

This Preliminary Official Statement and the information contained herein are subject to completion and amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy these securities nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. This Preliminary Official Statement is in a form deemed final as of its date for purposes of SEC Rule 15c2-12(b) (1), but is subject to revision, amendment and completion in a Final Official Statement.

PRELIMINARY OFFICIAL STATEMENT DATED MAY 21, 2020

In the opinion of Quarles & Brady LLP, Bond Counsel, under existing law interest on the Bonds is included in gross income for federal income tax purposes. See "TAXABILITY OF INTEREST" herein. The interest on the Bonds is not exempt from present Wisconsin income or franchise taxes.

New Issue

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

CITY OF TOMAH, WISCONSIN (Monroe County)

\$1,500,000* TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2020B

BID OPENING: May 28, 2020, 10:00 A.M., C.T.

CONSIDERATION: Not later than 11:59 P.M., C.T. on May 28, 2020 (PARAMETERS RESOLUTION)

PURPOSE/AUTHORITY/SECURITY: The \$1,500,000* Taxable General Obligation Refunding Bonds, Series 2020B (the "Bonds") are authorized pursuant to Section 67.04, Wisconsin Statutes, by the City of Tomah, Wisconsin (the "City"), for the public purpose of current refunding certain outstanding general obligations of the City as more fully described herein. The Bonds are general obligations of the City for which its full faith, credit and taxing powers are pledged. Delivery is subject to receipt of an approving legal opinion of Quarles & Brady LLP, Milwaukee, Wisconsin.

DATE OF BONDS: June 11, 2020

MATURITY: March 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2021	\$85,000	2026	\$105,000	2031	\$120,000
2022	95,000	2027	105,000	2032	120,000
2023	95,000	2028	105,000	2033	125,000
2024	95,000	2029	110,000	2034	125,000
2025	100,000	2030	115,000		

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, up to a maximum of \$50,000 per maturity. 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: March 1, 2021 and semiannually thereafter.

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

MINIMUM BID: \$1,481,250.

GOOD FAITH DEPOSIT: A good faith deposit in the amount of \$30,000 shall be made by the winning bidder by wire transfer of funds.

PAYING AGENT: Bond Trust Services Corporation.

BOND 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).

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. Bond Counsel has not participated in the preparation of this Preliminary Official Statement and is not expressing any opinion as to the completeness or accuracy of the information contained therein. Compensation of Ehlers and Associates, Inc., payable entirely by the City, is contingent upon the delivery 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.

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CITY OF TOMAH COMMON COUNCIL

		<u>Term Expires</u>
Mike Murray	Mayor	April 2022
Jeff Cram	Aldersperson	April 2021
Donna Evans	Aldersperson	April 2021
Lamont Kiefer	Aldersperson	April 2022
Adam Gigous	Aldersperson	April 2021
Dean Peterson	Aldersperson	April 2022
Travis Scholze	Aldersperson	April 2021
Richard Yarrington	Aldersperson	April 2022
Shawn Zabinski	Aldersperson	April 2022

ADMINISTRATION

Vacant, City Administrator
Julia Mann, City Treasurer - CFO
JoAnn Cram, City Clerk

PROFESSIONAL SERVICES

Penny Precour, City Attorney, Tomah, Wisconsin

Quarles & Brady LLP, Bond Counsel, Milwaukee, Wisconsin

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

INTRODUCTORY STATEMENT

This Preliminary Official Statement contains certain information regarding the City of Tomah, Wisconsin (the "City") and the issuance of its \$1,500,000* Taxable General Obligation Refunding Bonds, Series 2020B (the "Bonds"). **The Common Council adopted a resolution on April 28, 2020, (the "Parameters Resolution") which authorized the Mayor or City Clerk to accept a bid for the Bonds if the parameters and conditions set forth in the Parameters Resolution are satisfied. If the parameters and conditions set forth in the Parameters Resolution are not met through the competitive bids received on May 28, 2020, neither the Mayor or City Clerk will have the authority to accept a bid for the Bonds, and all bids for the Bonds will be rejected.**

Inquiries may be directed to Ehlers and Associates, Inc. ("Ehlers" or the "Municipal Advisor"), Waukesha, Wisconsin, (262) 785-1520, 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 11, 2020. The Bonds will mature on March 1 in the years and amounts set forth on the cover of this Preliminary Official Statement. Interest will be payable on March 1 and September 1 of each year, commencing March 1, 2021, 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"). 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 Parameters Resolution.

The City has selected Bond Trust Services Corporation, Roseville, Minnesota, to act as paying agent (the "Paying Agent"). Bond Trust Services Corporation and Ehlers are affiliate companies. 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 March 1, 2029 shall be subject to optional redemption prior to maturity on March 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 authorized pursuant to Section 67.04, Wisconsin Statutes, for the purpose of current refunding of the City's State Trust Fund Loan, dated April 1, 2019 (the "April 2019 Loan") and State Trust Fund Loan, dated August 20, 2019 (the "August 2019 Loan") as follows:

Issue Being Refunded	Date of Refunded Issue	Call Date	Call Price	Maturities Being Refunded	Interest Rates	Principal to be Refunded
April 2019 Loan	04/01/19	07/01/20	Par	2021	4.75%	\$49,380
				2022	4.75%	51,726
				2023	4.75%	54,183
				2024	4.75%	56,653
				2025	4.75%	59,448
				2026	4.75%	62,272
				2027	4.75%	65,229
				2028	4.75%	68,256
				2029	4.75%	71,570
				2030	4.75%	74,970
				2031	4.75%	78,531
				2032	4.75%	82,227
				2033	4.75%	86,167
				2034	4.75%	90,260
Total April 2019 Loan Being Refunded						<u>\$950,871</u>

Issue Being Refunded	Date of Refunded Issue	Call Date	Call Price	Maturities Being Refunded	Interest Rates	Principal to be Refunded
August 2019 Loan	08/20/19	07/01/20	Par	2021	4.00%	\$25,546
				2022	4.00%	26,568
				2023	4.00%	27,630
				2024	4.00%	28,693
				2025	4.00%	29,883
				2026	4.00%	31,078
				2027	4.00%	32,322
				2028	4.00%	33,585
				2029	4.00%	34,958
				2030	4.00%	36,356
				2031	4.00%	37,810
				2032	4.00%	39,309
				2033	4.00%	40,895
				2034	4.00%	<u>42,531</u>
Total August 2019 Loan Being Refunded						<u>\$467,165</u>

ESTIMATED SOURCES AND USES*

Sources

Par Amount of Bonds	\$1,500,000	
Estimated Interest Earnings	<u>599</u>	
Total Sources		\$1,500,599

Uses

Estimated Underwriter's Discount	\$18,750	
Costs of Issuance	41,050	
Deposit to Current Refunding Fund	1,436,929	
Rounding Amount	<u>3,870</u>	
Total Uses		\$1,500,599

*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.

CONCURRENT FINANCING

By means of a separate Preliminary Official Statement, the City will be issuing General Obligation Promissory Notes, Series 2020A (the "Concurrent Obligations" or the "Series 2020A Notes") on June 11, 2020.

RATING

General obligation debt of the City, with the exception of any outstanding credit enhanced issues, is currently rated "A2" 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.

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 any 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 along with any changes to the Rule, to ensure compliance. Ehlers is currently engaged as dissemination agent for the City.

LEGAL OPINION

An opinion as to the validity of the Bonds 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).

STATEMENT REGARDING COUNSEL PARTICIPATION

Bond Counsel has not assumed responsibility for this Preliminary Official Statement or participated in its preparation (except with respect to the section entitled "FORM OF LEGAL OPINION" found in Appendix B of the Preliminary Official Statement).

TAXABILITY OF INTEREST

Interest on the Bonds is included in gross income for present Federal income tax purposes. Interest on the Taxable Bonds is not exempt from present Wisconsin income or franchise taxes.

ORIGINAL ISSUE DISCOUNT

To the extent that the initial public offering price of certain of the Bonds is less than the stated principal amount payable at maturity, such Bonds will be considered to be issued with original issue discount unless the amount of original issue discount is "de minimis." The amount of original issue discount with respect to a Bond will be "de minimis" if the amount of discount is less than one-fourth of 1% of the principal amount payable at maturity multiplied by the number of complete years from the issue date until the maturity date.

If the amount of discount with respect to a Bond is considered "de minimis," then the amount of original issue discount with respect to the Bond will be zero. In that case, owners of those Bonds will not be required to include any amount of original issue discount in income until the principal amount is repaid, at which time the owner will recognize capital gain (assuming the Bond is held as a capital asset) equal to the excess of the amount received at maturity over the issue price.

If the amount of discount with respect to a Bond is more than "de minimis," then the Bonds will contain original issue discount and owners of the Bonds will be required to include original issue discount in income. The Internal Revenue Code of 1986, as amended (the "Code") contains a number of very complex provisions requiring holders of debt instruments with original issue discount to include such original issue discount in income as it accrues ratably over the life of the debt instrument. In the case of a Bond with original issue discount, the owner may be required to include the original issue discount in income before the owner receives the associated cash payment, regardless of the owner's regular method of accounting for tax purposes. Any such original issue discount that is included in income is treated in the same manner as interest. Any original issue discount that is included in income by an owner with respect to a Bond will increase the holder's tax basis in the Bond.

The Code contains certain provisions relating to the accrual of original issue discount (including de minimis original issue discount) in the case of subsequent purchasers of obligations such as the Bonds. Owners who do not purchase Bonds in the initial public offering should consult their own tax advisors with respect to the tax consequences of the acquisition and ownership of Bonds.

Owners who purchase Bonds in the initial public offering but at a price different than the initial offering price at which a substantial amount of that maturity of the Bonds was sold to the public should consult their own tax advisors with respect to the tax consequences of the acquisition and ownership of the Bonds.

Owners of Bonds should consult their own tax advisors with respect to the state and local tax consequences of owning the Bonds.

BOND PREMIUM

To the extent that the initial offering price of certain of the Bonds ("Premium Bonds") is more than the principal amount payable at maturity, the Premium Bonds will be considered to have "bond premium" equal to the difference between the issue price and the stated redemption price at maturity.

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. Owners of Premium Bonds, the interest on which is subject to tax, may make an election to amortize the bond premium and to offset the taxable interest income with the amortizable bond premium for the year. Any amortizable bond premium that reduces the amount of interest income also reduces the owner's adjusted tax basis in the Bond by a corresponding amount. The adjusted tax basis in a Premium Bond will be used to determine taxable gain or loss upon a disposition (for example, upon a sale, exchange, redemption, or payment at maturity) of such Premium Bond. If the election is made, it is effective for all Bonds acquired during that year and all future years unless the taxpayer receives permission from the IRS to revoke the election. Owners of Premium Bonds should consult with their tax advisors regarding the calculation and treatment of bond premium for federal income tax purposes, as well as the manner of making the election.

Owners of the Premium Bonds who do not purchase such Premium Bonds in the initial offering at the issue price should consult with their tax advisors regarding the tax consequences of owning the Premium Bonds.

Owners of Premium Bonds should consult with their tax advisors regarding the state and local tax consequences of owning such Premium Bonds.

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 Preliminary 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. Ehlers makes no representation, warranty or guarantee regarding the accuracy or completeness of the information in this Preliminary Official Statement, and its assistance in preparing this Preliminary Official Statement should not be construed as a representation that it has independently verified such information.

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, 2019 have been audited by Hawkins Ash CPAs, LLP, La Crosse, 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 Preliminary 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.

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.

Impact of the Spread of COVID-19: In late 2019, a novel strain of coronavirus (COVID-19) emerged in Wuhan, Hubei Province, China. COVID-19 has spread throughout the world, including to the United States, resulting in the World Health Organization proclaiming COVID-19 to be a pandemic and President Trump declaring a national emergency. In response to the spread of COVID-19, the United States government, state governments, local governments and private industries have taken measures to limit social interactions in an effort to limit the spread of COVID-19. The effects of the spread of COVID-19 and the government and private responses to the spread continue to rapidly evolve. COVID-19 has caused significant disruptions to the global, national and State economy. The extent to which the coronavirus impacts the City and its financial condition will depend on future developments, which are highly uncertain and cannot be predicted by the City, including the duration of the outbreak and measures taken to address the outbreak.

On March 12, 2020, Wisconsin Governor Tony Evers declared a public health emergency in the state in response to the growing threat of COVID-19. That declaration included direction to the state Department of Health Services to use any and all required resources to respond to and contain the outbreak. Governor Evers followed that up with a "safer at home" order on March 24, 2020, closing nonessential businesses, banning gatherings of any size and imposing strict travel restrictions through April 24, 2020. On April 16, 2020, the "safer at home" order was extended from April 24, 2020 through May 26, 2020. Schools will remain closed for the duration of the 2019-2020 school year and continue distance learning, but certain non-essential businesses will be allowed to open operations on a limited basis during this time, including curbside pickup, delivery, mailings and minimum basic operations.

Also on April 16, 2020, President Trump outlined "Guidelines for Opening Up America Again," a three-phased approach to restarting the economy based on public health experts' advice. The guidelines start with a set of criteria that should be met before starting phases one to three. The criteria include a downward trajectory of people with flu-like and COVID-19-like symptoms for 14 days; a downward trajectory of documented cases for 14 days or a downward trajectory of positive tests as a percentage of total tests over a 14-day period; and hospitals with the ability to treat all patients without crisis care and a robust testing program for at-risk healthcare workers.

On April 20, 2020, Governor Evers announced Wisconsin's three-phased approach to reopening the State's economy, based on President Trump's guidelines, including similar criteria to be met before phase one can begin. On April 21, 2020, Republican legislators in the State filed a lawsuit challenging the legality of the Order. On May 13, 2020, the Wisconsin Supreme Court ruled that the State's "safer at home" order is unlawful, invalid and unenforceable because the emergency rulemaking procedures under Section 227.24 of the Wisconsin Statutes and procedures established by the Wisconsin Legislature for rulemaking if criminal penalties were to follow were not followed in connection with the order. The Supreme Court's decision does not invalidate any local health officials' orders or prevent future local health officials' orders related to the COVID-19 pandemic.

The foregoing is intended only as a summary of certain risk factors attendant to an investment in the Bonds. In order for potential investors to identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with this entire Official Statement and the Appendices hereto.

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.

The economic impact of COVID-19 may impact assessed and equalized valuations of property in the State, including in the City. The City cannot predict the extent of any such changes, but a material decrease in the equalized valuations of property in the City may materially adversely affect the financial condition of the City (see "RISK FACTORS - Impact of the Spread of COVID-19" herein).

CURRENT PROPERTY VALUATIONS

2019 Equalized Value	\$716,267,500
2019 Equalized Value Reduced by Tax Increment Valuation	\$692,455,700
2019 Assessed Value	\$657,505,500

2019 EQUALIZED VALUE BY CLASSIFICATION

	2019 Equalized Value¹	Percent of Total Equalized Value
Residential	\$ 362,242,800	50.574%
Commercial	291,167,300	40.651%
Manufacturing	42,716,400	5.964%
Agricultural	46,400	0.006%
Undeveloped	87,400	0.012%
Forest	20,000	0.003%
Personal Property	19,987,200	2.790%
Total	<u>\$ 716,267,500</u>	<u>100.000%</u>

TREND OF VALUATIONS

Year	Assessed Value	Equalized Value¹	Percent Increase/Decrease in Equalized Value
2015	\$ 593,176,320	\$ 623,777,700	4.07%
2016	600,503,585	632,502,100	1.40%
2017	652,619,450	663,382,400	4.88%
2018	646,165,200	672,836,900	1.43%
2019	657,505,500	716,267,500	6.45%

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	2019 Equalized Value¹	Percent of City's Total Equalized Value
Wal-Mart	Distribution Center	\$ 29,969,920	4.18%
Decem Properties	Housing	13,293,275	1.86%
Realty Income Properties	Housing	12,554,790	1.75%
TORO Company	Distribution Center	10,746,978	1.50%
Wal-Mart Supercenter	Retail	9,026,751	1.26%
HO-Chunk Nation	Housing/Movie Theater	7,872,888	1.10%
Tomah Lumber Properties, LLC	Housing	7,678,654	1.07%
Old Dominion Freight Line Inc	Trucking Firm	7,346,395	1.03%
Cardinal IG	Glass Manufacturer	7,172,205	1.00%
WH, LLC	Housing	6,754,104	0.94%
Total		\$112,415,960	15.69%
City's Total 2019 Equalized Value ²		\$716,267,500	

Source: The City.

¹ Calculated by dividing the 2019 Assessed Values by the 2019 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 excludes obligations being refunded by the Bonds and Concurrent Obligations)* \$ 19,020,001

Revenue Debt (see schedules following)

Total revenue debt secured by water revenues \$ 2,272,962

*Preliminary, subject to change.

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

**City of Tomah, Wisconsin
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Taxes
(As of 07/11/2020)**

Calendar Year Ending	Water System Promissory Note (SDWFL) Series 2003		Promissory Notes Series 2013A		State Trust Fund Loan 2013		State Trust Fund Loan 2013		State Trust Fund Loan 2013	
	Dated Amount	Maturity	Dated Amount	Maturity	Dated Amount	Maturity	Dated Amount	Maturity	Dated Amount	Maturity
2020	0		0		0		0		0	
2021	52,632		145,000		18,446		70,153		26,515	
2022	52,632		150,000		18,953		72,082		27,244	
2023			150,000		19,474		74,064		27,994	
2024										
2025										
2026										
2027										
2028										
2029										
2030										
2031										
2032										
2033										
2034										
2035										
2036										
	105,263		445,000		56,873		216,299		81,753	
		0	18,348		3,156		12,004		4,537	

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**City of Tomah, Wisconsin
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Taxes
(As of 07/11/2020)**

Dated Amount Maturity	State Trust Fund Loan		Refunding Bonds Series 2014A		State Trust Fund Loan 2016		Corporate Purpose Bonds Series 2017A		State Trust Fund Loan Series 2017	
	12/30/2013 \$338,000	03/15	01/28/2014 \$9,755,000	12/01	06/01/2016 \$247,659	03/01	03/30/2017 \$6,320,000	10/31/2017 \$600,000	03/15	
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2020	0	0	625,000	114,224	0	0	0	82,928	0	0
2021	40,163	4,045	630,000	215,948	51,738	1,293	280,000	161,655	62,773	17,091
2022	41,468	2,739	655,000	201,773			310,000	152,805	64,970	14,894
2023	42,816	1,392	690,000	185,398			330,000	143,205	67,244	12,620
2024			715,000	167,113			335,000	133,230	69,569	10,294
2025			735,000	147,093			350,000	122,955	72,032	7,831
2026			775,000	125,410			360,000	112,575	74,553	5,310
2027			805,000	101,385			380,000	102,030	77,163	2,701
2028			830,000	75,223			395,000	90,986		
2029			855,000	47,003			365,000	80,156		
2030			450,000	16,650			385,000	69,469		
2031							385,000	58,496		
2032							395,000	47,381		
2033							400,000	36,053		
2034							400,000	24,653		
2035							330,000	14,250		
2036							335,000	4,774		
	124,446	8,175	7,765,000	1,397,216	51,738	1,293	5,735,000	1,437,600	488,304	70,740

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City of Tomah, Wisconsin
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Taxes
(As of 07/11/2020)

Calendar Year Ending	State Trust Fund Loan Series 2018		State Trust Fund Loan 2019		GO Notes 2020A		Taxable GO Bonds Series 2020B		Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
	Dated Amount	Maturity	Principal	Interest	Principal	Interest	Principal	Interest				
2020									826,713	18,395,001	3.29%	2020
2021									2,597,235	16,332,927	14.13%	2021
2022									2,439,560	14,350,831	24.55%	2022
2023									2,204,693	12,557,377	33.98%	2023
2024									1,859,289	11,063,749	41.83%	2024
2025									1,723,160	9,596,716	49.54%	2025
2026									1,625,863	8,157,163	57.11%	2026
2027									1,581,534	6,675,000	64.91%	2027
2028									1,430,000	5,245,000	72.42%	2028
2029									1,184,550	3,815,000	79.94%	2029
2030									505,000	2,735,000	85.62%	2030
2031									576,926	2,230,000	88.28%	2031
2032									572,211	1,715,000	90.98%	2032
2033									567,084	1,190,000	93.74%	2033
2034									551,684	665,000	96.50%	2034
2035									344,250	335,000	98.24%	2035
2036									339,774	0	100.00%	2036
									3,488,603	19,020,001		
									22,508,604			

* Preliminary, subject to change.

