Ashland Oredock Charitable Trust Meeting
8:00 Am Tuesday, September 7th, 2021
City Hall Council Chambers

Agenda

1. Call to Order

2. Roll Call

3. Approval of Agenda Items

4. Approval of Minutes from June 16, 2021.

5. Financial Updates

6. Project Updates

    a. Diamond Access
    b. Stuntz Ave Connector

7. Business Items
    a. 2020 Trust Audit
    b. Discussion and Consensus on the Ashland Oredock Diamond Access Project
    c. Approval to use Trust Fund to Pay for Stuntz Ave Connector Engineering and Design Documents

8. Other Business

9. Next Meeting Date.

10. Adjournment

THE ASHLAND ORE DOCK CHARITABE TRUST
BOARD OF TRUSTEES MEETING MINUTES

Wednesday June 16 8:30 AM (CDT)
Ashland City Hall Council Chambers*
601 Main St West
Ashland, WI 54806

I. Call to order.

a. Roll Call.
   a. Excused: Lewis, George, Monroe
   b. Accepted: Rivard, LaPean, Pufall, Ronning, Beirl, Hudson, Butler, McBride

b. Agenda discussion / modification/approval
   a. Approval of agenda with no modifications by Ronning, LaPean. All in favor.

c. Approval of Minutes – April 21, 2021 Minutes
   a. Pufall, LaPean. All in favor

II. **Citizens wishing to address the board on agenda items.**

No one present

III. Financial Updates

i. President Beirl gave a much abbreviated financial update, with all financial investments totaling $2,841,000.
   1. Motion by Rivard, second by Ronning. All in favor to accept abbreviated financial report

IV. Project Updates

a. Hudson reviewed the project updates from the memo.
   i. Phase 1: Overlook
      1. Three new benches constructed by Guard Manufacturing (Washburn High School Construction and Fabrication Class) will be put on the Oredock by the end of July (please see attached photo). The City has purchased reclaimed timbers from Crossroads Outreach and Lakewood Designs for future park amenities. Lights for the lights towers have also been purchased and City Staff is waiting on a call back an electrician for an estimate. The Ore chute Donor Wall is also under way. An exoskeleton for the chute is in the process of being designed.

   ii. Phase 1: Diamond Access
      1. The City of Ashland has applied for a DNR Recreation Trails Project (RTP) Grant for this part of the project instead of a LWCF grant. DNR staff suggested this funding change. The funding would be used to redo the Waterfront trail from Willis to 9th Ave E and create pedestrian access to the end of the Oredock. Estimated funding to be $200K.

   iii. Phase 2: Stuntz Gateway/Connector
      1. John Butler, Public Works Director, will be present at the meeting to discuss the updates to the Stuntz Ave Connector as we are now calling this part of the project. Butler and

McBride have been working with a consultant on how to make the connection possible. The possible acquisition of a house along US Hwy 2 would allow safe sight lines and the reconnection of Stuntz.

V. **Business Items**

a. Continued Discussion on Ashland Oredock Maintenance Fund Creation

LaPean and Ronning both agreed that there needs to be a maintenance to assist in maintaining the Oredock. Butler has started a document that shows an estimate of the basics maintenance costs and also the larger long term maintenance costs. The Trust discussed how to go about creating this fund. Is it an RTP process, do we keep it local? Butler suggested asking Baker Tilly for ideas on how to create the fund and how to go about doing it. City Staff will reach out to Baker Tilly. Butler also stated that City Staff are seeking advice from the Trust as to how to spend the Trust dollars. Beirl stated how the Trust funds were historically invested. Hudson gave the Trustee some homework: based on the declaration of the Trust and the original concept plan what do they want to see as the next project phase and how much do they want to set aside to do it. McBride asked if the Trust has looked at hiring a firm to run a capital campaign. Trustee agreed that this is a good idea. Butler stated that the vision is important for the "ask", Rivard agreed. Butler stated Stuntz Ave reconstruction in 2023. Rivard and Ronning agreed that work on the Dock will help the capital campaign and trust in the Trust.

