP).

Context: The City has informed us that they do not have an internal control policy in place over the annual financial reporting and that they do not have the necessary staff to prevent or detect a material misstatement in the annual financial statements including footnote disclosures. However, they have reviewed and approved the annual financial statements and the related footnote disclosures.

Cause: The City relies on the audit firm to prepare the annual financial statements and related footnote disclosures.

Effect: The potential exists that a material misstatement of the annual financial statements could occur and not be prevented or detected by the City's internal controls.

Recommendation: The City should continue to evaluate their internal staff to determine if an internal control policy over the annual financial reporting is beneficial.

CORRECTIVE ACTION PLAN (CAP):

Explanation of Disagreement with Audit Findings

There is no disagreement with the audit finding.

Actions Planned in Response to Finding:

The City will continue to rely upon the audit firm to prepare the financial statements and related footnote disclosures and will review and approve these prior to the issuance of the annual financial statements.

Official Responsible for Ensuring CAP:

The City Council is responsible for ensuring corrective action of the deficiency.

Planned Completion Date for CAP:

The CAP is ongoing.

Plan to Monitor Completion of CAP:

The City Council will be monitoring this corrective action plan.