City of Tomah, Wisconsin
 Schedule of Bonded Indebtedness
 Revenue Debt Secured by Water Revenues
 (As of 07/11/2020)

Dated Amount	Water System Revenue Bonds (SDWFL) Series 2003			Water System Revenue Bonds (SDWFL) Series 2004			Water System Revenue Bonds (SDWFL) Series 2006			Water System Revenue Bonds (SDWFL) Series 2016			Water System Revenue Bonds (SDWFL) Series 2018			Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
	12/23/2003	11/24/2004	12/27/2006	06/22/2016	05/01/2018	05/01	05/01	05/01	05/01	05/01	05/01	Total Principal	Total Interest						
\$953,991	\$724,317	\$1,635,913	\$715,010	\$888,178															
05/01	05/01	05/01	05/01	05/01															
2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	
1,370	1,810	4,047	2,904	4,039	2,904	4,039	2,904	4,039	2,904	4,039	2,904	4,039	2,904	4,039	14,171	2,272,962	.00%	2020	
54,453	62,450	87,530	34,017	36,322	34,017	36,322	34,017	36,322	34,017	36,322	34,017	36,322	34,017	36,322	26,427	301,199	12.09%	2021	
2,291	3,178	7,444	5,639	7,875	5,639	7,875	5,639	7,875	5,639	7,875	5,639	7,875	5,639	7,875	22,571	301,172	24.35%	2022	
1,385	2,285	6,135	5,301	7,465	5,301	7,465	5,301	7,465	5,301	7,465	5,301	7,465	5,301	7,465	22,571	1,719,589	24.35%	2022	
464	1,380	4,806	4,959	7,051	4,959	7,051	4,959	7,051	4,959	7,051	4,959	7,051	4,959	7,051	18,660	301,144	36.77%	2023	
	462	3,657	4,614	6,632	4,614	6,632	4,614	6,632	4,614	6,632	4,614	6,632	4,614	6,632	15,165	244,395	46.86%	2024	
		2,089	4,265	6,208	4,265	6,208	4,265	6,208	4,265	6,208	4,265	6,208	4,265	6,208	12,562	178,773	54.17%	2025	
		700	3,913	5,779	3,913	5,779	3,913	5,779	3,913	5,779	3,913	5,779	3,913	5,779	10,382	178,758	61.58%	2026	
			3,558	5,346	3,558	5,346	3,558	5,346	3,558	5,346	3,558	5,346	3,558	5,346	8,904	83,829	64.88%	2027	
			3,199	4,908	3,199	4,908	3,199	4,908	3,199	4,908	3,199	4,908	3,199	4,908	8,106	83,825	68.21%	2028	
			2,836	4,465	2,836	4,465	2,836	4,465	2,836	4,465	2,836	4,465	2,836	4,465	7,301	83,821	71.57%	2029	
			2,470	4,017	2,470	4,017	2,470	4,017	2,470	4,017	2,470	4,017	2,470	4,017	6,487	83,816	74.98%	2030	
			2,100	3,564	2,100	3,564	2,100	3,564	2,100	3,564	2,100	3,564	2,100	3,564	5,664	83,812	78.41%	2031	
			1,726	3,105	1,726	3,105	1,726	3,105	1,726	3,105	1,726	3,105	1,726	3,105	4,832	83,807	81.89%	2032	
			1,349	2,642	1,349	2,642	1,349	2,642	1,349	2,642	1,349	2,642	1,349	2,642	3,991	83,803	85.40%	2033	
			968	2,174	968	2,174	968	2,174	968	2,174	968	2,174	968	2,174	3,142	83,799	88.95%	2034	
			584	1,700	584	1,700	584	1,700	584	1,700	584	1,700	584	1,700	2,284	83,794	92.53%	2035	
			195	1,221	195	1,221	195	1,221	195	1,221	195	1,221	195	1,221	1,416	83,789	96.16%	2036	
				736		736		736		736		736		736	736	44,157	43,908	98.07%	2037
				246		246		246		246		246		246	246	44,154	0	100.00%	2038
				79,173		79,173		79,173		79,173		79,173		79,173	173,057	2,446,019			
				586,620		586,620		586,620		586,620		586,620		586,620	720,036	2,272,962			
				545,071		545,071		545,071		545,071		545,071		545,071	28,678				
				255,167		255,167		255,167		255,167		255,167		255,167	9,116				
				5,510		5,510		5,510		5,510		5,510		5,510	5,510				

1) Pursuant to the Wisconsin Capital Finance Office, Project No. 4921-07, this issue was closed out on 8/22/2007.

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	\$ 716,267,500
Multiply by 5%	<u>0.05</u>
Statutory Debt Limit	\$ 35,813,375
Less: General Obligation Debt (includes the Bonds and excludes obligations being refunded by the Bonds and Concurrent Obligations)*	<u>(19,020,001)</u>
Unused Debt Limit*	<u><u>\$ 16,793,374</u></u>

*Preliminary, subject to change.

OVERLAPPING DEBT¹

Taxing District	2019 Equalized Value ²	% In City	Total G.O. Debt ³	City's Proportionate Share
Monroe County	\$ 3,579,764,100	20.01%	\$ 16,590,000	\$3,319,659
Western Technical College District	22,107,123,210	3.24%	103,090,000	<u>3,340,116</u>
City's Share of Total Overlapping Debt				<u><u>\$ 6,659,775</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 \$716,267,500	Debt/ Per Capita 9,416¹
Total General Obligation Debt (includes the Bonds and excludes obligations being refunded by the Bonds and Concurrent Obligations)*	\$ 19,020,001	2.66%	\$ 2,019.97
City's Share of Total Overlapping Debt	<u>6,659,775</u>	<u>0.93%</u>	<u>707.28</u>
Total*	\$ 25,679,776	3.59%	\$ 2,727.25

*Preliminary, subject to change.

DEBT PAYMENT HISTORY

Due to an oversight, the City failed to timely post the November 1, 2015 interest payment on the \$1,920,000 General Obligation Refunding Bonds, Series 2015A. The payment was made on December 1, 2015.

FUTURE FINANCING

In addition to the Concurrent Obligations, the City has no current plans for additional financing in the next 12 months.

¹ Estimated 2019 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
2015/16	\$4,959,720	100%	\$7.95
2016/17	5,121,712	100%	8.10
2017/18	5,153,442	100%	7.79
2018/19	5,334,692	100%	8.01
2019/20	5,615,451	In Process	8.11

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.

The spread of COVID-19 and responses taken by the United States government, state governments, local governments and private industries have caused significant disruptions to the national and State economy. See "RISK FACTORS - Impact of the Spread of COVID-19" herein. On April 15, 2020, Governor Tony Evers signed into law 2020 Wisconsin Act 185, which provides that for property taxes payable in 2020, a taxation district may, after making a general or case-by-case finding of hardship, choose to waive interest or penalties on property tax installment payments paid after April 1, 2020 but on or before October 1, 2020. In order to take such action, the county board of supervisors must first adopt a resolution authorizing such waiver and determining criteria for determining hardship and the taxation district must subsequently adopt a similar resolution. In the case of a county adopting such a resolution, the county shall proportionally settle with the taxation districts any taxes, interest and penalties collected on or before July 31, 2020 on August 20, 2020, and settle the remaining unpaid taxes, interest, and penalties on September 20, 2020. The County and the City have not yet adopted such resolutions. The City cannot predict whether

and how much payment of property taxes will be impacted by COVID-19. Any delays or reduction in the receipt of property taxes may materially adversely impact the City's finances and payment of debt obligations, including the Bonds.

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
2015/16	\$10.08	\$5.97	\$7.95	\$0.26	\$24.26
2016/17	10.00	5.37	8.10	0.26	23.73
2017/18	9.57	5.90	7.79	0.06	23.32
2018/19	8.95	5.48	8.01	0.37	22.81
2019/20	8.79	5.10	8.11	0.09	22.09

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

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.

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 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 1883 and is governed by a Mayor and an eight-member Common Council. The Mayor only votes in the case of a tie. All Council Members are elected to two-year terms. The appointed Administrator, Treasurer and Clerk are responsible for administrative details and financial records.

EMPLOYEES; PENSIONS

The City employs a staff of 91 full-time, 57 part-time, and 100 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, 2017 ("Fiscal Year 2017"), the fiscal year ended December 31, 2018 ("Fiscal Year 2018") and the fiscal year ended December 31, 2019 ("Fiscal Year 2019"), the City's portion of contributions to WRS (not including any employee contributions) totaled \$317,356, \$347,844 and \$378,697 respectively.

The City implemented Governmental Accounting Standards Board Statement No. 68 ("GASB 68") for Fiscal Year 2016.

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, 2018, the total pension liability of the WRS was calculated as \$100.3 billion and the fiduciary net position of the WRS was calculated as \$96.7 billion, resulting in a net pension asset of \$3.6 billion. The spread of COVID-19 has significantly impacted investment markets, which may impact the funded status of the WRS and future contribution requirements as a result (see "RISK FACTORS - Impact of the Spread of COVID-19" herein).

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 2019, the City reported an liability of \$1,240,452 for its proportionate share of the net pension liability of the WRS. The net pension liability was measured as of December 31, 2018 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 0.03486684% of the aggregate WRS net pension liability as of December 31, 2019.

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 "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. 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
Wisconsin Professional Police Association	December 31, 2021
La Crosse Fire Fighters, IAFF Local 127	December 31, 2020

OTHER POST EMPLOYMENT BENEFITS

The City provides other post-employment benefits ("OPEB") through the Local Retiree Life Insurance Fund ("LRLIF"), which is a cost-sharing multiple-employer defined benefit plan established by Chapter 40. The ETF and the Group Insurance Board have statutory authority for program administration and oversight, including establishing contribution requirements for employers.

For Fiscal Year 2019, the City's portion of contributions to the LRLIF totaled \$1,674. For Fiscal Year 2019, the City reported a liability of \$224,200 for its proportionate share of the net OPEB liability of the LRLIF. The net OPEB liability was measured as of December 31, 2018 based on the City's share of contributions to the LRLIF relative to the contributions of all participating employers. The City's proportion was 0.08688800% of the aggregate LRLIF net OPEB liability as of December 31, 2019.

The calculation of the total OPEB 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 the net OPEB liability of the LRLIF, which may also cause ETF to change the contribution requirements for employers and employees. For more detailed information, see "APPENDIX A - FINANCIAL STATEMENTS" attached hereto.

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 April 30, 2020)

Fund	Total Cash and Investments
General Fund	\$ 4,882,578
Lake District	374,287
Debt Service	47,392
Capital Projects	109,945
Industrial Development	779,578
Library	562,616
Senior and Disabled	50,977
Ambulance	672,983
CDBG	537,687
TID 8	361,175
TID 9	548,947
TID 10	350,524
Water	5,196,704
Sewer	3,301,498
Total Funds on Hand	<u>\$ 17,776,891</u>

ENTERPRISE FUNDS

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

	2017 Audit	2018 Audit	2019 Audit
Water			
Total Operating Revenues	\$ 2,171,554	\$ 2,117,030	\$ 2,194,170
Less: Operating Expenses	<u>(1,582,794)</u>	<u>(2,260,780)</u>	<u>(1,539,563)</u>
Operating Income	\$ 588,760	\$ (143,750)	\$ 654,607
Plus: Depreciation	538,575	568,684	582,618
Interest Income	<u>31,561</u>	<u>51,950</u>	<u>102,889</u>
Revenues Available for Debt Service	<u><u>\$ 1,158,896</u></u>	<u><u>\$ 476,884</u></u>	<u><u>\$ 1,340,114</u></u>
Sewer			
Total Operating Revenues	\$ 3,029,637	\$ 3,041,302	\$ 3,016,923
Less: Operating Expenses	<u>(1,882,397)</u>	<u>(1,873,689)</u>	<u>(2,110,647)</u>
Operating Income	\$ 1,147,240	\$ 1,167,613	\$ 906,276
Plus: Depreciation	674,038	690,089	722,254
Interest Income	<u>21,952</u>	<u>58,151</u>	<u>99,183</u>
Revenues Available for Debt Service	<u><u>\$ 1,843,230</u></u>	<u><u>\$ 1,915,853</u></u>	<u><u>\$ 1,727,713</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 2019 audited financial statements.

COMBINED STATEMENT	FISCAL YEAR ENDING DECEMBER 31				
	2016 Audited	2017 Audited	2018 Audited	2019 Audited	2020 Adopted Budget ¹
Revenues					
Taxes	\$ 3,154,222	\$ 3,263,399	\$ 3,560,860	\$ 3,726,331	\$ 4,297,398
Special assessments	10,473	12,516	38,003	22,709	4,723
Intergovernmental	2,499,452	2,475,468	2,465,179	2,526,512	2,597,405
Licenses and permits	147,129	112,837	189,470	101,292	108,050
Fines, forfeits, and penalties	179,295	186,426	183,913	182,244	175,000
Public charges for services	259,296	229,167	232,081	255,606	228,000
Intergovernmental charges for services	75,901	80,878	17,408	71,476	79,500
Miscellaneous	152,919	255,487	229,154	287,747	224,427
Total Revenues	\$ 6,478,687	\$ 6,616,178	\$ 6,916,068	\$ 7,173,917	\$ 7,714,503
Expenditures					
Current:					
General government	\$ 1,089,238	\$ 1,107,903	\$ 1,115,930	\$ 1,153,293	\$ 1,340,432
Public safety	2,633,784	2,803,609	2,893,975	3,004,521	3,131,674
Public works	2,063,734	1,921,348	1,922,535	2,102,999	2,338,799
Health and human services	0	0	0	0	0
Culture, recreation and education	672,900	663,342	737,899	767,718	814,343
Conservation and development	26,610	21,181	4,226	12,851	13,155
Capital outlay	15,129	104,056	138,318	47,324	76,100
Debt Service	0	0	53,948	53,685	0
Total Expenditures	\$ 6,501,395	\$ 6,621,439	\$ 6,866,831	\$ 7,142,391	\$ 7,714,503
Excess of revenues over (under) expenditures	\$ (22,708)	\$ (5,261)	\$ 49,237	\$ 31,526	\$ 0
Other Financing Sources (Uses)					
Transfers in	375,765	371,970	369,918	388,125	
Transfers out	0	(6,000)	(40,000)	0	
Total Other Financing Sources (Uses)	\$ 375,765	\$ 365,970	\$ 329,918	\$ 388,125	
Excess of revenues and other financing sources over (under) expenditures and other financing uses	\$ 353,057	\$ 360,709	\$ 379,155	\$ 419,651	
General Fund Balance January 1	2,199,878	2,141,174	2,173,805	2,445,364	
Equity Transfer	(411,761)	(328,078)	(107,596)	(365,641)	
General Fund Balance December 31	\$ 2,141,174	\$ 2,173,805	\$ 2,445,364	\$ 2,499,374	
DETAILS OF DECEMBER 31 FUND BALANCE					
Nonspendable	\$ 0	\$ 0	\$ 413	\$ 561	
Restricted	49,215	52,284	55,402	60,682	
Committed	0	0	0	0	
Assigned	105,712	138,651	153,694	210,004	
Unassigned	1,986,247	1,982,870	2,235,855	2,228,127	
Total	\$ 2,141,174	\$ 2,173,805	\$ 2,445,364	\$ 2,499,374	

¹ The 2020 budget was adopted on November 12, 2019.

GENERAL INFORMATION

LOCATION

The City, with a 2010 U.S. Census population of 9,093 and a current estimated population of 9,416 comprises an area of 11 square miles and is located where the State's Interstate system (I-90 & I-94) divides in Monroe County in southwestern Wisconsin approximately 40 miles east of La Crosse, 110 miles northwest of Madison and 171 miles southeast of Minneapolis. The area is also easily accessible on Highways 12, 16, 21 and 131.

LARGER EMPLOYERS¹

Larger employers in the City include the following:

Firm	Type of Business/Product	Estimated No. of Employees
VA Medical Center	Hospital	800
Walmart Distribution Center	Warehouse	601
Toro Co.	Manufacturing	700
Cardinal TG and IG	Glass manufacturing	425
Walmart Supercenter	Retail	340
City of Tomah	Local Government	248
Tomah Memorial Hospital	Hospital	207
Coveris	Flexible packaging manufacturer	120 ²
Handishop Industries	Household furniture manufacturer	150
Merten Transport	Trucking	130

Source: *ReferenceUSA, written and telephone survey (May 2020), 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. Estimates provided are accurate as of the date noted and may not reflect changes in the number of employees resulting from the current COVID-19 pandemic. (See "RISK FACTORS - Impact of the Spread of COVID-19").

² Formerly known as Exopack.

BUILDING PERMITS

	2016	2017	2018	2019	2020 ¹
<u>New Single Family Homes</u>					
No. of building permits	7	6	13	11	4
Valuation	\$1,437,626	\$967,000	\$2,935,813	\$2,272,975	\$878,000
<u>New Multiple Family Buildings</u>					
No. of building permits	13	4	4	4	1
Valuation	\$5,506,000	\$700,000	\$600,000	\$700,000	\$5,000,000
<u>New Commercial/Industrial</u>					
No. of building permits	5	9	3	4	0
Valuation	\$5,892,772	\$2,176,850	\$30,814,212	\$2,272,975	\$0
<u>All Building Permits</u> <i>(including additions and remodelings)</i>					
No. of building permits	84	318	392	372	114
Valuation	\$21,234,207	\$15,627,121 ²	\$64,566,293	\$20,572,773	\$9,651,657

Source: The City.

¹ As of May 11, 2020.

² Total Permits does NOT include a building permit with a value of \$40,687,617. The permit was for a project at a non-profit hospital and is therefore not subject to property taxes.

