

PRELIMINARY OFFICIAL STATEMENT DATED MAY 9, 2019

In the opinion of Quarles & Brady LLP, Bond Counsel, assuming continued compliance with the requirements of the Internal Revenue Code of 1986, as amended, under existing law interest on the Bonds is excludable from gross income and is not an item of tax preference for federal income tax purposes. See "TAX EXEMPTION" herein for a more detailed discussion of some of the federal income tax consequences of owning the Bonds. The interest on the Bonds is not exempt from present Wisconsin income or franchise taxes.

The City will designate the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

New Issue

Rating Application Made: Moody's Investors Service, Inc.

CITY OF CHIPPEWA FALLS, WISCONSIN (Chippewa County)

\$2,395,000* GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2019A

BID OPENING: May 21, 2019, 10:30 A.M., C.T.

CONSIDERATION: May 21, 2019, 6:30 P.M., C.T.

PURPOSE/AUTHORITY/SECURITY: The \$2,395,000* General Obligation Corporate Purpose Bonds, Series 2019A (the "Bonds") of the City of Chippewa Falls, Wisconsin (the "City") are being issued pursuant to Section 67.04, Wisconsin Statutes, for the public purposes of paying the cost of the street, sanitary sewer, water and storm sewer projects. The Bonds 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 of and interest on the Bonds as they become due which tax may, under current law, be levied without limitation as to rate or amount. Delivery is subject to receipt of an approving legal opinion of Quarles & Brady LLP, Milwaukee, Wisconsin.

DATE OF BONDS: June 12, 2019

MATURITY: As follows:

<u>Maturity</u>	<u>Amount*</u>	<u>Maturity</u>	<u>Amount*</u>	<u>Maturity</u>	<u>Amount*</u>
12/01/2020	\$25,000	12/01/2027	\$125,000	12/01/2034	\$155,000
12/01/2021	35,000	12/01/2028	130,000	12/01/2035	160,000
12/01/2022	35,000	12/01/2029	135,000	12/01/2036	160,000
12/01/2023	40,000	12/01/2030	135,000	12/01/2037	170,000
12/01/2024	40,000	12/01/2031	145,000	12/01/2038	175,000
12/01/2025	120,000	12/01/2032	150,000	06/01/2039	185,000
12/01/2026	125,000	12/01/2033	150,000		

MATURITY ADJUSTMENTS: * The City reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of \$5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

TERM BONDS: See "Term Bond Option" herein.

INTEREST: June 1, 2020 and semiannually thereafter.

OPTIONAL REDEMPTION: Bonds maturing on December 1, 2029 and thereafter are subject to call for prior optional redemption on December 1, 2028 or any date thereafter, at a price of par plus accrued interest.

MINIMUM BID: \$2,366,260.00.

GOOD FAITH DEPOSIT: A good faith deposit in the amount of \$47,900 shall be made by the winning bidder by wire transfer of funds.

PAYING AGENT: Associated Trust Company, N.A.

BOND COUNSEL &

DISCLOSURE COUNSEL: Quarles & Brady LLP.

MUNICIPAL ADVISOR: Ehlers and Associates, Inc.

BOOK-ENTRY-ONLY: See "Book-Entry-Only System" herein (unless otherwise specified by the purchaser).



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REPRESENTATIONS

No dealer, broker, salesperson or other person has been authorized by the City to give any information or to make any representation other than those contained in this Preliminary Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the City. ***This Preliminary Official Statement does not constitute an offer to sell or a solicitation of an offer to buy any of the Bonds in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction.***

This Preliminary Official Statement is not to be construed as a contract with the Syndicate Manager or Syndicate Members. Statements contained herein which involve estimates or matters of opinion are intended solely as such and are not to be construed as representations of fact. Ehlers and Associates, Inc. prepared this Preliminary Official Statement and any addenda thereto relying on information of the City and other sources for which there is reasonable basis for believing the information is accurate and complete. Quarles & Brady LLP will serve as Disclosure Counsel to the City with respect to the Bonds. Compensation of Ehlers and Associates, Inc., payable entirely by the City, is contingent upon the sale of the Bonds.

COMPLIANCE WITH S.E.C. RULE 15c2-12

Certain municipal obligations (issued in an aggregate amount over \$1,000,000) are subject to Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended (the "Rule").

Preliminary Official Statement: This Preliminary Official Statement was prepared for the City for dissemination to potential investors. Its primary purpose is to disclose information regarding the Bonds to prospective underwriters in the interest of receiving competitive proposals in accordance with the sale notice contained herein. Unless an addendum is posted prior to the sale, this Preliminary Official Statement shall be deemed nearly final for purposes of the Rule subject to completion, revision and amendment in a Final Official Statement as defined below.

Review Period: This Preliminary Official Statement has been distributed to prospective bidders for review. Comments or requests for the correction of omissions or inaccuracies must be submitted to Ehlers and Associates, Inc. at least two business days prior to the sale. Requests for additional information or corrections in the Preliminary Official Statement received on or before this date will not be considered a qualification of a proposal received from an underwriter. If there are any changes, corrections or additions to the Preliminary Official Statement, interested bidders will be informed by an addendum prior to the sale.

Final Official Statement: Copies of the Final Official Statement will be delivered to the underwriter (Syndicate Manager) within seven business days following the proposal acceptance.

Continuing Disclosure: Subject to certain exemptions, issues in an aggregate amount over \$1,000,000 may be required to comply with provisions of the Rule which require that underwriters obtain from the issuers of municipal securities (or other obligated party) an agreement for the benefit of the owners of the securities to provide continuing disclosure with respect to those securities. This Preliminary Official Statement describes the conditions under which the City is required to comply with the Rule.

CLOSING CERTIFICATES

Upon delivery of the Bonds, the underwriter (Syndicate Manager) will be furnished with the following items: (1) a certificate of the appropriate officials to the effect that at the time of the sale of the Bonds and all times subsequent thereto up to and including the time of the delivery of the Bonds, this Preliminary Official Statement did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (2) a receipt signed by the appropriate officer evidencing payment for the Bonds; (3) a certificate evidencing the due execution of the Bonds, including statements that (a) no litigation of any nature is pending, or to the knowledge of signers, threatened, restraining or enjoining the issuance and delivery of the Bonds, (b) neither the corporate existence or boundaries of the City nor the title of the signers to their respective offices is being contested, and (c) no authority or proceedings for the issuance of the Bonds have been repealed, revoked or rescinded; and (4) a certificate setting forth facts and expectations of the City which indicates that the City does not expect to use the proceeds of the Bonds in a manner that would cause them to be arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or within the meaning of applicable Treasury Regulations.

TABLE OF CONTENTS

INTRODUCTORY STATEMENT	1	GENERAL INFORMATION	30
THE BONDS	1	LOCATION	30
GENERAL	1	LARGER EMPLOYERS	30
OPTIONAL REDEMPTION	2	BUILDING PERMITS	31
AUTHORITY; PURPOSE	2	U.S. CENSUS DATA	32
ESTIMATED SOURCES AND USES	2	EMPLOYMENT/UNEMPLOYMENT DATA	32
SECURITY	2	FINANCIAL STATEMENTS	A-2
RATING	3	FORM OF LEGAL OPINION	B-1
CONTINUING DISCLOSURE	3	BOOK-ENTRY-ONLY SYSTEM	C-1
LEGAL MATTERS	3	FORM OF CONTINUING DISCLOSURE CERTIFICATE ...	D-1
TAX EXEMPTION	4	NOTICE OF SALE	E-1
ORIGINAL ISSUE DISCOUNT	4	BID FORM	E-8
BOND PREMIUM	5		
QUALIFIED TAX-EXEMPT OBLIGATIONS	6		
MUNICIPAL ADVISOR	6		
MUNICIPAL ADVISOR AFFILIATED COMPANIES	6		
INDEPENDENT AUDITORS	6		
RISK FACTORS	7		
VALUATIONS	9		
WISCONSIN PROPERTY VALUATIONS;			
PROPERTY TAXES	9		
CURRENT PROPERTY VALUATIONS	10		
2018 EQUALIZED VALUE BY CLASSIFICATION	10		
TREND OF VALUATIONS	10		
LARGER TAXPAYERS	11		
DEBT	12		
DIRECT DEBT	12		
SCHEDULE OF GENERAL OBLIGATION DEBT	13		
SCHEDULE OF SEWER REVENUES DEBT	16		
SCHEDULE OF WATER REVENUES DEBT	17		
SCHEDULE OF TAX INCREMENT REVENUES DEBT .	18		
DEBT LIMIT	19		
OVERLAPPING DEBT	19		
DEBT RATIOS	20		
DEBT PAYMENT HISTORY	20		
FUTURE FINANCING	20		
TAX LEVIES AND COLLECTIONS	21		
TAX LEVIES AND COLLECTIONS	21		
PROPERTY TAX RATES	22		
LEVY LIMITS	22		
THE ISSUER	24		
CITY GOVERNMENT	24		
EMPLOYEES; PENSIONS	24		
OTHER POST EMPLOYMENT BENEFITS	25		
LITIGATION	26		
MUNICIPAL BANKRUPTCY	26		
FUNDS ON HAND	27		
ENTERPRISE FUNDS	28		
SUMMARY GENERAL FUND INFORMATION	29		

CITY OF CHIPPEWA FALLS COMMON COUNCIL

		<u>Term Expires</u>
Gregory S. Hoffman	Mayor	April 2021
Robert Hoekstra	Alderman	April 2021
Chuck Hull	Alderman	April 2020
Rob Kiefer	Alderman	April 2020
CW King	Alderman	April 2021
John Monarski	Alderman	April 2021
Paul Nadreau	Alderman	April 2020
Paul Olson	Alderman	April 2021

ADMINISTRATION

Lynne R. Bauer, Finance Manager/Treasurer

Bridget Givens, City Clerk

Brad Hentschel, City Planner/Economic Development Director

PROFESSIONAL SERVICES

Robert Ferg, City Attorney, Chippewa Falls, Wisconsin

Quarles & Brady LLP, Bond Counsel and Disclosure Counsel, Milwaukee, Wisconsin

Ehlers and Associates, Inc., Municipal Advisors, Roseville, Minnesota
(Other offices located in Waukesha, Wisconsin and Denver, Colorado)

INTRODUCTORY STATEMENT

This Preliminary Official Statement contains certain information regarding the City of Chippewa Falls, Wisconsin (the "City") and the issuance of its \$2,395,000* General Obligation Corporate Purpose Bonds, Series 2019A (the "Bonds"). Any descriptions or summaries of the Bonds, statutes, or documents included herein are not intended to be complete and are qualified in their entirety by reference to such statutes and documents and the form of the Bonds to be included in the resolution awarding the sale of the Bonds ("Award Resolution") to be adopted by the Common Council on May 21, 2019.

Inquiries may be directed to Ehlers and Associates, Inc. ("Ehlers" or the "Municipal Advisor"), Roseville, Minnesota, (651) 697-8500, the City's municipal advisor. A copy of this Preliminary Official Statement may be downloaded from Ehlers' web site at www.ehlers-inc.com by connecting to the Bond Sales link and following the directions at the top of the site.

THE BONDS

GENERAL

The Bonds will be issued in fully registered form as to both principal and interest in denominations of \$5,000 each or any integral multiple thereof, and will be dated, as originally issued, as of June 12, 2019. The Bonds will mature on the dates, in the years and amounts set forth on the cover of this Preliminary Official Statement. Interest will be payable on June 1 and December 1 of each year, commencing June 1, 2020, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board ("MSRB"). **The rate for any maturity may not be more than 2.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2020 maturity, then the lowest rate that may be proposed for any later maturity is 2.50%.)** All Bonds of the same maturity must bear interest from the date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

Unless otherwise specified by the purchaser, the Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). (See "Book-Entry-Only System" herein.) As long as the Bonds are held under the book-entry system, beneficial ownership interests in the Bonds may be acquired in book-entry form only, and all payments of principal of, premium, if any, and interest on the Bonds shall be made through the facilities of DTC and its participants. If the book-entry system is terminated, principal of, premium, if any, and interest on the Bonds shall be payable as provided in the Award Resolution.

The City has selected Associated Trust Company, N.A., Green Bay, Wisconsin, to act as paying agent (the "Paying Agent"). The City will pay the charges for Paying Agent services. The City reserves the right to remove the Paying Agent and to appoint a successor.

*Preliminary, subject to change.

OPTIONAL REDEMPTION

At the option of the City, the Bonds maturing on or after December 1, 2029 shall be subject to optional redemption prior to maturity on December 1, 2028 or any date thereafter, at a price of par plus accrued interest.

Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Bonds to be redeemed shall be at the discretion of the City. If only part of the Bonds having a common maturity date are called for redemption, then the City or Paying Agent, if any, will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

Notice of such call shall be given by sending a notice by registered or certified mail, facsimile or electronic transmission, overnight delivery service or in any other manner required by DTC, not less than 30 days nor more than 60 days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books.

AUTHORITY; PURPOSE

The Bonds are being issued by the City pursuant to Section 67.04, Wisconsin Statutes, for the public purposes of paying the cost of the street, sanitary sewer, water and storm sewer projects.

ESTIMATED SOURCES AND USES*

Sources		
Par Amount of Bonds	<u>\$2,395,000</u>	
Total Sources		\$2,395,000
Uses		
Estimated Underwriter's Discount	\$28,740	
Costs of Issuance	47,000	
Deposit to Project Construction Fund	2,316,100	
Rounding Amount	<u>3,160</u>	
Total Uses		\$2,395,000

*Preliminary, subject to change.

SECURITY

For the prompt payment of the Bonds with interest thereon and for the levy of taxes sufficient for this purpose, the full faith, credit and resources of the City will be irrevocably pledged. The City will levy a direct, annual, irrevocable tax on all taxable property in the City sufficient to pay the interest on the Bonds when it becomes due and also to pay and discharge the principal on the Bonds at maturity, in compliance with Article XI, Section 3 of the Wisconsin Constitution. Such tax may, under current law, be levied without limitation as to rate or amount.

RATING

General obligation debt of the City is currently rated "Aa3" by Moody's Investors Service, Inc. ("Moody's").

The City has requested a rating on the Bonds from Moody's, and bidders will be notified as to the assigned rating prior to the sale. Such rating reflects only the views of such organization and explanations of the significance of such rating may be obtained from Moody's. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency, if in the judgment of such rating agency circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

Such rating is not to be construed as a recommendation of the rating agency to buy, sell or hold the Bonds, and the rating assigned by the rating agency should be evaluated independently. Except as may be required by the Disclosure Undertaking described under the heading "CONTINUING DISCLOSURE" neither the City nor the underwriter undertake responsibility to bring to the attention of the owner of the Bonds any proposed changes in or withdrawal of such rating or to oppose any such revision or withdrawal.

CONTINUING DISCLOSURE

In order to assist brokers, dealers, and municipal securities dealers, in connection with their participation in the offering of the Bonds, to comply with Rule 15c2-12 promulgated by the Securities and Exchange Commission, pursuant to the Securities and Exchange Act of 1934, as amended (the "Rule"), the City shall agree to provide certain information to the Municipal Securities Rulemaking Board (MSRB) through its Electronic Municipal Market Access (EMMA) system, or any system that may be prescribed in the future. The Rule was last amended, effective February 27, 2019, to include an expanded list of material events. The Disclosure Undertaking includes the two new material events effective February 27, 2019 under the Rule.

On the date of issue and delivery, the City shall execute and deliver a Continuing Disclosure Certificate, under which the City will covenant for the benefit of holders including beneficial holders, to provide electronically, or in a manner otherwise prescribed, certain financial information annually and to provide notices of the occurrence of certain events enumerated in the Rule (the "Disclosure Undertaking"). The details and terms of the Disclosure Undertaking for the City are set forth in Appendix D. Such Disclosure Undertaking will be in substantially the form attached hereto.

A failure by the City to comply with the Disclosure Undertaking will not constitute an event of default on the Bonds. However, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

In the previous five years, the City believes it has not failed to comply in all material respects with its prior undertakings under the Rule. The City has reviewed its continuing disclosure responsibilities, including the two new material events, to help ensure compliance. Ehlers is currently engaged as dissemination agent for the City.

LEGAL MATTERS

An opinion as to the validity of the Bonds and the exemption from federal taxation of the interest thereon will be furnished by Quarles & Brady LLP, Bond Counsel to the City, and will be available at the time of delivery of the Bonds. The legal opinion will be issued on the basis of existing law and will state that the Bonds are valid and binding general obligations of the City; provided that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding). (See "FORM OF LEGAL OPINION" found in Appendix B).

Quarles & Brady LLP has also been retained by the City to serve as Disclosure Counsel to the City with respect to the Bonds. Although, as Disclosure Counsel to the City, Quarles & Brady LLP has assisted the City with certain disclosure matters, Quarles & Brady LLP has not undertaken to independently verify the accuracy, completeness or sufficiency of this Official Statement or other offering material relating to the Bonds and assumes no responsibility whatsoever nor shall have any liability to any other party for the statements or information contained or incorporated by reference in this Official Statement. Further, Quarles & Brady LLP makes no representation as to the suitability of the Bonds for any investor.

TAX EXEMPTION

Quarles & Brady LLP, Milwaukee, Wisconsin, Bond Counsel, will deliver a legal opinion with respect to the federal income tax exemption applicable to the interest on the Bonds under existing law substantially in the following form:

"The interest on the Bonds is excludable for federal income tax purposes from the gross income of the owners of the Bonds. The interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed by Section 55 of the Internal Revenue Code of 1986, as amended (the "Code") on individuals. The Code contains requirements that must be satisfied subsequent to the issuance of the Bonds in order for interest on the Bonds to be or continue to be excludable from gross income for federal income tax purposes. Failure to comply with certain of those requirements could cause the interest on the Bonds to be included in gross income retroactively to the date of issuance of the Bonds. The City has agreed to comply with all of those requirements. The opinion set forth in the first sentence of this paragraph is subject to the condition that the City comply with those requirements. We express no opinion regarding other federal tax consequences arising with respect to the Bonds."

The interest on the Bonds is not exempt from present Wisconsin income or franchise taxes.

Prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers. Bond Counsel will not express any opinion as to such collateral tax consequences. Prospective purchasers of the Bonds should consult their tax advisors as to collateral federal income tax consequences.

From time to time legislation is proposed, and there are or may be legislative proposals pending in the Congress of the United States that, if enacted, could alter or amend the federal tax matters referred to above or adversely affect the market value of the Bonds. It cannot be predicted whether, or in what form, any proposal that could alter one or more of the federal tax matters referred to above or adversely affect the market value of the Bonds may be enacted. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

ORIGINAL ISSUE DISCOUNT

To the extent that the initial public offering price of certain of the Bonds is less than the principal amount payable at maturity, such Bonds ("Discounted Bonds") will be considered to be issued with original issue discount. The original issue discount is the excess of the stated redemption price at maturity of Discounted Bonds over the initial offering price to the public, excluding underwriters or other intermediaries, at which price a substantial amount of such Discounted Bonds were sold (issue price). With respect to a taxpayer who purchases a Discounted Bond in the initial public offering at the issue price and who holds such Discounted Bonds to maturity, the full amount of original issue discount will constitute interest that is not includible in the gross income of the owner of such Discounted Bonds for federal income tax purposes and such owner will not, subject to the caveats and provisions herein described, realize taxable capital gain upon payment of such Discounted Bonds upon maturity.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discounted Bond, on days that are determined by reference to the maturity date of such Discounted Bonds. The amount treated as original issue discount on Discounted Bonds for a particular semiannual accrual period is generally equal to (a) the product of (i) the yield to maturity for such Discounted Bonds (determined by compounding at the close of each accrual period) and (ii) the amount that would have been the tax basis of such Discounted Bonds at the beginning of the particular accrual period if held by the original purchaser; and less (b) the amount of any interest payable for such Discounted Bonds during the accrual period. The tax basis is determined by adding to the initial public offering price on such Discounted Bonds the sum of the amounts that have been treated as original issue discount for such purposes during all prior periods. If a Discounted Bond is sold or exchanged between semiannual compounding dates, original issue discount that would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

For federal income tax purposes, the amount of original issue discount that is treated as having accrued with respect to such a Discounted Bond is added to the cost basis of the owner in determining gain or loss upon disposition of a Discounted Bond (including its sale, exchange, redemption, or payment at maturity). Amounts received upon disposition of a Discounted Bond that are attributable to accrued original issue discount will be treated as tax-exempt interest, rather than as taxable gain.

The accrual or receipt of original issue discount on the Discounted Bonds may result in certain collateral federal income tax consequences for the owners of such Discounted Bonds. The extent of these collateral tax consequences will depend upon the owner's particular tax status and other items of income or deduction.

The Code contains additional provisions relating to the accrual of original issue discount. Owners who purchase Discounted Bonds at a price other than the issue price or who purchase such Discounted Bonds in the secondary market should consult their own tax advisors with respect to the tax consequences of owning the Discounted Bonds. Under the applicable provisions governing the determination of state and local taxes, accrued interest on the Discounted Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment until a later year. Owners of Discounted Bonds should consult their own tax advisors with respect to the state and local tax consequences of owning the Discounted Bonds.

BOND PREMIUM

To the extent that the initial offering price of certain of the Bonds is more than the principal amount payable at maturity, such Bonds ("Premium Bonds") will be considered to have bond premium.

Any Premium Bond purchased in the initial offering at the issue price will have "amortizable bond premium" within the meaning of Section 171 of the Code. The amortizable premium of each Premium Bond is calculated on a daily basis from the issue date of such Premium Bond until its stated maturity date (or call date, if any) on the basis of a constant interest rate compounded at each accrual period (with straight line interpolation between the compounding dates). An owner of a Premium Bond that has amortizable bond premium is not allowed any deduction for the amortizable premium; rather the amortizable premium attributable to a taxable year is applied against (and operates to reduce) the amount of tax-exempt interest payments on the Premium Bonds. During each taxable year, such an owner must reduce his or her tax basis in such Premium Bond by the amount of the amortizable bond premium that is allocable to the portion of such taxable year during which the holder held such Premium Bond. The adjusted tax basis in a Premium Bond will be used to determine taxable gain or loss upon a disposition (including the sale, exchange, redemption, or payment at maturity) of such Premium Bond.

Owners of Premium Bonds who did not purchase such Premium Bonds in the initial offering at the issue price should consult their own tax advisors with respect to the tax consequences of owning such Premium Bonds. Owners of Premium Bonds should consult their own tax advisors with respect to the state and local tax consequences of owning the Premium Bonds.

QUALIFIED TAX-EXEMPT OBLIGATIONS

The City will designate the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

MUNICIPAL ADVISOR

Ehlers has served as municipal advisor to the City in connection with the issuance of the Bonds. The Municipal Advisor cannot participate in the underwriting of the Bonds. The financial information included in this Official Statement has been compiled by the Municipal Advisor. Such information does not purport to be a review, audit or certified forecast of future events and may not conform with accounting principles applicable to compilations of financial information. Ehlers is not a firm of certified public accountants. Ehlers is registered with the Securities and Exchange Commission and the MSRB as a municipal advisor.

MUNICIPAL ADVISOR AFFILIATED COMPANIES

Bond Trust Services Corporation ("BTSC") and Ehlers Investment Partners, LLC ("EIP") are affiliate companies of Ehlers. BTSC is chartered by the State of Minnesota and authorized in Minnesota, Wisconsin, Colorado, and Illinois to transact the business of a limited purpose trust company. BTSC provides paying agent services to debt issuers. EIP is a Registered Investment Advisor with the Securities and Exchange Commission. EIP assists issuers with the investment of bond proceeds or investing other issuer funds. This includes escrow bidding agent services. Issuers, such as the City, have retained or may retain BTSC and/or EIP to provide these services. If hired, BTSC and/or EIP would be retained by the City under an agreement separate from Ehlers.

INDEPENDENT AUDITORS

The basic financial statements of the City for the fiscal year ended December 31, 2017, have been audited by CliftonLarsonAllen LLP, Eau Claire, Wisconsin, independent auditors (the "Auditor"). The report of the Auditor, together with the basic financial statements, component units financial statements, and notes to the financial statements are attached hereto as "APPENDIX A – FINANCIAL STATEMENTS". The Auditor has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The Auditor also has not performed any procedures relating to this Official Statement.

RISK FACTORS

Following is a description of possible risks to holders of the Bonds without weighting as to probability. This description of risks is not intended to be all-inclusive, and there may be other risks not now perceived or listed here.

Taxes: The Bonds are general obligations of the City, the ultimate payment of which rests in the City's ability to levy and collect sufficient taxes to pay debt service. In the event of delayed billing, collection or distribution of property taxes, sufficient funds may not be available to the City in time to pay debt service when due.

State Actions: Many elements of local government finance, including the issuance of debt and the levy of property taxes, are controlled by state government. Future actions of the State may affect the overall financial condition of the City, the taxable value of property within the City, and the ability of the City to levy and collect property taxes.

Future Changes in Law: Various State and federal laws, regulations and constitutional provisions apply to the City and to the Bonds. The City can give no assurance that there will not be a change in or interpretation of any such applicable laws, regulations and provisions which would have a material effect on the City or the taxing authority of the City.

Ratings; Interest Rates: In the future, the City's credit rating may be reduced or withdrawn, or interest rates for this type of obligation may rise generally, either possibility resulting in a reduction in the value of the Bonds for resale prior to maturity.

Tax Exemption: If the federal government taxes all or a portion of the interest on municipal bonds or notes or if the State government increases its tax on interest on bonds and notes, directly or indirectly, or if there is a change in federal or state tax policy, then the value of these Bonds may fall for purposes of resale. Noncompliance by the City with the covenants in the Award Resolution relating to certain continuing requirements of the Code may result in inclusion of interest to be paid on the Bonds in gross income of the recipient for United States income tax purposes, retroactive to the date of issuance.

Continuing Disclosure: A failure by the City to comply with the Disclosure Undertaking for continuing disclosure (see "CONTINUING DISCLOSURE") will not constitute an event of default on the Bonds. Any such failure must be reported in accordance with the Rule and must be considered by any broker, dealer, or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

Book-Entry-Only System: The timely credit of payments for principal and interest on the Bonds to the accounts of the Beneficial Owners of the Bonds may be delayed due to the customary practices, standing instructions or for other unknown reasons by DTC participants or indirect participants. Since the notice of redemption or other notices to holders of these obligations will be delivered by the City to DTC only, there may be a delay or failure by DTC, DTC participants or indirect participants to notify the Beneficial Owners of the Bonds.

Depository Risk: Wisconsin Statutes direct the local treasurer to immediately deposit upon receipt thereof, the funds of the municipality in a public depository designated by the governing body. A public depository means a federal or state credit union, federal or state savings and loan association, state bank, savings and trust company, mutual savings bank or national bank in Wisconsin or the local government pooled investment fund operated by the State Investment Board. It is not uncommon for a municipality to have deposits exceeding limits of federal and state insurance programs. Failure of a depository could result in loss of public funds or a delay in obtaining them. Such a loss or delay could interrupt a timely payment of municipal debt.

Economy: A combination of economic, climatic, political or civil disruptions or terrorist actions outside of the control of the City, including loss of major taxpayers or major employers, could affect the local economy and result in reduced tax collections and/or increased demands upon local government. Real or perceived threats to the financial stability of the City may have an adverse effect on the value of the Bonds in the secondary market.

Secondary Market for the Bonds: No assurance can be given that a secondary market will develop for the purchase and sale of the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. The underwriters are not obligated to engage in secondary market trading or to repurchase any of the Bonds at the request of the owners thereof. Prices of the Bonds as traded in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and other prevailing circumstances. No guarantee exists as to the future market value of the Bonds. Such market value could be substantially different from the original purchase price.

Bankruptcy: The rights and remedies of the holders may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws, or equitable principles that may affect the enforcement of creditors' rights, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against local governments. The opinion of Bond Counsel to be delivered with respect to the Bonds will be similarly qualified. See "MUNICIPAL BANKRUPTCY" herein.

Cybersecurity: The City is dependent on electronic information technology systems to deliver services. These systems may contain sensitive information or support critical operational functions which may have value for unauthorized purposes. As a result, the electronic systems and networks may be targets of cyberattack. There can be no assurance that the City will not experience an information technology breach or attack with financial consequences that could have a material adverse impact.

VALUATIONS

WISCONSIN PROPERTY VALUATIONS; PROPERTY TAXES

Equalized Value

Section 70.57, Wisconsin Statutes, requires the Department of Revenue to annually determine the equalized value (also referred to as full equalized value or aggregate full value) of all taxable property in each county and taxation district. The equalized value is an independent estimate of value used to equate individual local assessment policies so that property taxes are uniform throughout the various subdivisions in the State. Equalized value is calculated based on the history of comparable sales and information about value changes or taxing status provided by the local assessor. A comparison of the State-determined equalized value and the local assessed value, expressed as a percentage, is known as the assessment ratio or level of assessment. The Department of Revenue notifies each county and taxing jurisdiction of its equalized value on August 15; school districts are notified on October 1. The equalized value of each county is the sum of the valuations of all cities, villages, and towns within its boundaries. Taxing jurisdictions lying in more than one municipality, such as counties, school districts, or special taxing districts, use the equalized value of the underlying units in calculating and levying their respective levies. Equalized values are also used to apportion state aids and calculate municipal general obligation debt limits.

Assessed Value

The "assessed value" of taxable property in a municipality is determined by the local assessor, except for manufacturing properties which are valued by the State. Each city, village or town retains its own local assessor, who must be certified by the State Department of Revenue. Assessed value is used by these municipalities to determine tax levy mill rates and to apportion levies among individual property owners. Each taxing district must assess property at full value at least once in every five-year period. The State requires that the assessed values must be within 10% of State equalized values at least once every four years. The local assessor values property as of January 1 each year and submits those values to each municipality by the second Monday in June. The assessor also reports any value changes taking place since the previous year, to the Department of Revenue, by the second Monday in June.

CURRENT PROPERTY VALUATIONS

2018 Equalized Value	\$1,000,582,900
2018 Equalized Value Reduced by Tax Increment Valuation	\$835,809,100
2018 Assessed Value	\$881,208,700

2018 EQUALIZED VALUE BY CLASSIFICATION

	2018 Equalized Value ¹	Percent of Total Equalized Value
Residential	\$ 536,310,900	53.600%
Commercial	312,438,700	31.226%
Manufacturing	113,245,900	11.318%
Agricultural	31,400	0.003%
Undeveloped	41,600	0.004%
Ag Forest	17,600	0.002%
Forest	356,400	0.036%
Personal Property	38,140,400	3.812%
Total	<u>\$1,000,582,900</u>	<u>100.000%</u>

TREND OF VALUATIONS

Year	Assessed Value	Equalized Value ¹	Percent Increase/Decrease in Equalized Value
2014	\$ 817,505,620	\$ 817,664,900	2.32%
2015	816,085,660	839,938,100	2.72%
2016	813,267,140	867,418,800	3.27%
2017	821,204,500	900,213,300	3.78%
2018	881,208,700	1,000,582,900	11.15%

Source: Wisconsin Department of Revenue, Bureau of Equalization and Local Government Services Bureau.

¹ Includes tax increment valuation.

LARGER TAXPAYERS

Taxpayer	Type of Business/Property	2018 Equalized Value¹	Percent of City's Total Equalized Value
Mills Fleet Farm	Distribution Center	\$ 55,017,240	5.50%
EOG Resources, Inc.	Sand Processing Plant	52,057,263	5.20%
Chippewa Falls Warehouse	Trucking Transfer Facility	17,767,991	1.78%
Mason Shoe Manufacturing, Co.	Footwear	11,271,868	1.13%
Premium Waters, Inc.	Bottled Water Company	10,203,404	1.02%
Spectrum Industries, Inc.	Office Furniture	8,160,962	0.82%
Hewlett Packard (SGI)	Supercomputers	7,094,643	0.71%
Southview Lake Hallie	Real Estate	6,819,089	0.68%
Willow Creek Townhomes, LLC	Real Estate Properties	6,625,490	0.66%
Star Blends, LLC	Feed Manufacturing Facility	6,317,764	0.63%
Total		\$181,335,714	18.12%

City's Total 2018 Equalized Value² \$1,000,582,900

Source: The City.

¹ Calculated by dividing the 2018 Assessed Values by the 2018 Aggregate Ratio of assessment for the City.

² Includes tax increment valuation.

DEBT

DIRECT DEBT¹

General Obligation Debt (see schedules following)

Total General Obligation Debt (includes the Bonds and the Concurrent Obligations, as defined herein)*	<u>\$ 28,475,395</u>
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Revenue Debt (see schedules following)

Total revenue debt secured by sewer revenues	<u>\$ 3,904,364</u>
Total revenue debt secured by water revenues	<u>\$ 984,503</u>
Total revenue debt secured by tax increment revenues	<u>\$ 3,068,038</u>

Other Obligations

Name of Issue	Issue Date	Final Maturity	Amount Outstanding
\$1,000,000 Taxable Note Anticipation Note ²	9/17/2018	12/01/2021	\$1,000,000

*Preliminary, subject to change.

¹ Outstanding debt is as of the dated date of the Bonds.

² The Taxable Note Anticipation Note is not a general obligation of the City but is secured by a pledge of the proceeds from the issuance of long term general obligation debt. The City has reserved general obligation debt capacity for such long term debt.

City of Chippewa Falls, Wisconsin
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Taxes
(As of 06/12/2019)

Dated Amount	GO Corp. Purp. Bonds 1) Series 2012A		Taxable GO Refunding Bonds 2) Series 2012B		GO Corp. Purp. Bonds Series 2013B		GO Corp. Purp. Bonds 3) Series 2014A		GO Corp. Purp. Bonds Series 2016A	
	06/12/2012 \$6,065,000	12/01; 06/01/32 Final Maturity	06/12/2012 2,310,000	04/01	06/26/2013 \$4,405,000	12/01; 06/01/33 Final Maturity	07/09/2014 \$3,970,000	10/01	06/28/2016 \$6,480,000	10/01; 04/01/36 Final Maturity
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2019	340,000	50,323	0	6,569	255,000	49,228	135,000	38,550	320,000	70,275
2020	345,000	93,845	110,000	12,010	255,000	93,356	135,000	73,050	330,000	134,150
2021	345,000	86,945	115,000	9,560	260,000	87,938	135,000	69,000	335,000	127,550
2022	310,000	80,045	130,000	6,613	265,000	82,088	195,000	64,950	340,000	120,850
2023	300,000	73,845	90,000	3,705	270,000	75,463	255,000	59,100	345,000	114,050
2024	250,000	67,545	85,000	1,211	275,000	68,038	240,000	51,450	340,000	107,150
2025	350,000	62,045			380,000	60,475	125,000	44,250	345,000	100,350
2026	305,000	53,820			330,000	49,075	235,000	40,500	355,000	93,450
2027	265,000	46,348			290,000	39,175	240,000	33,450	330,000	86,350
2028	260,000	39,590			295,000	30,113	255,000	25,050	335,000	79,750
2029	275,000	32,700			100,000	20,525	250,000	16,125	340,000	73,050
2030	315,000	24,450			145,000	17,025	180,000	6,750	345,000	66,250
2031	350,000	15,000			100,000	11,950			360,000	58,919
2032	150,000	2,250			100,000	8,450			370,000	50,819
2033					160,000	2,600			375,000	42,031
2034									385,000	32,656
2035									400,000	22,550
2036									420,000	5,775
2037										
2038										
2039										
	4,160,000	728,750	530,000	39,668	3,480,000	695,497	2,380,000	522,225	6,370,000	1,385,976

1) A portion of this issue refunded the 2013 through 2022 maturities of the City's \$1,035,000 General Obligation Refunding Bonds, dated October 15, 2003.

2) A portion of this issue refunded the 2013 through 2022 maturities of the City's \$2,850,000 Taxable General Obligation Refunding Bonds, Series 2003, dated October 15, 2003; and the 2013 through 2024 maturities of the City's \$910,480.84 State Trust Fund Loan (Taxable), dated April 13, 2004.

3) A portion of this issue refunded the 2015 through 2025 maturities of the City's \$4,265,000 General Obligation Refunding Bonds, Series 2006A dated, August 9, 2006.

Continued on next page -

**City of Chippewa Falls, Wisconsin
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Taxes Continued
(As of 06/12/2019)**

Dated Amount	GO Promissory Note Series 2016		GO Corp. Purp. Bonds 4) Series 2017A		GO Promissory Note Series 2017B		GO Corp. Purp. Bonds 5) Series 2018A		GO Corp. Purp. Bonds Series 2019A	
	07/19/2016 \$353,500	06/01	05/09/2017 \$3,580,000	10/01; 04/01/37 Final Maturity	6/1/2017 \$353,500	06/01	10/03/2018 \$4,600,000	10/01	06/12/2019 \$2,395,000*	12/01; 06/01/39 Final Maturity
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Estimated Interest
2019	0	0	205,000	53,156	0	0	720,000	115,099	0	0
2020	72,514	4,118	210,000	100,163	70,638	6,550	725,000	102,063	25,000	108,371
2021	74,545	2,087	220,000	93,863	72,757	4,431	740,000	87,563	35,000	71,735
2022			280,000	87,263	74,940	2,248	155,000	72,023	35,000	70,983
2023			215,000	78,863			175,000	68,535	40,000	70,213
2024			300,000	72,413			170,000	64,423	40,000	69,293
2025			205,000	63,413			170,000	60,173	120,000	68,353
2026			115,000	57,263			180,000	55,753	125,000	65,413
2027			130,000	53,813			185,000	50,893	125,000	62,225
2028			135,000	49,913			190,000	45,713	130,000	58,975
2029			120,000	45,863			185,000	40,203	135,000	55,465
2030			240,000	42,263			85,000	34,653	135,000	51,685
2031			345,000	35,063			90,000	31,975	145,000	47,770
2032			140,000	24,713			90,000	29,140	150,000	43,420
2033			115,000	20,513			95,000	26,170	150,000	38,770
2034			120,000	17,063			95,000	23,035	155,000	33,970
2035			125,000	13,163			95,000	19,758	160,000	28,933
2036			125,000	9,100			105,000	16,480	160,000	23,653
2037			135,000	2,363			150,000	12,700	170,000	18,293
2038							200,000	7,300	175,000	12,513
2039									185,000	3,238
	147,059	6,205	3,480,000	920,219	218,336	13,229	4,600,000	963,647	2,395,000	1,003,266

* Preliminary, subject to change.