b. Discussion and Possible Action on Potential Property Acquisition for Stuntz Ave Connector

i. Beirl read the declaration of the trust which states funds can be used for development of the Oredock. Beirl stated that the community may approve or disapprove of this decision, they are very interested in what the Trust does with funds. Hudson agreed with Beirl that if it turns out great, people will approve it it does not the Trust may get criticized but she does feel that the connection of Stuntz is important to the community and visitors. The Trust is in favor of the City pursuing the venture. The Trust would like proposal at the next meeting. Pufall asked about other houses along Water St and possible acquisition, McBride commented that City has mad inquires with no avail.

c. Other Business

i. None

VI. Comments/Questions

a. None

VII. Next meeting date.

a. End of August/Early Sept.

IIX. Adjourn.

Motion by LaPean, Pufall. Meeting Adjourned at 9:27 am

** Masks will be required for meeting participants who are not fully vaccinated.*

Memorandum

Date: September 7, 2021
To: Board of Trustees
Oredock Charitable Trust

From: Sara Hudson
Trust Secretary

Re: September 7, 2021 Oredock Charitable Trust Meeting Packet

The following is the information for the September 7, 2021 Ore dock Charitable Trustee meeting.

Financial Updates

Below are the Financial Investments by the Trust as of 6/30/21

NSB Savings	= $ 49,131.19
Bremer	= $
NSB MMA	= $1,495,467.20
NSB Bus CD	= $ 259,385.01
CVB	= $ 267,042.27
SCCU	= $ 275,352.49
NCCU	= $ 254,159.08
Total	= $2,600,537.24

Project Updates

A. *Diamond Access*
The City is waiting to hear back on the DNR Recreation Trails Project (RTP) Grant for $200,000. This funding would be used to redo the Waterfront trail from Willis to 9th Ave E and pay for railings on the elevated walkway of the Diamond Access.

B. *Stuntz Ave Connector*
City staff is estimating that construction would be in 2023. The City is still waiting on the DOT's analysis of the collected speed data. This data will let us know the feasibility and cost to reconnect Stuntz. The information should be available by spring 2022.

Business Items

A. **2020 Trust Audit**.
The 2020 Trust Audit was completed by Anderson, Hager and Moe Public Accountants. The Trust needs to approve the Audit and preemptively approve payment (TBD) for the services. John Beirl will also being bring forth the Wisconsin Charitable Organization Application, making us able to accept donations in WI, in the midst of the pandemic the application was not renewed. An approval is needed to reapply and to pay the fee ($30). John Beirl has also worked on updating and renewing the Officers and Directors insurance for Trustees. Cost for D&O insurance is ~$1,000/year.

B. **Discussion and Consensus on the Ashland Oredock Diamond Access Project**

To date, $1,030,757.00 has been raised towards the Ashland Oredock Diamond Access Project. The Trust has allocated $1.6M towards this project. Totaling ~$2,630,757.00. Of this, ~$700,000.00 has spent on the 151 Lookout, light towers, ladders, timbers and benches. Leaving ~$1.9M to be spent on the Diamond Access project. The last cost estimate (bids) the City received for this project in May 2020 were $2,159,815. The estimate included the 1 bridge, estimated to cost $250,000. If awarded the RTP funding, an addition $125,000 would be able to add to the project for railings. Making the total dollar amount available for the Diamond Access Project to just over $2M. City staff is asking the Trust for approval on the idea that we only go as far out as we can on the diamond access project as we currently have funding for. So instead of going all the way out to the end, we maybe only make it to 1600'. This still gives people access to the diamonds for fishing and gets them closer to the end. Funding to get to the end can be found later. City staff would like to go out to bid on this project in early 2022 so it can be completed by 2023.

C. **Approval to use Trust Fund to Pay for Stuntz Ave Connector Engineering and Design Documents**
The City is seeking approval from the Trust to pay 51% of the initial design costs for the Stuntz Ave Connector. Total cost of the design is $102,018. The City is asking the Trust to pay $52,437.25. The Trust had allocated $333,000 to match the $1M ACOE grant, but the City will now be using utility funds to meet the ACOE match. The Trust will have ~$280,563 to put towards a different Oredock Redevelopment project.