U.S. CENSUS DATA

Population Trend: The City

2000 U.S. Census	8,419
2010 U.S. Census	9,093
2019 Estimated Population	9,416
Percent of Change 2000 - 2010	8.01%

Income and Age Statistics

	The City	Monroe County	State of Wisconsin	United States
2018 per capita income	\$26,551	\$27,729	\$32,018	\$32,621
2018 median household income	\$49,383	\$58,178	\$59,209	\$60,293
2018 median family income	\$62,336	\$70,011	\$75,313	\$73,965
2018 median gross rent	\$849	\$817	\$837	\$1,023
2018 median value owner occupied units	\$122,400	\$149,400	\$173,600	\$204,900
2018 median age	36.3 yrs.	39.5 yrs.	39.3 yrs.	37.9 yrs.

	State of Wisconsin	United States
City % of 2018 per capita income	82.93%	81.39%
City % of 2018 median family income	82.77%	84.28%

Housing Statistics

	<u>The City</u>		
	2010	2018	Percent of Change
All Housing Units	4,149	4,338	4.56%

Source: 2000 and 2010 Census of Population and Housing, and 2018 American Community Survey (Based on a five-year estimate), U.S. Census Bureau (<https://data.census.gov/cedsci>).

EMPLOYMENT/UNEMPLOYMENT DATA

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

Year	<u>Average Employment</u>		<u>Average Unemployment</u>	
	Monroe County	Monroe County	State of Wisconsin	State of Wisconsin
2016	22,183	3.8%	4.0%	
2017	22,838	2.9%	3.3%	
2018	22,290	2.7%	3.0%	
2019	22,672	3.0%	3.3%	
2020, March ¹	22,437	3.1%	3.4%	
2020, April ²	N/A	N/A	14.6%	

Source: Wisconsin Department of Workforce Development.

¹ Preliminary County Only.

² No numbers are available for the County. The State number is preliminary.

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 Preliminary Official Statement, nor has the City requested that the Auditor consent to the use of such financial statements in this Preliminary Official Statement. Although the inclusion of the financial statements in this Preliminary 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 TOMAH, WISCONSIN
FINANICAL STATEMENTS WITH
INDEPENDENT AUDITORS' REPORT
DECEMBER 31, 2019

CITY OF TOMAH, WISCONSIN

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INDEPENDENT AUDITORS' REPORT

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 City'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 City'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 Tomah, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

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 Schedules, and Local Retiree Life Insurance Fund Schedules on pages 5 through 14 and pages 53 through 58 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated 2020 on our consideration of the City of Tomah's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Tomah's internal control over financial reporting and compliance.

Hawkins Ash CPAs, LLP

La Crosse, Wisconsin
May 13, 2020

CITY OF TOMAH

MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2019

The management of the City of Tomah offers all persons interested in the financial position of the City of Tomah this narrative overview and analysis of the City's financial performance during the fiscal year ending December 31, 2019. You are invited to read this narrative in conjunction with the City's financial statements.

FINANCIAL HIGHLIGHTS

- The City had an increase to its net position of \$1,167,007 or 1.67% over the prior year. This increase brings total net position to \$70,669,653.
- The City's expenses for all funds in 2019 were \$18,611,159, which includes the governmental funds of \$14,160,759 and business type funds of \$4,450,400.
- The City paid off \$2,875,593 of debt during the current fiscal year. The amount paid off by the City was \$2,051,991. The Water and Sewer Utility paid off \$823,602 of its debt.
- TIF 8 reconstructed the alleyways in the downtown corridor.
- TIF 8 also had a large downtown multipurpose building completed in April 2019. Multiple business have opened and the apartments have been occupied in this complex.
- The Sewer Utility had a successful year. They once again had a Compliance Maintenance Annual Report rated as an A grade. They continually maintain the highest standards on running the facility.
- The Water Utility Consumer Confidence report had no violations.
- The Parks Department along with TIF 8 completed the Downtown Information Center and Public Restroom.
- Recreation Park had black top added to increase the parking areas and added air conditioning to the Recreation Building. Recreation Park continues to be used for multiple events and its booking are almost full for the year.
- The Parks Department started the Winnebago Park Masterplan to redesign Winnebago Park.
- The Tomah Area Ambulance Service continued to have increased usage. The service added more full-time paramedics to meet the demands.
- Tomah Public Library is in the process of raising funds to add a fountain to beautify the front lawn of the historical building.
- The Convention and Visitors Bureau is in its new location. The CVB along with the Chamber of Commerce added a very successful Downtown Thursday Night music event in 2019. They work to add events to promote the Tomah area.

CITY OF TOMAH

MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2019

- TIF 10 had the completion of Tomah Health Hospital and Gundersen Clinic. This is a significant addition to the City. Growth is expected to happen in the area of the healthcare facilities.
- TIF 9 has TORO in the process of a large addition to its plant. The construction will be completed in 2020.

OVERVIEW OF THE FINANCIAL STATEMENTS

- This annual report consists of four parts: Management's Discussion and Analysis (this section), Basic Financial Statements, Required Supplementary Information and other Supplementary Information.
- The basic financial statements include two kinds of statements that present different views of the City of Tomah. These are the two government-wide financial statements; the Statement of Net Position and the Statement of Activities. The statements provide both long-term and short-term information about the City's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements. These statements include Balance Sheet-Governmental Funds; Reconciliation of the General Funds Balance Sheet to the Statement of Net Position; Statement of Revenue, Expenditures and Changes in Fund Balances-Governmental Funds; and the Reconciliation of Statement of Revenue, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities. Proprietary fund statements include Statement of Net Position; Statement of Revenue, Expenses and Changes in Fund Net Position and Statement of Cash Flows. These statements give the reader a general idea of how well the City is doing in the short term as well as what remains for future spending.
- There is a required supplementary information section that gives further analysis schedules to the City's position compared to the budgeted amounts. There are notes explaining the position of parts of the financials such as debt and fixed assets.
- Other supplemental information that is included in our financial statements is combined statements of our non-major funds. This gives the detail to the smaller funds the City has which are combined in our overall statements.
- Lastly our audit report includes an independent auditors report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with government auditing standards.

CITY OF TOMAH

MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2019

CITY OF TOMAH

MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2019

OVERVIEW OF THE FINANCIAL STATEMENTS (CONT.)

Government-Wide Statements

The government-wide statements report information about the City of Tomah as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City's net assets and how they have changed. Net Assets – the difference between the City's assets and deferred outflows of resources less liabilities and deferred inflows of resources – is one way to measure the City's financial health or position. Over time, increases or decreases in the City's net assets are an indicator of whether its financial health is improving or deteriorating. To assess the overall health of the City you need to consider additional non-financial factors such as changes in the City's property tax base and the condition of the City's roads, for example.

The statement of activities presents information showing how the government's net assets 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 cash flows. Thus, revenue and expenses reported in this statement for some items will only result in cash flows in future fiscal periods.

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 of Tomah, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with 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 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.

OVERVIEW OF THE FINANCIAL STATEMENTS (CONT.)

The City of Tomah maintains 14 individual governmental funds (6 major and 8 non-major). 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 major funds which are the General Fund, Community Development Block Grant Special Revenue Fund, Debt Service, Capital Projects TIF #8, Capital Projects TIF #10 and the Ambulance Special Revenue Fund. Data from the other 8 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Proprietary Funds – The City maintains three (3) different proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements (mass transit, water and sewer).

The City operates a shared ride taxi program. The 5311 Program – Urban Mass Transit is funded through passenger fares, Federal, State and Local contributions. This program offers taxi service for its citizens with handicapped accessible taxi vans in the Tomah area.

The City operates a Water Utility and a Sewer Utility. The water utility is governed by the Public Service Commission of Wisconsin. The City governs the sewer utility in a similar fashion to the Public Service Commission of Wisconsin.

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 statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

FINANCIAL ANALYSIS OF THE CITY OF TOMAH AS A WHOLE

An analysis of the City's financial position begins with a review of the Statement of Net Assets and the Statement of Revenues, Expenses and Changes in Net Assets. These two statements report the City's net assets and changes therein. It should be noted that the financial position can also be affected by non-financial factors, including economic conditions, population growth and new regulations.

A summary of the City's Statement of Net Assets is presented below in Table A-1.

CITY OF TOMAH

MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2019

CITY OF TOMAH

MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2019

FINANCIAL ANALYSIS OF THE CITY OF TOMAH AS A WHOLE (CONT.)

Table 1
Condensed Statements of Net Position
(In Millions)

	Governmental Activities		Business-type Activities		Total Government	
	2019	2018	2019	2018	2019	2018
Assets & Deferred Outflows						
Current and Other Assets	\$ 13.60	\$ 16.19	\$ 11.94	\$ 9.72	\$ 25.54	\$ 25.91
Capital Assets	37.55	36.44	37.59	35.76	75.14	72.20
Total Assets	51.15	52.63	49.53	45.48	100.68	98.11
Deferred Outflows of Resources	4.77	2.68	.59	.32	5.36	3.00
Total Assets & Deferred Outflow	\$ 55.92	\$ 55.31	\$ 50.12	\$ 45.80	\$ 106.04	\$ 101.11
Liabilities						
Long-term debt outstanding	\$ 16.26	\$ 13.44	\$ 7.76	\$ 7.60	\$ 24.02	\$ 21.04
Other liabilities	.77	.99	.72	.79	1.49	1.78
Total Liabilities	17.03	14.43	8.48	8.39	25.51	22.82
Deferred Inflows	9.42	8.42	.45	.37	9.87	8.79
Net Position						
Invested in capital assets	23.38	24.14	29.83	27.87	53.21	52.01
- Restricted	2.40	3.99	2.33	2.42	4.73	6.41
- Unrestricted	3.68	4.33	9.04	6.75	12.72	11.08
Total Net Position	29.46	32.46	41.20	37.04	70.66	69.50
Total Liabilities, Deferred Inflows & Net Position	\$ 55.92	\$ 55.31	\$ 50.12	\$ 45.80	\$ 106.04	\$ 101.11

FINANCIAL ANALYSIS OF THE CITY OF TOMAH AS A WHOLE (CONT.)

Table 2
Condensed Statement of Activities
(In Millions)

	Governmental Activities		Business-type Activities		Total Government	
	2019	2018	2019	2018	2019	2018
Revenue						
Program Revenue	\$ 2.93	\$ 2.48	\$ 5.55	\$ 5.32	\$ 8.48	\$ 7.80
Charges for services						
Operating grants and contributions	1.73	.98	.28	.23	2.01	1.21
Capital grants and contributions	.02	.04	.38	.29	.40	.33
General Revenue						
Property taxes	5.70	5.20	.05	.04	5.75	5.24
Other taxes	.80	.83	-	-	.80	.83
Intergovernmental	1.90	2.08	-	-	1.90	2.08
Other	.27	.31	.18	.11	.45	.42
Total Revenue	13.35	11.92	6.44	5.99	19.79	17.91
Expenses						
General government	1.23	1.19	-	-	1.23	1.19
Public safety	5.82	4.94	-	-	5.82	4.94
Physical environment	6.68	5.03	4.45	4.75	11.13	9.78
Interest on long-term debt	.43	.35	-	-	.43	.35
Total Expenses	14.16	11.51	4.45	4.75	18.61	16.26
Income (Loss) Before Special Items and Transfers	(.81)	.41	1.99	1.24	1.18	1.65
Transfers	(2.18)	.37	2.18	(.37)	-	-
Changes in Net Assets	\$ (2.99)	\$.78	\$ 4.17	\$.87	\$ 1.18	\$ 1.65

As previously noted, the Statement of Net Position shows the change in financial position of net assets and deferred outflows of resources less liabilities and deferred inflows of resources. The Statement of Activities gives more details as to where the revenues and expenditures are allocated to and from.

CITY OF TOMAH

MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2019

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

GOVERNMENTAL FUNDS

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the government's net resources available for spending at the end of the fiscal year. The City's policy on fund balances is to designate them for future capital projects.

At December 31, 2019, the City's governmental funds reported combined fund balances of \$5,383,167.

General Fund

The City's general fund is the chief operating fund of the City. General Fund revenues were up slightly from 2018 increasing by \$257,849 from \$6,916,068 in 2018 to \$7,173,917 in 2019. Expenditures increased \$275,560 from 2018. Expenditures in 2018 were \$6,866,831 compared to \$7,142,391 in 2019. Much of this balance is maintained to help with the cash flow cycles of the City.

Debt Service Fund

The City's debt service fund accounts for the accumulation of resources for, and payment of, general long-term debt principal, interest and related costs. The entire fund balance of \$355,861 is reserved for future debt service.

Community Development Block Grant

The City's Community Development Block Grant fund accounts for the accumulation of resources for payment of community development loans. \$531,952 is reserved for future loans. This fund balance was decreased in 2019 due to the loan activity in the program.

Proprietary Funds

The City's proprietary funds include the operations of the water utility, the sewer utility and the mass transit. They provided an increase to the City's net position \$4,165,979 from \$37,040,439 in 2018 to \$41,206,418 in 2019.

The water utility change in net position was \$324,204 bringing the 2019 balance to \$15,884,346. The City receives a PILOT from the water utility which was \$388,125 in 2019. The sewer utility change in net position was \$3,782,699. This increased the sewer net position to \$25,347,110 in 2019. There was a reduction to the deficit fund balance in the Mass Transit Fund of \$49,076 bringing the balance to (\$36,038).

CITY OF TOMAH

MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2019

CAPITAL ASSETS

In accordance with GASB-34, the City has recorded historical costs and depreciation expense associated with its capital assets, including infrastructure. The table below summarizes the assets for both governmental and business type activities. At the end of 2019 the City had invested a total of \$78.29 million in capital assets.

**Table 3
Capital Assets (in Millions)**

	Governmental Activities		Business-Type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Land	\$ 4.30	\$ 4.33	\$ 2.03	\$ 2.05	\$ 6.33	\$ 6.38
Buildings	12.16	11.48	-	-	12.16	11.48
Improvements other than buildings	9.44	8.71	-	-	9.44	8.71
Equipment and machinery	10.19	9.57	-	-	10.19	9.57
Plant in Service	27.45	26.53	55.02	51.83	82.47	78.36
Total Capital Assets	63.54	58.05	57.05	52.49	120.59	114.50
Less: Accumulated depreciation	(26.08)	(24.71)	(19.90)	(19.06)	(43.77)	(43.77)
Construction in progress	.08	.53	.45	.94	1.47	1.47
Net Capital Assets	\$ 37.54	\$ 36.58	\$ 37.60	\$ 34.78	\$ 78.29	\$ 72.20

CITY OF TOMAH

MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2019

CITY OF TOMAH

MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2019

LONG-TERM DEBT

The long-term debt balance on December 31, 2019 for the City was \$21,872,701 consisting of long-term bonds and loans outstanding, compared to \$20,163,092 in 2018. \$7,754,710 of this was being paid by the water & sewer utility with the remaining \$14,117,991 being supported by governmental funds. The sewer utility has a capital lease.

**Table 4
Outstanding Debt, at Year-End
(In Millions)**

	Governmental Activities		Business-type Activities		Totals	
	2019	2018	2019	2018	2019	2018
General obligation bonds (backed by the City)	\$ 14.12	\$ 12.30	\$ 5.21	\$ 5.64	\$ 19.33	\$ 17.94
Revenue bonds and notes (backed by specific tax and fee revenue)	-	-	2.54	2.22	2.54	2.22
Other long-term obligations	2.14	1.15	.28	.10	2.42	1.25
Totals	\$ 16.26	\$ 13.45	\$ 8.03	\$ 7.96	\$ 24.29	\$ 21.41

The City's general obligation bond rating by Moody's Investor Services, Inc., is "A1". 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 City's jurisdiction. The 2019 equalized value certified by the Wisconsin Department of Revenue is \$716,267,500. The Debt Limit for Tomah is \$35,813,375. The applicable debt of the City totaled \$19,328,741 or 63.97% of the maximum legal limit.

FINANCIAL OUTLOOK

The City of Tomah is experiencing steady and consistent growth. The 3 TIF districts have projects that are underway or are going to be started within the coming year. There are new homes and apartment complexes being constructed at this time. We have been approached by companies interested in expanding their businesses to the Tomah area. This expanded construction improves our tax base and improves our financial condition. The City is home to the Veterans Administration Hospital, Tomah Health, the local hospital, built a new facility and has expanded the services it offers. We are situated where Interstates 90 and 94 split. This creates a lot of trucking businesses here as well as hotels and restaurants. Fort McCoy and Volk Field are also very close and have a large impact on our economy.

REQUESTS FOR INFORMATION

This report was designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to provide accountability for the financial resources it receives.

If you have questions about the information contained in this report, or need additional financial information concerning the City of Tomah, please contact the City Treasurer, 819 Superior Avenue, Tomah, WI 54660. We can be reached by telephone at 608-374-7423 or by email at jmann@tomahonline.com.