4) A portion of this issue refunded the 2018 through 2024 maturities of the City's \$1,485,000 General Obligation Corporate Purpose Bonds, Series 2008A dated, May 7, 2008.

5) A portion of this issue refunded the 2019 through 2029 maturities of the City's \$5,635,000 General Obligation Corporate Purpose Bonds, Series 2009A dated, December 17, 2009.

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City of Chippewa Falls, Wisconsin
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Taxes Continued
(As of 06/12/2019)

GO Promissory Notes
Series 2019B

Dated Amount	06/12/2019 \$715,000*								
Maturity	12/01								
Calendar Year Ending	Principal	Estimated Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending	
2019	0	0	1,975,000	383,200	2,358,200	26,500,395	6.94%	2019	
2020	130,000	23,760	2,408,152	751,435	3,159,588	24,092,243	15.39%	2020	
2021	140,000	13,175	2,472,302	653,846	3,126,148	21,619,940	24.08%	2021	
2022	145,000	10,165	1,929,940	597,226	2,527,166	19,690,000	30.85%	2022	
2023	150,000	6,975	1,840,000	550,748	2,390,748	17,850,000	37.31%	2023	
2024	150,000	3,525	1,850,000	505,046	2,355,046	16,000,000	43.81%	2024	
2025			1,695,000	459,058	2,154,058	14,305,000	49.76%	2025	
2026			1,645,000	415,273	2,060,273	12,660,000	55.54%	2026	
2027			1,565,000	372,253	1,937,253	11,095,000	61.04%	2027	
2028			1,600,000	329,103	1,929,103	9,495,000	66.66%	2028	
2029			1,405,000	283,930	1,688,930	8,090,000	71.59%	2029	
2030			1,445,000	243,075	1,688,075	6,645,000	76.66%	2030	
2031			1,390,000	200,676	1,590,676	5,255,000	81.55%	2031	
2032			1,000,000	158,791	1,158,791	4,255,000	85.06%	2032	
2033			895,000	130,084	1,025,084	3,360,000	88.20%	2033	
2034			755,000	106,724	861,724	2,605,000	90.85%	2034	
2035			780,000	84,403	864,403	1,825,000	93.59%	2035	
2036			810,000	55,008	865,008	1,015,000	96.44%	2036	
2037			455,000	33,355	488,355	560,000	98.03%	2037	
2038			375,000	19,813	394,813	185,000	99.35%	2038	
2039			185,000	3,238	188,238	0	100.00%	2039	
			28,475,395	6,336,281	34,811,676				
	715,000	57,600							

* Preliminary, subject to change.

City of Chippewa Falls, Wisconsin

Schedule of Bonded Indebtedness

Revenue Debt Secured by Sewer Revenues

(As of 06/12/2019)

Sewerage System Rev Bonds Series 2011 (CWFL)				Sewerage System Rev Bonds Series 2015 (CWFL)					
Dated Amount	04/27/2011 \$3,132,100	12/23/2015 \$2,214,016							
Maturity	05/01	05/01							
Calendar Year Ending	Principal	Interest	Calendar Year Ending	Principal	Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2019	0	23,853	0	0	17,527	41,380	3,904,364	.00%	2019
2020	160,047	45,785	160,047	104,199	34,102	79,887	3,640,117	6.77%	2020
2021	163,888	41,898	163,888	106,105	32,179	74,077	3,370,124	13.68%	2021
2022	167,822	37,918	167,822	108,046	30,220	68,138	3,094,257	20.75%	2022
2023	171,849	33,842	171,849	110,022	28,226	62,068	2,812,386	27.97%	2023
2024	175,974	29,668	175,974	112,034	26,195	55,863	2,524,378	35.34%	2024
2025	180,197	25,394	180,197	114,083	24,128	49,521	2,230,098	42.88%	2025
2026	184,522	21,017	184,522	116,170	22,022	43,039	1,929,406	50.58%	2026
2027	188,950	16,535	188,950	118,295	19,878	36,413	1,622,161	58.45%	2027
2028	193,485	11,946	193,485	120,458	17,694	29,640	1,308,218	66.49%	2028
2029	198,129	7,247	198,129	122,661	15,471	22,718	987,428	74.71%	2029
2030	202,884	2,435	202,884	124,905	13,207	15,642	659,639	83.11%	2030
2031				127,189	10,902	10,902	532,450	86.36%	2031
2032				129,516	8,554	8,554	402,934	89.68%	2032
2033				131,884	6,164	6,164	271,050	93.06%	2033
2034				134,297	3,729	3,729	136,753	96.50%	2034
2035				136,753	1,251	1,251	0	100.00%	2035
	1,987,746	297,537		1,916,617	311,449	608,986			
				3,904,364		4,513,350			

City of Chippewa Falls, Wisconsin Schedule of Bonded Indebtedness

Water System Rev Bonds Series 2001 (SDWL)		Water System Rev Bonds Series 2010 (SDWL)	
Dated Amount	02/14/2001 \$2,257,879	01/13/2010 \$1,417,903	
Maturity	05/01	05/01	
Calendar Year Ending			
2019			Interest 11,173
2020			Principal 0
2021	146,979	74,182	21,356
2022		76,161	19,350
2023		78,193	17,291
2024		80,279	15,177
2025		82,421	13,006
2026		84,620	10,778
2027		86,878	8,490
2028		89,196	6,142
2029		91,575	3,730
		94,019	1,254
	146,979	837,524	127,746

**City of Chippewa Falls, Wisconsin
Schedule of Bonded Indebtedness
Revenue Debt Secured by Tax Incremental Revenues
(As of 06/12/2019)**

**State Trust Fund TID Rev Loan
Series 2016**

Dated Amount										
12/06/2016 \$3,400,000										
Maturity	03/15									
Calendar Year Ending	Principal	Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending		
2020	198,095	138,440	198,095	138,440	336,535	2,869,943	6.46%	2020		
2021	207,387	129,147	207,387	129,147	336,535	2,662,555	13.22%	2021		
2022	216,720	119,815	216,720	119,815	336,535	2,445,836	20.28%	2022		
2023	226,472	110,063	226,472	110,063	336,535	2,219,364	27.66%	2023		
2024	236,390	100,145	236,390	100,145	336,535	1,982,974	35.37%	2024		
2025	247,301	89,234	247,301	89,234	336,535	1,735,673	43.43%	2025		
2026	258,429	78,105	258,429	78,105	336,535	1,477,243	51.85%	2026		
2027	270,059	66,476	270,059	66,476	336,535	1,207,185	60.65%	2027		
2028	282,063	54,472	282,063	54,472	336,535	925,122	69.85%	2028		
2029	294,904	41,630	294,904	41,630	336,535	630,218	79.46%	2029		
2030	308,175	28,360	308,175	28,360	336,535	322,043	89.50%	2030		
2031	322,043	14,492	322,043	14,492	336,535	0	100.00%	2031		
			3,068,038	970,379	4,038,417					

DEBT LIMIT

The constitutional and statutory general obligation debt limit for Wisconsin municipalities, including towns, cities, villages, and counties (Article XI, Section 3 of the Wisconsin Constitution and Section 67.03, Wisconsin Statutes) is 5% of the current equalized value.

Equalized Value	\$1,000,582,900
Multiply by 5%	<u>0.05</u>
Statutory Debt Limit	\$ 50,029,145
Less: General Obligation Debt (includes the Bonds and the Concurrent Obligations)*	<u>(28,475,395)</u>
Unused Debt Limit*	<u><u>\$ 21,553,750</u></u>

*Preliminary, subject to change.

OVERLAPPING DEBT¹

Taxing District	2018 Equalized Value ²	% In City	Total G.O. Debt ³	City's Proportionate Share
Chippewa County	\$ 5,557,873,800	18.0030%	\$ 8,725,000	\$ 1,570,762
Chippewa Falls Area Unified School District	3,114,955,111	32.1219%	52,140,000	16,748,359
Chippewa Valley Technical College District	25,774,534,842	3.8821%	28,075,000	<u>1,089,900</u>
City's Share of Total Overlapping Debt				<u><u>\$ 19,409,020</u></u>

¹ Overlapping debt is as of the dated date of the Bonds. Only those taxing jurisdictions with general obligation debt outstanding are included in this section.

² Includes tax increment valuation.

³ Outstanding debt based on information obtained on EMMA and the Municipal Advisor's records.

DEBT RATIOS

	G.O. Debt	Debt/Equalized Value \$1,000,582,900	Debt/ Per Capita 14,049¹
Total General Obligation Debt *	\$28,475,395	2.85%	\$ 2,026.86
City's Share of Total Overlapping Debt	<u>19,409,020</u>	<u>1.94%</u>	<u>1,381.52</u>
Total*	<u><u>\$47,884,415</u></u>	<u><u>4.79%</u></u>	<u><u>\$ 3,408.39</u></u>

DEBT PAYMENT HISTORY

The City has no record of default in the payment of principal and interest on its debt.

FUTURE FINANCING

Concurrently with the Bonds, the City expects to issue \$715,000* General Obligation Promissory Notes, Series 2019B (the “Concurrent Obligations”). The City borrows annually for capital improvement needs, but the timing and amount of borrowing in 2020 has not yet been determined. Aside from the preceding, the City has no current plans for additional financing in the next 12 months.

*Preliminary, subject to change.

¹ Estimated 2018 population.

TAX LEVIES AND COLLECTIONS

TAX LEVIES AND COLLECTIONS

Tax Year	Levy for City Purposes Only	% Collected	Levy/Equalized Value Reduced by Tax Increment Valuation in Dollars per \$1,000
2014/15	\$6,159,702	100%	\$8.59
2015/16	6,464,509	100%	8.74
2016/17	6,540,623	100%	8.47
2017/18	6,698,399	100%	8.37
2018/19	7,128,982	In process	8.53

Property tax statements are distributed to taxpayers by the town, village, and city treasurers in December of the levy year. Current state law requires counties to pay 100% of the real property taxes levied to cities, villages, towns, school districts and other taxing entities on or about August 20 of the collection year.

Personal property taxes, special assessments, special charges and special taxes must be paid to the town, city or village treasurer in full by January 31, unless the municipality, by ordinance, permits special assessments to be paid in installments. Real property taxes must be paid in full by January 31 or in two equal installments by January 31 and July 31. Alternatively, municipalities may adopt a payment plan which permits real property taxes to be paid in three or more equal installments, provided that the first installment is paid by January 31, one-half of the taxes are paid by April 30 and the remainder is paid by July 31. Amounts paid on or before January 31 are paid to the town, city or village treasurer. Amounts paid after January 31, are paid to the county treasurer unless the municipality has authorized payment in three or more installments in which case payment is made to the town, city or village treasurer. On or before January 15 and February 20 the town, city or village treasurer settles with other taxing jurisdictions for all collections through December and January, respectively. In municipalities which have authorized the payment of real property taxes in three or more installments, the town, city or village treasurer settles with the other taxing jurisdictions on January 15, February 20 and on the fifteenth day of each month following the month in which an installment payment is required. On or before August 20, the county treasurer must settle in full with the underlying taxing districts for all real property taxes and special taxes. Any county board may authorize its county treasurer to also settle in full with the underlying taxing districts for all special assessments and special charges. The county may then recover any tax delinquencies by enforcing the lien on the property and retain any penalties or interest on the delinquencies for which it has settled. Uncollected personal property taxes owed by an entity that has ceased operations or filed a petition for bankruptcy, or are due on personal property that has been removed from the next assessment roll are collected from each taxing entity in the year following the levy year.

PROPERTY TAX RATES

Full value rates for property taxes expressed in dollars per \$1,000 of equalized value (excluding tax increment valuation) that have been collected in recent years have been as follows:

Year Levied/ Year Collected	Schools¹	County	Local	Other²	Total
2014/15	\$10.14	\$3.63	\$8.59	\$0.19	\$22.55
2015/16	9.95	3.55	8.74	0.19	22.43
2016/17	9.49	3.49	8.47	0.19	21.65
2017/18	9.07	3.50	8.37	0.00	20.94
2018/19	10.14	3.44	8.53	0.00	22.11

Source: Property Tax Rates were extracted from Statement of Taxes prepared by the Wisconsin Department of Revenue, Division of State and Local Finance.

LEVY LIMITS

Section 66.0602 of the Wisconsin Statutes, imposes a limit on property tax levies by cities, villages, towns and counties. No city, village, town or county is permitted to increase its tax levy by a percentage that exceeds its valuation factor (which is defined as a percentage equal to the greater of either the percentage change in the political subdivision's January 1 equalized value due to new construction less improvements removed between the previous year and the current or zero percent). The base amount in any year to which the levy limit applies is the actual levy for the immediately preceding year. In 2018, and in each year thereafter, the base amount is the actual levy for the immediately preceding year plus the amount of the payment from the State under Section 79.096 of the Wisconsin Statutes (an amount equal to the property taxes formerly levied on certain items of personal property), and the levy limit is the base amount multiplied by the valuation factor, minus the amount of the payment from the State under Section 79.096 of the Wisconsin Statutes. This levy limitation is an overall limit, applying to levies for operations as well as for other purposes.

A political subdivision that did not levy its full allowable levy in the prior year can carry forward the difference between the allowable levy and the actual levy, up to a maximum of 1.5% of the prior year's actual levy. The use of the carry forward levy adjustment needs to be approved by a majority vote of the political subdivision's governing body (except in the case of towns) if the amount of carry forward levy adjustment is less than or equal to 0.5% and by a super majority vote of the political subdivision's governing body (three-quarters vote if the governing body is comprised of five or more members, two-thirds vote if the governing body is comprised of fewer than five members) (except in the case of towns) if the amount of the carry forward levy adjustment is greater than 0.5% up to the maximum increase of 1.5%. For towns, the use of the carry forward levy adjustment needs to be approved by a majority vote of the annual town meeting or special town meeting after the town board has adopted a resolution in

¹ The Schools tax rate reflects the composite rate of all local school districts and technical college district.

² Includes the state reforestation tax which is apportioned to each county on the basis of its full value. Counties, in turn, apportion the tax to the tax districts within their borders on the basis of full value. It also includes taxes levied for special purpose districts such as metropolitan sewerage districts, sanitary districts, and public inland lake protection districts. Tax increment values are not included. State property taxes were eliminated in the State's 2017 - 2019 budget act.

favor of the adjustment by a majority vote if the amount of carry forward levy adjustment is less than or equal to 0.5% or by two-thirds vote or more if the amount of carry forward levy adjustment is greater than 0.5% up to the maximum of 1.5%.

Beginning with levies imposed in 2015, if a political subdivision does not make an adjustment in its levy as described in the above paragraph in the current year, the political subdivision may increase its levy by the aggregate amount of the differences between the political subdivision's valuation factor in the previous year and the actual percent increase in a political subdivision's levy attributable to the political subdivision's valuation factor in the previous year, for the five years before the current year, less any amount of such aggregate amount already claimed as an adjustment in any of the previous five years. The calculation of the aggregate amount available for such adjustment may not include any year before 2014, and the maximum adjustment allowed may not exceed 5%. The use of the adjustment described in this paragraph requires approval by a two-thirds vote of the political subdivision's governing body, and the adjustment may only be used if the political subdivision's level of outstanding general obligation debt in the current year is less than or equal to the political subdivision's level of outstanding general obligation debt in the previous year.

Special provisions are made with respect to property taxes levied to pay general obligation debt service. Those are described below. In addition, the statute provides for certain other exclusions from and adjustments to the tax levy limit. Among the items excluded from the limit are amounts levied for any revenue shortfall for debt service on a revenue bond issued under Section 66.0621. Among the adjustments permitted is an adjustment applicable when a tax increment district terminates, which allows an amount equal to the prior year's allowable levy multiplied by 50% of the political subdivision's percentage growth due to the district's termination.

With respect to general obligation debt service, the following provisions are made:

- (a) If a political subdivision's levy for the payment of general obligation debt service, including debt service on debt issued or reissued to fund or refund outstanding obligations of the political subdivision and interest on outstanding obligations of the political subdivision, on debt originally issued before July 1, 2005, is less in the current year than in the previous year, the political subdivision is required to reduce its levy limit in the current year by the amount of the difference between the previous year's levy and the current year's levy.
- (b) For obligations authorized before July 1, 2005, if the amount of debt service in the preceding year is less than the amount of debt service needed in the current year, the levy limit is increased by the difference between the two amounts. This adjustment is based on scheduled debt service rather than the amount actually levied for debt service (after taking into account offsetting revenues such as sales tax revenues, special assessments, utility revenues, tax increment revenues or surplus funds). Therefore, the levy limit could negatively impact political subdivisions that experience a reduction in offsetting revenues.
- (c) The levy limits do not apply to property taxes levied to pay debt service on general obligation debt authorized on or after July 1, 2005.

The Bonds were authorized after July 1, 2005 and therefore the levy limits do not apply to taxes levied to pay debt service on the Bonds.

THE ISSUER

CITY GOVERNMENT

The City was incorporated in 1869 and is governed by a Mayor and a seven-member Common Council. The Mayor votes only in the case of a tie. All Council Members are elected to two-year terms. The appointed Finance Manager/Treasurer and City Clerk are responsible for administrative details and financial records.

EMPLOYEES; PENSIONS

The City employs a staff of 113 full-time, four part-time, and 50 seasonal employees. All eligible employees in the City are covered under the Wisconsin Retirement System ("WRS") established under Chapter 40 of the Wisconsin Statutes ("Chapter 40"). The WRS is a cost-sharing multiple-employer defined benefit pension plan. The Department of Employee Trust Funds ("ETF") administers the WRS. Required contributions to the WRS are determined by the ETF Board pursuant to an annual actuarial valuation in accordance with Chapter 40 and the ETF's funding policies. The ETF Board has stated that its funding policy is to (i) ensure funds are adequate to pay benefits; (ii) maintain stable and predictable contribution rates for employers and employees; and (iii) maintain inter-generational equity to ensure the cost of the benefits is paid for by the generation that receives the benefits.

City employees are generally required to contribute half of the actuarially determined contributions, and the City generally may not pay the employees' required contribution. During the fiscal year ended December 31, 2015 ("Fiscal Year 2015"), the fiscal year ended December 31, 2016 ("Fiscal Year 2016") and the fiscal year ended December 31, 2017 ("Fiscal Year 2017"), the City's portion of contributions to WRS (not including any employee contributions) totaled \$580,872, \$577,332 and \$651,144 respectively.

The City implemented Governmental Accounting Standards Board Statement No. 68 ("GASB 68") for Fiscal Year 2015.

GASB 68 requires calculation of a net pension liability for the pension plan. The net pension liability is calculated as the difference between the pension plan's total pension liability and the pension plan's fiduciary net position. The pension plan's total pension liability is the present value of the amounts needed to pay pension benefits earned by each participant in the pension plan based on the service provided as of the date of the actuarial valuation. In other words, it is a measure of the present value of benefits owed as of a particular date based on what has been earned only up to that date, without taking into account any benefits earned after that date. The pension plan's fiduciary net position is the market value of plan assets formally set aside in a trust and restricted to paying pension plan benefits. If the pension plan's total pension liability exceeds the pension plan's fiduciary net position, then a net pension liability results. If the pension plan's fiduciary net position exceeds the pension plan's total pension liability, then a net pension asset results.

As of December 31, 2016, the total pension liability of the WRS was calculated as \$93.4 billion and the fiduciary net position of the WRS was calculated as \$92.6 billion, resulting in a net pension liability of \$0.8 billion.

Under GASB 68, each participating employer in a cost-sharing pension plan must report the employer's proportionate share of the net pension liability or net pension asset of the pension plan. Accordingly, for Fiscal Year 2017, the City reported a liability of \$498,825 for its proportionate share of the net pension liability of the WRS. The net pension liability was measured as of December 31, 2016 based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. The City's proportion was 0.06051941% of the aggregate WRS net pension liability as of December 31, 2016.

The calculation of the total pension liability and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. Such changes may have a significant impact on the calculation of net pension liability of the WRS, which may also cause the ETF Board to change the contribution requirements for employers and employees. For more detailed information regarding the WRS and such actuarial assumptions, see Note 4.A in "APPENDIX A - FINANCIAL STATEMENTS" attached hereto.

Recognized and Certified Bargaining Units

All eligible City personnel are covered by the Municipal Employment Relations Act ("MERA") of the Wisconsin Statutes. Pursuant to that law, employees have rights to organize and collectively bargain with municipal employers. MERA was amended by 2011 Wisconsin Act 10 (the "Act") and by 2011 Wisconsin Act 32, which altered the collective bargaining rights of public employees in Wisconsin.

As a result of the 2011 amendments to MERA, the City is prohibited from bargaining collectively with municipal employees, other than public safety and transit employees, with respect to any factor or condition of employment except total base wages. Even then, the City is limited to increasing total base wages beyond any increase in the consumer price index since 180 days before the expiration of the previous collective bargaining agreement (unless City were to seek approval for a higher increase through a referendum). Ultimately, the City can unilaterally implement the wages for a collective bargaining unit.

Under the changes to MERA, impasse resolution procedures were removed from the law for municipal employees of the type employed by the City, including binding interest arbitration. Strikes by any municipal employee or labor organization are expressly prohibited. As a practical matter, it is anticipated that strikes will be rare. Furthermore, if strikes do occur, they may be enjoined by the courts. Additionally, because the only legal subject of bargaining is the base wage rates, all bargaining over items such as just cause, benefits, and terms of conditions of employment are prohibited and cannot be included in a collective bargaining agreement. Impasse resolution for public safety employees and transit employees is subject to final and binding arbitration procedures, which do not include a right to strike. Interest arbitration is available for transit employees if certain conditions are met.

The following bargaining units represent employees of the City:

Bargaining Unit	Expiration Date of Current Contract
Chippewa Falls International Association of Fire Fighters Local 1816	December 31, 2019
Chippewa Falls Professional Police Association	December 31, 2019

OTHER POST EMPLOYMENT BENEFITS

The City provides "other post-employment benefits" ("OPEB") (i.e., post-employment benefits, other than pension benefits, owed to its employees and former employees) to employees who have terminated their employment with the City and have satisfied specified eligibility standards through a single-employer plan. The plan allows eligible retirees to remain on the City's health care plan if the retiree pays 100% of the retiree premium. Membership of the plan consisted of five retirees receiving benefits and 113 active plan members as of December 31, 2016, the date of the latest actuarial valuation.

OPEB calculations are required to be updated every two years and prepared in accordance with Statement No. 45 of the Governmental Accounting Standards Board ("GASB 45") regarding retiree health and life insurance benefits, and related standards. An actuarial study for the City was completed by Nyhart Actuary & Employee Benefits in May 2017, with an actuarial valuation date of January 1, 2016. The City is in the process of having another actuarial study completed.

The City is required to expense the estimated yearly cost of providing post-retirement benefits and such annual accrual expense is referred to as the "annual required contribution." As shown in the City's audited financial statements for Fiscal Year 2017, the City's annual required contribution for Fiscal Year 2017 was \$145,390. For Fiscal Year 2017, contributions to the plan totaled \$76,478, which was 52.6% of the annual required contribution. The City's current funding practice is to fully fund the yearly costs of benefits to be paid on a "pay-as-you-go" basis.

The plan's ratio of actuarial value of assets to actuarial accrued liability for benefits (the "Funded Ratio") as of the most recent actuarial valuation date, January 1, 2016, was 0%. As of January 1, 2016, the actuarial accrued liability was \$1,280,195 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability of \$1,280,195.

For more information regarding the City's OPEB plan, see Note 4.C in "APPENDIX A - FINANCIAL STATEMENTS."

LITIGATION

There is no litigation threatened or pending questioning the organization or boundaries of the City or the right of any of its officers to their respective offices or in any manner questioning their rights and power to execute and deliver the Bonds or otherwise questioning the validity of the Bonds.

MUNICIPAL BANKRUPTCY

Municipalities are prohibited from filing for bankruptcy under Chapter 11 (reorganization) or Chapter 7 (liquidation) of the U.S. Bankruptcy Code (11 U.S.C. §§ 101-1532) (the "Bankruptcy Code"). Instead, the Bankruptcy Code permits municipalities to file a petition under Chapter 9 of the Bankruptcy Code, but only if certain requirements are met. These requirements include that the municipality must be "specifically authorized" under State law to file for relief under Chapter 9. For these purposes, "State law" may include, without limitation, statutes of general applicability enacted by the State legislature, special legislation applicable to a particular municipality, and/or executive orders issued by an appropriate officer of the State's executive branch.

As of the date hereof, Wisconsin law contains no express authority for municipalities to file for bankruptcy relief under Chapter 9 of the Bankruptcy Code.

Nevertheless, there can be no assurance (a) that State law will not change in the future, while the Bonds are outstanding, in a way that would allow the City to file for bankruptcy relief under Chapter 9 of the Bankruptcy Code; or (b) even absent such a change in State law, that an executive order or other executive action could not effectively authorize the City to file for relief under Chapter 9. If, in the future, the City were to file a bankruptcy case under Chapter 9, the relevant bankruptcy court would need to consider whether the City could properly do so, which would involve questions regarding State law authority as well as other questions such as whether the City is a municipality for bankruptcy purposes. If the relevant bankruptcy court concluded that the City could properly file a bankruptcy case, and that determination was not reversed, vacated, or otherwise substantially altered on appeal, then the rights of holders of the Bonds could be modified in bankruptcy proceedings. Such modifications could be adverse to holders of the Bonds, and there could ultimately be no assurance that holders of the Bonds would be paid in full or in part on the Bonds. Further, under such circumstances, there could be no assurance that the Bonds would not be treated as

general, unsecured debt by a bankruptcy court, meaning that claims of holders of the Bonds could be viewed as having no priority (a) over claims of other creditors of the City; (b) to any particular assets of the City, or (c) to revenues otherwise designated for payment to holders of the Bonds.

Moreover, if the City were determined not to be a "municipality" for the purposes of the Bankruptcy Code, no representations can be made regarding whether it would still be eligible for voluntary or involuntary relief under Chapters of the Bankruptcy Code other than Chapter 9 or under similar federal or state law or equitable proceeding regarding insolvency or providing for protection from creditors. In any such case, there can be no assurance that the consequences described above for the holders of the Bonds would not occur.

FUNDS ON HAND (as of December 31, 2018)

Fund	Total Cash and Investments
General	\$20,752,335
Special Revenue	1,657,805
Debt Service	1,272,986
Capital Projects	3,416,709
Enterprise Funds	<u>17,305,949</u>
Total Funds on Hand	<u><u>\$44,405,784</u></u>

ENTERPRISE FUNDS

Revenues available for debt service on the City's enterprise funds have been as follows as of December 31 each year:

	2015	2016	2017
Water			
Total Operating Revenues	\$ 2,426,831	\$ 2,423,431	\$ 2,472,586
Less: Operating Expenses	<u>(1,708,334)</u>	<u>(1,832,320)</u>	<u>(1,959,605)</u>
Operating Income	\$ 718,497	\$ 591,111	\$ 512,981
Plus: Depreciation	625,815	635,587	638,597
Interest Income	<u>43,905</u>	<u>59,767</u>	<u>84,941</u>
Revenues Available for Debt Service	<u><u>\$ 1,388,217</u></u>	<u><u>\$ 1,286,465</u></u>	<u><u>\$ 1,236,519</u></u>
Wastewater			
Total Operating Revenues	\$ 3,000,134	\$ 3,165,751	\$ 3,052,334
Less: Operating Expenses	<u>(2,345,816)</u>	<u>(2,366,928)</u>	<u>(2,429,664)</u>
Operating Income	\$ 654,318	\$ 798,823	\$ 622,670
Plus: Depreciation	676,619	726,820	775,747
Interest Income	<u>22,553</u>	<u>34,257</u>	<u>72,409</u>
Revenues Available for Debt Service	<u><u>\$ 1,353,490</u></u>	<u><u>\$ 1,559,900</u></u>	<u><u>\$ 1,470,826</u></u>
Storm Water			
Total Operating Revenues	\$ 605,548	\$ 602,897	\$ 626,967
Less: Operating Expenses	<u>(560,721)</u>	<u>(642,341)</u>	<u>(647,767)</u>
Operating Income	\$ 44,827	\$ (39,444)	\$ (20,800)
Plus: Depreciation	180,391	184,326	199,905
Interest Income	<u>9,786</u>	<u>3,592</u>	<u>2,234</u>
Revenues Available for Debt Service	<u><u>\$ 235,004</u></u>	<u><u>\$ 148,474</u></u>	<u><u>\$ 181,339</u></u>

SUMMARY GENERAL FUND INFORMATION

Following are summaries of the revenues and expenditures and fund balances for the City's General Fund. These summaries are not purported to be the complete audited financial statements of the City, and potential purchasers should read the included financial statements in their entirety for more complete information concerning the City. Copies of the complete audited financial statements are available upon request. See Appendix A for the City's 2017 audited financial statements.

COMBINED STATEMENT	FISCAL YEAR ENDING DECEMBER 31				
	2015 Audited	2016 Audited	2017 Audited	2018 Unaudited ¹	2019 Adopted Budget ²
Revenues					
Taxes	\$ 4,980,349	\$ 5,118,022	\$ 5,186,888	\$ 5,258,068	\$ 5,689,375
Intergovernmental	4,779,283	4,876,380	4,753,122	4,543,662	4,548,798
Licenses and permits	395,565	435,701	546,692	310,910	310,910
Fines and forfeitures	95,803	99,938	99,208	98,000	98,000
Public charges for services	1,549,963	1,645,700	1,632,789	1,672,882	1,667,746
Intergovernmental charges for services	568,152	602,728	608,128	259,422	259,422
Loan Repayments	0	0	0	338,700	338,700
Miscellaneous general revenues	53,206	77,034	105,939	23,350	23,350
Total Revenues	<u>\$ 12,422,321</u>	<u>\$ 12,855,503</u>	<u>\$ 12,932,766</u>	<u>\$ 12,504,994</u>	<u>\$ 12,936,301</u>
Expenditures					
Current:					
General government	\$ 979,643	\$ 1,023,556	\$ 1,104,033	\$ 2,088,335	\$ 2,342,343
Public safety	5,722,938	5,780,300	5,837,206	6,106,598	6,129,489
Transportation facilities	1,914,249	1,924,646	1,860,428	1,825,743	1,898,905
Sanitation	190,354	280,432	267,448	0	0
Health and human services	40,001	41,082	43,077	27,750	32,510
Culture, recreation and education	1,992,531	1,871,217	1,978,662	2,184,922	2,259,664
Conservation and development	136,568	140,533	139,751	271,646	273,390
Capital outlay	156,245	220,045	243,974	0	0
Total Expenditures	<u>\$ 11,132,529</u>	<u>\$ 11,281,811</u>	<u>\$ 11,474,579</u>	<u>\$ 12,504,994</u>	<u>\$ 12,936,301</u>
Excess of revenues over (under) expenditures	\$ 1,289,792	\$ 1,573,692	\$ 1,458,187	\$ 0	\$ 0
Other Financing Sources (Uses)					
Sale of property	112,304	74,845	260,786		
Operating transfers in	387,997	376,494	370,091		
Operating transfers out	0	(115,788)	(9,258)		
Total Other Financing Sources (Uses)	<u>\$ 500,301</u>	<u>\$ 335,551</u>	<u>\$ 621,619</u>		
Excess of revenues and other financing sources over (under) expenditures and other financing uses	\$ 1,790,093	\$ 1,909,243	\$ 2,079,806		
General Fund Balance January 1	<u>10,418,433</u>	<u>12,208,526</u>	<u>14,117,769</u>		
General Fund Balance December 31	\$ 12,208,526	\$ 14,117,769	\$ 16,197,575		
DETAILS OF DECEMBER 31 FUND BALANCE					
Nonspendable	501,098	302,352	321,264		
Assigned	786,044	636,276	709,629		
Unassigned	10,921,384	13,179,141	15,166,682		
Total	<u>\$ 12,208,526</u>	<u>\$ 14,117,769</u>	<u>\$ 16,197,575</u>		

¹ Unaudited data is as of December 31, 2018.

² The 2019 budget was adopted on December 4, 2018.

GENERAL INFORMATION

LOCATION

The City, with a 2010 U.S. Census population of 13,661, and a current estimated population of 14,049, comprises an area of 11.85 square miles and is located approximately 10 miles northeast of the City of Eau Claire, Wisconsin and 90 miles east of the Minneapolis-St. Paul, Minnesota metropolitan area. The City is the County Seat of Chippewa County

LARGER EMPLOYERS¹

Larger employers in the City include the following:

Firm	Type of Business/Product	Estimated No. of Employees
TTM Technologies, Inc.	Circuit board manufacturer	1,200
Chippewa Falls Area Unified School District	Elementary and secondary education	655
Le Phillips Libertas Center	Addiction treatment center	500
St. Joseph's Hospital	Hospital	500
DHL Supply Chain	Distribution center	450
Chippewa County	County government and services	337
Hewlett Packard Enterprise	Software and technical computing	300
Walmart	Department store	300
Cray, Inc.	Supercomputers	280
Mason Companies, Inc.	Footwear and apparel distributor	250

Source: *ReferenceUSA, written and telephone survey (April 2019), Wisconsin Manufacturers Register, and the Wisconsin Department of Workforce Development.*

¹ This does not purport to be a comprehensive list and is based on available data obtained through a survey of individual employers, as well as the sources identified above. Some employers do not respond to inquiries for employment data.

BUILDING PERMITS

	2015	2016	2017	2018	2019 ¹
<u>New Single Family Homes</u>					
No. of building permits	11	15	15	21	4
Valuation	\$1,848,472	\$2,430,590	\$2,392,511	\$3,917,670	\$839,043
<u>New Multiple Family Buildings</u>					
No. of building permits	12	13	16	15	2
Valuation	\$2,706,299	\$4,662,515	\$5,184,665	\$7,622,028	\$440,000
<u>New Commercial/Industrial</u>					
No. of building permits	2	6	5	5	1
Valuation	\$800,000	\$12,067,428	\$53,177,000	\$23,286,600	\$10,000
<u>All Building Permits</u> (including additions and remodelings)					
No. of building permits	344	324	289	267	48
Valuation	\$16,763,876	\$33,800,001	\$64,211,459	\$42,336,752	\$1,803,527

Source: The City.

¹ As of April 17, 2019.

U.S. CENSUS DATA

Population Trend: City

2000 U.S. Census	12,925
2010 U.S. Census	13,661
2018 Estimated Population	14,049
Percent of Change 2000 - 2010	5.69%

Income and Age Statistics

	City	Chippewa County	State of Wisconsin	United States
2017 per capita income	\$23,604	\$27,020	\$30,557	\$31,177
2017 median household income	\$43,114	\$55,240	\$56,759	\$57,652
2017 median family income	\$60,670	\$69,320	\$72,542	\$70,850
2017 median gross rent	\$732	\$764	\$813	\$982
2017 median value owner occupied units	\$119,600	\$154,900	\$169,300	\$193,500
2017 median age	39.7 yrs.	41.2 yrs.	39.2 yrs.	37.8 yrs.

	State of Wisconsin	United States
City % of 2017 per capita income	77.25%	75.71%
City % of 2017 median family income	83.63%	85.63%

Housing Statistics

	<u>City</u>		
	2000	2017	Percent of Change
All Housing Units	5,905	6,542	10.79%

Source: 2000 and 2010 Census of Population and Housing, and 2017 American Community Survey (Based on a five-year estimate), U.S. Census Bureau (www.factfinder2.census.gov).

EMPLOYMENT/UNEMPLOYMENT DATA

Rates are not compiled for individual communities with populations under 25,000.

	<u>Average Employment</u>	<u>Average Unemployment</u>	
Year	Chippewa County	Chippewa County	State of Wisconsin
2015	31,588	4.7%	4.6%
2016	32,008	4.3%	4.0%
2017	32,360	3.5%	3.3%
2018	32,477	3.3%	3.0%
2019, March ¹	32,227	4.4%	3.3%

¹ Preliminary

Source: Wisconsin Department of Workforce Development.

APPENDIX A

FINANCIAL STATEMENTS

Potential purchasers should read the included financial statements in their entirety for more complete information concerning the City's financial position. Such financial statements have been audited by the Auditor, to the extent and for the periods indicated thereon. The City has not requested or engaged the Auditor to perform, and the Auditor has not performed, any additional examination, assessments, procedures or evaluation with respect to such financial statements since the date thereof or with respect to this Official Statement, nor has the City requested that the Auditor consent to the use of such financial statements in this Official Statement. Although the inclusion of the financial statements in this Official Statement is not intended to demonstrate the fiscal condition of the City since the date of the financial statements, in connection with the issuance of the Bonds, the City represents that there have been no material adverse change in the financial position or results of operations of the City, nor has the City incurred any material liabilities, which would make such financial statements misleading.

Copies of the complete audited financial statements for the past three years and the current budget are available upon request from Ehlers.

CITY OF CHIPPEWA FALLS, WISCONSIN
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2017

**CITY OF CHIPPEWA FALLS, WISCONSIN
PRINCIPAL OFFICERS
2017**

ELECTED

Mayor
City Council President

Gregory S. Hoffman
Rob Kiefer

Aldermanic District:

First Ward
Second Ward
Third Ward
Fourth Ward
Fifth Ward
Sixth Ward
Seventh Ward

John Monarski
Rob Kiefer
CW King
Chuck Hull
Paul Olson
Paul Nadreau
Robert Hoekstra

APPOINTED

City Administrator
Clerk/Treasurer/Financial Manager
City Engineer/Director of Public Works
Street Superintendent
City Inspector
City Attorney
Superintendent/Manager of Public Utilities
Police Chief
Fire Chief
Director of Parks, Recreation and Forestry
Librarian

Vacant
Lynne R. Bauer
Richard J. Rubenzer
Rick Ruf
Paul Lasiewicz
Robert Ferg
Richard J. Rubenzer
Matthew Kelm
Michael Hepfler
Richard Hebert
Joe Niese

INDEPENDENT AUDITORS' REPORT

City Council
City of Chippewa Falls
Chippewa Falls, 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 Chippewa Falls, Wisconsin (City) as of and for the year ended December 31, 2017, 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 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. 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 Chippewa Falls, Wisconsin as of December 31, 2017, 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.