ASHLAND ORE DOCK CHARITABLE TRUST

Financial Statements as of December 31, 2020 and 2019

Independent Auditor's Report

ASHLAND ORE DOCK CHARITABLE TRUST

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DECEMBER 31, 2020 AND 2019

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Ashland Ore Dock Charitable Trust
601 Main Street West
Ashland, WI 54806

We have audited the accompanying financial statements of the Ashland Ore Dock Charitable Trust (a nonprofit organization), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in 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 auditor's judgement, 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Ashland Ore Dock Charitable Trust as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Anderson Hager & Moe S.C.

Hayward, Wisconsin

August 24, 2021

ASHLAND ORE DOCK CHARITABLE TRUST

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2020 AND 2019

	2020	2019
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 1,529,556	$ 1,634,718
Certificates of deposit	1,305,722	1,291,122
Accounts Receivable	2,683	2,683
Accrued interest and dividends	796	1,121
Prepaid Insurance	-	438
Total Current Assets	$ 2,839,757	$ 2,930,082
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	$ 9,057	$ 44,805
NET ASSETS:		
Without donor restrictions	$ 2,829,700	$ 2,885,277
Total Net Assets	$ 2,829,700	$ 2,885,277
Total Liabilities and Net Assets	$ 2,838,757	$ 2,930,082

See accompanying notes to financial statements.

ASHLAND ORE DOCK CHARITABLE TRUST

STATEMENTS OF ACTIVITIES

For the Years Ending December 31, 2020 and 2019

	2020		2019	
	Without Donor Restrictions	Total 2020	Without Donor Restrictions	Total 2019
SUPPORT AND REVENUE:				
Gifts and Bequests	$ -	$ -	$ 1,138	$ 1,138
Investment Income	29,519	29,519	45,137	45,137
Total Support and Revenue	$ 29,519	$ 29,519	$ 46,275	$ 46,275
EXPENSES:				
Program Expense				
Contribution to City of Ashland-				
Engineering, Design, and Construction	$ 80,693	$ 80,693	$ 44,805	$ 44,805
Management and General Expenses				
Professional Fees	3,965	3,965	3,850	3,850
Insurance	438	438	750	750
Fees	-	-	54	54
Total Expenses	$ 85,096	$ 85,096	$ 49,459	$ 49,459
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	$ (55,577)	$ (55,577)	$ (3,184)	$ (3,184)
NET ASSETS - BEGINNING OF YEAR	2,885,277	2,885,277	288,461	288,461
NET ASSETS - END OF YEAR	$ 2,829,700	$ 2,829,700	$ 2,885,277	$ 2,885,277

See accompanying notes to financial statements.

ASHLAND ORE DOCK CHARITABLE TRUST

STATEMENTS OF CASH FLOWS

For the Years Ending December 31, 2020 and 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ (55,577)	$ (3,184)
Adjustments to reconcile change in net assets to net cash provided by operating activities-		
Changes in assets and liabilities:		
(Increase) decrease in accrued Interest	325	(47)
(Increase) decrease in prepaid insurance	438	-
(Decrease) increase in accounts payable	(35,748)	(10,671)
Net cash provided by (used in) operating activities	$ (90,562)	$ (13,902)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest and dividends reinvested certificates of deposit	$ (14,600)	$ (11,692)
Net cash (used in) investing activities	$ (14,600)	$ (11,692)
Net increase (decrease) in cash and cash equivalents	$ (105,162)	$ (25,594)
Cash and cash equivalents - beginning of year	1,634,718	1,660,312
Cash and cash equivalents - end of year	$ 1,529,556	$ 1,634,718

See accompanying notes to financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES:

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

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

c. Basis of Presentation-
The Trust is required to report information regarding its financial position and activities according to two classes of net assets: those without donor restrictions and those with donor restrictions.