CITY OF TOMAH, WISCONSIN
STATEMENT OF NET POSITION
DECEMBER 31, 2019

<u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u>	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and investments	\$ 6,979,987	\$ 6,928,849	\$ 13,908,836
Restricted cash and investments	-	2,586,979	2,586,979
Receivables			
Taxes	6,171,427	45,000	6,216,427
Accounts and other, net of allowance for doubtful accounts	603,814	440,641	1,044,455
Interest	11,581	13,591	25,172
Special assessments	22,660	-	22,660
Loans, net of allowance for doubtful accounts	1,418,390	-	1,418,390
Internal balances	(1,863,907)	1,863,907	-
Due from other governments	4,052	31,965	36,017
Inventories	-	27,434	27,434
Prepaid expenses	256,342	-	256,342
Other assets	-	3,026	3,026
Capital assets, not being depreciated	4,383,856	2,476,339	6,860,195
Capital assets, net of accumulated depreciation	33,164,147	35,115,590	68,279,737
TOTAL ASSETS	51,152,349	49,533,321	100,685,670
DEFERRED OUTFLOWS OF RESOURCES			
Local Retiree Life Insurance Fund OPEB	\$ 36,552	\$ 4,560	\$ 41,112
Wisconsin Retirement System pension	4,733,849	590,603	5,324,452
TOTAL DEFERRED OUTFLOWS OF RESOURCES	4,770,401	595,163	5,365,564
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 55,922,750	\$ 50,128,484	\$ 106,051,234
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</u>			
LIABILITIES			
Accounts payable	\$ 185,150	\$ 365,982	\$ 551,132
Accrued liabilities			
Payroll and fringe benefits	396,516	28,649	425,165
Interest	171,106	22,885	193,991
Other	19,198	-	19,198
Due to other governments	1,197	-	1,197
Current portion of long-term obligations	1,994,192	508,454	2,502,646
Unearned revenue - other	-	20,467	20,467
Payable from restricted assets			
Accrued interest	-	5,353	5,353
Current portion of long-term obligations	-	270,998	270,998
Long-term obligations	14,267,610	7,248,413	21,516,023
TOTAL LIABILITIES	17,034,969	8,471,201	25,506,170
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - tax roll	6,171,426	45,000	6,216,426
Local Retiree Life Insurance Fund OPEB	55,693	6,949	62,642
Wisconsin Retirement System pension	3,197,427	398,916	3,596,343
TOTAL DEFERRED INFLOWS OF RESOURCES	9,424,546	450,865	9,875,411
NET POSITION			
Net investment in capital assets	23,379,198	29,834,701	53,213,899
Restricted for:			
General	60,682	-	60,682
Special revenue	999,384	-	999,384
Debt service	355,861	-	355,861
Capital projects	986,128	2,326,812	3,312,940
Unrestricted	3,681,982	9,044,905	12,726,887
TOTAL NET POSITION	29,463,235	41,206,418	70,669,653
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$ 55,922,750	\$ 50,128,484	\$ 106,051,234

The accompanying notes are an integral part of these financial statements

CITY OF TOMAH, WISCONSIN
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019

FUNCTIONS/PROGRAMS	PROGRAM REVENUE				NET (EXPENSES) REVENUE AND CHANGES IN NET POSITION		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
PRIMARY GOVERNMENT							
GOVERNMENTAL ACTIVITIES							
General government	\$ 1,233,159	\$ 33,275	\$ 5	\$ -	\$ (1,199,879)		\$ (1,199,879)
Public safety	5,823,740	2,618,205	333,981	-	(2,871,554)		(2,871,554)
Public works	3,151,433	17,057	598,892	21,276	(2,514,208)		(2,514,208)
Health and human services	108,700	1,939	5,365	-	(101,396)		(101,396)
Culture, recreation, and education	1,680,518	240,646	173,456	-	(1,266,416)		(1,266,416)
Conservation and development	1,737,722	32,533	621,322	-	(1,083,867)		(1,083,867)
Interest and fiscal charges	425,487	-	-	-	(425,487)		(425,487)
TOTAL GOVERNMENTAL ACTIVITIES	14,160,759	2,943,655	1,733,021	21,276	(9,462,807)		(9,462,807)
BUSINESS-TYPE ACTIVITIES							
Water utility	1,639,401	2,194,170	-	15,194		\$ 569,963	569,963
Sewer utility	2,199,962	3,016,923	-	368,612		1,185,573	1,185,573
Mass transit	611,037	335,609	279,469	-		4,041	4,041
TOTAL BUSINESS-TYPE ACTIVITIES	4,450,400	5,546,702	279,469	383,806		1,759,577	1,759,577
TOTAL PRIMARY GOVERNMENT	\$18,611,159	\$ 8,490,357	\$ 2,012,490	\$ 405,082	\$ (9,462,807)	\$ 1,759,577	\$ (7,703,230)
GENERAL REVENUE							
Property taxes, levied for general purposes					\$ 4,261,537	\$ 45,035	\$ 4,306,572
Property taxes, levied for debt service					1,273,169	-	1,273,169
Property taxes, levied for tax incremental district					162,394	-	162,394
Other taxes					799,509	-	799,509
Intergovernmental revenue not restricted to specific programs					1,899,117	-	1,899,117
Interest and investment income					135,802	202,072	337,874
Miscellaneous					114,510	(22,908)	91,602
TRANSFERS					(2,182,203)	2,182,203	-
TOTAL GENERAL REVENUE AND TRANSFERS					6,463,835	2,406,402	8,870,237
CHANGE IN NET POSITION					(2,998,972)	4,165,979	1,167,007
NET POSITION - BEGINNING OF YEAR					32,462,207	37,040,439	69,502,646
NET POSITION - END OF YEAR					\$ 29,463,235	\$ 41,206,418	\$70,669,653

The accompanying notes are an integral part of these financial statements.

CITY OF TOMAH, WISCONSIN
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2019

ASSETS	GENERAL FUND	CDBG SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS		AMBULANCE SPECIAL REVENUE	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
				TIF #8	TIF #10			
Cash and investments	\$ 2,531,239	\$ 537,924	\$ 355,861	\$ 137,204	\$ -	\$ 750,213	\$ 2,667,546	\$ 6,979,987
Receivables								
Taxes	3,792,677	-	1,432,428	298,105	128,748	-	519,469	6,171,427
Accounts and other, net of allowance for doubtful accounts	43,212	-	-	-	-	528,801	43,382	615,395
Special assessments	18,442	-	4,218	-	-	-	-	22,660
Loans, net of allowance for doubtful accounts	234,049	986,510	-	197,831	273,151	-	-	1,418,390
Due from other funds	400,893	-	-	-	-	-	255,781	674,044
Prepaid expenses	561	-	-	-	-	-	-	256,342
Due from other governments	4,052	-	-	-	-	-	-	4,052
Advances to other funds	45,145	-	-	-	-	-	-	45,145
TOTAL ASSETS	\$ 7,070,270	\$ 1,524,434	\$ 1,792,507	\$ 633,140	\$ 401,899	\$ 1,279,014	\$ 3,486,178	\$ 16,187,442
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
LIABILITIES								
Accounts payable	\$ 104,843	\$ 4,775	\$ -	\$ 11,105	\$ 8,976	\$ 20,936	\$ 34,515	\$ 185,150
Accrued liabilities								
Payroll and fringe benefits	396,516	-	-	-	-	-	-	396,516
Other	17,878	-	-	-	12,768	659	661	19,198
Due to other funds	-	-	-	-	-	-	-	12,768
Due to other governments	-	1,197	-	-	-	-	-	1,197
Unearned revenue - other	6,492	986,510	-	-	-	-	-	993,002
Advances from other funds	-	-	-	2,570,328	-	-	150	2,570,478
TOTAL LIABILITIES	\$ 525,729	\$ 992,482	\$ -	\$ 2,581,433	\$ 21,744	\$ 21,595	\$ 35,326	\$ 4,178,309
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue								
Tax roll	3,792,676	-	1,432,428	298,105	128,748	-	519,469	6,171,426
Special assessments	252,491	-	4,218	-	-	-	-	256,709
Other	-	-	-	197,831	-	-	-	197,831
TOTAL DEFERRED INFLOWS OF RESOURCES	\$ 4,045,167	\$ -	\$ 1,436,646	\$ 495,936	\$ 128,748	\$ -	\$ 519,469	\$ 6,625,966
FUND BALANCES								
Nonspendable	45,706	-	-	-	-	-	255,781	301,487
Restricted	60,682	531,952	355,861	-	251,407	-	1,202,153	2,402,055
Assigned	210,004	-	-	-	-	1,257,419	1,473,449	2,940,872
Unassigned	2,182,982	-	-	(2,444,229)	-	-	-	(261,247)
TOTAL FUND BALANCES	\$ 2,499,374	\$ 531,952	\$ 355,861	\$ (2,444,229)	\$ 251,407	\$ 1,257,419	\$ 2,931,383	\$ 5,383,167
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 7,070,270	\$ 1,524,434	\$ 1,792,507	\$ 633,140	\$ 401,899	\$ 1,279,014	\$ 3,486,178	\$ 16,187,442

The accompanying notes are an integral part of these financial statements.

CITY OF TOMAH, WISCONSIN
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2019

Fund balances - total governmental funds		\$ 5,383,167
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
Capital assets used in government activities are not financial resources and, therefore, are not reported in the funds.		37,548,003
Some revenues are deferred in the funds because they are not available to pay current period's expenditures:		
Special assessments to be collected after year end:	\$ 256,709	
Other deferred to be collected after year end:	<u>1,190,983</u>	1,447,692
Wisconsin Retirement System deferred outflows and inflows of resources are not current financial resources and are not reported in fund statements.		1,536,422
The Local Retiree Life Insurance Fund OPEB deferred outflows and inflows of resources are not current financial resources and are not reported in fund statements.		(19,141)
Long-term liabilities are not due in the current period and, therefore, are not reported in the funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities (both current and long-term) are reported in the statement of net position:		
Bonds and notes payable	\$ (14,117,991)	
Bond Premium	(50,815)	
Landfill liability	(425,000)	
Compensated absences	(365,807)	
Accrued interest payable	(171,106)	
Wisconsin Retirement System net pension liability	(1,102,858)	
LRLIF OPEB	<u>(199,331)</u>	<u>(16,432,908)</u>
TOTAL NET POSITION OF GOVERNMENTAL ACTIVITIES		<u>\$ 29,463,235</u>

The accompanying notes are an integral part of these financial statements.

CITY OF TOMAH, WISCONSIN
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2019

	GENERAL FUND	CDBG SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS		AMBULANCE SPECIAL REVENUE	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
				TIF #	TIF #10			
REVENUE								
Taxes	\$ 3,726,331	\$ -	\$ 1,273,169	\$ 162,394	\$ -	\$ -	\$ 1,334,715	\$ 6,496,609
Special assessments	22,709	-	7,857	-	-	-	-	30,566
Intergovernmental	2,526,512	-	-	12,014	-	4,165	133,416	2,676,107
Licenses and permits	101,292	-	-	-	-	-	-	101,292
Fines, forfeits, and penalties	182,244	-	-	-	-	-	-	182,244
Public charges for services	255,606	-	-	-	-	2,202,946	24,963	2,483,515
Intergovernmental charges for services	71,476	-	2,621	-	-	95,899	-	167,375
Miscellaneous	287,747	85,662	1,283,647	12,930	775,000	216,104	178,304	1,558,368
TOTAL REVENUE	7,173,917	85,662	1,283,647	187,338	775,000	2,519,114	1,671,398	13,696,076
EXPENDITURES								
Current								
General government	1,153,293	-	-	1,243	-	-	-	1,154,536
Public safety	3,004,521	-	-	-	-	2,150,326	7,180	5,162,027
Public works	2,102,999	-	-	-	-	-	3,295	2,106,294
Health and human services	-	-	-	-	-	-	109,243	109,243
Culture, recreation, and education	767,718	-	-	-	-	-	487,821	1,255,539
Conservation and development	12,851	134,843	-	1,707,307	550	-	296,556	2,152,107
Capital outlay	47,324	-	-	3,346,997	889,808	514,006	890,432	5,688,567
Debt service								
Principal	52,632	-	1,926,183	-	-	-	-	1,978,815
Interest	-	-	355,062	-	-	-	-	355,062
Other	1,053	-	800	-	-	-	-	1,853
TOTAL EXPENDITURES	7,142,391	134,843	2,282,045	5,055,547	890,358	2,664,332	1,794,527	19,964,043
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	31,526	(49,181)	(998,398)	(4,868,209)	(115,358)	(145,218)	(123,129)	(6,267,967)
OTHER FINANCING SOURCES (USES)								
Transfers in	388,125	-	1,062,341	-	-	-	83,739	1,534,205
Transfers (out)	-	-	-	(119,864)	(775,000)	-	(251,216)	(1,146,080)
Sale of capital assets	-	-	-	24,805	-	7,000	1,295	33,100
Issuance of long-term debt	-	-	-	2,141,302	1,155,843	-	500,000	3,797,145
Debt issuance costs	-	-	(3,200)	-	-	-	-	(3,200)
TOTAL OTHER FINANCING SOURCES	388,125	-	1,059,141	2,046,243	380,843	7,000	333,818	4,215,170
NET CHANGE IN FUND BALANCES	419,651	(49,181)	60,743	(2,821,966)	265,485	(138,218)	210,689	(2,052,797)
FUND BALANCES - BEGINNING OF YEAR	2,445,364	581,133	295,118	(800,097)	(14,078)	1,395,637	3,532,887	7,435,964
PRIOR PERIOD ADJUSTMENT	-	-	-	1,177,834	-	-	(1,177,834)	-
EQUITY TRANSFER	(365,641)	-	-	-	-	-	365,641	-
FUND BALANCES - END OF YEAR	2,499,374	531,952	355,861	(2,444,229)	251,407	1,257,419	2,931,383	5,383,167

The accompanying notes are an integral part of these financial statements.

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

Net change in fund balances - total governmental funds		\$ (2,052,797)
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
The acquisition of capital assets are reported in the governmental funds as expenditures. However, for		
Capital outlay reported in governmental fund statements	\$ 5,688,567	
Depreciation expense reported in the statement of activities	<u>(1,759,995)</u>	
Amount by which capital outlays are greater than depreciation in the current period:		3,928,572
The net effect of various miscellaneous transactions involving capital assets (i.e., noncapitalized outlay and contributions) is to decrease net position by:		
		(2,710,157)
Wisconsin Retirement System net pension liability (asset) and deferred outflows and inflows of resources changes:		
		(404,167)
In governmental funds, the entire proceeds, if any, from the disposal of capital assets is reported as an other financing source. In the statement of activities, only the gain (or loss) on the disposal is reported. The difference between the two is the unadjusted basis of the assets disposed of.		
(Loss) on disposition		(115,278)
Certain capital assets acquired during the year were financed with loans. The amount of the loan is reported in the governmental funds as a source of financing. In the statement of net position, however, loans are not reported as a financing source, but rather constitute a long-term liability. The amount of long-term debt issued in the governmental funds statement is:		
		(3,797,145)
Certain employee benefits are reported in the government funds when amounts are paid. The statement of activities reports the value of benefits earned during the year.		
This year the accrual of these benefits increased by:		(11,636)
Certain revenue is deferred in the governmental funds because they are not available to pay current		
		175,387
Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the statement of net position and does not affect the statement of activities.		
The amount of long-term debt principal payments in the current year:		1,978,815
The amount of landfill liability payments in the current year:		70,000
Local Retiree Life Insurance Fund OPEB net pension liability and deferred outflows and inflows of resources changes.		
		4,806
Governmental funds report the effect of premiums, discounts, and loss on refunding when debt is first issued, whereas, these amounts are deferred and amortized in the statement of activities.		
The net effect of these differences in the current year:		3,176
In governmental funds interest payments and other debt costs ("interest") on outstanding debt are reported as an expenditure when paid. In the statement of activities, interest is reported as it accrues.		
The amount of interest paid during the current period	\$ 355,062	
The amount of interest accrued during the current period	<u>(423,610)</u>	
Interest paid is less than interest accrued by:		<u>(68,548)</u>
CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES		<u>\$ (2,998,972)</u>

The accompanying notes are an integral part of these financial statements.

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

<u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u>	<u>WATER UTILITY</u>	<u>SEWER UTILITY</u>	<u>NONMAJOR FUND MASS TRANSIT</u>	<u>TOTAL ENTERPRISE FUNDS</u>
ASSETS				
CURRENT ASSETS				
Cash and investments	\$ 5,246,304	\$ 1,682,545	\$ -	\$ 6,928,849
Restricted cash and investments	268,259	2,318,720	-	2,586,979
Receivables				
Customer	182,917	250,306	5,451	438,674
Other	1,967	-	-	1,967
Taxes	-	-	45,000	45,000
Interest	6,767	6,824	-	13,591
Due from other funds	121,467	33,210	-	154,677
Due from other governments	15,064	16,901	-	31,965
Inventories	27,434	-	-	27,434
TOTAL CURRENT ASSETS	<u>5,870,179</u>	<u>4,308,506</u>	<u>50,451</u>	<u>10,229,136</u>
NONCURRENT ASSETS				
CAPITAL ASSETS				
Land	273,877	1,756,409	-	2,030,286
Construction in process	5,230	440,823	-	446,053
Buildings and improvements	2,099,233	6,438,000	-	8,537,233
Machinery and equipment	2,957,585	7,688,840	221,919	10,868,344
Infrastructure	19,443,798	16,168,784	-	35,612,582
TOTAL CAPITAL ASSETS	24,779,723	32,492,856	221,919	57,494,498
Less accumulated depreciation	9,088,800	10,647,447	166,322	19,902,569
NET CAPITAL ASSETS	<u>15,690,923</u>	<u>21,845,409</u>	<u>55,597</u>	<u>37,591,929</u>
OTHER ASSETS				
Special assessments receivable	1,538	1,488	-	3,026
Advances to other funds	70,822	2,499,506	-	2,570,328
TOTAL OTHER ASSETS	<u>72,360</u>	<u>2,500,994</u>	<u>-</u>	<u>2,573,354</u>
TOTAL NONCURRENT ASSETS	<u>15,763,283</u>	<u>24,346,403</u>	<u>55,597</u>	<u>40,165,283</u>
TOTAL ASSETS	<u>21,633,462</u>	<u>28,654,909</u>	<u>106,048</u>	<u>50,394,419</u>
DEFERRED OUTFLOWS OF RESOURCES				
Wisconsin Retirement System pension	275,110	315,493	-	590,603
Wisconsin Retirement System LRLIF	2,124	2,436	-	4,560
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>277,234</u>	<u>317,929</u>	<u>-</u>	<u>595,163</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 21,910,696</u>	<u>\$ 28,972,838</u>	<u>\$ 106,048</u>	<u>\$ 50,989,582</u>

(Continued on page 22)

The accompanying notes are an integral part of these financial statements.

CITY OF TOMAH, WISCONSIN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS - Continued
DECEMBER 31, 2019

<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</u>	<u>WATER UTILITY</u>	<u>SEWER UTILITY</u>	<u>NONMAJOR FUND MASS TRANSIT</u>	<u>TOTAL ENTERPRISE FUNDS</u>
LIABILITIES				
CURRENT LIABILITIES PAYABLE FROM CURRENT ASSETS				
Accounts payable	\$ 40,366	\$ 273,675	\$ 51,941	\$ 365,982
Accrued liabilities				
Payroll and fringe benefits	6,976	21,673	-	28,649
Interest	9,471	13,414	-	22,885
Due to other funds	556,720	259,233	-	815,953
Unearned revenue - other	20,467	-	-	20,467
Current portion of long-term obligations	266,600	241,854	-	508,454
TOTAL CURRENT LIABILITIES PAYABLE FROM CURRENT ASSETS	<u>900,600</u>	<u>809,849</u>	<u>51,941</u>	<u>1,762,390</u>
CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS				
Accrued revenue bond interest	5,353	-	-	5,353
Current portion of revenue bonds	270,998	-	-	270,998
TOTAL CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS	<u>276,351</u>	<u>-</u>	<u>-</u>	<u>276,351</u>
NONCURRENT LIABILITIES				
Long-term obligations	4,584,665	2,501,285	-	7,085,950
WRS net pension liability	64,093	73,501	-	137,594
OPEB healthcare	11,584	13,285	-	24,869
Advance from other funds	-	-	45,145	45,145
TOTAL NONCURRENT LIABILITIES	<u>4,660,342</u>	<u>2,588,071</u>	<u>45,145</u>	<u>7,293,558</u>
TOTAL LIABILITIES	<u>5,837,293</u>	<u>3,397,920</u>	<u>97,086</u>	<u>9,332,299</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - tax roll	-	-	45,000	45,000
LRLIF OPEB	3,237	3,712	-	6,949
Wisconsin Retirement System pension	185,820	213,096	-	398,916
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>189,057</u>	<u>216,808</u>	<u>45,000</u>	<u>450,865</u>
NET POSITION				
Net investment in capital assets	10,634,759	19,144,345	55,597	29,834,701
Restricted for equipment replacement	8,092	2,318,720	-	2,326,812
Unrestricted	5,241,495	3,895,045	(91,635)	9,044,905
TOTAL NET POSITION	<u>15,884,346</u>	<u>25,358,110</u>	<u>(36,038)</u>	<u>41,206,418</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	<u>\$ 21,910,696</u>	<u>\$ 28,972,838</u>	<u>\$ 106,048</u>	<u>\$ 50,989,582</u>

The accompanying notes are an integral part of these financial statements.