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 schedule of funding progress, as referenced in the table of contents, 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

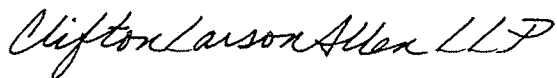
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The individual and combining fund statements, debt repayment schedules, and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual and combining fund statements, debt repayment schedules, and statistical 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. Such information, except for the unaudited statistical 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 individual and combining fund statements and debt repayment schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The City Council
City of Chippewa Falls

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, 2016 which are not presented with the accompanying financial statements. In our report dated September 27, 2017, 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 financial statements as a whole. The 2016 comparative information in the individual fund statements (schedules B-1 through D-9) is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2016 financial statements. The information has been subjected to the auditing procedures applied in the audit of those financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2016 comparative information in the individual fund statements (schedules B-1 through D-9) is fairly stated in all material respects in relation to the basic financial statements from which these amounts have been derived.

The unaudited statistical 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.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Eau Claire, Wisconsin
December 26, 2018

**CITY OF CHIPPEWA FALLS, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2017**

As management of the City of Chippewa Falls, 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, 2017. Please consider this information in conjunction with the City's financial statements, which begin on page 17 following this narrative.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$107,764,512 (*net position*). Of this amount, \$69,564,582 represented the City's net investment in capital assets, \$23,253,629 was held for restricted purposes, and \$24,946,301 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 by \$5,619,249, or approximately 5.5%, for current year activity. Net position related to the business-type activities of the City increased \$1,742,314, while net position related to governmental activities increased \$3,876,935.
- At the close of the fiscal year, the City's governmental funds reported combined ending fund balances of \$24,701,746, an increase of \$295,000 from the previous year.
- At the end of 2017, the unassigned general fund balance totaled \$15,166,682, or 132.2% of the general fund expenditures.
- The City's total long-term debt and obligations decreased \$124,445 during the current fiscal year. The City issued \$3,580,000 of general obligation bonds, \$353,500 in general obligation promissory notes, and \$156,924 in sewer system revenue bonds during 2017.

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 the 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 CHIPPEWA FALLS, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2017**

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, public works, health and human services, culture, recreation and education, and conservation and development. The business-type activities of the City include a water utility, a wastewater utility and a storm water utility.

The government-wide financial statements can be found beginning on page 17 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 twenty-one 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 fund, debt service fund, and public works construction 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 19 of this report.

**CITY OF CHIPPEWA FALLS, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2017**

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, wastewater utility and storm water 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, all three are considered to be major funds of the City (water utility, wastewater utility and the storm water utility).

The basic proprietary fund financial statements can be found beginning on page 23 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 28 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 29 of this report.

Supplementary Information

In addition to the basic financial statement and accompanying notes, this report presents certain required supplementary information on the City's operating budget. Required supplementary information can be found beginning on page 68 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 73.

**CITY OF CHIPPEWA FALLS, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2017**

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 exceeded liabilities and deferred inflows by \$107,764,512 at the close of 2017. The largest portion of net position (55%) reflects the City's investment in capital assets, including land, land improvements, buildings, machinery 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. Below is a summary of the City's statement of net position:

**Condensed Statement of Net Position
December 31, 2017 and 2016**

	Governmental Activities		Business-Type Activities		Totals
	2017	2016	2017	2016	
Current and Other Assets	\$ 41,858,499	\$ 41,063,124	\$ 17,920,841	\$ 16,656,690	\$ 59,779,340
Capital Assets	52,024,505	48,711,521	43,215,307	42,510,379	95,239,812
Internal Balances	(1,102,515)	(487,760)	1,102,515	487,760	-
Total Assets	92,780,489	89,276,885	62,238,663	59,656,829	155,019,152
Deferred Outflows of Resources	3,541,878	4,964,254	386,644	603,658	3,930,522
Long-Term Liabilities	29,700,976	31,101,363	9,198,783	8,406,734	38,899,759
Other Liabilities	1,656,707	1,810,069	173,504	273,701	1,830,211
Total Liabilities	31,357,683	32,911,432	9,372,287	8,680,435	40,729,970
Deferred Inflows of Resources	10,299,880	10,541,838	155,312	222,658	10,455,192
Net Position:					
Net Investment in					
Capital Assets	25,305,781	21,919,085	34,257,801	34,392,039	59,564,582
Restricted	10,355,683	11,895,184	12,697,946	12,419,505	23,353,629
Unrestricted	19,002,340	16,973,600	5,943,961	4,545,760	24,946,301
Total Net Position	\$ 54,664,804	\$ 50,787,869	\$ 53,099,708	\$ 51,357,394	\$ 107,764,512
					\$ 102,145,263

An additional portion of the City's net position (22%) represents resources that are subject to other restrictions as to how they may be used. The remaining \$24,946,301 of total net position (23%) may be used to meet the City's on-going obligations to its citizens and creditors. It is important to note that \$5,943,961 of this unrestricted net position is related to the City's business-type activities. Consequently, they generally may not be used to fund governmental activities.

At the end of 2017, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

**CITY OF CHIPPEWA FALLS, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2017**

The condensed statement of changes in net position presented below shows that total net position of the City increased \$5,619,249, or approximately 5.5%, over the prior year. The change from current year activity consisted of an increase in net position related to governmental activities in the amount of \$3,876,935 and an increase in net position related to business-type activities in the amount of \$1,742,314.

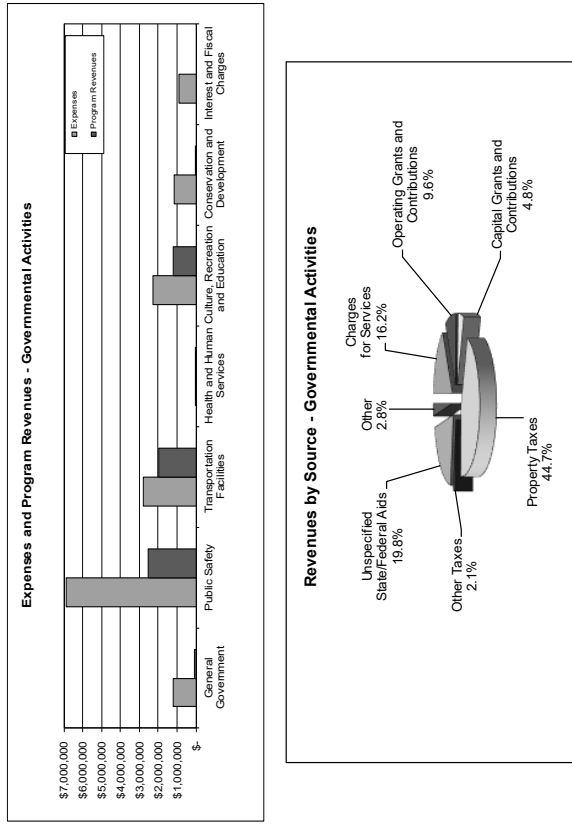
The following is a summary of the changes in the City's net position for the years ended December 31, 2017 and 2016:

**Condensed Statement of Changes in Net Position
Years Ended December 31, 2017 and 2016**

	Governmental Activities		Business-Type Activities		Totals	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program Revenues:						
Charges for Services	\$ 3,108,236	\$ 2,806,121	\$ 6,151,887	\$ 6,182,079	\$ 9,259,123	\$ 8,988,200
Operating Grants and Contributions	1,822,513	1,956,057	-	-	1,822,513	1,956,057
Capital Grants and Contributions	925,811	2,064,417	629,382	946,015	1,555,193	3,009,432
General Revenues:						
Property Taxes	8,586,423	8,710,409	-	-	8,586,423	8,710,409
Other Taxes	400,898	292,209	-	-	400,898	292,209
State and Federal Aids not						
Restricted to Specific Programs	3,802,235	3,946,517	-	-	3,802,235	3,946,517
Other	542,594	216,743	159,584	97,616	702,178	314,359
Total Revenues	19,188,510	19,992,473	6,940,853	7,234,710	26,129,363	27,227,183
Expenses:						
General Government	1,178,307	1,081,602	-	-	1,178,307	1,081,602
Public Safety	6,894,092	6,710,128	-	-	6,894,092	6,710,128
Transportation Facilities	2,803,728	3,034,026	-	-	2,803,728	3,034,026
Health and Human Services	43,077	41,082	-	-	43,077	41,082
Culture, Recreation and Education	2,283,854	2,409,959	-	-	2,283,854	2,409,959
Conservation and Development	1,148,795	1,059,545	-	-	1,148,795	1,059,545
Interest and Fiscal Charges	883,164	752,694	-	-	883,164	752,694
Water	-	-	2,019,540	1,890,572	2,019,540	1,890,572
Wastewater	-	-	2,563,036	2,486,286	2,563,036	2,486,286
Storm Water	-	-	692,521	692,817	692,521	692,817
Total Expenses	15,235,017	15,089,038	5,275,997	5,039,675	20,510,114	20,128,711
Change in Net Position Before Transfers	3,953,493	4,903,437	1,665,756	2,195,035	5,619,249	7,098,472
Transfers						
Change in Net Position	(76,550)	314,103	76,558	(314,103)	-	-
Beginning Net Position	3,876,935	5,217,540	1,742,314	1,880,932	5,619,249	7,098,472
Ending Net Position	\$ 54,694,804	\$ 50,787,869	\$ 53,099,708	\$ 51,357,384	\$ 107,794,512	\$ 102,145,263

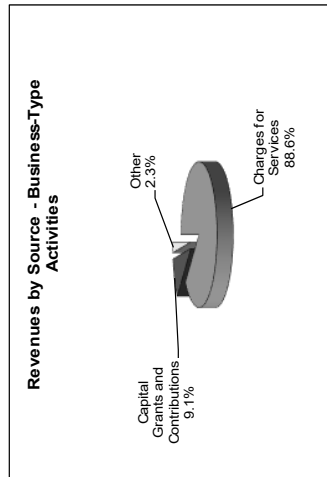
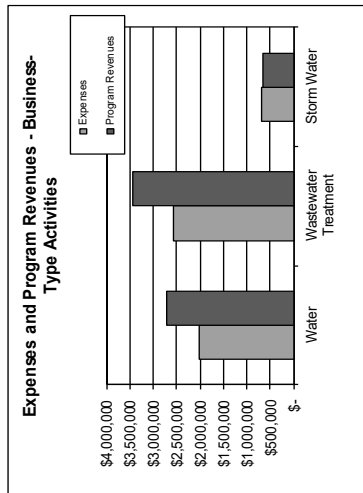
**CITY OF CHIPPEWA FALLS, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED**

A review of 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 is highly dependent on property taxes (44.7%) and unspecified state and federal aids (19.8%) for funding, while deriving 30.6% from various program revenues.



In the case of business-type activities, the data shows a considerably different picture. Charges for services (88.6%) replace property taxes as the primary revenue.

CITY OF CHIPPEWA FALLS, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED



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.

CITY OF CHIPPEWA FALLS, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2017

As of December 31, 2017, the City's governmental funds reported combined ending fund balances of \$24,701,746, an increase of \$295,000 from the previous year. The governmental funds comprising this balance are shown below:

Major funds	Fund Balances at 12/31/2017					Current Year Change
	Nonspendable	Restricted	Committed	Assigned	Unassigned	
General Fund	\$ 321,264	\$ -	\$ -	\$ 709,529	\$ 15,166,682	\$ 16,197,575
CDBG Fund	-	173,818	-	-	-	173,818
Debt Service Fund	-	178,392	-	-	-	(62,356)
Public Works Construction Fund	-	629,654	-	-	-	(356,233)
Normalor Funds:	-	-	-	-	-	629,654
Special Revenue Funds	-	585,937	1,063,356	-	-	1,649,293
Capital Projects Funds	\$ 321,264	\$ 5,124,284	\$ 1,458,541	\$ 709,529	\$ 14,424,692	\$ 24,701,746
						\$ 235,000

The general fund is the primary operating fund used to account for the governmental operations of the City. 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 of \$16,197,575 represented 141.2% of total general fund expenditures reported on the statement of revenues, expenditures and changes in fund balances while the unassigned balance of \$15,166,682 represented 132.2% of the same amount.

The general fund's total fund balance increased \$2,079,806 during the year, while the unassigned portion of the fund increased \$1,987,541. The City's general fund had an outstanding interfund advance due from the various tax incremental district capital project funds at that date in the amount of \$294,541 which is part of the fund's nonspendable fund balance. The ability of the general fund to recover these advances will reduce the nonspendable balance and increase the general fund unassigned balance.

The CDBG fund decreased \$62,356 during the year, which included loan repayments of \$96,856 and new loan expenditures of \$136,124.

The debt service fund had a total fund balance of \$178,392 at December 31, 2017, which is all considered restricted for the repayment of debt service. The debt service fund has an interfund advance of \$777,699 from the City's water utility enterprise fund. This advance was used to pay off the City's share of the Wisconsin Retirement System's pension liability in 2004 and is scheduled for repayment through the year 2030.

The public works construction fund had a total fund balance of \$629,654 at December 31, 2017, which is all considered restricted debt proceeds for specific purposes issued.

**CITY OF CHIPPEWA FALLS, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2017**

The nonmajor governmental funds are aggregated in the *other governmental funds* column and include various special revenue funds and capital projects funds. The accumulated fund balances of these funds increased \$124,369 during 2017. These funds are further 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 below, the net position of the enterprise-type proprietary funds at the end of 2017 totaled \$53,099,708, an increase of \$1,742,314 from the previous year.

**Condensed Statement of Changes in Net Position for Enterprise Funds
Years Ended December 31, 2017 and 2016**

	Water Utility		Wastewater Utility		Storm Water Utility		Total
	2017	2016	2017	2016	2017	2016	2017
Operating Revenues	\$ 2,472,686	\$ 2,423,431	\$ 3,052,334	\$ 3,105,751	\$ 626,967	\$ 602,897	\$ 6,182,079
Operating Expenses:							
Depreciation	639,597	635,597	775,747	726,820	199,905	184,326	1,546,733
Other	1,321,009	1,196,733	1,653,917	1,640,108	447,892	458,015	3,294,656
Operating Income	512,881	591,111	622,670	738,823	(20,830)	(39,444)	1,114,851
Nonoperating Revenues/(Expenses)	25,008	1,515	(80,963)	(85,101)	(49,520)	(16,884)	(70,477)
Income Before Contributions and Transfers	537,889	592,626	541,707	713,722	(69,320)	(66,328)	1,036,374
Capital Contributions	414,690	226,158	646,081	713,170	12,680	64,378	1,072,331
Transfers	(363,391)	(372,794)	-	-	-	-	(366,391)
Change in Net Position	589,188	445,990	1,206,788	1,426,892	(90,640)	8,050	1,880,932
Net Position - Beginning	20,942,905	20,496,915	23,171,733	21,744,841	7,242,756	7,234,706	51,357,384
Net Position - Ending	\$ 21,532,093	\$ 20,942,905	\$ 24,378,521	\$ 23,171,733	\$ 7,152,116	\$ 7,242,756	\$ 53,099,708

GENERAL FUND BUDGETARY HIGHLIGHTS

As shown in the *Budgetary Comparison Schedule* for the general fund (in required supplementary information), the City did not amend its budget during the year. The final net change in fund balance was \$2,079,806. General fund expenditures and other financing uses were \$794,687 less than budgeted amounts, while general fund revenues and other financing sources were \$1,285,119 more than budget amounts. The positive budget variance in revenues is mainly due to higher intergovernmental revenues, higher franchise fees and building permits collected, higher charges for services for the City's ambulance service, as well as the City sale of property. The positive budget variance in expenditures is primarily due to turnover in City staff. Even though the turnover resulted in retirement payouts being incurred, these were budgeted, and such vacancies were filled at lower rates.

**CITY OF CHIPPEWA FALLS, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2017**

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, 2017 and 2016 were as shown below:

**Capital Assets, Net of Accumulated Depreciation
December 31, 2017 and 2016**

	Governmental Activities		Business-Type Activities		Totals
	2017	2016	2017	2016	2017
Net Subject to Depreciation:					
Land and Land Rights	\$ 2,920,596	\$ 2,934,996	\$ 312,961	\$ 312,961	\$ 3,233,557
Construction Work in Progress	1,438,138	3,598,675	81,084	-	1,519,222
Non-Utility Property	-	-	2,916	2,916	2,916
Subject to Depreciation:					
Buildings	15,510,895	11,017,031	-	-	15,510,895
Property in the Open	6,148,979	5,805,206	-	-	6,148,979
Equipment and Vehicles	7,528,723	7,148,513	-	-	7,528,723
Infrastructure	45,585,587	44,400,176	-	-	45,585,587
Water System Plant	-	-	24,962,551	24,237,248	24,962,551
Wastewater System Plant	-	-	31,970,911	31,051,526	31,970,911
Storm Water Plant	-	-	10,573,249	10,185,983	10,573,249
Subtotal	79,128,916	74,904,597	67,903,672	65,790,644	147,032,590
Accumulated Depreciation	27,104,413	26,193,076	24,688,365	23,280,265	51,792,778
	\$ 52,024,503	\$ 48,711,521	\$ 43,215,307	\$ 42,510,379	\$ 95,239,812

Some of the more significant additions to the City's capital assets during 2017 included: *(in thousands)*

- City infrastructure additions \$ 1,433.4
- Riverfront Park 1,224.6
- New Fire Station 1,291.8
- Water system and equipment additions 814.3
- Wastewater system and equipment additions 1,097.4
- Storm water system additions 416.6

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

**CITY OF CHIPPEWA FALLS, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2017**

**CITY OF CHIPPEWA FALLS, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2017**

Long-Term Obligations

At December 31, 2017 and for the previous year, the City had outstanding long-term debt and other long-term obligations as shown below.

**Outstanding Long-Term Obligations
December 31, 2017 and 2016**

	Governmental Activities		Business-Type Activities		Total Outstanding	
	2017	2016	2017	2016	2017	2016
Long-Term Debt:						
General Obligation Debt:						
Bonds	\$ 22,115,000	\$ 22,330,000	\$ 3,125,000	\$ 1,995,000	\$ 25,240,000	\$ 24,325,000
Notes	834,461	799,181	-	-	834,461	799,181
Taxable Notes and Bonds	996,884	1,969,799	-	-	996,884	1,969,799
Tax Increment Revenue Bonds	3,400,000	3,400,000	-	-	3,400,000	3,400,000
Unamortized Debt Premium	392,791	281,655	7,901	8,861	390,692	290,516
Unamortized Debt Discount	(14,528)	(18,400)	(2,327)	(2,879)	(16,855)	(21,279)
Water Revenue Bonds	-	-	1,408,495	1,611,667	1,408,495	1,611,667
Sewer Revenue Bonds	-	-	4,416,110	4,502,823	4,416,110	4,502,823
Subtotal	27,714,608	28,762,235	8,955,179	8,115,472	36,669,787	36,877,707
Other Long-Term Obligations:						
Compensated Absence Payable	1,003,940	979,049	139,868	144,053	1,143,808	1,123,102
Other Postemployment Benefits	358,359	295,969	52,086	44,495	410,445	341,444
Estimated Landfill Postclosure	-	-	-	-	-	-
Care Costs	174,567	180,799	-	-	174,567	180,799
Total	\$ 29,251,474	\$ 30,219,072	\$ 9,147,133	\$ 8,303,980	\$ 38,398,607	\$ 38,523,052

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, 2017 totaled \$26,074,461, approximately 58% of the maximum legal limit of \$45,010,665.

On May 9, 2017, the City issued General Obligation Corporate Purpose Bonds in the amount of \$3,580,000. The bonds accrue interest at 3.00 to 3.50 percent and mature April 1, 2037. The proceeds were used to finance various capital projects, including street improvements and utility system improvements, as well as finance a current refunding of the Series 2008A issuance.

On June 1, 2017, the City issued a General Obligation Promissory Note in the amount of \$353,500. The note accrues interest at 3.00 percent and matures June 1, 2022. The proceeds were used to finance various capital equipment purchases.

On December 23, 2015, the City originated a clean water fund loan with the State of Wisconsin Environmental Improvement Fund for the purpose of financing wastewater utility upgrades. The maximum loan amount is \$2,461,700, in which \$50,000 was disbursed to the City in 2015, an additional \$2,007,092 was disbursed in 2016, and final \$156,924 was disbursed in 2017. The loan accrues interest at 1.829 percent and matures May 1, 2035.

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

CURRENTLY KNOWN FACTS BEARING ON THE CITY'S FUTURE

The City Council adopted a 2018 general fund budget that was balanced.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Chippewa Falls' 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 Financial Manager, 30 West Central Street, Chippewa Falls, Wisconsin 54729.

**CITY OF CHIPPEWA FALLS, WISCONSIN
STATEMENT OF NET POSITION
DECEMBER 31, 2017**

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	\$ 25,017,543	\$ 2,683,599	\$ 27,701,142
Taxes Receivable	7,263,791	-	7,263,791
Special Assessments Receivable	1,292,128	911,827	2,203,955
Accounts Receivable	561,960	1,244,179	1,806,139
Pledges Receivable	1,471,192	-	1,471,192
Due from Other Governments	356,256	-	356,256
Interest Receivable	97,741	-	97,741
Long-Term Receivables	5,768,336	-	5,768,336
Inventories	23,302	133,782	157,084
Land Contracts and Land Held for Resale	6,250	-	6,250
Other Assets	-	2,327	2,327
Internal Balances	(1,102,515)	1,102,515	-
Restricted Assets:			
Cash and Investments	-	12,945,127	12,945,127
Capital Assets:			
Capital Assets Not Being Depreciated	4,358,734	396,961	4,755,695
Capital Assets Being Depreciated	74,770,184	67,506,711	142,276,895
Accumulated Depreciation	(27,104,413)	(24,688,365)	(51,792,778)
Total Assets	92,780,489	62,238,663	155,019,152
DEFERRED OUTFLOWS OF RESOURCES			
Wisconsin Retirement System Pension Plan Related	3,541,878	388,644	3,930,522
LIABILITIES			
Vouchers and Accounts Payable	1,204,646	117,517	1,322,163
Retainage Payable	4,000	-	4,000
Accrued Interest Payable	308,700	55,987	364,687
Payroll Taxes and Withholdings	126,887	-	126,887
Due to Other Governments	12,474	-	12,474
Long-Term Liabilities:			
Due Within One Year	3,326,957	698,164	4,025,121
Due in More Than One Year	25,924,517	8,451,296	34,375,813
Wisconsin Retirement System Net Pension Liability	449,502	49,323	498,825
Total Liabilities	31,357,683	9,372,287	40,729,970
DEFERRED INFLOWS OF RESOURCES			
Subsequent Year's Property Taxes	8,884,446	-	8,884,446
Wisconsin Retirement System Pension Plan Related	1,415,434	155,312	1,570,746
Total Deferred Inflows of Resources	10,299,880	155,312	10,455,192
NET POSITION			
Net Investment in Capital Assets	25,306,781	34,257,801	59,564,582
Restricted for:			
Debt Service Funds	-	337,823	337,823
Capital Projects and Plant Replacement	5,844,149	12,560,123	18,404,272
Housing/Business Loan Programs	2,529,449	-	2,529,449
Other Purposes	1,982,085	-	1,982,085
Unrestricted	19,002,340	5,943,961	24,946,301
Total Net Position	\$ 54,664,804	\$ 53,099,708	\$ 107,764,512

**CITY OF CHIPPEWA FALLS, WISCONSIN
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2017**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges	Operating	Capital	Governmental	Business-Type	Total
		For	Grants and	Grants and			
		Services	Contributions	Contributions	Activities	Activities	
Primary Government:							
Governmental Activities:							
General Government	\$ 1,178,307	\$ 84,708	\$ -	\$ -	\$ (1,093,599)	\$ -	\$ (1,093,599)
Public Safety	6,894,092	1,707,200	843,292	-	(4,343,600)	-	(4,343,600)
Public Works	2,803,728	590,207	919,133	472,866	(821,522)	-	(821,522)
Health and Human Services	43,077	4,652	-	-	(38,425)	-	(38,425)
Culture, Recreation and Education	2,283,854	716,382	34,941	448,879	(1,083,652)	-	(1,083,652)
Conservation and Development	1,148,795	5,087	25,147	4,066	(1,114,495)	-	(1,114,495)
Interest and Fiscal Charges	883,164	-	-	-	(883,164)	-	(883,164)
Total Governmental Activities	15,235,017	3,108,236	1,822,513	925,811	(9,378,457)	-	(9,378,457)
Business-Type Activities:							
Water	2,019,540	2,472,586	-	241,423	-	694,469	694,469
Wastewater Treatment	2,563,036	3,052,334	-	375,279	-	864,577	864,577
Storm Water	692,521	626,967	-	12,680	-	(52,874)	(52,874)
Total Business-Type Activities	5,275,097	6,151,887	-	629,382	-	1,506,172	1,506,172
Total Primary Government	<u>\$ 20,510,114</u>	<u>\$ 9,260,123</u>	<u>\$ 1,822,513</u>	<u>\$ 1,555,193</u>	(9,378,457)	1,506,172	(7,872,285)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes					5,099,654	-	5,099,654
Property Taxes, Levied for Debt Purposes					1,440,970	-	1,440,970
Property Taxes, Levied for TIF Districts					2,045,799	-	2,045,799
Other Taxes					400,698	-	400,698
State and Federal Aids Not Restricted to Specific Functions					3,802,235	-	3,802,235
Interest and Investment Earnings					224,678	159,584	384,262
Miscellaneous					48,165	-	48,165
Gain on Sale of Property					269,751	-	269,751
Transfers					(76,558)	76,558	-
Total General Revenues and Transfers					13,255,392	236,142	13,491,534
Change in Net Position					3,876,935	1,742,314	5,619,249
Net Position - Beginning of Year					50,787,869	51,357,394	102,145,263
Net Position - End of Year					<u>\$ 54,664,804</u>	<u>\$ 53,099,708</u>	<u>\$ 107,764,512</u>

**CITY OF CHIPPEWA FALLS, WISCONSIN
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2017**

	General Fund	CDBG Fund	Debt Service Fund	Public Works Construction Fund	Other Governmental Funds	Totals
ASSETS						
Treasurer's Cash and Investments	\$ 16,871,505	\$ 181,271	\$ 967,202	\$ 918,023	\$ 6,079,542	\$ 25,017,543
Taxes Receivable	3,580,312	-	1,497,431	-	2,186,048	7,263,791
Special Assessments Receivable	-	-	-	-	1,292,128	1,292,128
Accounts Receivable	473,514	-	-	-	88,446	561,960
Pledges Receivable	-	-	-	-	1,471,192	1,471,192
Due from Other Governments	273,921	-	-	-	82,335	356,256
Due from Other Funds	694,252	-	-	1,168,189	-	1,862,441
Land Contracts and Land Held for Resale	6,250	-	-	-	-	6,250
Interest Receivable	-	-	-	-	97,741	97,741
Inventories	23,302	-	-	-	-	23,302
Advances to Other Funds	294,541	-	-	-	-	294,541
Installment Loans Receivable	-	508,018	-	-	3,214,705	3,722,723
Loans Receivable	-	1,847,613	-	-	198,000	2,045,613
Total Assets	<u>\$ 22,217,597</u>	<u>\$ 2,536,902</u>	<u>\$ 2,464,633</u>	<u>\$ 2,086,212</u>	<u>\$ 14,710,137</u>	<u>\$ 44,015,481</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Vouchers and Accounts Payable	\$ 277,454	\$ 7,453	\$ 4,275	\$ 211,335	\$ 704,129	\$ 1,204,646
Retainage Payable	-	-	-	4,000	-	4,000
Payroll Withholdings	126,887	-	-	-	-	126,887
Due to Other Governmental Units	6,117	-	-	-	6,357	12,474
Due to Other Funds	289,421	-	6,836	1,241,223	649,777	2,187,257
Advances from Other Funds	-	-	777,699	-	294,541	1,072,240
Total Liabilities	<u>699,879</u>	<u>7,453</u>	<u>788,810</u>	<u>1,456,558</u>	<u>1,654,804</u>	<u>4,607,504</u>
Deferred Inflows of Resources:						
Subsequent Year's Property Taxes	5,200,967	-	1,497,431	-	2,186,048	8,884,446
Unavailable Loans Receivable	-	2,355,631	-	-	600,670	2,956,301
Unavailable Special Assessments	-	-	-	-	1,292,128	1,292,128
Unavailable Pledges Receivable	-	-	-	-	1,454,180	1,454,180
Unavailable Land Contract	6,250	-	-	-	-	6,250
Unavailable Ambulance Revenues	112,926	-	-	-	-	112,926
Total Deferred Inflows of Resources	<u>5,320,143</u>	<u>2,355,631</u>	<u>1,497,431</u>	<u>-</u>	<u>5,533,026</u>	<u>14,706,231</u>
Fund Balances:						
Nonspendable	321,264	-	-	-	-	321,264
Restricted	-	173,818	178,392	629,654	5,742,400	6,724,264
Committed	-	-	-	-	2,521,897	2,521,897
Assigned	709,629	-	-	-	-	709,629
Unassigned	15,166,682	-	-	-	(741,990)	14,424,692
Total Fund Balances	<u>16,197,575</u>	<u>173,818</u>	<u>178,392</u>	<u>629,654</u>	<u>7,522,307</u>	<u>24,701,746</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 22,217,597</u>	<u>\$ 2,536,902</u>	<u>\$ 2,464,633</u>	<u>\$ 2,086,212</u>	<u>\$ 14,710,137</u>	<u>\$ 44,015,481</u>

See accompanying Notes to the Basic Financial Statements.

**CITY OF CHIPPEWA FALLS, WISCONSIN
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 1899**

Total Fund Balances - Governmental Funds **\$ 24,701,746**

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	\$ 2,920,596	
Buildings	15,510,895	
Machinery/Equipment	13,673,702	
Infrastructure	45,585,587	
Construction Work in Progress	1,438,138	
Accumulated Depreciation	<u>(27,104,413)</u>	52,024,505

Some receivables, including special assessments, are reported as deferred inflows in the fund financial statements but are recognized as revenue when earned in the government-wide statements. 5,821,785

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)	(449,502)	
Deferred Outflows of Resources	3,541,878	
Deferred Inflows of Resources	<u>(1,415,434)</u>	1,676,942

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	(22,115,000)	
Notes Payable	(834,461)	
State Trust Fund Loan	(3,400,000)	
Taxable Notes and Bonds	(996,884)	
Accrued Interest Payable	(308,700)	
Landfill Postclosure Costs	(174,567)	
Compensated Absences Payable	(1,003,940)	
Other Postemployment Benefits Payable	<u>(358,359)</u>	(29,191,911)

Debt discounts and premiums are amortized over the lives of the related debt in the statement of net position. In the governmental funds these costs are considered expenditures/other financing uses when incurred. These costs include:

Unamortized Debt Premium	(382,791)	
Unamortized Debt Discount	<u>14,528</u>	<u>(368,263)</u>

Net Position of Governmental Activities **\$ 54,664,804**

**CITY OF CHIPPEWA FALLS, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2017**

	General Fund	CDBG Fund	Debt Service Fund	Public Works Construction Fund	Other Governmental Funds	Totals
REVENUES						
Taxes	\$ 5,186,888	\$ -	\$ 1,440,970	\$ -	\$ 2,359,520	\$ 8,987,378
Special Assessments	-	-	-	-	472,866	472,866
Intergovernmental	4,753,122	-	-	-	156,413	4,909,535
Licenses and Permits	546,692	-	-	-	-	546,692
Fines and Forfeits	99,208	-	-	-	-	99,208
Public Charges for Services	1,632,789	-	-	-	-	1,632,789
Intergovernmental Charges for Services	608,128	-	-	-	-	608,128
Miscellaneous:						
Interest	31,607	648	166	187,458	4,542	224,421
Rent	8,200	-	-	-	-	8,200
Donations	-	-	-	-	1,358,924	1,358,924
Loan Repayments	-	96,856	-	-	30,298	127,154
Other	66,132	-	-	-	-	66,132
Total Revenues	12,932,766	97,504	1,441,136	187,458	4,382,563	19,041,427
EXPENDITURES						
General Government	1,104,033	-	-	-	-	1,104,033
Public Safety	5,837,206	-	-	-	21,570	5,858,776
Transportation Facilities	1,860,428	-	-	-	-	1,860,428
Sanitation	267,448	-	-	-	-	267,448
Health and Human Services	43,077	-	-	-	-	43,077
Culture, Recreation and Education	1,978,662	-	-	-	1,562,252	3,540,914
Conservation and Development	139,751	159,860	-	-	836,357	1,135,968
Capital Outlay	243,974	-	-	3,536,608	11,678	3,792,260
Debt Service:						
Principal Retirement	-	-	2,801,135	-	-	2,801,135
Interest and Fiscal Charges	-	-	723,667	-	4,993	728,660
Debt Issuance Costs	-	-	11,922	22,651	-	34,573
Total Expenditures	11,474,579	159,860	3,536,724	3,559,259	2,436,850	21,167,272
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,458,187	(62,356)	(2,095,588)	(3,371,801)	1,945,713	(2,125,845)
OTHER FINANCING SOURCES (USES)						
Sale of Property	260,786	-	-	9,715	-	270,501
Long-Term Debt Issued	-	-	800,000	1,873,500	-	2,673,500
Current Refunding Payments to Escrow Agent	-	-	(1,025,000)	-	-	(1,025,000)
Debt Premium	-	-	135,453	-	-	135,453
Transfers In	370,091	-	1,826,902	-	1,356,294	3,553,287
Transfers Out	(9,258)	-	-	-	(3,177,638)	(3,186,896)
Total Other Financing Sources (Uses)	621,619	-	1,737,355	1,883,215	(1,821,344)	2,420,845
NET CHANGE IN FUND BALANCES	2,079,806	(62,356)	(358,233)	(1,488,586)	124,369	295,000
Fund Balances (Deficits), January 1	14,117,769	236,174	536,625	2,118,240	7,397,938	24,406,746
FUND BALANCES (DEFICITS), DECEMBER 31	<u>\$ 16,197,575</u>	<u>\$ 173,818</u>	<u>\$ 178,392</u>	<u>\$ 629,654</u>	<u>\$ 7,522,307</u>	<u>\$ 24,701,746</u>

See accompanying Notes to the Basic Financial Statements.