d. Cash and Cash Equivalents-
Cash and cash equivalents consist of short-term, highly liquid investments which are easily convertible into cash within ninety (90) days of purchase.

e. Investments-
Investments in certificates of deposit are recorded at cost. Subsequent write ups or write downs to fair value to recognize unrealized gains and losses are not recorded. Investments are reflected in the statements of net position at cost until they become worthless or are sold. Likewise, interest on investments in certificates of deposit is recognized when received and accrued. Interest is paid monthly or semiannually on certificates of deposit.

f. Fair Value of Financial Instruments-
Generally accepted accounting principles require the Trust to disclose estimated fair values for its financial instruments. Fair value estimates, methods, and assumptions are set forth below for the Trust's financial instruments.

The carrying amounts of cash and cash equivalents, and other current assets, accounts payable, approximate fair value because of the short maturity of those instruments. None of the financial instruments are held for trading purposes.

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

h. Income Taxes-
For tax purposes, the Trust has been given status as an organization exempt from income tax liability under Section 501(c)(3) of the Internal Revenue Code on May 20, 2015. While the Trust is generally exempt from income taxes, it is subject to taxes on unrelated trade or business income. For the years ended December 31, 2020 and 2019, the Trust did not incur taxes for unrelated trade or business income.

The Trust's federal Form 990, Return of Organization Exempt from Income Tax, is subject to examination for three years after it is filed.

i. Estimates-
The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

j. Uncertain Tax Positions-
The Trust is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business income (See Note I h.). At December 31, 2020 and 2019, the Trust recorded $0 of tax liability on this unrelated business activity. The Trust believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

k. FASB Accounting Standards Update-
ASU No. 2014-09 (as amended) Revenue from contracts with customers, effective for annual reporting periods after December 15, 2018, has been implemented in 2019. This ASU changed the timing of recognition of revenue from contracts with customers. Revenues will be recognized when the promised goods or services are transferred to its customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

ASU No. 2018-08 Clarifying the scope and the accounting guidance for contributions received and contributions made, effective for annual periods beginning after December 15, 2018, has been implemented in 2019. This ASU provided additional guidance in evaluating whether transactions should be accounted for as contributions or exchanges.

ASU No. 2016-18 Statement of Cash Flows (Topic 230): Restricted Cash has been implemented in 2019. This changed presentation of the statement of cash flows to explain the change during the period in restricted cash or restricted cash equivalents, in addition to changes in cash and cash equivalents. The Organization had no restricted assets as of December 31, 2020 and 2019.

NOTE 2 – ASSETS:

a. Deposits-
The Trust deposits cash directly into savings accounts held in FDIC member banks. The cash balance is insured through the FDIC up to an amount of $250,000. The Trust opened a Money Market account in 2020 with Northern State Bank and had a balance of $1,488,672 as of December 31, 2020. The Trust has an excess deposit bond of $1,250,000 effective on August 6, 2021 through August 6, 2022. As of December 31, 2020 and 2019, the uninsured portions of this balance were $1,557,879 and $1,654,450, respectively.

The Trust deposits cash directly into share accounts held in NCUA member credit unions. The cash balance is insured through the NCUA up to an amount of $250,000. As of December 31, 2020 and 2019, the uninsured portions of this balance were $27,399 and $21,389, respectively.

b. Certificates of Deposits-

Certificates of deposit totaled $1,305,722 and $1,291,122 at December 31, 2020 and 2019, respectively. Initial maturities at purchase of these certificates ranged from 6 months to 2 years. At December 31, 2020 interest rates ranged from .10% to 2.09%, with interest paid periodically on a monthly or semi-annual basis.

The Trust had the following unrestricted investments as of December 31, 2020 and 2019.