CITY OF TOMAH, WISCONSIN
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2019

	WATER UTILITY	SEWER UTILITY	NONMAJOR FUND MASS TRANSIT	TOTAL ENTERPRISE FUNDS
OPERATING REVENUE				
Metered sales	\$ 1,472,376	\$ 2,892,179	\$ 335,609	\$ 4,700,164
Private fire protection	42,884	-	-	42,884
Public fire protection	445,938	-	-	445,938
Sales to public authorities	155,944	-	-	155,944
Forfeited discounts	16,359	11,845	-	28,204
Intergovernmental grants	-	-	279,469	279,469
Miscellaneous	60,669	112,899	45,035	218,603
TOTAL OPERATING REVENUE	<u>2,194,170</u>	<u>3,016,923</u>	<u>660,113</u>	<u>5,871,206</u>
OPERATING EXPENSES				
Plant and maintenance expenses:				
Salaries and wages	268,782	330,331	-	599,113
Fuel or power purchased	65,500	158,073	-	223,573
Chemicals	66,074	99,399	-	165,473
Supplies and expenses	71,252	48,329	592,507	712,088
Repairs and maintenance	140,608	148,503	-	289,111
Transportation	11,865	22,852	-	34,717
TOTAL PLANT AND MAINTENANCE EXPENSES	<u>624,081</u>	<u>807,487</u>	<u>592,507</u>	<u>2,024,075</u>
General expenses:				
Administrative and general salaries	90,553	84,480	774	175,807
Office supplies and expense	20,735	15,845	-	36,580
Outside services employed	21,127	31,473	-	52,600
Insurance	10,795	14,941	-	25,736
Employee benefits	147,750	182,966	356	331,072
Other general expenses	28,715	203,745	-	232,460
TOTAL GENERAL EXPENSES	<u>319,675</u>	<u>533,450</u>	<u>1,130</u>	<u>854,255</u>
Depreciation	582,618	722,254	17,400	1,322,272
Taxes	13,189	47,456	-	60,645
TOTAL OPERATING EXPENSES	<u>1,539,563</u>	<u>2,110,647</u>	<u>611,037</u>	<u>4,261,247</u>
OPERATING INCOME	<u>654,607</u>	<u>906,276</u>	<u>49,076</u>	<u>1,609,959</u>
NONOPERATING REVENUE (EXPENSES)				
Interest income	102,889	99,183	-	202,072
Miscellaneous revenue	-	188	-	188
Gain on sale of capital assets	(22,908)	-	-	(22,908)
Interest expense	(108,275)	(80,878)	-	(189,153)
TOTAL NONOPERATING (EXPENSES) REVENUE	<u>(28,294)</u>	<u>18,493</u>	<u>-</u>	<u>(9,801)</u>
INCOME BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	626,313	924,769	49,076	1,600,158
TRANSFERS (OUT)	(388,125)	-	-	(388,125)
CAPITAL CONTRIBUTIONS	86,016	2,867,930	-	2,953,946
CHANGE IN NET POSITION	324,204	3,792,699	49,076	4,165,979
NET POSITION - BEGINNING OF YEAR	15,560,142	21,565,411	(85,114)	37,040,439
NET POSITION - END OF YEAR	<u>\$15,884,346</u>	<u>\$25,358,110</u>	<u>\$ (36,038)</u>	<u>\$ 41,206,418</u>

The accompanying notes are an integral part of these financial statements.

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

	WATER UTILITY	SEWER UTILITY	MASS TRANSIT	ENTERPRISE FUNDS
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash from sales and services	\$ 1,808,496	\$ 2,931,776	\$ 419,942	\$ 5,160,214
Cash from public fire protection	445,938	-	-	445,938
Cash from operating grants	-	-	279,469	279,469
Cash from quasi-external operating transactions with other funds	(134,304)	(2,909,863)	-	(3,044,167)
Cash paid suppliers for goods and services	(475,636)	(760,592)	(563,667)	(1,799,895)
Cash paid to employees for services	(481,120)	(549,542)	(1,130)	(1,031,792)
Cash paid for quasi-external operating transactions with other funds	-	-	(143,498)	(143,498)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>1,163,374</u>	<u>(1,288,221)</u>	<u>(8,884)</u>	<u>(133,731)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers to other funds	(388,125)	-	-	(388,125)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(564,246)	(2,572,372)	(36,261)	(3,172,879)
Capital contributions	86,016	2,867,930	-	2,953,946
Debt principal payment	(494,779)	(326,411)	-	(821,190)
Nonoperating income	-	188	-	188
Proceeds from debt	712,468	-	-	712,468
Interest paid	(108,297)	(82,503)	-	(190,800)
NET CASH (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(368,838)</u>	<u>(113,168)</u>	<u>(36,261)</u>	<u>(518,267)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investments	237,253	430,548	-	667,801
Interest received	105,523	99,949	-	205,472
NET CASH PROVIDED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>342,776</u>	<u>530,497</u>	<u>-</u>	<u>873,273</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	749,187	(870,892)	(45,145)	(166,850)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>2,488,988</u>	<u>2,952,745</u>	<u>-</u>	<u>5,441,733</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 3,238,175</u>	<u>\$ 2,081,853</u>	<u>\$ (45,145)</u>	<u>\$ 5,274,883</u>
<u>RECONCILIATION OF OPERATING INCOME TO CASH PROVIDED BY OPERATING ACTIVITIES</u>				
Operating income	\$ 654,607	\$ 906,276	\$ 49,076	\$ 1,609,959
Adjustments to reconcile operating income to net cash provided by operating activities				
Depreciation	582,618	722,254	17,400	1,322,272
Depreciation charged to sewer	56,625	(56,625)	-	-
Changes in assets and liabilities				
Decrease (increase) in assets				
Accounts receivable	9,325	(19,687)	39,333	28,971
Due from other funds	(76,089)	(2,529,590)	-	(2,605,679)
Due from other governments	(5,686)	(8,835)	-	(14,521)
Inventories	775	-	-	775
Net pension liability/LRLIF and deferred outflow and inflow	31,093	42,351	-	73,444
(Decrease) increase in liabilities				
Accounts payable	(26,551)	30,024	28,840	32,313
Other accrued expenses	(5,128)	5,884	-	756
Unearned revenue	-	-	(35)	(35)
Due to other funds	(58,215)	(380,273)	(143,498)	(581,986)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 1,163,374</u>	<u>\$ (1,288,221)</u>	<u>\$ (8,884)</u>	<u>\$ (133,731)</u>

(Continued on page 25)

The accompanying notes are an integral part of these financial statements.

CITY OF TOMAH, WISCONSIN
STATEMENT OF CASH FLOWS - Continued
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2019

RECONCILIATION OF CASH AND CASH EQUIVALENTS PER STATEMENT OF
CASH FLOWS TO THE STATEMENT OF NET POSITION

	WATER UTILITY		
	CASH AND CASH EQUIVALENTS	INVESTMENTS	TOTAL
Cash and investments	\$ 2,969,916	\$ 2,276,388	\$ 5,246,304
Restricted cash and investments	268,259	-	268,259
TOTAL CASH AND INVESTMENTS	<u>\$ 3,238,175</u>	<u>\$ 2,276,388</u>	<u>\$ 5,514,563</u>

	SEWER UTILITY		
	CASH AND CASH EQUIVALENTS	INVESTMENTS	TOTAL
Cash and investments	\$ 1,682,545	\$ -	\$ 1,682,545
Restricted cash and investments	399,308	1,919,412	2,318,720
TOTAL CASH AND INVESTMENTS	<u>\$ 2,081,853</u>	<u>\$ 1,919,412</u>	<u>\$ 4,001,265</u>

	TOTALS		
	CASH AND CASH EQUIVALENTS	INVESTMENTS	TOTAL
Cash and investments	\$ 4,652,461	\$ 2,276,388	\$ 6,928,849
Restricted cash and investments	667,567	1,919,412	2,586,979
TOTAL CASH AND INVESTMENTS	<u>\$ 5,320,028</u>	<u>\$ 4,195,800</u>	<u>\$ 9,515,828</u>

NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES

Water Utility

Contributed capital assets	<u>\$ 86,016</u>
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Sewer Utility

Contributed capital assets	<u>\$ 2,867,930</u>
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The accompanying notes are an integral part of these financial statements.

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

<u>ASSETS</u>	<u>CUSTODIAL FUND</u> <u>PROPERTY TAX</u>
Cash and investments	\$ 5,416,513
Taxes receivable	<u>4,198,822</u>
TOTAL ASSETS	<u>\$ 9,615,335</u>
<u>LIABILITIES</u>	
Due to other governments	\$ 5,416,513
<u>NET POSITION</u>	
Restricted for other governments	<u>4,198,822</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 9,615,335</u>

The accompanying notes are an integral part of these financial statements.

CITY OF TOMAH
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUND
YEAR ENDED DECEMBER 31, 2019

	<u>CUSTODIAL FUND</u>
	<u>PROPERTY TAX</u>
ADDITIONS	
Collections for other governments	\$ 9,615,335
DEDUCTIONS	
Payments to other governments	<u>(9,748,548)</u>
CHANGE IN NET POSITION	(133,213)
NET POSITION AT BEGINNING OF YEAR	-
CHANGE IN ACCOUNTING PRINCIPLE	<u>4,332,035</u>
NET POSITION AT END OF YEAR	<u>\$ 4,198,822</u>

The accompanying notes are an integral part of these financial statements.

NOTE 1 - Summary of Significant Accounting Policies - Continued

Basis of Presentation - Continued

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. The City does not allocate indirect expenses to functions in the statement of activities. Program revenue includes 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenue are reported as general revenue.

Fund Financial Statements

The fund financial statements provide information about the government's funds, including its fiduciary funds. Separate statements for each fund category - governmental, proprietary, and fiduciary - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets, liabilities, revenue, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental fund or enterprise fund that met the 10 percent test is at least 5 percent of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or proprietary fund that the City believes is particularly important to the financial statement users may be reported as major fund.

The City reports the following major governmental funds:

General Fund - Accounts for the City's primary operating activities. It is used to account for all financial resources, except those required to be accounted for in another fund.

CDBG - Special Revenue Fund - Accounts for the City's housing and economic development loan programs.

Debt Service Fund - Accounts for the accumulated of resources for, and payment of, general long-term debt principal, interest, and related costs.

TID #8 - Accounts for the financial resources and expenditures related to the Tax Incremental Financing District #8.

TID #10 - Accounts for the financial resources and expenditures related to the Tax Incremental Financing District #10.

Ambulance - Special Revenue Fund - Accounts for the City's Ambulance programs.

NOTE 1 - Summary of Significant Accounting Policies

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

Reporting Entity - The City operates under a mayor - council form of government and provides the following services as authorized by its charter: public works and utilities, parks and recreation, city plan, police and fire, ambulance, and general.

The City's basic financial statements include the Lake District, as a component unit, as defined in GASB 14 and as amended by GASB 39 and GASB 61.

The criterion for including a legally separate organization as a component unit is the degree of financial accountability and fiscal dependency the City has with the organization. A financial benefit or burden relationship needs to be present between the primary government and that organization for it to be included in the reporting entity as a component unit.

The following circumstances set forth the City's financial accountability for a legally separate organization: the City is financially accountable if it appoints a voting majority of the City's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the City. The City may be financially accountable if an organization is fiscally dependent on the City regardless of whether the organization has (1) a separately-elected governing body, (2) a governing body appointed by a higher level of government, or (3) a jointly-appointed governing body. In addition, the primary government may determine, through exercise of management's professional judgment, that the inclusion of an organization that does not meet the financial accountability criteria is necessary in order to prevent the City's financial statements from being misleading.

Blended Component Unit - The City of Tomah's Lake District serves all the citizens of the government and is governed by a board comprised of the government's elected council. The Lake District has taxing authority and is responsible for the general obligation debt it issued. The Lake District is reported as a special revenue fund. The Lake District does not issue separate financial statements.

Basis of Presentation

Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the government's enterprise funds. 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.

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 where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the government's water and sewer functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenue reported for the various functions concerned.

NOTE 1 - Summary of Significant Accounting Policies - Continued

Basis of Presentation - Continued

The City reports the following major enterprise funds:

Water Utility - Accounts for all activities necessary to provide water services to residents of the City and outlying areas. Fund activities include administration, billing and collection, operations, maintenance, and financing.

Sewer Utility - Accounts for the maintenance of the City's sewer system. Wisconsin State Statutes Section 66.076, permits municipalities to implement sewer fees to recover the costs of operation, maintenance, repair, and depreciation of sewer collection and transportation facilities. Sewer maintenance costs are recovered through a user fee rather than through the property tax.

In addition, the City reports the following fund type:

Fiduciary Custodial Fund - Tax - Accounts for taxes and deposits collected by the City, acting in the capacity of an agent, for distribution to other governmental units or designated beneficiaries.

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in and out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

NOTE 1 - Summary of Significant Accounting Policies - Continued

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as they are both measurable and available. Revenue is considered to be available when it is collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Measurement Focus and Basis of Accounting - Continued

Property taxes are recorded in the year levied as receivables and unavailable revenue. They are recognized as revenue in the succeeding year when services financed by the levy are being provided. Special assessments are recorded as revenue when they become measurable and available as current assets. Sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. Grants are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary and fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting.

The proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue 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 revenue of the water and sewer utilities is a charge 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 revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

Cash and Cash Equivalents - Cash and cash equivalents, as classified in the statement of cash flows, consist of all highly liquid investments with an initial maturity of three months or less.

Accounts Receivable - Accounts receivable are recorded at gross amounts less an allowance for doubtful accounts of \$655,609. No provision for uncollectible accounts receivable has been made in the accompanying enterprise fund financial statements because the water and sewer utility has the right by law to place delinquent bills on the tax roll.

Due To/From Advance To/From Other Funds - During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as due to and from other funds. Long-term interfund loans (noncurrent portion) are reported as advances from and to other funds. In the governmental fund financial statements, advances to other funds are offset, equally by a fund balance reserve account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation. Eliminations have been made for amounts due to/from and advance to/from within the same fund type on the government-wide statements.

CITY OF TOMAH, WISCONSIN
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 DECEMBER 31, 2019

NOTE 1 - Summary of Significant Accounting Policies - Continued

Interfund Transactions - Non-exchange transactions which are not borrowing/lending (will not be repaid) are recorded as operating transfers, and exchange transactions are recorded as revenue and expenses. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers.

Inventory - Inventory is priced at cost based on weighted average. The cost of governmental fund-type inventories are recorded as expenditures when purchased.

Prepaid Items - Cash payments benefiting future periods have been recorded as prepaid items. They will be reflected as expenditures or expenses when incurred in the subsequent year. Prepaid items in governmental funds are reserved for in nonspendable fund balance, because prepaids are not expendable available financial resources.

Restricted Cash and Investments - Restricted cash and investments include the following restricted asset accounts:

Equipment Replacement Account - The Sewer Utility has established an equipment replacement account to be used for significant mechanical equipment replacement as required by the Wisconsin Department of Natural Resources.

Special Redemption and Reserve Accounts - The Water and the Sewer Utilities in compliance with their mortgage revenue bonds have established and maintain special redemption and reserve accounts. The Special Redemption accounts are used to segregate resources accumulated for debt service payments over the next twelve months. The Reserve accounts are used to report resources set aside to make up potential future deficiencies in the redemption account.

Capital Assets - In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets are defined by the government as assets with an initial cost of more than \$5,000 for general capital assets and \$25,000 for infrastructure, and an estimated useful life in excess of one year. All capital assets are valued at historical cost or estimated historical cost if actual amounts are unavailable. Donated fixed assets are recorded at their estimated fair value at the date of donation.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed fund proceeds. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset for governmental activities is as follows:

Buildings and Improvements	40 years
Land Improvements	30 years
Machinery & Equipment	3 - 10 years
Infrastructure	35 years

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

CITY OF TOMAH, WISCONSIN
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 DECEMBER 31, 2019

NOTE 1 - Summary of Significant Accounting Policies - Continued

The range of estimated useful lives by type of asset for business-type activities is as follows:

Buildings and Improvements	30 - 50 years
Equipment and Infrastructure	4 - 100 years

Compensated Absences - Under terms of employment, employees are granted sick leave and vacations in varying amounts. Employees earn 12 sick days per year. They are allowed to be paid 30 percent of their accumulated sick leave credits upon retirement or death, not to exceed 30 percent of a maximum of 120 days. Only benefits considered to be vested are reflected in these statements. Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick pay liabilities are computed on the basis of current salary rates and include salary related payments.

Accumulated unpaid vacation and sick leave for employees is recorded as an expense and liability in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Pensions - For purposes of measuring the net pension liability, 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/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.

Claims and Judgments - They are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental funds. If they are not to be liquidated with expendable available financial resources, no liability is recognized in the governmental fund statements. The related expenditure is recognized when the liability is liquidated. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred. There were no significant claims or judgments at year end.

Deferred Outflows and Inflows of Resources - In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. The separate financial statement element represents a consumption of net position that applies to future period and will not be recognized as an outflow of resources (expense/ expenditure) until then. The City has two items that qualify for reporting in this category. The Wisconsin Retirement System pension results from changes in pension plan and the local retiree life insurance fund.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. The separate financial statement element represents an acquisition of net position which applies to future periods and so will not be recognized as an inflow of resources (revenue) until then. The City has three items that qualify for reporting in this category: unavailable revenue, Wisconsin Retirement System pension, and local retiree life insurance refund. A deferred inflow from unavailable revenue arises under a modified accrual basis of accounting. The unavailable revenue is from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow in the period the amount becomes available. The Wisconsin Retirement System pension and Local Retiree Life Insurance Fund result from changes in pension trust.

CITY OF TOMAH, WISCONSIN
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 DECEMBER 31, 2019

CITY OF TOMAH, WISCONSIN
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 DECEMBER 31, 2019

NOTE 1 - Summary of Significant Accounting Policies - Continued

Net Position Classifications - Net position represents the difference between the total assets and deferred outflows of resources and the total liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings 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.

Fund Balance Classifications - The City classifies its fund equity as follows:

- a. Nonspendable fund balance consists of equity not in a spendable form or is legally or contractually required to be maintained intact.
- b. Restricted fund balance consists of equity constrained to specific purposes by their providers, externally imposed by creditors, constitutional provisions or by enabling legislation.
- c. Committed fund balance consists of equity constrained to specific purposes by the City itself, using its highest level of decision making authority - Common Council policies.
- d. Assigned fund balance consists of equity the governing body intends to use for a specific purpose, intent can be expressed by the governing body. The Common Council has authorized the City treasurer to assign fund balances through its financial management policy.
- e. Unassigned fund balance consists of equity available for any purpose.

When net losses occur, it is the City's policy to record the net loss against committed fund balance, then assigned fund balance, and lastly to unassigned fund balance. The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

State and Federal Aids - State general and categorical aids are recognized as revenue in the entitlement year. Federal aids and certain state aids for reimbursable programs are recognized as revenue in the year related program expenditures are incurred. Aids received prior to meeting revenue recognition criteria are recorded as deferred revenue.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Change in Accounting Principle - The City has implemented GASB Statement No. 84, *Fiduciary Activities* in 2019.

NOTE 2 - Cash and Investments

State statutes permit the City to invest available cash balances, other than debt service funds, in time deposits of authorized depositories, state obligations, U.S. Treasury obligations, U.S. agency issues, repurchase agreements and other investments secured by federal securities, high grade commercial paper, and the local government pooled-investment fund administered by the state investment board. Available balances in the Debt Service Fund may be invested in municipal obligations, obligations of the United States and the local government pooled-investment fund. No significant violations of these restrictions occurred during the year.