**CITY OF CHIPPEWA FALLS, WISCONSIN
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 1899**

Net Change in Fund Balances - Total Governmental Funds **\$ 295,000**

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

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	\$ 5,226,731	
Depreciation Expense Reported in the Statement of Activities	<u>(1,730,369)</u>	3,496,362

In the statement of activities, only the gain or loss on the sale of land, buildings and equipment is reported whereas in the governmental funds, the entire proceeds of sales increase financial resources. Thus, the change in net position differs from the change in fund balances by the cost of land, buildings and equipment removed. (183,378)

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. (560,737)

Receivables not currently available are reported as deferred inflows in the fund financial statements but are recognized as revenue when earned in the government-wide statements. 12,466

Long-term debt incurred in governmental funds is reported as an other financing source, but is reported as an increase in outstanding long-term debt in the statement of net position and does not affect the statement of activities. In the current year, these amounts consist of:

General Obligation Bonds	(2,320,000)	
General Obligation Notes	<u>(353,500)</u>	(2,673,500)

Repayment of long-term debt is 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 amounts consist of:

Bond Principal Retirement	2,535,000	
Note Principal Retirement	318,220	
Taxable Notes and Bonds	<u>972,915</u>	3,826,135

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	(150,376)	
Net Change in Compensated Absences Balance	(24,891)	
Net Change in Other Postemployment Benefits Payable	(61,370)	
Net Change in Landfill Postclosure Care Costs	6,232	
Net Change in Debt Premium	(101,136)	
Net Change in Debt Discount	<u>(3,872)</u>	(335,413)

Change in Net Position of Governmental Activities **\$ 3,876,935**

**CITY OF CHIPPEWA FALLS, WISCONSIN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2017**

	Business-Type Activities - Enterprise Funds			
	Water Utility	Wastewater Utility	Storm Water Utility	Totals
ASSETS				
Current Assets:				
Cash and Investments	\$ 1,209,560	\$ 1,289,421	\$ 184,618	\$ 2,683,599
Customer Accounts Receivable	545,886	522,516	161,549	1,229,951
Special Assessments Receivable	339,671	572,156	-	911,827
Other Accounts Receivable	13,095	656	477	14,228
Due from Other Funds:				
Accounts Receivable on Tax Roll	122,940	142,375	19,242	284,557
Due from Governmental Funds	519,031	547,999	366,239	1,433,269
Due from Water Utility	-	453,145	-	453,145
Due from Wastewater Utility	92,822	-	-	92,822
Inventories	83,031	-	50,751	133,782
Total Current Assets	2,926,036	3,528,268	782,876	7,237,180
Restricted Assets:				
Cash and Investments:				
Bond Redemption Fund Investments	178,325	206,679	-	385,004
Depreciation Fund Cash and Investments	4,934,657	4,207,542	-	9,142,199
Replacement Fund Cash and Investments	-	3,417,924	-	3,417,924
Total Restricted Assets	5,112,982	7,832,145	-	12,945,127
Capital Assets:				
Land and Land Rights	135,570	177,391	-	312,961
Nonutility Property	2,916	-	-	2,916
Construction Work in Progress	-	81,084	-	81,084
Utility Plant in Service	24,962,551	31,970,911	10,573,249	67,506,711
Less Accumulated Depreciation	(9,419,381)	(12,273,402)	(2,995,582)	(24,688,365)
Total Capital Assets	15,681,656	19,955,984	7,577,667	43,215,307
Other Assets:				
Advances to Other Funds	777,699	-	-	777,699
Unamortized Debt Discount	294	1,044	989	2,327
Total Other Assets	777,993	1,044	989	780,026
Total Assets	24,498,667	31,317,441	8,361,532	64,177,640
DEFERRED OUTFLOWS OF RESOURCES				
Wisconsin Retirement System Pension Plan Related	182,650	190,939	15,055	388,644

**CITY OF CHIPPEWA FALLS, WISCONSIN
STATEMENT OF NET POSITION (CONTINUED)
PROPRIETARY FUNDS
DECEMBER 31, 2017**

	Business-Type Activities - Enterprise Funds			
	Water Utility	Wastewater Utility	Storm Water Utility	Totals
LIABILITIES				
Current Liabilities Payable From				
Current Assets:				
Accounts Payable	\$ 36,910	\$ 78,112	\$ 2,495	\$ 117,517
Due to Governmental Funds:				
Taxes Accrued	366,391	-	-	366,391
Other	517,632	582,210	376,897	1,476,739
Due to Water Utility	-	92,822	-	92,822
Due to Wastewater Utility	-	-	3,025	3,025
Accrued Interest Payable	-	-	8,806	8,806
Current Portion of Long-Term Debt (Net of Portion Payable from Restricted Assets)	20,000	-	45,000	65,000
Current Portion of Unused Vested Employee Benefits	22,909	31,374	1,759	56,042
Total Current Liabilities Payable from Current Assets	963,842	784,518	437,982	2,186,342
Current Liabilities Payable from				
Restricted Assets:				
Accrued Interest Payable	15,883	31,298	-	47,181
Current Portion of Long-Term Debt	218,999	358,123	-	577,122
Total Current Liabilities Payable from Restricted Assets	234,882	389,421	-	624,303
Long-Term Liabilities:				
Revenue Bonds (Net of Current Portion)	1,809,496	5,770,888	735,000	8,315,384
Unused Vested Employee Benefits	28,625	53,076	2,125	83,826
Other Postemployment Benefits Payable	19,209	31,440	1,437	52,086
Wisconsin Retirement System Net Pension Liability	23,180	24,232	1,911	49,323
Total Long-Term Liabilities	1,880,510	5,879,636	740,473	8,500,619
Total Liabilities	3,079,234	7,053,575	1,178,455	11,311,264
DEFERRED INFLOWS OF RESOURCES				
Wisconsin Retirement System Pension Plan Related	72,992	76,304	6,016	155,312
NET POSITION				
Net Investment in Capital Assets	13,633,161	13,826,973	6,797,667	34,257,801
Restricted for Debt Service	162,442	175,381	-	337,823
Restricted for Asset Replacement	4,934,657	7,625,466	-	12,560,123
Unrestricted	2,798,831	2,750,681	394,449	5,943,961
Total Net Position	<u>\$ 21,529,091</u>	<u>\$ 24,378,501</u>	<u>\$ 7,192,116</u>	<u>\$ 53,099,708</u>

CITY OF CHIPPEWA FALLS, WISCONSIN
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2017

	Business-Type Activities - Enterprise Funds			
	Water Utility	Wastewater Utility	Storm Water Utility	Totals
OPERATING REVENUES:				
Charges for Services	\$ 2,260,558	\$ 2,642,354	\$ 609,768	\$ 5,512,680
Other Operating Revenues	212,028	409,980	17,199	639,207
Total Operating Revenues	2,472,586	3,052,334	626,967	6,151,887
OPERATING EXPENSES:				
Operation, Maintenance and Administrative	1,321,008	1,653,917	447,862	3,422,787
Depreciation	638,597	775,747	199,905	1,614,249
Total Operating Expenses	1,959,605	2,429,664	647,767	5,037,036
OPERATING INCOME (LOSS)	512,981	622,670	(20,800)	1,114,851
NONOPERATING REVENUES (EXPENSES):				
Interest Income	84,941	72,409	2,234	159,584
Gain(Loss) on the Removal/Disposal of Assets	-	16,621	(15,105)	1,516
Interest Expense	(53,457)	(143,851)	(23,901)	(221,209)
Amortization of Debt Related Items	(6,478)	(6,142)	(5,748)	(18,368)
Total Nonoperating Revenues (Expenses)	25,006	(60,963)	(42,520)	(78,477)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	537,987	561,707	(63,320)	1,036,374
CAPITAL CONTRIBUTIONS AND TRANSFERS:				
Capital Contributions by City	173,167	269,782	-	442,949
Capital Contributions by Private Sources	241,423	375,279	12,680	629,382
Transfer Out	(366,391)	-	-	(366,391)
Total Capital Contributions and Transfers	48,199	645,061	12,680	705,940
CHANGE IN NET POSITION	586,186	1,206,768	(50,640)	1,742,314
Net Position, January 1	20,942,905	23,171,733	7,242,756	51,357,394
NET POSITION, DECEMBER 31	<u>\$ 21,529,091</u>	<u>\$ 24,378,501</u>	<u>\$ 7,192,116</u>	<u>\$ 53,099,708</u>

**CITY OF CHIPPEWA FALLS, WISCONSIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2017**

	Business-Type Activities - Enterprise Funds			
	Water Utility	Wastewater Utility	Storm Water Utility	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash Received from Customers	\$ 2,398,404	\$ 3,127,619	\$ 620,588	\$ 6,146,611
Cash Received (Paid) for Wastewater Building Rent	(12,000)	12,000	-	-
Cash Received (Paid) for Water Meter Charges to Wastewater	92,822	(92,822)	-	-
Cash Payments to Suppliers for Goods and Services	(998,234)	(860,099)	(152,431)	(2,010,764)
Cash Payments for Employee Services	(647,012)	(690,750)	(338,944)	(1,676,706)
Net Cash Provided by (Used for) Operating Activities	833,980	1,495,948	129,213	2,459,141
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Received (Paid) on Interfund Loan	-	220,000	(220,000)	-
Transfers Out	(366,391)	-	-	(366,391)
Net Cash Provided by (Used for) Noncapital Financing Activities	(366,391)	220,000	(220,000)	(366,391)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Cash Received from Capital Contributions	9,916	191,590	-	201,506
Cash Received from Salvage on Plant Retired	4,006	-	-	4,006
Cash Payments for Capital Assets	(295,764)	(1,385,504)	(517,135)	(2,198,403)
Cash Received from Special Assessments	86,809	100,706	-	187,515
Cash Paid for Plant Removal	(10,016)	-	-	(10,016)
Cash Received from Long-Term Debt	-	156,924	-	156,924
Transfer of Debt Proceeds	417,184	453,145	364,486	1,234,815
Cash Paid for Principal on Long-Term Debt	(223,172)	(329,596)	(25,000)	(577,768)
Cash Paid for Interest on Long-Term Debt	(47,140)	(136,166)	(17,374)	(200,680)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(58,177)	(948,901)	(195,023)	(1,202,101)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Cash Received from Interest on Investments	84,941	72,409	2,234	159,584
NET CHANGE IN CASH AND CASH EQUIVALENTS	494,353	839,456	(283,576)	1,050,233
Cash and Cash Equivalents, January 1	5,828,189	8,282,110	468,194	14,578,493
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 6,322,542</u>	<u>\$ 9,121,566</u>	<u>\$ 184,618</u>	<u>\$ 15,628,726</u>

**CITY OF CHIPPEWA FALLS, WISCONSIN
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2017**

	Business-Type Activities - Enterprise Funds			
	Water Utility	Wastewater Utility	Storm Water Utility	Totals
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:				
Operating Income	\$ 512,981	\$ 622,670	\$ (20,800)	\$ 1,114,851
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used for) Operating Activities:				
Change in Pension Plan Related Items:				
Asset/Liability	(12,061)	(37,677)	(815)	(50,553)
Deferred Outflows of Resources	75,303	142,031	(2,320)	215,014
Deferred Inflows of Resources	(20,449)	(48,026)	1,129	(67,346)
Depreciation	638,597	775,747	199,905	1,614,249
(Increase) Decrease in Assets:				
Customer Accounts Receivable	(15,769)	16,967	(7,673)	(6,475)
Other Accounts Receivable	3,493	79,316	-	82,809
Accounts Receivable on Tax Roll	30,916	(8,998)	1,294	23,212
Due from Other Funds	(316,970)	-	(5,513)	(322,483)
Inventories	(3,068)	-	(11,775)	(14,843)
Increase (Decrease) in Liabilities:				
Accounts Payable	(24,093)	(70,292)	(26,341)	(120,726)
Due to Other Funds	(12,000)	(14)	-	(12,014)
Unused Vested Employee Benefits	(20,018)	14,397	1,436	(4,185)
OPEB Liability	(2,882)	9,827	686	7,631
Net Cash Provided by (Used for) Operating Activities	<u>\$ 833,980</u>	<u>\$ 1,495,948</u>	<u>\$ 129,213</u>	<u>\$ 2,459,141</u>
RECONCILIATION OF CASH AND INVESTMENTS TO CASH AND CASH EQUIVALENTS:				
Cash and Investments Per Statement of Net Position:				
Cash and Investments	\$ 1,209,560	\$ 1,289,421	\$ 184,618	\$ 2,683,599
Cash and Investments - Restricted	5,112,982	7,832,145	-	12,945,127
Total Cash and Cash Equivalents	<u>\$ 6,322,542</u>	<u>\$ 9,121,566</u>	<u>\$ 184,618</u>	<u>\$ 15,628,726</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:				
Contributions of Capital Assets	\$ 404,674	\$ 645,061	\$ 12,680	\$ 1,062,415

**CITY OF CHIPPEWA FALLS, WISCONSIN
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2017**

	<u>Agency Fund</u>
ASSETS	
Cash and Investments	\$ 2,187,380
Taxes Receivable	<u>7,871,537</u>
Total Assets	<u><u>\$ 10,058,917</u></u>
LIABILITIES	
Due to Other Governmental Units	<u><u>\$ 10,058,917</u></u>

CITY OF CHIPPEWA FALLS, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Chippewa Falls (the "City") have been prepared in conformity with 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 Chippewa Falls 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 of the primary government and the Redevelopment Authority of the City of Chippewa Falls. The Redevelopment Authority has been treated as a "blended component unit" for reporting purposes. A blended component unit, although a legally separate entity, is in substance, part of the government's operations and so data from the unit is combined with data of the primary government. Transactions of the Redevelopment Authority during 2017 consisted solely of the transactions relating to its revolving loan fund. These transactions have been presented in a separate special revenue fund as described further in this note.

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 government-wide financial statements (i.e., the statement of net position and the statement of activities) report financial information on all of the nonfundary 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.

CITY OF CHIPPEWA FALLS, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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

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. For report purposes, the City has considered its individual debt service funds as one fund.

Public Works Construction Fund – The Public Works Construction Fund is a capital projects fund used to account for resources accumulated, generally in the form of debt proceeds, to be used for capital projects and equipment.

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

CITY OF CHIPPEWA FALLS, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund Financial Statements (Continued)

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.
- Wastewater Utility** – This fund accounts for the operations of the wastewater collection system and treatment facilities.
- Storm Water Utility** – This fund accounts for the operations of the storm water collection system and related activities.

The City had no other enterprise funds.

Additionally, the City reports the following fiduciary funds:

- Agency 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.

C. Measurement Focus and Basis of Accounting

The government-wide, proprietary fund and fiduciary trust fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities 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, if material, are recorded as revenues when services are provided. Fiduciary agency funds do not have a measurement focus.

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.

CITY OF CHIPPEWA FALLS, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

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. 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 City reports deferred inflows of resources on its statement of net position and fund balance sheets. Deferred inflows arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues also arise when resources are received by the City before it has a legal claim to them as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability for deferred inflows of resources or the liability for unearned revenue is removed from the statement of net position and fund balance sheet and revenue is recognized.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the 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.

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, wastewater utility, and storm water 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.

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

The preparation of financial statements in conformity with 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.

CITY OF CHIPPEWA FALLS, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

CITY OF CHIPPEWA FALLS, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

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

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. The resulting tax roll is recorded as receivable in the City's agency fund with amounts due other governmental units and other funds of the City recorded as liabilities therein. Since City property taxes are not considered available until January 1 of the year following the levy, they are recorded as deferred inflows 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 Chippewa County Treasurer for collection in February. Chippewa County subsequently settles in full with the City in August of the same year, including settlement for uncollected delinquent special assessments and special charges. (The County has the option to settle in full for delinquent special assessments and special charges or to remit them to the City as collections are received.) Delinquent personal property taxes are retained by the City for collection. A portion of the general fund balance is considered 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 2017 tax roll are recognized as revenue in 2018.) Special assessments recorded in proprietary funds are recorded as revenue at the time the assessments are subject to collection procedures.

Accounts Receivable. Accounts receivable for ambulance service provided are offset by an allowance for uncollectibles. All other accounts receivable are considered to be collectible in full.

CITY OF CHIPPEWA FALLS, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

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 in the fund statements to record deferred inflows of resources for the net amount of the receivable balance in the fund financing the loan. 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 non-current 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 statements as "internal balances". Advances between funds, as reported in the fund financial statements, are offset by nonspendable fund balance in applicable governmental funds 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 CHIPPEWA FALLS, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

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 value 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. Interest incurred during the construction phase of capital assets of business-type activities, if material, is included as part of the capitalized value of the assets 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:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Land	\$5,000	N/A	
Buildings	5,000	Straight-line	20-50 Years
Property in the Open	5,000	Straight-line	10-20 Years
Machinery and Equipment	5,000	Straight-line	3-10 Years
Utility Systems	5,000	Straight-line	4-100 Years
Infrastructure	5,000	Straight-line	20-80 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/Inflows 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 related items.

CITY OF CHIPPEWA FALLS, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

6. Deferred Outflows/Inflows of Resources (Continued)

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. The City reports deferred inflows of resources for pension related items.

7. Compensated Absences

It is the City's policy to permit employees to accumulate paid leave benefits. Liabilities for accumulated employee leave benefits 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. The City's policies and estimated liabilities at year end are further discussed in Note 4.B.

8. Other Postemployment Benefits Payable

Under the provisions of various employee and union contracts the City provides a retirement program for certain employees which includes certain health insurance benefits. The amount to be incurred is limited as specified by contract. All premiums are funded on a pay-as-you-go basis. In accordance with GASB 45, the liability was actuarially determined.

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.

CITY OF CHIPPEWA FALLS, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 1899

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

10. 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. Prior year IRB's outstanding were paid in full during the current year, resulting in no outstanding balance at the end of the year.

11. 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, which is net position invested in 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.

CITY OF CHIPPEWA FALLS, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

11. Equity Classifications (Continued)

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 15 and 25 percent 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 Finance Manager 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.

NOTE 2 STEWARDSHIP AND ACCOUNTABILITY

The following schedule summarizes funds with deficit balances at December 31, 2017. The schedule identifies how these deficits will be eliminated.

Fund	Deficit Amount	Recovery Plan
TID #4	\$ 187,143	Future tax increment collections
TID #6	71,538	Future tax increment collections
TID #14	483,309	Future tax increment collections

CITY OF CHIPPEWA FALLS, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

The City's cash and investments balances at December 31, 2017 are shown in the financial statements as follows:

Governmental Funds	\$ 25,017,543
Proprietary Funds	15,628,726
Fiduciary Funds	2,187,380
	<u>\$ 42,833,649</u>

The above cash and investments balances consisted of the following:

Deposits in Financial Institutions	\$ 1,591,978
Deposits in Local Government Investment Pool	41,240,316
Petty Cash	1,355
	<u>\$ 42,833,649</u>

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, 2017, the City had deposits in the amount of \$2,369 that were uninsured and uncollateralized; therefore, the City was subject to custodial credit risk.

CITY OF CHIPPEWA FALLS, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

Investments

The City's investments at December 31, 2017 consisted of deposits in external investment pools as described below:

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 State Investment Fund. Local funds are pooled with state funds and invested by the State Investment Board. There is no minimum or maximum amount that can be invested by a local governmental 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 2017 was 43 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 City's investments in LGIP are recorded at amortized cost.

CITY OF CHIPPEWA FALLS, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Receivables

Other accounts receivable at December 31, 2017 are further detailed as follows:

Community Development Block Grant 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, 2017 the City had outstanding 27 installment loans and land contracts under the CDBG program totaling \$508,018. These loans are 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 a deferred inflow recorded therein. Revenue is recognized in the special revenue fund as collections are received on these loans.

The City also had 166 mortgage loans outstanding at December 31, 2017 totaling \$1,847,613. 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 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.

Redevelopment Authority Loans Receivable

The City established the Redevelopment Authority of the City of Chippewa Falls in 1995. In conjunction with its creation, the City contributed \$298,000 to the Redevelopment Authority from its Tax Incremental District No. 4 Fund, \$300,000 was contributed in 1997 and \$400,000 was contributed in 2003, to be used to finance economic development loans. The following loans were outstanding at December 31, 2017:

Shoe Factory Holdings, L.L.C. On June 6, 1995 the City loaned Shoe Factory Holdings L.L.C. \$198,000 for the development of the building located at 36 West River Street known as the Chippewa Shoe Building. The loan is deferred for thirty years at 0% interest with the developer having the right to prepay the loan at any time. The loan becomes due and payable if the property is sold or transferred. At December 31, 2017 the outstanding loan balance equaled the original loan of \$198,000.

CITY OF CHIPPEWA FALLS, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Receivables (Continued)

Redevelopment Authority Loans Receivable (Continued)

Cobban Block, LLC. On April 13, 2004 the City agreed to loan Cobban Block, LLC. \$475,000 to construct a building at 201 North Bridge Street to be used as its primary business location. The City and Cobban Block, LLC had two separate loan agreements and promissory notes related to this project. The first note is for \$400,000 and the second is for \$75,000. The \$400,000 loan has a term of fifteen years and the \$75,000 loan has a term of twenty years. Both loans bear an interest rate of 5.0%. In 2017, the loans were consolidated and the outstanding loan balance at December 31, 2017 was \$275,681. A subsequent amendment to the original agreement(s) deferred interest on the loans until a later date. The related interest receivable balance at December 31, 2017 was \$97,741.

CABCAR, LLC. On January 31, 2007 the City agreed to loan CABCAR, LLC \$48,000 to purchase a building at 33 Pine Street. The term of the loan is for twenty years and the loan bears an interest rate of 6.0%, which is payable monthly. The outstanding loan balance was \$29,249 as of December 31, 2017.

These loans are to be repaid to the City under terms established by the above loan agreements. Receivables have been recorded in the redevelopment authority revolving loan special revenue fund in the amount of the outstanding balances of these loans and are equally offset by deferred inflows recorded in these funds. Revenue is recognized in the special revenue fund as collections are received on these loans.

As part of a development agreement entered into by the City on December 18, 2012, the City and Authority loaned Short Elliott Hendrickson (S.E.H.) \$2,627,000 and \$900,000, respectively, for the development of land in TID #12. Both loans are interest free and mature 20 years from the date of the agreement. At December 31, 2017, the outstanding balance of these loans totaled \$2,167,275 and \$742,500, respectively.

CITY OF CHIPPEWA FALLS, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets

Capital asset activity for the year ended December 31, 2017 was as follows:

Governmental Activities

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Not Being Depreciated:				
Land	\$ 2,934,966	\$ -	\$ 14,400	\$ 2,920,566
Construction Work in Progress	3,598,675	2,764,891	4,925,428	1,438,138
Total Capital Assets Not Being Depreciated	6,533,671	2,764,891	4,939,828	4,358,734
Capital Assets Being Depreciated:				
Buildings	11,017,031	4,667,505	173,641	15,510,895
Land Improvements	5,805,206	341,773	-	6,146,979
Equipment and Vehicles	7,148,613	847,250	469,040	7,526,723
Infrastructure	44,400,176	1,530,740	345,329	45,585,587
Total Capital Assets Being Depreciated	68,370,926	7,387,268	988,010	74,770,184
Total Capital Assets	74,904,597	10,152,159	5,927,838	79,128,918
Accumulated Depreciation:				
Buildings	3,613,340	268,694	142,602	3,739,432
Land Improvements	1,747,448	226,233	-	1,973,681
Equipment and Vehicles	4,113,108	406,055	418,255	4,100,908
Infrastructure	16,719,180	829,387	258,175	17,290,392
Total Accumulated Depreciation	26,193,076	1,730,369	819,032	27,104,413
Net Capital Assets - Governmental Activities	\$ 48,711,521	\$ 8,421,790	\$ 5,108,806	\$ 52,024,505

Depreciation was charged to governmental functions as follows:

General Government	\$ 8,294
Public Safety	346,691
Public Works	1,017,413
Culture, Recreation and Education	225,769
Conservation and Development	132,202
	<u>\$ 1,730,369</u>

CITY OF CHIPPEWA FALLS, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

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	\$ 135,570	\$ -	\$ -	\$ 135,570
Nonutility Property	2,916	-	-	2,916
Total Capital Assets Not Being Depreciated	138,486	-	-	138,486
Capital Assets Being Depreciated:				
Source of Supply	531,676	-	-	531,676
Pumping Plant	2,208,439	18,523	-	2,226,962
Water Treatment	4,640,428	-	-	4,640,428
Transmission and Distribution	16,014,719	740,972	88,992	16,666,709
Administration and General Assets	841,986	54,790	-	896,776
Total Capital Assets Being Depreciated	24,237,248	814,285	88,982	24,962,551
Total Capital Assets	24,375,734	814,285	88,982	25,101,037
Less Accumulated Depreciation	8,875,775	638,597	94,981	9,419,381
Net Capital Assets - Water Utility	15,499,959	175,688	(6,009)	15,661,656

Wastewater Utility:

Capital Assets Not Being Depreciated:				
Land and Land Rights	177,391	-	-	177,391
Construction Work in Progress	-	81,084	-	81,084
Total Capital Assets Not Being Depreciated	177,391	81,084	-	258,475
Capital Assets Being Depreciated:				
Collection System	10,458,449	840,926	19,047	11,280,328
Sludge Disposal Operations	874,777	-	-	874,777
Treatment and Disposal Plant	18,105,115	140,240	46,599	18,198,756
Administration and General Assets	1,613,185	35,132	31,267	1,617,050
Total Capital Assets Being Depreciated	31,051,526	1,016,298	96,913	31,970,911
Total Capital Assets	31,228,917	1,097,382	96,913	32,229,386
Less Accumulated Depreciation	11,594,588	775,747	96,913	12,273,402
Net Capital Assets - Wastewater Utility	19,634,349	321,635	-	19,955,984

CITY OF CHIPPEWA FALLS, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets (Continued)
Business-Type Activities (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Storm Water Utility:				
Capital Assets Being Depreciated:				
Power Operated Equipment	\$ 712,973	\$ 188,638	\$ -	\$ 901,611
Computer Equipment	35,173	-	-	35,173
Storm Sewer Collection System	9,426,597	227,968	29,350	9,625,215
Storm Ponds	11,250	-	-	11,250
Total Capital Assets	10,185,993	416,606	29,350	10,573,249
Less Accumulated Depreciation	2,809,922	199,905	14,245	2,995,582
Net Capital Assets - Storm Water Utility	7,376,071	216,701	15,105	7,577,667
Net Capital Assets - Business-Type Activities	\$ 42,510,379	\$ 714,024	\$ 9,096	\$ 43,215,307

Depreciation was charged to business-type activities as follows:

Water	\$ 638,597
Wastewater	775,747
Storm Water	199,905
	<u>\$ 1,614,249</u>

D. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of December 31, 2017 were as follows:

	Due to/from Other Funds	Receivable	Payable
Governmental Activity:			
General Fund	\$ 694,252	\$ 289,421	
Debt Service Fund	-	6,836	
Public Works Construction Fund	1,168,189	1,241,223	
Other Nonmajor Governmental Funds	-	649,777	
Total Governmental Activity	1,862,441	2,187,257	
Business-Type Activity:			
Water Fund	734,793	884,023	
Wastewater Fund	1,143,519	676,032	
Storm Water Fund	385,481	379,922	
Total Business-Type Activity	2,263,793	1,938,977	
Total	<u>\$ 4,126,234</u>	<u>\$ 4,126,234</u>	

CITY OF CHIPPEWA FALLS, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Interfund Receivables, Payables and Transfers (Continued)

Advances from/to Other Funds

	Receivable	Payable
Governmental Activity:		
General Fund	\$ 294,541	\$ -
Debt Service Fund	-	777,699
Other Nonmajor Governmental Funds	-	294,541
Total Governmental Activity	294,541	1,072,240
Business-Type Activity:		
Water Fund	777,699	-
Total	\$ 1,072,240	\$ 1,072,240

Long-term interfund advances were recorded from the City's general fund to its Tax Incremental District #4, Tax Incremental District #8, and Tax Incremental District #14 funds at December 31, 2017 in the amounts of \$185,643, \$70,038, and \$38,860, respectively, to finance the cash overdrafts and fund deficits in the TID funds at that date. It is anticipated that these advances will be reduced as tax incremental revenues become available in the TID funds.

A long-term advance was recorded from the City's Water Utility to its Debt Service Fund at December 31, 2017 in the amount of \$777,699. This includes the initial advance of \$750,000 plus accrued interest of \$27,699. This advance, made during 2004, was used to finance a portion of the City's payoff of its Wisconsin Retirement System's prior service liability. The City has a repayment schedule for this advance that has a stated interest rate of 4.0%. The term of the repayment schedule is twenty-five years with the first twenty years being interest only. The final scheduled payment on the advance is January 30, 2030.

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

CITY OF CHIPPEWA FALLS, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Interfund Receivables, Payables and Transfers (Continued)

Interfund Transfers

The following is a schedule of interfund transfers:

	Transfer In	Transfer Out
Governmental Activity:		
General Fund	\$ 370,091	\$ 9,258
Debt Service Fund	1,826,902	-
Other Nonmajor Governmental Funds	1,356,294	3,177,638
Total Governmental Activity	3,553,287	3,186,896
Business-Type Activity:		
Water Fund	-	366,391
Total	\$ 3,553,287	\$ 3,553,287

The transfer from the TID funds and the general fund to the debt service fund was made to finance the funds' share of current year debt maturities. The transfers between tax incremental districts were made from the donor TIDs to the recipient TIDs per plan amendments. The transfer from the water utility enterprise fund to the general fund consisted of the 2017 tax equivalent payable at year end.

E. Long-Term Obligations

Changes in Long-Term Obligations

Changes in long-term obligations of the City for the year ended December 31, 2017 were as follows:

	Balances 1/1/17	Additions	Reductions	Balances 12/31/17	Amounts Due Within One Year
Long-Term Debt:					
Governmental Activities:					
General Obligation Bonds	\$ 22,330,000	\$ 2,320,000	\$ 2,535,000	\$ 22,115,000	\$ 1,610,000
General Obligation Notes	799,181	353,500	318,220	834,461	330,761
Subtotal	23,129,181	2,673,500	2,853,220	22,949,461	1,940,761
Taxable Tax Increment Notes	3,400,000	-	-	3,400,000	142,036
Taxable Notes and Bonds	1,969,799	135,453	972,915	996,884	996,884
Unamortized Debt Premium	281,655	-	34,317	247,338	49,008
Unamortized Debt Discount	(18,400)	-	(3,872)	(22,272)	(3,411)
Total Governmental Activities	28,762,235	2,808,953	3,856,580	27,714,608	3,125,278
Business-Type Activities:					
Water System Revenue Bonds	1,611,667	-	203,172	1,408,495	208,989
Sewer System Revenue Bonds	4,502,623	156,924	243,637	4,415,910	253,123
General Obligation Bonds	1,995,000	1,260,000	130,000	3,125,000	180,000
Unamortized Debt Premium	8,861	-	960	7,901	-
Unamortized Debt Discount	(2,879)	-	(552)	(3,431)	-
Total Business-Type Activities	8,115,471	1,416,924	577,217	8,955,179	642,122
Total Long-Term Debt	\$ 36,877,707	\$ 4,225,877	\$ 4,433,797	\$ 36,669,787	\$ 3,767,400

CITY OF CHIPPEWA FALLS, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

Changes in Long-Term Obligations (Continued)

	Balances 1/1/17	Additions	Reductions	Balances 12/31/17	Amounts Due Within One Year
Other Long-Term Liabilities:					
Governmental Activities:					
Employee Vacation and Sick Leave Liability	\$ 975,049	\$ 458,801	\$ 431,910	\$ 1,003,940	\$ 193,779
Other Postemployment Benefits Payable	296,989	128,143	66,773	358,359	-
Landfill Postclosure Care Costs	180,799	6,232	174,587	17,567	7,900
	<u>\$ 1,456,837</u>	<u>\$ 594,944</u>	<u>\$ 504,915</u>	<u>\$ 1,536,866</u>	<u>\$ 201,679</u>
Business-Type Activities:					
Employee Vacation and Sick Leave Liability	\$ 144,053	\$ 55,059	\$ 59,244	\$ 139,868	\$ 56,042
Other Postemployment Benefits Payable	44,455	17,336	9,705	52,086	-
	<u>\$ 188,508</u>	<u>\$ 72,395</u>	<u>\$ 68,949</u>	<u>\$ 191,954</u>	<u>\$ 56,042</u>

The City's estimated liabilities for employee vacation and sick leave and other postemployment benefits payable are discussed in Note 4.B and Note 4.C, respectively. The City's estimated liability for landfill closure costs is discussed in Note 4.D.

Current Year Borrowing

On May 9, 2017, the City issued General Obligation Corporate Purpose Bonds, Series 2017A in the amount of \$3,580,000. The bonds accrue interest at 3.00 to 3.50 percent and mature April 1, 2037. A portion of the proceeds (\$800,000) was used to current refund Series 2008A bonds. The refunding transaction resulted in an economic gain of \$182,557 and future debt service savings of \$261,205. The remaining portion of the proceeds (\$2,780,000) was used to finance various capital projects, including street and utility system improvements. The amount issued that was applicable to the Utility funds was \$1,260,000.

On June 1, 2017, the City issued a General Obligation Promissory Note in the amount of \$353,500. The note accrues interest at 3.00 percent and matures June 1, 2022. The proceeds were used to finance various capital equipment purchases.

CITY OF CHIPPEWA FALLS, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

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, 2017 and annual requirements for their retirement are as follows:

	Year	Principal	Interest	Total
General Obligation Refunding Bonds,				
\$5,635,000, issued 12/17/09, due 12/1/29, interest at 1.00%-4.70%	2018	\$ 335,000	\$ 123,235	\$ 458,235
	2019	695,000	112,515	807,515
	2020	705,000	88,885	793,885
	2021	720,000	63,505	783,505
	2022	90,000	36,145	126,145
	2023-2027	515,000	121,485	636,485
	2028-2029	225,000	15,390	240,390
		<u>3,285,000</u>	<u>561,160</u>	<u>3,846,160</u>
General Obligation Corporate Purpose Bonds, \$6,065,000, issued 6/12/12, due 6/1/32, interest at 2.00%-3.00%				
	2018	475,000	110,145	585,145
	2019	340,000	100,645	440,645
	2020	345,000	93,845	438,845
	2021	345,000	86,945	431,945
	2022	310,000	80,045	390,045
	2023-2027	1,470,000	303,603	1,773,603
	2028-2032	1,350,000	113,990	1,463,990
		<u>4,635,000</u>	<u>889,218</u>	<u>5,524,218</u>
Taxable General Obligation Refunding Bonds, \$2,310,000, issued 6/12/12, due 4/1/24, interest at 0.45%-2.85%				
	2018	295,000	17,224	312,224
	2019	100,000	14,037	114,037
	2020	110,000	12,010	122,010
	2021	115,000	9,560	124,560
	2022	130,000	6,613	136,613
	2023-2024	175,000	4,916	179,916
		<u>925,000</u>	<u>64,360</u>	<u>989,360</u>
General Obligation Corporate Purpose Bonds, \$4,405,000, issued 6/26/13, due 6/1/33, interest at 2.00%-3.25%				
	2018	250,000	103,456	353,456
	2019	255,000	98,456	353,456
	2020	255,000	93,356	348,356
	2021	260,000	87,938	347,938
	2022	265,000	82,088	347,088
	2023-2027	1,545,000	292,225	1,837,225
	2028-2032	740,000	88,062	828,062
	2033	160,000	2,600	162,600
		<u>3,730,000</u>	<u>848,181</u>	<u>4,578,181</u>
General Obligation Corporate Purpose Bonds, \$3,970,000, issued 7/9/14, due 10/1/30, interest at 3.00%-3.75%				
	2018	280,000	85,500	365,500
	2019	135,000	77,100	212,100
	2020	135,000	73,050	208,050
	2021	135,000	69,000	204,000
	2022	195,000	64,950	259,950
	2023-2027	1,095,000	228,750	1,323,750
	2028-2030	685,000	47,925	732,925
		<u>2,660,000</u>	<u>646,275</u>	<u>3,306,275</u>

CITY OF CHIPPEWA FALLS, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

General Obligation Long-Term Debt (Continued)
Annual Requirements for Retirement (Continued)

	Year	Principal	Interest	Total
Promissory Notes \$571,500 Issued 10/20/2015, Due 10/1/2018 Interest at 2.80%	2018	\$ 195,547	\$ 5,475	\$ 201,022
General Obligation Corporate Purpose Bonds, \$6,480,000, issued 6/28/16, due 4/1/36, interest at 0.60%-2.75%	2018	55,000	140,962	195,962
	2019	320,000	140,550	460,550
	2020	330,000	134,150	464,150
	2021	335,000	127,550	462,550
	2022	340,000	120,850	460,850
2023-2027	1,715,000	501,350	2,216,350	
2028-2032	1,750,000	328,787	2,078,787	
2033-2036	1,580,000	103,013	1,683,013	
	6,425,000	1,597,212	8,022,212	
General Obligation Promissory Note \$353,500, issued 7/19/16, due 6/1/21, interest at 2.60%	2018	68,630	7,421	76,051
	2019	70,415	5,636	76,051
	2020	72,245	3,806	76,051
	2021	74,124	1,927	76,051
	285,414	18,790	304,204	
G.O. Corporate Purpose Bonds, Series 2017A \$1,580,000, issued 5/9/17, due 4/1/37, interest at 3.00-3.50% (Street and Utility Improvements and 2008A Current Refunding)	2018	100,000	152,430	252,430
	2019	205,000	106,313	311,313
	2020	210,000	100,162	310,162
	2021	220,000	93,863	313,863
	2022	280,000	87,262	367,262
2023-2027	965,000	325,763	1,290,763	
2028-2032	960,000	197,612	1,157,612	
2033-2037	620,000	62,200	682,200	
	3,580,000	1,125,805	4,705,805	
General Obligation Promissory Note 2017B \$353,500, issued 6/1/17, due 6/1/22, interest at 3.00%	2018	68,584	10,605	79,189
	2019	68,580	8,608	77,188
	2020	70,639	6,550	77,189
	2021	72,757	4,431	77,188
	2022	74,940	2,248	77,188
	353,500	32,442	385,942	
Total General Obligation Debt		\$ 26,074,461	\$ 5,788,916	\$ 31,863,377

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, 2017, the City's debt limit amounted to \$45,010,665 and indebtedness subject to the limitation totaled \$26,074,461.

CITY OF CHIPPEWA FALLS, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

Taxable Notes and Bonds

Annual Requirements for Retirement. Individual taxable long-term debt issued outstanding at December 31, 2017 and annual requirements for the retirement are as follows:

	Year	Principal	Interest	Total
Taxable Note Anticipation Notes, \$3,350,000, issued 4/18/13, due 4/1/18, interest at 2.75%	2018	\$ 956,884	\$ 13,707	\$ 1,070,591
State Trust Fund Loan \$3,400,000 issued 12/6/16, due 3/15/31, interest at 4.50%	2018	142,036	194,499	336,535
	2019	189,926	146,608	336,534
	2020	188,095	138,440	326,535
	2021	207,387	129,147	336,534
	2022	216,720	119,815	336,535
2023-2027	1,238,651	444,023	1,682,674	
2028-2031	1,207,185	138,954	1,346,139	
	3,400,000	1,311,496	4,711,496	
Total Taxable Notes and Bonds		\$ 4,396,884	\$ 1,325,193	\$ 5,722,077

Water System Revenue Bonds

The City authorized, by Resolution No. 2001-02 dated January 16, 2001, the issuance of \$2,257,879 water system revenue bonds for the purpose of financing the construction of the nitrate removal plant that was completed in December 1999. The revenue bonds were issued to the State of Wisconsin Safe Drinking Water Loan Fund in accordance with the terms and conditions of a Financial Assistance Agreement dated February 14, 2001. The City's full faith and credit do not back the revenue bonds, which are backed instead by a pledge of utility revenues.

The revenue bonds bear interest at a rate of 2.97 percent and are being amortized over twenty years. Principal and interest payments in 2017 were \$134,624 and \$14,721, respectively.

On January 13, 2010, the City issued \$1,271,956 water system revenue bonds for the purpose of financing the water treatment plant project. In 2011, the City issued an additional \$145,948 to finance the remaining costs of this project. The revenue bonds were issued to the State of Wisconsin Safe Drinking Water Loan Fund in accordance with the terms and conditions of a Financial Assistance Agreement. The City's full faith and credit do not back the revenue bonds, which are backed instead by a pledge of utility revenues.

The revenue bonds bear an interest of 2.688 percent and are being amortized over twenty years. The City paid principal and interest of \$68,548 and \$27,065, respectively, during 2017.

CITY OF CHIPPEWA FALLS, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

Water System Revenue Bonds (Continued)

The outstanding balance on the bonds at December 31, 2017 and future requirements for their retirement at that date were as follows:

	Year	Principal	Interest	Total
Water System Revenue Bonds, dated 2/15/01, due 2020, interest at 2.97%	2018	\$ 138,623	\$ 10,663	\$ 149,286
	2019	142,740	6,485	149,225
	2020	146,979	2,183	149,162
		<u>428,342</u>	<u>19,331</u>	<u>447,673</u>
Water System Revenue Bonds, dated 1/13/10, due 2029, interest at 2.668%	2018	70,376	25,212	95,588
	2019	72,254	23,309	95,563
	2020	74,182	21,356	95,538
	2021	76,161	19,350	95,511
	2022	78,193	17,291	95,484
	2023-2027	423,394	53,593	476,987
Total Water System Revenue Bonds	2028-2029	185,593	4,984	190,577
		<u>980,153</u>	<u>165,095</u>	<u>1,145,248</u>
		<u>\$ 1,408,495</u>	<u>\$ 184,426</u>	<u>\$ 1,592,921</u>

The revenue bonds may not be prepaid without the consent of the State. Consent may be withheld by the State at the State's sole discretion.

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

- 1) Operation and Maintenance Fund
- 2) Debt Service Fund
- 3) Depreciation Fund
- 4) Surplus Fund

Special requirements pertaining to the establishment, use and balances required in the above funds are detailed in the authorizing resolution. Balances as of December 31, 2017 in the debt service fund and the depreciation fund were \$178,325 and \$4,934,657, respectively.

CITY OF CHIPPEWA FALLS, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

Sewer System Revenue Bonds

On April 27, 2011, the City issued \$2,947,737 sewerage system revenue bonds to finance multiple projects, including the wastewater treatment plant project and the River/Bay Street lift station project. In 2012, the City issued an additional \$184,363 to finance the remaining costs. The revenue bonds were issued to the State of Wisconsin Clean Water Fund in accordance with the terms and conditions of a Financial Assistance Agreement. The City's full faith and credit do not back the revenue bonds, which are backed instead by a pledge of utility revenues.

The revenue bonds bear an interest of 2.400 percent and are being amortized over twenty years. Principal and interest payments in 2017 were \$149,055 and \$56,909, respectively.