	2020	2019
Certificates of Deposit:		
Northern State Bank	$ 258,547	$ 256,612
Northwoods Community Credit Union	253,839	253,204
Superior Choice Credit Union	273,399	268,024
Chippewa Valley Bank	266,097	260,583
Bremer Bank	253,840	252,699
	$ 1,305,722	$ 1,291,122

NOTE 3 – LIQUID RESOURCES

Ashland Ore Dock Charitable Trust's working capital and cash flows vary each year as their main focus is to reimburse the City of Ashland for approved expenses on the Ashland Ore Dock renovation project. Timing of the requests are dependent on project workflow. Because of this a large amount is kept in liquid assets. The following table reflects Ashland Ore Dock Charitable Trust's financial assets available to meet the cash needs for general expenses within one year of December 31:

	2020	2019
Cash and Cash Equivalents	$ 1,529,556	$ 1,634,718
Net financial assets available for general expenses	$ 1,529,556	$ 1,634,718

NOTE 4 – FAIR VALUE MEASUREMENTS:

The fair value measurement accounting literature establishes a framework for measuring fair value that applies broadly to financial and nonfinancial assets and liabilities and improves the consistency, comparability, and reliability of the measurements. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The assets or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The three levels of inputs within the fair value hierarchy are as follows: Level 1 inputs are unadjusted quoted prices for identical assets and liabilities in active markets. Level 2 inputs include quoted prices for similar assets and liabilities in active markets or inputs that are observable, or can be corroborates, for substantially the full term of the financial instrument. Level 3 inputs are unobservable inputs based on the Trust's own assumptions used to measure financial instruments at fair value.

Fair values of assets and liabilities on recurring bases at December 31, 2020 and 2019 are as follows:

		Fair Value Measurements at December 31, 2020 Using:		
	Total Carrying Value at 12/31/20	Quoted Prices in Active Markers (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Certificates of Deposit	$ 1,305,722	$ -	$ 1,305,722	$ -

		Fair Value Measurements at December 31, 2019 Using:		
	Total Carrying Value at 12/31/19	Quoted Prices in Active Markers (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Certificates of Deposit	$ 1,291,122	$ -	$ 1,291,122	$ -

NOTE 5 – LIABILITIES:

a. Accounts Payable-
Accounts payable is for expenses incurred by the City of Ashland for maintenance of the Ore Dock that are to be reimbursed by the Trust.

NOTE 6 – STATEMENT OF FUNCTIONAL EXPENSES:

The Organization has elected to not include a Statement of Functional Expense as program expenses and management and general expenses are shown in detail on the Statement of Activities.

NOTE 7 - RELATED PARTY TRANSACTIONS:

The Ashland Ore Dock Charitable Trust is a component unit of the City of Ashland, a Wisconsin municipal corporation. Costs for maintenance, betterment, and operation of the Ore Dock are paid by the City, after which the City requests reimbursement for such approved costs from the Trust. Amounts owed from the Trust to the City of Ashland as of December 31, 2020 and 2019 totaled $9,057 and $44,805, respectively.

NOTE 8 – OTHER INFORMATION:

Upcoming Accounting Pronouncements – The Financial Accounting Standards Board has issued an accounting standard that will result in significant changes to financial reporting and disclosures related to both operating and capital leases. The new leases standard is intended to increase the transparency and comparability among companies that lease buildings, equipment, and other assets by recognizing the assets and liabilities that arise from these lease transactions on the statement of financial position. The provisions of this statement are effective for the Trust's financial statements for the year ended December 31, 2022.

NOTE 9 – SUBSEQUENT EVENTS:

Date of Management Evaluation:

Management has evaluated subsequent events through August 24, 2021 the date on which the financial statements were available to be issued. In regard to effects of the COVID-19 virus, the Trust's operations have not been significantly impacted. They have no employees and primary duties performed by the board such as approving expense reimbursements to the City of Ashland and planning subsequent phases of construction can be performed remotely. No impairments were recorded as of the balance sheet date as no triggering events or changes in circumstances had occurred as of year-end. However, due to significant uncertainty surrounding the situation, management's judgement regarding this matter could change in the future. Any negative impact to the Trust's results of operations, cash flows, and financial condition cannot be reasonably estimated at this time.