NOTE 2 - Cash and Investments - Continued

As of December 31, 2019, the City had the following investments:

INVESTMENT	WEIGHTED AVERAGE MATURITIES	FAIR VALUE
Certificate of Deposits	Less than two years	\$ 1,651,502
Fixed Income Securities	Less than one year	3,882,658
State of Wisconsin Investment Pool	Less than one year	1,261,832
TOTAL		\$ 6,795,992

Determining Fair Value - The City categorizes its fair value measurements with in the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets; level 2 inputs are significant other observable inputs; level 3 inputs are significant unobservable inputs. The City has the following recurring fair value measurement:

- 1) Deposits and investments with stated interest rates (saving accounts, CD) are stated at cost.
- 2) Fixed Income Securities fair value is determined based on published market quotations (level 2 inputs).
- 3) State of Wisconsin Local Government Investment Pool fair value is determined by the Pool's investment board based on published market quotations (level 2 inputs).

Investment Pool Information - Participation in the State of Wisconsin Local Government Investment Pool is voluntary. The Pool's regulatory oversight is provided by state statutes and its investment board. The fair value of the City's position in the Pool is the same as the value of the Pool shares. At December 31, 2019, the Pool's fair value was 100 percent of book value.

The City uses Morgan Stanley Smith Barney and Multi-Bank Securities, Inc. to manage a portion of its investments. Morgan Stanley and Multi-Bank Securities, Inc. are members of the Securities Investor Protector Corporation (SIPC), created by the Securities Investor Protection Act of 1970, an independent government-sponsored corporation (not an agency of the U.S. government). Membership provides SIPC protection up to a maximum of \$500,000 per customer, of which \$100,000 may be in cash. The Smith Barney investments also have additional coverage through Lloyd's of London.

Income Allocation - Interest income is allocated to the fund which owns the checking account, certificate of deposit, money market account, savings account and investment.

Interest Rate Risk - State statutes limit investments in commercial paper, corporate bonds, and mutual bond funds to mature or may be tendered for purchase at the option of the holder within not more than seven years of the date acquired. The City has a formal investment policy that would further limit investment maturities as a means of further managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk - State statutes limit investments in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The City's investment policy further limits its investment choices to the following types:

- Time deposits in any credit union, bank, savings bank, trust company, or savings and loan association authorized to transact business in the state maturing in three years or less;
- U.S. Treasury securities issued or guaranteed by the federal government;
- U.S. Government Agency or Instrumentality securities which mature within not more than seven years, if the security has a rating which is the highest or second highest rating category assigned by a nationally recognized agency;

CITY OF TOMAH, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2019

NOTE 2 - Cash and Investments - Continued

- Repurchase agreements that are fully collateralized by bonds or securities of the federal government;
- The Local Government Investment Pool.

The State of Wisconsin Investment Pool and Wisconsin Investment Trust are not rated.

Custodial Credit Risk - Deposits - Custodial credit is the risk that, in the event of a bank failure, the City's deposits may not be returned to it. The City's investment policy requires that all funds be fully collateralized, and no more than 25 percent of the annual budget can be invested in government securities. The State of Wisconsin's Public Deposit Guarantee Fund created under Chapter 34 of the Wisconsin Statutes protects the City's designated public depositories against any losses of public funds up to \$400,000 subject to the total amount of the Guarantee Fund available. As of December 31, 2019, \$2,561,106 of the City's bank balance of \$12,882,746 was exposed to custodial credit risk as follows:

Uninsured, collateral pledged by bank	\$ 2,203,881
Uninsured and uncollateralized	<u>357,225</u>
	<u>\$ 2,561,106</u>

NOTE 3 - Property Taxes

Property taxes attach as an enforceable lien on property in December when the tax roll is certified. Taxes are levied in December and payable in four installments on January 31, March 31, May 31, and July 31 or payable in full on January 31. Special assessments, charges, and personal property taxes are payable in full on January 31. The City bills and collects its own property taxes and also taxes for the State, County, Technical College, and Public Schools until July 31, at which time all uncollected real estate taxes are turned over to the county who pays in full and then assumes the collection thereof. Delinquent personal property taxes are collected by the City. Collection of the taxes and remittance of them to the appropriate entities are accounted for in the Tax Agency Fund. City property tax revenue is recognized in the year they are levied for and available for use. The 2019 tax roll has been set up as a receivable and is offset by the amounts due to other governmental units and deferred income tax revenue for the City's portion. Advance tax collections are offset against the receivable.

NOTE 4 - Capital Assets

Capital asset balances and activity for the year ended December 31, 2019 are as follows:

	BALANCES 1/1/19	ADDITIONS	RETIREMENTS	TRANSFERS/ ADJUSTMENTS	BALANCES 12/31/19
GOVERNMENTAL ACTIVITIES					
Capital assets not being depreciated:					
Land	\$ 4,336,541	\$ -	\$ (36,084)	\$ -	\$ 4,300,457
Construction in progress	<u>531,356</u>	<u>73,489</u>	<u>-</u>	<u>(521,446)</u>	<u>83,399</u>
TOTAL CAPITAL ASSETS NOT BEING DEPRECIATED	<u>4,867,897</u>	<u>73,489</u>	<u>(36,084)</u>	<u>(521,446)</u>	<u>4,383,856</u>
Capital assets being depreciated					
Land improvements	8,706,746	958,310	(224,601)	-	9,440,455
Buildings and improvements	11,482,096	666,543	-	11,939	12,160,578
Machinery and equipment	9,574,874	860,768	(244,002)	-	10,191,640
Infrastructure	<u>26,525,384</u>	<u>419,300</u>	<u>-</u>	<u>509,507</u>	<u>27,454,191</u>
TOTAL CAPITAL ASSETS BEING DEPRECIATED	<u>56,289,100</u>	<u>2,904,921</u>	<u>(468,603)</u>	<u>521,446</u>	<u>59,246,864</u>

CITY OF TOMAH, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2019

NOTE 4 - Capital Assets - Continued

	BALANCES 1/1/19	ADDITIONS	RETIREMENTS	TRANSFERS/ ADJUSTMENTS	BALANCES 12/31/19
GOVERNMENTAL ACTIVITIES - Continued					
Less accumulated depreciation for:					
Land improvements	\$ (3,539,422)	\$ (240,930)	\$ 224,601	\$ -	\$ (3,555,751)
Buildings and improvements	<u>(4,260,705)</u>	<u>(199,670)</u>	<u>-</u>	<u>-</u>	<u>(4,460,375)</u>
Machinery and equipment	(6,086,205)	(585,837)	164,808	-	(6,507,234)
Infrastructure	<u>(10,825,799)</u>	<u>(733,558)</u>	<u>-</u>	<u>-</u>	<u>(11,559,357)</u>
TOTAL ACCUMULATED DEPRECIATION	<u>(24,712,131)</u>	<u>(1,759,995)</u>	<u>389,409</u>	<u>-</u>	<u>(26,082,717)</u>
TOTAL CAPITAL ASSETS BEING DEPRECIATED, NET	<u>31,576,969</u>	<u>(1,144,926)</u>	<u>(79,194)</u>	<u>521,446</u>	<u>33,164,147</u>
GOVERNMENTAL ACTIVITIES - CAPITAL ASSETS, NET	<u>\$ 36,444,866</u>	<u>\$ 1,218,415</u>	<u>\$ (115,279)</u>	<u>\$ -</u>	<u>\$ 37,548,003</u>

Depreciation expense for governmental activities was charged to functions as follows:

General government	\$ 38,475
Public safety	339,910
Public works	1,015,308
Culture, recreation, and education	349,544
Conservation and development	<u>16,759</u>
TOTAL	<u>\$ 1,759,995</u>

BUSINESS-TYPE ACTIVITIES

	BALANCES 1/1/19	ADDITIONS	RETIREMENTS	TRANSFERS	BALANCE 12/31/19
Capital assets not being depreciated:					
Land	\$ 2,053,194	\$ -	\$ (22,908)	\$ -	\$ 2,030,286
Construction in progress	<u>938,488</u>	<u>2,343,431</u>	<u>-</u>	<u>(2,835,866)</u>	<u>446,053</u>
TOTAL CAPITAL ASSETS NOT BEING DEPRECIATED	<u>2,991,682</u>	<u>2,343,431</u>	<u>(22,908)</u>	<u>(2,835,866)</u>	<u>2,476,339</u>
Capital assets being depreciated:					
Buildings and improvements	8,591,730	-	(54,497)	-	8,537,233
Machinery and equipment	32,965,743	451,584	(405,434)	2,600,689	35,612,582
Infrastructure	<u>10,275,578</u>	<u>357,589</u>	<u>-</u>	<u>235,177</u>	<u>10,868,344</u>
TOTAL CAPITAL ASSETS BEING DEPRECIATED	<u>51,833,051</u>	<u>809,173</u>	<u>(459,931)</u>	<u>2,835,866</u>	<u>55,018,159</u>
Less accumulated depreciation	<u>(19,060,504)</u>	<u>(1,322,272)</u>	<u>480,207</u>	<u>-</u>	<u>(19,902,569)</u>
TOTAL CAPITAL ASSETS BEING DEPRECIATED, NET	<u>32,772,547</u>	<u>(513,100)</u>	<u>20,276</u>	<u>2,835,866</u>	<u>35,115,590</u>
BUSINESS-TYPE ACTIVITIES - CAPITAL ASSETS, NET	<u>\$ 35,764,229</u>	<u>\$ 1,830,332</u>	<u>\$ (652)</u>	<u>\$ -</u>	<u>\$ 37,591,929</u>

CITY OF TOMAH, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2019

CITY OF TOMAH, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2019

NOTE 4 - Capital Assets - Continued

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

Water Utility	\$ 639,243
Sewer Utility	665,629
Mass Transit	17,400
TOTAL	\$ 1,322,272

NOTE 5 - Long-Term Obligations

Details of the City's long-term obligations are set forth below.

Summary of Long-Term Obligations

	<u>BALANCES</u>	<u>ADDITIONS</u>	<u>PAYMENTS</u>	<u>BALANCES</u>	<u>DUE WITHIN</u>
	<u>1/1/19</u>			<u>12/31/19</u>	<u>ONE YEAR</u>
GOVERNMENTAL ACTIVITIES:					
Bonds payable	\$ 9,635,803	\$ -	\$ (731,553)	\$ 8,904,250	\$ 780,093
Notes payable - direct borrowing	2,663,858	3,797,145	(1,247,262)	5,213,741	898,172
Debt premiums	53,991	-	(3,176)	50,815	-
Compensated absences	354,171	11,636	-	365,807	245,927
Landfill liability	495,000	-	(70,000)	425,000	70,000
WRS pension liability	-	1,102,858	-	1,102,858	-
Net OPEB liability	242,979	-	(43,648)	199,331	-
TOTAL GOVERNMENTAL ACTIVITIES	\$ 13,445,802	\$ 4,911,639	\$ (2,095,639)	\$ 16,261,802	\$ 1,994,192
BUSINESS-TYPE ACTIVITIES:					
Bonds payable	\$ 5,639,197	\$ -	\$ (428,447)	\$ 5,210,750	\$ 459,908
Revenue bonds payable	2,224,234	712,468	(392,742)	2,543,960	270,998
Bond premium	27,840	-	(2,413)	25,427	-
Compensated absences	74,479	76,251	(65,465)	85,265	48,546
WRS pension liability	-	137,594	-	137,594	-
Net OPEB liability	-	24,869	-	24,869	-
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 7,965,750	\$ 951,182	\$ (889,067)	\$ 8,027,865	\$ 779,452

Governmental Fund Debt

All Governmental Fund debt is secured by the full faith and credit and unlimited taxing powers of the City. The Government Fund debt is expected to be repaid with general property taxes and special assessments.

Government Fund debt at December 31, 2019, is comprised of the following individual issues:

<u>ISSUE DESCRIPTION</u>	<u>RATES (%)</u>	<u>MATURITY</u>	<u>BALANCE</u>
			<u>12/31/19</u>
General Obligation Debt			\$ 157,895
2003 Note issue - direct borrowing	0.00%	2022	585,000
2013 Note issue - direct borrowing	2.05%	2023	1,026,606
2019 Note issue - direct borrowing	4.69%	2029	4,006,649
2014 Bond issue	0.40 - 3.70%	2030	327,600
2015 Bond issue	.05 - 1.50%	2020	4,570,000
2017 Bond issue	2.0 - 3.0%	2036	10,673,750

NOTE 5 - Long-Term Obligations - Continued

Governmental Fund Debt - Continued

<u>ISSUE DESCRIPTION</u>	<u>RATES (%)</u>	<u>MATURITY</u>	<u>BALANCE</u>
			<u>12/31/19</u>
State Trust Fund Loans			\$ 74,811
2013 Issue A	2.75%	2023	163,310
2013 Issue B	3.25%	2023	107,539
2013 Issue C	2.75%	2023	284,523
2013 Refinance	2.75%	2023	102,194
2016 Issue	2.50%	2021	548,905
2017 Issue	3.50%	2021	162,959
2018 Issue	4.00%	2021	70,000
2019 Issue A	4.25%	2024	1,000,000
2019 Issue B	4.75%	2034	180,000
2019 Issue C	4.75%	2033	250,000
2019 Issue D	4.25%	2024	500,000
2019 Issue E	4.00%	2034	3,444,241
TOTAL GOVERNMENTAL FUND DEBT			\$ 14,117,991

Enterprise Debt

Enterprise Fund debt is expected to be repaid with Enterprise Fund revenue. Enterprise Fund debt at December 31, 2019, is comprised of the following individual issues:

<u>ISSUE DESCRIPTION</u>	<u>RATES (%)</u>	<u>DATES OF MATURITY</u>	<u>BALANCE</u>
			<u>12/31/19</u>
Water Department			\$ 219,636
2003 Revenue Bond	1.650%	2023	316,743
2004 Revenue Bond	1.419%	2024	631,321
2006 Revenue Bond	1.485%	2026	2,043,882
2014 Bond Issue	0.400 - 3.700%	2030	35,100
2015 Bond Issue	.050 - 1.500%	2020	620,304
2016 Revenue Bond	0.99%	2036	445,000
2017 Bond Issue	2.80%	2034	755,956
2018 Revenue Bond	1.12%	2038	5,067,942
Sewer Department			1,714,468
2014 Bond Issue	0.400 - 3.700%	2030	27,300
2015 Bond Issue	.050	2020	945,000
2017 Bond Issue	2.80%	2034	2,686,768
TOTAL ENTERPRISE DEBT			\$ 7,754,710

CITY OF TOMAH, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2019

NOTE 5 - Long-Term Obligations - Continued

Maturities of Long-Term Obligations

Maturities of the long-term obligations at December 31, 2019, are as follows:

YEARS	NOTES PAYABLE -		BONDS		GOVERNMENTAL FUND DEBT	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2020	\$ 898,172	\$ 179,196	\$ 780,093	\$ 250,443	\$ 1,678,265	\$ 429,639
2021	867,178	159,973	505,073	236,886	1,372,251	396,859
2022	771,616	131,076	542,972	223,797	1,314,588	354,873
2023	732,505	105,407	581,032	208,898	1,313,537	314,305
2024	427,392	80,998	598,932	192,638	1,026,324	273,636
2025-2029	843,873	247,430	3,398,953	678,324	4,242,826	925,754
2030-2034	673,005	92,614	1,832,195	218,209	2,505,200	310,823
2035-2039			665,000	19,024	665,000	19,024
TOTAL	\$ 5,213,741	\$ 995,694	\$ 8,904,250	\$ 2,028,219	\$14,117,991	\$3,024,913

ENTERPRISE FUND DEBT	
PRINCIPAL	INTEREST
\$ 730,906	\$ 186,446
679,699	172,935
700,628	160,054
721,452	146,631
680,300	132,018
3,012,788	429,255
977,725	79,760
251,212	3,421
\$ 7,754,710	\$ 1,310,520

The General Fund, Water Utility, and Sewer Utility are used to liquidate vacation and sick pay. Interest cost incurred during the year totaled \$420,634 for governmental-type activities and \$189,153 for business-type activities. Total interest paid during the year aggregated \$355,262 for governmental activities and \$190,800 for business-type activities. Zero interest was capitalized in governmental-type and business-type capital assets.

Bond Compliance Requirements - Various revenue bonds ordinances require segregation of the proceeds of the bonds issues and creation and continual funding of redemption and replacement funds. The City is in compliance with these ordinances.

Default With Finance Related Consequences - The notes payables - direct borrowings contain a provision that in event of default, outstanding amounts become immediately due if the City is unable to make payment.

Subjective Acceleration Clause - The notes payables - direct borrowings contain a subjective acceleration clause that allows the lender to accelerate payment of the entire principal amount to become immediately due if the lender determines that a material adverse change occurs.

CITY OF TOMAH, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2019

NOTE 5 - Long-Term Obligations - Continued

Maturities of Long-Term Obligations

Maturities of the long-term obligations at December 31, 2019, are as follows:

YEARS	NOTES PAYABLE -		BONDS		GOVERNMENTAL FUND DEBT	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2020	\$ 898,172	\$ 179,196	\$ 780,093	\$ 250,443	\$ 1,678,265	\$ 429,639
2021	867,178	159,973	505,073	236,886	1,372,251	396,859
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2030-2034	673,005	92,614	1,832,195	218,209	2,505,200	310,823
2035-2039			665,000	19,024	665,000	19,024
TOTAL	\$ 5,213,741	\$ 995,694	\$ 8,904,250	\$ 2,028,219	\$14,117,991	\$3,024,913

ENTERPRISE FUND DEBT	
PRINCIPAL	INTEREST
\$ 730,906	\$ 186,446
679,699	172,935
700,628	160,054
721,452	146,631
680,300	132,018
3,012,788	429,255
977,725	79,760
251,212	3,421
\$ 7,754,710	\$ 1,310,520

The General Fund, Water Utility, and Sewer Utility are used to liquidate vacation and sick pay. Interest cost incurred during the year totaled \$420,634 for governmental-type activities and \$189,153 for business-type activities. Total interest paid during the year aggregated \$355,262 for governmental activities and \$190,800 for business-type activities. Zero interest was capitalized in governmental-type and business-type capital assets.

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CITY OF TOMAH, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2019

NOTE 5 - Long-Term Obligations - Continued

General Obligation Debt Limit Calculation

The 2019 equalized valuation of the City as certified by the Wisconsin Department of Revenue is \$716,267,500. The legal debt limit and margin of indebtedness as of December 31, 2019, in accordance with Section 67.03(1)(b) of the Wisconsin Statutes follows:

Debt limit (5% of \$716,267,500)	\$ 35,813,375
Applicable long-term debt	(19,328,741)
Amount available in debt service fund	<u>355,861</u>
MARGIN OF INDEBTEDNESS	<u>\$16,840,495</u>

NOTE 6 - Landfill Liability

The City has been involved in an Environmental Protection Agency (EPA) Superfund investigation of abandoned landfills. The amount recorded as a landfill liability in the government-wide financial statements is the City's best estimate of the liability for the EPA approved plan for future monitoring and remediation.