On December 23, 2015, the City issued \$2,461,700 sewerage system revenue bonds to finance multiple wastewater utility projects. In 2015, \$50,000 of this available funding was disbursed to the City, in 2016 an additional \$2,007,092 was disbursed, and in 2017 a \$156,924 final disbursement was made. The revenue bonds were issued by the State of Wisconsin Clean Water Fund in accordance with the terms and conditions of a Financial Assistance Agreement. The City's full faith and credit do not back the revenue bonds, which are backed instead by a pledge of utility revenues.

The revenue bonds bear an interest of 1.829 percent and are being amortized over twenty years with final maturity on May 1, 2035. In 2017, principal and interest payments were \$94,582 and \$37,860, respectively.

CITY OF CHIPPEWA FALLS, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

Sewer System Revenue Bonds (Continued)

The outstanding balances on the bonds at December 31, 2017 and future requirements for their retirement at that date were as follows:

	Year	Principal	Interest	Total
Sewer System Revenue Bonds, originally dated 4/27/11, project closeout 9/26/12, due 2030, interest at 2.400%	2018	\$ 152,633	\$ 53,289	\$ 205,922
	2019	156,296	49,581	205,877
	2020	160,047	45,785	205,832
	2021	163,888	41,898	205,786
	2022	167,822	37,918	205,740
	2023-2027	901,492	126,455	1,027,947
	2028-2030	594,498	21,628	616,126
		<u>2,296,676</u>	<u>376,554</u>	<u>2,673,230</u>
Sewer System Revenue Bonds dated 12/23/2015, Due 5/1/2035 interest at 1.829%	2018	100,490	37,845	138,335
	2019	102,327	35,951	138,318
	2020	104,199	34,102	138,301
	2021	106,105	32,179	138,284
	2022	108,046	30,220	138,266
	2023 - 2027	570,604	120,449	691,053
	2028 - 2032	624,729	65,828	690,557
	2033 - 2035	402,934	11,144	414,078
		<u>2,119,434</u>	<u>367,758</u>	<u>2,487,192</u>
		<u>\$ 4,416,110</u>	<u>\$ 744,312</u>	<u>\$ 5,160,422</u>

Total Sewer System Revenue Bonds

The revenue bonds may not be prepaid without the consent of the State. Consent may be withheld by the State at the State's sole discretion.

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

- 1) Operation and Maintenance Fund
- 2) Debt Service Fund
- 3) Depreciation Fund
- 4) Surplus Fund

Special requirements pertaining to the establishment, use and balances required in the above funds are detailed in the authorizing resolution. Balances as of December 31, 2017 in the debt service fund and the depreciation fund were \$206,679 and \$4,207,542, respectively.

CITY OF CHIPPEWA FALLS, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

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, 2017 consisted of the following:

	Total	Nonspendable	Restricted	Committed	Assigned	Unassigned
Major Funds:						
General Fund	\$ 16,197,575	\$ -	\$ -	\$ -	\$ -	\$ -
Inventories	-	23,302	-	-	-	-
Delinquent Taxes	-	3,421	-	-	-	-
Advances to Other Funds	-	294,541	-	-	-	-
PAC Equipment	-	-	-	-	8,553	-
Street Equipment Carryover	-	-	-	-	118,000	-
Street Equipment Fund	-	-	-	-	142,219	-
Police Department Carryover	-	-	-	-	3,660	-
Fire Department Carryover	-	-	-	-	20,000	-
Pool Study	-	-	-	-	750	-
Data Processing	-	-	-	-	2,500	-
Personnel Services	-	-	-	-	2,500	-
Special Legal Counsel - Negotiations	-	-	-	-	10,000	-
Parks and Recreation Carryover	-	-	-	-	25,000	-
Library Carryover	-	-	-	-	2,500	-
Safety Fund	-	-	-	-	28,635	-
Jurisdictional Transfer Projects	-	-	-	-	345,292	-
Unassigned	-	-	-	-	-	15,166,862
COBG Fund	173,818	-	173,818	-	-	-
Debt Service Fund	178,392	-	178,392	-	-	-
Public Works Construction Fund	629,654	-	629,654	-	-	-
Nonmajor Funds:						
Special Revenue Funds:						
Business Improvement District Fund	1,099	-	-	1,099	-	-
Park Donation Fund	522,121	-	522,121	-	-	-
Redevelopment Authority Revolving Fund	834,914	-	-	834,914	-	-
City Wide Donation Fund	162,963	-	58,032	104,951	-	-
City Wide Grant Fund	5,784	-	5,784	-	-	-
Room Tax Fund	122,392	-	-	122,392	-	-
Capital Projects Funds:						
Special Assessment Fund	1,498,541	-	-	1,498,541	-	-
Tax Incremental District #4	(187,143)	-	-	-	-	(187,143)
Tax Incremental District #5	134,876	-	134,876	-	-	-
Tax Incremental District #7	23,399	-	23,399	-	-	-
Tax Incremental District #8	(71,538)	-	-	-	-	(71,538)
Tax Incremental District #10	54,928	-	54,928	-	-	-
Tax Incremental District #11	1,209,219	-	1,209,219	-	-	-
Tax Incremental District #12	3,711,546	-	3,711,546	-	-	-
Tax Incremental District #13	22,493	-	22,493	-	-	-
Tax Incremental District #14	(483,309)	-	-	-	-	(483,309)
	<u>\$ 24,701,746</u>	<u>\$ 321,264</u>	<u>\$ 6,724,264</u>	<u>\$ 2,627,867</u>	<u>\$ 706,620</u>	<u>\$ 14,624,662</u>

CITY OF CHIPPEWA FALLS, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

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.

The City had nine tax incremental districts in existence during 2017. The resolution creating TID #4 was dated November 16, 1993. The resolution creating TID #5 was dated November 18, 1997. The resolution creating TID #7 was dated March 20, 2001. The resolution creating TID #8 was dated July 16, 2002. At the creation of these 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 2005 (with amending legislation in 2006). 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 resolution creating TID #10 was dated May 3, 2005. The resolution creating TID #11 was dated September 2, 2008, and the resolution creating TID #12 was dated May 1, 2012. The resolution creating TID #13 was dated April 7, 2015. The resolution creating TID #14 was dated July 28, 2015.

The project plans, on file in the City administrative offices, details the proposed projects, the estimated years of construction or site acquisition and the estimated costs of the individual project components.

CITY OF CHIPPEWA FALLS, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Tax Incremental Districts (Continued)

Project costs uncollected at the dissolution date are absorbed by the municipality.

A summary of project costs and revenues of the individual districts from inception through December 31, 2017 is shown below:

	TID #4	TID #6	TID #7	TID #8	TID #10	TID #11	TID #12	TID #13	TID #14
Accumulated Project Costs:									
Project Expenditures	\$ 2,188,820	\$ 6,119,077	\$ 762,830	\$ 486,625	\$ 202,000	\$ -	\$ 9,061,321	\$ 8,000	\$ 481,509
Loan Pled Creation	988,300	-	-	-	-	-	-	-	-
Administrative Costs	158,590	263,359	26,428	17,862	16,528	24,578	17,940	3,750	1,150
Interest and Fiscal Charges	1,835,791	2,947,229	322,881	317,384	-	-	602,785	183	650
Donor TID Transfer Out	-	-	105,000	-	-	-	-	-	-
Total Project Costs	5,182,201	9,329,795	1,216,858	833,881	575,886	6,440,237	9,687,446	11,933	483,309
Accumulated Project Revenues:									
Tax Increments	1,982,357	4,050,182	1,232,879	549,871	602,517	7,831,248	217,967	33,276	-
Payments in Lieu of Taxes	245,225	3,108	1,869	-	-	-	-	-	-
Tax Exempt Conductor Aid	46,023	930,886	5,800	2,672	16,147	18,207	5,578	1,150	-
Intergovernmental Grants	438,872	6,333	-	-	-	-	974,500	-	-
Other Contributions	20,000	-	-	-	12,150	-	-	-	-
Sale of Property	-	-	-	-	-	-	513,320	-	-
Interest Income	-	246,606	-	-	-	-	-	-	-
Debt Premium	-	-	-	-	-	-	64,388	-	-
Resident TID Transfer In	2,297,581	327,465	-	-	-	-	5,126,337	-	-
Total Project Revenues	4,710,858	6,164,841	1,240,336	932,435	630,814	7,849,456	6,902,110	34,426	-
Future Project Revenues									
Necessary to Recover Project Costs to Date	\$ 472,143	\$ 3,165,124		\$ 281,638			\$ 2,785,336		\$ 483,309
Excess of Accumulated Revenues Over Projects Costs to Date	\$ 23,709	\$ 23,300		\$ 54,508	\$ 1,209,219		\$ 22,463		

The preceding summaries of transactions are reconcilable to the fund balances (deficits) in the TIDs at December 31, 2017 as follows:

	TID #4	TID #6	TID #7	TID #8	TID #10	TID #11	TID #12	TID #13	TID #14
Outstanding Long-term Debt									
Payable from TID Funds:									
G.O. Bonds Dated 6/12/12	\$ 105,000	\$ 1,200,000	\$ -	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -
G.O. Bonds Dated 12/17/09	-	2,100,000	-	-	-	-	2,100,000	-	-
G.O. Bonds Dated 5/28/13	-	-	-	-	-	-	986,884	-	-
Taxable Bonds Dated 4/18/13	-	-	-	-	-	-	-	-	-
Taxable Bonds Dated 6/12/12	180,000	-	-	200,000	-	-	-	-	-
State Trust Fund Loan	-	3,300,000	-	210,000	-	-	3,400,000	-	-
Total	285,000	6,600,000	-	220,000	-	-	6,486,884	-	-
Less Unrecovered Project Costs (After Excess Revenues) at Year End	(472,143)	(3,165,124)	23,300	(281,638)	54,508	1,209,219	(2,785,336)	22,463	(483,309)
Fund Balance (Deficit) at December 31, 2017	\$(187,143)	\$ 134,676	\$ 23,394	\$ (71,538)	\$ 54,628	\$ 1,209,219	\$ 3,711,548	\$ 22,463	\$(483,309)

The deficits in the TID #4, TID #8, and TID #14 funds at December 31, 2017 were partially financed with advances from the general fund.

CITY OF CHIPPEWA FALLS, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 4 OTHER INFORMATION

A. Wisconsin Retirement System Pension Plan Benefits

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. The WRS issues an annual financial report which may be obtained by writing to the Department of Employee Trust Funds, P.O. Box 7931, Madison, WI 53707-7931.

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 State executive participants) are entitled to receive an unreduced retirement benefit. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor.

Final average earnings is the average of the participant's three highest years' earnings. Creditable service is the creditable current and prior service expressed in years or decimal equivalents of partial years for which a participant receives earnings and makes contributions as required. The formula factor is a standard percentage based on employment category.

Employees may retire at age 55 (50 for protective occupation employees) and receive reduced benefits. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and forfeit all rights to any subsequent benefits.

The WRS also provides death and disability benefits for employees.

CITY OF CHIPPEWA FALLS, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Wisconsin Retirement System Pension Plan Benefits (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, and Executives and Elected Officials. Required contributions for protective employees are the same rate as general employees. Employees 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 fiscal reporting period January 1, 2017 through December 31, 2017, the WRS recognized \$651,144 in contributions from the employer.

Contribution rates for 2017 are:

	Employee	Employer
General (including Teachers)	6.80%	6.80%
Executives and Elected Officials	6.80%	6.80%
Protective with Social Security	6.80%	11.00%
Protective without Social Security	6.80%	15.30%

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:

Year	Core Fund Adjustment	Variable Fund Adjustment
2007	3.0%	10.0%
2008	6.6	0.0
2009	(2.1)	(42.0)
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)

CITY OF CHIPPEWA FALLS, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Wisconsin Retirement System Pension Plan Benefits (Continued)

Pension Assets/Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2017, the City reported a liability of \$498,825 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015 rolled forward to December 31, 2016. 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, 2016, the City's proportion was 0.06051941 percent, which was an increase of 0.0000798 from its proportion measured as of December 31, 2015.

For the year ended December 31, 2017, the City recognized pension expense of \$1,314,421. At December 31, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 190,202	\$ (1,568,760)
Changes of Assumptions	521,540	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	2,482,990	-
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	84,646	(1,986)
City Contributions Subsequent to the Measurement Date	651,144	-
Total	<u>\$ 3,930,522</u>	<u>\$ (1,570,746)</u>

\$651,144 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31:	Pension Expense Amount
2018	\$ 692,354
2019	692,354
2020	470,967
2021	(147,886)
2022	843

CITY OF CHIPPEWA FALLS, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Wisconsin Retirement System Pension Plan Benefits (Continued)

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

Actuarial assumptions. The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2015
Measurement Date of Net Pension Liability (Asset):	December 31, 2016
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Salary Increases:	3.2% to 8.8% including inflation
Inflation	3.2%
Seniority/Merit	0.2% - 5.6%
Mortality:	WRS experience projected to 2017 with scale BB
Post-retirement Adjustments*:	2.1%*

*No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 2.1% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.

Actuarial assumptions are based upon an experience study conducted in 2012 using experience from 2009 – 2011. The total pension liability for December 31, 2016 is based upon a roll-forward of the liability calculated from the December 31, 2015 actuarial valuation.

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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the table on the following page:

CITY OF CHIPPEWA FALLS, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Wisconsin Retirement System Pension Plan Benefits (Continued)

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

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	45%	5.4%	N/A	N/A
U.S. Equities	N/A	N/A	70%	4.7%
International Equity	N/A	N/A	30%	5.6%
Fixed Income	37%	1.4%	N/A	N/A
Inflation Sensitive Assets	20%	1.5%	N/A	N/A
Real Estate	7%	3.6%	N/A	N/A
Private Equity/Debt	7%	6.5%	N/A	N/A
Multi-Asset	4%	3.7%	N/A	N/A
Cash	-20%	0.9%	N/A	N/A
Totals	100%		100%	

Discount rate. A single discount rate of 7.20 percent was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.20 percent and a long term bond rate of 3.56 percent. Because of the unique structure of WRS, the 7.20 percent expected rate of return implies that a dividend of approximately 2.1 percent will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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 7.20 percent, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
City's Proportionate Share of the Net Pension Liability (Asset)	\$ 6,562,355	\$ 498,825	\$ (4,170,369)

CITY OF CHIPPEWA FALLS, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Wisconsin Retirement System Pension Plan Benefits (Continued)

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

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://legis.wisconsin.gov/lab/> and reference report number 17-16.

B. Compensated Absences

It is the City's policy to permit employees to accumulate vacation, compensatory time, and sick leave benefits. Vacation is granted to employees in varying amounts based on length of service and terms of employment. Employees earn one day of sick leave per month with a maximum accumulation of ninety days. Upon retirement, an employee is entitled to a payment for 80 days or a portion thereof, based on length of service, of unused sick leave. To be eligible for the maximum benefit, an employee must have worked 20 years for the City.

Liabilities for accumulated vacation, compensatory time 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 and proprietary fund financial statements when earned. The estimated liabilities for unused vacation, compensatory time, and sick leave payable from governmental funds at December 31, 2017 were \$193,779, \$16,765, and \$793,396, respectively. The estimated liabilities for vacation and sick leave in the proprietary funds at that date were \$56,042 and \$83,826, respectively.

C. Other Postemployment Benefit Plan

The City adopted Governmental Accounting Standards Board (GASB) Statement No. 45, *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.

Single-Employer Plan Description

All employees who retire through the Wisconsin Retirement System are eligible to participate in the retiree medical plan if they pay 100% of the retiree premium. Coverage may continue after 65 if the retiree pays 100% of the post-65 premium. The post-65 retiree premium is assumed to be entirely self-sustaining (i.e. not subsidized). The actuarial valuation is based on approximately 113 active participants and 5 retired participants receiving benefits from the City's health plans.

CITY OF CHIPPEWA FALLS, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 4 OTHER INFORMATION (CONTINUED)

C. Other Postemployment Benefit Plan (Continued)

Funding Policy

The City funds its OPEB obligation on a pay as you go basis. For fiscal year 2017, the City contributed an estimated \$76,478 to the plan.

The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

The following table shows the components of the City's annual OPEB cost for the year, the amount actually paid from the plan, and changes in the City's net OPEB obligation.

Annual Required Contribution	\$ 145,390
Interest on Net OPEB Obligation	13,658
Adjustment to Annual Required Contribution	(13,569)
Annual OPEB Cost (Expense)	145,479
Contributions Made	(76,478)
Increase in Net OPEB Obligation	69,001
Net OPEB Obligation- Beginning of Year	341,444
Net OPEB Obligation- End of Year	<u>\$ 410,445</u>

The City's annual OPEB cost, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation for 2017 and the two preceding years:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual	
		OPEB Cost Contributed	Net OPEB Obligation
12/31/2017	\$ 145,479	52.6%	\$ 410,445
12/31/2016	145,458	48.2%	341,444
12/31/2015	90,749	80.8%	266,149

Funded Status and Funding Progress

As of January 1, 2016, the most recent actuarial valuation date, the City's unfunded actuarial accrued liability (UAAL) was \$1,280,195 or 22.1% of covered payroll in the amount of \$5,793,333.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

CITY OF CHIPPEWA FALLS, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 4 OTHER INFORMATION (CONTINUED)

C. Other Postemployment Benefit Plan (Continued)

Funded Status and Funding Progress (Continued)

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point.

The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2016 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4% interest discount rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date. The initial healthcare trend rate was 9.0%, reduced by decrements to an ultimate rate of 5.0% by the year 2025. The UAAL is being amortized as a level percentage of projected payrolls on an open basis. The remaining amortization period at December 31, 2017 was 30 years.

D. Landfill Postclosure Care Costs

The City is responsible for postclosure costs at a landfill site previously used by the City. The site has been closed and the City has taken steps necessary to comply with Wisconsin Department of Natural Resources directives concerning monitoring of this site.

The Department of Natural Resources approved a revised groundwater monitoring plan in 1997. The plan requires that the leachate, four private wells and twenty-three monitoring wells be tested annually for volatile organic compounds, field parameters, and indicator parameters. The monitoring for this site will be required indefinitely.

A liability of \$174,567 has been recorded in the City's financial statements at December 31, 2017 for the estimated liability for the future monitoring of this landfill.

E. Contract Commitments

At December 31, 2017, the City is committed to a number of contracts for the construction and improvement of various City and utility property. The City's remaining commitment under these contracts is \$2,826,537.

CITY OF CHIPPEWA FALLS, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 4 OTHER INFORMATION (CONTINUED)

F. 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.

G. 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 past three years.

H. Subsequent Events

On September 17, 2018, the City issued a Taxable Note Anticipation Note in the amount of \$1,000,000. The note accrues interest at 3.25 percent and matures December 1, 2021. The note was issued to finance improvements to Riverside Park in the City's Tax Incremental District #12.

On October 3, 2018, the City issued General Obligation Corporate Purpose Bonds, Series 2018A in the amount of \$4,600,000. The bonds accrue interest at 1.90 to 3.65 percent and mature October 1, 2038. A portion of the proceeds (\$2,950,000) was used to current refund Series 2009A bonds. The refunding transaction resulted in an economic gain of \$141,405 and future debt service savings of \$147,849. The remaining portion of the proceeds (\$1,650,000) were used to finance various street, library, and storm sewer projects.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CHIPPEWA FALLS, WISCONSIN
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED DECEMBER 31, 2017

CITY OF CHIPPEWA FALLS, WISCONSIN
SCHEDULE OF FUNDING PROGRESS FOR POSTEMPLOYMENT BENEFIT PLAN

	Budgeted Amounts:		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 5,156,767	\$ 5,156,767	\$ 5,186,888	\$ 30,121
Intergovernmental	4,601,544	4,601,544	4,753,122	151,578
Licenses and Permits	308,810	308,810	546,692	237,882
Fines and Forfeits	100,000	100,000	99,208	(792)
Public Charges for Services	1,204,314	1,204,314	1,632,789	428,475
Intergovernmental Charges for Services	550,039	550,039	608,128	58,089
Miscellaneous:				
Interest	19,750	19,750	31,607	11,857
Rent	3,600	3,600	8,200	4,600
Other	10,000	10,000	66,132	56,132
Total Revenues	11,954,824	11,954,824	12,932,766	977,942
EXPENDITURES:				
General Government	1,717,364	1,717,364	1,104,033	613,331
Public Safety	5,890,529	5,890,529	5,837,206	53,323
Public Works	2,212,302	2,212,302	2,127,876	84,426
Health and Human Services	43,078	43,078	43,077	1
Culture, Recreation and Education	2,106,049	2,106,049	1,978,662	127,387
Conservation and Development	140,611	140,611	139,751	860
Capital Outlay	168,591	168,591	243,974	(75,383)
Total Expenditures	12,278,524	12,278,524	11,474,579	803,945
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(323,700)	(323,700)	1,458,187	1,781,887
OTHER FINANCING SOURCES (USES):				
Sale of Property	-	-	260,786	260,786
Transfers In	323,700	323,700	370,091	46,391
Transfers Out	-	-	(9,258)	(9,258)
Total Other Financing Sources (Uses)	323,700	323,700	621,619	297,919
NET CHANGE IN FUND BALANCE	\$ -	\$ -	2,079,806	\$ 2,079,806
Fund Balance, January 1			14,117,769	
FUND BALANCE, DECEMBER 31			<u>\$ 16,197,575</u>	

SCHEDULE 3

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

Measurement Date: December 31,	12/31/2014	12/31/2015	12/31/2016
City's proportion of the net pension liability (asset)	0.06222753%	0.06044143%	0.06051941%
City's proportionate share of the net pension liability (asset)	\$ (1,528,477)	\$ 982,167	\$ 498,825
City's covered payroll	\$ 6,345,276	\$ 6,450,437	\$ 6,469,702
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	24.09%	15.23%	7.71%
Plan fiduciary net position as a percentage of the total pension liability (asset)	102.74%	98.20%	99.12%

SCHEDULE 4

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

Fiscal Year Ended: December 31,	2015	2016	2017
Contractually Required Contribution	\$ 580,872	\$ 577,332	\$ 651,144
Contributions in Relation to the Contractually Required Contributions	(580,872)	(577,332)	(651,144)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
City's Covered Payroll	\$ 6,450,437	\$ 6,469,702	\$ 6,598,311
Contributions as a Percentage of Covered Payroll	9.01%	8.92%	9.87%

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

Changes of Assumptions. There were no changes in the assumptions.

**CITY OF CHIPPEWA FALLS, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2017**

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, a major special revenue 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.

OTHER SUPPLEMENTARY INFORMATION

CITY OF CHIPPEWA FALLS, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2017

	Special Revenue Funds						
	Business Improvement District	Park Donation Fund	Redevelopment Authority Revolving Loan Fund	City Wide Donation Fund	City Wide Grant Fund	Room Tax Fund	Special Revenue Fund Total
ASSETS							
Cash and Investments	\$ 1,099	\$ 479,166	\$ 92,413	\$ 118,945	\$ -	\$ 118,297	\$ 809,920
Taxes Receivable	85,000	-	-	-	-	-	85,000
Special Assessments Receivable	-	-	-	-	-	-	-
Accounts Receivable	-	12,286	-	24,964	-	51,196	88,446
Pledges Receivable	-	546,498	-	924,694	-	-	1,471,192
Due from Other Governments	-	50,000	-	-	32,335	-	82,335
Interest Receivable	-	-	97,741	-	-	-	97,741
Installment Loans Receivable	-	-	1,047,430	-	-	-	1,047,430
Deferred Loans Receivable	-	-	198,000	-	-	-	198,000
Total Assets	\$ 86,099	\$ 1,087,950	\$ 1,435,584	\$ 1,068,603	\$ 32,335	\$ 169,493	\$ 3,880,064
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities:							
Vouchers Payable	\$ -	\$ 16,582	\$ -	\$ 687	\$ 881	\$ 47,101	\$ 65,251
Due to Other Governments	-	-	-	-	6,357	-	6,357
Due to Other Funds	-	-	-	-	19,313	-	19,313
Advances from General Fund	-	-	-	-	-	-	-
Total Liabilities	-	16,582	-	687	26,551	47,101	90,921
Deferred Inflows of Resources:							
Subsequent Year's Property Taxes	85,000	-	-	-	-	-	85,000
Unavailable Loans Receivable	-	-	600,670	-	-	-	600,670
Unavailable Special Assessments	-	-	-	-	-	-	-
Unavailable Pledges Receivable	-	549,247	-	904,933	-	-	1,454,180
Total Deferred Inflows of Resources	85,000	549,247	600,670	904,933	-	-	2,139,850
Fund Balances:							
Restricted	-	522,121	-	58,032	5,784	-	585,937
Committed	1,099	-	834,914	104,951	-	122,392	1,063,356
Unassigned	-	-	-	-	-	-	-
Total Fund Balances	1,099	522,121	834,914	162,983	5,784	122,392	1,649,293
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 86,099	\$ 1,087,950	\$ 1,435,584	\$ 1,068,603	\$ 32,335	\$ 169,493	\$ 3,880,064

**CITY OF CHIPPEWA FALLS, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
DECEMBER 31, 2017**

	Capital Projects Funds					Total Nonmajor Governmental Funds
	Special Assessment Fund	Fire Department Grant Fund	Various TID Funds	Projects Fund Total		
ASSETS						
Cash and Investments	\$ 1,646,056	\$ -	\$ 3,623,566	\$ 5,269,622	\$	6,079,542
Taxes Receivable	-	-	2,101,048	2,101,048		2,186,048
Special Assessments Receivable	1,292,128	-	-	1,292,128		1,292,128
Accounts Receivable	-	-	-	-		88,446
Pledges Receivable	-	-	-	-		1,471,192
Due from Other Governments	-	-	-	-		82,335
Interest Receivable	-	-	-	-		97,741
Installment Loans Receivable	-	-	2,167,275	2,167,275		3,214,705
Deferred Loans Receivable	-	-	-	-		198,000
Total Assets	\$ 2,938,184	\$ -	\$ 7,891,889	\$ 10,830,073	\$	14,710,137
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Vouchers Payable	\$ -	\$ -	\$ 638,878	\$ 638,878	\$	704,129
Due to Other Governments	-	-	-	-		6,357
Due to Other Funds	187,515	-	442,949	630,464		649,777
Advances from General Fund	-	-	294,541	294,541		294,541
Total Liabilities	187,515	-	1,376,368	1,563,883		1,654,804
Deferred Inflows of Resources:						
Subsequent Year's Property Taxes	-	-	2,101,048	2,101,048		2,186,048
Unavailable Loans Receivable	-	-	-	-		600,670
Unavailable Special Assessments	1,292,128	-	-	1,292,128		1,292,128
Unavailable Pledges Receivable	-	-	-	-		1,454,180
Total Deferred Inflows of Resources	1,292,128	-	2,101,048	3,393,176		5,533,026
Fund Balances:						
Restricted	-	-	5,156,463	5,156,463		5,742,400
Committed	1,458,541	-	-	1,458,541		2,521,897
Unassigned	-	-	(741,990)	(741,990)		(741,990)
Total Fund Balances	1,458,541	-	4,414,473	5,873,014		7,522,307
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 2,938,184	\$ -	\$ 7,891,889	\$ 10,830,073	\$	14,710,137

**CITY OF CHIPPEWA FALLS, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
YEAR ENDED**

	Special Revenue Funds						
	Business Improvement District	Park Donation Fund	Redevelopment Authority Revolving Loan Fund	City Wide Donation Fund	City Wide Grant Fund	Room Tax Fund	Special Revenue Fund Total
REVENUES:							
Taxes	\$ 85,000	\$ -	\$ -	\$ -	\$ -	\$ 228,721	\$ 313,721
Special Assessments	-	-	-	-	-	-	-
Intergovernmental	-	55,000	-	-	16,724	-	71,724
Miscellaneous:							
Interest on Investments	-	2,712	1,830	-	-	-	4,542
Donations	-	596,803	-	762,121	-	-	1,358,924
Loan Repayments	-	-	30,298	-	-	-	30,298
Total Revenues	85,000	654,515	32,128	762,121	16,724	228,721	1,779,209
EXPENDITURES:							
Public Safety	-	-	-	12,585	8,985	-	21,570
Culture, Recreation and Education	-	234,165	-	1,101,025	9,097	217,965	1,562,252
Conservation and Development	85,401	-	-	-	-	-	85,401
Capital Outlay - Public Safety	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-
Total Expenditures	85,401	234,165	-	1,113,610	18,082	217,965	1,669,223
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(401)	420,350	32,128	(351,489)	(1,358)	10,756	109,986
OTHER FINANCING SOURCES (USES):							
Transfers In	-	-	-	-	-	-	-
Transfers Out	-	(3,700)	-	-	-	-	(3,700)
Total Other Financing Sources (Uses)	-	(3,700)	-	-	-	-	(3,700)
NET CHANGE IN FUND BALANCES	(401)	416,650	32,128	(351,489)	(1,358)	10,756	106,286
Fund Balances, January 1	1,500	105,471	802,786	514,472	7,142	111,636	1,543,007
FUND BALANCES, DECEMBER 31	\$ 1,099	\$ 522,121	\$ 834,914	\$ 162,983	\$ 5,784	\$ 122,392	\$ 1,649,293

**CITY OF CHIPPEWA FALLS, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (CONTINUED)
YEAR ENDED**

	Capital Projects Funds				Total
	Special Assessment Fund	Fire Department Grant Fund	Various TID Funds	Capital Project Fund Total	Nonmajor Governmental Funds
REVENUES:					
Taxes	\$ -	\$ -	\$ 2,045,799	\$ 2,045,799	\$ 2,359,520
Special Assessments	472,866	-	-	472,866	472,866
Intergovernmental	-	2,420	82,269	84,689	156,413
Miscellaneous:					
Interest on Investments	-	-	-	-	4,542
Donations	-	-	-	-	1,358,924
Loan Repayments	-	-	-	-	30,298
Total Revenues	472,866	2,420	2,128,068	2,603,354	4,382,563
EXPENDITURES:					
Public Safety	-	-	-	-	21,570
Culture, Recreation and Education	-	-	-	-	1,562,252
Conservation and Development	-	-	750,956	750,956	836,357
Capital Outlay - Public Safety	-	11,678	-	11,678	11,678
Interest and Fiscal Charges	-	-	4,993	4,993	4,993
Total Expenditures	-	11,678	755,949	767,627	2,436,850
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	472,866	(9,258)	1,372,119	1,835,727	1,945,713
OTHER FINANCING SOURCES (USES):					
Transfers In	-	9,258	1,347,036	1,356,294	1,356,294
Transfers Out	(99,975)	-	(3,073,963)	(3,173,938)	(3,177,638)
Total Other Financing Sources (Uses)	(99,975)	9,258	(1,726,927)	(1,817,644)	(1,821,344)
NET CHANGE IN FUND BALANCES	372,891	-	(354,808)	18,083	124,369
Fund Balances, January 1	1,085,650	-	4,769,281	5,854,931	7,397,938
FUND BALANCES, DECEMBER 31	<u>\$ 1,458,541</u>	<u>\$ -</u>	<u>\$ 4,414,473</u>	<u>\$ 5,873,014</u>	<u>\$ 7,522,307</u>

**CITY OF CHIPPEWA FALLS, WISCONSIN
TID CAPITAL PROJECTS FUNDS (NONMAJOR)
COMBINING BALANCE SHEET
DECEMBER 31, 2017**

	TID #4	TID #5	TID #7	TID #8	TID #10	TID #11	TID #12	TID #13	TID #14	Totals
ASSETS										
Cash and Investments	\$ -	\$ 136,376	\$ 24,899	\$ -	\$ 56,428	\$ 1,210,719	\$ 2,171,151	\$ 23,993	\$ -	\$ 3,623,566
Taxes Receivable	101,511	389,302	117,462	43,938	52,560	1,064,962	190,818	140,495	-	2,101,048
Installment Loans Receivable	-	-	-	-	-	-	2,167,275	-	-	2,167,275
Total Assets	<u>\$ 101,511</u>	<u>\$ 525,678</u>	<u>\$ 142,361</u>	<u>\$ 43,938</u>	<u>\$ 108,988</u>	<u>\$ 2,275,681</u>	<u>\$ 4,529,244</u>	<u>\$ 164,488</u>	<u>\$ -</u>	<u>\$ 7,891,889</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES										
Liabilities:										
Vouchers Payable	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 626,878	\$ 1,500	\$ 1,500	\$ 638,878
Due to Other Funds	-	-	-	-	-	-	-	-	442,949	442,949
Advances from Other Funds	185,643	-	-	70,038	-	-	-	-	38,860	294,541
Total Liabilities	<u>187,143</u>	<u>1,500</u>	<u>1,500</u>	<u>71,538</u>	<u>1,500</u>	<u>1,500</u>	<u>626,878</u>	<u>1,500</u>	<u>483,309</u>	<u>1,376,368</u>
Deferred Inflows of Resources:										
Subsequent Year's Property Taxes	101,511	389,302	117,462	43,938	52,560	1,064,962	190,818	140,495	-	2,101,048
Fund Balances (Deficits):										
Restricted	-	134,876	23,399	-	54,928	1,209,219	3,711,548	22,493	-	5,156,463
Unassigned	(187,143)	-	-	(71,538)	-	-	-	-	(483,309)	(741,990)
Total Fund Balances (Deficits)	<u>(187,143)</u>	<u>134,876</u>	<u>23,399</u>	<u>(71,538)</u>	<u>54,928</u>	<u>1,209,219</u>	<u>3,711,548</u>	<u>22,493</u>	<u>(483,309)</u>	<u>4,414,473</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 101,511</u>	<u>\$ 525,678</u>	<u>\$ 142,361</u>	<u>\$ 43,938</u>	<u>\$ 108,988</u>	<u>\$ 2,275,681</u>	<u>\$ 4,529,244</u>	<u>\$ 164,488</u>	<u>\$ -</u>	<u>\$ 7,891,889</u>

**CITY OF CHIPPEWA FALLS, WISCONSIN
TID CAPITAL PROJECTS FUNDS (NONMAJOR)
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2017**

	TID #4	TID #5	TID #7	TID #8	TID #10	TID #11	TID #12	TID #13	TID #14	Totals
REVENUES:										
Taxes	\$ 89,632	\$ 432,526	\$ 111,748	\$ 43,666	\$ 52,036	\$ 1,140,631	\$ 142,284	\$ 33,276	\$ -	\$ 2,045,799
Intergovernmental Revenues	2,240	72,279	751	23	1,146	1,764	2,916	1,150	-	82,269
Total Revenues	91,872	504,805	112,499	43,689	53,182	1,142,395	145,200	34,426	-	2,128,068
EXPENDITURES:										
Conservation and Development	2,150	32,711	2,150	2,150	2,150	2,150	240,580	2,150	464,765	750,956
Interest and Fiscal Charges	3,469	-	-	1,069	-	-	-	-	455	4,993
Total Expenditures	5,619	32,711	2,150	3,219	2,150	2,150	240,580	2,150	465,220	755,949
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	86,253	472,094	110,349	40,470	51,032	1,140,245	(95,380)	32,276	(465,220)	1,372,119
OTHER FINANCING SOURCES (USES):										
Transfers In	187,036	145,000	-	-	-	-	1,015,000	-	-	1,347,036
Transfers Out	(277,953)	(432,920)	(105,000)	(64,790)	(52,036)	(1,190,000)	(951,264)	-	-	(3,073,963)
Total Other Financing Uses	(90,917)	(287,920)	(105,000)	(64,790)	(52,036)	(1,190,000)	63,736	-	-	(1,726,927)
NET CHANGE IN FUND BALANCES	(4,664)	184,174	5,349	(24,320)	(1,004)	(49,755)	(31,644)	32,276	(465,220)	(354,808)
Fund Balances (Deficits), January 1	(182,479)	(49,298)	18,050	(47,218)	55,932	1,258,974	3,743,192	(9,783)	(18,089)	4,769,281
FUND BALANCES (DEFICITS), DECEMBER 31	<u>\$ (187,143)</u>	<u>\$ 134,876</u>	<u>\$ 23,399</u>	<u>\$ (71,538)</u>	<u>\$ 54,928</u>	<u>\$ 1,209,219</u>	<u>\$ 3,711,548</u>	<u>\$ 22,493</u>	<u>\$ (483,309)</u>	<u>\$ 4,414,473</u>

**CITY OF CHIPPEWA FALLS, WISCONSIN
GENERAL FUND
DETAILED BALANCE SHEET
DECEMBER 31, 2017
(WITH COMPARATIVE AMOUNTS AS OF DECEMBER 31, 2016)**

	2017	2016
ASSETS		
Treasurer's Cash and Investments	\$ 16,871,505	\$ 15,017,061
Current Taxes Receivable	3,576,891	3,270,400
Delinquent Personal Property Taxes	3,421	4,219
Accounts Receivable	473,514	614,463
Due from Other Governmental Units	273,921	237,508
Due from Other Funds	694,252	728,719
Inventories	23,302	35,136
Land Held for Resale	6,250	7,000
Advances to Tax Incremental Districts	294,541	262,997
	<u>294,541</u>	<u>262,997</u>
Total Assets	<u>\$ 22,217,597</u>	<u>\$ 20,177,503</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities:		
Vouchers and Accounts Payable	\$ 277,454	\$ 221,347
Payroll Withholdings	126,887	156,292
Due to Other Governmental Units	6,117	14,983
Due to Other Funds	289,421	296,619
Special Deposits	-	91,266
Total Liabilities	<u>699,879</u>	<u>780,507</u>
Deferred Inflows of Resources		
Subsequent Year's Property Taxes	5,200,967	5,125,785
Unavailable Land Contract	6,250	7,000
Unavailable Ambulance Revenues	112,926	146,442
Total Deferred Inflows of Resources	<u>5,320,143</u>	<u>5,279,227</u>
Fund Balance:		
Nonspendable:		
Delinquent Taxes	3,421	4,219
Inventories	23,302	35,136
Advances to TID Funds	294,541	262,997
Assigned	709,629	636,276
Unassigned	15,166,682	13,179,141
Total Fund Balance	<u>16,197,575</u>	<u>14,117,769</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 22,217,597</u>	<u>\$ 20,177,503</u>

SCHEDULE B-2

CITY OF CHIPPEWA FALLS, WISCONSIN
GENERAL FUND
STATEMENT OF CHANGES IN ASSIGNED FUND BALANCE
YEAR ENDED DECEMBER 31, 2017

Assigned Account/Purpose	Balance 1/1/17	Tax Levy	Revenues	Transfers		Total Available	Expenditures	Balance 12/31/17
				In	Out			
Assigned:								
PAC Equipment	\$ 8,553	\$ -	\$ -	-	\$ -	\$ 8,553	\$ -	\$ 8,553
Street Equipment Fund	68,866	-	74,058	-	-	142,924	705	142,219
Pool Study	750	-	-	-	-	750	-	750
Carryovers:								
Street Department	118,000	-	-	-	-	118,000	-	118,000
Police Department	3,680	-	-	-	-	3,680	-	3,680
Fire Department	20,000	-	-	-	-	20,000	-	20,000
Data Processing	2,500	-	-	-	-	2,500	-	2,500
Personnel Services	2,500	-	-	-	-	2,500	-	2,500
Special Legal Counsel - Negotiations	10,000	-	-	-	-	10,000	-	10,000
Parks and Recreation Department	25,000	-	-	-	-	25,000	-	25,000
Library	2,500	-	-	-	-	2,500	-	2,500
Safety Programs	28,635	-	-	-	-	28,635	-	28,635
Jurisdictional Transfer Projects	345,292	-	-	-	-	345,292	-	345,292
Total Assigned Fund Balance	636,276	-	74,058	-	-	710,334	705	709,629
Nonspendable								
	302,352	-	-	18,912	-	321,264	-	321,264
Unassigned								
	13,179,141	5,099,654	8,019,840	351,179	(9,258)	26,640,556	11,473,874	15,166,682
	<u>\$ 14,117,769</u>	<u>\$ 5,099,654</u>	<u>\$ 8,093,898</u>	<u>\$ 370,091</u>	<u>\$ (9,258)</u>	<u>\$ 27,672,154</u>	<u>\$ 11,474,579</u>	<u>\$ 16,197,575</u>

SCHEDULE B-3

CITY OF CHIPPEWA FALLS, WISCONSIN

GENERAL FUND

DETAILED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

YEAR ENDED DECEMBER 31, 2017

(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2016)

	2017		Variance	2016	
	Final	Actual	Positive	Actual	Actual
	Budget		(Negative)		
REVENUES:					
Taxes:					
General Property Taxes	\$ 5,099,653	\$ 5,099,654	\$ 1	\$ 5,016,653	
Mobile Home Taxes	14,500	13,465	(1,035)	14,522	
Interest on Taxes	200	257	57	290	
Taxes from Ecumenical Housing	2,400	2,400	-	2,400	
Other Payments in Lieu of Taxes	40,000	61,255	21,255	60,274	
Payment in Lieu of Taxes - DNR	14	14	-	14	
Other Taxes	-	9,843	9,843	23,869	
Total Taxes	5,156,767	5,186,888	30,121	5,118,022	
Intergovernmental:					
State Shared Taxes	3,154,084	3,170,307	16,223	3,170,665	
Expenditure Restraint Program	197,184	217,580	20,396	203,410	
Tax Exempt Computer Aid	140,000	194,980	54,980	216,644	
Fire Insurance Tax	25,882	39,272	13,390	36,185	
State Aid for Law Enforcement	-	3,200	3,200	3,680	
Highway Maintenance	54,400	55,125	725	54,403	
State Aid for Local Streets	577,880	549,786	(28,094)	570,527	
Mass Transit Aid	274,351	314,222	39,871	328,793	
State Aid for Recycling	20,693	25,149	4,456	22,693	
State Aid for EMS/Ambulance	4,174	6,544	2,370	-	
State Payments for Municipal Services	134,622	129,005	(5,617)	183,364	
Other Grants and Aids	-	17,532	17,532	14,034	
LRIIP Reimbursement	-	-	-	44,380	
County Hazardous Material Grant	6,500	13,996	7,496	11,400	
Library Act 150 Revenue	11,774	16,424	4,650	16,202	
Total Intergovernmental	4,601,544	4,753,122	151,578	4,876,380	

(81)

SCHEDULE B-3

CITY OF CHIPPEWA FALLS, WISCONSIN

GENERAL FUND

DETAILED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED)

YEAR ENDED DECEMBER 31, 2017

(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2016)

	2017		Variance	2016	
	Final	Actual	Positive	Actual	Actual
	Budget		(Negative)		
REVENUES: (CONTINUED)					
Licenses and Permits:					
Licenses:					
Liquor and Malt Beverages	\$ 20,500	\$ 25,000	\$ 4,500	\$ 23,661	
Operators	7,250	8,130	880	7,110	
Cigarette	900	850	(50)	900	
Franchise Fees	115,360	164,115	48,755	167,400	
Bicycle	-	10	10	35	
Dog	500	4,652	4,152	4,686	
Sundry Licenses	12,000	12,160	160	11,330	
Permits:					
Building	80,000	240,241	160,241	97,707	
Electrical	14,000	21,606	7,606	11,929	
Plumbing	14,000	14,910	910	21,037	
Street Opening	23,000	30,256	7,256	64,010	
Heating	14,000	13,902	(98)	15,391	
Dance	1,300	2,045	745	1,805	
Driveway	1,000	1,550	550	1,900	
Sundry Permits	5,000	7,265	2,265	6,800	
Total Licenses and Permits	308,810	546,692	237,882	435,701	
Fines and Forfeits:					
Court Penalties and Costs	70,000	69,452	(548)	69,295	
Parking Violations	30,000	29,756	(244)	30,643	
Total Fines and Forfeits	100,000	99,208	(792)	99,938	
Public Charges for Services:					
Publication Fees	500	639	139	546	
Reproduction Fees	4,000	6,236	2,236	6,658	
Police Department Revenue	6,350	7,139	789	8,893	
Fire Department Revenue	500	10,575	10,075	34,739	
Fire Department Revenue - Plan Review	1,000	1,170	170	860	
Ambulance Fees	733,000	1,094,920	361,920	1,067,498	
Recycling	244,419	301,856	57,437	292,303	
Dog Pound Fees	100	-	(100)	-	
Engineering Reviews	400	500	100	3,046	
Other Street Department Earnings	5,000	12,617	7,617	13,712	
Record Search Fees	6,000	9,775	3,775	9,125	
Library Fees	27,000	17,464	(9,536)	22,528	
Swimming Pool Revenue	75,300	70,045	(5,255)	78,397	
Park Fees	43,000	49,065	6,065	52,378	
Recreation Program Fees	56,445	45,055	(11,390)	48,503	
Zoning Review Fee	1,000	5,087	4,087	3,330	
Other Charges for Service	300	646	346	3,184	
Total Public Charges for Services	1,204,314	1,632,789	428,475	1,645,700	

(82)

SCHEDULE B-3

CITY OF CHIPPEWA FALLS, WISCONSIN
GENERAL FUND

DETAILED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2017
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2016)

	2017			Variance	
	Final	Actual	Positive	(Negative)	2016
	Budget				Actual
REVENUES: (CONTINUED)					
Intergovernmental Charges for Services:					
County Library Program	\$ 338,739	\$ 370,638	\$ 31,899	\$	361,178
Police Department Revenues	5,000	13,129	8,129		5,730
School Resource Officer	43,500	48,735	5,235		48,333
Fire Department Revenues	7,800	7,304	(496)		8,752
Per Capita Ambulance Fees	103,000	139,747	36,747		132,082
Hazardous Material Reimbursement	50,000	26,075	(23,925)		26,230
Street Equipment Charges to Others	2,000	2,500	500		20,423
Total Intergovernmental Charges for Services	550,039	608,128	58,089		602,728
Miscellaneous:					
Interest:					
General Fund Investments	6,000	25,563	19,563		20,865
Special Assessments	-	1,051	1,051		-
Advance to Other Funds	13,750	4,993	(8,757)		4,489
Rent:					
Rental of City Buildings	3,600	8,200	4,600		21,850
Other:					
Insurance Recoveries	-	31,790	31,790		3,659
Insurance Dividends	10,000	34,078	24,078		22,061
Miscellaneous	-	264	264		4,310
Total Miscellaneous Revenues	33,350	105,939	72,589		77,034
Total Revenues	11,954,824	12,932,766	977,942		12,855,503

EXPENDITURES:

General Government:

Legislative:

Council:

Legal:

City Attorney

Special Legal Counsel

Codification of Ordinances

General Administration:

Mayor

Clerk

	66,601	54,573	12,028		57,015
	72,916	72,492	424		71,736
	18,000	19,856	(1,856)		7,288
	2,500	2,027	473		3,885
	12,217	11,777	440		11,301
	155,114	156,092	(978)		148,662

(83)

SCHEDULE B-3

CITY OF CHIPPEWA FALLS, WISCONSIN
GENERAL FUND

DETAILED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2017
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2016)

	2017			Variance	
	Final	Actual	Positive	(Negative)	2016
	Budget				Actual
EXPENDITURES: (CONTINUED)					
General Government: (Continued)					
General Administration: (Continued)					
Elections	\$ 25,321	\$ 12,046	\$ 13,275	\$	32,487
Personnel Services	638,150	102,927	535,223		16,597
Data Processing	94,123	87,955	6,168		74,371
Central Duplicating	8,384	6,843	1,541		7,658
Financial Administrative:					
Independent Auditing	26,400	32,510	(6,110)		14,500
Treasurer/Finance	247,970	226,725	21,245		245,285
Assessment of Property	48,445	43,839	4,606		42,550
General Insurance	182,483	152,930	29,553		162,099
General Buildings and Plant:					
City Hall	108,140	117,669	(9,529)		124,253
Tax Refunds	10,600	3,772	6,828		3,869
Total General Government	1,717,364	1,104,033	613,331		1,023,556
Public Safety:					
Police and Fire Commission	3,000	4,408	(1,408)		7,425
Police Department	2,921,372	2,741,659	179,713		2,744,587
Fire Department	2,775,688	2,925,485	(149,797)		2,863,823
Building Inspector	125,524	123,638	1,886		123,042
Sealer of Weights and Measures	4,400	3,600	800		4,400
Tornado Warning System	4,250	539	3,711		5,111
Dam Maintenance	6,295	448	5,847		4,764
HazMat Response Team	50,000	37,429	12,571		27,148
Total Public Safety	5,890,529	5,837,206	53,323		5,780,300

Public Works:

Transportation Facilities:

Superintendent of Streets

Director of Public Works

Street Department Time Off With Pay

City Shop

Street Department Buildings and Equipment

Street Cleaning and Flushing

Street Signs and Markings

Curb and Gutter Maintenance

Street Lighting

Oiling Streets

Snow and Ice Removal

Tree and Brush Control

Sidewalk and Crosswalk Maintenance

	723,991	725,966	(1,975)		731,215
	291,479	276,472	15,007		293,452
	1,500	334	1,166		821
	179,150	188,803	(9,653)		156,055
	10,500	8,526	1,974		14,874
	3,000	2,454	546		3,207
	16,000	12,009	3,991		18,240
	9,000	3,310	5,690		13,141
	172,500	162,640	9,860		158,828
	102,435	97,254	5,181		127,609
	94,000	77,497	16,503		104,476
	900	84	816		2,004
	8,000	1,105	6,895		8,430

(84)

SCHEDULE B-3

CITY OF CHIPPEWA FALLS, WISCONSIN
GENERAL FUND

DETAILED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2017
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2016)

	2017			Variance Positive (Negative)	2016 Actual
	Final Budget	Actual			
EXPENDITURES: (CONTINUED)					
Public Works: (Continued)					
Transportation Facilities: (Continued)					
Traffic Controls	\$ 9,500	\$ 5,418	\$ 4,082	\$ 6,413	
Bridges	2,000	2,933	(933)	1,830	
Mass Transit Program	321,091	295,643	25,448	284,051	
Total Transportation Facilities	1,945,046	1,850,428	94,618	1,924,646	
Sanitation:					
Landfill - Site Maintenance	7,900	9,288	(1,388)	12,439	
Yard Waste Disposal	9,000	8,221	779	16,174	
Recycling	249,156	249,015	141	250,436	
Weed Control	1,200	924	276	1,383	
Total Sanitation	267,256	267,448	(192)	280,432	
Total Public Works	2,212,302	2,127,876	84,426	2,205,078	
Health and Human Services:					
Health Officer	1,750	1,750	-	1,750	
Animal Control	15,328	15,327	1	15,327	
Social Services	26,000	26,000	-	24,005	
Total Health and Human Services	43,078	43,077	1	41,082	
Culture, Recreation and Education:					
Library	1,012,195	954,296	57,899	952,580	
Park and Recreation Administration	657,190	655,166	2,024	542,683	
Parks	127,032	107,402	19,630	110,599	
Zoo	57,483	54,545	2,938	47,123	
Recreation	44,608	35,134	9,474	35,931	
Sports Complex	83,612	60,793	22,819	67,537	
Outdoor Pool	123,197	110,594	12,603	114,094	
Celebrations, Entertainment and Promotion	732	732	-	670	
Total Culture, Recreation and Education	2,106,049	1,978,662	127,387	1,871,217	
Conservation and Development:					
Forestry	22,250	20,508	1,742	17,430	
City Planner	92,615	95,072	(2,457)	93,320	
Zoning	750	327	423	527	
Economic Development	24,986	23,844	1,152	29,256	
Total Conservation and Development	140,611	139,751	860	140,533	

(85)

SCHEDULE B-3

CITY OF CHIPPEWA FALLS, WISCONSIN
GENERAL FUND

DETAILED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2017
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2016)

	2017			Variance Positive (Negative)	2016 Actual
	Final Budget	Actual			
EXPENDITURES: (CONTINUED)					
Capital Outlay:					
General Government	\$ 67,899	\$ 36,876	\$ 31,023	\$ -	
Public Safety	66,832	131,314	(64,482)	137,081	
Public Works	31,200	72,575	(41,375)	80,879	
Culture, Recreation and Education	2,660	3,209	(549)	2,085	
Total Capital Outlay	168,591	243,974	(75,383)	220,045	
Total Expenditures	12,278,524	11,474,579	803,945	11,281,811	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(323,700)	1,458,187	1,781,887	1,573,692	
OTHER FINANCING SOURCES (USES):					
Sale of General City Property	-	260,786	260,786	74,845	
Transfers In	323,700	370,091	46,391	376,494	
Transfers Out	-	(9,258)	(9,258)	(115,788)	
Total Other Financing Sources (Uses)	323,700	621,619	297,919	335,551	
NET CHANGE IN FUND BALANCE	-	2,079,806	2,079,806	1,908,243	
Fund Balance, January 1	14,117,769	14,117,769	-	12,208,528	
FUND BALANCE, DECEMBER 31	\$ 14,117,769	\$ 16,197,575	\$ 2,079,806	\$ 14,117,769	

(86)

SCHEDULE D-1

CITY OF CHIPPEWA FALLS, WISCONSIN
WATER UTILITY ENTERPRISE FUND
STATEMENT OF NET POSITION
DECEMBER 31, 2017
(WITH COMPARATIVE AMOUNTS AS OF DECEMBER 31, 2016)

	2017	2016
ASSETS		
Current Assets:		
Cash and Investments	\$ 1,209,560	\$ 1,087,164
Customer Accounts Receivable	545,886	530,117
Accounts Receivable on Tax Roll	122,940	153,856
Other Accounts Receivable	13,095	16,588
Special Assessments Receivable	339,671	258,563
Due from Governmental Funds	519,031	195,639
Due from Wastewater Utility	92,822	92,836
Inventories	83,031	79,963
Total Current Assets	2,925,036	2,414,726
Restricted Assets:		
Cash and Investments:		
Depreciation Fund	4,934,657	4,596,424
Special Redemption Fund	178,325	144,601
Total Restricted Assets	5,112,982	4,741,025
Capital Assets:		
Land and Land Rights	135,570	135,570
Nonutility Property	2,916	2,916
Utility Plant in Service	24,962,551	24,237,248
Less Accumulated Depreciation	(9,419,381)	(8,875,775)
Total Capital Assets	15,681,656	15,499,959
Other Assets:		
Long-Term Advance to Governmental Fund	750,000	750,000
Accrued Interest Receivable on Long-Term Advance to Governmental Fund	27,699	27,699
Unamortized Debt Discount	294	364
Total Other Assets	777,993	778,063
Total Assets	24,498,667	23,433,773
DEFERRED OUTFLOWS OF RESOURCES		
Wisconsin Retirement System Pension Plan Related	182,650	257,953

(87)

SCHEDULE D-1

CITY OF CHIPPEWA FALLS, WISCONSIN
WATER UTILITY ENTERPRISE FUND
STATEMENT OF NET POSITION (CONTINUED)
DECEMBER 31, 2017
(WITH COMPARATIVE AMOUNTS AS OF DECEMBER 31, 2016)

	2017	2016
LIABILITIES		
Current Liabilities:		
Accounts Payable	\$ 36,910	\$ 61,003
Due to Governmental Funds:		
Taxes Accrued	386,391	372,794
Other	517,632	241,466
Current Portion of Bonds Payable (Net of Portion Payable from Restricted Assets)	20,000	20,000
Current Portion of Unused Vested Employee Benefits	22,909	26,451
Total Current Liabilities	963,842	721,714
Current Liabilities Payable from Restricted Assets:		
Accrued Interest Payable	15,883	9,566
Current Portion of Bonds Payable (Net of Portion Payable from Current Assets)	218,999	203,172
Total Current Liabilities Payable from Restricted Assets	234,882	212,738
Long-Term Liabilities:		
Bonds Payable (Net of Current Portion)	1,809,496	1,618,495
Other Postemployment Benefits Payable	19,209	22,091
Unused Vested Employee Benefits	28,625	45,101
Wisconsin Retirement System Net Pension Liability	23,180	35,241
Total Long-Term Liabilities	1,880,510	1,720,928
Total Liabilities	3,079,234	2,655,380
DEFERRED OUTFLOWS OF RESOURCES		
Wisconsin Retirement System Pension Plan Related	72,992	93,441
NET POSITION		
Net Investment in Capital Assets	13,633,161	13,658,292
Restricted for Debt Service	182,442	135,035
Restricted for Asset Replacement	4,934,657	4,596,424
Unrestricted	2,798,831	2,553,154
Total Net Position	\$ 21,529,091	\$ 20,942,905

(88)

SCHEDULE D-2

**CITY OF CHIPPEWA FALLS, WISCONSIN
WATER UTILITY ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2017
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2016)**

	2017	2016
OPERATING REVENUES:		
Sales of Water:		
Residential	\$ 751,272	\$ 742,429
Commercial	361,011	361,246
Industrial	471,213	450,733
Public Authorities	137,216	152,951
Public Fire Protection	489,813	484,693
Private Fire Protection	50,033	14,495
Other Operating Revenues	212,028	216,884
Total Operating Revenues	<u>2,472,586</u>	<u>2,423,431</u>
OPERATING EXPENSES:		
Operation and Maintenance:		
Operation	663,643	650,835
Maintenance	267,786	228,227
Administrative and General	389,579	317,671
Total Operation and Maintenance	<u>1,321,008</u>	<u>1,196,733</u>
Depreciation	636,597	635,587
Total Operating Expenses	<u>1,959,605</u>	<u>1,832,320</u>
OPERATING INCOME	<u>512,981</u>	<u>591,111</u>
NONOPERATING REVENUES (EXPENSES):		
Interest Income	84,941	59,767
Loss on Removal of Plant Assets	-	(6,720)
Interest Expense	(53,457)	(50,408)
Amortization of Debt Related Items	(6,478)	(1,124)
Total Nonoperating Revenues (Expenses)	<u>25,006</u>	<u>1,515</u>
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	<u>537,987</u>	<u>592,626</u>
CAPITAL CONTRIBUTIONS AND TRANSFERS:		
Plant Contributed by Developers	40,653	79,977
Plant Contributed by City	173,167	35,788
Assessments for Plant Additions	190,854	100,547
Hook-up Fees	9,916	9,846
Transfers Out	(386,391)	(372,794)
Total Capital Contributions and Transfers	<u>48,199</u>	<u>(146,636)</u>
CHANGE IN NET POSITION	<u>586,186</u>	<u>445,990</u>
Net Position, January 1	<u>20,942,905</u>	<u>20,496,915</u>
NET POSITION, DECEMBER 31	<u>\$ 21,529,091</u>	<u>\$ 20,942,905</u>

(89)

SCHEDULE D-3

**CITY OF CHIPPEWA FALLS, WISCONSIN
WATER UTILITY ENTERPRISE FUND
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2017
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2016)**

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received from Customers	\$ 2,398,404	\$ 2,358,024
Cash Received for Water Meter Related Charges to Wastewater Utility	92,822	92,836
Cash Payments to Suppliers for Goods and Services	(988,234)	(691,098)
Cash Payments for Employee Services	(647,012)	(499,098)
Cash Paid for Wastewater Building Rent	(12,000)	(12,000)
Net Cash Provided by (Used for) Operating Activities	<u>833,980</u>	<u>1,248,704</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Cash Payment of Tax Equivalents	(366,391)	(372,794)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Cash Received for Capital Contributions	9,916	8,703
Cash Received for Salvage on Plant Retired	4,006	5,620
Cash Payments for Capital Assets	(295,764)	(424,248)
Cash Received from Special Assessments	86,809	32,839
Cash Paid for Plant Removal	(10,016)	(8,891)
Transfer of Debt Proceeds	417,184	-
Cash Paid for Debt Principal	(223,172)	(212,508)
Cash Paid for Debt Interest	(47,140)	(49,391)
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(58,177)</u>	<u>(647,876)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest on Investments	<u>84,941</u>	<u>59,767</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>494,353</u>	<u>287,801</u>
Cash and Cash Equivalents, January 1	<u>5,828,189</u>	<u>5,540,388</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 6,322,542</u>	<u>\$ 5,828,189</u>

(90)

SCHEDULE D-3

**CITY OF CHIPPEWA FALLS, WISCONSIN
WATER UTILITY ENTERPRISE FUND
STATEMENT OF CASH FLOWS (CONTINUED)
YEAR ENDED DECEMBER 31, 2017
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2016)**

	2017	2016
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:		
Operating Income	\$ 512,981	\$ 591,111
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used for) Operating Activities:		
Net Change in Wisconsin Pension System Related Items:		
Asset / Liability	(12,061)	113,558
Deferred Outflows of Resources	75,303	(174,815)
Deferred Inflows of Resources	(20,449)	93,441
Depreciation	638,597	635,587
(Increase) Decrease in Assets:		
Customer Accounts Receivable	(15,769)	48,420
Accounts Receivable on Tax Roll	30,916	(9,880)
Other Accounts Receivable	3,493	(11,111)
Due from Other Funds	(316,970)	10,160
Inventories	(3,068)	(4,175)
Increase (Decrease) in Liabilities:		
Accounts Payable	(24,093)	(39,282)
Due to Other Funds	(12,000)	(788)
Unused Vested Employee Benefits	(20,018)	(6,108)
Other Postemployment Benefits Payable	(2,882)	2,586
Net Cash Provided by (Used for) Operating Activities	<u>\$ 833,980</u>	<u>\$ 1,248,704</u>
RECONCILIATION OF CASH AND INVESTMENTS TO CASH AND CASH EQUIVALENTS:		
Cash and Investments per Statement of Net Position:		
Cash and Investments	\$ 1,209,560	\$ 1,087,164
Cash and Investments - Restricted	5,112,982	4,741,025
Total Cash and Cash Equivalents	<u>\$ 6,322,542</u>	<u>\$ 5,828,189</u>
NONCASH INVESTING AND FINANCING ACTIVITIES:		
Contributions of Capital Assets	\$ 404,674	\$ 216,312

(91)

SCHEDULE D-4

**CITY OF CHIPPEWA FALLS, WISCONSIN
WASTEWATER UTILITY ENTERPRISE FUND
STATEMENT OF NET POSITION
DECEMBER 31, 2017
(WITH COMPARATIVE AMOUNTS AS OF DECEMBER 31, 2016)**

	2017	2016
ASSETS		
Current Assets:		
Cash and Investments	\$ 1,289,421	\$ 570,351
Customer Accounts Receivable	522,516	539,483
Accounts Receivable on Tax Roll	142,375	133,377
Special Assessments Receivable	572,155	379,303
Other Accounts Receivable	656	79,972
Due from Governmental Funds	547,989	186,136
Due from Storm Water Utility	-	220,000
Due from Water Utility	453,145	-
Total Current Assets	<u>3,528,268</u>	<u>2,108,622</u>
Restricted Assets:		
Cash and Investments:		
Bond Redemption Fund Investments	206,679	340,155
Depreciation Fund Cash and Investments	4,207,542	4,162,770
Replacement Fund Cash and Investments	3,417,924	3,208,834
Total Restricted Assets	<u>7,832,145</u>	<u>7,711,759</u>
Capital Assets:		
Land and Land Rights	177,391	177,391
Construction Work in Progress	81,084	-
Utility Plant in Service	31,970,911	31,051,526
Less Accumulated Depreciation	(12,273,402)	(11,594,568)
Total Capital Assets	<u>19,955,984</u>	<u>19,634,349</u>
Other Assets:		
Unamortized Debt Discount	1,044	1,291
Total Assets	<u>31,317,441</u>	<u>29,456,021</u>
DEFERRED OUTFLOWS OF RESOURCES		
Wisconsin Retirement System Pension Plan Related	<u>190,939</u>	<u>332,970</u>

(92)

SCHEDULE D-4

**CITY OF CHIPPEWA FALLS, WISCONSIN
WASTEWATER UTILITY ENTERPRISE FUND
STATEMENT OF NET POSITION (CONTINUED)
DECEMBER 31, 2017
(WITH COMPARATIVE AMOUNTS AS OF DECEMBER 31, 2016)**

	2017	2016
LIABILITIES		
Current Liabilities Payable from Current Assets:		
Accounts Payable	\$ 78,112	\$ 148,404
Due to Governmental Funds	582,210	232,817
Due to Water Utility	92,822	92,836
Current Portion of Unused Vested Employee Benefits	31,374	31,308
Total Current Liabilities Payable from Current Assets	<u>784,518</u>	<u>505,365</u>
Current Liabilities Payable from Restricted Assets:		
Accrued Interest Payable	31,298	23,613
Current Portion of Long-Term Debt	358,123	325,576
Total Current Liabilities Payable from Restricted Assets	<u>389,421</u>	<u>349,189</u>
Long-Term Liabilities:		
Long-Term Debt (Net of Current Portion)	5,770,888	5,516,107
Other Postemployment Benefits Payable	31,440	21,613
Unused Vested Employee Benefits	53,076	38,745
Wisconsin Retirement System Net Pension Liability	24,232	61,909
Total Long-Term Debt	<u>5,879,636</u>	<u>5,638,374</u>
Total Liabilities	<u>7,053,575</u>	<u>6,492,928</u>
DEFERRED INFLOWS OF RESOURCES		
Wisconsin Retirement System Pension Plan Related	<u>76,304</u>	<u>124,330</u>
NET POSITION		
Net Investment in Capital Assets	13,826,973	13,792,666
Restricted for Debt Service	175,381	316,542
Restricted for Asset Replacement	7,625,466	7,371,604
Unrestricted	<u>2,750,681</u>	<u>1,690,921</u>
Total Net Position	<u>\$ 24,378,501</u>	<u>\$ 23,171,733</u>

(93)

SCHEDULE D-5

**CITY OF CHIPPEWA FALLS, WISCONSIN
WASTEWATER UTILITY ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2017
(WITH COMPARATIVE AMOUNTS AS OF DECEMBER 31, 2016)**

	2017	2016
OPERATING REVENUES:		
Sewerage Revenues:		
Residential	\$ 932,791	\$ 892,946
Commercial	507,879	417,461
Industrial	989,217	1,142,032
Public Authorities	212,467	224,936
Rent	22,791	22,971
Laboratory Testing	110	-
Other Operating Revenues	387,079	465,405
Total Operating Revenues	<u>3,062,334</u>	<u>3,165,751</u>
OPERATING EXPENSES:		
Operation and Maintenance:		
Operation	929,163	939,931
Maintenance	188,796	214,628
Administrative and General	535,958	485,549
Total Operation and Maintenance	<u>1,653,917</u>	<u>1,640,108</u>
Depreciation	<u>775,747</u>	<u>726,820</u>
Total Operating Expenses	<u>2,429,664</u>	<u>2,366,928</u>
OPERATING INCOME	<u>632,670</u>	<u>798,823</u>
NONOPERATING REVENUES (EXPENSES):		
Interest Income	72,409	34,257
Gain (Loss) on Removal of Capital Assets	16,621	1,035
Interest Expense	(143,851)	(119,852)
Amortization of Debt Related Items	(6,142)	(541)
Total Nonoperating Revenue (Expense)	<u>(60,963)</u>	<u>(85,101)</u>
INCOME BEFORE CONTRIBUTIONS	<u>561,707</u>	<u>713,722</u>
CAPITAL CONTRIBUTIONS AND TRANSFERS:		
Federal and State Grants	-	522,439
Plant Additions Contributed by the City	269,782	-
Plant Additions Funded by Private Sources	375,279	190,731
Total Contributions and Transfers	<u>645,061</u>	<u>713,170</u>
CHANGE IN NET POSITION	<u>1,206,768</u>	<u>1,426,892</u>
Net Position, January 1	<u>23,171,733</u>	<u>21,744,841</u>
NET POSITION, DECEMBER 31	<u>\$ 24,378,501</u>	<u>\$ 23,171,733</u>

(94)

SCHEDULE D-6

**CITY OF CHIPPEWA FALLS, WISCONSIN
WASTEWATER UTILITY ENTERPRISE FUND
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2017
(WITH COMPARATIVE AMOUNTS AS OF DECEMBER 31, 2016)**

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received from Utility Customers	\$ 3,127,619	\$ 3,186,513
Cash Received for Wastewater Building Rent	12,000	12,000
Cash Paid for Water Meter Related Charges to Wastewater Utility	(82,822)	(82,836)
Cash Payments to Suppliers for Goods and Services	(860,099)	(701,836)
Cash Payments for Employee Services	(690,750)	(770,963)
Net Cash Provided by (Used for) Operating Activities	<u>1,495,948</u>	<u>1,632,878</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Cash Received (Paid) on Interfund Loan to Storm Water Fund	220,000	(220,000)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Cash Received from Contributions for Plant Additions	191,590	7,042
Cash Received for Salvage of Capital Assets	-	1,795
Cash Payments for Capital Assets	(1,385,504)	(2,982,879)
Cash Received from Capital Grants	-	543,127
Cash Received from Special Assessments	100,706	52,392
Transfer of Debt Proceeds	453,145	-
Cash Received from Debt Proceeds	156,924	2,007,092
Cash Payments for Principal on Long-Term Debt	(329,596)	(534,504)
Cash Payments for Interest on Long-Term Debt	(136,166)	(114,690)
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(948,901)</u>	<u>(1,020,625)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash Received from Interest on Investments	<u>72,409</u>	<u>34,257</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>839,456</u>	<u>426,510</u>
Cash and Cash Equivalents, January 1	<u>8,282,110</u>	<u>7,855,600</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 9,121,566</u>	<u>\$ 8,282,110</u>

(95)

SCHEDULE D-6

**CITY OF CHIPPEWA FALLS, WISCONSIN
WASTEWATER UTILITY ENTERPRISE FUND
STATEMENT OF CASH FLOWS (CONTINUED)
YEAR ENDED DECEMBER 31, 2017
(WITH COMPARATIVE AMOUNTS AS OF DECEMBER 31, 2016)**

	2017	2016
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:		
Operating Income	\$ 622,670	\$ 798,823
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used for) Operating Activities:		
Change in Pension Plan Related Items:		
Asset / Liability	(37,677)	150,987
Deferred Outflows of Resources	142,031	(238,410)
Deferred Inflows of Resources	(48,026)	124,330
Depreciation	775,747	726,820
(Increase) Decrease in Assets:		
Customer Accounts Receivable	16,967	79,491
Other Accounts Receivable	79,316	(47,954)
Accounts Receivable on Tax Roll	(8,998)	1,225
Due from Other Funds	-	(53,278)
Inventories	-	24,072
Increase (Decrease) in Liabilities:		
Accounts Payable	(70,292)	52,057
Due to Other Funds	(14)	20,076
Unused Vested Employee Benefits	14,397	(7,496)
Other Postemployment Benefits Payable	9,827	2,135
Net Cash Provided by (Used for) Operating Activities	<u>\$ 1,495,948</u>	<u>\$ 1,632,878</u>
RECONCILIATION OF CASH AND INVESTMENTS TO CASH AND CASH EQUIVALENTS:		
Cash and Investments per Statement of Net Position:		
Cash and Investments	\$ 1,289,421	\$ 570,351
Cash and Investments - Restricted	<u>7,832,145</u>	<u>7,711,759</u>
Total Cash and Cash Equivalents	<u>\$ 9,121,566</u>	<u>\$ 8,282,110</u>
NONCASH INVESTING AND FINANCING ACTIVITIES:		
Contributions of Capital Assets	\$ 645,061	\$ 190,731

(96)

SCHEDULE D-7

**CITY OF CHIPPEWA FALLS, WISCONSIN
STORM WATER UTILITY ENTERPRISE FUND
STATEMENT OF NET POSITION
DECEMBER 31, 2017**

(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2016)

	2017	2016
ASSETS		
Current Assets:		
Cash and Investments	\$ 184,618	\$ 488,194
Customer Accounts Receivable	161,549	153,876
Accounts Receivable on Tax Roll	19,242	20,536
Other Accounts Receivable	477	477
Due from Governmental Funds	366,239	113,937
Inventories	50,751	38,976
Total Current Assets	782,876	795,996
Capital Assets:		
Utility Plant in Service	10,573,249	10,185,993
Less Accumulated Depreciation	(2,995,582)	(2,809,922)
Total Capital Assets	7,577,667	7,376,071
Other Assets:		
Unamortized Debt Discount	989	1,224
Total Assets	8,361,532	8,173,291
DEFERRED OUTFLOWS OF RESOURCES		
Wisconsin Retirement System Pension Plan Related	15,055	12,735
LIABILITIES		
Current Liabilities:		
Accounts Payable	2,495	28,836
Due to Governmental Funds	376,897	246,343
Due to Enterprise Funds	3,025	220,000
Accrued Interest Payable	8,806	2,279
Current Portion of Unused Vested Employee Benefits	1,759	1,485
Current Portion of Bonds Payable	45,000	25,000
Total Current Liabilities	437,982	523,943
Long-Term Liabilities:		
Unused Vested Employee Benefits	2,125	963
Other Postemployment Benefits Payable	1,437	751
Wisconsin Retirement System Net Pension Liability	1,911	2,726
Bonds Payable	735,000	410,000
Total Long-Term Liabilities	740,473	414,440
Total Liabilities	1,178,455	938,383
DEFERRED INFLOWS OF RESOURCES		
Wisconsin Retirement System Pension Plan Related	6,016	4,887
NET POSITION		
Net Investment in Capital Assets	6,797,667	6,941,071
Unrestricted	394,449	301,685
Total Net Position	\$ 7,192,116	\$ 7,242,756

(97)

SCHEDULE D-8

**CITY OF CHIPPEWA FALLS, WISCONSIN
STORM WATER UTILITY ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2017**

(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2016)

	2017	2016
OPERATING REVENUES:		
Charges for Service:		
Residential	\$ 154,062	\$ 152,958
Commercial	202,514	196,742
Industrial	125,505	117,140
Public Authorities	127,687	126,589
Other Operating Revenues	17,199	9,468
Total Operating Revenues	626,967	602,897
OPERATING EXPENSES:		
Operation and Maintenance:		
Street Cleaning and Flushing	111,361	110,400
Snow Removal	21,420	31,928
Storm Sewer Maintenance	90,198	97,082
Storm Pond Maintenance	595	2,474
Yard Waste	11,970	12,777
Accounting and Collecting	40,168	31,739
Uncollectible Accounts	13	115
Administrative and General	143,790	149,649
Outside Services Employed	13,575	9,786
Miscellaneous General Expense	14,772	12,065
Total Operation and Maintenance	447,862	458,015
Depreciation	199,905	184,326
Total Operating Expenses	647,767	642,341
OPERATING INCOME (LOSS)	(20,800)	(39,444)
NONOPERATING REVENUES (EXPENSES):		
Interest Revenue	2,234	3,592
Amortization of Debt Related Items	(23,901)	(14,870)
Loss on the Disposal of Capital Assets	(5,748)	(1,373)
Total Nonoperating Revenues (Expenses)	(15,105)	(4,293)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(22,575)	(43,737)
CAPITAL CONTRIBUTIONS AND TRANSFERS:		
Plant Contributed by City	-	22,903
Plant Contributed by Private Sources	12,680	41,475
Total Capital Contributions and Transfers	12,680	64,378
CHANGE IN NET POSITION	(10,895)	8,050
Net Position, January 1	7,242,756	7,234,706
NET POSITION, DECEMBER 31	\$ 7,192,116	\$ 7,242,756

(98)

SCHEDULE D-9

**CITY OF CHIPPEWA FALLS, WISCONSIN
STORM WATER UTILITY ENTERPRISE FUND
STATEMENT OF CASH FLOWS**

**YEAR ENDED DECEMBER 31, 2017
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2016)**

	2017	2016	
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash Received from Customers	\$ 620,588	\$ 602,562	
Cash Payments to Suppliers for Goods and Services	(152,431)	(97,833)	
Cash Payments for Employee Services	(338,944)	(345,811)	
Net Cash Provided by (Used for) Operating Activities	<u>129,213</u>	<u>158,918</u>	
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES:			
Cash Received (Paid) on Interfund Loan from Wastewater Fund	(220,000)	220,000	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Cash Payments for Capital Assets	(517,135)	(380,680)	
Transfer of Debt Proceeds	364,466	-	
Principal Payments on Long-Term Debt	(25,000)	(20,000)	
Interest Payments on Long-Term Debt	(17,374)	(13,736)	
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(195,023)</u>	<u>(414,416)</u>	
CASH FLOWS FROM INVESTING ACTIVITIES:			
Cash Received from Interest on Investments	<u>2,234</u>	<u>3,592</u>	
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>(283,576)</u>	<u>(31,906)</u>	
Cash and Cash Equivalents, January 1	<u>468,194</u>	<u>500,100</u>	
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u><u>\$ 184,618</u></u>	<u><u>\$ 468,194</u></u>	
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating Income	\$ (20,800)	\$ (39,444)	
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Change in Pension Plan Related Items:			
Asset / Liability	(815)	5,914	
Deferred Outflows of Resources	(2,320)	(9,380)	
Deferred Inflows of Resources	1,129	4,887	
Depreciation	199,905	184,326	
(Increase) Decrease in Assets:			
Customer Accounts Receivable	(7,673)	2,558	
Accounts Receivable on Tax Roll	1,294	(2,416)	
Decrease in Due From Other Funds	(5,513)	18	
Other Accounts Receivable	-	(477)	
Inventories	(11,775)	(13,984)	
Increase (Decrease) in Liabilities:			
Accounts Payable	(26,341)	25,672	
Due to Other Funds	-	2,888	
Unused Vested Employee Benefits	1,436	(1,443)	
Other Postemployment Benefits Payable	686	(231)	
Net Cash Provided by Operating Activities	<u><u>\$ 129,213</u></u>	<u><u>\$ 158,918</u></u>	
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:			
Contributions of Capital Assets	\$ 12,680	\$ 64,378	