NOTE 7 - Conduit Debt

To provide financial assistance to private-sector entities for acquisition and construction of industrial and commercial facilities deemed to be in public interest, the City will from time to time issue a series of Industrial Revenue Bonds. These bonds are special limited obligations of the City, payable solely from payments received on the underlying mortgage loans. The bonds do not constitute a debt or pledge of the faith and credit of the City, the County, or the State, and accordingly have not been reported in the accompanying financial statements.

At December 31, 2019, Industrial Revenue Bonds outstanding aggregated \$1,130,378.

NOTE 8 - Wisconsin Retirement System

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

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

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

CITY OF TOMAH, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2019

CITY OF TOMAH, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2019

NOTE 8 - Wisconsin Retirement System - Continued

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.

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
2008	6.6%	0%
2009	(2.1)	(42)
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	0.5	(5)
2017	2.0	4
2018	2.4	17

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 reporting period, the WRS recognized \$378,697 in contributions from the employer.

NOTE 8 - Wisconsin Retirement System - Continued

Contribution rates as of December 31, 2019 are:

Employee Category	Employee	Employer
General (including Teachers, Executives & Elected Officials)	6.7%	6.7%
Protective with Social Security	6.7%	10.7%
Protective without Social Security	6.7%	14.9%

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

At December 31, 2019, the City reported a liability of \$1,240,452 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017 rolled forward to December 31, 2018. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2019, the City's proportion was 0.03486684%, which was an increase of 0.00142314% from its proportion measured as of December 31, 2018.

For the year ended December 31, 2019, the City recognized pension expense of \$840,840.

At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 966,124	\$ (1,707,761)
Changes in assumptions	209,095	-
Net differences between projected and actual earnings on pension plan investments	3,692,019	(1,880,424)
Changes in proportion and differences between employer contributions and proportionate share of contributions	4,447	(8,158)
Employer contributions subsequent to the measurement date	452,767	-
Total	\$ 5,324,452	\$ (3,596,343)

\$452,767 reported a deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2020.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year ended December 31:	Deferred Outflow of Resources	Deferred Inflows of Resources
2020	\$ 1,756,970	\$ (1,293,200)
2021	1,156,938	(1,042,794)
2022	1,134,004	(932,771)
2023	823,773	(327,578)

CITY OF TOMAH, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2019

CITY OF TOMAH, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2019

NOTE 8 - Wisconsin Retirement System - Continued

Actuarial Assumptions - The total pension liability in the December 31, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2017
Measurement Date of Net Pension Liability (Asset)	December 31, 2018
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Market Value
Long-Term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table
Post-retirement Adjustments*	1.9%

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

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. Based on this experience study, actuarial assumptions used to measure the Total Pension Liability changed from prior year, including the discount rate, long-term expected rate of return, post-retirement adjustment, wage inflation rate, mortality and separation rates. The Total Pension Liability for December 31, 2018 is based upon a roll-forward of the liability calculated from the December 31, 2017 actuarial valuation.

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

Asset Allocation Targets and Expected Returns (as of December 31, 2018)

Core Fund Asset Class	Current Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Global Equities	49	8.1	5.5
Fixed Income	24.5	4.0	1.5
Inflation Sensitive Assets	15.5	3.8	1.3
Real Estate	9	6.5	3.9
Private Equity/Debt	8	9.4	6.7
Multi-Asset	4	6.7	4.1
Total Core Fund	110	7.3	4.7

NOTE 8 - Wisconsin Retirement System - Continued

Variable Fund Asset Class	Current Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
U.S. Equities	70	7.6	5.0
International Equities	30	8.5	5.9
Total Variable Fund	100	8.0	5.4

New England Pension Consultants Long-Term US CPI (Inflation) Forecast : 2.5%
Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations

Single Discount Rate - A single discount rate of 7.00% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.00% and a long term bond rate of 3.71%. Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the 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 7.0 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 (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate:

	1% Decrease to Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase To Discount Rate (8.00%)
City of Tomah's proportionate share of the net pension liability (asset)	\$4,929,689	\$1,240,452	(\$1,502,780)

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://efr.wi.gov/publications/cafr.htm>

Payables to the Pension Plan

At December 31, 2019, the City reported a payable of \$-0- for the outstanding amount of contributions to the pension plan required for the year ended December 31, 2019.

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NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
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CITY OF TOMAH, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2019

NOTE 9 - Local Retiree Life Insurance Fund - OPEB

General Information about the Other Post-Employment Benefits

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

OPEB Plan Fiduciary Net Position - ETF issues a standalone Comprehensive Annual Financial Report (CAFR), which can be found at <http://ef.wi.gov/publications/cafr.htm>.

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

Contributions

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

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

Contribution rates as of December 31, 2019 are:

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

Employee contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating employees must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The employee contribution rates in effect for the year ended December 31, 2018 are as listed below:

Life Insurance Employee Contribution Rates For the year ended December 31, 2018	
Attained Age	Basic
Under 30	\$0.05
30-34	0.06
35-39	0.07
40-44	0.08
45-49	0.12
50-54	0.22
55-59	0.39
60-64	0.49
65-69	0.57

During the reporting period, the LRLIF recognized \$1,674 in contributions from the employer.

NOTE 9 - Local Retiree Life Insurance Fund - OPEB - Continued

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

At December 31, 2019, the City reported a liability (asset) of \$224,200 for its proportionate share of the net OPEB liability (asset). The net OPEB liability (asset) was measured as of December 31, 2018, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of December 31, 2017 rolled forward to December 31, 2018. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net OPEB liability (asset) was based on the City's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2019, the City's proportion was 0.08688800%, which was an increase of 0.006126% from its proportion measured as of December 31, 2018.

For the year ended December 31, 2019, the City recognized OPEB expense of \$24,125.

At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (11,373)
Net differences between projected and actual earnings on OPEB investments	5,358	-
Changes in assumptions	21,392	(48,598)
Changes in proportion and differences between employer contributions and proportionate share of contributions	14,362	(2,671)
Employer contributions subsequent to the measurement date	-	-
Total	\$ 41,112	\$ (62,642)

\$-0- reported as deferred outflows related to OPEB resulting from the City's Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31,	Deferred Outflows of Resources	Deferred Inflows of Resources
2020	\$ 7,731	\$ 10,291
2021	7,731	10,291
2023	7,731	10,291
2024	6,979	10,291
2025	6,203	10,291
2026	4,385	9,798
2027	352	1,389

CITY OF TOMAH, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2019

CITY OF TOMAH, WISCONSIN
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2019

NOTE 9 - Local Retiree Life Insurance Fund - OPEB - Continued

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

Actuarial Valuation Date:	January 1, 2018
Measurement Date of Net OPEB Liability (Asset)	December 31, 2018
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield:	4.10%
Long-Term Expected Rate of Return:	5.00%
Discount Rate:	4.22%
Salary Increases	
Inflation:	3.00%
Seniority/Merit:	0.10% - 5.60%
Mortality:	Wisconsin 2018 Mortality Table

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. Based on this experience study, actuarial assumptions used to measure the Total Pension Liability changed from prior year, including the discount rate, long-term expected rate of return, post-retirement adjustment, wage inflation rate, mortality and separation rates. The Total Pension Liability for December 31, 2018 is based upon a roll-forward of the liability calculated from the December 31, 2017 actuarial valuation.

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

Local OPEB Life Insurance
Asset Allocation Targets and Expected Returns
As of December 31, 2018

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
US Government Bonds	Barclays Government	1%	1.44%
US Credit Bonds	Barclays Credit	40%	2.69%
US Long Credit Bonds	Barclays Long Credit	4%	3.01%
US Mortgages	Barclays MBS	54%	2.25%
US Municipal Bonds	Bloomberg Barclays Muni	1%	1.68%
Inflation			2.30%
Long-Term Expected Rate of Return			5.00%

NOTE 9 - Local Retiree Life Insurance Fund - OPEB - Continued

Single Discount Rate - A single discount rate of 4.22% was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 3.63% for the prior year. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The Plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate - The following presents the City's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 4.22 percent, as well as what the City's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (3.22 percent) or 1-percentage-point higher (5.22 percent) than the current rate:

	1% Decrease To Discount Rate (3.22%)	Current Discount Rate (4.22%)	1% Increase To Discount Rate (5.22%)
City of Tomah's proportionate share of the net pension liability (asset)	\$318,940	\$224,200	\$151,130

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

NOTE 10 - Interfund Receivables, Payables, Advances, and Transfers

Individual interfund receivable and payable balances at December 31, 2019, are as follows:

RECEIVABLE FUND	PAYABLE FUND	AMOUNT
Due from/to Other Funds:		
General	Water	\$ 388,125
Water	Sewer	121,467
Sewer	Water	33,210
General	TIF #10	12,768
TIF #10	Water	135,385
TIF #10	Sewer	137,766
		<u>\$ 828,721</u>
Advance to/from Other Funds:		
General	Mass Transit	\$ 45,145
Water	TIF #8	70,822
Sewer	TIF #8	2,499,506
		<u>\$ 2,615,473</u>

The above balances resulted from the timing differences between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. All amounts are due within one year.

CITY OF TOMAH, WISCONSIN
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 DECEMBER 31, 2019

NOTE 10 - Interfund Receivables, Payables, Advances, and Transfers

Individual fund transfers during 2019, are as follows:

<u>RECEIVING FUND</u>	<u>PAYABLE FUND</u>	<u>AMOUNT</u>
Transfer In	Transfer Out	
General	Water	\$ 388,125
Capital Projects	Tourism	83,739
Debt Service	TIF #8	119,864
Debt Service	TIF #10	775,000
Debt Service	Tourism	167,477
		<u>\$ 1,534,205</u>

Generally, transfers are used to move revenue from the fund that collects them to the fund that the budget requires to expend them and use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 11 - Net Position and Fund Balances

Portions of fund balances and net position are not available for current appropriations or expenditures as follows:

<u>FUND</u>	<u>PURPOSE/REASON</u>	<u>AMOUNT</u>
<u>Nonspendable</u>		
General	Prepaid expense	\$ 561
Special Revenue	Tourism - prepaid expenses	255,781
General	Advance to other funds	45,145
		<u>\$ 301,487</u>
<u>Restricted</u>		
General	Impact fees	\$ 60,682
Special Revenue	CDBG	531,952
Capital Projects	Future capital projects	261,187
Debt Service	Debt Service	355,861
Special Revenue	Library	349,676
Special Revenue	Grants and donations	117,756
TIF #9	Future TIF expenditures	473,534
TIF #10	Future TIF expenditures	251,407
		<u>\$ 2,402,055</u>
<u>Assigned</u>		
General	Parks Department Tower rental	\$ 26,308
General	Furnace/Air Conditioning Upgrade	12,000
General	Firefighter Funds	171,696
Special Revenue	Ambulance	1,257,419
Special Revenue	Lake District	356,744
Special Revenue	Industrial development	789,581
Special Revenue	Tourism	292,608
Special Revenue	Senior and disabled services	74,516
		<u>\$ 2,940,872</u>

CITY OF TOMAH, WISCONSIN
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 DECEMBER 31, 2019

NOTE 11 - Net Position and Fund Balances - Continued

<u>FUND</u>	<u>PURPOSE/REASON</u>	<u>AMOUNT</u>
<u>Net Position Restrictions - Other</u>		
Water Utility	Debt Service	\$ 8,092
Sewer Utility	Equipment replacement	2,318,720
		<u>\$ 2,326,812</u>
The following funds have deficits at December 31, 2019:		
<u>Deficit</u>		
Enterprise	Mass Transit	<u>\$ 36,038</u>
TIF #8	Awaiting future TIF revenue	<u>\$ 2,444,229</u>

NOTE 12 - Tax Incremental Finance District

Tax increment financing, as authorized by Section 66.1105 of the Wisconsin Statutes, is a method by which the City can recover its development and public improvement costs in Tax Incremental Finance (TIF) District designated areas. These costs are recovered from the increased valuation in the designated area. The City has financed development and public improvement costs in its Districts through general fund advances and through the issuance of general obligation long-term debt. Project costs have been reported primarily as Capital Projects Funds expenditures. Tax increments will be used to repay general fund advances and to meet maturing debt obligations incurred to provide financing for development and public improvement costs within each District. Each District is allowed to collect tax increments until its termination date. Any over-collections are returned to the various taxing entities of the District. The City becomes liable for any cost not recovered by the termination date.

The City has three Tax Incremental Financing Districts. The following is a project summary of the activity and status of the TIF Districts through December 31, 2019:

<u>SOURCES OF FUNDS</u>	<u>TIF #8</u>	<u>TIF #9</u>	<u>TIF #10</u>
Tax increment	\$ 254,212	\$ -	\$ -
Grant	250,000	-	-
Interest	6,193	-	-
Miscellaneous	65,932	-	775,000
Bond premium	60,343	-	-
Proceeds from debt	5,680,051	500,000	1,155,843
Rent income	3,200	-	-
Transfer from Industrial Development	189,600	-	-
<u>TOTAL SOURCES</u>	<u>6,509,531</u>	<u>500,000</u>	<u>1,930,843</u>
<u>USES OF FUNDS</u>			
Administrative costs	756,392	19,195	550
Capital expenditures	7,351,597	7,271	903,886
Transfer to capital projects	675,000	-	-
Transfer to debt service	119,864	-	775,000
Bond issuance cost	50,907	-	-
<u>TOTAL USES</u>	<u>8,953,760</u>	<u>26,466</u>	<u>1,679,436</u>
FUND BALANCE AS OF DECEMBER 31, 2019	<u>\$ (2,444,229)</u>	<u>\$ 473,534</u>	<u>\$ 251,407</u>
<u>FUTURE REQUIREMENTS</u>			
Accounts payable	<u>\$ 11,105</u>	<u>\$ -</u>	<u>\$ 21,744</u>

CITY OF TOMAH, WISCONSIN
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 DECEMBER 31, 2019

NOTE 13 - Lease

The City signed an agreement in 2019 for an Adaptive Management Program with a landowner. The agreement provides an incentive payment and annual rent payment to the Landowner. The City paid an incentive amount of \$114,171 in 2019 and is required to make 5 equal payments beginning in 2020 for the remainder amount in the agreement. This payment is recorded as an expense in the water fund. The minimum future payments under the lease are as follows:

2020	\$ 33,099
2021	33,099
2022	33,099
2023	33,099
2024	33,099

NOTE 14 - Risk Management

The City is exposed to various risks of loss to torts; theft, damage, and destruction of assets; errors and omissions; and natural disasters for which the City carries commercial insurance. There has been no significant reduction in insurance coverage from the previous year. There have been no settlements in excess of coverage in any of the prior three fiscal years.

The City had no material outstanding claims liability at December 31, 2019. Estimates for claims liabilities are based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of loss can be reasonably estimated.

NOTE 15 - Change in Accounting Principle

The change in accounting principles adjustment of \$4,332,035 on the statement of changes in net position - fiduciary funds is due to the adoption of GASB Statement No. 84 *Fiduciary Activities*.

NOTE 16 - Prior Period Adjustment

The prior period adjustment of \$1,177,834 is to correct beginning fund balances for the TIF #8 and capital projects funds for an error in reporting debt proceeds in prior years.

CITY OF TOMAH, WISCONSIN
REQUIRED SUPPLEMENTARY INFORMATION

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

CITY OF TOMAH, WISCONSIN
BUDGETARY COMPARISON SCHEDULE
CDBG SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2019

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
REVENUE				
Taxes	\$ 3,693,146	\$ 3,693,146	\$ 3,726,331	\$ 33,185
Special assessments	3,221	3,221	22,709	19,488
Intergovernmental	2,514,710	2,514,710	2,526,512	11,802
Licenses and permits	103,050	103,050	101,292	(1,758)
Fines, forfeits, and penalties	160,000	160,000	182,244	22,244
Public charges for services	234,750	234,750	255,606	20,856
Intergovernmental charges for services	75,911	75,911	71,476	(4,435)
Miscellaneous	149,545	149,545	287,747	138,202
TOTAL REVENUE	6,934,333	6,934,333	7,173,917	239,584
EXPENDITURES				
Current				
General government	1,300,589	1,280,325	1,153,293	127,032
Public safety	2,935,483	2,956,591	3,004,521	(47,930)
Public works	2,159,161	2,160,806	2,102,999	57,807
Culture, recreation, and education	777,954	777,954	767,718	10,236
Conservation and development	29,111	29,111	12,851	16,260
Debt Service				
Principal	52,632	52,632	52,632	-
Other	1,053	1,053	1,053	-
Capital outlay	48,350	48,350	47,324	1,026
TOTAL EXPENDITURES	7,304,333	7,306,822	7,142,391	164,431
(DEFICIENCY) EXCESS OF REVENUE OVER EXPENDITURES	(370,000)	(372,489)	31,526	404,015
OTHER FINANCING SOURCES				
Transfers in	370,000	370,000	388,125	18,125
NET CHANGE IN FUND BALANCE	-	(2,489)	419,651	422,140
FUND BALANCE - BEGINNING OF YEAR	2,445,364	2,445,364	2,445,364	-
EQUITY TRANSFERS	-	-	(365,641)	(365,641)
FUND BALANCE - END OF YEAR	\$ 2,445,364	\$ 2,442,875	\$ 2,499,374	\$ 56,499

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
REVENUE				
Miscellaneous	\$ 109,500	\$ 109,500	\$ 85,662	\$ (23,838)
EXPENDITURES				
Current	121,012	122,123	134,843	(12,720)
Conservation and development	(11,512)	(12,623)	(49,181)	(36,558)
NET CHANGE IN FUND BALANCE	581,133	581,133	581,133	-
FUND BALANCE - BEGINNING OF YEAR	\$ 569,621	\$ 568,510	\$ 531,952	\$ (36,558)

FUND BALANCE - END OF YEAR

CITY OF TOMAH, WISCONSIN
BUDGETARY COMPARISON SCHEDULE
AMBULANCE SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2019

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUE				
Intergovernmental	\$ 6,500	\$ 6,500	\$ 4,165	\$ (2,335)
Public charges for services	2,263,654	2,263,654	2,202,946	(60,708)
Intergovernmental charges for services	94,305	94,305	95,899	1,594
Miscellaneous	6,100	159,126	216,104	56,978
TOTAL REVENUE	<u>2,370,559</u>	<u>2,523,585</u>	<u>2,519,114</u>	<u>(4,471)</u>
EXPENDITURES				
Current				
Public safety	2,089,569	2,095,985	2,150,326	(54,341)
Capital outlay	286,000	490,290	514,006	(23,716)
TOTAL EXPENDITURES	<u>2,375,569</u>	<u>2,586,275</u>	<u>2,664,332</u>	<u>(78,057)</u>
(DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>(5,000)</u>	<u>(62,690)</u>	<u>(145,218)</u>	<u>(82,528)</u>
OTHER FINANCING SOURCES				
Sale of capital assets	5,000	5,000	7,000	2,000
NET CHANGE IN FUND BALANCE	-	(57,690)	(138,218)	(84,528)
FUND BALANCE - BEGINNING OF YEAR	<u>1,395,637</u>	<u>1,395,637</u>	<u>1,395,637</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,395,637</u>	<u>\$ 1,337,947</u>	<u>\$ 1,257,419</u>	<u>\$ (84,528)</u>

CITY OF TOMAH, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
ON BUDETARY ACCOUNTING AND CONTROL
YEAR ENDED DECEMBER 31, 2019

- Budgets are adopted each fiscal year for the general fund in accordance with Section 65.90 of the Wisconsin Statutes. The City follows these procedures in establishing the budgetary data reflected in the financial statements:
- On or before October 1 of each year, each officer, department or board files, with the City Administrator, an itemized statement of estimated expenses for the ensuing fiscal year.
 - The budget committee, in consultation with the City Administrator, then determines the proposed operating budget for the fiscal year. The operating budget includes the proposed expenditures and the means of financing them. The proposed budget must be presented to the City Council on or before October 28 of each year.
 - The City Council holds a public hearing to obtain taxpayer comments. This includes all required public notifications and publications prior to the public hearing. Following the public hearing, the resolution is amended, as needed, and subsequently approved in the same course as other resolutions.
 - The City Council may authorize the transfer of budget amounts within departmental operating expenses; however, any other revisions that alter the total expenditures of any fund or department must be approved by a two-thirds Council action.
 - Formal budgetary integration is employed as a management control device during the year for the General Fund, Debt Service, Library, Ambulance, Tourism, Superfund, Lake District, Senior and Disabled Services, and Grants and Donations. Capital projects Funds are budgeted on a project basis, rather than an annual basis.
 - Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
 - The City controls expenditures at the department level within the fund.
 - Budgeted amounts are as authorized in the original budget resolution and subsequent revisions authorized by the City Council.
 - There were no supplemental appropriations to increase the General Fund total budget during the year.
 - Appropriations lapse at year end, except those specifically carried forward by Council action.
 - Encumbrance accounting is not used.