(99)

**CITY OF CHIPPEWA FALLS, WISCONSIN
GENERAL OBLIGATION REFUNDING BONDS
SERIES 2009A, DATED DECEMBER 17, 2009
OUTSTANDING DECEMBER 31, 2017**

Date Due	Rate	Annual Requirements		Interest	Expected Funding Sources				
		Total	Principal		General City	TID #5	Water	Sewer	Storm
6/1/18		\$ 61,617.50	\$ -	\$ 61,617.50	\$ 10,912.50	\$ 37,335.00	\$ 495.00	\$ 6,587.50	\$ 6,287.50
12/1/18	3.200	396,617.50	335,000.00	61,617.50	45,912.50	282,335.00	15,495.00	26,587.50	26,287.50
6/1/19		56,257.50	-	56,257.50	10,352.50	33,415.00	255.00	6,267.50	5,967.50
12/1/19	3.400	751,257.50	695,000.00	56,257.50	45,352.50	638,415.00	15,255.00	26,267.50	25,967.50
6/1/20		44,442.50	-	44,442.50	9,757.50	23,130.00	-	5,927.50	5,627.50
12/1/20	3.600	749,442.50	705,000.00	44,442.50	49,757.50	643,130.00	-	30,927.50	25,627.50
6/1/21		31,752.50	-	31,752.50	9,037.50	11,970.00	-	5,477.50	5,267.50
12/1/21	3.800	751,752.50	720,000.00	31,752.50	49,037.50	641,970.00	-	30,477.50	30,267.50
6/1/22		18,072.50	-	18,072.50	8,277.50	-	-	5,002.50	4,792.50
12/1/22	4.000	108,072.50	90,000.00	18,072.50	48,277.50	-	-	30,002.50	29,792.50
6/1/23		16,272.50	-	16,272.50	7,477.50	-	-	4,502.50	4,292.50
12/1/23	4.000	111,272.50	95,000.00	16,272.50	52,477.50	-	-	29,502.50	29,292.50
6/1/24		14,372.50	-	14,372.50	6,577.50	-	-	4,002.50	3,792.50
12/1/24	4.200	114,372.50	100,000.00	14,372.50	51,577.50	-	-	34,002.50	28,792.50
6/1/25		12,272.50	-	12,272.50	5,632.50	-	-	3,372.50	3,267.50
12/1/25	4.300	112,272.50	100,000.00	12,272.50	50,632.50	-	-	33,372.50	28,267.50

CITY OF CHIPPEWA FALLS, WISCONSIN
 GENERAL OBLIGATION REFUNDING BONDS
 SERIES 2009A, DATED DECEMBER 17, 2009 (CONTINUED)
 OUTSTANDING DECEMBER 31, 2017

Date Due	Rate	Annual Requirements		Expected Funding Sources					
		Total	Principal	Interest	General City	TID #5	Water	Sewer	Storm
6/1/26		\$ 10,122.50	\$ -	\$ 10,122.50	\$ 4,665.00	\$ -	\$ -	\$ 2,727.50	\$ 2,730.00
12/1/26	4.400	120,122.50	110,000.00	10,122.50	54,665.00	-	-	32,727.50	32,730.00
6/1/27		7,702.50	-	7,702.50	3,565.00	-	-	2,067.50	2,070.00
12/1/27	4.500	117,702.50	110,000.00	7,702.50	53,565.00	-	-	32,067.50	32,070.00
6/1/28		5,227.50	-	5,227.50	2,440.00	-	-	1,392.50	1,395.00
12/1/28	4.600	125,227.50	120,000.00	5,227.50	57,440.00	-	-	36,392.50	31,395.00
6/1/29		2,467.50	-	2,467.50	1,175.00	-	-	587.50	705.00
12/1/29	4.700	107,467.50	105,000.00	2,467.50	51,175.00	-	-	25,587.50	30,705.00
		<u>\$ 3,846,160.00</u>	<u>\$ 3,285,000.00</u>	<u>\$ 561,160.00</u>	<u>\$ 689,740.00</u>	<u>\$ 2,311,700.00</u>	<u>\$ 31,500.00</u>	<u>\$ 415,830.00</u>	<u>\$ 397,390.00</u>
				Principal	\$ 530,000.00	\$ 2,100,000.00	\$ 30,000.00	\$ 320,000.00	\$ 305,000.00
				Interest	159,740.00	211,700.00	1,500.00	95,830.00	92,390.00
				Total	<u>\$ 689,740.00</u>	<u>\$ 2,311,700.00</u>	<u>\$ 31,500.00</u>	<u>\$ 415,830.00</u>	<u>\$ 397,390.00</u>

CITY OF CHIPPEWA FALLS, WISCONSIN
GENERAL OBLIGATION CORPORATE PURPOSE BONDS
SERIES 2012A, DATED JUNE 12, 2012
OUTSTANDING DECEMBER 31, 2017

Date Due	Rate	Annual Requirements		Interest	Expected Funding Sources					
		Total	Principal		General City	Assessments	TID #5	TID #4	TID #8	Sewer
6/1/18		\$ 55,072.50	\$ -	\$ 55,072.50	\$ 33,912.50	\$ 2,860.00	\$ 14,750.00	\$ 1,050.00	\$ 100.00	\$ 2,400.00
12/1/18	2.00	530,072.50	475,000.00	55,072.50	198,912.50	52,860.00	99,750.00	106,050.00	10,100.00	62,400.00
6/1/19		50,322.50	-	50,322.50	32,262.50	2,360.00	13,900.00	-	-	1,800.00
12/1/19	2.00	390,322.50	340,000.00	50,322.50	227,262.50	52,360.00	48,900.00	-	-	61,800.00
6/1/20		46,922.50	-	46,922.50	30,312.50	1,860.00	13,550.00	-	-	1,200.00
12/1/20	2.00	391,922.50	345,000.00	46,922.50	220,312.50	56,860.00	53,550.00	-	-	61,200.00
6/1/21		43,472.50	-	43,472.50	28,412.50	1,310.00	13,150.00	-	-	600.00
12/1/21	2.00	388,472.50	345,000.00	43,472.50	218,412.50	56,310.00	53,150.00	-	-	60,600.00
6/1/22		40,022.50	-	40,022.50	26,512.50	760.00	12,750.00	-	-	-
12/1/22	2.00	350,022.50	310,000.00	40,022.50	191,512.50	55,760.00	102,750.00	-	-	-
6/1/23		36,922.50	-	36,922.50	24,862.50	210.00	11,850.00	-	-	-
12/1/23	2.10	336,922.50	300,000.00	36,922.50	209,862.50	20,210.00	106,850.00	-	-	-
6/1/24		33,772.50	-	33,772.50	22,920.00	-	10,852.50	-	-	-
12/1/24	2.20	283,772.50	250,000.00	33,772.50	177,920.00	-	105,852.50	-	-	-

**CITY OF CHIPPEWA FALLS, WISCONSIN
GENERAL OBLIGATION CORPORATE PURPOSE BONDS
SERIES 2012A, DATED JUNE 12, 2012 (CONTINUED)
OUTSTANDING DECEMBER 31, 2017**

Date Due	Rate	Annual Requirements		Expected Funding Sources						
		Total	Principal	Interest	General City	Assessments	TID #5	TID #4	TID #8	Sewer
6/1/25		\$ 31,022.50	\$ -	\$ 31,022.50	\$ 21,215.00	\$ -	\$ 9,807.50	\$ -	\$ -	\$ -
12/1/25	2.35	381,022.50	350,000.00	31,022.50	276,215.00	-	104,807.50	-	-	-
6/1/26		26,910.00	-	26,910.00	18,218.75	-	8,691.25	-	-	-
12/1/26	2.45	331,910.00	305,000.00	26,910.00	223,218.75	-	108,691.25	-	-	-
6/1/27		23,173.75	-	23,173.75	15,707.50	-	7,466.25	-	-	-
12/1/27	2.55	288,173.75	265,000.00	23,173.75	180,707.50	-	107,466.25	-	-	-
6/1/28		19,795.00	-	19,795.00	13,603.75	-	6,191.25	-	-	-
12/1/28	2.65	279,795.00	260,000.00	19,795.00	168,603.75	-	111,191.25	-	-	-
6/1/29		16,350.00	-	16,350.00	11,550.00	-	4,800.00	-	-	-
12/1/29	3.00	291,350.00	275,000.00	16,350.00	181,550.00	-	109,800.00	-	-	-
6/1/30		12,225.00	-	12,225.00	9,000.00	-	3,225.00	-	-	-
12/1/30	3.00	327,225.00	315,000.00	12,225.00	219,000.00	-	108,225.00	-	-	-
6/1/31		7,500.00	-	7,500.00	5,850.00	-	1,650.00	-	-	-
12/1/31	3.00	357,500.00	350,000.00	7,500.00	245,850.00	-	111,650.00	-	-	-
6/1/32	3.00	152,250.00	150,000.00	2,250.00	152,250.00	-	-	-	-	-
		<u>\$ 5,524,217.50</u>	<u>\$ 4,635,000.00</u>	<u>\$ 889,217.50</u>	<u>\$ 3,385,930.00</u>	<u>\$ 303,720.00</u>	<u>\$ 1,465,267.50</u>	<u>\$ 107,100.00</u>	<u>\$ 10,200.00</u>	<u>\$ 252,000.00</u>
				Principal	\$ 2,795,000.00	\$ 285,000.00	\$ 1,200,000.00	\$ 105,000.00	\$ 10,000.00	\$ 240,000.00
				Interest	590,930.00	18,720.00	265,267.50	2,100.00	200.00	12,000.00
				Total	<u>\$ 3,385,930.00</u>	<u>\$ 303,720.00</u>	<u>\$ 1,465,267.50</u>	<u>\$ 107,100.00</u>	<u>\$ 10,200.00</u>	<u>\$ 252,000.00</u>

CITY OF CHIPPEWA FALLS, WISCONSIN
GENERAL OBLIGATION REFUNDING BONDS
SERIES 2012B, DATED JUNE 12, 2012
OUTSTANDING DECEMBER 31, 2017

Date Due	Rate	Annual Requirements		Expected Funding Sources				
		Total	Principal	Interest	Total	General City	TID #4	TID #8
4/1/18	1.55	\$ 304,755.00	\$ 295,000.00	\$ 9,755.00	\$ 304,755.00	\$ 71,321.25	\$ 181,395.00	\$ 52,038.75
10/1/18		7,468.75	-	7,468.75	7,468.75	5,817.50	-	1,651.25
4/1/19	1.80	107,468.75	100,000.00	7,468.75	107,468.75	75,817.50	-	31,651.25
10/1/19		6,568.75	-	6,568.75	6,568.75	5,187.50	-	1,381.25
4/1/20	2.05	116,568.75	110,000.00	6,568.75	116,568.75	80,187.50	-	36,381.25
10/1/20		5,441.25	-	5,441.25	5,441.25	4,418.75	-	1,022.50
4/1/21	2.30	120,441.25	115,000.00	5,441.25	120,441.25	79,418.75	-	41,022.50
10/1/21		4,118.75	-	4,118.75	4,118.75	3,556.25	-	562.50
4/1/22	2.50	134,118.75	130,000.00	4,118.75	134,118.75	88,556.25	-	45,562.50
10/1/22		2,493.75	-	2,493.75	2,493.75	2,493.75	-	-
4/1/23	2.85	92,493.75	90,000.00	2,493.75	92,493.75	92,493.75	-	-
10/1/23		1,211.25	-	1,211.25	1,211.25	1,211.25	-	-
4/1/24	2.85	86,211.25	85,000.00	1,211.25	86,211.25	86,211.25	-	-
		<u>\$ 989,360.00</u>	<u>\$ 925,000.00</u>	<u>\$ 64,360.00</u>	<u>\$ 989,360.00</u>	<u>\$ 596,691.25</u>	<u>\$ 181,395.00</u>	<u>\$ 211,273.75</u>
				Principal	\$ 925,000.00	\$ 545,000.00	\$ 180,000.00	\$ 200,000.00
				Interest	64,360.00	51,691.25	1,395.00	11,273.75
				Total	<u>\$ 989,360.00</u>	<u>\$ 596,691.25</u>	<u>\$ 181,395.00</u>	<u>\$ 211,273.75</u>

SCHEDULE E-4

CITY OF CHIPPEWA FALLS, WISCONSIN
TAXABLE NOTE ANTICIPATION NOTE, SERIES 2013A
DATED APRIL 18, 2013
OUTSTANDING DECEMBER 31, 2017

Date Due	Annual Requirements - TID #12	
	Total	Interest
4/1/18	\$ 1,010,590.93	\$ 996,883.78
Interest at 2.75%		
		\$ 13,707.15

SCHEDULE E-5

CITY OF CHIPPEWA FALLS, WISCONSIN
GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2013B
DATED JUNE 26, 2013
OUTSTANDING DECEMBER 31, 2017

Date Due	Rate	Annual Requirements		Expected Funding Sources	
		Total	Principal	Interest	TID #12
6/1/18		\$ 51,728.13	\$ -	\$ 51,728.13	\$ 24,043.75
12/1/18	2.000	301,728.13	250,000.00	51,728.13	99,043.75
6/1/19		49,228.13	-	49,228.13	23,283.75
12/1/19	2.000	304,228.13	255,000.00	49,228.13	98,283.75
6/1/20		46,678.13	-	46,678.13	22,543.75
12/1/20	2.125	301,678.13	255,000.00	46,678.13	97,543.75
6/1/21		43,968.76	-	43,968.76	21,746.88
12/1/21	2.250	303,968.76	260,000.00	43,968.76	96,746.88
6/1/22		41,043.76	-	41,043.76	20,903.13
12/1/22	2.500	306,043.76	265,000.00	41,043.76	100,903.13
6/1/23		37,731.26	-	37,731.26	19,903.13
12/1/23	2.750	307,731.26	270,000.00	37,731.26	99,903.13
6/1/24		34,018.76	-	34,018.76	18,803.13
12/1/24	2.750	309,018.76	275,000.00	34,018.76	98,803.13
6/1/25		30,237.51	-	30,237.51	17,703.13
12/1/25	3.000	410,237.51	380,000.00	30,237.51	197,703.13
6/1/26		24,537.51	-	24,537.51	15,003.13
12/1/26	3.000	354,537.51	330,000.00	24,537.51	145,003.13
6/1/27		19,587.51	-	19,587.51	13,063.13
12/1/27	3.125	309,587.51	290,000.00	19,587.51	98,053.13
6/1/28		15,056.25	-	15,056.25	11,725.00
12/1/28	3.250	310,056.25	295,000.00	15,056.25	101,725.00
6/1/29		10,262.50	-	10,262.50	10,262.50
12/1/29	3.500	110,262.50	100,000.00	10,262.50	110,262.50
6/1/30		8,512.50	-	8,512.50	8,512.50
12/1/30	3.500	153,512.50	145,000.00	8,512.50	153,512.50
6/1/31		5,975.00	-	5,975.00	5,975.00
12/1/31	3.500	105,975.00	100,000.00	5,975.00	105,975.00
6/1/32		4,225.00	-	4,225.00	4,225.00
12/1/32	3.250	104,225.00	100,000.00	4,225.00	104,225.00
6/1/33	3.250	162,600.00	160,000.00	2,600.00	162,600.00
		\$ 4,576,181.42	\$ 3,730,000.00	\$ 848,181.42	\$ 2,107,993.82
				Principal	\$ 2,470,187.60
				Interest	\$ 1,630,000.00
				Total	\$ 2,100,000.00
					\$ 477,993.82
					\$ 370,187.60
					\$ 2,107,993.82
					\$ 2,470,187.60

CITY OF CHIPPEWA FALLS, WISCONSIN
GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2014A
DATED JULY 9, 2014
OUTSTANDING DECEMBER 31, 2017

Date Due	Rate	Annual Requirements		General City - Tax Levy		Wastewater Utility		
		Total	Principal	Interest	Principal	Interest	Principal	Interest
4/1/18	3.000	\$ 42,750.00	\$ -	\$ 42,750.00	\$ -	\$ 33,700.00	\$ -	\$ 9,050.00
10/1/18		322,750.00	280,000.00	42,750.00	275,000.00	33,700.00	5,000.00	9,050.00
4/1/19	3.000	38,550.00	-	38,550.00	-	29,575.00	-	8,975.00
10/1/19		173,550.00	135,000.00	38,550.00	130,000.00	29,575.00	5,000.00	8,975.00
4/1/20	3.000	36,525.00	-	36,525.00	-	27,625.00	-	8,900.00
10/1/20		171,525.00	135,000.00	36,525.00	135,000.00	27,625.00	-	8,900.00
4/1/21	3.000	34,500.00	-	34,500.00	-	25,600.00	-	8,900.00
10/1/21		169,500.00	135,000.00	34,500.00	130,000.00	25,600.00	5,000.00	8,900.00
4/1/22	3.000	32,475.00	-	32,475.00	-	23,650.00	-	8,825.00
10/1/22		227,475.00	195,000.00	32,475.00	135,000.00	23,650.00	60,000.00	8,825.00
4/1/23	3.000	29,550.00	-	29,550.00	-	21,625.00	-	7,925.00
10/1/23		284,550.00	255,000.00	29,550.00	190,000.00	21,625.00	65,000.00	7,925.00
4/1/24	3.000	25,725.00	-	25,725.00	-	18,775.00	-	6,950.00
10/1/24		265,725.00	240,000.00	25,725.00	175,000.00	18,775.00	65,000.00	6,950.00
4/1/25	3.000	22,125.00	-	22,125.00	-	16,150.00	-	5,975.00
10/1/25		147,125.00	125,000.00	22,125.00	60,000.00	16,150.00	65,000.00	5,975.00
4/1/26	3.000	20,250.00	-	20,250.00	-	15,250.00	-	5,000.00
10/1/26		255,250.00	235,000.00	20,250.00	165,000.00	15,250.00	70,000.00	5,000.00
4/1/27	3.500	16,725.00	-	16,725.00	-	12,775.00	-	3,950.00
10/1/27		256,725.00	240,000.00	16,725.00	170,000.00	12,775.00	70,000.00	3,950.00
4/1/28	3.500	12,525.00	-	12,525.00	-	9,800.00	-	2,725.00
10/1/28		267,525.00	255,000.00	12,525.00	185,000.00	9,800.00	70,000.00	2,725.00
4/1/29	3.750	8,062.50	-	8,062.50	-	6,562.50	-	1,500.00
10/1/29		258,062.50	250,000.00	8,062.50	170,000.00	6,562.50	80,000.00	1,500.00
4/1/30	3.750	3,375.00	-	3,375.00	-	3,375.00	-	-
10/1/30		183,375.00	180,000.00	3,375.00	180,000.00	3,375.00	-	-
		\$ 3,306,275.00	\$ 2,660,000.00	\$ 646,275.00	\$ 2,100,000.00	\$ 488,925.00	\$ 560,000.00	\$ 157,350.00

CITY OF CHIPPEWA FALLS, WISCONSIN
 GENERAL OBLIGATION PROMISSORY NOTE, SERIES 2015A
 DATED OCTOBER 20, 2015
 OUTSTANDING DECEMBER 31, 2017

<u>Date Due</u>	<u>Rate</u>	<u>Annual Requirements</u>		
		<u>Total</u>	<u>Principal</u>	<u>Interest</u>
10/1/18	2.80	<u>\$ 201,022.78</u>	<u>\$ 195,547.45</u>	<u>\$ 5,475.33</u>

**CITY OF CHIPPEWA FALLS, WISCONSIN
GENERAL OBLIGATION CORPORATE PURPOSE BONDS
DATED JUNE 28, 2016
OUTSTANDING DECEMBER 31, 2017**

Date Due	Annual Requirements			Expected Funding Sources					
	Rate	Total	Principal	Interest	General City	Special Assessments	Water	Sewer	Storm
4/1/18		\$ 70,481.25	\$ -	\$ 70,481.25	\$ 62,818.76	\$ 3,200.00	\$ 1,937.50	\$ 1,384.38	\$ 1,140.63
10/1/18	.0750	125,481.25	55,000.00	70,481.25	62,818.76	43,200.00	6,937.50	6,384.38	6,140.63
4/1/19		70,275.00	-	70,275.00	62,818.76	3,050.00	1,918.75	1,365.63	1,121.88
10/1/19	2.000	390,275.00	320,000.00	70,275.00	327,818.76	43,050.00	6,918.75	6,365.63	6,121.88
4/1/20		67,075.00	-	67,075.00	60,168.76	2,650.00	1,868.75	1,315.63	1,071.88
10/1/20	2.000	397,075.00	330,000.00	67,075.00	330,168.76	42,650.00	11,868.75	6,315.63	6,071.88
4/1/21		63,775.00	-	63,775.00	57,468.76	2,250.00	1,768.75	1,265.63	1,021.88
10/1/21	2.000	398,775.00	335,000.00	63,775.00	332,468.76	42,250.00	11,768.75	6,265.63	6,021.88
4/1/22		60,425.00	-	60,425.00	54,718.76	1,850.00	1,668.75	1,215.63	971.88
10/1/22	2.000	400,425.00	340,000.00	60,425.00	334,718.76	41,850.00	11,668.75	6,215.63	5,971.88
4/1/23		57,025.00	-	57,025.00	51,918.76	1,450.00	1,568.75	1,165.63	921.88
10/1/23	2.000	402,025.00	345,000.00	57,025.00	336,918.76	41,450.00	11,568.75	6,165.63	5,921.88
4/1/24		53,575.00	-	53,575.00	49,068.76	1,050.00	1,468.75	1,115.63	871.88
10/1/24	2.000	393,575.00	340,000.00	53,575.00	334,068.76	36,050.00	11,468.75	6,115.63	5,871.88
4/1/25		50,175.00	-	50,175.00	46,218.76	700.00	1,368.75	1,065.63	821.88
10/1/25	2.000	395,175.00	345,000.00	50,175.00	336,218.76	35,700.00	11,368.75	6,065.63	5,821.88
4/1/26		46,725.00	-	46,725.00	43,318.76	350.00	1,268.75	1,015.63	771.88
10/1/26	2.000	401,725.00	355,000.00	46,725.00	343,318.76	35,350.00	11,268.75	6,015.63	5,771.88
4/1/27		43,175.00	-	43,175.00	40,318.76	-	1,168.75	965.63	721.88
10/1/27	2.000	373,175.00	330,000.00	43,175.00	350,318.76	-	11,168.75	5,965.63	5,721.88

CITY OF CHIPPEWA FALLS, WISCONSIN
GENERAL OBLIGATION CORPORATE PURPOSE BONDS (CONTINUED)
 DATED JUNE 28, 2016
 OUTSTANDING DECEMBER 31, 2017

Date Due	Rate	Annual Requirements			Expected Funding Sources				
		Total	Principal	Interest	General City	Special Assessments	Water	Sewer	Storm
4/1/28		\$ 39,875.00	\$ -	\$ 39,875.00	\$ 37,218.76	\$ -	\$ 1,068.75	\$ 915.63	\$ 671.88
10/1/28	2.000	374,875.00	335,000.00	39,875.00	352,218.76	-	11,068.75	5,915.63	5,671.88
4/1/29		36,525.00	-	36,525.00	34,068.76	-	968.75	865.63	621.88
10/1/29	2.000	376,525.00	340,000.00	36,525.00	354,068.76	-	10,968.75	5,865.63	5,621.88
4/1/30		33,125.00	-	33,125.00	30,868.76	-	868.75	815.63	571.88
10/1/30	2.125	378,125.00	345,000.00	33,125.00	355,868.76	-	10,868.75	5,815.63	5,571.88
4/1/31		29,459.38	-	29,459.38	27,415.63	-	762.50	762.50	518.75
10/1/31	2.250	389,459.38	360,000.00	29,459.38	362,415.63	-	10,762.50	10,762.50	5,518.75
4/1/32		25,409.38	-	25,409.38	23,646.88	-	650.00	650.00	462.50
10/1/32	2.375	395,409.38	370,000.00	25,409.38	368,646.88	-	10,650.00	10,650.00	5,462.50
4/1/33		21,015.63	-	21,015.63	19,550.00	-	531.25	531.25	403.13
10/1/33	2.500	396,015.63	375,000.00	21,015.63	369,550.00	-	10,531.25	10,531.25	5,403.13
4/1/34		16,328.13	-	16,328.13	15,175.00	-	406.25	406.25	340.63
10/1/34	2.625	401,328.13	385,000.00	16,328.13	375,175.00	-	10,406.25	10,406.25	5,340.63
4/1/35		11,275.00	-	11,275.00	10,450.00	-	275.00	275.00	275.00
10/1/35	2.750	411,275.00	400,000.00	11,275.00	380,450.00	-	10,275.00	10,275.00	10,275.00
4/1/36	2.750	425,775.00	420,000.00	5,775.00	395,362.50	-	10,137.50	10,137.50	10,137.50
		<u>\$ 8,022,212.54</u>	<u>\$ 6,425,000.00</u>	<u>\$ 1,597,212.54</u>	<u>\$ 7,129,825.28</u>	<u>\$ 378,100.00</u>	<u>\$ 223,212.50</u>	<u>\$ 159,331.38</u>	<u>\$ 131,743.90</u>
				Principal	\$ 5,670,000.00	\$ 345,000.00	\$ 180,000.00	\$ 125,000.00	\$ 105,000.00
				Interest	1,459,825.28	33,100.00	43,212.50	34,331.38	26,743.90
				Total	<u>\$ 7,129,825.28</u>	<u>\$ 378,100.00</u>	<u>\$ 223,212.50</u>	<u>\$ 159,331.38</u>	<u>\$ 131,743.90</u>

(110)

SCHEDULE E-9

CITY OF CHIPPEWA FALLS, WISCONSIN
GENERAL OBLIGATION PROMISSORY NOTE
DATED JULY 19, 2016
OUTSTANDING DECEMBER 31, 2017

Date Due	Rate	Annual Requirements		
		Total	Principal	Interest
6/1/18	2.60	\$ 76,050.76	\$ 68,630.00	\$ 7,420.76
6/1/19	2.60	76,051.38	70,415.00	5,636.38
6/1/20	2.60	76,050.59	72,245.00	3,805.59
6/1/21	2.60	76,051.22	74,124.00	1,927.22
		<u>\$ 304,203.95</u>	<u>\$ 285,414.00</u>	<u>\$ 18,789.95</u>

SCHEDULE E-10

CITY OF CHIPPEWA FALLS, WISCONSIN
STATE TRUST FUND LOAN
DATED DECEMBER 6, 2016
OUTSTANDING DECEMBER 31, 2017

Date Due	Rate	Annual Requirements		
		Total	Principal	Interest
3/15/18	4.50	\$ 336,534.74	\$ 142,036.11	\$ 194,498.63
3/15/19	4.50	336,534.74	189,926.36	146,608.38
3/15/20	4.50	336,534.74	198,094.80	138,439.94
3/15/21	4.50	336,534.74	207,387.32	129,147.42
3/15/22	4.50	336,534.74	216,719.75	119,814.99
3/15/23	4.50	336,534.74	226,472.14	110,062.60
3/15/24	4.50	336,534.74	236,389.76	100,144.98
3/15/25	4.50	336,534.74	247,300.92	89,233.82
3/15/26	4.50	336,534.74	258,429.46	78,105.28
3/15/27	4.50	336,534.74	270,058.79	66,475.95
3/15/28	4.50	336,534.74	282,062.60	54,472.14
3/15/29	4.50	336,534.74	294,904.25	41,630.49
3/15/30	4.50	336,534.74	308,174.94	28,359.80
3/15/31	4.50	336,534.73	322,042.80	14,491.93
		<u>\$ 4,711,486.35</u>	<u>\$ 3,400,000.00</u>	<u>\$ 1,311,486.35</u>

**CITY OF CHIPPEWA FALLS, WISCONSIN
GENERAL OBLIGATION CORPORATE PURPOSE BONDS
DATED MAY 9, 2017
OUTSTANDING DECEMBER 31, 2017**

Date Due	Rate	Annual Requirements			Expected Funding Sources			
		Total	Principal	Interest	Total	General City	Wastewater	Water
4/1/18		\$ 97,773.96	\$ -	\$ 97,773.96	\$ 97,773.96	\$ 63,963.97	\$ 12,343.33	\$ 11,538.33
10/1/18	3.00	154,656.25	100,000.00	54,656.25	154,656.25	90,756.25	21,900.00	16,450.00
4/1/19		53,156.25	-	53,156.25	53,156.25	34,931.25	6,675.00	6,300.00
10/1/19	3.00	258,156.25	205,000.00	53,156.25	258,156.25	179,931.25	26,675.00	26,300.00
4/1/20		50,081.25	-	50,081.25	50,081.25	32,756.25	6,375.00	6,000.00
10/1/20	3.00	260,081.25	210,000.00	50,081.25	260,081.25	182,756.25	26,375.00	26,000.00
4/1/21		46,931.25	-	46,931.25	46,931.25	30,506.25	6,075.00	5,700.00
10/1/21	3.00	266,931.25	220,000.00	46,931.25	266,931.25	185,506.25	26,075.00	25,700.00
4/1/22		43,631.25	-	43,631.25	43,631.25	28,181.25	5,775.00	5,400.00
10/1/22	3.00	323,631.25	280,000.00	43,631.25	323,631.25	173,181.25	25,775.00	95,400.00
4/1/23		39,431.25	-	39,431.25	39,431.25	26,006.25	5,475.00	4,050.00
10/1/23	3.00	254,431.25	215,000.00	39,431.25	254,431.25	106,006.25	25,475.00	94,050.00
4/1/24		36,206.25	-	36,206.25	36,206.25	24,806.25	5,175.00	2,700.00
10/1/24	3.00	336,206.25	300,000.00	36,206.25	336,206.25	189,806.25	25,175.00	92,700.00
4/1/25		31,706.25	-	31,706.25	31,706.25	22,331.25	4,875.00	1,350.00
10/1/25	3.00	236,706.25	205,000.00	31,706.25	236,706.25	92,331.25	24,875.00	91,350.00
4/1/26		28,631.25	-	28,631.25	28,631.25	21,281.25	4,575.00	-
10/1/26	3.00	143,631.25	115,000.00	28,631.25	143,631.25	91,281.25	24,575.00	-
4/1/27		26,906.25	-	26,906.25	26,906.25	20,231.25	4,275.00	-
10/1/27	3.00	156,906.25	130,000.00	26,906.25	156,906.25	105,231.25	24,275.00	-

**CITY OF CHIPPEWA FALLS, WISCONSIN
GENERAL OBLIGATION CORPORATE PURPOSE BONDS (CONTINUED)
DATED MAY 9, 2017
OUTSTANDING DECEMBER 31, 2017**

Date Due	Rate	Annual Requirements		Interest	Total	Expected Funding Sources			
		Total	Principal			General City	Wastewater	Water	Storm
4/1/28		\$ 24,956.25	\$ -	\$ 24,956.25	\$ 24,956.25	\$ 18,956.25	\$ 3,975.00	\$ -	\$ 2,025.00
10/1/28	3.00	159,956.25	135,000.00	24,956.25	159,956.25	103,956.25	28,975.00	-	27,025.00
4/1/29		22,931.25	-	22,931.25	22,931.25	17,681.25	3,600.00	-	1,650.00
10/1/29	3.00	142,931.25	120,000.00	22,931.25	142,931.25	87,681.25	28,600.00	-	26,650.00
4/1/30		21,131.25	-	21,131.25	21,131.25	16,631.25	3,225.00	-	1,275.00
10/1/30	3.00	261,131.25	240,000.00	21,131.25	261,131.25	116,631.25	113,225.00	-	31,275.00
4/1/31		17,531.25	-	17,531.25	17,531.25	15,131.25	1,575.00	-	825.00
10/1/31	3.00	362,531.25	345,000.00	17,531.25	362,531.25	225,131.25	106,575.00	-	30,825.00
4/1/32		12,356.25	-	12,356.25	12,356.25	11,981.25	-	-	375.00
10/1/32	3.00	152,356.25	140,000.00	12,356.25	152,356.25	126,981.25	-	-	25,375.00
4/1/33		10,256.25	-	10,256.25	10,256.25	10,256.25	-	-	-
10/1/33	3.00	125,256.25	115,000.00	10,256.25	125,256.25	125,256.25	-	-	-
4/1/34		8,531.25	-	8,531.25	8,531.25	8,531.25	-	-	-
10/1/34	3.25	128,531.25	120,000.00	8,531.25	128,531.25	128,531.25	-	-	-
4/1/35		6,581.25	-	6,581.25	6,581.25	6,581.25	-	-	-
10/1/35	3.25	131,581.25	125,000.00	6,581.25	131,581.25	131,581.25	-	-	-
4/1/36		4,550.00	-	4,550.00	4,550.00	4,550.00	-	-	-
10/1/36	3.50	129,550.00	125,000.00	4,550.00	129,550.00	129,550.00	-	-	-
4/1/37	3.50	137,362.50	135,000.00	2,362.50	137,362.50	137,362.50	-	-	-
		<u>\$ 4,705,805.21</u>	<u>\$ 3,580,000.00</u>	<u>\$ 1,125,805.21</u>	<u>\$ 4,705,805.21</u>	<u>\$ 3,124,745.22</u>	<u>\$ 602,543.33</u>	<u>\$ 510,988.33</u>	<u>\$ 467,528.33</u>
				Principal	\$ 3,580,000.00	\$ 2,320,000.00	\$ 460,000.00	\$ 430,000.00	\$ 370,000.00
				Interest	1,125,805.21	804,745.22	142,543.33	80,988.33	97,528.33
				Total	<u>\$ 4,705,805.21</u>	<u>\$ 3,124,745.22</u>	<u>\$ 602,543.33</u>	<u>\$ 510,988.33</u>	<u>\$ 467,528.33</u>

(114)

SCHEDULE E-12

CITY OF CHIPPEWA FALLS, WISCONSIN
GENERAL OBLIGATION PROMISSORY NOTE
DATED JUNE 1, 2017
OUTSTANDING DECEMBER 31, 2017

Date Due	Rate	Total	Principal	Interest
6/1/18	3.00	\$ 77,188.34	\$ 66,583.34	\$ 10,605.00
6/1/19	3.00	77,188.34	68,580.84	8,607.50
6/1/20	3.00	77,188.34	70,638.27	6,550.07
6/1/21	3.00	77,188.34	72,757.41	4,430.93
6/1/22	3.00	77,188.34	74,940.14	2,248.20
		<u>\$ 385,941.70</u>	<u>\$ 353,500.00</u>	<u>\$ 32,441.70</u>

Interest at 2.97%

SCHEDULE E-13

CITY OF CHIPPEWA FALLS, WISCONSIN
WATER SYSTEM REVENUE BONDS – SAFE DRINKING
WATER LOAN PROGRAM DATED FEBRUARY 15, 2001
OUTSTANDING DECEMBER 31, 2017

Payment Date	Total	Principal	Interest
5/1/18	\$ 144,983.44	\$ 138,622.57	\$ 6,360.87
11/1/18	4,302.32	-	4,302.32
5/1/19	147,041.99	142,739.66	4,302.33
11/1/19	2,182.64	-	2,182.64
5/1/20	149,161.67	146,979.03	2,182.64
	<u>\$ 447,672.06</u>	<u>\$ 428,341.26</u>	<u>\$ 19,330.80</u>

SCHEDULE E-14

CITY OF CHIPPEWA FALLS, WISCONSIN
WATER SYSTEM REVENUE BONDS -- SAFE DRINKING
WATER LOAN PROGRAM DATED JANUARY 13, 2010
OUTSTANDING DECEMBER 31, 2017

Payment Date	Total	Principal	Interest
5/1/18	\$ 83,451.74	\$ 70,376.49	\$ 13,075.25
11/1/18	12,136.43	-	12,136.43
5/1/19	84,390.58	72,254.14	12,136.44
11/1/19	11,172.56	-	11,172.56
5/1/20	85,354.45	74,181.88	11,172.57
11/1/20	10,182.98	-	10,182.98
5/1/21	86,344.03	76,161.05	10,182.98
11/1/21	9,166.99	-	9,166.99
5/1/22	87,360.01	78,193.02	9,166.99
11/1/22	8,123.90	-	8,123.90
5/1/23	88,403.10	80,279.22	8,123.88
11/1/23	7,052.97	-	7,052.97
5/1/24	89,474.03	82,421.06	7,052.97
11/1/24	5,953.47	-	5,953.47
5/1/25	90,573.54	84,620.06	5,953.48
11/1/25	4,824.64	-	4,824.64
5/1/26	91,702.36	86,877.72	4,824.64
11/1/26	3,665.69	-	3,665.69
5/1/27	92,861.32	89,195.62	3,665.70
11/1/27	2,475.82	-	2,475.82
5/1/28	94,051.19	91,575.36	2,475.83
11/1/28	1,254.21	-	1,254.21
5/1/29	95,272.80	94,018.59	1,254.21
	<u>\$ 1,145,248.81</u>	<u>\$ 980,154.21</u>	<u>\$ 165,094.60</u>

Interest at 2.668%

SCHEDULE E-15

CITY OF CHIPPEWA FALLS, WISCONSIN
SEWERAGE SYSTEM REVENUE BONDS -- CLEAN WATER FUND
DATED APRIL 27, 2011
OUTSTANDING DECEMBER 31, 2017

Payment Date	Total	Principal	Interest
5/1/18	\$ 180,192.92	\$ 152,632.81	\$ 27,560.11
11/1/18	25,728.51	-	25,728.51
5/1/19	182,024.51	156,296.00	25,728.51
11/1/19	23,852.96	-	23,852.96
5/1/20	183,900.06	160,047.10	23,852.96
11/1/20	21,932.39	-	21,932.39
5/1/21	185,820.63	163,888.24	21,932.39
11/1/21	19,965.73	-	19,965.73
5/1/22	187,787.29	167,821.55	19,965.74
11/1/22	17,951.87	-	17,951.87
5/1/23	189,801.15	171,849.27	17,951.88
11/1/23	15,889.68	-	15,889.68
5/1/24	191,863.34	175,973.65	15,889.69
11/1/24	13,778.00	-	13,778.00
5/1/25	193,975.02	180,197.02	13,778.00
11/1/25	11,615.64	-	11,615.64
5/1/26	196,137.38	184,521.75	11,615.63
11/1/26	9,401.37	-	9,401.37
5/1/27	198,351.65	188,950.27	9,401.38
11/1/27	7,133.97	-	7,133.97
5/1/28	200,619.05	193,485.08	7,133.97
11/1/28	4,812.15	-	4,812.15
5/1/29	202,940.87	198,128.72	4,812.15
11/1/29	2,434.61	-	2,434.61
5/1/30	205,318.41	202,883.81	2,434.60
	<u>\$ 2,673,229.16</u>	<u>\$ 2,296,675.27</u>	<u>\$ 376,553.89</u>

Interest at 2.400%

SCHEDULE E-16

CITY OF CHIPPEWA FALLS, WISCONSIN
SEWERAGE SYSTEM REVENUE BONDS – CLEAN WATER FUND
DATED DECEMBER 23, 2015
OUTSTANDING DECEMBER 31, 2017

Date Due	Annual Requirements			Interest
	Total	Principal		
5/1/18	\$ 119,871.92	\$ 100,489.69	\$	19,382.23
11/1/18	18,463.25	-		18,463.25
5/1/19	120,790.91	102,327.66		18,463.25
11/1/19	17,527.46	-		17,527.46
5/1/20	121,726.70	104,199.23		17,527.47
11/1/20	16,574.56	-		16,574.56
5/1/21	122,679.59	106,105.03		16,574.56
11/1/21	15,604.23	-		15,604.23
5/1/22	123,649.92	108,045.69		15,604.23
11/1/22	14,616.15	-		14,616.15
5/1/23	124,638.01	110,021.85		14,616.16
11/1/23	13,610.01	-		13,610.01
5/1/24	125,644.16	112,034.15		13,610.01
11/1/24	12,585.45	-		12,585.45
5/1/25	126,668.70	114,083.25		12,585.45
11/1/25	11,542.16	-		11,542.16
5/1/26	127,711.99	116,169.83		11,542.16
11/1/26	10,479.79	-		10,479.79
5/1/27	128,774.37	118,294.59		10,479.78
11/1/27	9,397.98	-		9,397.98
5/1/28	129,856.17	120,458.19		9,397.98
11/1/28	8,296.39	-		8,296.39
5/1/29	130,957.76	122,661.37		8,296.39
11/1/29	7,174.65	-		7,174.65
5/1/30	132,079.51	124,904.85		7,174.66
11/1/30	6,032.40	-		6,032.40
5/1/31	133,221.76	127,189.36		6,032.40
11/1/31	4,869.26	-		4,869.26
5/1/32	134,384.88	129,515.64		4,869.24
11/1/32	3,684.84	-		3,684.84
5/1/33	135,569.31	131,884.49		3,684.82
11/1/33	2,478.75	-		2,478.75
5/1/34	136,775.40	134,296.65		2,478.75
11/1/34	1,250.60	-		1,250.60
5/1/35	138,003.55	136,752.94		1,250.61
	<u>\$ 2,487,192.54</u>	<u>\$ 2,119,434.46</u>		<u>\$ 367,758.08</u>

Interest at 1.829%

STATISTICAL INFORMATION
(UNAUDITED)

CITY OF CHIPPEWA FALLS, WISCONSIN
WATER UTILITY ENTERPRISE FUND
RATE OF RETURN
YEAR ENDED DECEMBER 31, 2017
(WITH COMPARATIVE AMOUNTS AS OF DECEMBER 31, 2016)

RATE BASE (AVERAGE BALANCES):		
Utility Plant	2017	2016
Less: Accumulated Depreciation	\$ 15,928,811	\$ 15,567,835
	6,469,224	6,123,752
Net Utility Plant in Service	9,459,587	9,444,083
Add: Materials and Supplies	81,497	77,875
Less: Regulatory Liability	312,767	360,885
RATE BASE	<u>\$ 9,228,317</u>	<u>\$ 9,161,073</u>
OPERATING INCOME (Regulatory Basis)	<u>\$ 378,760</u>	<u>\$ 465,206</u>
RATE OF RETURN	<u>4.10%</u>	<u>5.08%</u>

CITY OF CHIPPEWA FALLS, WISCONSIN
MILL RATE AND BUDGET HISTORY
DECEMBER 31, 2017

City Budget and Tax Levies for the Past Ten Years:

Year of Levy/Budget	Levy Rate per \$1,000 of Assessed Value	Levy Rate per \$1,000 of Equalized Value	General Fund Budgeted Expenditures
2008/09	8.169	7.370	\$ 11,952,067
2009/10	8.656	8.356	12,048,381
2010/11	8.537	8.230	12,067,304
2011/12	8.554	8.176	11,947,964
2012/13	8.551	8.588	11,739,597
2013/14	8.597	8.672	11,979,623
2014/15	8.591	8.589	11,910,625
2015/16	8.997	8.742	12,028,770
2016/17	9.036	8.471	12,194,590
2017/18	9.180	8.374	12,278,524

Mill Rates per \$1,000 of Assessed Value for the Past Five Years:

Year of Levy:	2013	2014	2015	2016	2017
State	\$ 0.168	\$ 0.170	\$ 0.175	\$ 0.181	\$ -
County	3.593	3.631	3.654	3.726	3.840
City	8.597	8.591	8.997	9.036	9.180
School District	9.389	9.245	9.327	9.189	8.998
Technical College	1.721	0.898	0.912	0.936	0.946
Gross Tax Rate	23.468	22.535	23.065	23.068	22.964
School Tax Credit	(1.293)	(1.302)	(1.475)	(1.459)	(1.578)
Net Tax Rate	\$ 22.175	\$ 21.233	\$ 21.590	\$ 21.609	\$ 21.386

TABLE 2

CITY OF CHIPPEWA FALLS, WISCONSIN
ASSESSED VALUES AND EQUALIZED VALUES
DECEMBER 31, 2017
(UNAUDITED)

Total Assessed and Equalized Values for the Past Ten Years:

	Assessed Value	% Change	Equalized Value	% Change	Ratio of Assessed to Equalized Value
2008	\$ 700,407,530	0.82%	\$ 776,745,300	1.31%	90.17%
2009	718,572,790	2.59%	744,396,500	-4.16%	96.53%
2010	724,117,630	0.77%	751,189,400	0.91%	96.40%
2011	739,655,860	2.15%	773,817,100	3.01%	95.59%
2012	798,205,330	7.92%	794,847,900	2.72%	100.42%
2013	806,084,410	0.99%	799,102,400	0.54%	100.87%
2014	817,505,620	1.42%	817,664,900	2.32%	99.98%
2015	816,085,660	-0.17%	839,938,100	2.72%	97.16%
2016	813,267,140	-0.35%	867,418,800	3.27%	93.76%
2017	821,204,500	0.98%	900,213,300	3.78%	91.22%

Equalized Value by Class of Property for 2017:

	Assessed Value	Percent to Total	Equalized Value	Percent to Total	Ratio of Assessed to Equalized Value
Real Estate:					
Residential	\$ 448,086,400	54.56%	\$ 513,271,700	57.02%	87.30%
Commercial	239,008,800	29.10%	241,152,800	26.79%	99.11%
Manufacturing	95,262,600	11.60%	104,264,900	11.58%	91.37%
Agricultural	53,700	0.01%	49,400	0.01%	108.70%
Forest	188,800	0.02%	356,400	0.04%	52.97%
Other	39,300	0.00%	41,600	0.00%	100.00%
Total Real Estate	782,639,600	95.30%	859,136,800	95.44%	91.10%
Total Personal Property	38,564,900	4.70%	41,076,500	4.56%	93.89%
Total	\$ 821,204,500	100.00%	\$ 900,213,300	100.00%	91.22%

Percentage Mix of Equalized Value by Class of Property for the Past Five Years:

	2013	2014	2015	2016	2017
Real Estate:					
Residential	53.67%	54.84%	56.02%	56.27%	57.02%
Commercial	26.31%	25.57%	24.78%	26.44%	26.79%
Manufacturing	13.14%	13.92%	13.74%	11.96%	11.58%
Agricultural	0.01%	0.01%	0.01%	0.01%	0.01%
Forest	0.06%	0.05%	0.04%	0.04%	0.04%
Other	0.01%	0.01%	0.00%	0.08%	0.00%
Personal Property	6.79%	5.60%	5.41%	5.20%	4.56%
	100.00%	100.00%	100.00%	100.00%	100.00%

TABLE 3
CITY OF CHIPPEWA FALLS, WISCONSIN
TEN LARGEST TAXPAYERS
DECEMBER 31, 2017
(UNAUDITED)

Name	Product/Business	Assessed Valuation 1/1/17	Net Taxes 2017 Tax Roll
EOG Resources Inc	Sand Processing Plant	\$ 46,388,800	\$ 992,049
Chippewa Falls Warehouse, Inc.	Trucking Transfer Facility	16,066,300	343,382
Mason Shoe Mfg.	Footwear	11,918,200	254,333
Premium Waters Inc	Bottled Water Company	9,319,900	199,210
Spectrum Industries Inc	Office Furniture	7,030,800	150,142
Silicon Graphics Inc.	Super Computers	6,432,900	137,411
Southview Lake Hallie	Real Estate	6,041,300	123,565
Willow Creek Townhomes LLC	Real Estate Properties	5,869,200	124,685
Abode Rentals of Chippewa Falls LLC	Real Estate	5,811,000	122,994
Johnson Matthey (TTM Advanced Circuits)	Circuit Boards Manufacturing	5,589,100	119,476

* Based on Net Rate of .021386739

NOTE: This includes all real estate and personal property.

TABLE 4

**CITY OF CHIPPEWA FALLS, WISCONSIN
OTHER STATISTICAL INFORMATION (CONTINUED)
DECEMBER 31, 2017
(UNAUDITED)**

Fire Protection:		
Number of stations	2	
Number of full-time employees	27	
Firefighting units	6	
Ambulance units	4	
Police Protection:		
Number of stations	1	
Number of employees	27	
Number of police vehicle units	12	
Parks and Recreation:		
Number of outdoor skating facilities	1	
Number of parks (including neighborhood facilities)	22	
Total parks area	459.2 acres	
Education:		
Number of elementary schools	8	
Number of middle schools	2	
Number of high schools	2	
Area of district	186 square miles	
Municipal Water and Sewer:		
Sewer system:		
Sewer customers	5,709	
Water system:		
Number of meters in service as of December 31, 2017	5,860	
Number of meters (net) added during 2017	87	
Average daily consumption - in gallons:		
Measured	2,032,584	
Pumped	2,476,726	
Maximum daily capacity - water production - in gallons	8,490,000	
Watermain Footage	495,272	
Fire hydrants	856	
Maximum gallons pumped in any one day - July 20, 2017	4,456,000	
Minimum gallons pumped in any one day - November 22, 2017	984,000	
Storage capacity - in gallons	2,750,000	
Paved, graded and graveled streets	98.68	

Elections:		
Number of wards	Number of votes cast in last municipal election - April 4, 2017	7
Total number of registered voters		967
Percentage of registered voters voting in last election		9,804
		9.86%
Library:		
Circulation in 2017		266,679
Interlibrary Loan (MORE)		84,884
Number of volumes as of December 31, 2017		319,310
Number of employees		13 FTE

TABLE 4

**CITY OF CHIPPEWA FALLS, WISCONSIN
OTHER STATISTICAL INFORMATION
DECEMBER 31, 2017
(UNAUDITED)**

Date of Incorporation	1869	
	Charter Ordinance	
Form of Government	Seven Member Council - Mayor	
Area:	1920-1970	8 square miles
	1980	9,696 square miles
	1990	10,409 square miles
	2000	11.43 square miles
	2010	11.82 square miles
	2011	11.87 square miles
	2012	11.85 square miles
	2013	11.85 square miles
	2014	11.85 square miles
	2015	11.85 square miles
	2016	11.85 square miles
	2017	11.85 square miles
Population:	1890	8,670
	1900	8,094
	1910	8,893
	1920	9,130
	1930	9,539
	1940	10,368
	1950	11,068
	1960	11,728
	1970	12,351
	1980	12,270
	1990	12,925
	2000	13,515
	2010	13,688
	2011	13,704
	2012	13,635
	2013	13,673
	2014	13,830
	2015	13,965
	2016	14,002
	2017	

Building Permits and Construction:	Total Permits		New 1 & 2 Family Homes	
	Year	Number	Value	Value
	2008	291	\$ 11,666,646	1,491,000
	2009	276	15,180,763	915,000
	2010	367	13,041,269	1,094,535
	2011	320	21,424,010	377,000
	2012	302	14,184,772	1,035,026
	2013	304	20,510,983	2,790,000
	2014	314	33,256,767	2,037,000
	2015	344	16,763,876	3,454,772
	2016	324	33,800,001	2,697,515
	2017	289	64,211,459	5,124,176

APPENDIX B

FORM OF LEGAL OPINION

(See following pages)

Quarles & Brady LLP
411 East Wisconsin Avenue
Milwaukee, WI 53202

June 12, 2019

Re: City of Chippewa Falls, Wisconsin ("Issuer")
\$2,395,000* General Obligation Corporate Purpose Bonds, Series 2019A,
dated June 12, 2019 ("Bonds")

We have acted as bond counsel to the Issuer in connection with the issuance of the Bonds. In such capacity, we have examined such law and such certified proceedings, certifications, and other documents as we have deemed necessary to render this opinion.

Regarding questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

The Bonds are numbered from R-1 and upward; bear interest at the rates set forth below; and mature on the dates and in the principal amounts as follows:

<u>Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
12/1/2020	\$ 25,000	____%
12/1/2021	35,000	____
12/1/2022	35,000	____
12/1/2023	40,000	____
12/1/2024	40,000	____
12/1/2025	120,000	____
12/1/2026	125,000	____
12/1/2027	125,000	____
12/1/2028	130,000	____
12/1/2029	135,000	____
12/1/2030	135,000	____
12/1/2031	145,000	____
12/1/2032	150,000	____
12/1/2033	150,000	____
12/1/2034	155,000	____
12/1/2035	160,000	____
12/1/2036	160,000	____
12/1/2037	170,000	____
12/1/2038	175,000	____
6/1/2039	185,000	____

Interest is payable semi-annually on June 1 and December 1 of each year commencing on June 1, 2020.

The Bonds maturing on December 1, 2029 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on December 1, 2028 or on any date thereafter. Said Bonds are redeemable as a whole or in part, and if in part, from maturities selected by the Issuer, and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

【The Bonds maturing in the years _____ are subject to mandatory redemption by lot as provided in the resolution awarding the Bonds, at the redemption price of par plus accrued interest to the date of redemption and without premium.】

We further certify that we have examined a sample of the Bonds and find the same to be in proper form.

Based upon and subject to the foregoing, it is our opinion under existing law that:

1. The Bonds have been duly authorized and executed by the Issuer and are valid and binding general obligations of the Issuer.

2. All the taxable property in the territory of the Issuer is subject to the levy of ad valorem taxes to pay principal of, and interest on, the Bonds, without limitation as to rate or amount. The Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Bonds except to the extent that necessary funds have been irrevocably deposited into the debt service fund account established for the payment of the principal of and interest on the Bonds.

3. The interest on the Bonds is excludable for federal income tax purposes from the gross income of the owners of the Bonds. The interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed by Section 55 of the Internal Revenue Code of 1986, as amended (the "Code") on individuals. The Code contains requirements that must be satisfied subsequent to the issuance of the Bonds in order for interest on the Bonds to be or continue to be excludable from gross income for federal income tax purposes. Failure to comply with certain of those requirements could cause the interest on the Bonds to be included in gross income retroactively to the date of issuance of the Bonds. The Issuer has agreed to comply with all of those requirements. The opinion set forth in the first sentence of this paragraph is subject to the condition that the Issuer comply with those requirements. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

We express no opinion regarding the accuracy, adequacy, or completeness of the Official Statement or any other offering material relating to the Bonds. Further, we express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

The rights of the owners of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights and may be subject to the exercise of judicial discretion in accordance with general principles of equity, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

QUARLES & BRADY LLP

BOOK-ENTRY-ONLY SYSTEM

1. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]
2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.
3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.
4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]
6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.
7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).
8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.
9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.
10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the City or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.
11. The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.
12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

(See following pages)

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the City of Chippewa Falls, Chippewa County, Wisconsin (the "Issuer") in connection with the issuance of \$2,395,000* General Obligation Corporate Purpose Bonds, Series 2019A, dated June 12, 2019 (the "Securities"). The Securities are being issued pursuant to resolutions adopted on April 16, 2019 and May 21, 2019 (collectively, the "Resolution") and delivered to _____ (the "Purchaser") on the date hereof. Pursuant to the Resolution, the Issuer has covenanted and agreed to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events. In addition, the Issuer hereby specifically covenants and agrees as follows:

Section 1(a). Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the holders of the Securities in order to assist the Participating Underwriters within the meaning of the Rule (defined herein) in complying with SEC Rule 15c2-12(b)(5). References in this Disclosure Certificate to holders of the Securities shall include the beneficial owners of the Securities. This Disclosure Certificate constitutes the written Undertaking required by the Rule.

Section 1(b). Filing Requirements. Any filing under this Disclosure Certificate must be made solely by transmitting such filing to the MSRB (defined herein) through the Electronic Municipal Market Access ("EMMA") System at www.emma.msrb.org in the format prescribed by the MSRB. All documents provided to the MSRB shall be accompanied by the identifying information prescribed by the MSRB.

Section 2. Definitions. In addition to the defined terms set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" means any annual report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Audited Financial Statements" means the Issuer's annual financial statements, which are currently prepared in accordance with generally accepted accounting principles (GAAP) for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and which the Issuer intends to continue to prepare in substantially the same form.

"Final Official Statement" means the Final Official Statement dated May 22, 2019 delivered in connection with the Securities, which is available from the MSRB.

"Financial Obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Fiscal Year" means the fiscal year of the Issuer.

"Governing Body" means the Common Council of the Issuer or such other body as may hereafter be the chief legislative body of the Issuer.

"Issuer" means the City of Chippewa Falls, Chippewa County, Wisconsin, which is the obligated person with respect to the Securities.

"Issuer Contact" means the Finance Manager/Treasurer of the Issuer who can be contacted at 30 West Central Street, Chippewa Falls, Wisconsin 54729, phone (715) 726-2718, fax (715) 726-2759.

"Listed Event" means any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" means the Municipal Securities Rulemaking Board.

"Participating Underwriter" means any of the original underwriter(s) of the Securities (including the Purchaser) required to comply with the Rule in connection with the offering of the Securities.

"Rule" means SEC Rule 15c2-12(b)(5) promulgated by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time, and official interpretations thereof.

"SEC" means the Securities and Exchange Commission.

Section 3. Provision of Annual Report and Audited Financial Statements.

(a) The Issuer shall, not later than 365 days after the end of the Fiscal Year, commencing with the year ended December 31, 2018, provide the MSRB with an Annual Report filed in accordance with Section 1(b) of this Disclosure Certificate and which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the Audited Financial Statements of the Issuer may be submitted separately from the balance of the Annual Report and that, if Audited Financial Statements are not available within 365 days after the end of the Fiscal Year, unaudited financial information will be provided, and Audited Financial Statements will be submitted to the MSRB when and if available.

(b) If the Issuer is unable or fails to provide to the MSRB an Annual Report by the date required in subsection (a), the Issuer shall send in a timely manner a notice of that fact to the MSRB in the format prescribed by the MSRB, as described in Section 1(b) of this Disclosure Certificate.

Section 4. Content of Annual Report. The Issuer's Annual Report shall contain or incorporate by reference the Audited Financial Statements and updates of the following sections

of the Final Official Statement to the extent such financial information and operating data are not included in the Audited Financial Statements:

1. DEBT - Direct Debt
2. DEBT - Debt Limit
3. VALUATIONS - Current Property Valuations
4. TAX LEVIES AND COLLECTIONS - Tax Levies and Collections

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which are available to the public on the MSRB's Internet website or filed with the SEC. The Issuer shall clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Listed Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events with respect to the Securities:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities;
7. Modification to rights of holders of the Securities, if material;
8. Securities calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution or sale of property securing repayment of the Securities, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the Issuer;

13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect holders of the Securities, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

For the purposes of the event identified in subsection (a)12. above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

(b) When a Listed Event occurs, the Issuer shall, in a timely manner not in excess of ten business days after the occurrence of the Listed Event, file a notice of such occurrence with the MSRB. Notwithstanding the foregoing, notice of Listed Events described in subsections (a) (8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Securities pursuant to the Resolution.

(c) Unless otherwise required by law, the Issuer shall submit the information in the format prescribed by the MSRB, as described in Section 1(b) of this Disclosure Certificate.

Section 6. Termination of Reporting Obligation. The Issuer's obligations under the Resolution and this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all the Securities.

Section 7. Issuer Contact; Agent. Information may be obtained from the Issuer Contact. Additionally, the Issuer may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under the Resolution and this Disclosure Certificate, and may discharge any such agent, with or without appointing a successor dissemination agent.

Section 8. Amendment; Waiver. Notwithstanding any other provision of the Resolution or this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if the following conditions are met:

(a)(i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Issuer, or the type of business conducted; or

(ii) This Disclosure Certificate, as amended or waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver does not materially impair the interests of beneficial owners of the Securities, as determined and certified to the Issuer by an underwriter, financial advisor, bond counsel or trustee.

In the event this Disclosure Certificate is amended for any reason other than to cure any ambiguities, inconsistencies, or typographical errors that may be contained herein, the Issuer agrees the next Annual Report it submits after such amendment shall include an explanation of the reasons for the amendment and the impact of the change, if any, on the type of financial statements or operating data being provided.

If the amendment concerns the accounting principles to be followed in preparing financial statements, then the Issuer agrees that it will give an event notice and that the next Annual Report it submits after such amendment will include a comparison between financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. (a) Except as described in the Final Official Statement, in the previous five years, the Issuer has not failed to comply in all material respects with any previous undertakings under the Rule to provide annual reports or notices of events.

(b) In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any holder of the Securities may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under the Resolution and this Disclosure Certificate. A default under this

Disclosure Certificate shall not be deemed an event of default with respect to the Securities and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Participating Underwriters and holders from time to time of the Securities, and shall create no rights in any other person or entity.

IN WITNESS WHEREOF, we have executed this Certificate in our official capacities effective the 12th day of June, 2019.

(SEAL)

Gregory S. Hoffman
Mayor

Bridget Givens
City Clerk

APPENDIX E

NOTICE OF SALE

\$2,395,000* GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2019A CITY OF CHIPPEWA FALLS, WISCONSIN

Bids for the purchase of \$2,395,000* General Obligation Corporate Purpose Bonds, Series 2019A (the "Bonds") of the City of Chippewa Falls, Wisconsin (the "City") will be received at the offices of Ehlers and Associates, Inc. ("Ehlers"), 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, municipal advisors to the City, until 10:30 A.M., Central Time, and **ELECTRONIC PROPOSALS** will be received via **PARITY**, in the manner described below, until 10:30 A.M. Central Time, on May 21, 2019, at which time they will be opened, read and tabulated. The bids will be presented to the Common Council for consideration for award by resolution at a meeting to be held at 6:30 P.M., Central Time, on the same date. The bid offering to purchase the Bonds upon the terms specified herein and most favorable to the City will be accepted unless all bids are rejected.

PURPOSE

The Bonds are being issued by the City pursuant to Section 67.04, Wisconsin Statutes, for the public purposes of paying the cost of the street, sanitary sewer, water and storm sewer projects. The Bonds 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 of and interest on the Bonds as they become due which tax may, under current law, be levied without limitation as to rate or amount.

DATES AND MATURITIES

The Bonds will be dated June 12, 2019, will be issued as fully registered Bonds in the denomination of \$5,000 each, or any integral multiple thereof, and will mature as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
12/1/2020	\$25,000	12/1/2027	\$125,000	12/1/2034	\$155,000
12/1/2021	35,000	12/1/2028	130,000	12/1/2035	160,000
12/1/2022	35,000	12/1/2029	135,000	12/1/2036	160,000
12/1/2023	40,000	12/1/2030	135,000	12/1/2037	170,000
12/1/2024	40,000	12/1/2031	145,000	12/1/2038	175,000
12/1/2025	120,000	12/1/2032	150,000	06/1/2039	185,000
12/1/2026	125,000	12/1/2033	150,000		

ADJUSTMENT OPTION

* The City reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of \$5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

TERM BOND OPTION

Bids for the Bonds may contain a maturity schedule providing for any combination of serial bonds and term bonds, subject to mandatory redemption, so long as the amount of principal maturing or subject to mandatory redemption in each year conforms to the maturity schedule set forth above. All dates are inclusive.

INTEREST PAYMENT DATES AND RATES

Interest will be payable on June 1 and December 1 of each year, commencing June 1, 2020, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board. **The rate for any maturity may not be more than 2.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2020 maturity, then the lowest rate that may be proposed for any later maturity is 2.50%.)** All Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

BOOK-ENTRY-ONLY FORMAT

Unless otherwise specified by the purchaser, the Bonds will be designated in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds, and will be responsible for maintaining a book-entry system for recording the interests of its participants and the transfers of interests between its participants. The participants will be responsible for maintaining records regarding the beneficial interests of the individual purchasers of the Bonds. So long as Cede & Co. is the registered owner of the Bonds, all payments of principal and interest will be made to the depository which, in turn, will be obligated to remit such payments to its participants for subsequent disbursement to the beneficial owners of the Bonds.

PAYING AGENT

The City has selected Associated Trust Company, N.A., Green Bay, Wisconsin, to act as paying agent (the "Paying Agent"). The City will pay the charges for Paying Agent services. The City reserves the right to remove the Paying Agent and to appoint a successor.

OPTIONAL REDEMPTION

At the option of the City, the Bonds maturing on or after December 1, 2029 shall be subject to optional redemption prior to maturity on December 1, 2028 or any date thereafter, at a price of par plus accrued interest.

Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Bonds to be redeemed shall be at the discretion of the City. If only part of the Bonds having a common maturity date are called for redemption, then the City or Paying Agent, if any, will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

Notice of such call shall be given by sending a notice by registered or certified mail, facsimile or electronic transmission, overnight delivery service or in any other manner required by DTC, not less than 30 days nor more than 60 days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books.

DELIVERY

On or about June 12, 2019, the Bonds will be delivered without cost to the winning bidder at DTC. On the day of closing, the City will furnish to the winning bidder the opinion of bond counsel hereinafter described, an arbitrage certification, and certificates verifying that no litigation in any manner questioning the validity of the Bonds is then pending or, to the best knowledge of officers of the City, threatened. Payment for the Bonds must be received by the City at its designated depository on the date of closing in immediately available funds.

LEGAL MATTERS

An opinion as to the validity of the Bonds and the exemption from federal taxation of the interest thereon will be furnished by Quarles & Brady LLP, Bond Counsel to the City, and will be available at the time of delivery of the Bonds. The legal opinion will be issued on the basis of existing law and will state that the Bonds are valid and binding general obligations of the City; provided that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding). (See "FORM OF LEGAL OPINION" found in Appendix B of the Preliminary Official Statement.)

Quarles & Brady LLP has also been retained by the City to serve as Disclosure Counsel to the City with respect to the Bonds. Although, as Disclosure Counsel to the City, Quarles & Brady LLP has assisted the City with certain disclosure matters, Quarles & Brady LLP has not undertaken to independently verify the accuracy, completeness or sufficiency of this Official Statement or other offering material relating to the Bonds and assumes no responsibility whatsoever nor shall have any liability to any other party for the statements or information contained or incorporated by reference in this Official Statement. Further, Quarles & Brady LLP makes no representation as to the suitability of the Bonds for any investor.

SUBMISSION OF BIDS

Bids must not be for less than \$2,366,260.00 plus accrued interest on the principal sum of \$2,395,000.00 from date of original issue of the Bonds to date of delivery. Prior to the time established above for the opening of bids, interested parties may submit a bid as follows:

- 1) Electronically to bondsale@ehlers-inc.com; or
- 2) Electronically via **PARITY** in accordance with this Notice of Sale until 10:30 A.M. Central Time, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in **PARITY** conflict with this Notice of Sale, the terms of this Notice of Sale shall control. For further information about **PARITY**, potential bidders may contact Ehlers or i-Deal LLC at 1359 Broadway, 2nd Floor, New York, New York 10018, Telephone (212) 849-5021.

Bids must be submitted to Ehlers via one of the methods described above and must be received prior to the time established above for the opening of bids. Each bid must be unconditional except as to legality. Neither the City nor Ehlers shall be responsible for any failure to receive a facsimile submission.

A good faith deposit ("Deposit") in the amount of \$47,900 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of bids. The City reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the City may award the Bonds to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the City as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith.

The City and the winning bidder who chooses to so wire the Deposit hereby agree irrevocably that Ehlers shall be the escrow holder of the Deposit wired to such account subject only to these conditions and duties: 1) All income earned thereon shall be retained by the escrow holder as payment for its expenses; 2) If the bid is not accepted, Ehlers shall, at its expense, promptly return the Deposit amount to the winning bidder; 3) If the bid is accepted, the Deposit shall be returned to the winning bidder at the closing; 4) Ehlers shall bear all costs of maintaining the escrow account and returning the funds to the winning bidder; 5) Ehlers shall not be an insurer of the Deposit amount and shall have

no liability hereunder except if it willfully fails to perform or recklessly disregards, its duties specified herein; and 6) FDIC insurance on deposits within the escrow account shall be limited to \$250,000 per bidder.

No bid can be withdrawn after the time set for receiving bids unless the meeting of the City scheduled for award of the Bonds is adjourned, recessed, or continued to another date without award of the Bonds having been made.

AWARD

The Bonds will be awarded to the bidder offering the lowest interest rate to be determined on a True Interest Cost (TIC) basis. The City's computation of the interest rate of each bid, in accordance with customary practice, will be controlling. In the event of a tie, the sale of the Bonds will be awarded by lot. The City reserves the right to reject any and all bids and to waive any informality in any bid.

BOND INSURANCE

If the Bonds are qualified for any bond insurance policy, the purchase of such policy shall be at the sole option and expense of the winning bidder. Any cost for such insurance policy is to be paid by the winning bidder, except that, if the City requested and received a rating on the Bonds from a rating agency, the City will pay that rating fee. Any rating agency fees not requested by the City are the responsibility of the winning bidder.

Failure of the municipal bond insurer to issue the policy after the Bonds are awarded to the winning bidder shall not constitute cause for failure or refusal by the winning bidder to accept delivery of the Bonds.

CUSIP NUMBERS

The City will assume no obligation for the assignment or printing of CUSIP numbers on the Bonds or for the correctness of any numbers printed thereon, but will permit such numbers to be printed at the expense of the winning bidder, if the winning bidder waives any delay in delivery occasioned thereby.

QUALIFIED TAX-EXEMPT OBLIGATIONS

The City will designate the Bonds as qualified tax-exempt obligations for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

CONTINUING DISCLOSURE

In order to assist the Underwriters in complying with the provisions of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 the City will enter into an undertaking for the benefit of the holders of the Bonds. A description of the details and terms of the undertaking is set forth in Appendix D of the Preliminary Official Statement.

NEW ISSUE PRICING

The winning bidder will be required to provide, in a timely manner, certain information necessary to compute the yield on the Bonds pursuant to the provisions of the Internal Revenue Code of 1986, as amended, and to provide a certificate which will be provided by Bond Counsel upon request.

(a) The winning bidder shall assist the City in establishing the issue price of the Bonds and shall execute and deliver to the City at closing an "issue price" or similar certificate satisfactory to Bond Counsel setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications. All actions to be taken by the City under this Notice of Sale

to establish the issue price of the Bonds may be taken on behalf of the City by the City's municipal advisor identified herein and any notice or report to be provided to the City may be provided to the City's municipal advisor.

(b) The City intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the "competitive sale requirements") because:

- (1) The City shall disseminate this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential investors;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the City may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the City anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in this bid.

(c) If all of the requirements of a "competitive sale" are not satisfied, the City shall advise the winning bidder of such fact prior to the time of award of the sale of the Bonds to the bidder. In such event, any bid submitted will not be subject to cancellation or withdrawal and the City agrees to use the rule selected by the bidder on its bid form to determine the issue price for the Bonds. On its bid form, each bidder must select one of the following two rules for determining the issue price of the Bonds: (1) the first price at which 10% of a maturity of the Bonds (the "10% test") is sold to the public as the issue price of that maturity or (2) the initial offering price to the public as of the sale date as the issue price of each maturity of the Bonds (the "hold-the-offering-price rule").

(d) If all of the requirements of a "competitive sale" are not satisfied and the bidder selects the hold-the-offering-price rule, the winning bidder shall (i) confirm that the underwriters have offered or will offer the Bonds to the public on or before the date of award at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The winning bidder will advise the City promptly after the close of the fifth (5th) business day after the sale whether it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The City acknowledges that in making the representation set forth above, the winning bidder will rely on:

(i) the agreement of each underwriter to comply with requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-price rule, if applicable to the Bonds, as set forth in an agreement among underwriters and the related pricing wires,

(ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and

(iii) in the event that an underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The City further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price rule of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule as applicable to the Bonds.

(e) If all of the requirements of a "competitive sale" are not satisfied and the bidder selects the 10% test, the bidder agrees to promptly report to the City, Bond Counsel and Ehlers the prices at which the Bonds have been sold to the public. That reporting obligation shall continue, whether or not the closing date has occurred, until either (i) all Bonds of that maturity have been sold or (ii) the 10% test has been satisfied as to each maturity of the Bonds, provided that, the winning bidder's reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the City or bond counsel.

(f) By submitting a bid, each bidder confirms that:

(i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is party to such third-party distribution agreement, as applicable, to:

(A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred until either all securities of that maturity allocated to it have been sold or it is notified by the winning bidder that either the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the City or bond counsel.

(B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and

(ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group and each broker dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to:

(A) to promptly notify the winning bidder of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and

(B) to acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the winning bidder shall assume that each order submitted by the underwriter, dealer or broker-dealer is a sale to the public.

(g) Sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each term being used as defined below) shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

- (i) "public" means any person other than an underwriter or a related party,
- (ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public),
- (iii) a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (iv) "sale date" means the date that the Bonds are awarded by the City to the winning bidder.

PRELIMINARY OFFICIAL STATEMENT

Bidders may obtain a copy of the Preliminary Official Statement relating to the Bonds prior to the bid opening by request from Ehlers at www.ehlers-inc.com by connecting to the Bond Sales link. The Syndicate Manager will be provided with an electronic copy of the Final Official Statement within seven business days of the bid acceptance. Up to 10 printed copies of the Final Official Statement will be provided upon request. Additional copies of the Final Official Statement will be available at a cost of \$10.00 per copy.

Information for bidders and bid forms may be obtained from Ehlers at 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, Telephone (651) 697-8500.

By Order of the Common Council

City of Chippewa Falls, Wisconsin

BID FORM

The Common Council
City of Chippewa Falls, Wisconsin

May 21, 2019

RE: \$2,395,000* General Obligation Corporate Purpose Bonds, Series 2019A (the "Bonds")
DATED: June 12, 2019

For all or none of the above Bonds, in accordance with the Notice of Sale and terms of the Global Book-Entry System (unless otherwise specified by the Purchaser) as stated in this Official Statement, we will pay you \$_____ (not less than \$2,366,260) plus accrued interest to date of delivery for fully registered Bonds bearing interest rates and maturing on the dates and in the stated years as follows:

_____ % due 12/1/2020	_____ % due 12/1/2027	_____ % due 12/1/2034
_____ % due 12/1/2021	_____ % due 12/1/2028	_____ % due 12/1/2035
_____ % due 12/1/2022	_____ % due 12/1/2029	_____ % due 12/1/2036
_____ % due 12/1/2023	_____ % due 12/1/2030	_____ % due 12/1/2037
_____ % due 12/1/2024	_____ % due 12/1/2031	_____ % due 12/1/2038
_____ % due 12/1/2025	_____ % due 12/1/2032	_____ % due 06/1/2039
_____ % due 12/1/2026	_____ % due 12/1/2033	

* The City reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of \$5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

The rate for any maturity may not be more than 2.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2020 maturity, then the lowest rate that may be proposed for any later maturity is 2.50%.) All Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

A good faith deposit ("Deposit") in the amount of \$47,900 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of bids. The City reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the City may award the Bonds to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the City as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith. We agree to the conditions and duties of Ehlers and Associates, Inc., as escrow holder of the Deposit, pursuant to the Notice of Sale. This bid is for prompt acceptance and is conditional upon delivery of said Bonds to The Depository Trust Company, New York, New York, in accordance with the Notice of Sale. Delivery is anticipated to be on or about June 12, 2019.

This bid is subject to the City's agreement to enter into a written undertaking to provide continuing disclosure under Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 as described in the Preliminary Official Statement for the Bonds.

We have received and reviewed the Official Statement, and any addendum thereto, and have submitted our requests for additional information or corrections to the Final Official Statement. As Syndicate Manager, we agree to provide the City with the reoffering prices of the Bonds within 24 hours of the bid acceptance.

This bid is a firm offer for the purchase of the Bonds identified in the Notice of Sale, on the terms set forth in this bid form and the Notice of Sale, and is not subject to any conditions, except as permitted by the Notice of Sale.

By submitting this bid, we confirm that we are an Underwriter and have an established industry reputation for underwriting new issuances of municipal bonds.
YES: ____ NO: ____.

If the competitive sale requirements are not met, we elect to use the (circle one): 10% test / hold-the-offering-price rule to determine the issue price of the Bonds.

Account Manager: _____ By: _____
Account Members: _____

Award will be on a true interest cost basis. According to our computations (the correct computation being controlling in the award), the total dollar interest cost (including any discount or less any premium) computed from June 12, 2019 of the above bid is \$_____ and the true interest cost (TIC) is _____%.

The foregoing offer is hereby accepted by and on behalf of the Common Council of the City of Chippewa Falls, Wisconsin, on May 21, 2019.

By: _____ By: _____
Title: _____ Title: _____