Excess of Actual Expenditures Over Budget in Individual Funds

The following functions in the General Fund, CDBG Special Revenue Fund, and Ambulance Special Revenue Fund had an excess of actual expenditure over budget of more than \$500 for the year ended December 31, 2019:

General Fund	\$ 47,930
Public safety	
Ambulance	54,341
Capital outlay	23,716
CDBG	
Conservation and development	12,702

The over expenditures were financed by under expenditures in other functions and greater than anticipated revenue.

CITY OF TOMAH, WISCONSIN
WISCONSIN RETIREMENT SYSTEM SCHEDULES
YEAR ENDED DECEMBER 31, 2019

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

	Last 10 Fiscal Years				
	2015	2016	2017	2018	2019
City's proportion of the net pension liability (asset)	0.03237662%	0.03211731%	0.03253007%	0.03344337%	0.03486684%
City's proportionate share of the net pension liability (asset)	\$ (795,257)	\$ 521,900	\$ 268,125	\$ (992,973)	\$ 1,240,452
City's covered employee payroll	\$ 3,889,332	\$ 4,104,815	\$ 4,244,277	\$ 4,346,144	\$ 4,770,929
Proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	-20.45%	12.71%	6.32%	-22.85%	26.00%
Plan fiduciary net position as a percentage of the total pension liability	102.74%	98.20%	99.12%	102.93%	96.45%

* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

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SCHEDULE OF CONTRIBUTIONS

	Last 10 Fiscal Years				
	2015	2016	2017	2018	2019
Contractually required contribution	\$ 311,297	\$ 314,687	\$ 317,356	\$ 347,844	\$ 378,697
Contributions in relation to the contractually required contribution	(311,297)	(314,687)	(317,356)	(347,844)	(378,697)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered employee payroll	\$ 3,889,332	\$ 4,104,815	\$ 4,244,277	\$ 4,346,144	\$ 4,770,929
Contributions as a percentage of covered employee payroll	8.00%	7.67%	7.48%	8.00%	7.94%

The City implemented the Government Accounting Standards Board Statement No. 68 for the year ended December 31, 2015. Requirements have been implemented prospectively; therefore, the above illustrations do not reflect similar information for the 5 preceding years.

Notes to Required Supplementary Information for the Year Ended December 31, 2019

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

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

CITY OF TOMAH, WISCONSIN
LOCAL RETIREE LIFE INSURANCE FUND
YEAR ENDED DECEMBER 31, 2019

SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
 Last 10 Fiscal Years

	2018	2019
City's proportion of the net OPEB liability (asset)	0.08076200%	0.08688800%
City's proportionate share of the net OPEB liability (asset)	\$ 242,979	\$ 224,200
City's covered employee payroll	\$ 3,396,273	\$ 4,684,000
Plan fiduciary net position as a percentage of the total pension liability	44.81%	48.69%

SCHEDULE OF CONTRIBUTIONS
 Last 10 Fiscal Years

	2018	2019
Contractually required contribution	\$ 1,533	\$ 1,674
Contributions in relation to the contractually required contribution	(1,533)	(1,674)
Contribution deficiency (excess)	\$ -	\$ -
City's covered employee payroll	\$ 3,396,273	\$ 4,684,000
Contributions as a percentage of covered employee payroll	0.05%	0.04%

The City implemented the Government Accounting Standards Board Statement No. 75 for the year ended December 31, 2018. Requirements have been implemented prospectively; therefore, the above illustrations do not reflect similar information for the 8 preceding years.

Notes to Required Supplementary Information for the Year Ended December 31, 2019

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

Changes of assumptions. Actuarial assumptions are based upon an experience study conducted in 2018 using experience from 2015 – 2017. Based on the experience study conducted in 2018, actuarial assumptions used to develop Total OPEB Liability changed, including the discount rate, wage inflation rate, and mortality and separation rates.

CITY OF TOMAH, WISCONSIN
OTHER SUPPLEMENTARY INFORMATION

CITY OF TOMAH, WISCONSIN
COMBINING BALANCE SHEETS
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2019

ASSETS	SPECIAL REVENUE FUNDS					CAPITAL PROJECTS		TOTAL NONMAJOR GOVERNMENTAL FUNDS
	LAKE DISTRICT	INDUSTRIAL DEVELOPMENT	TOURISM	DISABLED SERVICES	GRANTS AND DONATIONS	CAPITAL PROJECTS	TRF #1	
Library	\$ 356,159	\$ 357,698	\$ 789,681	\$ 77,329	\$ 118,068	\$ 262,782	\$ 473,534	\$ 2,667,546
Cash and investments	293,727	64,596	5,700	56,330	-	-	99,116	519,469
Receivables	-	-	43,382	-	-	-	-	43,382
Taxes	-	-	255,181	-	-	-	-	255,181
Accounts and other, net of allowance for doubtful accounts	-	-	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 649,886	\$ 422,294	\$ 795,281	\$ 133,659	\$ 118,068	\$ 262,782	\$ 572,650	\$ 3,466,178
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
LIABILITIES								
Accounts payable	\$ 6,483	\$ 954	\$ -	\$ 23,189	\$ 2,002	\$ 312	\$ 1,575	\$ -
Accrued liabilities	-	-	-	-	-	-	-	34,515
Other	-	-	-	651	-	-	-	651
Uncertain revenue, other	-	-	-	150	-	-	-	150
TOTAL LIABILITIES	6,483	954	-	23,189	2,813	312	1,575	35,326
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue - tax roll	293,727	64,596	5,700	56,330	-	-	99,116	519,469
FUND BALANCES								
Nonspendable	346,676	356,741	789,681	255,781	-	117,756	281,187	265,781
Restricted	-	-	-	-	-	-	473,334	1,202,153
Assigned	346,676	356,741	789,681	255,608	117,756	281,187	473,534	2,451,335
TOTAL FUND BALANCES	\$ 693,352	\$ 713,482	\$ 789,362	\$ 511,389	\$ 117,756	\$ 281,187	\$ 473,534	\$ 2,919,269
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 649,886	\$ 422,294	\$ 795,281	\$ 133,659	\$ 118,068	\$ 262,782	\$ 572,650	\$ 3,466,178

CITY OF TOMAH, WISCONSIN
COMBINING BALANCE SHEETS
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2019

ASSETS	SPECIAL REVENUE FUNDS				CAPITAL PROJECTS		TOTAL NONMAJOR GOVERNMENTAL FUNDS		
	LIBRARY	LAKE DISTRICT	INDUSTRIAL DEVELOPMENT	TOURISM	SENIOR AND DISABLED SERVICES	GRANTS AND DONATIONS		CAPITAL PROJECTS	TIF #9
Cash and investments	\$ 356,159	\$ 357,698	\$ 789,581	\$ 232,415	\$ 77,329	\$ 118,068	\$ 262,762	\$ 473,534	\$ 2,667,546
Receivables									
Taxes	293,727	64,596	5,700	-	56,330	-	-	99,116	519,469
Accounts and other, net of allowance for doubtful accounts	-	-	-	43,382	-	-	-	-	43,382
Prepaid expenses	-	-	-	255,781	-	-	-	-	255,781
TOTAL ASSETS	\$ 649,886	\$ 422,294	\$ 795,281	\$ 531,578	\$ 133,659	\$ 118,068	\$ 262,762	\$ 572,650	\$ 3,486,178
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES									
LIABILITIES									
Accounts payable	\$ 6,483	\$ 954	\$ -	\$ 23,189	\$ 2,002	\$ 312	\$ 1,575	\$ -	\$ 34,515
Accrued liabilities									
Other	-	-	-	-	661	-	-	-	661
Unearned revenue- other	-	-	-	-	150	-	-	-	150
TOTAL LIABILITIES	6,483	954	-	23,189	2,813	312	1,575	-	35,326
DEFERRED INFLOWS OF RESOURCES									
Unavailable revenue - tax roll	293,727	64,596	5,700	-	56,330	-	-	99,116	519,469
FUND BALANCES									
Nonspendable	-	-	-	255,781	-	-	-	-	255,781
Restricted	349,676	-	-	-	-	117,756	261,187	473,534	1,202,153
Assigned	-	356,744	789,581	252,608	74,516	-	-	-	1,473,449
TOTAL FUND BALANCES	349,676	356,744	789,581	508,389	74,516	117,756	261,187	473,534	2,931,383
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 649,886	\$ 422,294	\$ 795,281	\$ 531,578	\$ 133,659	\$ 118,068	\$ 262,762	\$ 572,650	\$ 3,486,178

CITY OF TOMAH, WISCONSIN
COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2019

	SPECIAL REVENUE FUNDS				SENIOR AND DISABLED SERVICES			GRANTS AND DONATIONS		CAPITAL PROJECTS		TOTAL NONMAJOR GOVERNMENTAL FUNDS	
	LIBRARY	LAKE DISTRICT	INDUSTRIAL DEVELOPMENT	TOURISM	DISABLED SERVICES					TIF #9			
REVENUE													
Taxes	\$ 294,046	\$ 245,064	\$ 5,200	\$ 626,070	\$ 64,335	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ 1,334,715		
Intergovernmental	132,539	877	-	-	-	-	-	-	-	-	133,416		
Public charges for services	23,024	-	-	-	1,939	-	-	-	-	-	24,963		
Miscellaneous	50,592	1,299	-	602	59,219	56,043	10,549	-	-	-	178,304		
TOTAL REVENUE	500,201	247,240	5,200	626,672	125,493	56,043	110,549	110,549	-	-	1,671,398		
EXPENDITURES													
Current													
Public safety	-	-	-	-	-	7,180	-	-	-	-	7,180		
Public works	-	-	-	-	-	3,295	-	-	-	-	3,295		
Health and human services	-	-	-	-	109,243	-	-	-	-	-	109,243		
Culture, recreation, and education	475,798	-	-	-	1,445	10,578	-	-	-	-	487,821		
Conservation and development	-	26,860	5,272	259,029	-	-	-	-	-	5,395	296,556		
Capital outlay	14,678	-	-	-	6,966	35,832	832,956	-	-	-	890,432		
TOTAL EXPENDITURES	490,476	26,860	5,272	259,029	117,654	56,885	832,956	832,956	-	5,395	1,794,527		
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	9,725	220,380	(72)	367,643	7,839	(842)	(722,407)	(722,407)	(5,395)	-	(123,129)		
OTHER FINANCING SOURCES (USES)													
Transfers in	-	-	-	-	-	-	83,739	-	-	-	83,739		
Transfers (out)	-	-	-	(251,216)	-	-	-	-	-	-	(251,216)		
Sale of capital assets	-	-	-	-	-	1,295	-	-	-	-	1,295		
Issuance of long-term debt	-	-	-	-	-	-	-	-	500,000	-	500,000		
TOTAL OTHER FINANCING (USES) SOURCES	-	-	-	(251,216)	-	1,295	83,739	83,739	500,000	500,000	333,818		
NET CHANGE IN FUND BALANCES	9,725	220,380	(72)	116,427	7,839	453	(638,668)	(638,668)	494,605	494,605	210,689		
FUND BALANCES - BEGINNING OF YEAR	339,951	136,364	789,653	391,962	66,677	117,303	1,712,048	1,712,048	(21,071)	(21,071)	3,532,887		
PRIOR PERIOD ADJUSTMENT	-	-	-	-	-	-	(1,177,834)	(1,177,834)	-	-	(1,177,834)		
EQUITY TRANSFER	-	-	-	-	-	-	365,641	365,641	-	-	365,641		
FUND BALANCES - END OF YEAR	\$ 349,676	\$ 356,744	\$ 789,581	\$ 508,389	\$ 74,516	\$ 117,756	\$ 261,187	\$ 261,187	\$ 473,534	\$ 473,534	\$ 2,931,353		



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

To the City Council
City of Tomah, Wisconsin

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Tomah (the "City") as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 13, 2020.

Internal Control Over Financial Reporting

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

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

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

**CITY OF TOMAH, WISCONSIN
OTHER REPORT**

Compliance and Other Matters

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

Purpose of this Report

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

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La Crosse, Wisconsin
May 13, 2020

FORM OF LEGAL OPINION

(See following pages.)

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

June 11, 2020

Re: City of Tomah, Wisconsin ("Issuer")
\$1,500,000 Taxable General Obligation Refunding Bonds, Series 2020B,
dated June 11, 2020 ("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 March 1 of each year, in the years and principal amounts as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2021	\$ 85,000	___%
2022	95,000	___
2023	95,000	___
2024	95,000	___
2025	100,000	___
2026	105,000	___
2027	105,000	___
2028	105,000	___
2029	110,000	___
2030	115,000	___
2031	120,000	___
2032	120,000	___
2033	125,000	___
2034	125,000	___

Interest is payable semi-annually on March 1 and September 1 of each year commencing on March 1, 2021.

The Bonds maturing on March 1, 2029 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on March 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 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 included for federal income tax purposes in the gross income of the owners of 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.

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 Tomah, Monroe County, Wisconsin (the "Issuer") in connection with the issuance of \$1,500,000 Taxable General Obligation Refunding Bonds, Series 2020B, dated June 11, 2020 (the "Securities"). The Securities are being issued pursuant to a resolution adopted on April 28, 2020, as supplemented by a Certificate Approving the Details of General Obligation Refunding Bonds, Series 2020B (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 29, 2020 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 Tomah, Monroe County, Wisconsin, which is the obligated person with respect to the Securities.

"Issuer Contact" means the City Clerk of the Issuer who can be contacted at City Hall, 819 Superior Avenue, Tomah, Wisconsin 54660, phone (608) 374-7420, fax (608) 374-7424.

"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 ending December 31, 2020, 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 11th day of June, 2020.

(SEAL)

Michael Murray
Mayor

JoAnn M. Cram
City Clerk

NOTICE OF SALE

**\$1,500,000* TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2020B
CITY OF TOMAH, WISCONSIN**

Bids for the purchase of \$1,500,000* Taxable General Obligation Refunding Bonds, Series 2020B (the "Bonds") of the City of Tomah, 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 10:00 A.M., Central Time, and **ELECTRONIC PROPOSALS** will be received via **PARITY**, in the manner described below, until 10:00 A.M. Central Time, on May 28, 2020, at which time they will be opened, read and tabulated. **The Common Council adopted a resolution on April 28, 2020, (the "Parameters Resolution") which authorized the Mayor or City Clerk to accept a bid for the Bonds if the parameters and conditions set forth in the Parameters Resolution are satisfied. If the parameters and conditions set forth in the Parameters Resolution are not met through the competitive bids received on May 28, 2020, neither the Mayor or City Clerk will have the authority to accept a bid for the Bonds, and all bids for the Bonds will be rejected.**

PURPOSE

The Bonds are authorized pursuant to Section 67.04, Wisconsin Statutes, by the City of Tomah, Wisconsin (the "City"), for the public purpose of current refunding certain outstanding general obligations of the City as more fully described herein. The Bonds are general obligations of the City for which its full faith, credit and taxing powers are pledged.

DATES AND MATURITIES

The Bonds will be dated June 11, 2020, will be issued as fully registered Bonds in the denomination of \$5,000 each, or any integral multiple thereof, and will mature on March 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2021	\$85,000	2026	\$105,000	2031	\$120,000
2022	95,000	2027	105,000	2032	120,000
2023	95,000	2028	105,000	2033	125,000
2024	95,000	2029	110,000	2034	125,000
2025	100,000	2030	115,000		

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, up to a maximum of \$50,000 per maturity. 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 March 1 and September 1 of each year, commencing March 1, 2021, 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. 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 Bond Trust Services Corporation, Roseville, Minnesota, to act as paying agent (the "Paying Agent"). Bond Trust Services Corporation and Ehlers are affiliate companies. 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 March 1, 2029 shall be subject to optional redemption prior to maturity on March 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 11, 2020, 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, 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 OPINION

An opinion as to the validity of the Bonds 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).

STATEMENT REGARDING COUNSEL PARTICIPATION

Bond Counsel has not assumed responsibility for this Preliminary Official Statement or participated in its preparation (except with respect to the section entitled "FORM OF LEGAL OPINION" found in Appendix B of the Preliminary Official Statement).

SUBMISSION OF BIDS

Bids must not be for less than \$1,481,250 plus accrued interest on the principal sum of \$1,500,000 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 10:00 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 \$30,000 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. **The Bonds will not be awarded if the TIC (taking the purchaser's compensation into account) exceeds 3.50% or if the other conditions set forth in the Parameters Resolution are not satisfied.**

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.

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 Official Statement.

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

JoAnn Cram, City Clerk
City of Tomah, Wisconsin

BID FORM

City of Tomah, Wisconsin

May 28, 2020

RE: \$1,500,000* Taxable General Obligation Refunding Bonds, Series 2020B (the "Bonds")
DATED: June 11, 2020

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 \$1,481,250) plus accrued interest to date of delivery for fully registered Bonds bearing interest rates and maturing in the stated years as follows:

_____ % due	2021	_____ % due	2026	_____ % due	2031
_____ % due	2022	_____ % due	2027	_____ % due	2032
_____ % due	2023	_____ % due	2028	_____ % due	2033
_____ % due	2024	_____ % due	2029	_____ % due	2034
_____ % due	2025	_____ % due	2030		

*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, up to a maximum of \$50,000 per maturity. 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.

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 \$30,000 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 11, 2020.

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 addenda 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 price 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.

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 11, 2020 of the above bid is \$ _____ and the true interest cost (TIC) is _____%.

The foregoing offer is hereby accepted on behalf of the City of Tomah, Wisconsin, on May 28, 2020.

By: _____
Title: _____